



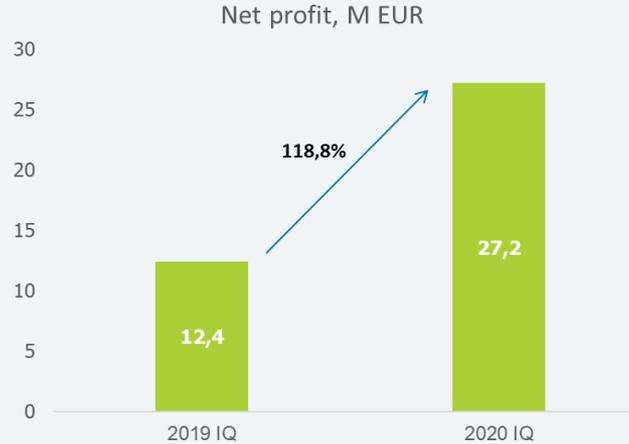
eso

AB “Energijos skirstymo operatorius” financial and performance results for 3 months of 2020

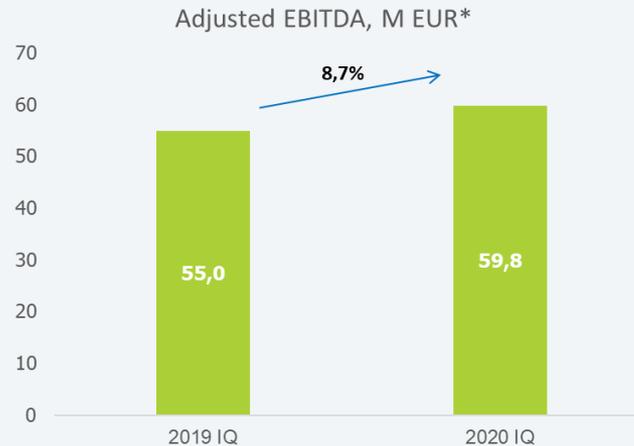
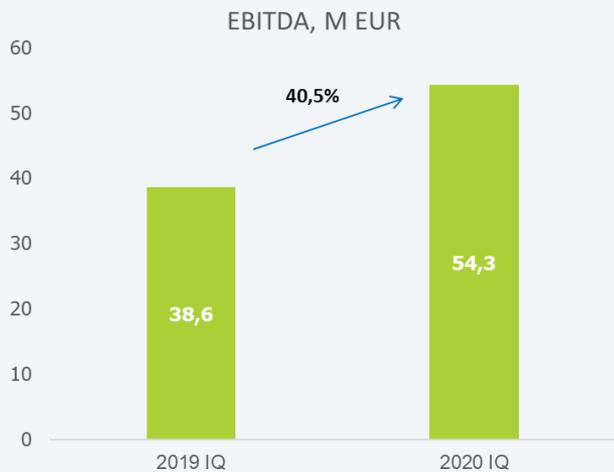
2020-04-30



Main financial ratios



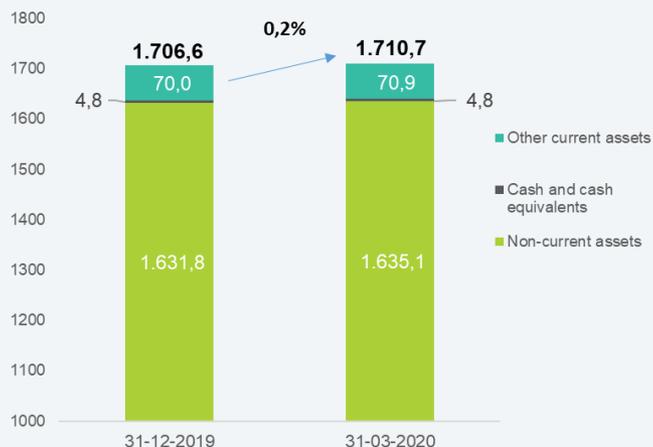
The main reasons of EBITDA and net profit increase in 2020 IQ (1) on average 11 % higher price of power distribution service approved by the regulatory authority (2) on average 45 % lower purchase price of electricity compared to 2020 IQ



*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.

