

# LATVENERGO GROUP UNAUDITED RESULTS FOR 2024

Investor Conference Webinar  
Presentation

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Group profile



Financials



Current events



Q&A



# Group profile



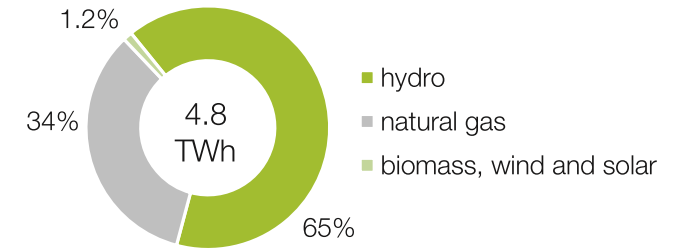
## One of the leading energy suppliers and leader in renewable energy generation in the Baltics

Balanced and environmentally friendly energy generation portfolio

- Low-cost hydropower plants: 1,560 MW<sub>el</sub>
- Highly efficient combined heat and power plants: 1,039 MW<sub>el</sub>; 1,617 MW<sub>th</sub>
- Solar and wind power plants: 123 MW<sub>el</sub>
- Solar and wind project pipeline: 878 MW<sub>el</sub>

Share of renewable resources in the electricity output 2024

**66%**



## Sound business model

- Stable cash flow from regulated distribution network activities
- 42% of retail electricity trade supplied to customers in Lithuania and Estonia
- Broad customer base



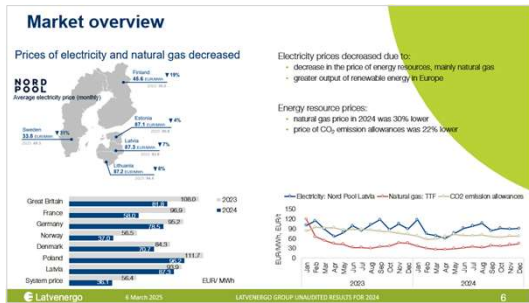
- Baa2 credit rating with stable outlook by Moody's
- 100% owned by the Republic of Latvia A3 / A+ / A-
- 80+ years of experience in energy sector





