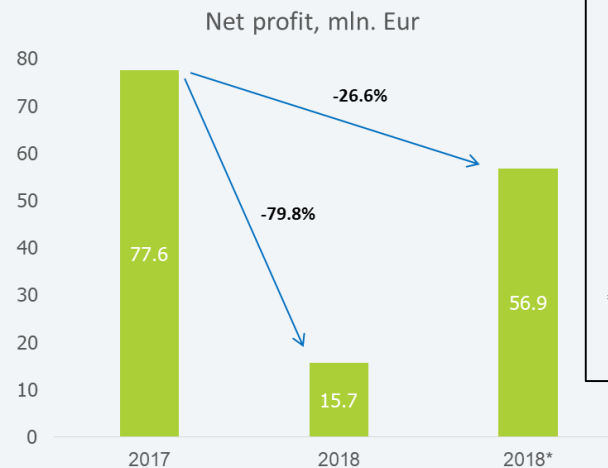
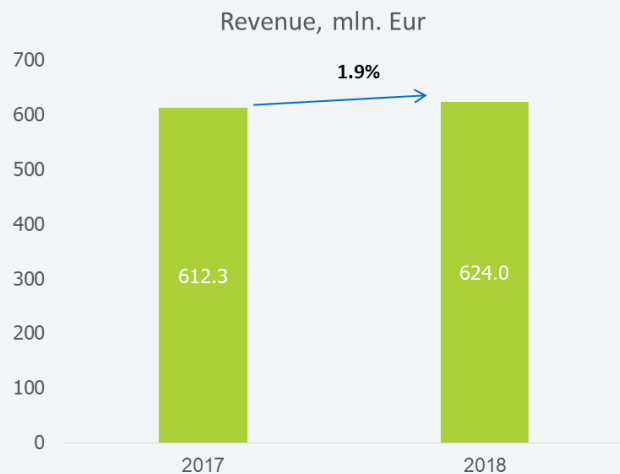




AB “Energijos skirstymo operatorius” Financial results of 2018

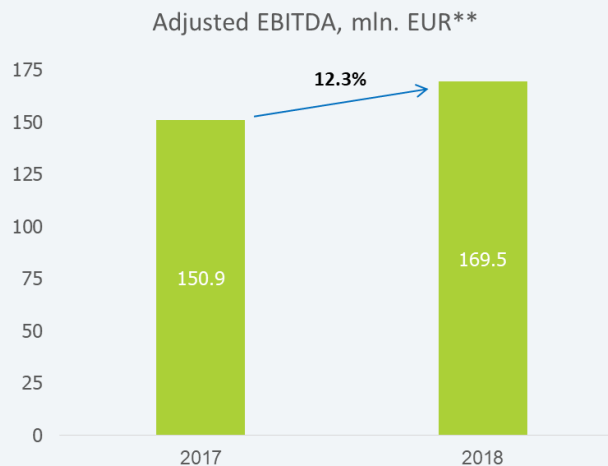
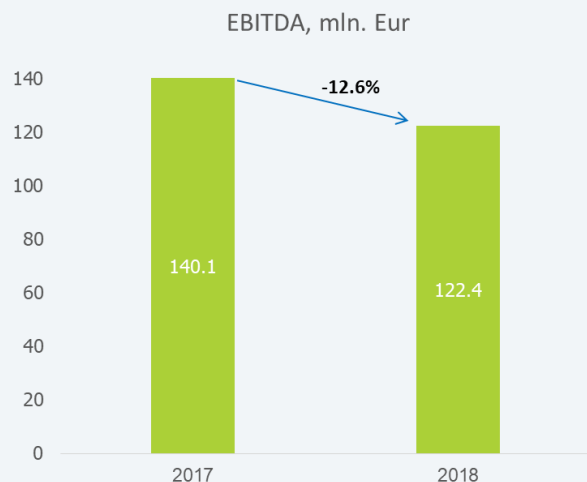
2018-12-31

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 50.0* EUR/MWh and was 42.3% 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.



