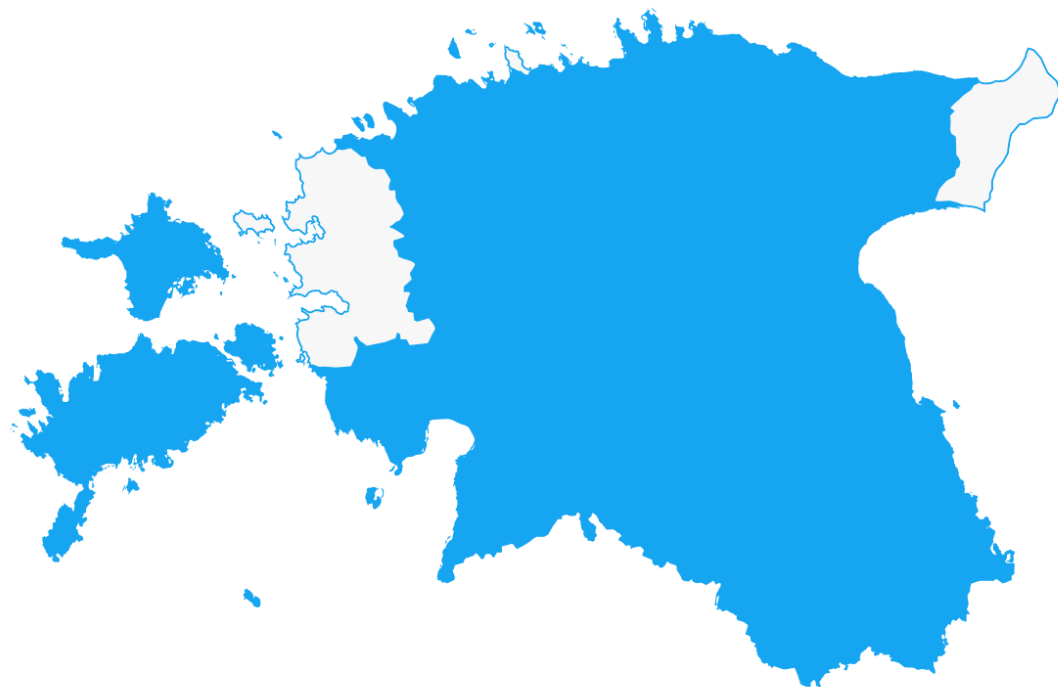


WILL DSO'S SURVIVE?

Elektrilevi | Priit Treial
Member of the Management Board



ELEKTRILEVI – ESTONIA'S DISTRIBUTION NETWORK OPERATOR



 Elektrilevi Networks  Other service providers

730 employees

225 million € turnover
in 2019

800 million € RAB value

0.7 million clients

61 000 km of power lines



GLOBAL TRENDS WE CAN'T IGNORE

Electricity demand growth



Data traffic growth



Distributed generation (DER)

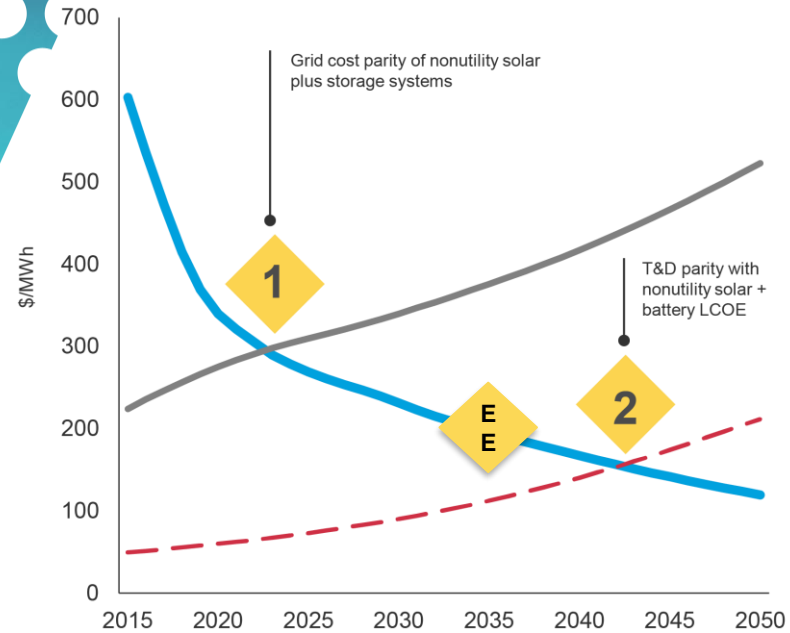


Source: 1. Global EV Outlook 2017 2. Cisco VNI, 2017. 3. PV Status Report 2017



THE RACE IS ON - NEW TECHNOLOGY VS. GRID!

- What got us here won't get us further - a new level of efficiency need
- New challenges to integrate, control and steer all DER
- An enabler of new business models



**REGULATION IS LEANING TOWARDS THE
INNOVATION AND DIGITALISATION**





OUR SUCCESS: SMART METERS

- 100% smart meters + smart metering
- Reduced network losses 5.7% => 4.1%
- Client satisfaction has doubled
- Improved grid planning & investments
- 15m hourly based consumption data - big data opportunities



