

LATVENERGO CONSOLIDATED AND LATVENERGO AS UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST 3 MONTHS OF 2025



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

FINANCIAL CALENDAR

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)

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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 energy resource prices are higher.

In the 3-month period of 2025, electricity spot prices in the Baltics were on average 27% higher, reaching 111–112 EUR/MWh. Meanwhile, the average price of natural gas at the TTF (front month) reached 48 EUR/MWh, which is 55% higher than in the respective period a year ago. The price of CO₂ emission allowances (EUA DEC futures) increased by 22%, reaching 75 EUR/t.

Latvenergo Group produced 30% of the total electricity generated in the Baltics.

In the 3-month period of 2025, electricity output at Latvenergo Group's plants reached 1,651 GWh, which is 29% less than in the respective period a year ago. Electricity generation at the Daugava hydroelectric power stations (HPPs) decreased by 41% compared to the respective period a year ago due to lower water inflow in the Daugava River. In the 3-month period of 2024, the Daugava HPPs recorded the third highest output in history. In contrast, generation in the respective period this year was in line with the long-term average, reaching 829 GWh. The amount of electricity generated at the Latvenergo AS combined heat and power plants (CHPPs) decreased by 12%, reaching 803 GWh. The operation of the CHPPs is adjusted to the conditions of the market. Due to warmer weather, the amount of heat energy generation decreased to 733 GWh, which is 19% less than in the 3-month period of 2024.

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



1,752 GWh of electricity sold to Baltic retail customers



633 GWh of natural gas sold to Baltic retail customers

In the 3-month period of 2025, the Group supplied 1,752 GWh of electricity to Baltic retail customers, which is 6% less than in the respective period a year ago. Meanwhile, the volume of natural gas sold in retail reached 633 GWh, which is 39% more. The number of Latvenergo customers increased in both the electricity and natural gas segments. We have about 906 thousand electricity customers, and 295 thousand of them are outside Latvia. The number of natural gas customers comprised 68 thousand at the end of March.

The Group's results were impacted by the decline in generation at the Daugava HPPs

			MEUR
516.2	145.0	94.9	4,567.3
REVENUE	EBITDA	PROFIT	ASSETS

In the 3-month period of 2025, Latvenergo Group's revenue was 14% or EUR 83 million lower than in the respective period a year ago. The decrease was mainly due to lower energy sales prices and a decline in the volume of energy sold.

With the decrease in electricity generation at the Daugava HPPs, the Group's EBITDA decreased by 34% compared to the 3-month period of 2024, reaching EUR 145 million.

Investments have increased 2.7 times.

In the 3-month period of 2025, the total amount of investment increased 2.7 times, reaching EUR 137 million. Almost 3/4 of it or EUR 97 million was made in new wind and solar generation capacities. In 2025, construction work continues on the wind power 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. Construction work also continues on the solar park project DSE Aizpute Solar (265 MW), which is expected to be completed by the end of this year. At the end of the reporting period, the Group had solar and wind parks in the project or construction stage with a total capacity of 867 MW.

The international credit rating agency Moody's reaffirmed the credit rating of Latvenergo AS at Baa2 with a stable outlook.

In March 2025, Moody's published an updated Credit Opinion of Latvenergo AS. The rating of Latvenergo AS remains unchanged: 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.

Baa2
MOODY'S

Q1 2025 events

JANUARY	FEBRUARY	MARCH	APRIL, MAY
<p>Latvenergo Group ensures affordable energy for society while also working to protect and restore <u>biodiversity</u> and ecosystems.</p> <p>Latvenergo AS qualifies the Daugava HPPs' and CHPPs' units to provide <u>balancing services</u> as part of the Baltic power system's synchronization with the European grid.</p>	<p>On February 9, 2025, Estonia, Latvia, and Lithuania successfully <u>synchronized</u> their electricity systems with the Continental European synchronous area. This milestone also marked the launch of the Baltic Balancing Capacity Market, operated by the transmission system operators of the three countries.</p> <p>Latvenergo plans to invest in battery energy storage system (<u>BESS</u>) technologies, aiming to install 250 MW of capacity with 500 MWh of storage by 2030.</p> <p>The largest <i>Elektrum Drive</i> electric car charging park in Estonia opens at the "T1" <u>shopping centre</u>, where 34 electric vehicles can charge simultaneously.</p> <p>Latvenergo AS receives the <u>award</u> for Best Investor Relations among all bond issuers on the Nasdaq Baltic regulated markets in the Baltics for the fourth time.</p>	<p>Latvenergo AS secures a loan of EUR 200 million from the <u>European Investment Bank</u> with a repayment term of 15 years.</p> <p>Moody's updates the <u>credit rating analysis</u> for Latvenergo AS, maintaining the company's credit rating at Baa2 with a stable outlook.</p> <p>Latvenergo AS and the Israeli company H2Pro agree to explore the feasibility of H2Pro's <u>green hydrogen</u> production technology, which could offer Latvenergo an innovative solution and support the advancement of green energy development.</p>	<p>In April, after ten years of service, Martynas Giga stepped down as the CEO of <u>Elektrum Lietuva UAB</u>. He will be succeeded by Neringa Petrauskiene, current board member of the company. Meanwhile, in May, <u>Kostas Dryžas</u> took on the role of board member and Development Director at Elektrum Lietuva UAB.</p> <p>The Supervisory Board of Sadales tīkls AS has reappointed <u>Kristīne Sarkane</u> as a board member for another five-year term.</p> <p>On April 8, 2025, <u>Rodžers Jānis Grigulis</u> was appointed as a member of the Supervisory Board of Latvenergo AS for a five-year term.</p> <p><i>Elektrum</i> is launching a new electricity product for households – <u>Elektrum Solar Energy</u> – which comes with a Guarantee of Origin.</p> <p>The <i>Elektrum Energy Efficiency Centre</i> will now be rebranded as the <u>Elektrum Energy Centre</u>, with a focus on key topics such as climate change and sustainability, renewable energy and energy independence, and electromobility and charging.</p> <p>Construction has begun on <u>Laflora Energy</u> (109 MW), the largest wind farm in Latvia to date.</p>

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



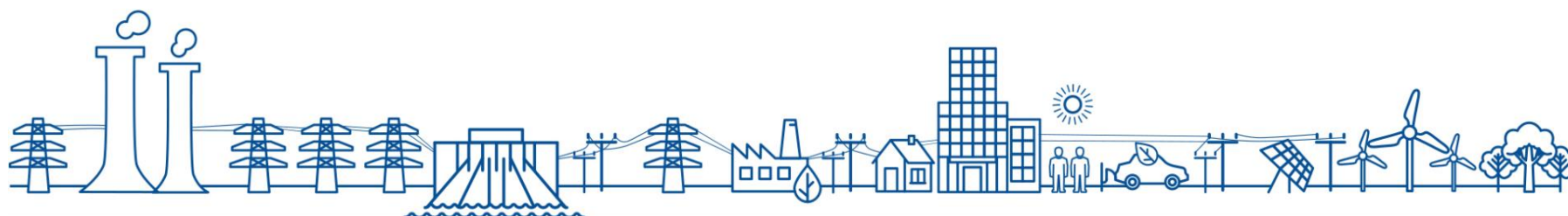
- comprises electricity and thermal energy generation operations, electricity and natural gas trade in the Baltics and administration of mandatory procurement in Latvia.



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	> 70%
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 164 min. in 2026;
- SAIFI reduced to 1.92 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.

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



By implementing the strategy of Latvenergo Group, we plan to prevent CO₂ emissions* in this amount:

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

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.

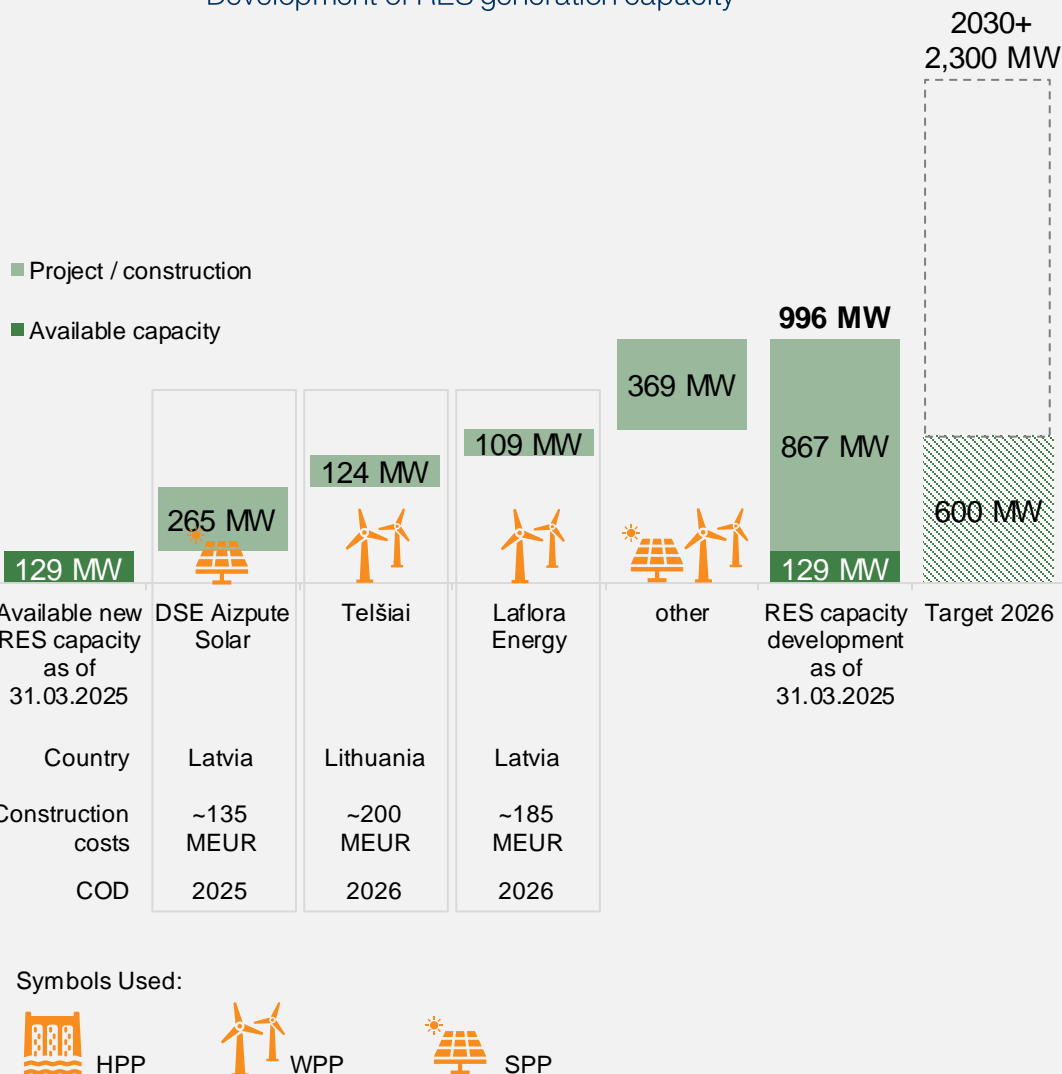
* the calculation is based on the assumption that the green energy generated by Latvenergo's new capacity replaces the same amount of energy that would be produced using coal or fuel stone

Latvenergo Group's Strategy

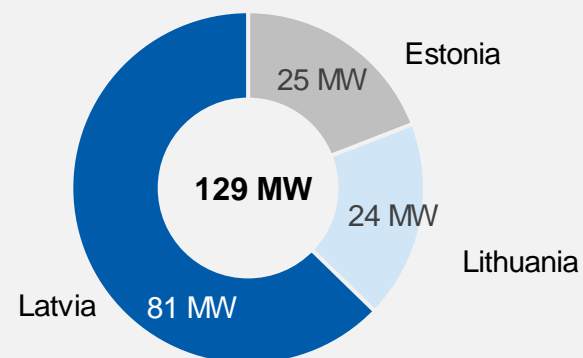
Progress of the Group's strategic objectives

