Lietuvos energija TIEKIMAS

LIETUVOS ENERGIJOS TIEKIMAS: PART OF LIETUVOS ENERGIJA GROUP

Lietuvos Energija (LE) Group structure

Ministry of Finance of the Republic of Lithuania

Lietuvos energija

Power generation | Renewables | Distribution (DSO) | Energy supply

Power generation:
- Lietuvos energija GAMYBA
- Lietuvos energija VILNIAUS KOGENERACINĖ JĖGAINĖ
- Lietuvos energija KAUNO KOGENERACINĖ JĖGAINĖ

Renewables:
- Lietuvos energija RENEWABLES

Distribution (DSO):
- eso

Energy supply:
- Lietuvos energija TIEKIMAS
- ENERGIJOS TIEKIMAS

merger in 2019

Shared Services (IT, HR, Accounting, Procurement, Legal, Communication)

Lietuvos energija TIEKIMAS

LE Group key figures 2018

REVENUES

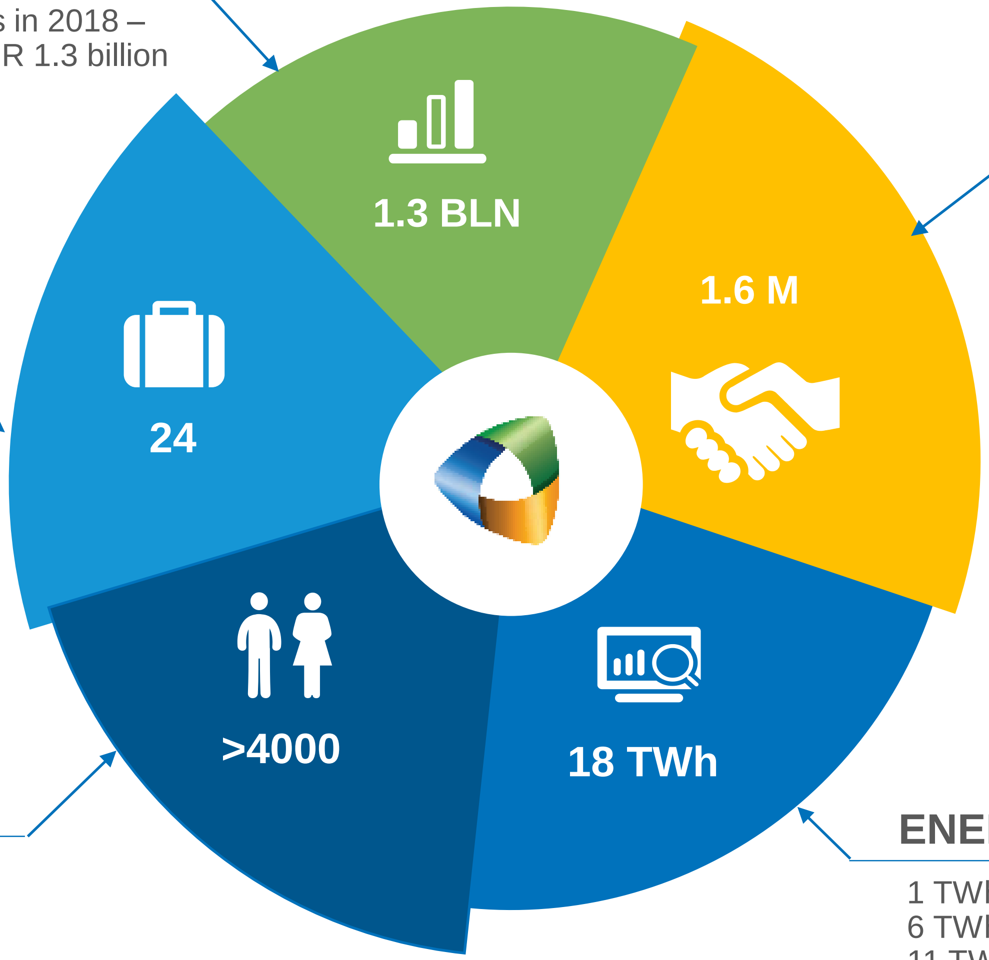
Revenues in 2018 –
above EUR 1.3 billion

