



# Interim report

## Q1 2020

Consolidated interim report for the first quarter of 2020 and Company's financial statements for the period ended 31 March 2020, prepared according to International Financial Reporting Standards as adopted by the European Union

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# Overview

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# Management's foreword

## Dear Customers, Partners, Employees, Shareholders,

We present you the results of Ignitis Group for the first quarter of 2020. The report contains key events for your reference showing to what extent the target objectives of the Group are being implemented.

During the first quarter of 2020, we faced challenges related to the coronavirus pandemic and quarantine. It affected everyone, so Ignitis Group took the necessary steps to ensure the safety of our employees, business continuation, and the provision of support to our financially affected customers. This extraordinary situation proved that, during times of uncertainty, the help of a dedicated and professional team is of vital importance. I thank all the colleagues for their efforts and determination to go the extra mile.

Despite the challenging period, the first quarter of the year was also marked by further development of solutions that make the world energy-smart and ensure the expansion of our services abroad. On the 1st of January, Ignitis became one of the first players in the Finnish gas market which was recently opened to competition. Over the course of two weeks it became Finland's largest alternative gas supplier.

There was also good news in the field of green generation. Ignitis Gamyba in Lithuania started the installation of the largest 3 MW solar power plant in the Baltic States. In March, Ignitis Group signed a loan agreement of EUR 60m with the European Investment Bank (EIB) for the construction and operation of a medium-size onshore windfarm, consisting of 29 turbines, with a total installed capacity of 94 MW in Pomerania Wind Farm, Poland.

Innovations and new smart solutions are further being introduced in the field of distribution. ESO began testing a unique project of microgrid energy. It allowed us to expand the distribution grid more efficiently by opting for the microgrid technology instead of building a regular power line offering power access to a more remote area. This solution not only helps to reduce the investment amount but also let to offer more reliable and cheaper electricity supply services for the customers.

More changes await us in the future as they are a constant feature of the energy sector. We work as efficiently as possible to ensure that Ignitis Group will be at the frontline of this transformation.



**Darius Maikštėnas**  
Chairman of the Board and the CEO  
UAB Ignitis Grupė

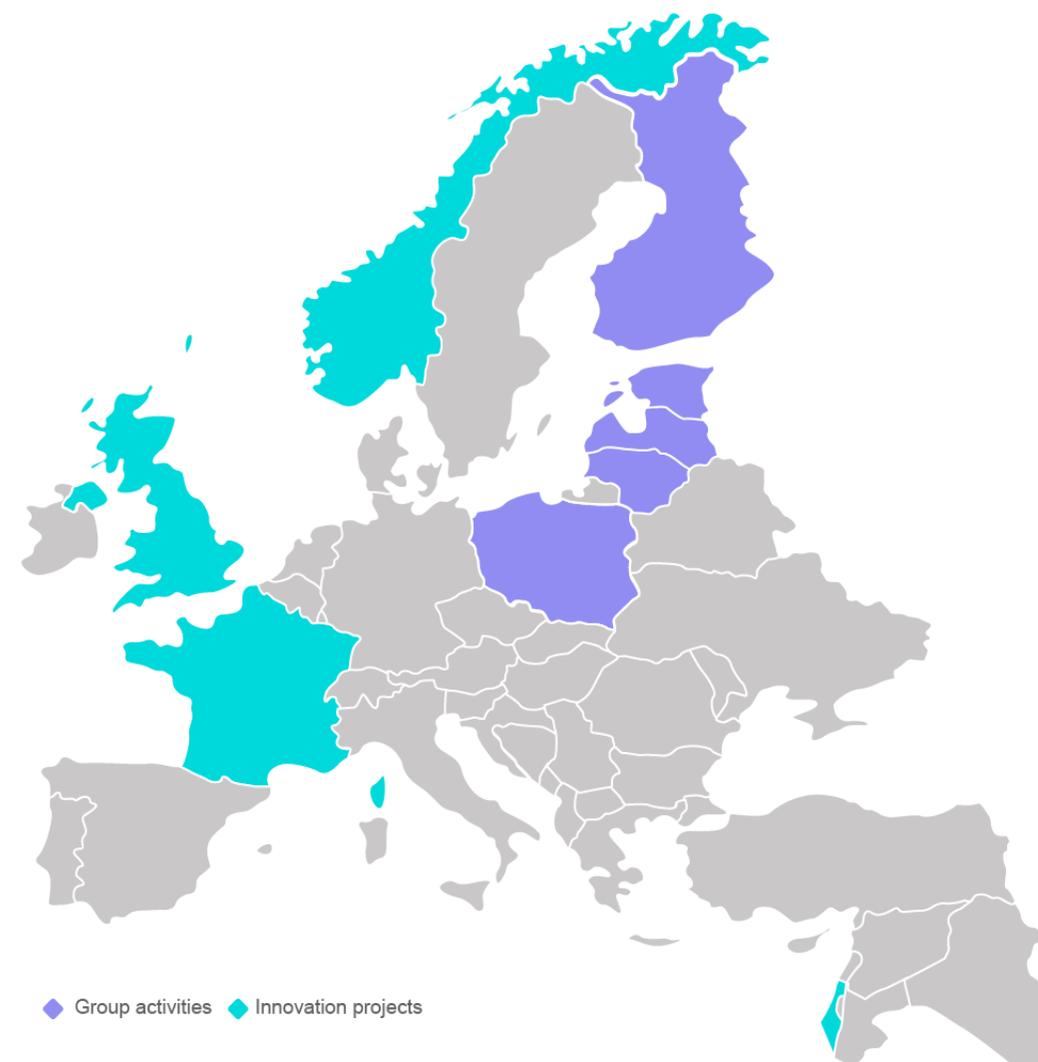
# Ignitis Group – creating an Energy Smart world!

The international energy company Ignitis Group is one of the largest energy groups in the Baltic region.

Main businesses of the Group are Networks (electricity dominant) and Green Generation. Companies of the Group are also engaged in complementary Flexible Generation, and Customers and Solutions businesses.

We operate in Lithuania, Latvia, Estonia, Poland and Finland. Group Innovation fund has invested in energy start-ups based in the UK, Israel, Norway and France.

The Ministry of Finance of the Republic of Lithuania is the sole shareholder of the Company.



# Performance highlights

## Profits and returns

**Adjusted EBITDA** <sup>APM</sup>  
EURm



Adjusted EBITDA increased by 8.8%, driven by increase of regulated asset base due to continued Investments in distribution networks, efficient use of Kruonis PSHP and expansion to Finnish market.

**Net profit, Adjusted net profit** <sup>APM</sup>  
EURm



Adjusted net profit increased by 24.6% driven by growth in Adjusted EBITDA.

**ROE, Adjusted ROE** <sup>APM</sup>  
%



Adjusted ROE LTM reached 8.7%.

## Cash flow and balance sheet

**Investments** <sup>APM</sup>  
EURm



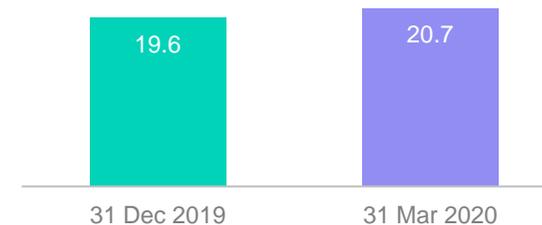
Investments decreased mainly due to lower investments in construction of Vilnius CHP and networks segment.

**Net debt** <sup>APM</sup>  
EURm



Net debt decreased by 1.7% driven by lower Investments.

**FFO/Net debt** <sup>APM</sup>  
%

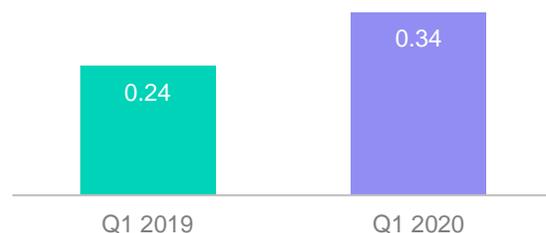


FFO / Net debt improved from 19.6% to 20.7%, as FFO LTM growth outpaced that of Net Debt.

<sup>APM</sup> Alternative Performance Measure - Adjusted figures used in this report refer to measures used for internal performance management. As such, they are not defined or specified under International Financial Reporting Standards (IFRS), nor do they comply with IFRS requirements. Definitions of alternative performance measures can be found on the Company's website ([link](#)).

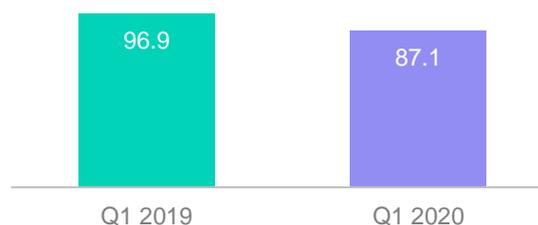
## Sustainable development

### Green electricity generated TWh



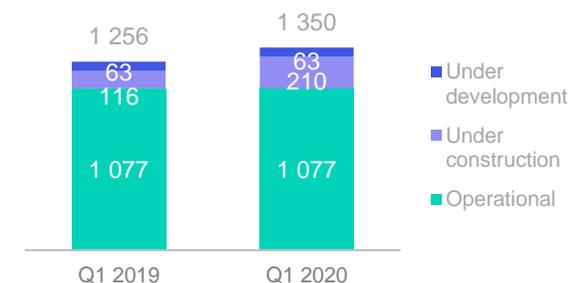
Green electricity generated increased by 42.5% which was mainly driven by higher generation at Kruonis PSHP and better wind conditions.

### Green share of generation %



Green share of generation decreased by 9.8% as a result of significant increase of electricity generated from gas fired Elektrėnai Complex, as a result of full commercial availability in the Combined Cycle Gas Turbine Plant (CCGT), low gas and emission allowance prices.

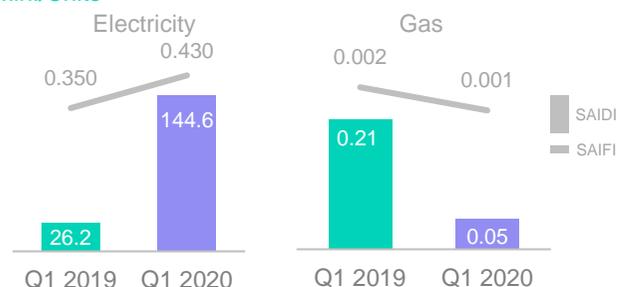
### Green Generation capacity MW



Green Generation portfolio grew by 94 MW, or 7.5% as a result of acquisition and beginning of construction of our first wind farm in Poland. Installed capacity remained unchanged.

## Quality and efficiency

### SAIDI/SAIFI Min./Units



Deterioration of electricity quality indicators was mainly caused by storm Laura (12-13 March). Improvement of gas quality indicators as a result of third party supply disruptions for a smaller number of customers comparing with the same period last year.

## Social

### Employee Net Promoter Score (eNPS) %



From 2019 the Group started to monitor eNPS, which improved from 9.0% in Q1 2019 to 55.0% in Q1 2020. The growth of the eNPS was due to the Group's actions taken during the coronavirus pandemic and remuneration review despite the prevailing situation in the market.

## Customer engagement

### Net Promoter Score (NPS) %



From 2020 the Group started to monitor relationship NPS. In Customers and Solutions segment for B2B clients NPS was 45,0%, for B2C clients 77,4%. In Networks segment NPS reached 65,1%.

# The most significant events

## During the reporting period (Q1 2020)

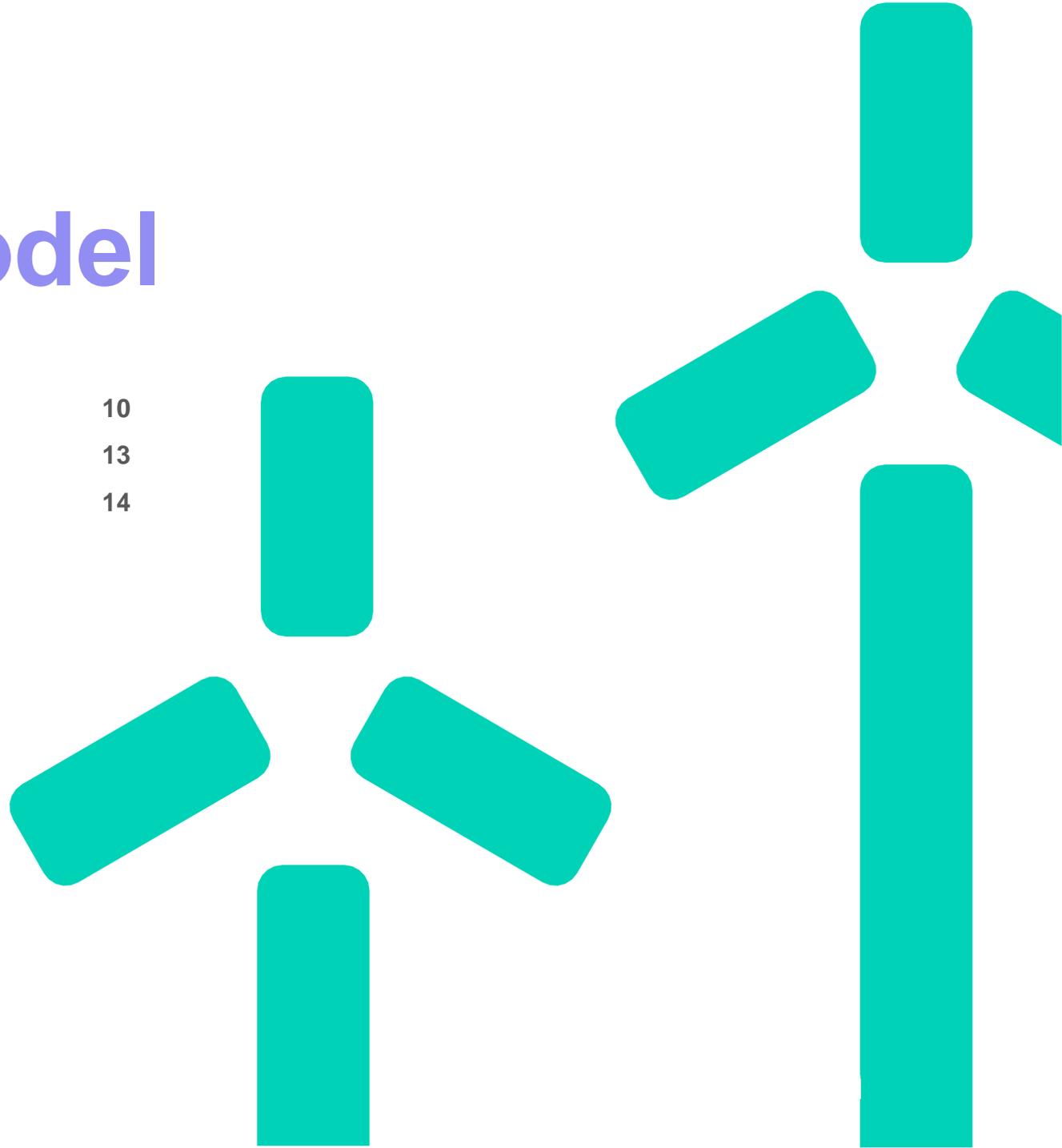
- At the beginning of January, Ignitis entered the Finnish market, becoming one of the first independent gas suppliers in the country and reached 15% market share.
- In January, Group sold the last real estate objects offered in auction, which is in line with the Group's strategy of divesting non-core activities.
- In January, Ignitis Gamyba started the installation of the largest 3 MW solar power plant in the Baltic States.
- In February, the first heat produced from waste by Kaunas' CHP reached Kaunas households.
- In February, working group formed by Ministry of Finance, provided a recommendation to prepare for the Company's IPO and to use the primary proceeds to fund the Company's development program.
- In March, European Investment Bank (EIB) allocated EUR 60 million for the development of the first Group wind farm in Poland.
- During the extreme situation due to Covid-19, Group continued to support the community by applying preferential payment terms to the most affected, no charging self-service system service fees.
- In March, an agreement between the Company and minority shareholders of ESO and Ignitis Gamyba has been reached on the delisting of shares and the claims have been withdrawn.
- Government of the Republic of Lithuania approved the conversion of the Company from a private limited liability company (UAB) into a public limited liability company (AB) and agreed that the share capital of the public limited liability company shall be increased by additional contributions by issuing new ordinary registered uncertificated shares.
- The Articles of Association of the Company have been amended – number of Supervisory Board members has been increased from 5 to 7.
- Circulars of ESO and Ignitis Gamyba official tender offers have been approved by the Bank of Lithuania.

## After the reporting period

- In April, the official tender offers of ESO and Ignitis Gamyba have been finalised.
- After the annual credit ratings review, the international credit rating agency S&P Global Ratings affirmed its BBB+ rating for Ignitis Group, leaving the negative rating outlook.
- Ignitis Group issued 10-year senior unsecured bonds in the par value of EUR 300 million, with a fixed coupon of 2.00% payable annually, yield at 2.148%. The bonds have been acquired by 70 investors. The bonds, which are listed on Luxembourg and Nasdaq Vilnius Stock Exchanges, have been acquired by institutional investors globally and across all investor types.
- Ignitis Group started the mandatory buyout of shares of its subsidiaries ESO and Ignitis Gamyba. The last day of the mandatory buyout is 17 August, 2020 (inclusive).
- Nasdaq Vilnius decided to delist the shares of Ignitis Group subsidiaries ESO and Ignitis Gamyba from trading on the Baltic Main List on July 1, 2020 (the last trading day on the Baltic Main list of shares will be on 30 June, 2020).

# Business model

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# Activities of the Group

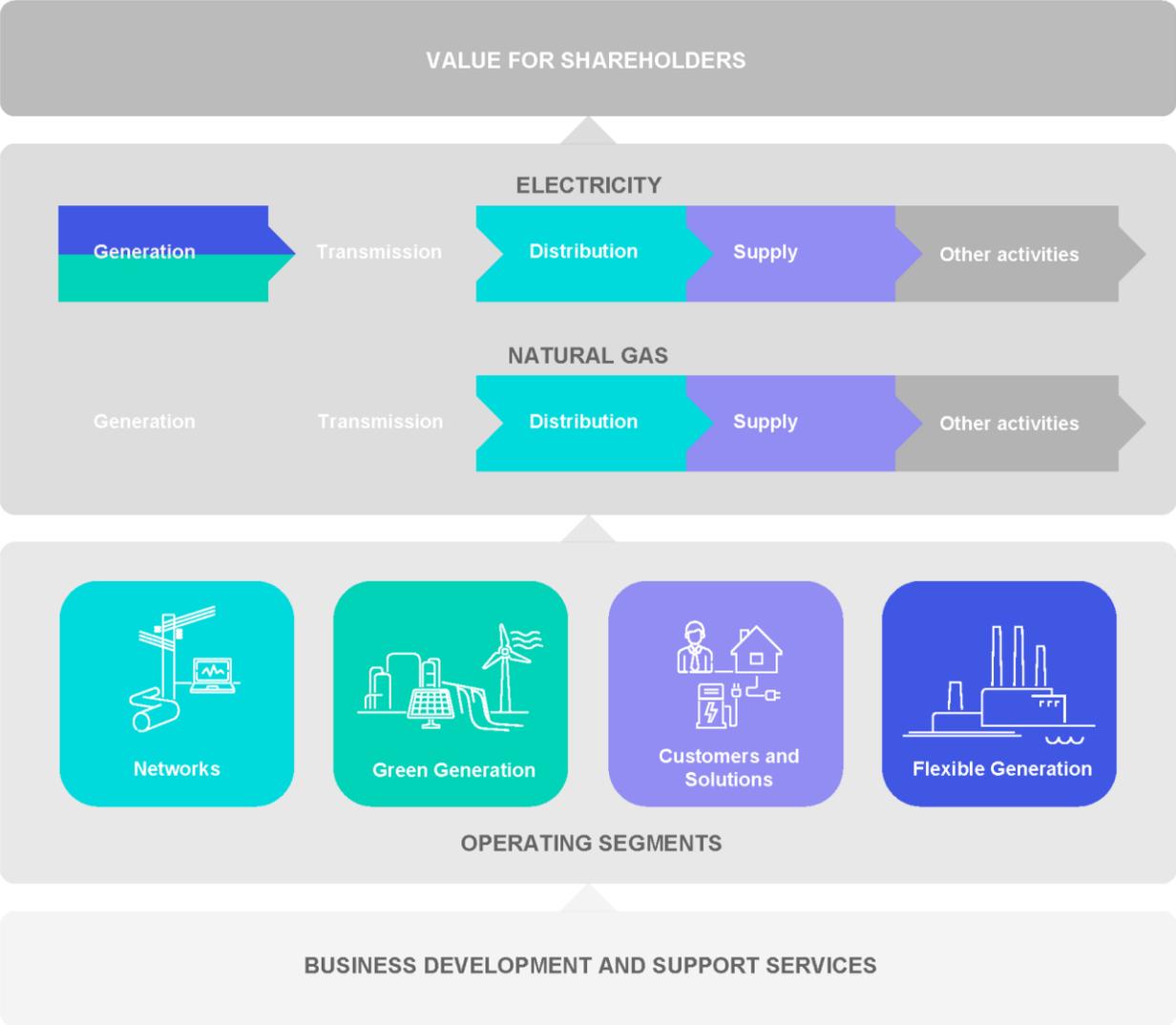
The Group is engaged in the energy generation, distribution and supply, and the development of Energy Smart solutions within Baltic region.

In order to focus on value-creating activities and their sustainable development, the Group aims to reduce non-core activities by divesting or discontinuing them.

Majority of Group's Investments are aimed at the reduction of carbon dioxide emissions which is in line with the commitment to become carbon neutral by 2050. The Group has issued green bonds with a total face value of EUR 600 million. Proceeds of the green bonds are being used for a number of projects which are expected to reduce carbon emissions by 700,000 tons every year.

Approximately 3,800 employees work in the Group.

*Group's value chain and organizational performance model*



## Structure of the Group

At the date of this report, the entities showed in the picture to the right were controlled, directly or indirectly, by the Group\*.

### Model of management:

- 1 **The Supervisory Board** is formed of 7 non-executive members (2 shareholder representatives, 5 independent)\*\*.  
**The Board** is formed of 5 executive members.  
**CEO** – Chairman of the Board.

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- 2 **The Supervisory Board** is formed of 5 non-executive members (at ESO: 2 shareholder representatives, 2 independent members and 1 employees' representative) or 3 non-executive members (2 shareholder representatives and 1 independent member).  
**The Board** is formed of 5 or 3 executive members.  
**CEO** – Chairman of the Board.

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- 3 **The Board** is formed of 3 non-executive members (2 shareholder representatives and 1 independent member). The structure of the Board is different across companies. The Board is not formed until the company starts operations. The Board of Ignitis grupės paslaugų centras is formed ensuring representation of all shareholders, taking into account the implementation of specific legislation. The Boards of Ignitis Latvija and Ignitis Polska are formed of 1 member – CEO, the Supervisory Boards are formed from shareholders representatives.  
**CEO** is not a member of the Board.

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- 4 **CEO.**  
**The Board** is not formed.



\* The color structure in the picture reflects companies' assignment to a particular business segment (according to the information on page 12 et seq. in this report).

\*\* This composition of the Supervisory Board is valid from April 8, 2020, when the updated Articles of Association of the Company were registered.

## Segments

### Networks

The core activities of Networks segment is to operate, maintain, manage and develop electricity and gas distribution networks and to ensure the safe and reliable operation, as well as guaranteed electricity and gas supply.

#### Strategic goals:

- We continuously invest to modernize our distribution network to ensure its stability, reliability and energy efficiency
- We enable energy transition and evolution:
  - renewable energy expansion (by facilitating grid connections and empowering prosumers and decentralised generation),
  - innovations (through sandboxes for start-ups and ensuring grid capacity for EV networks)
  - energy market efficiency (through smart meter roll out and creation of data hub).

### Green Generation

The Green Generation portfolio consists of 1.1 GW of total installed capacity. This includes four operating wind farms in Lithuania and Estonia with a total installed capacity of 76MW, and two hydro powerplants: Kruonis PSHP (900MW) and Kaunas HPP (101MW) in Lithuania.

In addition to operating assets, our Green Generation portfolio contains projects with additional 273 MW of electrical capacity and 299 MW of thermal capacity under construction or under development. These are two wind farms, one in Poland (94 MW) and one in Lithuania (63 MW) and two waste-to-energy/biomass CHP plants in Lithuania: Vilnius (92 MW electric, 229 MW heat) and Kaunas (24 MW electric, 70 MW heat).

#### Strategic goals:

- We target to reach 4,000 MW (including hydro assets) of installed Green Generation capacity by 2030.

### Flexible Generation

Flexible Generation segment operates the largest electricity generation capacity in Lithuania, 1,055 MW Elektrėnai Complex. Facilities of Elektrėnai Complex provide system services and ensure stability and security of Lithuania's electricity system.

#### Strategic goals:

- We aim to ensure stability, flexibility and high reliability of Lithuania's electricity system.
- We aim to contribute to the synchronization of the Baltic states with Continental Europe networks by maintaining, modernizing and developing local reliable electricity generation facilities.

### Customers and Solutions

Activities of Customers and Solutions segment include electricity and gas supply, trading and balancing, energy efficiency projects, construction of solar power plants for businesses and residents, installation and operation of electric vehicle charging stations, energy solutions (gas boilers, heat pumps). Our Customers and Solutions business is active in Latvia, Estonia, Finland and Poland.

#### Strategic goals:

- We scale our core energy supply & trading business and complement it with innovative new energy solutions and platforms (community solar, EV's, prosumers, etc.).
- We invest and innovate together with our partners to make our solutions more Energy Smart.
- We increase our brand awareness regionally.



Fully regulated



Material share of contracted activities



Mostly regulated



Serves 1.68m customers

# Business environment

## GDP forecast

Until the start of COVID-19 pandemic it was forecasted that the growth of Lithuania's gross domestic product (GDP), which lasted for several years will continue. However, after announcement of quarantine, the situation changed dramatically. Bank of Lithuania in its forecast published in March 2020, announced the expected GDP decrease of the Lithuanian economy by 11.4% in 2020, and increase by 9.7% in 2021.

## COVID-19 factors

Group's management assessed the potential disruptions of cash flow, supply of services or goods, the attraction of sources of financing, the potential reduction in electricity and gas consumption due to economic slowdown, the risk of COVID-19 infection of critical function personnel and the risk of delays in ongoing projects, using all the information available at the time on the risks posed by COVID-19. It should be noted that the final impact of the COVID-19 pandemic on the business of the Group companies cannot yet be assessed, however, the Group's management did not identify any threats to the Group's business continuity when assessing the potential impact of key COVID-19 factors on the Group's results. The Group has taken actions to manage the risks that have arisen.

The Group has a COVID-19 situation management team that constantly monitors the situation and analyzes the latest information, as well as changes in external factors and their impact on the Group and makes additional decisions to ensure the health and safety of employees, customers, suppliers, visitors of the Group companies and business continuity. Customer service centers were closed during quarantine and customers are served remotely. During the quarantine, customers were given the opportunity to pay for utilities in the Ignitis self-service system free of charge. The employees of the Group, who can perform their functions remotely, work from home, others are provided with additional personal protection and personal hygiene measures, unnecessary contacts with other persons are restricted. The Group companies have developed and are implementing actions to ensure the rotation of employees and business continuity in order to ensure, first of all, the health and safety

of employees, the continuity of electricity generation, ensuring the stability of the energy system, electricity and gas distribution and supply activities. The main factors affecting the Group's operations due to the situation described above in relation to COVID-19 are set out in the interim financial statements.

## Energy markets review

### Wholesale electricity market

In Q1 2020, prices fell remarkably in all of the bidding areas of the Nord Pool Nordic power exchange. Compared to the same quarter 2019, the average system price was lower by approx. 67% (Q1 2019 – 46.83 Eur/MWh, Q1 2020 – 15.39 Eur/MWh), in the fourth price area of Sweden, with which Lithuania is connected through the NordBalt power link – approx. 57% (Q1 2019 – 46.85 Eur/MWh, Q1 2020 – 20.31 Eur/MWh), in Finland – approx. 50% (Q1 2019 – 47.52 Eur/MWh, Q1 2020 – 23.99 Eur/MWh), in Baltic region – approx. 42% (Q1 2019 – 47.84 Eur/MWh, Q1 2020 – 27.60 Eur/MWh).

