

# REORGANISATION OF LATVIJAS GĀZE

Extraordinary meeting of shareholders, September 2, 2016

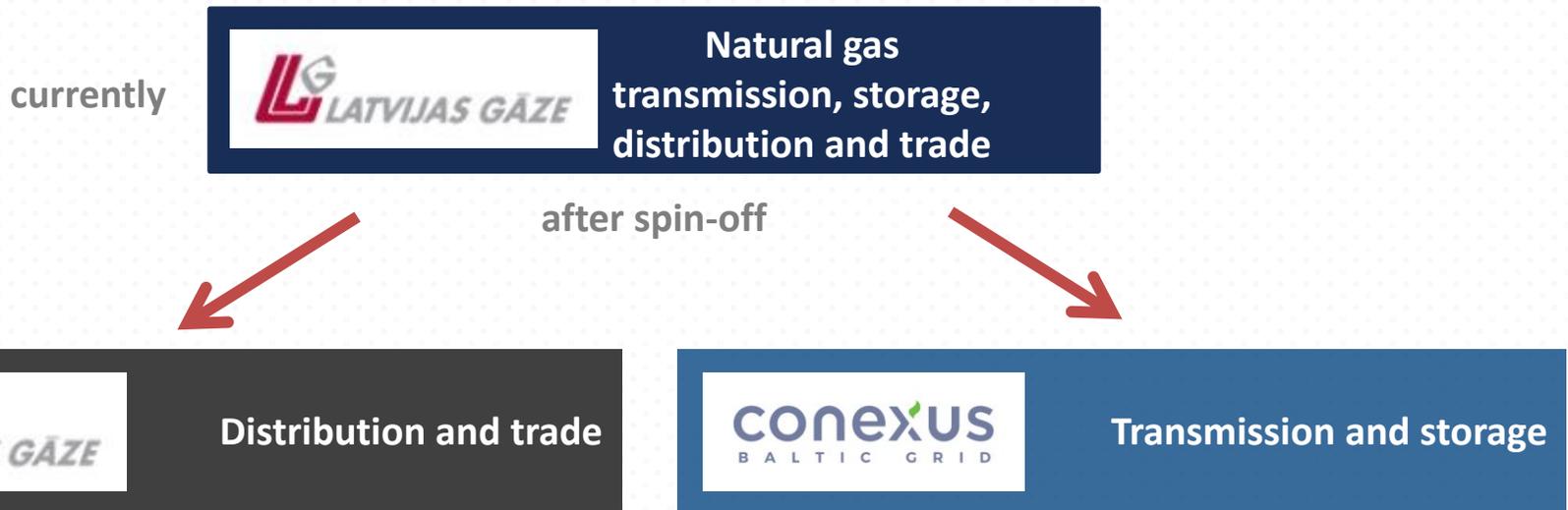
# PRINCIPLES OF REORGANISATION

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- ✓ Reasons of the company's unbundling
  - The European Union requirements on market liberalisation
  - The Energy Law amendments adopted by the Parliament in February 2016
- ✓ Unbundling requirements
  - To separate transmission and storage from trade
  - To set up a sister company
  - The sister company has to be established by April 3, 2017
- ✓ Course of reorganisation
  - During the Shareholders' meeting held in March, the shareholders voiced their position in support of initiating the spin-off of LG
  - A decision on approval of the spin-off decision is to be made today
  - The foundation meeting of Conexus Baltic Grid to approve its articles of association, council etc. is due in late 2016

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B A L T I C G R I D

# SPIN-OFF OF LATVIJAS GĀZE



- ✓ Distribution remains regulated
- ✓ Trade – market partially open on April 3, 2017, households eligible to buy natural gas for regulated tariffs till April 3, 2019
- ✓ Areas of development
  - New services
  - Natural gas trade in Lithuania and Estonia

- ✓ Regulated services
- ✓ Only corporate customers: traders, major consumers etc.
- ✓ Mission: to provide a stable and secure natural gas supply and an effective market functioning in the Baltic Sea region
- ✓ Goals
  - to become leader of the Baltic region taking advantage of the storage and the geographical situation
  - to ensure a convenient and transparent availability of services

# SHARES

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- ✓ Shares
  - The number and par value of shares does not change
  - 39,900,000 shares; 1.4 EUR
  - Will continue to be quoted on the stock exchange
- ✓ All current shareholders may keep their shares



- ✓ Shares
  - Number of shares: 39,900,000
  - Par value: 1 EUR
  - Shareholders will decide whether it will be a public or closed company
  - Draft articles of association will be published at least a month before the foundation meeting
  - As per Energy Law amendments, the requirements on independence between the two companies have to be met also at owner level

