AKCIJU SABIEDRĪBA "LATVIJAS KUĢNIECĪBA"
(established and registered in Latvia with registration number 40003021108)

Offer of up to 400 000 000 newly issued category B registered shares in paper form with a nominal value of EUR 0.30 per share by akciju sabiedrība "LATVIJAS KUĢNIECĪBA"

SUMMARY

This summary has been constructed on a modular basis according to Annex XXII of the Prospectus Regulation. The summary is made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A-E, as set out below. This summary contains all the Elements required to be included in a summary for this type of shares and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though a specific Element may be required to be inserted in the summary due to the relevant type of shares and issuer, it is possible that no relevant information can be given regarding such Element. In such case, a short description of the Element is included in the summary followed by the mention "not applicable".

Section A—Introduction and Warnings	
A.1 Warning	This summary should be read as introduction to the Prospectus. Any decision to invest in the Shares should be based on consideration of the Prospectus as a whole by the Shareholders. If a claim relating to the information contained in the Prospectus is filed in a court under the national legislation of the relevant member state of the European Economic Area (EEA), the claimant Shareholder may have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability concerns only those entities which have submitted the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information to aid the Shareholders when considering whether to invest in the Shares.
A.2 Consent by the issuer for drawing up and	Not applicable.

using the Prospectus	
Section B—Issuer	
B.1 Legal and commercial name	Akciju sabiedrība [in English: *joint-stock company*] LATVIJAS KUĢNIECĪBA. In this summary, references to "the Group" or "the Company Group" mean the Company and its subsidiaries, being legal entities in which the Company directly or indirectly holds more than 50% of shares.
B.2 Legal form/country of incorporation/ domicile	The Company is a joint-stock company incorporated in and operating under the laws of the Republic of Latvia, including the Commercial Law.
B.3 Key factors relating to current operations, principal activities and main categories of services offered	The Group is mainly engaged in transportation of petroleum products, chemicals and crude oil utilizing its Handysize and medium range tanker fleet. The Group's fleet is trading worldwide ranging from the Baltic Sea and Northern Europe to the Black Sea, the Mediterranean, the Atlantic Ocean, the Caribbean region, as well as Middle East and Far East. Furthermore, the Group's fleet tankers are built to an ice class, giving its customers even greater trading flexibility during harsh winter periods. The Group's strategic goal is to maintain a modern flexible fleet to ensure competitiveness among world's Handysize and medium range tanker owners. The Group intends periodically, and when economically viable, to purchase new vessels. The objective of this core strategy is to improve shareholder value. Most of the Group's business activity takes place in 16 single-vessel companies, each being the owner of the respective vessel. Each vessel exhibits similar short-term financial performance and similar economic characteristics to the other vessels within the relevant vessel class. Since the third quarter of 2014, the Group has owned vessels spanning two different classes – Handysize and Medium. Being the owners of the respective assets (vessels), the single-vessel Group companies perform repayment of loans granted to them as well as payment of related expenses. One of the Group's subsidiaries is LSC Shipmanagement, which provides technical management services to the vessels and ensures effective and safe operation thereof; provides advice on new shipbuilding projects and evaluation of vessels' technical condition as well as

