

AB INTER RAO LIETUVA

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2017,
prepared in accordance with International Financial Reporting Standards,
as adopted by the European Union

14 November 2017
Vilnius

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AB INTER RAO Lietuva Unaudited Consolidated Interim Report for the 9 Month Period Ended 30 September 2017

I. General Information

Reporting period

9 month period ended 30th September 2017

Company and its contact details

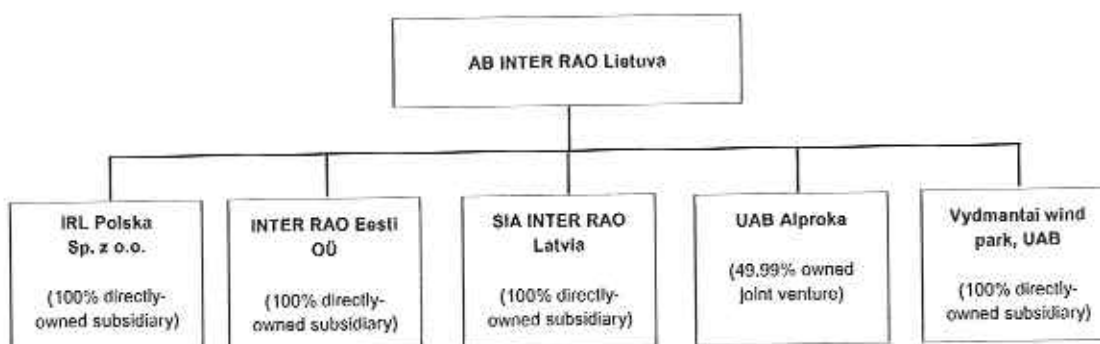
Company name	AB INTER RAO Lietuva (hereinafter – IRL or „the Company“)
Company code	126119913
Legal form	Public company (joint-stock company)
Date of registration	21 st December 2002
Name of register of Legal Entities	State Enterprise Centre of Registers
Registered office	A.Tumėno str. 4, block B, LT-01109 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 2017, 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 2017	Registration address	Activity (including planned)
INTER RAO Eesti OÜ - subsidiary	11879805	100 %	415	Peterburi tee 47, Tallinn, Estonia	Trade of electricity
SIA INTER RAO Latvia - subsidiary	40103268639	100 %	(560)	76 Gustava Zemgala Ave., Riga, LV-1039, Latvia	Trade of electricity
IRL Polska Sp. z.o.o. - subsidiary	0000436992	100 %	1,757	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 %	12,175	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 2017:



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 Vydmantal wind park, UAB. Subsidiary companies were reorganised by merging UAB IRL Wind, which ceased its activities as a legal entity after the merger, into Vydmantal 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.
- 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.

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

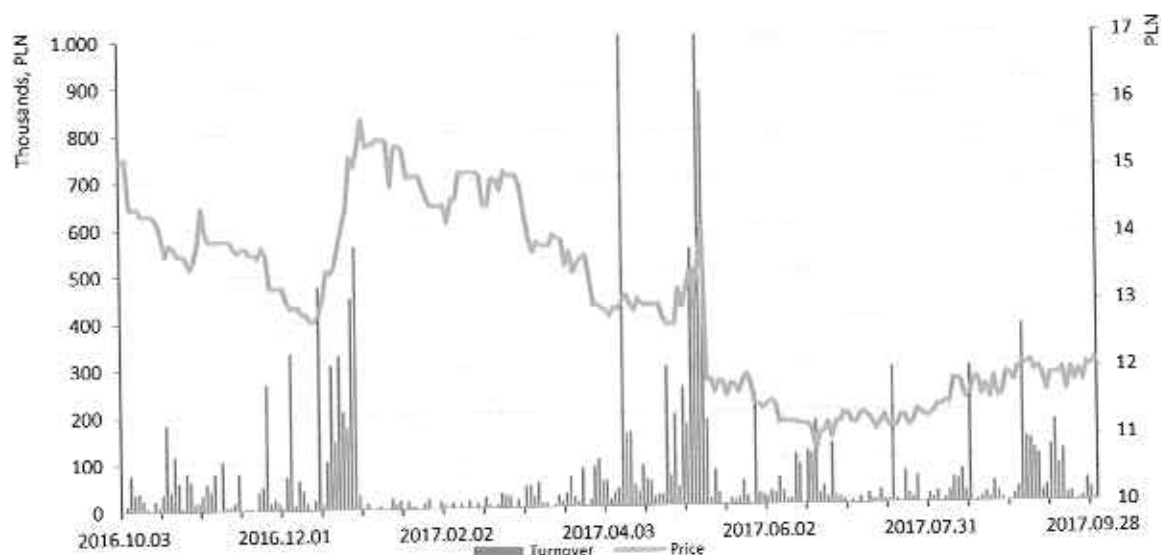
The following securities of the Company are included into the Main List of Warsaw stock exchange (symbol: IRL):

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

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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.

