

AB INTER RAO LIETUVA

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2019,
prepared in accordance with International Financial Reporting Standards,
as adopted by the European Union

14 November 2019
Vilnius

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AB INTER RAO Lietuva Unaudited Consolidated Interim Report for the 9 Month Period Ended 30 September 2019

I. General Information

Reporting period

9 month period ended 30th September 2019

Company and its contact details

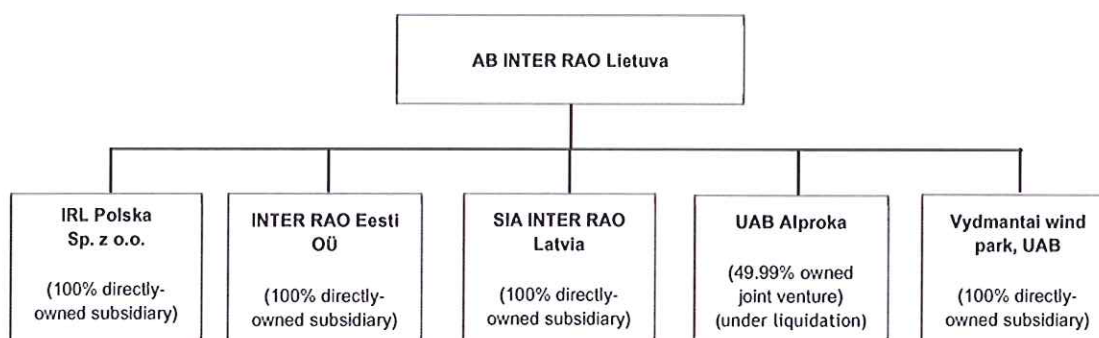
Company name	AB INTER RAO Lietuva (hereinafter – IRL or „the Company“)
Company code	126119913
Legal form	Public company (joint-stock company)
Date of registration	21 st December 2002
Name of register of Legal Entities	State Enterprise Centre of Registers
Registered office	A.Tumėno str. 4, block B, LT-01109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

The Group structure

As of 30th September 2019, INTER RAO Lietuva Group consisted of the Company and the below described directly and indirectly controlled subsidiaries and joint venture (hereinafter - the Group):

Company	Company code	Directly and indirectly held effective attributable interest	Equity as of 30 September 2019	Registration address	Activity (including planned)
INTER RAO Eesti OÜ - subsidiary	11879805	100 %	63	Peterburi tee 47, Tallinn, Estonia	Trade of electricity
SIA INTER RAO Latvia - subsidiary	40103268639	100 %	(467)	76 Gustava Zemgala Ave., Riga, LV-1039, Latvia	Trade of electricity
IRL Polska Sp. z.o.o. - subsidiary	0000436992	100 %	2,784	Twarda 18, 00-105 Warsaw, Poland	Trade of electricity
UAB Alproka – joint venture (under liquidation)	125281684	49,99 %	153	Verkių Str. 25C, Vilnius, Lithuania	Operations with real estate
Vydmantai Wind Park, UAB – subsidiary	302666616	100 %	14,491	A.Tumėno Str. 4, Vilnius, Lithuania	Generation of electricity

The following chart sets out the Group's subsidiaries and interest in those subsidiaries, as well as the structure of the Group as of 30th September 2019:



Main activities of the Group

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

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

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

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

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

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

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

The Group history and development

- | | |
|------|---|
| 2002 | The Company was incorporated as UAB Energijos realizacijos centras. |
| 2003 | The Company received its license as independent electricity supplier with permission to export electricity.

The Company signed sale-purchase agreements with INTER RAO UES and Lietuvos energija AB.

The Company began electricity trading activities by exporting electricity to Russia and Belarus. |
| 2004 | Permission to import electricity was granted to the Company. |
| 2005 | The Company began importing electricity to Lithuania.