GENERATION

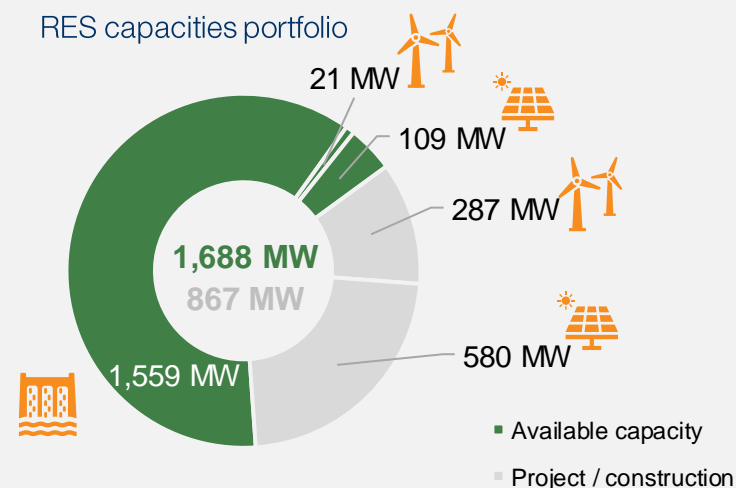
Development of RES generation capacity



Geolocation of newly constructed RES capacities



RES capacities portfolio

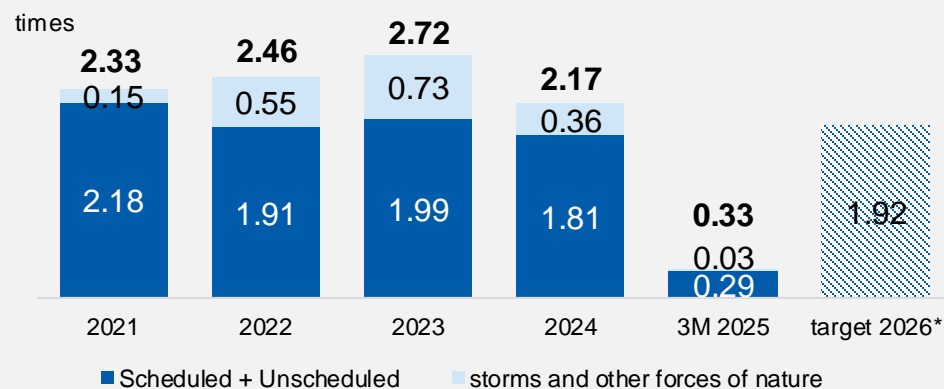


Latvenergo Group's Strategy

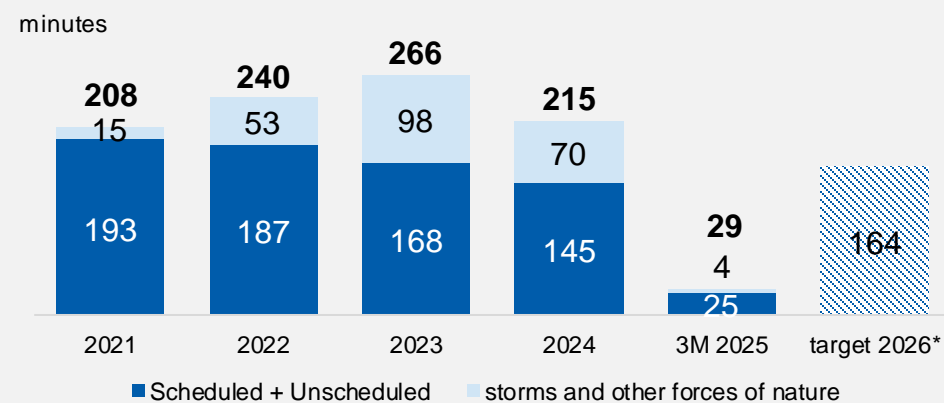
Progress of the Group's strategic objectives

DISTRIBUTION

SAIFI



SAIDI

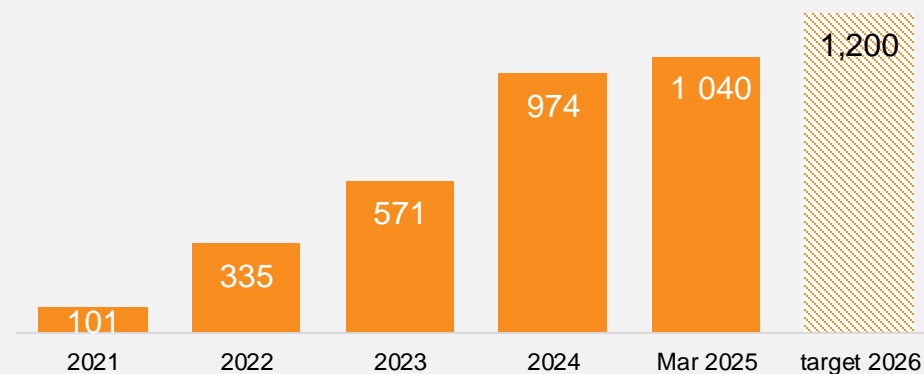


* Excluding mass damage caused by storms and other forces of nature

ELECTROMOBILITY

Charging ports**

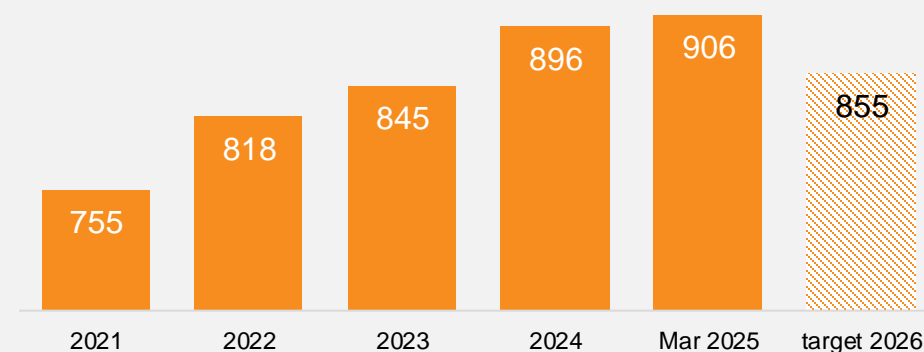
number



TRADE

The number of *Elektrum* electricity customers

thsd.



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

Latvenergo Group Key Performance Indicators

Latvenergo Group Operational Figures

		3M 2025	3M 2024	3M 2023	3M 2022	3M 2021
Retail electricity sales ¹⁾	GWh	1,752	1,867	1,635	1,422	1,799
Retail natural gas sales	GWh	633	455	312	339	341
Electricity generation	GWh	1,651	2,320	2,179	1,140	1,565
Thermal energy generation	GWh	733	903	810	856	1,011
Number of employees		3,440	3,515	3,415	3,164	3,298
Moody's credit rating		Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)

Latvenergo Group Financial Figures

		3M 2025	3M 2024	3M 2023	3M 2022	3M 2021
Revenue	MEUR	516.2	599.3	729.9	407.7	249.9
EBITDA ²⁾	MEUR	145.0	221.1	155.7	123.6	80.7
Profit for the period	MEUR	94.9	172.4	108.4	81.8	35.5
Assets	MEUR	4,567.3	4,339.0	3,967.0	3,518.8	3,421.6
Equity	MEUR	3,112.8	3,131.5	2,449.3	2,232.5	2,156.3
Net debt ²⁾	MEUR	499.6	472.5	368.7	544.0	448.3
Adjusted funds from operations (FFO) ²⁾	MEUR	156.1	239.6	162.0	110.2	85.0
Capital expenditure	MEUR	136.7	49.8	36.2	28.3	26.6

Latvenergo Group Financial Ratios

	3M 2025	3M 2024	3M 2023	3M 2022	3M 2021
Return on equity (ROE) ²⁾	6.3%	14.9%	9.0%	5.4%	4.2%
Adjusted FFO / net debt	88%	142%	86%	41%	48%
Net debt / EBITDA ²⁾	0.9	0.6	1.2	2.1	1.8
EBITDA margin ²⁾	32%	35%	18%	20%	32%
Return on assets (ROA) ²⁾	4.4%	10.0%	5.6%	3.4%	2.6%
Return on capital employed (ROCE) ²⁾	6.9%	13.4%	7.2%	4.3%	3.4%
Net debt / equity ²⁾	16%	15%	15%	24%	21%

1) Including operating consumption

2) Formulas are available on page 25

Operating Environment

Latvenergo Group's operations and performance are influenced by various global and regional factors, including electricity and natural gas prices. In the 3-month period of 2025:

- the Nord Pool system price decreased by 21%, whereas the electricity price in Latvia increased by 29%
- the price of natural gas at the TTF (the Dutch natural gas virtual trading point) increased by 55%

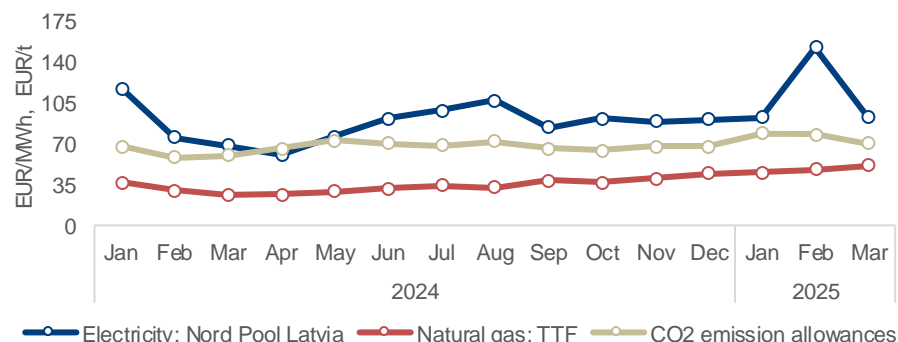
Electricity prices increased in the Baltics

The decrease in Nord Pool system prices in the Nordic countries was mainly affected by increased electricity generation through renewable energy sources, mainly solar power plants, where the output increased by 76%. In addition, warmer weather contributed to a 3% decrease in electricity demand in the Nordic countries compared to the first three months of the previous year. In contrast, the average electricity price in the Baltics during the reporting period was 27% higher than a year earlier, mainly due to lower generation at the Daugava HPPs, higher natural gas and CO₂ allowance prices, and a 21% decrease in electricity imports, primarily due to maintenance work on the EstLink 2 interconnection between Finland and Estonia, which lasted throughout the reporting period. At the beginning of 2025, only 358 MW (EstLink 1) of the total 1,016 MW installed capacity of the Finland–Estonia interconnections was available, significantly limiting electricity imports from the Nordic countries, where prices are substantially lower.

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

Region	3M 2025	3M 2024	Δ, %
System price	46.0	58.3	(21%)
Latvia	111.9	86.7	29%
Lithuania	111.3	86.8	28%
Estonia	111.4	90.1	24%
Poland	115.7	81.6	42%
Sweden	39.5	53.1	(26%)
Finland	49.2	72.4	(32%)
Denmark	99.3	64.8	53%
Norway	43.4	57.9	(25%)
Germany	112.5	67.5	67%
France	100.6	62.9	60%
Great Britain	117.8	72.5	62%

Energy resource prices



Due to warmer weather, electricity consumption in the Baltic states decreased by 3% in the 3-month period of 2025 compared to the respective period last year, reaching 7.4 TWh.

On February 9, 2025, Estonia, Latvia, and Lithuania successfully synchronized their electricity systems with the Continental European synchronous area. This milestone also marked the launch of the Baltic Balancing Capacity Market, operated by the transmission system operators of the three countries.

The total amount of electricity generated in the Baltics did not change significantly compared to the respective period last year, reaching 5.6 TWh. Due to lower generation at the Daugava HPPs, electricity generation in Latvia decreased by 26% compared to the 3-month period last year, reaching 1.8 TWh. Total electricity generation increased by 10% in Estonia and by 26% in Lithuania, reaching 1.4 TWh and 2.4 TWh, respectively.

Operating Environment

The natural gas price is higher

Natural gas is the main fuel resource in the Latvenergo AS CHPPs' operation. In the 3-month period of 2025, the average price of natural gas at the TTF (front month) reached 48 EUR/MWh, which is 55% higher than in the respective period a year ago. At the beginning of 2025, Europe experienced variable weather conditions and low wind power generation, which, combined with increased natural gas consumption, led to a significant decline in the fill levels of natural gas storage facilities across the European Union. In the 3-month period of 2025, the average fill rate of natural gas storage facilities, according to Gas Infrastructure Europe data, was 48% (in the 3-month period of 2024: 68%). The rise in natural gas prices during the reporting period was also influenced by concerns over meeting the European Commission's requirement to fill storage facilities to 90% by November 1, along with supply risks and increased global demand for liquefied natural gas (LNG).

The dynamics of the natural gas market are linked with the oil market and other energy resource markets. In the 3-month period of 2025:

- The average price of Brent crude oil futures decreased by 5%, comprising 75 USD / bbl. The Brent crude oil market prices were affected by concerns over a global economic recession, primarily driven by U.S. tariff and sanctions policies.
- The average price of coal (API2 Rotterdam coal futures front month) was 4% higher, reaching 106 USD / t. In the 3-month period of 2025, Europe experienced increased coal demand for electricity generation, while coal imports decreased.
- The average price of CO₂ emission allowances (EUA DEC futures) was 22% higher, reaching 75 EUR / t. The rise in EU emission allowance prices was driven by increased demand for fossil energy resources, while macroeconomic developments contributed to high price volatility during the reporting period. The financing of the REPowerEU plan is still ongoing, which includes an increased volume of emission allowance auctions through 2026.

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.

Events after the reporting period

After the end of the reporting period on May 23, 2025, the shareholder of Latvenergo AS decided to pay the state EUR 185.9 million in dividends from the 2024 profit, which corresponds to 70% of Latvenergo AS 2024 profit, as stipulated in the Law on the State Budget for 2025 and the Budget Framework for 2025, 2026, and 2027.

The shareholder also decided to increase Latvenergo AS share capital by EUR 286.0 million by paying for the newly issued shares with cash – by investing the retained earnings of Latvenergo AS from previous years in the share capital, as well as agreed to the issuance of transferable debt securities (bonds) in euros under a new public offering programme.