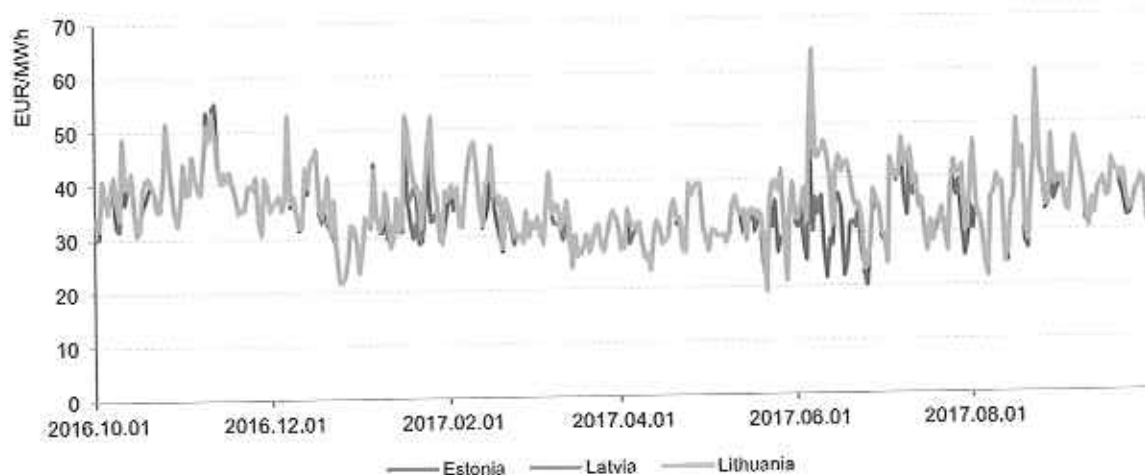
As of 30th September 2017 the shareholder structure of the Company was as following:

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 2017 was equal to EUR 133 million, a 7.42 per cent increase if compared to the first 9 months of 2016. Total revenue increased due to the higher amounts of electricity traded. The increase was also caused by a better meteorological conditions, which positively affected electricity generation and sale from the wind park owned by the Group. The increase in the amount of electricity traded was mainly influenced by increase in sales in Lithuanian market and Latvian subsidiary as company signed more contracts with their clients. Company's sales revenue in the first 9 months of 2017 was equal to EUR 105.7 million – increased by 11.89 per cent, compared to the same period in 2016 due to some reasons – there were more electricity traded in Lithuania but its average price on the Nordpool system was 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 2017	9 months 2016
Sales (EUR thousand)	133,341	124,129
Gross profit (EUR thousand)	13,163	13,903
Gross profit margin (%)	9.87%	11.20%
Operating profit (EUR thousand)	7,699	8,654
Operating profit margin (%)	5.77%	6.97%
EBITDA (EUR thousand)	9,570	10,563
EBITDA profit margin (%)	7.18%	8.51%
Net profit (EUR thousand)	6,197	6,888
Net profit margin (%)	4.65%	5.55%
Number of shares (thousand)	20,000	20,000
Earnings per share (EUR)	0.31	0.34

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 7.42 per cent in first 9 months of 2017, compared to the same period in 2016. At the same time increase in cost of sales was higher than increase in sales – 9.03 per cent change, if compared to 9 months of 2016. Despite the increase in sales, Group's gross profitability lowered to 9.87 per cent in the accounting period, if compared to 11.2 per cent in January-September 2016.

Company's gross profit margin in 2017 accounts to 9.77 per cent, compared to 11.7 per cent in the first 9 months of 2016. Operating profit of the Company for the January-September of 2017 was equal to EUR 6.8 million compared to EUR 7.5 million a year ago.

