LATVENERGO CONSOLIDATED AND LATVENERGO AS UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR 2024

CONTENTS

Management Report

Unaudited Condensed Financial Statements*

* *Financial Statements include* Latvenergo *consolidated and Latvenergo AS financial information prepared in accordance with the International Financial Reporting Standards as adopted by the European Union*

FINANCIAL CALENDAR

30. 04. 2025.
Latvenergo Consolidated and Latvenergo AS Annual Report 2024

30. 05. 2025.
Condensed Consolidated Interim Financial Statements for the first 3 months of 2025 (unaudited)

29. 08. 2025.
Condensed Consolidated Interim Financial Statements for the first 6 months of 2025 (unaudited)

28. 11. 2025.
Condensed Consolidated Interim Financial Statements for the first 9 months of 2025 (unaudited)

CONTACT DETAILS FOR INVESTOR RELATIONS

E-mail: investor.relations@latvenergo.lv

Website: http://www.latvenergo.lv

DISCLAIMER

The financial report includes future projections that are subject to risks, uncertainties and other important factors beyond the control of Latvenergo Group; therefore, the actual results in the future may differ materially from those stated or implied in the future projections.

The report has been prepared in Latvian and in English. In the event of any discrepancies between the Latvian and the English reports, the Latvian version shall prevail.

Highlights

Electricity and natural gas prices are lower.

In 2024, electricity and natural gas prices were lower than a year earlier. Electricity spot prices in the Baltics were on average 6% lower. Meanwhile, the average price of natural gas at the TTF (front month) reached 34 EUR/MWh, which is 30% lower than in 2023. The price of CO_2 emission allowances (EUA DEC futures) decreased by 22%, reaching 66 EUR/t.

Latvenergo Group produced 27% of the total electricity generated in the Baltics.

In 2024, electricity output at Latvenergo Group's plants reached 4,842 GWh, which is 6% less than a year earlier. Although electricity generation at the Daugava hydroelectric power stations (HPPs) decreased by 16% in the reporting year compared to 2023 due to lower water inflow in the Daugava River, it was 10% higher than the long-term average output, reaching 3,143 GWh. The amount of electricity generated at the Latvenergo AS combined heat and power plants (CHPPs) increased by 18%, reaching 1,633 GWh. The operation of the CHPPs is adjusted to the conditions of the market. The amount of heat energy generation has not changed significantly, reaching 1,665 GWh.

Latvenergo operates in all energy trade segments in Latvia, Lithuania and Estonia.

896 thous. customers

6,140 GWh of electricity sold to Baltic retail customers

65 thous. customers

1,190 GWh of natural gas sold to Baltic retail customers

In 2024, the Group supplied 6,140 GWh of electricity to Baltic retail customers, which is approximately the same as in 2023. Meanwhile, the volume of natural gas sold in retail reached 1,190 GWh, which is 33% more. The number of Latvenergo customers increased in both the electricity and natural gas segments. We have about 896 thousand electricity customers, and 284 thousand of them are outside Latvia. The number of natural gas customers comprised more than 65 thousand at the end of December.

EBITDA decreased by 2%.

MEUR

REVENUE	EBITDA	PROFIT	ASSETS
1,704.0	**588.9**	**276.8**	**4,441.2**

Due to lower energy sales prices, Latvenergo Group's revenue in 2024 was 16% or EUR 330 million lower than a year earlier. Meanwhile, a positive impact was seen from the increase in revenue in the distribution segment, following the implementation of the new distribution tariffs by Sadales tīkls AS on 1 July 2023.

With the decrease in electricity generation at the Daugava HPPs, the Group's EBITDA decreased by 2% compared to 2023, reaching EUR 589 million. Meanwhile, higher revenues in the distribution segment and lower natural gas purchase prices had a positive effect on EBITDA.

Investments in the Group's strategic objectives have increased 2.7 times.

In 2024, the total amount of investment increased 2.7 times, reaching EUR 530 million. About 2/3 of it or EUR 345 million was made in new wind and solar generation capacities. In 2024, Latvenergo AS purchased two wind projects: *Telšiai* (124 MW) in Lithuania and Laflora Energy SIA (109 MW) in Latvia. Both WPPs will enable the start of wind energy generation in 2026. In the reporting year, Akmene WPP (19.6 MW) started wind energy generation in Lithuania. New solar capacities are also being developed successfully. In 2024, Latvenergo AS acquired DSE Aizpute Solar SIA to construct its largest solar power plant to date, with a total capacity of 265 MW, by the end of 2025. At the end of 2024, Latvenergo Group had 14 solar parks with a total installed capacity of 102 MW.

Latvenergo AS receives the award for best investor relations.

After the end of the reporting year, in February 2025, Latvenergo AS, for the fourth time, won the award for the best investor relations among all bond issuers on the Nasdaq Baltic regulated markets in the Baltic countries. Since 2012, the bonds have been issued with consistently high investor valuations.

Events of 2024

JANUARY

The renewable energy generation portfolio of Latvenergo AS has expanded with seven solar energy park projects, with a total capacity of 40 MW.

Elektrum Lietuva UAB starts developing a wind farm with a capacity of up to 15 MW in Lithuania's Akmenė region, where it plans to invest EUR 30 million.

Sadales tīkls AS plans to invest an average of EUR 74 million annually in the modernization of the electricity grid across Latvia.

Elektrum donates EUR 100,000 for the restoration of electrical equipment in the Chernihiv power supply system.

FEBRUARY

A solar power plant, Bičiulystė, with a capacity of 13 MW, established by Elektrum Lietuva UAB, starts operations in Lithuania. The park plans to generate electricity for remote users.

Latvenergo AS is awarded the eSignature Champion title.

MARCH

The supervisory board of Latvenergo AS elects Aigars Laizāns as the new chairman of the board.

Sadales tīkls AS plans to equip transformer stations with solar panels.

APRIL

Latvenergo AS becomes the sole owner of Latvijas vēja parki SIA.

Latvenergo AS donates a high-voltage transformer, 60 tons of oil, and an air compressor for the restoration of Ukraine's energy system.

Latvenergo Group's Physics Festival takes place with more than 4,000 visitors.

Events of 2024

MAY

Latvenergo AS acquires a 124 MW wind energy project in Telšiai, Lithuania, which will begin producing wind energy in 2026.

The supervisory board of Latvenergo AS confirms Ilvija Boreiko as a member of the board.

Moody's assigns Latvenergo an NZ-3 rating on the Climate Goals Evaluation or Net Zero Assessment (NZ) scale.

JUNE

Elektrum Eesti OÜ opens a solar power plant in Lüganuse, Ida-Viru County, Estonia, with a total capacity of 7 MW.

Elektrum Drive, in collaboration with the local retail network *Elvi*, will develop an electric car charging network in Latvia. By investing EUR 2.2 million, 50 new electric car charging stations will be installed in 13 Latvian cities.

Latvenergo AS provides support for the organization of summer camps in Latvia, assisting children from Ukraine.

JULY

Elektrum Eesti OÜ expands its solar energy generation portfolio with a 17.4 MW solar park in Kuusalu, Estonia.

Latvenergo AS opens an 11.7 MW solar power plant in Birži, Jēkabpils municipality.

As part of the European Commission's Recovery and Resilience Mechanism project, the first electric vehicle charging stations are opened in Ventspils with 24 charging points.

AUGUST

With the support of Connecting Europe Facility (CEF) funding, *Elektrum Drive* will develop the largest high-capacity charging network in the Baltics by 2026, with 216 charging points at 55 stations across the European transport network (TEN-T).

Latvenergo AS signs a short-term loan agreement with Swedbank AS for the amount of EUR 100 million.

Sadales tīkls AS is involved in the conservation of the population of the specially protected common kestrel in rural areas.

Events of 2024

SEPTEMBER

The international credit rating agency Moody's confirms the credit rating of Latvenergo AS. The credit rating remains unchanged at the Baa2 level with a stable outlook.

Latvenergo AS acquires Laflora Energy SIA to build a wind power plant with a total capacity of 108.8 MW in the Kaigu swamp, Līvbērze parish, starting electricity generation in 2026.

Latvenergo AS opens the solar power plant *Jaunciems* with a total capacity of 13.4 MW, which is the largest in Riga.

Latvenergo AS and the U.S. Department of Energy's National Renewable Energy Laboratory (NREL) sign a research and development agreement to implement an energy transformation and industrial research project.

Elektrum Lietuva UAB receives the Namejs Award for "Fastest Service Export Growth to Lithuania in 2023".

Latvenergo AS donates 93 vehicles to support the Ukrainian community.

OCTOBER

Latvenergo AS ceremoniously announces the start of construction for the *Telšiai* wind farm in Lithuania by placing a symbolic capsule at its foundation.

Sadales tīkls AS signs a contract to receive EUR 60 million from the EU Recovery Fund.

Latvenergo AS donates EUR 200,000 to an oncology patient support programme.

Latvenergo AS provides equipment for the enhancement of physics classrooms in 20 schools.

NOVEMBER

Latvenergo AS acquires DSE Aizpute Solar SIA to construct its largest solar power plant to date, with a total capacity of 265 MW, by the end of 2025.

Elektrum Next SIA, a subsidiary of Latvenergo AS, is established. It will gradually consolidate the renewable energy assets developed within the Group in recent years and will further advance green energy projects.

Elektrum Drive opens the first five of the 90 planned high-capacity charging stations within the European TEN-T road network in the Baltic states.

Sadales tīkls AS will take on the leadership of the State Innovative Capital Company initiative in 2025.

DECEMBER

In 2024, Latvenergo AS celebrates its 85th anniversary, marking the period since the launch of the Ķegums HPP in 1939. Meanwhile, the Riga HPP marks 50 years since the first hydropower unit was activated.

Latvenergo AS opens a solar power plant in Priekule with a capacity of 8.4 MW.

Latvenergo AS secures a loan of EUR 230 million from the Nordic Investment Bank with a 15-year repayment term.

Latvenergo AS receives the Diamond category in the 2024 Sustainability Index and recognition for Sustainable Governance. Sadales tīkls AS and Liepājas enerģija SIA receive the Platinum category.

Latvenergo AS presents the Energy Awards of the Year.

Latvenergo Group joins The Red Jackets movement of the Latvian Exporters' Association.

The largest *Elektrum Drive* electric car charging park in Estonia opens at the "T1" shopping centre, where 34 electric vehicles can charge simultaneously.

Latvenergo Group in Brief

Latvenergo Group is one of the largest power suppliers and energy generators in the Baltics, operating in electricity and thermal energy generation and trade, natural gas trade, supply of products and services related to electricity consumption and energy efficiency, and electricity distribution services.

Latvenergo Group is comprised of a set of commercial enterprises, where the decisive influence is held by the parent company Latvenergo AS. All shares of Latvenergo AS are owned by the state and held by the Ministry of Economics of the Republic of Latvia. For more details, please see Note 9 attached to this report.

Latvenergo Group divides its operations into two operating segments: 1) generation and trade and 2) distribution. This division was made according to the internal organisational structure, which forms the basis for regular performance monitoring, decision-making on resources allocated to segments and their performance measurement. From a commercial point of view, each segment is managed differently.

The generation and trade segment

- comprises electricity and thermal energy generation operations, electricity and natural gas trade in the Baltics and administration of mandatory procurement in Latvia.

The distribution segment

- provides electricity distribution services in Latvia. Sadales tīkls AS is the largest state distribution system operator, covering approximately 99% of the territory of Latvia. Distribution system tariffs are approved by the Public Utilities Commission (PUC).

Latvenergo Group's Strategy

The European Union has prioritised issues pertaining to climate and environmental change, as well as digitalization. These priorities follow the European Commission's Communication on the European Green Deal of 2019, which focuses on the use of renewable energy sources (RES) and progress towards climate neutrality by 2050.

Taking into account the climate and energy policy settings and the significant changes they bring to the energy sector, at the end of 2021, the Cabinet of Ministers (CM) approved the general strategic objective for Latvenergo AS:

promote the competitiveness and growth of climate-neutral Latvia and increase the value of Latvenergo Group in the domestic market in the Baltics and beyond through developing and providing goods and services in the energy and related business value chains in a sustainable, innovative and economically sound manner and the effective management of resources and infrastructure that are strategically important for the country's development and security.

In March 2022, Latvenergo Group's medium-term strategy for 2022–2026, with strategic operational and financial objectives, was approved by the Supervisory Board of Latvenergo AS.

The strategy was developed in accordance with the guidelines on corporate governance of state-owned enterprises set by the Organization for Economic Cooperation and Development. Taking into account the general strategic objective set by the shareholder, the strategic priorities of Latvenergo Group were defined, which are further detailed in specific objectives. During the development phase of the strategy, extensive discussions were held in thematic working group sessions, which involved both the Group's employees and external experts. An online seminar was held to identify the Group's stakeholders' vision for the Group's development.

Latvia 2030 - Sustainable Development Strategy of Latvia outlines the need to promote the country's energy independence, and this goal can be achieved by developing the potential of renewable energy. The importance of energy dependence grew significantly after Russia's invasion of Ukraine, as the geopolitical situation in the region changed.

The financial objectives of the Strategy are divided into four groups: profitability, capital structure, dividend policy, and other targets.

The financial objectives are set to ensure:

- ambitious, yet achievable profitability, which is consistent with the average ratios of benchmark companies in the European energy sector and provides for an adequate return on the business risk;
- an optimal and industry-relevant capital structure that limits potential financial risks;
- an adequate dividend policy that is consistent with the planned investment policy and capital structure targets;
- an investment-grade credit rating to secure funding for the strategy's ambitious investment programme.

The Group's financial objectives

Target group	Ratio	Year 2026
Profitability	Return on equity (ROE) excluding distribution*	> 7%
Capital structure	Adjusted FFO / Net debt ratio	> 25%
Dividend policy	Dividend payout ratio	> 64%
Other	Moody's credit rating	Maintain an investment-grade credit rating

* The profitability of the regulated services provided by the Group is determined by the Public Utilities Commission. The most significant share in the Group's regulated services is the distribution service. When evaluating the fulfilment of the ROE target, the Group's return indicator will be assessed, excluding the regulated return on the distribution service – ROE excluding distribution.

Latvenergo Group's Strategy

The Group's strategic objectives

GENERATION

Expand and diversify the generation portfolio with green technologies.

The aim is to grow the renewable energy source (RES) generation portfolio, focusing on WPP and SPP:

- 2026: constructed or acquired WPP and SPP with total capacity of 600 MW;
- 2030+: constructed or acquired WPP and SPP with total capacity of 2,300 MW.

The objective also provides for:

- increasing the Daugava HPPs' asset value, guaranteeing their safe operation in the long run;
- ensuring stable, efficient and economically viable operation of the CHPPs in the long run.

TRADE

Strengthen the position of *Elektrum* as the most valuable energy trader in the Baltics.

The goal is to increase the customer portfolio by 15% compared to the year 2020; promote microgeneration, electrification, energy efficiency and product innovation.

ELECTROMOBILITY

Develop electrification of the transport sector.

The objective is to develop a public charging network in the Baltics:

- 2026: 1200-1,500 charging ports;
- 2030+: about 3,000 charging ports.

DISTRIBUTION

Ensure a sustainable and economically viable distribution service and improve the security and quality of electricity supply.

The objective is to systematically and cost-effectively improve the quality and security of electricity supply:

- SAIDI reduced to 160 min. in 2026;
- SAIFI reduced to 1.85 times in 2026.

It also envisages the creation of a two-way network for the development of microgeneration and the implementation of digital transformation and efficiency measures.

By implementing the strategy of Latvenergo Group, we plan to prevent CO_2 emissions* in this amount:

- **2026: 2.6 million tonnes**
- **2030: 17.8 million tonnes**

SDGs set as a priority and relevant to the Group's core business

In addition, the Group plans to develop innovative products, services and processes that are relevant to the Group's priority Sustainable Development Goals (SDGs). This target provides for the introduction of a culture of innovation in the Group, which supports: 1) research and development of innovative technologies; 2) development and implementation of innovative products and services, business directions and models; 3) systematic and continuous innovation to increase the efficiency of technological and corporate processes.