# Financials

## Market overview



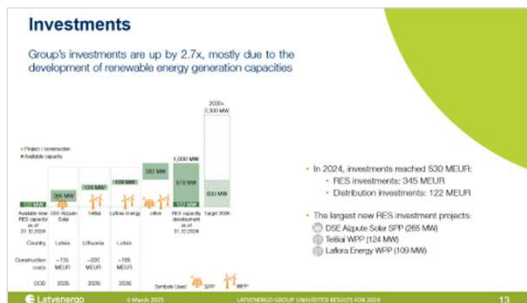
## Main indicators



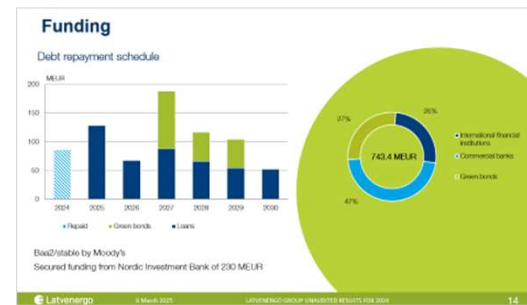
## Revenue and profitability



## Investments

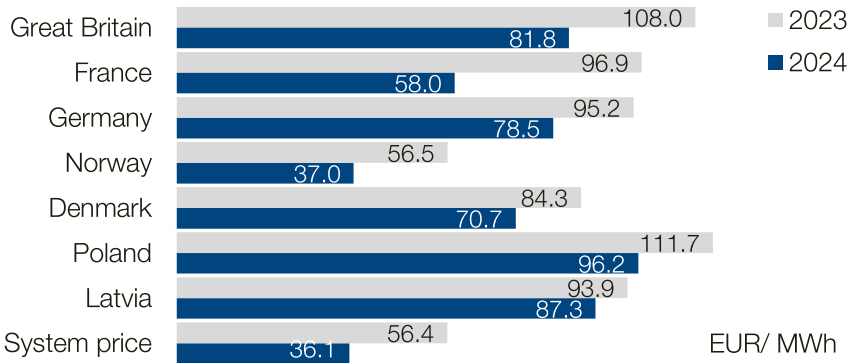
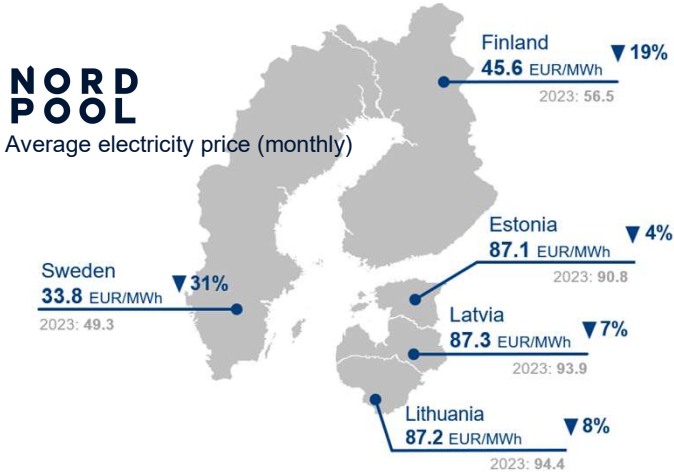


## Funding



# Market overview

## Prices of electricity and natural gas decreased

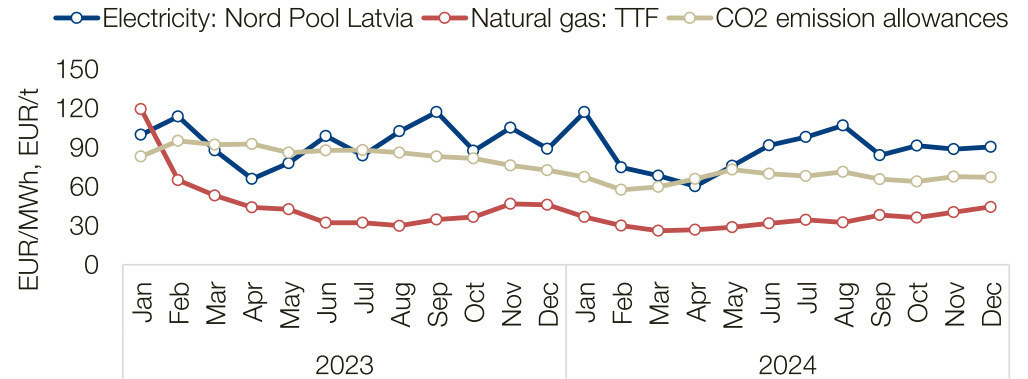


Electricity prices decreased due to:

- decrease in the price of energy resources, mainly natural gas
- greater output of renewable energy in Europe

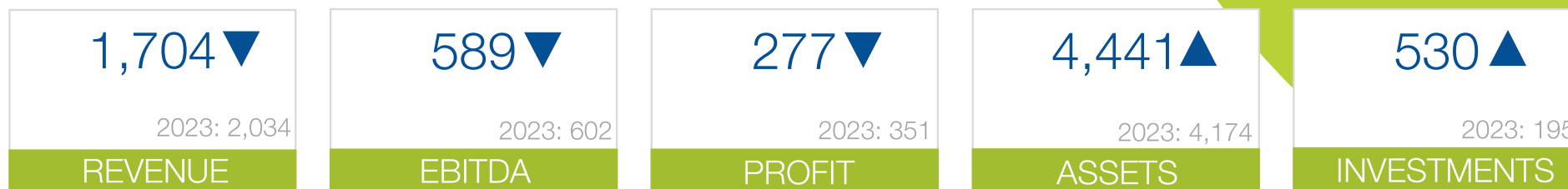
Energy resource prices:

- natural gas price in 2024 was 30% lower
- price of CO<sub>2</sub> emission allowances was 22% lower



