

LATVENERGO CONSOLIDATED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST 3 MONTHS OF 2025

30.05.2025, Riga



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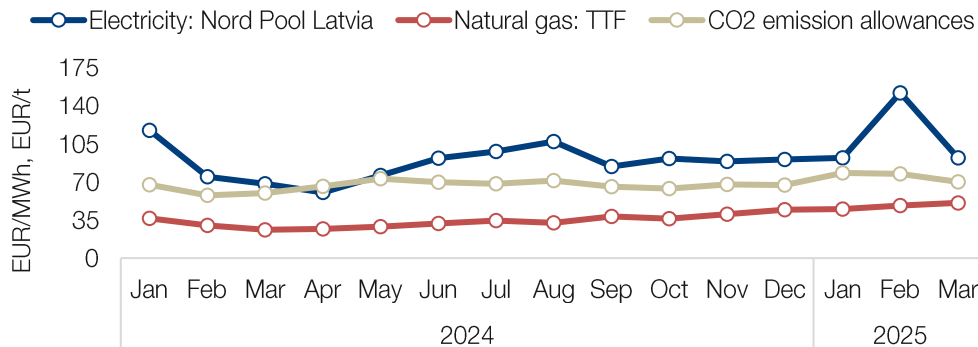
Information about the financial indicators and coefficients used by the Latvenergo Group is available in Latvenergo Group's consolidated and Latvenergo AS Unaudited Condensed Interim Financial statements, see the section “Formulas”.

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Electricity prices increased in the Baltics



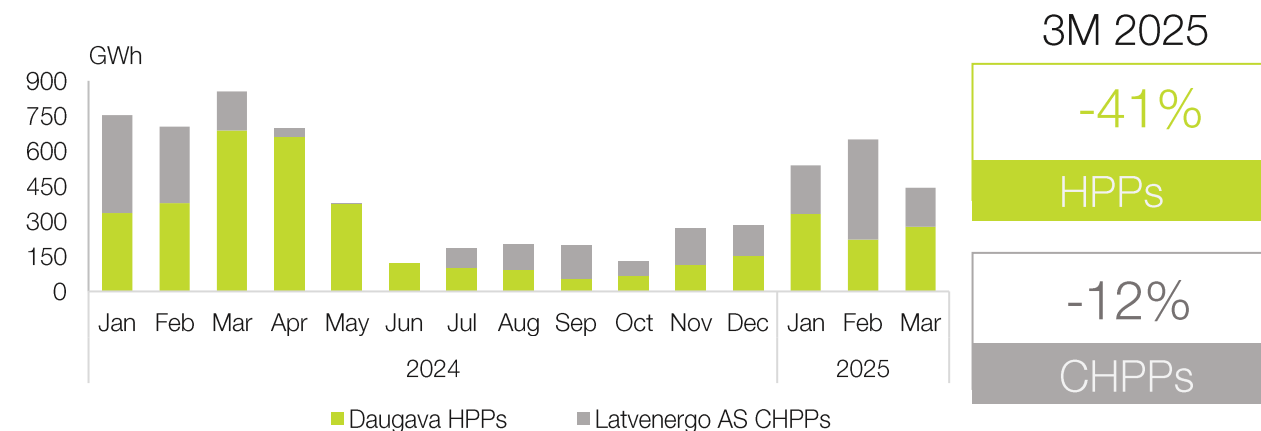
Main facts – 3M 2025

- Electricity prices in the Baltics were affected by lower output at the Daugava HPPs, higher natural gas and CO₂ quota prices, and reduced imports due to maintenance of the EstLink 2 interconnection between Finland and Estonia
- The price of natural gas at TTF virtual trading point (front month) 55% higher, reaching 48 EUR/MWh
- The average price of CO₂ emission allowances (EUA DEC futures) 22% higher, reaching 75 EUR/t

Lower inflow in the Daugava River has returned Daugava HPPs' output to its long-term average