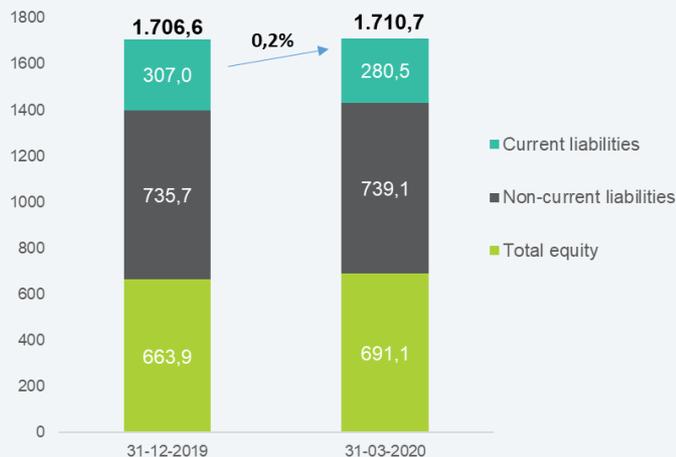
Assets, equity and liabilities

Total assets, M EUR

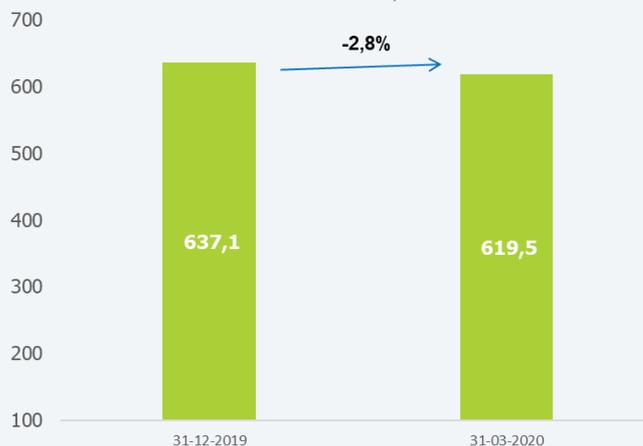


Non-current assets accounted for 95,6 % of the Company's assets. During the reported period non-current assets increased by 0,2 % due to made investments that were higher than depreciation value.

Equity and liabilities, M EUR



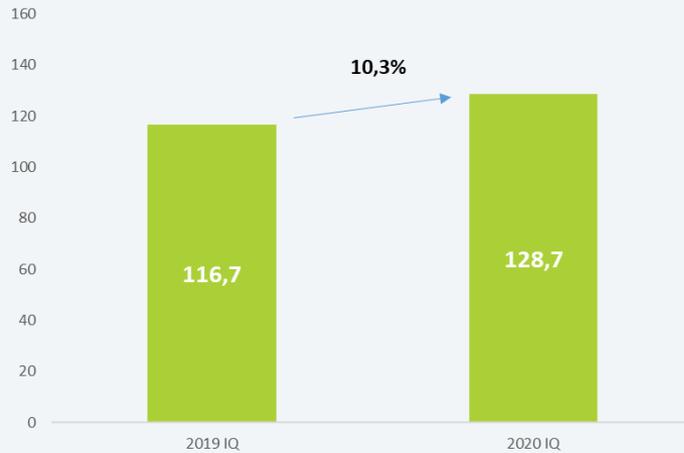
Net financial debt, M EUR



The change in net financial debt was due to a lower need for short-term financing and the repayment of a part of a long-term loan.

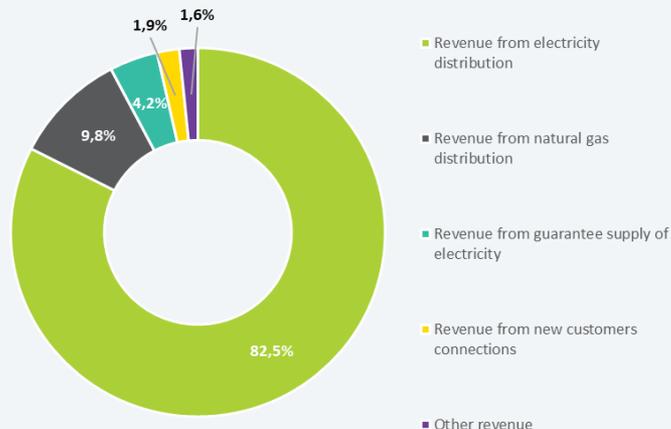
Revenue

Revenue, M EUR



ESO's revenue in 2020 IQ reached EUR 128,7 million, which is an increase of 10,3 % compared to 2019 IQ. Positive impact on the Company's revenue compared to the previous reporting period had on average 11 % higher price of power distribution service, which is comprised of power transmission, distribution and public service obligations (PSO) components and is approved by the regulatory authority.