	provides crewing services for oil and chemical tankers. LASCO Investment directly and indirectly owns a number of real estate properties in Latvia which it intends to sell, hence, the Group is also involved in the real estate market in Latvia.
B.4a Significant recent trends	The oil product tanker market freight rates, unlike in most other non-oil related shipping sectors, have generally provided vessel owners with stable but unexciting earnings over recent years. Demand for refined oil continues but fleet growth in the product tanker sector continues to cap any potential upward momentum in shipping rates. Throughout 2016 and so far in 2017, ship-owners' earning levels have remained relatively low. The main factors impairing the shipping market have been reduced tonne miles, particularly in the medium range fleet segment (with shorter voyages increasing the supply of vessels available at any time for transporting oil products). For longer voyages, larger product tankers are preferred because of their volume efficiency. The oil market has also become more efficient: for instance, fuel deliveries in Nigeria have involved substantially fewer idling vessels awaiting offload. The medium size tanker fleet has grown by 6.5% globally in 2016, with 87 new medium size vessels. In 2017, supply of 75 additional medium size tankers is expected, which would ensure additional 5% annual increase in the overall worldwide tanker fleet. Standing orders for the years 2018 and 2019 are currently reaching 80 tanker vessels; shipbuilding facilities have the capacity to take more orders. Successful operation of these additional vessels will depend on improvements in global economy as compared to the current observations. Technical and crew management of vessels owned by third parties is becoming increasingly important to the Group's activities. This field is considered a substantial development segment for the Group. As of the time of approval of this Prospectus, LSC Shipmanagement is providing technical management not only to the fleet owned by the Group, but also to nine third-party tanker vessels, totalling 25 vessels under its technical management. Between publishing the financial statements for 2016 and the date of this Prospectus, the following substantial changes to the business activities, the structure and the financial standing of the Group have occurred: - In April 2017, LSC Shipmanagement expanded the

	fleet under its technical management to include tanker vessel "Elandra Eagle", which currently is the largest vessel managed by LSC Shipmanagement. In June, tanker vessel "Elandra Falcon" was added to the fleet. - In June 2017, the Company's Subsidiary SIA "LASCO Investment" sold its investment property, the "Preses nams" printing-house building in Riga. The transaction value was 16.8 million EUR. - LASCO Investment used the proceeds from the sale of the "Preses nams" property to partly repay the loan to AS "Ventspils nafta" (EUR 16.8 million); - In August 2017, the Company sold its current office building in Riga, at 1 Elizabetes Street. The sales price was EUR 4.2 million. The Company's office will remain at the current premises until January 2018. The Company has signed an agreement with "Place Eleven", located at 11 Sporta Street in the Skanste neighbourhood, on the lease of the building's 8th floor.
B.5 Group	The Group's corporate structure has been shaped based on generally accepted shipping industry principles. Namely, the Group owns several subsidiaries, some of which, in turn, own single-vessel companies as the registered owners of the vessels. The composition of the Group Companies is as follows: - Holding company "Latmar Holdings Corporation" is composed of a 100% owned subsidiary registered in Latvia (provider of vessel technical management services), a sub-holding company and 15 companies in liquidation; - Holding company "LSC Holdings Limited" is composed of 17 single-vessel subsidiaries registered in the Marshall Islands, all fully owned by "LSC Holdings Limited"; - Holding company "Arctic Holding Corporation" is composed of two single-vessel subsidiaries registered in the Marshall Islands, both fully owned by "Arctic Holding Corporation"; - SIA "LASCO Investment" owns one 100% owned subsidiary registered in Latvia. The main activity of SIA "LASCO Investment" is lease of real estate and management of the subsidiary; - SIA "LSC IT" is a 100% owned subsidiary of the Company registered in Latvia, ensuring the

	provision of IT services.
B.6 Shareholders and voting rights	As of the date of this Prospectus, the following are the largest shareholders of the Company (holding over 5% of shares), along with specification of the number of shares and votes they hold: **Shareholder** / **Shares held** / **Ownership, %** Vitol Netherlands B.V. / 182 007 609 / 91.004% Other shareholders* / 17 992 391 / 8.996% ** Shareholders holding less than 5% of the Company's share capital each.*
B.7 Selected key historical financial information	Selected key financial information from the Company's separate audited financial statements and the Group's consolidated audited financial statements for the reporting years ended 31 December 2014, 31 December 2015 and 31 December 2016, as well as the key financial information from the unaudited, condensed consolidated financial statements of the Group for the first half a year of 2017:

Consolidated results of operation

Year 2015 as compared to year 2014

	USD'000		
	2015	**2014**	**Variance**
Loss for the year	**-7 219**	**-31 156**	**23 937**

	EUR'000		
	2015	**2014**	**Variance**
Loss for the year	**-5 800**	**-25 354**	**19 554**

The consolidated financial result of the Group for year 2015 was a net loss of USD 7.2 million, which has decreased by USD 23.9 million in comparison to USD 31.2 million loss incurred in 2014. This improvement was achieved primarily through materially lower level of loss incurred from revaluation/decrease of non-financial asset value.

