

AB INTER RAO LIETUVA

**UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER 2020,**
prepared in accordance with International Financial Reporting Standards,
as adopted by the European Union

*19 February 2021
Vilnius*

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AB INTER RAO Lietuva Unaudited Consolidated Interim Report for the 12 Month Period Ended 31st December 2020

I. General Information

Reporting period

Year ended 31st December 2020

Company and its contact details

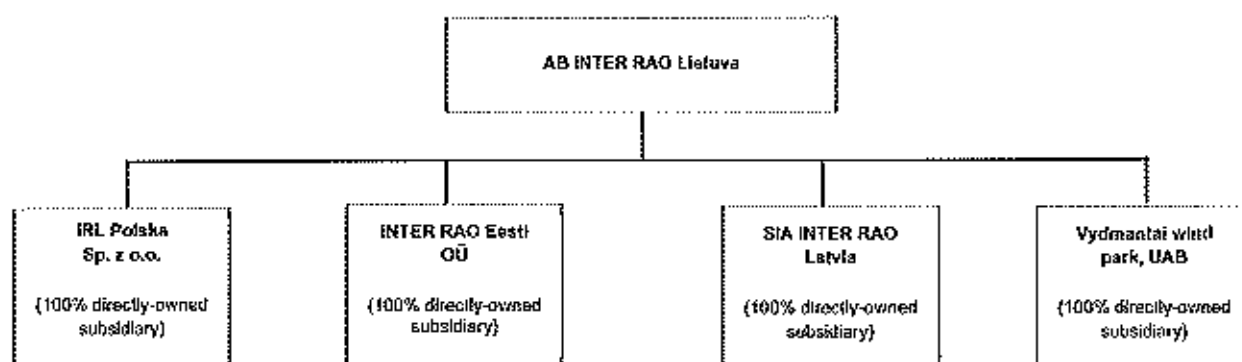
Company name	AB INTER RAO Lietuva (hereinafter – IRL or „the Company“)
Company code	126119913
Legal form	Public company (joint-stock company)
Date of registration	21 December 2002
Name of register of Legal Entities	State Enterprise Centre of Registers
Registered office	A.Tumėno str. 4, block B, LT-01109 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 on 31st December 2020, INTER RAO Lietuva Group consisted of the Company and the below described directly and indirectly controlled subsidiaries and joint venture (hereinafter - the Group):

Company	Company code	Directly and indirectly held effective attributable interest	Equity as at 31 st December 2020	Registration address	Activity (including planned)
INTER RAO Eesti OÜ - subsidiary	11879805	100 %	44	Peterburi tee 47, Tallinn, Estonia	Trade of electricity
SIA INTER RAO Latvia - subsidiary	40103268639	100 %	103	76 Gustava Zemgala Ave., Riga, Latvia	Trade of electricity
IRL Polska Sp. z o.o. - subsidiary	0000436992	100 %	3,273	Twarda 18, 00-105, Warsaw, Poland	Trade of electricity
Vydmantai Wind Park, UAB – subsidiary	302666616	100 %	16,405	A.Tumėno Str. 4, Vilnius, Lithuania	Generation of electricity

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



Main activities of the Group

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

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

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

The Group sells all of the electricity it cross-border 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 OÜ).

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 established a subsidiary UAB IRL Wind and in the same year UAB IRL Wind acquired the wind park in Vydmantai.