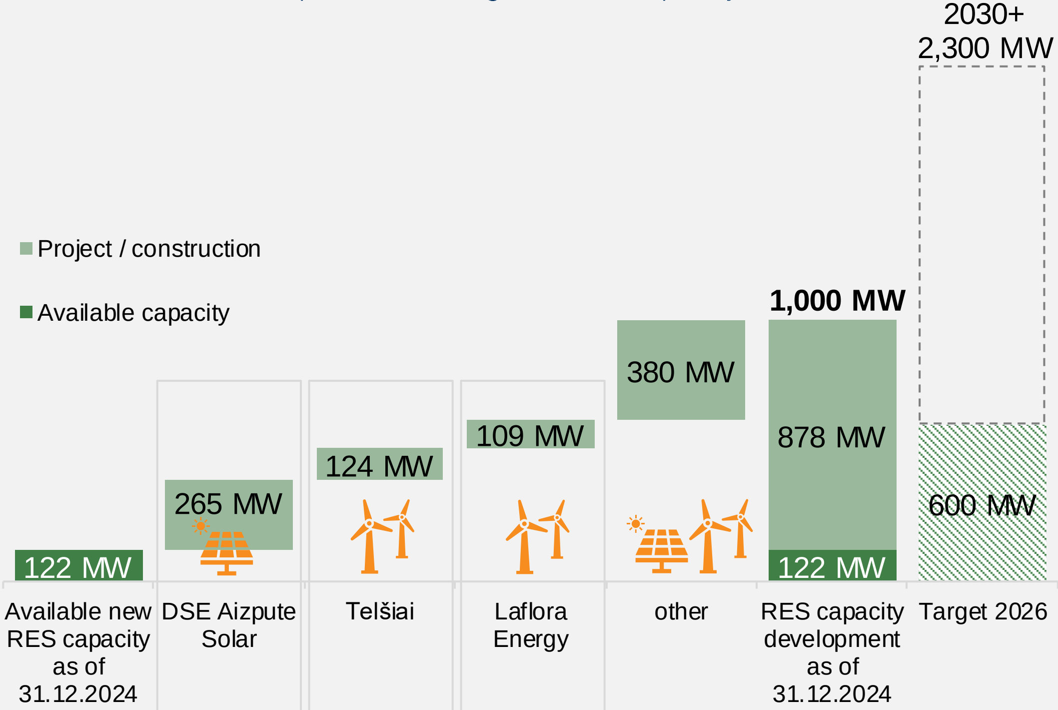
* the calculation is based on the assumption that the green energy generated by Latvenergo's new capacity replaces the same amount of energy that would be produced using coal or fuel stone

Latvenergo Group's Strategy

Progress of the Group's strategic objectives

GENERATION

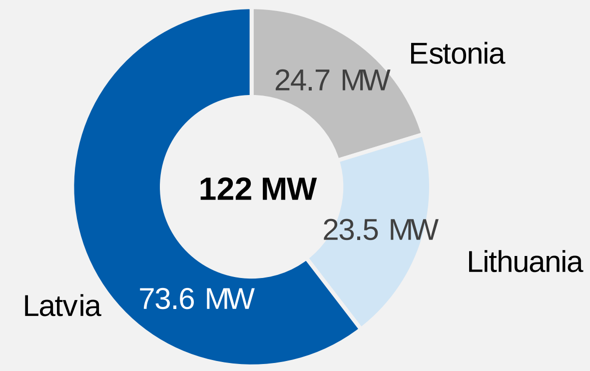
Development of RES generation capacity



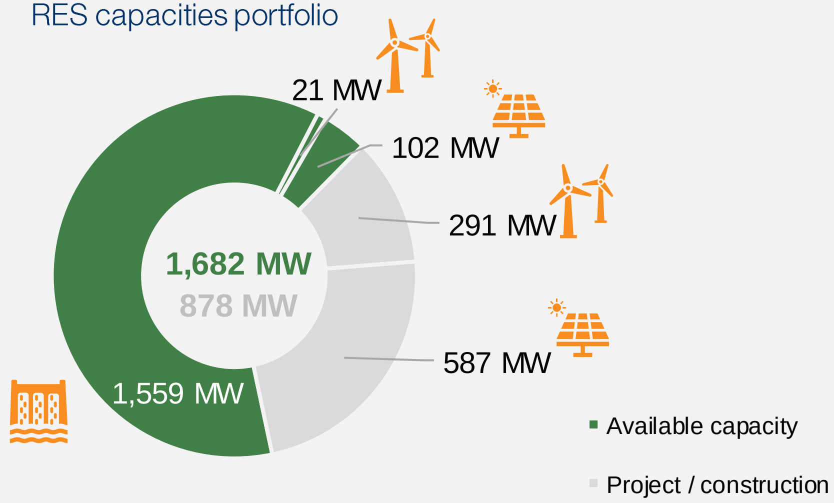
	DSE Aizpute Solar	Telšiai	Laflora Energy
Country	Latvia	Lithuania	Latvia
Construction costs	~135 MEUR	~200 MEUR	~185 MEUR
COD	2025	2026	2026

Symbols Used: HPP WPP SPP

Geolocation of newly constructed RES capacities



RES capacities portfolio

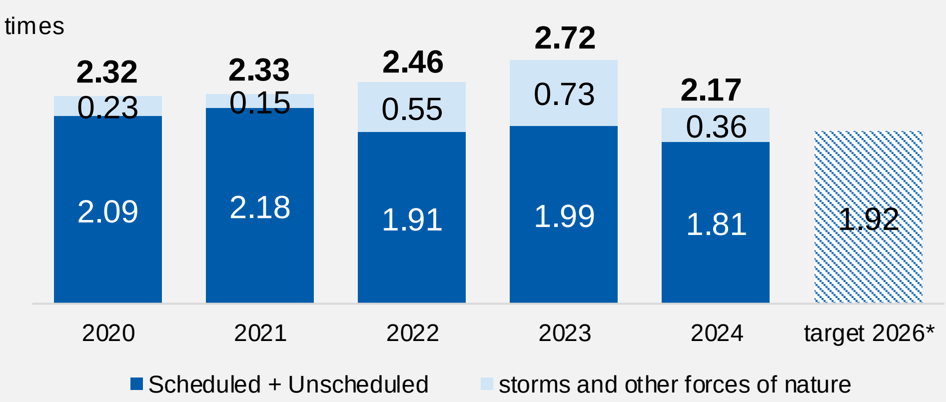


Latvenergo Group’s Strategy

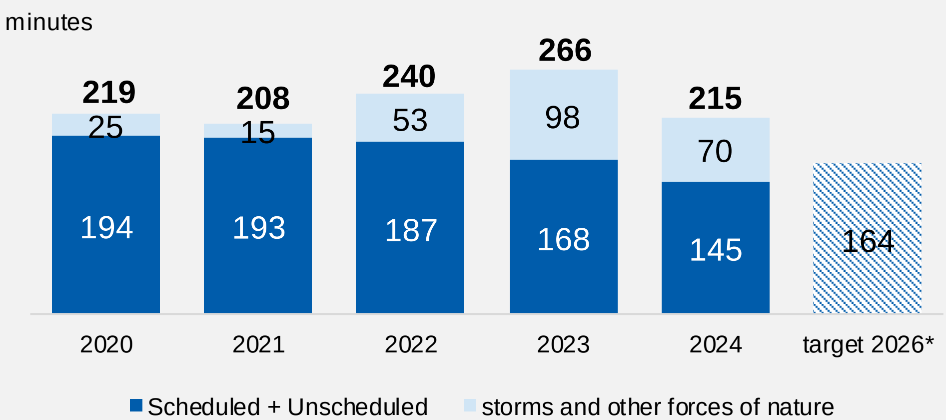
Progress of the Group’s strategic objectives

DISTRIBUTION

SAIFI



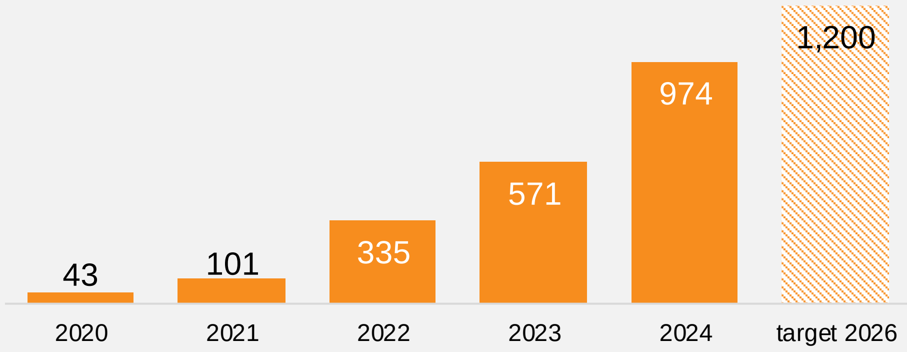
SAIDI



** Excluding mass damage caused by storms and other forces of nature*

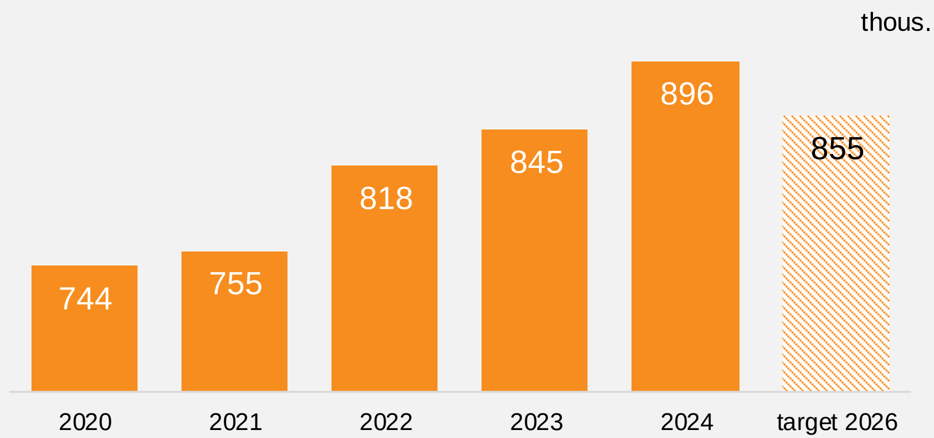
ELECTROMOBILITY

Charging ports**



TRADE

The number of *Elektrum* electricity customers



*** Target 2026: 1,200-1,500 charging ports, including partner networks*

Latvenergo Group Key Performance Indicators

Latvenergo Group Operational Figures

		2024	2023	2022	2021	2020
Retail electricity [1]	GWh	6,140	6,208	5,452	6,706	6,394
Natural gas sales	GWh	2,559	1,554	1,040	1,026	516
Electricity generation	GWh	4,842	5,136	3,822	4,517	4,249
Thermal energy generation	GWh	1,665	1,698	1,777	2,072	1,702
Number of employees		3,436	3,497	3,316	3,153	3,295
Moody's credit rating		Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)

Latvenergo Group Financial Figures

		2024	2023	2022	2021	2020
Revenue	MEUR	1,704.0	2,034.4	1,841.8	1,065.3	772.2
EBITDA [2]	MEUR	588.9	601.8	360.2	198.8	277.9
Profit	MEUR	276.8	350.9	183.9	71.6	116.3
Assets	MEUR	4,441.2	4,174.2	3,855.3	3,475.9	3,358.8
Equity	MEUR	3,010.1	2,963.1	2,356.4	2,123.4	2,118.2
Net debt [2]	MEUR	656.9	511.2	763.2	698.0	555.9
Adjusted funds from operations (FFO) [2]*	MEUR	509.5	520.8	334.7	202.1	249.5
Capital expenditure	MEUR	530.0	194.7	121.7	126.7	168.9

Latvenergo Group Financial Ratios

	2024	2023	2022	2021	2020
Return on equity (ROE) [2]	9.3%	13.2%	8.2%	3.4%	5.3%
Adjusted FFO / net debt	87%	82%	46%	32%	45%
Net debt / EBITDA [2]	1.0	1.1	2.0	3.2	2.0
EBITDA margin [2]	35%	30%	20%	19%	36%
Return on assets (ROA) [2]	6.4%	8.7%	5.0%	2.1%	3.2%
Return on capital employed (ROCE) [2]	9.3%	11.9%	6.3%	2.9%	4.2%
Net debt / equity [2]	22%	17%	32%	33%	26%

* Comparative figures recalculated, presenting the provisions for CO_2 emission quotas at gross value, separately from the purchased emission quotas in short-term intangible investments

1) Including operating consumption

2) Formulas are available on page 27

Operating Environment

Latvenergo Group's operations and performance are influenced by various global and regional factors, including electricity and natural gas prices. In 2024:

- the Nord Pool system price decreased by 36% and the electricity price in Latvia decreased by 7%
- the price of natural gas at the TTF (the Dutch natural gas virtual trading point) decreased by 30%

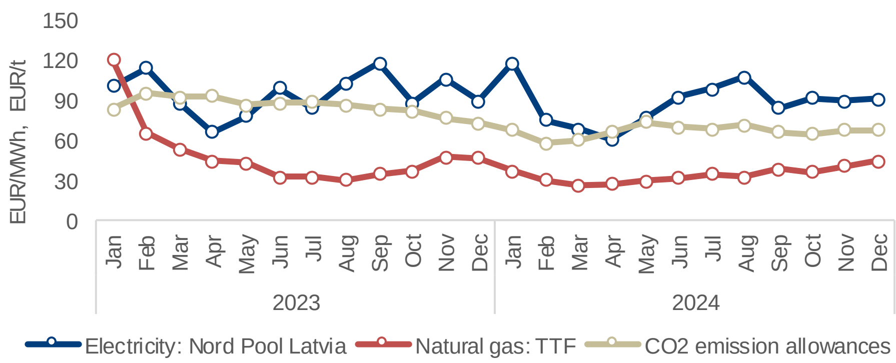
Electricity prices decreased

The electricity price decrease at the Nord Pool was mainly affected by lower natural gas prices and increased electricity generation through renewable energy sources, with an increase in their capacities. In the reporting year, electricity generation in the Nord Pool region increased by 17% at wind parks and by 29% at solar parks. Warmer weather in Europe and higher renewable energy generation reduced the demand for coal and natural gas power plant generation. This, combined with stable coal and natural gas import supplies and high gas storage levels, contributed to the price decrease at fossil fuel-powered electricity stations. In the Baltics, electricity prices were influenced by the prolonged maintenance on the cross-border interconnections, which limited electricity imports from the Nordic countries. The electricity market also stabilized with the help of the European Commission's REPowerEU plan, which aims to implement energy-saving measures, diversification of energy sources and accelerated development of renewable energy sources.

Average electricity price in Nord Pool regions (monthly), EUR/MWh

Region	2024	2023	Δ, %
System price	**36.1**	**56.4**	(36%)
Latvia	**87.3**	**93.9**	(7%)
Lithuania	**87.2**	**94.4**	(8%)
Estonia	**87.1**	**90.8**	(4%)
Poland	**96.2**	**111.7**	(14%)
Sweden	**33.8**	**49.3**	(31%)
Finland	**45.6**	**56.5**	(19%)
Denmark	**70.7**	**84.3**	(16%)
Norway	**37.0**	**56.5**	(35%)
Germany	**78.5**	**95.2**	(18%)
France	**58.0**	**96.9**	(40%)
Great Britain	**81.8**	**108.0**	(24%)

Energy resource prices



In 2024, electricity consumption in the Baltic states increased by 2%, reaching 27.5 TWh.

The amount of electricity generation in the Baltics increased by 13%, reaching 17.9 TWh. Due to lower generation at the Daugava HPPs, electricity generation in Latvia decreased by 5%, reaching 5.4 TWh. Due to higher renewable energy generation, total electricity generation increased by 5% in Estonia and by 40% in Lithuania, reaching 4.8 TWh and 7.7 TWh respectively.

Operating Environment

The natural gas price decreased

Natural gas is the main fuel resource in the Latvenergo AS CHPPs' operation. In 2024, the average price of natural gas at the TTF (front month) reached 34 EUR/MWh, which is 30% lower than a year earlier. The decrease was mainly affected by the increase in renewable energy capacity in the EU, and stable liquefied natural gas (LNG) supplies. In the reporting year, electricity generation in EU natural gas stations decreased by about 6%, while generation from renewable energy sources increased by nearly 8% compared to 2023. In 2024, the average fill rate of natural gas storage facilities in Europe, according to *Gas Infrastructure Europe* data, was 78% (in 2023: 79%).

The dynamics of the natural gas market are linked with the oil market and other energy resource markets. In 2024:

- The average price of Brent crude oil futures decreased by 2%, comprising 80 USD / bbl. The Brent crude oil market prices were influenced by concerns about global economic developments, primarily in China, resulting in sustained lower demand in the Brent crude oil market. Supply risks were affected by the geopolitical situation in Europe and the Middle East. Meanwhile, OPEC+ member countries plan to limit oil generation until 2025.

- The average price of coal (API2 Rotterdam coal futures front month) was 17% lower, reaching 112 USD / t. The decrease in the coal price was affected by lower coal consumption in Europe due to the lower price of natural gas, higher output of renewable energy, and stable coal stockpiles in European ports.

- The average price of CO2 emission allowances (EUA DEC futures) was 22% lower, reaching 66 EUR / t. The downward trend in emissions quota prices in the European Union was affected by lower demand for energy resources. The European Parliament's decision to allocate additional quotas for financing REPowerEU, increased the short-term supply of quotas.

Latvenergo AS has not imported natural gas from Russia since 2022, switching to supplies of LNG from other countries. Until 2032, Latvenergo AS has secured the rights to make regular natural gas deliveries to the *KN Energies* LNG terminal at a volume of 6 TWh per year. In 2024, Latvenergo AS purchased 7 TWh of natural gas using the *KN Energies* LNG terminal.

Dividends

The distribution of Latvenergo AS dividends is regulated by the laws of the Republic of Latvia:

- the Law on the State Budget and the Budget Framework;

- the Law on Governance of Capital Shares of a Public Person and Capital Companies and the Regulations of the Cabinet of Ministers issued on the basis thereof.

According to the law "On the state budget for 2025 and budgetary framework for 2025, 2026 and 2027", Latvenergo AS dividend payout in the year 2025 (for the reporting year 2024) amounts to 70% of profit for the reporting year and is not less than EUR 183.9 million.

The actual amount of the dividend payout is set at the Shareholder's Meeting of Latvenergo AS after the approval of the annual report, upon evaluation of the results of the previous year.