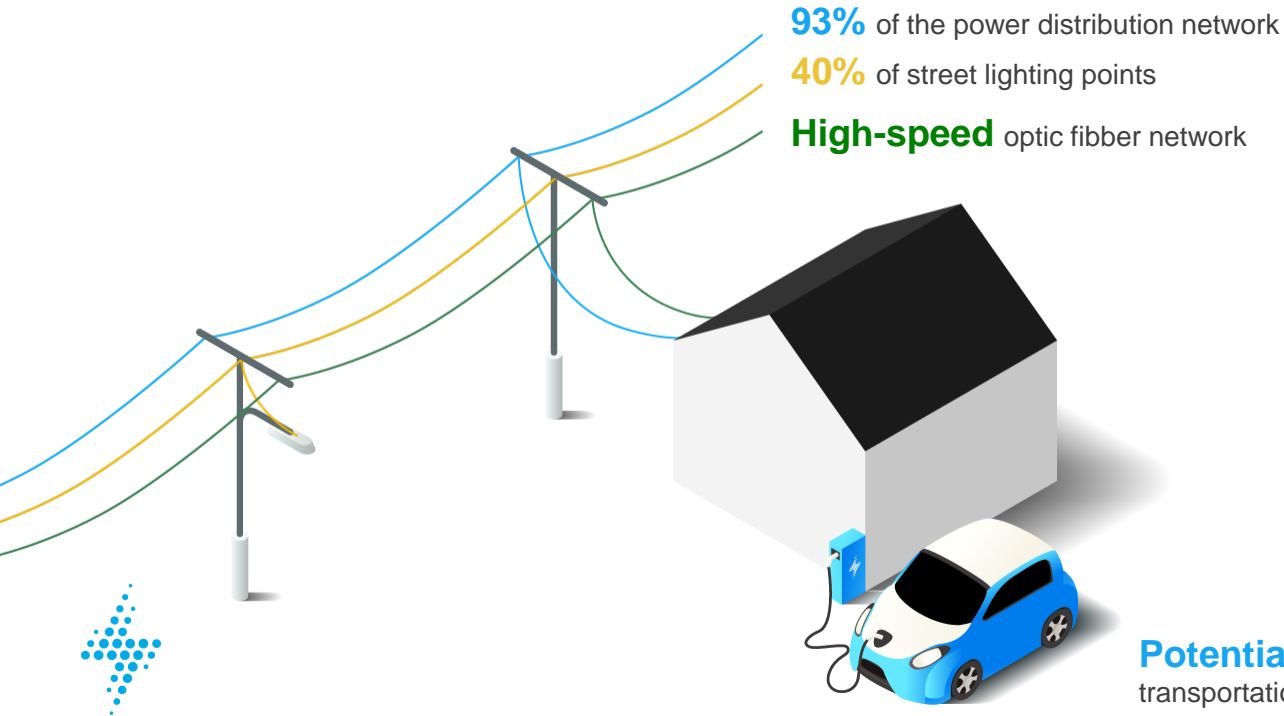


**SIMILAR SIDE ACTIVITIES ARE
ALLOWED**



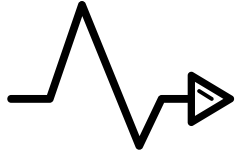


COMBINED MANAGEMENT OF INFRASTRUCTURES – A STORY OF VALUE



Potential: the development of the electric transportation network

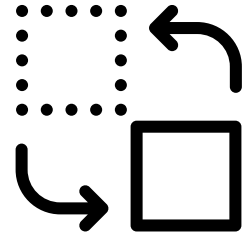
WHAT'S NEXT – NEW PRICING AND CLIENT MODELS



Dynamic



Client based (fixed fee
vs. kWh)

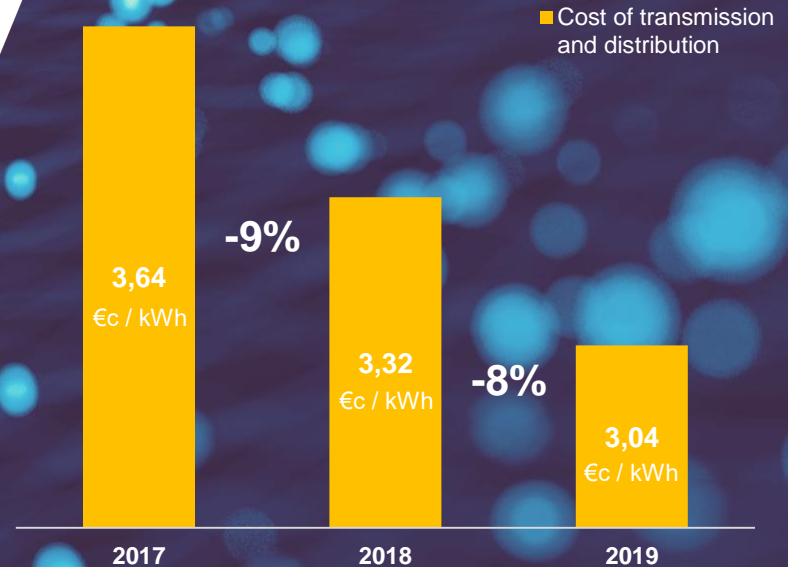


Attract new high-volume
clients



DECREASING TREND IN NETWORK FEE

- Increased network volumes and more efficient grid
- Stabilized long-term OPEX & CAPEX
- Low interests rates (WACC)



KEY FIGURES – 2013 VS 2018

ELEKTRILEVI	2013	2018
FIXED OPERATING COST (M €)	54.3	47.4
SAIDI (min)	507	232
NUMBER OF FAULTS (thous.)	23.3	11.9
CLIMATE PROOF NETWORK (%)	53	68
CUSTOMER INQUIRIES (thous.)	684.1	161.5
NETWORK LOSSES (%)	5.2	4.1
DISTRIBUTION VOLUME (TWh)	6.5	7.1
DEPRECIATION REGULATED (M €)	42.9	34.1



@elektrilevi

THANK YOU!

Q&A?