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

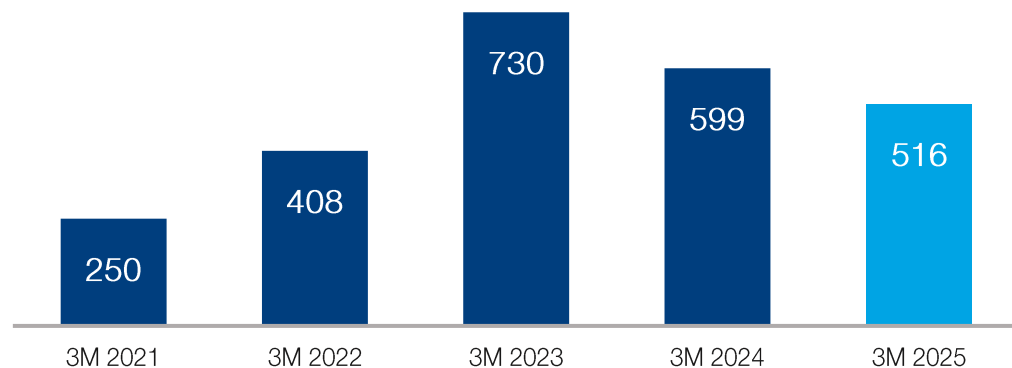
Region	3M 2025	3M 2024	D, %
System price	46.0	58.3	(21%)
Latvia	111.9	86.7	29%
Lithuania	111.3	86.8	28%
Estonia	111.4	90.1	24%



