

AB INTER RAO LIETUVA

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2020,
prepared in accordance with International Financial Reporting Standards,
as adopted by the European Union

13 November 2020
Vilnius

Content

I. Unaudited Consolidated Interim Report	3
II. Unaudited Consolidated Interim Financial Statements.....	14
III. Confirmation of Responsible Persons	25

AB INTER RAO Lietuva Unaudited Consolidated Interim Report for the 9 Month Period Ended 30 September 2020

I. General Information

Reporting period

9 month period ended 30th September 2020

Company and its contact details

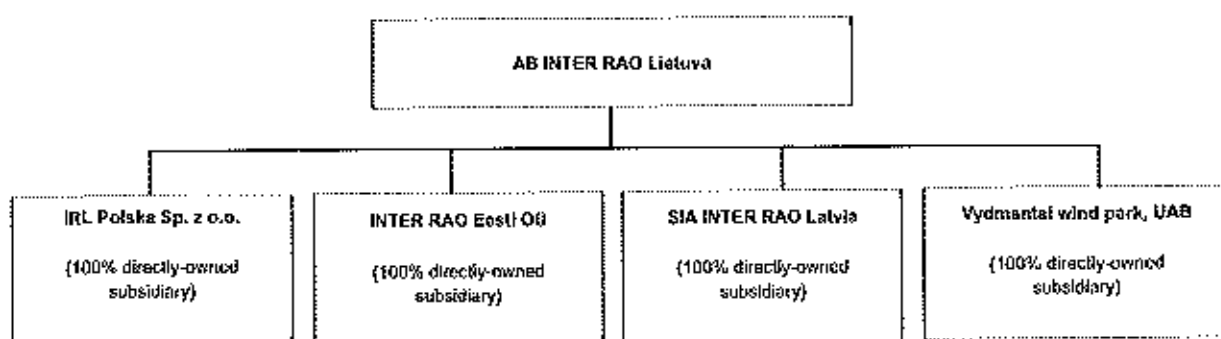
Company name	AB INTER RAO Lietuva (hereinafter – IRL or „the Company“)
Company code	126119913
Legal form	Public company (joint-stock company)
Date of registration	21 st December 2002
Name of register of Legal Entities	State Enterprise Centre of Registers
Registered office	A.Tumėno str. 4, block B, LT-01109 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 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 of 30 September 2020	Registration address	Activity (including planned)
INTER RAO Eesti OÜ - subsidiary	11879805	100 %	46	Peterburi tee 47, Tallinn, Estonia	Trade of electricity
SIA INTER RAO Latvia - subsidiary	40103268639	100 %	(368)	76 Gustava Zemgala Ave., Riga, LV-1039, Latvia	Trade of electricity
IRL Polska Sp. z o.o. - subsidiary	0000436992	100 %	3,256	Twarda 18, 00-105 Warsaw, Poland	Trade of electricity
Vydmantai Wind Park, UAB – subsidiary	302666616	100 %	17,207	A.Tumėno Str. 4, Vilnius, Lithuania	Generation of electricity

The following chart sets out the Group' subsidiaries and interest in those subsidiaries, as well as the structure of the Group as of 30th September 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 Benglsbädd Förvaltning AB. |

AB INTER RAO LIETUVA, company code 126119913, A. Tumano str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 9 MONTH PERIOD ENDED 30th September 2020
(all amounts are in EUR thousand unless otherwise stated)

- 2008 RAO Nordic OY increased its shareholding in the Company by acquiring a 33 per cent stake from UAB Scaent Baltic. The stake of RAO Nordic OY in the Company's share capital reaches 51 per cent, while the stake of UAB Scaent Baltic decreases to 49 per cent.
- 2009 The Company signed electricity sale-purchase agreements with the Belarusian company, Belenergo and the Latvian company, Latvenergo.
- Cooperation regarding the sale of electricity with the largest electricity consumer in the Baltic States, Orlen Lietuva, was established. Delivery was initiated in 2010.
- The Company changed its name to UAB INTER RAO Lietuva.
- 2010 The Company established two wholly-owned subsidiaries, one in Latvia (SIA INTER RAO Latvia) and the second in Estonia (INTER RAO Eesti OU).
- SIA INTER RAO Latvia received its license for electricity trading in Latvia.
- 2011 SIA INTER RAO Latvia begins electricity trading operations.
- The Company begins trading activities in the Estonian area of NordPool Spot.
- The Company begins operations in electricity generation from renewable energy sources by acquiring the wind park in Vydmantai.
- The Company signs an agreement with INTER RAO UES on potential export of electricity generated in Baltiiskaya NPP under construction in Kaliningrad Oblast.
- 2012 Decision on public offering and listing of the Company's shares on the Warsaw Stock Exchange was made.
- Business entity (IRL POLSKA Sp. z o.o.) in Poland was established.
- 2013 AB INTER RAO Lietuva shareholders decided to distribute 27 million 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.
- 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