RAO Nordic OY, a wholly owned subsidiary of INTER RAO UES, acquired 18 per cent of the Company’s share capital from UAB VB rizikos kapitalo valdymas. |

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

- On 30th of April 2014, the General Annual Meeting of shareholders has adopted the decision to pay dividends to the shareholders of the Company in the amount of 13 million Lit.
- On 22nd of May 2014, IRL Polska Sp. z o.o. begins electricity trading operations.
- 2015 After Lithuania joined the euro zone, AB INTER RAO Lietuva shareholders fixed a nominal value of one share 0.29 EUR, share capital equal to 5.8 million EUR.
- On 30th of April 2015 AB INTER RAO Lietuva shareholders decided to distribute 11.2 million EUR as dividends.
- 2016 On 29th of April 2016 AB INTER RAO Lietuva shareholders decided to distribute 16.1 million EUR as dividends.
- 2017 On 30th of March 2017 by decision of Supervisory Council The Board of the Company was re-elected for a new office term of four years.
- On 28th of April 2017 new three members of the Supervisory Council, among them one independent member, were elected at the Annual General Meeting of Shareholders.
- On 28th of April 2017 AB INTER RAO Lietuva shareholders decided to distribute 10.2 million EUR as dividends.
- 2018 On 27th of April 2018 AB INTER RAO Lietuva shareholders decided to distribute 7.1 million EUR as dividends.
- On 6th of November 2018 the decision has been taken to liquidate company's subsidiary UAB „Alproka“ which has successfully completed a real estate project and all real estate owned by UAB „Alproka“ has been sold. Therefore, UAB „Alproka“ was no longer carrying out any commercial activities.
- 2019 AB INTER RAO Lietuva shareholders decided to distribute 11.6 million EUR as dividends.

Agreements with intermediaries of public trading in securities

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

Data about securities traded on regulated market

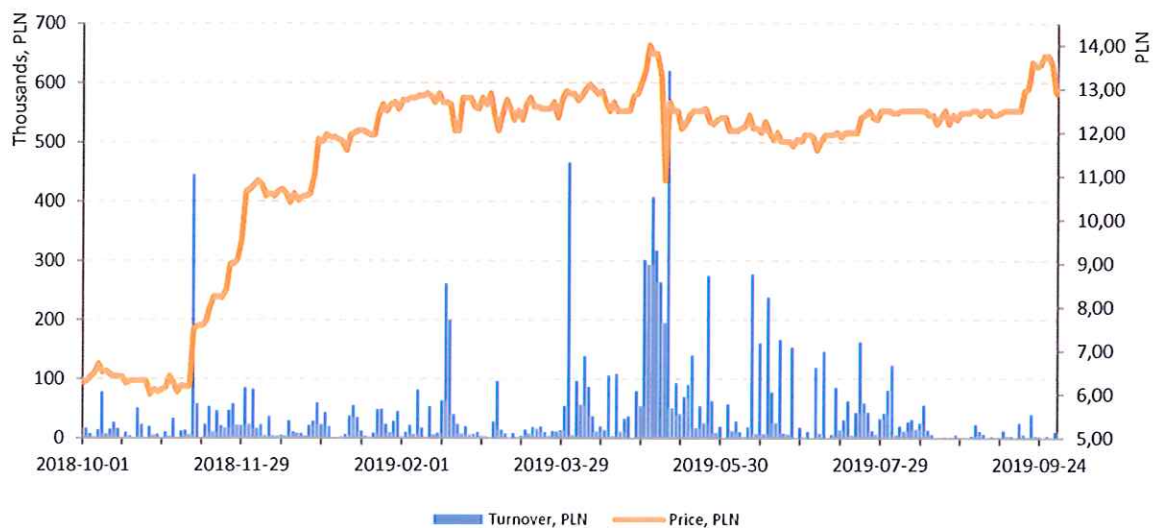
The following securities of the Company are included into the Main List of Warsaw stock exchange (symbol: IRL):