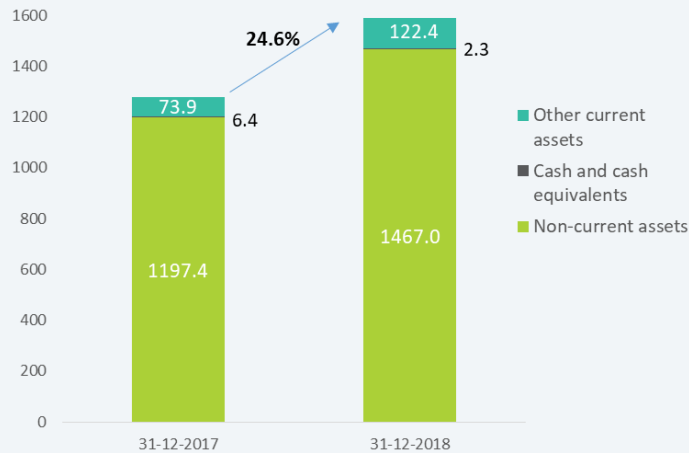
* Net profit without an impact of onetime result of revaluation of the Company's fixed assets

**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.

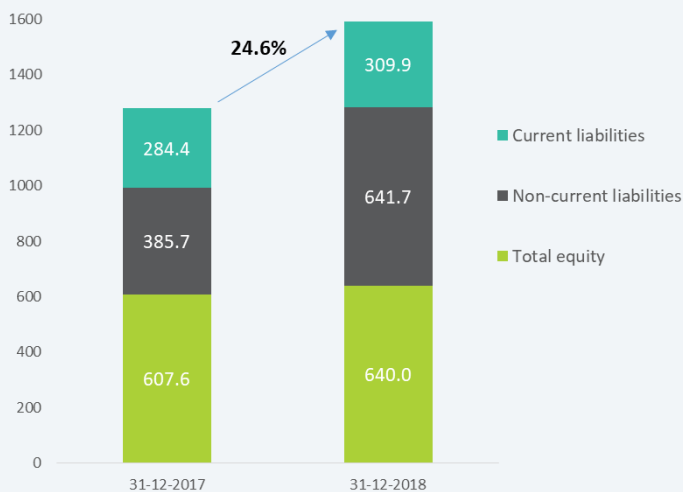
Assets, equity and liabilities

Total assets, M EUR

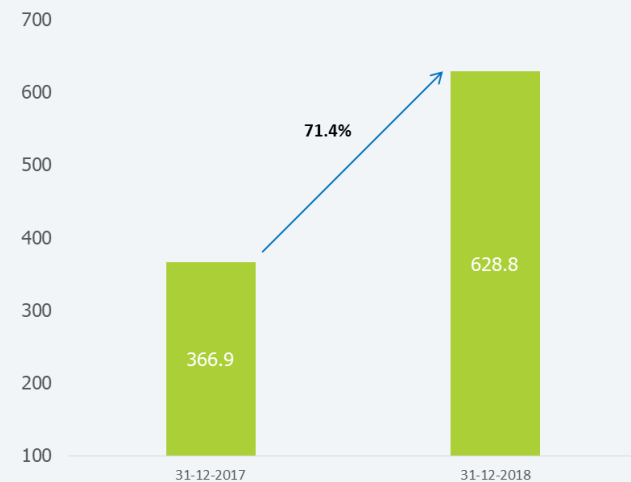


Non-current assets accounted for 92.2% of the total assets. During the reported period non-current assets increased by 22.5% due to the higher investments.