Consolidated results of operation

Year 2016 as compared to year 2015 and 6 months of year 2017

	USD'000			
	2016	**2015**	**Variance**	**2017 (6 months)**
Loss for	**-25 001**	**-7 219**	**-17 782**	**9 386**

		the year			

	EUR'000			
	2016	2015	Variance	2017 (6 months)
Loss for the year	-20 987	-5 800	-15 187	8 597

The consolidated financial result of the Group for 2016 was a net loss of USD 25.0 million, resulting in an increase of USD 17.8 million as compared to USD 7.2 million loss incurred in 2015. The said deterioration is predominantly due to materially higher fleet depreciation that increased by USD 22.1 million.

Consolidated assets

Year 2015 as compared to year 2014

	USD'000		
	2015	2014	Variance
Total assets	417 024	421 815	-4 791

	EUR'000		
	2015	2014	Variance
Total assets	383 047	347 431	-35 616

As at 31st December 2015, the total sum of the Group's assets was USD 417.0 million versus USD 421.8 million as at 31st December 2014. This decrease is attributable mainly to the depreciation of the fleet and the sale of investment in JSC Latvijas Naftas Tranzīts. However, the asset value was positively affected by regaining control over real estate properties owned by LASCO Investment.

Consolidated assets

Year 2016 as compared to year 2015 and to 30th June 2017

	USD'000			
	2016	2015	Variance	2017 (30th June)
Total assets	355 893	417 024	-61 131	334 307

	EUR'000			
	2016	2015	Variance	2017 (30th June)
Total assets	337 625	383 047	-45 422	292 917

As at 31st December 2016, the total sum of the Group's assets was USD 355.9 million, in comparison to USD 417.0 million as at 31st December 2015. The decrease is attributable mainly to depreciation of the fleet and the loss from the fleet revaluation.

Consolidated equity and liabilities

As at 31st December 2015 as compared to 31st December 2014

	USD'000		
	2015	**2014**	**Variance**
Total equity	**155 389**	**163 457**	**-8 068**
Total non-current and current liabilities	**261 635**	**258 358**	**3 277**
Total equity and liabilities	**417 024**	**421 815**	**-4 791**

	EUR'000		
	2015	**2014**	**Variance**
Total equity	**142 729**	**134 633**	**8 096**
Total non-current and current liabilities	**240 318**	**212 798**	**27 520**
Total equity and liabilities	**383 047**	**347 431**	**35 616**

As at 31st December 2015, the Group's equity was USD 155.4 million, reflecting a decrease in USD 8.1 million as compared to 31st December 2014. The said decrease resulted from changes in the Group's "Retained earnings and other components of equity and Non-controlling interest". The increase in USD 3.3 million in the total non-current and current liabilities (from USD 258.4 million as at 31st December 2014 to USD 261.6 million as at 31st December 2015) is a net effect of the reduction in the total balance within Loans from banks due to regular credit payments and the recognition of debts of LASCO Investment as a result of the resumption of company's consolidation due to recovery of control.

