

AB INTER RAO LIETUVA

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2018,
prepared in accordance with International Financial Reporting Standards,
as adopted by the European Union

09 November 2018
Vilnius

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AB INTER RAO Lietuva Unaudited Consolidated Interim Report for the 9 Month Period Ended 30 September 2018

I. General Information

Reporting period

9 month period ended 30th September 2018

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 2018, 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 2018	Registration address	Activity (including planned)
INTER RAO Eesti OÜ - subsidiary	11879805	100 %	(631)	Peterburi tee 47, Tallinn, Estonia	Trade of electricity
SIA INTER RAO Latvia - subsidiary	40103268639	100 %	(1.324)	76 Gustava Zengala Ave., Riga, LV-1039, Latvia	Trade of electricity
IRL Polska Sp. z.o.o. - subsidiary	0000436992	100 %	1,753	Twarda 18, 00-105 Warsaw, Poland	Trade of electricity
UAB Alproka – joint venture	125281684	49,99 %	197	Verkių Str. 25C, Vilnius, Lithuania	Operations with real estate
Vydmantai Wind Park, UAB – subsidiary	302666616	100 %	12,987	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 2018:



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 Litas 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 Litas.
- 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.

Agreements with intermediaries of public trading in securities

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

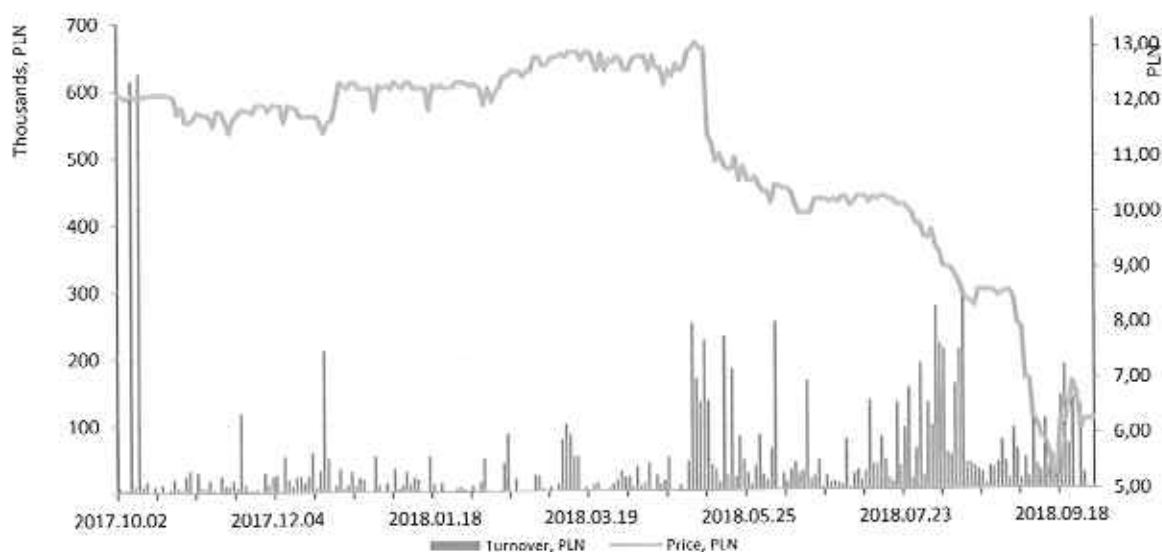
Data about securities traded on regulated market