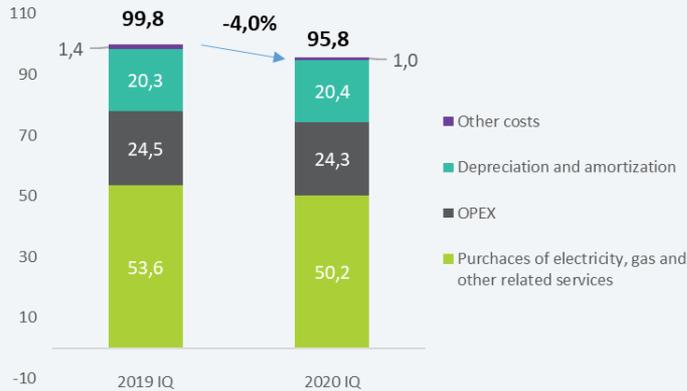
ESO revenue structure



Revenue from electricity distribution is the main source of the Company's revenue. In 2020 IQ distribution revenue comprised 82,5%.

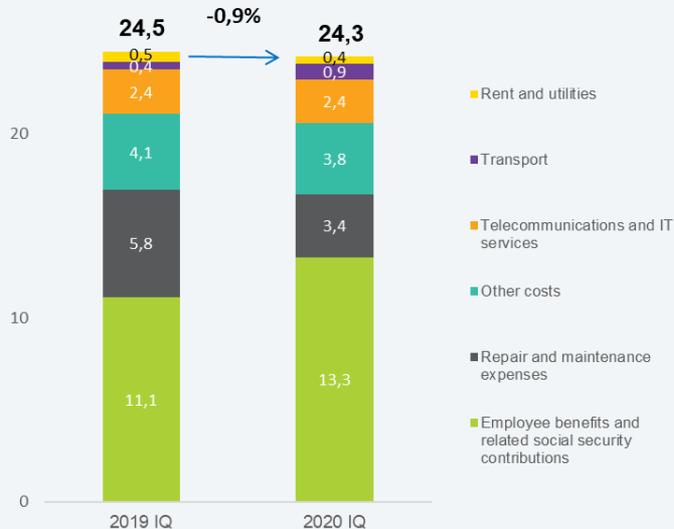
Costs

Cost, M EUR



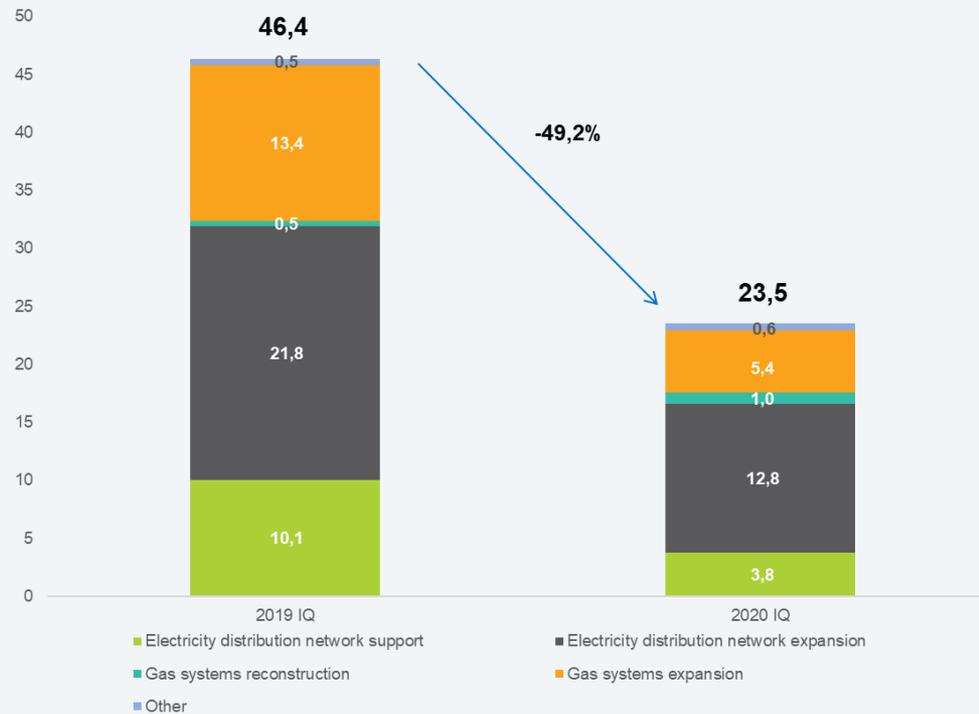
In 2020 IQ purchases of electricity, natural gas and related services made up EUR 50,2 million and decreased by 6,3 % compared to 2019 IQ due to lower purchase price of electricity compared to 2019 IQ (on average 45 %)