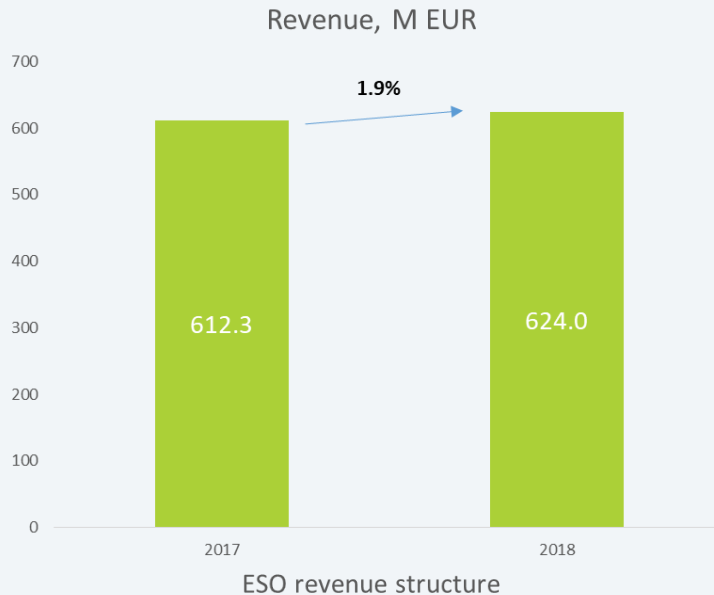
Equity and liabilities, M EUR



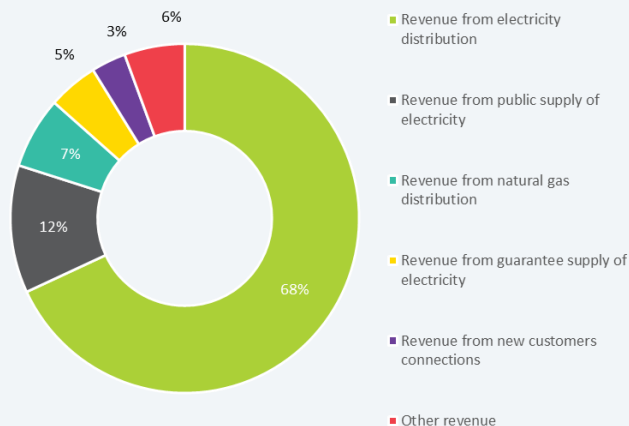
Net financial debt, M EUR



Revenue



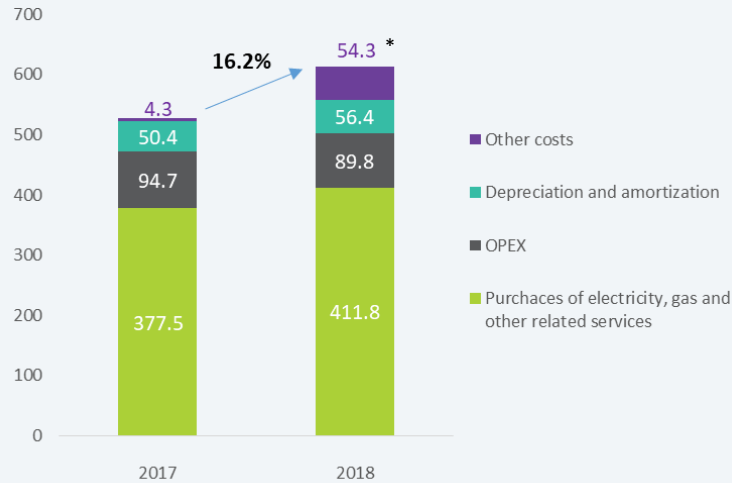
ESO's revenue of 2018 reached EUR 624 million, which is an increase of 1.9% compared to 2017. Revenue increased due to higher volumes of electricity and natural gas distributed to the Company's customers and a one-off transaction on the transfer of the public electricity supply activity to UAB Lietuvos Energijos Tiekimas.



Revenue from electricity distribution is the main source of the Company's revenue. In 2018 distribution revenue comprised 68%.

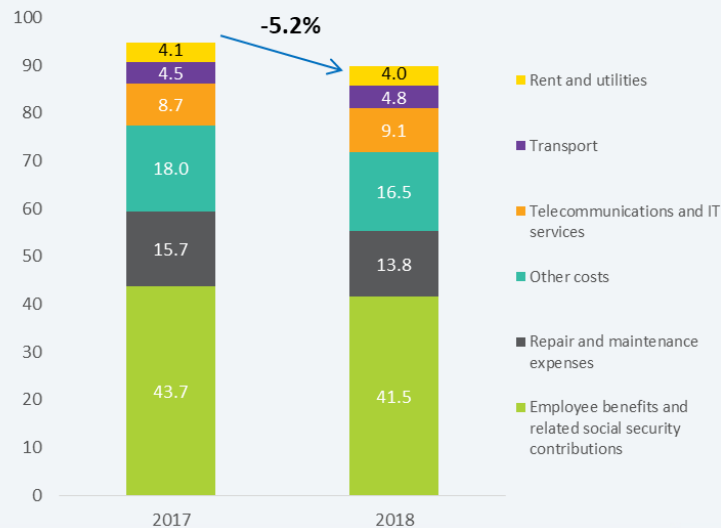
Costs

Cost, M EUR



In 2018 purchases of electricity, natural gas and related services made up EUR 411.8 million and increased by 9.1% compared to 2017. This was mainly influenced by increased electricity purchase price.