Consolidated equity and liabilities

Year 2016 as compared to year 2015 and 6 months of year 2017

	USD'000			
	2016	**2015**	**Variance**	**2017**

Total equity	**150 235**	**155 389**	**-5 154**	**157 116**
Total non-current and current liabilities	**205 658**	**261 635**	**-55 977**	**177 191**
Total equity and liabilities	**355 893**	**417 024**	**-61 131**	**334 307**

	EUR'000			
	2016	**2015**	**Variance**	**2017**
Total equity	**142 525**	**142 729**	**-204**	**137 664**
Total non-current and current liabilities	**195 100**	**240 318**	**-45 218**	**155 253**
Total equity and liabilities	**337 625**	**383 047**	**-45 422**	**292 917**

As at 31st December 2016, the Group's Equity was USD 150.2 million, reflecting a decrease in USD 5.2 million as compared to 31st December 2015. The mentioned decrease is due to the negative change in the Group's "Retained earnings and other components of equity". The decrease in the Total non-current and current liabilities by USD 56.0 million (from USD 261.6 million as of 31st December 2015 to USD 205.7 million as of 31st December 2016) is explained by reduction in the total balance within regular debt services and prepayment of the Loans from banks, as well as by the decrease within total balance of debt suppliers and other creditors due to the partial repayment of debts to JSC Ventspils nafta.

Consolidated balance of cash and cash equivalents

Year 2015 as compared year 2014

	USD'000		
	2015	**2014**	**Variance**
Cash and cash equivalents at the end of the year	**21 987**	**27 925**	**-5 938**

	EUR'000		
	2015	**2014**	**Variance**
Cash and cash equivalents at the end of the year	**20 195**	**23 001**	**-2 806**

The improvement in USD 5.8 million in the Net cash flow, generated in the operating activities in year 2015 as compared to year 2014, reflects positive changes in the Net cash flow from both shipping and non-shipping operating activities. The year 2015 resulted for the Group in a negative net cash flow due to investment activities in the amount of USD 5.3 million. The referred outcome was in USD 6.4 million smaller as compared to the positive investment cash flow activities in 2014 in the amount of USD 1.1 million. The Group's Net cash flows used in financing activities in 2015 improved by USD 3.3 million in comparison to 2014. All the aforementioned activities contributed to decrease in the Group's balance of cash and cash equivalents by USD 5.9 million in 2015.

Consolidated balance of cash and cash equivalents

Year 2016 as compared to year 2015 and 6 months of year 2017

	USD'000			
	2016	**2015**	**Variance**	**2017 (6 months)**
Cash and cash equivalents at the end of the year	**15 865**	**21 987**	**-6 122**	**22 207**

	EUR'000			
	2016	**2015**	**Variance**	**2017 (6 months)**
Cash and cash equivalents at the end of the year	**15 052**	**20 195**	**-5 143**	**19 457**

The improvement in USD 10.4 million in the Net cash flow generated from operating activities in 2016, as compared to 2015, is explained by the received proceeds from the loan note in the amount of USD 16.0 million. Year 2016 resulted in the Group's negative net cash flow in the amount of USD 2.4 million, thereby improving by USD 2.9 million in comparison to the negative net investment cash inflow of USD 5.3 million in 2015. The Group's Net cash flows used in financing activities in year 2016 was negative and amounted to USD 60.6 million, reflecting a deterioration in USD 13.5 million in comparison to 2015 due to regular debt service remaining at the same level as in 2015. Since the regular loan payments remained at the same level as in 2015, the total amount of voluntarily early repayments and the agreed repayments in year 2016 were USD 14.0 million greater as compared to 2015.