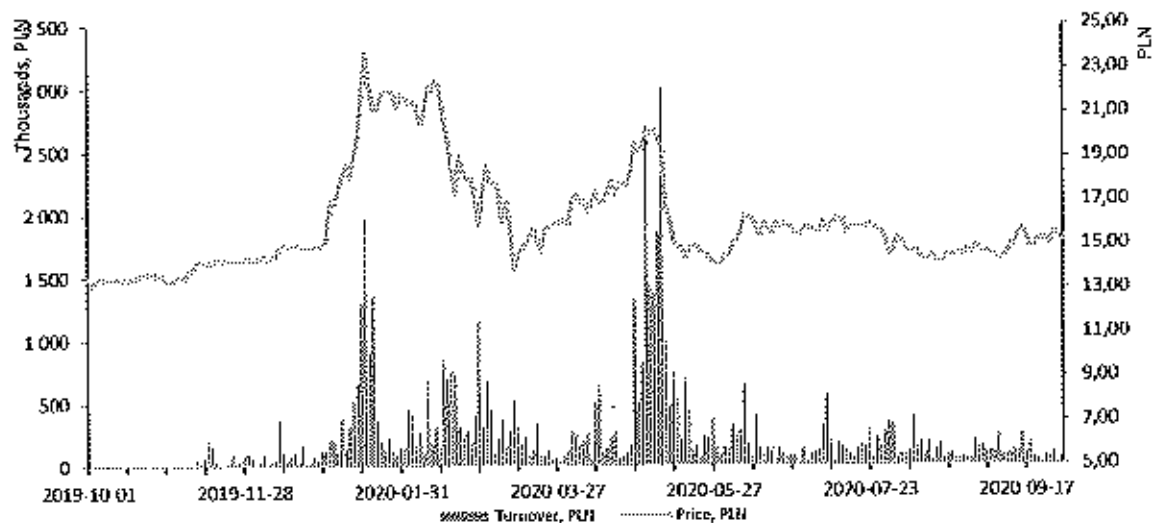
The following securities of the Company are included into the Main List of Warsaw stock exchange (symbol: IRL):

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.

AB INTER RAO LIETUVA, company code 128119913, A. Tumėno str. 4, Vilnius, Lithuania
 UNAUDITED CONSOLIDATED INTERIM REPORT
 FOR THE 9 MONTH PERIOD ENDED 30th September 2020
 (all amounts are in EUR thousand unless otherwise stated)

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



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

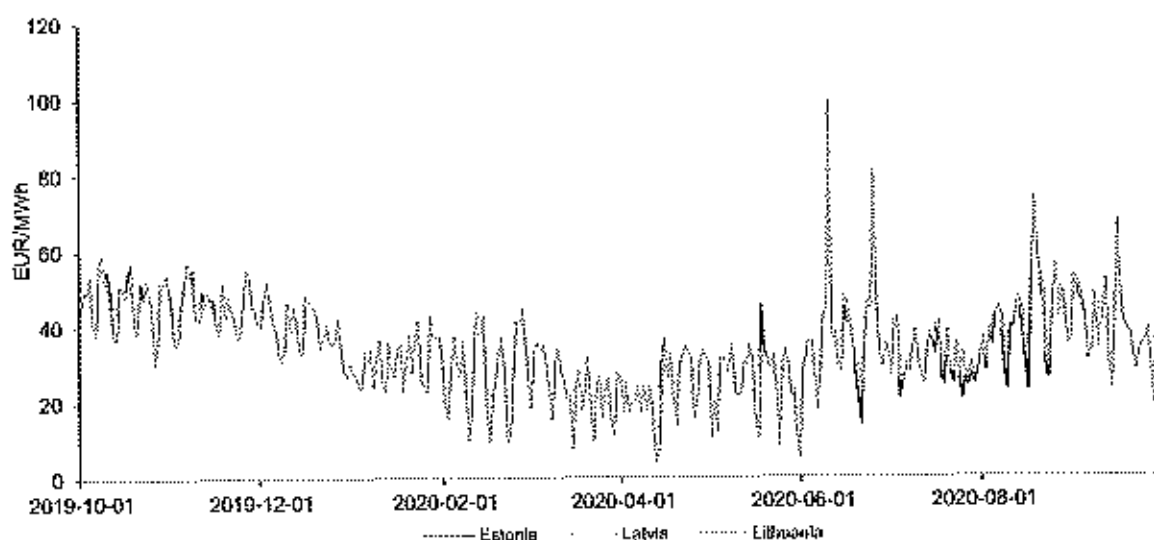
As of 30th September 2020 the shareholder structure of the Company was as following:

