



Latvijas Gāze Company Presentation

March 2019



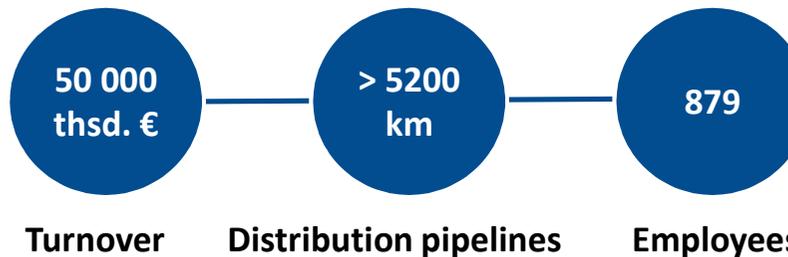
Latvijas Gaze Group at a glance - key facts 2018



- Purchase, trading and sale of natural gas
- Wholesale trading and sale of natural gas to industrial and commercial customers as well as to households



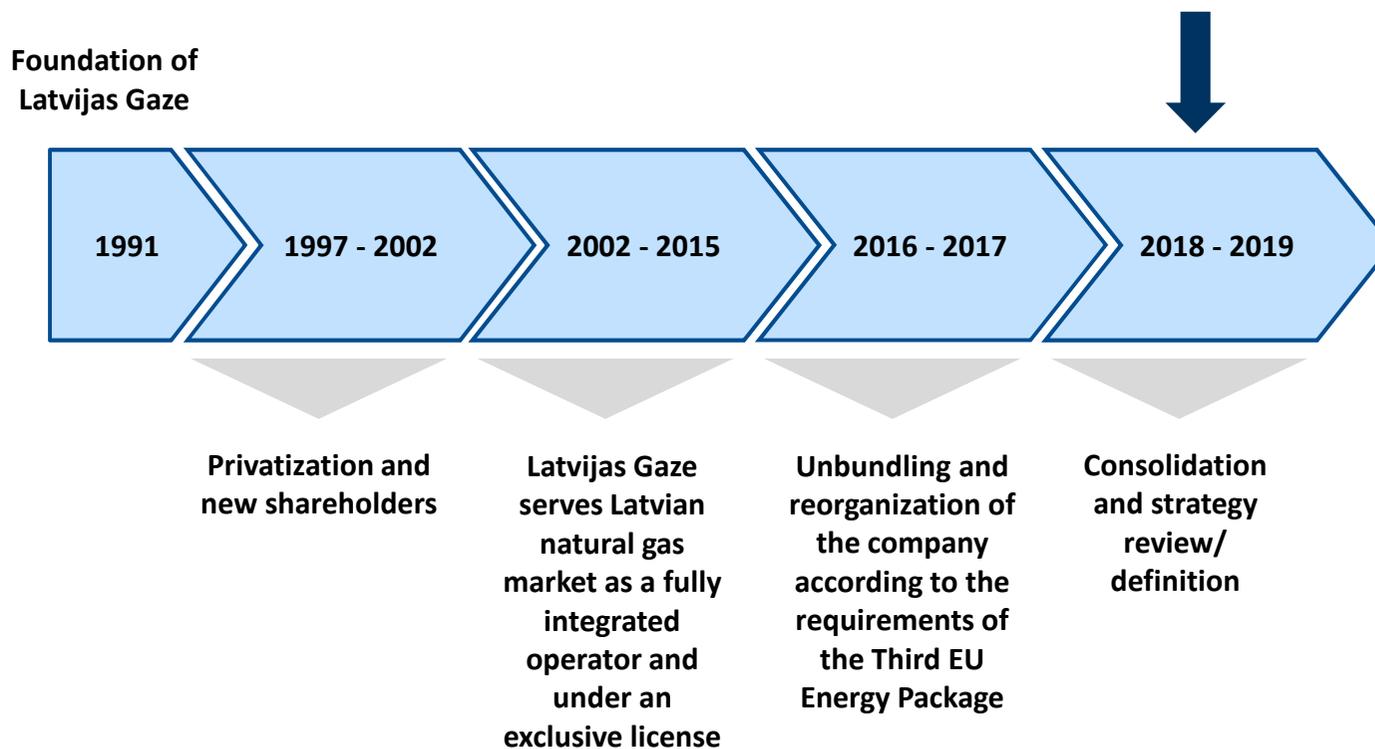
100% Subsidiary of the JSC Latvijas Gaze with own independent Supervisory Council and Management Board



- Provision of natural gas distribution services
- "GasO" holds an exclusive license for the distribution of natural gas on the territory of Latvia which is valid until 6 December 2037



