

LATVENERGO CONSOLIDATED UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR 2024

28.02.2025, Riga



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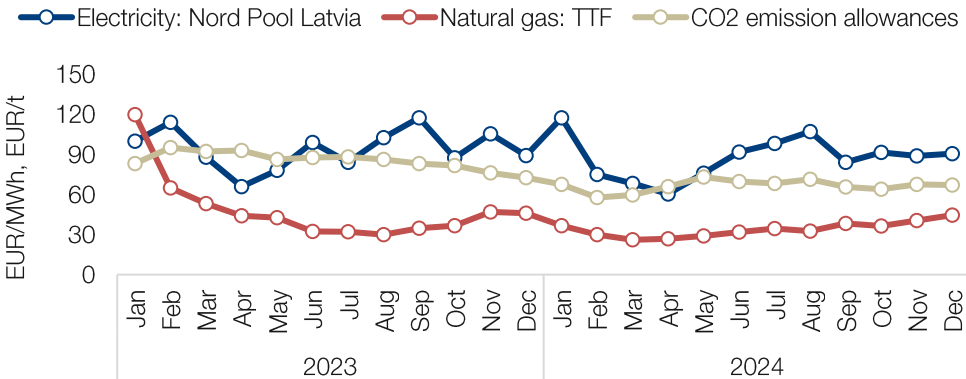
Information about the financial indicators and coefficients used by the Latvenergo Group is available in Latvenergo Group’s consolidated and Latvenergo AS Unaudited Annual Financial statements, see the section “Formulas”.

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Electricity and natural gas prices are lower



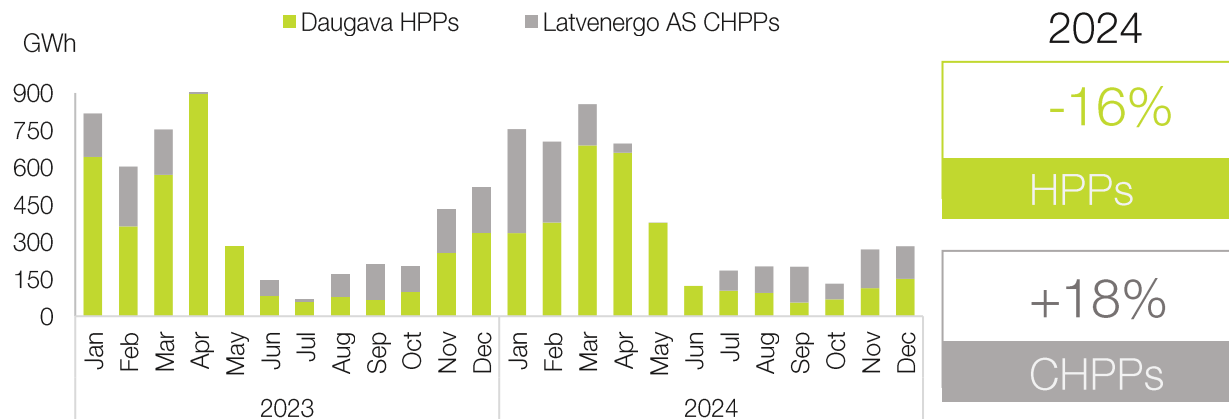
Main facts – 2024

- Decrease in electricity prices was primarily affected by a decrease in the price of energy resources, mainly natural gas, and a greater output of renewable energy
- The price of natural gas at TTF virtual trading point (front month) 30% lower, reaching 34 EUR/MWh
- The average price of CO2 emission allowances (EUA DEC futures) 22% lower, reaching 66 EUR/t

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

Region	2024	2023	D, %
System price	36.1	56.4	(36%)
Latvia	87.3	93.9	(7%)
Lithuania	87.2	94.4	(8%)
Estonia	87.1	90.8	(4%)

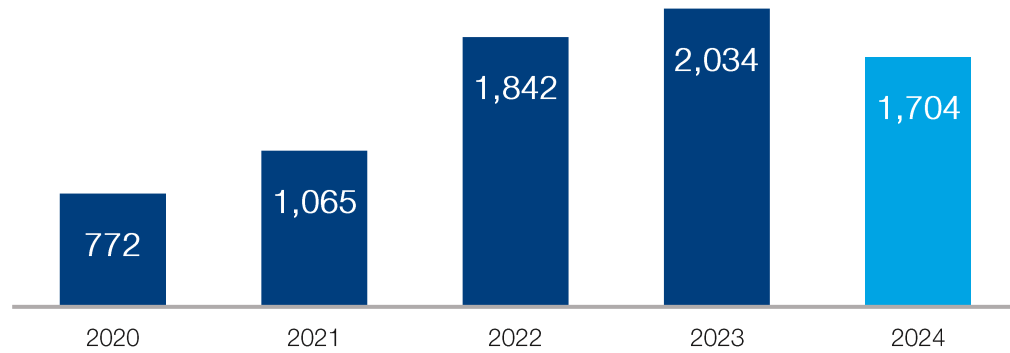
CHPPs operations adjusted to market conditions