Financial Results

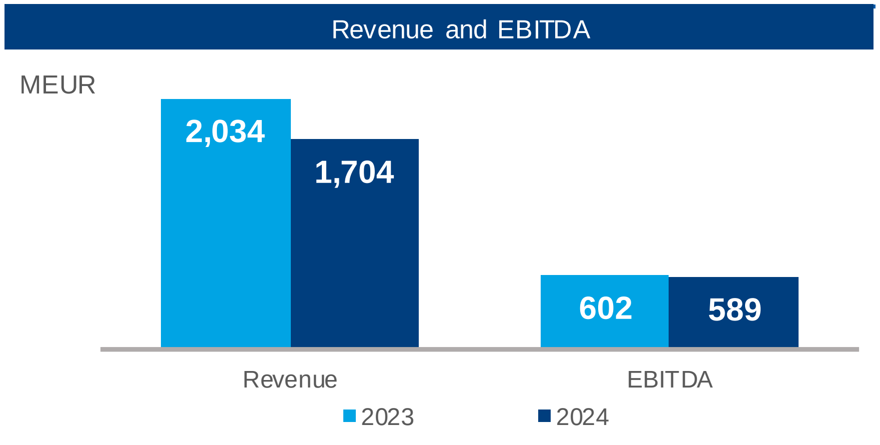
In 2024, Latvenergo Group's revenue reached EUR 1,704.0 million, which was EUR 330.4 million or 16% less than a year earlier. The revenue decline was affected by energy sales revenue decreasing by EUR 349.9 million, driven by lower energy sales prices. On the other hand, there was a positive impact from an increase in revenue in the distribution segment of EUR 27.9 million, following the introduction of the new distribution tariffs by Sadales tīkls AS starting from 1 July 2023.

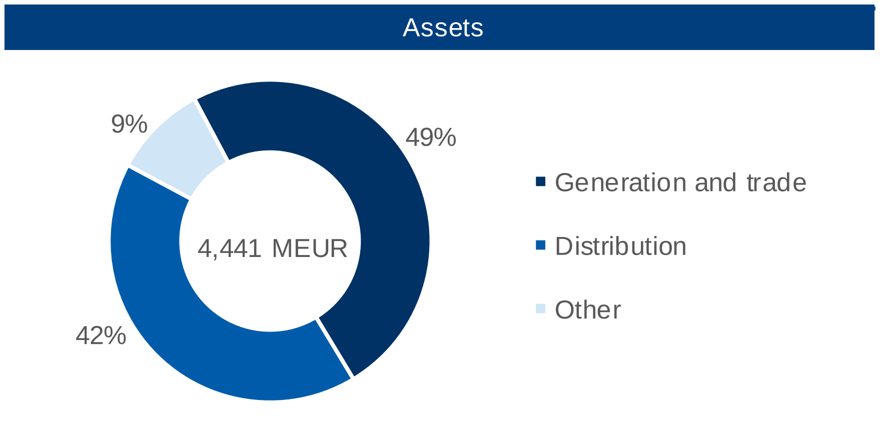
Latvenergo Group's EBITDA was EUR 12.9 million or 2% lower than in 2023, reaching EUR 588.9 million. This was mainly negatively affected by the 16% decrease in electricity generation at the Daugava HPPs due to comparatively higher water inflow in the Daugava River in 2023. However, the Daugava HPPs' output was 10% higher than the long-term average output.

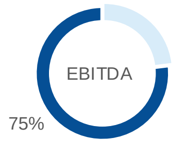
Latvenergo Group financial figures		2024	2023	Δ	Δ, %
Revenue	MEUR	1,704.0	2,034.4	(330.4)	(16%)
EBITDA	MEUR	588.9	601.8	(12.9)	(2%)
Net profit	MEUR	276.8	350.9	(74.1)	(21%)
Assets	MEUR	4,441.2	4,174.2	267.0	6%

At the same time, EBITDA was positively impacted by the introduction of the new distribution tariffs by Sadales tīkls AS starting from 1 July 2023 and the lower natural gas purchase prices. In 2024, the average price of natural gas at the TTF (front month) reached 34 EUR/MWh, which is 30% lower than a year earlier. Additionally, there was a positive impact on EBITDA from the 33% increase in retail natural gas sales volume and 18% higher output at the CHPPs.

The Group's profit for the reporting year reached EUR 276.8 million.







Generation and Trade

Segment weight in Latvenergo Group

Revenue
78%

EBITDA
75%

Assets
49%

Employees
32%

In the reporting year, generation and trade comprised Latvenergo Group's largest operating segment by revenue and EBITDA. The majority or 92% of the segment's revenue came from electricity and natural gas trade, while 8% came from thermal energy supply.

The segment's revenue was negatively impacted by EUR 349.9 million lower energy sales revenues due to the lower energy sales prices.

Meanwhile, the segment's EBITDA was mainly negatively affected by the 16% decrease in electricity generation at the Daugava HPPs due to comparatively higher water inflow in the Daugava River in 2023. However, the Daugava HPPs output was 10% higher than the long-term average output. At the same time, EBITDA was positively impacted by the lower natural gas purchase prices. In 2024, the average price of natural gas at the TTF (front month) reached 34 EUR/MWh, which is 30% lower than a year earlier. Additionally, there was a positive impact on EBITDA from the 33% increase in retail natural gas sales volume and 18% higher output at the CHPPs.

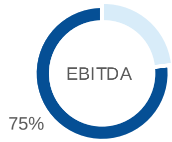
The total volume of electricity generated at Latvenergo Group's plants amounted to 4,842 GWh, which corresponded to 79% of the amount of electricity sold to retail customers (in 2023: 83%).

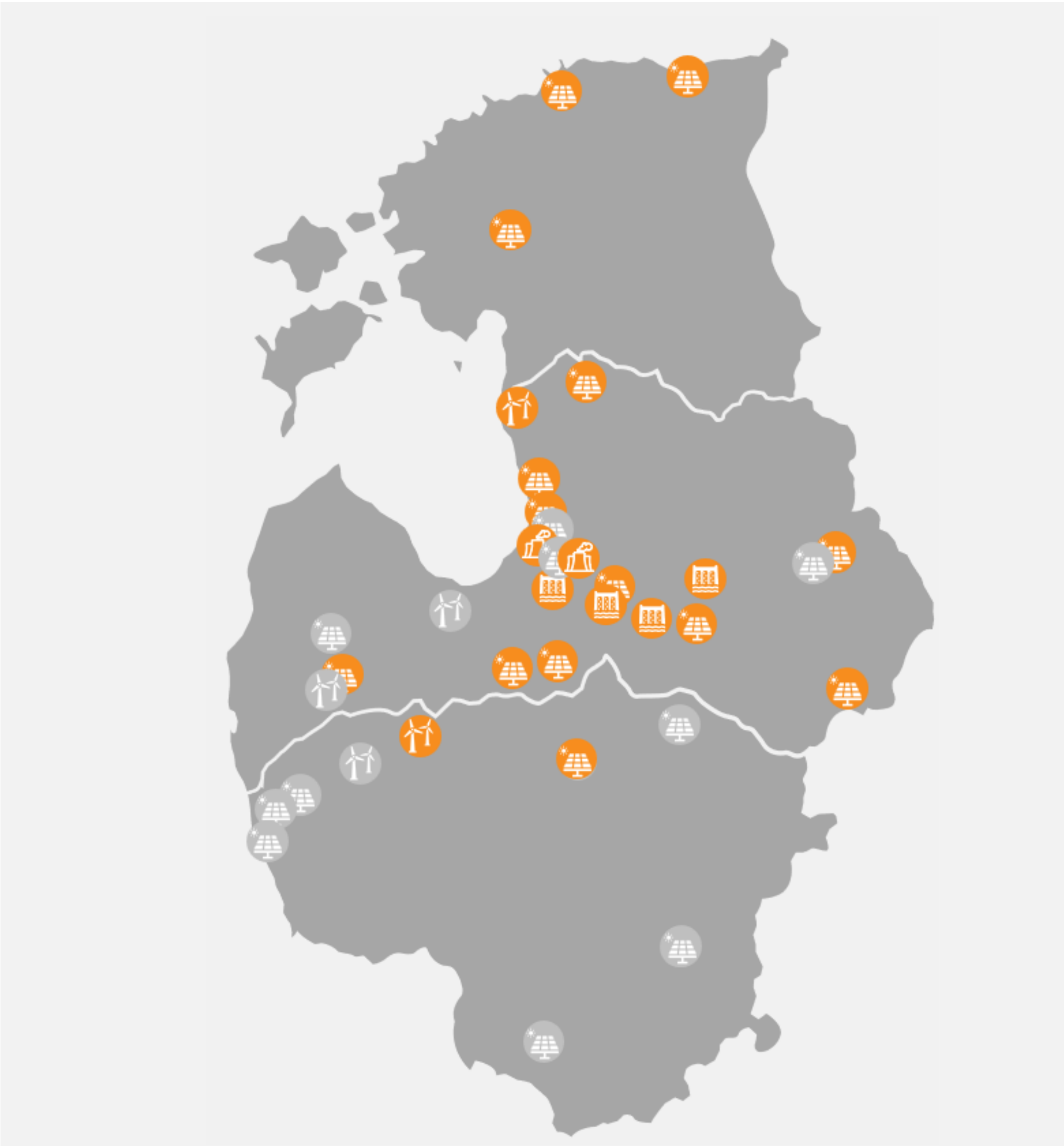
Operational figures		**2024**	**2023**	**Δ**	**Δ, %**
Electricity customers	thous.	896	845	51	6%
Electricity supply	GWh	8,552	8,658	(106)	(1%)
*Retail**	*GWh*	*6,140*	*6,208*	*(68)*	*(1%)*
*Wholesale***	*GWh*	*2,412*	*2,450*	*(38)*	*(2%)*
Natural gas customers	thous.	65	49	16	33%
Natural gas supply	GWh	2,559	1,554	1,005	65%
Retail	*GWh*	*1,190*	*896*	*294*	*33%*
Wholesale	*GWh*	*1,369*	*658*	*711*	*108%*
Electricity generation	GWh	4,842	5,136	(294)	(6%)
HPPs	*GWh*	*3,147*	*3,729*	*(582)*	*(16%)*
CHPPs	*GWh*	*1,633*	*1,385*	*248*	*18%*
SPPs and WPPs	*GWh*	*44*	*5*	*39*	*747%*
Liepaja plants	*GWh*	*17*	*16*	*1*	*6%*
Thermal energy generation	GWh	1,665	1,698	(33)	(2%)
CHPPs	GWh	*1,423*	*1,457*	*(34)*	*(2%)*
Liepaja plants	GWh	*242*	*241*	*1*	*0%*

Financial figures		**2024**	**2023**	**Δ**	**Δ, %**
Revenue	MEUR	1,369.1	1,724.7	(355.6)	(21%)
EBITDA	MEUR	444.3	480.2	(35.9)	(7%)
Assets	MEUR	2,182.1	1,986.9	195.2	10%
Capital expenditure	MEUR	394.7	76.8	317.9	414%

** Including operating consumption*
*** Including sale of energy purchased within the mandatory procurement on the* Nord Pool

Generation and Trade



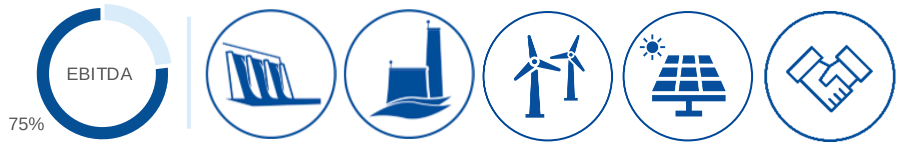


Generation

Latvenergo Group has a balanced and environmentally friendly energy generation portfolio, consisting primarily of HPPs and highly efficient CHPPs. However, Latvenergo Group's renewable energy generation capacities in the Baltics are increasingly being developed, and by the end of 2024, the installed capacity of newly constructed RES already reached 122 MW*. Additionally, we have constructed six solar power plants in Lithuania for customer needs, with a total capacity of around 30 MW. At the end of 2024, the Group had solar and wind parks with a total capacity of almost 880 MW in the project or construction stage. Gradual commissioning of the solar and wind parks is expected between 2025 and 2026.

	HPPs	CHPPs	SPPs	WPPs
Operational	1,559 MW	1,039 MWel 1,617 MWth	102 MW	21 MW*
In process: Project / Construction			587 MW	291 MW

** At the end of 2024, the Akmene WPP (19.6 MW) in Lithuania began operations. At the end of the reporting year, the Group's participation in the Akmene WPP project companies is 50%, and their results are not consolidated into the Group's results.*



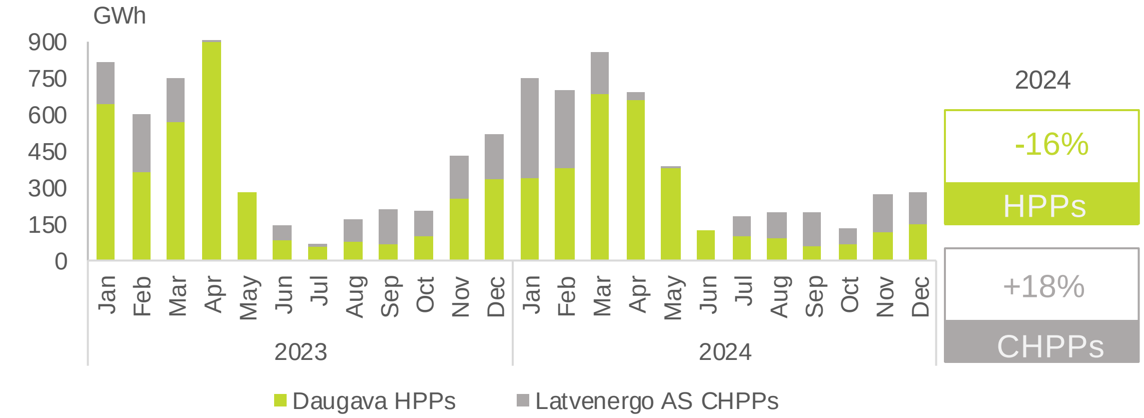
Generation and Trade

Latvenergo Group is one of the largest electricity producers in the Baltics. In 2024, Latvenergo Group produced 27% of the total electricity generated in the Baltics, and 66% of the electricity was generated from renewable energy sources (in 2023: 73%). The total amount generated by Latvenergo Group's power plants comprised 4,842 GWh of electricity and 1,665 GWh of thermal energy.

> Latvenergo Group produced 27% of the total electricity generated in the Baltics

Although electricity generation at the Daugava HPPs decreased by 16% in 2024 compared to the year 2023 due to lower water inflow in the Daugava River, it was 10% higher than the long-term average output, reaching 3,143 GWh. According to data from the Latvian Environment, Geology and Meteorology Centre, the average water inflow in the Daugava River in 2024 was 628 m^3/s (in 2023 it was 789 m^3/s).

Electricity generation at Daugava HPPs and Latvenergo AS CHPPs



As natural gas prices gradually normalize, our CHPPs are becoming increasingly competitive. The amount generated at the Latvenergo AS CHPPs increased by 18%, reaching 1,633 GWh. The operation of the Latvenergo AS CHPPs is adjusted to the conditions of the electricity market and heat demand.

The amount of heat energy generation has not changed significantly and reached 1,665 GWh.

Generation and Trade

Trade

At the end of 2024, the number of electricity customers reached 896 thousand, including more than 284 thousand foreign customers. The electricity customer portfolio shows a positive 6% increase mainly due to the increase in the number of customers within households in Lithuania and customers in Estonia.

> Latvenergo operates in all energy trade segments in Latvia, Lithuania and Estonia

In the reporting year, the Group supplied 6,140 GWh of electricity to its customers in the Baltics, which is approximately the same as in 2023. The overall amount of retail electricity trade outside Latvia accounted for about 42%. The electricity trade volume in Latvia was 3,561 GWh, while in Lithuania it was 1,894 GWh and in Estonia it was 685 GWh.

Growth in the natural gas segment continued. The number of natural gas customers increased by 33% compared to 2023, exceeding 65 thousand at the end of December. The Group's natural gas sales in the Baltics increased by 33%, reaching 1,190 GWh. In total, including wholesale, 2,559 GWh of natural gas was sold, which 65% more than a year earlier.

Development of other retail products and services in the Baltic States:

- We continue to expand the *Elektrum Drive* electric car charging network in the Baltics, which had more than 750 charging ports at the end of December. In the reporting year, more than 115 thousand electric vehicle charges were made, comprising 2,500 MWh, resulting in savings of more than 1,5 thousand tonnes of CO_2 emissions. By using the *Elektrum Drive* application, charging is also possible within the e-mobi network in Latvia and at LIDL charging stations in Lithuania and Estonia – providing customers access to a total of 974 charging points in the Baltics.
- In 2024, the *Safety & Comfort* product group was established, which includes insurance products in the Baltic States, as well as a service product line in Latvia, offering various subscription services – chimney cleaning, gas boiler maintenance. The *Elektrum Insured* customer portfolio in the Baltics exceeded 145 thousand clients in total.

Completed in 2024

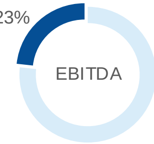
6,140 GWh of electricity sold to Baltic retail customers.

1,190 GWh of natural gas sold to Baltic retail customers.

Elektrum Drive electric car charging network in the Baltics had more than 750 charging ports at the end of December.

elektrum apdrošināts

At the end of December, the total number of *Elektrum Insured* customers exceeded 145 thousand.



Distribution

Segment weight in Latvenergo Group

Revenue
22%

EBITDA
23%

Assets
41%

Employees
48%

As of 1 July 2023, the new distribution service tariffs of Sadales tīkls AS have come into effect, with the tariff calculation increasing the proportion of the fixed tariff, providing a more appropriate solution for the actual maintenance cost structure of the distribution network. Meanwhile, as of 1 January 2024, state support is provided for all Sadales tīkls AS electricity distribution system service plans *Basic*, ensuring gradual and predictable tariff increases. During the reporting year, state support amounted to EUR 42.6 million.

With the introduction of the new tariff and the 2% increase in distributed electricity, the financial results of the distribution segment have improved. In 2024, the segment's revenue increased by 8%, reaching EUR 371.3 million. Meanwhile, the segment's EBITDA increased by 19%, reaching EUR 133.2 million. Financial results were negatively impacted by EUR 7.8 million higher electricity transmission service costs, since the transmission service tariffs were also increased on 1 July 2023.