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

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

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

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



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

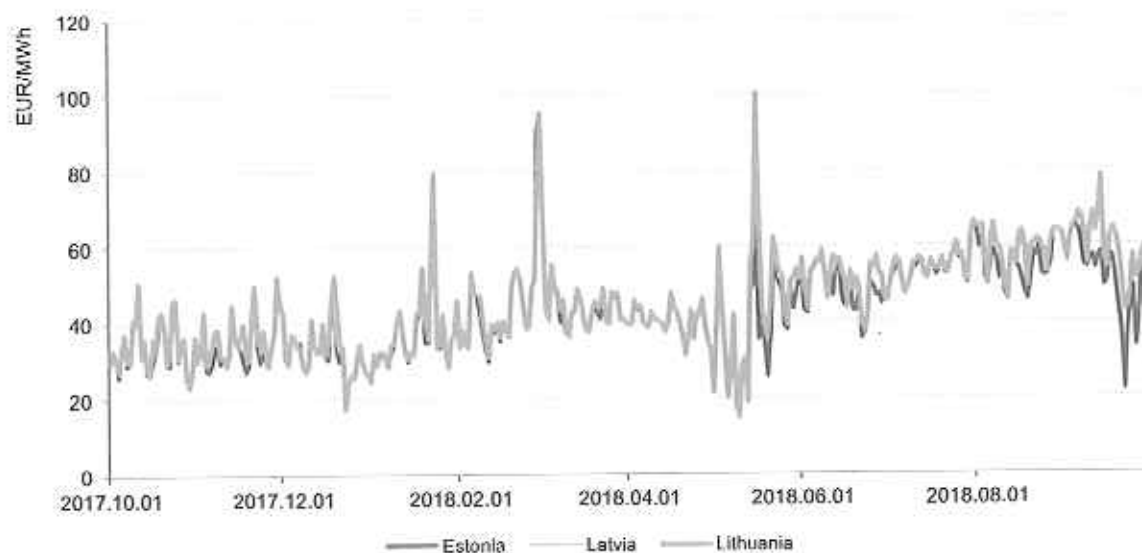
As of 30th September 2017 the shareholder structure of the Company was as following:

Shareholder	Number of shares/votes	Percentage of shares
RAO Nordic Oy	10,200,000	51%
UAB Scaent Baltic	5,800,000	29%
Other shareholders	4,000,000	20%
Total	20,000,000	100%

II. Financial information

Revenues

The total consolidated Group's sales revenue in January-September of 2018 was equal to EUR 196 million, a 46.87 per cent increase if compared to the first 9 months of 2017. Total revenue increased due to the higher amounts of electricity traded and higher prices of electricity in the NordPool market. The increase in the amount of electricity traded was mainly influenced by increase in sales in Lithuanian market. Company's sales revenue in the first 9 months of 2018 was equal to EUR 164 million – increased by 55.26 per cent, compared to the same period in 2017 due to some reasons – there were more electricity traded in Lithuania and its price on NordPool market was higher.



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 2018	9 months 2017
Sales (EUR thousand)	195,836	133,341
Gross profit (EUR thousand)	16,425	13,163
Gross profit margin (%)	8.39%	9.87%
Operating profit (EUR thousand)	10,780	7,699
Operating profit margin (%)	5.50%	5.77%
EBITDA (EUR thousand)	12,743	9,570
EBITDA profit margin (%)	6.51%	7.18%
Net profit (EUR thousand)	7,969	6,197
Net profit margin (%)	4.07%	4.65%
Number of shares (thousand)	20,000	20,000
Earnings per share (EUR)	0.40	0.31

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 46.87 per cent in first 9 months of 2018, compared to the same period in 2017. At the same time increase in cost of sales was higher than increase in sales – 49.29 per cent change, if compared to 9 months of 2017. Despite the increase in sales, Group's gross profitability lowered to 8.39 per cent in the accounting period, if compared to 9.87 per cent in January-September 2017. Group's operating profit increased to EUR 10.8 million if compared to EUR 7.7 million in the same period a year ago, despite the fact that operating profit margin shrank to 5.50 per cent, if compared to 5.77 per cent during the same period a year ago.

Company's gross profit margin in 2018 accounts to 9.77 per cent, the same as in the first 9 months of 2017. Operating profit of the Company for the January-September of 2018 was equal to EUR 12.2 million compared to EUR 6.8 million a year ago.

Group's and Company's EBITDA for the first 9 months of 2018 was EUR 12.7 million and EUR 12.8 million respectively. Group's EBITDA profit margin decreased from 7.18 per cent in first 9 months of 2017 to 6.51 per cent in the same period in 2018. Company's EBITDA profit margin increased– from 6.52 per cent in January-September of 2017 to 7.8 per cent in the accounting period. Due to the increase in sales revenues, in the 9 months of 2018, Group's net profit increased to EUR 8 million from EUR 6.2 million in the same period in 2017. As a result, Group's net profit margin during the accounting period was equal to 4.07 per cent, compared to 4.65 per cent a year ago. Net profit of the Company in 9 months in 2018 increased and was equal to EUR 10.2 million compared to EUR 5.8 million in January-September 2017.