Key financial figures

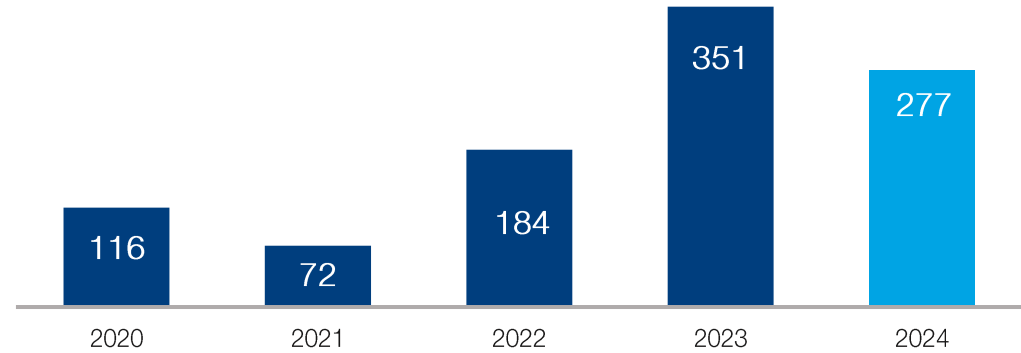
Revenue

MEUR



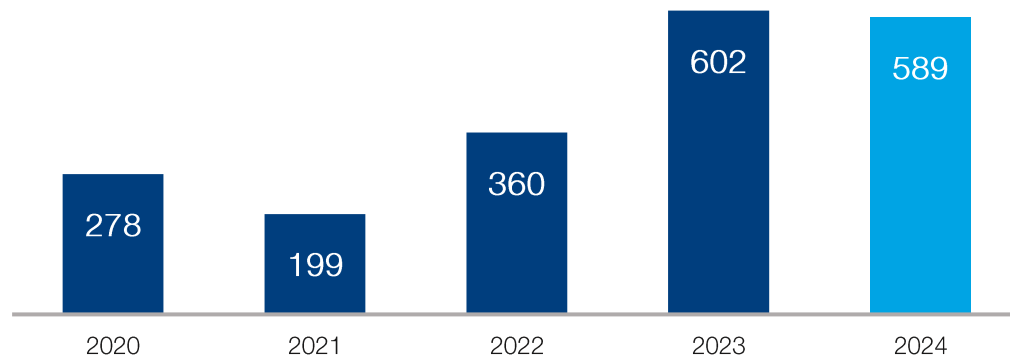
Net profit

MEUR



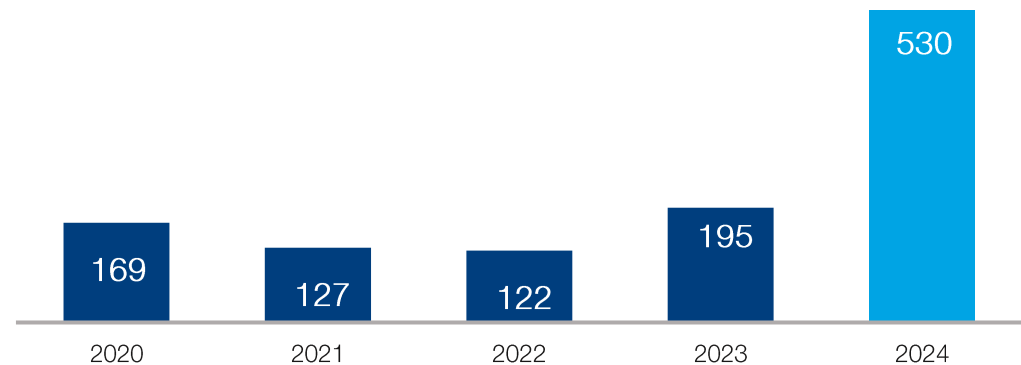
EBITDA

MEUR



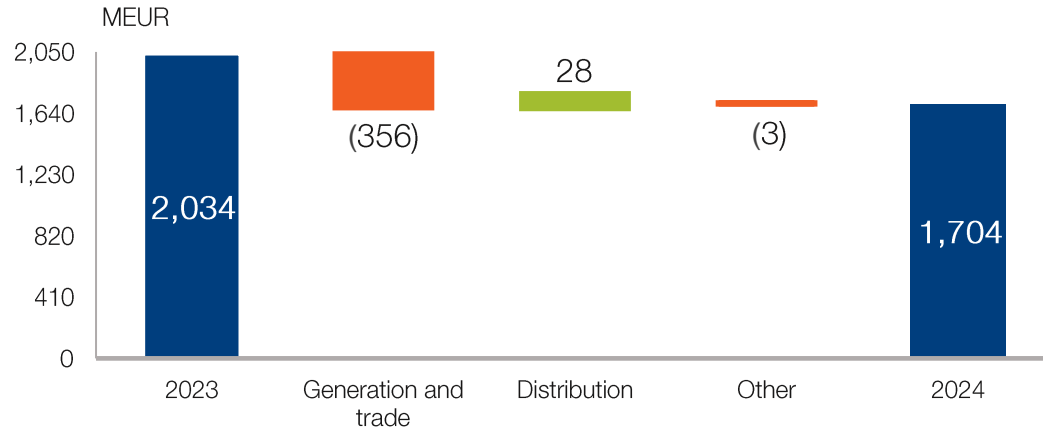
Investments

MEUR

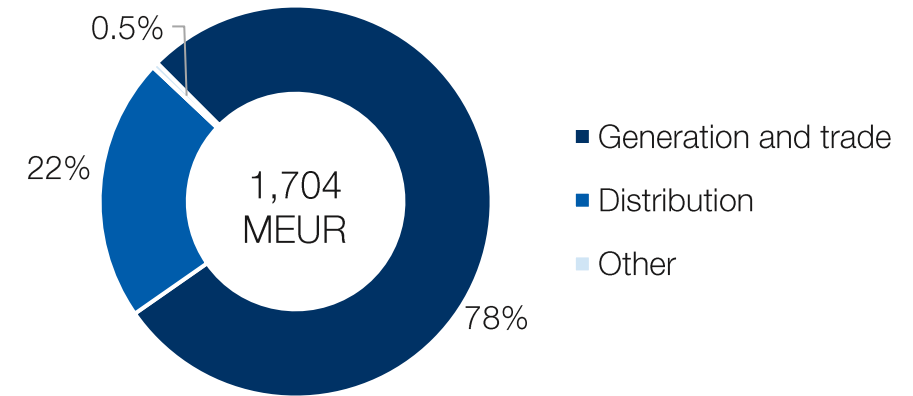


Latvenergo Group's EBITDA reached 589 MEUR

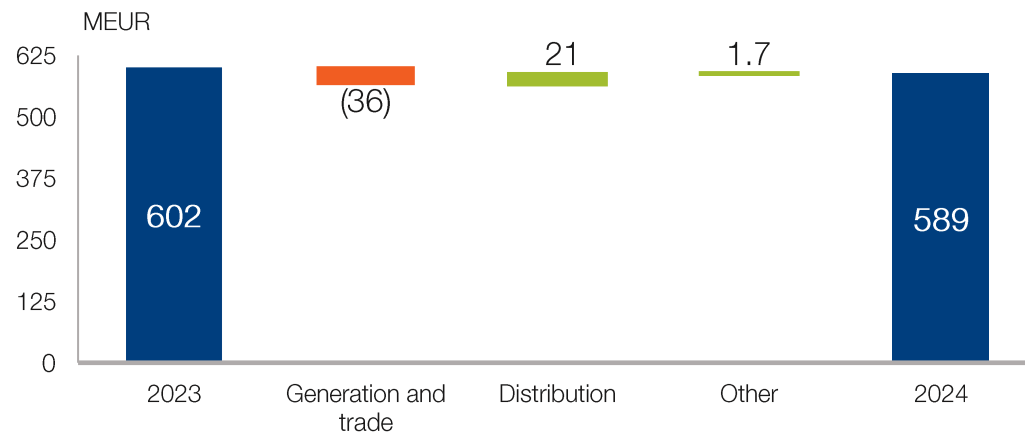