It is noteworthy that in Lithuania during certain periods prices were lower than in Latvia and Estonia, approx. 0.4% in Q1 2020. In Q1 2020, the average price difference between Lithuania and Sweden in the fourth zone was approx. seven times higher than in Q1 2019 and reached approx. 7.22 Eur/MWh (Q1 2019 – approx. 0.97 Eur/MWh).

In Q1 2020, compared to the same quarter 2019, total energy consumption in the price areas of Nord Pool power exchange decreased by approx. 3.5%, wind farm production increased by approx. 39.77% (in Lithuania – approx. 12%), hydroelectric power plant – approx. 8.72%, nuclear power plant production decreased by approx. 7.05%. Lower consumption and increased hydroelectric power plant production have been affected by milder weather, higher than normal average temperatures in all price areas, in Q1 2020 average temperature was approx. 2.5 degrees higher compared to the same period 2019 and approx. 4.1 degrees higher than normal.

According to Nord Pool data electricity demand in Lithuania decreased approx. 2.43% compared to the same quarter 2019 –

approx. 3.15 TWh (excl. Kruonis PSHP demand). In Latvia demand decreased by approx. 2.85%, totalled 1.90 TWh, in Estonia – approx. 4.24%, totalled 2.26 TWh. In Q1 2020 Lithuania produced approx. 18% more electricity than in Q1 2019, in Latvia – approx. 9%, meanwhile Estonia – approx. 53% less. Lithuania remains an energy-deficit country, producing around 35% of the country's demand, in Latvia local production covers almost all country's demand, Estonia remains an energy-deficit country too, producing around 48% of the country's demand, due to decision to shut down polluting oil shale fired power stations in 2019.

In Q1 2020, commercial import from third countries decreased by approx. 50% compared to Q1 2019, from Scandinavia increased approx. two times. Significant increment of the import from Scandinavia has been affected by increased production of renewable energy sources, which formed lower prices.

### Natural gas market

In Q1 2020, prices in the natural gas market have already started to fall before the COVID-19 outbreak, mainly due to oversupply of liquefied natural gas (LNG) on the market and high stock levels in European natural gas storage facilities along with a mild winter in Europe and other parts of the world.

Declining demand for natural gas in China and India brought excess LNG to the market and accelerated price declines. Outbreak of the virus in Southern Europe could not support the demand neither. In February 2020, LNG price in Asia followed a sharp decline and approached European price levels, although it is usually traded at a premium to European hubs.

As at 31 March 2020, the European natural gas storage filling rate stood at 54%, which was 13% higher than a year ago.

In Q1 2020, 5.2 TWh or 16 times more natural gas was supplied from the Klaipėda LNG terminal to customers of Lithuania than in Q1 2019. According to the data of the Lithuanian transmission system operator, the consumption of natural gas in the country was 10% lower than in Q1 2019 and reached 7.5 TWh.

# Securities of the Group

## Issuers of shares

The shares of ESO and Ignitis Gamyba are listed on the Nasdaq Vilnius Stock Exchange. The trading in shares of the companies was started on 11 January, 2016 and 1 September, 2011, respectively. Both companies concluded the securities accounting agreements on the accounting of securities issued and management of personal securities accounts with SEB bankas AB.

### Structure of the issued capital and shareholders owning more than 5 per cent of the issuer's issued capital as at 31 December 2019

Company	Number of ordinary registered shares issued	Nominal value per share	Total nominal value of shares (in EUR)	ISIN code	Securities' abbreviation	Trading list	Full name of the shareholder	Voting rights conferred by shares owned, %
Ignitis Gamyba	648,002,629	0.29	187,920,762.41	LT0000128571	LNR1L	Baltic main list	The Company	96.82%
ESO	894,630,333	0.29	259,442,796.57	LT0000130023	ESO1L	Baltic main list	The Company	94.98%

On 4 December 2019, the Extraordinary General Meetings of Ignitis Gamyba and ESO took the decision to delist the shares of these companies from the Nasdaq Vilnius Stock Exchange to approve the Company as the entity who will make a formal offer to buy out the shares of both companies listed on the Nasdaq Vilnius Stock Exchange. At the date of signing this report, the delisting process is not yet completed. On 21 May 2020, Nasdaq Vilnius decided to delist the shares of ESO and Ignitis Gamyba from trading on the Baltic Main List on July 1, 2020 (the last trading day on the Baltic Main list of shares will be on June 30, 2020).

## Debt securities

As at 31 March 2020, the Company had two green bond issues outstanding, both listed on the Luxembourg and NASDAQ Vilnius stock exchanges. Total nominal value of these bonds was EUR 600 million. After the end of reporting period, the Company placed bond issue of EUR 300 million.

## Credit rating

In May 2020, credit rating agency S&P Global Ratings affirmed BBB+ credit rating for the Company. Credit rating outlook remained negative.

## Material events

There are no agreements concluded between the Issuer and the members of the management bodies or employees that provide for compensation in case of their resignation or dismissal without a reasonable cause or in case of termination of their employment as a result of the change in control of the Issuer.

### Debt securities issued by the Company

Company	Total nominal values of the issue, EUR	ISIN code	Buy-out date
Ignitis Group	300,000,000.00	XS1646530565	2027.07.14
Ignitis Group	300,000,000.00	XS1853999313	2028.07.10
Ignitis Group	300,000,000.00	XS2177349912	2030.05.21

No significant agreements were concluded to which the Issuer is a party and which would enter into force, change or terminate as a result of the changed control of the Issuer, as well as their effect, except where because of the nature of the agreements their disclosure would cause significant harm to the Issuer.

During the reporting period, the Issuer did not conclude any harmful agreements (which do not correspond to the Company's objectives, current market conditions, violate the interests of shareholders or other groups of persons, etc.) or agreements concluded in the event of a conflict of interests between the issuer's managers, the controlling shareholders or other related parties obligations to the issuer and their private interests and / or other duties.

# Results

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# Key operating indicators

		Q1 2020	Q1 2019	Δ	Δ,%
<b>Electricity</b>					
Electricity distributed	TWh	2.53	2.54	(0.02)	(0.7%)
Electricity generated	TWh	0.39	0.25	0.14	58.4%
Green share of generation	%	87.1%	96.9%	(9.8%)	
Green electricity generated	TWh	0.34	0.24	0.10	42.5%
Green Generation capacity	MW	1,350	1,256	94.00	7.5%
Green Generation installed capacity	MW	1,077	1,077	0.00	0.0%
Green Generation projects under construction	MW	210	116	94.00	81.0%
Green Generation projects under development	MW	63	63	0.00	0.0%
Electricity sales in retail market	TWh	1.70	1.54	0.16	10.3%
Lithuania	TWh	1.47	1.31	0.16	12.4%
Latvia	TWh	0.23	0.24	0.00	(1.3%)
Electricity wholesale trading	TWh	0.55	1.11	(0.56)	(50.5%)
New connection points and upgrades	units	8,555	8,160	395.00	4.8%
SAIDI	min.	144.55	26.17	118.38	452.3%
SAIFI	units	0.43	0.35	0.08	21.8%
<b>Gas</b>					
Gas distributed	TWh	2.41	2.76	(0.36)	(13.0%)
Gas sales	TWh	4.26	3.64	0.62	16.9%
New connection points and upgrades	units	1,795	2,543	(748.00)	(29.4%)
SAIDI	min.	0.05	0.21	(0.16)	(75.8%)
SAIFI	units	0.001	0.002	(0.001)	(48.4%)
<b>Heat</b>					
Heat generated	TWh	0.08	0.07	0.01	27.4%

# Analysis of key operating indicators

## Electricity

Distributed electricity in Q1 2020 remained at a similar level and amounted to 2.53 TWh, compared to Q1 2019.

Electricity generated increased by 58.4%, in comparison to Q1 2019, and amounted to 0.39 TWh in Q1 2020. Increase was mainly driven by higher electricity generation in Kruonis PSHP and Elektrenai Complex. Electricity generation volumes at Kruonis PSHP increased by 205.1% as a result of effective utilisation of fluctuations in electricity prices in Q1 2020. Electricity generation volumes at the Elektrenai Complex increased almost 6.5 times in Q1 2020, compared with Q1 2019, and reached 0.05 TWh, as a result of full commercial availability in the CCGT, low gas and emission allowance prices. Therefore, as a result of higher electricity generation in Elektrenai Complex the share of green electricity generated in Q1 2020 decreased to 87.1% from 96.9% in Q1 2019.

SAIDI ratio deteriorated and was 144.55 minutes (Q1 2019: 26.17 minutes). SAIFI indicator was equal to 0.43 interruptions (Q1 2019: 0.35 interruptions) in Q1 2020. Deterioration of quality indicators of continuous electricity supply mainly caused by storm Laura (March 12-13).

During Q1 2020, 5,694 new connection points and 2,861 upgrades were completed in the electricity distribution network. The number of new electricity connection points and upgrades increased by 4.8% compared to Q1 2019.

## Gas

The volume of gas distributed in Q1 2020 decreased by 13.0% and amounted to 2.41 TWh (Q1 2019: 2.76 TWh). In Q1 2020, higher average air temperatures were the main contributor to the reduction in gas distribution. The volume of gas sold increased by 16.9% and amounted to 4.26 TWh in Q1 2020 (Q1 2019: 3.64 TWh). This was mainly influenced by entry into Finnish gas market.

Gas distribution SAIDI ratio improved in Q1 2020 and was 0.05 minutes (Q1 2019: 0.21 minutes) and SAIFI ratio was approximately equal to 0.001 interruptions (Q1 2019: 0.002 interruptions). Improvement of the quality indicators as a result of third party supply disruptions for a smaller number of customers comparing with the same period last year

In Q1 2020, 1,795 new connection points were completed in the gas distribution network, which is 13.0% less than during Q1 2019.

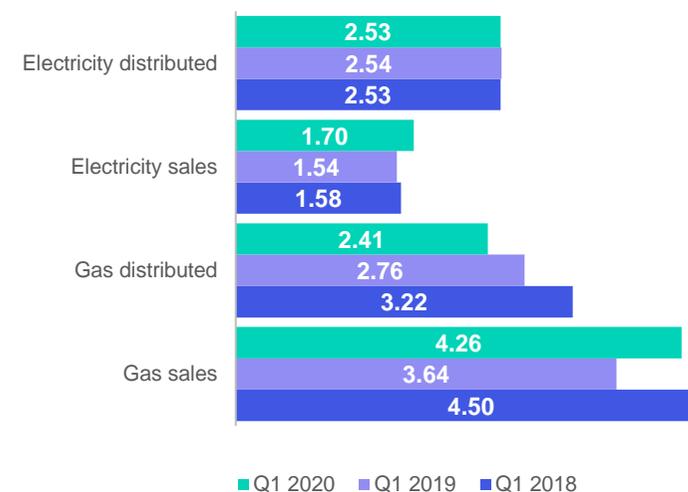
## Heat

Heat generation in Q1 2020 increased 27.4%, compared to Q1 2019, as a result of test runs of Kaunas CHP.

Electricity generated, TWh



Electricity distributed and sold, gas distributed and sold, TWh



Heat generated, TWh



# Key financial indicators

		Q1 2020	Q1 2019	Δ	Δ,%
Revenue	EURm	325.7	343.5	(17.8)	(5.2%)
EBITDA <small>[APM]</small>	EURm	62.0	54.2	7.8	14.4%
EBITDA margin <small>[APM]</small>	%	19.1%	15.8%	-	-
Adjusted EBITDA <small>[APM]</small>	EURm	85.1	78.2	6.9	8.8%
Adjusted EBITDA margin <small>[APM]</small>	%	26.1%	22.8%	-	-
EBIT <small>[APM]</small>	EURm	30.6	26.0	4.6	17.6%
Adjusted EBIT <small>[APM]</small>	EURm	57.4	51.2	6.2	12.1%
Net profit	EURm	22.1	17.0	5.2	30.5%
Adjusted net profit <small>[APM]</small>	EURm	48.8	39.2	9.7	24.6%
Investments <small>[APM]</small>	EURm	62.3	88.6	(26.3)	(29.7%)
FFO <small>[APM]</small>	EURm	60.1	52.9	7.1	13.5%
FOCF <small>[APM]</small>	EURm	21.5	(22.6)	44.2	195.0%
		2020.03.31	2019.12.31	Δ	Δ,%
Total assets	EURm	3,194.1	3,198.1	(4.0)	(0.1%)
Equity	EURm	1,357.1	1,348.6	8.5	0.6%
Net debt <small>[APM]</small>	EURm	950.6	966.5	(16.3)	(1.7%)
Net working capital <small>[APM]</small>	EURm	(14.6)	(1.4)	(13.3)	(968.7%)
ROE LTM <small>[APM]</small>	%	4.8%	4.4%	-	-
Adjusted ROE LTM <small>[APM]</small>	%	8.7%	8.0%	-	-
ROCE LTM <small>[APM]</small>	%	3.0%	2.9%	-	-
Adjusted ROCE LTM <small>[APM]</small>	%	5.4%	5.3%	-	-
Net debt/EBITDA LTM <small>[APM]</small>	times	4.43	4.67	-	-
Net debt/Adjusted EBITDA LTM <small>[APM]</small>	times	3.57	3.72	-	-
FFO LTM/Net debt <small>[APM]</small>	%	20.7%	19.6%	-	-

# Analysis of Key Financial Indicators

## Revenue

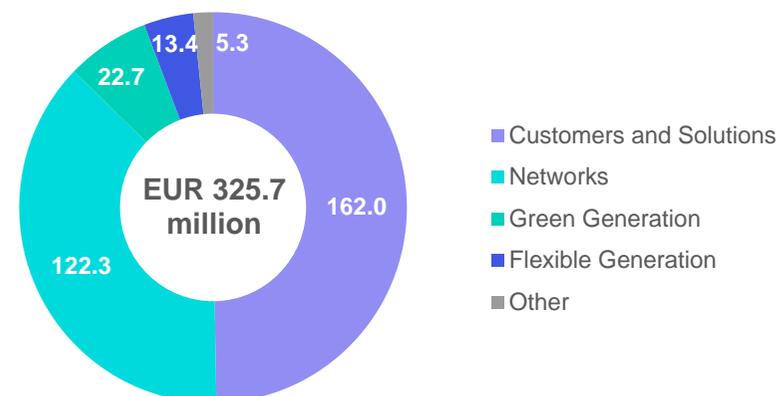
Revenue of the Group decreased by 5.2% (EUR -17.8 million) in Q1 2020 as compared to Q1 2019 and totalled EUR 325.7 million. The main reasons causing Revenue changes were as follows:

- Lower Revenue of the Flexible Generation segment (EUR -19.4 million compared to Q1 2019).** The segment's Revenue decrease was mainly driven by EUR 9.3 million compensation received in Q1 2019 which was received from the Ministry of Finance of the Republic of Lithuania for the indemnification of potentially inflicted damage by Alstom Power Ltd during the implementation of the project of Lietuvos Elektrinė in 2005–2009. 2019 Q1 sales were also boosted by sales of fuel oil stocks that were no longer in use. 2020 Q1 revenue also decreased due to lower revenue of CCGT as in 2019 it provided tertiary reserve services and earned return on investment and in 2020 CCGT provides isolated electricity system operation services and return on investment is not included in the price of services.
- Lower Revenue from the Customers and Solutions segment (EUR -14.4 million compared to Q1 2019).** The decline was mainly driven by lower gas sales to B2B customers due to lower gas market price (EUR -13.0 million), lower gas sales to residential customers due to lower tariff set by regulator (EUR -5.5 million) and lower electricity and related products trading revenues (EUR -4.1 million). Decrease was partly offset by increase of revenue from public electricity supply activities due to higher electricity price set by the regulator (EUR +6.7 million) and increase of retail electricity supply income due to higher volume of sold electricity (EUR +4.0 million).
- Higher Revenue of the Networks segment (EUR 7.8 million compared to Q1 2019).** The increase was mainly driven by higher power distribution revenue (EUR 10.9 million) and transmission revenue (EUR 7.9 million) due to increase of tariffs set by regulator. Increase was partly offset by decrease of gas distribution Revenue (EUR -6.8 million) and guaranteed supply of electricity revenue (EUR -4.6 million).
- Higher Revenue from the Green Generation segment (EUR +5.6 million compared to Q1 2019).** Revenue growth was driven by higher sales of Kruonis PSHP (EUR +4.5 million), favourable wind conditions (EUR +1.5 million) and testing of KKJ (EUR +0.8 million). The above reasons outweighed lower revenue of Kaunas HPP (EUR -2.2 million).

## Revenue by segment, EURm

	Q1 2020	Q1 2019	Δ	Δ,%
Customers and Solutions	162.0	176.3	(14.4)	(8.2%)
Networks	122.3	114.5	7.8	6.8%
Green Generation	22.7	17.1	5.6	32.7%
Flexible Generation	13.4	32.8	(19.4)	(59.1%)
Other	5.4	2.7	2.7	98.2%
<b>Revenue</b>	<b>325.7</b>	<b>343.5</b>	<b>(17.8)</b>	<b>(5.2%)</b>

## Revenue by segment Q1 2020, EURm



In Q1 2020, the Group earned 88.3% of its revenue in Lithuania (EUR 287.7 million). The Group's Revenue from foreign countries (Latvia, Estonia, Poland and Finland) increased by 39.0% and reached EUR 38.1 million (Q1 2019: EUR 27.4 million).

## Revenue by country, EURm

	Q1 2020	Q1 2019	Δ	Δ,%	2020 Q1,%
Lithuania	287.7	316.1	(28.4)	(9.0%)	88.3%
Other	38.1	27.4	10.7	39.0%	11.7%
<b>Revenue</b>	<b>325.7</b>	<b>343.5</b>	<b>(17.8)</b>	<b>(5.2%)</b>	<b>100.0%</b>

## Expenses

### Purchases of electricity and gas

The Group's purchases of electricity and gas amounted to EUR 225.0 million in Q1 2020 and decreased by 10.6% compared to Q1 2019. Decrease was caused by lower gas purchases for trade (EUR -28.5 million) due to lower sales to business clients and residential customers.

### SG&A expense

In Q1 2020 SG&A expense was equal to EUR 38.3 million and rose by 2.9% (EUR +1.1 million). This change was mainly driven by increase in Salaries and related expenses by EUR 3.5 million (or +16.4%) which increased mainly due to the Group's average salary growth, which was in line with the average salary growth in the country, increased vacation accrual and increased overtime resulted from repair of failures in the electricity distribution network after storm Laura in Q1 2020.

### Other operating expenses

Depreciation expenses increased by EUR 0.7 million in Q1 2020 because of the increase of non-current assets resulting from new Investments.

Revaluation of emission allowances expenses increased due to decreased prices of emission allowances in March 2020.

### Operating expenses, EURm

	Q1 2020	Q1 2019	Δ	Δ,%
<b>Purchases of electricity and gas</b>	<b>225.0</b>	<b>251.7</b>	<b>(26.7)</b>	<b>(10.6%)</b>
Purchases of electricity and related services	153.0	151.2	1.8	1.2%
Purchases of gas for trade and related services	65.3	93.9	(28.6)	(30.4%)
Purchases of gas for production	6.7	6.6	0.1	1.0%
<b>SG&amp;A expense <sup>APM</sup></b>	<b>38.3</b>	<b>37.2</b>	<b>1.1</b>	<b>2.9%</b>
Salaries and related expenses	24.5	21.0	3.5	16.4%
Repair and maintenance expenses	4.8	8.2	(3.3)	(40.9%)
Other	9.1	8.1	1.0	12.0%
Depreciation charge	27.7	27.0	0.7	2.6%
Impairment expenses and write-offs of property, plant and equipment	1.6	1.3	0.3	25.3%
Write-offs and impairments of short term and long-term receivables, inventories and other	0.4	0.3	0.1	18.0%
Revaluation of emission allowances	2.1	(0.1)	2.2	2,059.4%
<b>Total operating expenses</b>	<b>295.1</b>	<b>317.5</b>	<b>(22.3)</b>	<b>(7.0%)</b>

## Adjusted EBITDA\*

Adjusted EBITDA amounted to EUR 85.1 million in Q1 2020 and was 8.8% or EUR 6.9 million higher than in Q1 2019. Adjusted EBITDA margin reached 22.8% (Q1 2019: 26.1%).

### Adjusted EBITDA by segments

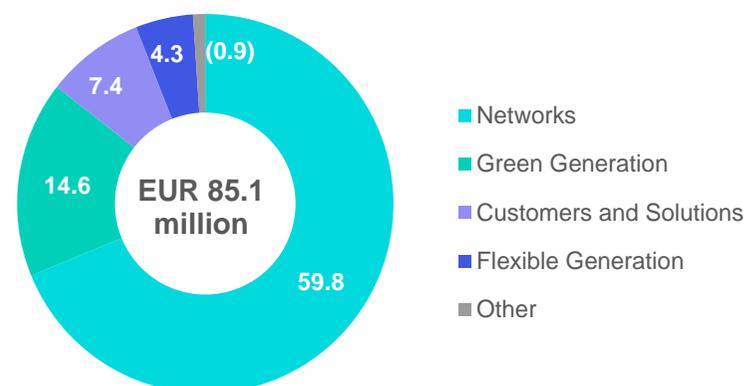
The main reasons causing Q1 2020 Adjusted EBITDA changes compared to Q1 2019 were as follows:

- 1. Networks grew by EUR 4.8 million.** The increase was mainly driven by the growing value of regulated assets.
- 2. Customers and Solutions increased by EUR 3.5 million.** The growth was mainly driven by higher volume of gas export sales (mainly due to sales in Finland) and lower gas market prices led to increased margins.
- 3. Green Generation increased by EUR 1.9 million.** This was mainly influenced by better result of Kruonis PSHP (EUR +4.4 million) which was mainly caused by effective utilisation of fluctuations in electricity prices. The growth was negatively impacted by worsened result of Kaunas HPP (EUR -2.3 million) due to lower water level in Nemunas river.
- 4. Flexible Generation decreased by EUR 2.2 million.** Decrease was caused by lower result from CCGT regulated activity (EUR -1.1 million) and gain from sale of fuel oil stocks in Q1 2019 (EUR -1.8 million).
- 5. Result from other activities decreased by EUR 1.1 million** mainly due to lower results of non-core businesses.

### Adjusted EBITDA by segments, EURm

	Q1 2020	Q1 2019	Δ	Δ,%	Q1 2020 ,%
Networks	59.8	55.0	4.8	8.7%	70.3%
Green Generation	14.6	12.7	1.9	14.9%	17.1%
Customers and Solutions	7.4	3.9	3.5	90.3%	8.7%
Flexible Generation	4.3	6.5	(2.2)	(33.7%)	5.0%
Other	(0.9)	0.2	(1.1)	n.m.	(1.1%)
<b>Adjusted EBITDA <small>APM</small></b>	<b>85.1</b>	<b>78.2</b>	<b>6.9</b>	<b>8.8%</b>	<b>100.0%</b>

### Adjusted EBITDA Q1 2020, EURm



\*Adjusted EBITDA is based on management adjustments. A more detailed description of the management adjustments is presented in Consolidated and Company Interim Financial statements for Q1 2020, Note 16 "Operating segments".

### EBITDA adjustments\*

### Adjusted EBITDA by types of activities

In Q1 2020 Adjusted EBITDA of regulated and contracted activities amounted to 85.2% of the total Adjusted EBITDA.

Regulated activities include:

1. Electricity and gas distribution;
2. Reserve and Ancillary services provided to the transmission system operator;
3. Public and guaranteed supply of electricity, and gas supply to residents of Lithuania.

Contracted activity includes wind farms with fixed long term feed-in or feed-in premium tariffs.

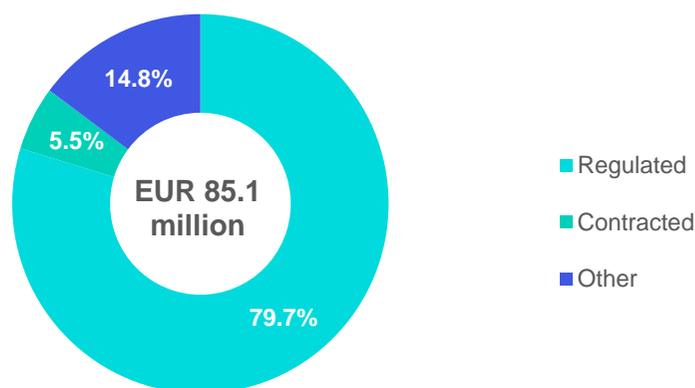
### EBITDA adjustments, EURm

	Q1 2020	Q1 2019	Δ	Δ, %
<b>EBITDA <sup>APM</sup></b>	<b>62.0</b>	<b>54.2</b>	<b>7.8</b>	<b>14.4%</b>
<i>Adjustments</i>				
Temporary regulatory differences (1)	(19.9)	14.3	(34.3)	(239.0%)
Temporary fluctuations in fair value of derivatives (2)	40.7	15.9	24.8	156.2%
Cash effect of new connection points and upgrades (3)	2.3	3.2	(0.9)	(28.1%)
Other (4)	0.0	-9.4	9.5	100.5%
<b>Total adjustments</b>	<b>23.0</b>	<b>23.9</b>	<b>(0.9)</b>	<b>(3.8%)</b>
<b>Adjusted EBITDA <sup>APM</sup></b>	<b>85.1</b>	<b>78.2</b>	<b>6.9</b>	<b>8.8%</b>
<i>Adjusted EBITDA margin <sup>APM</sup></i>	26.1%	22.8%	-	-

### Adjusted EBITDA by types of activities, EURm

	Q1 2020	Q1 2019	Δ	Δ, %	Q1 2020, %
Regulated	67.8	63.9	3.9	6.1%	79.7%
Contracted	4.7	4.7	(0.1)	(1.3%)	5.5%
Other	12.6	9.5	3.1	32.1%	14.8%
<b>Adjusted EBITDA <sup>APM</sup></b>	<b>85.1</b>	<b>78.2</b>	<b>6.9</b>	<b>8.8%</b>	<b>100%</b>

### Adjusted EBITDA by types of activities Q1 2020, %



- (1) Elimination of the difference between the actual profit earned during the reporting period and profit allowed by the regulator.
- (2) Elimination of temporary fluctuations in the fair value of derivatives related to other periods (including contracts that are settled in the current period but are related to future periods). The Group uses derivatives for economic hedge of electricity and gas supply contracts, however does not fully apply hedge accounting, therefore the management eliminates them when analysing current period results.
- (3) According to updated accounting policy, revenues from new connection points and upgrades are recognized throughout the useful life of the newly created infrastructure, even though the cash is received when the new connection point or upgrade is completed. In order to better reflect the cash flow, and results of connection points and upgrades completed in the current period, Revenues are Adjusted, as if they were booked at the moment of connection or connection upgrade.
- (4) Other adjustments mostly contains of received compensation related to the previous periods. Compensation of EUR 9.28 million received in Q1 2019 for the indemnification of potentially inflicted damage by Alstom Power Ltd during the implementation of the project of the public limited liability company Lietuvos Elektrinė in 2005–2009. Other adjustments also include add-backs of inventory and receivables impairments and write-offs, as well as elimination of gains or losses from disposal of non-current assets.

\* A more detailed description of the management adjustments is presented in Consolidated and Company Interim Financial statements for Q1 2020, Note 16 "Operating segments".

## Adjusted EBIT

In Q1 2020, Adjusted EBIT amounted to EUR 57.3 million, which was 12.1% higher than in Q1 2019. The increase in Adjusted EBIT was mainly driven by higher Adjusted EBITDA (EUR +6.9 million) (the reasons behind the increase are described in “Adjusted EBITDA” section) and higher depreciation (EUR -0.7 million) (the reasons behind the increase are described in “Expenses” section).

