

# LATVENERGO CONSOLIDATED AND LATVENERGO AS UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST 6 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

### 28. 11. 2025.

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

### 27. 02. 2026.

Latvenergo Consolidated and Latvenergo AS Condensed Financial Statements for 2025 (unaudited)

## CONTACT DETAILS FOR INVESTOR RELATIONS

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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 in the Baltics are higher.

In 1H 2025, electricity spot prices in the Baltics were on average 6% higher, reaching 86–87 EUR/MWh. Meanwhile, the average price of natural gas at the TTF (front month) reached 43 EUR/MWh, which is 43% higher than in the respective period a year ago. The price of CO<sub>2</sub> emission allowances (EUA DEC futures) increased by 11%, reaching 73 EUR/t.

## Latvenergo Group produced 24% of the total electricity generated in the Baltics.

In 1H 2025, electricity output at Latvenergo Group's plants reached 2,603 GWh, which is 26% less than in the respective period a year ago. In 1H 2024, due to high inflow in the Daugava River, the Daugava hydroelectric power stations (HPPs) recorded the third highest first half-year generation output in history. In contrast, the winter of 2024/2025 was characterized by minimal snow and ice accumulation, leading to the absence of spring flooding. As a result, inflow in the Daugava River in 1H 2025 was 21% below the long-term average. Electricity generation at the Daugava HPPs decreased by 36% compared to 1H 2024, reaching 1,647 GWh. The amount of electricity generated at the Latvenergo AS combined heat and power plants (CHPPs) decreased by 7%, reaching 887 GWh. The operation of the CHPPs is adjusted to the conditions of the market. Generation from new solar and wind power capacities grew significantly. In 1H 2025, it reached 57 GWh, which is almost five times more than in the respective period a year ago. Due to warmer weather, the amount of heat energy generation decreased to 916 GWh, which is 12% less than a year ago.

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



3,182 GWh of electricity sold to Baltic retail customers



889 GWh of natural gas sold to Baltic retail customers

In 1H 2025, the Group supplied 4,071 GWh of electricity and natural gas to Baltic retail customers, which is 3% more than in the respective period a year ago. The number of Latvenergo customers increased in both the electricity and natural gas segments. We have more than 911 thousand electricity customers (+3%), and 301 thousand of them are outside Latvia. The number of natural gas customers comprised 70 thousand at the end of June (+20%).

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

			MEUR
847.1	271.7	135.3	4,471.3
REVENUE	EBITDA	PROFIT	ASSETS

In 1H 2025, Latvenergo Group's revenue was 11% or EUR 108 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 on the wholesale market.

With the decrease in electricity generation at the Daugava HPPs, the Group's EBITDA decreased by 31% compared to 1H 2024, reaching EUR 272 million.

## Investments have increased 2.2 times.

In 1H 2025, the total amount of investment increased 2.2 times, reaching EUR 392 million. Almost 3/4 of it or EUR 291 million was made in new wind and solar generation capacities. In June, Latvenergo AS acquired the wind power park (WPP) project Pienava Wind (147 MW), which will start wind power generation as early as in the first half of 2027. In 2025, major construction work continues on the WPP projects Telšiai (124 MW) in Lithuania and Laflora Energy SIA (109 MW) in Latvia and the solar power park (SPP) project DSE Aizpute Solar (265 MW) in Latvia. At the end of the reporting period, the Group's newly installed renewable energy capacities in the Baltics reached 179 MW, while solar and wind parks with a total capacity of 965 MW were in the project or construction stage. As a result, the total approved portfolio of new renewable energy projects increased to 1,144 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

# Highlights

JANUARY	FEBRUARY	MARCH	APRIL
<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 "<u>T1</u>" <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.</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> – renewable energy that is generated at solar parks owned by <i>Elektrum</i> in Latvia.</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>



# 1H 2025 events

MAY	JUNE	JULY	AUGUST
<p>Construction begins on <u>Laflora Energy</u> (109 MW), the largest wind park in Latvia to date.</p> <p>On May 23, the Shareholder Meeting of Latvenergo AS decided to issue debt securities (bonds) under a <u>new public offering programme</u>.</p> <p><u>Kostas Dryžas</u> takes on the role of board member and Development Director at Elektrum Lietuva UAB.</p>	<p>Latvenergo AS acquires the <u>Pienava Wind</u> wind park project, which will enable the company to start wind power generation with a capacity of 147 MW as early as in the first half of 2027.</p> <p>Latvenergo AS signs short term <u>loan agreements</u> totalling EUR 300 million with Swedbank AS, OP Corporate Bank plc Latvia branch, and AB SEB Bank.</p> <p>On June 27, the Supervisory Board of Latvenergo AS approved a further term of office for Management Board Member <u>Guntars Baļčūns</u> until November 15, 2030.</p> <p><u>Liepājas enerģija SIA</u> receives the State Environmental Service's annual environmental protection award "Green Excellence", confirming its ability to meet environmental requirements at the highest level.</p>	<p>Latvenergo AS and State Joint Stock Company Latvian Radio and Television Centre signs a <u>memorandum of understanding</u> with Telia Company AB regarding the acquisition of its shares in Tet SIA and Latvijas Mobilais Telefons SIA. Latvenergo AS plans to carry out due diligence and other preparatory work to assess the feasibility of the transaction.</p> <p>Latvenergo AS, in cooperation with the foundation "Mission Possible", completes its fourth competition, through which 28 general education institutions in Latvia will receive <u>equipment for physics classrooms</u> to improve the learning process. The total project funding amounts to EUR 360,000.</p>	<p>In the autumn of 2025, the wind turbine construction at the <u>WPP Telšiai</u> is planned to be completed. This will enable the start of wind energy production with a capacity of 124 MW in the first quarter of 2026.</p> <p>Sadales tīkls AS, in cooperation with InPass SIA, the Norwegian drone and aerial data technology company Aersea, and the research centre Norce, is developing a state-of-the-art smart inspection system for inspecting wooden utility poles. The total budget of the <u>project</u> is EUR 2 million, and it is implemented within the European Partnership "Innovative SMEs" activity "Eurostars", with co-funding from the Latvian Council of Science and the Research Council of Norway.</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.

**E Latvenergo**

**elektrum**

**Enerģijas publiskais tirgotājs**

**IEPĀRŠ ENERĢIJA**

**Latvijas vēja parki**  
Dzīvo Latvijas mežos

**Renewable energy projects**

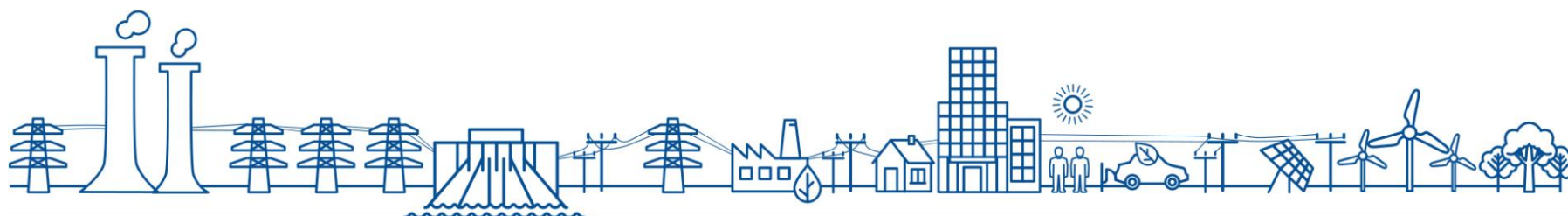
**elektrum**  
Next

## 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).

**E ST**



# 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	≥ Baa3

\* 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.

By implementing the strategy of Latvenergo Group, we plan to prevent CO<sub>2</sub> emissions\* in this amount:

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

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



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

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

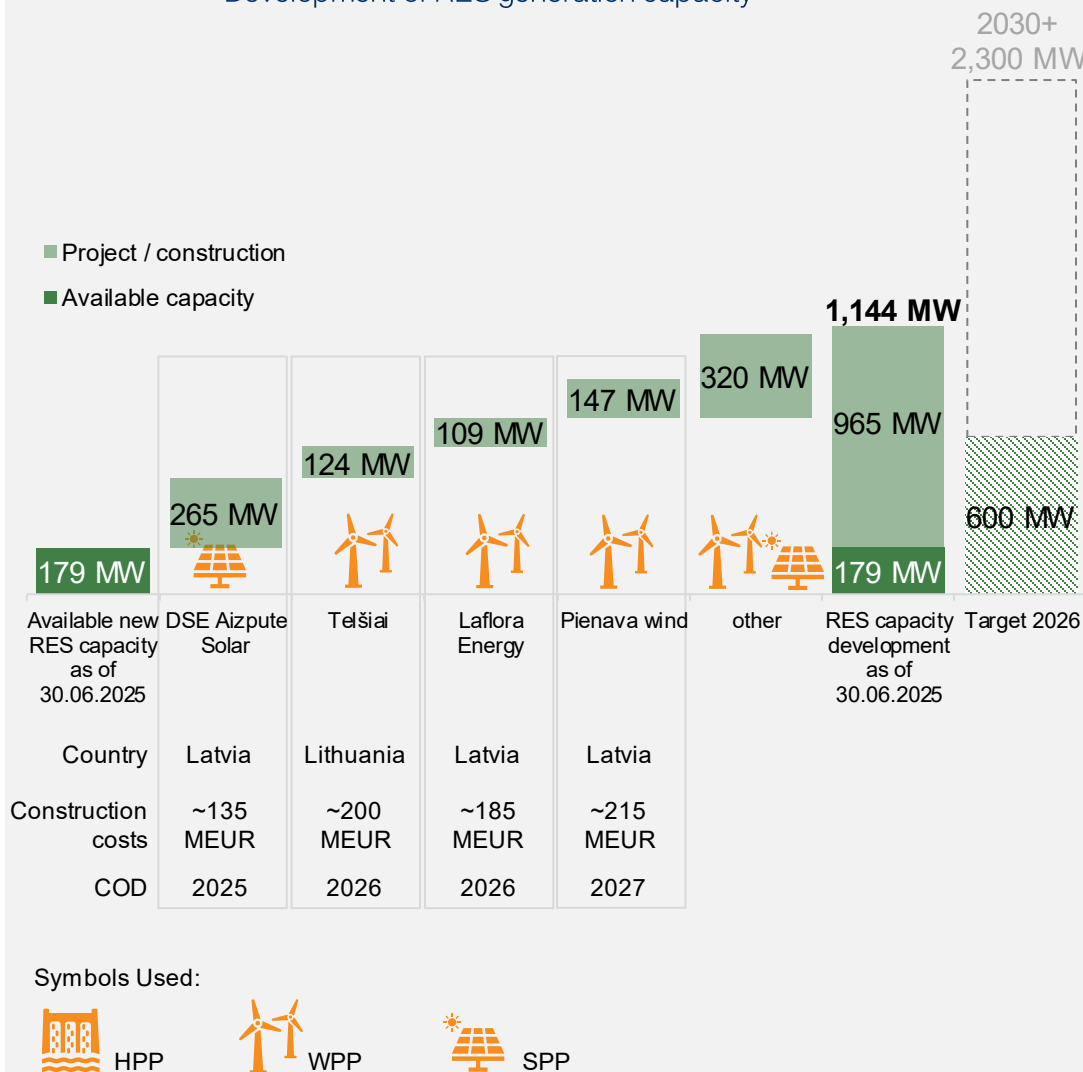


# Latvenergo Group's Strategy

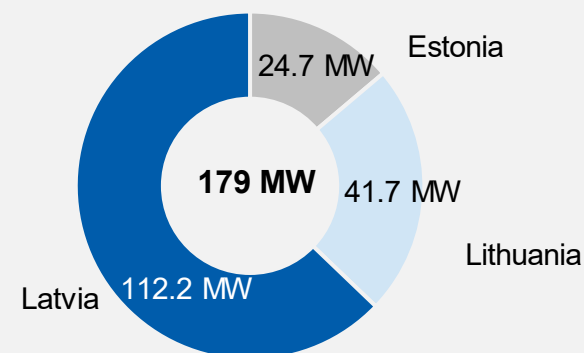
## Progress of the Group's strategic objectives

### GENERATION

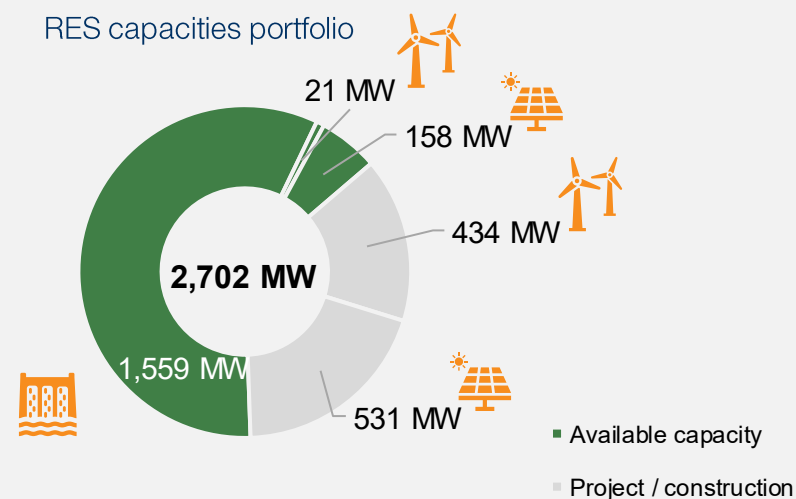
#### Development of RES generation capacity



#### Geolocation of newly constructed RES capacities



#### RES capacities portfolio

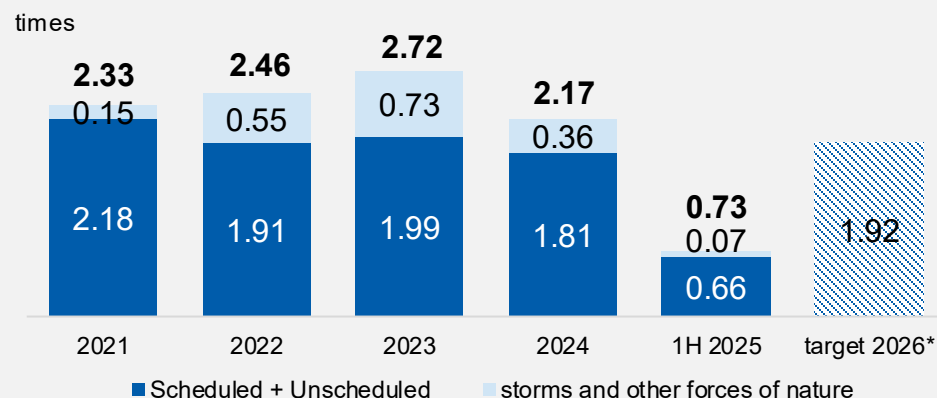


# Latvenergo Group's Strategy

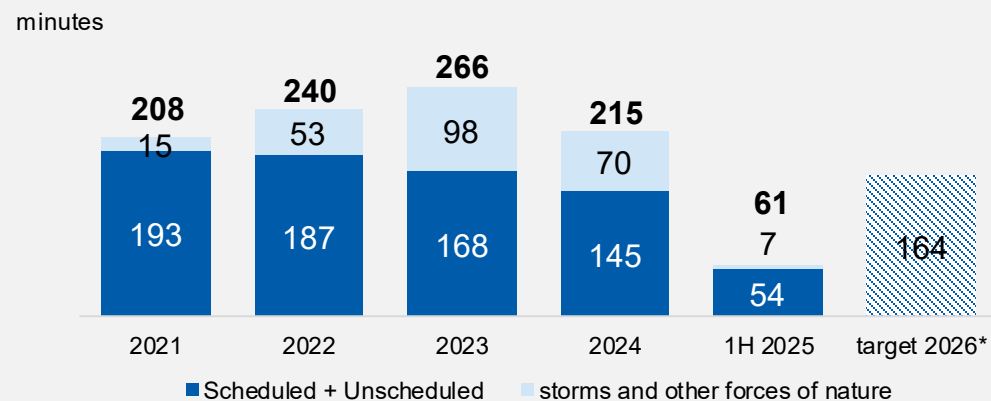
## Progress of the Group's strategic objectives

