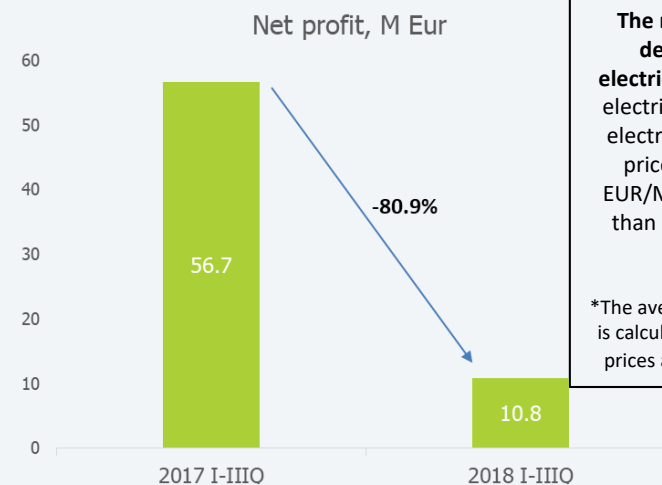
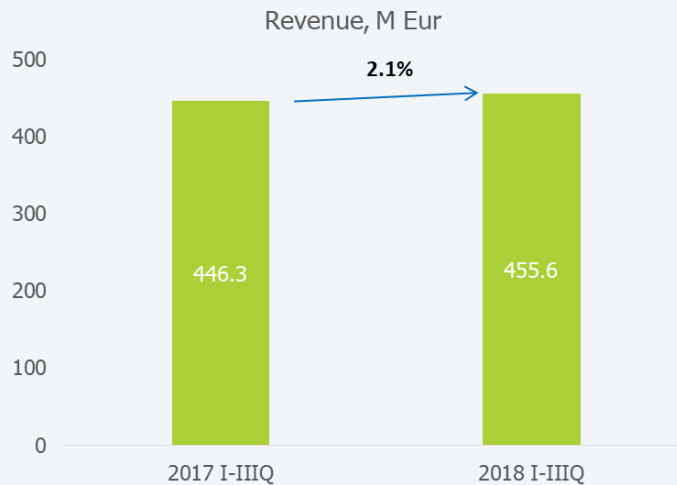




AB “Energijos skirstymo operatorius” Financial results for 9 months of 2018

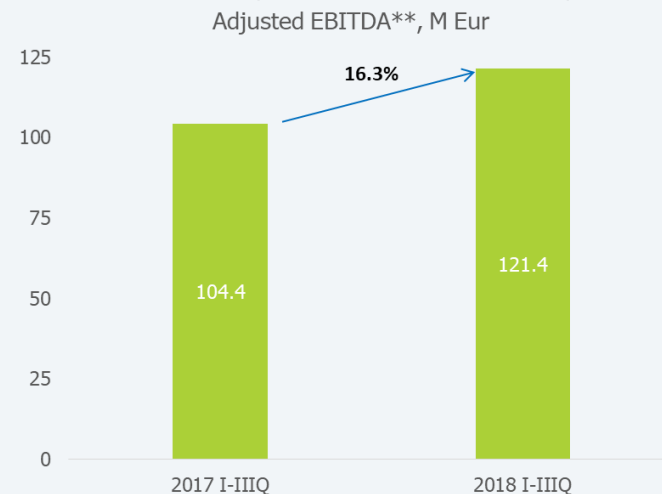
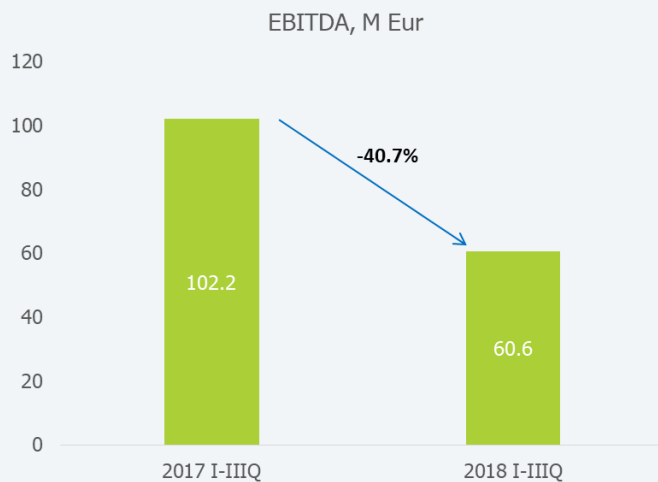
2018-09-30

Main financial ratios



The main reason of net profit decrease – higher cost of electricity: the average wholesale electricity price on the Nord Pool electricity exchange in Lithuania price area has reached 48.3* EUR/MWh and was 36.8% higher than during the same period of 2017.