At the end of 2024, the total generation capacity of microgenerators connected to the distribution system reached more than 195 MW, and the number of microgenerators connected to the distribution grid exceeded 23 thousand. The number of generators connected to the electricity distribution system, mostly solar power plants, reached 1,200, and their total generation capacity has reached 467 MW. In 2024, almost 400 GWh of electricity was produced from solar power and fed into the grid, which is three times more than a year earlier. In addition, in 2024, Sadales tīkls AS built 157 electric charging ports for its customers, with a total connected capacity of 28 MW.

Operational figures		**2024**	**2023**	**Δ**	**Δ, %**
Electricity distributed	GWh	6,116	6,021	95	2%
Distribution losses	GWh	237	242	(5)	(2%)
SAIFI*	number	2.17	2.70	(0.53)	(20%)
SAIDI*	minutes	214.7	266.0	(51.3)	(19%)

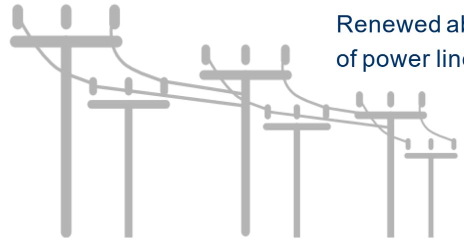
Financial figures		**2024**	**2023**	**Δ**	**Δ, %**
Revenue	MEUR	371.3	343.3	27.9	8%
EBITDA	MEUR	133.2	111.9	21.3	19%
Assets	MEUR	1,841.6	1,800.4	41.2	2%
RAB	MEUR	1,582.7	1,582.7	0.1	0%
Capital expenditure	MEUR	122.3	99.6	22.7	23%

*Including mass damage caused by storms and other forces of nature

As of May 2024, a new billing system for electricity producers – known as the net metering system – came into effect. This new billing method is designed for electricity producers who generate energy for self-consumption from renewable resources and feed the unused electricity into the distribution system operator's grid. In the net metering system, the electricity generated by the client and fed into the grid, as well as the electricity received from the grid, are expressed in monetary terms

In 2024, the Sustainability Strategy of Sadales tīkls SIA for 2024-2027 was approved. The sustainability development goals outlined in the strategy balance responsible business practices with economic, environmental, social, and governance areas, which align with sustainability criteria and form the basis for cooperation with stakeholders.

Completed in 2024

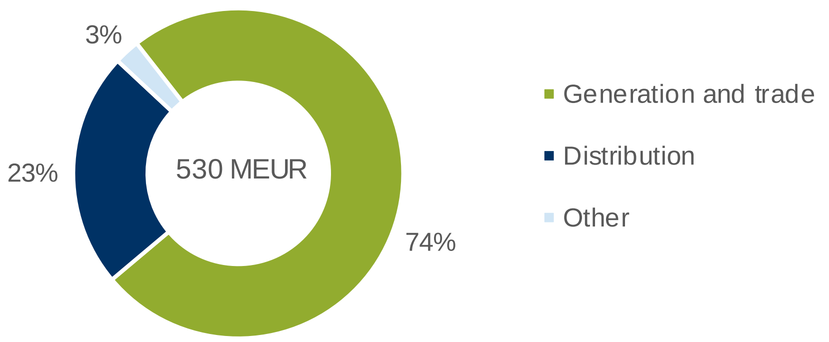


Renewed about **1,400 km** of power lines

Investments

With the continued development of renewable energy generation capacities in the Baltics, the volume of investments by Latvenergo Group increased significantly. In 2024, the total amount of investment comprised EUR 530.0 million, which is 2.7 times more than a year earlier. About 2/3 of it or EUR 345 million was made in new wind and solar generation capacities.

Capital expenditure



Latvenergo Group purposefully develops renewable generation capacity in the Baltic region

In the reporting year, 35% of Latvenergo Group's total investments were made in wind generation capacities. In 2024, Latvenergo AS purchased the wind project *Telšiai*, which will enable the start of wind energy generation with a capacity of 124 MW in 2026. The construction costs of the wind park are expected to be approximately EUR 200 million. Also, in 2024, Latvenergo acquired 100% shares of Laflora Energy SIA to build a wind farm with a total capacity of 109 MW in the Kaigu swamp in the Līvbērze municipality, with electricity generation set to begin in 2026. The expected construction costs amount to EUR 185 million. In the reporting year, *Akmene* WPP (19.6 MW) started wind energy generation in Lithuania.

30% of Latvenergo Group's total investments were made in *Elektrum* solar park projects. In November 2024, Latvenergo AS acquired DSE Aizpute Solar SIA to construct its largest solar power plant to date, with a total capacity of 265 MW, by the end of 2025. The expected construction costs amount to EUR 135 million.

In total, during the reporting year, 10 solar parks in Latvia with a total capacity of 74 MW and 2 solar parks in Estonia with a total capacity of 24 MW, began operations, while in Lithuania, 2 solar parks with a total capacity of 16.9 MW were commissioned. Accordingly, the total number of commissioned parks in Lithuania increased to 7, and the total installed capacity reached 33.5 MW. Of this, 29.6 MW has been sold or leased to Elektrum Lietuva UAB clients, while 3.9 MW generates electricity for the Latvenergo Group's needs. At the end of 2024, Latvenergo Group already had 14 solar parks with an installed capacity of 102 MW.

At the end of 2024, in the Baltic region, the Group had solar and wind parks in the project or construction stage with a total capacity of almost 880 MW. Solar and wind parks are expected to be commissioned gradually from 2025–2026.

Also, reconstruction work and procurement procedures continued for the reconstruction of the last three hydro units of the Daugava HPPs.

In the reporting year, investments in distribution comprised EUR 122.3 million, which is about one fourth of the Group's total investments. The majority of funds are invested in the construction and reconstruction of power lines and transformers, thereby ensuring high-quality network services, technical performance, and operational safety. The purpose of investments in the distribution segment is to promote the quality and security of the energy supply, reduce the frequency and duration of power supply disruptions caused by planned and unplanned maintenance, and ensure the appropriate voltage quality.

Funding and Liquidity

Latvenergo Group finances its investments from its own resources and external long-term borrowings, which are regularly sourced in financial and capital markets in a timely manner.

Planning the sourcing of borrowings in a timely manner is also crucial in order to ensure loan refinancing risk management and debt repayment in due time.

During the reporting year, Latvenergo AS secured a new long-term loan from the Nordic Investment Bank in the amount of EUR 230 million for investment financing and refinancing.

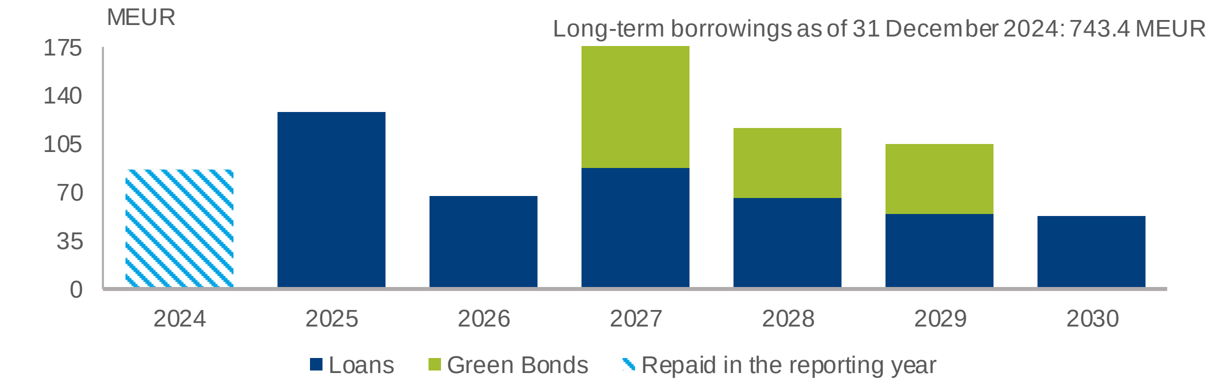
As of 31 December 2024, the Group's borrowings amount to EUR 743.4 million (31 December 2023: EUR 629.7 million), all of which are long-term loans, except for a short-term loan from the state development financial institution in the amount of EUR 30 thousand. The long-term loan portfolio includes loans from commercial banks and international financial institutions, as well as green bonds in the amount of EUR 200 million.

External funding sources are purposefully diversified in the long run, thus creating a balance between lender categories in the total loan portfolio.

As of 31 December 2024, all borrowings are denominated in euro currency. The weighted average long-term loan repayment period is 3.8 years (31 December 2023: 3.9 years). The effective weighted average interest rate (with interest rate swaps) is 3.3% (31 December 2023: 3.2%). Also, sufficient coverage of debt service requirements has been ensured.

In the reporting year, all the binding financial covenants set in Latvenergo Group's loan agreements were met.

Latvenergo Group's long-term debt repayment schedule



On 23 September 2024, the international credit rating agency *Moody's* reaffirmed Latvenergo AS credit rating at Baa2 with a stable outlook. The credit rating Baa2 for Latvenergo AS has been stable since 2015, confirming the consistency of operations and financial soundness of Latvenergo Group.

After the end of the reporting year, in February 2025, Latvenergo AS for the fourth time won the award for the best investor relations among all bond issuers on the Nasdaq Baltic regulated markets in the Baltic countries. Since 2012, the bonds have been issued with consistently high investor valuations.

Financial Risk Management

The activities of Latvenergo Group are exposed to a variety of financial risks: market risks, credit risk, and liquidity and cash flow risk. Latvenergo Group's Financial Risk Management Policy focuses on mitigating the potential adverse effects from such risks on financial performance. In the framework of financial risk management, Latvenergo Group uses various financial risk controls and hedging to reduce certain risk exposures.

a) Market risks

I) Price risk

Price risk might negatively affect the financial results of the Group due to falling revenue from generation and a mismatch between floating market prices and fixed retail prices.

The main sources of Latvenergo Group's exposure to price risk are the floating market prices of electricity on the Nord Pool power exchange in Baltic bidding areas and the fuel price for CHPPs. The financial results of the Group may be negatively affected by the volatility of the electricity market price, which depends on the weather conditions in the Nordic countries, global prices of resources, and the influence of local factors (water availability and ambient air temperature) on electricity generation opportunities. Due to supply-demand factors and seasonal fluctuations, natural gas price volatility may have a negative effect on the difference between fixed retail electricity prices in contracts with customers and variable generation costs at CHPPs.

In order to hedge the price risk, the Group enters into long-term fixed price customer contracts, uses electricity financial derivatives and enters into fixed price contracts for natural gas supply. The impact of price risk on generation is hedged gradually – 68% of projected electricity output is sold prior to the upcoming year. Further hedging of risk is limited by the seasonal generation pattern of the Daugava HPPs. The price fixing level reached 77% of the annual generation volume by the end of December.

II) Interest rate risk

Latvenergo Group's interest rate risk mainly arises from long-term borrowings at variable rates. They expose the Group to the risk that finance costs might increase significantly when the reference rate surges. Most of the borrowings from financial institutions have a variable interest rate, comprising 6-month EURIBOR and a margin. The Group's Financial Risk Management Policy stipulates maintaining at least 35% of its borrowings as fixed interest rate borrowings (taking into account the effect of interest rate swaps and issued bonds) with a duration of 1–4 years. Taking into account the effect of interest rate swaps and bonds with a fixed interest rate, 37% of the long-term borrowings had a fixed interest rate with an average period of 1.4 years as of 31 December 2024.

III) Currency risk

Foreign currency exchange risk arises when future transactions or recognised assets or liabilities are denominated in a currency other than the functional currency.

As of 31 December 2024, all borrowings of Latvenergo Group are denominated in euros, and during the reporting year, there was no substantial exposure to foreign currency risk as regards the Group's investments.

To manage the Group's foreign currency exchange risk, the Financial Risk Management Policy envisages use of foreign exchange forward contracts. In the reporting year, the Group and Latvenergo AS did not have foreign currency exchange forward contracts.

Financial Risk Management

b) Credit risk

Credit risk is managed at the Latvenergo Group level. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks, and receivables. Credit risk exposure of receivables is limited due to the large number of Group customers as there is no significant concentration of credit risk with any single counterparty or group of counterparties with similar characteristics.

Credit risk related to cash and short-term deposits with banks is managed by balancing the placement of financial assets in order to simultaneously choose the best offers and reduce the probability of incurrence of loss. No credit limits were exceeded during the reporting year, and the Group's management does not expect any losses due to the occurrence of credit risk.

c) Liquidity risk and cash flow risk

Latvenergo Group's liquidity and cash flow risk management policy is to maintain a sufficient amount of cash and cash equivalents and the availability of long and short-term funding through an adequate amount of committed credit facilities in order to meet existing and expected commitments and compensate for fluctuations in cash flows due to the occurrence of a variety of financial risks. On 31 December 2024, Latvenergo Group's liquid assets (cash and short-term deposits up to 3 months) reached EUR 86.6 million (31 December 2023: EUR 118.5 million), while the current ratio was 1.6 (2.1).

The Group plans to use its funds in the amount of EUR 86.6 million for repayment of the existing loan principal, dividend payout and financing investments and operating expenses.

The Group continuously monitors cash flow and liquidity forecasts, evaluating the total volume of undrawn borrowing facilities and cash and cash equivalents.

Latvenergo AS Key Performance Indicators

Latvenergo AS operational figures

		2024	2023	2022
Electricity supply	GWh	5,714	6,090	4,700
Retail[2]	*GWh*	3,561	3,830	3,540
Wholesale[3]	*GWh*	2,153	2,261	1,161
Natural gas supply	GWh	2,324	1,435	905
Retail	*GWh*	955	777	795
Wholesale	*GWh*	1,369	658	110
Electricity generation	GWh	4,790	5,114	3,799
Thermal energy generation	GWh	1,423	1,457	1,531
Number of employees		1,430	1,414	1,329
Moody's credit rating		Baa2 (stable)	Baa2 (stable)	Baa2 (stable)

Latvenergo AS financial figures

		2024	2023	2022
Revenue	MEUR	1,057.4	1,397.2	1,231.0
EBITDA[1]	MEUR	442.2	473.3	280.3
Profit	MEUR	268.8	331.6	209.4
Assets	MEUR	3,737.5	3,520.3	3,305.5
Equity	MEUR	2,646.9	2,608.0	2,018.7
Net debt (adjusted)[1]	MEUR	701.7	511.0	763.7
Capital expenditure	MEUR	66.2	64.5	30.0

Latvenergo AS financial ratios

	2024	2023	2022
Return on equity (ROE)[1]	10.2%	14.3%	11.1%
Net debt / equity (adjusted)[1]	27%	20%	38%
EBITDA margin[1]	42%	34%	23%

1) Formulas are available on page 27
2) Including operating consumption
3) Including sale of energy purchased within the mandatory procurement on the Nord Pool

Statement of Management Responsibility

Based on the information available to the Management Board of Latvenergo AS, the *Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Financial Statements for 2024,* including the Management Report, have been prepared in accordance with the International Financial Reporting Standards and in all material respect present a true and fair view of the assets, liabilities, financial position and profit and loss of Latvenergo Group and Latvenergo AS. Information provided in the Management Report is accurate.

The *Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Financial Statements for 2024* were approved by the Management Board of Latvenergo AS on 26 February 2025 and have been signed by Member of the Management Board Guntars Baļčūns as authorized person.

This document is signed with a secure digital signature and contains a time stamp

Guntars Baļčūns — Member of the Management Board

26 February 2025

Formulas

In order to ensure an objective and comparable presentation of the financial results. Latvenergo Group and Latvenergo AS use various financial figures and ratios that are derived from the financial statements.

Based on the most commonly used financial figures and ratios in the industry. the Latvenergo Group Strategy for 2022-2026. and the binding financial covenants set in the Group's loan agreements. Latvenergo Group has set and therefore uses the following financial figures and ratios:

- Profitability measures: EBITDA; EBITDA margin; return on assets (ROA); return on equity (ROE); ROE excluding distribution; return on capital employed (ROCE);
- Financial leverage measures: net debt; equity-to-asset ratio; net debt / EBITDA; net debt / equity; debt service coverage ratio; Adjusted Funds from operations (FFO) / Net debt;
- Liquidity measure: current ratio;
- Dividend policy measure: dividend pay-out ratio.

The financial ratios binding on loan agreements are: equity-to-asset ratio. net debt / EBITDA and debt service coverage ratio. Other ratios and financial figures. including net debt / EBITDA are the most commonly used ones in the industry.

The definitions and components of the financial figures and ratios are described below.

These financial figures and ratios have not changed compared to the financial statements for 2023.