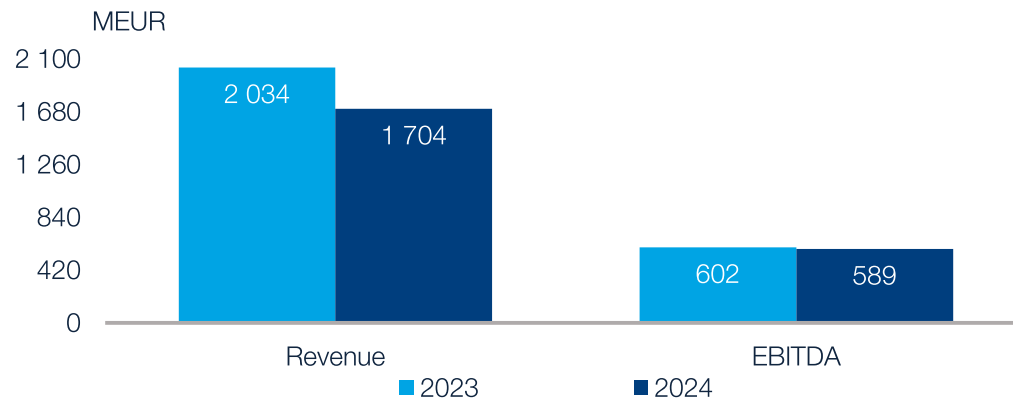
# Main indicators: Key financial figures 2024

