LATVENERGO CONSOLIDATED AND LATVENERGO AS UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST 9 MONTHS OF 2024

CONTENTS

Management Report

Unaudited Condensed Interim Financial Statements*

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

FINANCIAL CALENDAR

28. 02. 2025.
Latvenergo Consolidated and Latvenergo AS Condensed Financial Statements for 2024 (unaudited)

30. 04. 2025.
Latvenergo Consolidated and Latvenergo AS Annual Report 2024

30. 05. 2025.
Condensed Consolidated Interim Financial Statements for the first 3 months of 2025 (unaudited)

29. 08. 2025.
Condensed Consolidated Interim Financial Statements for the first 6 months of 2025 (unaudited)

28. 11. 2025.
Condensed Consolidated Interim Financial Statements for the first 9 months of 2025 (unaudited)

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DISCLAIMER

The financial report includes future projections that are subject to risks, uncertainties and other important factors beyond the control of Latvenergo Group; therefore, the actual results in the future may differ materially from those stated or implied in the future projections.

The report has been prepared in Latvian and in English. In the event of any discrepancies between the Latvian and the English reports, the Latvian version shall prevail.

Highlights

Electricity and natural gas prices are lower.

In the 9-month period of 2024, the prices of electricity and natural gas were lower than in the respective period a year ago. Electricity spot prices in the Baltics were on average 7% lower than in the respective period a year ago. Meanwhile, the average price of natural gas at the TTF (front month) reached 32 EUR/MWh, which is 37% lower than a year ago. The price of CO_2 emission allowances (EUA DEC futures) decreased by 25%, reaching 66 EUR/t.

The electricity output increased by 4%.

In the 9-month period of 2024, electricity output at Latvenergo Group's plants reached 4,147 GWh, which is 4% more than in the respective period a year ago. Electricity output at the Daugava hydroelectric power stations (HPPs) decreased by 7%, compared to the 9-month period of 2023, reaching 2,810 GWh. This was due to lower water inflow in the Daugava River. The amount of electricity generated at the Latvenergo AS combined heat and power plants (CHPPs) increased by 39%, reaching 1,283 GWh. The operation of the CHPPs is adjusted to the conditions of the market. As demand increased, the amount of heat energy generation increased by 13%, reaching 1,128 GWh.

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

885 thous. customers

4,611 GWh of electricity sold to Baltic retail customers

62 thous. customers

769 GWh of natural gas sold to Baltic retail customers

In the 9-month period of 2024, the Group supplied 4,611 GWh of electricity to Baltic retail customers, which is 3% more than in the respective period a year ago. Meanwhile, the volume of natural gas sold in retail reached 769 GWh, which is 35% more. The number of Latvenergo customers increased in both the electricity and natural gas segments. We have about 885 thousand electricity customers, and 273 thousand of them are outside Latvia. The number of natural gas customers comprised more than 62 thousand at the end of September.

EBITDA increased by 7%.

MEUR

1,305.1	487.3	261.3	4,111.9
REVENUE	EBITDA	PROFIT	ASSETS

Due to lower energy sales prices, Latvenergo Group's revenue in the 9-month period of 2024 was 15% or EUR 239 million lower than in the respective period a year ago. Meanwhile, a positive impact was seen from the increase in revenue from the distribution segment, following the implementation of the new distribution tariffs by Sadales tīkls AS on 1 July 2023.

The Group's EBITDA increased by 7% compared to the 9-month period of 2023, reaching EUR 487 million. This was mainly positively impacted by higher revenues in the distribution segment, lower natural gas purchase prices, a 3% increase in retail electricity sales volume and a 35% increase in retail natural gas sales volume.

Investments have grown significantly, advancing the Group's strategy.

In the 9-month period of 2024, the total amount of investment comprised EUR 323 million. About EUR 200 million or 60% of it was made in new wind and solar generation capacities. In May 2024, Latvenergo AS purchased the wind project *Telšiai* (124 MW), with expected construction costs of approximately EUR 200 million. Meanwhile, in September, Latvenergo has acquired 100% shares of Laflora Energy SIA to build a wind power plant (WPP) with a total capacity of 109 MW in the Kaigu swamp in the Līvbērze municipality. The expected construction costs amount to EUR 185 million. Both WPPs will enable the start of wind energy generation with a capacity in 2026. In the reporting period, Akmene WPP (15 MW) started wind energy generation in Lithuania. New solar capacities are also being developed successfully. In the reporting period, nine solar parks in Latvia, with a total capacity of 65 MW, and two solar parks in Estonia (24 MW) began operations.

Elektrum Next, a subsidiary of Latvenergo AS, has been established.

After the end of the reporting period, in November 2024, Elektrum Next SIA, a subsidiary of Latvenergo AS, was established. It will gradually consolidate the renewable energy assets developed within the Group in recent years and will further advance green energy projects.

elektrum Next

Q3 2024 highlights

JULY

Elektrum Eesti expands its solar energy generation portfolio with the 17.4 MW solar park *Kuusalu* in Estonia.

Latvenergo AS launches an 11.7 MW solar power park in Birži, Jēkabpils district.

Within the framework of the European Commission's Recovery and Resilience Facility project, the first electric vehicle charging stations, with 24 charging ports, are opened in Ventspils.

AUGUST

With financing from the Connecting Europe Facility, *Elektrum Drive* will develop the largest high-power charging network in the Baltic region by 2026 within the Trans-European Transport Network (TEN-T). This network will feature 216 charging ports across 55 stations.

Latvenergo signs a short-term loan agreement with Swedbank AS for the amount of EUR 100 million.

Latvenergo will donate 200,000 euros to support oncology patients through the *Ziedot.lv* programme.

SEPTEMBER

The international credit rating agency *Moody's* confirms its Latvenergo AS credit rating. Latvenergo AS maintains a credit rating of Baa2 with a stable outlook.

Latvenergo acquires Laflora Energy SIA to build a wind farm with a total capacity of 108.8 MW in the Kaigu swamp in the Līvbērze municipality, with electricity generation set to begin in 2026.

Latvenergo launches the solar power plant *Jaunciems*, which has a total capacity of 13.4 MW, making it the largest in Riga.

Latvenergo AS and the U.S. Department of Energy's National Renewable Energy Laboratory (NREL) sign a research and development agreement to implement an energy transformation and industrial research project.

Elektrum Lietuva receives the Namejs Award for "The Fastest Growth in Service Exports to Lithuania in 2023".

Latvenergo AS is donating 93 vehicles to support the Ukrainian community.

OCTOBER, NOVEMBER

Latvenergo AS acquires DSE Aizpute Solar SIA to construct its largest solar power plant to date, with a total capacity of 265 MW, by the end of 2025.

Elektrum Next SIA, a subsidiary of Latvenergo AS, is established. It will gradually consolidate the renewable energy assets developed within the Group in recent years and further advance green energy projects.

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.

Latvenergo

elektrum

Enerģijas publiskais tirgotājs

Liepājas enerģija

Latvijas vēja parki

Dzīvo Latvijas mežos

Renewable energy projects

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).