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

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

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



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

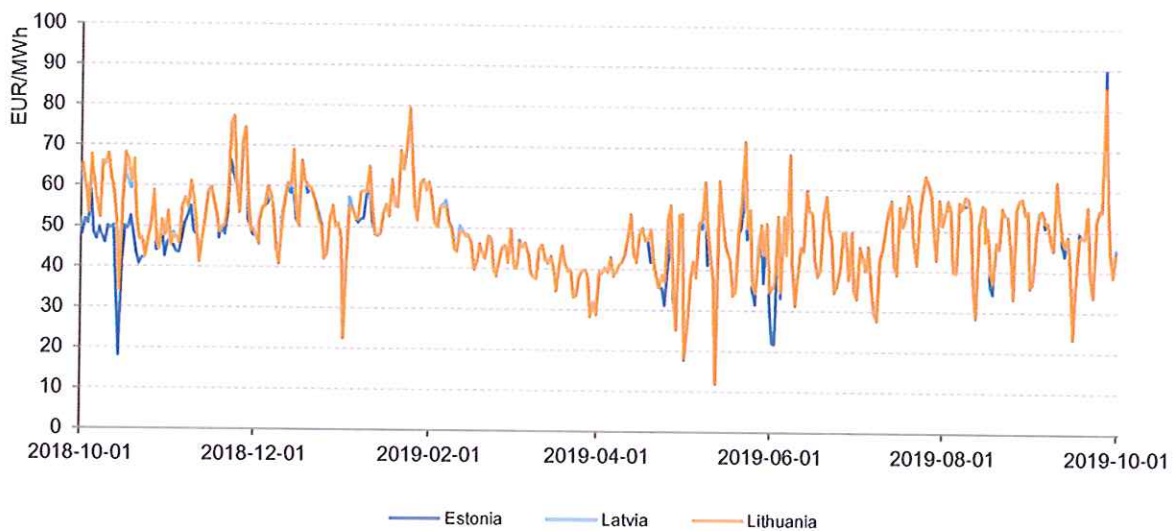
As of 30th September 2019 the shareholder structure of the Company was as following:

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

II. Financial information

Revenues

The total consolidated Group's sales revenue in January-September of 2019 was equal to EUR 299 million, a 52.76 per cent increase if compared to the first 9 months of 2018. Total revenue increased mainly due to the higher amounts of electricity traded, especially in Poland,. The increase in the amount of electricity traded was mainly influenced by increase in sales in Lithuanian and Polish markets. Company's sales revenue in the first 9 months of 2019 was equal to EUR 207 million – increased by 26.27 per cent, compared to the same period in 2018 due to some reasons – there were more electricity traded in Lithuania.



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

Key figures of IRL Group

Financial figures	9 months 2019	9 months 2018
Sales (EUR thousand)	299,164	195,836
Gross profit (EUR thousand)	21,143	16,425
Gross profit margin (%)	7.07%	8.39%
Operating profit (EUR thousand)	14.612	10,780
Operating profit margin (%)	4.88%	5.50%
EBITDA (EUR thousand)	18,758	12,743
EBITDA profit margin (%)	6.27%	6.51%
Net profit (EUR thousand)	14,230	7,969
Net profit margin (%)	4.76%	4.07%
Number of shares (thousand)	20,000	20,000
Earnings per share (EUR)	0.71	0.40

Gross profit margin – Gross profit / Sales

Operating profit margin – Operating profit / Sales

EBITDA profit margin – EBITDA / Sales

Net profit margin – Net profit / Sales

Earnings per shares – Net profit / Number of shares

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

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

Group's sales increased by 52.76 per cent in first 9 months of 2019, compared to the same period in 2018. At the same time increase in cost of sales was higher than increase in sales – 54.96 per cent change, if compared to 9 months of 2018. Despite the increase in sales, Group's gross profitability lowered to 7.07 per cent in the accounting period, if compared to 8.39 per cent in January-September 2018. Group's operating profit increased to EUR 14.6 million if compared to EUR 10.8 million in the same period a year ago, despite the fact that operating profit margin shrank to 4.88 per cent, if compared to 5.5 per cent during the same period a year ago.

Company's gross profit margin in 2019 accounts to 7.76 per cent, if compared to 9.77 per cent in the first 9 months of 2018. Operating profit of the Company for the January-September of 2019 was equal to EUR 11.6 million compared to EUR 12.2 million a year ago.

Group's and Company's EBITDA for the first 9 months of 2019 was EUR 18.8 million and EUR 13.3 million respectively. Group's EBITDA profit margin decreased from 6.51 per cent in first 9 months of 2018 to 6.27 per cent in the same period in 2019. Company's EBITDA profit margin decreased– from 7.8 per cent in January-September of 2018 to 6.43 per cent in the accounting period. Due to the increase in sales revenues, in the 9 months of 2019, Group's net profit increased to EUR 14.2 million from EUR 8 million in the same period in 2018. As a result, Group's net profit margin during the accounting period was equal to 4.77 per cent, compared to 4.07 per cent a year ago. Net profit of the Company in 9 months in 2019 increased and was equal to EUR 11.9 million compared to EUR 10.2 million in January-September 2018.