CLIENTS

More than 1.6 M
clients in Lithuania

COMPANIES

24 companies
in LE Group



EMPLOYEES

We have more than
4000 employees

ENERGY PORTFOLIO

1 TWh power production
6 TWh power sales
11 TWh natural gas sales

Lietuvos Energijos Tiekimas (LET) key figures 2018

NATURAL GAS / LNG

***LET (LDT+LITGAS)** activities, 2018*

10.8	TWh
333 m	EUR
7,100	B2B customers
587,000	B2C customers
43	Corporate clients (energy producers)

POWER SUPPLY (B2B)

***ET** activities, 2018*

1.7	TWh (B2B supply)
4.4	TWh (Wholesale trading)

POWER SUPPLY (B2C)

Started in Q4 2018, forecast 2019

2.85	TWh
290 m	EUR
16,000	B2B customers
1,6 m	B2C customers

LET natural gas activities

Regulated activity:
LNG for constant terminal operations

- Designated supplier (10 years) – entity of strategic importance to national security
- Long-term contract with Equinor ASA up to 2024
- Annual delivered volume 3.8 TWh (4 LNG cargoes per year)

Commercial activity:
Gas supply and trading

- Leading gas supplier to businesses
- Leading gas supplier to households
- Gas sales in other Baltic countries

Commercial activity:
LNG trading

- SPOT LNG purchases
- SPOT LNG sales
- Master Trade Agreements with 12 global LNG suppliers

Commercial activity:
SSLNG development

- Offshore LNG (reloading)

- Onshore LNG (truck loadings)