OPEX, M EUR



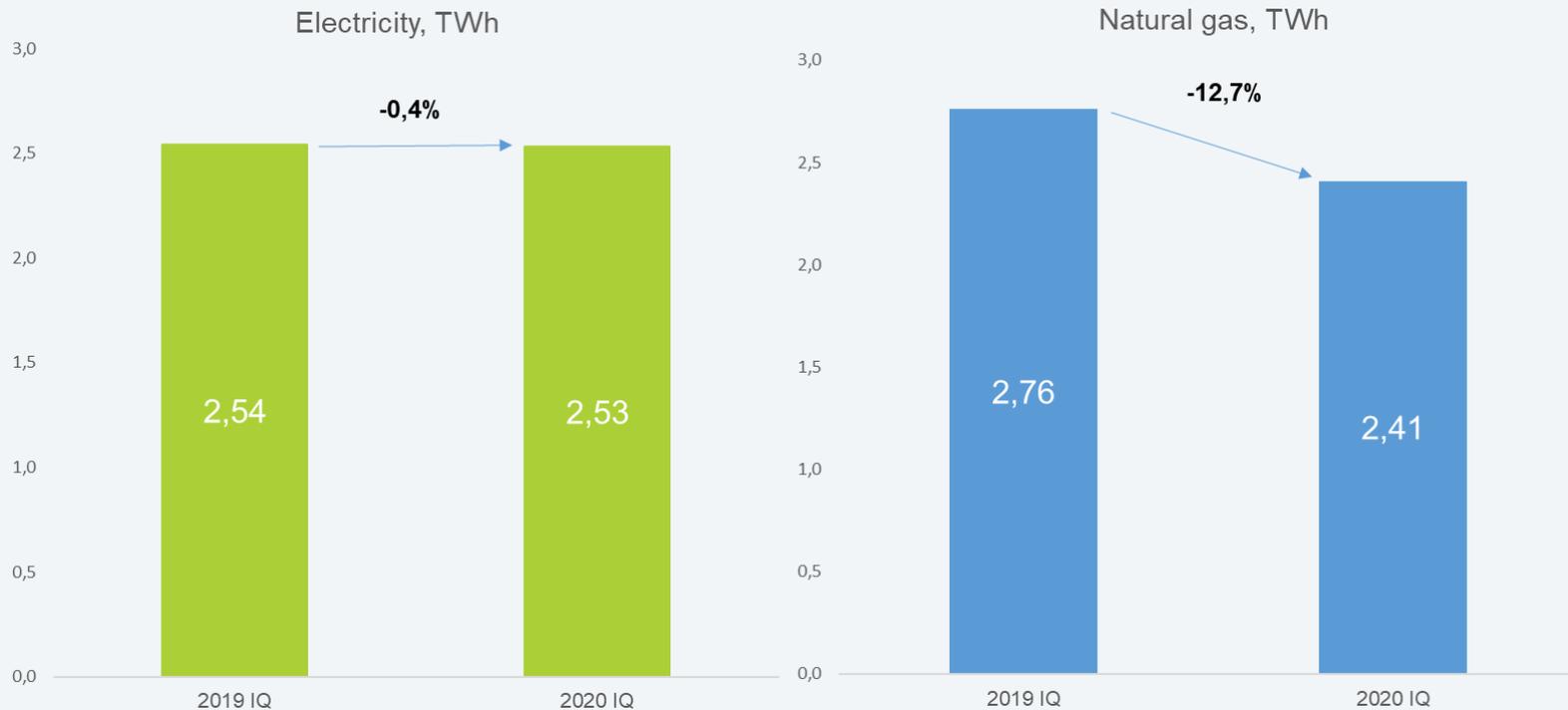
In 2020 IQ operating expenses amounted to EUR 24,3 million - decreased by 0,9 % compared to 2019 IQ.