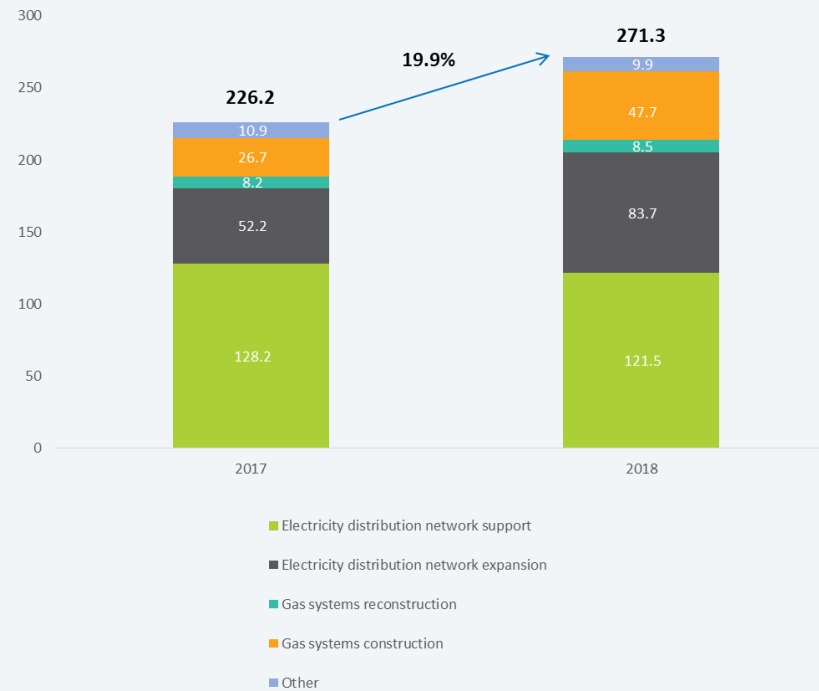
OPEX, M EUR



In 2018 operating expenses decreased by 5.2% compared to 2017 and amounted to EUR 89.8 million.

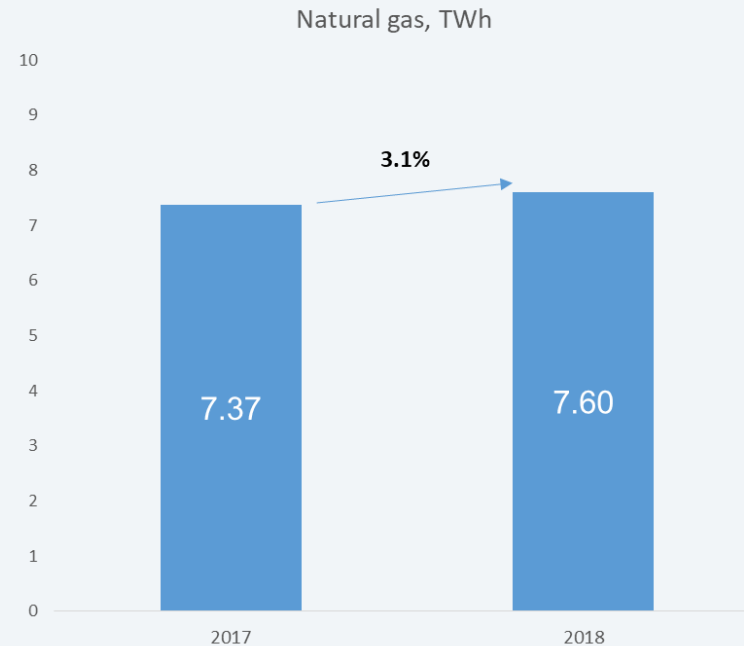
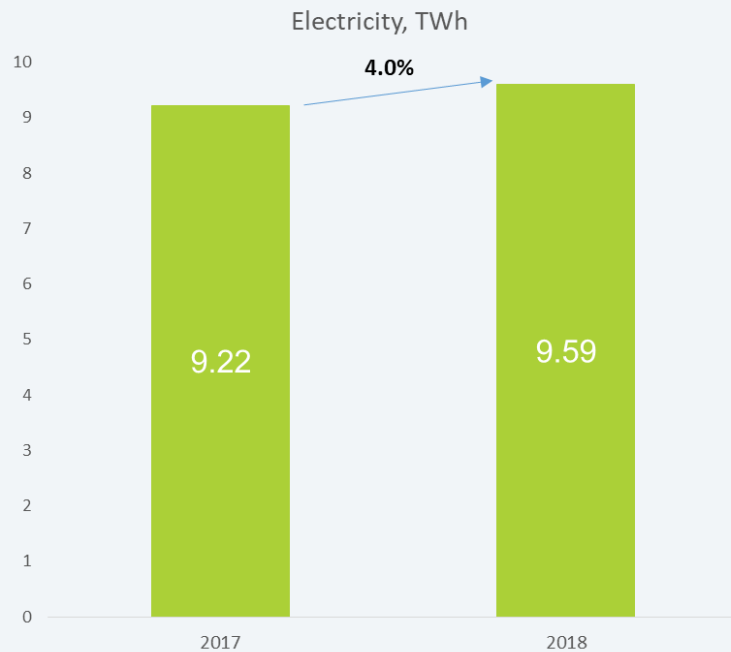
* Recorded non-current assets revaluation result