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Sales revenues by operating segments, thous. EUR	9 months 2019	9 months 2018
Electricity purchases and sales	295,321	192,765
Electricity production and sales	3,843	3,071
Total	299,164	195,836

Group's revenue from purchases and sales of electricity in the first 9 months of 2019 amounted to EUR 295 million compared to EUR 193 million in the same period a year ago. Revenue from produced electricity sales accounted for EUR 3.8 million, the 25.14 per cent increase if compared to in the same period a year ago. During the accounting period Vydmantai wind park, UAB has produced more electricity compared to the same period in 2018.

Company's revenue during January-September 2019 increased by 26.27 per cent and was equal to EUR 207 million compared to EUR 164 million in the same period in 2018.

The tables below present data on the electricity trading activities of the Group for the 9 months period ended on 30th September 2019 and the 3rd quarter of 2019, compared with the same periods in 2018, with a breakdown by each country for the periods indicated (S - sale, P - purchase).

	For the 9 months of 2019		For the 9 months of 2018	
	S	P	S	P
	<i>GWh</i>		<i>GWh</i>	
Lithuania*	4 489	41	3 715	59
Latvia	200	200	212	212
Estonia	179	243	196	288
Russia	43	4 360	41	2 905
Belarus	-	67	-	700
Poland	1 133	1 113	221	221
Total*	6 044	6 044	4 385	4 385

* Excluding equivalent trades on the power exchange;

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

	For the 3rd quarter of 2019		For the 3rd quarter of 2018	
	S	P	S	P
	<i>GWh</i>		<i>GWh</i>	
Lithuania*	1 414	21	1 528	1
Latvia	52	52	56	56
Estonia	52	86	72	91
Russia	13	1 368	11	1 387
Belarus	-	4	-	132
Poland	543	543	70	70
Total*	2 074	2 074	1 737	1 737

* Excluding equivalent trades on the power exchange

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

Expenses

COGS by operating segments, thous. EUR	9 months 2019	9 months 2018
Electricity purchases and sales	276,909	178,041
Electricity production and sales	1,112	1,370
Total	278,021	179,411

Group's cost of sales in January-September of 2019 accounted to EUR 278 million, the 54.96 per cent more than during the first nine months of 2018. Cost of sales of the Group increased compared to the results a year ago, due to the higher amount of electricity traded and higher electricity purchase prices. Cost of sales of electricity production reduced if compared to the same period a year ago – a 18.8 per cent decrease due to the change of maintenance contract of the wind turbines.

Cost of sales of the Company increased by 29.09 per cent if compared the accounting period and the same period a year ago and amounted to EUR 191.2 million if compared to EUR 148.1 million a year ago.

Group's cost of purchased electricity in the first 3 quarters of 2019 amounted to EUR 273.6 million. Group's cost of purchased electricity comprised 98.39 per cent of total cost of sales, Company's – 98.24 per cent.

Group's operating expenses in the nine-month period of 2019 amounted to EUR 6.5 million, a 15.7 per cent increase over a year ago. Company's operating expenses amounted to EUR 4.5 million in January-September 2019 compared to EUR 3.8 million in the same period a year ago (18.5 per cent increase).

Earnings

Gross profit of the Group in January-September of 2019 amounted to EUR 21.1 million (compared to the EUR 16.4 million), while the gross profit margin decreased to 7.07 per cent (8.39 per cent a year ago). Gross profit of the Company in the same period accounted to EUR 16 million, the same as a year ago. Company's gross profit margin decreased in the first nine months of 2019 to 7.76 per cent if compared to the same period of 2018 – 9.77 per cent.

Group's operating profit over the same period accounted to EUR 14.6 million, while the operating profit margin decreased to 4.88 per cent from 5.5 per cent a year ago. Operating profit in the first 3 quarters of 2019 of the Company decreased to EUR 11.6 million, compared to EUR 12.2 million in the same period a year ago.

Net result of financial activities of the Group in the first 3 quarters of 2019 amounted to EUR 1.2 million, if compared to minus EUR 0.2 million net financial loss during the same period a year ago. Financial expenses were mainly comprised of interest expenses that were due for the stand-alone financing of the wind park. Net income of financial activities of the Company in the 3 quarters of 2019 was mainly comprised from the fair value change of derivatives not designated as hedging instruments and the dividends received from Vydmantai Wind Park UAB.