Key financial figures

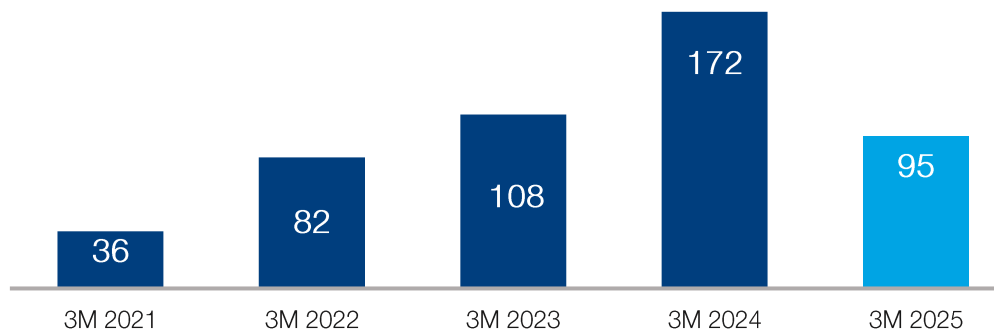
Revenue

MEUR



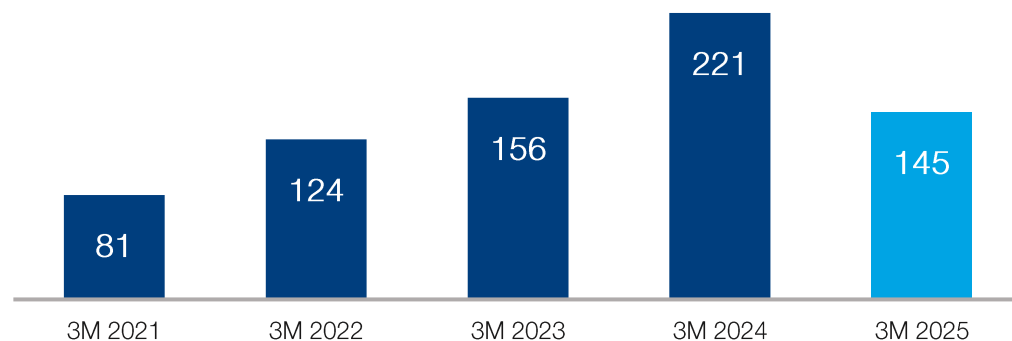
Net profit

MEUR



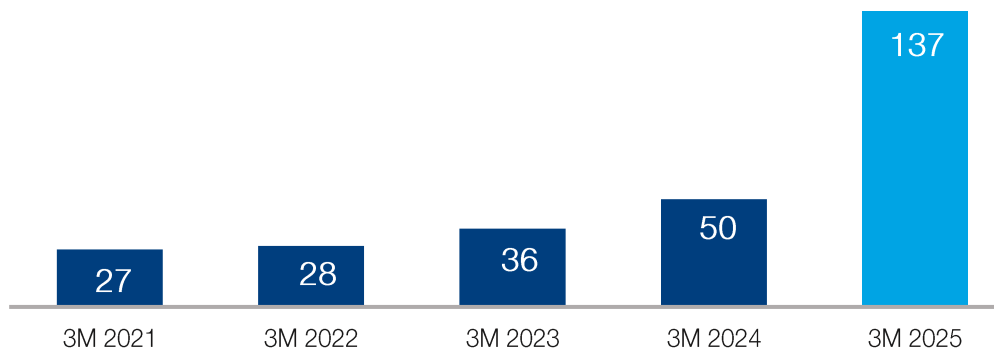
EBITDA

MEUR



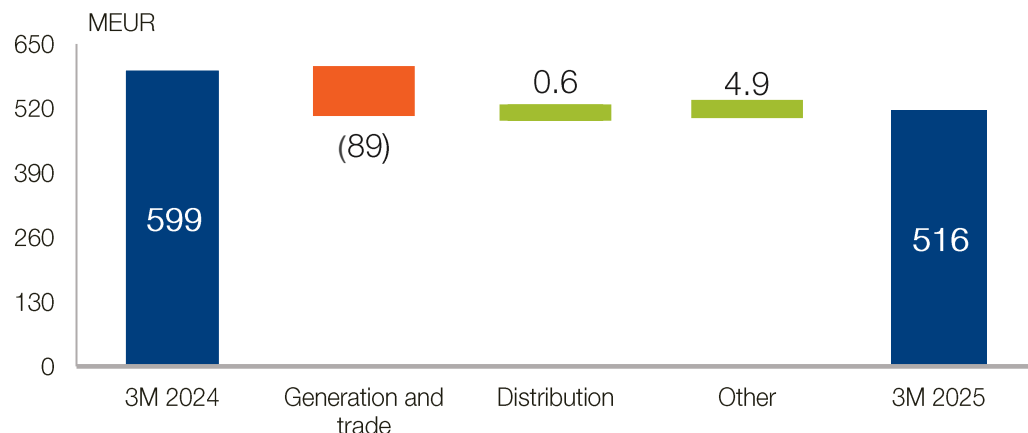
Investments

MEUR

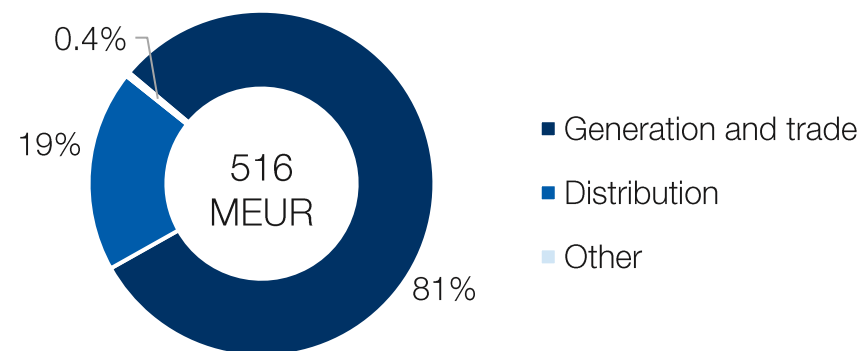


Lower generation at the Daugava HPPs impacted results

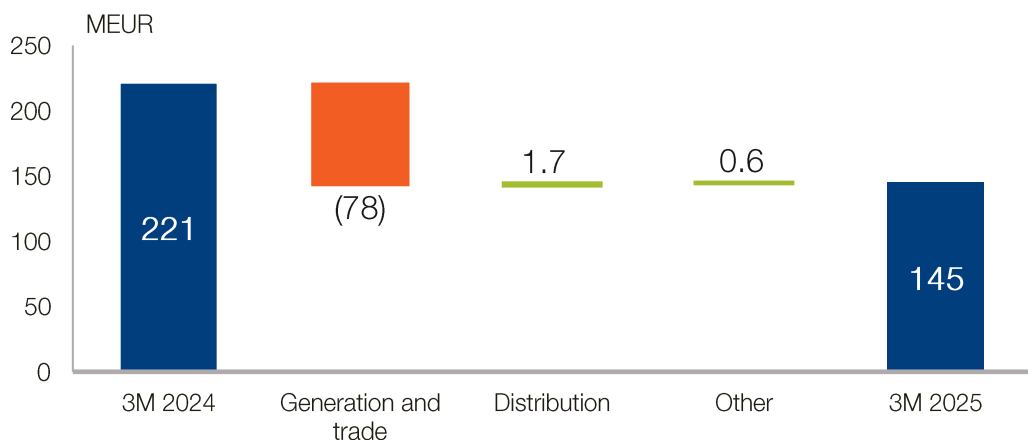
Revenue dynamics by segments



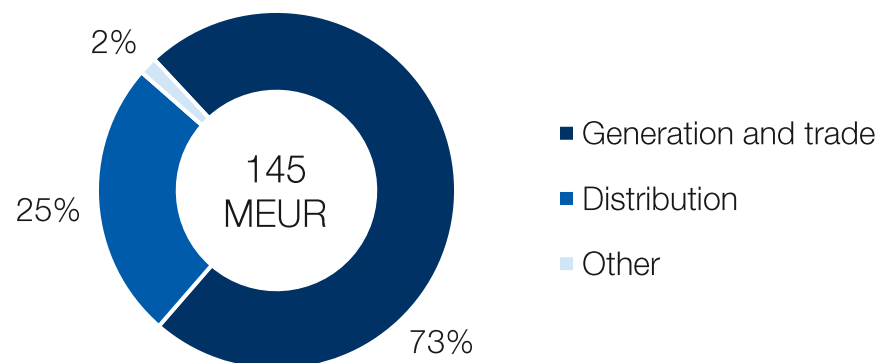
Revenue weight by segments



EBITDA dynamics by segments

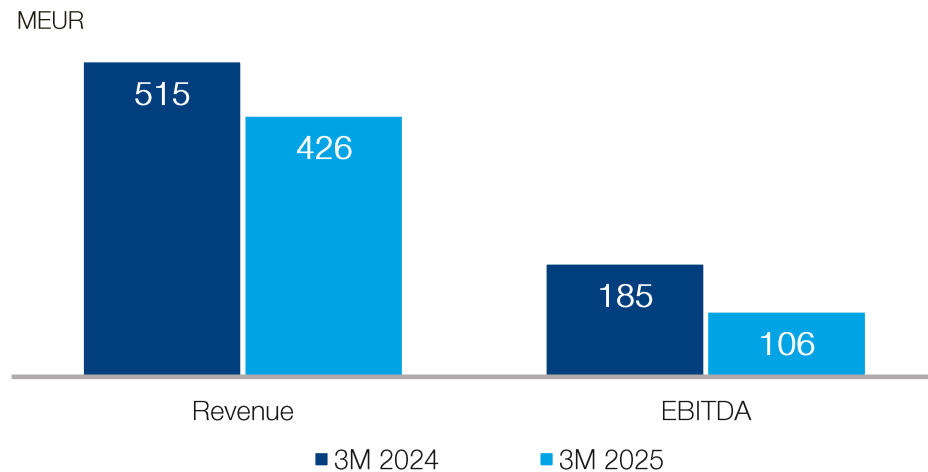