### DISTRIBUTION

SAIFI



SAIDI

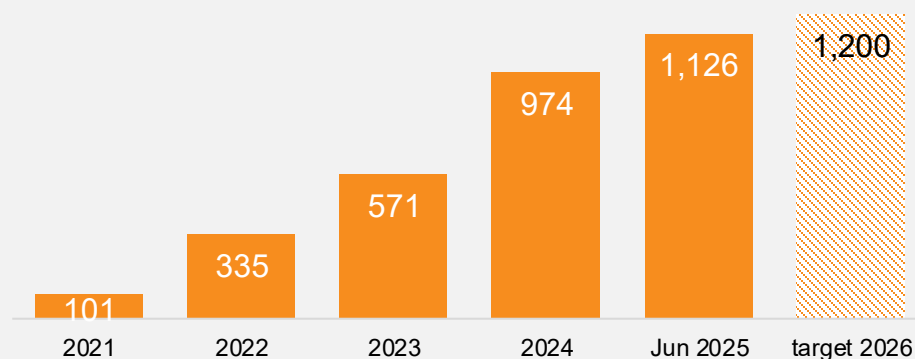


\* Excluding mass damage caused by storms and other forces of nature

### ELECTROMOBILITY

Charging ports\*\*

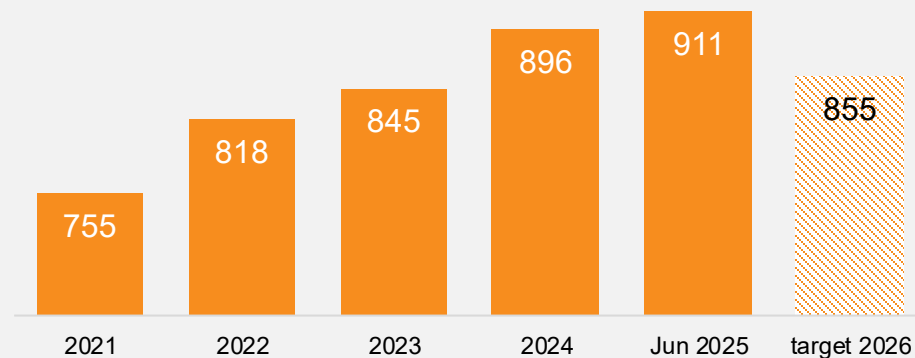
number



### TRADE

The number of *Elektrum* electricity customers

thsd.



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

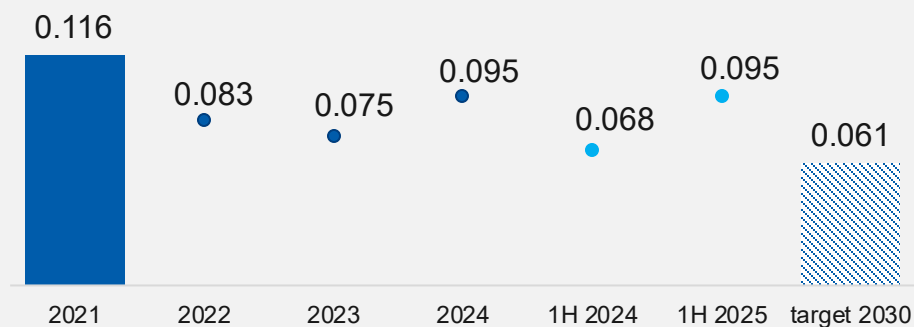
# Latvenergo Group's Strategy

## Progress of the Group's strategic objectives

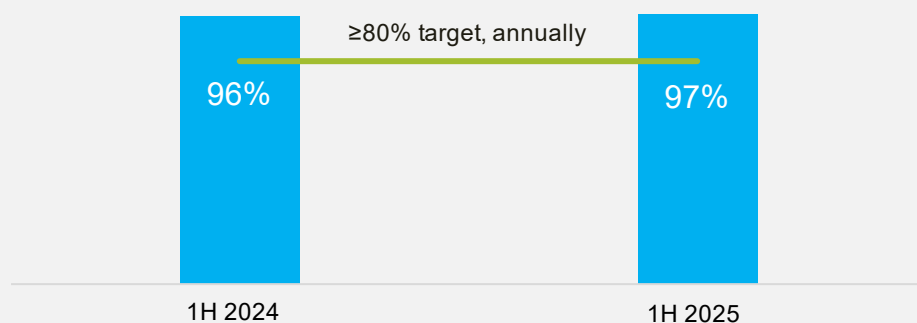
### SUSTAINABLE DEVELOPMENT OBJECTIVES

#### Scope 1 GHG emissions reduction

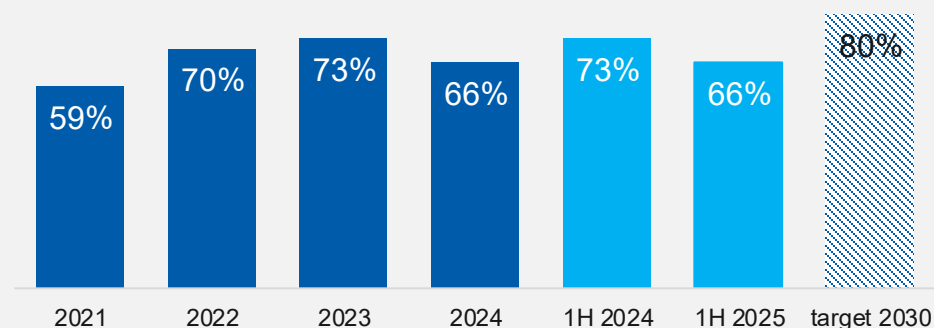
Electricity generation – specific emissions, t CO<sub>2</sub>/MWh



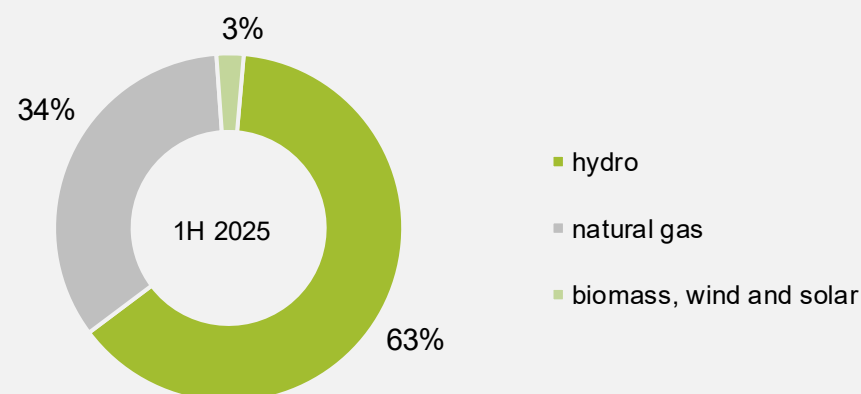
#### Investments in EU Taxonomy-aligned activities



#### Share of electricity generated from RES



#### Energy resources used in electricity generation



# Latvenergo Group Key Performance Indicators

## Latvenergo Group Operational Figures

		1H 2025	1H 2024	1H 2023	1H 2022	1H 2021
Retail electricity sales <sup>1)</sup>	GWh	3,182	3,341	3,089	2,643	3,384
Retail natural gas sales	GWh	889	619	445	518	506
Electricity generation	GWh	2,603	3,531	3,520	2,253	2,827
Thermal energy generation	GWh	916	1,045	969	1,092	1,259
Number of employees		3,400	3,492	3,473	3,201	3,303
Moody's credit rating		Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)

## Latvenergo Group Financial Figures

		1H 2025	1H 2024	1H 2023	1H 2022	1H 2021
Revenue	MEUR	847.1	955.4	1,167.5	744.6	448.1
EBITDA <sup>2)</sup>	MEUR	271.7	393.7	344.7	226.5	145.1
Profit for the period	MEUR	135.3	252.5	222.5	141.9	57.1
Assets	MEUR	4,471.3	4,107.9	4,183.6	3,947.4	3,299.7
Equity	MEUR	2,969.5	2,995.6	2,811.2	2,552.6	2,068.6
Net debt <sup>2)</sup>	MEUR	843.1	512.2	419.9	829.0	587.2
Adjusted funds from operations (FFO) <sup>2)</sup>	MEUR	177.7	301.8	315.8	161.8	130.0
Capital expenditure	MEUR	391.8	174.8	85.1	56.2	58.1

## Latvenergo Group Financial Ratios

	1H 2025	1H 2024	1H 2023	1H 2022	1H 2021
Return on equity (ROE) <sup>2)</sup>	5.2%	13.1%	9.9%	6.8%	4.3%
Return on equity (ROE) excluding distribution <sup>2)</sup>	8.7%	17.9%	15.2%	11.3%	5.9%
Adjusted FFO / net debt	57%	109%	79%	29%	41%
Net debt / EBITDA <sup>2)</sup>	1.5	0.7	1.3	2.5	2.3
EBITDA margin <sup>2)</sup>	29%	36%	21%	21%	32%
Return on assets (ROA) <sup>2)</sup>	3.6%	9.2%	6.5%	4.3%	2.6%
Return on capital employed (ROCE) <sup>2)</sup>	5.7%	12.7%	8.8%	5.3%	3.7%
Net debt / equity <sup>2)</sup>	28%	17%	15%	32%	28%

1) Including operating consumption

2) Formulas are available on page 27

# Operating Environment

Latvenergo Group's operations and performance are influenced by various global and regional factors, including electricity and natural gas prices. In 1H 2025:

- the Nord Pool system price decreased by 23%, whereas the electricity price in Latvia increased by 7%
- the price of natural gas at the TTF (the Dutch natural gas virtual trading point) increased by 43% compared to the respective period last year

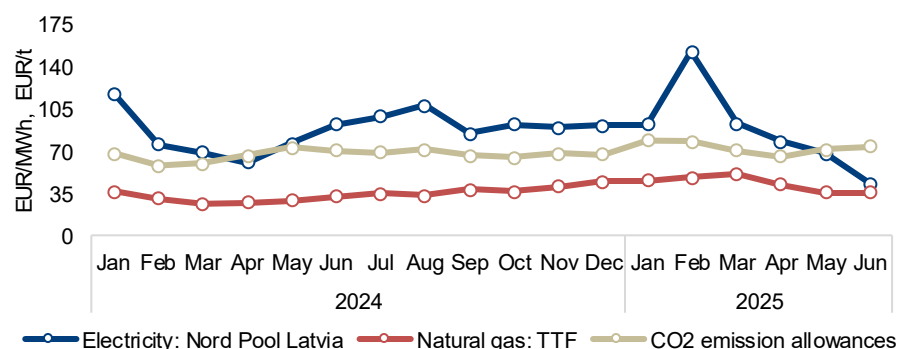
## Electricity prices increased in the Baltics

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 23%. Electricity generation at wind power plants increased by 6%, while generation at hydroelectric plants was 3% lower. In addition, warmer weather contributed to a 2% decrease in electricity demand in the Nordic countries. In contrast, the average electricity price in the Baltics during the reporting period was 6% higher than a year earlier, mainly due to lower generation at the Daugava HPPs, a 29% decrease in electricity imports primarily due to the shutdown of the EstLink 2 interconnection between Finland and Estonia from the end of 2024 until its restart on June 20, and higher natural gas and CO<sub>2</sub> allowance prices. The decline in electricity imports and hydroelectric generation in the Baltic region was partly offset by lower demand and the growing renewable energy capacity in the area.

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

Region	1H 2025	1H 2024	Δ, %
System price	<b>36.2</b>	46.8	(23%)
Latvia	<b>87.3</b>	81.3	7%
Lithuania	<b>86.5</b>	81.4	6%
Estonia	<b>86.0</b>	83.0	4%
Poland	<b>101.5</b>	86.1	18%
Sweden	<b>32.2</b>	43.4	(26%)
Finland	<b>38.7</b>	56.2	(31%)
Denmark	<b>82.5</b>	63.0	31%
Norway	<b>38.3</b>	47.2	(19%)
Germany	<b>91.1</b>	67.5	35%
France	<b>67.4</b>	46.9	44%
Great Britain	<b>99.2</b>	73.3	35%

**Energy resource prices**



Due to warmer weather at the beginning of the year, electricity consumption in the Baltic states decreased by 2% in 1H 2025 compared to the respective period last year, reaching 13.6 TWh.

On February 9, 2025, Estonia, Latvia, and Lithuania successfully synchronized their electricity systems with Continental Europe. This milestone also marked the launch of the Baltic Balancing Capacity Market, operated by the Baltic transmission system operators. Latvenergo AS has qualified the Daugava HPPs' and CHPPs' units for providing balancing services and participates in the provision of these services.

In 1H 2025, the total amount of electricity generated in the Baltics increased by 7%, reaching 10.7 TWh. The increase was mainly driven by 32% higher generation in Lithuania, reaching 5.0 TWh. Due to lower generation at the Daugava HPPs, electricity generation in Latvia decreased by 20%, reaching 3.0 TWh.



# Operating Environment

## The natural gas price is higher

Natural gas is the main fuel resource in the Latvenergo AS CHPPs' operation. In 1H 2025, the average price of natural gas at the TTF (front month) reached 43 EUR/MWh, which is 43% higher than in the respective period a year ago. At the beginning of 2025, Europe experienced variable weather conditions, and gas supplies from Russia via Ukraine were halted. As a result, higher gas consumption led to a significant decline in the fill levels of natural gas storage facilities across the European Union. In 1H 2025, the average fill rate of natural gas storage facilities, according to Gas Infrastructure Europe data, was 46% (in 1H 2024: 67%). Ongoing concerns over gas storage ahead of the coming winter led the European Commission to adopt a more flexible 90% storage target, extending the deadline for its achievement to December 1.

The dynamics of the natural gas market are linked with the oil market and other energy resource markets. In 1H 2025:

- The average price of Brent crude oil futures decreased by 11%, comprising 71 USD / bbl. The Brent crude oil market prices were affected by U.S. tariff policies, while OPEC+ member countries maintained higher oil production.
- The average price of coal (API2 Rotterdam coal futures front month) was 5% lower, reaching 102 USD / t. In Europe, as renewable energy capacity increases, demand for coal is declining.
- The average price of CO<sub>2</sub> emission allowances (EUA DEC futures) was 11% higher, reaching 73 EUR / t. The rise in EU emission allowance prices was driven by high volatility in financial markets as well as demand for fossil energy resources. 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 24 February 2022, switching to supplies of LNG from the U.S., Norway, and 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.