- Other business areas

LNG supplies to Klaipeda LNG Terminal

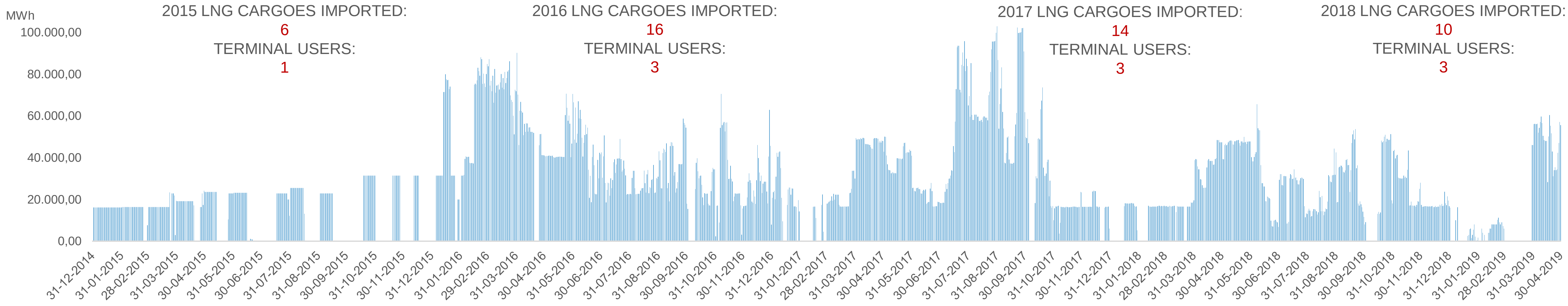
2015 — equinor

2016 — equinor

2017 — equinor, CHENIERE, Naturgy, KOCH SUPPLY & TRADING

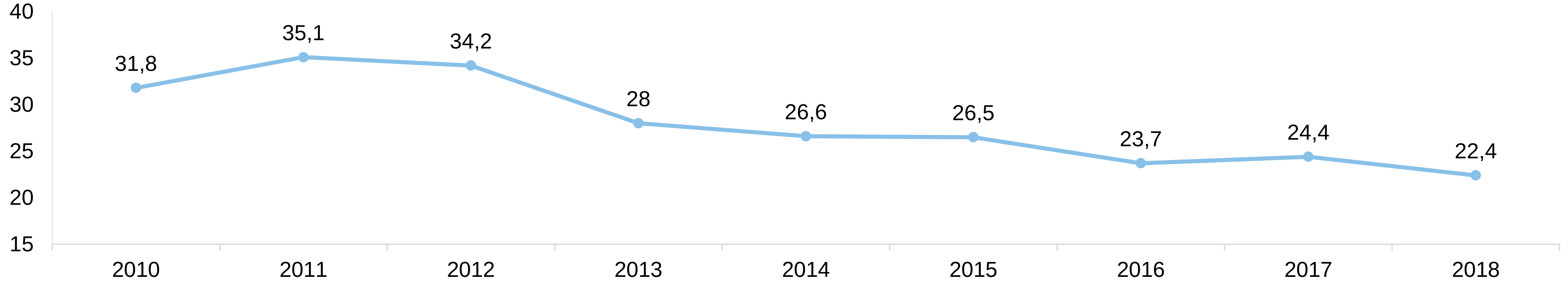
2018 — equinor

2019 — equinor, TOTAL

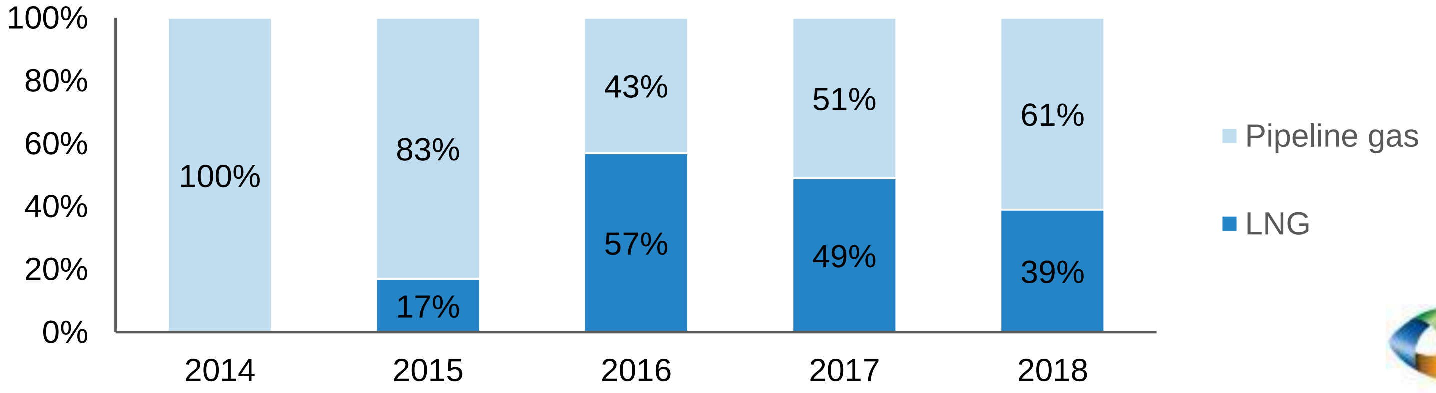


Natural gas market in Lithuania

Lithuanian natural gas consumption 2010 – 2018 (TWh)



Lithuanian natural gas import structure 2014 – 2018 (%)