Net debt* = borrowings at the end of the period - cash and cash equivalents at the end of the period

Adjusted Funds from operations (FFO) =
funds from operations (FFO) – compensation from the state-on-state support for the installed capacity of CHPPs

Adjusted Funds from operations (FFO) / Net debt =

$$\frac{\text{adjusted FFO (12-month rolling)}}{\text{(net debt at the beginning of the 12-month period + net debt at the end of the 12-month period)/2}} \times 100\ \%$$

Net debt/ EBITDA =

$$\frac{\text{(net debt at the beginning of the 12-month period + net debt at the end of the 12-month period)} \times 0.5}{\text{EBITDA (12-month rolling)}}$$

$$\text{EBITDA margin} = \frac{\text{EBITDA (12-month rolling)}}{\text{revenue (12-month rolling)}} \times 100\%$$

$$\text{Net debt/equity} = \frac{\text{net debt at the end of the reporting period}}{\text{equity at the end of the reporting period}} \times 100\%$$

Return on assets =

$$\frac{\text{net profit (12-month rolling)}}{\text{(assets at the beginning of the 12-month period + assets at the end of the 12-month period)/2}} \times 100\%$$

Return on equity =

$$\frac{\text{net profit (12-month rolling)}}{\text{(equity at the beginning of the 12-month period + equity at the end of the 12-month period)/2}} \times 100\%$$

Return on equity excluding distribution=
(Group's profit – Sadales tīkls AS profit (12-month rolling)) / ((Group's equity – Sadales tīkls AS equity (at the beginning of the 12-moth period)
+ Group's equity – Sadales tīkls AS equity (at the end of the 12-month period) / 2)

$$\text{Return on capital employed} = \frac{\text{operating profit of the 12-month period}}{\text{average value of equity + average value of borrowings (without LET)}} \times 100\%$$

Average value of borrowings =

$$\frac{\text{borrowings from FI at the beginning of the 12-month period + borrowings from FI at the end of the 12-month period}}{2}$$

$$\text{Debt service coverage ratio} = \frac{\text{net income +/- extraordinary items + depreciation + interest expense}}{\text{principal payments + interest payments}}$$

$$\text{Current ratio} = \frac{\text{current assets at the end of the reporting period}}{\text{current liabilities at the end of the reporting period}}$$

$$\text{Dividend payout ratio} = \frac{\text{dividends paid in the reporting period}}{\text{profit of the parent company in the previous reporting period}} \times 100\%$$

List of Abbreviations

bbl –	barrel of oil (158.99 litres)
CHPPs –	Latvenergo AS combined heat and power plants
CM –	Cabinet of Ministers
CO_2 –	Carbon dioxide
Daugava HPPs –	Daugava hydropower plants
EBITDA –	earnings before interest. corporate income tax. share of profit or loss of associates. depreciation and amortization. and impairment of intangible and fixed assets
EU –	European Union
GW –	gigawatt
kV –	kilovolt
LET –	Latvijas elektriskie tīkli AS
LNG –	liquid natural gas
MEUR –	million euros
MW –	megawatt
MWh –	megawatt hour (1.000.000 MWh = 1.000 GWh = 1 TWh)
MP –	mandatory procurement
MPC –	mandatory procurement component
nm^3 –	normal cubic meter
PUC –	Public Utilities Commission
RAB –	Regulated asset base
RES –	Renewable energy sources
SAIDI –	System Average Interruption Duration Index
SAIFI –	System Average Interruption Frequency Index
SDG –	Sustainable Development Goals
SPP –	Solar power plant
TTF –	the Dutch natural gas virtual trading point
WACC –	Weighted average cost of capital
WPP –	Wind power plant

Unaudited Condensed Financial Statements

Statement of Profit or Loss

EUR'000

	Notes	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
Revenue	4	1,704,012	2,034,425	1,057,440	1,397,179
Other income		31,413	31,896	27,618	28,343
Raw materials and consumables	5	(921,420)	(1,248,320)	(525,557)	(846,986)
Personnel expenses		(154,874)	(141,882)	(71,148)	(63,366)
Other operating expenses		(70,232)	(74,350)	(46,126)	(41,875)
EBITDA		**588,899**	**601,769**	**442,227**	**473,295**
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right–of–use assets	7, 8	(248,081)	(197,173)	(156,413)	(111,028)
Operating profit		**340,818**	**404,596**	**285,814**	**362,267**
Finance income	6 a	13,992	9,226	34,994	24,747
Finance costs	6 b	(22,021)	(25,293)	(22,762)	(25,278)
Dividends from subsidiaries		–	–	19,069	924
Profit before tax		**332,789**	**388,529**	**317,115**	**362,660**
Income tax		(55,982)	(37,612)	(48,282)	(31,099)
Profit for the year		**276,807**	**350,917**	**268,833**	**331,561**
Profit attributable to:					
- Equity holder of the Parent Company		275,237	349,749	268,833	331,561
- Non-controlling interests		1,570	1,168	–	–

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) – operating profit before depreciation, amortisation and impairment of intangible assets, property, plant, and equipment and right-of-use assets

Statement of Comprehensive Income

EUR'000

	Notes	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
Profit for the year		**276,807**	**350,917**	**268,833**	**331,561**
Other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods:					
- (losses) / gains from change in hedge reserve	13	(19,645)	99,380	(19,645)	99,380
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(19,645)	99,380	(19,645)	99,380
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
– gains on revaluation of non–current assets	7 c	–	312,061	–	312,061
– gains / (losses) on remeasurement on defined benefit plan		4,519	(2,709)	1,882	(1,144)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**4,519**	**309,352**	**1,882**	**310,917**
Other comprehensive loss for the year		**(15,126)**	**408,732**	**(17,763)**	**410,297**
TOTAL comprehensive income for the year		**261,681**	**759,649**	**251,070**	**741,858**
Comprehensive income attributable to:					
- Equity holder of the Parent Company		260,111	758,481	251,070	741,858
- Non-controlling interests		1,570	1,168	–	–

Statement of Financial Position

EUR'000

	Notes	Group		Parent Company	
		31/12/2024	31/12/2023	31/12/2024	31/12/2023
ASSETS					
Non-current assets					
Intangible assets	7 a	105,354	57,326	22,514	21,647
Property, plant and equipment	7 c	3,525,794	3,301,051	1,415,432	1,505,411
Right-of-use assets	8	32,196	11,219	3,514	4,710
Investment property	7 d	2,099	2,309	2,049	2,261
Non-current financial investments	9	82	42	857,359	671,720
Non-current loans to related parties	19 e	22,244	863	632,564	463,030
Other non-current receivables	11 c	540	447	470	447
Deferred income tax assets		1,753	800	–	–
Derivative financial instruments	15	2,123	3,210	2,124	3,210
Total non-current assets		**3,692,185**	**3,377,267**	**2,936,026**	**2,672,436**
Current assets					
Inventories	10	169,562	183,798	140,078	146,045
Current intangible assets	7 b	54,616	69,312	54,616	69,312
Receivables from contracts with customers	11 a	190,532	224,922	129,084	161,674
Other current receivables	11 b, c	32,927	50,081	35,240	52,280
Deferred expenses		3,194	2,388	2,721	2,156
Current loans to related parties	19 e	–	–	165,108	161,268
Prepayment for income tax		491	–	–	–
Derivative financial instruments	15	1,298	7,959	1,297	7,959
Other current financial investments		209,842	140,000	209,842	140,000
Cash and cash equivalents	12	86,554	118,456	63,483	107,163
Total current assets		**749,016**	**796,916**	**801,469**	**847,857**
TOTAL ASSETS		**4,441,201**	**4,174,183**	**3,737,495**	**3,520,293**
Equity					
Share capital		790,368	790,368	790,368	790,368
Reserves		1,660,067	1,681,852	1,301,728	1,320,419
Retained earnings		552,484	483,016	554,789	497,227
Equity attributable to equity holder of the Parent Company		**3,002,919**	**2,955,236**	**2,646,885**	**2,608,014**
Non-controlling interests		7,162	7,844	–	–
Total equity		**3,010,081**	**2,963,080**	**2,646,885**	**2,608,014**
Liabilities					
Non-current liabilities					
Borrowings		615,280	536,316	608,119	527,082
Lease liabilities	14	29,876	9,015	2,417	3,607
Deferred income tax liabilities	8	8,003	5,475	–	–
Provisions		17,113	18,240	8,981	8,565
Deferred income from contracts with customers	18 I, a	150,842	138,506	601	668
Other deferred income	18 I, b, c	112,408	112,509	72,203	94,263
Other non-current liabilities		21,592	–	21,489	–
Total non-current liabilities	18 I, b, c	**955,114**	**820,061**	**713,810,**	**634,185**
Current liabilities					
Borrowings	14	128,125	93,380	157,041	91,097
Lease liabilities	8	2,723	2,391	1,207	1,217
Trade and other payables	17	241,209	202,733	133,462	115,300
Deferred income from contracts with customers	18 II, a	17,978	21,304	67	67
Other deferred income	18 II, b, c	25,104	24,973	24,156	24,152
Provisions		47,902	46,261	47,902	46,261
Derivative financial instruments	15	12,965	–	12,965	–
Total current liabilities		**476,006**	**391,042**	**376,800**	**278,094**
Total liabilities		**1,431,120**	**1,211,103**	**1,090,610**	**912,279**
TOTAL EQUITY AND LIABILITIES		**4,441,201**	**4,174,183**	**3,737,495**	**3,520,293**

Statement of Changes in Equity

EUR'000

	Group						Parent Company			
	Attributable to equity holder of the Parent Company						Attributable to equity holder of the Parent Company			
	Share capital	Reserves	Retained earnings	Total	Non-controlling interests	TOTAL	Share capital	Reserves	Retained earnings	TOTAL
As of 31 December 2022	**790,368**	**1,282,683**	**276,242**	**2,349,293**	**7,126**	**2,356,419**	**790,368**	**910,683**	**317,643**	**2,018,694**
Dividends for 2022	–	–	(152,538)	(152,538)	**(450)**	(152,988)	–	–	(152,538)	**(152,538)**
Formed other reserves	–	50	(50)	–	–	–	–	(561)	561	**–**
Disposal of non–current assets revaluation reserve	–	(9,613)	9,613	–	–	–	–	**(561)**	**(151,977)**	**(152,538)**
Total transactions with owners and other changes in equity	**–**	**(9 563)**	**(142,975)**	**(152,538)**	**(450)**	**(152,988)**	**–**	**(561)**	**(151,977)**	**(152,538)**
Profit for the year	–	–	349,749	349,749	1,168	350,917	–	–	331,561	**331,561**
Other comprehensive income for the year	–	408,732	–	408,732	–	408,732	–	410,297	–	**410,297**
Total comprehensive income for the year	**–**	**408 732**	**349,749**	**758,481**	**1,168**	**759,649**	**–**	**410,297**	**331,561**	**741,858**
As of 31 December 2023	**790,368**	**1,681,852**	**483,016**	**2,955,236**	**7,844**	**2,963,080**	**790,368**	**1,320,419**	**497,227**	**2,608,014**
Acquisition of non-controlling interests	**–**	–	(229)	(229)	(173)	(402)	**–**	–	–	–
Dividends for 2023	**–**	–	(212,199)	(212,199)	(2,079)	(214,278)	**–**	–	(212,199)	**(212,199)**
Disposal of non–current assets revaluation reserve	**–**	(10,754)	10,754	–	–	–	–	(928)	928	**–**
Formed other reserves		4 095	(4,095)	–	–	–	**–**	–	–	–
Total transactions with owners and other changes in equity	**–**	**(6 659)**	**(205,769)**	**(212,428)**	**(2,252)**	**(214,680)**	**–**	**(928)**	**(211,271)**	**(212,199)**
Profit for the year	**–**	–	275,237	275,237	1,570	276,807	–	–	268,833	**268,833**
Other comprehensive income for the year	**–**	(15,126)	–	(15,126)	–	(15,126)	–	(17,763)	–	**(17,763)**
Total comprehensive income for the year	**–**	**(15,126)**	**275,237**	**260,111**	**1,570**	**261,681**	**–**	**(17,763)**	**268,833**	**251,070**
As of 31 December 2024	**790,368**	**1,660,067**	**552,484**	**3,002,919**	**7,162**	**3,010,081**	**790,368**	**1,301,728**	**554,789**	**2,646,885**

Statement of Cash Flows

EUR'000

	Notes	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
Cash flows from operating activities					
Profit before tax		**332,789**	**388,529**	**317,115**	**362,660**
Adjustments:					
- Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right–of–use assets		248,081	197,173	156,413	111,028
- Loss / (income) from disposal of non–current assets		7,044	6,629	(965)	(373)
- Interest expense		21,790	24,961	22,509	24,981
- Interest income		(10,908)	(6,149)	(31,910)	(21,670)
- Fair value loss / (income) on derivative financial instruments		1,068	(23,079)	1,068	(23,079)
- Dividends from subsidiaries		–	–	(19,069)	(924)
- Increase in provisions		5,032	7,044	3,936	6,949
- Other finance costs		7	4	45	–
Interest paid		(24,805)	(23,638)	(24,291)	(23,402)
Interest paid on leases		(404)	(114)	(29)	(37)
Interest received		10,326	5,506	9,570	5,270
Paid corporate income tax		(56,544)	(32,119)	(48,282)	(31,099)
Funds from operations (FFO)		**533,476**	**544,747**	**386,110**	**410,304**
Decrease in inventories and current intangible assets		31,737	113,366	20,662	117,076
Decrease in receivables from contracts with customers and other receivables		51,994	57,353	84,610	76,230
Decrease in other current financial investments		(70,000)	(140,000)	(70,000)	(140,000)
(Decrease) / increase in trade and other liabilities		(6,586)	216	(10,012)	(57,714)
Impact of non-cash offsetting of operating receivables and liabilities from subsidiaries, net		–	–	9,957	17,348
Net cash flows generated from operating activities		**540,621**	**575,682**	**421,327**	**423,244**
Cash flows from investing activities					
Loans issued to related parties	19	(21,399)	(863)	(152,368	–
Repayment of loans to related parties	19	–	–	–	68,272
Purchase of intangible assets and PPE		(473,434)	(181,515)	(59,446)	(61,263)
Dividends received from subsidiaries		–	–	2,164,	924
Investments in subsidiaries		–	–	(160,151)	(28,399)
Net cash flows (used in) / generated from investing activities		**(494,833)**	**(182,378)**	**(369,801)**	**(20,466)**
Cash flows from financing activities					
Proceeds on issued debt securities (bonds)	14	–	50,000	–	50,000
Proceeds on borrowings from financial institutions	14	200,030	2,000	200,030	–
Repayment of borrowings from financial institutions	14	(86,625)	(301,090)	(84,491)	(295,276)
Received financing from European Union		25,577	16,245	2,778	2,625
Provided financing from European Union to subsidiary as cooperation partner, net		–	–	(672)	–
Lease payments		(1,994)	(1,772)	(652)	(694)
Acquisition of non-controlling interests		(400)	–	–	–
Dividends paid to non–controlling interests		(2,079)	(450)	–	–
Dividends paid to equity holder of the Parent Company		(212,199)	(152,538)	(212,199)	(152,538)
Net cash flows used in financing activities		**(77,690)**	**(387,605)**	**(95,206)**	**(395,883)**
Net (decrease) / increase in cash and cash equivalents		**(31,902)**	**5,699**	**(43,680)**	**6,895**
Cash and cash equivalents at the beginning of the year	12	118,456	112,757	107,163	100,268
Cash and cash equivalents at the end of the year	**12**	**86,554**	**118,456**	**63,483**	**107,163**

Funds from operations (FFO) = Net cash flows from operating activities – changes in inventories and current intangible assets – changes in receivables from contracts with customers and other receivables – changes in other current financial investments – changes in trade and other liabilities - Impact of non-cash offsetting of operating receivables and liabilities from subsidiaries, net.

Notes to the Financial Statements

1. Corporate information

All shares of public limited company Latvenergo, parent company of Latvenergo Group (hereinafter – Latvenergo AS or the Parent Company) are owned by the Republic of Latvia and are held by the Ministry of Economics of the Republic of Latvia. The registered address of the Parent Company is 12 Pulkveža Brieža Street, Riga, Latvia, LV–1230. According to the Energy Law of the Republic of Latvia, Latvenergo AS is designated as a national economy object of State importance.

Latvenergo AS is power supply utility engaged in electricity and thermal energy generation, as well as sales of electricity and natural gas. Latvenergo AS is one of the largest corporate entities in the Baltics.

Latvenergo AS heads the Latvenergo Group (hereinafter – the Group) that includes the subsidiaries, shareholding in subsidiaries, associates and other non–current financial investments are disclosed in Note 9 (Note 9).

The Management Board of Latvenergo AS:
Since 26 January 2024 the Management Board of Latvenergo AS was comprised of the following members: Mārtiņš Čakste (Chairman of the Management Board), Dmitrijs Juskovecs, Guntars Baļčūns, Harijs Teteris and Ilvija Boreiko (since 26 January 2024).

Since 3 January 2022 till 26 January 2024 the Management Board of Latvenergo AS was comprised of the following members: Mārtiņš Čakste (Chairman of the Board), Dmitrijs Juskovecs, Guntars Baļčūns, Harijs Teteris and Kaspars Cikmačs until 24 September 2023.

The Supervisory Board of Latvenergo AS:
Since 1 March 2024 the Supervisory Board of Latvenergo AS was comprised of the following members: Aigars Laizāns (Chairman since 8 March 2024), Kaspars Rokens (Deputy Chairman), Toms Siliņš and Gundars Ruža.

Since 11 June 2020 till 1 March 2024 the Supervisory Board of Latvenergo AS was comprised of the following members: Ivars Golsts (Chairman), Kaspars Rokens (Deputy Chairman), Aigars Laizāns, Toms Siliņš and Gundars Ruža.

The Supervisory body – Audit Committee:
Since 3 February 2021 and re-elected for a term of three years from 3 February 2024, Audit Committee was comprised of the following members: Svens Dinsdorfs, Torbens Pedersens (Torben Pedersen), Ilvija Grūba, Toms Siliņš and Gundars Ruža.

The Latvenergo Group's and Latvenergo AS auditor is the certified audit company Ernst & Young Baltic SIA (40003593454) (licence No. 17) and certified auditor in charge is Diāna Krišjāne, certificate No. 124.

Latvenergo Group Consolidated and Latvenergo AS Annual Report 2023 has been approved on 29 May 2024 by the Latvenergo AS Shareholder's meeting (see on Latvenergo AS web page section "Investors":
http://www.latvenergo.lv/eng/investors/reports/.

Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Financial Statements for 2024 include the financial information in respect of the Latvenergo Group and Latvenergo AS for the year starting on 1 January 2024 and ending on 31 December 2024 and comparative information for the year of 2023 starting on 1 January 2023 and ending on 31 December 2023.

Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Financial Statements for 2024 were authorised by the Latvenergo AS Management Board on 26 February 2025.

2. Significant accounting policies

These Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Financial Statements are prepared in accordance with the International Financial Reporting Standards as adopted for use in the European Union (IFRS) and principal accounting policies applied to these financial statements were identical to those used in the Latvenergo Group Consolidated and Latvenergo AS Financial Statements of 2023. These policies have been consistently applied to all reporting periods presented in financial statements, unless otherwise stated. Where it is necessary, comparatives are reclassified.

Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Financial Statements are prepared under the historical cost convention, except for some financial assets and liabilities (including derivative financial instruments and non–current financial investments) measured at fair value and certain property, plant and equipment carried at revalued amounts as disclosed in accounting policies presented in Latvenergo Group Consolidated and Latvenergo AS Annual Report 2023.

Unaudited Condensed Financial Statements had been prepared in euros (EUR) currency and all amounts except non–monetary items shown in these Financial Statements are presented in thousands of EUR (EUR'000). All figures, unless stated otherwise are rounded to the nearest thousand.

Certain monetary amounts, percentages and other figures are subject to rounding adjustments. On occasion, therefore, amounts shown in tables may not be the arithmetic accumulation of the figures that precede them, and figures expressed as percentages in the text and in tables may not total 100 percent.

3. Operating segment information

Operating segments of the Group and the Parent Company

For segment reporting purposes, the division into operating segments is based on internal management structure, which is the basis for the reporting system, performance assessment and the allocation of resources by the operating segment decision maker – management of the Group's company operating in each of segments. The Management Board of the Parent Company reviews financial results of operating segments.

The profit measure monitored by the chief operating decision maker primarily is EBITDA, but it also monitors operating profit. In separate financial statements operating profit excludes the dividend income and interest income from subsidiaries. The subsidiaries operate independently from the Parent Company under the requirements of EU and Latvian legislation and their businesses are different from that of the Parent Company. Therefore, the Parent Company's chief operating decision maker monitors the performance of the Parent Company and makes decisions regarding allocation of resources based on the operating results of the Parent Company.

The Group divides its operations into two main operating segments – generation and trade, and distribution. The Parent Company divides its operations into one main operating segment – generation and trade.

In addition, corporate functions, that cover administration and other support services, are presented in the Group and the Parent Company as separate segment.

Generation and trade comprises the Group’s electricity and thermal energy generation operations, electricity and natural gas trade (including wholesale), development of renewable energy generations, as well as administration of the mandatory procurement process provided by Enerģijas publiskais tirgotājs SIA.

Distribution segment provides electricity distribution services in Latvia and is managed by the subsidiary Sadales tīkls AS (the largest distribution system operator in Latvia).

Corporate functions provide management services to subsidiaries as well as provides IT and telecommunication, rental services to external customers.

The following table presents revenue, financial results and profit information and segment assets and liabilities of the Group's and the Parent Company's operating segments. Inter–segment revenue is eliminated on consolidation and reflected in the 'adjustments and eliminations' column. All transactions between segments are made based on the regulated tariffs, where applicable, or on an arm's length principle.

EUR'000

	Group						Parent Company				
	Generation and trade	Distri-bution	Corporate functions	TOTAL segments	Adjustments and eliminations	Consolidated	Generation and trade	Corporate functions	TOTAL segments	Adjustments and eliminations	Consolidated
2024											
Revenue											
External customers	1,325,893	370,049	8,070	**1,704,012**	–	**1,704,012**	1,019,073	38,367	**1,057,440**	–	**1,057,440**
Inter-segment	43,224	1,211	66,813	**111,248**	(111,248)	**–**	–	40,692	**40,692**	(40,692)	**–**
TOTAL revenue	**1,369,117**	**371,260**	**74,883**	**1,815,260**	**(111,248)**	**1,704,012**	**1,019,073**	**79,059**	**1,098,132**	**(40,692)**	**1,057,440**
Results											
EBITDA	**444,299**	**133,157**	**11,443**	**588,899**	**–**	**588,899**	**423,966**	**18,261**	**442,227**	**–**	**442,227**
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment and right-of-use assets	(149,571)	(84,691)	(13,819)	**(248,081)**	–	**(248,081)**	(142,452)	(13,961)	**(156,413)**	–	**(156,413)**
Segment profit / (loss) before tax	**294,728**	**48,466**	**(2,376)**	**340,818**	**(8,029)**	**332,789**	**281,514**	**4,300**	**285,814**	**31,301**	**317,115**
Capital expenditure	394,746	122,334	13,200	**530,280**	**(321)**	**529,959**	53,039	13,200	**66,239**	**–**	**66,239**
2023											
Revenue											
External customers	1,683,894	342,460	8,071	**2,034,425**	–	**2,034,425**	1,362,802	34,377	**1,397,179**	–	**1,397,179**
Inter-segment	40,806	869	55,437	**97,112**	(97,112)	**–**	4,648	31,931	**36,579**	(36,579)	**–**
TOTAL revenue	**1,724,700**	**343,329**	**63,508**	**2,131,537**	**(97,112)**	**2,034,425**	**1,367,450**	**66,308**	**1,433,758**	**(36,579)**	**1,397,179**
Results											
EBITDA	**480,181**	**111,853**	**9,735**	**601,769**	**–**	**601,769**	**459,763**	**13,532**	**473,295**	**–**	**473,295**
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment and right-of-use assets	(102,660)	(82,233)	(12,280)	**(197,173)**	–	**(197,173)**	(98,586)	(12,442)	**(111,028)**	–	**(111,028)**
Segment profit / (loss) before tax	**377,521**	**29,620**	**(2,545)**	**404,596**	**(16,067)**	**388,529**	**361,177**	**1,090**	**362,267**	**393**	**362,660**
Capital expenditure	76,848	99,608	18,254	**194,710**	**–**	**194,710**	46,198	18,254	**64,452**	**–**	**64,452**

Segment assets

EUR'000

	Group						Parent Company				
	Generation and trade	Distri-bution	Corporate functions	TOTAL segments	Adjustments and eliminations	Consolidated	Generation and trade	Corporate functions	TOTAL segments	Adjustments and eliminations	Consolidated
As of 31 December 2024	2,182,142	1,841,614	118,723	**4,142,479**	298,722	**4,441,201**	1,659,736	149,403	**1,809,139**	1,928,356	**3,737,495**
As of 31 December 2023	1,986,902	1,800,405	127,578	**3,914,885**	259,298	**4,174,183**	1,821,772	155,340	**1,977,112**	1,543,181	**3,520,293**

The Group's and the Parent Company's revenue from external customers (Note 4)

EUR'000

	Group					Parent Company			
	Generation and trade	Distribution	Corporate Functions	TOTAL segments	TOTAL Group	Generation and trade	Corporate Functions	TOTAL segments	TOTAL Group
2024									
Revenue from contracts with customers:									
Trade of energy and related supply services	1,187,821	3,388	–	**1,191,209**	**1,191,209**	921,224	–	**921,224**	**921,224**
Distribution system services	–	346,486	–	**346,486**	**346,486**	–	–	**–**	**–**
Heat sales	108,685	108	–	**108,793**	**108,793**	90,236	–	**90,236**	**90,236**
Sales of goods and energy related solutions	21,400	–	–	**21,400**	**21,400**	3,771	–	**3,771**	**3,771**
Other revenue	7,987	19,986	6,638	**34,611**	**34,611**	3,760	35,185	**38,945**	**38,945**
Total revenue from contracts with customers	**1,325,893**	**369,968**	**6,638**	**1,702,499**	**1,702,499**	**1,018,991**	**35,185**	**1,054,176**	**1,054,176**
Other revenue:									
Lease of other assets	–	81	1,432	**1,513**	**1,513**	82	3,182	**3,264**	**3,264**
Total other revenue	**–**	**81**	**1,432**	**1,513**	**1,513**	**82**	**3,182**	**3,264**	**3,264**
2023									
Revenue from contracts with customers:									
Trade of energy and related supply services	1,432,815	3,395	–	**1,436,210**	**1,436,210**	1,157,028	–	**1,157,028**	**1,157,028**
Distribution system services	–	319,643	–	**319,643**	**319,643**	–	–	**–**	**–**
Heat sales	213,540	136	–	**213,676**	**213,676**	193,224	–	**193,224**	**193,224**
Sales of goods and energy related solutions	31,652	–	–	**31,652**	**31,652**	10,842	–	**10,842**	**10,842**
Other revenue	5,887	19,209	6,670	**31,766**	**31,766**	1,708	31,307	**33,015**	**33,015**
Total revenue from contracts with customers	**1,683,894**	**342,383**	**6,670**	**2,032,947**	**2,032,947**	**1,362,802**	**31,307**	**1,394,109**	**1,394,109**
Other revenue:									
Lease of other assets	–	77	1,401	**1,478**	**1,478**	–	3,070	**3,070**	**3,070**
Total other revenue	**–**	**77**	**1,401**	**1,478**	**1,478**	–	**3,070**	**3,070**	**3,070**

Adjustments and eliminations

Finance income and expenses, fair value gains and losses on financial assets, financial instruments and deferred taxes are not allocated to individual segments as the underlying instruments are managed on a group basis. Taxes and certain financial assets and liabilities, including loans and borrowings are not allocated to those segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

Reconciliation of profit before tax

EUR'000

	Group		Parent Company	
	2024	2023	2024	2023
EBITDA	**588,899**	**601,769**	**442,227**	**473,295**
Depreciation, amortisation and impairment of intangible assets, property, plant, and equipment and right–of–use assets	(248,081)	(197,173)	(156,413)	(111,028)
Segment profit before tax	**340,818**	**404,596**	**285,814**	**362,267**
Finance income	13,992	9,226	34,994	24,747
Finance costs	(22,021)	(25,293)	(22,762)	(25,278)
Dividends received from subsidiaries	–	–	19,069	924
Profit before tax	**332,789**	**388,529**	**317,115**	**362,660**

Reconciliation of assets

EUR'000

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Segment operating assets	**4,142,479**	**3,914,885**	**1,809,139**	**1,977,112**
Non-current financial investments	82	42	857,359	671,720
Loans to related parties	–	–	797,672	624,298
Other current financial investments	209,842	140,000	209,842	140,000
Prepayment for income tax	2,244	800	–	–
Cash and cash equivalents	86,554	118,456	63,483	107,163
TOTAL assets	**4,441,201**	**4,174,183**	**3,737,495**	**3,520,293**

4. Revenue

EUR'000

	IFRS or IAS applied	Group		Parent Company	
		2024	2023	2024	2023
Revenue from contracts with customers:					
Trade of energy and related supply services	IFRS 15	1,191,209	1,436,210	921,224	1,157,028
Distribution system services	IFRS 15	346,486	319,646	–	–
Heat sales	IFRS 15	108,793	213,676	90,236	193,224
Sales of goods and energy related solutions	IFRS 15	21,400	31,652	3,771	10,842
Other revenue	IFRS 15	34,611	31,763	38,945	33,015
Total revenue from contracts with customers		**1,702,499**	**2,032,947**	**1,054,176**	**1,394,109**
Other revenue:					
Lease of other assets	IFRS 16	1,513	1,478	3,264	3,070
Total other revenue		**1,513**	**1,478**	**3,264**	**3,070**
TOTAL revenue		**1,704,012**	**2,034,425**	**1,057,440**	**1,397,179**

In Latvia, Lithuania and Estonia end-users have been granted state support. In 2024 state support was provided on distribution system services while in 2023 support was provided for electricity, distribution system services, consumed natural gas and for heat. The support did not change tariffs and energy prices (and thus gross revenue is recognised) rather the process of receiving the transaction fees, the payment being partially received from the end-users and partially from the state budget. During the reporting year, the Group has recognised gross revenue for the allocated state support for the end-users of the Group companies in amount of EUR 42,669 thousand (2023: in amount of EUR 124,376 thousand).

The Group's and the Parent Company's revenue from contracts with customers based on the timing of revenue recognition: EUR'000

	Group		Parent Company	
	2024	2023	2024	2023
Goods and services transferred over time	1,538,626	1,906,710	895,439	1,191,969
Goods and services transferred at a point in time	163,873	126,237	158,737	202,140
TOTAL revenue from contracts with customers	**1,702,499**	**2,032,947**	**1,054,176**	**1,394,109**

Gross amounts invoiced to customers by applying agent accounting principle, recognised on net basis under trade of energy and related supply services: EUR'000

	Group		Parent Company	
	2024	2023	2024	2023
Distribution system services	75,759	45,897	179,841	154,869
Transmission system services	1,962	1,601	1,991	1,616
Insurance intermediation	2,053	1,775	1,922	1,674
TOTAL revenue recognised applying agent accounting principle	**79,774**	**49,273**	**183,754**	**158,159**

5. Raw materials and consumables

EUR'000

	Group		Parent Company	
	2024	2023	2024	2023
Energy costs:				
Electricity and costs of related supply services	345,714	378,502	68,131	89,028
Electricity transmission services costs	90,072	82,376	2,741	2,834
Natural gas and other energy resources costs	397,297	727,774	387,221	714,823
CO_2 emission allowances costs	47,988	46,238	47,988	46,238
Gains on fair value changes on energy futures, forwards, and swaps (Note 15 II)	1,036	(23,198)	1,036	(23,198)
	882,107	**1,211,692**	**507,117**	**829,725**
Raw materials, spare parts and maintenance costs	39,313	36,628	18,440	17,261
TOTAL raw materials and consumables used	**921,420**	**1,248,320**	**525,557**	**846,986**

6. Finance income and costs

EUR'000

	Group		Parent Company	
	2024	2023	2024	2023
a) Finance income:				
Interest income on loans to related parties	945	3	21,839	15,757
Interest income on interest rate swaps	3,077	3,068	3,077	3,068
Interest income	9,963	6,146	10,071	5,913
Gains on fair value changes on interest rate swaps (Note 15 I)	7	9	7	9
TOTAL finance income	**13,992**	**9,226**	**34,994**	**24,747**

EUR'000

	Group		Parent Company	
	2024	2023	2024	2023
b) Finance costs:				
Interest expense on borrowings from financial institutions	18,510	21,340	19,532	21,439
Interest expense on issued debt securities (bonds)	5,153	4,786	5,153	4,786
Interest expense on assets lease	364	162	61	83
Losses on fair value changes on interest rate swaps (Note 15 I)	38	128	38	128
Capitalised borrowing costs	(2,236)	(1,328)	(2,236)	(1,328)
Loss on issued debt securities (bonds)	21	–	21	–
Net losses on redemption of other financial investments	–	21	–	21
Other finance costs	171	184	193	149
TOTAL finance costs	**22,021**	**25,293**	**22,762**	**25,278**

7. Intangible assets and property, plant and equipment

a) Non–current intangible assets

EUR'000

	Group		Parent Company	
	2024	2023	2024	2023
Cost	134,711	123,660	73,666	67,879
Accumulated amortisation	(77,385)	(71,871)	(52,019)	(49,482)
Net book amount at the beginning of the year	**57,326**	**51,789**	**21,647**	**18,397**
Additions	55,471	11,983	4,971	6,717
Impairment charge	(847)	–	–	–
Amortisation charge	(6,596)	(6,446)	(4,104)	(3,467)
Closing net book amount at the end of the year	**105,354**	**57,326**	**22,514**	**21,647**
Cost	190,145	134,711	78,600	73,666
Accumulated amortisation	(84,791)	(77,385)	(56,086)	(52,019)
Closing net book amount at the end of the year	**105,354**	**57,326**	**22,514**	**21,647**

b) Current intangible assets (CO_2 emission allowances)

EUR'000

	Group		Parent Company	
	2024	**2023**	**2024**	**2023**
Net book amount at the beginning of the year	**69,312**	**70,847**	**69,312**	**70,847**
Additions	31,649	37,624	31,649	37,624
Disposals	(46,345)	(39,159)	(46,345)	(39,159)
Closing net book amount at the end of the year	**54,616**	**69,312**	**54,616**	**69,312**

Estimated allowances used during the reporting year (unverified) recognised as provisions.

c) Property, plant and equipment

EUR'000

	Group		Parent Company	
	2024	**2023**	**2024**	**2023**
Cost or revalued amount	7,335,425	6,904,473	4,002,104	3,639,619
Accumulated depreciation and impairment	(4,034,374)	(3,899,103)	(2,496,693)	(2,396,959)
Net book amount at the beginning of the year	**3,301,051**	**3,005,370**	**1,505,411**	**1,242,660**
Additions	455,612	181,108	61,268	57,735
Acquisition of a subsidiaries	18,877	257	–	–
Reclassified (to) / from investment properties	(123)	(612)	75	(58)
Reclassified to non–current assets held for sale	(2,841)	(39)	(16)	(18)
Disposals	(8,622)	(8,615)	(194)	(657)
Increase in value of assets as a result of revaluation	–	312,061	–	312,061
Reversal of impairment charge as a result of revaluation	–	1,108	–	1,108
Recognised impairment charge	(73,645)	(22,432)	(72,097)	(22,323)
Depreciation	(164,515)	(167,155)	(79,015)	(85,097)
Closing net book amount at the end of the year	**3,525,794**	**3,301,051**	**1,415,432**	**1,505,411**
Cost or revalued amount	7,741,389	7,335,425	4,054,095	4,002,104
Accumulated depreciation and impairment	(4,215,595)	(4,034,374)	(2,638,663)	(2,496,693)
Closing net book amount at the end of the year	**3,525,794**	**3,301,051**	**1,415,432**	**1,505,411**

d) Investment property

EUR'000

	Group		Parent Company	
	2024	**2023**	**2024**	**2023**
Cost or revalued amount	2,613	2,542	2,987	2,914
Accumulated depreciation and impairment	(304)	(245)	(726)	(692)
Net book amount at the beginning of the year	**2,309**	**2,297**	**2,261**	**2,222**
Reclassified from / (to) property, plant, and equipment	123	612	(75)	58
Disposal	(321)	(7)	(123)	(1)
Sold	–	(581)	–	–
Depreciation	(12)	(12)	(14)	(18)
Closing net book amount at the end of the year	**2,099**	**2,309**	**2,049**	**2,261**
Cost or revalued amount	2,416	2,613	2,614	2,987
Accumulated depreciation and impairment	(317)	(304)	(565)	(726)
Closing net book amount at the end of the year	**2,099**	**2,309**	**2,049**	**2,261**

e) Property, plant and equipment revaluation

Hydropower plants and distribution system assets (property, plant, and equipment) of the Group and the Parent company are revalued regularly but not less frequently than every five years, revaluation may be performed more frequently if there is a significant and sustained increase in the civil engineering construction costs.

a) Assets of Hydropower plants:
– hydropower plants' buildings and facilities, revalued as of 1 April 2023 and previously revalued as of 1 April 2022.

b) Distribution system electricity lines and electrical equipment:
– electricity lines, revalued as of 1 January 2021.
– electrical equipment of transformer substations, revalued as of 1 April 2020.