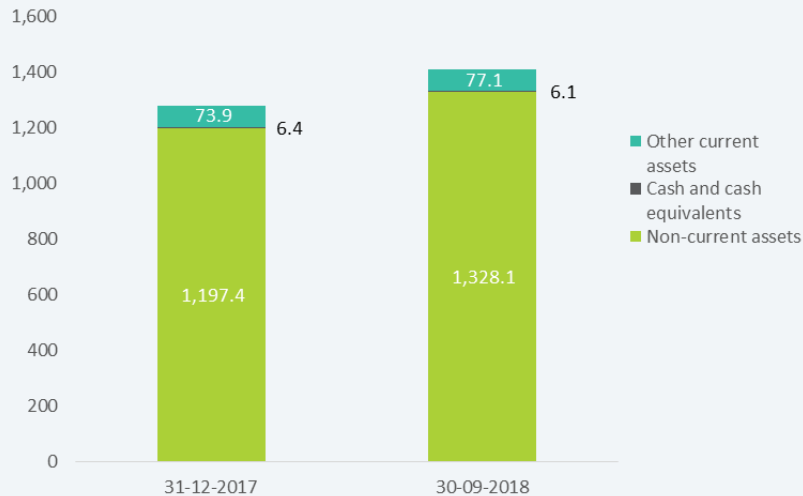
*The average wholesale electricity price is calculated by ESO based on monthly prices announced by Nord Pool AS.



**The adjusted EBITDA is calculated by adding the impact of the recalculation of regulated activities revenue generated in prior periods (as established by respective resolutions of the Commission) and by eliminating the difference that arose during the reporting period between the return on investments permitted by the Commission and the return of investments calculated by the management. The management estimates that the adjusted EBITDA indicator more accurately reflects the Company's performance and allows to better compare results between the periods, as it presents the actual amount of revenue earned by the Company during the reporting period, as well as by eliminating the differences arising between the return on investments permitted by the Commission and the actual return on investments of prior periods which might have both a positive and negative effect on the results of the reporting period. The adjusted EBITDA indicator is not calculated using data presented in the financial statements.