MEUR

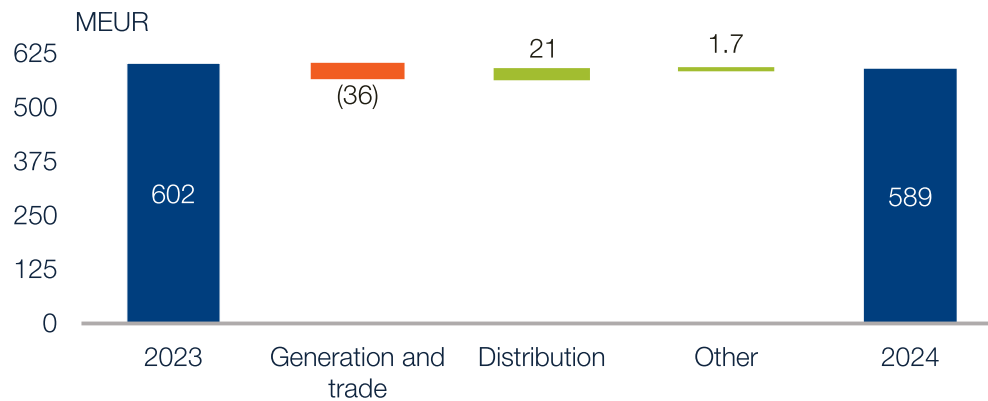


# Revenue and profitability

## Revenue and EBITDA



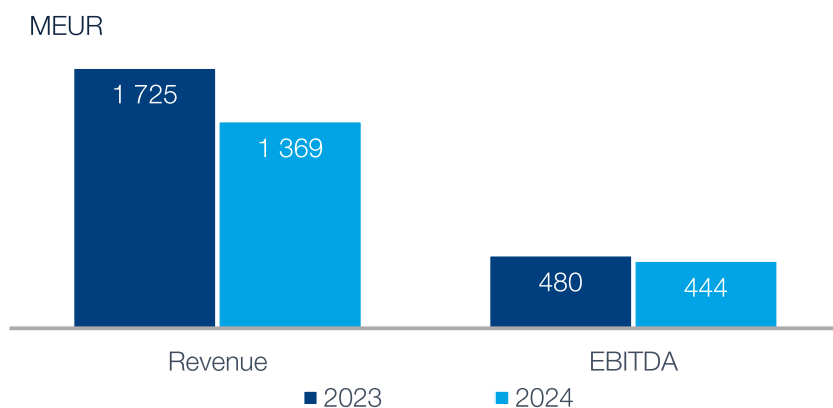
## EBITDA dynamics





# Generation and trade

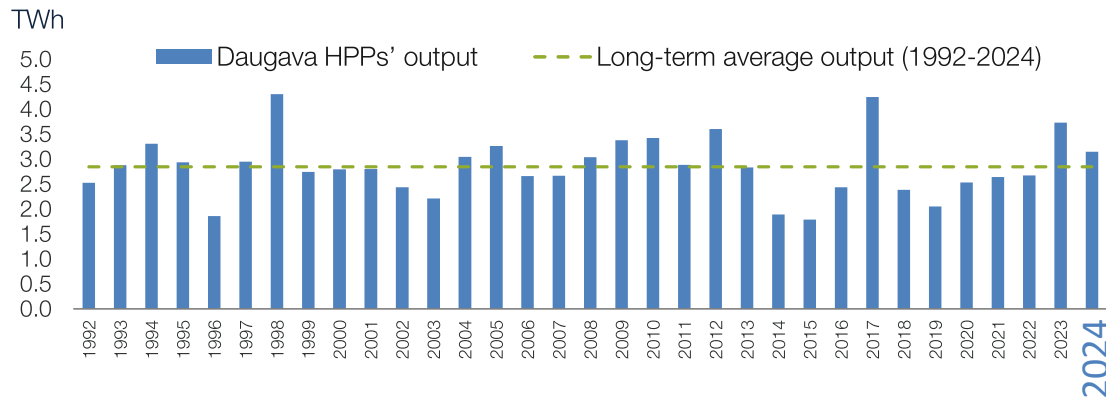
## Revenue and EBITDA



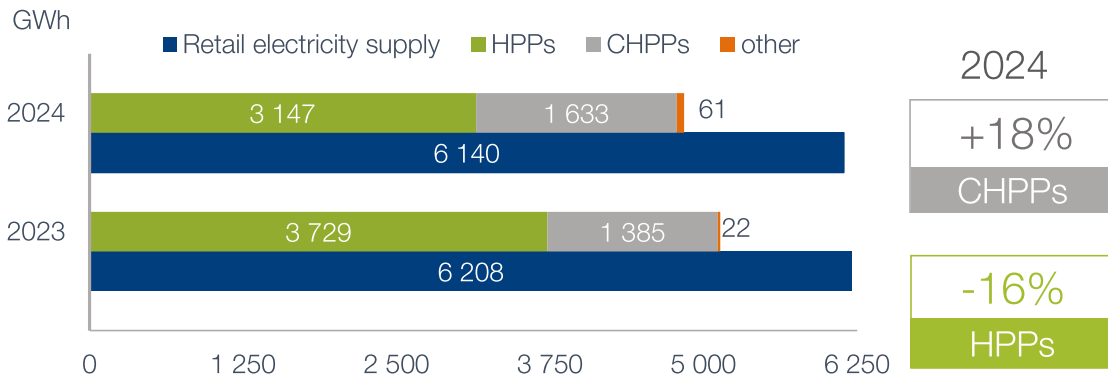
- Positive impacts:
  - lower natural gas purchase prices
  - 33% increase in retail natural gas sales volume
  - 18% higher output at the CHPPs
- Negative impacts:
  - lower energy sales prices
  - 16% lower output at the Daugava HPPs

# Main indicators: Generation

Daugava HPPs' output in 2024 was 10% higher than the long-term average output

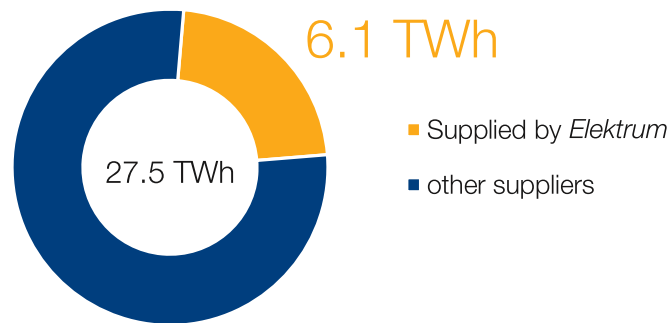


- Latvenergo – the largest renewable electricity producer in the Baltics
- 4.8 TWh of electricity generated
- 66% produced by RES
- Latvenergo makes 27% of the total electricity generated in the Baltics
- 18% higher output at the CHPPs
- Electricity generated at Latvenergo corresponded to 79% of the electricity sold to retail customers