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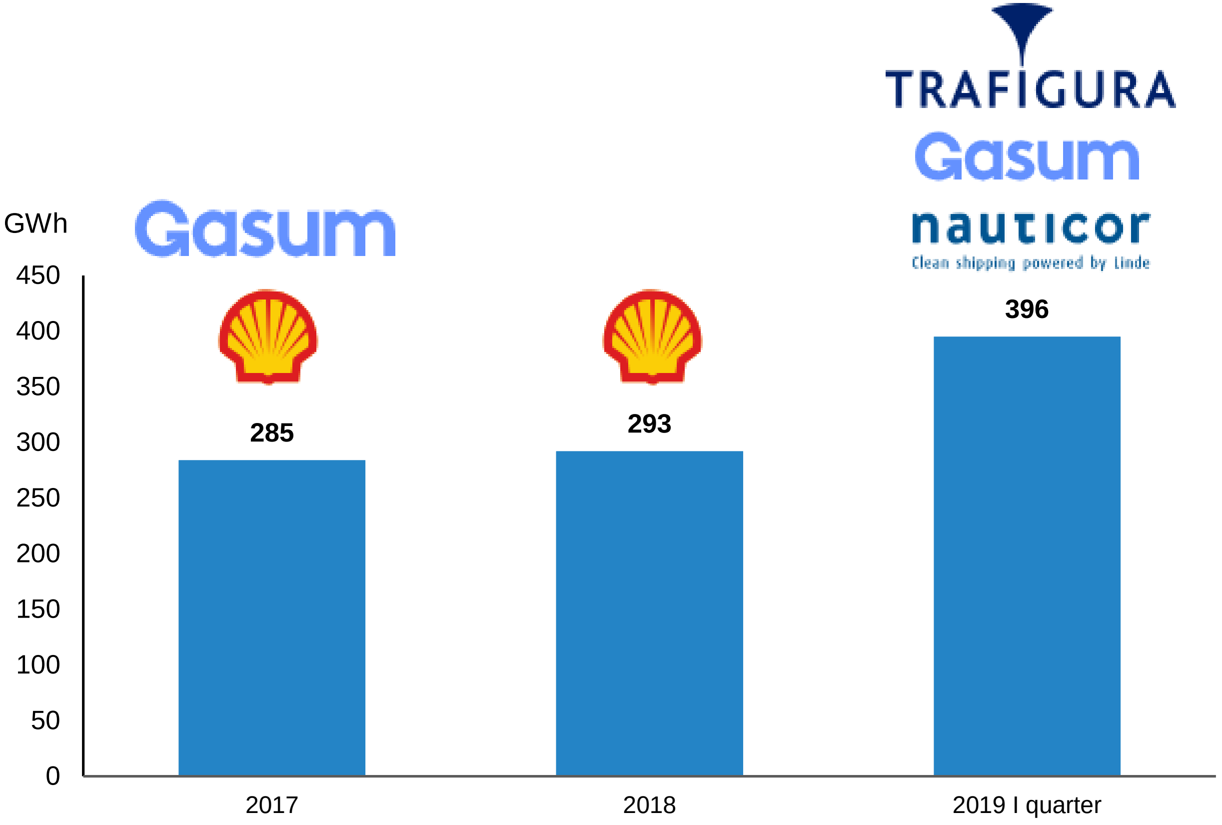
New opportunities for SSLNG development in Lithuania (offshore)