## On Latvenergo AS dividend payments and share capital changes

In June 2025, Latvenergo AS paid EUR 185.9 million of the 2024 profit of Latvenergo AS to the state as dividends, paying a corporate income tax of EUR 39.0 million accordingly. According to the law "On the state budget for 2025 and budgetary framework for 2025, 2026 and 2027", Latvenergo AS dividend payout in the year 2026 (for the reporting year 2025) amounts to 70% of profit for the reporting year and is not less than EUR 131.1 million. Accordingly, corporate income tax is calculated and paid in accordance with laws and regulations.

In June 2025, the Latvenergo AS share capital was increased by EUR 286.0 million through a cash payment for newly issued shares, using Latvenergo AS retained earnings from previous years.

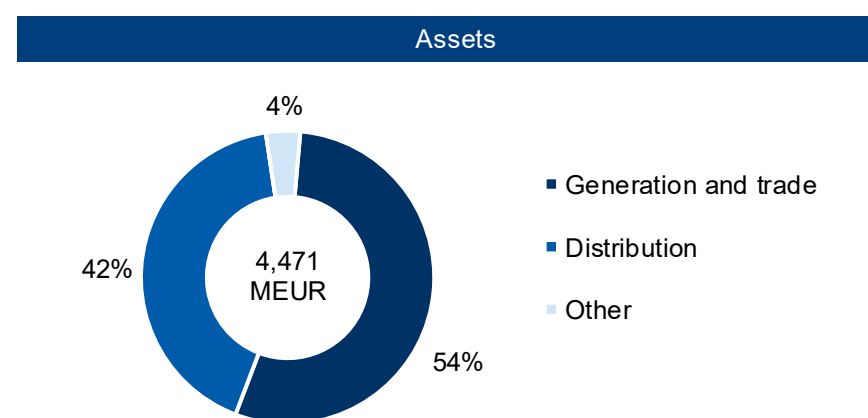
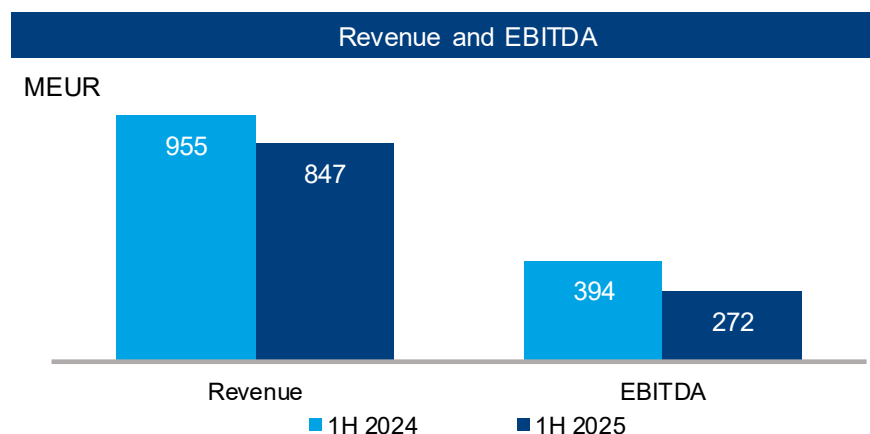
## Financial Results

In 1H 2025, Latvenergo Group's revenue reached EUR 847.1 million, which was EUR 108.4 million or 11% less than in the respective period a year ago. The revenue decline was affected by energy sales revenue decreasing by EUR 101.7 million, driven by 18% lower electricity retail sales prices and a decline in the volume of energy sold on the wholesale market. Due to warmer weather, electricity consumption in the Baltic states decreased by 2% during the reporting period, while natural gas consumption decreased by 7%.

Latvenergo Group financial figures		1H 2025	1H 2024	Δ	Δ, %
Revenue	MEUR	847.1	955.4	(108.4)	(11%)
EBITDA	MEUR	271.7	393.7	(122.1)	(31%)
Profit for the period	MEUR	135.3	252.5	(117.2)	(46%)
Assets	MEUR	4,471.3	4,107.9	363.4	9%

Latvenergo Group's EBITDA was EUR 122.1 million or 31% lower compared to 1H 2024, reaching EUR 271.7 million. This was mainly negatively affected by the 36% decrease in electricity generation at the Daugava HPPs. In 1H 2024, due to high inflow in the Daugava River, the Daugava hydroelectric power stations (HPPs) recorded the third highest first half-year generation output in history. In contrast, the winter of 2024/2025 was characterized by minimal snow and ice accumulation, leading to the absence of spring flooding. As a result, inflow in the Daugava River in 1H 2025 was 21% below the long-term average. EBITDA was also negatively affected by lower electricity retail sales prices.

The Group's profit for the reporting period reached EUR 135.3 million.





## Generation and Trade

Revenue  
77%

EBITDA  
70%

Assets  
54%

Employees  
31%

Segment weight in Latvenergo Group

In 1H 2025 generation and trade comprised Latvenergo Group's largest operating segment by revenue and EBITDA. The majority or 90% of the segment's revenue came from electricity and natural gas trade, while 10% came from thermal energy supply.

Electricity consumption in the Baltic states decreased by 2% during the reporting period, while natural gas consumption decreased by 7%, which had a negative impact on the Group's performance. Energy sales revenue decreased by EUR 101.7 million, driven by 18% lower electricity retail sales prices and a decline in the volume of energy sold on the wholesale market.

Meanwhile, the segment's EBITDA was mainly negatively affected by the 36% decrease in electricity generation at the Daugava HPPs. In 1H 2024, due to high inflow in the Daugava River, the Daugava HPPs recorded the third highest first half-year generation output in history. In contrast, the winter of 2024/2025 was characterized by minimal snow and ice accumulation, leading to the absence of spring flooding. As a result, inflow in the Daugava River in 1H 2025 was 21% below the long-term average. EBITDA was also negatively affected by lower electricity sales prices.

In 1H 2025, the total volume of electricity generated at Latvenergo Group's plants amounted to 2,603 GWh, which corresponded to 82% of the amount of electricity sold to retail customers (in 1H 2024: 106%).

Operational figures		1H 2025	1H 2024	Δ	Δ, %
Electricity customers	thsd.	911	884	27	3%
Electricity supply	GWh	4 522	5 345	(823)	(15%)
<i>Retail*</i>	GWh	3 182	3 341	(159)	(5%)
<i>Wholesale**</i>	GWh	1 340	2 004	(663)	(33%)
Natural gas customers	thsd.	70	59	12	20%
Natural gas supply	GWh	1 283	1 333	(50)	(4%)
<i>Retail</i>	GWh	889	619	270	44%
<i>Wholesale</i>	GWh	394	714	(319)	(45%)
Electricity generation	GWh	2 603	3 531	(928)	(26%)
<i>HPPs</i>	GWh	1 650	2 561	(911)	(36%)
<i>CHPPs</i>	GWh	887	949	(62)	(7%)
<i>SPPs and WPPs</i>	GWh	57	12	45	387%
<i>Liepaja plants</i>	GWh	9,5	9,9	(0.4)	(4%)
Thermal energy generation	GWh	916	1 045	(129)	(12%)
<i>CHPPs</i>	GWh	773	901	(128)	(14%)
<i>Liepaja plants</i>	GWh	143	145	(2)	(1%)

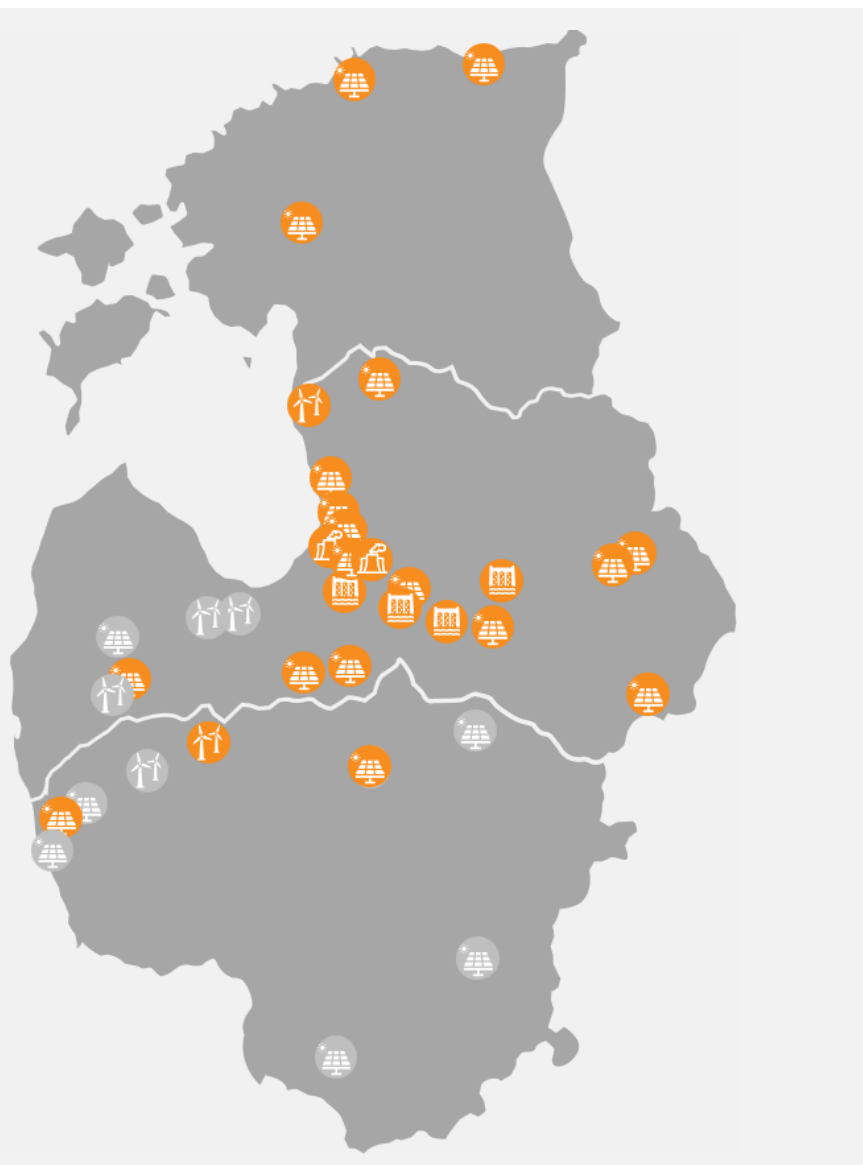
  

Financial figures		1H 2025	1H 2024	Δ	Δ, %
Revenue	MEUR	674.9	782.9	(108.0)	(14%)
EBITDA	MEUR	191.4	322.4	(131.1)	(41%)
Assets	MEUR	2,432.3	1,918.4	513.9	27%
Capital expenditure	MEUR	310.9	115.7	195.3	169%

\* 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 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 30 June 2025, the installed capacity of newly constructed RES already reached 179 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 965 MW in the project or construction stage. As a result, the total approved portfolio of new renewable energy projects increased to 1,144 MW. Gradual commissioning of the solar and wind parks is expected between 2025 and 2027.

- Operational
- In process: Project / Construction

HPPs	CHPPs	SPPs	WPPs	TOTAL
1,559 MW	1,039 MW <sub>el</sub> 1,617 MW <sub>th</sub>	158 MW	21 MW	2,777 MW <sub>el</sub> 1,617 MW <sub>th</sub>
		531 MW	434 MW	965 MW <sub>el</sub>
		TOTAL 689 MW	TOTAL 455 MW	TOTAL 3,742 MW <sub>el</sub>

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

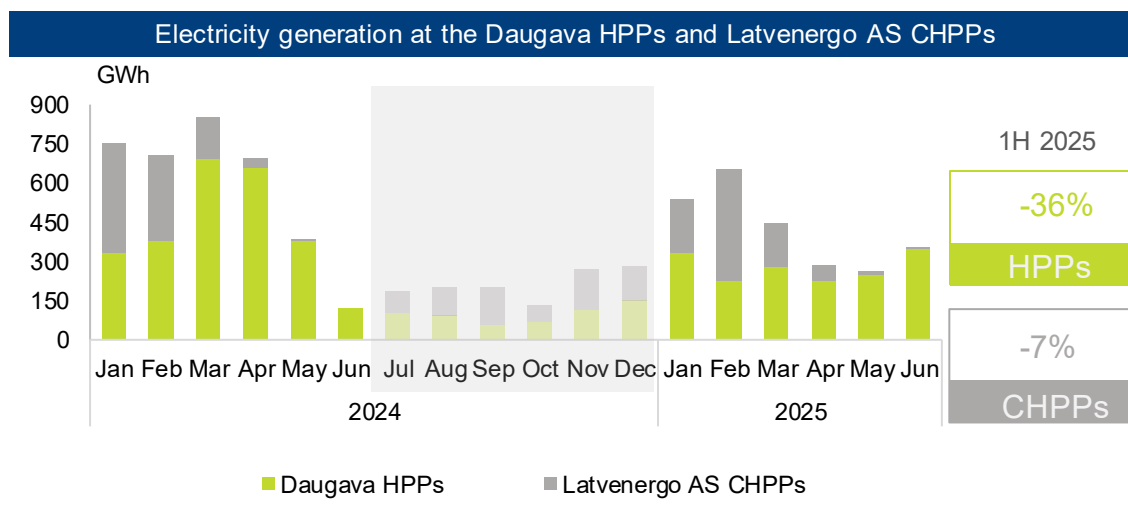
## Generation and Trade



Latvenergo Group is one of the largest electricity producers in the Baltics. In 1H 2025, Latvenergo Group produced 24% of the total electricity generated in the Baltics, and 66% of the electricity was generated from renewable energy sources (in 1H 2024: 73%). The total amount generated by Latvenergo Group's power plants comprised 2,603 GWh of electricity and 916 GWh of thermal energy.

**Latvenergo Group produced 24% of the total electricity generated in the Baltics**

Electricity generation at the Daugava HPPs decreased by 36% compared 1H 2024, due to lower water inflow in the Daugava River. In 1H 2024, due to high inflow in the Daugava River, the Daugava hydroelectric power stations (HPPs) recorded the third highest first half-year generation output in history. In contrast, the winter of 2024/2025 was characterized by minimal snow and ice accumulation, leading to the absence of spring flooding. As a result, inflow in the Daugava River in 1H 2025 was 21% below the long-term average. Electricity generation at the Daugava HPPs reached 1,647 GWh. According to data from the Latvian Environment, Geology and Meteorology Centre, the average water inflow in the Daugava River in 1H 2025 was 649 m<sup>3</sup>/s, but in 1H 2024 it was 1,027 m<sup>3</sup>/s.



The amount generated at the Latvenergo AS CHPPs decreased by 7%, reaching 887 GWh. The operation of the Latvenergo AS CHPPs is adjusted to the conditions of the electricity market and heat demand.

Generation from new solar and wind power capacities grew significantly. In 1H 2025, it reached 57 GWh, which is almost five times more than in the respective period a year ago.