Group's net profit in the January-September of 2019 amounted to EUR 14.2 million, if compared to the net profit of EUR 8 million for the same period year ago. Group's net profit margin increased from 4.07 per cent a year ago to 4.76 per cent in the accounting period. Company's net profit margin decreased from 6.2 per cent a year ago to 5.77 per cent in 2019.

Balance sheet and Cash Flows

During January-September 2019 total assets of the Group decreased by 9.48 per cent and of the Company decreased by 13.73 per cent. The most significant influence to the change of the assets was caused by decrease of cash and cash equivalents, prepayments and increase of derivative financial instruments in the Group and in the Company.

Total non-current assets of the Company decreased by 4.7 per cent and of the Group decreased by 5.36 per cent. The most significant change in assets in the Group was related to amortization of patents and licenses and depreciation of wind farm equipment held by subsidiary Vydmantai wind park, UAB.

During the year, shareholders' equity of the Company and of the Group increased by 39.19 per cent and 42.87 per cent respectively and amounted to 45 per cent of the total equity and liabilities of the Company, the same as of the Group. Company's equity increased despite the dividends distribution in 2019 in the amount of EUR 11.6 million.

At the end of September 2019, total amount of borrowings, including financial liabilities related to finance lease and bank financing, amounted to EUR 5.8 million for the Group. Cash and cash equivalents amounted to EUR 14.4 million for the Company and EUR 18 million for the Group.

Net cash flows from operating activities of the Group were lower in the first 3 quarters of 2019 and amounted to EUR 11.7 million, compared to EUR 28 million in the same period a year ago. Net cash flows from operating activities of the Company in the first 9 months of 2019 equaled to EUR 6.8 million compared to EUR 25.3 million a year ago.

Net cash flows from investing activities of the Group in the January-September of 2019 decreased if compared to the same period of 2018. Net cash flows from investing activities of the Company in the 9 months of 2019 equaled to EUR 0.14 million if compared to 2018, when it was equal to EUR 0.3 million. Such a result was due to the dividends received from the Company's subsidiary Vydmantai wind park UAB.

Net cash flows from financing activities of the Group in the first 3 quarters of 2019 amounted to EUR (14.4) million outflow, compared to EUR (12.9) million outflow in the same period a year ago. Net cash flows from financing activities of the Company in the first 9 months of 2019 equaled to EUR (11.7) million outflow compared to EUR (10.9) million outflow in the same period a year ago.

Personnel

As of 30th September 2019 there were 39 employees in the Group and 24 in the Company. The employment structure by category is provided in the table below.

Employee category	Number of employees			
	As of 30 th September 2019		As of 30 th September 2018	
	Group	Company	Group	Company
Management	8	8	8	8
Sales Managers, including Traders	13	7	14	7
PR & Marketing Staff	1	1	1	1
Project managers	2	1	2	1
Technical staff	3	1	3	1
Office Staff	12	6	12	6
Total	39	24	40	24

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

AB INTER RAO Lietuva Unaudited Consolidated Interim Financial Statements for the 9 Month Period Ended 30th September 2019

Statement of financial position

	Group As at 30th September 2019	Group As at 31st December 2018	Company As at 30th September 2019	Company As at 31st December 2018
ASSETS				
Non-current assets				
Intangible assets				
Goodwill	716	716	-	-
Patents and licenses	1,508	2,413	-	-
Other intangible assets	16	21	-	-
Total intangible assets	2,240	3,150	-	-
Property, plant and equipment				
Land	549	576	-	-
Buildings and structures	2,438	2,562	-	-
Machinery and equipment	13,690	14,379	-	-
Right-of-use asset	552	-	397	-
Office premises	566	622	566	622
Other property, plant and equipment	44	36	18	16
Total property, plant and equipment	17,839	18,175	981	638
Investment property	323	323	323	323
Interest in a joint venture	77	79	10,254	10,254
Other non-current financial assets	344	275	34	32
Derivative financial instruments	-	-	-	-
Deferred income tax asset	-	-	112	1,034
Total non-current assets	20,823	22,002	11,704	12,281
Current assets				
Inventories and prepayments	274	3,805	173	3,603
Accounts receivable				
Trade receivables	13,134	11,856	10,995	9,798
Receivables from subsidiaries	19	25	3,254	2,525
Other receivables	1,779	1,580	-	-
Total accounts receivable	14,932	13,461	14,249	12,323
Prepaid income tax	-	67	-	-
Other current assets	1,163	1,270	100	207
Derivative financial instruments	740	400	740	400
Cash and cash equivalents	17,955	20,737	14,380	19,110
Total current assets	35,064	39,740	29,642	35,643
Total assets	55,887	61,742	41,346	47,924