Sales revenues by operating segments, thous. EUR	9 months 2018	9 months 2017
Electricity purchases and sales	192,765	129,736
Electricity production and sales	3,071	3,605
Total	195,836	133,341

Group's revenue from purchases and sales of electricity in the first 9 months of 2018 amounted to EUR 193 million compared to EUR 130 million in the same period a year ago. Revenue from produced electricity sales accounted for EUR 3.1 million, the 14.81 per cent less than in the same period a year ago. During the accounting period Vydmantal wind park, UAB has produced less electricity compared to the same period in 2017.

Company's revenue during January-September 2018 increased by 55.26 per cent and was equal to EUR 164 million compared to EUR 106 million in the same period in 2017.

The tables below present data on the electricity trading activities of the Group for the 9 months period ended on 30th September 2018 and the 3rd quarter of 2018, compared with the same periods in 2017, with a breakdown by each country for the periods indicated (S - sale, P - purchase).

	For the 9 months of 2018		For the 9 months of 2017	
	S	P	S	P
	<i>GWh</i>		<i>GWh</i>	
Lithuania*	3 715	59	2 762	287
Latvia	212	212	254	254
Estonia	196	288	240	331
Russia	41	2 905	68	2 356
Belarus	-	700	-	95
Poland	221	221	241	241
Total*	4 385	4 385	3 564	3 564

* Excluding equivalent trades on the power exchange;

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

	For the 3 rd quarter of 2018		For the 3 rd quarter of 2017	
	S	P	S	P
	<i>GWh</i>		<i>GWh</i>	
Lithuania*	1 528	1	951	72
Latvia	56	56	74	74
Estonia	72	91	83	95
Russia	11	1 387	17	854
Belarus	-	132	-	29
Poland	70	70	72	72
Total*	1 737	1 737	1 197	1 197

* 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 2018	9 months 2017
Electricity purchases and sales	178,041	118,781
Electricity production and sales	1,370	1,397
Total	179,411	120,178

Group's cost of sales in January-September of 2018 accounted to EUR 179.4 million, the 49.89 per cent more than during the first nine months of 2017. 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 prices on NordPool market. Cost of sales of electricity production stayed at almost the same level as at the same period a year ago – a 1.93 per cent decrease.

Cost of sales of the Company increased by 55.25 per cent if compared the accounting period and the same period a year ago and amounted to EUR 148.1 million if compared to EUR 95.4 million a year ago.

Group's cost of purchased electricity in the first 3 quarters of 2018 amounted to EUR 175.8 million. Group's cost of purchased electricity comprised 98.01 per cent of total cost of sales, Company's – 98.52 per cent.

Group's operating expenses in the nine-month period of 2018 amounted to EUR 5.6 million, a 3.3 per cent increase over a year ago. Company's operating expenses amounted to EUR 3.8 million in January-September 2018 compared to EUR 3.6 million in the same period a year ago (7.3 per cent increase).

Earnings

Gross profit of the Group in January-September of 2018 amounted to EUR 16.4 million (compared to the EUR 13.2 million), while the gross profit margin decreased to 8.39 per cent (9.87 per cent a year ago). Gross profit of the Company in the same period accounted to EUR 16 million if compared to EUR 10.3 million a year ago. Company's gross profit margin stayed at the same level as in the first nine months of 2017 - 9.77 per cent.

Group's operating profit over the same period accounted to EUR 10.8 million, while the operating profit margin decreased to 5.5 per cent from 5.77 per cent a year ago. Operating profit in the first 3 quarters of 2018 of the Company increased to EUR 12.2 million, compared to EUR 6.8 million in the same period a year ago.

Net loss of financial activities of the Group in the first 3 quarters of 2018 amounted to minus EUR 0.2 million, an 54.85 per cent increase over the 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 2017 was mainly comprised from the dividends received from Vydmantai Wind Park UAB.

Group's net profit in the January-September of 2018 amounted to EUR 8 million, if compared to the net profit of EUR 6.2 million for the same period year ago. Group's net profit margin decreased from 4.65 per cent a year ago to 4.07 per cent in the accounting period. Company's net profit margin increased from 5.5 per cent a year ago to 6.2 per cent in 2018.