Due to warmer weather, the amount of heat energy generation decreased to 916 GWh, which is 12% less than in 1H 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 3% and natural gas customers by 20%**

In 1H 2025, the Group supplied 4,071 GWh of electricity and natural gas to Baltic retail customers, which is 3% more than in the respective period a year ago.

The Group supplied 3,182 GWh of electricity to its customers in the Baltics, which is 5% less than in 1H 2024. In the reporting period, electricity consumption in the Baltic states decreased by 2%. Meanwhile, the total number of electricity customers showed a positive increase of 3%, 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 911 thousand, including more than 301 thousand foreign customers.

About half of the total retail electricity was sold outside Latvia. The electricity trade volume in Latvia was 1,642 GWh, while in Lithuania it was 802 GWh and in Estonia it was 738 GWh.

The Group's natural gas retail sales in the Baltics increased by 44%, reaching 889 GWh. The volume of natural gas sold has increased despite a 7% decrease in overall natural gas consumption in the Baltics. The number of natural gas customers exceeded 70 thousand at the end of June, which is 20% more than a year earlier.

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

- The *Elektrum Drive* electric car charging network in the Baltics had 875 charging ports at the end of June. In 1H 2025, almost 65 thousand electric vehicle charges were made, comprising 1,400 MWh, resulting in savings of more than 850 tonnes of CO<sub>2</sub> 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 1,126 charging ports in the Baltics.
- The *Elektrum Insured* customer portfolio in the Baltics reached almost 160 thousand clients in total.



### Completed in 1H 2025



3,182 GWh of electricity sold to Baltic retail customers.



889 GWh of natural gas sold to Baltic retail customers.



*Elektrum Drive* electric car charging network in the Baltics had 875 charging ports at the end of June.



At the end of June, the total number of *Elektrum Insured* customers reached almost 160 thousand.

## Distribution

Revenue  
22%

EBITDA  
26%

Assets  
42%

Employees  
49%

Segment weight in Latvenergo Group

In 1H 2025, due to a 1% increase in the volume of distributed electricity, the segment's revenue increased by EUR 2.7 million, reaching EUR 188.6 million. Meanwhile, the segment's EBITDA increased by 8%, reaching EUR 70.6 million. In addition to the higher volume of distributed electricity, EBITDA was positively impacted by an increase in customer capacity and lower electricity loss costs, driven by a 29% decrease in electricity purchase prices.

At the end of the reporting period, the total generation capacity of microgenerators connected to the distribution system reached about 200 MW, and the number of microgenerators connected to the distribution grid reached almost 24 thousand. In the reporting period, 244 new solar power plants were connected to the electricity distribution system. In total, almost 1,400 solar power plants were connected to the electricity distribution system at the end of June, and their total generation capacity has reached about 520 MW. In the reporting period, about 300 GWh of electricity was produced from solar power and fed into the grid, accounting for about 10% of the total electricity distributed within the network. In addition, in 1H 2025, Sadales tīkls AS built 65 electric charging ports for its customers, with a total connected capacity of 18.8 MW.

In the reporting period, SAIDI and SAIFI indicators improved significantly, mainly due to milder weather conditions compared to 1H 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.

Sadales tīkls AS continues to implement the EU Recovery Fund investment project "Modernization of

Operational figures		1H 2025	1H 2024	Δ	Δ, %
Electricity distributed	GWh	3,104	3,078	26	1%
Distribution losses*	GWh	124	117	7	6%
SAIFI**	times	0.7	1.0	(0.3)	(26%)
SAIDI**	minutes	60.6	82.0	(21.4)	(26%)

Financial figures		1H 2025	1H 2024	Δ	Δ, %
Revenue	MEUR	188.6	185.8	2.7	1%
EBITDA	MEUR	70.6	65.2	5.4	8%
Assets	MEUR	1,870.5	1,826.1	44.4	2%
RAB	MEUR	1,569.3	1,570.4	(1.2)	(0%)
Capital expenditure	MEUR	73.4	54.0	19.5	36%

\* Including technological and operating consumption

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

the Electricity Distribution System" (funding – EUR 41.9 million, deadline – 31 May 2026). The project includes seven key modernization activities: installation of solar panels to compensate transformer losses, replacement of 840 transformers, construction and reconstruction of 75 km of medium-voltage lines, improvement of building energy efficiency, creation of connections for public charging stations and microgeneration, development of an electricity market data platform, and introduction of an advanced metering system. In parallel, the company is carrying out the REPowerEU project (funding – EUR 60 million, deadline – 30 June 2026), focused on increasing capacity by 70 MW through new and upgraded substations, installing 285 remotely controlled medium-voltage switches, replacing overhead lines with underground cables in strategic locations, and introducing a smart grid management solution.



In 1H 2025, more than **500 km** of power lines were renewed, and more than **3,300 km** of power line corridors were cleared of potentially hazardous trees and shrubs

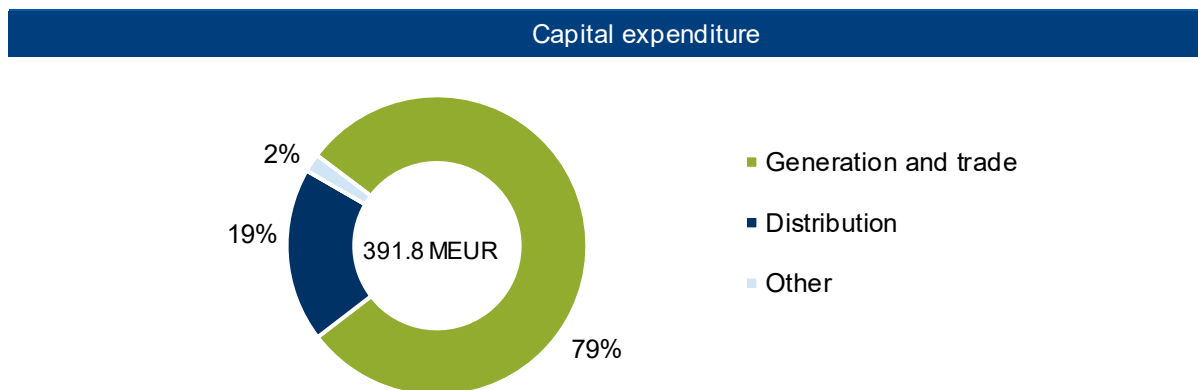


## Investments

With the continued development of renewable energy generation capacities in the Baltics, the volume of investments by Latvenergo Group increased significantly. In 1H 2025, the total amount of investment comprised EUR 392 million, which is 2.2 times more than in the respective period a year ago. Almost 3/4 of it or EUR 291 million was made in new wind and solar generation capacities.

### Latvenergo Group purposefully develops renewable generation capacity in the Baltic region

In 1H 2025, almost 1/2 of Latvenergo Group's total investments were made in wind generation capacities. In 2025, equipment assembly and installation for the wind power projects Telšiai (124 MW) in Lithuania and Laflora Energy SIA (109 MW) in Latvia was initiated. 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. In June 2025, the Akmene WPP in Lithuania, with a total capacity of 19.6 MW, was commissioned as well. Also, in June Latvenergo AS acquired the WPP project Pienava Wind (147 MW), which will start wind power generation as early as in the first half of 2027. The construction costs of the wind park are expected to be approximately EUR 215 million.



More than 1/4 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 total, during the reporting period, 3 solar parks in Latvia with a total capacity of 37.4 MW and 2 solar parks in Estonia with a total capacity of 18.2 MW began operations. At the end of June, Latvenergo Group already had 19 solar parks with an installed capacity of 158 MW.

At the end of the reporting period, the Group had solar and wind parks with a total capacity of almost 965 MW in the project or construction stage. As a result, the total approved portfolio of new renewable energy projects increased to 1,144 MW. Solar and wind parks are expected to be commissioned gradually from 2025–2027.

Also, reconstruction work on Plavinas HPP continued. The procurement process for the reconstruction of the Kegums HPP hydro units is ongoing.

In the reporting period, investments in distribution exceeded EUR 73 million, which is about 1/5 of the Group's total investments. About 30% of the distribution segment's 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 modernization of the electricity distribution system is also supported by EU funding under the Recovery and Resilience Facility, with a total project budget of nearly EUR 102 million. 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.

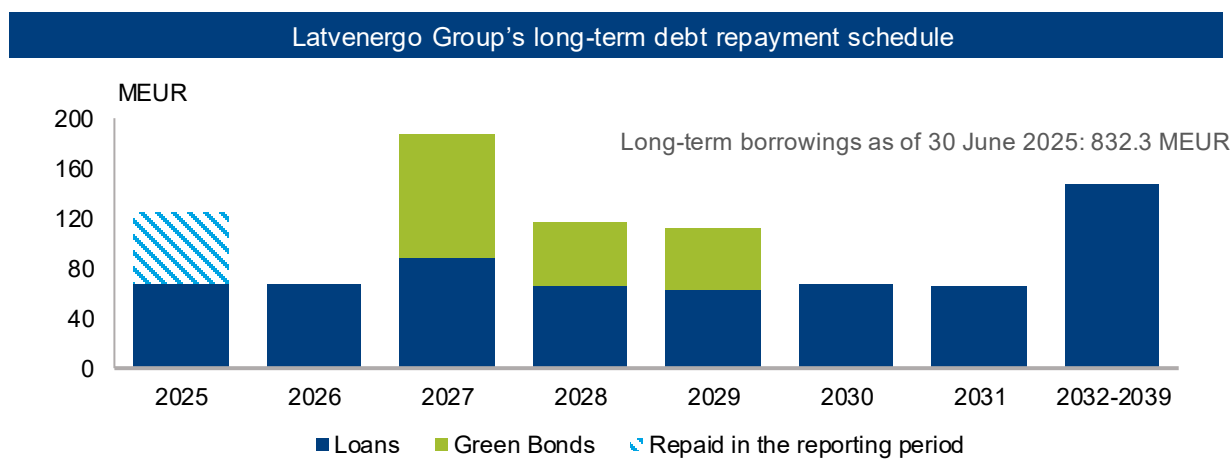
Planning the sourcing of borrowings in a timely manner is also crucial in order to ensure loan refinancing risk management and debt repayment in due time.

In March 2025, Latvenergo AS secured a loan of EUR 200 million from the European Investment Bank with a repayment term of 15 years. In June 2025, Latvenergo AS signed short term loan agreements totalling EUR 300 million with Swedbank AS, OP Corporate Bank plc Latvia branch, and AB SEB Bank.

On 23 May 2025, the Shareholder Meeting of Latvenergo AS decided to issue debt securities (bonds) under a new public offering programme. According to renewable energy investment financing plans, over the next three years it may be necessary to raise funding in the capital markets through bond issuances in the amount of EUR 300–350 million per year.

As of 30 June 2025, the Group's borrowings amount to EUR 892.1 million (30 June 2024: EUR 583.5 million), of which EUR 832.3 million 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 30 June 2025, all borrowings are denominated in euro currency. The weighted average long-term loan repayment period is 4.7 years (30 June 2024: 3.8 years). The effective weighted average interest rate (with interest rate swaps) is 3.1% (30 June 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 78% of the annual generation volume by the end of June.

### ***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, 33% of the long-term borrowings had a fixed interest rate with an average period of 1.2 years as of 30 June 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 30 June 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 30 June 2025, Latvenergo Group's liquid assets (cash and short-term deposits up to 3 months) reached EUR 49.0 million (30 June 2024: EUR 71.2 million), while the current ratio was 1.1 (1.8).

The Group plans to use its funds in the amount of EUR 49.0 million for repayment of the existing loan principal, as well as 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

		1H 2025	1H 2024	1H 2023
Electricity supply	GWh	2,790	3,753	3,763
<i>Retail</i> <sup>2)</sup>	GWh	1,642	1,898	1,927
<i>Wholesale</i> <sup>3)</sup>	GWh	1,148	1,855	1,836
Natural gas supply	GWh	966	1,238	734
<i>Retail</i>	GWh	572	524	380
<i>Wholesale</i>	GWh	394	714	354
Electricity generation	GWh	2,556	3,511	3,512
Thermal energy generation	GWh	773	901	833
Number of employees		1,381	1,467	1,388
Moody's credit rating		Baa2 (stable)	Baa2 (stable)	Baa2 (stable)

## Latvenergo AS financial figures

		1H 2025	1H 2024	1H 2023
Revenue	MEUR	521.1	619.7	870.3
EBITDA <sup>1)</sup>	MEUR	193.4	317.7	299.0
Profit for the period	MEUR	147.4	253.6	228.2
Assets	MEUR	3,753.3	3,473.9	3,580.2
Equity	MEUR	2,620.0	2,644.1	2,479.6
Net debt (adjusted) <sup>1)</sup>	MEUR	854.5	521.8	424.9
Capital expenditure	MEUR	24.4	20.6	22.6

## Latvenergo AS financial ratios

	1H 2025	1H 2024	1H 2023
Return on equity (ROE) <sup>1)</sup>	6.1%	13.9%	12.2%
Net debt / equity (adjusted) <sup>1)</sup>	33%	20%	17%
EBITDA margin <sup>1)</sup>	33%	43%	25%

1) Formulas are available on page 27

2) Including operating consumption

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

## Statement of Management Responsibility

Based on the information available to the Management Board of Latvenergo AS, the *Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Interim Financial Statements for the first 6 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 6 months of 2025* were approved by the Management Board of Latvenergo AS on 26 August 2025 and have been signed by Member of the Management Board Guntars Baļčūns as authorized person.