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

Agreements with intermediaries of public trading in securities

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

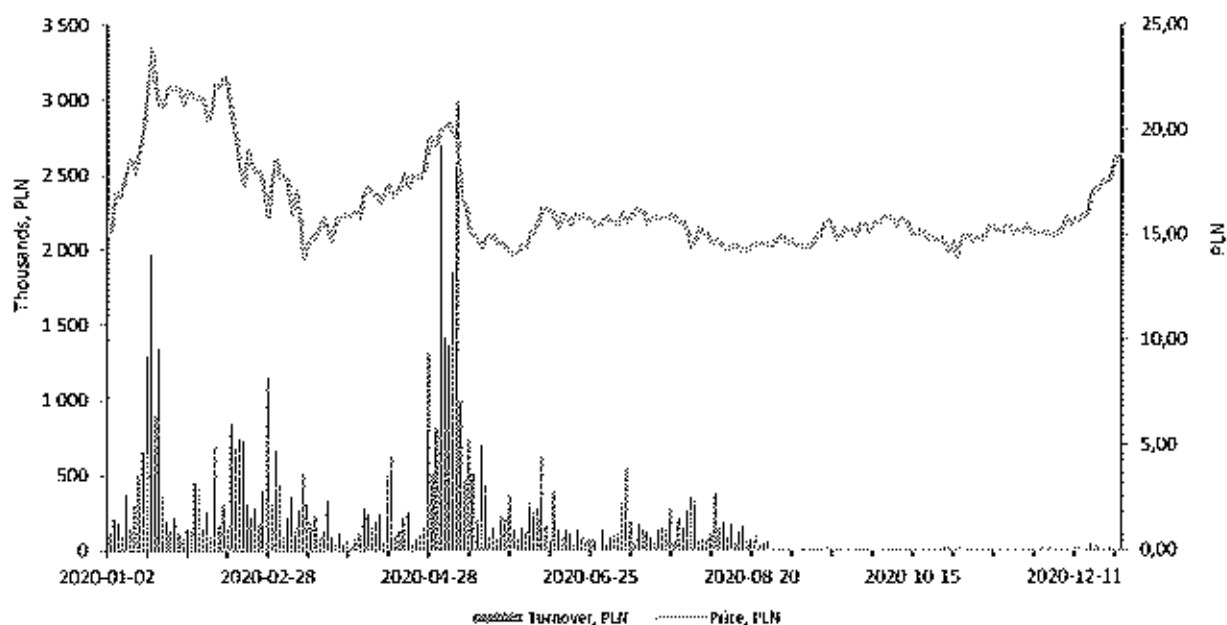
Data about securities traded on regulated market

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

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

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

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



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

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

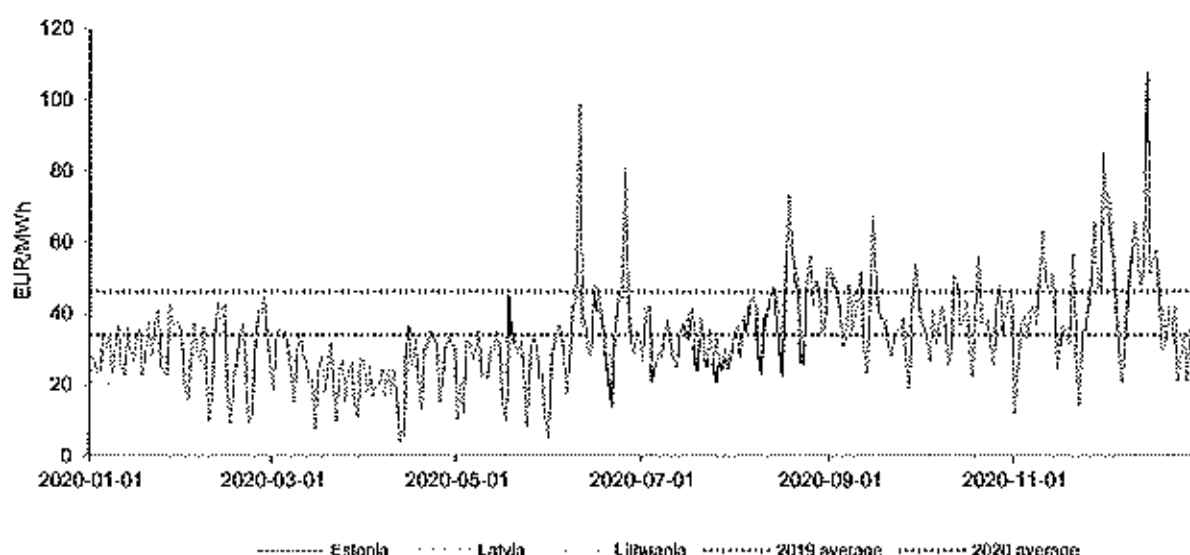
Shareholder	Number of shares/votes	Percentage of shares
RAO Nordic Oy	10,200,000	51%
UAB Scaent Baltic	5,822,856	29,11%
Other shareholders	3,977,144	19,89%
Total	20,000,000	100%

II. Financial information

Revenues

The total consolidated Group's sales revenue in 2020 was equal to EUR 163.4 million, a 48.47 per cent decrease if compared to 2019. Total revenue decreased mainly due to the sharp decrease of volume and electricity market price, which resulted in lower revenue amounts and lower volumes from electricity traded, especially in Lithuania.