Revenue dynamics by segments



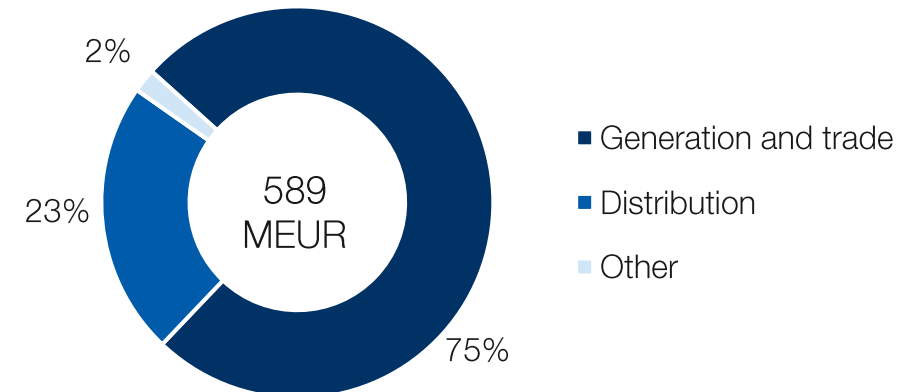
Revenue weight by segments



EBITDA dynamics by segments

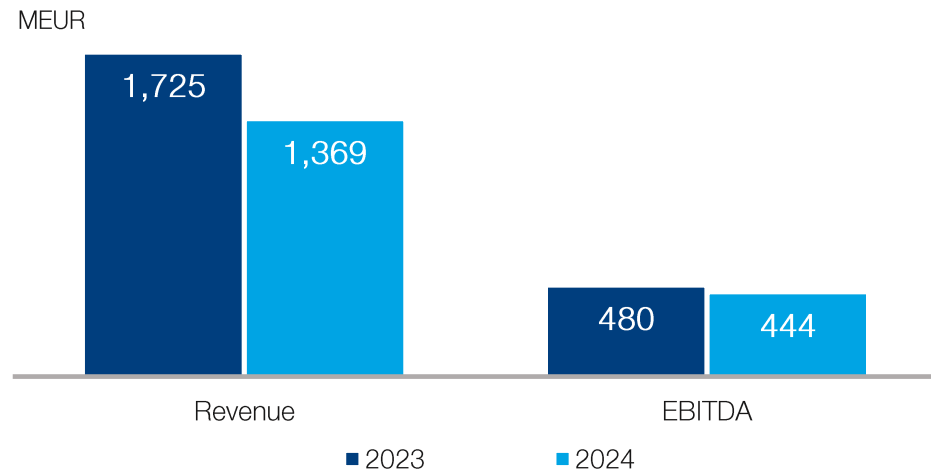


EBITDA weight by segments



Generation and trade

Revenue and EBITDA



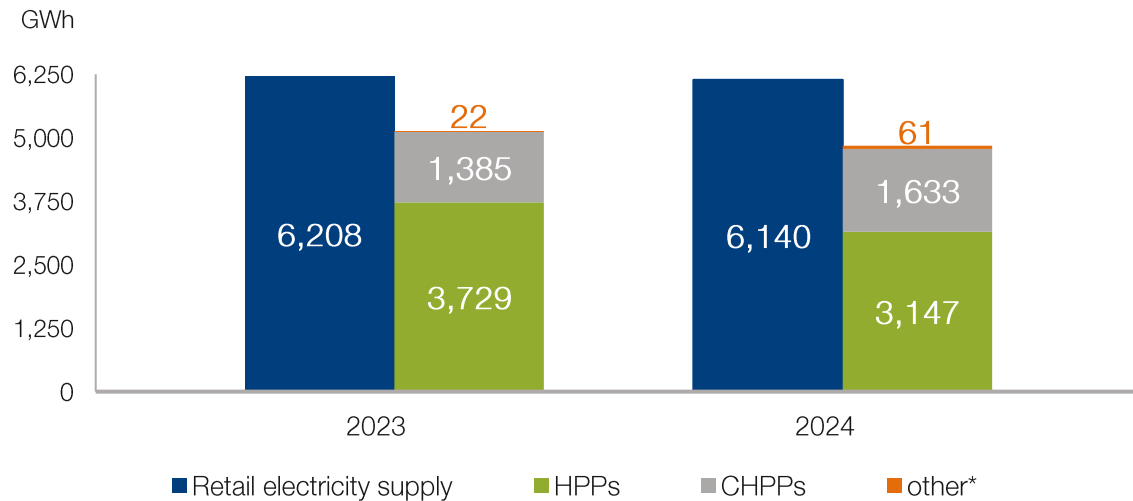
Main facts – 2024

- The segment's revenue was negatively impacted by lower energy sales prices.
- The segment's EBITDA negatively impacted by
 - 16% lower output at the Daugava HPPs
- The segment's EBITDA positively impacted by
 - lower natural gas purchase prices
 - 33% increase in retail natural gas sales volume
 - 18% higher output at the CHPPs
- Latvenergo Group operates in all energy trade segments in Latvia, Lithuania and Estonia