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

Guntars Baļčūns

Member of the Management Board

26 August 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 <sub>2</sub> –	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)
nm <sup>3</sup> –	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– 30/06/2025	01/01– 30/06/2024	01/01– 30/06/2025	01/01– 30/06/2024
Revenue	4	847,068	955,423	521,104	619,683
Other income		15,711	15,415	13,673	14,110
Raw materials and consumables	5	(477,369)	(467,797)	(283,137)	(260,263)
Personnel expenses		(80,934)	(76,425)	(37,695)	(34,805)
Other operating expenses		(32,820)	(32,890)	(20,560)	(21,028)
<b>EBITDA</b>		<b>271,656</b>	<b>393,726</b>	<b>193,385</b>	<b>317,697</b>
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right-of-use assets	7,8	(88,636)	(86,582)	(42,407)	(42,281)
<b>Operating profit</b>		<b>183,020</b>	<b>307,144</b>	<b>150,978</b>	<b>275,416</b>
Finance income	6 a	5,257	9,208	17,185	18,910
Finance costs	6 b	(9,412)	(11,584)	(11,698)	(11,517)
Dividends from subsidiaries		–	–	29,936	19,069
<b>Profit before tax</b>		<b>178,865</b>	<b>304,768</b>	<b>186,401</b>	<b>301,878</b>
Income tax		(43,598)	(52,280)	(38,992)	(48,282)
<b>Profit for the period</b>		<b>135,267</b>	<b>252,488</b>	<b>147,409</b>	<b>253,596</b>
<b>Profit attributable to:</b>					
– Equity holder of the Parent Company		134,281	251,368	147,409	253,596
– Non-controlling interests		986	1,120	–	–

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– 30/06/2025	01/01– 30/06/2024	01/01– 30/06/2025	01/01– 30/06/2024
<b>Profit for the period</b>		<b>135,267</b>	<b>252,488</b>	<b>147,409</b>	<b>253,596</b>
<i>Other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods:</i>					
– gains / (losses) from change in hedge reserve	13	14,851	(5,274)	14,851	(5,274)
<b>Other comprehensive income / (loss) for the period</b>		<b>14,851</b>	<b>(5,274)</b>	<b>14,851</b>	<b>(5,274)</b>
<b>TOTAL comprehensive income for the period</b>		<b>150,118</b>	<b>247,214</b>	<b>162,260</b>	<b>248,322</b>
<b>Comprehensive income attributable to:</b>					
– Equity holder of the Parent Company		149,132	246,094	162,260	248,322
– Non-controlling interests		986	1,120	–	–

## Statement of Financial Position

EUR'000

	Notes	Group		Parent Company	
		30/06/2025	31/12/2024	30/06/2025	31/12/2024
ASSETS					
Non-current assets					
Intangible assets	7 a	113,358	105,566	22,230	22,514
Property, plant and equipment	7 c	3,817,372	3,523,090	1,395,563	1,412,707
Right-of-use assets	8	31,155	31,910	3,200	3,514
Investment property	7 d	1,972	2,098	1,992	2,049
Non-current financial investments	9	613	82	898,717	857,359
Non-current loans to related parties	19 e	23,226	22,244	807,104	632,564
Other non-current receivables	11 c	512	540	470	470
Deferred income tax assets		1,085	1,857	–	–
Derivative financial instruments	15	1,827	2,124	1,827	2,124
Total non-current assets		3,991,120	3,689,511	3,131,103	2,933,301
Current assets					
Inventories	10	221,038	169,562	188,425	140,078
Current intangible assets	7 b	28,599	54,616	28,599	54,616
Receivables from contracts with customers	11 a	141,573	190,108	81,240	128,660
Other current receivables	11 b, c	25,895	32,928	43,373	35,239
Deferred expenses		4,097	3,196	3,256	2,720
Current loans to related parties	19 e	–	–	239,023	165,108
Prepayment for income tax		1,021	491	–	–
Derivative financial instruments	15	8,965	1,298	8,965	1,298
Other current financial investments	12	–	209,842	–	209,842
Cash and cash equivalents	12	49,006	86,554	29,294	63,483
Total current assets		480,194	748,595	622,175	801,044
TOTAL ASSETS		4,471,314	4,438,106	3,753,278	3,734,345
Equity					
Share capital		1,076,324	790,368	1,076,324	790,368
Reserves		1,671,715	1,660,068	1,316,186	1,301,728
Retained earnings		214,954	549,328	227,474	551,531
Equity attributable to equity holder of the Parent Company		2,962,993	2,999,764	2,619,984	2,643,627
Non-controlling interests		6,534	7,162	–	–
Total equity		2,969,527	3,006,926	2,619,984	2,643,627
Liabilities					
Non-current liabilities					
Borrowings	14	731,337	615,280	724,963	608,119
Lease liabilities	8	29,409	29,828	2,353	2,417
Deferred income tax liabilities		3,949	8,003	–	–
Provisions		18,250	17,113	9,637	8,981
Deferred income from contracts with customers and advances received	18 I, a	149,716	150,842	568	601
Other deferred income	18 I, b, c	110,920	112,408	60,940	72,203
Other non-current liabilities		21,489	21,592	21,489	21,489
Total non-current liabilities		1,065,070	955,066	819,950	713,810
Current liabilities					
Borrowings	14	160,723	128,125	158,818	157,041
Lease liabilities	8	2,792	2,723	1,133	1,207
Trade and other payables	17	178,365	210,487	98,442	127,596
Deferred income from contracts with customers and advances received	18 II, a	44,516	48,700	5,703	5,933
Other deferred income	18 II, b, c	25,083	25,104	24,010	24,156
Provisions		23,986	48,010	23,986	48,010
Derivative financial instruments	15	1,252	12,965	1,252	12,965
Total current liabilities		436,717	476,114	313,344	376,908
Total liabilities		1,501,787	1,431,180	1,133,294	1,090,718
TOTAL EQUITY AND LIABILITIES		4,471,314	4,438,106	3,753,278	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	
<b>As of 31 December 2023</b>	<b>790,368</b>	<b>1,681,852</b>	<b>483,016</b>	<b>2,955,236</b>	<b>7,844</b>	<b>2,963,080</b>	<b>790,368</b>	<b>1,320,419</b>	<b>497,227</b>	<b>2,608,014</b>
Acquisition of non-controlling interests	–	–	(229)	(229)	(173)	(402)	–	–	–	–
Dividends for 2023	–	–	(212,199)	(212,199)	(2,079)	(214,278)	–	–	(212,199)	(212,199)
Disposal of non-current assets revaluation reserve	–	(3,677)	3,677	–	–	–	–	(201)	201	–
Formed other reserves	–	4,095	(4,095)	–	–	–	–	–	–	–
<b>Total transactions with owners and other changes in equity</b>	<b>–</b>	<b>418</b>	<b>(212,846)</b>	<b>(212,428)</b>	<b>(2,252)</b>	<b>(214,680)</b>	<b>–</b>	<b>(201)</b>	<b>(211,998)</b>	<b>(212,199)</b>
Profit for the period	–	–	251,368	251,368	1,120	252,488	–	–	253,596	253,596
Other comprehensive loss for the period	–	(5,274)	–	(5,274)	–	(5,274)	–	(5,274)	–	(5,274)
<b>Total comprehensive (loss) / income for the period</b>	<b>–</b>	<b>(5,274)</b>	<b>251,368</b>	<b>246,094</b>	<b>1,120</b>	<b>247,214</b>	<b>–</b>	<b>(5,274)</b>	<b>253,596</b>	<b>248,322</b>
<b>As of 30 June 2024</b>	<b>790,368</b>	<b>1,676,996</b>	<b>521,538</b>	<b>2,988,902</b>	<b>6,712</b>	<b>2,995,614</b>	<b>790,368</b>	<b>1,314,944</b>	<b>538,825</b>	<b>2,644,137</b>
Disposal of non-current assets revaluation reserve	–	(7,077)	7,077	–	–	–	–	(727)	727	–
<b>Total transactions with owners and other changes in equity</b>	<b>–</b>	<b>(7,077)</b>	<b>7,077</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(727)</b>	<b>727</b>	<b>–</b>
Profit for the period	–	–	20,713	20,713	450	21,163	–	–	11,979	11,979
Other comprehensive loss for the period	–	(9,851)	–	(9,851)	–	(9,851)	–	(12,489)	–	(12,489)
<b>Total comprehensive (loss) / income for the period</b>	<b>–</b>	<b>(9,851)</b>	<b>20,713</b>	<b>10,862</b>	<b>450</b>	<b>11,312</b>	<b>–</b>	<b>(12,489)</b>	<b>11,979</b>	<b>(510)</b>
<b>As of 31 December 2024</b>	<b>790,368</b>	<b>1,660,068</b>	<b>549,328</b>	<b>2,999,764</b>	<b>7,162</b>	<b>3,006,926</b>	<b>790,368</b>	<b>1,301,728</b>	<b>551,531</b>	<b>2,643,627</b>
Increase of share capital	285,956	–	(285,956)	–	–	–	285,956	–	(285,956)	–
Dividends for 2024	–	–	(185,903)	(185,903)	(1,614)	(187,517)	–	–	(185,903)	(185,903)
Disposal of non-current assets revaluation reserve	–	(3,207)	3,207	–	–	–	–	(393)	393	–
Formed other reserves	–	3	(3)	–	–	–	–	–	–	–
<b>Total transactions with owners and other changes in equity</b>	<b>285,956</b>	<b>(3,204)</b>	<b>(468,655)</b>	<b>(185,903)</b>	<b>(1,614)</b>	<b>(187,517)</b>	<b>285,956</b>	<b>(393)</b>	<b>(471,466)</b>	<b>(185,903)</b>
Profit for the period	–	–	134,281	134,281	986	135,267	–	–	147,409	147,409
Other comprehensive income for the period	–	14,851	–	14,851	–	14,851	–	14,851	–	14,851
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>14,851</b>	<b>134,281</b>	<b>149,132</b>	<b>986</b>	<b>150,118</b>	<b>–</b>	<b>14,851</b>	<b>147,409</b>	<b>162,260</b>
<b>As of 30 June 2025</b>	<b>1,076,324</b>	<b>1,671,715</b>	<b>214,954</b>	<b>2,962,993</b>	<b>6,534</b>	<b>2,969,527</b>	<b>1,076,324</b>	<b>1,316,186</b>	<b>227,474</b>	<b>2,619,984</b>

## Statement of Cash Flows

EUR'000

	Notes	Group		Parent Company	
		01/01– 30/06/2025	01/01– 30/06/2024	01/01– 30/06/2025	01/01– 30/06/2024
<b>Cash flows from operating activities</b>					
<b>Profit before tax</b>		<b>178,865</b>	<b>304,768</b>	<b>186,401</b>	<b>301,878</b>
<b>Adjustments:</b>					
– Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right-of-use assets		88,636	86,582	42,407	42,281
– Loss / (income) from disposal of non-current assets		1,891	2,076	(27)	(709)
– Interest expense		9,404	11,495	11,399	11,438
– Interest income		(3,945)	(7,446)	(16,403)	(17,146)
– Fair value (gain) / loss on derivative financial instruments		(4,234)	719	(4,234)	719
– Dividends from subsidiaries		–	–	(29,936)	(19,069)
– Decrease in provisions		(22,887)	(18,425)	(23,368)	(18,472)
– Share of profit of an associate and a joint venture		(531)	–	–	–
– Other finance income		(8)	–	(8)	–
Interest paid		(14,692)	(15,902)	(14,441)	(15,470)
Interest received		5,173	5,505	4,592	5,173
Paid corporate income tax		(48,025)	(55,550)	(38,992)	(48,282)
<b>Funds from operations (FFO)</b>		<b>189,647</b>	<b>313,822</b>	<b>117,390</b>	<b>242,341</b>
(Increase) / decrease in inventories and current intangible assets		(25,389)	74,489	(22,314)	77,107
Decrease in receivables from contracts with customers and other receivables		53,381	71,733	78,734	80,796
Decrease / (increase) in other current financial investments	12	210,000	(30,000)	210,000	(30,000)
Decrease in trade and other liabilities		(48,268)	(36,664)	(44,498)	(21,880)
Impact of non-cash offsetting of operating receivables and liabilities from subsidiaries, net		–	–	28,537	(9,674)
<b>Net cash flows generated from operating activities</b>		<b>379,371</b>	<b>393,380</b>	<b>367,849</b>	<b>338,690</b>
<b>Cash flows from investing activities</b>					
Loans issued to related parties	19	(979)	(15,229)	(308,166)	(46,053)
Purchase of intangible assets and PPE		(389,777)	(169,357)	(24,200)	(18,234)
Dividends received from subsidiaries		–	–	1,680	2,164
Investments in subsidiaries		–	–	(37,858)	(79,909)
<b>Net cash flows (used in) investing activities</b>		<b>(390,756)</b>	<b>(184,586)</b>	<b>(368,544)</b>	<b>(142,032)</b>
<b>Cash flows from financing activities</b>					
Proceeds on borrowings from financial institutions		209,788	–	209,788	–
Repayment of borrowings from financial institutions	14	(58,788)	(43,236)	(57,751)	(42,245)
Received financing from European Union	14	11,190	2,867	30	2,750
Received / (provided) financing from European Union (from) / to subsidiary as cooperation partner, net		–	–	695	(672)
Lease payments		(836)	(958)	(353)	(314)
Acquisition of non-controlling interests		–	(400)	–	–
Dividends paid to non-controlling interests		(1,614)	(2,079)	–	–
Dividends paid to equity holder of the Parent Company		(185,903)	(212,199)	(185,903)	(212,199)
<b>Net cash flows (used in) financing activities</b>		<b>(26,163)</b>	<b>(256,005)</b>	<b>(33,494)</b>	<b>(252,680)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(37,548)</b>	<b>(47,211)</b>	<b>(34,189)</b>	<b>(56,022)</b>
Cash and cash equivalents at the beginning of the period	12	86,554	118,456	63,483	107,163
<b>Cash and cash equivalents at the end of the period</b>	<b>12</b>	<b>49,006</b>	<b>71,245</b>	<b>29,294</b>	<b>51,141</b>

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 first 6 months of 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 30 June 2025 and comparative information for the period starting on 1 January 2024 and ending on 30 June 2024.

Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Interim Financial Statements for the first 6 months of 2025 were authorised by the Latvenergo AS Management Board on 26 August 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	Distri-bution	Corporate functions	TOTAL segments	Adjustments and eliminations	TOTAL Group	Generation and trade	Corporate functions	TOTAL segments	Adjustments and eliminations	TOTAL Parent Company
<b>Period: 01/01–30/06/2025</b>											
<b>Revenue</b>											
External customers	654,630	188,292	4,146	847,068	–	847,068	499,539	21,565	521,104	–	521,104
Inter-segment	20,260	258	17,615	38,133	(38,133)	–	32	20,256	20,288	(20,288)	–
<b>TOTAL revenue</b>	<b>674,890</b>	<b>188,550</b>	<b>21,761</b>	<b>885,201</b>	<b>(38,133)</b>	<b>847,068</b>	<b>499,571</b>	<b>41,821</b>	<b>541,392</b>	<b>(20,288)</b>	<b>521,104</b>
<b>Results</b>											
<b>EBITDA</b>	<b>191,398</b>	<b>70,644</b>	<b>9,614</b>	<b>271,656</b>	<b>–</b>	<b>271,656</b>	<b>182,559</b>	<b>10,826</b>	<b>193,385</b>	<b>–</b>	<b>193,385</b>
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment and right-of-use assets	(39,058)	(42,741)	(6,837)	(88,636)	–	(88,636)	(35,514)	(6,893)	(42,407)	–	(42,407)
<b>Segment profit before tax</b>	<b>152,340</b>	<b>27,903</b>	<b>2,777</b>	<b>183,020</b>	<b>(4,155)</b>	<b>178,865</b>	<b>147,045</b>	<b>3,933</b>	<b>150,978</b>	<b>35,423</b>	<b>186,401</b>
Capital expenditure	310,916	73,430	7,639	391,985	(149)	391,836	16,788	7,639	24,427	–	24,427
<b>Period: 01/01–30/06/2024</b>											
<b>Revenue</b>											
External customers	766,183	185,233	4,007	955,423	–	955,423	600,955	18,728	619,683	–	619,683
Inter-segment	16,706	587	32,599	49,892	(49,892)	–	1,993	20,400	22,393	(22,393)	–
<b>TOTAL revenue</b>	<b>782,889</b>	<b>185,820</b>	<b>36,606</b>	<b>1,005,315</b>	<b>(49,892)</b>	<b>955,423</b>	<b>602,948</b>	<b>39,128</b>	<b>642,076</b>	<b>(22,393)</b>	<b>619,683</b>
<b>Results</b>											
<b>EBITDA</b>	<b>322,448</b>	<b>65,207</b>	<b>6,071</b>	<b>393,726</b>	<b>–</b>	<b>393,726</b>	<b>310,348</b>	<b>7,349</b>	<b>317,697</b>	<b>–</b>	<b>317,697</b>
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment and right-of-use assets	(37,908)	(41,988)	(6,686)	(86,582)	–	(86,582)	(35,584)	(6,697)	(42,281)	–	(42,281)
<b>Segment profit / (loss) before tax</b>	<b>284,540</b>	<b>23,219</b>	<b>(615)</b>	<b>307,144</b>	<b>(2,376)</b>	<b>304,768</b>	<b>274,764</b>	<b>652</b>	<b>275,416</b>	<b>26,462</b>	<b>301,878</b>
Capital expenditure	115,658	53,959	5,746	175,363	(579)	174,784	14,873	5,746	20,619	–	20,619