Electricity price in NordPoolSpot exchange



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	2020	2019
Sales [Revenues from contracts with customers] (EUR thousand)	163,371	317,034
Gross profit (EUR thousand)	23,240	24,461
Gross profit margin (%)	14.23%	7.72%
Operating profit [profit from operations] (EUR thousand)	11,993	15,163
Operating profit margin (%)	7.34%	4.78%
EBITDA (EUR thousand)	19,543	22,432
EBITDA profit margin (%)	11.96%	7.08%
Net profit (EUR thousand)	12,209	17,647
Net profit margin (%)	7.47%	5.57%
Number of shares (thousand)	20,000	20,000
Earnings per share (EUR)	0.61	0.88

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(all amounts are in EUR thousand unless otherwise stated)

Gross profit margin – Gross profit / Sales

Operating profit margin – Operating profit / Sales

EBITDA profit margin – EBITDA / Sales

Profit before taxes margin – Profit before taxes / Sales

Net profit margin – Net profit / Sales

Earnings per shares – Net profit / Number of shares

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

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

The total consolidated Group's sales decreased by 48.47 per cent in 2020, compared to Group's sales in 2019. At the same time, cost of sales also decreased to EUR 140.1 million in 2020, compared to EUR 292.6 million in 2019. Such decrease in costs of sales was mainly due to the decreased electricity market price and electricity volumes traded in the markets. Therefore, the Group's gross profitability stayed at the healthy level and equaled to 14.23 per cent in the accounting period, if compared to 7.72 per cent in 2019. Group's operating profit margin increased to 7.34 per cent in accounting period from the 4.78 per cent in 2019. During the period of 2020, the Company and the Group delivered electricity to all of its clients and fulfilled all of its contractual obligations of electricity sales at prices, agreed upon in the contracts.

Company's gross profit margin in 2020 accounts to 12.92 per cent, compared to 6.83 per cent in 2019. Operating profit margin of the Company increased from the 4.8 per cent in 2019 to 8.22 per cent in 2020.

Group's and Company's EBITDA for 2020 was EUR 19.5 million and EUR 13.1 million respectively. Group's EBITDA profitability margin increased from 7.08 per cent in January-December of 2019 to 11.96 per cent in accounting period of 2020. In 2020, Group's net profit was equal to EUR 12.2 million if compared to the EUR 17.7 million in 2019. As a result, Group's net profit margin during the accounting period was equal to 7.47 per cent, compared to the 5.57 per cent a year ago.

Sales revenues by operating segments, thous. EUR	4th quarter 2020	4th quarter 2019
Electricity purchases and sales	(14,597)	16,124
Electricity production and sales	1,842	1,746
Total	(12,755)	17,870

Group's revenue from purchases and sales of electricity in the 4th quarter of 2020 amounted to negative EUR (14.6) million, a 190.5 per cent decrease compared with the same period a year ago. This change is due to the change in accounting policy in Polish subsidiary, which was made in order to better reflect the actual situation of the subsidiary. As the Polish subsidiary is mainly trading in the TGE electricity market, therefore electricity trading results were moved out from the main activity and showed in the financial activity. Because of this change the amount of sales and the amount of cost of sales was decreased (resulting in negative numbers) and the overall result was shown in the financial activities. It should be noted, that in case the accounting policy changes were not implemented, net profit would have stayed the same as it is now, only sales and cost of sales amounts would differ. Revenue from produced electricity sales in the 4th quarter accounted for EUR 1.8 million, a 5.5 per cent more than a year ago. The increase in electricity production was mainly caused by the better wind conditions in the area.

Company's revenue during October-December 2020 decreased by 55.52 per cent and was equal to EUR 36 million compared to EUR 81 million in the same period in 2019. Company's revenue during 2020 decreased by 53.68 per cent and was equal to EUR 133.5 million compared to EUR 288.2 million in 2019.