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	> 64%
Other	Moody’s credit rating	Maintain an investment-grade credit rating

* The profitability of the regulated services provided by the Group is determined by the Public Utilities Commission. The most significant share in the Group’s regulated services is the distribution service. When evaluating the fulfilment of the ROE target, the Group’s return indicator will be assessed, excluding the regulated return on the distribution service – ROE excluding distribution.

Latvenergo Group's Strategy

The Group's strategic objectives

GENERATION

Expand and diversify the generation portfolio with green technologies.

The aim is to grow the renewable energy source (RES) generation portfolio, focusing on WPP and SPP:

- 2026: constructed or acquired WPP and SPP with total capacity of 600 MW;
- 2030+: constructed or acquired WPP and SPP with total capacity of 2,300 MW.

The objective also provides for:

- increasing the Daugava HPPs' asset value, guaranteeing their safe operation in the long run;
- ensuring stable, efficient and economically viable operation of the CHPPs in the long run.

TRADE

Strengthen the position of *Elektrum* as the most valuable energy trader in the Baltics.

The goal is to increase the customer portfolio by 15% compared to the year 2020; promote microgeneration, electrification, energy efficiency and product innovation.

ELECTROMOBILITY

Develop electrification of the transport sector.

The objective is to develop a public charging network in the Baltics:

- 2026: 1200-1,500 charging ports;
- 2030+: about 3,000 charging ports.

DISTRIBUTION

Ensure a sustainable and economically viable distribution service and improve the security and quality of electricity supply.

The objective is to systematically and cost-effectively improve the quality and security of electricity supply:

- SAIDI reduced to 160 min. in 2026;
- SAIFI reduced to 1.85 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_2 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.

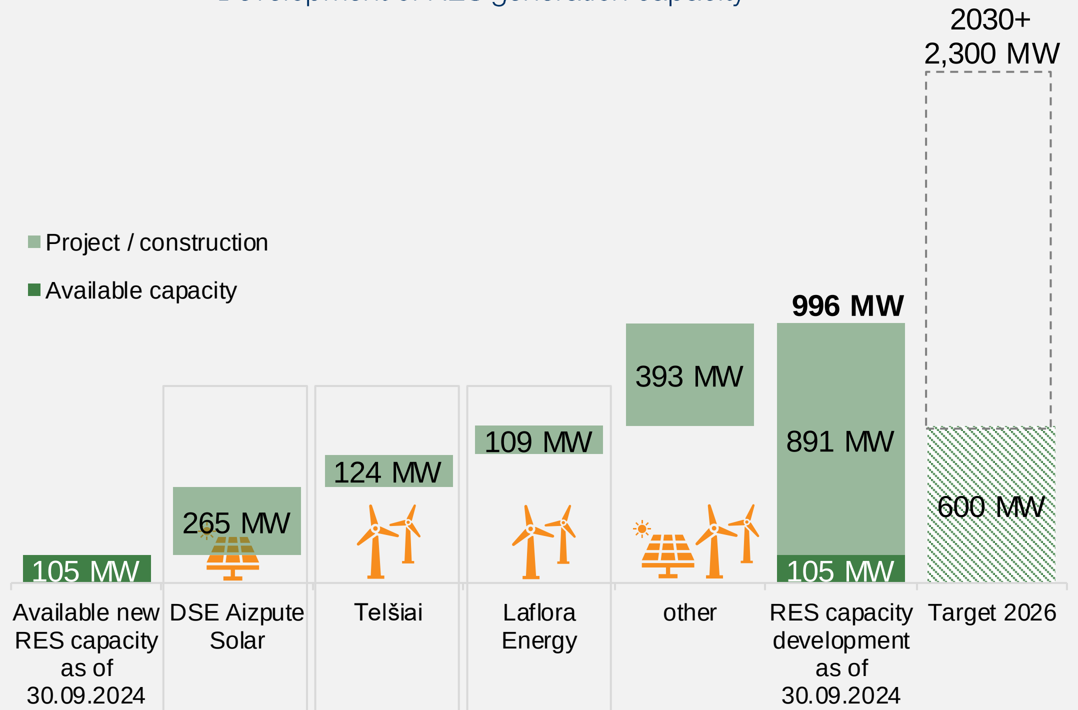
* the calculation is based on the assumption that the green energy generated by Latvenergo's new capacity replaces the same amount of energy that would be produced using coal or fuel stone

Latvenergo Group's Strategy

Progress of the Group's strategic objectives

GENERATION

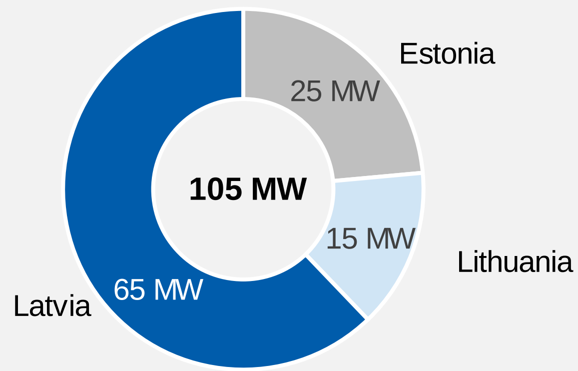
Development of RES generation capacity



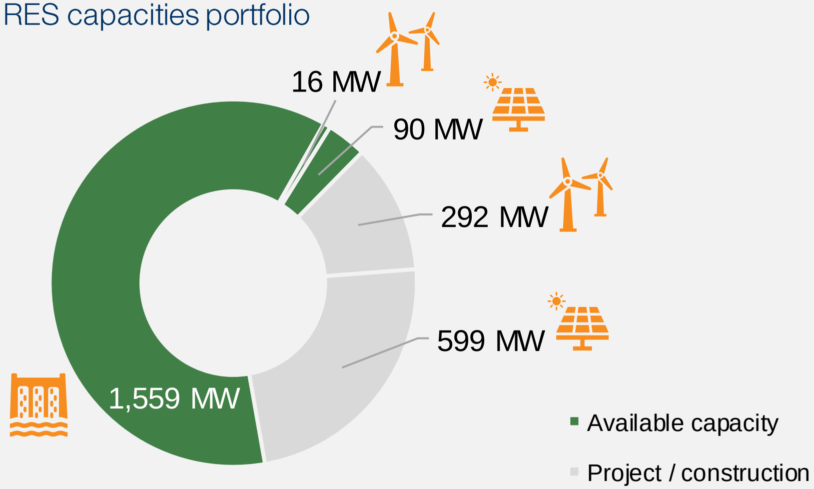
	DSE Aizpute Solar	Telšiai	Laflora Energy
Country	Latvia	Lithuania	Latvia
Construction costs	~135 MEUR	~200 MEUR	~185 MEUR
COD	2025	2026	2026

Symbols Used:

Geolocation of newly constructed RES capacities



RES capacities portfolio

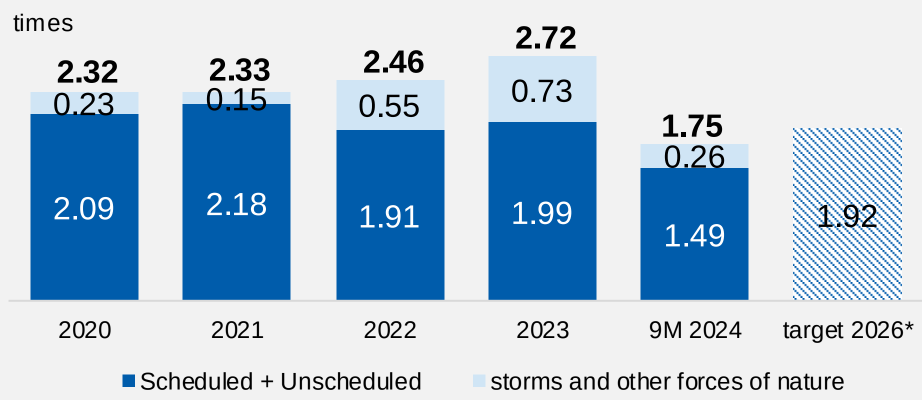


Latvenergo Group's Strategy

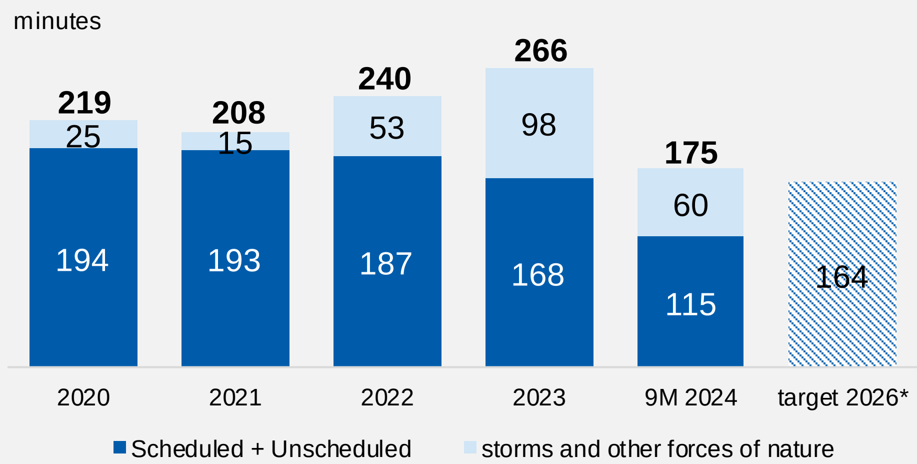
Progress of the Group's strategic objectives

DISTRIBUTION

SAIFI



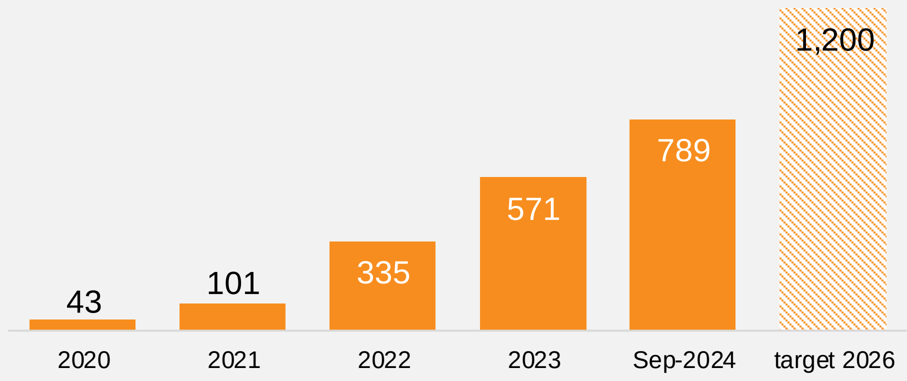
SAIDI



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

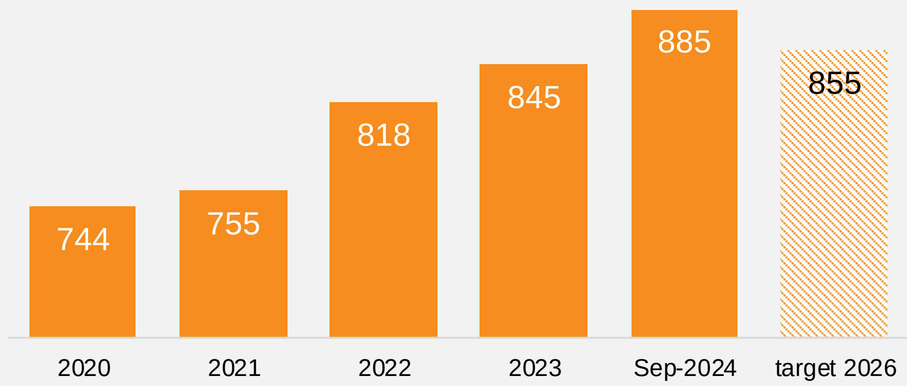
ELECTROMOBILITY

Charging ports**



TRADE

The number of *Elektrum* electricity customers



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

Latvenergo Group Key Performance Indicators

Latvenergo Group Operational Figures

		9M 2024	9M 2023	9M 2022	9M 2021	9M 2020
Retail electricity [1)]	GWh	4,611	4,491	3,892	4,987	4,650
Natural gas sales	GWh	1,987	921	719	677	318
Electricity generation	GWh	4,147	3,974	2,729	3,407	3,298
Thermal energy generation	GWh	1,128	1,000	1,147	1,320	1,101
Number of employees		3,484	3,486	3,236	3,176	3,347
Moody's credit rating		Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)

Latvenergo Group Financial Figures

		9M 2024	9M 2023	9M 2022	9M 2021	9M 2020
Revenue	MEUR	1,305.1	1,543.7	1,174.6	659.6	564.5
EBITDA [2)]	MEUR	487.3	455.3	226.1	126.8	212.1
Profit	MEUR	261.3	283.4	104.3	26.4	94.7
Assets	MEUR	4,111.9	4,132.2	4,040.9	3,313.6	3,265.4
Equity	MEUR	3,005.9	2,904.7	2,367.3	2,037.1	2,012.5
Net debt [2)]	MEUR	505.0	421.3	917.8	703.9	584.3
Adjusted funds from operations (FFO) [2)*]	MEUR	402.4	373.7	176.0	128.5	184.1
Capital expenditure	MEUR	323.5	135.4	85.4	96.8	130.4

Latvenergo Group Financial Ratios

	9M 2024	9M 2023	9M 2022	9M 2021	9M 2020
Return on equity (ROE) [2)]	11.1%	13.8%	6.8%	2.4%	6.0%
Adjusted FFO / net debt	119%	80%	31%	30%	46%
Net debt / EBITDA [2)]	0.7	1.1	2.7	3.3	2.1
EBITDA margin [2)]	35%	27%	19%	22%	36%
Return on assets (ROA) [2)]	8.0%	8.9%	4.1%	1.5%	3.6%
Return on capital employed (ROCE) [2)]	11.1%	11.8%	5.1%	2.3%	4.6%
Net debt / equity [2)]	17%	15%	39%	35%	29%

* Comparative figures recalculated, presenting the provisions for CO_2 emission quotas at gross value, separately from the purchased emission quotas in short-term intangible investments
1) Including operating consumption
2) Formulas are available on page 25