Group's and Company's EBITDA for the first 9 months of 2017 was EUR 9.6 million and EUR 6.9 million respectively. Group's EBITDA profit margin decreased from 8.51 per cent in first 9 months of 2016 to 7.18 per cent in the same period in 2017. Company's EBITDA profit margin decreased in the same manner – from 9.17 per cent in January-September of 2016 to 6.52 per cent in the accounting period. In the 9 months of 2017, Group's net profit decreased to EUR 6.2 million from EUR 6.9 million in the same period in 2016. As a result, Group's net profit margin during the accounting period was equal to 4.65 per cent, compared to 5.55 per cent a year ago. As a result of the higher increase in cost of sales if compared to the increase in sales revenues, net profit of the Company in 9 months in 2017 decreased and was equal to EUR 5.8 million compared to EUR 7.4 million in January-September 2016.

Sales revenues by operating segments, thous. EUR	9 months 2017	9 months 2016
Electricity purchases and sales	129,736	120,967
Electricity production and sales	3,605	3,162
Total	133,341	124,129

Group's revenue from purchases and sales of electricity in the first 9 months of 2017 amounted to EUR 130 million compared to EUR 121 million in the same period a year ago. Revenue from produced electricity sales accounted for EUR 3.6 million, the 14 per cent more than in the same period a year ago. During the accounting period Vydmantai wind park, UAB has produced a higher amount of electricity compared to the same period in 2016.

Company's revenue during January-September 2017 increased by 11.89 per cent and was equal to EUR 106 million compared to EUR 94.5 million in the same period in 2016.

The tables below present data on the electricity trading activities of the Group for the 9 months period ended on 30th September 2017 and the 3rd quarter of 2017, compared with the same periods in 2016, with a breakdown by each country for the periods indicated (S - sale, P - purchase).

	For the 9 months of 2017		For the 9 months of 2016	
	S	P	S	P
	GWh		GWh	
Lithuania*	2 762	287	2 342	230
Latvia	254	254	134	134
Estonia	240	331	356	463
Russia	68	2 356	86	2 025
Belarus	-	95	-	67
Poland	241	241	302	302
Total*	3 564	3 564	3 221	3 221

* 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 2017		For the 3 rd quarter of 2016	
	S	P	S	P
	GWh		GWh	
Lithuania*	951	72	794	87
Latvia	74	74	58	58
Estonia	83	95	96	134
Russia	17	854	29	696
Belarus	-	29	-	3
Poland	72	72	112	112
Total*	1 197	1 197	1 090	1 090

* 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 2017	9 months 2016
Electricity purchases and sales	118,781	108,878
Electricity production and sales	1,397	1,348
Total	120,178	110,226

Group's cost of sales in January-September of 2017 accounted to EUR 120.2 million, the 9.1 per cent more than during the first nine months of 2016. Cost of sales of the Group increased compared to the results a year ago, due to the higher amount of electricity traded. Cost of sales of electricity production stayed at almost the same level as at the same period a year ago – a 3.64 per cent increase.

Cost of sales of the Company increased by 14.33 per cent if compared the accounting period and the same period a year ago and amounted to EUR 95.4 million if compared to EUR 83.4 million a year ago.

Group's cost of purchased electricity in the first 3 quarters of 2017 amounted to EUR 117.3 million. Group's cost of purchased electricity comprised 97.58 per cent of total cost of sales, Company's – 98.44 per cent.

Group's operating expenses in the nine-month period of 2017 amounted to EUR 5.5 million, a 4.1 per cent increase over a year ago. Company's operating expenses amounted to EUR 3.6 million in January-September 2017 compared to EUR 3.5 million in the same period a year ago (0.54 per cent increase).

Earnings

Gross profit of the Group in January-September of 2017 amounted to EUR 13.2 million (compared to the EUR 13.9 million), while the gross profit margin decreased to 9.87 per cent (11.2 per cent a year ago). Gross profit of the Company in the same period accounted to EUR 10.3 million if compared to EUR 11.1 million a year ago. Company's gross profit margin decreased from 11.7 per cent in January-September 2016 to 9.77 per cent in the first nine months of 2017.

Group's operating profit over the same period accounted to EUR 7.7 million, while the operating profit margin decreased to 5.77 per cent from 6.97 per cent a year ago. Operating profit in the first 3 quarters of 2017 of the Company decreased to EUR 6.8 million, compared to EUR 7.5 million in the same period a year ago.