Balance sheet and Cash Flows

During January-September 2018 total assets of the Group increased by 31.38 per cent and of the Company increased by 69.13 per cent. The most significant influence to the change of the assets was caused by increase 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 stayed at almost the same level and of the Group decreased by 6.75 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 24.2 per cent and 6.42 per cent respectively and amounted to 33 per cent of the total equity and liabilities of the Company and to 30 per cent of the total equity and liabilities of the Group. Company's equity increased despite the dividends distribution in 2018 in the amount of EUR 7.1 million.

At the end of September 2018, total amount of borrowings, including financial liabilities related to finance lease and bank financing, amounted to EUR 8.6 million for the Group. Cash and cash equivalents amounted to EUR 17.7 million for the Company and EUR 19.5 million for the Group.

Net cash flows from operating activities of the Group were higher in the first 3 quarters of 2018 and amounted to EUR 28 million, compared to EUR 7.1 million in the same period a year ago. Net cash flows from operating activities of the Company in the first 9 months of 2018 equaled to EUR 25.3 million compared to EUR 4.3 million a year ago.

Net cash flows from investing activities of the Group in the January-September of 2018 increased if compared to the same period of 2017. Net cash flows from investing activities of the Company in the 9 months of 2018 equaled 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 2018 amounted to EUR (13.7) million outflow, compared to EUR (6.2) million outflow in the same period a year ago. Net cash flows from financing activities of the Company in the first 9 months of 2018 equaled to EUR (10.9) million outflow compared to EUR (3.3) million outflow in the same period a year ago.

Personnel

As of 30th September 2018 there were 40 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 2018		As of 30 th September 2017	
	Group	Company	Group	Company
Management	8	8	8	8
Sales Managers, including Traders	14	7	15	7
PR & Marketing Staff	1	1	2	1
Project managers	2	1	4	2
Technical staff	3	1	2	1
Office Staff	12	6	12	6
Total	40	24	43	25

On 30th September 2018 Company's personnel consisted of 8 managers and 16 specialists, as Group's personnel consisted of 8 managers and 32 specialists.

AB INTER RAO Lietuva Unaudited Consolidated Interim Financial Statements for the 9 Month Period Ended 30th September 2018

Statement of financial position

	Notes	Group	Group	Company	Company
		As at 30 th September 2018	As at 31 st December 2017	As at 30 th September 2018	As at 31 st December 2017
ASSETS					
Non-current assets					
Intangible assets		-	-	-	-
Goodwill		716	716	-	-
Patents and licenses		2,715	3,619	-	-
Other intangible assets		-	1	-	-
Total Intangible assets		3,431	4,336	-	-
Property, plant and equipment					
Land		586	612	-	-
Buildings and structures		2,603	2,726	-	-
Machinery and equipment		14,609	15,297	-	-
Office premises		641	698	641	698
Other property, plant and equipment		34	38	13	19
Total property, plant and equipment		18,473	19,371	654	717
Investment property		135	135	135	135
Interest in a joint venture		81	93	10,442	10,442
Other non-current financial assets		654	585	40	71
Derivative financial instruments		114	24	114	24
Deferred income tax asset		-	-	109	155
Total non-current assets		22,888	24,544	11,494	11,544
Current assets					
Inventories and prepayments		4,010	303	3,660	125
Accounts receivable					
Trade receivables		11,461	14,409	9,326	12,450
Receivables from subsidiaries		-	-	4,872	1,485
Other receivables		1,127	1,567	1	10
Total accounts receivable		12,588	15,976	14,199	13,945
Prepaid income tax		39	47	-	47
Other current assets		1,327	1,697	207	542
Derivative financial instruments		3,302	675	3,301	691
Cash and cash equivalents		19,479	5,191	17,744	3,026
Total current assets		40,745	23,889	39,111	18,376
Total assets		63,633	48,433	50,605	29,920

(cont'd on the next page)



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

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UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2018
(all amounts are in EUR thousand unless otherwise stated)

Statement of financial position (cont'd)