# Trade

Electricity market share in the Baltics: 22%



6.1 TWh of electricity\* sold to Baltic retail customers (-1%). The number of customers is up by 6%, reaching 896 thous.



1.2 TWh of natural gas sold to Baltic retail customers (+33%). The number of customers is up by 33%, reaching 65 thous.

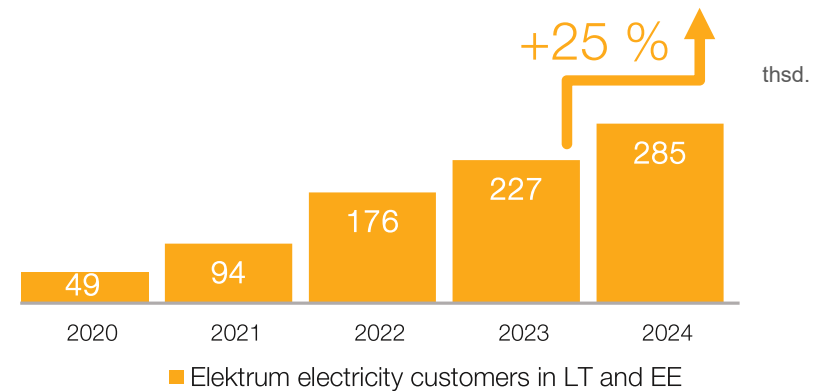


*Elektrum Drive* electric car charging network in the Baltics had more 974 charging ports (incl. partner networks)



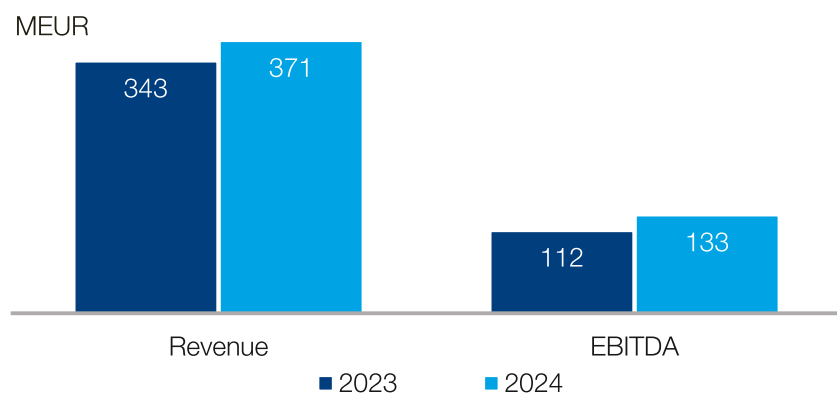
At the end of December, the total number of *Elektrum Insured* customers exceeded 145 thousand