### Adjusted EBIT by segments, EURm

	Q1 2020	Q1 2019	Δ	Δ, %
Networks	39.4	34.6	4.8	13.8%
Green Generation	11.4	9.5	1.9	20.1%
Customers and Solutions	5.8	3.5	2.3	64.1%
Flexible Generation	1.5	3.5	(2.1)	(58.5%)
Other	(0.7)	0.0	(0.7)	n.m.
<b>Adjusted EBIT</b> <small>[APM]</small>	<b>57.3</b>	<b>51.2</b>	<b>6.2</b>	<b>12.1%</b>
<i>Adjusted EBIT margin</i> <small>[APM]</small>	<i>17.6%</i>	<i>14.9%</i>		

## Adjusted net profit

Adjusted net profit amounted to EUR 48.8 million in Q1 2020 and was 9.6% higher than in Q1 2019. The following effects had the biggest impact:

1. **Higher Adjusted EBITDA** (EUR +6.9 million) – the reasons behind the increase are described in “Adjusted EBITDA” section.
2. **Current year and deferred income tax** (EUR +4.7 million).

Net profit adjustments include an additional income tax adjustment of 15% (statutory income tax rate in Lithuania) applied on all other adjustments (except for those where income tax is already included in the adjustment calculations).

### Adjusted net profit, EURm

	Q1 2020	Q1 2019	Δ	Δ, %
<b>Adjusted EBITDA</b> <small>[APM]</small>	<b>85.1</b>	<b>78.2</b>	<b>6.9</b>	<b>8.8%</b>
Depreciation and amortisation expenses	(27.7)	(27.0)	(0.7)	(2.6%)
<b>Adjusted EBIT</b> <small>[APM]</small>	<b>57.4</b>	<b>51.2</b>	<b>6.2</b>	<b>12.1%</b>
Impairment expenses and write-offs of non-current assets (excluding material one-off non-cash asset revaluation, impairment and write-off effects)	(1.6)	(1.3)	(0.3)	(25.2%)
Write-offs of inventories and receivables	(0.4)	(0.3)	(0.1)	(18.1%)
Financial income	0.4	0.6	(0.2)	(34.5%)
Financial expenses	(4.5)	(3.9)	(0.6)	(14.6%)
Results of the revaluation and closing of derivative financial instruments	0.0	0.0	0.0	0.0%
Current year income tax (expenses)/benefit	(3.4)	(3.9)	0.5	12.3%
Deferred income tax (expenses)/benefit	(0.9)	(1.8)	0.9	49.4%
Adjustments' impact on income tax	2.0	(1.3)	3.3	253.6%
<b>Adjusted net profit</b> <small>[APM]</small>	<b>48.8</b>	<b>39.2</b>	<b>9.7</b>	<b>24.6%</b>

### Adjusted net profit adjustments, EURm

	Q1 2020	Q1 2019	Δ	Δ, %
<b>Net profit</b>	<b>22.1</b>	<b>17.0</b>	<b>5.2</b>	<b>30.5%</b>
<i>Adjustments</i>				
Temporary regulatory differences	(19.9)	14.3	(34.3)	(239.0%)
Temporary fluctuations in fair value of derivatives	40.7	15.9	24.8	156.2%
Cash effect of new connection points and upgrades	2.3	3.2	(0.9)	(28.1%)
Other adjustments*	1.7	(9.8)	11.6	117.5%
Adjustments' impact on income tax	2.0	(1.3)	3.3	253.6%
<b>Total adjustments</b>	<b>26.7</b>	<b>22.2</b>	<b>4.5</b>	<b>20.1%</b>
<b>Adjusted net profit</b> <small>[APM]</small>	<b>48.8</b>	<b>39.2</b>	<b>9.6</b>	<b>24.6%</b>
<i>Adjusted ROE LTM</i> <small>[APM]</small>	<i>8.7%</i>	<i>8.0%</i>	-	-
<i>ROE LTM</i>	<i>4.8%</i>	<i>4.4%</i>	-	-

\* Other adjustments consist of: i) changes in market value of emission allowances, ii) gains or losses from disposals of non-current assets, and iii) received compensations related to the previous periods.

## Reported net profit

Reported net profit in Q1 2020 increased to EUR 22.1 million, compared to net loss of EUR 17.0 million in Q1 2019. Reported net profit was higher mainly due to higher EBITDA.

### Reconciliation of reported net profit with EBIT and EBITDA, EURm

	Q1 2020	Q1 2019	Δ	Δ,%
<b>EBITDA</b> <small>[APM]</small>	<b>62.0</b>	<b>54.2</b>	<b>7.8</b>	<b>14.4%</b>
Reversal of depreciation and amortisation expenses	(27.7)	(27.0)	(0.7)	(2.6%)
Reversal of impairment expenses and write-offs of non-current assets	(1.6)	(1.3)	(0.3)	(25.2%)
Reversal of expenses of the revaluation of emission allowances	(2.1)	(0.1)	(2.2)	n.m.
<b>EBIT</b> <small>[APM]</small>	<b>30.6</b>	<b>26.0</b>	<b>4.6</b>	<b>17.6%</b>
Finance income	0.4	0.6	(0.2)	(34.5%)
Financial expenses	(4.5)	(3.9)	(0.6)	(14.6%)
Results of the revaluation and closing of derivative financial instruments	-	-	-	0.0%
<b>Profit (loss) before tax</b>	<b>26.5</b>	<b>22.7</b>	<b>3.8</b>	<b>16.8%</b>
Current year income tax expenses	(3.4)	(3.9)	0.5	12.3%
Deferred income tax Revenue (expenses)	(0.9)	(1.8)	0.9	49.4%
<b>Net profit (losses)</b>	<b>22.1</b>	<b>17.0</b>	<b>5.2</b>	<b>30.5%</b>

## Investments

In Q1 2020, Investments amounted to EUR 62.3 million and was 29.7% less than in Q1 2019. The largest investments were made in construction of Vilnius and Kaunas CHPs (40.8% from total Investments), electricity distribution network expansion (20.6%) and gas distribution network expansion (8.6%).

Green Generation segment investments decreased to EUR 35.0 million in Q1 2020 and were EUR 8.4 million lower than in Q1 2019. Major contributor to that were decreased investments in construction of Vilnius CHP from EUR 27.1 million in Q1 2019 to EUR 14.7 million in Q1 2020 and construction of Kaunas CHP from EUR 16.3 million in Q1 2019 to EUR 10.7 million in Q1 2020. Investments in construction of Pomerania (EUR 9.6 million) partially offset the decrease.

Networks segment investments amounted EUR 24.4 million and were lower by EUR 20.5 million compared to Q1 2019. Decrease was mainly driven by lower investments in expansion of the electricity distribution network due to decrease in new customers connection contract work fees (EUR -9.0 million: EUR 12.8 million in Q1 2020 and EUR 21,8 million in Q1 2019) and renewal of the electricity distribution network due to postponement of Q1 2020 reconstruction works of electricity network objects for later periods (EUR -6.3 million: EUR 3.8 million in Q1 2020 and EUR 10.1 million in Q1 2019). 8.6k new connection points and upgrades were completed in the electricity distribution network in Q1 2020, 4.9% more than in Q1 2019. Admissible electric power of new connection points and upgrades reached 90.6 MW in Q1 2020 and was 31.2% higher than in Q1 2019 (69.0 MW). Investments in the expansion of gas distribution network amounted to EUR 5.4 million in Q1 2020 and were EUR 8.1 million lower than in Q1 2019. 63.8 km of the new gas pipelines were constructed in Q1 2020 (94.5 km in Q1 2019).

We received EUR 9.6 million subsidies for our Investments in Q1 2020. It contains of European Union subsidies for Vilnius CHP project (EUR 4.4 million) the remaining subsidies were related to distribution network expansion investments covered by customers benefiting from these investments.

### Dynamics of the Group's Investments by segments, EURm

	Q1 2020	Q1 2019	Δ	Δ,%
Green Generation	35.0	43.4	(8.4)	(19.4%)
Networks	24.4	44.9	(20.5)	(45.7%)
Customers and Solutions	0.4	0.2	0.2	110.2%
Flexible Generation	0.3	0.1	0.2	169.8%
Other	2.3	0.0	2.3	n.m.
<b>Investments</b> <small>[APM]</small>	<b>62.3</b>	<b>88.6</b>	<b>(26.3)</b>	<b>(29.7%)</b>
Subsidies	9.6	14.5	(4.9)	(33.7%)
<b>Investments (excl. subsidies)</b>	<b>52.7</b>	<b>74.1</b>	<b>(21.4)</b>	<b>(28.9%)</b>

## Balance sheet

### Assets

As of 31 March 2020, total assets reached EUR 3,194.1 million (0.1% decrease from 31 December 2019). The decrease was mainly influenced by the decrease in current assets resulting from decrease of assets held for sale.

### Equity

As at 31 March 2020, equity amounted to EUR 1,357.1 million (0.6% growth from 31 December 2019).

### Liabilities

Total liabilities decreased by 0.7% or EUR 12.4 million during Q1 2020.

Non-current liabilities rose by 0.6% or EUR 8.6 million, which was mainly influenced by the increase in non-current loans (EUR +9.7 million).

Current liabilities decreased by 4.2% or EUR 21.1 million. It was caused by decrease of Bank overdrafts (EUR -25.5 million) and current portion of non-current borrowings (EUR -8.1 million). The decrease was partly offset by increase of future periods revenue (+EUR 12.2 million).

### Balance sheet, EURm

	2020.03.31	2019.12.31	Δ	Δ,%
Non-current assets	2,786.7	2,770.6	16.2	0.6%
Current assets	407.4	427.5	(20.1)	(4.7%)
<b>TOTAL ASSETS</b>	<b>3,194.1</b>	<b>3,198.1</b>	<b>(4.0)</b>	<b>(0.1%)</b>
Equity	1,357.1	1,348.6	8.5	0.6%
Total liabilities	1,837.0	1,849.5	(12.4)	(0.7%)
Non-current liabilities	1,359.1	1,350.5	8.6	0.6%
Current liabilities	477.9	499.0	(21.1)	(4.2%)
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,194.1</b>	<b>3,198.1</b>	<b>(4.0)</b>	<b>(0.1%)</b>
Asset turnover ratio LTM <sup>APM</sup>	0.34	0.35	-	-
ROA LTM <sup>APM</sup>	2.1%	1.9%	-	-
Current ratio <sup>APM</sup>	0.87	0.85	-	-
Working capital/Revenue LTM <sup>APM</sup>	(1.3%)	(0.1%)	-	-

## Financing

### Net debt

As of 31 March 2020, Net debt amounted to EUR 950.6 million, a decrease of 1.7% or EUR 16.3 million compared to 31 December 2019. The decrease was mostly influenced by decrease in Gross debt, as cash and cash equivalents remained relatively stable.

During Q1 2020, Gross debt decreased by 2.0% or EUR 21.9 million, and on 31 March 2019 amounted to EUR 1,076.9 million (on 31 December 2019 – EUR 1,098.3 million). The main factor for this decrease was decrease of bank overdrafts by EUR 25.5 million.

FFO/Net debt improved from 19.6% at 31 December 2019 to 20.7% at 31 March 2020.

### Net debt, EURm

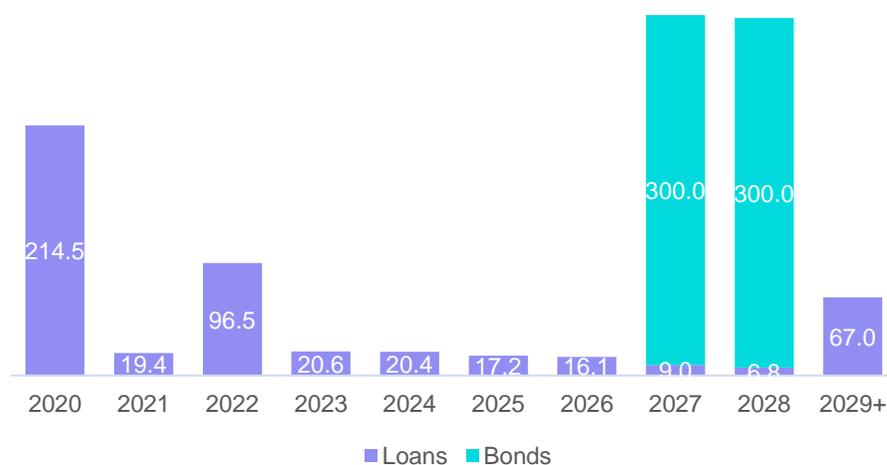
	2020.03.31	2019.12.31	Δ	Δ,%
<b>Total non-current financial liabilities</b>	<b>857.9</b>	<b>855.7</b>	<b>2.2</b>	<b>0.3%</b>
Non-current loans	241.5	231.7	9.7	4.2%
Bonds	590.4	590.1	0.3	0.0%
Other entities	0.0	0.0	0.0	0.0%
Interests payable (including accrued)	0.1	0.1	0.0	0.0%
Finance lease	0.0	0.0	0.0	100.0%
Lease liabilities (IFRS 16)	26.0	33.8	(7.8)	(23.2%)
<b>Total current financial liabilities</b>	<b>219.0</b>	<b>242.6</b>	<b>(24.0)</b>	<b>(9.9%)</b>
Current portion of non-current loans	29.9	37.5	(8.1)	(21.7%)
Current loans	0.0	0.0	0.0	0.0%
Current portion of finance lease liabilities	0.0	0.0	0.0	100.0%
Lease liabilities (IFRS 16)	14.9	8.4	6.5	77.2%
Banks overdrafts	165.8	191.3	(25.5)	(13.3%)
Interests payable (including accrued)	8.4	5.4	3.1	56.4%
<b>Gross debt</b>	<b>1,076.9</b>	<b>1,098.3</b>	<b>(21.9)</b>	<b>(2.0%)</b>
<b>Cash, cash equivalents and short-term investments</b>	<b>126.3</b>	<b>131.8</b>	<b>(5.5)</b>	<b>(4.2%)</b>
Cash and cash equivalents	126.3	131.8	(5.5)	(4.2%)
Short-term investments	0.0	0.0	0.0	0.0%
<b>Net debt <sup>APM</sup></b>	<b>950.6</b>	<b>966.5</b>	<b>(16.3)</b>	<b>(1.7%)</b>
Net debt / Adjusted EBITDA LTM <sup>APM</sup>	3.57	3.72	-	-
FFO LTM / Net debt <sup>APM</sup>	20.7%	19.6%	-	-
Gross debt/Equity <sup>APM</sup>	79.4%	81.4%	-	-
Equity ratio <sup>APM</sup>	42.5%	42.2%	-	-

## Maturities

Green bonds, which mature in 2027 (EUR 300.0 million) and in 2028 (EUR 300.0 million) make the largest portion of the Group's financial liabilities. In Q2 of 2020 new green bonds emission of EUR 300.0 million was listed which is due to mature in 2030.

The average maturity of the borrowings as at 31 March 2020 was 6.5 years (31 December 2019: 6.3 years).

### Group's borrowings repayment schedule, EURm



## Interest rate, currency, and liquidity risk

On 31 March 2020, borrowings amounting to EUR 700.0 million were subject to the fixed interest rate (65,0% of the gross debt) and the remaining amount of borrowings was subject to the floating interest rate. All borrowings were in EUR.

The Group manages liquidity risk by entering into the credit line agreements with banks. On 31 March 2020, undrawn credit line facilities amounted to EUR 81.2 million. All the credit lines are committed, i.e. funds have to be paid by the bank upon request.

## Cash flows

Net cash flows from operating activities (CFO) amounted to EUR 81.6 million in Q1 2020. Compared to Q1 2019, CFO increased by 33.2% (EUR +20.3 million) due to increase of net profit.

Net cash flows from investing activities (CFI) amounted to EUR 60.0 million in Q1 2020. Compared to Q1 2019, CFI decreased by EUR 11.1 million, from EUR 71.1 million to EUR 60.0 million.

Net cash flows from financing activities (CFF) amounted to EUR -1.6 million in Q1 2020. Compared to Q1 2019, CFF fell by 2.4%.

In Q1 2020, the Group's FFO ratio increased by 13.5% (EUR 7.1 million) and amounted to EUR 60.1 million. The main reason for the growth was growth in EBITDA.

### Cash flows, EURm

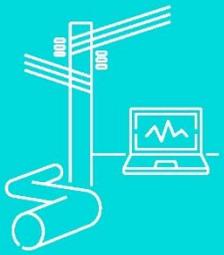
	Q1 2020	Q1 2019	Δ	Δ, %
<b>Cash and cash equivalents (including overdraft) at the beginning of the period</b>	<b>(59.5)</b>	<b>85.6</b>	<b>(145.0)</b>	<b>(169.5%)</b>
CFO	81.6	61.2	20.3	33.2%
CFI	(60.0)	(71.1)	11.1	15.6%
CFF	(1.6)	(1.6)	0.0	(2.4%)
<b>Increase (decrease) in cash and cash equivalents (including overdraft)</b>	<b>20.0</b>	<b>(11.5)</b>	<b>31.5</b>	<b>273.8%</b>
<b>Cash and cash equivalents (including overdraft) at the end of period</b>	<b>(39.5)</b>	<b>74.1</b>	<b>(113.6)</b>	<b>(153.3%)</b>
FFO <small>APM</small>	60.1	52.9	7.1	13.5%
FOCF <small>APM</small>	21.5	(22.6)	44.2	195.0%

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# Operating segments



## Networks

**Adjusted EBITDA (EURm)**

Q1 2019	55.0
Q1 2020	59.8

**Main indicators Q1 2020 (EURm)**

Revenue	122.3
Adjusted EBIT	39.4
Adjusted net profit	31.9
Investments	24.4
Net debt	639.0



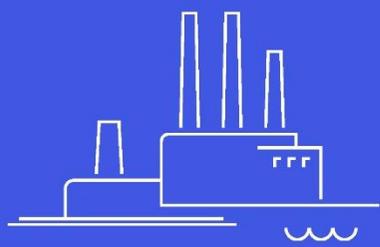

## Green Generation

**Adjusted EBITDA (EURm)**

Q1 2019	12.7
Q1 2020	14.6

**Main indicators Q1 2020 (EURm)**

Revenue	22.7
Adjusted EBIT	11.4
Adjusted net profit	8.7
Investments	35.0
Net debt	242.1

## Flexible Generation

**Adjusted EBITDA (EURm)**

Q1 2019	6.5
Q1 2020	4.3

**Main indicators Q1 2020 (EURm)**

Revenue	13.4
Adjusted EBIT	1.5
Adjusted net profit	1.4
Investments	0.3
Net debt	-0.4




## Customers and Solutions

**Adjusted EBITDA (EURm)**

Q1 2019	3.9
Q1 2020	7.4

**Main indicators Q1 2020 (EURm)**

Revenue	162.0
Adjusted EBIT	5.8
Adjusted net profit	8.6
Investments	0.4
Net debt	87.7



APM All indicators provided in this page (except Revenue) are considered as Alternative Performance Measures.

# Networks

## Operating performance in Q1 2020

### Electricity distribution

Distributed electricity in Q1 2020 remained at a similar level and amounted to 2.53 TWh, compared to Q1 2019. The distribution of electricity to customers of the independent supply slightly decreased by 1.7%. The volumes of public supply slightly increased by 3.0%, while volumes of guaranteed supply decreased by 13.4%. SAIDI ratio deteriorated and was 144.55 minutes (Q1 2019: 26.17 minutes). SAIFI indicator was equal to 0.43 interruptions (Q1 2019: 0.35 interruptions) in Q1 2020. Deterioration of quality indicators of continuous electricity supply mainly caused by storm Laura (March 12-13). During 2020 Q1, 5,694 new connection points and 2,861 upgrades were completed in the electricity distribution network. The number of new electricity connection points and upgrades increased by 0.6% and 14.4% accordingly, compared to Q1 2019.

### Gas distribution

The volume of gas distributed in 2020 Q1 decreased by 13.0% and amounted to 2.41 TWh (2019 Q1: 2.76 TWh). In 2020 Q1, higher average air temperatures were the main contributor to the reduction in gas distribution. Gas distribution SAIDI ratio improved in 2020 Q1 and was 0.05 minutes (2019 Q1: 0.21 minutes) and SAIFI ratio was approximately equal to 0.001 interruptions (2019 Q1: 0.002 interruptions). Improvement of the quality indicators as a result of third party supply disruptions for a smaller number of customers comparing with the same period last year. In 2020 Q1, 1,795 new connection points were completed in the gas distribution network, which is 13.0% less than during 2019 Q1.

## Financial results in Q1 2020

In Q1 2020, Networks Revenue reached EUR 122.3 million and was 6.8% or EUR 7.8 million higher than in Q1 2019. The increase was mainly driven by higher distribution revenue (EUR 10.9 million) and transmission revenue (EUR 7.9 million) due to increase of tariffs. Increase was partly offset by decrease of gas distribution revenue (EUR -6.8 million) and guaranteed supply of electricity revenue (EUR -4.6 million). Compared to Q1 2019 Adjusted EBITDA increased by 8.7% or EUR 4.8 million, which was driven by the growing value of regulated assets. Compared to Q1 2019, segment's property, plant and equipment, intangible and right-of-use assets increased by 4.3% or EUR 67.9 million following Investments made. However, compared to Q1 2019, Investments decreased by EUR 20.5 million or 45.7%, mainly resulted from lower investments in expansion (EUR -9.0 million) and renewal (EUR -6.3 million) of the electricity distribution network.

### Networks key operating indicators

		Q1 2020	Q1 2019	Δ,%
<b>Electricity</b>				
Electricity distributed	TWh	2.53	2.54	(0.7%)
Independent supply	TWh	1.60	1.62	(1.7%)
Public supply	TWh	0.80	0.77	3.9%
Guaranteed supply	TWh	0.13	0.15	(13.4%)
Electricity distribution network	thous. km	125.63	125.38	0.2%
Technological costs in electricity distribution network	%	0.06	0.07	(0.9%)
New connection points and upgrades	thous.	8.56	8.16	4.8%
New connection points	thous.	5.69	5.66	0.6%
Upgrades	thous.	2.86	2.50	14.4%
Time to connect (average)	c. d.	27.50	36.56	(24.8%)
SAIDI	min.	144.55	26.17	452.4%
SAIFI	unit	0.43	0.35	21.8%
<b>Gas</b>				
Gas distributed	TWh	2.41	2.76	(13.0%)
Gas distribution network	thous. km	9.54	9.05	5.4%
Technological costs in gas distribution network	%	0.02	0.01	0.2%
New connection points	thous.	1.80	2.54	(29.4%)
Time to connect (average)	c. d.	55.37	66.82	(17.1%)
SAIDI	min.	0.05	0.21	(75.8%)
SAIFI	unit	0.001	0.002	(48.4%)

### Main financial results of Networks segment, EURm

	Q1 2020	Q1 2019	Δ,%
Revenue	122.3	114.5	6.8%
Adjusted EBITDA <sup>APM</sup>	59.8	55.0	8.7%
Adjusted EBIT <sup>APM</sup>	39.4	34.6	13.8%
Adjusted net profit <sup>APM</sup>	31.9	26.3	21.1%
Property, plant and equipment, intangible and right-of-use assets	1,631.9	1,563.9	4.3%
Net debt <sup>APM</sup>	639.0	641.2	(0.3%)
Investments <sup>APM</sup>	24.4	44.9	(45.7%)
Adjusted EBITDA margin, % <sup>APM</sup>	48.9%	48.0%	-

# Green Generation

## Operating performance in Q1 2020

### Electricity generation

Electricity generated in Green Generation segment increased by 42.5% in Q1 2020, compared to Q1 2019. This mainly resulted from higher electricity generation in hydro portfolio. Electricity generation volumes at Kruonis PSHP increased by 205.1% as a result of effective utilisation of fluctuations in electricity prices in Q1 2020, which was slightly offset by decrease in Kaunas HPP by 25.4% caused by a lower level of water in the Nemunas river. Volume of electricity generated at wind farms totalled 0.08 TWh, which is 9.9% more compared to Q1 2019. Increase in wind farms generation portfolio were impacted by higher load and availability factors as a result of better weather conditions.

### Heat generation

Heat generation in Q1 2020 increased 38.5%, compared to Q1 2019, caused by test runs of Kaunas CHP, which was partly offset by lower heat generation in biomass portfolio.

### Green Generation key operating indicators

		Q1 2020	Q1 2019	Δ,%
Electricity generated:	TWh	0.34	0.24	42.5%
Wind	TWh	0.08	0.07	9.9%
Hydro	TWh	0.26	0.17	57.1%
Heat generated:	TWh	0.08	0.06	38.5%
Waste	TWh	0.01	-	-
Biomass	TWh	0.05	0.06	(18.6%)
Gas	TWh	0.02	-	-
Wind farms availability factor	%	99.2%	98.8%	0.4%
Wind farms load factor	%	47.9%	44.8%	7.1%
Installed capacity:				
Installed capacity - electricity	MW	1,077	1,077	0%
Wind	MW	76	76	0%
Hydro	MW	1,001	1,001	0%
Installed capacity - heat	MW	40	40	0%
Projects under construction and under development - electricity	MW	273	179	53%
Projects under construction and under development - heat	MW	299	299	0%

## Financial results in Q1 2020

Green Generation Revenues reached 22.7 million in Q1 2020 and were EUR 5.6 million higher than in Q1 2019. Revenue growth was driven by higher sales of Kruonis PSHP (EUR +4.5 million), favourable wind conditions (EUR +1.5 million) and testing of KJK (EUR +0.8 million). The above reasons outweighed lower revenue of Kaunas HPP (EUR -2.2 million).

In Q1 2020, Adjusted EBITDA amounted to EUR 14.6 million (Q1 2019: EUR 12.7 million). This was mainly influenced by better result of Kruonis PSHP (EUR +4.4 million) which was mainly caused by effective utilisation of fluctuations in electricity prices. The growth was negatively impacted by worsened result of Kaunas HPP (EUR -2.3 million) due to lower water level in Nemunas river.

Compared to Q1 2019, property, plant and equipment, intangible and right-of-use assets in the Green Generation segment grew due to ongoing Investments in Vilnius and Kaunas CHP plants and acquisition and start of constructions of Pomerania wind farm. The segment's Net debt increased accordingly.

### Main financial results of Green Generation segment, EURm

	Q1 2020	Q1 2019	Δ,%
Revenue	22.7	17.1	32.7%
Adjusted EBITDA <sup>APM</sup>	14.6	12.7	14.9%
Adjusted EBIT <sup>APM</sup>	11.4	9.5	20.1%
Adjusted net profit <sup>APM</sup>	8.7	7.6	14.2%
Property, plant and equipment, intangible and right-of-use assets	578.2	358.6	61.2%
Net debt <sup>APM</sup>	242.1	60.9	297.0%
Investments <sup>APM</sup>	35.0	43.4	(19.4%)
Adjusted EBITDA margin,% <sup>APM</sup>	64.2%	74.2%	

# Flexible Generation

## Operating performance in Q1 2020

Electricity generation volumes at the Elektrėnai Complex increased almost 6.5 times in Q1 2020, compared with Q1 2019, and reached 0.05 TWh, as a result of full commercial availability in the CCGT, low gas and emission allowance prices.

In 2019, the tertiary active power reserve in the capacity of 260 MW was ensured by the most effective unit of Elektrėnai Complex – the CCGT while in 2020 tertiary power reserve is ensured by Elektrėnai Complex 7 and 8 units with the scope of 475 MW.

In 2020, CCGT will be providing the service of operation of the isolated network. By providing this service, under favourable market conditions the CCGT is able to produce on a commercial basis also.

### Flexible Generation key operating indicators

		Q1 2020	Q1 2019	Δ,%
Electricity generated	TWh	0.05	0.01	553.9%
Heat generated	TWh	0.00	0.01	(52.4%)
Tertiary active power reserve	MW	475	260	83%
Isolated system operation	MW	415	-	-
Isolated system test	MW	-	570	-
Installed capacity:				
Installed capacity – electricity	MW	1,055	1,055	0%
Installed capacity - heat	MW	50	50	0%

## Financial results in Q1 2020

Compared to Q1 2019, Revenue from Flexible Generation decreased by 59.1% (EUR 19.4 million). The segment's Revenue decrease was mainly driven by EUR 9.3 million compensation received in Q1 2019 which was received from the Ministry of Finance of the Republic of Lithuania for the indemnification of potentially inflicted damage by Alstom Power Ltd during the implementation of the project of Lietuvos Elektrinė in 2005–2009. Sales in 2019 Q1 were also boosted by sales of fuel oil stocks that were no longer in use. 2020 Q1 revenue also decreased due to lower revenue of CCGT as in 2019 it provided tertiary reserve services and earned return on investment and in 2020 CCGT provides isolated electricity system operation services and return on investment is not included in the price of services.