	Notes	Group		Company	
		As at 30 th September 2018	As at 31 st December 2017	As at 30 th September 2018	As at 31 st December 2017
EQUITY AND LIABILITIES					
Equity					
Share capital		5,800	5,800	5,800	5,800
Legal reserves		982	910	580	580
Cash flow hedge reserve		372	43	256	42
Retained earnings		12,039	11,242	10,279	7,198
Currency translation reserve		(67)	(22)	-	-
Total equity		19,126	17,973	16,915	13,619
Liabilities					
Non-current liabilities					
Non-current borrowings		4,675	7,150	-	-
Financial lease obligations		620	654	-	-
Derivative financial instruments		114	78	200	16
Deferred income tax liability		1,524	1,322	-	-
Total non-current liabilities		6,933	9,204	200	16
Current liabilities					
Current portion of non-current borrowings		3,300	3,300	-	-
Current portion of financial lease obligations		23	37	-	-
Other financial debts		-	3,795	-	3,795
Derivative financial instruments		1,256	593	1,822	457
Trade payables		28,700	10,299	28,191	9,808
Income tax payable		1,585	21	1,585	-
Advances received		13	73	13	73
Other current liabilities		2,697	3,138	1,879	2,152
Total current liabilities		37,574	21,256	33,490	16,285
Total equity and liabilities		63,633	48,433	50,605	29,920

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

General Director	Giedrius Balčiūnas		09 November 2018
Director of Economics	Paulius Vazniokas		09 November 2018

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 (all amounts are in EUR thousand unless otherwise stated)

Statement of comprehensive income
 For the 9 months ended 30th September 2018

	Notes	Group		Company	
		2018	2017	2018	2017
Sales		195,836	133,341	164,120	105,708
Cost of sales		179,411	120,178	148,084	95,385
Gross profit		16,425	13,163	16,036	10,323
General and administrative expenses		5,645	5,464	3,809	3,551
Profit from operations		10,780	7,699	12,227	6,772
Other activities		12	12	11	11
Financing and investing activities profit		(191)	(423)	438	(17)
Finance income		146	28	493	23
Finance expenses		326	438	55	40
Share of result of joint venture		(11)	(13)	-	-
Profit before tax		10,601	7,288	12,676	6,766
Income tax		2,632	1,091	2,494	953
Net profit		7,969	6,197	10,182	5,813
Total comprehensive income, net of tax		8,253	6,281	10,396	5,760

Statement of comprehensive income

	Notes	Group		Company	
		3 rd quarter 2018	3 rd quarter 2017	3 rd quarter 2018	3 rd quarter 2017
Sales		88,683	45,859	76,829	36,977
Cost of sales		79,781	42,222	68,383	33,878
Gross profit		8,902	3,637	8,446	3,099
General and administrative expenses		1,815	1,842	1,218	1,154
Profit from operations		7,087	1,795	7,228	1,945
Other activities		4	4	3	3
Financing and investing activities profit		(83)	(148)	10	(19)
Finance income		28	10	30	8
Finance expenses		107	151	20	27
Share of result of joint venture		(4)	(7)	-	-
Profit before tax		7,008	1,651	7,241	1,929
Income tax		1,430	290	1,384	276
Net profit		5,578	1,361	5,857	1,653

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

General Director	Giedrius Balčiūnas		09 November 2018
Director of Economics	Paulius Vazniokas		09 November 2018

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Statement of changes in equity
For the 9 months ended 30th September 2017

Group

	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

	Share capital	Legal reserve	Cash flow hedge reserve	Currency translation reserve	Retained earnings	Total
Balance as at 1st January 2017	5,800	910	(22)	(133)	12,468	19,023
Profit for the period	-	-	-	-	6,197	6,197
Other comprehensive income, net of tax	-	-	29	-	-	29
Foreign exchange effect	-	-	-	55	-	55
Total comprehensive income	-	-	29	55	6,197	6,281
Dividends declared	-	-	-	-	(10,200)	(10,200)
Transfer to legal reserve	-	-	-	-	-	-
Balance as at 30th September 2017	5,800	910	7	(78)	8,465	15,104


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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

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
Balance as at 1st January 2017	5,800	580	122	10,217	16,719
Profit for the period	-	-	-	5,813	5,813
Other comprehensive income	-	-	(53)	-	(53)
Total comprehensive income	-	-	(53)	5,813	5,760
Dividends declared	-	-	-	(10,200)	(10,200)
Transfer to legal reserve	-	-	-	-	-
Balance as at 30th September 2017	5,800	580	69	5,830	12,279