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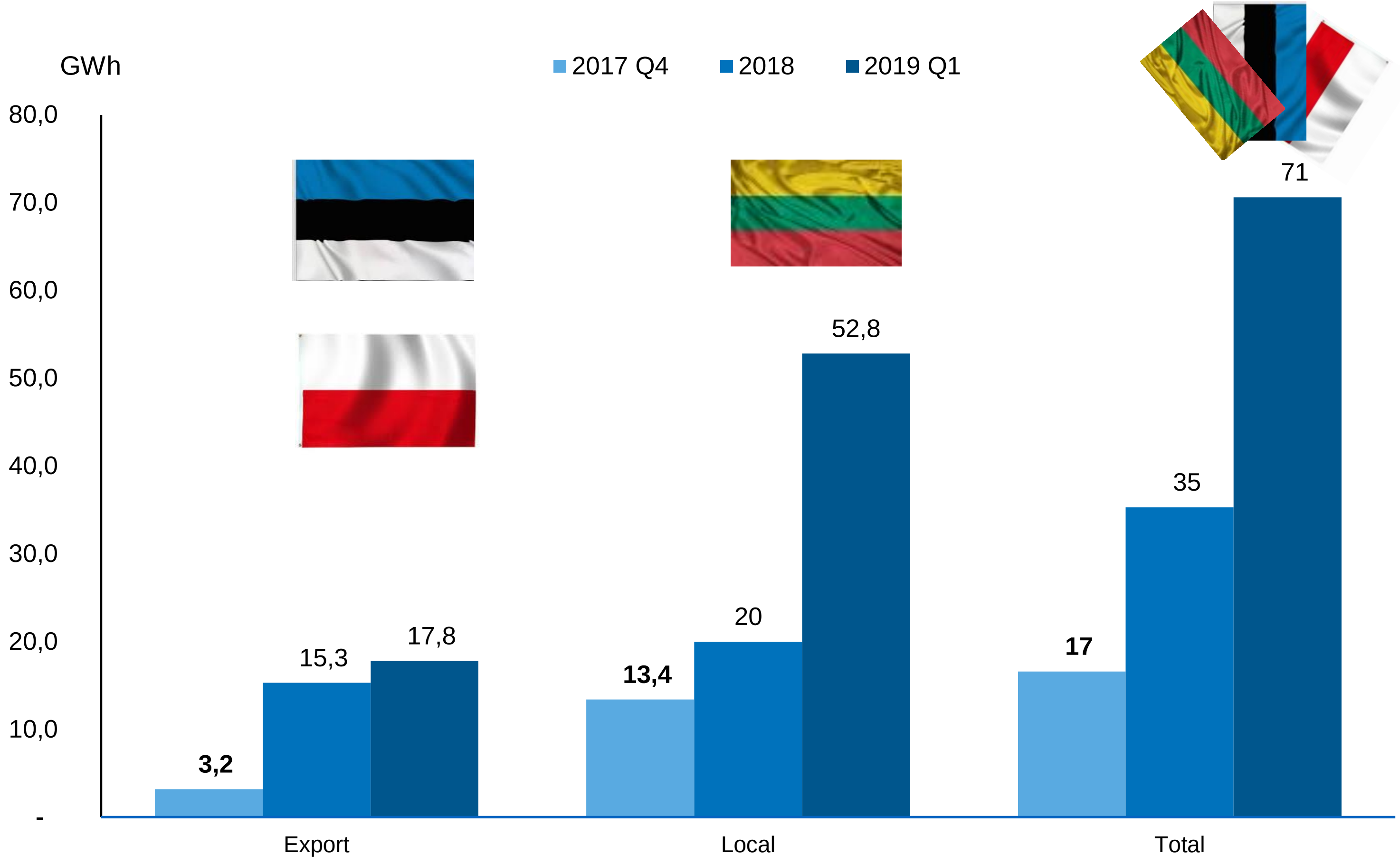
New opportunities for SSLNG development in Lithuania (onshore sales)



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Druskininkai – icebreaker in Lithuanian LNG re-gas market (first year of operations)

Before 2018	Status quo	
Local grid (disconnected from national distribution system)	2 683 active clients 190 k m3 gas demand for households	Increased competition and diversification of supply Security of supply achieved
Inadequate investments needed for connection (approx. 5 mill. Eur))	800 k m3 gas demand for boiler plants	Natural gas prices for households decreased by double
The only source of supply (pipeline from the Belarus)	Temporary LNG re-gas infrastructure well established	Permanent LNG infrastructure is being established (to be finished at 2020 Q2)
High natural gas prices (the highest in Lithuania)	Constant supply scheme implemented	
1000 users disconnected (by choice)	New household and business clients approaching	Contagious example and snowball effect in the market (LNG re-gas cases established and developed)