(cont'd on the next page)

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

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Statement of financial position (cont'd)

	Group	Group	Company	Company
	As at 30th	As at 31st	As at 30th	As at 31st
	September	December	September	December
	r 2019	2018	r 2019	2018
EQUITY AND LIABILITIES				
Equity				
Share capital	5,800	5,800	5,800	5,800
Legal reserves	1,011	982	579	579
Cash flow hedge reserve	135	(4,771)	41	(4,813)
Currency translation reserve	(128)	(76)	-	-
Retained earnings	18,126	15,524	12,055	11,707
Total equity	24,944	17,459	18,475	13,273
Liabilities				
Non-current liabilities				
Non-current borrowings	-	3,852	-	-
Financial lease obligations	914	613	246	-
Derivative financial instruments	-	14	-	-
Deferred income tax liability	1,473	654	-	-
Total non-current liabilities	2,387	5,133	246	-
Current liabilities				
Current portion of non-current borrowings	4,675	3,300	-	-
Current portion of financial lease obligations	200	38	105	-
Derivative financial instruments	124	5,769	229	5,664
Financial debts	-	-	-	-
Trade payables	20,249	25,814	20,080	25,601
Income tax payable	919	1,910	573	1,910
Advances received	13	16	13	10
Other current liabilities	2,376	2,303	1,625	1,466
Total current liabilities	28,556	39,150	22,625	34,651
Total equity and liabilities	55,887	61,742	41,346	47,924

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

General Director	Giedrius Balčiūnas	14 November 2019
Director of Economics	Paulius Vazniokas	14 November 2019

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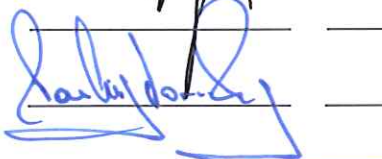
Statement of comprehensive income
 For the 9 months ended 30th September 2019

	<u>Group</u>	<u>Group</u>	<u>Company</u>	<u>Company</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Sales	299,164	195,836	207,237	164,120
Cost of sales	(278,021)	(179,411)	(191,156)	(148,084)
Gross profit	21,143	16,425	16,081	16,036
General and administrative expenses	(6,531)	(5,645)	(4,514)	(3,809)
Profit from operations	14,612	10,780	11,567	12,227
Other activities	14	12	11	11
Financing and investing activities profit	1,205	(191)	1,527	437
Finance income	2,197	146	1,590	492
Finance expenses	(990)	(326)	(63)	(55)
Share of result of joint venture	(2)	(11)	-	-
Profit before tax	15,831	10,601	13,105	12,675
Income tax	(1,601)	(2,632)	(1,157)	(2,494)
Net profit	14,230	7,969	11,948	10,181
Total comprehensive income, net of tax	19,084	8,253	16,802	10,224

Statement of comprehensive income

	<u>Group</u>	<u>Group</u>	<u>Company</u>	<u>Company</u>
	<u>3rd quarter</u>	<u>3rd quarter</u>	<u>3rd quarter</u>	<u>3rd quarter</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Sales	101,575	88,683	60,567	76,829
Cost of sales	(95,079)	(79,781)	(55,755)	(68,383)
Gross profit	6,496	8,902	4,812	8,446
General and administrative expenses	2,083	1,815	1,410	1,218
Profit from operations	4,414	7,087	3,402	7,228
Other activities	6	4	3	3
Financing and investing activities profit	228	(83)	280	10
Finance income	899	28	301	30
Finance expenses	671	107	21	20
Share of result of joint venture	-	(4)	-	-
Profit before tax	4,648	7,008	3,685	7,241
Income tax	727	1,430	519	1,384
Net profit	3,920	5,578	3,166	5,857