The tables below present data on the electricity trading activities of the Group for the 4th quarter of 2020 and 2019 with a breakdown by each country for the periods indicated (S - sale, P - purchase).

	For the 4 th quarter of 2020	For the 4 th quarter of 2019
	S	S
	GWh	GWh
Lithuania*	737	1,939
Poland	489	425
Other countries	425	131
Total*	1,651	2,495

* Excluding equivalent trades on the power exchange

Expenses

COGS by operating segments, thous. EUR	4 th quarter 2020	4 th quarter 2019
Electricity purchases and sales	(18,482)	14,170
Electricity production and sales	329	382
Total	(18,153)	14,552

Group's cost of sales in October-December of 2020 accounted to negative EUR (18.5) million, a 230.4 per cent less than during the last 3 months of 2019. This change was due to a change in accounting policy in Polish subsidiary as explained earlier.

The Company's and the Group's cost of purchase of electricity in 2020 decreased by 56.71 per cent and the Group's decreased by 224.75 per cent respectively if compared to 2019 and amounted to EUR 116.2 million and EUR 140.1 million. Cost of purchase of electricity constituted 97.98 per cent and 97.06 per cent of total cost of sales for the Company and for the Group respectively in 2020.

Company's cost of purchased electricity in the last 3 months of 2020 amounted to EUR 31.2 million, a 56.51 per cent less, than a year ago.

Group's operating expenses in the 4th quarter of 2019 amounted to EUR 4.8 million, a 72.53 per cent increase over a year ago. Company's operating expenses amounted to EUR 1.8 million in October-December 2020 compared to EUR 1.3 million in the same period a year ago (a 35.06 per cent increase).

Earnings

Gross profit of the Group in October-December of 2020 amounted to EUR 5.4 million. Gross profit of the Company in the same period accounted to EUR 4.4 million, compared to EUR 3.6 million a year ago. Company's gross profit margin increased from 4.44 per cent in the last quarter of 2019 to 12.31 per cent in the last 3 months of 2020.

Gross profit in 2020 decreased and amounted to EUR 17.2 million for the Company, and EUR 23.2 million for the Group, if compared to EUR 19.7 million and EUR 24.5 million respectively in 2019. Gross profit margin in 2020 increased to 12.92 per cent for the Company and to 14.23 per cent for the Group from 6.83 per cent and 7.72 per cent in 2019.

Group's operating profit over the 4th quarter accounted to EUR 0.6 million and the operating profit margin can't be used for comparison due to the changes in the accounting policies of the Polish subsidiary. Operating profit in the last 3 months of 2020 of the Company amounted to EUR 2.6 million compared to the EUR 2.3 million the same period in 2019. The operating profit margin of the Company increased to 7.32 per cent in 4th quarter of 2020 if compared to 2.8 per cent for the same period in 2019.

Profit from operations for the Company and for the Group for year 2020 were equal to EUR 11 million and EUR 12 million, compared to the profit from operations of EUR 13.8 million and EUR 15.2 million in 2019. Operating profit margin for the Company and for the Group reached level of 8.22 per cent and 7.34 per cent compared to 4.8 per cent and 4.78 per cent a year ago.

Net result from financial and investing activities for the Company in 2020 stayed at the same level as a year ago and amounted to EUR 1.8 million. In 2020 subsidiary Vydmantai wind park, UAB paid dividends (EUR 0.2 million, if compared – in 2019 EUR 0.15 million). Net consolidated result from financial and investing activities for the Group decreased to EUR 2.7 million if compared to 2019. Overall result for the Group from financial activities was mainly caused by increase in finance income – positive fair value change of derivatives not designated as hedging instruments.

As a result, profit before tax for the Company and for the Group in 2020 decreased and amounted to EUR 12.8 million and EUR 14.7 million respectively.

The net profit of the Company and the Group in 2020 amounted to EUR 10.8 million and EUR 12.2 million respectively.

The net profit margins for the Company and for the Group in 2020 increased and were equal to 8.1% and 7.47% (compared to 4.89% and 5.57% year ago).

Balance sheet and cash flow

During January-December 2020 total assets of the Company decreased by 36.1% and of the Group decreased by 22.76%. The most significant influence to the assets was caused by decrease of cash and cash equivalents and Derivative financial instruments in the Company and in the Group, depreciation and impairment of goodwill and machinery.