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



# Distribution

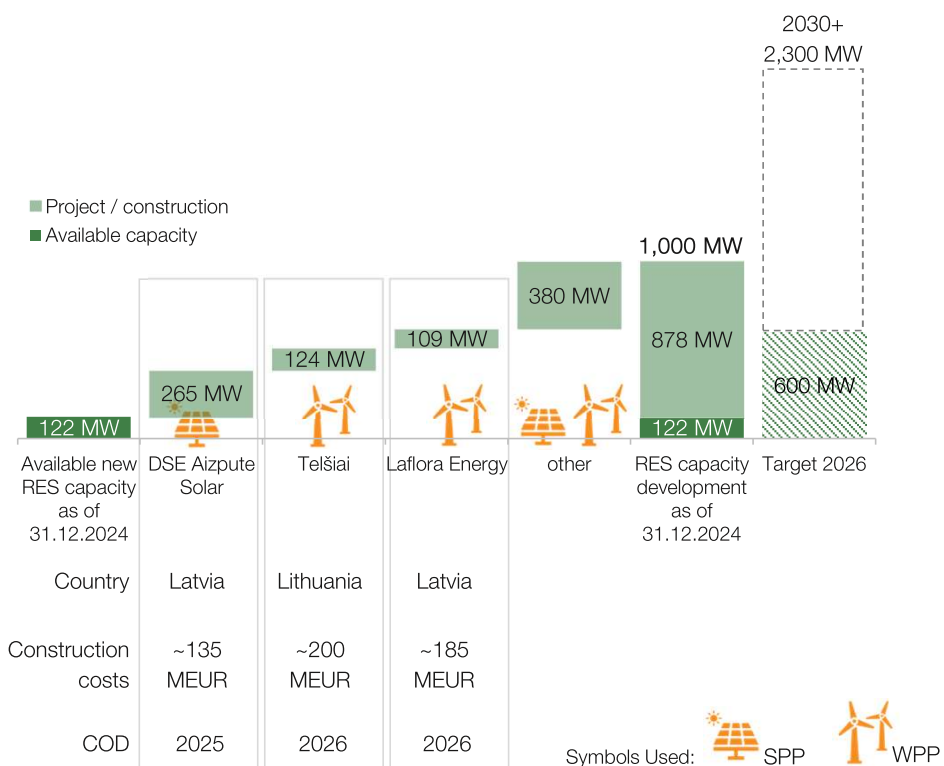
## Revenue and EBITDA



- Positive impacts:
  - new distribution tariffs starting from 1 July 2023
  - increased electricity consumption
- Negative impacts:
  - rise in electricity transmission service costs
- Electricity distributed: 6,116 GWh (2023: 6,021 GWh)
- SAIFI and SAIDI indicators improved:
  - SAIFI reduced to 2.17 times (-20%)
  - SAIDI reduced to 214.7 minutes (-19%)

# Investments

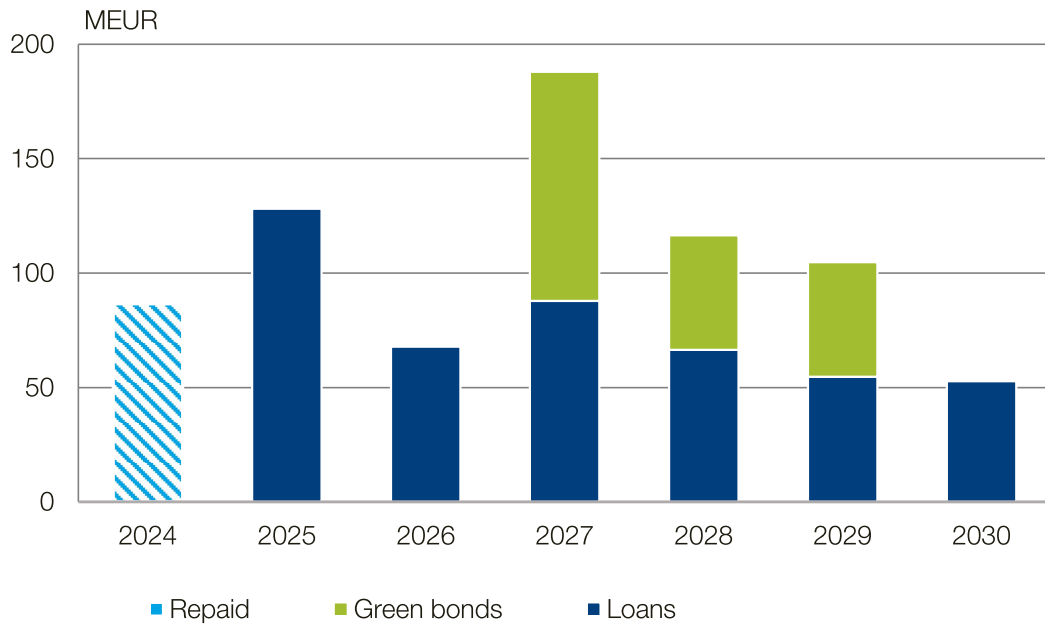
Group's investments are up by 2.7x, mostly due to the development of renewable energy generation capacities



- In 2024, investments reached 530 MEUR:
  - RES investments: 345 MEUR
  - Distribution investments: 122 MEUR
- The largest new RES investment projects:
  - DSE Aizpute Solar SPP (265 MW)
  - Telšiai WPP (124 MW)
  - Laflora Energy WPP (109 MW)