Generation

4,842 GWh of electricity generated



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

- 66% of electricity generated from renewable sources
- Electricity generated at *Latvenergo* corresponds to 79% of the electricity sold at retail
- Electricity generation at Latvenergo CHPPs is up by 18%, and at Daugava HPPs, it's down by 16%
- 44 GWh of electricity generated at SPPs and WPPs (+747%)
- 1,665 GWh of thermal energy generated (2023: 1,698 GWh)

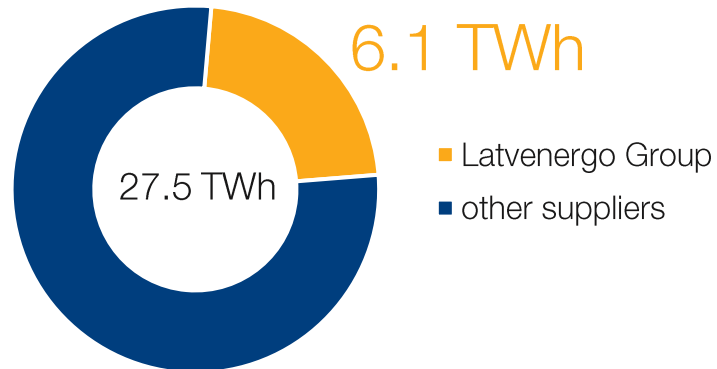


Trade

The number of electricity customers is up by 6% and natural gas +33%

The number of *Elektrum* customers in neighbouring countries grows rapidly

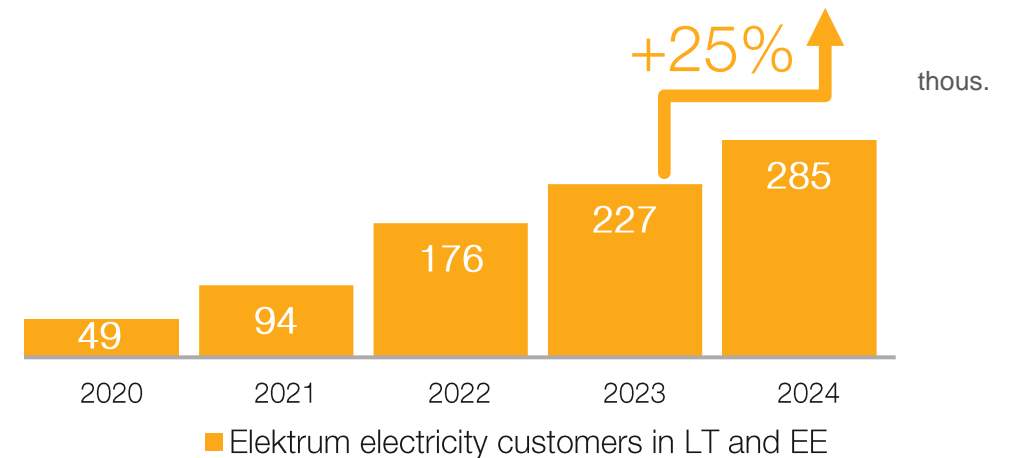
Electricity market share in the Baltics: 22%



6.1 TWh of electricity* sold to Baltic retail customers (-1%). The number of customers reached 896 thous.



1.2 TWh of natural gas sold to Baltic retail customers (+33%). The number of customers reached 65 thous.



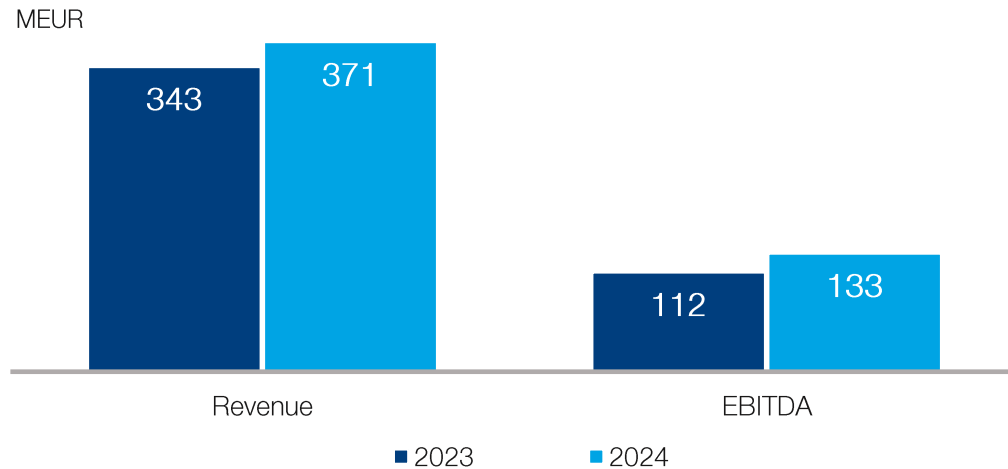
Elektrum Drive electric car charging network in the Baltics had more than 750 charging ports at the end of December