### Segment assets

EUR'000

	Group						Parent Company				
	Generation and trade	Distri-bution	Corporate functions	TOTAL segments	Adjustments and eliminations	TOTAL Group	Generation and trade	Corporate functions	TOTAL segments	Adjustments and eliminations	TOTAL Parent Company
As of 30 June 2025	2,432,258	1,870,512	116,819	4,419,589	51,725	4,471,314	1,628,171	150,969	1,779,140	1,974,138	3,753,278
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
<b>Period: 01/01–30/06/2025</b>									
<b>Revenue from contracts with customers:</b>									
Trade of energy and related supply services	581,931	1,873	–	583,804	583,804	439,326	–	439,326	439,326
Distribution system services	–	175,593	–	175,593	175,593	–	–	–	–
Heat sales	67,506	53	–	67,559	67,559	57,461	–	57,461	57,461
Sales of goods and energy related solutions	2,748	–	61	2,809	2,809	1,421	759	2,180	2,180
Other revenue	2,445	10,732	3,343	16,520	16,520	1,278	19,089	20,367	20,367
<b>Total revenue from contracts with customers</b>	<b>654,630</b>	<b>188,251</b>	<b>3,404</b>	<b>846,285</b>	<b>846,285</b>	<b>499,486</b>	<b>19,848</b>	<b>519,334</b>	<b>519,334</b>
<b>Other revenue:</b>									
Lease of other assets	–	41	742	783	783	53	1,717	1,770	1,770
<b>Total other revenue</b>	<b>–</b>	<b>41</b>	<b>742</b>	<b>783</b>	<b>783</b>	<b>53</b>	<b>1,717</b>	<b>1,770</b>	<b>1,770</b>
<b>Period: 01/01–30/06/2024</b>									
<b>Revenue from contracts with customers:</b>									
Trade of energy and related supply services	681,365	1,625	–	682,990	682,990	539,368	–	539,368	539,368
Distribution system services	–	173,317	–	173,317	173,317	–	–	–	–
Heat sales	69,980	75	–	70,055	70,055	58,603	–	58,603	58,603
Sales of goods and energy related solutions	11,633	–	–	11,633	11,633	1,839	–	1,839	1,839
Other revenue	3,205	10,177	3,298	16,680	16,680	1,092	17,133	18,225	18,225
<b>Total revenue from contracts with customers</b>	<b>766,183</b>	<b>185,194</b>	<b>3,298</b>	<b>954,675</b>	<b>954,675</b>	<b>600,902</b>	<b>17,133</b>	<b>618,035</b>	<b>618,035</b>
<b>Other revenue:</b>									
Lease of other assets	–	39	709	748	748	53	1,595	1,648	1,648
<b>Total other revenue</b>	<b>–</b>	<b>39</b>	<b>709</b>	<b>748</b>	<b>748</b>	<b>53</b>	<b>1,595</b>	<b>1,648</b>	<b>1,648</b>

**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	
	01/01–30/06/2025	01/01–30/06/2024	01/01–30/06/2025	01/01–30/06/2024
<b>EBITDA</b>	<b>271,656</b>	<b>393,726</b>	<b>193,385</b>	<b>317,697</b>
Depreciation, amortisation and impairment of intangible assets, property, plant, and equipment and right-of-use assets	(88,636)	(86,582)	(42,407)	(42,281)
<b>Segment profit before tax</b>	<b>183,020</b>	<b>307,144</b>	<b>150,978</b>	<b>275,416</b>
Finance income	5,257	9,208	17,185	18,910
Finance costs	(9,412)	(11,584)	(11,698)	(11,517)
Dividends received from subsidiaries	–	–	29,936	19,069
<b>Profit before tax</b>	<b>178,865</b>	<b>304,768</b>	<b>186,401</b>	<b>301,878</b>

## Reconciliation of assets

EUR'000

	Group		Parent Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
<b>Segment operating assets</b>	<b>4,419,589</b>	<b>4,139,280</b>	<b>1,779,140</b>	<b>1,805,989</b>
Non-current financial investments and joint ventures	613	82	898,717	857,359
Loans to related parties	–	–	1,046,127	797,672
Other current financial investments	–	209,842	–	209,842
Deferred income tax assets and prepayment for income tax	2,106	2,348	–	–
Cash and cash equivalents	49,006	86,554	29,294	63,483
<b>TOTAL assets</b>	<b>4,471,314</b>	<b>4,438,106</b>	<b>3,753,278</b>	<b>3,734,345</b>

## 4. Revenue

EUR'000

	IFRS or IAS applied	Group		Parent Company	
		01/01–30/06/2025	01/01–30/06/2024	01/01–30/06/2025	01/01–30/06/2024
<b>Revenue from contracts with customers:</b>					
Trade of energy and related supply services	IFRS 15	583,804	682,990	439,326	539,368
Distribution system services	IFRS 15	175,593	173,317	–	–
Heat sales	IFRS 15	67,559	70,055	57,461	58,603
Sales of goods and energy related solutions	IFRS 15	2,809	11,633	2,180	1,839
Other revenue	IFRS 15	16,520	16,680	20,367	18,225
<b>Total revenue from contracts with customers</b>		<b>846,285</b>	<b>954,675</b>	<b>519,334</b>	<b>618,035</b>
<b>Other revenue:</b>					
Lease of other assets	IFRS 16	783	748	1,770	1,648
<b>Total other revenue</b>		<b>783</b>	<b>748</b>	<b>1,770</b>	<b>1,648</b>
<b>TOTAL revenue</b>		<b>847,068</b>	<b>955,423</b>	<b>521,104</b>	<b>619,683</b>

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 5,610 thousand for the Group (01/01 – 30/06/2024: EUR 21,233 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	
	01/01–30/06/2025	01/01–30/06/2024	01/01–30/06/2025	01/01–30/06/2024
Goods and services transferred over time	807,651	881,218	463,926	551,723
Goods and services transferred at a point in time	38,634	73,457	55,408	66,312
<b>TOTAL revenue from contracts with customers</b>	<b>846,285</b>	<b>954,675</b>	<b>519,334</b>	<b>618,035</b>

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	
	01/01–30/06/2025	01/01–30/06/2024	01/01–30/06/2025	01/01–30/06/2024
Distribution system services	45,410	38,183	105,008	93,439
Transmission system services	244	1,178	250	1,184
Insurance intermediation	1,228	987	1,038	920
<b>TOTAL revenue recognised applying agent accounting principle</b>	<b>46,882</b>	<b>40,348</b>	<b>106,296</b>	<b>95,543</b>

## 5. Raw materials and consumables

EUR'000

	Group		Parent Company	
	01/01–30/06/2025	01/01–30/06/2024	01/01–30/06/2025	01/01–30/06/2024
<b>Energy costs:</b>				
Electricity and costs of related supply services	183,983	164,658	44,427	15,891
Electricity transmission services costs	44,865	44,997	1,312	1,302
Natural gas and other energy resources costs	215,386	212,943	210,717	207,036
CO <sub>2</sub> emission allowances costs	23,987	27,677	23,987	27,677
(Gains) / losses on fair value changes on energy futures, forwards, and swaps (Note 15 II)	(4,243)	726	(4,243)	726
	<b>463,978</b>	<b>451,001</b>	<b>276,200</b>	<b>252,632</b>
Raw materials, spare parts and maintenance costs	13,391	16,796	6,937	7,631
<b>TOTAL raw materials and consumables used</b>	<b>477,369</b>	<b>467,797</b>	<b>283,137</b>	<b>260,263</b>

## 6. Finance income and costs

EUR'000

	Group		Parent Company	
	01/01–30/06/2025	01/01–30/06/2024	01/01–30/06/2025	01/01–30/06/2024
<b>a) Finance income:</b>				
Interest income	3,252	7,154	3,232	7,116
Interest income on loans to related parties	692	291	13,171	10,029
Interest income on interest rate swaps	774	1,755	774	1,755
Gains on fair value changes on interest rate swaps (Note 15 I)	–	7	–	7
Other finance income	539	1	8	3
<b>TOTAL finance income</b>	<b>5,257</b>	<b>9,208</b>	<b>17,185</b>	<b>18,910</b>

EUR'000

	Group		Parent Company	
	01/01–30/06/2025	01/01–30/06/2024	01/01–30/06/2025	01/01–30/06/2024
<b>b) Finance costs:</b>				
Interest expense on borrowings from financial institutions	7,057	9,906	9,494	9,899
Interest expense on borrowings from related parties	–	–	152	–
Interest expense on issued debt securities (bonds)	2,545	2,559	2,545	2,559
Interest expense on assets lease	323	82	26	31
Losses on fair value changes on interest rate swaps (Note 15 I)	11	–	11	–
Capitalised borrowing costs	(818)	(1,051)	(818)	(1,051)
Other finance costs	294	88	288	79
<b>TOTAL finance costs</b>	<b>9,412</b>	<b>11,584</b>	<b>11,698</b>	<b>11,517</b>

## 7. Intangible assets and property, plant and equipment

### a) Non-current intangible assets

EUR'000

	Group			Parent Company		
	01/01–30/06/2025	01/01–30/06/2024	2024	01/01–30/06/2025	01/01–30/06/2024	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)
<b>Net book amount at the beginning of the period</b>	<b>105,566</b>	<b>57,326</b>	<b>57,326</b>	<b>22,514</b>	<b>21,647</b>	<b>21,647</b>
Additions	3,126	2,252	6,534	1,967	2,298	4,971
Acquisition of a subsidiaries	8,444	13,529	49,148	–	–	–
Impairment charge	–	–	(847)	–	–	–
Amortisation charge	(3,778)	(3,477)	(6,595)	(2,251)	(1,977)	(4,104)
<b>Closing net book amount at the end of the period</b>	<b>113,358</b>	<b>69,630</b>	<b>105,566</b>	<b>22,230</b>	<b>21,968</b>	<b>22,514</b>
Cost	201,927	150,492	190,357	80,567	75,965	78,600
Accumulated amortisation	(88,569)	(80,862)	(84,791)	(58,337)	(53,997)	(56,086)
<b>Closing net book amount at the end of the period</b>	<b>113,358</b>	<b>69,630</b>	<b>105,566</b>	<b>22,230</b>	<b>21,968</b>	<b>22,514</b>

**b) Current intangible assets (CO<sub>2</sub> emission allowances)**

EUR'000

	Group			Parent Company		
	01/01–30/06/2025	01/01–30/06/2024	2024	01/01–30/06/2025	01/01–30/06/2024	2024
<b>Net book amount at the beginning of the period</b>	<b>54,616</b>	<b>69,312</b>	<b>69,312</b>	<b>54,616</b>	<b>69,312</b>	<b>69,312</b>
Additions	20,428	16,700	31,649	20,428	16,700	31,649
Written-off verified quotas	(46,445)	(46,344)	(46,345)	(46,445)	(46,344)	(46,345)
<b>Closing net book amount at the end of the period</b>	<b>28,599</b>	<b>39,668</b>	<b>54,616</b>	<b>28,599</b>	<b>39,668</b>	<b>54,616</b>

**c) Property, plant and equipment**

EUR'000

	Group			Parent Company		
	01/01–30/06/2025	01/01–30/06/2024	2024	01/01–30/06/2025	01/01–30/06/2024	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)
<b>Net book amount at the beginning of the period</b>	<b>3,523,090</b>	<b>3,301,051</b>	<b>3,301,051</b>	<b>1,412,707</b>	<b>1,505,411</b>	<b>1,505,411</b>
Additions	373,158	153,282	455,632	22,460	18,321	61,268
Acquisition of a subsidiary	7,108	5,721	18,877	–	–	–
Reclassified (to) / from investment properties	(75)	(123)	(123)	–	75	75
Reclassified to current assets	(74)	(2,781)	(2,841)	(15)	–	(16)
Disposals	(2,181)	(3,001)	(8,622)	(31)	(71)	(194)
(Recognised) / reversed impairment charge	(142)	(80)	(76,369)	–	14	(74,822)
Depreciation	(83,512)	(81,824)	(164,515)	(39,558)	(39,776)	(79,015)
<b>Closing net book amount at the end of the period</b>	<b>3,817,372</b>	<b>3,372,245</b>	<b>3,523,090</b>	<b>1,395,563</b>	<b>1,483,974</b>	<b>1,412,707</b>
Cost or revalued amount	8,101,115	7,470,745	7,741,410	4,071,999	4,019,282	4,054,094
Accumulated depreciation and impairment	(4,283,743)	(4,098,500)	(4,218,320)	(2,676,436)	(2,535,308)	(2,641,387)
<b>Closing net book amount at the end of the period</b>	<b>3,817,372</b>	<b>3,372,245</b>	<b>3,523,090</b>	<b>1,395,563</b>	<b>1,483,974</b>	<b>1,412,707</b>

**d) Investment property**

EUR'000

	Group			Parent Company		
	01/01–30/06/2025	01/01–30/06/2024	2024	01/01–30/06/2025	01/01–30/06/2024	2024
Cost	2,416	2,613	2,613	2,614	2,987	2,987
Accumulated depreciation and impairment	(318)	(304)	(304)	(565)	(726)	(726)
<b>Net book amount at the beginning of the period</b>	<b>2,098</b>	<b>2,309</b>	<b>2,309</b>	<b>2,049</b>	<b>2,261</b>	<b>2,261</b>
Reclassified from / (to) property, plant and equipment	75	123	123	–	(75)	(75)
Disposal	(6)	(160)	(307)	–	(120)	(122)
Sold	(189)	–	(14)	(50)	–	(1)
Depreciation	(6)	(6)	(13)	(7)	(6)	(14)
<b>Closing net book amount at the end of the period</b>	<b>1,972</b>	<b>2,266</b>	<b>2,098</b>	<b>1,992</b>	<b>2,060</b>	<b>2,049</b>
Cost	2,424	2,710	2,416	2,563	2,757	2,614
Accumulated depreciation and impairment	(452)	(444)	(318)	(571)	(697)	(565)
<b>Closing net book amount at the end of the period</b>	<b>1,972</b>	<b>2,266</b>	<b>2,098</b>	<b>1,992</b>	<b>2,060</b>	<b>2,049</b>