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 January-September of 2020 was equal to EUR 176 million, a 41.13 per cent decrease if compared to the first 9 months of 2019. Total revenue decreased mainly due to the lower amounts of electricity traded, especially in Lithuania and Latvia. Company's sales revenue in the first 9 months of 2020 was equal to EUR 98 million – decreased by 52.96 per cent, compared to the same period in 2019 due to some reasons – there were less electricity traded in Lithuanian market and the market price was 15.33 per cent lower.



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 2020	9 months 2019
Sales (EUR thousand)	176,126	299,164
Gross profit (EUR thousand)	17,842	21,143
Gross profit margin (%)	10.13%	7.07%
Operating profit (EUR thousand)	11,369	14,612
Operating profit margin (%)	6.46%	4.88%
EBITDA (EUR thousand)	14,132	18,758
EBITDA profit margin (%)	8.02%	6.27%
Net profit (EUR thousand)	9,939	14,230
Net profit margin (%)	5.64%	4.76%
Number of shares (thousand)	20,000	20,000
Earnings per share (EUR)	0.50	0.71

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 decreased by 41.13 per cent in first 9 months of 2020, compared to the same period in 2019. At the same time decrease in cost of sales was higher than decrease in sales – 43.07 per cent change, if compared to 9 months of 2019. Despite the decrease in sales, Group's gross profitability grew to 10.13 per cent in the accounting period, if compared to 7.07 per cent in January-September 2019. Group's operating profit decreased to EUR 11.4 million if compared to EUR 14.6 million in the same period a year ago, but operating profit margin grew to 6.46 per cent, if compared to 4.88 per cent during the same period a year ago.

Company's gross profit margin in 2020 accounts to 13.15 per cent, if compared to 7.76 per cent in the first 9 months of 2019. Operating profit of the Company for the January-September of 2020 was equal to EUR 8.3 million compared to EUR 11.6 million a year ago.

Group's and Company's EBITDA for the first 9 months of 2020 was EUR 14.1 million and EUR 9.9 million respectively. Group's EBITDA profit margin increased from 6.27 per cent in first 9 months of 2019 to 8.02 per cent in the same period in 2020. Company's EBITDA profit margin increased – from 6.43 per cent in January-September of 2019 to 10.2 per cent in the accounting period. Due to the decrease in sales revenues, in the 9 months of 2020, Group's net profit decreased to EUR 9.9 million from EUR 14.2 million in the same period in 2019. As a result, Group's net profit margin during the accounting period was equal to 5.64 per cent, compared to 4.77 per cent a year ago. Net profit of the Company in 9 months in 2020 decreased and was equal to EUR 8.2 million compared to EUR 11.9 million in January-September 2019.

AB INTER RAO LIETUVA, company code 126119913, A. Tumėno str. 4, Vilnius, Lithuania
 UNAUDITED CONSOLIDATED INTERIM REPORT
 FOR THE 9 MONTH PERIOD ENDED 30th September 2020
 (all amounts are in EUR thousand unless otherwise stated)

Sales revenues by operating segments, thous. EUR	9 months 2020	9 months 2019
Electricity purchases and sales	171,555	295,321
Electricity production and sales	4,571	3,843
Total	176,126	299,164

Group's revenue from purchases and sales of electricity in the first 9 months of 2020 amounted to EUR 171.6 million compared to EUR 295.3 million in the same period a year ago. Revenue from produced electricity sales accounted for EUR 4.6 million, the 18.93 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 2019.