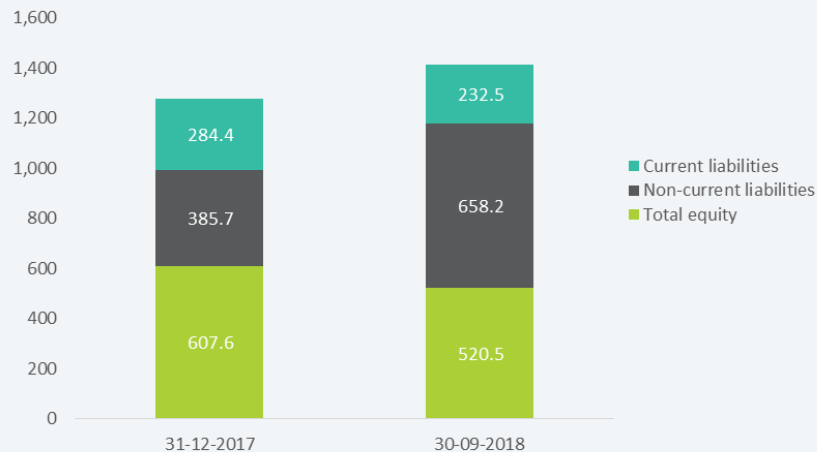
Assets, equity and liabilities

Total assets, M Eur

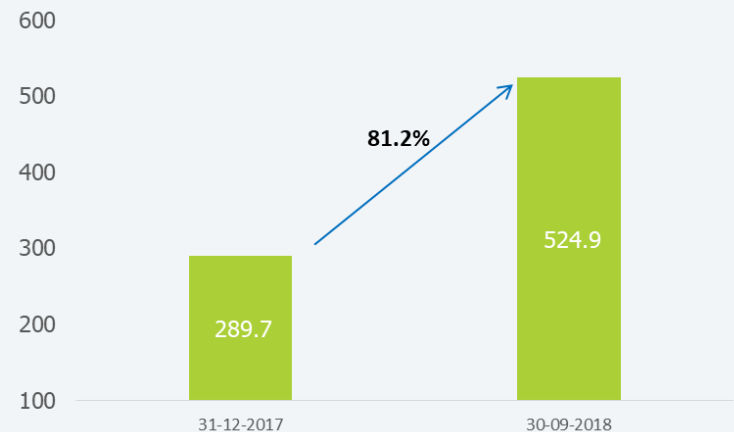


Non-current assets accounted for 94.1% of the total assets. During the reported period non-current assets increased by 10.9 % due to the higher investments.

Equity and liabilities, M Eur

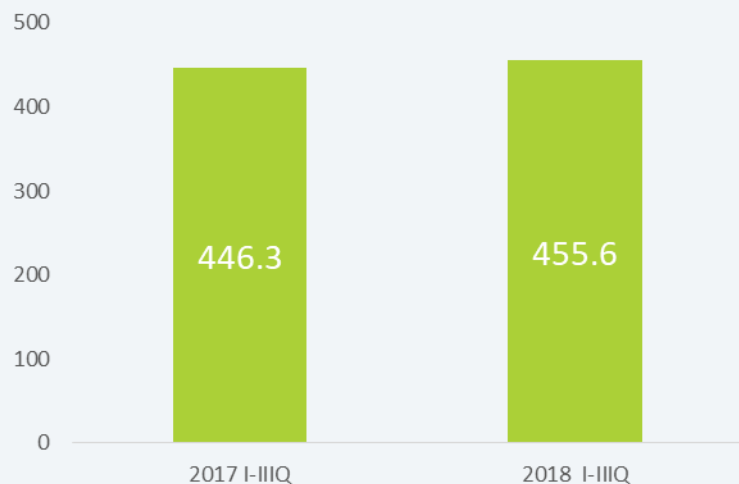


Net financial debt, M Eur



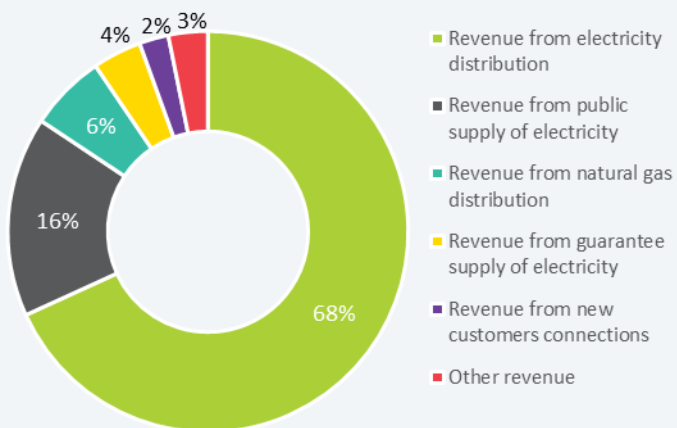
Revenue

Revenue, M Eur



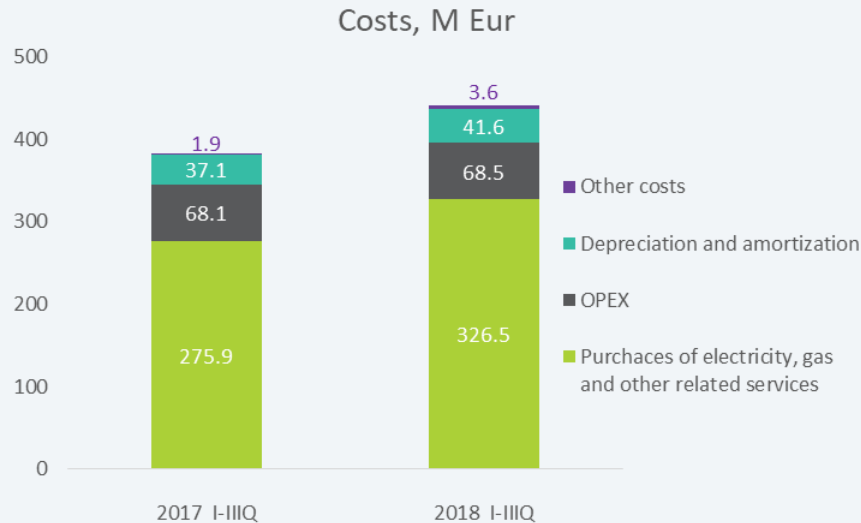
ESO's revenue for 9 months of 2018 reached EUR 455.6 million, which is a decrease of 2.1% compared to 9 months of 2017. Revenue increased due to higher volumes of electricity and natural gas distributed to the Company's customers.