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

Distribution

Revenue and EBITDA



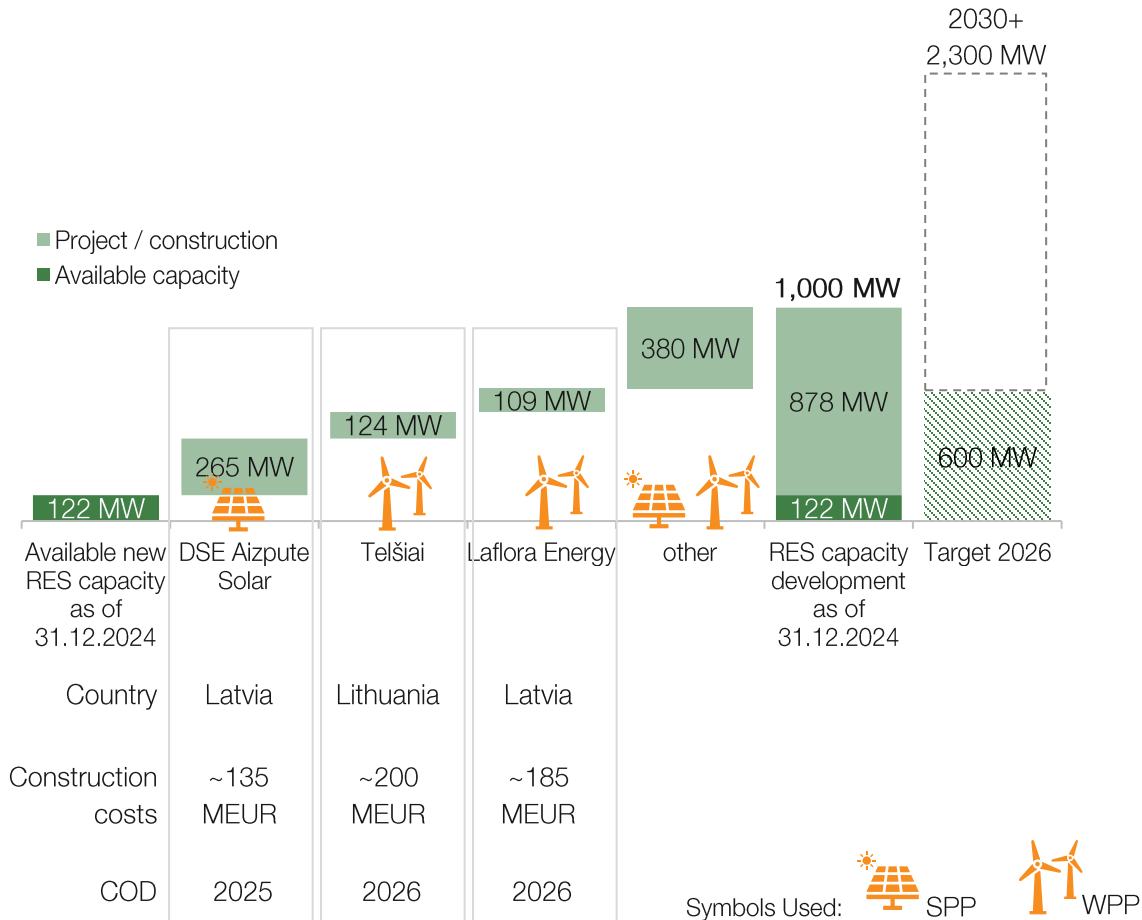
Main facts – 2024

- Electricity distributed increased by 2%, reaching 6,116 GWh
- Financial results were positively affected by the new distribution tariffs of Sadales tīkls AS starting from 1 July 2023 and increased electricity consumption
- Financial results were negatively affected by a rise in electricity transmission service costs by 7.8 MEUR
- 122.3 MEUR invested in distribution assets (+23%)