The segment's Adjusted EBITDA for Q1 2020 was EUR 2.2 million lower compared to Q1 2019. Decrease was caused by lower result from CCGT regulated activity (EUR -1.1 million) and gain from sale of fuel oil stocks in Q1 2019 (EUR -1.8 million).

Compared with Q1 2019, Net debt increased by EUR 16.8 million mostly due to lower cash and cash equivalents.

### Main financial results of Flexible Generation segment, EURm

	Q1 2020	Q1 2019	Δ,%
Revenue	13.4	32.8	(59.1%)
Adjusted EBITDA <sup>[APM]</sup>	4.3	6.5	(33.7%)
Adjusted EBIT <sup>[APM]</sup>	1.5	3.5	(58.5%)
Adjusted net profit <sup>[APM]</sup>	1.4	3.8	(62.9%)
Property, plant and equipment, intangible and right-of-use assets	373.5	398.2	(6.2%)
Net debt <sup>[APM]</sup>	-0.4	-17.2	(97.7%)
Investments <sup>[APM]</sup>	0.3	0.1	169.8%
Adjusted EBITDA margin,% <sup>[APM]</sup>	31.9%	19.7%	

# Customers and Solutions

## Operating performance in Q1 2020

### Electricity sales

Total electricity sales in retail market in Q1 2020 increased and totalled 1.57 TWh, compared to Q1 2019. Increase was mainly caused by higher sales levels/contracts signed at the end of 2019 for the following year with B2B Lithuanian market clients. Lithuanian retail market increased by 15.8%, while Latvian market saw a decrease of 1.3%. Electricity sales volume in the wholesale market decreased by 50.5%, as a result of smaller trading portfolio in Polish market, in comparison to Q1 2019.

### Gas sales

The volume of gas sold increased by 16.9% and amounted to 4.26 TWh in Q1 2020 (Q1 2019: 3.64 TWh). This was mainly influenced by entry into Finnish gas market. Despite total increase, sales in Lithuanian and Latvian markets decreased. Increased competition and warmer weather temperatures resulted in decline of B2B gas sales in Lithuania by 12.4%. Lower number of customers in Q1 2020 compared with Q1 2019 resulted decline in Latvian market by 58.0%.

Sales in wholesale gas market decreased by 13.3% in Q1 2020 compared with the same period last year influenced by decrease in sales through LNG terminal.

### Customers and Solutions key operating indicators

		Q1 2020	Q1 2019	Δ,%
<b>Electricity sales</b>				
Retail	TWh	1.57	1.39	12.9%
Lithuania	TWh	1.34	1.15	15.8%
B2C	TWh	0.72	0.71	1.0%
B2B	TWh	0.62	0.44	39.6%
Latvia	TWh	0.23	0.24	(1.3%)
Wholesale trading	TWh	0.55	1.11	(50.5%)
Electricity consumers	m.	1.67	1.65	1.4%
<b>Gas sales</b>				
	<b>TWh</b>	<b>4.26</b>	<b>3.64</b>	<b>16.9%</b>
Retail	TWh	3.26	2.49	30.8%
Lithuania	TWh	2.16	2.37	(8.8%)
B2C	TWh	0.92	0.95	(3.4%)
B2B	TWh	1.24	1.42	(12.4%)
Latvia	TWh	0.05	0.12	(58.0%)
Finland	TWh	1.05	-	-
Wholesale	TWh	1.00	1.15	(13.3%)
Gas consumers	m.	0.60	0.60	1.4%

## Financial results in Q1 2020

In Q1 2020, Customers and Solution's segment Revenue amounted to EUR 162.0 million and was 8.2% lower than in Q1 2019. The decline was mainly driven by lower gas sales to B2B customers due to lower gas market price (EUR -13.0 million), lower gas sales to residential customers due to lower tariff set by regulator (EUR -5.5 million) and lower electricity and related products trading revenues (EUR -4.1 million). Decrease was partly offset by increase of revenue from public electricity supply activities due to higher electricity price set by the regulator (EUR +6.7 million) and increase of retail electricity supply income due to higher volume of sold electricity (EUR +4.0 million).

The growth of Adjusted EBITDA by 90.3% compared with Q1 2019 was mainly driven by higher volume of gas export sales (mainly due to sales in Finland) and lower gas market prices led to increased margins.

Compared with Q1 2019, Net debt increased because of lower cash and cash equivalents balance.

### Main financial results of Customers and Solutions segment, EURm

	Q1 2020	Q1 2019	Δ,%
Revenue	162.0	176.3	(8.2%)
Adjusted EBITDA <small>[APM]</small>	7.4	3.9	90.3%
Adjusted EBIT <small>[APM]</small>	5.8	3.5	64.1%
Adjusted net profit <small>[APM]</small>	8.6	3.2	165.7%
Property, plant and equipment, intangible and right-of-use assets	38.1	42.2	(9.8%)
Net debt <small>[APM]</small>	87.7	70.3	24.8%
Investments <small>[APM]</small>	0.4	0.2	110.2%
Adjusted EBITDA margin,% <small>[APM]</small>	4.5%	2.2%	

# About the Company and the Group

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# Key information about the Company and the Group

Company name	UAB Ignitis Grupė
Company code	301844044
Issued capital	EUR 1,212,156k
Paid-up share capital	EUR 1,212,156k
Address	Žvejų st. 14, LT-09310, Vilnius, Lithuania
Telephone	(+370 5) 278 2998
Fax	(+370 5) 278 2115
E-mail	grupe@ignitis.lt
Website	www.ignitisgrupe.lt
Legal form	Private Limited Liability Company
Date and place of registration	28 August 2008, Register of Legal Entities
Register accumulating and storing data about the Company	Register of Legal Entities, State Enterprise the Centre of Registers

The company's shareholder is the Republic of Lithuania. On 13 February 2013, the Company's shares were transferred to the Ministry of Finance by the right of trust.

With effect from 30 August 2013, the Company's name Visagino Atominė Elektrinė was changed to Lietuvos Energija. As from 6 September 2019, the name of the Company was changed to Ignitis Grupė.

As of 31 March 2020, the issued capital was divided into ordinary registered shares with the nominal value of EUR 0.29 each. All the shares are fully paid.

## At the date of this report, these entities\* were controlled, directly or indirectly, by the Group:

Company	Company code	Registered office address	Effective ownership interest (%)	Share capital EUR	Profile of activities
Ignitis Gamyba	302648707	Elektrinės st. 21, Elektrėnai	96,82	187 921	Production and supply of electricity and trading
Energijos Skirstymo Operatorius	304151376	Aguonų st. 24, Vilnius	94,98	259 443	Supply and distribution of electricity to the consumers; distribution of natural gas
Ignitis	303383884	Žvejų st. 14, Vilnius	100	40 140	Supply of electricity and gas and trade
Ignitis Latvija	40103642991	Darziema st. 60, LV-1048, Riga	100	5 500	Supply of electricity.
Ignitis Eesti	12433862	Narva st. 5, 10117 Tallinn	100	35	Supply of electricity.
Ignitis Polska	0000681577	Puławska 2-B, PL-02-566, Warsaw	100	10 million PLN	Supply of electricity.
Ignitis Renewables	304988904	P. Lukšio st. 5B, Vilnius	100	3	Analysis and coordination of the activities of legal entities belonging to the Company.
Tuuleenergia Osühing	10470014	Keskus, Parnu (Estonia)	100	499	Production of renewable electricity.
Eurakras	300576942	Žvejų st. 14, Vilnius	100	4 621	Production of renewable electricity.
Vėjo Gūsis	300149876	Žvejų st. 14, Vilnius	100	7 443	Production of renewable electricity.
Vėjo Vatas	110860444	Žvejų st. 14, Vilnius	100	2 896	Production of renewable electricity.
VVP Investment	302661590	Žvejų st. 14, Vilnius	100	250	Development of a renewable energy (wind) power plant project.
Pomerania Wind Farm	0000450928	Al. Grunwaldzka 82/368, 80-244 Gdańsk	100	60k PLN	Development of a renewable energy (wind) power plant project.
Vilniaus Kogeneracinė Jėgainė	303782367	Žvejų st. 14, Vilnius	100	52 300	Modernization of the provision of centralized supply of heat in Vilnius city
Kauno Kogeneracinė Jėgainė	303792888	Žvejų st. 14, Vilnius	51	40 000	Modernization of the provision of centralized supply of heat in Kaunas city
Gamybos Optimizavimas	304972024	Žvejų st. 14, Vilnius	100	350	Planning, optimization, forecasting, trading, brokering of electricity and other energy production regime
Ignitis Grupės Paslaugų Centras	303200016	A. Juozapavičius st. 13, Vilnius	100	7 914	Provision of information technology and telecommunications and other services
Elektroninių Mokėjimų Agentūra	136031358	Žvejų st. 14, Vilnius	100	1 370	Provision of collection services
NT Valdos	300634954	Geologų st. 16, Vilnius	100	5 000	Disposal of real estate, other related activities and provision of services
Transporto Valdymas	304766704	Smolensko st. 5, Vilnius	100	2 359	Vehicle rental, leasing, repair, maintenance, renewal and service
Duomenų Logistikos Centras	302527488	A. Juozapavičius st. 13, Vilnius	79,64	4 033	Information technology and telecommunication services
Energetikos Paslaugų ir Rangos Organizacija	304132956	Motorų st. 2, Vilnius	100	350	Construction, repair and maintenance of electricity networks and related equipment, connection of customers to electricity networks, repair of energy equipment and production of metal structures
Lietuvos Energijos Paramos Fondas	303416124	Žvejų st. 14, Vilnius	100	-	Provision of support to projects, initiatives and activities, relevant to the society

\*More information about the entities and their financial indicators provided in the Company's website (link).

# Corporate governance

The sole shareholder of the Company – the Republic of Lithuania, and the rights and obligations of the shareholder are exercised by the Ministry of Finance of the Republic of Lithuania, which adopts the principal decisions relating to the exercise of property rights and obligations. The management of the shares shall be carried out in accordance with the Law on Companies, which establishes the property and non-property rights and obligations of the shareholder, and the Description of the Procedure of the Implementation of State Property and Non-Property Rights in State-Owned Enterprises approved by the Resolution No 665 of the Government of the Republic of Lithuania of 6 June 2012 (hereinafter – the Property Guidelines), Articles of Association of the Company.

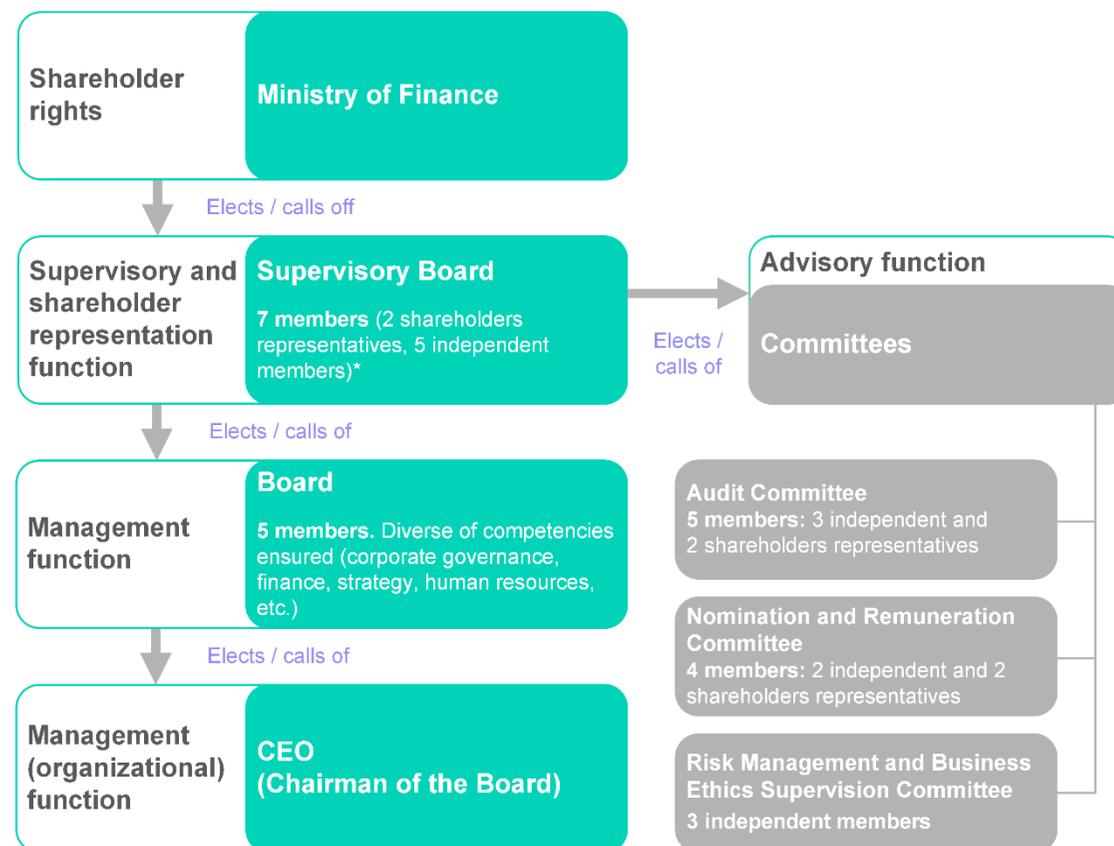
The corporate governance model of the Group was implemented following the governance guidelines approved by the Ministry of Finance of the Republic of Lithuania on 7 June 2013. The guidelines were updated on 26 March 2020 ([link](#)).

The primary goal of the corporate governance is to achieve the effect of synergy aligning different activities of the Ignitis Group companies and targeting them at the achievement of the common goals at the Group level.

Corporate governance activities are concentrated at the level of the parent company of the Group – the responsibilities of which involve coordination of such areas as finance, law, planning and monitoring, human resources, risk management, audit, technology, communication and other common areas of the Group entities. Activities of the Group entities in these areas are based on mutual agreement, i.e. cooperation with a focus on achievement of common result, and they are coordinated by policies (common provisions and norms) applicable to all Group entities.

Use this [link](#) for the description of the corporate governance principles and of the governance and control system. More information on the management bodies and its members, committees etc. is provided in the annual report of the Company ([link](#)).

## Corporate governance structure



\* This composition of the Supervisory Board is valid from 8 April 2020, when updated Articles of Association of the Company were registered. Until that date the Supervisory Board consisted of 5 members: 2 representatives of the Ministry of Finance and 3 independent members

# Supervisory bodies

## Supervisory board

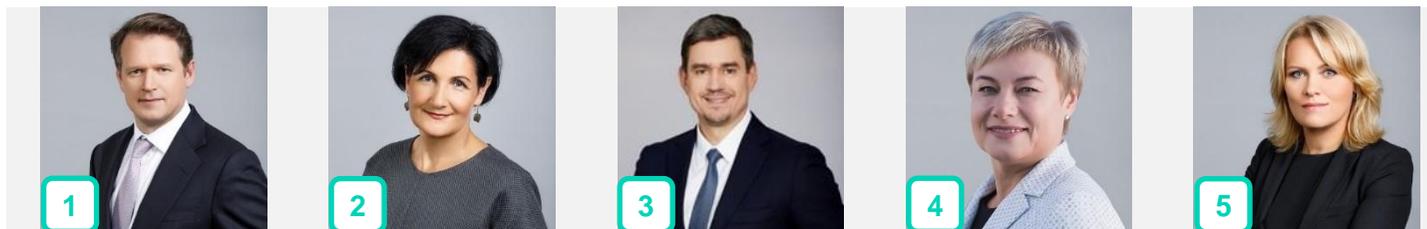
Under the Corporate Management Guidelines, the Supervisory Board is a collegial supervisory body provided in the Statute of the Company. The Supervisory Board is elected by the General Meeting of Shareholders for the period of four years. The Supervisory Board of the Company consists of 7 members: 2 representatives of the Ministry of Finance and 5 independent members.\* The Supervisory Board elects its Chairman from its members. Such a method for the formation of the Supervisory Board is in line with the corporate management principles. No members of the Supervisory Board have any participation in the capital of the company or group enterprises.

The main functions and responsibilities of the Supervisory Board are consideration and approval of the business strategy of the Company and the Group companies' activities, analysis and evaluation of the information on the implementation of the business strategy, provision of this information to the annual General Meeting, election and removal of the Members of the Board, supervision of activities of the Board and the CEO, provision of comments to the General Meeting of Shareholders on a set of financial statements, appropriation of profit or loss, and annual report. The Supervisory Board also addresses other matters within its competence.

The Supervisory Board is functioning at the Group level, i.e., where appropriate, it addresses the issues related not only to the activities of the Company, but also to the activities of its subsidiaries or the activities of their management and supervisory bodies.

Term of office of the current Supervisory board is from 30 August 2017 to 29 August 2021. There were no changes in the composition of the Company's Supervisory Board during the reporting period. The procedure of electing two new independent members of the Supervisory Board is ongoing in accordance to updated Articles of Association of the Company. None of Supervisory Board members holds shares of the Group companies.

## Members of the Supervisory Board (at the date of publication)



### 1. DARIUS DAUBARAS, chairman, independent member (since 30/08/2017)

**Education:** University of Cambridge, Master's degree in International Relations; University of Pennsylvania, USA, Business Administration Master's Degree in the field of finance and business management; University of Denver, USA, Bachelor's Degree in Business Administration with a major in finance and management;

**Place of employment, position:** Saudi Aramco, senior finance executive to advise company's executive management on implementation of corporate projects, acquisitions, Investments and joint venture, Treasury department Member of the Supervisory Board of "Smart Energy Fund powered by Ignitis Group" (until 01/7/2019)

### 2. DAIVA LUBINSKAITĖ-TRAINAUSKIENĖ, independent member (since 30/08/2017)

**Education:** ISM University of Management and Economics, Master's Degree; Public Relations Professional Studies at Vilnius University; Vilnius University, Diploma of a Specialist in Philology

**Place of employment, position:** Thermo Fisher Scientific Baltics UAB, company code 122351387. Address: V.A. Graičiūno st. 8 Vilnius, Director of Personnel. Association of Personnel Management Professional, company code 300563101, address J. Galvydžio st. 5, Vilnius, Member of the Board.

### 3. ANDRIUS PRANCKEVIČIUS, independent member (since 22/12/2017)

**Education:** Kaunas University of Technology, Bachelor's degree in Business Administration and Master's degree in Marketing Management; Harvard Business School, Leadership Development

**Place of employment, position:** Linas Agro Group AB, company code 148030011, address Smėlynės st. 2C, Panevėžys, Deputy Chief Executive Officer, Member of the Board; Kekava PF, Kekava, Kekavos r., Kekavos mun., Kekava PF, Chief Executive Officer and Chairman of the Board; Linas Agro AB, company code 147328026, address Smėlynės st. 2C, LT-35143 Panevėžys Member of the Board; Lielzeltīni SIA, "Mazzeltīni", Janeikas, Ceraukstes pag., Bauskas nov., Latvija Chairman of the Board; Broileks SIA, company code. 50103262981, address "Mazzeltīni", Janeikas, Ceraukstes pag., Bauskas nov., LV Chairman of the Board; (Cerova SIA, company code 43603019946, address Bauskas nov., Ceraukstes pag., Mūsa, Centra iela 11, LV, Chairman of the Board; Žilvīsta ŽŪB, company code 302299020, address Panevėžio r. sav., Velžio mun., Staniūnų k., Paplentės g. 20 Member

### 4. DAIVA KAMARAUSKIENĖ, member (since 1/2/2019)

**Education:** Vilnius University Faculty of Economics, master's degree.

**Place of employment, position:** Ministry of Finances, company code 288601650, Lukiškių st., Vilnius, Budget Department of the Ministry of Finance, Director.

### 5. AUŠRA VIČKAČKIENĖ, member (since 30/08/2017)

**Education:** Vilnius University, Master's degree in Management and Business Administration; Vilnius University, Bachelor's degree in Management and Business Administration

**Place of employment, position:** Ministry of Finances, company code 288601650, Lukiškių st., Vilnius, Assets Management Department, Finance, Director; Būsto paskolų draudimas UAB, company code 110076079, Ulonų st. 5 Vilnius, Member of the Board.

\* This composition of the Supervisory Board is valid from 8 April 2020, when updated Articles of Association of the Company were registered.

## Committees of the Supervisory Board

In order to perform its functions and duties effectively the Company's Supervisory Board forms committees. The committees submit their conclusions, opinions and suggestions to the Company's Supervisory Board in accordance with their competence. The committee must have at least three members, where at least one member has to be a member of the Supervisory Board and at least 1/3 of the members shall be independent, except for the Audit Committee, which must aim for at least 2/3 of the members to be independent. The members of the committees are elected for the period of four years.

The following committees of the Supervisory Board are operating:

- **The Risk management and business ethics supervision committee** is responsible for submission of conclusions and suggestions regarding management and control system in the group of companies and/or status of implementation of the main risk factors and risk management tools to the Supervisory Board; for compliance with business ethics, maintenance of bribery and corruption risk system and submission of recommendations to the Supervisory Board;
- **The Audit committee** is responsible for submission of objective and impartial conclusions and suggestions regarding audit, related party transactions, as provided in the Law on Companies of the Republic of Lithuania, and functioning of internal control system in the group of companies to the Supervisory Board;
- **The Nomination and remuneration committee** is responsible for submission of conclusions and suggestions about appointment, revocation of the members of management and supervisory bodies of the Group companies, and about incentive issues to the Supervisory Board, as well as for the evaluation of performance of the Board and its members and submission of appropriate opinion. The committee's functions also cover formation of common remuneration policy in the Group companies, determination of the size and composition of remuneration, incentive principles, etc.

If necessary, other committees may be formed according to the ad hoc principle (e.g., to solve special issues, to prepare, supervise or coordinate strategic projects, etc.). On the day when this report was announced, the committees of Risk management and business ethics supervision, Audit and Nomination and remuneration were operating in the Company. In addition, by the decision of the Supervisory Board, the Steering Committee of the Company's IPO has been formed from the representatives of the Company's shareholder, members of the Supervisory Board and the Board.

Composition of the Committees at the date of publication of the interim report is provided to the right. There were no changes in the composition of the Committees during the reporting period. None of the members of the Committees holds shares of the Group companies.

Detailed information on education, place of employment and position of the members of the Committees is provided in the annual report of the Company ([link](#)).

### Members of the Risk Management and Business Ethics Supervision Committee

Committee member	Term of office
<b>ANDRIUS PRANCKEVIČIUS</b> Chairman, independent member	From April 2018 to April 2022
<b>DARIUS DAUBARAS</b> Independent member	From April 2018 to April 2022
<b>ŠARŪNAS RAMEIKIS</b> Independent member	From April 2018 to April 2022

The term of office of the current Risk Management and Business Ethics Supervision Committee will last until 23 April 2022.

### Members of the Audit Committee

Committee member	Term of office
<b>IRENA PETRUŠKEVIČIENĖ</b> Chairwoman, independent member	From October 2017 to October 2021
<b>DANIELIUS MERKINAS</b> Independent member	From October 2017 to October 2021
<b>ŠARŪNAS RADAVIČIUS</b> Independent member	From May 2018 to October 2021
<b>INGRIDA MUCKUTĖ</b> Member	From May 2018 to October 2021
<b>AUŠRA VIČKAČKIENĖ</b> Member	From October 2017 to October 2021

The term of office of the current Audit Committee will last until 12 October 2021.

### Members of the Nomination and Remuneration Committee

Committee member	Term of office
<b>DAIVA LUBINSKAITĖ-TRAINAUSKIENĖ</b> Chairwoman, independent member	From September 2017 to September 2021
<b>LĖDA TURAI-PĖTRAUSKIENĖ</b> Independent member	From March 2018 to September 2021
<b>DAIVA KAMARAUSKIENĖ</b> Member	From March 2019 to September 2021
<b>AUŠRA VIČKAČKIENĖ</b> Member	From September 2017 to September 2021

The term of office of the current Nomination and Remuneration Committee will last until 12 September 2021.

# Management bodies

## Board

The Board is a collegial management body provided for in the Articles of Association of the Company. The activities of the Board are regulated by the Law on Companies, its implementing legislation, the Guidelines for Corporate Governance of State-Owned Energy Group, the Articles of Association of the Company and the Rules of Procedure of the Board. During the reporting period, the rules governing the election of the members of the Board of the Company were not amended. The members of the Board are employees of the Company, they are elected by the Supervisory Board on the proposal of the Nomination and Remuneration Committee. The Board consists of 5 members and elects the Chairman, the CEO of the Company, from among its members.

The main functions and responsibilities of the Board include implementation of the strategy of the Group, financial management and reporting, performance management, assets, participation in other legal entities, making decisions on approval of significant transactions. The competence of the Board of the Company also includes decisions on the common rules and principles (policies, guidelines, recommendations) applicable to the Group, decisions related to the general interest of the Group, and achievement of its objectives, the structure of the Group and the issues of service activities.

The term of office of the current Board is from 1 February 2018 to 31 January 2022. There were no changes in the composition of the Company's Board during the reporting period. None of the Board members holds shares of the Group companies.

## Members of the Board (at the date of publication of this report)



### 1. DARIUS MAIKŠTĖNAS, Chairman of the Board, CEO

**Education:** Harvard Business School, General Management Program; Baltic Management Institute, Executive MBA degree; Kaunas University of Technology, Bachelor's degree in Business Administration

**Place of employment, position:** Energijos Skirstymo Operatorius, company code 304151376, address Aguonų st. 24, Vilnius, Chairman of the Supervisory board; WIDER COMMUNICATIONS INCORPORATED, DELAWARE CORPORATION, USA, shareholder, the member of the Board (until 21/05/2019); WIDER COMMUNICATIONS LIMITED PRIVATE LIMITED COMPANY, UK a sole member of the Board (until 21/05/2019)

### 2. DARIUS KAŠAUSKAS, Member of the Board, Finance and Treasury Director

**Education:** ISM University of Management and Economics, Doctoral studies of Social Sciences in the field of Economics; ISM University of management and Economics, BI Norwegian Business School, Master's degree in Management; Vilnius University, Master's degree in Economics

**Place of employment, position:** Duomenų Logistikos Centras, company code 302527488, address A.Juozapavičiaus st. 13 Vilnius, Chairman of the Board; Lietuvos Energijos Paramos Fondas, company code K. 303416124, address Žvejų st. 14, Vilnius, Member of the Board; 288th DNSB Vingis, Member of the Revision Commission; Enepro, company code 304132956, address Motorų st. 2 Vilnius, Chairman of the Board (until 24/10/2019) ESO, company code 304151376, address Aguonų st. 24, Vilnius, Member of the Supervisory board.

### 3. VIDMANTAS SALIETIS, Member of the Board, Commerce and Services Director

**Education:** Stockholm School of Economics in Riga (SSE Riga), Bachelor's degree in Economics and Business

**Place of employment, position:** Ignitis Latvija, company code 40103642991, address Darziema st. 60, LV-1048, Ryga, the member of the Board (until 22/10/2019); Ignitis Eesti, company code 12433862, address Narva st. 5 10117 Tallinn, Estonia, Chairman of the Board (until 14/11/2019), Energijos Tiekimas UAB, company code 302449388, address: P.Lukšio st. 1, Vilnius, Chairman of the Board (until 01/06/2019); Ignitis Group, company code 303383884, address: Žvejų st. 14, Vilnius Chairman of the Board (until 01/06/2019); Ignitis UAB, UAB Member of the Supervisory Board (from 01/06/2019), Chairman of the Supervisory Board (from 22/08/2019) Elektroninių mokėjimų agentūra, company code 136031358, address Žvejų st. 14, Vilnius Member of the Board; NT Valdos, company code 300634954, address P.Lukšio st. 5B, Vilnius, Chairman of the Board; Gamybos Optimizavimas, company code 304972024, address Žvejų st. 14, Vilnius Chairman of the Board.

### 4. ŽIVILĖ SKIBARKIENĖ, Member of the Board, Organisational Development Director

**Education:** Mykolas Romeris University, Faculty of Law, Doctoral degree in Social Sciences Field of Law; Vilnius University, Faculty of Law, Master's degree in Law

**Place of employment, position:** Verslo Aptarnavimo Centras UAB, company code 303359627, address P. Lukšio st. 5b, Vilnius, Chairman of the Board (until 01/01/2020); GPC, company code 303200016, address A. Juozapavičiaus st. 13, Vilnius, the Board member (from 28/06/2019), Chairwoman of the Board (from 31/07/2019); Elektroninių mokėjimų agentūra, company code 136031358, address Žvejų st. 14, Vilnius Member of the Board; Ignitis Gamyba, company code 302648707, address Elektrinės st. 21 Member of the Supervisory Board.