Investment, M EUR



In 2020 ESO's investments in the electricity and gas distribution networks amounted to EUR 23,5 million, which is 49,2 % less than in 2019 IQ when they were equal to EUR 46,4 million. The change in investment was mainly due to decrease in new customers connection fees and postponement of 2020 IQ reconstruction works of electricity network objects for later periods.

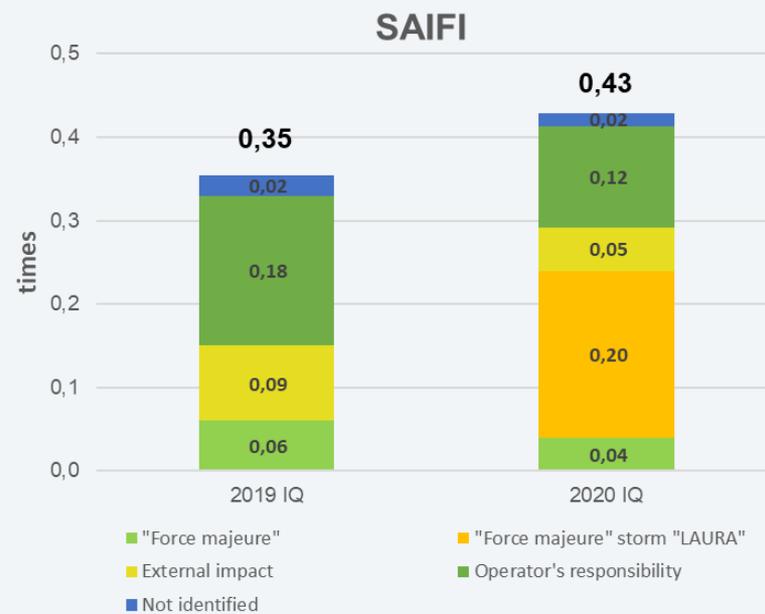
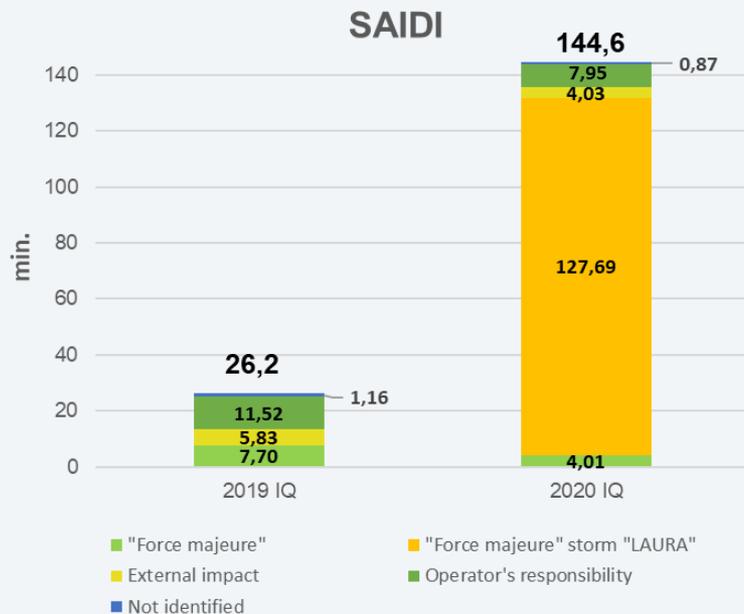
Distributed volumes



In 2020 IQ the volume of electricity distributed decreased by 0,4 % compared to 2019 IQ due to the lower electricity consumption of business clients. Electricity use since the beginning of the quarantine was reduced by 5% on average, if compared to the same period in 2019 (business enterprises and residents were assessed together).