Total non-current assets of the Company stayed at the same level as a year ago and of the Group decreased by 20.79%. The most significant change in assets in the Group was related to amortization of licenses held by subsidiary Vydmantai wind park as well as depreciation and impairment of wind power plant and impairment of goodwill. Total non-current assets amounted to 39% of the total assets for the Company and to 31% of total assets for the Group.

During the year, shareholders' equity of the Company and of the Group decreased by 24.8% and 14.56% and amounted to 50% of the total equity and liabilities of the Company and to 50% of the total equity and liabilities of the Group. Decrease in equity was mainly caused by changes in cash flow hedge reserve and retained earnings. Total dividends distributed in 2020 reached EUR 14 million.

At the end of December 2020, total amount of borrowings, including financial liabilities related to finance lease and bank financing, amounted to 1.1 million for the Group, if compared to previous year – a 77.08% decrease. The Company had EUR 0.4 million borrowings, the same as a year ago, including financial liabilities related to lease and bank financing. Cash, cash equivalents amounted to EUR 10.5 million for the Company and EUR 22.3 million for the Group.

Net cash flow from operating activities for the Company and for the Group in 2020 decreased and amounted to EUR 1.3 million and EUR 13.6 million respectively (compared to EUR 15.1 million and EUR 21.7 million a year ago).

During 2020 net cash flow from investing and financing activities amounted to negative EUR (13.4) million for the Company and negative EUR (18.4) million for the Group (compared to negative EUR (11.6) million for the Company and to negative EUR (15.4) million for the Group in 2019). Negative cash flow from financing activities is mainly related to the loans repaid and paid out dividends.

Personnel

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

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

On 31st December 2020 23 employees were employed in the Company. Company's personnel consisted of 8 managers and 15 specialists.

AB INTER RAO Lietuva Unaudited Consolidated Interim Financial Statements for the 12 Month Period Ended 31st December 2020

Statement of financial position

	Group	Group	Company	Company
	As at 31st	As at 31st	As at 31st	As at 31st
	December 2020	December 2019	December 2020	December 2019
ASSETS				
Non-current assets				
Intangible assets				
Goodwill	-	716	-	-
Operating license	-	1,207	-	-
Other intangible assets	8	9	-	-
Total intangible assets	8	1,932	-	-
Property, plant and equipment				
Buildings and structures	2,033	2,398	-	-
Office premises	471	547	471	547
Machinery and equipment	11,498	13,461	-	-
Other property, plant and equipment	32	45	15	16
Total property, plant and equipment	14,034	16,451	486	563
Investment property	1,101	1,102	427	412
Interest in a joint venture and subsidiaries	323	323	323	323
Other non-current financial assets	-	-	10,927	10,927
Derivative financial instruments	223	147	41	38
Deferred income tax asset	118	-	118	-
Total non-current assets	15,807	19,955	12,322	12,263
Current assets				
Inventories and prepayments	1,838	1,251	168	167
Accounts receivable				
Trade receivables	8,169	12,576	5,469	10,216
Other receivables from subsidiaries and joint venture	-	-	1,029	3,157
Contract assets	316	992	-	-
Total accounts receivable	8,485	13,568	7,398	13,373
Prepaid income tax	15	-	-	-
Other current assets	250	1,163	195	100
Derivative financial instruments	1,599	2,104	1,312	1,407
Cash and cash equivalents	22,250	27,022	10,485	22,584
Total current assets	34,445	45,108	19,558	37,631
Total assets	50,252	65,063	31,880	49,894

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AB INTER RAO LIETUVA, company code 126119913, A. Tumėno str. 4, Vilnius, Lithuania
CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(all amounts are in EUR thousand unless otherwise stated)

Statement of financial position (cont'd)