Operating Environment

Latvenergo Group's operations and performance are influenced by various global and regional factors, including electricity and natural gas prices. In the 9-month period of 2024:

- the Nord Pool system price decreased by 33% and the electricity price in Latvia decreased by 8% compared to the respective period a year ago
- the price of natural gas at the TTF (the Dutch natural gas virtual trading point) decreased by 37%

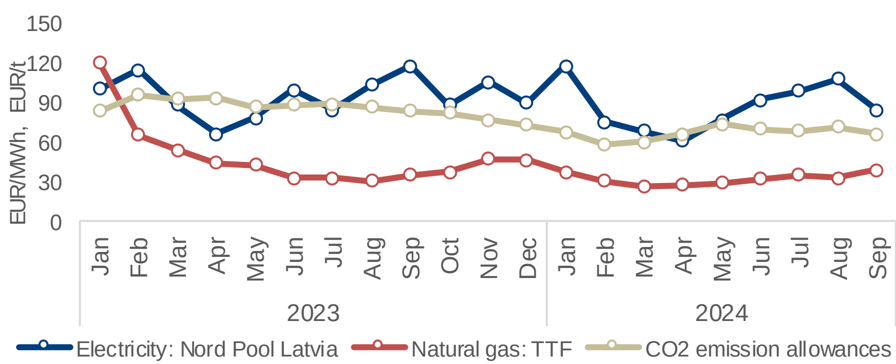
Electricity prices decreased

The electricity price decrease at the Nord Pool was mainly affected by lower natural gas prices and increased electricity generation through renewable energy sources. In the reporting period, electricity generation in the Nord Pool region at wind parks increased by 10%, meanwhile at solar parks by 28%. Warmer weather in Europe and higher renewable energy generation reduced the demand for coal and natural gas power plant generation. This, combined with stable coal and natural gas import supplies and high gas storage levels, contributed to the price decrease at fossil fuel-powered electricity stations. In the Baltics, electricity prices were influenced by the maintenance works on the Estonia-Finland interconnection *EstLink 2,* carried out from late January to early September this year, which limited electricity imports from the Nordic countries. The electricity market also stabilized with the help of the European Commission's REPowerEU plan, which aims to implement energy-saving measures, diversification of energy sources and accelerated development of renewable energy sources.

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

Region	9M 2024	9M 2023	Δ, %
System price	37.8	56.2	(33%)
Latvia	86.3	94.2	(8%)
Lithuania	86.3	94.9	(9%)
Estonia	87.5	90.1	(3%)
Poland	91.2	118.7	(23%)
Sweden	34.9	48.7	(28%)
Finland	47.0	55.1	(15%)
Denmark	64.9	88.7	(27%)
Norway	38.5	55.7	(31%)
Germany	70.3	99.8	(30%)
France	48.3	102.8	(53%)
Great Britain	74.8	111.0	(33%)

Energy resource prices



In the 9-month period of 2024, electricity consumption in the Baltic states increased by an average of 4%, reaching 20.0 TWh. The increase was affected by colder weather at the beginning of the year.

The amount of overall electricity generation in the Baltics increased by 18%, reaching 13.7 TWh (in 9M 2023, it was 11.6 TWh). The total volume of electricity generation in Latvia and Estonia did not change significantly compared to the respective period a year ago and reached 4.5 TWh and 3.5 TWh respectively. The increased generation of wind and solar energy has led to a 48% rise in total electricity generation in Lithuania, reaching 5.6 TWh. The volume of electricity purchased in the Baltics from neighboring countries decreased by 22%; it amounted to 5.7 TWh.

Operating Environment

The natural gas price decreased

Natural gas is the main fuel resource in the Latvenergo AS CHPPs' operation. In the reporting period, the average price of natural gas at the TTF (front month) reached 32 EUR/MWh, which is 37% lower than in the 9-month period of 2023. The decrease was mainly affected by 4% lower natural gas consumption in Europe, higher renewable energy generation in Europe, and stable liquefied natural gas (LNG) supplies. In the 9-month period of 2024, the average fill rate of natural gas storage facilities, according to *Gas Infrastructure Europe* data, was the same as in the respective period a year ago, comprising 74%.

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

- The average price of Brent crude oil futures did not change significantly compared to the 9-month period 2023, comprising 82 USD / bbl. The Brent crude oil market prices were influenced by concerns about global economic developments, primarily in China, resulting in sustained lower demand in the Brent crude oil market. OPEC+ member countries plan to limit oil generation until 2025, while supply risks were affected by the geopolitical situation in Europe and the Middle East.
- The average price of coal (API2 Rotterdam coal futures front month) was 21% lower, reaching 109 USD / t. The decrease in the coal price was affected by lower coal consumption in Europe due to the lower price of natural gas, higher output of renewable energy, and stable coal stockpiles in European ports.
- The average price of CO_2 emission allowances (EUA DEC futures) was 25% lower, reaching 66 EUR / t. This decline was due to decreased natural gas prices and slower economic growth in Europe. The European Parliament's decision to allocate additional quotas for financing REPowerEU, aimed at reducing dependence on Russian energy, increased the short-term supply of quotas.

Latvenergo AS has not imported natural gas from Russia since 2022, switching to supplies of LNG from other countries. Until 2032, Latvenergo AS has secured the rights to make regular natural gas deliveries to the *KN Energies* LNG terminal at a volume of 6 TWh per year. For 2024, Latvenergo AS has signed contracts for the purchase of 7 TWh of natural gas using the *KN Energies* LNG terminal.

Financial Results

In the 9-month period of 2024, Latvenergo Group's revenue reached EUR 1,305.1 million, which was EUR 238.6 million or 15% less than in the respective period a year ago. The revenue decline was affected by energy sales revenue decreasing by EUR 259.9 million, driven by lower energy sales prices. On the other hand, there was a positive impact from an increase in revenue in the distribution segment of EUR 33.2 million, following the introduction of the new distribution tariffs by Sadales tīkls AS starting from 1 July 2023.

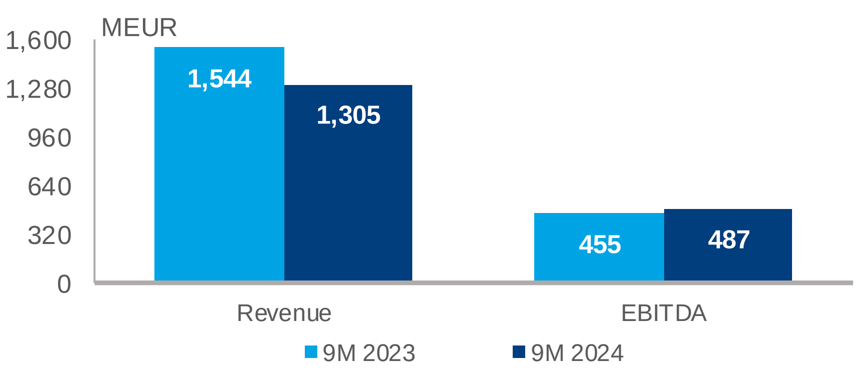
> Latvenergo Group's EBITDA increased by 7%