ESO revenue structure

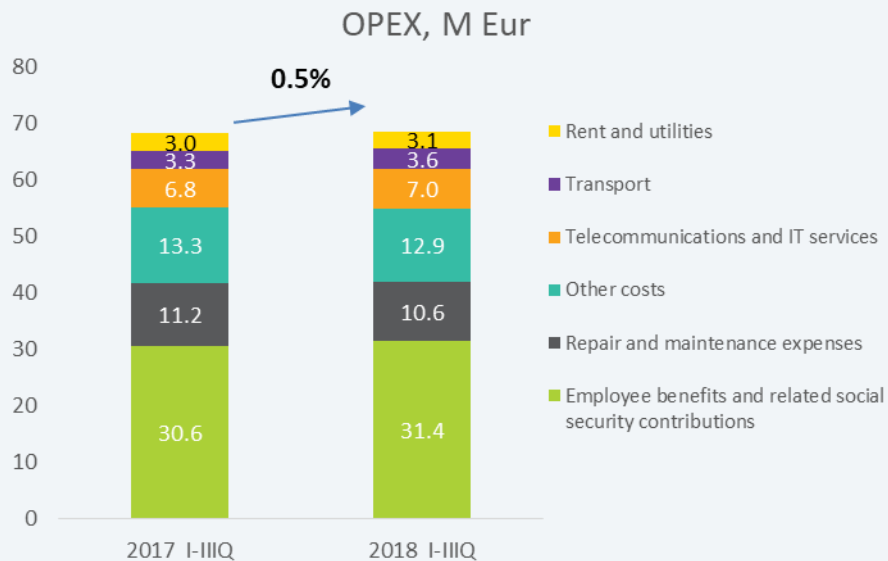


Revenue from electricity distribution is the main source of the Company's revenue. In 9 months of 2018, distribution revenue totaled 68%.