Gas distribution volumes decreased by 12,7 % in 2020 IQ mostly due to higher average weather temperature, particularly in January and February compared to 2019 IQ

Electricity quality indices

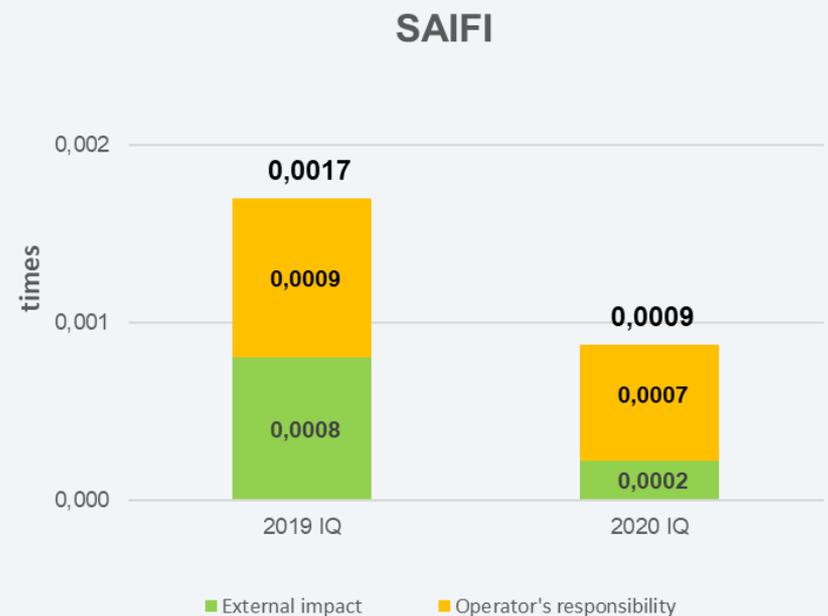
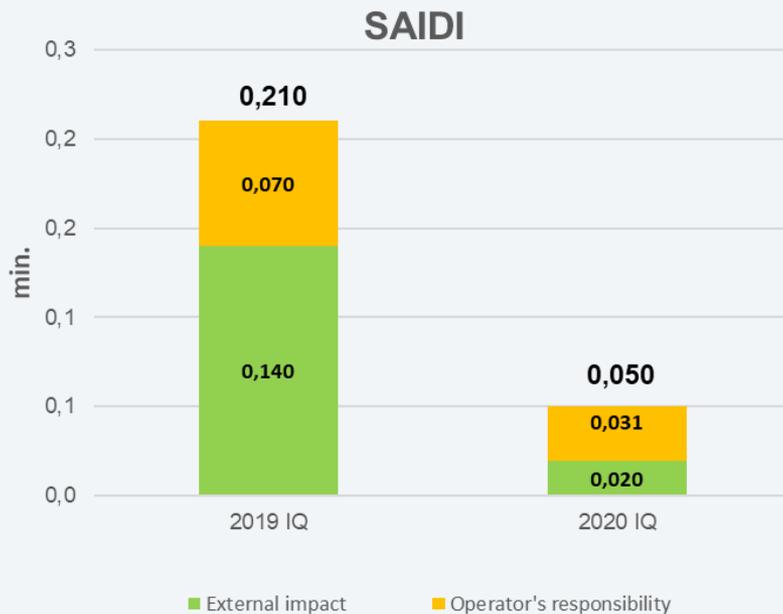


In 2020 IQ, the system average interruption duration index (SAIDI) per customer increased by 118,4 minutes. The significant impact on such a significant deterioration in indicators had a storm LAURA raged on March 12-13, which SAIDI was 127.69 minutes (88% of the value of the SAIDI indicator for the whole reporting period).

In 2020 IQ, the system average interruption frequency index (SAIFI) per customer, including force majeure, was 0,08 times larger than in 2019 IQ. The negative change of this indicator was also caused by storm „Laura“.