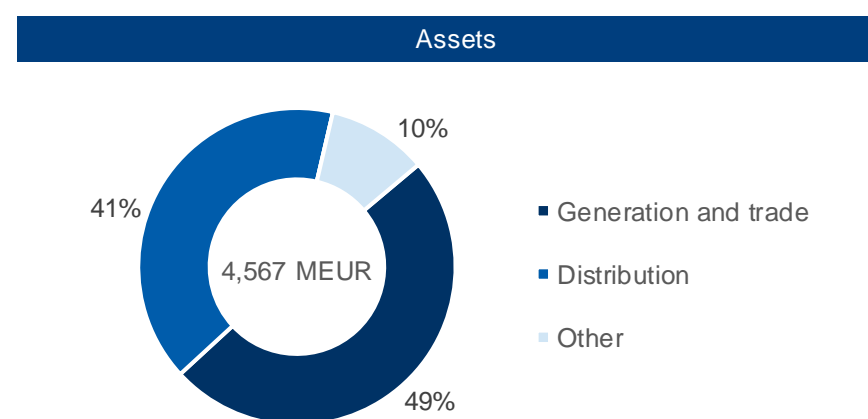
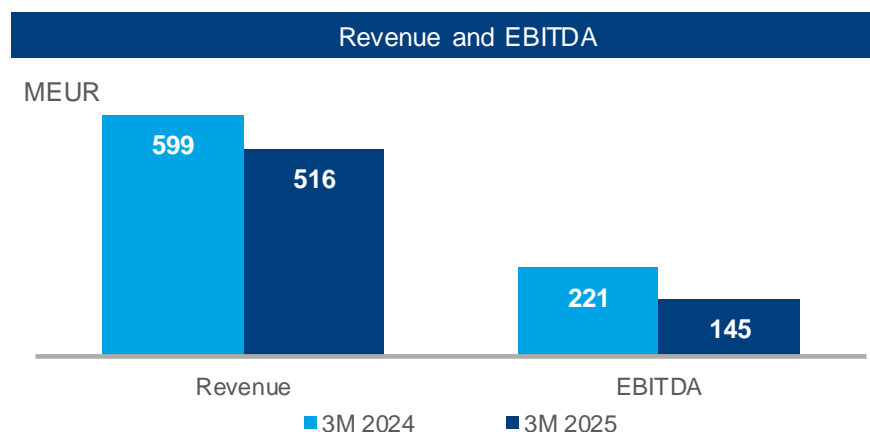
Financial Results

In the 3-month period of 2025, Latvenergo Group's revenue reached EUR 516.2 million, which was EUR 83.1 million or 14% less than in the respective period a year ago. The revenue decline was affected by energy sales revenue decreasing by EUR 77.0 million, driven by 16% lower electricity sales prices and a decline in the volume of energy sold. Due to warmer weather, electricity consumption in the Baltic states decreased by 3% during the reporting period, while natural gas consumption decreased by 5%.

Latvenergo Group financial figures		3M 2025	3M 2024	Δ	Δ, %
Revenue	MEUR	516.2	599.3	(83.1)	(14%)
EBITDA	MEUR	145.0	221.1	(76.1)	(34%)
Profit for the period	MEUR	94.9	172.4	(77.6)	(45%)
Assets	MEUR	4,567.3	4,339.0	228.3	5%

Latvenergo Group's EBITDA was EUR 76.1 million or 34% lower compared to the 3-month period of 2024, reaching EUR 145.0 million. This was mainly negatively affected by the 41% decrease in electricity generation at the Daugava HPPs. In the 3-month period of 2024, the Daugava HPPs recorded the third highest output in history. In contrast, the generation in the respective period this year was in line with the long-term average. EBITDA was also negatively affected by lower electricity sales prices.

The Group's profit for the reporting period reached EUR 94.9 million.





Generation and Trade

Revenue
81%

EBITDA
73%

Assets
49%

Employees
32%

Segment weight in Latvenergo Group

In the reporting period, generation and trade comprised Latvenergo Group's largest operating segment by revenue and EBITDA. The majority or 88% of the segment's revenue came from electricity and natural gas trade, while 12% came from thermal energy supply.

Electricity consumption in the Baltic states decreased by 3% during the reporting period, while natural gas consumption decreased by 5%, which had a negative impact on the Group's performance. Energy sales revenue decreased by EUR 77.0 million, driven by 16% lower electricity sales prices and a decline in the volume of energy sold.

Meanwhile, the segment's EBITDA was mainly negatively affected by the 41% decrease in electricity generation at the Daugava HPPs. In the 3-month period of 2024, the Daugava HPPs recorded the third highest output in history. In contrast, the generation in the respective period this year was in line with the long-term average. EBITDA was also negatively affected by lower electricity sales prices.

In the 3-month period of 2025, the total volume of electricity generated at Latvenergo Group's plants amounted to 1,651 GWh, which corresponded to 94% of the amount of electricity sold to retail customers (in the 3-month period of 2024: 124%).

Operational figures		3M 2025	3M 2024	Δ	Δ, %
Electricity customers	thsd.	906	853	53	6%
Electricity supply	GWh	2,631	3,184	(552)	(17%)
<i>Retail*</i>	GWh	1,752	1,867	(115)	(6%)
<i>Wholesale**</i>	GWh	880	1,317	(437)	(33%)
Natural gas customers	thsd.	68	54	14	26%
Natural gas supply	GWh	889	930	(41)	(4%)
<i>Retail</i>	GWh	633	455	177	39%
<i>Wholesale</i>	GWh	256	474	(218)	(46%)
Electricity generation	GWh	1,651	2,320	(669)	(29%)
<i>HPPs</i>	GWh	830	1,402	(571)	(41%)
<i>CHPPs</i>	GWh	803	911	(108)	(12%)
<i>SPPs and WPPs</i>	GWh	12	2	10	470%
<i>Liepaja plants</i>	GWh	5	5	(0)	(1%)
Thermal energy generation	GWh	733	903	(170)	(19%)
<i>CHPPs</i>	GWh	633	796	(163)	(21%)
<i>Liepaja plants</i>	GWh	100	107	(7)	(6%)

Financial figures		3M 2025	3M 2024	Δ	Δ, %
Revenue	MEUR	426.1	514.7	(88.6)	(17%)
EBITDA	MEUR	106.3	184.7	(78.5)	(42%)
Assets	MEUR	2,250.1	1,916.1	333.9	17%
Capital expenditure	MEUR	103.5	23.4	80.2	343%

* Including operating consumption

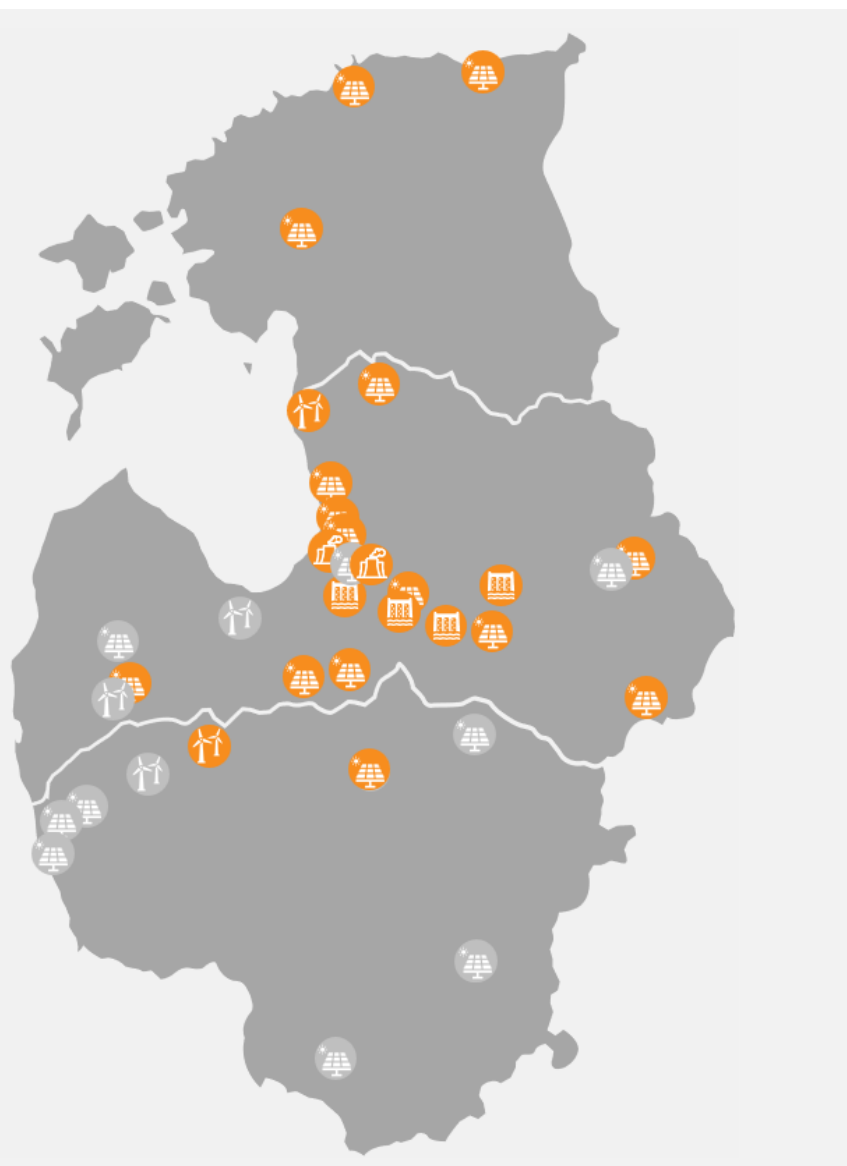
** Including sale of energy purchased within the mandatory procurement on the Nord Pool

Generation and Trade



Generation

Latvenergo Group has a balanced and environmentally friendly energy generation portfolio, consisting primarily of HPPs and highly efficient CHPPs. In addition, Latvenergo Group's renewable energy generation capacities in the Baltics are increasingly being developed, and as of 31 March 2025, the installed capacity of newly constructed RES already reached 129 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 the reporting period, the Group had solar and wind parks with a total capacity of almost 867 MW in the project or construction stage. Gradual commissioning of the solar and wind parks is expected between 2025 and 2026.



● Operational

● In process:
Project /
Construction

HPPs	CHPPs	SPPs	WPPs
1,559 MW	1,039 MW _{el} 1,617 MW _{th}	109 MW	21 MW*
		580 MW	287 MW

* At the end of 2024, the Akmene WPP (19.6 MW) in Lithuania began operations. At the end of the reporting period, 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

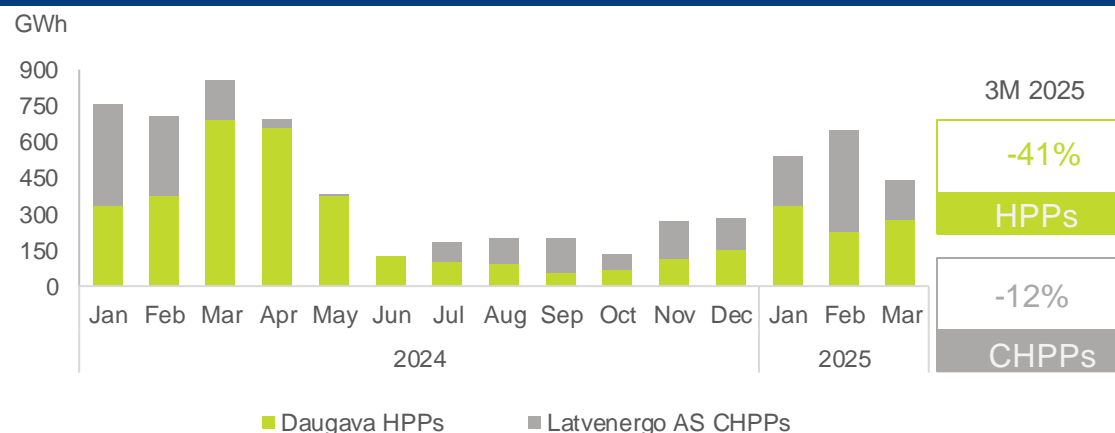


Latvenergo Group is one of the largest electricity producers in the Baltics. In the 3-month period of 2025, Latvenergo Group produced 30% of the total electricity generated in the Baltics, and 51% of the electricity was generated from renewable energy sources (in the 3-month period of 2024: 61%). The total amount generated by Latvenergo Group's power plants comprised 1,651 GWh of electricity and 733 GWh of thermal energy.

Latvenergo Group produced 30% of the total electricity generated in the Baltics

Electricity generation at the Daugava HPPs decreased by 41% compared to the 3-month period of 2024, due to lower water inflow in the Daugava River. In the 3-month period of 2024, the Daugava HPPs recorded the third highest output in history. In contrast, generation in the respective period this year was in line with the long-term average, reaching 829 GWh. According to data from the Latvian Environment, Geology and Meteorology Centre, the average water inflow in the Daugava River in the 3-month period of 2025 was 658 m³/s, but in the 3-month period of 2024 it was 1,110 m³/s.

Electricity generation at the Daugava HPPs and Latvenergo AS CHPPs



The amount generated at the Latvenergo AS CHPPs decreased by 12%, reaching 803 GWh. The operation of the Latvenergo AS CHPPs is adjusted to the conditions of the electricity market and heat demand.

Due to warmer weather, the amount of heat energy generation decreased to 733 GWh, which is 19% less than in the 3-month period of 2024.

Generation and Trade

Trade

Latvenergo Group is one of the largest energy traders in the Baltics, offering its customers electricity and natural gas, as well as a wide range of related products and services, under the *Elektrum* brand.

The number of electricity customers increased by 6% and natural gas customers by 33%

In the 3-month period of 2025, the Group supplied 1,752 GWh of electricity to its customers in the Baltics, which is 6% less than in the respective period a year ago. In the reporting period, electricity consumption in the Baltic states decreased by 3%. Meanwhile, the total number of electricity customers showed a positive increase of 6%, reflecting the company's strengthened position in strategically important household and small business segments. At the end of the reporting period, the number of electricity customers exceeded 906 thousand, including more than 295 thousand foreign customers.

About half of the total retail electricity was sold outside Latvia. The electricity trade volume in Latvia was 892 GWh, while in Lithuania it was 452 GWh and in Estonia it was 407 GWh.

The number of natural gas customers reached 68 thousand at the end of March, which is 26% more than a year earlier. The Group's natural gas retail sales in the Baltics increased by 39%, reaching 633 GWh. The volume of natural gas sold has increased despite a 5% decrease in overall natural gas consumption in the Baltics.

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 800 charging ports at the end of March. In the 3-month period of 2025, more than 38 thousand electric vehicle charges were made, comprising 800 MWh, resulting in savings of more than 500 tonnes of CO₂ 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 1,040 charging points in the Baltics.
- The *Elektrum Insured* customer portfolio in the Baltics exceeded 154 thousand clients in total.