As of 31 December 2024, the management of Sadales tīkls AS has assessed internal and external indicators that a revaluation would be needed. In this assessment, the increase in the price levels of general construction costs and electrical equipment costs accompanied with the increase of inflation and discount rates, which are exceeding criteria determined in the Group accounting policies, are indicators that revaluation of assets should be performed. After examining the recoverable value of the assets, the management of Sadales tīkls AS concluded that the fair value of the assets does not significantly differ from the assets book value on 31 December 2024.
Such conclusion was mainly driven by the "Methodology of capital costs accounting and calculation" approved by the decision of the Public Utilities Commission as of 29 August 2022, which stipulates that the value of assets used in calculations of regulatory asset base are included without the effect of asset revaluations after 31 December 2021. Considering the above, revaluation of assets as of 31 December 2024 does not need to be carried out.

8. Leases

a) Right–of–use assets

EUR'000

	Group		Parent Company	
	2024	2023	2024	2023
Cost	17,994	16,784	9,311	8,436
Accumulated depreciation	(6,775)	(6,258)	(4,601)	(3,370)
Net book amount at the beginning of the year	**11,219**	**10,526**	**4,710**	**5,066**
Recognised changes in lease agreements	23,443	2,928	(13)	875
Depreciation	(2,466)	(2,235)	(1,183)	(1,231)
Closing net book amount at the end of the year	**32,196**	**11,219**	**3,514**	**4,710**
Cost	41,258	17,994	9,297	9,311
Accumulated depreciation	(9,062)	(6,775)	(5,783)	(4,601)
Closing net book amount at the end of the year	**32,196**	**11,219**	**3,514**	**4,710**

b) Lease liabilities

EUR'000

	Group		Parent Company	
	2024	2023	2024	2023
At the beginning of the year	**11,406**	**10,675**	**4,824**	**5,166**
Of which are:				
– non–current	*9,015*	*8,648*	*3,607*	*4,206*
– current	*2,391*	*2,027*	*1,217*	*960*
Recognised changes in lease agreements	23,440	2,933	(13)	875
Decrease of lease liabilities	(2,611)	(2,364)	(1,248)	(1,300)
Recognised interest liabilities (Note 6)	364	162	61	83
At the end of the year	**32,599**	**11,406**	**3,624**	**4,824**
Of which are:				
– non–current	*29,876*	*9,015*	*2,417*	*3,607*
– current	*2,723*	*2,391*	*1,207*	*1,217*

9. Non–current financial investments

The Parent Company's participating interest in subsidiaries and other non–current financial investments (%)

	Country of incorporation	Business activity held	Operating segment	31/12/2024 Interest held, %	31/12/2023 Interest held, %
Investments in subsidiaries					
Sadales tīkls AS	Latvia	Electricity distribution	Distribution	100%	100%
Enerģijas publiskais tirgotājs SIA	Latvia	Management of the mandatory procurement process	Generation and trade	100%	100%
Elektrum Eesti OÜ	Estonia	Electricity & gas trade	Generation and trade	100%	100%
Elektrum Lietuva, UAB	Lithuania	Electricity & gas trade	Generation and trade	100%	100%
Latvijas vēja parki SIA	Latvia	Development of renewable energy generation	Generation and trade	100%	80%
Liepājas enerģija SIA	Latvia	Thermal energy, electricity generation and trade	Generation and trade	51%	51%
Renewable energy generation companies	Latvia	Development of renewable energy generation	Generation and trade	100%	–
Renewable energy generation companies	Lietuva	Development of renewable energy generation	Generation and trade	100%	–
Other non–current financial investments					
Pirmais Slēgtais Pensiju Fonds AS	Latvia	Management of pension plans		46.30%	46.30%
Rīgas siltums AS	Latvia	Thermal energy, electricity generation and trade		0.0051%	0.0051%

Subsidiaries' participating interest held (%)

	Country of incorporation	Business activity held	Operating segment	31/12/2024 Interest held, %	31/12/2023 Interest held, %
Subsidiaries of Elektrum Eesti OÜ:					
Elektrum Latvija, SIA	Latvia	Electricity trade	Generation and trade	100%	100%
Energiaturu Võrguehitus OÜ	Estonia	Electricity microgrid services	Generation and trade	100%	100%
Renewable energy generation companies	Estonia	Development of renewable energy generation	Generation and trade	100%	100%
Subsidiaries of Elektrum Lietuva, UAB					
Renewable energy generation companies	Lithuania	Development of renewable energy generation	Generation and trade	100%	–

The Group holds an 50% interest in a joint ventures, companies engaged in development of renewable energy generation in Lithuania, in total amount of EUR 42,0 thousand (31/12/2023: EUR 2 thousand).

The Group's non–current financial investments (%)

	Country of incorporation	Business activity held	31/12/2024 Interest held, %	31/12/2023 Interest held, %
Pirmais Slēgtais Pensiju Fonds AS *	Latvia	Management of pension plans	48.15%	48.15%
Rīgas siltums AS	Latvia	Thermal energy, electricity generation and trade	0.0051%	0.0051%

* The Group and the Parent Company are only a nominal shareholder as the Pension Fund is a non-profit company, and all risks and benefits arising from associate's activities and investments in the pension plan are taken and accrued by the members of the Pension Fund pension plan. For this reason, the investment in Pirmais Slēgtais Pensiju Fonds AS is valued at acquisition cost.

10. Inventories

EUR'000

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Natural gas (at lower of cost and net realisable value)	117,552	119,250	117,552	119,250
Raw materials and materials (at cost)	22,265	23,377	1,167	1,205
Goods for sale (at lower of cost and net realisable value)	9,749	13,809	1,537	3,916
Other inventories (at cost)	19,285	19,359	18,911	18,900
Unfinished products and orders (at cost)	659	6,490	(5)	88
Prepayments for natural gas and other inventories	4,976	4,603	2,189	4,026
Allowances for impaired inventories	(4,924)	(3,090)	(1,273)	(1,340)
TOTAL inventories	**169,562**	**183,798**	**140,078**	**146,045**

Inventories are valued at cost, except for goods for sale, which are valued at net realisable value.

Movement on the allowance for inventories

EUR'000

	Group		Parent Company	
	2024	2023	2024	2023
At the beginning of the year	**3,090**	**1,380**	**1,340**	**869**
Charged to the Statement of Profit or Loss	1,834	1,710	(67)	471
At the end of the year	**4,924**	**3,090**	**1,273**	**1,340**

11. Receivables from contracts with customers and other receivables

Receivables from contracts with customers grouped by the expected credit loss (ECL) assessment model, net

EUR'000

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Individually assessed receivables with lifetime ECL assessment (counterparty model)	47,125	28,381	44,587	30,943
Receivables with lifetime ECL assessment by simplified approach (portfolio model)	143,407	196,541	84,497	130,731
TOTAL receivables from contracts with customers	**190,532**	**224,922**	**129,084**	**161,674**

a) Receivables from contracts with customers, net

EUR'000

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Receivables from contracts with customers:				
– Electricity, natural gas trade and related services customers (portfolio model)	144,335	194,928	87,009	128,213
– Electricity, natural gas trade and related services customers (counterparty model)	19,770	8,273	–	–
– Heating customers (portfolio model)	17,252	23,907	14,341	20,289
– Other receivables from contracts with customers (portfolio model)	3,461	4,418	459	1,279
– Other receivables from contracts with customers (counterparty model)	27,432	20,165	25,985	19,936
– Subsidiaries (counterparty model) (Note 19 b)	–	–	18,663	11,057
	212,250	**251,691**	**146,457**	**180,774**
Allowances for expected credit loss from contracts with customers:				
– Electricity, natural gas trade and related services customers (portfolio model)	(19,840)	(24,752)	(16,956)	(18,682)
– Electricity, natural gas trade and related services customers (counterparty model)	(24)	(17)	–	–
– Heating customers (portfolio model)	(341)	(360)	(333)	(348)
– Other receivables from contracts with customers (portfolio model)	(1,460)	(1,600)	(23)	(20)
– Other receivables from contracts with customers (counterparty model)	(53)	(40)	(52)	(40)
– Subsidiaries (counterparty model) (Note 19 b)	–	–	(9)	(10)
	(21,718)	**(26,769)**	**(17,373)**	**(19,100)**
Receivables from contracts with customers, net:				
– Electricity, natural gas trade and related services customers (portfolio model)	124,495	170,176	70,053	109,531
– Electricity, natural gas trade and related services customers (counterparty model)	19,746	8,256	–	–
– Heating customers (portfolio model)	16,911	23,547	14,008	19,941
– Other receivables from contracts with customers (portfolio model)	2,001	2,818	436	1,259
– Other receivables from contracts with customers (counterparty model)	27,379	20,125	25,933	19,896
– Subsidiaries (counterparty model) (Note 19 b)	–	–	18,654	11,047
	190,532	**224,922**	**129,084**	**161,674**

Movements in loss allowances for impaired receivables from contracts with customers

EUR'000

	Group		Parent Company	
	2024	2023	2024	2023
At the beginning of the year	**26,769**	**19,957**	**19,100**	**16,411**
Receivables written off during the year as uncollectible	(1,981)	(2,048)	(1,510)	(1,789)
Allowances for expected credit losses	(3,070)	8,860	(217)	4,478
At the end of the year	**21,718**	**26,769**	**17,373**	**19,100**

b) Other current financial receivables

EUR'000

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Current financial receivables:				
Unsettled costs of mandatory procurement and guaranteed fee for the installed electrical capacity of CHHP, net*	23,544	32,286	–	–
Receivables for lease	15	18	11	11
Other current financial receivables	10,155	16,718	7,327	6,443
Accrued interest income on interest rate swap financial instruments	315	586	315	586
Allowances for expected credit losses	(2,273)	(1,636)	(1,933)	(1,287)
Receivables for lease from subsidiaries (Note 19 b)	–	–	21	26
Unregistered (paid-up) shares in subsidiaries' share capitals (Note 9)	–	–	–	4,000
Other financial receivables from subsidiaries (Note 19 b)	–	–	23,377	26,837
Other accrued income from subsidiaries (Note 19 c)	–	–	5,501	14,630
Allowances for expected credit losses on subsidiaries receivables (Note 19 b)	–	–	(17)	(21)
TOTAL other current financial receivables	**31,756**	**47,972**	**34,602**	**51,225**

* By applying agent principle, Unsettled costs of mandatory procurement and guaranteed fee for the installed electrical capacity of cogeneration power plants are recognised as assets in net amount, as difference between revenue and costs recognised under the mandatory procurement.

c) Other non–financial receivables

EUR'000

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Non–current non–financial receivables	540	447	470	447
Current non–financial receivables	1,171	2,109	638	1,055
TOTAL non–financial receivables	**1,711**	**2,556**	**1,108**	**1,502**

12. Cash and cash equivalents

Cash and cash equivalents include cash balances on bank accounts, demand deposits at bank and other short–term deposits with original maturities of three months or less.

EUR'000

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Cash at bank	86,471	78,373	63,400	67,080
Short–term bank deposits	–	40,000	–	40,000
Other cash equivalents	83	83	83	83
TOTAL cash and cash equivalents	**86,554**	**118,456**	**63,483**	**107,163**

Cash at bank balances earns daily interest for the Group mostly based on floating interbank deposit rates. Short–term deposits are placed by the Group for different periods between three and six months depending on the immediate cash needs of the Group and cash flow forecasts.

As of 31 December 2024, the Group and the Parent Company had deposits at banks in amount of EUR 209,842 thousand (including provisions for impairment of EUR 158 thousand), with maturity date longer than 3 months that does not comply with the principles of recognition as cash equivalents (31/12/2023: EUR 140,000 thousand). These deposits are disclosed as 'Other current financial investments' in the Statement of Financial Position.

13. Reserves

EUR'000

	Group					Parent Company			
	Non–current assets revaluation reserve	Hedge reserve	Post–employment benefit plan revaluation reserve	Other reserves	TOTAL	Non–current assets revaluation reserve	Hedge reserve	Post–employment benefit plan revaluation reserve	TOTAL
As of 31 December 2022	**1,373,991**	**(90,265)**	**(1,153)**	**110**	**1,282,683**	**1,002,274**	**(90,265)**	**(1,326)**	**910,683**
Increase of non–current assets revaluation reserve as a result of revaluation (Note 7 c)	312,061	–	–	–	**312,061**	312,061	–	–	**312,061**
Disposal of revaluation reserve	(9,613)	–	–	–	**(9,613)**	(561)	–	–	**(561)**
Losses on re–measurement of defined post–employment benefit plan	–	–	(2,709)	–	**(2,709)**	–	–	(1,144)	**(1,144)**
Gains from fair value changes of derivative financial instruments	–	99,380	–	–	**99,380**	–	99,380	–	**99,380**
Formed statutory reserves	–	–	–	50	**50**	–	–	–	**–**
As of 31 December 2023	**1,676,439**	**9,115**	**(3,862)**	**160**	**1,681,852**	**1,313,774**	**9,115**	**(2,470)**	**1,320,419**
Disposal of revaluation reserve	(10,753)	–	–	–	**(10,753)**	(928)	–	–	**(928)**
Losses on re–measurement of defined benefit plan	–	–	4,518	–	**4,518**	–	–	1,882	**1,882**
Losses from fair value changes of derivative financial instruments	–	(19,645)	–	–	**(19,645)**	–	(19,645)	–	**(19,645)**
Formed statutory reserves	–	–	–	4,095	**4,095**	–	–	–	**–**
As of 31 December 2024	**1,665,686**	**(10,530)**	**656**	**4,255**	**1,660,067**	**1,312,846**	**(10,530)**	**(588)**	**1,301,728**

14. Borrowings

EUR'000

	Group		Parent Company	
	31/12/2024	**31/12/2023**	**31/12/2024**	**31/12/2023**
Non–current portion of non-current borrowings from credit institutions	415,351	336,408	408,190	327,174
Non-current portion of issued debt securities (bonds)	199,929	199,908	199,929	199,908
Total non-current borrowings from financial institutions	**615,280**	**536,316**	**608,119**	**527,082**
Current portion of non–current borrowings from credit institutions	121,057	86,625	118,982	84,491
Current borrowings from state development finance institutions	30	–	30	–
Accrued interest on non–current borrowings from credit institutions	3,167	2,891	3,057	2,742
Accrued coupon interest on issued debt securities (bonds)	3,871	3,864	3,871	3,864
Total current borrowings from financial institutions	**128,125**	**93,380**	**125,940**	**91,097**
TOTAL borrowings from financial institutions	**743,405**	**629,696**	**734,059**	**618,179**
Current borrowings from related parties	–	–	31,101	–
Total current borrowings	**128,125**	**93,380**	**157,041**	**91,097**
TOTAL borrowings	**743,405**	**629,696**	**765,160**	**618,179**

Movement in borrowings EUR'000

	Group		Parent Company	
	2024	2023	2024	2023
At the beginning of the year	**629,696**	**875,918**	**618,179**	**863,938**
Received borrowings from credit institutions	200,000	2,000	200,030	–
Repaid borrowings from credit institutions	(86,625)	(301,090)	(84,491)	(295,276)
Received borrowings from state development finance institutions	30	–	–	–
Proceeds from issued debt securities (bonds)	–	50,000	–	50,000
Borrowings received / (repaid) from related parties	–	–	31,101	(3,317)
Change in accrued interest on borrowings from credit institutions	283	2,847	320	2,813
Changes in outstanding value of issued debt securities (bonds)	21	21	21	21
At the end of the year	**743,405**	**629,696**	**765,160**	**618,179**

15. Derivative financial instruments

Outstanding fair values of derivatives and their classification EUR'000

	Group				Parent Company			
	31/12/2024		31/12/2023		31/12/2024		31/12/2023	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	3,421	–	5,872	–	3,421	–	5,872	–
Energy forwards, futures, and swaps	–	(12,965)	5,297	–	–	(12,965)	5,297	–
Total outstanding fair values of derivatives	**3,421**	**(12,965)**	**11,169**	**–**	**3,421**	**(12,965)**	**11,169**	**–**

I) Interest rate swaps

The Group and the Parent Company enters into interest rate swap agreements with 7 to 10 year initial maturities and hedged floating rates are 6 month EURIBOR.