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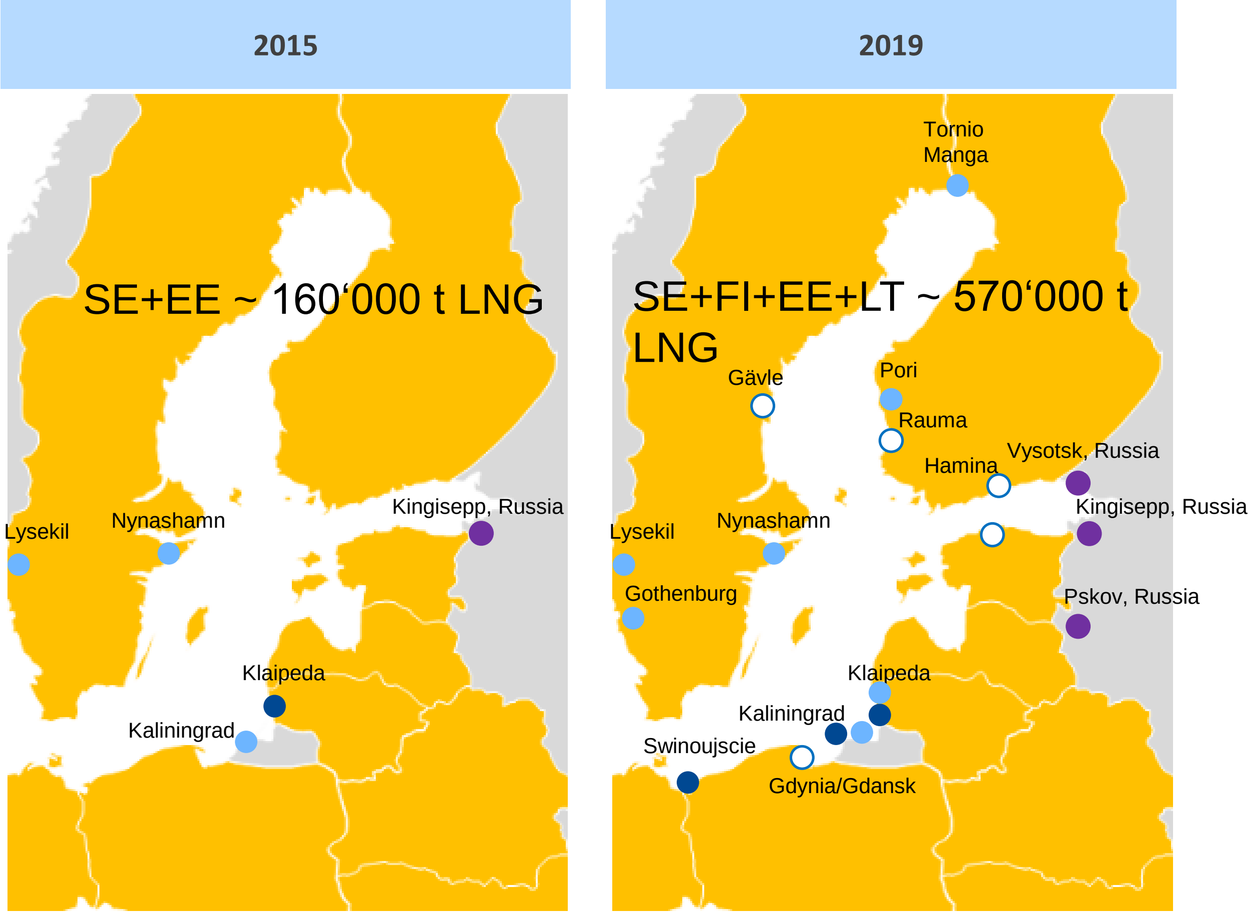
SSLNG development in the near-future

- SSLNG growth in the Baltics by ~3.5 times since 2015
- Fast LNG infrastructure and shipping capacity development
- New LNG demand and supply sources
- Market can grow up to 1 million tones of LNG in the coming 3-5 years
- Impact on gas competitiveness versus traditional fuels (diesel, LPG, fuel oil) in the Baltic region
- Near-future LNG projects (PL, DE, EE and etc.)



- Large-scale LNG import terminals
- Small-scale LNG import terminals (5.000-30.000m3)
- LNG liquefaction terminals
- Under construction/planned small-scale LNG import terminals

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Main benefits of SSLNG development in the Baltic region

- Clean fuel
- Alternative gas supply source
- Creation of market competition
- Lower prices
- Supply security

Higher usage of **clean fuel**

Market competition and **lower LNG prices**

Increased market reach and **regional exports**

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