Completed in the 3-month period of 2025



1,752 GWh of electricity sold to Baltic retail customers.



633 GWh of natural gas sold to Baltic retail customers.



Elektrum Drive electric car charging network in the Baltics had more than 800 charging ports at the end of March.



At the end of March, the total number of *Elektrum Insured* customers exceeded 154 thousand.

Distribution

Revenue
19%

EBITDA
25%

Assets
40%

Employees
49%

Segment weight in Latvenergo Group

In the 3-month period of 2025, segment's revenue as well as the amount of distributed electricity did not change significantly, and it reached EUR 97.7 million. Meanwhile, the segment's EBITDA increased by 5%, reaching EUR 36.4 million. EBITDA was mainly positively impacted by lower costs of electricity distribution losses, due to lower electricity purchase prices.

At the end of the reporting period, the total generation capacity of microgenerators connected to the distribution system reached about 198 MW, and the number of microgenerators connected to the distribution grid exceeded 23 thousand. In the reporting period, 76 new solar power plants were connected to the electricity distribution system. In total, 1,300 solar power plants were connected to the electricity distribution system at the end of March, and their total generation capacity has reached 500 MW. In the reporting period, about 70 GWh of electricity was produced from solar power and fed into the grid, which is 2.5 times more than in the respective period a year ago. In addition, in the 3-month period of 2025, Sadales tīkls AS built 29 electric charging ports for its customers, with a total connected capacity of 4.4 MW.

In the reporting period, SAIDI and SAIFI indicators have improved significantly, mainly due to milder weather conditions compared to the 3-month period of 2024. In addition to regular power line maintenance and power line corridor clearing, generators are used during planned maintenance outages to promote the quality and security of the energy supply.



Operational figures		3M 2025	3M 2024	Δ	Δ, %
Electricity distributed	GWh	1,668	1,677	(9)	(1%)
Distribution losses	GWh	70	66	4	6%
SAIFI*	times	0.33	0.52	(0.19)	(37%)
SAIDI*	minutes	29.1	45.0	(15.9)	(35%)

Financial figures		3M 2025	3M 2024	Δ	Δ, %
Revenue	MEUR	97.7	97.1	0.6	1%
EBITDA	MEUR	36.4	34.6	1.7	5%
Assets	MEUR	1,849.7	1,810.6	39.1	2%
RAB	MEUR	1,573.3	1,574.7	(1.4)	(0%)
Capital expenditure	MEUR	31.0	24.2	6.7	28%

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

In the 3-month period of 2025, more than **100 km** of power lines renewed, and more than **1,800 km** of power line corridors were cleared of potentially hazardous trees and shrubs



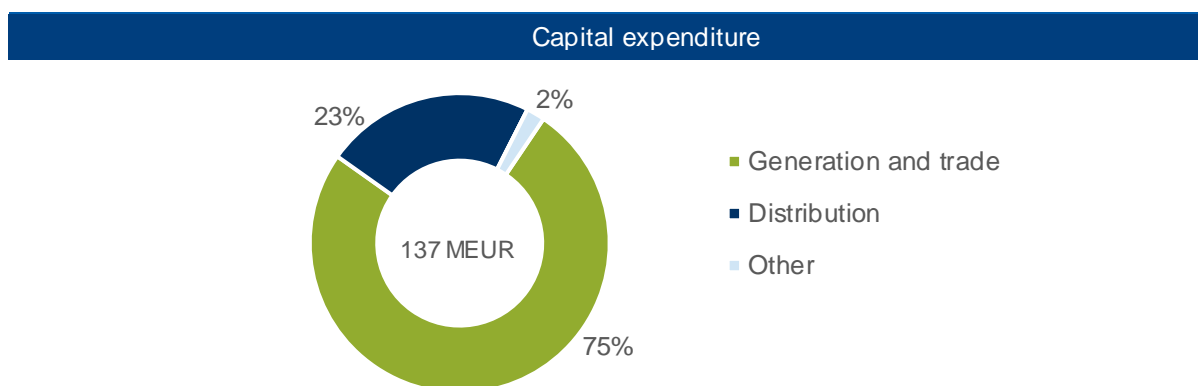
Investments

With the continued development of renewable energy generation capacities in the Baltics, the volume of investments by Latvenergo Group increased significantly. In the 3-month period of 2025, the total amount of investment comprised EUR 137 million, which is 2.7 times more than in the respective period a year ago. Almost 3/4 of it or EUR 97 million was made in new wind and solar generation capacities.

Latvenergo Group purposefully develops renewable generation capacity in the Baltic region

In the 3-month period of 2025, about 1/2 of Latvenergo Group's total investments were made in wind generation capacities. In 2025, construction work continues on the wind power 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 February 2025, the reconstruction of the Ainazi WPP, which was launched in 2024, was completed. As part of this project, two wind turbines with a total installed capacity of 1.2 MW were renewed.

About 1/5 of Latvenergo Group's total investments were made in solar park projects. In 2025, construction work continues on the solar park project DSE Aizpute Solar (265 MW), which is expected to be completed by the end of this year.



In the reporting period, the Ciekurkalns solar park in Latvia commenced operations with an installed capacity of 6.3 MW. At the end of March, Latvenergo Group already had 15 solar parks with an installed capacity of 109 MW.

At the end of the reporting period, in the Baltic region, the Group had solar and wind parks in the project or construction stage with a total capacity of almost 867 MW. Solar and wind parks are expected to be commissioned gradually from 2025–2026.

Also, reconstruction work on Plavinas HPP continued. The procurement process for the reconstruction of the Kegums HPP hydro units is ongoing, with the second round of the tender launched in March 2025.

In the reporting period, investments in distribution comprised EUR 31 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.

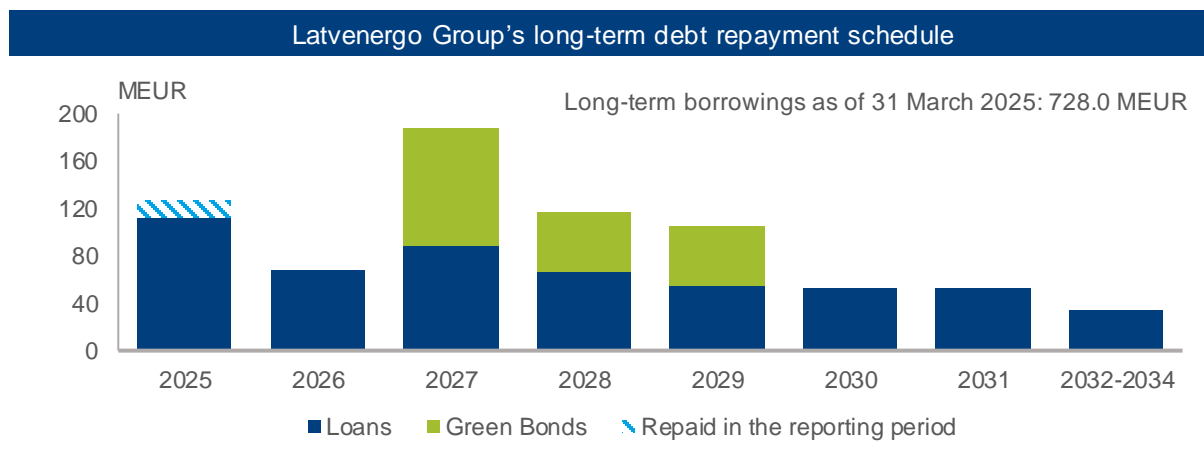
In March 2025, Latvenergo AS has secured a loan of EUR 200 million from the European Investment Bank with a repayment term of 15 years.

As of 31 March 2025, the Group's borrowings amount to EUR 728.0 million (31 March 2024: EUR 624.0 million), all of which are long-term loans. 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 March 2025, all borrowings are denominated in euro currency. The weighted average long-term loan repayment period is 3.6 years (31 March 2024: 3.7 years). The effective weighted average interest rate (with interest rate swaps) is 3.2% (31 March 2024: 3.6%). Also, sufficient coverage of debt service requirements has been ensured.

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



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.

In March 2025, Moody's published an updated Credit Opinion of Latvenergo AS. The rating of Latvenergo AS remains unchanged: 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.

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 – 69% 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 75% of the annual generation volume by the end of March.

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, 38% of the long-term borrowings had a fixed interest rate with an average period of 1.4 years as of 31 March 2025.

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 March 2025, all borrowings of Latvenergo Group are denominated in euros, and during the reporting period, 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 period, 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 incurrance 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 March 2025, Latvenergo Group's liquid assets (cash and short-term deposits up to 3 months) reached EUR 228.4 million (31 March 2024: EUR 151.5 million), while the current ratio was 1.5 (2.4).

The Group plans to use its funds in the amount of EUR 228.4 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

		3M 2025	3M 2024	3M 2023
Electricity supply	GWh	1,691	2,310	2,181
<i>Retail</i> ²⁾	GWh	892	1,062	1,036
<i>Wholesale</i> ³⁾	GWh	798	1,248	1,145
Natural gas supply	GWh	660	860	297
<i>Retail</i>	GWh	403	386	267
<i>Wholesale</i>	GWh	256	474	30
Electricity generation	GWh	1,638	2,313	2,175
Thermal energy generation	GWh	633	796	710
Number of employees		1,414	1,455	1,377
Moody's credit rating		Baa2 (stable)	Baa2 (stable)	Baa2 (stable)

Latvenergo AS financial figures

		3M 2025	3M 2024	3M 2023
Revenue	MEUR	333.7	412.0	538.1
EBITDA ¹⁾	MEUR	103.7	178.5	127.9
Profit for the period	MEUR	85.8	160.6	105.9
Assets	MEUR	3,816.0	3,679.7	3,371.8
Equity	MEUR	2,740.4	2,764.5	2,109.1
Net debt (adjusted) ¹⁾	MEUR	507.8	482.8	372.4
Capital expenditure	MEUR	8.9	6.9	10.9

Latvenergo AS financial ratios

	3M 2025	3M 2024	3M 2023
Return on equity (ROE) ¹⁾	6.9%	15.9%	11.4%
Net debt / equity (adjusted) ¹⁾	19%	17%	18%
EBITDA margin ¹⁾	37%	41%	21%

1) Formulas are available on page 25

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 Interim Financial Statements for the first 3 months of 2025*, including the Management Report, have been prepared in accordance with the IFRS Accounting 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 Interim Financial Statements for the first 3 months of 2025* were approved by the Management Board of Latvenergo AS on 27 May 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

27 May 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 2024.

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 =

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

Net debt/ EBITDA =

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

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

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

Return on assets =

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

Return on equity =

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

Return on equity excluding distribution=

$$\frac{(\text{Group's profit} - \text{Sadales tikls AS profit (12-month rolling)}) / ((\text{Group's equity} - \text{Sadales tikls AS equity (at the beginning of the 12-month period)} + \text{Group's equity} - \text{Sadales tikls AS equity (at the end of the 12-month period)}) / 2)}{\text{operating profit of the 12-month period}} \times 100\%$$

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

Average value of borrowings =

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

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

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

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

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 Interim Financial Statements

Statement of Profit or Loss

EUR'000

	Notes	Group		Parent Company	
		01/01– 31/03/2025	01/01– 31/03/2024	01/01– 31/03/2025	01/01– 31/03/2024
Revenue	4	516,247	599,316	333,702	412,040
Other income		7,830	7,448	6,832	6,848
Raw materials and consumables	5	(320,518)	(330,914)	(206,918)	(212,017)
Personnel expenses		(41,786)	(38,432)	(19,651)	(17,932)
Other operating expenses		(16,819)	(16,328)	(10,221)	(10,488)
EBITDA		144,954	221,090	103,744	178,451
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right-of-use assets	7,8	(44,295)	(43,128)	(21,026)	(21,065)
Operating profit		100,659	177,962	82,718	157,386
Finance income	6 a	3,445	4,216	8,880	9,091
Finance costs	6 b	(5,018)	(5,970)	(5,815)	(5,907)
Profit before tax		99,086	176,208	85,783	160,570
Income tax		(4,209)	(3,759)	–	–
Profit for the period		94,877	172,449	85,783	160,570
Profit attributable to:					
– Equity holder of the Parent Company		93,893	171,353	85,783	160,570
– Non-controlling interests		984	1,096	–	–

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		Parent Company	
		01/01– 31/03/2025	01/01– 31/03/2024	01/01– 31/03/2025	01/01– 31/03/2024
Profit for the period		94,877	172,449	85,783	160,570
<i>Other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods:</i>					
– gains / (losses) from change in hedge reserve	13	11,007	(4,052)	11,007	(4,052)
Other comprehensive income / (loss) for the period		11,007	(4,052)	11,007	(4,052)
TOTAL comprehensive income for the period		105,884	168,397	96,790	156,518
Comprehensive income attributable to:					
– Equity holder of the Parent Company		104,900	167,301	96,790	156,518
– Non-controlling interests		984	1,096	–	–