### 5. DOMINYKAS TUČKUS, Member of the Board, Infrastructure and Development director

**Education:** L. Bocconi University (Italy), Master's degree in Finance; L. Bocconi University (Italy), Bachelor's degree in Business Management and Administration

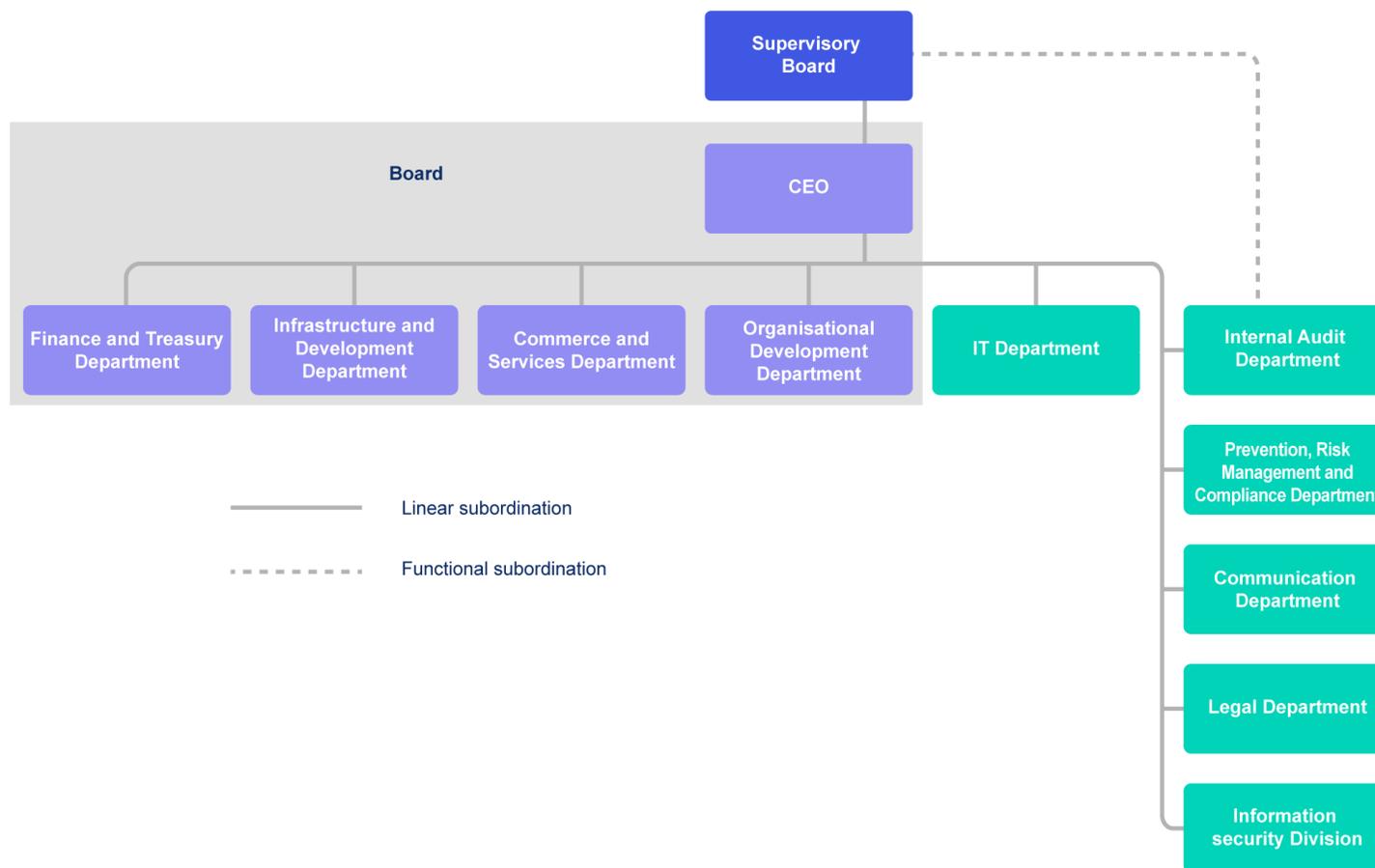
**Place of employment, position:** Ignitis Gamyba, company code 302648707, address Elektrinės st. 21, Elektrėnai, Chairman of the Supervisory board; Ignitis UAB, company code 303383884, address: Žvejų st. 14, Vilnius Member of the Board (until 01/06/2019); Ignitis UAB, company code 303383884, address: Žvejų st. 14, Vilnius Member of the Supervisory Board (until 01/06/2019); Eurakras, company code 300576942, address Žvejų st.14, Vilnius, Member of the Board (until 03/09/2019); Tuulueenergia OU, company code 10470014, address Keskus, Helmküla küla, Varbla vald, Pärnumaa, Chairman of the Board (until 28/01/2019); Vilnius CHP, company code 303782367, address Žvejų st. 14, Chairman of the Board; Ignitis Renewables, company code 304988904, address P. Lukšio st. 5B, Vilnius, Member of the Board (from 03/01/2019); Smart Energy Fund KÜB, powered by Ignitis Group, company code 304596351, address Antakalnio st. 17, Vilnius, Member of the Advisory Committee.

## CEO

CEO is a single-person management body of the Company, who organizes, directs, acts on behalf of the Company and concludes transactions unilaterally, except as provided by the Law on Companies, its implementing legislation and the Articles of Association of the Company.

The competence of CEO, the procedure of appointment and removal, the terms of office shall be established by the Law on Companies, its implementing legislation, the Guidelines for Corporate Governance of State-Owned Energy Group and the Articles of Association of the Company. In accordance with the Guidelines for Corporate Governance of State-Owned Energy Group, the Chairman of the Board elected by the Board is appointed as CEO of the Company. It should be noted that CEO of the Company, as a state-owned enterprise, is also subject to the special recruitment features provided for in the Law on Companies, according to which the term of CEO is limited to 5 years. It is also stipulated that the same person may not be elected as CEO for more than two consecutive terms.

## The Company's governance structure (at the end of the reporting period)



# Remuneration

*Number and average monthly remuneration of the employees of the Company and the Group during the reporting period (before taxes, Eur)*

Employee category	Headcount at the end of the reporting period		Fixed monthly remuneration		Paid monthly share of annual variable remuneration	
	The Company	The Group	The Company	The Group	The Company	The Group
Head of the company	1	16	9,588	7,044	-	-
Top level executives	10	34	7,402	6,412	173	232
Mid-level executives	17	359	5,080	3,280	435	227
Experts, specialists	56	2569	3,171	1,849	237	192
Workers	-	766	-	1,480	-	165
<b>Average</b>	<b>84</b>	<b>3,744</b>	<b>4,140</b>	<b>1,977</b>	<b>269</b>	<b>189</b>

## Supervisory and management bodies of the listed companies

The supervisory and management structure of the subsidiaries of the Group companies is formed taking into account the activities of a particular company, stock managers, legal status and other aspects. The rule is that the managing and supervisory bodies of the subsidiaries must be optimal, they must ensure the implementation of the interests of the Company as a shareholder, of other shareholders and of stakeholders, and must comply with the international and national best practices on corporate governance.

Listed companies of the Group companies are subject to the management model with the collegial supervisory body - the Supervisory Board (by including the independent member(s) and the shareholders' representatives, as well as, if necessary, and employee representative(s)), and with the collegial managing body – the Board of the Employees of the company.

*As at 31 March 2020, the Supervisory Board of ESO consisted of the following members (term of office till 29 March 2022):*

Full name	Participation in the capital of the Company and Group companies, %	Term of office	Place of employment
Darius Maikštėnas Chairman	-	From 30/03/2018 to 29/03/2022	Ignitis Group, Chairman of the Board, CEO
Darius Kašauskas Member	-	From 30/03/2018 to 29/03/2022	Ignitis Group, member of the Board Finance and Treasury Director
Kęstutis Betingis Independent member	-	From 28/05/2018 to 29/03/2022	Betingio ir Ragaišio Lawyer Firm, lawyer
Žaneta Kovaliova Independent member	-	From 15/10/2019 to 29/03/2022	UP Consulting Group Ltd, CEO
Dalia Jakutavičė Employee representative, Member	-	From 15/10/2019 to 29/03/2022	Deputy Chairwoman of the Lithuanian Energy Workers' Trade Union Federation

During the reporting period, there were no changes in the composition of the Supervisory Board of ESO.

*As at 31 March 2020, the Board of ESO consisted of the following members (term of office till 26 December 2022):*

Full name	Participation in the capital of the Company and Group companies, %	Term of office	Place of employment
Mindaugas Keizeris Chairman	-	From 27/12/2018 to 26/12/2022	ESO, CEO
Augustas Dragūnas Member	-	From 27/12/2018 to 26/12/2022	ESO, Director of Finance and Administration
Virgilijus Žukauskas Member	-	From 27/12/2018 to 26/12/2022	ESO, Director of Network Operations
Ovidijus Martinonis Member	-	From 27/12/2018 to 26/12/2022	ESO, Director of Network Development
Renaldas Radvila Member	-	From 27/12/2018 to 26/12/2022	ESO, Director of the Services

During the reporting period, there were no changes in the composition of the Board of ESO.

*As at 31 March 2020, the Supervisory Board of Ignitis Gamyba, consisted of the following members (term of office until 25 March 2022):*

Full name	Participation in the capital of the Company and Group companies, %	Term of office	Place of employment
Dominykas Tučkus Chairman	-	From 26/03/2018 to 25/03/2022	Ignitis Group, member of the Board, Infrastructure and Development Director
Živilė Skibarkienė Member	-	From 26/03/2018 to 25/03/2022	Ignitis Group, member of the Board, Organisational Development Director
Edvardas Jatautas Independent member	-	From 26/07/2019 to 25/03/2022	Profectus Novus UAB owner, Chairman of the Board; Addendum Group Inc., founder, President; Addendum Solutions UAB founder, member of the Board. Lithuanian American Business Association in Los Angeles, member of the Board SIA Addendum LV founder, member of the Board. OU Addendum EE founder, member of the Board.

During the reporting period, there were no changes in the composition of the Supervisory Board of Ignitis Gamyba.

*As at 31 March 2020, the Board of Ignitis Gamyba, consisted of the following members (term of office until 2 April 2022):*

Full name	Participation in the capital of the Company and Group companies, %	Term of office	Place of employment
Rimgaudas Kalvaitis Chairman	-	From 27/03/2019 to 02/04/2022	Ignitis Gamyba, CEO
Darius Kucinas Member	-	From 03/04/2018 to 02/04/2022	Ignitis Gamyba, Director of Production
Mindaugas Kvekšas Member	-	From 03/04/2018 to 02/04/2022	Ignitis Gamyba, Director of Finance and Administration

During the reporting period, there were no changes in the composition of the Board of Ignitis Gamyba.

# People

There have been 3,767 employees as of 31 March 2020 (number of employment contracts excluding long-term leave, “headcount”). This is similar to the end of Q1 2019, when the Group had 3,774 employees.

84 employees worked (“headcount”) in the Company on 31 March 2020 (97 on 31 March 2019). The decrease was mainly due to the part of employees being transferred to the Group subsidiary company – Ignitis Grupės Paslaugų Centras.

## Employee diversity

Group provides employment opportunities not dependent on gender, which is emphasized during the staff selection process.

In Q1 2020, males accounted to 72% and females for 28% of total Group employees. There have been 65% males and 35% females’ specialists. The gender distribution within middle level managers is similar – males accounted for 68% and females for 32%. The same trend can be observed among employees within management positions: 80% of managers is males and 20% - females. These figures have not significantly changed compared to 2019.

## Distribution by age

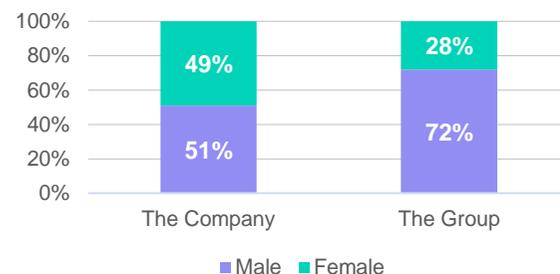
The Group offers employment opportunities for people of all ages. The biggest group of the Group companies’ employees are in the age range from 37 to 56 years (~48% of total employees), followed by the age group from 17 to 36 years (34% of total employees). The smallest group include employees in the age group from 57 to 76 year.

## Number of Group employees as of 31 March 2020

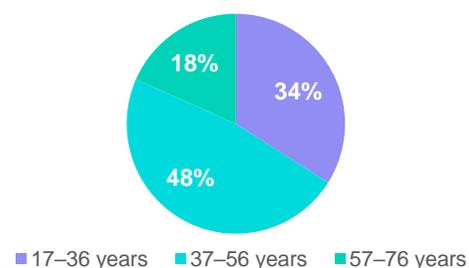
Company	Total number of employees*
Energijos Skirstymo operatorius	2,404
Ignitis Grupės Paslaugų Centras	449
Ignitis Gamyba	359
Ignitis	269
Ignitis Grupė	84
Vilnius CHP	55
Kaunas CHP	35
Transporto valdymas	25
Energetikos Paslaugų ir Rangos Organizacija	22
Duomenų Logistikos Centras	14
Ignitis Latvija	9
Ignitis Renewables	8
Ignitis Polska	8
Gamybos Optimizavimas	7
NT Valdos	6
Elektroninių Mokėjimų Agentūra	5
Pomerania	2
Ignitis Eesti	1
Eurakras	1
Vėjo Gūsis	1
Vėjo Vatas	1
VVP Investment	1
Tuuleenergia	1
<b>Total</b>	<b>3,767</b>

\* In the interim report number of employees refers to the headcounts

Distribution of personnel by gender in Q1 2020



Groups' employees by age group in Q1 2020



# Culture of organisation

The Group seeks to form and maintain an organizational culture that fosters long-term employer-employee partnerships based on the Group's values and principles of conduct, mutual value generation and the creation of a successful future together. The aim is to ensure a positive microclimate for productive and efficient work, employee involvement and empowerment, interest in the success of the Group's companies, quality and efficiency of activities, and socially responsible behaviour.

Strategic initiatives for the coordinated development of the organization, human resource management, formation of a new organizational culture, efficiency of activity organization, development of new employees, and strengthening and maintenance of employee competencies are continued. Human and Culture Department Team targets to increase the attractiveness of the Group's employer image, improve remuneration and benefit systems, develop a model of leadership competencies and prepare a leadership development plan.

## Human rights and equal opportunities

In the provision of its services and activities in different communities, the Group operates in accordance with the principles of the protection of human rights, promotes and respects international protection of human rights in its sphere, and ensures that it does not contribute to violations of human rights and advocates any violation thereof.

The Group implements a fair and transparent remuneration policy, complies with the laws governing overtime and working hours, opposes any discrimination (with regard to employees or during employment) and forced or child labour, respects the right of employees to rest, and promotes work-family balance.

The Equal Opportunities Policy, applicable to the entire Group, provides the principles of equal opportunities throughout the Group, measures for their implementation and describes the procedure for reporting and dealing with equal opportunities violations

Reports of human rights, equal opportunities or other violations may be made directly to the head of the Company's Human Resources Department may be notified of discrimination of equal opportunities directly by email or via the Trust Line by e-mail [pasitikejimolinija@ignitis.lt](mailto:pasitikejimolinija@ignitis.lt) or by leaving a message on the answering machine +370 640 88889. In Q1 2020, no reports discrimination or other incidents related to human rights violations have been received in Group companies.

## Occupational health and safety

The Group has been dedicating significant attention to developing the health and safety culture at the working places, and strengthening the responsibility of the employees. The Group has approved its 'Occupational Health and Safety Policy' (OHS) designed to build safety culture in the Company based on personal responsibility and cooperation. The highest-level managers are responsible for a safe and healthy working environment, and safety culture is perceived as a component of the organisational culture.

There were no accidents or incidents involving Group employees in Q1 2020. However, 23 violations of contractors, one serious incident (without injuries) and one fatal accident were recorded at the facilities of companies of the Group. Breaches occurred at ESO when contractors did not have a list of security measures or measures specified therein, used untested electrical protection measures. Violations were identified in the Ignitis Gamyba company, due to which the works were suspended. Contractors carried out the fire work without instruction, and the work at height took place without measures to prevent falls from a height. There were serious incidents at Vilnius cogeneration power plant.



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## Other important information

The Interim Report provides information to the shareholders, creditors and other stakeholders of UAB „Ignitis grupė” (hereinafter “Ignitis Group” or the “Company”) about the Company’s and its controlled companies, which altogether are called Group of companies (hereinafter and the “Group”) operations for the period of January-March, 2020.

The Interim Report has been prepared by the Company’s Administration in accordance with the Lithuanian Law on Companies, the Lithuanian Law on Consolidated Financial Reporting.

The Company’s management is responsible for the information contained in the Interim Report. The report and the documents, on the basis of which it was prepared, are available at the head office of the Company (Žvejų g. 14, Vilnius), on working days from Mondays through Thursdays from 7.30 a.m. To 4.30 p.m., and on Fridays from 7.30 a.m. to 3.15 p.m. (by prior arrangement).

All public announcements, which are required to be published by the Company according to the effective legal acts of the Republic of Lithuania, are published on the Company’s website ([www.ignitisgrupe.lt](http://www.ignitisgrupe.lt)) and the website of Nasdaq Vilnius stock exchange ([www.nasdaqbaltic.com](http://www.nasdaqbaltic.com)).

### Significant arrangements

The Company was not a party to any significant arrangements that would take effect, be amended or terminated in the event of changes in the Company’s control situation.

There were no arrangements between the Company and the members of its management bodies or its employees that would provide for payment of termination benefits in the event of their resignation or dismissal without a valid reason or in the event of termination of their employment t as a result of changes in the Company’s control situation.

### Detrimental transactions

No detrimental transactions were concluded during the reporting period on behalf of the Company (transactions that are not consistent with the Company’s objectives or usual market terms and conditions, infringe interests of the shareholders or other stakeholders etc.), which had or potentially may have a negative impact on the Company’s performance and/or results of operation, nor were any transactions concluded resulting in conflict of interests between the responsibilities of the Company’s management, majority shareholders or other related parties against the Company and their own private interests and/or other responsibilities.

### The main attributes of the internal control and risk management systems involved in the preparation of the consolidated financial statements

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

The employees of the company from which the Company outsources the accounting functions, make sure that the financial statements are prepared properly and that all data are collected in a timely and accurate manner. The preparation of the Company’s financial statements, internal control and financial risk management systems, legal acts governing compilation of the financial statements are monitored and managed.

### Information about audit

On 25 February 2019, General Meeting of Shareholders of the Company adopts decision regarding the election of the audit company for the audit of the Company’s and its subsidiaries financial and consolidated financial reports and the terms of remuneration for the audit services (UAB „Ernst & Young Baltic“ was elected as the audit company for the audits of financial reports of the Company and its subsidiaries for the period of 2019-2021). Sum of 2019 annual audit services of the Company and its subsidiaries financial and consolidated financial reports amounted to 299,991.67 EUR (VAT excluded).

### Other agreements with auditors

The Company has not entered into any additional arrangements with the entity that audited its financial statements.

# Material events of the Company

## During the reporting period (Q1 2020)

31 March	Preliminary financial data of the Company for 2 months of 2020
31 March	Regarding approval of the official tender offer circulars of ESO and Ignitis Gamyba shares
27 March	The number of members of the Supervisory Board will be increased in the Company
23 March	The Company will start preparation for its initial public offering
19 March	Courts approved waivers of claims of minority shareholders of ESO and Ignitis Gamyba
18 March	The Government approved the conversion of The Company and the increase of share capital
17 March	The Company and minority shareholders of its subsidiaries ESO and Ignitis Gamyba reached a settlement
10 March	Financing contract for the Pomerania wind farm project is signed
5 March	Correction: Reporting dates of The Company in 2020
28 February	Preliminary financial data of The Company for 1 month of 2020
28 February	In 2019 , the year of transformation, The Company improved its financial indicators
28 February	Regarding recommendation of the working group set up by the Ministry of Finance and the proposal to approve the actions authorizing to prepare for the initial public offering of shares of the Company
25 February	Regarding financing contracts for the Pomerania wind farm project
31 January	Correction: Preliminary financial results of the Company for 12 months of 2019
31 January	Preliminary financial results of the Company for 12 months of 2019
10 January	Regarding the information submitted to the Bank of Lithuania about official tender circulars of subsidiaries shares
8 January	Regarding the decision to appeal the judgement
6 January	Regarding the decision to appeal the judgement
3 January	Regarding the decision of the Court

## After the reporting period

22 May	The Company listed new bond emission on the AB Nasdaq Vilnius Stock Exchange
21 May	Regarding decisions to delist the shares of ESO and Ignitis Gamyba from the Nasdaq Vilnius Stock Exchange
18 May	Regarding the beginning of the processes of mandatory buyout of shares of ESO and Ignitis Gamyba
14 May	The Company issued bonds of value EUR 300 million
11 May	The Company plans an issue of bonds
11 May	The Company retained BBB+ credit rating
8 May	Correction: The Company's annual information for the year 2019
8 May	Summary of the Company's webinar
8 May	The Company's annual information for the year 2019
8 May	Regarding the resolutions of the Ordinary General Meeting of the Shareholders of the Company
7 May	The Company holds a Webinar regarding the financial results for the year 2019
7 May	Reminder of a Webinar regarding the financial results for the year 2019 of the Company
5 May	The Bank of Lithuania approved the prices at which Ignitis Grupė will offer the buy-out of ESO and Ignitis Gamyba shares

<b>4 May</b>	Ignitis Group will hold an Investor Conference Webinar to introduce the financial results for the year 2019
<b>30 April</b>	Preliminary financial data of Ignitis Group for 3 months of 2020
<b>23 April</b>	Regarding the end of the Company's official tender offers for shares of ESO Ignitis Gamyba
<b>22 April</b>	Regarding the Company's consolidated annual report for 2019, consolidated and separate financial statements and profit (loss) distribution project
<b>20 April</b>	Correction: Reporting dates of Ignitis Group in 2020
<b>16 April</b>	Regarding conclusion of a credit agreement with Swedbank, AB
<b>10 April</b>	Correction: Reporting dates of the Company in 2020
<b>8 April</b>	The number of members of the Supervisory Board is changed in the Company
<b>2 April</b>	The start of the official tender offer for shares of ESO and Ignitis Gamyba

# Glossary

%	Per cent
000 / k	Thousand
AB	Joint stock company
B2B	Business to business
B2C	Business to consumer
BICG	Baltic Institute of Corporate Governance
bn	Billion
c.d.	Calendar days
CCGT	Combined Cycle Gas Turbine Plant
CO2	Carbon dioxide
<b>Customers of independent suppliers</b>	Electricity users who have selected an independent electricity supplier as their supplier
E	Electricity
EA	Emission allowances
<b>Electricity generated</b>	Electricity generated in wind farms, solar power plants, biofuel plants, hydropower plants (including Kruonis pumped storage power plant), waste plants and electricity generated in Elektrėnai Complex
<b>Electricity sales in retail market</b>	Amount of electricity sold in Lithuania (B2C, B2B and guaranteed customers) and in Latvia
<b>Electricity sales in wholesale market</b>	Proprietary trading in wholesale market in Poland
<b>Energijos Tiekimas</b>	Energijos Tiekimas UAB
<b>Enerpro</b>	UAB Energetikos paslaugų ir rangos organizacija
<b>eNPS</b>	Employee Net Promoter Score
<b>ESO</b>	AB „ESO“
<b>etc.</b>	et cetera
<b>EU</b>	European Union
<b>Eurakras</b>	UAB „EURAKRAS“
<b>FTE</b>	Full-time equivalent
<b>GDP</b>	Gross domestic product
<b>GDPR</b>	General Data Protection Regulation
<b>Government of the Republic of Lithuania</b>	Government of the Republic of Lithuania
<b>GPAIS</b>	Unified Product, Packaging and Waste Record Keeping System
<b>GPC</b>	UAB „Ignitis grupės paslaugų centras“

<b>Green electricity generated</b>	Electricity generated in wind farms, solar power plants, biofuel plants, hydropower plants (including Kruonis pumped storage power plant) and waste plants
<b>Green Generation capacity installed</b>	Wind farms, solar power plants, biofuel plants, hydropower plants (including Kruonis pumped storage power plant) and waste plants that have completed and have passed a final test
<b>Green share of generation,%</b>	Green share of generation shall be calculated as follows: Green electricity generated (including Kruonis pumped storage power plant) divided by total electricity generated in the Group
<b>Group</b>	Group companies of Ignitis Group UAB
<b>Guaranteed supply</b>	Supply of electricity in order to meet electricity demand of customers who have not selected an independent supplier under the established procedure or an independent supplier selected by them does not fulfil its obligations, terminates activities or the agreement on the purchase and sale of electricity
<b>Hydro power</b>	Kaunas Algirdo Brazauskas hydroelectric power plant and Kruonis pumped storage power plant
<b>IFRS</b>	International Financial Reporting Standards
<b>IFRS</b>	International Financial Reporting Standards
<b>Ignitis</b>	Ignitis UAB (former Lietuvos energijos tiekimas and Energijos tiekimas)
<b>Ignitis Eesti</b>	Ignitis Eesti OÜ
<b>Ignitis Gamyba</b>	AB „Ignitis gamyba“
<b>Ignitis Latvija</b>	Ignitis Latvija SIA
<b>Ignitis Polska</b>	Ignitis Polska sp. z o.o.
<b>Ignitis Renewables</b>	UAB „Ignitis renewables“
<b>Installed capacity</b>	Where all assets have been completed and have passed a final test
<b>Investments</b>	Acquisition of property, plant and equipment and intangible assets, acquisition of shareholdings
<b>IPO</b>	Initial Public Offering
<b>ISO</b>	International Organization for Standardization

<b>Kaunas A. Brazauskas HPP</b>	Kaunas Algirdas Brazauskas Hydroelectric Power Plant
<b>Kaunas CHP</b>	UAB Kauno kogeneracinė jėgainė
<b>Kruonis PSHP</b>	Kruonis Pumped Storage Hydroelectric Plant
<b>KTU</b>	Kaunas University of Technology
<b>Lietuvos energija</b>	„Lietuvos energija“, UAB (current UAB „Ignitis grupė“)
<b>Lietuvos Energijos Tiekimas</b>	Lietuvos Energijos Tiekimas UAB
<b>Litgas</b>	Litgas UAB
<b>Litgrid</b>	Litgrid AB
<b>LNG</b>	Liquefied natural gas
<b>LNG</b>	Liquefied natural gas
<b>LNGT</b>	Liquefied natural gas terminal
<b>LRAIC</b>	Long-run average incremental cost
<b>LTM</b>	Last twelve months
<b>LVPA</b>	Lithuanian Business Support Agency
<b>m.</b>	Metai
<b>Mažeikiai</b>	UAB „VVP Investment“
<b>min.</b>	Minimum
<b>MLN / m</b>	Million
<b>mnth.</b>	Month/months
<b>MW</b>	Megawatt
<b>MWh</b>	Megawatt hour
<b>n.m.</b>	Not meaningful
<b>NEIS</b>	National Energy Independence Strategy
<b>NERC</b>	The National Energy Regulatory Council
<b>New connection points and upgrades</b>	Number of new customers connected to the network and capacity upgrades of the existing connection points
<b>NG</b>	Natural gas
<b>NPS</b>	Net promoter score
<b>NT Valdos</b>	NT Valdos, UAB
<b>OECD</b>	Organisation for Economic Co-operation and Development