Latvenergo Group financial figures		9M 2024	9M 2023	Δ	Δ, %
Revenue	MEUR	1,305.1	1,543.7	(238.6)	(15%)
EBITDA	MEUR	487.3	455.3	31.9	7%
Net profit	MEUR	261.3	283.4	(22.1)	(8%)
Assets	MEUR	4,111.9	4,132.2	(20.3)	(0%)

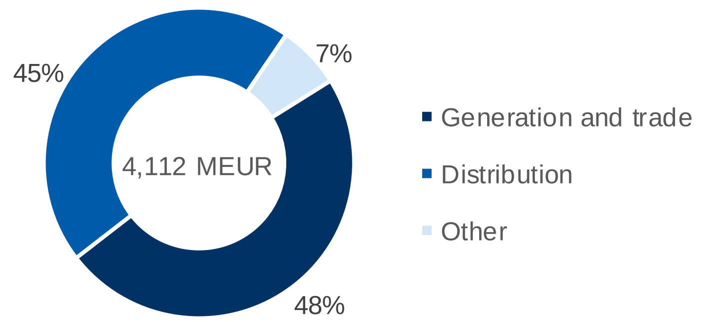
Latvenergo Group's EBITDA increased by EUR 31.9 million, which is 7% more than in the respective period a year ago, reaching EUR 487.3 million. This was mainly positively impacted by the introduction of the new distribution tariffs by Sadales tīkls AS starting from 1 July 2023 and the lower natural gas purchase prices. In the 9-month period of 2024, the average price of natural gas at the TTF (front month) reached 32 EUR/MWh, which is 37% lower than in the 9-month period of 2023. Additionally, there was a positive impact on EBITDA from the 3% increase in retail electricity sales volume, the 35% increase in retail natural gas sales volume and 39% higher output at the CHPPs.

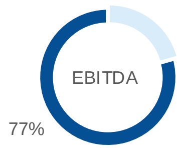
The Group's profit for the reporting period reached EUR 261.3 million.

Revenue and EBITDA



Assets





Generation and Trade

Segment weight in Latvenergo Group

Revenue
79%

EBITDA
77%

Assets
48%

Employees
33%

In the reporting period, generation and trade comprised Latvenergo Group's largest operating segment by revenue and EBITDA. The majority or 93% of the segment's revenue came from electricity and natural gas trade, while 7% came from thermal energy supply.

The segment's revenue was negatively impacted by EUR 259.9 million lower energy sales revenues due to the lower energy sales prices.

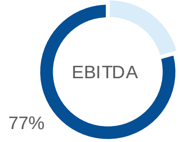
Meanwhile, the segment's EBITDA was mainly positively impacted by the lower natural gas purchase prices. In the reporting period, the average price of natural gas at the TTF (front month) reached 32 EUR/MWh, which is 37% lower than in the 9-month period of 2023. Additionally, the segment's EBITDA was positively impacted by the 3% increase in retail electricity sales volume, the 35% increase in retail natural gas sales volume and 39% higher output at the CHPPs.

The total volume of electricity generated at Latvenergo Group's plants amounted to 4,147 GWh, which corresponded to 90% of the amount of electricity sold to retail customers (in 9M 2023: 88%).

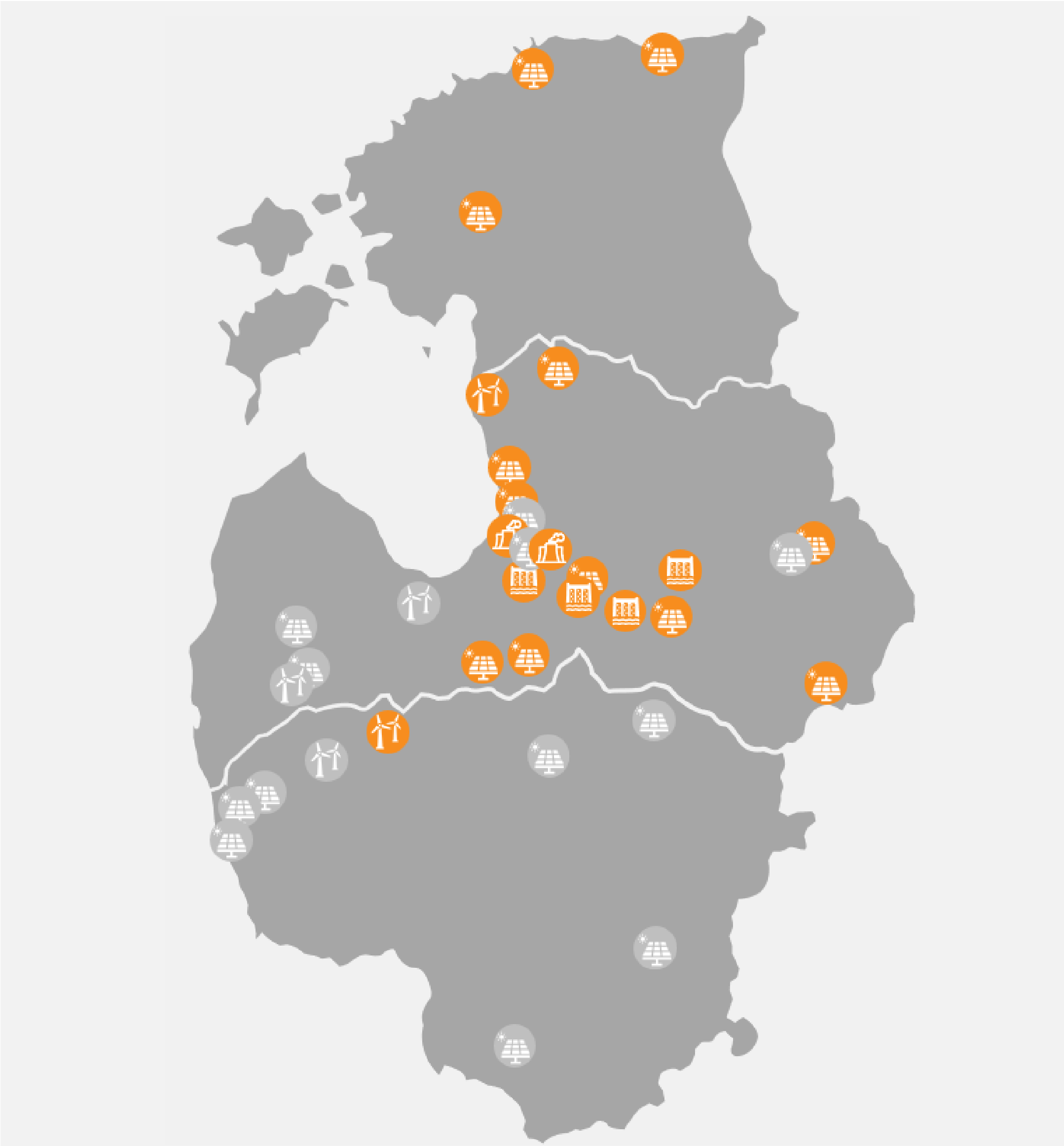
Operational figures		**9M 2024**	**9M 2023**	**Δ**	**Δ, %**
Electricity customers	thous.	885	834	51	6%
Electricity supply	GWh	6,807	6,557	251	4%
*Retail**	*GWh*	*4,611*	*4,491*	*120*	*3%*
*Wholesale***	*GWh*	*2,196*	*2,066*	*130*	*6%*
Natural gas customers	thous.	62	42	20	47%
Natural gas supply	GWh	1,981	921	1,060	115%
Retail	*GWh*	*769*	*567*	*201*	*35%*
Wholesale	*GWh*	*1,212*	*354*	*858*	*243%*
Electricity generation	GWh	4,147	3,974	173	4%
Daugava HPPs	*GWh*	*2,810*	*3,036*	*(226)*	*(7%)*
CHPPs	*GWh*	*1,283*	*920*	*363*	*39%*
SPPs	*GWh*	*36*	*3*	*33*	*1,065%*
WPPs	*GWh*	*1*	*1*	*(0,1)*	*(10%)*
Liepaja plants and Aiviekste HPP	*GWh*	*17*	*14*	*3,5*	*25%*
Thermal energy generation	GWh	1,128	1,000	127	13%
CHPPs	GWh	964	846	118	14%
Liepaja plants	GWh	*164*	*154*	*10*	*6%*