Company's revenue during January-September 2020 decreased by 52.96 per cent and was equal to EUR 97.5 million compared to EUR 207.2 million in the same period in 2019.

The tables below present data on the electricity trading activities of the Group for the 9 months period ended on 30th September 2020 and the 3rd quarter of 2020, compared with the same periods in 2019, with a breakdown by each country for the periods indicated (S - sale, P - purchase).

	For the 9 months of 2020		For the 9 months of 2019	
	S	P	S	P
	<i>GWh</i>		<i>GWh</i>	
Lithuania*	2 494	74	4 489	41
Latvia	36	36	200	200
Estonia	211	280	179	243
Russia	53	2 404	43	4 360
Belarus	-	-	-	67
Poland	1 336	1 336	1 133	1 113
Total*	4 130	4 130	6 044	6 044

* 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 2020		For the 3 rd quarter of 2019	
	S	P	S	P
	<i>GWh</i>		<i>GWh</i>	
Lithuania*	1 003	3	1 414	21
Latvia	11	11	52	52
Estonia	69	94	52	86
Russia	21	996	13	1 368
Belarus	-	-	-	4
Poland	421	421	543	543
Total*	1 525	1 525	2 074	2 074

* 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 2020	9 months 2019
Electricity purchases and sales	157,257	276,909
Electricity production and sales	1,027	1,112
Total	158,284	278,021

Group's cost of sales in January-September of 2020 accounted to EUR 158.3 million, the 43.07 per cent less than during the first nine months of 2019. Cost of sales of the Group decreased compared to the results a year ago, due to the lower amount of electricity traded and lower electricity purchase prices. Cost of sales of electricity production reduced if compared to the same period a year ago – a 7.64 per cent decrease due to the change of maintenance contract of the wind turbines.

Cost of sales of the Company decreased by 55.71 per cent if compared the accounting period and the same period a year ago and amounted to EUR 84.7 million if compared to EUR 191.2 million a year ago.

Group's cost of purchased electricity in the first 3 quarters of 2020 amounted to EUR 155.3 million. Group's cost of purchased electricity comprised 98.1 per cent of total cost of sales, Company's – 97.66 per cent.

Group's operating expenses in the nine-month period of 2020 amounted to EUR 6.5 million, and stayed at the same level as a year ago. Company's operating expenses amounted to EUR 4.5 million in January-September 2020 the same as period a year ago.

Earnings

Gross profit of the Group in January-September of 2020 amounted to EUR 17.8 million (compared to the EUR 21.1 million), while the gross profit margin increased to 10.13 per cent (7.07 per cent a year ago). Gross profit of the Company in the same period accounted to EUR 12.8 million, 20.31 per cent decrease if compared to the same period a year ago. Company's gross profit margin increased in the first nine months of 2020 to 13.15 per cent if compared to the same period of 2019 – 7.76 per cent.

Group's operating profit over the same period accounted to EUR 11.4 million, while the operating profit margin increased to 6.46 per cent from 4.88 per cent a year ago. Operating profit in the first 3 quarters of 2020 of the Company decreased to EUR 8.3 million, compared to EUR 11.6 million in the same period a year ago.

Net result of financial activities of the Group in the first 3 quarters of 2020 amounted to EUR 0.6 million, if compared to EUR 1.2 million net financial profit 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 2020 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 2020 amounted to EUR 9.9 million, if compared to the net profit of EUR 14.2 million for the same period year ago. Group's net profit margin increased from 4.76 per cent a year ago to 5.64 per cent in the accounting period. Company's net profit margin increased from 5.77 per cent a year ago to 8.43 per cent in 2020.

Balance sheet and Cash Flows

During January-September 2020 total assets of the Group increased by 6.74 per cent and of the Company increased by 14.77 per cent. The most significant influence to the change of the assets was caused by increase of cash and cash equivalents and increase of derivative financial instruments in the Group and in the Company.

Total non-current assets of the Company increased by 1.82 per cent and of the Group decreased by 7.26 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 decreased by 28.92 per cent and 16.35 per cent respectively and amounted to 27 per cent of the total equity and liabilities of the Company and 35 per cent of the Group. Company's equity decreased mainly because of the dividends distribution in 2020 in the amount of EUR 14 million.