	All the aforementioned activities resulted in the decrease of the Group's balance of Cash and cash equivalents by USD 6.1 million in year 2016.
B.8 Selected key *pro forma* financial information	Not applicable. The Prospectus includes no *pro forma* financial information, and the Company has no obligation to present *pro forma* financial information in the Prospectus.
B.9 Profit forecast	Not applicable. The Prospectus includes no profit forecast or evaluation.
B.10 Qualifications in audit report	Not applicable. No qualifications were contained in previous financial data audit reports.
B.11 Explanation on the working capital	Not applicable. The working capital of the Company is sufficient to continue operations of the Company.
Section C—Securities	
C.1 Type and class of the securities, security identification number	Within framework of the Offer, the Company offers up to 400 000 000 (four hundred million) newly issued category B registered Company shares in paper form with a nominal value of EUR 0.30 (thirty cents) per share. Each newly issued category B share gives 1 (one) vote at a Shareholders' Meeting, the right to liquidation quota, as well as to receive dividends in reduced amount. The Offer Shares will not be listed for trading on the official Baltic Main List of the Nasdaq Riga stock exchange.
C.2 Currency	The currency of the Shares is the Euro (EUR).
C.3 Issued share capital	As of the date of this Prospectus, the Company's issued share capital consists of 200 000 000 (two hundred million) dematerialised bearer Shares with a nominal value of EUR 0.30 per Share, all of which are fully paid. All Shares entitle their respective holders to equal voting rights, liquidation quotas and dividends. The Company's Shares are currently listed and traded on the regulated market – on the Baltic Main List of the Nasdaq Riga stock exchange.
C.4 Description of the securities related rights	In accordance with the Commercial Law and the Company's Articles of Association, the holder of Shares and Offer Shares has the following rights (among the other): - to subscribe for shares, on a pro rata basis to existing shareholding due to any of the increase of Company's share capital or the issuance of any new shares or securities convertible into, exchangeable

	for, or otherwise granting the right to acquire shares (including options, warrants and other rights); - to attend and vote personally or by proxy at Shareholders' Meeting; - to receive and review the Company's financial statements, minutes of the Shareholders' Meeting, shareholder register; - to receive a *pro rata* share of the Company's assets (following the repayment to creditors) in the event of the Company's liquidation; and - certain other rights provided for in accordance with the Commercial Law. The Shares provide the right to dividends, whereas the Offer Shares provide the right to dividends in reduced amount.
C.5 Restrictions on transferability	The Shares are freely transferable dematerialized bearer shares with no restrictions regarding their alienation. The Offer Shares are freely transferable registered shares in paper form with no restrictions regarding their alienation.
C.6 Admission to trading on the regulated market	The Shares will not be listed on the Baltic Main List of Nasdaq Riga for trading on the regulated market.
C.7 Dividend policy	The Shares provide the right to dividends, whereas the Offer Shares provide the right to dividends in reduced amount. In order to determine the dividend payment of each Offer Share, the total amount of the Company's profit to be distributed in dividends is divided by the total number of the Company's Shares (category A shares) and Offer Shares (category B shares) and the following result is multiplied by ratio of 0.9 (zero point nine). The Company cannot guarantee the payment of dividends in the future or, whether the dividends will be paid, and cannot make representations as to the value or the total amount of such dividends. The declaration and payment of any of the Company's dividends and the value of such dividends will be dependent on the future revenues of the Company, its financial position, capital requirements, future business outlook and other factors. Decision on the distribution of dividends is made by the Company's Shareholders' Meeting.

Section D—Risks	
D.1 Key information on the main risks of the issuer and its industry	A number of key risks are relevant to the Company, the occurrence of which may create a material adverse effect on the Company's business, prospects, financial condition, results of operations or cash flows: - Volatile economic conditions throughout the world may adversely affect the Group's operational and financial performance; for instance, the Group might be unable to charter its vessels at the rates as profitable as historically observed; it might be unable to operate the Group's vessels profitably; or the market value of the Group's vessels might decrease, thereby requiring it to sustain the losses if any of the Group's vessels is sold or its value deteriorates; - The current conditions of global financial markets and economy may negatively affect the Group's ability to attract financing at reasonable rates, and may have other negative impacts on the Group's operations; - The tanker vessel business has a cyclical nature and is volatile; the reduction in the business operations may negatively impact the Group's proceeds, income and cash flows; - The tanker industry has seen volatile charter rates and vessel values, and there is no assurance that charter rates or vessel values would allow the Group to operate successfully; - Demand for oil and oil product transportation may be affected substantially by the fluctuating oil prices and general demand for oil; - Excessive tanker vessel carrying capacity may lead to decrease in charter rates, vessel values and profitability indicators; - General shipping risks may affect the operations and reputation of the Group and have a substantial adverse impact on the Group's performance and financial condition; - The Group's operations may be negatively affected by piracy; - Safety and other requirements imposed on vessels by classification societies may be costly, thereby