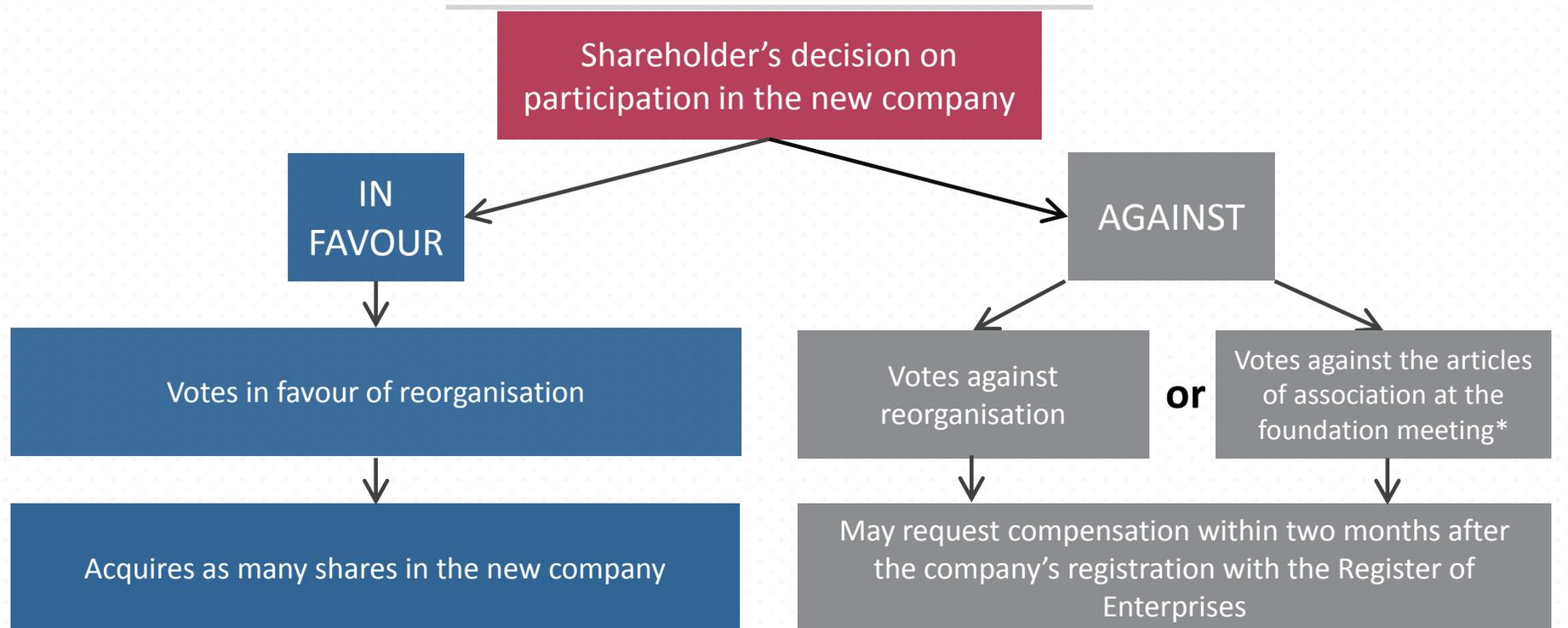


# **VOTING OPTIONS**

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**Certified lawyer Sandis Petrovičs speaks**

# VOTING



- ✓ Shares are available free of charge
- ✓ The last action will be taken into account (application or voting)
- ✓ Only persons holding shares as at the end of today will become shareholders

- ✓ In this case "compensation" is not a share repurchase offer within the meaning of the Financial Instruments Market Law
- ✓ The compensation will be calculated in 2017
- ✓ \*This option is available for those who have initially acquired shares (i.e., voted in favour of reorganisation or stated their will to become shareholders of the new company in writing)

# DOCUMENTS

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- ✓ Before today's voting, the following documents were available to shareholders on the Latvijas Gāze website and on the Nasdaq stock exchange system:
- Spin-off Decision
  - Reorganisation Prospectus
  - Asset Distribution Deed
  - Spin-off Balance Sheet
  - Auditors' opinions:
    - Verification of draft Spin-off Decision
    - Sufficiency of the assets to be transferred for the fixed capital of Conexus

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# YOUR QUESTIONS ARE WELCOME!

Follow the further course of reorganisation on the Latvijas Gāze website [www.lg.lv](http://www.lg.lv) or on the Nasdaq stock exchange website [www.NasdaqBaltic.com](http://www.NasdaqBaltic.com)

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