EBITDA weight by segments



Generation and trade

Revenue and EBITDA



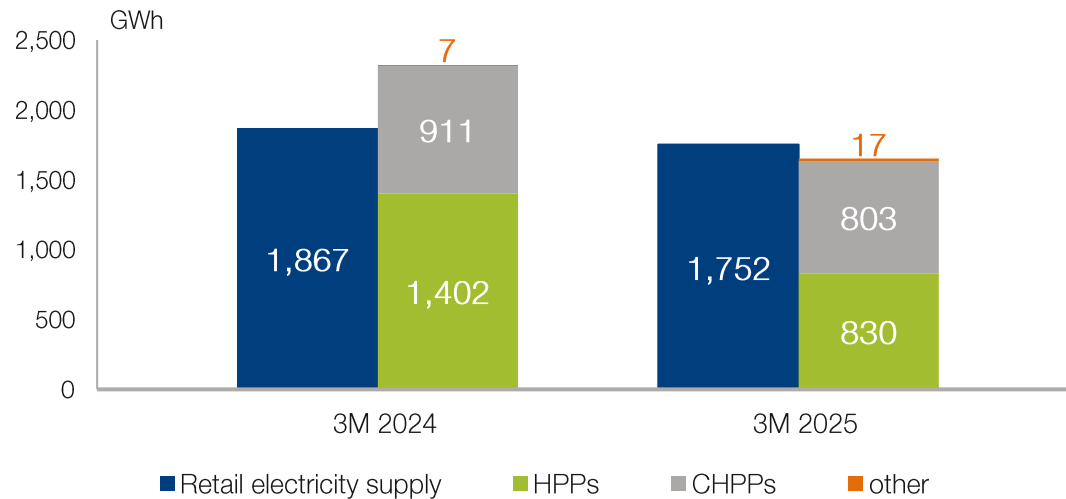
Main facts – 3M 2025

- Electricity consumption in the Baltic states decreased by 3%, while natural gas consumption decreased by 5%
- The segment's revenue was negatively impacted by lower energy sales prices and a decline in the volume of energy sold
- The segment's EBITDA negatively impacted by
 - 41% lower output at the Daugava HPPs
 - 16% lower electricity sales prices
- Latvenergo Group operates in all energy trade segments in Latvia, Lithuania and Estonia