Net loss of financial activities of the Group in the first 3 quarters of 2017 amounted to minus EUR 0.4 million, an 20.19 per cent decrease 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 2016 was mainly comprised from the dividends received from Vydmantai Wind Park UAB.

Group's net profit in the January-September of 2017 amounted to EUR 6.2 million, if compared to the profit of EUR 6.9 million for the same period year ago. The profit margin decreased from 5.55 per cent a year ago to 4.65 per cent in the accounting period.

Balance sheet and Cash Flows

During January-September 2017 total assets of the Group decreased by 1.26 per cent and of the Company increased by 5.06 per cent. The most significant influence to the change of the assets was caused by increase of cash and cash equivalents and trade receivables and decrease 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 5.3 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 26.56 per cent and 20.6 per cent respectively and amounted to 36 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. Decrease in equity was caused by dividends distributed in 2017 - EUR 10.2 million.

At the end of September 2017, total amount of borrowings, including financial liabilities related to finance lease and bank financing, amounted to EUR 8.2 million for the Company and EUR 20.2 million for the Group. Cash, cash equivalents amounted to EUR 6.7 million for the Company and EUR 8.1 million for the Group.

Net cash flows from operating activities of the Group were lower in the first 3 quarters of 2017 and amounted to EUR 7.1 million, compared to EUR 7.3 million in the same period a year ago. Net cash flows from operating activities of the Company in the first 9 months of 2017 equaled to EUR 4.3 million compared to EUR 4.7 million a year ago.

Net cash flows from investing activities of the Group in the January-September of 2017 decreased if compared to the same period of 2016. Net cash flows from investing activities of the Company in the 9 months of 2016 equaled to EUR 1 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 2017 amounted to EUR (6.2) million outflow, compared to EUR (15.5) million outflow in the same period a year ago. Net cash flows from financing activities of the Company in the first 9 months of 2017 equaled to EUR (3.3) million outflow compared to EUR (12.5) million outflow in the same period a year ago.

Personnel

As of 30th September 2017 there were 43 employees in the Group and 25 in the Company. The employment structure by category is provided in the table below.

Employee category	Number of employees			
	As of 30 th September 2017		As of 30 th September 2016	
	Group	Company	Group	Company
Management	8	8	8	8
Sales Managers, including Traders	15	7	15	8
PR & Marketing Staff	2	1	2	2
Project managers	4	2	4	1
Technical staff	3	1	2	1
Office Staff	11	6	12	6
Total	43	25	43	26

On 30th September 2017 Company's personnel consisted of 8 managers and 17 specialists, as Group's personnel consisted of 8 managers and 35 specialists.

AB INTER RAO Lietuva Unaudited Consolidated Interim Financial Statements for the 9 Month Period Ended 30th September 2017

Statement of financial position

	Notes	Group		Company	
		As at 30 th September 2017	As at 31 st December 2016	As at 30 th September 2017	As at 31 st December 2016
ASSETS					
Non-current assets					
Intangible assets					
Goodwill		716	716	-	-
Patents and licenses		3,922	4,832	-	-
Other intangible assets		7	26	5	23
Total intangible assets		4,645	5574	5	23
Property, plant and equipment					
Land		623	654	-	-
Buildings and structures		2,767	2,891	-	-
Machinery and equipment		15,527	16,214	-	-
Office premises		717	773	717	773
Other property, plant and equipment		42	42	22	34
Total property, plant and equipment		19,676	20,574	739	807
Investment property		135	135	135	135
Interest in a joint venture		98	111	10,927	10,927
Other non-current financial assets		446	83	43	39
Derivative financial instruments		73	-	77	18
Deferred income tax asset		-	-	100	1
Total non-current assets		25,073	26,477	12,026	11,950
Current assets					
Inventories and prepayments		609	647	364	598
Accounts receivable					
Trade receivables		14,413	12,925	12,579	10050
Receivables from subsidiaries		-	-	1,871	2287
Other receivables		1,252	1,537	-	4
Total accounts receivable		15,665	14,462	14,450	12,341
Prepaid income tax		83	74	-	45
Other current assets		1,260	1,204	65	30
Derivative financial instruments		285	1,629	292	1,637
Cash and cash equivalents		8,077	7,211	6,719	5,681
Total current assets		25,979	25,227	21,890	20,332
Total assets		51,052	51,704	33,916	32,282

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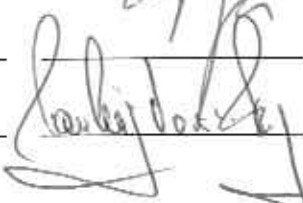
The accompanying notes are an integral part of these financial statements.