<b>OHS</b>	Occupational Health and Safety Policy
<b>OPEX</b>	Operating expenses
<b>Pomerania</b>	Pomerania Wind Farm sp. z o. o.
<b>PSO</b>	Public service obligation
<b>Public supply</b>	Electricity supply activity performed in accordance with the procedure and terms established by legal acts by an entity holding a public supply licence
<b>Q</b>	Quarter
<b>RBM</b>	Remuneration of the Board member
<b>RE</b>	Renewable energy
<b>RES</b>	Renewable energy sources
<b>RPA</b>	Robotic process automation
<b>SAIDI</b>	Average duration of unplanned interruptions in electricity or gas transmission
<b>SAIFI</b>	Average number of unplanned long interruptions per customer
<b>SOE</b>	State-owned company
<b>TE-3</b>	Vilnius Third Combined Heat and Power Plant
<b>The Company / Ignitis Group</b>	UAB „Ignitis grupė“ (former „Lietuvos energija“, UAB)
<b>Tuuleenergia</b>	„Tuuleenergia osaühing“
<b>TWh</b>	Terawatt-hour
<b>UAB</b>	Private Limited Liability Company
<b>UN</b>	United Nations
<b>Units</b>	Units
<b>Vėjo Gūsis</b>	UAB „VĖJO GŪSIS“
<b>Vėjo Vatas</b>	UAB „VĖJO VATAS“
<b>VG TU</b>	Vilnius Gediminas Technical University
<b>Vilnius CHP</b>	UAB Vilniaus kogeneracinė jėgainė
<b>Visagino atominė elektrinė</b>	Visagino atominė elektrinė UAB
<b>vs.</b>	Versus

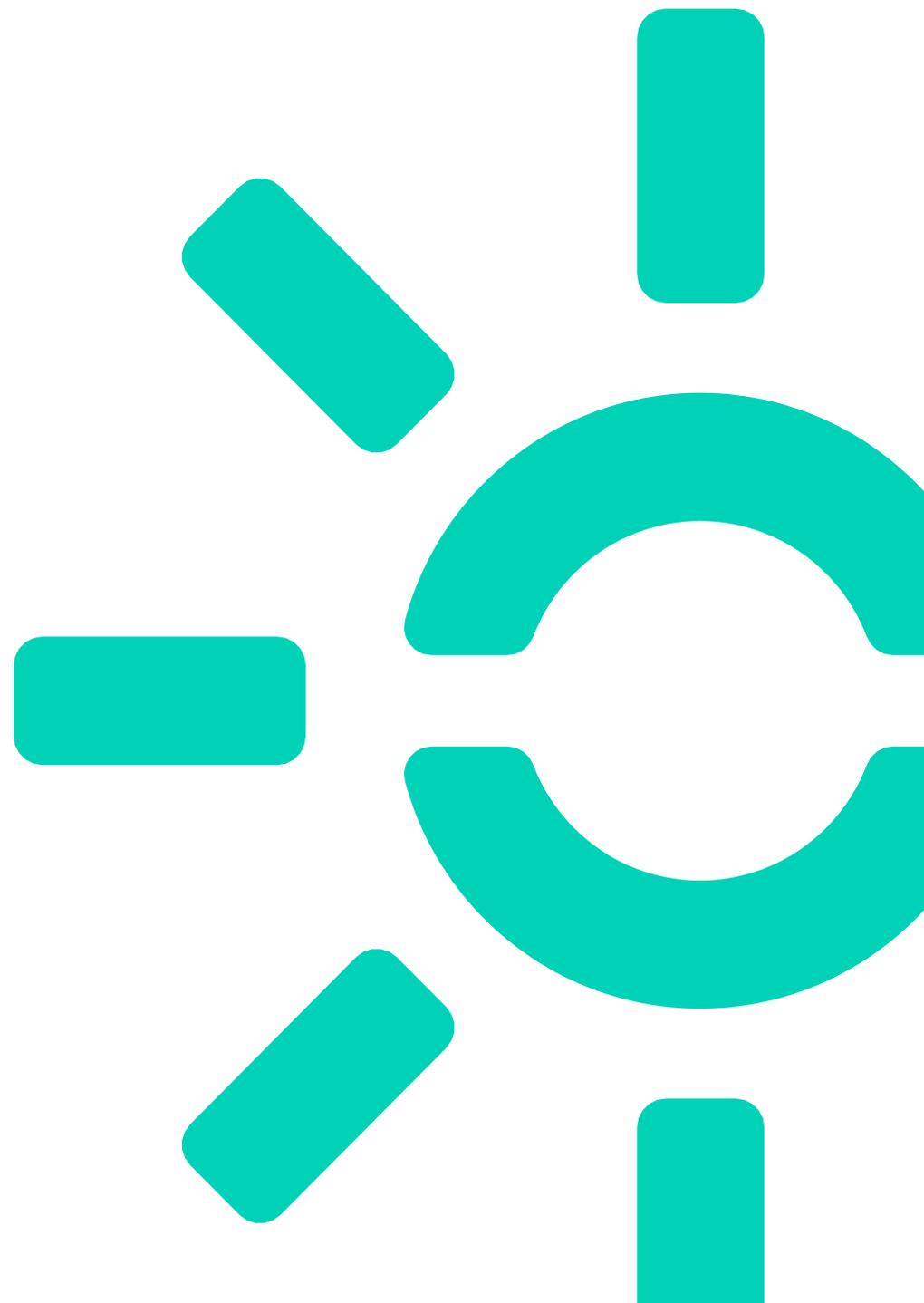
# 2020

## Ignitis grupė UAB consolidated and Company's condensed interim financial statement

Consolidated and Company's interim condensed financial statement for the three month period ended 31 March 2020, prepared according to international accounting standard 34 'Interim financial reporting' as adopted by the European Union (unaudited)

[www.ignitisgrupe.lt](http://www.ignitisgrupe.lt)

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Company code 301844044



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**Condensed interim statements of financial position**

**Condensed interim statements of comprehensive income**

**Condensed interim statements of changes in equity**

**Condensed interim statements of cash flows**

**Explanatory notes to the condensed interim financial statements**

## **Translation note:**

These condensed interim financial statements are a translation from the original, which was prepared in Lithuanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of this document takes precedence over this translation.

Condensed interim financial statements was approved by Chief Executive Officer, Finance and Treasury Director and Head of Accounting Service Center of Ignitis grupės paslaugų centras UAB (acting under Order No IS-88-20 of 10 April 2020) at 29 May 2020:

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**Darius Maikštėnas**

Chief Executive Officer

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**Darius Kašauskas**

Finance and Treasury Director

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**Giedruolė Guobienė**

Head of Accounting Service  
Center of Ignitis grupės paslaugų  
centras UAB acting under Order  
No IS-88-20 of 10 April 2020

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

All amounts in thousands of euro unless otherwise stated

	Notes	Group		Company	
		2020.03.31	2019.12.31	2020.03.31	2019.12.31
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	4	127,792	142,737	1,874	1,874
Property, plant and equipment	4	2,379,306	2,347,817	82	86
Right-of-use asset	5	60,629	61,044	769	838
Prepayments for non-current assets		27,512	27,809	144	144
Investment property		5,530	5,530	-	-
Investments in subsidiaries	6	-	-	1,204,494	1,204,494
Amounts receivable after one year		161,172	165,031	720,700	723,201
Other financial assets		4,100	3,735	3,804	3,474
Other non-current assets		8,075	5,087	-	-
Deferred corporate income tax asset		12,612	11,770	832	763
<b>Total non-current assets</b>		<b>2,786,728</b>	<b>2,770,560</b>	<b>1,932,699</b>	<b>1,934,874</b>
<b>Current assets</b>					
Inventories		39,877	46,621	-	-
Prepayments and deferred expenses		44,030	50,548	109	32
Trade receivables	7	128,509	117,867	-	-
Other amounts receivable		26,047	31,780	423	380
Other current assets		4,029	5,796	-	-
Prepaid corporate income tax		2,282	2,434	-	-
Other financial assets		-	-	229,218	270,949
Cash and cash equivalents	8	126,324	131,837	108	144
		<b>371,098</b>	<b>386,883</b>	<b>229,858</b>	<b>271,505</b>
Non-current assets held for sale	9	36,287	40,643	7,141	7,141
<b>Total current assets</b>		<b>407,385</b>	<b>427,526</b>	<b>236,999</b>	<b>278,646</b>
<b>TOTAL ASSETS</b>		<b>3,194,113</b>	<b>3,198,086</b>	<b>2,169,698</b>	<b>2,213,520</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	10	1,212,156	1,212,156	1,212,156	1,212,156
Reserves		241,819	259,651	80,720	80,720
Retained earnings (deficit)		(147,299)	(172,188)	35,525	36,525
<b>Equity attributable to owners of the parent</b>		<b>1,306,676</b>	<b>1,299,619</b>	<b>1,328,401</b>	<b>1,329,401</b>
Non-controlling interests		50,417	49,001	-	-
<b>Total equity</b>		<b>1,357,093</b>	<b>1,348,620</b>	<b>1,328,401</b>	<b>1,329,401</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Non-current borrowings	11	831,950	821,929	637,785	639,465
Lease liabilities		25,992	33,818	494	563
Grants and subsidies		271,764	267,949	-	-
Deferred corporate income tax liabilities		39,247	38,408	-	-
Provisions	12	35,350	35,564	-	-
Deferred revenue		153,993	151,910	-	-
Other non-current amounts payable and liabilities		786	883	-	-
<b>Total non-current liabilities</b>		<b>1,359,082</b>	<b>1,350,461</b>	<b>638,279</b>	<b>640,028</b>
<b>Current liabilities</b>					
Current portion of long-term debts	11	29,942	37,454	24,776	32,901
Current borrowings	11	174,161	196,737	174,147	196,737
Current portion of lease liabilities		14,888	8,400	276	277
Trade payables		85,531	78,567	367	259
Contract liabilities		32,756	51,745	117	52
Corporate income tax liabilities		8,963	6,171	-	-
Provisions	12	21,580	19,818	-	-
Deferred revenue		9,931	9,749	-	-
Other current amounts payable and liabilities		94,907	85,042	3,335	13,865
		<b>472,659</b>	<b>493,683</b>	<b>203,018</b>	<b>244,091</b>
Liabilities related to non-current assets held for sale		5,279	5,322	-	-
<b>Total current liabilities</b>		<b>477,938</b>	<b>499,005</b>	<b>203,018</b>	<b>244,091</b>
<b>Total liabilities</b>		<b>1,837,020</b>	<b>1,849,466</b>	<b>841,297</b>	<b>884,119</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,194,113</b>	<b>3,198,086</b>	<b>2,169,698</b>	<b>2,213,520</b>

The accompanying notes form an integral part of this condensed interim financial statements.

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

All amounts in thousands of euro unless otherwise stated

	Notes	Group		Company	
		2020, I qrt.	2019, I qrt. (restated*)	2020, I qrt.	2019, I qrt.
Revenue from contracts with customers	13	324,620	332,447	780	706
Other income		1,039	11,043	1	24
		<b>325,659</b>	<b>343,490</b>	<b>781</b>	<b>730</b>
<b>Operating expenses</b>					
Purchases of electricity, gas for trade, and related services		(218,191)	(245,038)	-	-
Purchases of gas and heavy fuel oil		(6,690)	(6,626)	-	-
Depreciation and amortisation		(27,727)	(27,014)	(73)	(66)
Wages and salaries and related expenses		(24,457)	(21,003)	(1,340)	(1,361)
Repair and maintenance expenses		(4,820)	(8,151)	-	-
Reversal (impairment) of amounts receivable and loans		(597)	229	-	-
Impairment of property, plant and equipment		(907)	(180)	-	-
Other expenses		(11,660)	(9,674)	(807)	(574)
<b>Total operating expenses</b>		<b>(295,049)</b>	<b>(317,457)</b>	<b>(2,220)</b>	<b>(2,001)</b>
<b>Operating profit (loss)</b>		<b>30,610</b>	<b>26,033</b>	<b>(1,439)</b>	<b>(1,271)</b>
Finance income		377	576	4,419	3,307
Finance costs		(4,495)	(3,924)	(4,048)	(3,598)
<b>Profit (loss) before tax</b>		<b>26,492</b>	<b>22,685</b>	<b>(1,068)</b>	<b>(1,562)</b>
Current year corporate income tax (expense)/benefit		(3,438)	(3,921)	-	-
Deferred corporate income tax (expense)/benefit		(904)	(1,786)	68	190
<b>Net profit</b>		<b>22,150</b>	<b>16,978</b>	<b>(1,000)</b>	<b>(1,372)</b>
Attributable to:					
Owners of the parent		20,380	15,920	(1,000)	(1,372)
Non-controlling interest		1,770	1,058	-	-
<b>Other comprehensive income (loss)</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Gain (loss) on revaluation of non-current assets		(11,217)	(5,296)	-	-
Deferred income tax related to gain (loss) on revaluation of non-current assets		(25)	-	-	-
<b>Items that will not be reclassified to profit or loss, total</b>		<b>(11,242)</b>	<b>(5,296)</b>	<b>-</b>	<b>-</b>
<b>Items that will be reclassified to profit or loss</b>					
Change in fair value of available-for-sale financial assets		(2,435)	(5)	-	-
Other income/(expenses) recognised directly in equity during the period		(2,435)	(5)	-	-
Translation of net investments in foreign operations into the Group's presentation currency		(13,677)	(5,301)	-	-
<b>Items that will be reclassified to profit or loss, total</b>		<b>8,473</b>	<b>11,677</b>	<b>(1,000)</b>	<b>(1,372)</b>
Attributable to:					
Owners of the parent		7,057	10,787	(1,000)	(1,372)
Non-controlling interests		1,416	890	-	-

\*Certain amounts presented above do not correspond to the condensed interim financial statements prepared for the period of 2019 1<sup>st</sup> quarter and reflect corrections and changes of accounting treatments, disclosed in Note 3.2.

The accompanying notes form an integral part of this condensed interim financial statements.

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

All amounts in thousands of euro unless otherwise stated

Group	Notes	Equity attributable to owners of the Company					Subtotal (restated*)	Non- controlling interest (restated*)	Total (restated*)
		Share capital	Legal reserve	Revaluation reserve	Other reserves	Retained earnings (restated*)			
<b>Balance at 31 December 2018</b>		1,212,156	49,851	162,935	16	(156,763)	1,268,195	48,356	1,316,551
Correction of error and change of accounting methods**		-	-	-	-	(13,231)	(13,231)	(798)	(14,029)
<b>Restated balance as at 1 January 2019 (restated*)</b>		1,212,156	49,851	162,935	16	(169,994)	1,254,964	47,558	1,302,522
Revaluation of non-current assets, net of deferred income tax effect		-	-	(5,126)	-	-	(5,126)	(170)	(5,296)
Translation of net investments in foreign operations into the Group's presentation currency		-	-	-	(5)	-	(5)	-	(5)
<b>Total other comprehensive income (loss)</b>		-	-	(5,126)	(5)	-	(5,131)	(170)	(5,301)
Net profit for the reporting period (restated*)		-	-	-	-	15,920	15,920	1,058	16,978
<b>Total comprehensive income for the period (restated*)</b>		-	-	(5,126)	(5)	15,920	10,789	888	11,677
Transfer of revaluation reserve to retained earnings (transfer of depreciation, net of deferred income tax)		-	-	(4,508)	-	4,508	-	-	-
Transfer to reserves and movement in reserves		-	(689)	-	-	689	-	-	-
<b>Restated balance as at 31 March 2019 (restated*)</b>		1,212,156	49,162	153,301	11	(148,877)	1,265,753	48,446	1,314,199
<b>Balance at 1 January 2019</b>		1,212,156	112,647	146,993	11	(172,188)	1,299,619	49,001	1,348,620
Revaluation of non-current assets, net of deferred income tax effect		-	-	(10,864)	-	-	(10,864)	(353)	(11,217)
Translation of net investments in foreign operations into the Group's presentation currency		-	-	-	(2,435)	-	(2,435)	-	(2,435)
Result of change in actuarial assumptions		-	-	-	-	(24)	(24)	(1)	(25)
<b>Total other comprehensive income (loss)</b>		-	-	(10,864)	(2,435)	(24)	(13,323)	(354)	(13,677)
Net profit for the reporting period		-	-	-	-	20,380	20,380	1,770	22,150
<b>Total comprehensive income for the period</b>		-	-	(10,864)	(2,435)	20,356	7,057	1,416	8,473
Transfer of revaluation reserve to retained earnings (transfer of depreciation, net of deferred income tax)		-	-	(3,026)	-	3,026	-	-	-
Transfer to reserves and movement in reserves		-	(1,507)	-	-	1,507	-	-	-
<b>Balance at 31 March 2020</b>		1,212,156	111,140	133,103	(2,424)	(147,299)	1,306,676	50,417	1,357,093

\*Certain amounts presented above do not correspond to the condensed interim financial statements prepared for the period of 2019 1<sup>st</sup> quarter and reflect corrections and changes of accounting treatments, disclosed in Note 3.2.

\*\*Preparing annual financial statements for 2019, corrections of errors and changes in accounting methods were applied retrospectively

The accompanying notes form an integral part of this condensed interim financial statements.

UAB Ignitis Grupė, Company code 301844044, Žvejų g. 14, LT-09310 Vilnius, Lithuania

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

All amounts in thousands of euro unless otherwise stated

Company	Notes	Share capital	Legal reserve	Retained earnings	Total
<b>Balance at 1 January 2019</b>		1,212,156	19,811	78,231	1,310,198
Net profit for the period		-	-	(1,372)	(1,372)
<b>Total comprehensive income for the period</b>		-	-	<b>(1,372)</b>	<b>(1,372)</b>
<b>Balance at 31 March 2019</b>		1,212,156	19,811	76,859	1,308,826
<b>Balance at 1 January 2020</b>		1,212,156	80,720	36,525	1,329,401
Net profit for the period		-	-	(1,000)	(1,000)
<b>Total comprehensive income for the period</b>		-	-	<b>(1,000)</b>	<b>(1,000)</b>
<b>Balance at 31 March 2020</b>		1,212,156	80,720	35,525	1,328,401

*The accompanying notes form an integral part of this condensed interim financial statements.*

**CONDENSED INTERIM STATEMENT OF CASH FLOW**

All amounts in thousands of euro unless otherwise stated

	Notes	Group		Company	
		2020, I qrt.	2019, I qrt. (restated*)	2020, I qrt.	2019, I qrt.
<b>Cash flows from operating activities</b>					
Net profit for the period*		22,150	16,978	(1,000)	(1,372)
<b>Adjustments for non-monetary expenses (income):</b>					
Depreciation and amortisation expenses	4, 5	29,796	28,992	73	66
Impairment of property, plant and equipment		912	180	-	-
Revaluation of derivative financial instruments		6,307	1,516	-	-
Impairment of financial assets (reversal of impairment)		702	(229)	-	-
Corporate income tax expenses		4,342	5,707	(69)	(190)
(Depreciation) of grants		(2,069)	(2,245)	-	-
Increase (decrease) in provisions		375	7,121	-	-
Inventory write-down to net realizable value/ (reversal)		(14)	(12)	-	-
Non-current assets (except financial assets) write-off expenses		819	1,386	-	-
Expenses/(income) of revaluation of emission allowances		2,217	(106)	-	-
Emission allowances utilised		(98)	-	-	-
<b>Elimination of results of investing activities:</b>					
- (Gain)/loss on disposal/write-off of property, plant and equipment		(354)	(478)	-	-
- Result of derivatives revaluation and closing		2	939	-	-
- Other investment activity expenses (income)		-	(7)	-	364
<b>Elimination of results of financing activities:</b>					
Interest (income)		(71)	(424)	(4,419)	(3,307)
Interest expenses		3,707	3,868	3,611	3,598
Other finance (income) expenses		482	(96)	437	-
<b>Changes in working capital:</b>					
(Increase) decrease in trade receivables and other amounts receivable		(447)	24,632	(910)	(11,286)
(Increase) decrease in inventories, prepayments and other current and non-current assets		7,776	(519)	(77)	653
Increase (decrease) in amounts payable, deferred income and contract liabilities		1,473	(25,359)	518	10,696
Corporate income tax (paid)		(591)	(616)	-	-
<b>Net cash flows from (used in) operating activities</b>		<b>77,416</b>	<b>61,228</b>	<b>(1,836)</b>	<b>(778)</b>
<b>Cash flows from investing activities</b>					
(Acquisition) of property, plant and equipment and intangible assets		(65,788)	(94,603)	-	(30)
Disposal of property, plant and equipment and intangible assets		4,207	12,859	-	-
Loans (granted)		-	-	-	(72,064)
Loans repaid		-	-	47,677	26,280
(Acquisition) of subsidiaries		-	-	(11,314)	(15,175)
Grants received		5,742	10,728	-	-
Interest received		-	-	1,511	489
Increase (decrease) of cash flows from other from investing activities		-	(51)	-	(607)
<b>Net cash flows from (used in) investing activities</b>		<b>(55,839)</b>	<b>(71,067)</b>	<b>37,874</b>	<b>(61,107)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings	11	16,406	15,212	-	-
Repayments of borrowings	11	(14,560)	(15,458)	(10,100)	(14,350)
Lease payments		(2,044)	(689)	(68)	(42)
Interest paid		(1,385)	(704)	(426)	(413)
Dividends paid		(27)	(10)	-	-
<b>Net cash flows from (used in) financing activities</b>		<b>(1,610)</b>	<b>(1,649)</b>	<b>(10,594)</b>	<b>(14,805)</b>
<b>Increase (decrease) in cash and cash equivalents (including overdraft)</b>					
		<b>19,967</b>	<b>(11,488)</b>	<b>25,444</b>	<b>(76,690)</b>
Cash and cash equivalents (including overdraft) at the beginning of the period	8	(59,454)	85,575	(191,147)	(42,029)
<b>Cash and cash equivalents (including overdraft) at the end of the period</b>	8	<b>(39,487)</b>	<b>84,815</b>	<b>(165,703)</b>	<b>(118,719)</b>

\*Certain amounts presented above do not correspond to the condensed interim financial statements prepared for the period of 2019 1<sup>st</sup> quarter and reflect corrections and changes of accounting treatments, disclosed in Note 3.2.

The accompanying notes form an integral part of this condensed interim financial statement

## 1 General information

Ignitis grupė UAB is a private limited liability company registered in the Republic of Lithuania. The Company's registered office address is Žvejų str. 14, LT-09310, Vilnius, Lithuania. The Company is a limited liability profit-oriented entity registered on 28 August 2008 with the Register of Legal Entities managed by the public institution the Centre of Registers. Company code 301844044, VAT payer's code LT10004278519. The Company has been founded for an indefinite period.

The Company is a parent company, which is responsible for the management and coordination of activities of Group companies engaged in electricity and heat generation (including electricity generation from renewable energy sources), supply, electricity import and export, distribution and trade, natural gas distribution and supply, as well as in service and development of electric energy industry.

The Company analyses the activities of Group companies, represents the whole group, implements its shareholders' rights and obligations, defines operation guidelines and rules, and coordinates the activities in the fields of finance, law, strategy and development, human resources, risk management, audit, technology, communication, etc.

The Company seeks to ensure effective operation of Group companies, implementation of goals related to the Group's activities set forth in the National Energetic Independence Strategy and other legal acts, ensuring that it builds a sustainable value in a socially responsible manner.

The Company is wholly owned by the State of the Republic of Lithuania.

Company's shareholder	At 31 March 2020		At 31 December 2019	
	Share capital, in EUR '000	%	Share capital, in EUR '000	%
Republic of Lithuania represented by the Lithuanian Ministry of Finance	1,212,156	100	1,212,156	100

As at 31 March 2020, the Group had 3,905 employees (31 December 2019 – 3,846), the Company – 92 employees (31 December 2019 – 108).

## 2 Accounting principles

### 2.1 Basis of preparation

These financial statements, prepared for the 3 months period ended 31 March 2020, cover condensed interim financial statements of a parent company Ignitis grupė UAB (hereinafter "the Company") and consolidated the Company's and its subsidiaries (hereinafter collectively "the Group") condensed interim financial statements (hereinafter "interim financial statements"). These interim financial statements has been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") as adopted by the European Union and applicable to interim financial reporting (International Accounting Standard (hereinafter "IAS") 34 "Interim financial reporting"). These unaudited interim financial statements do not provide all the information required for the preparation of the annual financial statements, therefore this must be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

These interim financial statements are presented in euros and all values are rounded to the nearest thousand (EUR '000), except when otherwise indicated. The Group and the Company's interim financial statements provide comparative information in respect of the previous period. The financial year of the Company and the Group companies coincides with the calendar year.

In year 2019 management of a Group have reviewed accounting methods applied for:

- Presentation of revenue received from new customers connection fees,
- Presentation of revenue relating to rendering of Public Service Obligations (hereinafter "PSO services"),
- Presentation of incomes of Liquefied Natural Gas Terminal's (hereinafter "LNGT") security component collected from customers,
- Presentation of incomes of electricity transfer (includes both transmission and distribution) and gas distribution services in Latvia,
- Accounting principles for revenue, receivables and payables related to regulated activities,
- Presentation of revenue and costs related to electricity trading exchange market through the forward and future contracts.

Preparing the interim financial statements for 3 month period ended 31 March 2019 these corrections of accounting errors and changes in accounting treatment were not reflected. As the interim financial statements present comparative information for the previous reporting period, the Group presents figures of interim financial statements for 2019 1<sup>st</sup> quarter as restated as described in Note 3.2.

### 2.2 New standards, amendments and interpretations, adopted for application

The accounting policies applied in the preparation of these interim financial statements are consistent with the accounting policies applied in the preparation of the Group's and the Company's annual financial statements for the year ended 31 December 2019, with the exception of the new standards which entered into force in 1 January 2020.

In preparing these interim financial statements, the Group/Company did not adopted new standards, amendments and interpretations, the effective date of which is later than 1 January 2020 and early adoption is permitted. The following new standards and amendments to the standards that became effective in 1 January 2020 did not affect these interim financial statements.

Application of new and/or amended International financial reporting standards and International financial reporting interpretation committee (hereinafter "IFRIC") interpretations*Amendments to References to the Conceptual Framework in IFRS Standards  
(published 29 March 2018, effective from 1 January 2020)*

The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. The IASB has also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its purpose is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. The amendments are endorsed by the EU. These amendments had no impact on the financial statements of the Group and the Company.

*Amendments to IFRS 3: Definition of a Business  
(published 22 October 2018, effective from 1 January 2020)*

The IASB issued amendments to the definition of a business in IFRS 3 (amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity is determining whether it has acquired a business or a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020, with earlier adoption permitted. The amendments are endorsed by the EU. These amendments had no impact on the financial statements of the Group and the Company but may impact future periods if the Group/Company enters to any business combinations.

*Amendments to IAS 1 and IAS 8: Definition of a Material  
(published 31 October 2018, effective from 1 January 2020)*

The amendments clarify the definition of 'material' and how it should be applied. New definition clarifies that 'information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' In addition, the explanations accompanying the definition have been improved. The amendments also ensure that the definition of material is consistent across all IFRSs. The amendments are endorsed by the EU. These amendments had no impact on the Group and the Company's financial statements, nor is there expected to be any future impact to them.

*Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform  
(published 26 September 2019, effective from 1 January 2020)*

Amendments to IFRS 9, IAS 39 and IFRS 7 conclude phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. Phase two will focus on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). The amendments published, deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. The amendments provided temporary reliefs, applicable to all hedging relationships that are directly affected by the interest rate benchmark reform, which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional disclosures around uncertainty arising from the interest rate benchmark reform. These amendments had no impact on the Group and the Company's financial statements. The amendments are endorsed by the EU.

Standards, amendments and interpretations issued but not yet effective and not early adopted

New standards, amendments and interpretations that are not mandatory for reporting period beginning on 1 January 2020 and have not been early adopted when preparing these financial statements are presented below:

*Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture  
(published 11 September 2014, effective date not appointed)*

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IFRS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Management has assessed that adoption of new standard will have no significant effect on the Group and the Company's financial statements.

*IFRS 17: Insurance Contracts (New)  
(published 18 May 2017, effective from 1 January 2023)*

IFRS 17 changes IFRS 4, which permits entities to continue to use current practices in accounting for insurance contracts. This made it difficult for investors to compare the financial performance of similar insurance companies. IFRS 17 is a general principle-based standard that sets out accounting requirements for all types of insurance contracts, including reinsurance contracts held by an insurer. The Standard requires the recognition and measurement of classes of insurance contracts: (i) risk-adjusted present value of future cash flows (cash flows from the performance of the contract), which reflects all available information about cash flows from the contract that is consistent with market observable data by adding (if the value is a liability) or subtracting (if the value is an asset); (ii) the amount reflecting unearned profit (contracted service margin) from the group of contracts. Profits from a group of insurance contracts will be recognized by insurers for the duration of the insurance coverage and the moment they transfer the risk. If a group of contracts is or becomes a loss, the entity will recognize the loss immediately. The standard has not yet been endorsed by the EU. This IFRS will not have any impact on the financial position or performance of the Group and the Company as insurance services are not provided.