Generation

1,651 GWh of electricity generated



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

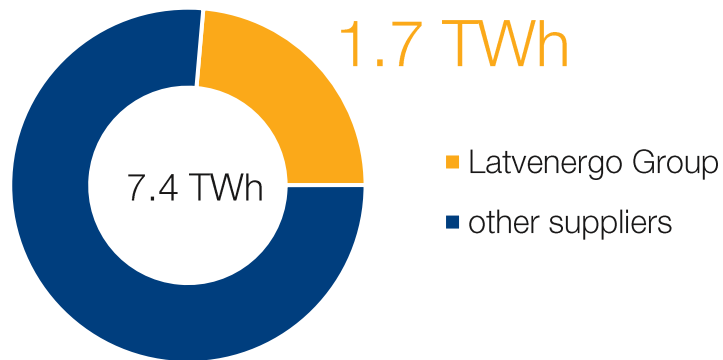
- 51% of electricity generated from renewable sources
- Electricity generated at *Latvenergo* corresponds to 94% of the electricity sold at retail
- Electricity generation at the Daugava HPPs reduced by 41%, and at Latvenergo CHPPs, it's down by 12%
- 12 GWh of electricity generated at SPPs and WPPs (+470%)
- 733 GWh of thermal energy generated (3M 2024: 903 GWh)



Trade

The number of electricity customers is up by 6% and natural gas +26%

Electricity market in the Baltics

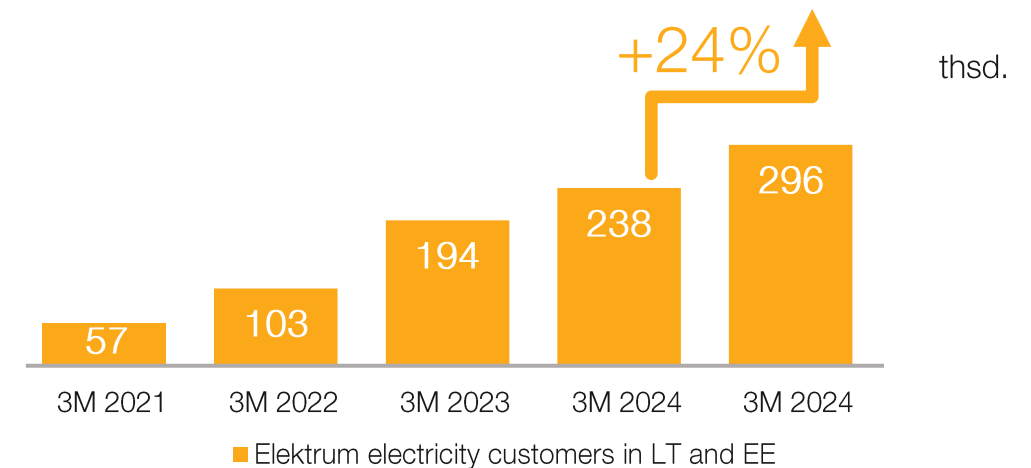


1.7 TWh of electricity* sold to Baltic retail customers (-6%). The number of customers reached 906 thous.



0.6 TWh of natural gas sold to Baltic retail customers (+39%). The number of customers reached 68 thous.

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



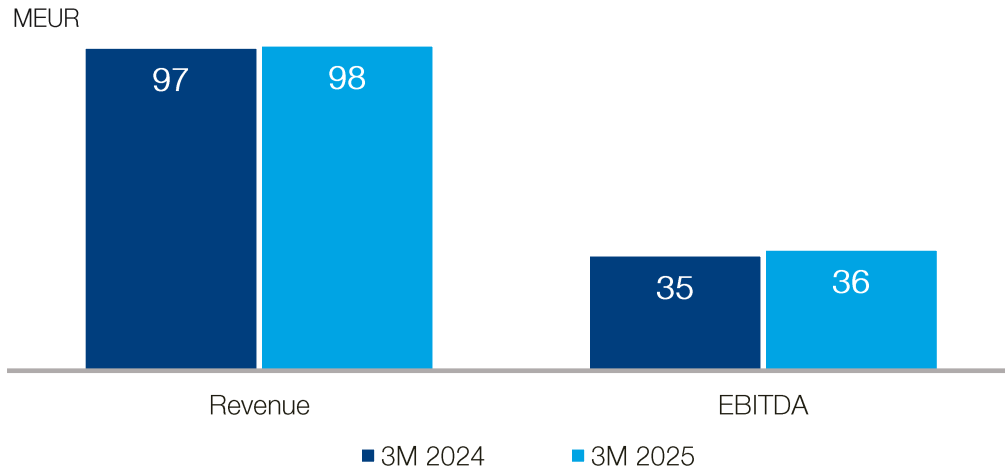
Elektrum Drive electric car charging network in the Baltics had more than 800 charging ports at the end of March