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Statement of financial position (cont'd)

	Notes	Group	Group	Company	Company
		As at 30 th September 2017	As at 31 st December 2016	As at 30 th September 2017	As at 31 st December 2016
EQUITY AND LIABILITIES					
Equity					
Share capital		5,800	5,800	5,800	5,800
Legal reserves		910	910	580	580
Cash flow hedge reserve		7	(22)	69	122
Retained earnings		8,465	12,468	5,830	10,217
Currency translation reserve		(78)	(133)	-	-
Total equity		15,104	19,023	12,279	16,719
Liabilities					
Non-current liabilities					
Non-current borrowings		7,975	10,450	-	-
Financial lease obligations		659	691	-	-
Derivative financial instruments		148	216	54	10
Deferred income tax liability		1,250	1,202	-	-
Total non-current liabilities		10,032	12,559	54	10
Current liabilities					
Current portion of non-current borrowings		11,497	4,551	8,197	1,251
Current portion of financial lease obligations		23	35	-	-
Derivative financial instruments		340	275	183	129
Trade payables		11,183	12,233	11,089	12,138
Income tax payable		29	-	29	-
Advances received		35	206	35	199
Other current liabilities		2,809	2,822	2,050	1,836
Total current liabilities		25,916	20,122	21,583	15,553
Total equity and liabilities		51,052	51,704	33,916	32,282

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

General Director	Giedrius Balčiūnas		14 November 2017
Director of Economics	Paullus Vazniokas		14 November 2017

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Statement of comprehensive income
For the 9 months ended 30th September 2017


	Notes	Group	Group	Company	Company
		2017	2016	2017	2016
Sales		133,341	124,129	105,708	94,478
Cost of sales		120,178	110,226	95,385	83,426
Gross profit		13,163	13,903	10,323	11,052
General and administrative expenses		5,464	5,249	3,551	3,532
Profit from operations		7,699	8,654	6,772	7,520
Other activities		12	7	11	11
Financing and investing activities profit		(423)	(530)	(17)	959
Finance income		28	51	23	1,028
Finance expenses		438	570	40	69
Share of result of joint venture		(13)	(11)	-	-
Profit before tax		7,288	8,131	6,766	8,490
Income tax		1,091	1,243	953	1,110
Net profit		6,197	6,888	5,813	7,380
Total comprehensive income, net of tax		6,281	7,446	5,759	7,338

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Statement of comprehensive income

Notes	Group	Group	Company	Company
	3 rd quarter 2017	3 rd quarter 2016	3 rd quarter 2017	3 rd quarter 2016
Sales	45,859	41,346	36,977	31,050
Cost of sales	42,222	38,198	33,878	28,767
Gross profit	3,637	3,148	3,099	2,283
General and administrative expenses	1,842	1,742	1,154	1,076
Profit from operations	1,795	1,406	1,945	1,207
Other activities	4	3	3	3
Financing and investing activities profit	(148)	(173)	(19)	(25)
Finance income	10	16	8	8
Finance expenses	151	192	27	33
Share of result of joint venture	(7)	3	-	-
Profit before tax	1,651	1,236	1,929	1,185
Income tax	290	224	276	179
Net profit	1,361	1,012	1,653	1,006

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

General Director	Giedrius Balčiūnas		14 November 2017
Director of Economics	Paulius Vazniokas		14 November 2017

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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 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

	Share capital	Legal reserve	Cash flow hedge reserve	Currency translation reserve	Retained earnings	Total
Balance as at 1st January 2016	5,800	831	(981)	(43)	19,391	24,998
Profit for the period	-	-	-	-	6,888	6,888
Other comprehensive income, net of tax	-	-	602	-	-	602
Foreign exchange effect	-	-	-	(44)	-	(44)
Total comprehensive income	-	-	602	(44)	6,888	7,446
Dividends declared	-	-	-	-	(16,100)	(16,100)
Transfer to legal reserve	-	79	-	-	(79)	-
Balance as at 30th September 2016	5,800	910	(379)	(87)	10,100	16,344