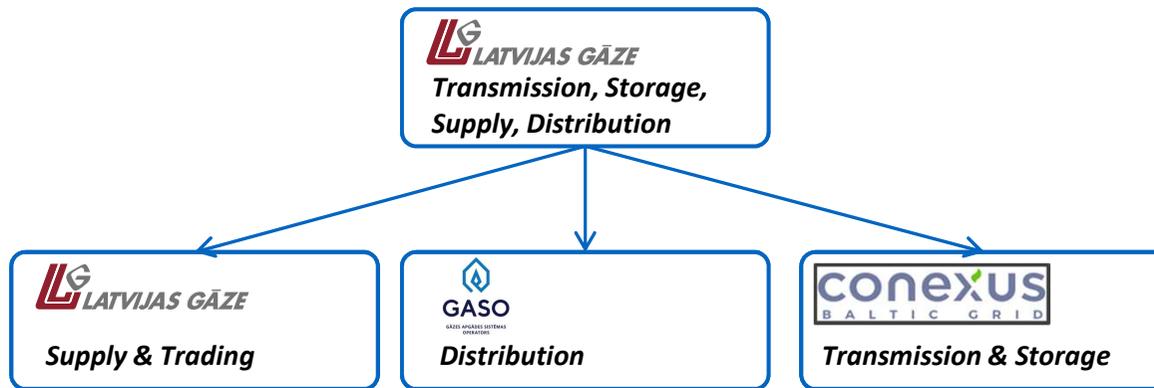
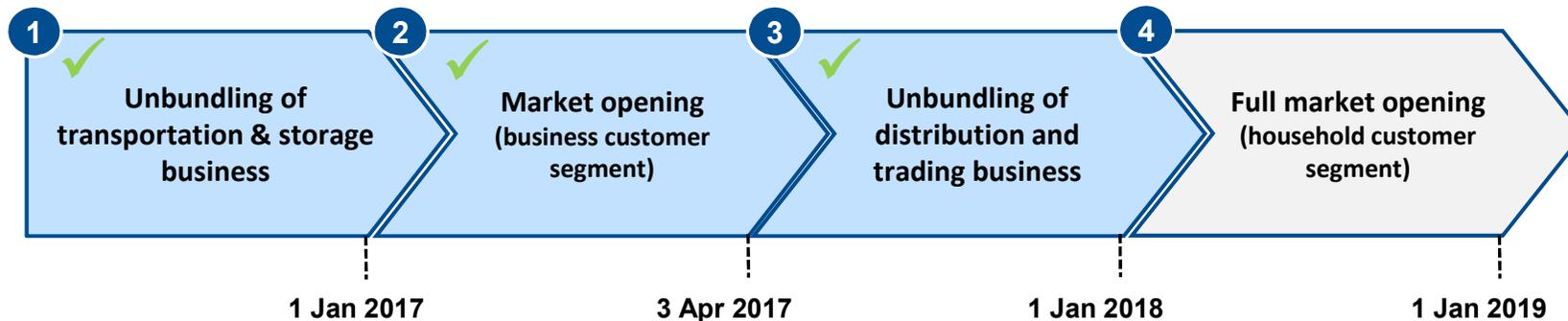
Phases in the history of Latvijas Gāze since 1991



EU and national Latvian law required the unbundling of the formerly fully integrated gas company Latvijas Gaze



Key milestones of liberalization process in the Latvian natural gas market



- Founded on 22 Nov 2017
- 100% Subsidiary of the JSC Latvijas Gaze
- Own and independent Supervisory Council and Management Board

- Founded on 22 Dec 2016
- Completely independent from the JSC Latvijas Gaze due to legal and ownership unbundling



Mission, Vision, Objectives



Mission

To contribute to the Baltic region's economy by ensuring the **reliable, safe and flexible supply of natural gas** to households and enterprises at competitive prices.

Vision

To improve people's live through delivering natural gas for a variety of purposes in different segments and to promote the advancement of natural gas as a key source of energy for the benefit of society.

Objectives

To strengthen the position of Latvijas Gāze Group as a leader in the Latvian and the Baltic energy market by **becoming the natural gas supplier of first choice for customers** and by ensuring the most stable supply of natural gas for Baltic regions.



Latvijas Gāze's value proposition to customers



Security of Supply

- We are amongst the three largest importers and traders of natural gas in the Baltics.
- We have a long-standing record of accomplishment in **ensuring safe, stable and reliable natural gas supplies** to all our customers.
- We have a **long-term contract** with the world's largest natural gas producer.

NO Take-or-Pay Obligations

- We offer **flexible supplies without take-or pay conditions** to our customers.