Statement of Financial Position

EUR'000

	Notes	Group		Parent Company	
		31/03/2025	31/12/2024	31/03/2025	31/12/2024
ASSETS					
Non-current assets					
Intangible assets	7 a	105,628	105,566	22,973	22,514
Property, plant and equipment	7 c	3,615,038	3,523,090	1,400,365	1,412,707
Right-of-use assets	8	31,472	31,910	3,474	3,514
Investment property	7 d	2,032	2,098	1,995	2,049
Non-current financial investments	9	470	82	857,359	857,359
Non-current loans to related parties	19 e	3,152	22,244	618,600	632,564
Other non-current receivables	11 c	540	540	470	470
Deferred income tax assets		1,085	1,857	–	–
Derivative financial instruments	15	2,428	2,124	2,428	2,124
Total non-current assets		3,781,845	3,689,511	2,907,664	2,933,301
Current assets					
Inventories	10	152,492	169,562	117,444	140,078
Current intangible assets	7 b	70,916	54,616	70,916	54,616
Receivables from contracts with customers	11 a	184,102	190,108	126,133	128,660
Other current receivables	11 b, c	23,634	32,928	49,535	35,239
Deferred expenses		3,341	3,196	2,832	2,720
Current loans to related parties	19 e	–	–	203,748	165,108
Prepayment for income tax		1,021	491	–	–
Derivative financial instruments	15	1,657	1,298	1,657	1,298
Other current financial investments		119,886	209,842	119,886	209,842
Cash and cash equivalents	12	228,404	86,554	216,169	63,483
Total current assets		785,453	748,595	908,320	801,044
TOTAL ASSETS		4,567,298	4,438,106	3,815,984	3,734,345
Equity					
Share capital		790,368	790,368	790,368	790,368
Reserves		1,669,639	1,660,068	1,312,359	1,301,728
Retained earnings		644,657	549,328	637,690	551,531
Equity attributable to equity holder of the Parent Company		3,104,664	2,999,764	2,740,417	2,643,627
Non-controlling interests		8,146	7,162	–	–
Total equity		3,112,810	3,006,926	2,740,417	2,643,627
Liabilities					
Non-current liabilities					
Borrowings	14	605,857	615,280	599,315	608,119
Lease liabilities	8	29,590	29,828	2,480	2,417
Deferred income tax liabilities		11,444	8,003	–	–
Provisions		17,688	17,113	9,315	8,981
Deferred income from contracts with customers and advances received	18 I, a	149,216	150,842	585	601
Other deferred income	18 I, b, c	109,342	112,408	67,004	72,203
Other non-current liabilities		21,489	21,592	21,489	21,489
Total non-current liabilities		944,626	955,066	700,188	713,810
Current liabilities					
Borrowings	14	122,158	128,125	124,627	157,041
Lease liabilities	8	2,650	2,723	1,099	1,207
Trade and other payables	17	244,341	210,487	149,413	127,596
Deferred income from contracts with customers and advances received	18 II, a	45,173	48,700	5,648	5,933
Other deferred income	18 II, b, c	24,958	25,104	24,010	24,156
Provisions		68,210	48,010	68,210	48,010
Derivative financial instruments	15	2,372	12,965	2,372	12,965
Total current liabilities		509,862	476,114	375,379	376,908
Total liabilities		1,454,488	1,431,180	1,075,567	1,090,718
TOTAL EQUITY AND LIABILITIES					
		4,567,298	4,438,106	3,815,984	3,734,345

Statement of Changes in Equity

EUR'000

	Group						Parent Company			
	Attributable to equity holder of the Parent Company				Non-controlling interests	TOTAL	Attributable to equity holder of the Parent Company			TOTAL
	Share capital	Reserves	Retained earnings	Total			Share capital	Reserves	Retained earnings	
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
Disposal of non-current assets revaluation reserve	–	(1,235)	1,235	–	–	–	–	(44)	44	–
Total transactions with owners and other changes in equity	–	(1,235)	1,235	–	–	–	–	(44)	44	–
Profit for the period	–	–	171,353	171,353	1,096	172,449	–	–	160,570	160,570
Other comprehensive loss for the period	–	(4,052)	–	(4,052)	–	(4,052)	–	(4,052)	–	(4,052)
Total comprehensive (loss) / income for the period	–	(4,052)	171,353	167,301	1,096	168,397	–	(4,052)	160,570	156,518
As of 31 March 2024	790,368	1,676,565	655,604	3,122,537	8,940	3,131,477	790,368	1,316,323	657,841	2,764,532
Acquisition of non-controlling interests	–	–	(229)	(229)	(173)	(402)	–	–	–	–
Dividends for 2023	–	–	(212,199)	(212,199)	(2,079)	(214,278)	–	–	(212,199)	(212,199)
Formed other reserves	–	4,095	(4,095)	–	–	–	–	–	–	–
Disposal of non-current assets revaluation reserve	–	(9,519)	9,519	–	–	–	–	(884)	884	–
Total transactions with owners and other changes in equity	–	(5,424)	(207,004)	(212,428)	(2,252)	(214,680)	–	(884)	(211,315)	(212,199)
Profit for the period	–	–	100,728	100,728	474	101,202	–	–	105,005	105,005
Other comprehensive loss for the period	–	(11,073)	–	(11,073)	–	(11,073)	–	(13,711)	–	(13,711)
Total comprehensive (loss) / income for the period	–	(11,073)	100,728	89,655	474	90,129	–	(13,711)	105,005	91,294
As of 31 December 2024	790,368	1,660,068	549,328	2,999,764	7,162	3,006,926	790,368	1,301,728	551,531	2,643,627
Disposal of non-current assets revaluation reserve	–	(1,436)	1,436	–	–	–	–	(376)	376	–
Total transactions with owners and other changes in equity	–	(1,436)	1,436	–	–	–	–	(376)	376	–
Profit for the period	–	–	93,893	93,893	984	94,877	–	–	85,783	85,783
Other comprehensive income for the period	–	11,007	–	11,007	–	11,007	–	11,007	–	11,007
Total comprehensive income for the period	–	11,007	93,893	104,900	984	105,884	–	11,007	85,783	96,790
As of 31 March 2025	790,368	1,669,639	644,657	3,104,664	8,146	3,112,810	790,368	1,312,359	637,690	2,740,417

Statement of Cash Flows

EUR'000

	Notes	Group		Parent Company	
		01/01– 31/03/2025	01/01– 31/03/2024	01/01– 31/03/2025	01/01– 31/03/2024
Cash flows from operating activities					
Profit before tax		99,086	176,208	85,783	160,570
Adjustments:					
– Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right-of-use assets		44,295	43,128	21,026	21,065
– Loss / (income) from disposal of non-current assets		811	1,051	(8)	(39)
– Interest expense		5,140	5,923	5,768	5,865
– Interest income		(2,618)	(3,277)	(8,441)	(8,151)
– Fair value (gain) / loss on derivative financial instruments		(250)	1,098	(250)	1,098
– Increase in provisions		20,775	25,226	20,534	25,203
– Other finance income		(389)	(5)	–	(5)
Interest paid		(6,445)	(4,509)	(6,318)	(4,080)
Interest received		2,256	892	1,931	824
Paid corporate income tax		(589)	(118)	–	–
Funds from operations (FFO)		162,072	245,617	120,025	202,350
Decrease in inventories and current intangible assets		810	88,891	6,336	84,550
Decrease / (increase) in receivables from contracts with customers and other receivables		15,505	(14,647)	(5,493)	1,209
Decrease / (increase) in other current financial investments		90,000	(190,000)	90,000	(190,000)
Increase / (decrease) in trade and other liabilities		4,033	(27,291)	20,125	(18,380)
Impact of non-cash offsetting of operating receivables and liabilities from subsidiaries, net		–	–	30,841	16,500
Net cash flows generated from operating activities		272,420	102,570	261,834	96,229
Cash flows from investing activities					
Loans issued to related parties	19	(906)	(13,173)	(81,902)	(47,922)
Purchase of intangible assets and PPE		(117,180)	(50,688)	(13,289)	(8,672)
Investments in subsidiaries		–	–	–	(12,430)
Net cash flows (used in) investing activities		(118,086)	(63,861)	(95,191)	(69,024)
Cash flows from financing activities					
Repayment of borrowings from financial institutions	14	(15,172)	(7,999)	(14,553)	(7,381)
Received financing from European Union	14	3,114	2,867	30	3,428
Proceeds on issued debt securities (bonds)		–	–	695	–
Lease payments		(426)	(523)	(129)	(147)
Net cash flows (used in) financing activities		(12,484)	(5,655)	(13,957)	(4,100)
Net increase in cash and cash equivalents		141,850	33,054	152,686	23,105
Cash and cash equivalents at the beginning of the period	12	86,554	118,456	63,483	107,163
Cash and cash equivalents at the end of the period	12	228,404	151,510	216,169	130,268

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.

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.

The Supervisory Board of Latvenergo AS:

Since 9 April 2025 the Supervisory Board of Latvenergo AS was comprised of the following members: Aigars Laizāns (re-elected as Chairman on 25 April 2025), Kaspars Rokens (re-elected as Deputy Chairman on 25 April 2025), Toms Siliņš, Gundars Ruža and Rodžers Jānis Grigulis.

Since 1 March 2024 till 8 April 2025 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.

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, 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 2024 has been approved on 23 May 2025 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 Interim Financial Statements for the 3-month period ending on 31 March 2025 include the financial information in respect of the Latvenergo Group and Latvenergo AS for the period starting on 1 January 2025 and ending on 31 March 2025 and comparative information for the period starting on 1 January 2024 and ending on 31 March 2024.

Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Interim Financial Statements for the 3-month period ending on 31 March 2025 were authorised by the Latvenergo AS Management Board on 27 May 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 Accounting 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 2024. 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 Group Consolidated and Latvenergo AS Unaudited Condensed Interim 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 2024.

Unaudited Condensed Interim 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	Distribution	Corporate functions	TOTAL segments	Adjustments and eliminations	TOTAL Group	Generation and trade	Corporate functions	TOTAL segments	Adjustments and eliminations	TOTAL Parent Company
Period: 01/01–31/03/2025											
Revenue											
External customers	416,815	97,404	2,028	516,247	–	516,247	323,319	10,383	333,702	–	333,702
Inter-segment	9,312	258	17,615	27,185	(27,185)	–	–	10,092	10,092	(10,092)	–
TOTAL revenue	426,127	97,662	19,643	543,432	(27,185)	516,247	323,319	20,475	343,794	(10,092)	333,702
Results											
EBITDA	106,268	36,366	2,320	144,954	–	144,954	99,326	4,418	103,744	–	103,744
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment and right-of-use assets	(19,387)	(21,521)	(3,387)	(44,295)	–	(44,295)	(17,610)	(3,416)	(21,026)	–	(21,026)
Segment profit / (loss) before tax	86,881	14,845	(1,067)	100,659	(1,573)	99,086	81,716	1,002	82,718	3,065	85,783
Capital expenditure	103,516	30,968	2,694	137,178	(507)	136,671	6,175	2,694	8,869	–	8,869
Period: 01/01–31/03/2024											
Revenue											
External customers	500,548	96,761	2,007	599,316	–	599,316	402,695	9,345	412,040	–	412,040
Inter-segment	14,198	298	16,220	30,716	(30,716)	–	215	10,204	10,419	(10,419)	–
TOTAL revenue	514,746	97,059	18,227	630,032	(30,716)	599,316	402,910	19,549	422,459	(10,419)	412,040
Results											
EBITDA	184,718	34,629	1,743	221,090	–	221,090	175,118	3,333	178,451	–	178,451
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment and right-of-use assets	(18,819)	(20,960)	(3,349)	(43,128)	–	(43,128)	(17,680)	(3,385)	(21,065)	–	(21,065)
Segment profit / (loss) before tax	165,899	13,669	(1,606)	177,962	(1,754)	176,208	157,438	(52)	157,386	3,184	160,570
Capital expenditure	23,351	24,231	2,182	49,764	–	49,764	4,673	2,182	6,855	–	6,855

Segment assets

EUR'000

	Group						Parent Company				
	Generation and trade	Distribution	Corporate functions	TOTAL segments	Adjustments and eliminations	TOTAL Group	Generation and trade	Corporate functions	TOTAL segments	Adjustments and eliminations	TOTAL Parent Company
As of 31 March 2025	2,250,076	1,849,655	116,701	4,216,432	350,866	4,567,298	1,642,876	157,346	1,800,222	2,015,762	3,815,984
As of 31 December 2024	2,178,943	1,841,614	118,723	4,139,280	298,826	4,438,106	1,656,586	149,403	1,805,989	1,928,356	3,734,345

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
Period: 01/01–31/03/2025									
Revenue from contracts with customers:									
Trade of energy and related supply services	360,865	902	–	361,767	361,767	276,329	–	276,329	276,329
Distribution system services	–	91,218	–	91,218	91,218	–	–	–	–
Heat sales	53,173	45	–	53,218	53,218	45,976	–	45,976	45,976
Sales of goods and energy related solutions	1,571	–	–	1,571	1,571	309	–	309	309
Other revenue	1,206	5,219	1,652	8,077	8,077	678	9,524	10,202	10,202
Total revenue from contracts with customers	416,815	97,384	1,652	515,851	515,851	323,292	9,524	332,816	332,816
Other revenue:									
Lease of other assets	–	20	376	396	396	27	859	886	886
Total other revenue	–	20	376	396	396	27	859	886	886
Period: 01/01–31/03/2024									
Revenue from contracts with customers:									
Trade of energy and related supply services	430,574	800	–	431,374	431,374	349,609	–	349,609	349,609
Distribution system services	–	90,893	–	90,893	90,893	–	–	–	–
Heat sales	60,573	63	–	60,636	60,636	51,867	–	51,867	51,867
Sales of goods and energy related solutions	7,725	–	–	7,725	7,725	731	–	731	731
Other revenue	1,676	4,986	1,650	8,312	8,312	453	8,549	9,002	9,002
Total revenue from contracts with customers	500,548	96,742	1,650	598,940	598,940	402,660	8,549	411,209	411,209
Other revenue:									
Lease of other assets	–	19	357	376	376	35	796	831	831
Total other revenue	–	19	357	376	376	35	796	831	831