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

General Director	Giedrius Balčiūnas		09 November 2018
Director of Economics	Paulius Vazniokas		09 November 2018

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Statements of cash flows
For the 9 months ended 30th September

	Notes	Group		Company	
		2018	2017	2018	2017
Cash flows from (to) operating activities					
Net profit		7,968	6,197	10,182	5,813
Adjustments for non-cash items:					
Income tax expenses		2,632	1,091	2,494	953
Depreciation and amortisation		1,816	1,844	68	88
Interest and dividend (income)		(1)	(2)	(351)	(2)
Change in fair value of derivatives not designated as hedging instruments		(111)	-	(111)	-
Share of net profit of joint venture		11	13	-	-
Interest and dividend expenses		300	437	30	40
Other		(16)	(4)	(16)	4
		12,599	9,576	12,296	6,896
Changes in working capital:					
(Increase) decrease in inventories and prepayments		(3,707)	38	(6,921)	640
(Increase) decrease in accounts receivable and other current assets		2,257	1	1,967	(1,278)
(Increase) decrease in other non-current assets		(70)	(359)	30	-
Increase (decrease) in trade payables		18,341	(1,221)	18,324	(1,222)
Income tax (paid)		(963)	(1,100)	(900)	(1,013)
(Decrease) in other current liabilities		(398)	102	501	310
Unrealized foreign currency exchange		(45)	56	-	-
		28,014	7,093	25,297	4,333
Net cash flows from operating activities					
Cash flows from (to) investing activities					
(Acquisition) of non-current assets		(9)	(19)	(5)	(3)
Interest and dividends received		1	2	351	2
		(8)	(17)	346	(1)
Net cash flows (to) investing activities					

(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	
	2018	2017	2018	2017
Cash flows from (to) financing activities				
Dividends (paid)	(7,100)	(2,040)	(7,100)	(2,040)
Proceeds from loans	(6,270)	(3,725)	(3,795)	(1,251)
Interest (paid) and financial lease (payments)	(348)	(445)	(30)	(3)
Net cash flows (to) financing activities	(13,718)	(6,210)	(10,925)	(3,294)
Net increase (decrease) in cash and cash equivalents	14,288	866	14,718	1,038
Cash and cash equivalents at the beginning of the year	5,191	7,211	3,026	5,681
Cash and cash equivalents as at the end of the period	19,479	8,077	17,744	6,719

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

General Director	Giedrius Balčiūnas		09 November 2018
Director of Economics	Paulius Vazniokas		09 November 2018

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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 2018.

9 month ended 30th 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.

The following tables present information regarding the Group's operating segments for the 9 months ended 30th September 2017.

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9 month ended 30 th September 2017	Electricity purchases and sales	Electricity production and sales	Total Segments	Adjustments and eliminations	Consolidated
Revenue					
External customers	129,736	3,605	133,341	-	133,341
Total revenue	129,736	3,605	133,341	-	133,341
Results					
Depreciation and amortisation	91	1,753	1,844	-	1,844
Interest income	-	-	-	-	-
Interest expenses	40	397	437	-	437
Share of profit of associate joint venture				(13)	(13)
Segment operating profit	6,552	1,147	7,699	-	7,699
Segment assets	25,273	25,779	51,052	-	51,052
Segment liabilities	22,312	12,386	34,698	1,250	35,948

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	-	-	-	98	98
Capital expenditure	5	14	19	-	19

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 2018 and as at 30 September 2017 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
 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

For the 9 month period
 ended 30th September
 2017

		Purchases	Sales	Paid (received) dividends	Receivables	Payables, including loans granted
PJSC Inter RAO	a)	77,702	339	-	23	10,197
RAO Nordic Oy	b)	97	-	5,202	10	5,229
UAB Scaent Baltic	b)	15	-	2,958	-	2,972
UAB Alproka		-	-	-	-	-
Other related parties		49	-	-	-	7
		77,863	339	8,160	33	18,405

- a) The Group performs electricity trading transactions with PJSC Inter RAO.
 b) The Group's payables to shareholders RAO Nordic Oy and UAB Scaent Baltic as at 30th September 2017 represent loans granted and accrued interest (loan currency – EUR, interest rate in 2017 – 1.3%).

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, 2018 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