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

Distribution

Revenue and EBITDA



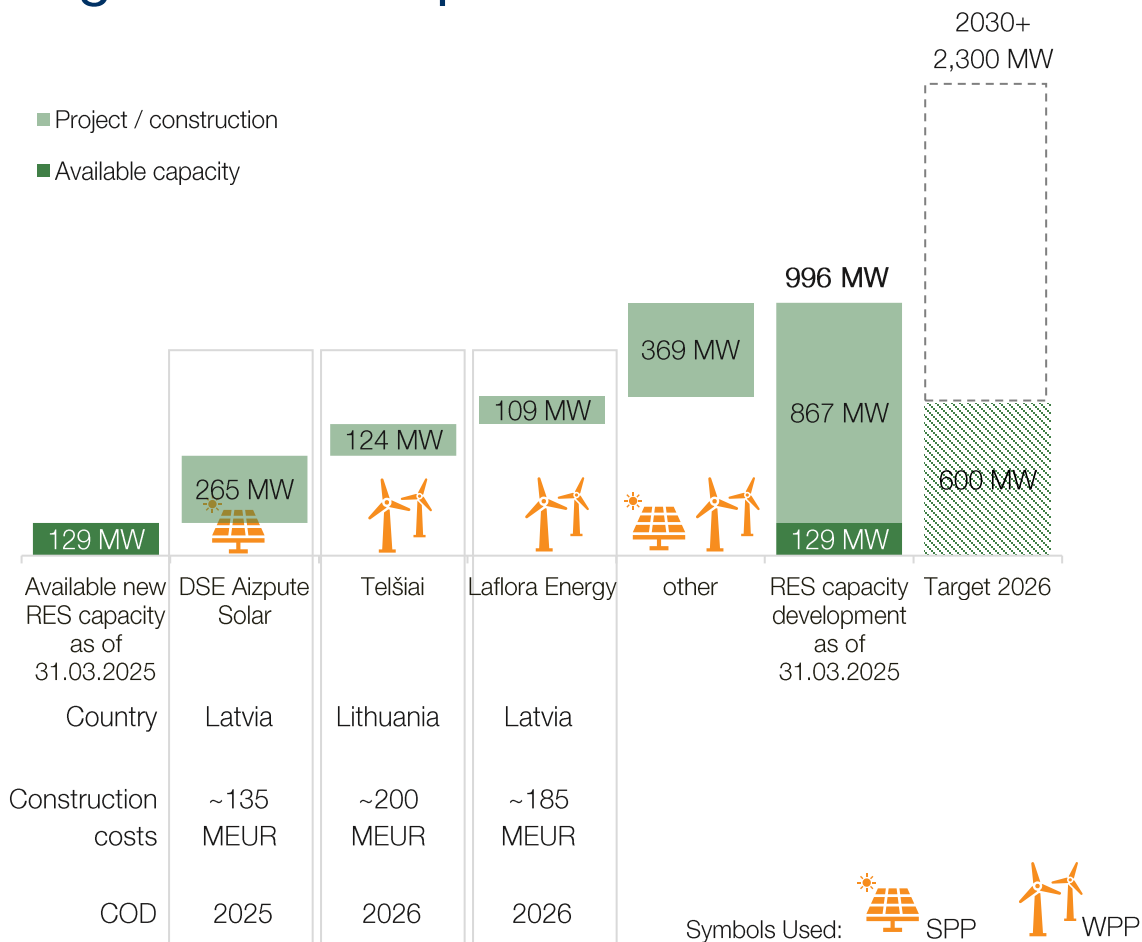
Main facts – 3M 2025

- Electricity distributed: 1,668 GWh (3M 2024: 1,677 GWh)
- Financial results were positively affected by lower costs of electricity distribution losses, due to lower electricity purchase prices
- 31 MEUR invested in distribution assets (+28%)