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	
	01/01–31/03/2025	01/01–31/03/2024	01/01–31/03/2025	01/01–31/03/2024
EBITDA	144,954	221,090	103,744	178,451
Depreciation, amortisation and impairment of intangible assets, property, plant, and equipment and right-of-use assets	(44,295)	(43,128)	(21,026)	(21,065)
Segment profit before tax	100,659	177,962	82,718	157,386
Finance income	3,445	4,216	8,880	9,091
Finance costs	(5,018)	(5,970)	(5,815)	(5,907)
Profit before tax	99,086	176,208	85,783	160,570

Reconciliation of assets

EUR'000

	Group		Parent Company	
	31/03/2025	31/12/2024	31/03/2025	31/12/2024
Segment operating assets	4,216,432	4,139,280	1,800,222	1,805,989
Non-current financial investments and joint ventures	470	82	857,359	857,359
Loans to related parties	–	–	822,348	797,672
Other current financial investments	119,886	209,842	119,886	209,842
Deferred income tax assets and prepayment for income tax	2,106	2,348	–	–
Cash and cash equivalents	228,404	86,554	216,169	63,483
TOTAL assets	4,567,298	4,438,106	3,815,984	3,734,345

4. Revenue

EUR'000

	IFRS or IAS applied	Group		Parent Company	
		01/01–31/03/2025	01/01–31/03/2024	01/01–31/03/2025	01/01–31/03/2024
Revenue from contracts with customers:					
Trade of energy and related supply services	IFRS 15	361,767	431,374	276,329	349,609
Distribution system services	IFRS 15	91,218	90,893	–	–
Heat sales	IFRS 15	53,218	60,636	45,976	51,867
Sales of goods and energy related solutions	IFRS 15	1,571	7,725	309	731
Other revenue	IFRS 15	8,077	8,312	10,202	9,002
Total revenue from contracts with customers		515,851	598,940	332,816	411,209
Other revenue:					
Lease of other assets	IFRS 16	396	376	886	831
Total other revenue		396	376	886	831
TOTAL revenue		516,247	599,316	333,702	412,040

In 2025 and 2024, in accordance with state support regulations in Latvia for reducing energy prices, end-users have been granted state support for sales of distribution services. The support did not change tariffs (and thus gross revenue is recognised for the Group and the Company) rather the process of receiving the

transaction fees, part from the end-users and part from the state budget. Allocated state support for the end-users during the reporting period is EUR 2,803 thousand for the Group (01/01 – 31/03/2024: EUR 10,572 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	
	01/01–31/03/2025	01/01–31/03/2024	01/01–31/03/2025	01/01–31/03/2024
Goods and services transferred over time	497,608	545,953	303,703	362,719
Goods and services transferred at a point in time	18,243	52,987	29,113	48,490
TOTAL revenue from contracts with customers	515,851	598,940	332,816	411,209

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	
	01/01–31/03/2025	01/01–31/03/2024	01/01–31/03/2025	01/01–31/03/2024
Distribution system services	26,775	22,912	55,746	50,709
Transmission system services	124	609	126	614
Insurance intermediation	604	486	520	454
TOTAL revenue recognised applying agent accounting principle	27,503	24,007	56,392	51,777

5. Raw materials and consumables

EUR'000

	Group		Parent Company	
	01/01–31/03/2025	01/01–31/03/2024	01/01–31/03/2025	01/01–31/03/2024
Energy costs:				
Electricity and costs of related supply services	115,450	92,999	30,800	5,246
Electricity transmission services costs	23,256	23,350	672	661
Natural gas and other energy resources costs	155,312	180,417	152,234	176,092
CO ₂ emission allowances costs	20,201	25,102	20,201	25,102
(Gains) / losses on fair value changes on energy futures, forwards, and swaps (Note 15 II)	(253)	1,105	(253)	1,105
	313,966	322,973	203,654	208,206
Raw materials, spare parts and maintenance costs	6,552	7,941	3,264	3,811
TOTAL raw materials and consumables used	320,518	330,914	206,918	212,017

6. Finance income and costs

EUR'000

	Group		Parent Company	
	01/01–31/03/2025	01/01–31/03/2024	01/01–31/03/2025	01/01–31/03/2024
a) Finance income:				
Interest income	2,278	3,217	2,269	3,209
Interest income on loans to related parties	340	60	6,172	4,942
Interest income on interest rate swaps	439	928	439	928
Gains on fair value changes on interest rate swaps (Note 15 I)	–	7	–	7
Other finance income	388	4	–	5
TOTAL finance income	3,445	4,216	8,880	9,091

EUR'000

	Group		Parent Company	
	01/01–31/03/2025	01/01–31/03/2024	01/01–31/03/2025	01/01–31/03/2024
b) Finance costs:				
Interest expense on borrowings from financial institutions	3,980	5,106	4,781	5,073
Interest expense on borrowings from related parties	–	–	147	–
Interest expense on issued debt securities (bonds)	1,262	1,283	1,262	1,283
Interest expense on assets lease	159	41	13	16
Losses on fair value changes on interest rate swaps (Note 15 I)	4	–	4	–
Capitalised borrowing costs	(435)	(507)	(435)	(507)
Other finance costs	48	47	43	42
TOTAL finance costs	5,018	5,970	5,815	5,907

7. Intangible assets and property, plant and equipment

a) Non-current intangible assets

EUR'000

	Group			Parent Company		
	01/01–31/03/2025	01/01–31/03/2024	2024	01/01–31/03/2025	01/01–31/03/2024	2024
Cost	190,357	134,711	134,711	78,600	73,666	73,666
Accumulated amortisation	(84,791)	(77,385)	(77,385)	(56,086)	(52,019)	(52,019)
Net book amount at the beginning of the period	105,566	57,326	57,326	22,514	21,647	21,647
Additions	1,954	1,661	6,534	1,588	822	4,971
Acquisition of a subsidiaries	–	–	49,148	–	–	–
Impairment charge	–	–	(847)	–	–	–
Amortisation charge	(1,892)	(1,720)	(6,595)	(1,129)	(973)	(4,104)
Closing net book amount at the end of the period	105,628	57,267	105,566	22,973	21,496	22,514
Cost	192,311	136,372	190,357	80,189	74,489	78,600
Accumulated amortisation	(86,683)	(79,105)	(84,791)	(57,216)	(52,993)	(56,086)
Closing net book amount at the end of the period	105,628	57,267	105,566	22,973	21,496	22,514

b) Current intangible assets (CO₂ emission allowances)

EUR'000

	Group			Parent Company		
	01/01–31/03/2025	01/01–31/03/2024	2024	01/01–31/03/2025	01/01–31/03/2024	2024
Net book amount at the beginning of the period	54,616	69,312	69,312	54,616	69,312	69,312
Additions	16,300	12,995	31,649	16,300	12,995	31,649
Written-off verified quotas	–	–	(46,345)	–	–	(46,345)
Closing net book amount at the end of the period	70,916	82,307	54,616	70,916	82,307	54,616

c) Property, plant and equipment

EUR'000

	Group			Parent Company		
	01/01–31/03/2025	01/01–31/03/2024	2024	01/01–31/03/2025	01/01–31/03/2024	2024
Cost or revalued amount	7,741,410	7,335,425	7,335,425	4,054,094	4,002,104	4,002,104
Accumulated depreciation and impairment	(4,218,320)	(4,034,374)	(4,034,374)	(2,641,387)	(2,496,693)	(2,496,693)
Net book amount at the beginning of the period	3,523,090	3,301,051	3,301,051	1,412,707	1,505,411	1,505,411
Additions	134,717	46,950	455,632	7,281	6,033	61,268
Acquisition of a subsidiary	–	1,153	18,877	–	–	–
Reclassified (to) / from investment properties	(75)	(122)	(123)	–	75	75
Reclassified to current assets	(41)	(3,156)	(2,841)	–	–	(16)
Disposals	(880)	(1,141)	(8,622)	(25)	(22)	(194)
Impairment charge	(39)	(49)	(76,369)	–	–	(74,822)
Depreciation	(41,734)	(40,735)	(164,515)	(19,598)	(19,790)	(79,015)
Closing net book amount at the end of the period	3,615,038	3,303,951	3,523,090	1,400,365	1,491,707	1,412,707
Cost or revalued amount	7,866,235	7,371,477	7,741,410	4,057,599	4,007,149	4,054,094
Accumulated depreciation and impairment	(4,251,197)	(4,067,526)	(4,218,320)	(2,657,234)	(2,515,442)	(2,641,387)
Closing net book amount at the end of the period	3,615,038	3,303,951	3,523,090	1,400,365	1,491,707	1,412,707

d) Investment property

EUR'000

	Group			Parent Company		
	01/01–31/03/2025	01/01–31/03/2024	2024	01/01–31/03/2025	01/01–31/03/2024	2024
Cost or revalued amount	2,416	2,613	2,613	2,614	2,987	2,987
Accumulated depreciation and impairment	(317)	(304)	(304)	(565)	(726)	(726)
Net book amount at the beginning of the period	2,099	2,309	2,309	2,049	2,261	2,261
Reclassified from / (to) property, plant and equipment	75	123	123	–	(74)	(75)
Disposal	(4)	(36)	(307)	–	(2)	(122)
Sold	(135)	–	(14)	(51)	–	(1)
Depreciation	(3)	(3)	(12)	(3)	(3)	(14)
Closing net book amount at the end of the period	2,032	2,393	2,099	1,995	2,182	2,049
Cost or revalued amount	2,498	2,954	2,416	2,563	2,999	2,614
Accumulated depreciation and impairment	(466)	(561)	(317)	(568)	(817)	(565)
Closing net book amount at the end of the period	2,032	2,393	2,099	1,995	2,182	2,049

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.
- 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.

Compared to 2020, when electricity lines and electrical equipment was revalued using the depreciated replacement cost method, there has been a general increase in inflation, construction and labour costs, as well as material prices. However, the Public Utilities Commission's "Methodology for Capital Cost Accounting and Calculation" stipulates that, when calculating the regulated asset base, asset values must be used without considering the impact of any asset revaluations performed after December 31, 2021. The management of Sadales tīkls AS has assessed that, in accordance with the methodology, the aforementioned cost increases cannot be included in the calculation of the recoverable (value in use) amount of the assets and has concluded that the fair value of the assets does not differ significantly from their carrying amount as of 31 March 2025.

8. Leases

a) Right-of-use assets

EUR'000

	Group			Parent Company		
	01/01–31/03/2025	01/01–31/03/2024	2024	01/01–31/03/2025	01/01–31/03/2024	2024
Initial recognition cost	41,034	17,994	17,994	9,297	9,311	9,311
Accumulated depreciation	(9,124)	(6,775)	(6,775)	(5,783)	(4,601)	(4,601)
Net book amount at the beginning of the period	31,910	11,219	11,219	3,514	4,710	4,710
Recognised new right-of-use assets	135	–	23,328	–	–	–
Recognised changes in lease agreements	365	58	(99)	255	(41)	(13)
Depreciation	(938)	(618)	(2,538)	(295)	(299)	(1,183)
Closing net book amount at the end of the period	31,472	10,659	31,910	3,474	4,370	3,514
Initial recognition cost	41,534	18,049	41,034	9,552	9,269	9,297
Accumulated depreciation	(10,062)	(7,390)	(9,124)	(6,078)	(4,899)	(5,783)
Closing net book amount at the end of the period	31,472	10,659	31,910	3,474	4,370	3,514

b) Lease liabilities

EUR'000

	Group			Parent Company		
	01/01–31/03/2025	01/01–31/03/2024	2024	01/01–31/03/2025	01/01–31/03/2024	2024
At the beginning of the period	32,551	11,406	11,406	3,624	4,824	4,824
<i>Of which are:</i>						
– non-current	29,828	9,015	9,015	2,417	3,607	3,607
– current	2,723	2,391	2,391	1,207	1,217	1,217
Recognised new lease liabilities	135	–	23,540	–	–	–
Recognised changes in lease agreements	365	57	(99)	255	(40)	(13)
Payments for lease liabilities	(1,103)	(597)	(2,754)	(313)	(316)	(1,248)
Recognised interest liabilities (Note 6)	292	41	463	13	16	61
At the end of the period	32,240	10,907	32,551	3,579	4,484	3,624
<i>Of which are:</i>						
– non-current	29,590	8,516	29,828	2,480	3,283	2,417
– current	2,650	2,391	2,723	1,099	1,201	1,207

9. Non-current financial investments

The Parent Company's effective ownership interest in subsidiaries

Company's name	Date of establishment or acquisition	Country of incorporation	Operating segment	Principal activities	Effective ownership interest, %		Non-controlling interest's effective ownership interest, %	
					31/03/2025	31/12/2024	31/03/2025	31/12/2024
Sadales tīkls AS	18/09/2006	Latvia	Distribution	Electricity distribution	100%	100%	–	–
Enerģijas publiskais tirgotājs SIA	25/02/2014	Latvia	Generation and trade	Administration of mandatory electricity procurement process	100%	100%	–	–
Elektrum Eesti OÜ	27/06/2007	Estonia	Generation and trade	Electricity and natural gas trade	100%	100%	–	–
Elektrum Lietuva, UAB	07/01/2008	Lithuania	Generation and trade	Electricity and natural gas trade	100%	100%	–	–
Latvijas vēja parki SIA	22/07/2022	Latvia	Generation and trade	Electricity generation from RES	100%	100%	–	–
Krāslavas SES SIA *	05/01/2024	Latvia	Generation and trade	Electricity generation from RES	100%	100%	–	–
Telšiņu vēja parkas UAB	23/05/2024	Lithuania	Generation and trade	Electricity generation from RES	100%	100%	–	–
Laflora Energy SIA	17/09/2024	Latvia	Generation and trade	Electricity generation from RES	100%	100%	–	–
DSE Aizpute Solar SIA	07/11/2024	Latvia	Generation and trade	Electricity generation from RES	100%	100%	–	–
Elektrum Next SIA	13/11/2024	Latvia	Generation and trade	Electricity generation from RES	100%	100%	–	–
Liepājas enerģija SIA	06/07/2005	Latvia	Generation and trade	Thermal energy generation and trade, electricity generation	51%	51%	49%	49%