Financial figures		**9M 2024**	**9M 2023**	**Δ**	**Δ, %**
Revenue	MEUR	1,048.0	1,317.9	(269.9)	(20%)
EBITDA	MEUR	376.7	372.1	4.6	1%
Assets	MEUR	1,990.7	1,943.7	47.0	2%
Capital expenditure	MEUR	233.4	52.9	180.5	342%

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



Generation and Trade



Generation

Latvenergo Group has a balanced and environmentally friendly energy generation portfolio, consisting primarily of HPPs and highly efficient CHPPs. However, Latvenergo Group's renewable energy generation capacities in the Baltics are increasingly being developed, and by the end of the reporting period, the installed capacity of newly constructed RES already reached 105 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 over 890 MW in the project or construction stage. Gradual commissioning of the solar and wind parks is expected between 2024 and 2026.

	HPPs	CHPPs	SPPs	WPPs
Operational	1,559 MW	1,039 MW_{el} 1,617 MW_{th}	90 MW	16 MW
In process: Project / Construction			599 MW	292 MW

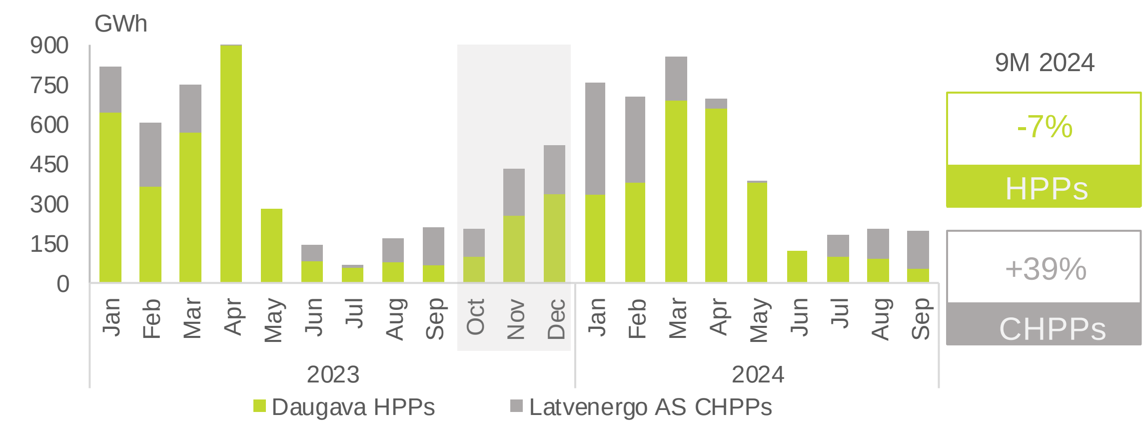
Generation and Trade

Latvenergo Group is one of the largest electricity producers in the Baltics. In the reporting period, Latvenergo Group produced 30% of the total electricity generated in the Baltics. Moreover, 69% of the electricity was generated from renewable energy sources (in 9M 2023: 77%). The total amount generated by Latvenergo Group's power plants comprised 4,147 GWh of electricity and 1,128 GWh of thermal energy.

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

Although electricity generation at the Daugava HPPs decreased by 7% in the 9-month period of 2024 compared to the respective period last year due to lower water inflow in the Daugava River, it was 23% higher than the long-term average output, reaching 2,810 GWh. According to data from the Latvian Environment, Geology and Meteorology Centre, the average water inflow in the Daugava River in 1H 2024 was 749 m^3/s (in 9M 2023 it was 878 m^3/s).

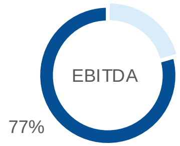
Electricity generation at Daugava HPPs and Latvenergo AS CHPPs



As natural gas prices gradually normalize, our CHPPs are becoming increasingly competitive. The amount generated at the Latvenergo AS CHPPs increased by 39%, reaching 1,283 GWh. The operation of the Latvenergo AS CHPPs is adjusted to the conditions of the electricity market and heat demand.

Due to colder weather conditions and more favourable competition, the amount of thermal energy generated increased by 13%, reaching 1,128 GWh.

Generation and Trade



Trade

At the end of September, the number of electricity customers reached 885 thousand, including almost 273 thousand foreign customers. The electricity customer portfolio shows a positive 6% increase mainly due to the increase in the number of customers within households in Lithuania and customers in Estonia.

In the 9-month period of 2024, the Group supplied 4,611 GWh of electricity to its customers in the Baltics, which is 3% more than in the respective period a year ago.

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

The overall amount of retail electricity trade outside Latvia accounted for about 42%. The electricity trade volume in Latvia was 2,658 GWh, while in Lithuania it was 1,466 GWh and in Estonia it was 487 GWh.

In the reporting period, growth in the natural gas segment continued. The number of natural gas customers increased by 47% compared to previous year, exceeding 62 thousand at the end of September. The Group's natural gas sales in the Baltics increased by 35%, reaching 769 GWh. In total, including wholesale, 1,987 GWh of natural gas was sold, which is 2.2 times more than in the respective period a year ago.

Retail activities of other products and services:

- We continue to expand the *Elektrum Drive* electric car charging network in the Baltics, which had 592 charging ports at the end of September. In the reporting period, more than 79 thousand electric vehicle charges were made, comprising 1,700 MWh, resulting in savings of more than one thousand tonnes of CO_2 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 789 charging points in the Baltics.
- The number of contracts for the installation of solar panels and trade of solar park components in the Baltics exceeded 790. The total installed solar panel capacity (including the 30 MW of remote solar parks constructed for customers in Lithuania) provided to Latvenergo Group's retail customers in the Baltics reached 90 MW at the end of September; thus, Latvenergo is one of the leading providers of this service in the Baltics. Three fourths of panels are installed for customers outside Latvia.

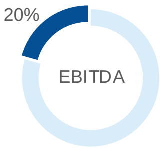
Completed in the 9-month period of 2024

4,611 GWh of electricity sold to Baltic retail customers.

769 GWh of natural gas sold to Baltic retail customers.

Elektrum Drive electric car charging network in the Baltics had 592 charging ports at the end of September.