Individual Approach

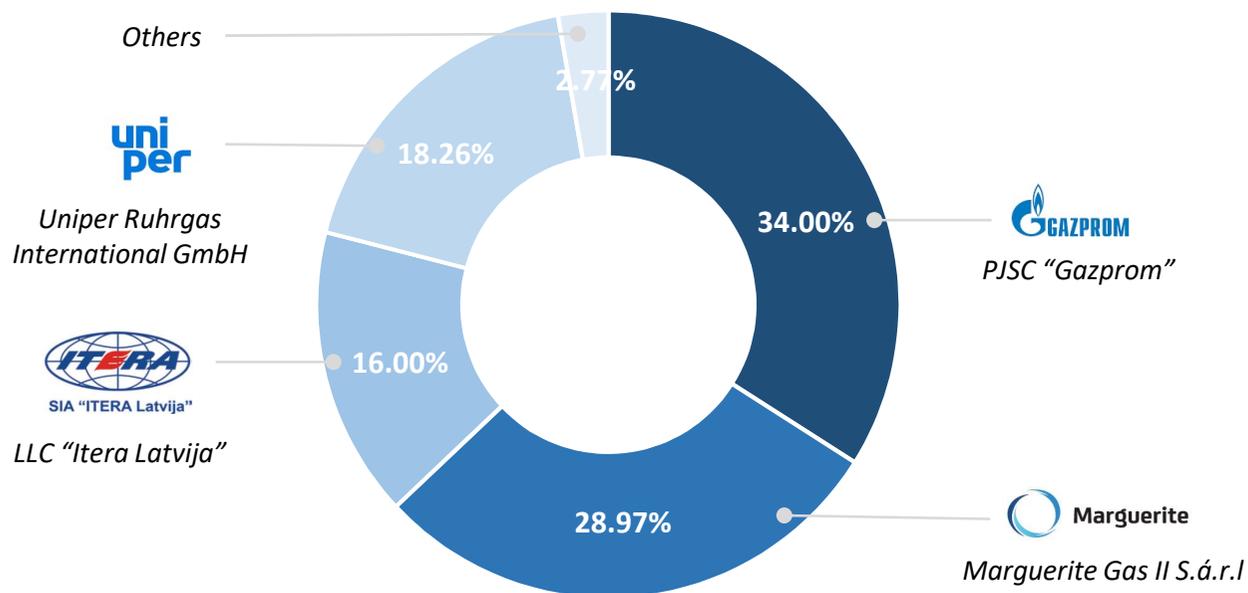
- Each of our customers is unique! Therefore, we strive to be your partner in supporting the success of your business with **natural gas deliveries tailored to your needs**. Your personal Latvijas Gāze customers relationship manager is eager to find the best solution for you.

Large Menu of Supply Solutions

- **Individual pricing**
- **Combined price** (i.e. mixture of variable and fixed prices for various periods)
- **Hub-based price** (i.e. price following trends at major European gas hubs)
- **Fixed price**



Shareholders of Latvijas Gāze Group



- Shares listed on the Nasdaq Riga stock exchange (ticker code GZE1R) since 15 February 1999
- Number of shares outstanding – 39 900 000
- Share capital – 55 860 000 EUR
- Share administration – Latvian Central Depository



Latvijas Gāze Group key performance figures



	Group ¹ 2018	Group 2017	Group 2016
Revenue	353 303	330 956	343 792
EBITDA	37 427	36 483	50 408
EBITDA (%)	10.6	11.0	14.7
EBIT	25 882	24 482	37 920
EBIT (%)	7.3	7.4	11.0
Net Profit	25 185	26 048*	32 423
Net profit margin (%)	7.1	7.9	9.4
Earnings per share (EUR)	0.63	0.65	0.81
P/E Ratio	17.11	15.32	10.83

¹ All figures for 2018 as published in the unaudited financial statements

*For calculation profit from continuing operations is used

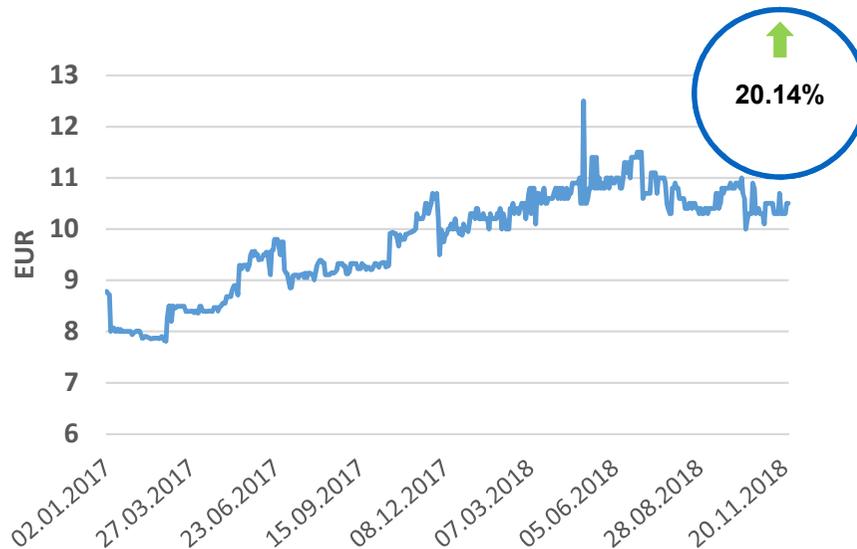
	Group 2018	Group 2017	Group 2016
Natural gas sales (BCM)	1.231	1.316	1.507
Average number of employees	996	981	1,271
Length of distribution lines (km)	5,243	5,212	5,061



Share performance also remained strong during and after the reorganization phase



Development of share price



Development of OMX Baltic Benchmark GI



Latvijas Gāze share history

	2016	2017	2018
Open (EUR)	9.79	8.78	10
Last (EUR)	8.78	10	10.5
Traded volume	229,363	171,711	61,876
Capitalization (million EUR)	350	399	419

Data Source: Nasdaq as of 26 November 2018



Current Corporate Governance Structure of the JSC Latvijas Gāze