Investments

Development of renewable energy generation capacities

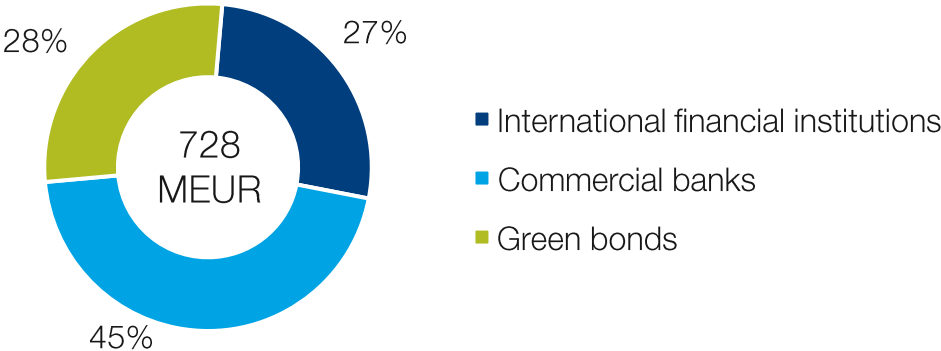


Significant increase in investments in renewable energy generation capacities in the Baltics

- In the 3-month period of 2024, the total amount of investment increased 2.7 times, reaching EUR 137 million. 3/4 of it was made in Generation and trade segment and 1/4 in Distribution segment
- 97 MEUR were allocated towards the development of wind and solar parks, which is 3/4 of the Group's total investments
- In the reporting period, the Ciekurkalns solar park in Latvia commenced operations with an installed capacity of 6.3 MW
- RES capacities currently in the project or construction stage are expected to be gradually commissioned in 2025-2026
- Investments in network assets allows to improve the quality of the power network services and technical parameters

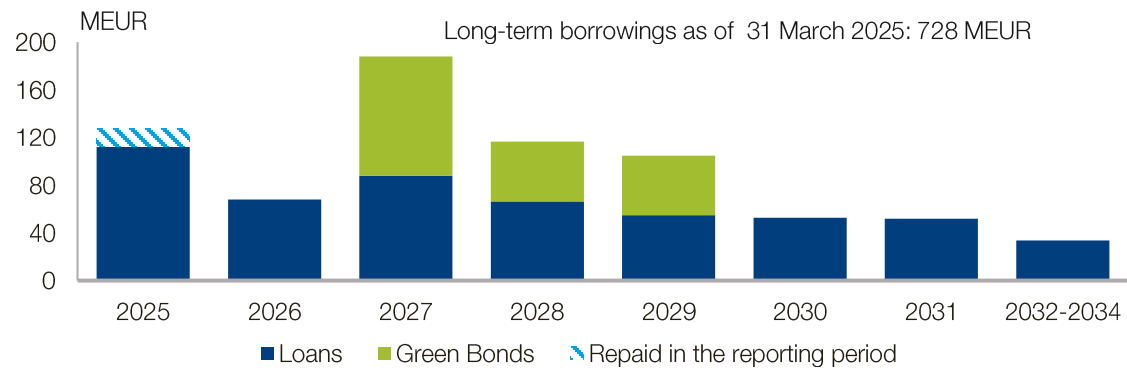
Investment funding

Diversified long-term funding



- 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
- In March 2025, *Moody's* reaffirmed Latvenergo AS credit rating at Baa2 with a stable outlook
- In March 2025, Latvenergo AS secured a long-term loan of EUR 200 million from the European Investment Bank with a repayment term of 15 years

Long-term debt repayment schedule



Main figures of the long-term debt portfolio

	31.03.2025.
Share of fixed interest rate*	38%
Weighted average fixed interest rate duration*	1.4 years
Weighted average effective interest rate*	3.2%

Thank you!

