

Latvijas Gāze Board members acquire a substantial stake in the Joint Stock Company "Latvijas Gāze"

As part of the ongoing management buy-out process, Members of the Board of the Public Joint Stock Company "Latvijas Gāze" (hereinafter – Latvijas Gāze) Aigars Kalvītis, Elita Dreimane and Egīls Lapsalis have, via their special purpose vehicle SIA "Energy Investments", acquired a substantial stake in Latvijas Gāze. The deal has been struck between the Luxembourg-based investment fund "Marguerite Gas II S.Ā.R.L" (hereinafter – Marguerite) and SIA "Energy Investments" (hereinafter – Energy Investments) for the purchase of all 28.97% of shares owned by the Marguerite fund.

According to the management of Latvijas Gāze, it believes in the company's future and the management buy-out process will enable Latvijas Gāze to not only maintain its position as one of the Baltic energy leaders but also lead the way in innovative products and services based on the major international market trends. The new energy market reality necessitates a balanced availability of different energy resource products whilst also offering adequate and competitive energy costs to Latvian manufacturing companies. Furthermore, with a smart and long-term oriented policy in place, it is possible to satisfy the Latvian households' demand without dramatic hikes in the price of gas or other energy sources.

The intended mid-term strategy will also require substantial financial investments. The management team has started working on a new Latvijas Gāze strategy which encompasses expansion into the Baltic renewables market. To that end, it has negotiated and continues to negotiate with and encourage domestic capital credit institutions and non-bank financiers to assess their capabilities and strategies towards reducing the dependence of Latvijas Gāze on foreign capital and thus also contributing to Latvia's energy independence. Chairman of the Board of Latvijas Gāze Aigars Kalvītis says: "To me, a successful development of events in the management buy-out process would be one where Latvian capital ends up holding at least a controlling majority in Latvijas Gāze. Perhaps this is also the right time for the entire capital of Latvijas Gāze to be related to Latvia. The completed deal for the purchase of 28.97% of shares in Latvijas Gāze could mark the management team's first successful step in the management buy-out process. Further steps in the process will depend on the responsiveness of Latvian domestic capital and the possible negotiations with financiers and mid-term investors who believe in the professionalism of the management team of Latvijas Gāze."

Nicolas Merigo Cook, former Member of the Council of Latvijas Gāze representing Marguerite, points out that he has been pleased of the opportunity to be a shareholder of Latvijas Gāze for seven years: "During this time, we have taken part in the opening of the natural gas market, first separating the unified natural gas transmission and storage operator "Conexus" and later the natural gas distribution system operator "Gasol" as a subsidiary which recently found a new strategic shareholder – the Estonian "Eesti Gaas". Over these years, we have established a constructive dialogue with the management of Latvijas Gāze, so I wish them success in accomplishing their goal – making Latvijas Gāze a domestic capital company with an active vision adapted to the general energy market trends."

Yours sincerely,

on behalf of AS "Latvijas Gāze" and SIA "Energy Investments",

Aigars Kalvītis

Riga, November 24, 2023.