Investment, M Eur



In 2018 ESO's investments in the electricity and gas distribution networks amounted to EUR 271.3 million, which is 19.9% more than in 2017 when they were equal to EUR 226.2 million.

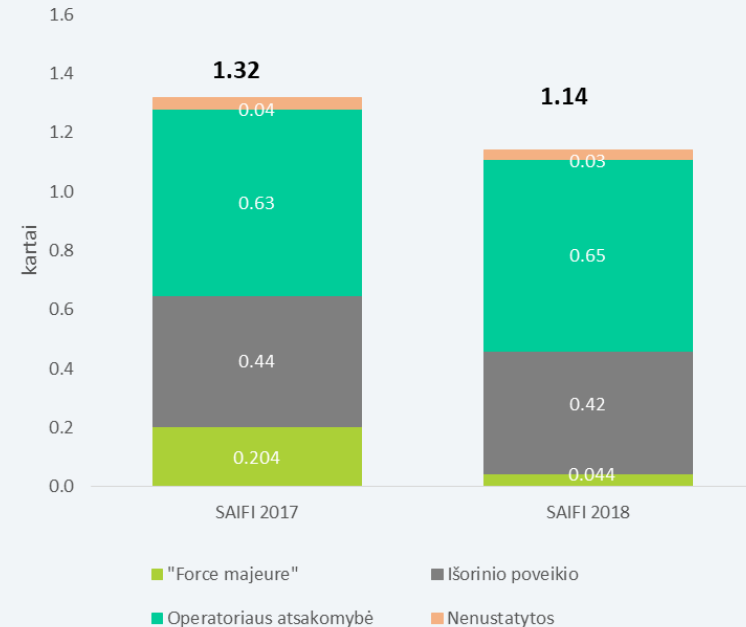
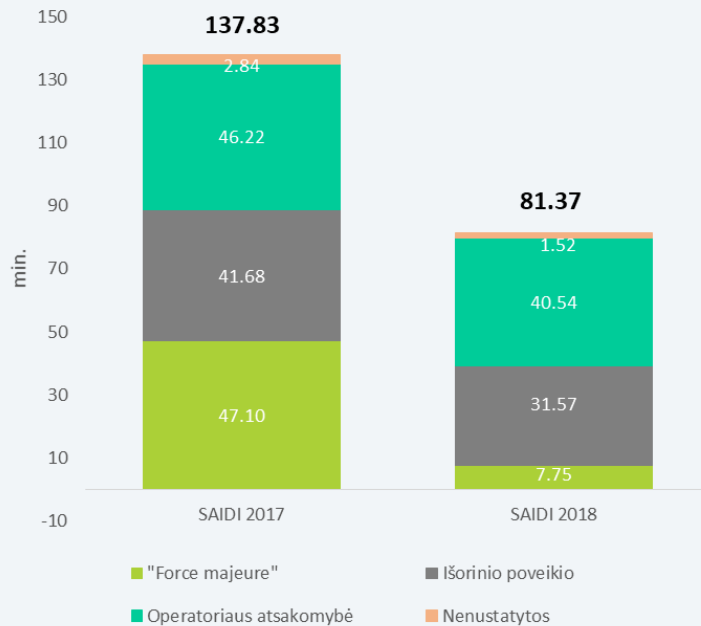
Distributed volumes



The volume of electricity distributed increased by 4% compared to 2017 due to country GDP growth (GDP increased by 3.6% during 2018 based on the data by Lietuvos bankas).