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Company

	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

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
Balance as at 1st January 2016	5,800	579	73	16,140	22,592
Profit for the period	-	-	-	7,380	7,380
Other comprehensive income	-	-	(42)	-	(42)
Total comprehensive income	-	-	(42)	7,380	7,338
Dividends declared	-	-	-	(16,100)	(16,100)
Transfer to legal reserve	-	-	-	-	-
Balance as at 30th September 2016	5,800	579	31	7,420	13,830

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

General Director	Giedrius Balčiūnas		14 November 2017
Director of Economics	Paulius Vazniokas		14 November 2017

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

Notes	Group		Company	
	2017	2016	2017	2016
Cash flows from (to) operating activities				
Net profit	6,197	6,888	5,813	7,380
Adjustments for non-cash items:				
Income tax expenses	1,091	1,243	953	1,110
Depreciation and amortisation	1,844	1,862	88	107
Interest and dividend (income)	(2)	(16)	(2)	(1,001)
Share of net profit of joint venture	13	11	-	-
Interest and dividend expenses	437	566	40	68
Other	(4)	3	4	2
	9,576	10,557	6,896	7,666
Changes in working capital:				
(Increase) decrease in inventories and prepayments	38	(81)	640	801
(Increase) decrease in accounts receivable and other current assets	1	3,026	(1,278)	3,476
Decrease in other non-current assets	(359)	1,000	-	-
Increase (decrease) in trade payables	(1,221)	(3,367)	(1,222)	(3,535)
Income tax (paid)	(1,100)	(3,386)	(1,013)	(3,270)
(Decrease) in other current liabilities	102	(407)	310	(479)
Unrealized foreign currency exchange	56	(44)	-	-
	7,093	7,298	4,333	4,659
Cash flows from (to) investing activities				
(Acquisition) of non-current assets	(19)	(13)	(3)	(8)
Interest and dividends received	2	16	2	1,001
	(17)	3	(1)	993

(cont'd on the next page)

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

Statements of cash flows (cont'd)

	Group		Company	
	2017	2016	2017	2016
Cash flows from (to) financing activities				
Dividends (paid)	(2,040)	(3,220)	(2,040)	(3,220)
Proceeds from loans	(3,725)	(11,772)	(1,251)	(9,255)
Interest (paid)	(445)	(557)	(3)	(59)
Net cash flows (to) financing activities	(6,210)	(15,549)	(3,294)	(12,534)
Net increase (decrease) in cash and cash equivalents	866	(8,248)	1,038	(6,882)
Cash and cash equivalents at the beginning of the year	7,211	19,755	5,681	15,707
Cash and cash equivalents as at the end of the period	8,077	11,507	6,719	8,825

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

General Director	Giedrius Balčiūnas		14 November 2017
Director of Economics	Paulius Vaznlokas		14 November 2017

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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 2017.

9 month ended 30th 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.

The following tables present information regarding the Group's operating segments for the 9 months ended 30th September 2016.

9 month ended 30th September 2016	Electricity purchases and sales	Electricity production and sales	Total Segments	Adjustments and eliminations	Consolidated
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Revenue					
External customers	120,967	3,162	124,129	-	124,129
Total revenue	120,967	3,162	124,129	-	124,129
Results					
Depreciation and amortisation	99	1,763	1,862	-	1,862
Interest income	-	-	-	-	-
Interest expenses	68	498	566	-	566
Share of profit of associate joint venture				(11)	(11)
Segment operating profit	7,901	754	8,655	-	8,655
Segment assets	24,375	29,279	53,654	24	53,678
Segment liabilities	19,578	16,599	36,177	1,157	37,334

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	-	-	-	117	117
Capital expenditure	13	-	13	-	13

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 2017 and as at 30 September 2016 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

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3 Related party transactions

**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

**For the 9 month period
ended 30th September
2016**

		Purchases	Sales	Paid (received) dividends	Receivables	Payables, including loans granted
PJSC Inter RAO	a)	68,782	534	-	54	7,279
RAO Nordic Oy	b)	396	-	8,211	-	6,446
UAB Scaent Baltic	b)	25	-	4,669	-	3,600
UAB Alproka		-	-	-	-	-
Other related parties		49	-	-	-	7
		69,252	534	12,880	54	17,332

- 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 and 30th September 2016 represent loans granted and accrued interest (loan currency – EUR, interest rate in 2017 – 1.3%, interest rate in 2016 – 1.24%).

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, 2017 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