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Abbreviations

CHPPs –	Latvenergo AS combined heat and power plants
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)
RES –	Renewable energy sources
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- 31/03/2025	01/01- 31/03/2024
Revenue	516,247	599,316
Other income	7,830	7,448
Raw materials and consumables	(320,518)	(330,914)
Personnel expenses	(41,786)	(38,432)
Other operating expenses	(16,819)	(16,328)
EBITDA	144,954	221,090
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right-of-use assets	(44,295)	(43,128)
Operating profit	100,659	177,962
Finance income	3,445	4,216
Finance costs	(5,018)	(5,970)
Profit before tax	99,086	176,208
Income tax	(4,209)	(3,759)
Profit for the period	94,877	172,449
Profit attributable to:		
- Equity holder of the Parent Company	93,893	171,353
- Non-controlling interests	984	1,096

Consolidated Statement of Financial Position*

	EUR'000	
	31/03/2025	31/12/2024
ASSETS		
Non-current assets		
Intangible assets	105,628	105,566
Property, plant, and equipment	3,615,038	3,523,090
Right-of-use assets	31,472	31,910
Investment property	2,032	2,098
Non-current financial investments	470	82
Non-current loans to related parties	23,152	22,244
Other non-current receivables	540	540
Deferred income tax assets	1,085	1,857
Derivative financial instruments	2,428	2,124
Total non-current assets	3,781,845	3,689,511
Current assets		
Inventories	152,492	169,562
Current intangible assets	70,916	54,616
Receivables from contracts with customers	184,102	190,108
Other current receivables	23,634	32,928
Deferred expenses	3,341	3,196
Prepayment for income tax	1,021	491
Derivative financial instruments	1,657	1,298
Other current financial investments	119,886	209,842
Cash and cash equivalents	228,404	86,554
Total current assets	785,453	748,595
TOTAL ASSETS	4,567,298	4,438,106
EQUITY AND LIABILITIES		
EQUITY		
Share capital	790,368	790,368
Reserves	1,669,639	1,660,068
Retained earnings	644,657	549,328
Equity attributable to equity holder of the Parent Company	3,104,664	2,999,764
Non-controlling interests	8,146	7,162
Total equity	3,112,810	3,006,926
LIABILITIES		
Non-current liabilities		
Borrowings	605,857	615,280
Lease liabilities	29,590	29,828
Deferred income tax liabilities	11,444	8,003
Provisions	17,688	17,113
Deferred income from contracts with customers and advances received	149,216	150,842
Other deferred income	109,342	112,408
Other non-current liabilities	21,489	21,592
Total non-current liabilities	944,626	955,066
Current liabilities		
Borrowings	122,158	128,125
Lease liabilities	2,650	2,723
Trade and other payables	244,341	210,487
Deferred income from contracts with customers and advances received	45,173	48,700
Other deferred income	24,958	25,104
Provisions	68,210	48,010
Derivative financial instruments	2,372	12,965
Total current liabilities	509,862	476,114
Total liabilities	1,454,488	1,431,180
TOTAL EQUITY AND LIABILITIES	4,567,298	4,438,106

Consolidated Statement of Cash Flows*

	EUR'000	
	01/01- 31/03/2025	01/01- 31/03/2024
Cash flows from operating activities		
Profit before tax	99,086	176,208
Adjustments:		
– Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right-of-use assets	44,295	43,128
– loss from disposal of non-current assets	811	1,051
– Interest expense	5,140	5,923
– Interest income	(2,618)	(3,277)
– Fair value (gain) / loss on derivative financial instruments	(250)	1,098
– Increase in provisions	20,775	25,226
– Other finance costs	(389)	(5)
Interest paid	(6,445)	(4,509)
Interest received	2,256	892
Paid corporate income tax	(589)	(118)
Funds from operations (FFO)	162,072	245,617
Decrease in inventories and current intangible assets	810	88,891
Decrease / (increase) in receivables from contracts with customers and other receivables	15,505	(14,647)
Decrease / (increase) in other current financial investments	90,000	(190,000)
Increase / (decrease) in trade and other liabilities	4,033	(27,291)
Net cash flows generated from operating activities	272,420	102,570
Cash flows from investing activities		
Loans issued to related parties	(906)	(13,173)
Purchase of intangible assets and PPE	(117,180)	(50,688)
Net cash flows used in investing activities	(118,086)	(63,861)
Cash flows from financing activities		
Repayment of borrowings from financial institutions	(15,172)	(7,999)
Received financing from European Union	3,114	2,867
Lease payments	(426)	(523)
Net cash flows used in financing activities	(12,484)	(5,655)
Net increase in cash and cash equivalents	141,850	33,054
Cash and cash equivalents at the beginning of the period	86,554	118,456
Cash and cash equivalents at the end of the period	228,404	151,510