All contracts are designed as cash flow hedges and are eligible for hedge accounting. During the prospective and retrospective testing, an ineffective portion of some transactions has been identified and recognised in the Statement of Profit or Loss.

Fair value changes of interest rate swaps EUR'000

	Group				Parent Company			
	2024		2023		2024		2023	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Outstanding fair value at the beginning of the year	**5,872**	**–**	**10,279**	**–**	**5,872**	**–**	**10,279**	**–**
Included in the Statement of Profit or Loss (Note 6)	(31)	–	(119)	–	(31)	–	(119)	–
Included in the Statement of Comprehensive Income	(2,420)	–	(4,288)	–	(2,420)	–	(4,288)	–
Outstanding fair value at the end of the year	**3,421**	**–**	**5,872**	**–**	**3,421**	**–**	**5,872**	**–**

II) Energy forwards, futures and swaps

The Group and the Parent Company conclude electricity price and natural gas price swap contracts with financial institutions and other counterparties. Electricity price swap contracts are intended for hedging of the electricity price risk and are used to fix the price for the purchase of electricity on Nord Pool AS to ensure deliveries at a fixed price or to fix the price for the sale of electricity produced in AS "Latvenergo" power stations on Nord Pool AS. Natural gas swap contracts are intended for hedging of the natural gas price risk and are used for fixing the price of natural gas purchased in wholesale gas market or to fix the spread between the purchase and sale price of natural gas.

Fair value changes of energy forward and future contracts

EUR'000

	Group				Parent Company			
	2024		2023		2024		2023	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Outstanding fair value at the beginning of the year	**5,297**	**–**	**450**	**(120,520)**	**5,297**	**–**	**450**	**(120,520)**
Included in Statement of Profit or Loss (Note 5)	(783)	(253)	333	22,865	(783)	(253)	333	22,865
Included in Statement of Comprehensive Income	(4,514)	(12,712)	4,514	97,655	(4,514)	(12,712)	4,514	97,655
Outstanding fair value at the end of the year	**–**	**(12,965)**	**5,297**	**–**	**–**	**(12,965)**	**5,297**	**–**

III) Currency exchange forwards

In the reporting year ending 31 December 2023, the Group and the Parent company has been fulfilled forward currencies exchange contracts, the fair value of which on 31 December 2022 was EUR 1,499 thousand.

The Group and the Parent Company has concluded several forward foreign currencies exchange transactions in order to limit the currency risk of the payments in foreign currencies planned in the natural gas purchase agreements. All contracts were designed as cash flow hedges and are eligible for hedge accounting.

16. Fair values and fair value measurement

In this Note are disclosed the fair value measurement hierarchy for the Group's and the Parent Company's financial assets and liabilities and revalued property, plant and equipment.

Quantitative disclosures of fair value measurement hierarchy for assets at the end of the year EUR'000

	Group				Parent Company			
	Fair value measurement using				Fair value measurement using			
Type of assets	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL
As of 31 December 2024								
Assets measured at fair value								
Revalued property, plant and equipment	–	–	2,901,412	**2,901,412**	–	–	1,246,514	**1,246,514**
Non-current financial investments (Note 9)	–	–	40	**40**	–	–	39	**39**
Derivative financial instruments, including:								
Interest rate swaps (Note 15 I)	–	3,421	–	**3,421**	–	3,421	–	**3,421**
Energy forwards, futures, and swaps (Note 15 II)	–	–	–	**–**	–	–	–	**–**
Assets for which fair values are disclosed								
Investment properties (Note 7 c)	–	–	2,099	**2,099**	–	–	2,049	**2,049**
Loans to related parties:								
– Floating rate loans (Note 19 e)	–	–	–	**–**	–	517,656	–	**517,656**
– Fixed rate loans (Note 19 e)	–	22,244	–	**22,244**	–	280,016	–	**280,016**
Current financial receivables (Note 11 a, b)	–	–	222,288	**222,288**	–	–	163,686	**163,686**
Cash and cash equivalents (Note 12)	–	86,554	–	**86,554**	–	63,483	–	**63,483**
As of 31 December 2023								
Assets measured at fair value								
Revalued property, plant and equipment	–	–	2,909,307	**2,909,307**	–	–	1,277,600	**1,277,600**
Non-current financial investments (Note 9)	–	–	40	**40**	–	–	39	**39**
Derivative financial instruments, including:								
Interest rate swaps (Note 15 I)	–	5,872	–	**5,872**	–	5,872	–	**5,872**
Energy forwards, futures, and swaps (Note 15 II)	–	5,297	–	**5,297**	–	5,297	–	**5,297**
Assets for which fair values are disclosed								
Investment properties (Note 7 c)	–	–	2,309	**2,309**	–	–	2,261	**2,261**
Loans to related parties:								
– Floating rate loans (Note 19 e)	–	–	–	**–**	–	263,182	–	**263,182**
– Fixed rate loans (Note 19 e)	–	863	–	**863**	–	361,116	–	**361,116**
Current financial receivables (Note 11 a, b)	–	–	272,894	**272,894**	–	–	212,899	**212,899**
Cash and cash equivalents (Note 12)	–	118,456	–	**118,456**	–	107,163	–	**107,163**

There have been no transfers for assets between Level 1, Level 2 and Level 3 during the reporting year.

Quantitative disclosures of fair value measurement hierarchy for liabilities at the end of the year

EUR'000

Type of liabilities	Group: Quoted prices in active markets (Level 1)	Group: Significant observable inputs (Level 2)	Group: Significant unobservable inputs (Level 3)	Group: TOTAL	Parent Company: Quoted prices in active markets (Level 1)	Parent Company: Significant observable inputs (Level 2)	Parent Company: Significant unobservable inputs (Level 3)	Parent Company: TOTAL
As of 31 December 2024								
Liabilities measured at fair value								
Derivative financial instruments, including:								
Energy forwards, futures, and swaps (Note 15 II)	–	12,965	–	**12,965**	–	12,965	–	**12,965**
Liabilities for which fair values are disclosed								
Issued debt securities (bonds) (Note 14)	–	203,800	–	**203,800**	–	203,800	–	**203,800**
Borrowings from financial institutions (Note 14)	–	539,605	–	**539,605**	–	530,259	–	**530,259**
Borrowings from related parties (Note 14)	–	–	–	–	–	31,101	–	**31,101**
Trade and other financial current payables (Note 17)	–	–	178,787	**178,787**	–	–	112,741	**112,741**
As of 31 December 2023								
Liabilities for which fair values are disclosed								
Issued debt securities (bonds) (Note 14)	–	203,772	–	**203,772**	–	203,772	–	**203,772**
Borrowings from financial institutions (Note 14)	–	425,924	–	**425,924**	–	414,407	–	**414,407**
Borrowings from related parties (Note 14)	–	–	–	–	–	–	–	–
Trade and other financial current payables (Note 17)	–	–	136,014	**136,014**	–	–	87,078	**87,078**

There have been no transfers for liabilities between Level 1, Level 2 and Level 3 during the reporting year.

The fair value hierarchy for the Group's and the Parent Company's financial instruments that are measured at fair value, by using specific valuation methods, is disclosed above.

Set out below, is a comparison by class of the carrying amounts and fair values of the Group's and the Parent Company's financial instruments, other than those with carrying amounts which approximates their fair values:

EUR'000

	Group: Carrying amount 31/12/2024	Group: Carrying amount 31/12/2023	Group: Fair value 31/12/2024	Group: Fair value 31/12/2023	Parent Company: Carrying amount 31/12/2024	Parent Company: Carrying amount 31/12/2023	Parent Company: Fair value 31/12/2024	Parent Company: Fair value 31/12/2023
Financial assets								
Fixed rate loans to related parties	22,244	863	22,244	863	280,016	361,116	269,792	343,998
Financial liabilities								
Issued debt securities (bonds)	203,800	203,772	196,077	188,678	203,800	203,772	196,077	188,678

Management assessed that fair values of cash and short–term deposits, receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short–term maturities of these instruments.

17. Trade and other payables

EUR'000

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Financial liabilities:				
Payables for suppliers	128,936	89,320	72,327	51,934
Payables to related parties (Note 19 b)	14,810	14,864	20,708	21,390
Accrued expenses	27,579	21,212	9,153	7,139
Accrued expenses from related parties (Note 19 d)	–	–	5,705	3,321
Other financial current payables	7,462	10,618	4,848	3,294
TOTAL financial liabilities	**178,787**	**136,014**	**112,741**	**87,078**
Non–financial liabilities:				
Taxes other than income tax	27,614	33,681	13,234	19,055
Contract liabilities	30,722	28,907	5,866	7,547
Other current payables	4,086	4,131	1,621	1,620
TOTAL non–financial liabilities	**62,422**	**66,719**	**20,721**	**28,222**
TOTAL trade and other current payables	**241,209**	**202,733**	**133,462**	**115,300**

18. Deferred income

EUR'000

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
I) Non–current deferred income				
a) contracts with customers				
From connection fees	150,241	137,838	–	–
Other deferred income	601	668	601	668
	150,842	**138,506**	**601**	**668**
b) operating lease				
Other deferred income	280	300	280	300
	280	**300**	**280**	**300**
c) other				
On grant for the installed electrical capacity of CHPPs	65,480	89,470	65,480	89,470
On financing from European Union funds	46,619	22,702	6,414	4,456
Other deferred income	29	37	29	37
	112,128	**112,209**	**71,923**	**93,963**
Total non–current deferred income	**263,250**	**251,015**	**72,804**	**94,931**
II) Current deferred income				
a) contracts with customers				
From connection fees	17,570	16,510	–	–
Other deferred income	408	4,794	67	67
	17,978	**21,304**	**67**	**67**
b) operating lease				
Other deferred income	20	20	20	20
	20	**20**	**20**	**20**
c) other				
On grant for the installed electrical capacity of CHPPs	23,990	23,990	23,990	23,990
On financing from European Union funds	1,094	963	146	142
	25,084	**24,953**	**24,136**	**24,132**
TOTAL current deferred income	**43,082**	**46,277**	**24,223**	**24,219**
TOTAL deferred income	**306,332**	**297,292**	**97,027**	**119,150**

In 2024 Latvenergo AS received financing from Connecting Europe Facility (CEF) for the development of electric vehicles charging network and as part of the agreement with the Ministry of Economics of the Republic of Latvia on the financing of the European Union Recovery and Resilience Facility from Sadales tīkls AS. Liepājas enerģija SIA received European Union financing for fossil fuels substitution.

In 2023 received financing as part of the agreement with the Ministry of Economics of the Republic of Latvia on the financing of the European Union Recovery and Resilience Facility by Sadales tīkls AS, financing from Connecting Europe Facility (CEF) for the development of electric vehicles charging network received by the Parent Company and received European Union financing for fossil fuels substitution in Liepāja by Liepājas Enerģija SIA.

Movement in deferred income (non–current and current part)

EUR'000

	Group		Parent Company	
	2024	**2023**	**2024**	**2023**
At the beginning of the year	**297,292**	**308,527**	**119,150**	**154,399**
Recognised in Statement of Financial Position:				
– other deferred non–current income (financing)	25,549	20,606	2,750	2,625
– fees for connection to distribution system	30,176	23,015	–	–
– provided financing from European Union to subsidiary as cooperation partner, net	–	–	(672)	–
Recognised in Statement of Profit or Loss:				
– Other deferred income	(25,025)	(24,933)	(24,141)	(24,139)
– Deferred income from contracts with customers and operating lease	(21,660)	(29,923)	(60)	(13,735)
At the end of the year	**306,332**	**297,292**	**97,027**	**119,150**

19. Related party transactions

The Parent Company and, indirectly, its subsidiaries are controlled by the Latvian state. Related parties of the Latvenergo Group and the Parent Company are Shareholder of the Parent Company who controls over the Parent Company in accepting operating business decisions, members of Latvenergo Group entities' management boards, members of the Supervisory board of the Parent Company, members of Supervisory body of the Parent Company – the Audit Committee and close family members of any above–mentioned persons, as well as entities over which those persons have control or significant influence.

Trading transactions taking place under normal business activities with the Latvian government including its departments and agencies as well as transactions with state–controlled entities and providers of public utilities are excluded from the scope of related party disclosures. The Group and the Parent Company enter into transactions with many of these bodies on an arm's length basis.

Transactions with government related entities include sales of energy and related services but does not contain individually significant transactions therefore quantitative disclosure of transactions with those related parties is impossible due to broad range of the Latvenergo Group's and the Parent Company's customers, except for transactions with transmission system operators – Augstsprieguma tīkls AS.

a) Sales/purchases of goods, PPE and services to / from related parties

EUR'000

	Group		Parent Company			
	2024	**2023**	**2024**		**2023**	
Sales of goods, PPE and services, finance income	64,571	55,641	155,680	63,902	201,233	55,547
Purchases of goods, PPE, and services	151,591	131,032	174,013	53,102	150,929	40,773
including gross expenses from transactions with subsidiaries recognised in net amount through profit or loss:						
– Sadales tīkls AS	–	–	*164,508*		*145,236*	–

b) Balances at the end of the year arising from sales / purchases of goods, PPE and services

EUR'000

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Receivables from related parties:				
– subsidiaries (Note 11 a, b)	–	–	34,009	41,642
– other related parties*	13,647	15,506	12,952	15,172
– loss allowances for expected credit loss from receivables of subsidiaries (Note 11 a, b)	–	–	(26)	(31)
– loss allowances for expected credit loss from receivables of other related parties*	(25)	(33)	(24)	(33)
	13,622	**15,473**	**46,911**	**56,750**
Payables to related parties (Note 17):				
– subsidiaries	–	–	15,024	15,214
– other related parties*	14,810	14,864	5,684	6,176
	14,810	**14,864**	**20,708**	**21,390**

c) Accrued income raised from transactions with related parties

EUR'000

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
– for goods sold/services provided for subsidiaries (Note 11 a, b)	–	–	8,302	11,425
– for interest received from subsidiaries (Note 11 a, b)	–	–	5,251	3,483
– for goods sold/services provided for other related parties*	175	–	175	–
	175	**–**	**13,728**	**14,908**

d) Accrued expenses raised from transactions with related parties (Note 17)

EUR'000

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
– for purchased goods/received services from subsidiaries	–	–	5,705	3,321
	–	–	**5,705**	**3,321**

* Other related parties included transmission system operator – Augstsprieguma tīkls AS and its subsidiary Conexus Baltic Grid AS, Latvijas valsts meži AS (till 01/05/2024), Pirmais Slēgtais Pensiju Fonds AS and other entities controlled by the management members of Latvenergo Group, if any

In the year ending on 31 December 2024 remuneration to the Latvenergo Group's management includes remuneration to the members of the Management Boards the Group entities, the Supervisory Board, and the Supervisory body (Audit Committee) of the Parent Company, including salary, social insurance contributions and payments to pension plan and is amounted to EUR 4,446.1 thousand (01/01 – 31/12/2023: EUR 3,604.1 thousand).

In the year ending on 31 December 2024 remuneration to the Parent Company's management includes remuneration to the members of the Parent Company's Management Board, the Supervisory Board and the Supervisory body (Audit Committee), including salary, social insurance contributions and payments to pension plan and is amounted to EUR 1,567.4 thousand (01/01 – 31/12/2023: EUR 1,435.1 thousand).

Remuneration to the Latvenergo Group's and the Parent Company's management is included in the Statement of Profit or Loss position 'Personnel expenses'.

e) Loans to related parties

Non–current and current loans to related parties

EUR'000

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Non–current loans to subsidiaries	–	–	632,564	463,030
Non-current loans to other related parties	22,244	863	–	–
TOTAL non–current loans	**22,244**	**863**	**632,564**	**463,030**
Current portion of non–current loans to subsidiaries	–	–	96,638	107,609
Current loans to subsidiaries	–	–	68,470	53,659
TOTAL current loans	**–**	–	**165,108**	**161,268**
TOTAL loans to related parties	**22,244**	**863**	**797,672**	**624,298**

Movement in loans issued to related parties

EUR'000

	Group		Parent Company	
	2024	2023	2024	2023
At the beginning of the year	**863**	**–**	**624,298**	**713,308**
Change in current loans in cash (net)	–	–	104,317	(68,272)
Change in current loans by non–cash offsetting of operating receivables and payables (net)	–	–	128,797	76,311
Issued non–current loans in cash	21,399	863	48,051	–
Repaid non–current loans by non–cash offset	–	–	(107,653)	(96,977)
Allowances for expected credit loss	(18)		(138)	(72)
At the end of the year	**22,244**	**863**	**797,672**	**624,298**
incl. loan movement through bank account				
Issued loans to related parties	21,399	863	883,043	719,798
Repaid loans issued to related parties	–	–	(730,675)	(788,070)
Issued loans, net	**21,399**	**863**	**152,368**	**(68,272)**

f) Borrowings from related parties

To ensure efficiency and centralised management of Latvenergo Group companies' financial resources and using the functionality of Group accounts and possibility for non–cash offsetting of mutual invoices between the parties, current loans / borrowings are provided. In the reporting year Latvenergo AS issued loans to subsidiaries in accordance with mutually concluded agreement 'On provision of mutual financial resources', allowing the subsidiaries to borrow and to repay the loan according to daily operating needs and including non-cash offsetting of operating receivables and payables. Within the framework of the agreement, as of 31 December 2024, Parent Company has current borrowings from related parties in the amount of EUR 31,101 thousand (31/12/2023: no current borrowings from related parties).

20. Events after the reporting year

There have been no significant events since the last day of the reporting year that would materially affect the unaudited condensed financial statements of Latvenergo Group and AS "Latvenergo" for the year ended 31 December 2024.

***