### 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 30 June 2025.

## 8. Leases

### a) Right-of-use assets

EUR'000

	Group			Parent Company		
	01/01–30/06/2025	01/01–30/06/2024	2024	01/01–30/06/2025	01/01–30/06/2024	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)
<b>Net book amount at the beginning of the period</b>	<b>31,910</b>	<b>11,219</b>	<b>11,219</b>	<b>3,514</b>	<b>4,710</b>	<b>4,710</b>
Additions	212	18	23,328	–	–	–
Recognised changes in lease agreements	465	236	(99)	277	(111)	(13)
Depreciation	(1,432)	(1,195)	(2,538)	(591)	(536)	(1,183)
<b>Closing net book amount at the end of the period</b>	<b>31,155</b>	<b>10,278</b>	<b>31,910</b>	<b>3,200</b>	<b>4,063</b>	<b>3,514</b>
Initial recognition cost	41,808	18,225	41,034	9,574	9,200	9,297
Accumulated depreciation	(10,653)	(7,947)	(9,124)	(6,374)	(5,137)	(5,783)
<b>Closing net book amount at the end of the period</b>	<b>31,155</b>	<b>10,278</b>	<b>31,910</b>	<b>3,200</b>	<b>4,063</b>	<b>3,514</b>

### b) Lease liabilities

EUR'000

	Group			Parent Company		
	01/01–30/06/2025	01/01–30/06/2024	2024	01/01–30/06/2025	01/01–30/06/2024	2024
<b>At the beginning of the period</b>	<b>32,551</b>	<b>11,406</b>	<b>11,406</b>	<b>3,624</b>	<b>4,824</b>	<b>4,824</b>
<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
Additions	212	18	23,540	–	–	–
Recognised changes in lease agreements	465	236	(99)	277	(111)	(13)
Payments for lease liabilities	(1,600)	(1,011)	(2,754)	(627)	(383)	(1,248)
Recognised interest liabilities (Note 6)	573	82	458	212	31	61
<b>At the end of the period</b>	<b>32,201</b>	<b>10,731</b>	<b>32,551</b>	<b>3,486</b>	<b>4,361</b>	<b>3,624</b>
<i>Of which are:</i>						
– non-current	29,409	8,085	29,828	2,353	2,976	2,417
– current	2,792	2,646	2,723	1,133	1,385	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, %	
					30/06/2025	31/12/2024	30/06/2025	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%	–	–
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%	–	–
Pienava Wind SIA	12/06/2025	Latvia	Generation and trade	Electricity generation from RES	100%	–	–	–
Elektrum Next LT UAB	11/06/2025	Lithuania	Generation and trade	Electricity generation from RES	100%	–	–	–
Liepājas enerģija SIA	06/07/2005	Latvia	Generation and trade	Thermal energy generation and trade, electricity generation	51%	51%	49%	49%

### The Parent Company's subsidiaries' effective ownership interest

Company's name	Date of establishment or acquisition	Country of incorporation	Operating segment	Principal activities	Effective ownership interest, %	
					30/06/2025	31/12/2024
<b>Subsidiaries of Elektrum Eesti OÜ:</b>						
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%
<b>Subsidiaries of Elektrum Lietuva, UAB:</b>						
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

Company's name	Country of incorporation	Business activity profile	Effective ownership interest, %	
			30/06/2025	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

movement in non-current investments

	Group			Parent Company		
	01/01–30/06/2025	01/01–30/06/2024	2024	01/01–30/06/2025	01/01–30/06/2024	2024
At the beginning of the period	82	42	42	857,359	671,720	671,720
Acquisition of shares	–	–	–	9,108	13,587	49,318
Invested in share capital	–	–	–	32,250	69,921	135,921
Acquired shares from non-controlling interest	–	–	–	–	400	400
Share of profit / (loss) from investments in joint ventures using equity method	531	(2)	40	–	–	–
At the end of the period	613	40	82	898,717	755,628	857,359

EUR'000

## 10. Inventories

			EUR'000		
	Group		Parent Company		
	30/06/2025	31/12/2024	30/06/2025	31/12/2024	
Natural gas (at cost)	166,470	117,552	166,470	117,552	
Raw materials and materials (at cost)	27,840	22,265	1,495	1,167	
Goods for sale (at lower of cost and net realisable value)	5,863	9,749	1,115	1,537	
Other inventories (at cost)	19,037	19,285	18,988	18,906	
Unfinished products and orders (at cost)	169	659	–	–	
Prepayments for natural gas and other inventories	4,839	4,976	1,539	2,189	
Allowances for impaired inventories	(3,180)	(4,924)	(1,182)	(1,273)	
<b>TOTAL inventories</b>	<b>221,038</b>	<b>169,562</b>	<b>188,425</b>	<b>140,078</b>	

#### Movement on the allowance for inventories

Movement on the allowance for inventories				EUR'000		
	Group			Parent Company		
	01/01–30/06/2025	01/01–30/06/2024	2024	01/01–30/06/2025	01/01–30/06/2024	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	(1,744)	(415)	1,834	(91)	107	(67)
At the end of the period	3,180	2,675	4,924	1,182	1,447	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	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
Individually assessed receivables with lifetime ECL assessment (counterparty model)	22,718	47,125	25,810	44,587
Receivables with lifetime ECL assessment by simplified approach (portfolio model)	118,855	142,983	55,430	84,073
<b>TOTAL receivables from contracts with customers</b>	<b>141,573</b>	<b>190,108</b>	<b>81,240</b>	<b>128,660</b>

#### a) Receivables from contracts with customers, net

EUR'000

	Group		Parent Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
<b>Receivables from contracts with customers:</b>				
– Electricity, natural gas trade and related services customers (portfolio model)	131,276	143,911	71,330	86,585
– Electricity, natural gas trade and related services customers (counterparty model)	9,183	19,770	–	–
– Heating customers (portfolio model)	1,227	17,252	741	14,341
– Other receivables from contracts with customers (portfolio model)	7,869	3,461	521	459
– Other receivables from contracts with customers (counterparty model)	13,572	27,432	13,009	25,985
– Subsidiaries (counterparty model) (Note 19 b)	–	–	12,831	18,663
	<b>163,127</b>	<b>211,826</b>	<b>98,432</b>	<b>146,033</b>
<b>Allowances for expected credit loss from contracts with customers:</b>				
– Electricity, natural gas trade and related services customers (portfolio model)	(19,738)	(19,840)	(16,843)	(16,956)
– Electricity, natural gas trade and related services customers (counterparty model)	(15)	(24)	–	–
– Heating customers (portfolio model)	(325)	(341)	(300)	(333)
– Other receivables from contracts with customers (portfolio model)	(1,454)	(1,460)	(19)	(23)
– Other receivables from contracts with customers (counterparty model)	(22)	(53)	(22)	(52)
– Subsidiaries (counterparty model) (Note 19 b)	–	–	(8)	(9)
	<b>(21,554)</b>	<b>(21,718)</b>	<b>(17,192)</b>	<b>(17,373)</b>
<b>Receivables from contracts with customers, net:</b>				
– Electricity, natural gas trade and related services customers (portfolio model)	111,538	124,071	54,487	69,629
– Electricity, natural gas trade and related services customers (counterparty model)	9,168	19,746	–	–
– Heating customers (portfolio model)	902	16,911	441	14,008
– Other receivables from contracts with customers (portfolio model)	6,415	2,001	502	436
– Other receivables from contracts with customers (counterparty model)	13,550	27,379	12,987	25,933
– Subsidiaries (counterparty model) (Note 19 b)	–	–	12,823	18,654
	<b>141,573</b>	<b>190,108</b>	<b>81,240</b>	<b>128,660</b>

### Movements in loss allowances for impaired receivables from contracts with customers

EUR'000

	Group			Parent Company		
	01/01–30/06/2025	01/01–30/06/2024	2024	01/01–30/06/2025	01/01–30/06/2024	2024
<b>At the beginning of the period</b>	<b>21,718</b>	<b>26,769</b>	<b>26,769</b>	<b>17,373</b>	<b>19,100</b>	<b>19,100</b>
Receivables written off during the period as uncollectible	(442)	(922)	(1,981)	(378)	(897)	(1,510)
Allowances for expected credit losses	278	(692)	(3,070)	197	(531)	(217)
<b>At the end of the period</b>	<b>21,554</b>	<b>25,155</b>	<b>21,718</b>	<b>17,192</b>	<b>17,672</b>	<b>17,373</b>

## b) Other financial receivables

EUR'000

	Group		Parent Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
<b>Current financial receivables:</b>				
Uncovered costs of mandatory procurement and guaranteed fee for the installed electrical capacity of cogeneration power plants, net*	8,643	23,544	–	–
Receivables for lease	261	15	256	11
Other current financial receivables	11,876	10,156	8,686	7,327
Accrued interest income on interest rate swap financial instruments	204	315	204	315
Allowances for expected credit losses	(2,456)	(2,273)	(2,129)	(1,934)
Receivables for lease from subsidiaries (Note 19 b)	–	–	11	21
Other financial receivables from subsidiaries (Note 19 b)	–	–	26,605	23,377
Other accrued income from related parties (Note 19 c)	1,640	–	8,815	5,501
Allowances for expected credit losses on subsidiaries receivables (Note 19 b)	–	–	(18)	(17)
<b>TOTAL other current financial receivables</b>	<b>20,168</b>	<b>31,757</b>	<b>42,430</b>	<b>34,601</b>

\* 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	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
Non-current non-financial receivables	512	540	470	470
Current non-financial receivables	5,727	1,171	943	638
<b>TOTAL non-financial receivables</b>	<b>6,239</b>	<b>1,711</b>	<b>1,413</b>	<b>1,108</b>

## 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	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
Cash at bank	48,923	86,471	29,211	63,400
Other cash equivalents	83	83	83	83
<b>TOTAL cash and cash equivalents</b>	<b>49,006</b>	<b>86,554</b>	<b>29,294</b>	<b>63,483</b>

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 30 June 2025, the Group and the Parent Company do not have deposits at banks, 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 including provisions for impairment of 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
<b>As of 31 December 2023</b>	<b>1,676,439</b>	<b>9,115</b>	<b>(3,862)</b>	<b>160</b>	<b>1,681,852</b>	<b>1,313,774</b>	<b>9,115</b>	<b>(2,470)</b>	<b>1,320,419</b>
Disposal of revaluation reserve	(3,677)	–	–	–	(3,677)	(201)	–	–	(201)
Losses from fair value changes of derivative financial instruments	–	(5,274)	–	–	(5,274)	–	(5,274)	–	(5,274)
Formed statutory reserves	–	–	–	4,095	4,095	–	–	–	–
<b>As of 30 June 2024</b>	<b>1,672,762</b>	<b>3,841</b>	<b>(3,862)</b>	<b>4,255</b>	<b>1,676,996</b>	<b>1,313,573</b>	<b>3,841</b>	<b>(2,470)</b>	<b>1,314,944</b>
Disposal of revaluation reserve	(7,077)	–	–	–	(7,077)	(727)	–	–	(727)
Gains on re-measurement of defined post-employment benefit plan	–	–	4,250	–	4,520	–	–	1,882	1,882
Losses from fair value changes of derivative financial instruments	–	(14,371)	–	–	(14,371)	–	(14,371)	–	(14,371)
<b>As of 31 December 2024</b>	<b>1,665,685</b>	<b>(10,530)</b>	<b>658</b>	<b>4,255</b>	<b>1,660,068</b>	<b>1,312,846</b>	<b>(10,530)</b>	<b>(588)</b>	<b>1,301,728</b>
Disposal of revaluation reserve	(3,207)	–	–	–	(3,207)	(393)	–	–	(393)
Gains from fair value changes of derivative financial instruments	–	14,851	–	–	14,851	–	14,851	–	14,851
Formed statutory reserves	–	–	–	3	3	–	–	–	–
<b>As of 30 June 2025</b>	<b>1,662,478</b>	<b>4,321</b>	<b>658</b>	<b>4,258</b>	<b>1,671,715</b>	<b>1,312,453</b>	<b>4,321</b>	<b>(588)</b>	<b>1,316,186</b>

## 14. Borrowings

EUR'000

	Group		Parent Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
Non-current portion of non-current borrowings from credit institutions	531,398	415,351	525,024	408,190
Non-current portion of issued debt securities (bonds)	199,939	199,929	199,939	199,929
<b>Total non-current borrowings from financial institutions</b>	<b>731,337</b>	<b>615,280</b>	<b>724,963</b>	<b>608,119</b>
Current portion of non-current borrowings from credit institutions	96,252	121,057	94,428	118,982
Current borrowings from state development finance institutions	–	30	–	30
Overdraft from financial institutions	59,788	–	59,788	–
Accrued interest on non-current borrowings from credit institutions	3,413	3,167	3,332	3,057
Accrued coupon interest on issued debt securities (bonds)	1,270	3,871	1,270	3,871
<b>Total current borrowings from financial institutions</b>	<b>160,723</b>	<b>128,125</b>	<b>158,818</b>	<b>125,940</b>
<b>TOTAL borrowings from financial institutions</b>	<b>892,060</b>	<b>743,405</b>	<b>883,781</b>	<b>734,059</b>
Current borrowings from related parties*	–	–	–	31,101
<b>Total current borrowings</b>	<b>160,723</b>	<b>128,125</b>	<b>158,818</b>	<b>157,041</b>
<b>TOTAL borrowings</b>	<b>892,060</b>	<b>743,405</b>	<b>883,781</b>	<b>765,160</b>

\* Within the framework of the Agreement 'On Provision of Mutual Financial Resources', as of 30 June 2025 the Parent Company has no borrowings from subsidiaries (31/12/2024: a borrowing from Sadales tīkls AS – EUR 31,101 thousand).