*Amendments to IAS 1: Classification of Liabilities as Current or Non-current  
(published 23 January 2020, effective from 1 January 2022)*

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. The Group and the Company is currently assessing the impact of this amendment on their financial statements. These Amendments have not yet been endorsed by the EU.

### 3 Critical accounting estimates and judgements used in the preparation of these financial statements

#### 3.1 Impact of COVID-19 on critical accounting estimates, management judgements and estimation uncertainties

Preparing these interim financial statements the significant management judgements regarding the application of the accounting policies and the main sources were the same as used in preparing financial statements for the year ended 31 December 2019, except those accounting estimates the uncertainty of which is increased due to COVID-19 pandemic. Comparing to the 2019 annual financial statements, these interim financial statements does not include any other new areas. The following key areas considered by the Company's management in assessing the impact of COVID-19 are presented below:

##### *Going concern*

The Group's management assessed cash flows due to deferral of electricity and gas payments, reduction and slower recovery of electricity and gas consumption, as well as cash flows related to the risk of delays in major infrastructure projects, probability of bad debt growth, potential disruptions to funding sources, the risk of COVID-19 infection by workers performing critical functions. The assessment used all currently available information on the threats posed by COVID-19. The Group's management has not identified any threats to the Group's going concern when assessing the potential impact of key COVID-19 factors on the Group's results. The Group has taken actions to manage the risks that have arisen.

##### *Residual value and useful life of an asset: property, plant and equipment*

Management considered the effect of COVID-19 on the useful life of the non-current asset and, finding that there was no change in the expected nature and purpose of the non-current asset, did not determine any effect of COVID-19 on the asset's carrying amount and useful life. The review of the nature and purpose of the use of non-current assets was based on foreseeable events and economic conditions that could result from a future COVID-19 pandemic. Management has not identified any disruptions in the use of property, plant and equipment neither in the short nor in the long term.

##### *Expected credit losses: financial assets*

The Group's management has assessed past events, current and future economic conditions as of the date of issue of these interim financial statements in determining the expected credit losses due to the impact of COVID-19. The Group's management has determined that the future economic situation of COVID-19 does not materially change the loss ratio matrix that is using to calculate the expected credit loss of the Company's financial assets. Loss ratios used to calculate expected credit losses as of 31 March 2020 were the same as used for 31 December 2019.

##### *Determination of fair value: property, plant and equipment*

Management has reviewed the key assumptions used to determine the fair value of property, plant and equipment. Management has not identified any significant circumstances related to COVID-19 that would require a significant adjustment to the management's assumptions used to verify and determine the fair value of property, plant and equipment. Because the assumptions used to determine a fair value as of 31 December 2019 has not changed the book value of property, plant and equipment as of 31 March 2020 corresponds to its fair value.

##### *Classification of long term and short term part*

Management has also reviewed the criteria for classifying loans and borrowings, as well as other receivables / payables, into long and short term, and has not identified any circumstances that would require a material adjustment in their classification.

##### *General information on the impact of COVID-19 on the Group's operations*

In relation to the emergency situation and quarantine the Parliament of the Republic of Lithuania adopted amendments aimed at preserving jobs and helping the people. On 16 March 2020 the Government took the decision (Protocol No.14) and in respect of which concluded a Plan for the economic stimulation and the implementation of measures directed to mitigate the spread of COVID-19 (hereinafter "the Plan"). One of the measures is to make possible to defer or arrange in portions the payments for the consumed electricity and natural gas to the Company's subsidiary Ignitis UAB. This means that the company UAB Ignitis and accordingly the another Company's subsidiary AB "Energijos skirstymo operatorius" will directly experience delays in customers' payments for services.

The main factors affecting the Group's operations due to the situation described above in relation to COVID-19 are set out below:

Factors	Effect
Cash flows from electricity and gas payments, settlement delays, agreements on longer debt repayments and expected increase in bad debts	In accordance with the recommendations of the Government of the Republic of Lithuania, the Group provides special payment deferrals to customers who have encountered financial difficulties due to the announced quarantine. Requests from private and business customers to defer payment for the distribution and supply of electricity and gas individually are accepted and analyzed, and decisions are made within the prescribed amount. The rates of deterioration in customer solvency are significantly lower than those estimated after the quarantine. At the date of issue of these interim financial statements, requests for payments' deferrals do not exceed EUR 7 million, satisfied requests amount to about EUR 3 million, the rest led to a natural increase in the level of overdue debts.
Cash flow from declining electricity and gas consumption during the quarantine period and slower recovery after it	Electricity consumption: Electricity consumption B2B (abbr. of business-to-business, i.e. business segment) decreased by about ~15-18% during the quarantine period, electricity consumption by B2C (abbr. of business-to-customers, i.e. household segment) increased to 4-5%. It should be noted that Ignitis UAB grew its customer portfolio, therefore the overall electricity consumption is increased comparing to the last year.  Natural gas consumption: <ul style="list-style-type: none"> <li>• Since the beginning of quarantine, there has been no noticeable decrease in the amount of natural gas distributed in the Energijos skirstymo operatorius AB network, which could be directly related to the impact of quarantine.</li> <li>• The volume of natural gas distributed in the Energijos skirstymo operatorius AB network has decreased by approximately 9% since the beginning of the year, but these changes were mainly due to the warmer beginning of the year (especially January) and the correspondingly colder in April compared to the previous year.</li> </ul>
Cash flows related to the risk of delays in major infrastructure projects' development (construction and development of new power plants)	Due to the impact of COVID-19 and the quarantine restrictions applied, the expected risk of delays for wind farms and cogeneration power plants or their individual phases is approximately proportional to the duration of the global quarantine, so some planned investments may be carried over to 2020 or 2021, respectively. At the date of issue of these interim financial statements, there are no significant indications of delays in achieving the set targets.

#### Risk management of COVID-19 infection in employees

During the quarantine period, the Group strictly follows all the recommendations provided by the Government of the Republic of Lithuania regarding the management of the potential threat of COVID-19. The Group has all the conditions for efficient work remotely and does not experience any disruption in the performance of direct functions of employees. The Group's management pays special attention to manage the risk of infection in employees whose functions are to ensure the smooth operation of electricity generation, stable operation of the electricity system, electricity and gas distribution network's and supply's equipment, as well who work on construction sites. These employees are provided with additional personal protection and personal hygiene measures, prepared and implemented actions to ensure their substitutability, the zones at control points are separated by partitions, and etc. At the date of issue of these interim financial statements, the Group did not experience any problems with the functions performed by these employees due to COVID-19.

#### Management of Group's liquidity risk

- Short-term liquidity risk is managed by maintaining obligatory lines of credit and overdrafts, borrowing within the Group through the Cashpool platform. The period of these credit lines must be at least two years, and they must account for at least 20% of the Group's consolidated net debt. Non-obligatory credit lines can be used for maintaining extra liquidity, their extent is not limited. Liquidity is also maintained by means of the Group's investment in short-term debt instruments with a high credit rating (debt securities of states and corporations), short-term deposits or their certificates, and other money-market instruments that meet the requirements of liquidity and security of investments set forth in the Treasury Management Policy of the Group.
- Long-term liquidity risk is managed through continuous assurance by the Treasury Department of the Partnership of possibilities to finance the activities of the Group using at least two sources, i.e. debt securities, investment bank loans or commercial bank loans, and other means. By diversifying portfolio of long-term loans the Group aims that 20 to 40 percent of the Group's consolidated long-term debt would consist of financing from sources other than commercial bank loans.

During the quarantine period, the Group concluded a loan agreement with AB Swedbank for EUR 100 million and issued bond emission for EUR 300 million.

## 3.2 Restatement of comparative figures due to corrections of errors and changes in accounting treatment

As the corrections to accounting errors and changes in accounting treatment summarized in Note 2.1 must be reflected in the comparative financial information of 2019 1<sup>st</sup> quarter, the Group provides information on restatements of certain figures presented in the interim financial statements prepared for the 1<sup>st</sup> quarter of 2019:

#### Corrections of errors

##### 1. Error related to regulated services

In 2019 the Group's subsidiary Ignitis gamyba AB reviewed accounting principles for revenues, other receivables and payables related to capacity reserve (secondary and tertiary power reserves) and system restoration services (hereinafter „regulated activities“), which are regulated by National Energy Regulation Council (hereinafter „NERC“). Revenue from these activities was recognized without assessing whether or not Ignitis gamyba AB will provide these regulated services during the next reporting year. However, a re-analysis of the regulated services' legislation and the NERC resolutions revealed that the amount to be paid or reimbursed for the provision of regulated

services in future periods should depend on whether the activity will actually be carried out and will be realized with the actual future activity, i.e. these amounts, related to contracts that are still in progress, in such case should not be accounted as provisions, contingent liabilities and contingent assets in accordance with IAS 37 "Provisions, contingent liabilities and contingent assets". The positive impact of the correction of this error on the net profit of 2019 1<sup>st</sup> quarter and equity as of 31 March 2019 amounted to EUR 1,636 thousand.

## 2. Error related to revenues from electricity trading exchange market

Group company Ignitis Polska Sp. z o.o., which operates in electricity trading exchange market by concluding forward and future electricity purchase and sale transactions, recognized income and expenses from these transactions aimed to earn a profit from the resulting short-term fluctuations in electricity prices in the separate items of profit or loss and other comprehensive income. articles. However, after a thorough analysis of IFRS 9 Financial Instruments, the Group has determined that these transactions cannot be classified using the exception of "own-use" and only result (i.e. profit or loss) of these transactions should be recognized in the statement of profit or loss and other comprehensive income. During 2019 1<sup>st</sup> quarter, this income amounted to EUR 63,796 thousand.

### Changes in accounting treatment

#### 1. Change in the accounting method for new customers connection fees

From 1 January 2018 connection fees in gas distribution activities were recognized as revenue when the customer's connection to the distribution network is finished. In electricity distribution activities from 1 January 2018 until 1 October 2018 connection fees were recognized as income over the useful life of the related, newly created property, plant and equipment (connection infrastructure), from 1 October 2018 – revenue was recognized when the customer's connection to the distribution network is finished. After an in-depth analysis of the provisions stated in IFRS 15 Revenue from Contracts with Customers, the Group changed the accounting treatment for recognition of revenue from connection fees, which are received from new customers for connection to the gas and electricity distribution networks, determining that revenue should be recognized over the useful life of the related assets, which corresponds to the best estimate of customer relationship's period. The negative impact of this changed accounting treatment on the net profit of 2019 1<sup>st</sup> quarter and equity as of 31 March 2019 amounted to EUR 3,454 thousand.

#### 2. Change in the accounting method for public service obligations' services

Through the electricity tariff paid by electricity end-users, the Group collects PSO fees from business customers and private individuals connected to the electricity distribution network and transfers them to the PSO fund administrator (Baltpool UAB). The PSO fee, as an integral part of the electricity tariff, was not identified as a separate performance obligation. In 2018, the management considered the Group to be the principal party to the PSO fees, therefore the collected PSO fees were accounted for as revenue and when they were transferred to the operator as an expense. Preparing the 2019 annual report, the Group changed the method of accounting for PSO fees, treating the Group as an agent for PSO fees, and accounted the income from collection and expenses after transfer of PSO fees in one expense line "Purchases of electricity, gas and related services" in the statement of profit or loss and other comprehensive income. 2019 1<sup>st</sup> quarter, this income amounted to EUR 21,998 thousand.

#### 3. Change in the accounting method for liquefied natural gas terminal's security component

The Group acts as a natural gas supplier, which collects the LNGT security component through a gas tariff paid by final gas customers and transfers it to the operator of transfer system. The LNGT security component, as an integral part of the natural gas tariff, has not been identified as a separate performance obligation. In 2018, the Group, acting as a supplier of natural gas to end users, was treated by management as a main party in respect of LNGT security component, therefore collected LNGT security component fees were accounted for as revenue and after transfer to the operator as an expense. Preparing the 2019 annual report, the Group changed the method of accounting for the LNGT security component, treating the Group as an agent for the LNGT security component and accounted the income from collection and expenses after transfer of LNGT security component fees in one expense line "Purchases of electricity, gas and related services". During 2019 1<sup>st</sup> quarter, this income amounted to EUR 8,339 thousand.

#### 4. Change in accounting method for electricity transfer and gas distribution services supplied in Latvia

In 2018, when providing electricity and gas services to end users in Latvia, the Group did not consider electricity transfer and gas distribution services provided by a company outside the Group as separate performance obligations and considered itself as main service provider for these services. Fees collected from customers for electricity transmission and gas distribution services were recognized as revenue and, when transferred to the electricity transmission network operator and the gas distribution system operator, as expenses. Preparing the 2019 annual report the Group changed the accounting method of fees for electricity transfer and gas distribution services in Latvia, considering itself an agent, and accounted for the collection and transfer of these charges under one expense line "Purchases of electricity, gas for trading and related services". During 2019 1<sup>st</sup> quarter, this income amounted to EUR 9,837 thousand.

## 4 Intangible assets and property, plant and equipment

Movement on Group's account of intangible assets and property, plant and equipment are presented below:

Group	Intangible asset	Property, plant and equipment
<b>Net book value at 1 January 2020</b>	<b>142,737</b>	<b>2,347,817</b>
Acquisitions	1,718	60,539
Sales	(45)	(123)
Write-offs	(1)	(818)
Revaluation of emission allowances	(15,419)	-
Reversal of impairment	-	16
Emission allowances grants received	242	-
Reclassification (to)/from assets held for sale	(3)	(254)
Reclassification (to)/from inventories	-	79
Reclassification (to)/from right of use asset	-	(1,293)
Depreciation/amortisation	(1,437)	(26,657)
<b>Net book value at 31 March 2020</b>	<b>127,792</b>	<b>2,379,306</b>

Acquisitions of tangible assets during 2020 1<sup>st</sup> quarter includes the following major acquisitions to the construction in progress:

- Acquisitions for the construction of new high-efficiency waste-fired cogeneration power plants, the final exploitation and start of commercial activities of which are planned for the end of 2020,
- Acquisitions related to the development of the electricity distribution network,
- Acquisitions for construction projects of wind farms.

During 2020 1<sup>st</sup> quarter, the Group used EUR 5,742 thousand (2019 1<sup>st</sup> quarter: EUR 10,728 thousand, 2019 year: EUR 64,048 thousand) grants to pay for acquisitions of property, plant and equipment. Depreciation of grants amounted to EUR 2,069 thousand (2019 1<sup>st</sup> quarter: EUR 2,656 thousand, 2019 year: EUR 9,011 thousand).

The reversal of the revaluation of environmental emission allowances was accounted for amount to EUR 5,296 thousand, including deferred taxes, in 2019 1<sup>st</sup> quarter in other comprehensive income item "Gain (loss) on revaluation of non-current assets".

The Group has significant acquisition liabilities of property, plant and equipment which will have to be fulfilled during the later years. Group's acquisition and construction liabilities amounted to EUR 218,991 thousand as at 31 March 2020 (31 December 2019: EUR 128,504 thousand).

Movement on Company's account of intangible assets and property, plant and equipment are presented below:

Company	Intangible asset	Property, plant and equipment
Net book value at 1 January 2020	1,874	86
Amortization/depreciation	-	(4)
Net book value at 31 March 2020	1,874	82

## 5 Right-of-use asset

Movement on Group's account of right-of-use asset is presented below:

Group	Right-of-use asset
Net book value at 31 December 2019	61,044
Acquisitions	4,517
Write-offs	(3,230)
Depreciation	(1,702)
Net book value at 31 March 2020	60,629

Movement on Company's account of right-of-use asset is presented below:

Group	Right-of-use asset
Net book value at 31 December 2019	838
Depreciation	(69)
Net book value at 31 March 2020	769

## 6 Investments in subsidiaries and other investments

Changes in the Company's investments in subsidiaries during 2020 1<sup>st</sup> quarter covered the reorganization of the Company's subsidiaries Ignitis grupės paslaugų centras UAB and Verslo aptarnavimo centras UAB, which was completed as of 1 January 2020. The subsidiary Verslo aptarnavimo centras UAB, which ceased operations after the reorganization, was reorganized by merging with the continuing Ignitis grupės paslaugų centras UAB. All assets, rights and obligations of Verslo aptarnavimo centras UAB were transferred to the continuing Ignitis grupės paslaugų centras UAB. The carrying amount of the Company's investment in Ignitis grupės paslaugų centras UAB increased by EUR 298 thousand. The Company's investment in Verslo aptarnavimo centras of the same book value was written off.

As at 31 March 2020 the Company's investments in subsidiaries comprised:

	Acquisition cost	Impairment	Contributions against losses	Carrying amount	Company's ownership interest, %	Group's effective ownership interest, %
<b>Subsidiaries:</b>						
AB „Energijos skirstymo operatorius“	710,921	-	-	710,921	94.98	94.98
AB „Ignitis gamyba“	307,997	-	-	307,997	96.82	96.82
UAB „NT Valdos“	8,823	-	-	8,823	100.00	100.00
UAB „Vilniaus kogeneracinė jėgainė“	52,300	-	-	52,300	100.00	100.00
UAB „Kauno kogeneracinė jėgainė“	20,400	-	-	20,400	51.00	51.00
UAB „Ignitis“	47,136	-	-	47,136	100.00	100.00
Tuuleenergia OÜ	6,659	-	-	6,659	100.00	100.00
UAB „Ignitis grupės paslaugų centras“	3,777	-	-	3,777	50.47	97.99
UAB „Elektroninių mokėjimų agentūra“	1,428	-	-	1,428	100.00	100.00
UAB „Energetikos paslaugų ir rangos organizacija“	10,638	(22,711)	12,073	-	100.00	100.00
Lietuvos energijos paramos fondas	3	-	-	3	100.00	100.00
UAB „Gamybos optimizavimas“	350	-	-	350	100.00	100.00
UAB „Ignitis renewables“	44,700	-	-	44,700	100.00	100.00
	<b>1,215,132</b>	<b>(22,711)</b>	<b>12,073</b>	<b>1,204,494</b>		

As at 31 December 2019 the Company's investments in subsidiaries comprised:

	Acquisition cost	Impairment	Contributions against losses	Carrying amount	Company's ownership interest, %	Group's effective ownership interest, %
<b>Subsidiaries:</b>						
AB „Energijos skirstymo operatorius“	710,921	-	-	710,921	94.98	94.98
AB „Ignitis gamyba“	307,997	-	-	307,997	96.82	96.82
UAB „NT Valdos“	8,823	-	-	8,823	100.00	100.00
UAB „Vilniaus kogeneracinė jėgainė“	52,300	-	-	52,300	100.00	100.00
UAB „Kauno kogeneracinė jėgainė“	20,400	-	-	20,400	51.00	51.00
UAB „Ignitis“	47,136	-	-	47,136	100.00	100.00
Tuuleenergia OÜ	6,659	-	-	6,659	100.00	100.00
UAB „Ignitis grupės paslaugų centras“	3,479	-	-	3,479	50.04	97.94
UAB „Elektroninių mokėjimų agentūra“	1,428	-	-	1,428	100.00	100.00
UAB „Verslo aptarnavimo centras“	298	-	-	298	51.50	98.41
UAB „Energetikos paslaugų ir rangos organizacija“	10,638	(22,711)	12,073	-	100.00	100.00
Lietuvos energijos paramos fondas	3	-	-	3	100.00	100.00
UAB „Gamybos optimizavimas“	350	-	-	350	100.00	100.00
UAB „Ignitis renewables“	44,700	-	-	44,700,00	100.00	100.00
	<b>1,215,132</b>	<b>(22,711)</b>	<b>12,073</b>	<b>1,204,494</b>		

There were no other changes in Company's investments in subsidiaries as well as changes in Group's structure. The company did not acquire new investments in subsidiaries and did not lose the control interest in subsidiaries held as at 31 December 2019 during the 1<sup>st</sup> quarter of 2020. There were no restructure, business combinations or activity discontinuations as well.

The Company did not declare any dividend during the 1<sup>st</sup> quarter of 2020.

## 7 Trade receivables

The Group's and the Company's trade receivables consist of as follows:

	Group		Company	
	2020.03.31	2019.12.31	2020.03.31	2019.12.31
<b>Trade receivables from contract s with customers</b>				
Trade receivables from electricity energy	89,763	77,439	-	-
Trade receivables from gas from business customers	16,162	3,479	-	-
Trade receivables from gas from house-hold customers	14,197	31,990	-	-
Trade receivables from contract works	1,176	173	-	-
Trade receivables from sales of heat	492	593	-	-
Trade receivables from exported and produced abroad electricity energy	-	545	-	-
Trade receivables from information technologies and telecommunication services	430	621	-	-
Other trade receivables	15,617	11,082	-	-
<b>Trade receivables from other contracts</b>				
Trade receivables from property rent	-	722	-	-
<b>Total</b>	<b>137,837</b>	<b>126,644</b>	-	-
Deduct: impairment of trade receivables	(9,328)	(8,777)	-	-
<b>Book value</b>	<b>128,509</b>	<b>117,867</b>	-	-

Interest is not accrued on receivables under agreements with customers, and the settlement term is usually 15-30 days.

## 8 Cash and cash equivalents

Cash, cash equivalents and a bank overdraft include the following for the purposes of the cash flow statement:

	Group		Company	
	2020.03.31	2019.12.31	2020.03.31	2019.12.31
Cash and cash equivalents	126,324	131,837	108	144
Bank overdraft	(165,811)	(191,291)	(165,811)	(191,291)
<b>Carrying amount</b>	<b>(39,487)</b>	<b>(59,454)</b>	<b>(165,703)</b>	<b>(191,147)</b>

Cash and cash equivalent as at 31 March 2020 and 31 December 2019 comprise cash in bank accounts.

## 9 Non-current assets held for sale

The Group's and the Company's non-current assets held for sale consist of as follows:

	Group		Company	
	2020.03.31	2019.12.31	2020.03.31	2019.12.31
Property, plant and equipment and investment property	1,325	4,753	77	77
Disposal group	34,962	35,890	-	-
Investments in subsidiaries	-	-	7,064	7,064
	<b>36,287</b>	<b>40,643</b>	<b>7,141</b>	<b>7,141</b>

Within the line item 'Investments in subsidiaries' the Company recognised investment of subsidiary Transporto valdymas UAB of EUR 2,359 thousand and an investment of subsidiary Duomenų logistikos centras UAB of EUR 4,705 thousand, which are intended to be disposed by the Company.

The Group's line item 'Disposal group' includes assets of subsidiaries Transporto valdymas UAB and Duomenų logistikos centras UAB amounting to EUR 34,962 thousand (31 December 2019: EUR 35,890 thousand), which are intended to be disposed by the Group. Liabilities of EUR 5,279 thousand being disposed along with these assets were reported under the line item 'Liabilities related to non-current assets held for sale' (31 December 2019: EUR 5,322 thousand).

## 10 Share capital

As at 31 March 2020 and 31 December 2019 the Company's share capital comprised EUR 1,212,156,294 and was divided in to 4,179,849,289 ordinary shares with par value is EUR 0.29 of each.

As at 31 March 2020 and 31 December 2019 all shares were fully paid.

## 11 Borrowings

Borrowings of the Group and the Company consisted of:

	Group		Company	
	2020.03.31	2019.12.31	2020.03.31	2019.12.31
<b>Non-current</b>				
Bonds issued	590,415	590,120	590,415	590,120
Bank borrowings	241,535	231,809	47,370	49,345
<b>Current</b>				
Current portion of non-current borrowings	29,942	37,454	24,776	32,901
Bank overdrafts	165,811	191,291	165,811	191,291
Accrued interest	8,350	5,446	8,336	5,446
<b>Total borrowings</b>	<b>1,036,053</b>	<b>1,056,120</b>	<b>836,708</b>	<b>869,103</b>

As at 31 March 2020 Company's and Group's used bank overdraft part comprised EUR 165,811 thousand (Note 8). During the 1<sup>st</sup> quarter of 2020 the Group received bank loans for amount EUR 16,406 thousand, redeemed – EUR 14,560 thousand, the balance of overdraft reduced for an amount of EUR 25,480 thousand.

## 12 Provisions

Provisions of the Group and the Company consisted of:

	Group		Company	
	2020.03.31	2019.12.31	2020.03.31	2019.12.31
Non-current provisions	35,350	35,564	-	-
Current provisions	21,580	19,818	-	-
<b>Carrying amount</b>	<b>56,930</b>	<b>55,382</b>	<b>-</b>	<b>-</b>

Movement on Group's account of provisions is presented below:

	Environmental emission allowance liabilities	Provisions for employee benefits	Other provisions	Total
<b>At 31 January 2020</b>	<b>479</b>	<b>3,540</b>	<b>51,363</b>	<b>55,382</b>
Increase during the period	354	204	805	1,363
Utilised during the period	-	(37)	(250)	(287)
Revaluation of utilised emission allowances	(141)	-	-	(141)
Result of change in actuarial assumptions	-	(375)	988	613
<b>At 31 March 2020</b>	<b>692</b>	<b>3,332</b>	<b>52,906</b>	<b>56,930</b>

As at 31 March 2020 the part of other provisions comprise of pay-outs for servitudes for an amount of EUR 27,784 thousand (31 December 2019: EUR 26,952 thousand), provisions for the registration of security zones for an amount of EUR 8,328 thousand (31 December 2019: EUR 8,328 thousand), provisions for capacity reserve and system services for an amount of EUR 13,493 thousand (31 December 2019: EUR 12,718 thousand).

## 13 Revenue from contracts with customers

The Group's and the Company's revenue from contracts with customers during 2020 and 2019 1<sup>st</sup> quarter consisted of:

	Group		Company	
	2020, 1 qtr.	2019, 1 qtr.	2020, 1 qtr.	2019, 1 qtr.
<b>Electricity related revenue</b>				
Revenue from the sale of electricity	39,844	36,213	-	-
Revenue from public electricity supply	44,400	37,540	-	-
Revenue from sale of produced electricity	16,571	18,382	-	-
Income from capacity reserve services	13,902	22,373	-	-
Revenue from electricity distribution	112,074	96,919	-	-
<b>Gas related revenue</b>				
Revenue from gas sales	72,860	91,323	-	-
LNGT security component income	7,431	-	-	-
Revenue from gas distribution	7,080	13,910	-	-
<b>Other revenue</b>				
Revenue from Public service obligation services	3,864	10,078	-	-
New consumers connection fees	1,799	401	-	-
Proceeds from the sale of heat energy	1,755	2,075	-	-
Management fee income	-	-	780	706
Other revenue from contracts with customers	3,041	3,232	-	-
<b>Total</b>	<b>324,620</b>	<b>332,447</b>	<b>780</b>	<b>706</b>

The Company's sales revenue from contracts with customers during the 1<sup>st</sup> quarter of 2020 and 2019 comprised the revenue from advisory and management services provided to subsidiaries.

## 14 Dividends

### Company's declared dividends

Company did not declare dividends during the period ended 31 March 2020 and 31 March 2019.

## 15 Transactions with related parties

As at 31 March 2020 and 31 December 2019 the ultimate parent was the Republic of Lithuania represented by Ministry of Finance. For the purpose of disclosure of related parties, the Republic of Lithuania does not include central and local government authorities. The disclosures comprise transactions and their balances with the parent company, subsidiaries (Company's transactions), associates and all entities controlled by or under significant influence of the state (transactions with these entities are disclosed only if they are material), and management.