More than 790 contracts were concluded for the installation of solar panels in the Baltics.



Distribution

Segment weight in Latvenergo Group

Revenue
21%

EBITDA
20%

Assets
45%

Employees
48%

As of 1 July 2023, the new distribution service tariffs of Sadales tīkls AS have come into effect, with the tariff calculation increasing the proportion of the fixed tariff, providing a more appropriate solution for the actual maintenance cost structure of the distribution network. Meanwhile, as of 1 January 2024, state support is provided for all Sadales tīkls AS electricity distribution system service plans *Basic*, ensuring gradual and predictable tariff increases. During the reporting period, state support amounted to EUR 35.5 million.

With the introduction of the new tariff and the 2% increase in distributed electricity, the financial results of the distribution segment have improved. In the 9-month period of 2024, the segment's revenue increased by 14%, reaching EUR 275.4 million. Meanwhile, the segment's EBITDA increased by 31%, reaching EUR 97.9 million. Financial results were negatively impacted by EUR 8.4 million higher electricity transmission service costs, since the transmission service tariffs were also increased on 1 July 2023.

At the end of the reporting period, the total generation capacity of microgenerators connected to the distribution system reached more than 193 MW, and the number of microgenerators connected to the distribution grid exceeded 22,000. The number of solar power plants connected to the electricity distribution system continued to grow, reaching 1,100 by the end of September, with a total generation capacity of 385 MW. In the 9-month period of 2024, about 360 GWh of electricity was produced from solar power and fed into the grid, which is three times more than in the respective period last year.

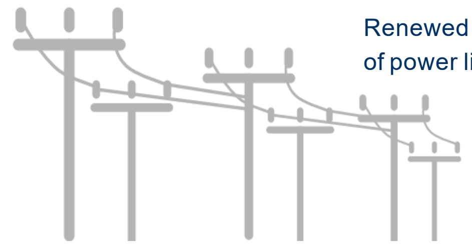
Operational figures		**9M 2024**	**9M 2023**	**Δ**	**Δ, %**
Electricity distributed	GWh	4,490	4,399	91	2%
Distribution losses	GWh	161	168	(7)	(4%)
SAIFI*	number	1.75	1.78	(0.03)	(2%)
SAIDI*	minutes	175.4	173.4	2.0	1%

Financial figures		**9M 2024**	**9M 2023**	**Δ**	**Δ, %**
Revenue	MEUR	275.4	242.2	33.2	14%
EBITDA	MEUR	97.9	74.5	23.4	31%
Assets	MEUR	1,850.1	1,797.7	52.3	3%
RAB	MEUR	1,566.1	1,569.1	(3.0)	(0%)
Capital expenditure	MEUR	83.9	70.1	13.8	20%

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

As of May 2024, a new billing system for electricity producers – known as the net metering system – came into effect. This new billing method is designed for electricity producers who generate energy for self-consumption from renewable resources and feed the unused electricity into the distribution system operator's grid. In the net metering system, the electricity generated by the client and fed into the grid, as well as the electricity received from the grid, are expressed in monetary terms.

Completed in the 9-month period of 2024



Renewed about **770 km** of power lines

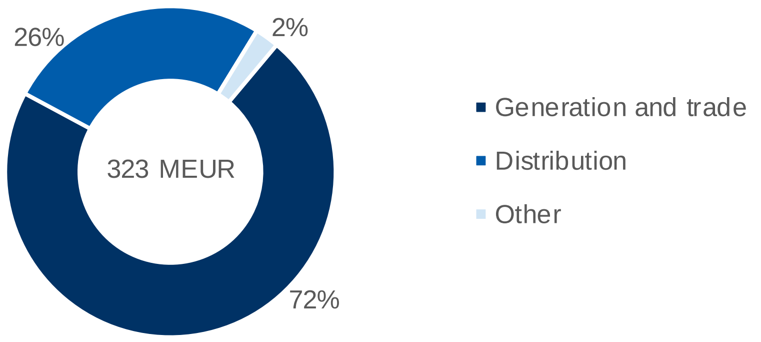
Investments

With the continued development of renewable energy generation capacities in the Baltics, the volume of investments by Latvenergo Group increased significantly. In the 9-month period of 2024, the total amount of investment comprised EUR 323.5 million, which is twice as much as in the respective period a year ago. More than 60% of it or EUR 200 million was made in new wind and solar generation capacities.

In the reporting period, more than one third of Latvenergo Group's total investments were made in wind generation capacities. In May 2024, Latvenergo AS purchased the wind project *Telšiai*, which will enable the start of wind energy generation with a capacity of 124 MW in 2026. The construction costs of the wind park are expected to be approximately EUR 200 million. Meanwhile, in September, Latvenergo acquired 100% shares of Laflora Energy SIA to build a wind farm with a total capacity of 109 MW in the Kaigu swamp in the Līvbērze municipality, with electricity generation set to begin in 2026. The expected construction costs amount to EUR 185 million. In the reporting period, Akmene WPP (15 MW) started wind energy generation in Lithuania.

More than one fourth of Latvenergo Group's total investments were made in *Elektrum* solar park projects. In the reporting period, nine solar parks in Latvia, with a total capacity of 65 MW, and two solar parks in Estonia (24 MW) began operations. Thus, at the end of September, Latvenergo's renewable generation capacity was expanded with 12 solar parks, totalling 90 MW.

Capital expenditure



After the end of the reporting period, Latvenergo AS acquired DSE Aizpute Solar SIA to construct its largest solar power plant to date, with a total capacity of 265 MW, by the end of 2025. The expected construction costs amount to EUR 135 million.

Also, reconstruction work and procurement procedures continued for the reconstruction of the last three hydro units of the Daugava HPPs.

In the reporting period, investments in distribution comprised EUR 83.9 million, which is about one fourth of the Group's total investments. The majority of funds are invested in the construction and reconstruction of power lines and transformers, thereby ensuring high-quality network services, technical performance, and operational safety. The purpose of investments in the distribution segment is to promote the quality and security of the energy supply, reduce the frequency and duration of power supply disruptions caused by planned and unplanned maintenance, and ensure the appropriate voltage quality.

Latvenergo Group purposefully develops renewable generation capacity in the Baltic region

At the time of this report's publication, in the Baltic region, the Group has solar and wind parks in the project or construction stage with a total capacity of more than 890 MW. Solar and wind parks are expected to be commissioned gradually from 2024–2026.

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.