**Movement in borrowings:**

EUR'000

	Group			Parent Company		
	01/01–30/06/2025	01/01–30/06/2024	2024	01/01–30/06/2025	01/01–30/06/2024	2024
<b>At the beginning of the period</b>	<b>743,405</b>	<b>629,696</b>	<b>629,696</b>	<b>765,160</b>	<b>618,179</b>	<b>618,179</b>
Received borrowings from credit institutions	209,788	–	200,000	209,788	–	200,000
Repaid borrowings to credit institutions	(58,758)	(43,236)	(86,625)	(57,721)	(42,245)	(84,491)
(Repaid) / received borrowings from state development finance institutions	(30)	–	30	(30)	–	30
Borrowings (repaid) / received from related parties	–	–	–	(31,101)	–	31,101
Change in accrued interest on borrowings from credit institutions	(2,355)	(3,009)	283	(2,325)	(3,000)	320
Changes in outstanding value of issued debt securities (bonds)	10	10	21	10	10	21
<b>At the end of the period</b>	<b>892,060</b>	<b>583,461</b>	<b>743,405</b>	<b>883,781</b>	<b>572,944</b>	<b>765,160</b>

## 15. Derivative financial instruments

**Outstanding fair values of derivatives and their classification**

EUR'000

	Group				Parent Company			
	30/06/2025		31/12/2024		30/06/2025		31/12/2024	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	2,641	–	3,422	–	2,641	–	3,422	–
Energy forwards, futures, and swaps	8,151	(1,252)	–	(12,965)	8,151	(1,252)	–	(12,965)
<b>Total outstanding fair values of derivatives</b>	<b>10,792</b>	<b>(1,252)</b>	<b>3,422</b>	<b>(12,965)</b>	<b>10,792</b>	<b>(1,252)</b>	<b>3,422</b>	<b>(12,965)</b>

**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					
	01/01–30/06/2025		01/01–30/06/2024		2024		01/01–30/06/2025		01/01–30/06/2024		2024	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
<b>Outstanding fair value at the beginning of the period</b>	<b>3,422</b>	<b>–</b>	<b>5,872</b>	<b>–</b>	<b>5,872</b>	<b>–</b>	<b>3,422</b>	<b>–</b>	<b>5,872</b>	<b>–</b>	<b>5,872</b>	<b>–</b>
Included in the Statement of Profit or Loss (Note 6)	(11)	–	–	7	(38)	7	(11)	–	–	7	(38)	7
Included in the Statement of Comprehensive Income	(770)	–	(20)	(7)	(2,412)	(7)	(770)	–	(20)	(7)	(2,412)	(7)
<b>Outstanding fair value at the end of the period</b>	<b>2,641</b>	<b>–</b>	<b>5,852</b>	<b>–</b>	<b>3,422</b>	<b>–</b>	<b>2,641</b>	<b>–</b>	<b>5,852</b>	<b>–</b>	<b>3,422</b>	<b>–</b>

## 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					
	01/01–30/06/2025		01/01–30/06/2024		2024		01/01–30/06/2025		01/01–30/06/2024		2024	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
<b>Outstanding fair value at the beginning of the period</b>	–	(12,965)	5,297	–	5,297	–	–	(12,965)	5,297	–	5,297	–
Included in Statement of Profit or Loss (Note 5)	5,242	(999)	(726)	–	(783)	(253)	5,242	(999)	(726)	–	(783)	(253)
Included in Statement of Comprehensive Income	2,909	12,712	(4,291)	(956)	(4,514)	(12,712)	2,909	12,712	(4,291)	(956)	(4,514)	(12,712)
<b>Outstanding fair value at the end of the period</b>	<b>8,151</b>	<b>(1,252)</b>	<b>280</b>	<b>(956)</b>	<b>–</b>	<b>(12,965)</b>	<b>8,151</b>	<b>(1,252)</b>	<b>280</b>	<b>(956)</b>	<b>–</b>	<b>(12,965)</b>

## 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
<b>As of 30 June 2025</b>						
<b>Assets measured at fair value</b>						
Revalued property, plant and equipment	–	2,877,902	<b>2,877,902</b>	–	1,230,647	<b>1,230,647</b>
Non-current financial investments (Note 9)	–	40	<b>40</b>	–	39	<b>39</b>
<i>Derivative financial instruments, including:</i>						
Interest rate swaps (Note 15 I)	2,641	–	<b>2,641</b>	2,641	–	<b>2,641</b>
Energy forwards, futures, and swaps (Note 15 II)	8,151	–	<b>8,151</b>	8,151	–	<b>8,151</b>
<b>Assets for which fair values are disclosed</b>						
Investment properties (Note 7 c)	–	1,992	<b>1,992</b>	–	1,992	<b>1,992</b>
Loans to related parties:						
– Floating rate loans (Note 19 c)	–	–	<b>–</b>	801,636	–	<b>801,636</b>
– Fixed rate loans (Note 19 c)	23,226	–	<b>23,226</b>	244,491	–	<b>244,491</b>
Current financial receivables (Note 11 a, b)	–	161,741	<b>161,741</b>	–	123,670	<b>123,670</b>
Cash and cash equivalents (Note 12)	49,006	–	<b>49,006</b>	29,294	–	<b>29,294</b>

**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
<b>As of 31 December 2024</b>						
<b>Assets measured at fair value</b>						
Revalued property, plant and equipment	–	2,901,412	<b>2,901,412</b>	–	1,246,514	<b>1,246,514</b>
Non-current financial investments (Note 9)	–	40	<b>40</b>	–	39	<b>39</b>
<i>Derivative financial instruments, including:</i>						
Interest rate swaps (Note 15 I)	3,422	–	<b>3,422</b>	3,422	–	<b>3,422</b>
<b>Assets for which fair values are disclosed</b>						
Investment properties (Note 7 c)	–	2,099	<b>2,099</b>	–	2,049	<b>2,049</b>
Loans to related parties:						
– Floating rate loans (Note 19 c)	–	–	<b>–</b>	517,656	–	<b>517,656</b>
– Fixed rate loans (Note 19 c)	22,244	–	<b>22,244</b>	280,016	–	<b>280,016</b>
Current financial receivables (Note 11 a, b)	–	221,865	<b>221,865</b>	–	163,261	<b>163,261</b>
Cash and cash equivalents (Note 12)	86,554	–	<b>86,554</b>	63,483	–	<b>63,483</b>

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
<b>As of 30 June 2025</b>						
<b>Liabilities measured at fair value</b>						
<i>Derivative financial instruments, including:</i>						
Energy forwards, futures, and swaps (Note 15 II)	1,252	–	<b>1,252</b>	1,252	–	<b>1,252</b>
<b>Liabilities for which fair values are disclosed</b>						
Issued debt securities (bonds) (Note 14)	201,209	–	<b>201,209</b>	201,209	–	<b>201,209</b>
Borrowings from financial institutions (Note 14)	690,851	–	<b>690,851</b>	682,572	–	<b>682,572</b>
Trade and other financial current payables (Note 17)	–	154,323	<b>154,323</b>	–	85,574	<b>85,574</b>
<b>As of 31 December 2024</b>						
<b>Liabilities measured at fair value</b>						
<i>Derivative financial instruments, including:</i>						
Energy forwards, futures, and swaps (Note 15 II)	12,965	–	<b>12,965</b>	12,965	–	<b>12,965</b>
<b>Liabilities for which fair values are disclosed</b>						
Issued debt securities (bonds) (Note 14)	203,800	–	<b>203,800</b>	203,800	–	<b>203,800</b>
Borrowings from financial institutions (Note 14)	539,605	–	<b>539,605</b>	530,259	–	<b>530,259</b>
Borrowings from related parties (Note 14)	–	–	<b>–</b>	31,101	–	<b>31,101</b>
Trade and other financial current payables (Note 17)	–	178,787	<b>178,787</b>	–	112,741	<b>112,741</b>

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	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024	30/06/2025	31/12/2024	30/06/2025	31/12/2024
<b>Financial assets</b>								
Fixed rate loans to related parties	23,226	22,244	23,226	22,244	244,491	280,016	237,811	269,792
<b>Financial liabilities</b>								
Issued debt securities (bonds)	201,209	203,800	195,652	196,077	201,209	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	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
<b>Financial liabilities:</b>				
Payables for suppliers	112,043	128,936	48,883	72,327
Payables to related parties (Note 19 b)	10,760	14,810	21,145	20,708
Accrued expenses	23,402	27,579	6,486	9,153
Accrued expenses from related parties (Note 19 d)	78	–	2,636	5,705
Other financial current payables	8,040	7,462	6,424	4,848
<b>TOTAL financial liabilities</b>	<b>154,323</b>	<b>178,787</b>	<b>85,574</b>	<b>112,741</b>
<b>Non-financial liabilities:</b>				
Taxes	18,928	27,614	10,746	13,234
Other current payables	5,114	4,086	2,122	1,621
<b>TOTAL non-financial liabilities</b>	<b>24,042</b>	<b>31,700</b>	<b>12,868</b>	<b>14,855</b>
<b>TOTAL trade and other current payables</b>	<b>178,365</b>	<b>210,487</b>	<b>98,442</b>	<b>127,596</b>

## 18. Deferred income and advances received

EUR'000

	IFRS/IAS applied	Group		Parent Company	
		30/06/2025	31/12/2024	30/06/2025	31/12/2024
<b>I) Non-current deferred income and advances received</b>					
<b>a) contracts with customers</b>					
Deferred income from connection fees	IFRS 15	149,148	150,241	–	–
Other deferred income	IFRS 15	568	601	568	601
		<b>149,716</b>	<b>150,842</b>	<b>568</b>	<b>601</b>
<b>b) operating lease</b>					
Other deferred income	IFRS 16	270	280	270	280
		<b>270</b>	<b>280</b>	<b>270</b>	<b>280</b>
<b>c) other</b>					
On grant for the installed electrical capacity of CHPPs	IAS 20	53,486	65,480	53,486	65,480
On financing from European Union funds	IAS 20	57,138	46,619	7,158	6,414
Other deferred income	IAS 20	26	29	26	29
		<b>110,650</b>	<b>112,128</b>	<b>60,670</b>	<b>71,923</b>
<b>Total non-current deferred income and advances received</b>		<b>260,636</b>	<b>263,250</b>	<b>61,508</b>	<b>72,804</b>
<b>II) Current deferred income and advances received</b>					
<b>a) contracts with customers</b>					
Deferred income from connection fees	IFRS 15	18,061	17,570	–	–
Other deferred income	IFRS 15	423	408	67	67
Advances received		26,032	30,722	5,636	5,866
		<b>44,516</b>	<b>48,700</b>	<b>5,703</b>	<b>5,933</b>
<b>b) operating lease</b>					
Other deferred income	IFRS 16	20	20	20	20
		<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>c) other</b>					
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	1,073	1,094	–	146
		<b>25,063</b>	<b>25,084</b>	<b>23,990</b>	<b>24,136</b>
<b>TOTAL current deferred income and advances received</b>		<b>69,599</b>	<b>73,804</b>	<b>29,713</b>	<b>30,089</b>
<b>TOTAL deferred income and advances received</b>		<b>330,235</b>	<b>337,054</b>	<b>91,221</b>	<b>102,893</b>

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 10,992 thousand. Liepājas Enerģija SIA received European Union financing in the amount of EUR 129 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		
	01/01–30/06/2025	01/01–30/06/2024	2024	01/01–30/06/2025	01/01–30/06/2024	2024
<b>At the beginning of the period</b>	<b>337,054</b>	<b>326,199</b>	<b>326,199</b>	<b>102,893</b>	<b>126,696</b>	<b>126,696</b>
Received connection fees for connection to distribution system	9,394	13,045	30,176	–	–	–
Changes in advances received	(4,690)	9,070	1,815	(230)	9,193	(1,680)
Received deferred income (financing and other income)	11,161	2,867	25,577	–	2,750	2,778
EU co-financing received / (transferred) to the subsidiary as a cooperation partner, net	–	–	–	695	(672)	(672)
Other deferred income credited to the Statement of Profit or Loss	(12,649)	(12,479)	(25,025)	(12,093)	(12,067)	(24,141)
Deferred income from contracts with customers and operating lease credited to the Statement of Profit or Loss	(10,035)	(12,803)	(21,688)	(44)	(44)	(88)
<b>At the end of the period</b>	<b>330,235</b>	<b>325,899</b>	<b>337,054</b>	<b>91,221</b>	<b>125,856</b>	<b>102,893</b>

## 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			
	01/01–30/06/2025	01/01–30/06/2024	01/01–30/06/2025	01/01–30/06/2024	01/01–30/06/2025	01/01–30/06/2024
	Other related parties*	Other related parties*	Subsidiaries	Other related parties*	Subsidiaries	Other related parties*
Sales of goods, PPE and services, finance income	31,158	32,161	85,923	29,164	90,741	32,115
Purchases of goods, PPE, and services	79,406	74,612	127,148	29,329	88,872	27,920
<i>including gross expenses from transactions with subsidiaries recognised in net amount through profit or loss:</i>						
– <i>Sadales tīkls AS</i>	–	–	95,302	–	85,303	–

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

EUR'000

	Group		Parent Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
<b>Receivables from related parties:</b>				
– subsidiaries (Note 11 a, b)	–	–	36,912	34,009
– other related parties*	10,772	13,647	10,755	12,952
– loss allowances for expected credit loss from receivables of subsidiaries (Note 11 a, b)	–	–	(26)	(26)
– loss allowances for expected credit loss from receivables of other related parties*	(30)	(25)	(28)	(24)
	<b>10,742</b>	<b>13,622</b>	<b>47,613</b>	<b>46,911</b>
<b>Payables to related parties (Note 17):</b>				
– subsidiaries	–	–	17,364	15,024
– other related parties*	10,760	14,810	3,781	5,684
	<b>10,760</b>	<b>14,810</b>	<b>21,145</b>	<b>20,708</b>

**c) Accrued income raised from transactions with related parties**

EUR'000

	Group		Parent Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
– for goods sold/services provided for subsidiaries (Note 11 a, b)	–	–	5,846	8,302
– for interest received from related parties (Note 11 a, b)	1,640	–	5,504	5,251
– for goods sold/services provided for other related parties*	1,175	175	1,171	175
	<b>2,815</b>	<b>175</b>	<b>12,521</b>	<b>13,728</b>

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

EUR'000

	Group		Parent Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
– for purchased goods/received services from subsidiaries	–	–	2,561	5,705
– for purchased goods / received services from other related parties*	78	–	75	–
	<b>78</b>	<b>–</b>	<b>2,636</b>	<b>5,705</b>

\* 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 6-month period ending on 30 June 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 2,375.8 thousand (01/01 – 30/06/2024: EUR 2,180.8 thousand).

In the 6-month period ending on 30 June 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 821.4 thousand (01/01 – 30/06/2024: EUR 754.6 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	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
Non-current loans to subsidiaries		–	807,104	632,564
Non-current loans to other related parties	23,226	22,244	–	–
<b>TOTAL non-current loans</b>	<b>23,226</b>	<b>22,244</b>	<b>807,104</b>	<b>632,564</b>
Current portion of non-current loans to subsidiaries	–	–	112,714	96,638
Current loans to subsidiaries	–	–	126,309	68,470
<b>TOTAL current loans</b>	<b>–</b>	<b>–</b>	<b>239,023</b>	<b>165,108</b>
<b>TOTAL loans to related parties</b>	<b>23,226</b>	<b>22,244</b>	<b>1,046,127</b>	<b>797,672</b>

### Movement in loans issued to related parties

EUR'000

	Group			Parent Company		
	01/01– 30/06/2025	01/01– 30/06/2024	2024	01/01– 30/06/2025	01/01– 30/06/2024	2024
<b>At the beginning of the period</b>	<b>22,244</b>	<b>863</b>	<b>863</b>	<b>797,672</b>	<b>624,298</b>	<b>624,298</b>
Change in current loans in cash (net)	–	–	–	222,766	41,952	104,317
Change in current loans by non-cash offsetting of operating receivables and payables (net)	–	–	–	(11,279)	63,500	128,797
Issued non-current loans in cash	979	15,229	21,399	85,400	4,101	48,051
Repaid non-current loans by non-cash offset	–	–	–	(48,358)	(53,826)	(107,653)
Impairment for expected credit loss	3	(13)	(18)	(74)	(45)	(138)
<b>At the end of the period</b>	<b>23,226</b>	<b>16,079</b>	<b>22,244</b>	<b>1,046,127</b>	<b>679,980</b>	<b>797,672</b>
<i>incl. loan movement through bank account</i>						
Issued loans to subsidiaries	979	15,229	21,399	706,041	419,794	883,043
Repaid loans issued to subsidiaries	–	–	–	(397,875)	(373,741)	(730,675)
<b>Issued loans, net</b>	<b>979</b>	<b>15,229</b>	<b>21,399</b>	<b>308,166</b>	<b>46,053</b>	<b>152,368</b>

## 20. Events after the reporting period

There have been no 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 6 months of 2025.

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