	Group As at 31 st December 2020	Group As at 31 st December 2019	Company As at 31 st December 2020	Company As at 31 st December 2019
EQUITY AND LIABILITIES				
Equity				
Share capital	5,800	5,800	5,800	5,800
Legal reserves	1,115	1,011	579	579
Cash flow hedge reserve	(1,308)	916	(1,308)	808
Currency translation reserve	(288)	(46)	-	-
Retained earnings	19,647	21,542	11,012	14,199
Total equity	24,966	29,221	16,083	21,386
Liabilities				
Lease liabilities	910	890	271	245
Deferred income tax liability	992	1,501	104	176
Total non-current liabilities	1,902	2,391	375	421
Current liabilities				
Current portion of non-current borrowings	-	3,850	-	-
Current portion of financial lease obligations	234	251	123	130
Derivative financial instruments	2,597	243	2,597	255
Trade payables	17,782	26,350	9,449	28,163
Income tax payable	935	715	461	284
Advances received	12	13	10	13
Other current liabilities	1,824	2,029	2,782	1,242
Total current liabilities	23,384	33,451	15,422	28,087
Total equity and liabilities	50,252	65,983	31,880	49,894

General Director

Giedrius Baičionas

19 February 2021

Director of Economics

Paulius Vaznlokas

19 February 2021

Statement of comprehensive income
For the 12 months ended 31st December 2020

	Group	Group	Company	Company
	2020	2019	2020	2019
Revenue from contracts with customers	163,371	317,034	133,511	288,234
Cost of sales	(140,131)	(292,573)	(118,263)	(268,555)
Gross profit	23,240	24,461	17,248	19,679
General and administrative expenses	(11,247)	(9,298)	(6,269)	(5,843)
Profit from operations	11,993	15,163	10,979	13,836
Other activities	2	5	14	14
Finance income	2,850	4,667	1,872	1,837
Finance expenses	(185)	(318)	(90)	(84)
Profit (loss) before tax	14,660	19,517	12,775	15,603
Income tax	(2,451)	(1,870)	(1,962)	(1,511)
Net profit	12,209	17,647	10,813	14,092

Statement of comprehensive income

	Group 4 th quarter 2020	Group 4 th quarter 2019	Company 4 th quarter 2020	Company 4 th quarter 2019
Revenue from contracts with customers	(12,755)	17,870	36,025	80,997
Cost of sales	18,153	(14,552)	(31,592)	(77,399)
Gross profit	5,398	3,318	4,433	3,598
General and administrative expenses	(4,774)	(2,767)	(1,795)	(1,329)
Profit from operations	624	551	2,638	2,269
Other activities	-	(9)	3	3
Finance income	2,101	2,470	479	247
Finance expenses	(33)	672	(16)	(21)
Share of result of joint venture	-	2	-	-
Profit before tax	2,692	3,686	3,104	2,498
Income tax	(422)	(269)	(513)	(354)
Net profit	2,270	3,417	2,591	2,144

General Director

Giedrius Balčiūnas

19 February 2021

Director of Economics



Paulius Vazniokas

19 February 2021

Statement of changes in equity
For the 12 months ended 31st December 2020

Group

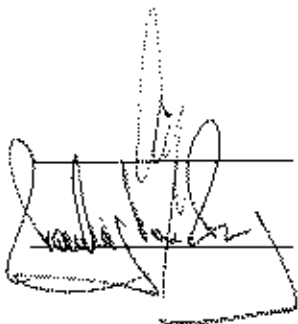
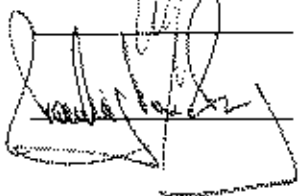
	Equity attributable to equity holders of the parent					Total
	Share capital	Legal reserve	Cash flow hedge reserve	Currency translation reserve	Retained earnings	
Balance as at 31 December 2018	5,800	982	(4,771)	(76)	15,524	17,459
Net profit for the year	-	-	-	-	17,647	17,647
Other comprehensive income, net of tax	-	-	5,687	28	-	5,715
Total comprehensive income	-	-	5,687	28	17,647	23,362
Transfer to reserves	-	29	-	-	(29)	-
Dividends declared	-	-	-	-	(11,600)	(11,800)
Balance as at 31 December 2019	5,800	1,011	916	(48)	21,542	29,221
Net profit for the year	-	-	-	-	12,209	12,209
Other comprehensive income, net of tax	-	-	(2,224)	(240)	-	(2,464)
Total comprehensive income	-	-	(2,224)	(240)	12,209	9,745
Transfer to reserves	-	104	-	-	(104)	-
Dividends declared	-	-	-	-	(14,000)	(14,000)
Balance as at 31 December 2020	5,800	1,115	(1,308)	(288)	19,647	24,966