At the end of September 2020, total amount of borrowings, including financial liabilities related to finance lease and bank financing, amounted to EUR 1 million for the Group. Cash and cash equivalents amounted to EUR 36.3 million for the Company and EUR 41 million for the Group.

Net cash flows from operating activities of the Group were higher in the first 3 quarters of 2020 and amounted to EUR 32.2 million, compared to EUR 11.7 million in the same period a year ago. Net cash flows from operating activities of the Company in the first 9 months of 2020 equaled to EUR 27 million compared to EUR 6.8 million a year ago.

Net cash flows from investing activities of the Company in the January-September of 2020 equaled to EUR 0.8 million. Such a result was due to the dividends received from the Company's subsidiaries.

Net cash flows from financing activities of the Group in the first 3 quarters of 2020 amounted to EUR (18.18) million outflow, compared to EUR (14.4) million outflow in the same period a year ago. Net cash flows from financing activities of the Company in the first 9 months of 2020 equaled to EUR (14.1) million outflow compared to EUR (11.7) million outflow in the same period a year ago.

Personnel

As of 30th September 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 of 30 th September 2020		As of 30 th September 2019	
	Group	Company	Group	Company
Management	8	8	8	8
Sales Managers, including Traders	11	5	13	7
PR & Marketing Staff	1	1	1	1
Project managers	2	1	2	1
Technical staff	3	1	3	1
Office Staff	13	7	12	6
Total	38	23	39	24

On 30th September 2020 Company's personnel consisted of 8 managers and 15 specialists, as Group's personnel consisted of 8 managers and 30 specialists.

AB INTER RAO Lietuva Unaudited Consolidated Interim Financial Statements for the 9 Month Period Ended 30th September 2020

Statement of financial position

	Group As at 30 th September 2020	Group As at 31 st December 2019	Company As at 30 th September 2020	Company As at 31 st December 2019
ASSETS				
Non-current assets				
Intangible assets	-	-	-	-
Goodwill	716	716	-	-
Patents and licenses	302	1,207	-	-
Other intangible assets	10	9	-	-
Total intangible assets	1,028	1,932	-	-
Property, plant and equipment	-	-	-	-
Land	-	-	-	-
Buildings and structures	2,274	2,398	-	-
Machinery and equipment	12,773	13,461	-	-
Office premises	490	547	490	547
Other property, plant and equipment	37	45	17	16
Total property, plant and equipment	15,574	16,451	507	563
Right-of-use asset	890	1,102	278	412
Investment property	323	323	323	323
Interest in a joint venture	-	-	10,927	10,927
Other non-current financial assets	282	147	41	38
Derivative financial instruments	410	-	410	-
Total non-current assets	18,507	19,955	12,486	12,263
Current assets				
Inventories and prepayments	1,416	1,251	182	167
Accounts receivable	-	-	-	-
Trade receivables	7,907	12,576	5,810	10,216
Receivables from subsidiaries	-	-	2,188	3,157
Other receivables	227	992	-	-
Total accounts receivable	8,134	13,568	7,998	13,373
Prepaid income tax	-	-	-	-
Other current assets	163	1,163	100	100
Derivative financial instruments	188	2,104	166	1,407
Cash and cash equivalents	41,037	27,022	36,329	22,584
Total current assets	50,938	45,108	44,775	37,631
Total assets	69,445	65,063	57,261	49,894

(cont'd on the next page)

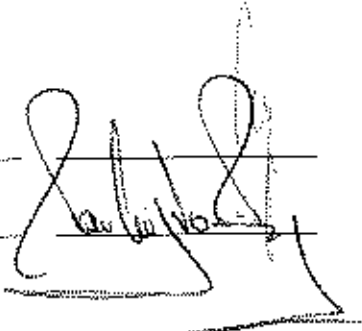
The accompanying notes are an integral part of these financial statements.