Costs

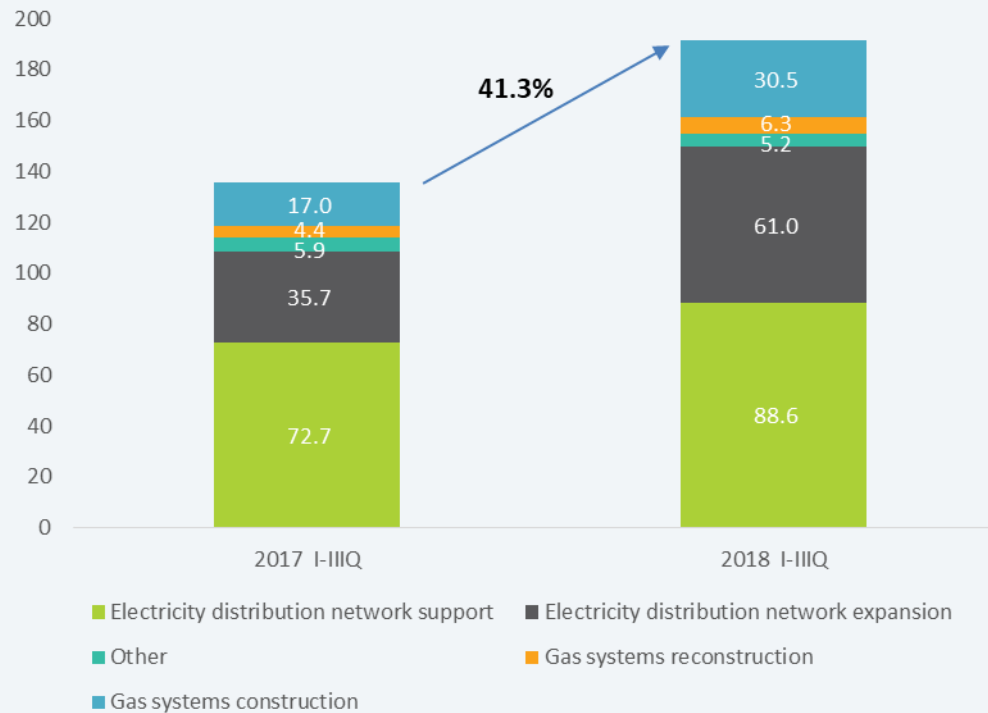


In 9 months of 2018, purchases of electricity, natural gas and related services made up EUR 326.5 million and increased by 18.3% compared to 9 months of 2017. This was mainly influenced by increased electricity cost.



In 9 months of 2018, operating expenses increased by 0.5% compared to the same period of 2017 and amounted to EUR 68.5 million.

Investment, M Eur



In 9 months of 2018 ESO's investments in the electricity and gas distribution networks amounted to EUR 191.6 million, which is 41.3% more than in the same period of 2017 when they were equal to EUR 135.6 million.

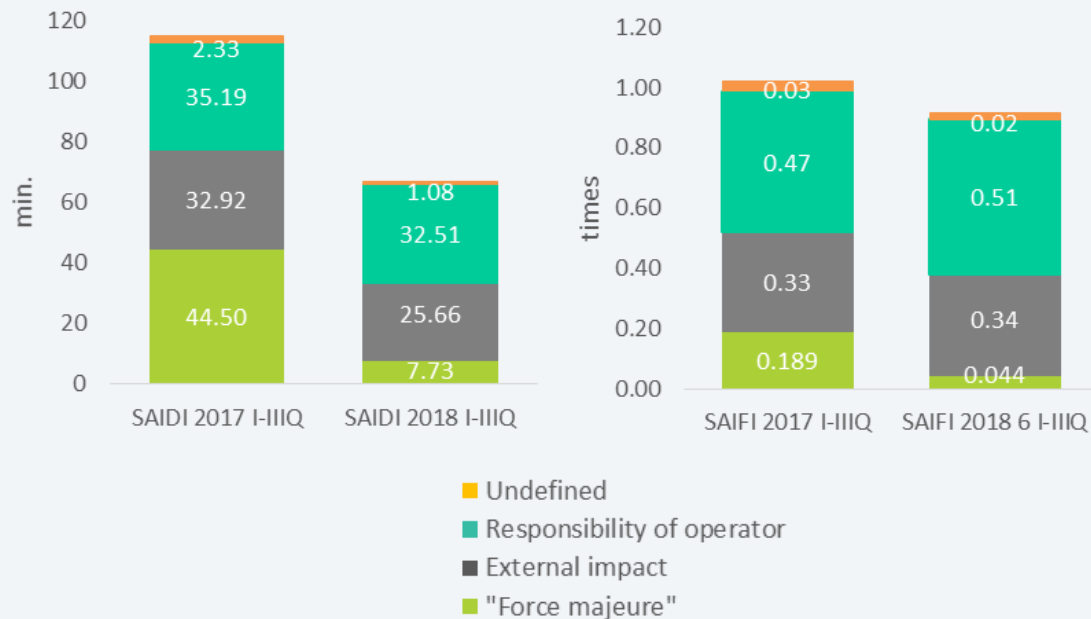
Distributed volumes



The volume of electricity distributed increased by 3.7% compared to the same period in 2017 due to country GDP growth (GDP increased by 3.8% during the I half of a year; expected annual increase for 2018 – 3.2% based on the data by Lietuvos bankas).