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

General Director	Giedrius Balčiūnas		14 November 2019
Director of Economics	Paulius Vazniokas		14 November 2019

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Statement of changes in equity
For the 9 months ended 30th September 2019

Group

	Share capital	Legal reserve	Cash flow hedge reserve	Currency translation reserve	Retained earnings	Total
Balance as at 1st January 2019	5,800	982	(4,771)	(76)	15,524	17,459
Profit for the period	-	-	-	-	14,230	14,230
Other comprehensive income, net of tax	-	-	4,906	-	-	4,906
Foreign exchange effect	-	-	-	(52)	-	(52)
Total comprehensive income	-	-	4,906	(52)	14,230	19,084
Dividends declared	-	-	-	-	(11,600)	(11,600)
Transfer to legal reserve	-	29	-	-	(29)	-
Balance as at 30th September 2019	5,800	1,011	135	(128)	18,126	24,944

	Share capital	Legal reserve	Cash flow hedge reserve	Currency translation reserve	Retained earnings	Total
Balance as at 1st January 2018	5,800	910	43	(22)	11,242	17,973
Profit for the period	-	-	-	-	7,969	7,969
Other comprehensive income, net of tax	-	-	329	-	-	329
Foreign exchange effect	-	-	-	(45)	-	(45)
Total comprehensive income	-	-	329	(45)	7,969	8,253
Dividends declared	-	-	-	-	(7,100)	(7,100)
Transfer to legal reserve	-	72	-	-	(72)	-
Balance as at 30th September 2018	5,800	982	372	(67)	12,039	19,126

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Company

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
Balance as at 1st January 2019	5,800	579	(4,813)	11,707	13,273
Profit for the period	-	-	-	11,948	11,948
Other comprehensive income	-	-	4,854	-	4,854
Total comprehensive income	-	-	4,854	11,948	16,802
Dividends declared	-	-	-	(11,600)	(11,600)
Transfer to legal reserve	-	-	-	-	-
Balance as at 30th September 2019	5,800	579	41	12,055	18,475

Company

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
Balance as at 1st January 2018	5,800	579	42	7,198	13,619
Profit for the period	-	-	-	10,182	10,182
Other comprehensive income	-	-	214	-	214
Total comprehensive income	-	-	214	10,182	10,396
Dividends declared	-	-	-	(7,100)	(7,100)
Transfer to legal reserve	-	1	-	(1)	-
Balance as at 30th September 2018	5,800	580	256	10,279	16,915

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

General Director	Giedrius Balčiūnas		14 November 2019
Director of Economics	Paulius Vazniokas		14 November 2019

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FOR THE 9 MONTH PERIOD ENDED 30th September 2019
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Statements of cash flows

For the 9 months ended 30th September

	Notes	Group		Company	
		2019	2018	2019	2018
Cash flows from (to) operating activities					
Net profit		14,230	7,968	11,948	10,182
Adjustments for non-cash items:					
Income tax expenses		1,601	2,632	1,157	2,494
Depreciation and amortisation		1,937	1,816	158	68
Interest and dividend (income)		-	(1)	(150)	(351)
Change in fair value of derivatives not designated as hedging instruments		(1,403)	(111)	(1,403)	(111)
Share of net profit of joint venture		2	11	-	-
Interest and dividend expenses		216	300	33	30
Other		(2)	(16)	(2)	(16)
		16,581	12,599	11,741	12,296
Changes in working capital:					
(Increase) decrease in inventories and prepayments		3,531	(3,707)	2,697	(6,921)
(Increase) decrease in accounts receivable and other current assets		(1,704)	2,257	(1,425)	1,967
(Increase) decrease in other non-current assets		(67)	(70)	-	30
Increase (decrease) in trade payables		(5,644)	18,341	(5,577)	18,324
Income tax (paid)		(2,571)	(963)	(2,522)	(900)
(Decrease) in other current liabilities		1,588	(398)	1,931	501
Unrealized foreign currency exchange		(52)	(45)	-	-
Net cash flows from operating activities		11,662	28,014	6,845	25,297
Cash flows from (to) investing activities					
(Acquisition) of non-current assets		(22)	(9)	(12)	(5)
Interest and dividends received		-	1	150	351
Net cash flows (to) investing activities		(22)	(8)	138	346

(cont'd on the next page)