General Director	Giedrius Balčiūnas		19 February 2021
Director of Economics	Paulius Vazniokas		19 February 2021

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FOR THE YEAR ENDED 31 December 2020
(all amounts are in EUR thousand unless otherwise stated)

Company

Company	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
Balance as at 31 December 2018	5,800	579	(4,813)	11,707	13,273
Net profit for the year	-	-	-	14,092	14,092
Other comprehensive income, net of tax	-	-	5,621	-	5,621
Total comprehensive income	-	-	5,621	14,092	19,713
Dividends declared	-	-	-	(11,600)	(11,600)
Balance as at 31 December 2019	5,800	579	808	14,199	21,386
Net profit for the year	-	-	-	10,813	10,813
Other comprehensive income, net of tax	-	-	(2,116)	-	(2,116)
Total comprehensive income	-	-	(2,116)	10,813	8,697
Dividends declared	-	-	-	(14,000)	(14,000)
Balance as at 31 December 2020	5,800	579	(1,308)	11,912	16,083

General Director	Giedrius Balčiūnas		19 February 2021
Director of Economics	Paulius Vazniokas		19 February 2021

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FOR THE YEAR ENDED 31 December 2020
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Statements of cash flows

	Group		Company	
	2020	2019	2020	2019
Cash flows from (to) operating activities				
Net profit	12,209	17,647	10,813	14,092
Adjustments for non-cash items:				
Income tax expenses	2,451	1,870	1,962	1,511
Depreciation and amortisation	2,386	2,393	86	86
Depreciation of right-of-use assets	301	245	185	136
Impairment of assets	2,047	-	-	-
Dividend (income)	(3)	-	(807)	(154)
Interest (income) expenses	131	274	47	43
Change in fair value of derivatives not designated as hedging instruments	(63)	(729)	(473)	(32)
(Reversal of) Impairment of investment to subsidiary	-	-	-	(672)
Other non-cash items	(215)	68	(193)	(6)
	19,244	21,768	11,620	15,004
Changes in working capital:				
Decrease (increase) in prepayments and other receivables from subsidiaries and joint venture	(587)	3,560	1,227	3,436
(Increase) decrease in accounts receivable and other current assets	6,202	(2,047)	4,747	(1,952)
(Decrease) increase in trade payables	(8,569)	533	(16,717)	565
Income tax (paid)	(2,361)	(3,154)	(1,477)	(3,100)
(Decrease) increase in other current liabilities	(54)	894	1,932	1,113
(Increase) decrease in other non-current assets	(279)	128	-	-
Net cash flows from operating activities	13,596	21,682	1,332	15,066
Cash flows from (to) investing activities				
(Acquisition) of non-current assets	(95)	(22)	(9)	(11)
Dividends received	3	-	807	154
Distribution from joint venture	-	80	-	80
Net cash flows from (to) investing activities	(92)	58	798	223

(cont'd on the next page)

Statements of cash flows (cont'd)

	Group		Company	
	2020	2019	2020	2019
Cash flows from (to) financing activities				
Dividends (paid)	(14,000)	(11,600)	(14,000)	(11,600)
Loans repaid	(3,850)	(3,300)	-	-
Interest (paid)	(86)	(233)	(42)	(38)
Interest paid for lease	(43)	(41)	(6)	(5)
Lease (payments)	(297)	(281)	(181)	(172)
Net cash flows (to) financing activities	(18,276)	(15,455)	(14,229)	(11,815)
Net increase (decrease) in cash and cash equivalents	(4,772)	6,285	(12,099)	3,474
Cash and cash equivalents at the beginning of the year	27,022	20,737	22,584	19,110
Cash and cash equivalents at the end of the year	22,250	27,022	10,485	22,584

General Director

Giedrius Bačkūnas

19 February 2021

Director of Economics

Paulius Vazniokas

19 February 2021

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 Financial results for the 4th quarter of 2020 as set out on above are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss and cash flows of the Company and the Group.

Giedrius Balčiūnas

General Director