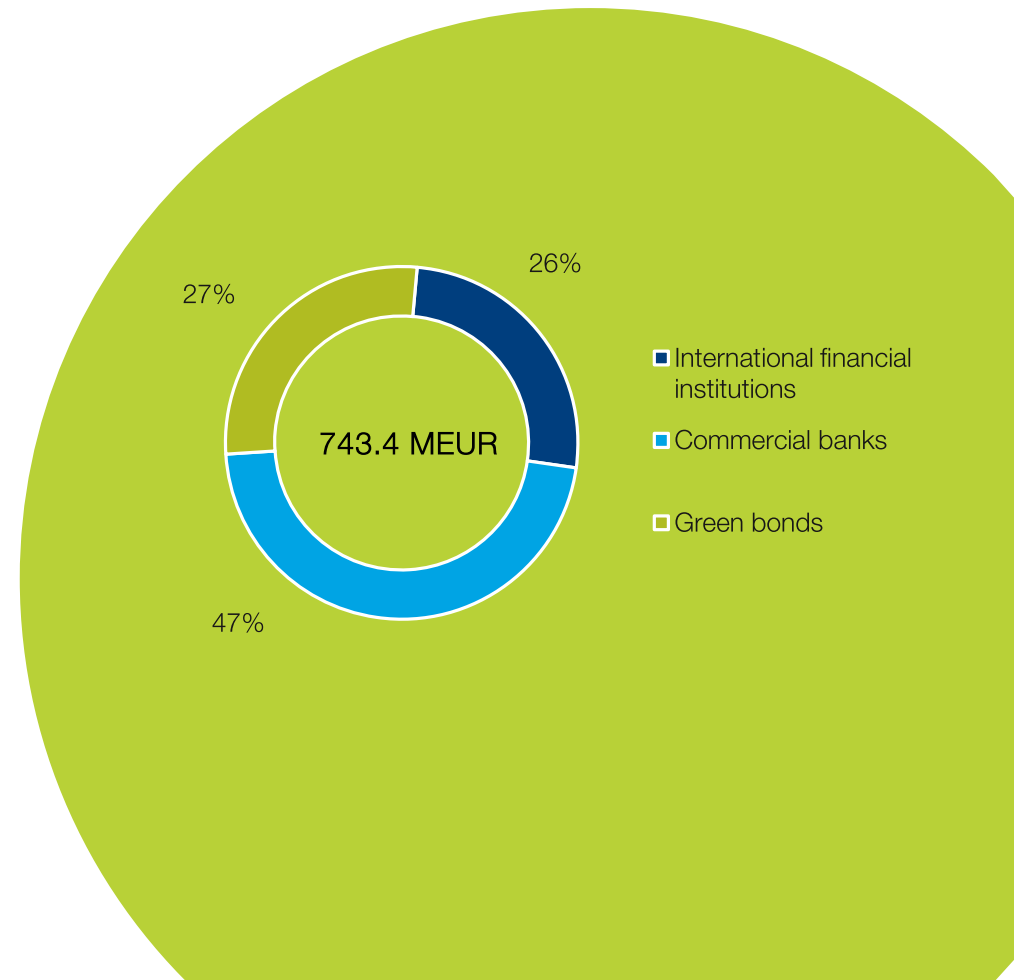
# Funding

## Debt repayment schedule



Baa2/stable by Moody's

Secured funding from Nordic Investment Bank of 230 MEUR







# Current events

## Generation assets: latest updates

**Generation assets: latest updates**

**elektрум**

Generation with long history

Anniversary	Capacity, MW <sub>e</sub>
Keguma HPP	85 / 248
Latvenergo CI-FPP-1	70 / 156
Figū HPP	50 / 402

- Elektрум Next, a Latvenergo AS subsidiary, was established.
- In Elektрум Next we are planning to consolidate all the newly developed renewable energy assets in the Baltics.

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## Sustainability strategy: achievements in 2024