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

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Statements of cash flows (cont'd)

	Group		Company	
	2019	2018	2019	2018
Cash flows from (to) financing activities				
Dividends (paid)	(11,600)	(7,100)	(11,600)	(7,100)
Proceeds from loans	(2,475)	(6,270)	-	(3,795)
Interest (paid) and financial lease (payments)	(347)	(348)	(113)	(30)
Net cash flows (to) financing activities	(14,422)	(13,718)	(11,713)	(10,925)
Net increase (decrease) in cash and cash equivalents	(2,782)	14,288	(4,730)	14,718
Cash and cash equivalents at the beginning of the year	20,737	5,191	19,110	3,026
Cash and cash equivalents as at the end of the period	17,955	19,479	14,380	17,744

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

General Director	Giedrius Balčiūnas	14 November 2019
Director of Economics	Paulius Vazniokas	14 November 2019

Notes to financial statements

1 General information

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

2 Segment information

Operating segments

The following tables present information regarding the Group's operating segments for the 9 months ended 30th September 2019.

9 month ended 30 th September 2019	Electricity purchases and sales	Electricity production and sales	Total Segments	Adjustments and eliminations	Consolidated
Revenue					
External customers	295,321	3,843	299,164	-	299,164
Total revenue	295,321	3,843	299,164	-	299,164
Results					
Depreciation and amortisation	213	1,724	1,937	-	1,937
Interest income	-	-	-	-	-
Interest expenses	34	182	216	-	216
Share of profit of associate joint venture				(2)	(2)
Segment operating profit	12,959	1,653	14,612	-	14,612
Segment assets	34,221	21,666	55,887	-	55,887
Segment liabilities	22,736	5,815	28,551	2,392	30,943

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

Other disclosures

Interest in a joint venture	-	-	-	77	77
Capital expenditure	11	11	22		22

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

The following tables present information regarding the Group's operating segments for the 9 months ended 30th September 2018.

9 month ended 30 th September 2018	Electricity purchases and sales	Electricity production and sales	Total Segments	Adjustments and eliminations	Consolidated
Revenue					
External customers	192,765	3,071	195,836	-	195,836
Total revenue	192,765	3,071	195,836	-	195,836
Results					
Depreciation and amortisation	71	1,746	1,816	-	1,816
Interest income	-	-	-	-	-
Interest expenses	30	270	300	-	300
Share of profit of associate joint venture				(11)	(11)
Segment operating profit	10,138	642	10,780		10,780
Segment assets	48,808	14,786	63,594	39	63,633
Segment liabilities	32,478	8,920	41,398	3,109	44,507

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

Other disclosures

Interest in a joint venture	-	-	-	81	81
Capital expenditure	5	4	9	-	9

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

Related party transactions

The parties are considered related when one party has the possibility to control the other one or have significant influence over the other party in making financial and operating decisions. The related parties of the Group during the 9 month periods ending 30 September 2019 and as at 30 September 2018 were as follows:

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

3 Related party transactions

For the 9 month period
ended 30th September
2019

		Purchases	Sales	Paid (received) dividends	Receivables	Payables, including loans granted
PJSC Inter RAO	a)	181,891	217	-	19	18,990
RAO Nordic Oy	b)	-	-	5,916	-	-
UAB Scaent Baltic	b)	-	-	1,914	-	-
Other related parties		-	-	3,770	-	-
		181,891	217	11,600	25	11,382

For the 9 month period
ended 30th September
2018

		Purchases	Sales	Paid (received) dividends	Receivables	Payables, including loans granted
PJSC Inter RAO	a)	113,24	206	-	25	11,382
RAO Nordic Oy	b)	4	-	3,621	-	-
UAB Scaent Baltic	b)	5	-	2,059	-	-
Other related parties		-	-	1,420	-	-
		11,333	206	7,100	25	11,382

Confirmation of Responsible Persons

Following the Article No. 24 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Central Bank of the Republic of Lithuania, I, Giedrius Balčiūnas, the General Director of AB INTER RAO Lietuva hereby confirm that, to the best of my knowledge, AB INTER RAO Lietuva Unaudited Consolidated Interim Financial statements for the 9 month period ended 30 September, 2019 as set out on above are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss and cash flows of the Company and the Group.

Giedrius Balčiūnas
General Director

