



PRESS RELEASE
8 May 2019

Amber Grid reports EUR 15 million revenue in Q1 2019

The natural gas transmission system operator Amber Grid, part of state-owned energy transmission and exchange group EPSO-G earned EUR 15 million in revenue in the first three months of the year compared to EUR 15.6 million in the same period a year ago. The company's revenue and the financial result was affected by lower demand for gas transportation services due to warmer temperatures in the first three months of 2019.

"The warm winter season had a direct impact on natural gas consumption thus the amount of gas transported in Lithuania also to neighboring countries. As this winter we saw no heavy frosts, our transmission system users have booked less short-term transmission capacity and transported gas using pre-booked cheaper long-term capacity", said Saulius Bilys, CEO of Amber Grid.

The air temperature was 3 degrees higher in the first three months of the year compared to the same period a year ago, the natural gas transmission system Amber Grid transported 15.6 terawatt hours (TWh) of natural gas, or 8.7% less than in the first quarter of 2018. 7.5 TWh of natural gas were transmitted to Lithuanian consumers or 0.5 TWh less than in the first quarter of 2018, and 8 TWh of natural gas were transported in transit to the Kaliningrad region of the Russian Federation or 11% less than in the last year.

In 2019, the natural gas transmission system users ordered twice as low long-term transmission system entry capacities and 1.8% more transmission system exit capacities compared to the same period last year. Short-term transmission system capacities at entry points ordered by the system users increased by 2.4%, and at exit points - decreased by 34.2%.

Focusing on operational efficiency, Amber Grid operating costs in January - March 2019 amounted to EUR 9.2 million compared to EUR 9.5 million in the same period last year.

The Amber Grid profit before tax of the first quarter amounted to EUR 5.7 million. This is 5.8% less than at the same time last year when profit before tax was 6.1 million euros. The net profit during the reporting period was EUR 4.7 million or 10.8% less than in the first quarter of 2018, when the net profit was EUR 5.2 million

The EBITDA of the first quarter 2019 amounted to EUR 8.3 million and was 11% lower compared to the first quarter of 2018 when EBITDA was EUR 9.3 million. Since 2019, a new 5-year regulatory period has begun. During this period, a rate of return on investment, reduced by more than half – from 7.09% to 3.33%, was set for Amber Grid.

During the reporting period Amber Grid continued to focus on safe and reliable supply of gas. In strengthening the gas infrastructure, the Company has completed the three-year renovation of Panevėžys Compressor Station. Due to modern technologies installed the station operates more efficiently, is much more environment friendly and helps the gas transmission system operate in a more flexible manner. The EUR 5.6 million modernization project of (exclusive of VAT) was half funded by the European Union Structural

Funds. The company also signed the contract for the reconstruction of the gas pipeline of regional significance Vilnius-Panevėžys-Ryga for the amount of EUR 8.1 million.

In the first quarter of the year, Amber Grid continued the public procurement procedures for the construction works of the Gas Interconnection Poland–Lithuania (GIPL). Negotiations with the regional gas market partners on Lithuania's accession to the common tariff zone were also further pursued.

The company announces the consolidated operating results of the group, consisting of Amber Grid and the subsidiary GET Baltic, of the 1st quarter of 2019.

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About Amber Grid:

Natural gas transmission system operator Amber Grid ensures reliable and safe transmission of natural gas by high pressure piping to the system users, the operation, maintenance and development of natural gas infrastructure. Amber Grid shares are listed on the Baltic Secondary List of the NASDAQ Vilnius Stock Exchange. The controlling stake of Amber Grid is owned by the holding company EPSO-G, which also manages the controlling stakes of the electricity transmission system operator Litgrid and of the energy exchange operator BALTPool. EPSO-G, whose 100% of the shares are owned by the Ministry of Energy of the Republic of Lithuania, implements strategic tasks of Lithuanian gas and electricity infrastructure development, implements projects for integration into EU energy markets, and aims to achieve the goals of the EU Energy Union.