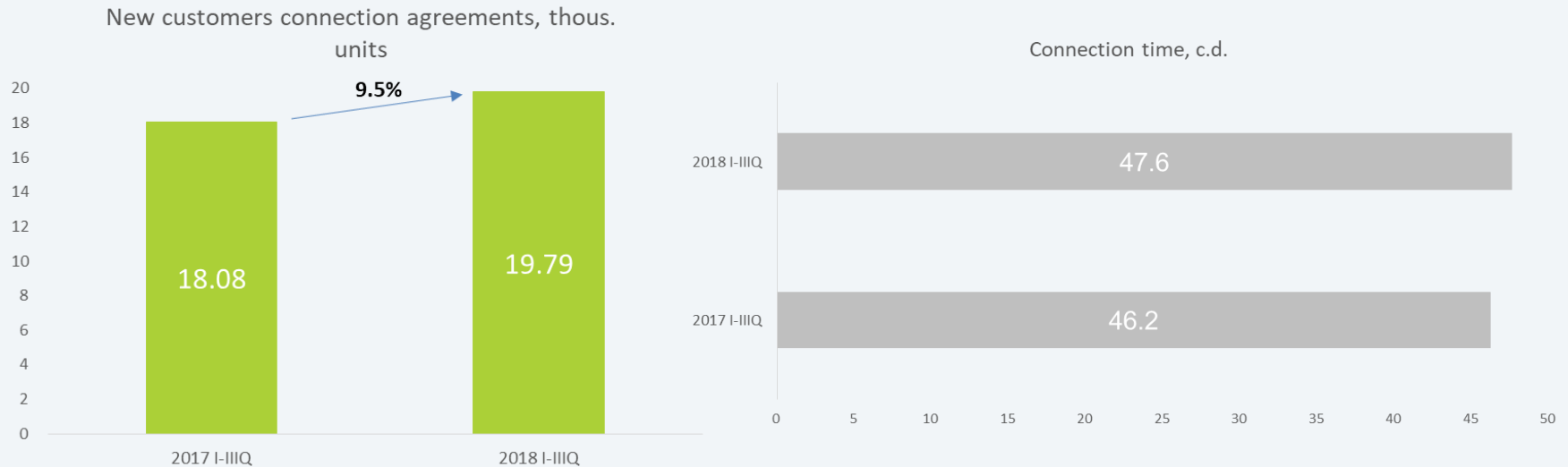
In 9 months of 2018, ESO transported approximately 2.8% more natural gas than in the same period in 2017. Gas distribution volume increased mainly due to a higher gas consumption as a result of colder weather and changes of production plans in industrial companies.

Electricity quality indices



During 9 months of 2018, the system average interruption duration index (SAIDI) per customer decreased by 48 minutes, the system average interruption frequency index (SAIFI) per customer was 0.11 time less compared to 9 months of 2017.

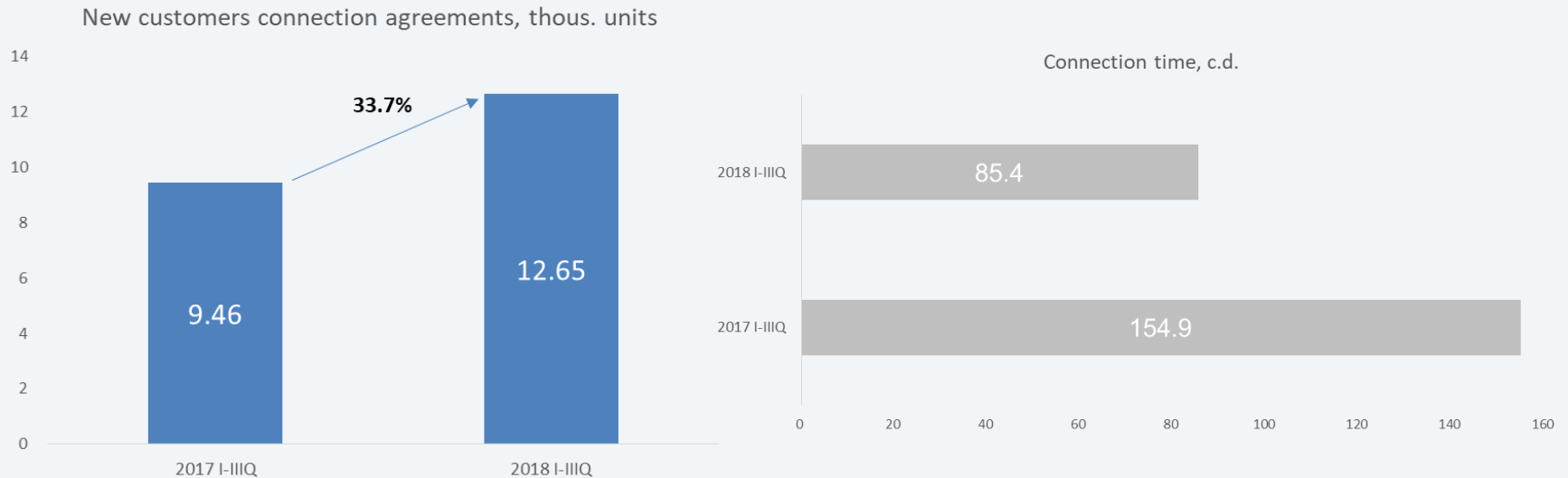
Connection of new customers - ELECTRICITY



In 9 months of 2018 ESO signed about 9.5% more new customers connection to the electricity distribution network agreements than in the same period in 2017.