The Group's transactions with related parties during the 1<sup>st</sup> quarter of 2020 and balances as at 31 December 2019 are presented below:

Related party	Amounts receivable	Amount payable	Sales	Purchases	Finance incomes (expenses)
UAB „EPSO-G“	158,658	-	-	-	199
AB „Litgrid“	2,083	16,553	65	41,018	-
UAB „Amber Grid“	18	53	54	117	-
UAB „Baltpool“	8,395	6,476	-	895	-
UAB „Tetas“	1	843	7	763	1
Grupės asocijuotos įmonės ir kitos susijusios šalys	2,083	16,553	65	41,018	-
<b>Total</b>	<b>169,162</b>	<b>23,925</b>	<b>126</b>	<b>42,793</b>	<b>200</b>

The Group's transactions with related parties during the 1<sup>st</sup> quarter of 2019 and balances as at 31 December 2019 are presented below:

Related party	Amounts receivable	Amount payable	Sales	Purchases	Finance incomes (expenses)
UAB „EPSO-G“	158,739	-	-	-	269
AB „Litgrid“	10,297	14,749	18,027	34,751	-
UAB „Amber Grid“	84	869	8,355	15,555	-
UAB „Baltpool“	4,203	6,329	11,984	11,778	-
UAB „Tetas“	11,682	10,190	57	835	2
UAB „GET Baltic“	754	-	-	-	-
Grupės asocijuotos įmonės ir kitos susijusios šalys	116	217	22	123	-
<b>Total</b>	<b>185,875</b>	<b>32,354</b>	<b>38,445</b>	<b>63,042</b>	<b>271</b>

UAB Ignitis Grupė, Company code 301844044, Žvejų g. 14, LT-09310 Vilnius, Lithuania

## EXPLANATORY NOTES TO CONDENSED INTERIM FINANCIAL STATEMENT

All amounts in thousands of euro unless otherwise stated

The Company's transactions with related parties during the 1<sup>st</sup> quarter of 2020 and balances as at 31 March 2020 are presented below:

Related parties	Amounts receivable	Loans receivable	Amounts payable	Sales	Purchases	Finance income
<b>Subsidiaries</b>						
AB „Energijos skirstymo operatorius“	166	582,249	-	325	-	2,564
AB „Ignitis gamyba“	62	-	-	133	-	-
UAB "Energetikos paslaugų ir rangos organizacija"	-	1	-	-	-	8
UAB „Elektroninių mokėjimų agentūra“	7	-	-	23	-	-
UAB „Duomenų logistikos centras“	-	-	1	-	-	-
UAB "Transporto valdymas"	-	25,094	151	-	25	82
UAB „Ignitis grupės paslaugų centras“	51	1	231	60	367	3
UAB „Ignitis“	62	77,250	-	132	-	350
UAB „Vilniaus kogeneracinė jėgainė“	18	2,554	-	23	-	333
UAB „EURAKRAS“	-	24,968	-	-	-	176
Tuuleenergia OÜ	-	19,548	-	-	-	145
UAB „Kauno kogeneracinė jėgainė“	21	124	-	49	-	102
UAB „Vėjo gūsis“	-	6	-	-	-	17
UAB „Vėjo vatas“	-	2,782	-	-	-	31
UAB „Gamybos optimizavimas“	1	-	66	3	-	4
UAB „VVP investment“	-	2	-	-	-	5
UAB „Ignitis renewables“	11	57,087	-	31	-	400
<b>Other related parties</b>						
UAB "EPSO-G"	158,658	400	-	-	-	199
<b>Total</b>	<b>159,057</b>	<b>792,066</b>	<b>449</b>	<b>779</b>	<b>392</b>	<b>4,419</b>

During the 1<sup>st</sup> quarter of 2020, the subsidiaries did not declare dividends. During the 1<sup>st</sup> quarter of 2019 the dividends were declared only by subsidiary Duomenų logistikos centras UAB:

Declared at	Dividends declared by	Period for which dividends are allocated	Dividends per share, in EUR	Amount of dividends declared	Dividend income attributable to the Company	Non-controlling interest dividends
2019.03.05	UAB „Duomenų logistikos centras“	2018 year	0.0290	405	324	81
				<b>405</b>	<b>324</b>	<b>81</b>

The Company's transactions with related parties during the 1<sup>st</sup> quarter of 2019 and balances as at 31 December 2019 are presented below:

Related parties	Amounts receivable	Loans receivable	Amounts payable	Sales	Purchases	Finance income
<b>Subsidiaries</b>						
AB „Energijos skirstymo operatorius“	159	608,690	-	296	-	2,341
AB „Ignitis gamyba“	42	-	-	100	-	-
UAB "Energetikos paslaugų ir rangos organizacija"	-	1,484	-	3	-	14
UAB „Elektroninių mokėjimų agentūra“	4	-	-	7	-	-
UAB „Energijos tiekimas“	-	-	-	56	-	54
UAB „Duomenų logistikos centras“	-	-	1	4	-	-
UAB „NT valdos“	-	-	-	20	-	-
UAB "Transporto valdymas"	-	25,539	10	-	25	78
UAB „Ignitis grupės paslaugų centras“	8	1,474	41	33	71	1
UAB „Ignitis“	51	90,913	-	49	-	37
UAB "Verslo aptarnavimo centras"	49	-	166	43	215	-
UAB „Vilniaus kogeneracinė jėgainė“	11	3,473	11,314	24	10	64
UAB „EURAKRAS“	-	24,754	-	8	1	175
Tuuleenergia OÜ	-	19,403	-	1	-	180
UAB „Kauno kogeneracinė jėgainė“	21	104	-	61	-	35
UAB „Vėjo gūsis“	-	7	-	-	-	16
UAB „Vėjo vatas“	-	2,766	-	-	1	30
UAB „Gamybos optimizavimas“	1	-	-	2	-	-
UAB „VVP investment“	-	403	-	-	1	2
UAB „Ignitis renewables“	9	57,087	-	-	-	-
<b>Other related parties</b>						
UAB „EPSO-G“	158,739	201	-	-	-	269
<b>Total</b>	<b>159,094</b>	<b>836,298</b>	<b>11,532</b>	<b>707</b>	<b>324</b>	<b>3,296</b>

### Management's benefits:

	Group		Company	
	2020, I qtr.	2019, I qtr.*	2020, I qtr.	2019, I qtr.
Salaries and other short-term benefits	1,402	1,374	326	248
Whereof: Termination benefits and benefits to Board Members	261	232	61	29
Number of management staff	58	64	11	11

\*Data of 1<sup>st</sup> quarter of 2019 is revised by adding related information of Group companies which register seat is not in Lithuania.

Management includes heads of administration and their deputies.

## 16 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of directors that makes strategic decisions.

In year 2018 a new strategy of the Group was approved. This strategy sets out four main lines of business for the Group - strategic generation, green generation, solutions for customers and an activity of distribution grid operator. Following the adoption of the new strategy, steps have been taken to refine the actions due. The scope of the operating segments has been modified following the changes as well as due to the changes in the Group's structure, which were completed in 2<sup>nd</sup> quarter of 2019, management now follows its performance by operating segments that are consistent with the line of business specified in the Group's strategy:

- electricity supply and distribution and gas distribution segment renamed Networks and now includes only the distribution of electricity and gas activities carried out by Energijos skirstymo operatorius AB. Electricity public supply activity transferred to the segment of solutions for customers following the transfer from Energijos skirstymo operatorius AB to Ignitis UAB of this business activity;
- electricity generation segment separated into two segments – Flexible generation and Green generation. Flexible generation segment includes activities carried out by Ignitis gamyba AB (except Kaunas Algirdas' Brazauskas Hydro Power Plant, Kruonis pumped storage power plant, Biofuel and steam boiler). Green generation segment includes activities carried out by Ignitis gamyba AB (Kaunas Algirdas' Brazauskas Hydro Power Plant, Kruonis pumped storage power plant, Biofuel and steam boiler), Vilniaus kogeneracinė jėgainė UAB, Kauno kogeneracinė jėgainė UAB, Eurakras UAB, Tuuleenergia OU, Vėjo gūsis UAB, Vėjo vatas UAB, VVP Investment UAB, Ignitis renewables UAB, Pomerania Invall Sp. z o.o.;
- trade in gas and trade in electricity segments merged into one segment named Solutions for customers. It includes activities carried out by Ignitis UAB, Energijos Tiekimas UAB (until 31 May 2019), Ignitis Eesti OÜ, Ignitis Latvija SIA, Ignitis Polska Sp. z o.o. Electricity energy public supply activity is taken over from networks segment following the transfer from Energijos skirstymo operatorius AB to Ignitis UAB of this business activity.

The following services and entities comprise the other segments:

- support services (Ignitis grupės paslaugų centras UAB, Verslo aptarnavimo centras UAB);
- non-core activities (Energetikos paslaugų ir rangos organizacija UAB, Duomenų logistikos centras UAB, NT Valdos UAB, Transporto valdymas UAB);
- service entities (Elektroninių mokėjimų agentūra UAB, Gamybos Optimizavimas UAB);
- as well as parent company Ignitis grupė UAB, which does not constitute a separate operating segment, however it is disclosed separately, as its net profit exceeds 10% of profit (before elimination adjustments) of all profit generating segments. The Group's support service entities and special purpose entities are aggregated to a single segment as none of them individually meet recognition criteria of an operating segment.

The Group has a single geographical segment – the Republic of Lithuania, electricity sales in Latvia, Estonia and Poland are not significant for the Group. The chief operating decision-maker monitors the results with reference to the financial reports that have been prepared using the same accounting policies as those used for the preparation of the financial statements in accordance with IFRS, i.e. information on profit or loss, including the reported amounts of revenue and expenses. The primary performance measure is adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (EBIDTA – a non-IFRS alternative performance measure). Another performance measure is adjusted Earnings Before Interest and Taxes (EBIT – a non-IFRS alternative performance measure). Both measures are calculated starting from data presented in the financial statements prepared in accordance with IFRS as adjusted by management for selected items which are not defined by IFRS.

The Group management calculates EBITDA as follows:

Operating profit -
Depreciation and amortisation expenses +
Expenses on revaluation and provisions for emission allowances +
Impairment expenses of non-current assets +
Write-off expenses of non-current assets
EBITDA

The Group management calculates EBIT as follows:

Operating profit -
Expenses on revaluation and provisions for emission allowances +
Impairment expenses of non-current assets +
Write-off expenses of non-current assets
EBIT

Management's adjustments, adjusted EBITDA and EBIT

Management's adjustments used in calculating adjusted EBITDA and EBIT:

Segment / Management's adjustments	2020, 1 qtr.	2019, 1 qtr.
<b>Networks</b>		
Temporary regulatory differences of Energijos skirstymo operatorius AB	4,030	15,147
Cash effect restatement new connection points and upgrades of Energijos skirstymo operatorius AB	1,594	1,254
Result of disposal of non-current assets	(130)	(71)
Impairment and write-offs of current and non-current amounts receivables, loans, goods and others	247	210
<b>Flexible generation</b>		
Temporary regulatory differences of Ignitis gamyba AB	-	(1,925)
Received compensation related to carried out projects in previous periods	-	(9,276)
Temporary fluctuations in fair value of derivatives	(694)	-
Result of disposal of non-current assets	(6)	-
Impairment and write-offs of current and non-current amounts receivables, loans, goods and others	17	(300)
<b>Green generation</b>		
Temporary regulatory differences of Ignitis gamyba AB	(11)	-
Impairment and write-offs of current and non-current amounts receivables, loans, goods and others	9	(1)
<b>Customers and Solutions</b>		
Temporary regulatory differences of Ignitis UAB	(23,950)	1,114
Temporary fluctuations in fair value of electricity and gas derivatives of Ignitis UAB and Energijos tiekimas UAB (until 31 May 2019)	41,358	15,870
Impairment and write-offs of current and non-current amounts receivables, loans, goods and others	486	490
<b>Other segments and consolidation adjustment</b>		
Result of disposal of non-current assets	(222)	(407)
Impairment and write-offs of current and non-current amounts receivables, loans, goods and others	(353)	(55)
Consolidation adjustment of cash effect restatement for new consumers connection of Energijos skirstymo operatorius UAB	674	1,900
	<b>23,049</b>	<b>23,950</b>

UAB Ignitis Grupė, Company code 301844044, Žvejų g. 14, LT-09310 Vilnius, Lithuania

**EXPLANATORY NOTES TO CONDENSED INTERIM FINANCIAL STATEMENT**

All amounts in thousands of euro unless otherwise stated

Group information about operating segments for 1<sup>st</sup> quarter of 2020 is provided below:

	Networks	Flexible generation	Green generation	Customers and Solutions	Other segments		Elimination of inter-company transactions and consolidation eliminations	Management adjusted balances	Management adjustments	Unadjusted balances
					Parent Company	Other segments				
Sales revenue from external customers	127,761	12,743	22,661	179,358	-	5,105	674	<b>348,302</b>	(22,643)	<b>325,659</b>
<i>Sales revenue from contracts with customers</i>	127,213	12,636	22,658	181,968	-	2,472	674	<b>347,621</b>	(23,001)	<b>324,620</b>
<i>Other income</i>	548	107	3	(2,610)	-	2,633	-	<b>681</b>	358	<b>1,039</b>
<i>from which dividend income</i>	-	-	-	-	-	-	-	-	-	-
Inter-segment revenue	6,465	2,565	80	(34,007)	781	4,923	19,193	-	-	-
<i>Sales revenue from contracts with customers</i>	6,406	2,509	80	4,559	780	6,553	(20,887)	-	-	-
<i>Other income</i>	59	56	-	(38,566)	1	(1,630)	40,080	-	-	-
<i>from which dividend income</i>	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>134,226</b>	<b>15,308</b>	<b>22,741</b>	<b>145,351</b>	<b>781</b>	<b>10,028</b>	<b>19,867</b>	<b>348,302</b>	<b>(22,643)</b>	<b>325,659</b>
Purchases of electricity, gas for trade, and related services, gas and heavy fuel oil	(50,189)	(7,642)	(4,703)	(131,556)	-	(548)	(30,243)	<b>(224,881)</b>	-	<b>(224,881)</b>
Wages and salaries and related expenses	(13,303)	(1,760)	(1,392)	(2,259)	(1,340)	(4,403)	-	<b>(24,457)</b>	-	<b>(24,457)</b>
Repair and maintenance expenses	(3,435)	(775)	(532)	(2)	-	(78)	2	<b>(4,820)</b>	-	<b>(4,820)</b>
Other expenses	(7,517)	(837)	(1,556)	(4,175)	(807)	(2,733)	8,570	<b>(9,055)</b>	(406)	<b>(9,461)</b>
<b>EBITDA</b>	<b>59,782</b>	<b>4,294</b>	<b>14,558</b>	<b>7,359</b>	<b>(1,366)</b>	<b>2,266</b>	<b>(1,804)</b>	<b>85,089</b>	<b>(23,049)</b>	<b>62,040</b>
from which:										
Depreciation and amortization	(20,372)	(2,836)	(3,147)	(1,555)	(73)	(1,640)	1,896	<b>(27,727)</b>	-	<b>(27,727)</b>
<b>EBIT</b>	<b>39,410</b>	<b>1,458</b>	<b>11,411</b>	<b>5,804</b>	<b>(1,439)</b>	<b>626</b>	<b>92</b>	<b>57,362</b>	<b>(23,049)</b>	<b>34,313</b>
Impairment and write-offs of property, plant and equipment	(714)	-	-	-	-	11	(923)	<b>(1,626)</b>	-	<b>(1,626)</b>
Impairment and write-offs of current and non-current amounts receivables, loans, goods and others	(247)	(17)	(9)	(486)	-	353	-	<b>(406)</b>	406	-
Revaluation of emission allowances	-	(2,077)	-	-	-	-	-	<b>(2,077)</b>	-	<b>(2,077)</b>
<b>Operating profit (loss)</b>	<b>38,449</b>	<b>(636)</b>	<b>11,402</b>	<b>5,318</b>	<b>(1,439)</b>	<b>990</b>	<b>(831)</b>	<b>53,253</b>	<b>(22,643)</b>	<b>30,610</b>
Finance income	6	2	41	230	4,419	8	(4,329)	<b>377</b>	-	<b>377</b>
Finance costs	(2,434)	(108)	(1,096)	(615)	(4,048)	(104)	3,910	<b>(4,495)</b>	-	<b>(4,495)</b>
Result of associates	121	95	-	-	-	-	(216)	-	-	-
<b>Profit (loss) before tax</b>	<b>36,142</b>	<b>(647)</b>	<b>10,347</b>	<b>4,933</b>	<b>(1,068)</b>	<b>894</b>	<b>(1,466)</b>	<b>49,135</b>	<b>(22,643)</b>	<b>26,492</b>
Income tax expense	(3,450)	273	(1,630)	498	68	(140)	39	<b>(4,342)</b>	-	<b>(4,342)</b>
<b>Net profit (loss)</b>	<b>32,692</b>	<b>(374)</b>	<b>8,717</b>	<b>5,431</b>	<b>(1,000)</b>	<b>754</b>	<b>(1,427)</b>	<b>44,793</b>	<b>(22,643)</b>	<b>22,150</b>
Property, plant and equipment, intangible and right-of-use assets	1,631,851	486,865	464,817	38,089	2,725	19,562	(76,182)	<b>2,567,727</b>	-	<b>2,567,727</b>
Investment assets	-	-	-	-	-	-	-	-	-	-
Net debt	639,022	(38,754)	280,490	87,748	837,370	23,339	(878,606)	<b>950,609</b>	-	<b>950,609</b>
<b>Adjusted EBITDA</b>	<b>59,782</b>	<b>4,294</b>	<b>14,558</b>	<b>7,359</b>	<b>(1,366)</b>	<b>2,266</b>	<b>(1,804)</b>	<b>85,089</b>		
Management adjustments (for revenues)	(5,494)	700	11	(17,408)	-	222	(674)	<b>(22,643)</b>		
Management adjustments for impairment and write-offs of current and non-current amounts receivables, loans, goods and others	(247)	(17)	(9)	(486)	-	353	-	<b>(406)</b>		
<b>Total EBITDA adjustments</b>	<b>(5,741)</b>	<b>683</b>	<b>2</b>	<b>(17,894)</b>	<b>-</b>	<b>575</b>	<b>(674)</b>	<b>(23,049)</b>		
<b>EBITDA</b>	<b>54,041</b>	<b>4,977</b>	<b>14,560</b>	<b>(10,535)</b>	<b>(1,366)</b>	<b>2,841</b>	<b>(2,478)</b>	<b>62,040</b>		

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**EXPLANATORY NOTES TO CONDENSED INTERIM FINANCIAL STATEMENT**

All amounts in thousands of euro unless otherwise stated

Group information about operating segments for 1<sup>st</sup> quarter of 2019 is provided below\*:

	Networks	Flexible generation	Green generation	Customers and Solutions	Other segments		Elimination of inter-company transactions and consolidation eliminations	Management adjusted balances	Management adjustments	Unadjusted balances
					Parent Company	Other segments				
Sales revenue from external customers	130,847	21,638	17,080	193,316	23	2,292	1,900	<b>367,096</b>	(23,606)	<b>343,490</b>
<i>Sales revenue from contracts with customers</i>	<i>130,640</i>	<i>21,412</i>	<i>17,080</i>	<i>193,302</i>	-	<i>1,473</i>	<i>1,900</i>	<b>365,807</b>	<i>(33,360)</i>	<b>332,447</b>
<i>Other income</i>	<i>207</i>	<i>226</i>	-	<i>14</i>	<i>23</i>	<i>819</i>	-	<b>1,289</b>	<i>9,754</i>	<b>11,043</b>
<i>from which is dividend income</i>	-	-	-	-	-	-	-	-	-	-
Inter-segment revenue	2,188	(1,805)	3,130	(9,072)	707	9,673	(4,821)	-	-	-
<i>Sales revenue from contracts with customers</i>	<i>2,118</i>	<i>(1,808)</i>	<i>3,130</i>	<i>3,722</i>	<i>706</i>	<i>3,536</i>	<i>(11,404)</i>	-	-	-
<i>Other income</i>	<i>70</i>	<i>3</i>	-	<i>(12,794)</i>	<i>1</i>	<i>6,137</i>	<i>6,583</i>	-	-	-
<i>from which is dividend income</i>	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>133,035</b>	<b>19,833</b>	<b>20,210</b>	<b>184,244</b>	<b>730</b>	<b>11,965</b>	<b>(2,921)</b>	<b>367,096</b>	<b>(23,606)</b>	<b>343,490</b>
Purchases of electricity, gas for trade, and related services, gas and heavy fuel oil	(53,577)	(9,385)	(5,085)	(175,545)	-	(184)	(7,890)	<b>(251,666)</b>	-	<b>(251,666)</b>
Wages and salaries and related expenses	(11,131)	(1,572)	(887)	(1,061)	(1,361)	(4,991)	-	<b>(21,003)</b>	-	<b>(21,003)</b>
Repair and maintenance expenses	(5,846)	(1,566)	(490)	-	-	(267)	18	<b>(8,151)</b>	-	<b>(8,151)</b>
Other expenses	(7,502)	(831)	(1,076)	(3,771)	(573)	(3,419)	9,083	<b>(8,089)</b>	(344)	<b>(8,433)</b>
<b>EBITDA</b>	<b>54,979</b>	<b>6,479</b>	<b>12,672</b>	<b>3,867</b>	<b>(1,204)</b>	<b>3,104</b>	<b>(1,710)</b>	<b>78,187</b>	<b>(23,950)</b>	<b>54,237</b>
from which:										
Depreciation and amortization	(20,335)	(2,965)	(3,168)	(330)	(67)	(1,920)	1,771	<b>(27,014)</b>	-	<b>(27,014)</b>
<b>EBIT</b>	<b>34,644</b>	<b>3,514</b>	<b>9,504</b>	<b>3,537</b>	<b>(1,271)</b>	<b>1,184</b>	<b>61</b>	<b>51,173</b>	<b>(23,950)</b>	<b>27,223</b>
Impairment and write-offs of property, plant and equipment	(1,204)	(92)	-	-	-	(2)	-	<b>(1,298)</b>	-	<b>(1,298)</b>
Impairment and write-offs of current and non-current amounts receivables, loans, goods and others	(210)	300	1	(490)	-	55	-	<b>(344)</b>	344	-
Revaluation of emission allowances	-	106	-	-	-	-	-	<b>106</b>	-	<b>106</b>
<b>Operating profit (loss)</b>	<b>33,230</b>	<b>3,828</b>	<b>9,505</b>	<b>3,047</b>	<b>(1,271)</b>	<b>1,237</b>	<b>61</b>	<b>49,637</b>	<b>(23,606)</b>	<b>26,031</b>
Finance income	17	66	6	283	3,307	31	(3,134)	<b>576</b>	-	<b>576</b>
Finance costs	(2,406)	(135)	(507)	(219)	(3,598)	(139)	3,080	<b>(3,924)</b>	-	<b>(3,924)</b>
Result of associates	127	88	-	-	-	-	(215)	-	-	-
<b>Profit (loss) before tax</b>	<b>30,968</b>	<b>3,847</b>	<b>9,004</b>	<b>3,111</b>	<b>(1,562)</b>	<b>1,129</b>	<b>(208)</b>	<b>46,289</b>	<b>(23,606)</b>	<b>22,683</b>
Income tax expense	(2,209)	(1,728)	(1,360)	426	190	(1,284)	258	<b>(5,707)</b>	-	<b>(5,707)</b>
<b>Net profit (loss)</b>	<b>28,759</b>	<b>2,119</b>	<b>7,644</b>	<b>3,537</b>	<b>(1,372)</b>	<b>(155)</b>	<b>50</b>	<b>40,582</b>	<b>(23,606)</b>	<b>16,976</b>
Property, plant and equipment, intangible and right-of-use assets	1,631,851	486,865	464,817	38,089	2,725	19,562	(76,182)	<b>2,567,727</b>	-	<b>2,567,727</b>
Investment assets	-	-	-	-	-	-	-	-	-	-
Net debt	641,202	(83,545)	77,276	70,288	634,588	8,363	(587,006)	<b>761,166</b>	-	<b>761,166</b>
<b>Adjusted EBITDA</b>	<b>54,979</b>	<b>6,479</b>	<b>12,672</b>	<b>3,867</b>	<b>(1,204)</b>	<b>3,104</b>	<b>(1,710)</b>	<b>78,187</b>		
Management adjustments (for revenues)	(16,330)	11,201	-	(16,984)	-	407	(1,900)	(23,606)		
Management adjustments for impairment and write-offs of current and non-current amounts receivables, loans, goods and others	(210)	300	1	(490)	-	55	-	(344)		
<b>Total EBITDA adjustments</b>	<b>(16,540)</b>	<b>11,501</b>	<b>1</b>	<b>(17,474)</b>	<b>-</b>	<b>462</b>	<b>(1,900)</b>	<b>(23,950)</b>		
<b>EBITDA</b>	<b>38,439</b>	<b>17,980</b>	<b>12,673</b>	<b>(13,607)</b>	<b>(1,204)</b>	<b>3,566</b>	<b>(3,610)</b>	<b>54,237</b>		

\*Certain amounts presented above do not correspond to the condensed interim financial statements prepared for the period of 2019 1<sup>st</sup> quarter and reflect corrections and changes of accounting treatments, disclosed in Note 3.2.

## 17 Events after the reporting period

On 1 April 2020 the news announced that of the Company and EPSO-G UAB entered negotiation process regarding settlement of the EPSO-G debt for LitGrid AB shares the Company sold in 2012. Beginning of negotiation was supported by The Government of the Republic of Lithuania. An agreement between the Company and EPSO-G UAB on early repayment of the debt and the amount has not been signed as at the date of these interim financial statement issue. Negotiations are still in the process and the amount of a premium to the final price of the contract re LitGrid AB shares' disposal is not yet agreed and known at the date of these interim financial statements' issue.

On 16 April 2020 the Company has signed an overdraft agreement with Swedbank AB for EUR 100 million. The loan repayment term is 16 October 2020.

On 22 April 2020 the Company's official offers to buy up shares (ordinary registered intangible shares, with a nominal value of EUR 0.29 of each) of the Company's subsidiaries Energijos skirstymo operatorius AB and Ignitis gamyba AB were completed, during which EUR 0.88 was paid for one share of Energijos skirstymo operatorius AB and EUR 0.64 – for one share of Ignitis gamyba AB. The number of shares for which the official offer was submitted was: Energijos skirstymo operatorius AB – 44,886,572 units, Ignitis gamyba AB – 20,629,860 units. Total shares bought up: Energijos skirstymo operatorius AB – 23,932,346 units, Ignitis gamyba AB – 4,081,833 units. All remaining shares not repurchased during the official offerings will be repurchased during the mandatory share repurchase, which began in 18 May 2020 and will continue for 90 calendar days until 17 August 2020. The prices applied during the mandatory share repurchase have been agreed with the Bank of Lithuania and are the same as those applied during the official offer.

Following the official offer, the Company's investments in the subsidiary Energijos skirstymo operatorius AB increased by EUR 21,060,464 and in Ignitis gamyba AB by EUR 1,945,396.

On 8 May 2020 the Company received information from the institution implementing the shareholder's rights, the Ministry of Finance of the Republic of Lithuania, that in 8 May 2020 the Minister of Finance of the Republic of Lithuania taken a decision approving the distribution of the Company's profit (loss) for 2019. The part of the profit intended for the payment of dividends for 2019 amounts to EUR 28,000 thousand.

On 19 May 2020 the Environmental Protection Agency informed that it had issued an Integrated Pollution Prevention and Control (IPPC) permit to the Company's subsidiary UAB Vilniaus kogeneracinė jėgainė, which states that the power plant complies with the particularly strict environmental requirements that are currently in force in both Lithuania and the European Union.

On 21 May 2020 Nasdaq Vilnius AB has made a decision to remove the shares of the Company's subsidiaries Energijos skirstymo operatorius and Ignitis gamyba AB from the Official Trading List. The shares of Energijos skirstymo operatorius and Ignitis gamyba AB will be deleted from 1 July 2020 (the last day of trading on the Nasdaq Vilnius shares is 30 June 2020).

On 22 May 2020 the listing of the Company was successfully completed, during which the Company distributed the issue of bonds for amount of EUR 10 million with the termination of 10 years. 2.00 percent annual interests will be paid for the bonds, they are distributed with 2.148 percent yield. According to the latest data, the bonds were purchased by 70 investors. The Company's bonds were mostly purchased by institutional investors from Germany, the United Kingdom and Lithuania: banks, investment and pension funds and insurance companies. The Company will use these funds to implement the Group's goals in developing green energy and ensuring the reliability and efficiency of the distribution network, as well as to refinance existing debts. BNP Paribas, Citi, J.P. Morgan and Luminor banks. The issued bonds were listed on the Luxembourg and AB Nasdaq Vilnius stock exchanges. The Company's entire medium-term non-equity securities issuance program, with the approval of the Group Board, is planned to be up to EUR 1.5 billion.

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