Investments

Development of renewable energy generation capacities

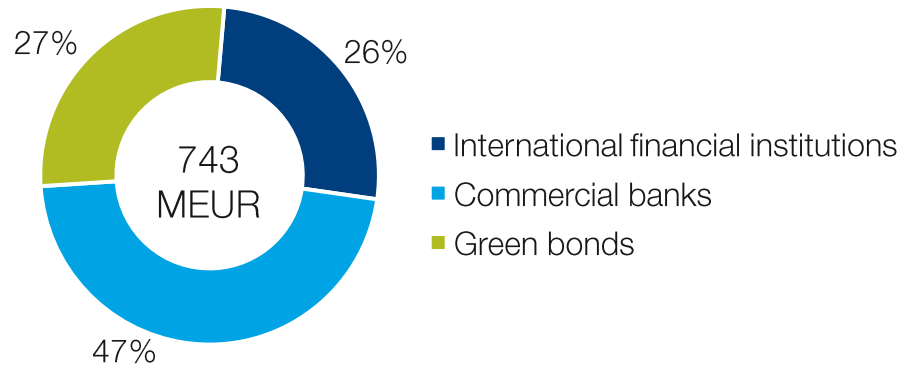


Significant increase in investments in renewable energy generation capacities in the Baltics

- In 2024, the total amount of investment increased 2.7 times, reaching EUR 530 million. 3/4 of it was made in Generation and trade segment and 1/4 in Distribution segment
- 345 MEUR were allocated towards the development of wind and solar parks, which is 2/3 of the Group's total investments
- The largest new RES investment projects:
 - DSE Aizpute Solar SPP (265 MW)
 - Telšiai WPP (124 MW)
 - Laflora Energy WPP (109 MW)
- In 2024, ten SPPs in Latvia, with a total capacity of 74 MW, two SPPs in Estonia (24 MW), two SPPs in Lithuania (16,9 MW) and one WPP (19,6 MW) in Lithuania began operations
- In the Baltic region, we have solar and wind parks in the project or construction stage with a total capacity of almost 880 MW; their gradual commissioning is expected from 2025-2026
- Investments in network assets allows to improve the quality of the power network services and technical parameters

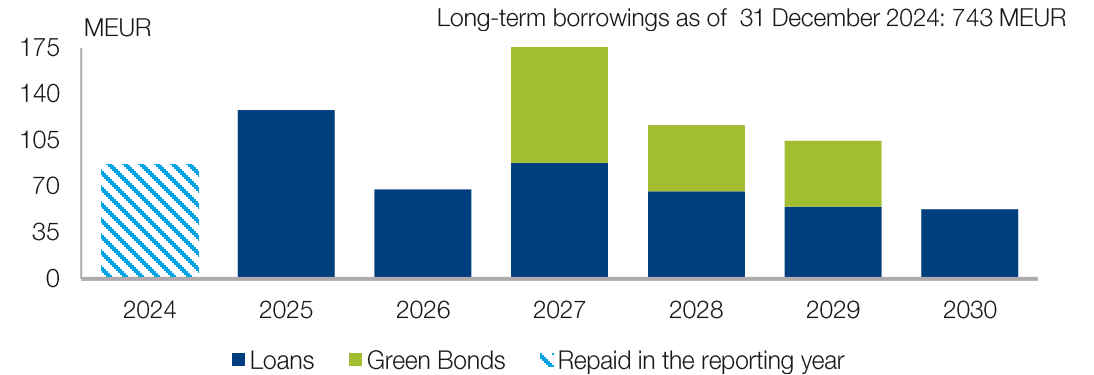
Investment funding

Diversified long-term funding



- On 23 September 2024, *Moody's* reaffirmed Latvenergo AS credit rating at Baa2 with a stable outlook
- Latvenergo AS secured a new long-term loan of EUR 230 million from the Nordic Investment Bank
- 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

Long-term debt repayment schedule



Main figures of the long-term debt portfolio

	31.12.2024.
Share of fixed interest rate*	37%
Weighted average fixed interest rate duration*	1.4 years
Weighted average effective interest rate*	3.3%

Thank you!

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Abbreviations

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

IFRS – International Financial Reporting Standards

MEUR – Million euros

MWh – Megawatt hour (1,000,000 MWh = 1,000 GWh = 1 TWh)

CHPPs – Latvenergo AS combined heat and power plants

SAIDI – System Average Interruption Duration Index

SAIFI – System Average Interruption Frequency Index

SPP – Solar power plant

Consolidated Statement of Profit or Loss*

	EUR'000	
	01/01- 31/12/2024	01/01- 31/12/2023
Revenue	1,704,012	2,034,425
Other income	31,413	31,896
Raw materials and consumables	(921,420)	(1,248,320)
Personnel expenses	(154,874)	(141,882)
Other operating expenses	(70,232)	(74,350)
EBITDA	588,899	601,769
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right-of-use assets	(248,081)	(197,173)
Operating profit	340,818	404,596
Finance income	13,992	9,226
Finance costs	(22,021)	(25,293)
Profit before tax	332,789	388,529
Income tax	(55,982)	(37,612)
Profit for the year	276,807	350,917
Profit attributable to:		
- Equity holder of the Parent Company	275,237	349,749
- Non-controlling interests	1,570	1,168