Connection time increased by 1.4 calendar day.

Connection of new customers – NATURAL GAS

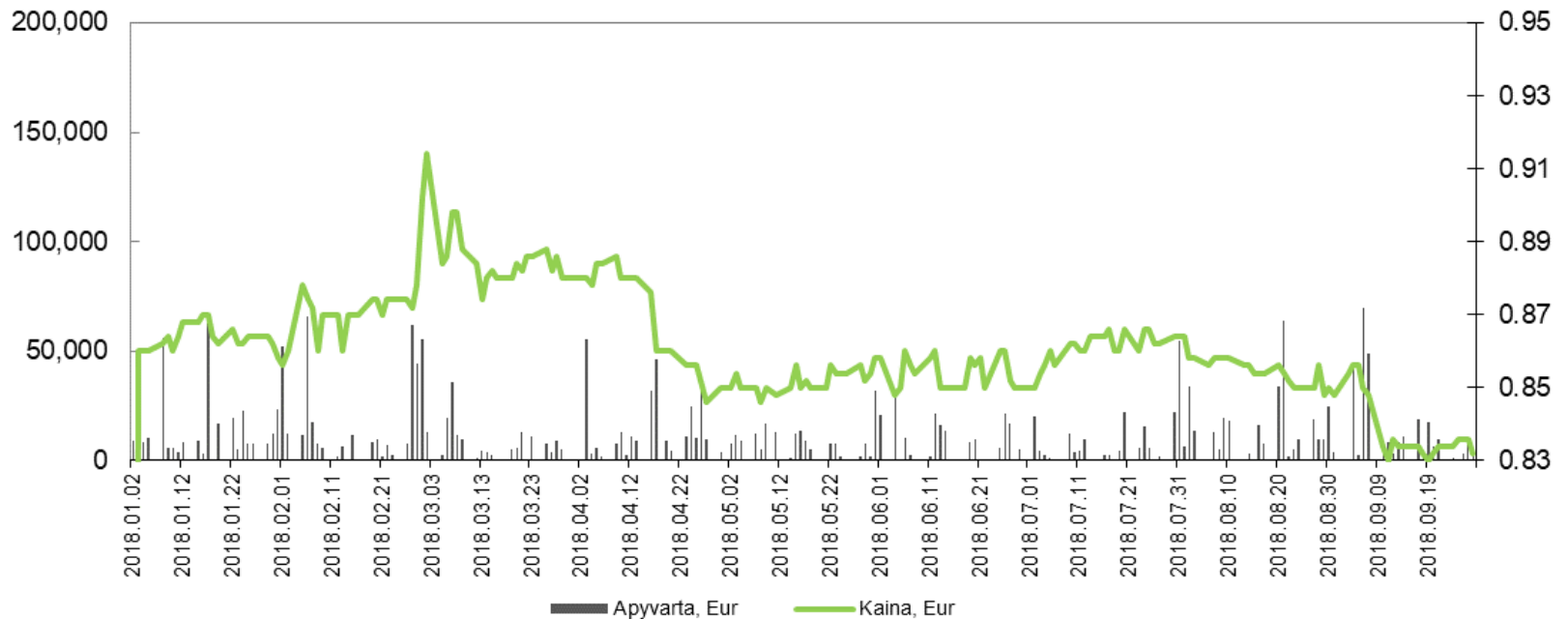


In 9 months of 2018 ESO signed 33.7% more new customers connection to the natural gas distribution network agreements than in same period in 2017.

Connection time decreased by 69.4 calendar days.

Share price and shareholders

Main shareholder was „Lietuvos energija“, UAB holding 94.98% of shares, with the rest floating.



ESO – the largest company by market capitalization on NASDAQ Baltic Exchange (746.12 mln. EUR). The weighted average price during the reporting period was EUR 0.831.



AB “Energijos skirstymo operatorius”

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