AB INTER RAO LIETUVA, company code 126119913, A. Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2020
(all amounts are in EUR thousand unless otherwise stated)

Statement of financial position (cont'd)

	Group As at 30th September 2020	Group As at 31st December 2019	Company As at 30th September 2020	Company As at 31st 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	402	916	402	808
Retained earnings	17,377	21,542	8,421	14,199
Currency translation reserve	(252)	(48)	-	-
Total equity	24,442	29,221	15,202	21,386
Non-current liabilities				
Financial lease obligations	733	890	161	245
Derivative financial instruments	-	-	-	-
Deferred income tax liability	1,272	1,501	99	176
Total non-current liabilities	2,005	2,391	260	421
Current liabilities				
Current portion of non-current borrowings	-	3,850	-	-
Current portion of financial lease obligations	197	251	117	130
Derivative financial instruments	74	243	74	255
Trade payables	39,596	26,350	39,487	26,163
Income tax payable	1,391	715	1,004	284
Advances received	11	13	11	13
Other current liabilities	1,729	2,029	1,106	1,242
Total current liabilities	42,998	33,451	41,799	28,087
Total equity and liabilities	69,445	65,063	57,261	49,894

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

<u>General Director</u>	<u>Giedrius Balčiūnas</u>		<u>13 November 2020</u>
<u>Director of Economics</u>	<u>Paulius Vazniokas</u>		<u>13 November 2020</u>

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2020
(all amounts are in EUR thousand unless otherwise stated)

Statement of comprehensive income
For the 9 months ended 30th September 2020

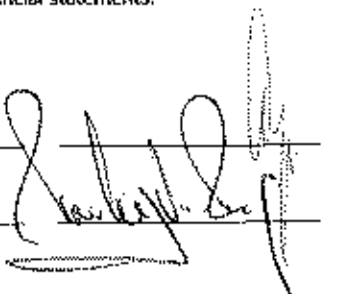
	<u>Group</u>	<u>Group</u>	<u>Company</u>	<u>Company</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Sales	176,126	299,164	97,486	207,237
Cost of sales	(158,284)	(278,021)	(84,671)	(191,156)
Gross profit	17,842	21,143	12,815	16,081
General and administrative expenses	(6,473)	(6,531)	(4,474)	(4,514)
Profit from operations	11,369	14,612	8,341	11,567
Other activities	2	14	11	11
Financing and investing activities profit	597	1,205	1,319	1,527
Finance income	749	2,197	1,393	1,590
Finance expenses	(152)	(990)	(74)	(63)
Share of result of joint venture	-	(2)	-	-
Profit before tax	11,968	15,831	9,671	13,105
Income tax	(2,029)	(1,601)	(1,449)	(1,157)
Net profit	9,939	14,230	8,222	11,948
Total comprehensive income, net of tax	9,221	19,084	7,816	16,802

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2020
 (all amounts are in EUR thousand unless otherwise stated)

Statement of comprehensive income

	Group	Group	Company	Company
	3rd quarter	3rd quarter	3rd quarter	3rd quarter
	2020	2019	2020	2019
Sales	63,840	101,575	36,993	60,567
Cost of sales	(58,592)	(95,079)	(32,553)	(55,755)
Gross profit	5,248	6,496	4,440	4,812
General and administrative expenses	(1,954)	(2,082)	(1,360)	(1,410)
Profit from operations	3,294	4,414	3,080	3,402
Other activities	-	6	3	3
Financing and investing activities profit	600	228	611	280
Finance income	502	899	497	301
Finance expenses	98	(671)	114	(21)
Profit before tax	3,894	4,648	3,694	3,685
Income tax	(727)	(727)	(666)	(519)
Net profit	3,167	3,921	3,028	3,166

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

<u>General Director</u>	<u>Giedrius Balčiūnas</u>		<u>13 November 2020</u>
<u>Director of Economics</u>	<u>Paulius Vazniokas</u>		<u>13 November 2020</u>

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2020
(all amounts are in EUR thousand unless otherwise stated)

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 2020	5,800	1,011	916	(48)	21,542	29,221
Profit for the period	-	-	-	-	9,939	9,939
Other comprehensive income, net of tax	-	-	(514)	-	-	(514)
Foreign exchange effect	-	-	-	(204)	-	(204)
Total comprehensive income	-	-	(514)	(204)	9,939	9,221
Dividends declared	-	-	-	-	(14,000)	(14,000)
Transfer to legal reserve	-	104	-	-	(104)	-
Balance as at 30th September 2020	5,800	1,115	402	(252)	17,377	24,442

	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	24,943

AB INTER RAO LIETUVA, company code 126119913, A. Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2020
 (all amounts are in EUR thousand unless otherwise stated)