In 2018 ESO transported approximately 3.1% more natural gas than in 2017. Gas distribution volumes increased mainly due to a higher gas consumption as a result of colder weather.

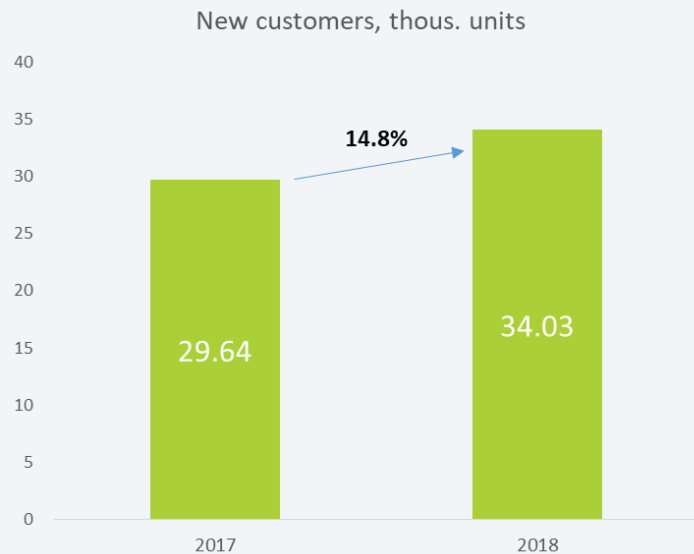
Electricity quality indices



During 2018 the system average interruption duration index (SAIDI) per customer decreased by 56 minutes, the system average interruption frequency index (SAIFI) per customer was 0.18 time less compared to 2017.

SAIDI decreased by 6 minutes due to the Operator's responsibility as a result of closer cooperation with meteorologists, the digitalisation of the management of dispatch control centres, improved customer service and greater efficiency and effectiveness of the organisation of breakdown removal services.

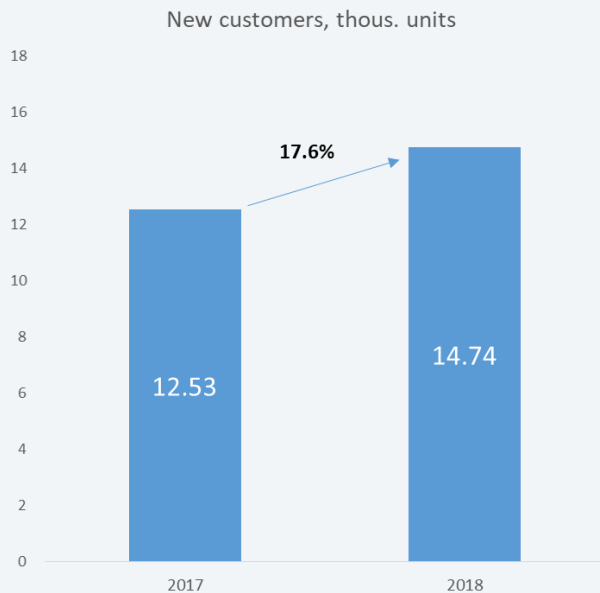
Connection of new customers - ELECTRICITY



In 2018 ESO connected about 14.8% more new customers to the electricity distribution network than in 2017.

Connection time increased by 1.4 calendar day.

Connection of new customers – NATURAL GAS



In 2018 ESO connected 17.6% more new customers to the natural gas distribution network than in 2017.

Connection time decreased by 58.5 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 (579.72 mln. EUR). The weighted average price during the reporting period was EUR 0.831.



AB “Energijos skirstymo operatorius”

Company code 304151376

VAT code LT100009860612

Aguonų g. 24, Vilnius, 03212 Lithuania

Tel. (8 5) 277 7524

Fax. (8 5) 277 7514

info@eso.lt

www.eso.lt