**Sustainability strategy: achievements in 2024**

Environment	Social	Governance	Sustainable finance
<ul style="list-style-type: none"> <li>Moody's Net Zero Assessment NZ-3</li> <li>Scope 1 emissions: -16% (2024 target: -4% compared to 2021)</li> <li>Share of RES: 60% (2030 target 80%)</li> <li>Developed plans for achieving climate neutrality of GHPPs prepared within the framework of the EU ETS</li> <li>Distribution network electricity losses: 3.62% (annual target &lt;4%)</li> <li>Number of significant environmental incidents: 0 (annual target 0)</li> <li>Improved ecological quality of rivers: 8 km (since the beginning of 2024) (2026 target 25 km)</li> </ul>	<ul style="list-style-type: none"> <li>Number of serious accidents: 0 (annual target 0)</li> <li>Skills-enhancing training for employees and threats (AS Latvenergo): &gt;600 employees (2024 target employee participation ≥ 40%)</li> <li>Promoted children's and young people's curiosity/interest in science: 0% increase in the number of those involved in educational activities (2026 target 15% compared to 2023)</li> <li>Customer satisfaction index in Latvia against comparable companies (AS Latvenergo): 106 (annual target &gt;100)</li> </ul>	<ul style="list-style-type: none"> <li>Corruption events: 0 (annual target 0)</li> <li>Events with significant reputational or financial impact: 0 (annual target 0)</li> <li>Payments to partners, taking into account the terms of contracts and business ethics principles: on average 30 (annual target ≤ 20 days)</li> <li>Developed Latvenergo Group Suppliers Code of Conduct</li> <li>Procurements include at least one sustainability criterion requirement (AS Latvenergo): 35% (2024 target ≥ 30% (by number of purchases))</li> </ul>	<ul style="list-style-type: none"> <li>Investments in activities compliant with the EU taxonomy: &gt;60% (annual target ≥60%)</li> <li>Funding for innovation, research and development: 3% (annual target ≥ 0.5% of the Group's average turnover over the last 3 years)</li> </ul>

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## Recent awards

**Recent awards**

NAMEJA BALVA 2024

LATVENERGO

Baltic Awards

Sept 2024

Dec 2024

Feb 2025

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## Summary

**Summary**

- Latvenergo – the largest renewable electricity producer in the Baltics
- The number of electricity customers is up by 6% and natural gas +33%
- Secured 1,000 MW of new solar and wind capacities
- Group's EBITDA – 550 MEUR, profit – 277 MEUR

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# Generation assets: latest updates



## Generation with long history

- Elektrum Next, a Latvenergo AS subsidiary, was established
- In Elektrum Next we are planning to consolidate all the newly developed renewable energy assets in the Baltics

	Anniversary	Capacity, MW <sub>el</sub>
• Ķeguma HPP	85	248
• Latvenergo CHPP-1	70	158
• Riga HPP	50	402



# Sustainability strategy: achievements in 2024

Environment	Social	Governance	Sustainable finance
<ul style="list-style-type: none"> <li>Moody's Net Zero Assessment NZ-3</li> <li>Scope 1 emissions: -16% (2030 target -47% compared to 2021)</li> <li>Share of RES: 66% (2030 target 80%)</li> <li>Developed plans for achieving climate neutrality of CHPPs prepared within the framework of the EU ETS</li> <li>Distribution network electricity losses: 3.62% (annual target &lt;4%)</li> <li>Number of significant environmental incidents: 0 (annual target 0)</li> <li>Improved ecological quality of rivers: 8 km (since the beginning of 2024) (2026 target 25 km)</li> </ul>	<ul style="list-style-type: none"> <li>Number of serious accidents: 0 (annual target 0)</li> <li>Skills-enhancing training for emergencies and threats (AS Latvenergo): &gt;900 employees (2024 target employee participation ≥ 40%)</li> <li>Promoted children's and young people's curiosity/interest in science: 5% increase in the number of those involved in educational activities (2026 target 15% compared to 2023)</li> <li>Customer satisfaction index in Latvia against comparable companies (AS Latvenergo): 106 (annual target &gt;100)</li> </ul>	<ul style="list-style-type: none"> <li>Corruption events: 0 (annual target 0)</li> <li>Events with significant reputational or financial impact: 0 (annual target 0)</li> <li>Payments to partners, taking into account the terms of contracts and business ethics principles: on average 30 (annual target ≤ 30 days)</li> <li>Developed Latvenergo Group Suppliers Code of Conduct</li> <li>Procurements include at least one sustainability criterion/requirement (AS Latvenergo): 35% (2024 target ≥ 30% (by number of purchases))</li> </ul>	<ul style="list-style-type: none"> <li>Investments in activities compliant with the EU taxonomy: &gt;90% (annual target ≥80%)</li> <li>Funding for innovation, research and development: 3% (annual target ≥ 0.5% of the Group's average turnover over the last 5 years)</li> </ul>

# Recent awards



Sept 2024



Dec 2024



Feb 2025

# Summary

*Latvenergo* – the largest renewable electricity producer in the Baltics

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

Secured 1,000 MW of new solar and wind capacities

Group's EBITDA – 589 MEUR, profit – 277 MEUR



# Q&A

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