Consolidated Statement of Financial Position*

	EUR'000	
	31/12/2024	31/12/2023
ASSETS		
Non-current assets		
Intangible assets	105,354	57,326
Property, plant, and equipment	3,525,794	3,301,051
Right-of-use assets	32,196	11,219
Investment property	2,099	2,309
Non-current financial investments	82	42
Non-current loans to related parties	22,244	863
Other non-current receivables	540	447
Deferred income tax assets	1,753	800
Derivative financial instruments	2,123	3,210
Total non-current assets	3,692,185	3,377,267
Current assets		
Inventories	169,562	183,798
Current intangible assets	54,616	69,312
Receivables from contracts with customers	190,532	224,922
Other current receivables	32,927	50,081
Deferred expenses	3,194	2,388
Prepayment for income tax	491	–
Derivative financial instruments	1,298	7,959
Other current financial investments	209,842	140,000
Cash and cash equivalents	86,554	118,456
Total current assets	749,016	796,916
TOTAL ASSETS	4,441,201	4,174,183
EQUITY AND LIABILITIES		
EQUITY		
Share capital	790,368	790,368
Reserves	1,660,067	1,681,852
Retained earnings	552,484	483,016
Equity attributable to equity holder of the Parent Company	3,002,919	2,955,236
Non-controlling interests	7,162	7,844
Total equity	3,010,081	2,963,080
LIABILITIES		
Non-current liabilities		
Borrowings	615,280	536,316
Lease liabilities	29,876	9,015
Deferred income tax liabilities	8,003	5,475
Provisions	17,113	18,240
Deferred income from contracts with customers	150,842	138,506
Other deferred income	112,408	112,509
Other non-current liabilities	21,592	–
Total non-current liabilities	955,114	820,061
Current liabilities		
Borrowings	128,125	93,380
Lease liabilities	2,723	2,391
Trade and other payables	241,209	202,733
Deferred income from contracts with customers	17,978	21,304
Other deferred income	25,104	24,973
Provisions	47,902	46,261
Derivative financial instruments	12,965	–
Total current liabilities	476,006	391,042
Total liabilities	1,431,120	1,211,103
TOTAL EQUITY AND LIABILITIES	4,441,201	4,174,183

Consolidated Statement of Cash Flows*

	EUR'000	
	01/01- 31/12/2024	01/01- 31/12/2023
Cash flows from operating activities		
Profit before tax	332,789	388,529
Adjustments:		
– Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right-of-use assets	248,081	197,173
– loss from disposal of non-current assets	7,044	6,629
– Interest expense	21,790	24,961
– Interest income	(10,908)	(6,149)
– Fair value loss / (income) on derivative financial instruments	1,068	(23,079)
– Increase in provisions	5,032	7,044
– Other finance costs	7	4
Interest paid	(24,805)	(23,638)
Interest paid on leases	(404)	(114)
Interest received	10,326	5,506
Paid corporate income tax	(56,544)	(32,119)
Funds from operations (FFO)	533,476	544,747
Decrease in inventories and current intangible assets	31,737	113,366
Decrease in receivables from contracts with customers and other receivables	51,994	57,353
Decrease in other current financial investments	(70,000)	(140,000)
(Decrease) / increase in trade and other liabilities	(6,586)	216
Net cash flows generated from operating activities	540,621	575,682
Cash flows from investing activities		
Loans issued to related parties	(21,399)	(863)
Purchase of intangible assets and PPE	(473,434)	(181,515)
Net cash flows used in investing activities	(494,833)	(182,378)
Cash flows from financing activities		
Proceeds on issued debt securities (bonds)	–	50,000
Proceeds on borrowings from financial institutions	200,030	2,000
Repayment of borrowings from financial institutions	(86,625)	(301,090)
Received financing from European Union	25,577	16,245
Lease payments	(1,994)	(1,772)
Acquisition of non-controlling interests	(400)	–
Dividends paid to non-controlling interests	(2,079)	(450)
Dividends paid to equity holder of the Parent Company	(212,199)	(152,538)
Net cash flows used in financing activities	(77,690)	(387,605)
Net (decrease) / increase in cash and cash equivalents	(31,902)	5,699
Cash and cash equivalents at the beginning of the year	118,456	112,757
Cash and cash equivalents at the end of the year	86,554	118,456