If influence of the storm Laura on electricity distribution indexes had not been taken into consideration, the significant improvement in electricity supply reliability indicators would have been recorded: in January-March 2020, if compared to the same period in 2019, SAIDI index would reach 16,86 minutes and, if compared to the same period in 2019 (26,21 minutes), would have decreased by 9,35 minutes, while SAIFI index would reach 0,23 times, and if compared to the same period in 2019 (0,35 times), it would have decreased by 0,12 times.

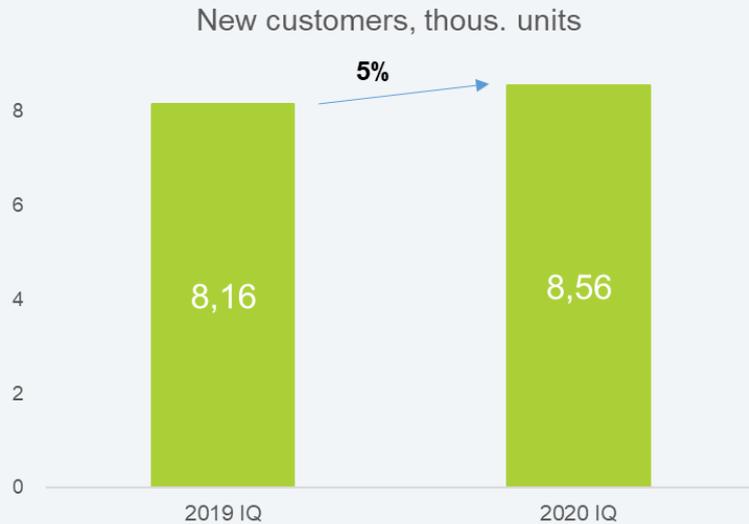
Natural gas quality indices



In 2020 IQ, The System Average Interruption Duration Index (SAIDI with force majeure) for the gas network per customer reached 0,05 minutes which is 0,16 minutes less compared to 2019 IQ.

In 2020 IQ, The System Average Interruption Frequency Index (SAIFI), including force majeure, per customer, reached 0.0009 times which is 0,0008 times lower compared to 2019 IQ. The main reason of improving ratios is third party supply disruptions for a smaller number of customers (135 customers) comparing with the same period of 2019 (484 customers).

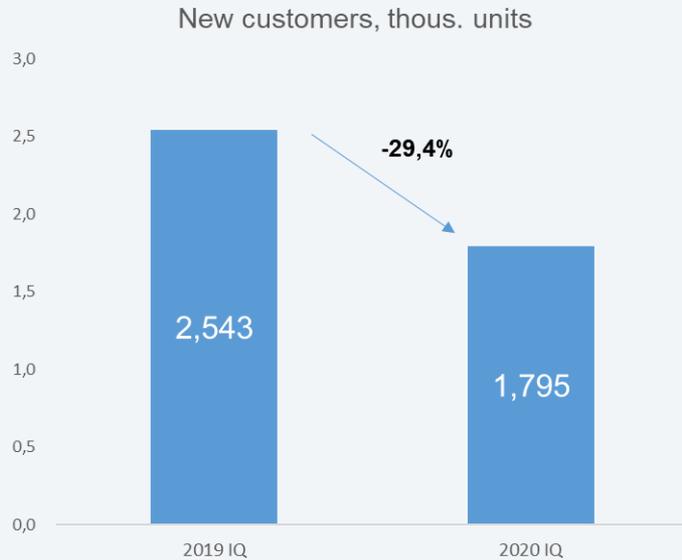
Connection of new customers - ELECTRICITY



In 2020 IQ ESO connected about 5 % more new customers to the electricity distribution network than in 2019 IQ due to higher volume of clients requests to connect to the electricity grid.

Connection time decreased by 9,1 calendar day.

Connection of new customers – NATURAL GAS



In 2020 IQ ESO connected 29,4 % less new customers to the natural gas distribution network than in 2019 IQ due to lower volume of clients requests to connect to the natural gas grid.

Connection time decreased by 11,4 calendar days.

Share price and shareholders

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



ESO – the largest company by market capitalization on NASDAQ Baltic Exchange (833,8 M EUR). The weighted average price during the reporting period was EUR 0,874.



eso

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