Company

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
Balance as at 1st January 2020	5,800	579	808	14,199	21,386
Profit for the period	-	-	-	8,222	8,222
Other comprehensive income	-	-	(406)	-	(406)
Total comprehensive income	-	-	(406)	8,222	7,816
Dividends declared	-	-	-	(14,000)	(14,000)
Transfer to legal reserve	-	-	-	-	-
Balance as at 30th September 2020	5,800	579	402	8,421	15,202

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

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

General Director	Giedrius Balčiūnas		13 November 2020
Director of Economics	Paulius Vazniokas		13 November 2020

AB INTER RAO LIETUVA, company code 126119913, A. Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2020
(all amounts are in EUR thousand unless otherwise stated)

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

	Notes	Group		Company	
		2020	2019	2020	2019
Cash flows from (to) operating activities					
Net profit		9,939	14,230	8,222	11,948
Adjustments for non-cash items:					
Income tax expenses		2,028	1,601	1,449	1,157
Depreciation and amortisation		2,012	1,937	198	158
Interest and dividend (income)		(3)	-	(807)	(150)
Change in fair value of derivatives not designated as hedging instruments		(531)	(1,403)	(386)	(1,403)
Share of net profit of joint venture		-	2	-	-
Interest and dividend expenses		108	216	37	33
Other		(248)	(2)	(225)	(2)
		13,305	16,581	8,488	11,741
Changes in working capital:					
(Increase) decrease in inventories and prepayments		(165)	3,531	1,067	2,697
(Increase) decrease in accounts receivable and other current assets		8,255	(1,704)	5,740	(1,425)
(Increase) decrease in other non-current assets		(132)	(67)	-	-
Increase (decrease) in trade payables		13,244	(5,644)	13,323	(5,577)
Income tax (paid)		(1,491)	(2,571)	(727)	(2,522)
(Decrease) in other current liabilities		(613)	1,588	(812)	1,931
Unrealized foreign currency exchange		(204)	(52)	-	-
		32,199	11,662	27,079	6,845
Net cash flows from operating activities					
Cash flows from (to) investing activities					
(Acquisition) of non-current assets		(8)	(22)	(8)	(12)
Interest and dividends received		3	-	807	150
		(5)	(22)	799	138
Net cash flows (to) investing activities					

(cont'd on the next page)

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

AB INTER RAO LIETUVA, company code 126119913, A. Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30th September 2020
 (all amounts are in EUR thousand unless otherwise stated)

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)
Proceeds from loans	(3,850)	(2,475)	-	-
Interest (paid) and financial lease (payments)	(329)	(347)	(134)	(113)
Net cash flows (to) financing activities	(18,179)	(14,422)	(14,134)	(11,713)
Net increase (decrease) in cash and cash equivalents	14,015	(2,782)	13,744	(4,730)
Cash and cash equivalents at the beginning of the year	27,022	28,737	22,584	19,110
Cash and cash equivalents as at the end of the period	41,037	17,955	36,328	14,380

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

General Director

Giedrius Bakšius

13 November 2020

Director of Economics

Paulius Vazniokas

13 November 2020

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 2020.

9 month ended 30 th September 2020	Electricity purchases and sales	Electricity production and sales	Total Segments	Adjustments and eliminations	Consolidated
Revenue					
External customers	171,555	4,571	176,126	-	176,126
Total revenue	171,555	4,571	176,126	-	176,126
Results					
Depreciation and amortisation	257	1,755	2,012	-	2,012
Interest income	-	-	-	-	-
Interest expenses	38	70	108	-	108
Share of profit of associate joint venture	-	-	-	-	-
Segment operating profit	8,908	2,461	11,369	-	11,369
Segment assets	49,919	19,526	69,445	-	69,445
Segment liabilities	41,194	1,146	42,340	2,663	45,003

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	-	-	-	-	-
Capital expenditure	8	-	8	-	8

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 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.

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 2020 and as at 30 September 2019 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
2020

	Purchases	Sales	Paid (received) dividends	Receivables	Payables, including loans granted
PJSC Inter RAO	81,045	263	-	136	39,102
RAO Nordic Oy	-	-	7,140	-	-
UAB Scaent Baltic	-	-	4,076	-	-
Other related parties	-	-	2,784	-	-
	81,045	263	14,000	136	39,102

For the 9 month period
ended 30th September
2019

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

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, 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