	reducing the Group’s net cash flow and net income; - The Group is subject to complex regulations, including environmental protection laws, which may have an adverse effect on its business, operational results and financial condition; - Should the Group fail to comply with international safety requirements, it may be subject to increased liability, which could negatively impact its insurance arrangements and lead to prohibitions on access to, or delays at, certain ports. The key risks of the real estate market: - Fluctuations of the real estate market prices may lead to decreased sale proceeds or cause delay to the process of selling real estate properties owned by the Group; - Proceeds from the sale of real estate properties owned by the Group may be insufficient for the discharge of the underlying debt.
D.3 Key information on main risks of the securities	Key risks relating to the Company’s Shares: - No guarantee that the Company will pay dividends; - Increased number of Company’s shares in the event of capital increase may dilute Share prices and reduce the value of Shares held by the Shareholders who have not subscribed to the Offer Shares. The key risks relating to the Offer Shares and the Offer: - Risk of recall or suspension of the Offer; - Risks related to majority shareholders; - The Group’s credit risk.
Section E—Offer	
E.1 Total net proceeds and estimate of the total expenses of the prospective offer	The estimated amount of net proceeds is EUR 284 million. Total expected expenses of the Offer are estimated between EUR 20 thousand and EUR 100 thousand.
E.2a Reasons for the offer, use of proceeds	The purpose of the issue of the Offer Shares is to increase the Company’s share capital to partly cover the debt liabilities of the Group and to strengthen the competitiveness of the Company.

E.3 Terms and conditions of the offer	As part of the Offer, the Company will issue 400 000 000 (four hundred million) Offer Shares. All Offer Shares will be category B registered shares in paper form, with a nominal value of EUR 0.30 (thirty cents) per share. The sale price of each Offer Share is EUR 0.71 (seventy-one cents). The Offer will be held in two stages. If, after Stage 1, it is established that subscriptions to all the Offer Shares issued by the Company have been received, Stage 2 will not be initiated. Subscription to the Offer Shares during Stages 1 and 2 will be available solely to the Current Shareholders of the Company, *pro rata* to the total sum of nominal value of shares held by them on the Reporting Date. The right to subscription may not be assigned, sold, or otherwise transferred to any third party that is not a Current Shareholder of the Company as of the Reporting Date. If at the end of the subscription period of Stage 2 all the Offer Shares have not been subscribed to, the issue of the Offer Shares is considered as void. If the issue of the Offer Shares is considered as void, the funds collected will be accordingly refunded to the Current Shareholders that have subscribed to the Offer Shares. The Offer Shares will not be listed for trading on the regulated market on the Baltic Main List of Nasdaq Riga. Subscription to the Offer Shares takes place at the registered office of the Company, 1 Elizabetes Street, Riga, LV-1010, Latvia.
E.4 Material interests in the Offer	Not applicable. The Company has no information regarding possible conflicts of interest concerning the Offer Shares.
E.5 Information on the party and share lock-up	The Offer Shares are being offered within the framework of the Offer by the joint-stock company "LATVIJAS KUĢNIECĪBA". No share lock-up agreements have been concluded with regard to the Offer Shares.
E.6 Immediate dilution	In accordance with the provisions of the Offer, the Company gives a public offer to subscribe to the Offer Shares to the Company's Current Shareholders only. Therefore, if the Offer Shares are issued, and all of the Current Shareholders decide not to participate in the Offer, i.e. none of the Current Shareholders subscribes to the Offer Shares, dilution of the shareholding of the Current Shareholders is not possible. If not all of the Offer Shares are subscribed to at the end

	of the Stage 2 subscription period, the issue of the Offer Shares is considered as void.
E.7 Estimated expenses and charges to Investors	Not applicable. The Company will not apply any additional expenses to Shareholders in relation to the Offer Shares or the Offer.