* On 14 May 2025 in a result of reorganisation merged with Elektrum Next SIA

The Parent Company's subsidiaries' effective ownership interest

The Parent Company's Subsidiaries Effective ownership interest					Effective ownership interest, %	
Company's name	Date of establishment or acquisition	Country of incorporation	Operating segment	Principal activities	31/03/2025	31/12/2024
Subsidiaries of Elektrum Eesti OÜ:						
Elektrum Latvija SIA	18/09/2012	Latvia	Generation and trade	Electricity trade	100%	100%
Energiaturu Võrguehitus OÜ	26/08/2021	Estonia	Generation and trade	Electricity microgrid services	100%	100%
HN Põld ja Mets 1 OÜ	31/05/2023	Estonia	Generation and trade	Electricity generation from RES	100%	100%
Solarpark Kuusalu OÜ	19/07/2024	Estonia	Generation and trade	Electricity generation from RES	100%	100%
Subsidiaries of Elektrum Lietuva, UAB:						
Klaipėda unlimited sun UAB	27/01/2023	Lithuania	Generation and trade	Electricity generation from RES	100%	100%
Secundus Navitas UAB	25/05/2024	Lithuania	Generation and trade	Electricity generation from RES	100%	100%

The Group's other non-current financial investments

			Effective ownership interest, %	
Company's name	Country of incorporation	Business activity profile	31/03/2025	31/12/2024
Investments in joint ventures and associates (Group):				
Geniva UAB	Lithuania	Electricity generation from RES	50%	50%
Vėjo miestai UAB	Lithuania	Electricity generation from RES	50%	50%
Other non-current financial investments (Group):				
Pirmais Slēgtais Pensiju Fonds AS	Latvia	Management of pension plans	48.15%	48.15%
Rīgas siltums AS	Latvia	Thermal energy generation and trade, electricity generation	0.0051%	0.0051%

The Group owns 48.15% of the shares of the closed pension fund Pirmais Slēgtais Pensiju Fonds AS (Latvenergo AS – 46.30%, Enerģijas publiskais tirgotājs SIA and Sadales tīkls – jointly 1.85%). However, 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 company'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.

Movement in non-current investments

EUR'000

	Group			Parent Company		
	01/01–31/03/2025	01/01–31/03/2024	2024	01/01–31/03/2025	01/01–31/03/2024	2024
At the beginning of the period	82	42	42	857,359	671,720	671,720
Acquisition of shares	–	–	–	–	788	49,318
Invested in share capital	–	–	–	–	–	135,921
Acquired shares from non-controlling interest	–	–	–	–	–	400
Change of investments in joint ventures using equity method	388	(2)	40	–	–	–
At the end of the period	470	40	82	857,359	672,508	857,359

10. Inventories

EUR'000

	Group		Parent Company	
	31/03/2025	31/12/2024	31/03/2025	31/12/2024
Natural gas (at cost)	95,424	117,552	95,424	117,552
Raw materials and materials (at cost)	29,702	22,265	1,285	1,167
Goods for sale (at lower of cost and net realisable value)	7,092	9,749	1,463	1,537
Other inventories (at cost)	19,227	19,285	18,934	18,906
Unfinished products and orders (at cost)	193	659	–	–
Prepayments for natural gas and other inventories	4,767	4,976	1,668	2,189
Allowances for impaired inventories	(3,913)	(4,924)	(1,330)	(1,273)
TOTAL inventories	152,492	169,562	117,444	140,078

Movement on the allowance for inventories

EUR'000

	Group			Parent Company		
	01/01–31/03/2025	01/01–31/03/2024	2024	01/01–31/03/2025	01/01–31/03/2024	2024
At the beginning of the period	4,924	3,090	3,090	1,273	1,340	1,340
Changes to the Statement of Profit or Loss	(1,011)	(284)	1,834	57	166	(67)
At the end of the period	3,913	2,806	4,924	1,330	1,506	1,273

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	
	31/03/2025	31/12/2024	31/03/2025	31/12/2024
Individually assessed receivables with lifetime ECL assessment (counterparty model)	37,779	47,125	43,987	44,587
Receivables with lifetime ECL assessment by simplified approach (portfolio model)	146,323	142,983	82,146	84,073
TOTAL receivables from contracts with customers	184,102	190,108	126,133	128,660

a) Receivables from contracts with customers, net

EUR'000

	Group		Parent Company	
	31/03/2025	31/12/2024	31/03/2025	31/12/2024
Receivables from contracts with customers:				
– Electricity, natural gas trade and related services customers (portfolio model)	150,060	143,911	86,976	86,585
– Electricity, natural gas trade and related services customers (counterparty model)	11,192	19,770	–	–
– Heating customers (portfolio model)	14,323	17,252	11,875	14,341
– Other receivables from contracts with customers (portfolio model)	3,606	3,461	511	459
– Other receivables from contracts with customers (counterparty model)	26,652	27,432	26,066	25,985
– Subsidiaries (counterparty model) (Note 19 b)	–	–	17,974	18,663
	205,833	211,826	143,402	146,033
Allowances for expected credit loss from contracts with customers:				
– Electricity, natural gas trade and related services customers (portfolio model)	(19,875)	(19,840)	(16,870)	(16,956)
– Electricity, natural gas trade and related services customers (counterparty model)	(17)	(24)	–	–
– Heating customers (portfolio model)	(337)	(341)	(327)	(333)
– Other receivables from contracts with customers (portfolio model)	(1,454)	(1,460)	(19)	(23)
– Other receivables from contracts with customers (counterparty model)	(48)	(53)	(47)	(52)
– Subsidiaries (counterparty model) (Note 19 b)	–	–	(6)	(9)
	(21,731)	(21,718)	(17,269)	(17,373)
Receivables from contracts with customers, net:				
– Electricity, natural gas trade and related services customers (portfolio model)	130,185	124,071	70,106	69,629
– Electricity, natural gas trade and related services customers (counterparty model)	11,175	19,746	–	–
– Heating customers (portfolio model)	13,986	16,911	11,548	14,008
– Other receivables from contracts with customers (portfolio model)	2,152	2,001	492	436
– Other receivables from contracts with customers (counterparty model)	26,604	27,379	26,019	25,933
– Subsidiaries (counterparty model) (Note 19 b)	–	–	17,968	18,654
	184,102	190,108	126,133	128,660

Movements in loss allowances for impaired receivables from contracts with customers

EUR'000

	Group			Parent Company		
	01/01–31/03/2025	01/01–31/03/2024	2024	01/01–31/03/2025	01/01–31/03/2024	2024
At the beginning of the period	21,718	26,769	26,769	17,373	19,100	19,100
Receivables written off during the period as uncollectible	(213)	(394)	(1,981)	(208)	(388)	(1,510)
Allowances for expected credit losses	226	(707)	(3,070)	104	(1,042)	(217)
At the end of the period	21,731	25,668	21,718	17,269	17,670	17,373

b) Other financial receivables

EUR'000

	Group		Parent Company	
	31/03/2025	31/12/2024	31/03/2025	31/12/2024
Current financial receivables:				
Uncovered costs of mandatory procurement and guaranteed fee for the installed electrical capacity of cogeneration power plants, net*	7,959	23,544	–	–
Receivables for lease	125	15	116	11
Other current financial receivables	9,156	10,156	7,212	7,327
Accrued interest income on interest rate swap financial instruments	754	315	754	315
Other accrued income	2,913	–	1,590	–
Allowances for expected credit losses	(2,374)	(2,273)	(2,043)	(1,934)
Receivables for lease from subsidiaries (Note 19 b)	–	–	31	21
Other financial receivables from subsidiaries (Note 19 b)	–	–	31,116	23,377
Other accrued income from subsidiaries (Note 19 c)	–	–	9,850	5,501
Allowances for expected credit losses on subsidiaries receivables (Note 19 b)	–	–	(21)	(17)
TOTAL other current financial receivables	18,533	31,757	48,605	34,601

* by applying agent principle, uncovered 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	
	31/03/2025	31/12/2024	31/03/2025	31/12/2024
Non-current non-financial receivables	540	540	470	470
Current non-financial receivables	5,101	1,171	930	638
TOTAL non-financial receivables	5,641	1,711	1,400	1,108

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	
	31/03/2025	31/12/2024	31/03/2025	31/12/2024
Cash at bank	126,221	86,471	116,086	63,400
Short-term bank deposits	102,100	–	100,000	–
Other cash equivalents	83	83	83	83
TOTAL cash and cash equivalents	228,404	86,554	216,169	63,483

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 March 2025, the Group and the Parent Company had deposits at banks in amount of EUR 119,886 thousand (including provisions for impairment of EUR 114 thousand), with maturity date longer than 3 months that does not comply with the principles of recognition as cash equivalents (31/12/2024: EUR 209,842 thousand and EUR 158 thousand). These deposits are presented 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 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	(1,235)	–	–	–	(1,235)	(44)	–	–	(44)
Losses from fair value changes of derivative financial instruments	–	(4,052)	–	–	(4,052)	–	(4,052)	–	(4,052)
As of 31 March 2024	1,675,204	5,063	(3,862)	160	1,676,565	1,313,730	5,063	(2,470)	1,316,323
Disposal of revaluation reserve	(9,519)	–	–	–	(9,519)	(884)	–	–	(884)
Gains on re-measurement of defined post-employment benefit plan	–	–	4,520	–	4,520	–	–	1,882	1,882
Losses from fair value changes of derivative financial instruments	–	(15,593)	–	–	(15,593)	–	(15,593)	–	(15,593)
Formed statutory reserves	–	–	–	4,095	4,095	–	–	–	–
As of 31 December 2024	1,665,685	(10,530)	658	4,255	1,660,068	1,312,846	(10,530)	(588)	1,301,728
Disposal of revaluation reserve	(1,436)	–	–	–	(1,436)	(376)	–	–	(376)
Gains from fair value changes of derivative financial instruments	–	11,007	–	–	11,007	–	11,007	–	11,007
As of 31 March 2025	1,664,249	477	658	4,255	1,669,639	1,312,470	477	(588)	1,312,359

14. Borrowings

EUR'000

	Group		Parent Company	
	31/03/2025	31/12/2024	31/03/2025	31/12/2024
Non-current portion of non-current borrowings from credit institutions	405,923	415,351	399,381	408,190
Non-current portion of issued debt securities (bonds)	199,934	199,929	199,934	199,929
Total non-current borrowings from financial institutions	605,857	615,280	599,315	608,119
Current portion of non-current borrowings from credit institutions	115,343	121,057	113,268	118,982
Current borrowings from state development finance institutions	–	30	–	30
Accrued interest on non-current borrowings from credit institutions	4,158	3,167	4,064	3,057
Accrued coupon interest on issued debt securities (bonds)	2,657	3,871	2,657	3,871
Total current borrowings from financial institutions	122,158	128,125	119,989	125,940
TOTAL borrowings from financial institutions	728,015	743,405	719,304	734,059
Current borrowings from related parties*	–	–	4,638	31,101
Total current borrowings	122,158	128,125	124,627	157,041
TOTAL borrowings	728,015	743,405	723,942	765,160

* Within the framework of the Agreement 'On Provision of Mutual Financial Resources', as of 31 March 2025 the Parent Company had current borrowings from DSE Aizpute Solar SIA in the amount of EUR 2,617 thousand, from Sadales tīkls AS – EUR 1,786 thousand and from Latvijas vēja parki SIA – EUR 235 thousand (31/12/2024: a borrowing from Sadales tīkls AS – EUR 31,101 thousand).

Movement in borrowings:

EUR'000

	Group			Parent Company		
	01/01–31/03/2025	01/01–31/03/2024	2024	01/01–31/03/2025	01/01–31/03/2024	2024
At the beginning of the period	743,405	629,696	629,696	765,160	618,179	618,179
Received borrowings from credit institutions	–	–	200,000	–	–	200,000
Repaid borrowings from credit institutions	(15,172)	(7,999)	(86,625)	(14,553)	(7,381)	(84,491)
Received borrowings from state development finance institutions	–	–	30	–	–	30
Borrowings (repaid) / received from related parties	–	–	–	(26,463)	–	31,101
Change in accrued interest on borrowings from credit institutions	(223)	2,275	283	(207)	2,283	320
Changes in outstanding value of issued debt securities (bonds)	5	5	21	5	5	21
At the end of the period	728,015	623,977	743,405	723,942	613,086	765,160

15. Derivative financial instruments

Outstanding fair values of derivatives and their classification

EUR'000

	Group				Parent Company			
	31/03/2025		31/12/2024		31/03/2025		31/12/2024	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	3,157	–	3,422	–	3,157	–	3,422	–
Energy forwards, futures, and swaps	928	(2,372)	–	(12,965)	928	(2,372)	–	(12,965)
Total outstanding fair values of derivatives	4,085	(2,372)	3,422	(12,965)	4,085	(2,372)	3,422	(12,965)

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					
	01/01–31/03/2025		01/01–31/03/2024		2024		01/01–31/03/2025		01/01–31/03/2024		2024	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Outstanding fair value at the beginning of the period	3,422	–	5,872	–	5,872	–	3,422	–	5,872	–	5,872	–
Included in the Statement of Profit or Loss (Note 6)	(4)	–	–	7	(38)	7	(4)	–	–	7	(38)	7
Included in the Statement of Comprehensive Income	(261)	–	232	(7)	(2,412)	(7)	(261)	–	232	(7)	(2,412)	(7)
Outstanding fair value at the end of the period	3,157	–	6,104	–	3,422	–	3,157	–	6,104	–	3,422	–

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 Latvenergo AS 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					
	01/01–31/03/2025		01/01–31/03/2024		2024		01/01–31/03/2025		01/01–31/03/2024		2024	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Outstanding fair value at the beginning of the period	–	(12,965)	5,297	–	5,297	–	–	(12,965)	5,297	–	5,297	–
Included in Statement of Profit or Loss (Note 5)	–	253	(783)	(322)	(783)	(253)	–	253	(783)	(322)	(783)	(253)
Included in Statement of Comprehensive Income	928	10,340	(4,277)	–	(4,514)	(12,712)	928	10,340	(4,277)	–	(4,514)	(12,712)
Outstanding fair value at the end of the period	928	(2,372)	237	(322)	–	(12,965)	928	(2,372)	237	(322)	–	(12,965)

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 period

EUR'000

Type of assets	Group			Parent Company		
	Fair value measurement using			Fair value measurement using		
	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL
As of 31 March 2025						
Assets measured at fair value						
Revalued property, plant and equipment	–	2,887,563	2,887,563	–	1,240,405	1,240,405
Non-current financial investments (Note 9)	–	40	40	–	39	39
<i>Derivative financial instruments, including:</i>						
Interest rate swaps (Note 15 I)	3,157	–	3,157	3,157	–	3,157
Energy forwards, futures, and swaps (Note 15 II)	928	–	928	928	–	928
Assets for which fair values are disclosed						
Investment properties (Note 7 c)	–	2,032	2,032	–	1,995	1,995
Loans to related parties:						
– Floating rate loans (Note 19 c)	–	–	–	558,839	–	558,839
– Fixed rate loans (Note 19 c)	23,152	–	23,152	263,509	–	263,509
Current financial receivables (Note 11 a, b)	–	202,635	202,635	–	174,738	174,738
Cash and cash equivalents (Note 12)	228,404	–	228,404	216,169	–	216,169

Quantitative disclosures of fair value measurement hierarchy for assets at the end of the period (continued)

EUR'000

Type of assets	Group			Parent Company		
	Fair value measurement using			Fair value measurement using		
	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL	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
<i>Derivative financial instruments, including:</i>						
Interest rate swaps (Note 15 I)	3,422	–	3,422	3,422	–	3,422
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 c)	–	–	–	517,656	–	517,656
– Fixed rate loans (Note 19 c)	22,244	–	22,244	280,016	–	280,016
Current financial receivables (Note 11 a, b)	–	221,865	221,865	–	163,261	163,261
Cash and cash equivalents (Note 12)	86,554	–	86,554	63,483	–	63,483

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

The Group and the Parent Company have not measured their assets using quoted market prices as significant observable inputs (Level 1).

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

EUR'000

Type of liabilities	Group			Parent Company		
	Fair value measurement using			Fair value measurement using		
	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL
As of 31 March 2025						
Liabilities measured at fair value						
<i>Derivative financial instruments, including:</i>						
Energy forwards, futures, and swaps (Note 15 II)	2,372	–	2,372	2,372	–	2,372
Liabilities for which fair values are disclosed						
Issued debt securities (bonds) (Note 14)	202,591	–	202,591	202,591	–	202,591
Borrowings from financial institutions (Note 14)	525,424	–	525,424	516,713	–	516,713
Borrowings from related parties (Note 14)	–	–	–	4,638	–	4,638
Trade and other financial current payables (Note 17)	–	205,094	205,094	–	128,217	128,217
As of 31 December 2024						
Liabilities measured at fair value						
<i>Derivative financial instruments, including:</i>						
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

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

The Group and the Parent Company have not measured their liabilities using quoted market prices as significant observable inputs (Level 1).

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:

Group					Parent Company				
	Carrying amount		Fair value			Carrying amount		Fair value	
	31/03/2025	31/12/2024	31/03/2025	31/12/2024		31/03/2025	31/12/2024	31/03/2025	31/12/2024
Financial assets									
Fixed rate loans to related parties	23,152	22,244	23,152	22,244		263,509	280,016	253,467	269,792
Financial liabilities									
Issued debt securities (bonds)	202,591	203,800	195,652	196,077		202,591	203,800	195,652	196,077

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

17. Trade and other payables

	Group		Parent Company		EUR'000
	31/03/2025	31/12/2024	31/03/2025	31/12/2024	
Financial liabilities:					
Payables for suppliers	120,751	128,936	27,372	72,327	
Payables to related parties (Note 19 b)	12,212	14,810	40,957	20,708	
Accrued expenses	22,809	27,579	7,179	9,153	
Accrued expenses from related parties (Note 19 d)	1,230	–	6,369	5,705	
Other financial current payables	48,092	7,462	46,340	4,848	
TOTAL financial liabilities	205,094	178,787	128,217	112,741	
Non-financial liabilities:					
Taxes	33,650	27,614	18,748	13,234	
Other current payables	5,597	4,086	2,448	1,621	
TOTAL non-financial liabilities	39,247	31,700	21,196	14,855	
TOTAL trade and other current payables	244,341	210,487	149,413	127,596	

18. Deferred income and advances received

EUR'000

	IFRS/IAS applied	Group		Parent Company	
		31/03/2025	31/12/2024	31/03/2025	31/12/2024
I) Non-current deferred income and advances received					
a) contracts with customers					
Deferred income from connection fees	IFRS 15	148,631	150,241	–	–
Other deferred income	IFRS 15	585	601	585	601
		149,216	150,842	585	601
b) operating lease					
Other deferred income	IFRS 16	275	280	275	280
		275	280	275	280
c) other					
On grant for the installed electrical capacity of CHPPs	IAS 20	59,483	65,480	59,483	65,480
On financing from European Union funds	IAS 20	49,556	46,619	7,218	6,414
Other deferred income	IAS 20	28	29	28	29
		109,067	112,128	66,729	71,923
Total non-current deferred income and advances received		258,558	263,250	67,589	72,804
II) Current deferred income and advances received					
a) contracts with customers					
Deferred income from connection fees	IFRS 15	17,798	17,570	–	–
Other deferred income	IFRS 15	430	408	67	67
Advances received		26,945	30,722	5,581	5,866
		45,173	48,700	5,648	5,933
b) operating lease					
Other deferred income	IFRS 16	20	20	20	20
		20	20	20	20
c) other					
On grant for the installed electrical capacity of CHPPs	IAS 20	23,990	23,990	23,990	23,990
On financing from European Union funds	IAS 20	948	1,094	–	146
		24,938	25,084	23,990	24,136
TOTAL current deferred income and advances received		70,131	73,804	29,658	30,089
TOTAL deferred income and advances received		328,689	337,054	97,247	102,893

During the reporting period Sadales tīkls AS received European Union financing from the Central Finance and Contracting Agency and within the framework of supplement plan of Recovery and Resilience Facility is implementing the electricity distribution network modernisation project – REPowerEU, in the amount of EUR 2,992 thousand. Liepājas Enerģija SIA received European Union financing in the amount of EUR 84 thousand for the development of the Liepāja Industrial Park territory.

In 2024 Sadales tīkls AS received financing in the amount of EUR 12,570 thousand 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 and in the amount EUR 10,000 European Union funds' financing from the Central Finance and Contracting Agency and was implementing the electricity distribution network modernisation project – REPowerEU. Liepājas Enerģija SIA received European Union financing in the amount of EUR 237 thousand for fossil fuels substitution in Liepāja. Latvenergo AS received financing in the amount of EUR 2,750 thousand from Connecting Europe Facility (CEF) for the development of electric vehicles charging network.

Movement in deferred income and advances received (non-current and current part)

EUR'000

	Group			Parent Company		
	01/01–31/03/2025	01/01–31/03/2024	2024	01/01–31/03/2025	01/01–31/03/2024	2024
At the beginning of the period	337,054	326,199	326,199	102,893	126,696	126,696
Received connection fees for connection to distribution system	3,193	5,199	30,176	–	–	–
Changes in advances received	(3,777)	1,252	1,815	(285)	(725)	(1,680)
Received deferred income (financing and other income)	3,084	2,867	25,577	–	2,750	2,778
EU co-financing received / (transferred) to the subsidiary as a cooperation partner, net	–	–	–	695	678	(672)
Other deferred income credited to the Statement of Profit or Loss	(6,283)	(6,240)	(25,025)	(6,035)	(6,035)	(24,141)
Deferred income from contracts with customers and operating lease credited to the Statement of Profit or Loss	(4,582)	(8,489)	(21,688)	(21)	(22)	(88)
At the end of the period	328,689	320,788	337,054	97,247	123,342	102,893

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 quantitative 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 and does not contain individually significant transactions and 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 operator.

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

EUR'000

	Group		Parent Company			
	01/01–31/03/2025	01/01–31/03/2024	01/01–31/03/2025		01/01–31/03/2024	
	Other related parties*	Other related parties*	Subsidiaries	Other related parties*	Subsidiaries	Other related parties*
Sales of goods, PPE and services, finance income	15,242	16,587	42,630	14,067	49,627	16,561
Purchases of goods, PPE, and services	43,668	40,300	75,145	17,142	47,975	15,722
<i>including gross expenses from transactions with subsidiaries recognised in net amount through profit or loss:</i>						
– Sadales tīkls AS	–	–	49,138	–	45,258	–

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

EUR'000

	Group		Parent Company	
	31/03/2025	31/12/2024	31/03/2025	31/12/2024
Receivables from related parties:				
– subsidiaries (Note 11 a, b)	–	–	40,111	34,009
– other related parties*	16,553	13,647	15,971	12,952
– loss allowances for expected credit loss from receivables of subsidiaries (Note 11 a, b)	–	–	(27)	(26)
– loss allowances for expected credit loss from receivables of other related parties*	(30)	(25)	(29)	(24)
	16,523	13,622	56,026	46,911
Payables to related parties (Note 17):				
– subsidiaries	–	–	36,663	15,024
– other related parties*	12,212	14,810	4,294	5,684
	12,212	14,810	40,957	20,708

c) Accrued income raised from transactions with related parties

EUR'000

	Group		Parent Company	
	31/03/2025	31/12/2024	31/03/2025	31/12/2024
– for goods sold/services provided for subsidiaries (Note 11 a, b)	–	–	16,396	8,302
– for interest received from subsidiaries (Note 11 a, b)	–	–	2,464	5,251
– for goods sold/services provided for other related parties*	64	175	60	175
	64	175	18,920	13,728

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

EUR'000

	Group		Parent Company	
	31/03/2025	31/12/2024	31/03/2025	31/12/2024
– for purchased goods/received services from subsidiaries	–	–	5,234	5,705
– for purchased goods / received services from other related parties*	1,230	–	1,135	–
	1,230	–	6,369	5,705

* 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

In the 3–month period ending on 31 March 2025 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 1,096.3 thousand (01/01 – 31/03/2024: EUR 1,030.1 thousand).

In the 3–month period ending on 31 March 2025 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 407.1 thousand (01/01 – 31/03/2024: EUR 369.4 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	
	31/03/2025	31/12/2024	31/03/2025	31/12/2024
Non-current loans to subsidiaries	–	–	618,600	632,564
Non-current loans to other related parties	23,152	22,244	–	–
TOTAL non-current loans	23,152	22,244	618,600	632,564
Current portion of non-current loans to subsidiaries	–	–	109,502	96,638
Current loans to subsidiaries	–	–	94,246	68,470
TOTAL current loans	–	–	203,748	165,108
TOTAL loans to related parties	23,152	22,244	822,348	797,672

Movement in loans issued to related parties

EUR'000

	Group			Parent Company		
	01/01– 31/03/2025	01/01– 31/03/2024	2024	01/01– 31/03/2025	01/01– 31/03/2024	2024
At the beginning of the period	22,244	863	863	797,672	624,298	624,298
Change in current loans in cash (net)	–	–	–	72,702	47,922	104,317
Change in current loans by non-cash offsetting of operating receivables and payables (net)	–	–	–	(28,782)	17,020	128,797
Issued non-current loans in cash	906	13,173	21,399	9,200	–	48,051
Repaid non-current loans by non-cash offset	–	–	–	(28,522)	(33,522)	(107,653)
Impairment for expected credit loss	2	(11)	(18)	78	(23)	(138)
At the end of the period	23,152	14,025	22,244	822,348	655,695	797,672
<i>incl. loan movement through bank account</i>						
Issued loans to subsidiaries	906	13,173	21,399	309,888	226,960	883,043
Repaid loans issued to subsidiaries	–	–	–	(227,986)	(179,038)	(730,675)
Issued loans, net	906	13,173	21,399	81,902	47,922	152,368

20. Events after the reporting period

On 17 April 2025, Latvenergo AS received dividends from Sadales tīkls AS profit of 2024 in the amount of EUR 28,256 thousand and on 6 May 2025 – EUR 1,680 thousand as dividends from the Liepājas enerģija SIA profit of 2024.

On 23 May 2025, the shareholder of Latvenergo AS decided to pay out to the state dividends from the profit of 2024 in the amount of EUR 185.9 million and to increase Latvenergo AS share capital by EUR 286.0 million by paying for the newly issued shares with cash – by investing the retained earnings of Latvenergo AS from previous years in the share capital, as well as agreed to the

issuance of transferable debt securities (bonds) in euros under a new public offering programme.

There have been no other significant events subsequent after the end of the reporting period that might have a material effect on the Latvenergo Group Consolidated and Latvenergo AS Unaudited Condensed Interim Financial Statements for the first 3 months of 2025.