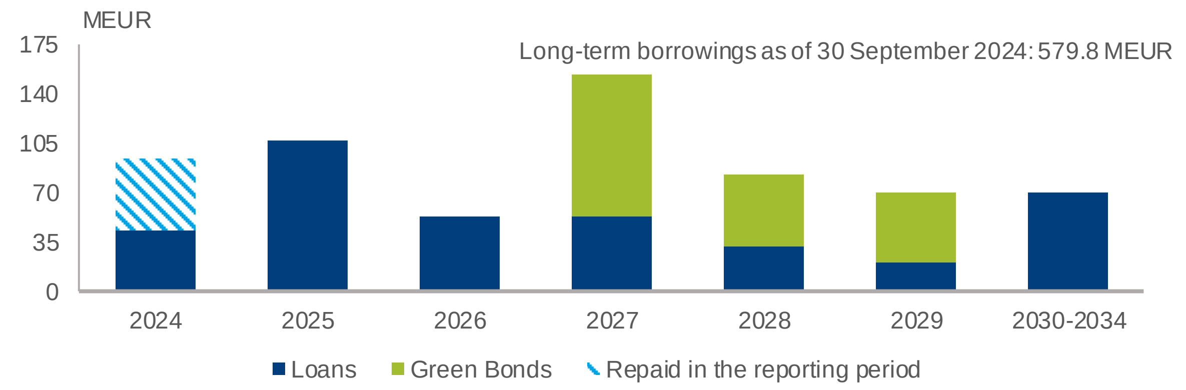
As of 30 September 2024, the Group's borrowings amount to EUR 579.8 million (30 September 2023: EUR 674.4 million), all of which are long-term loans. The loan portfolio includes long-term loans from commercial banks and international financial institutions, as well as green bonds in the amount of EUR 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 September 2024, all borrowings are denominated in euro currency. The weighted average long-term loan repayment period is 3.5 years (30 September 2023: 4.0 years). The effective weighted average interest rate (with interest rate swaps) is 3.6% (30 September 2023: 3.1%). 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.

Latvenergo Group's long-term debt repayment schedule



On 13 September 2024, the international credit rating agency *Moody's* reaffirmed Latvenergo AS credit rating at 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 – 60%–65% 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 77% of the annual generation volume by the end of September.

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, 49% of the long-term borrowings had a fixed interest rate with an average period of 1.8 years as of 30 September 2024.

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 September 2024, 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 incurrence of loss. No credit limits were exceeded during the reporting period, 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 September 2024, Latvenergo Group's liquid assets (cash and short-term deposits up to 3 months) reached EUR 74.9 million (30 September 2023: EUR 253.2 million), while the current ratio was 1.6 (1.9).

The Group plans to use its funds in the amount of EUR 74.9 million for repayment of the existing loan principal, and financing investments and operating expenses.

The Group continuously monitors cash flow and liquidity forecasts, evaluating the total volume of undrawn borrowing facilities and cash and cash equivalents.

Latvenergo AS Key Performance Indicators

Latvenergo AS operational figures

		9M 2024	9M 2023	9M 2022
Electricity supply	GWh	4,653	4,721	3,370
Retail[2]	*GWh*	*2,658*	*2,796*	*2,512*
Wholesale[3]	*GWh*	*1,994*	*1,925*	*858*
Natural gas supply	GWh	1,856	841	621
Retail	*GWh*	*638*	*488*	*511*
Wholesale	*GWh*	*1,218*	*354*	*110*
Electricity generation	GWh	4,103	3,959	2,713
Thermal energy generation	GWh	964	846	980
Number of employees		1,464	1,404	1,301
Moody's credit rating		Baa2 (stable)	Baa2 (stable)	Baa2 (stable)

Latvenergo AS financial figures

		9M 2024	9M 2023	9M 2022
Revenue	MEUR	825.7	1,087.0	736.6
EBITDA[1]	MEUR	377.8	370.9	166.8
Profit	MEUR	257.8	276.8	125.5
Assets	MEUR	3,443.2	3,504.5	3,527.4
Equity	MEUR	2,649.8	2,560.9	2,025.8
Net debt (adjusted)[1]	MEUR	530.0	425.0	914.8
Capital expenditure	MEUR	40.6	48.0	21.7

Latvenergo AS financial ratios

	9M 2024	9M 2023	9M 2022
Return on equity (ROE)[1]	12.0%	15.7%	9.2%
Net debt / equity (adjusted)[1]	20%	17%	45%
EBITDA margin[1]	42%	31%	22%

1) Formulas are available on page 25
2) Including operating consumption
3) Including sale of energy purchased within the mandatory procurement on the Nord Pool

Statement of Management Responsibility

Based on the information available to the Management Board of Latvenergo AS, the *Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Interim Financial Statements for the first 9 months of 2024,* including the Management Report, have been prepared in accordance with the International Financial Reporting 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 9 months of 2024* were approved by the Management Board of Latvenergo AS on 26 November 2024 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 November 2024

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 2023.

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 =

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

Net debt/ EBITDA =

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

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

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

Return on assets =

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

Return on equity =

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

Return on equity excluding distribution=
(Group's profit – Sadales tīkls AS profit (12-month rolling)) / ((Group's equity – Sadales tīkls AS equity (at the beginning of the 12-moth period)

+ Group's equity – Sadales tīkls AS equity (at the end of the 12-month period) / 2)

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

Average value of borrowings =

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

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

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

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

List of Abbreviations

AST –	Augstsprieguma tīkls AS
bbl –	barrel of oil (158.99 litres)
CHPPs –	Latvenergo AS combined heat and power plants
CM –	Cabinet of Ministers
CO_2 –	Carbon dioxide
Daugava HPPs –	Daugava hydropower plants
EBITDA –	earnings before interest. corporate income tax. share of profit or loss of associates. depreciation and amortization. and impairment of intangible and fixed assets
EU –	European Union
GW –	gigawatt
kV –	kilovolt
LET –	Latvijas elektriskie tīkli AS
LNG –	liquid natural gas
MEUR –	million euros
MW –	megawatt
MWh –	megawatt hour (1.000.000 MWh = 1.000 GWh = 1 TWh)
MP –	mandatory procurement
MPC –	mandatory procurement component
nm^3 –	normal cubic meter
PUC –	Public Utilities Commission
RAB –	Regulated asset base
RES –	Renewable energy sources
SAIDI –	System Average Interruption Duration Index
SAIFI –	System Average Interruption Frequency Index
SDG –	Sustainable Development Goals
SPP –	Solar power plant
TTF –	the Dutch natural gas virtual trading point
WACC –	Weighted average cost of capital
WPP –	Wind power plant

Unaudited Condensed Interim Financial Statements

Statement of Profit or Loss

EUR'000

	Notes	Group 01/01-30/09/2024	Group 01/01-30/09/2023	Parent Company 01/01-30/09/2024	Parent Company 01/01-30/09/2023
Revenue	4	1,305,125	1,543,716	825,655	1,087,030
Other income		22,853	23,861	20,905	20,945
Raw materials and consumables	5	(675,904)	(952,600)	(384,095)	(657,935)
Personnel expenses		(115,024)	(107,893)	(52,868)	(48,719)
Other operating expenses		(49,800)	(51,738)	(31,811)	(30,398)
EBITDA		**487,250**	**455,346**	**377,786**	**370,923**
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right–of–use assets	7, 8	(167,655)	(130,534)	(101,235)	(66,312)
Operating profit		**319,595**	**324,812**	**276,551**	**304,611**
Finance income	6 a	11,938	5,710	27,077	16,622
Finance costs	6 b	(16,384)	(18,850)	(16,615)	(18,846)
Dividends from subsidiaries		–	–	19,069	924
Profit before tax		**315,149**	**311,672**	**306,082**	**303,311**
Income tax		(53,851)	(28,279)	(48,282)	(26,462)
Profit for the period		**261,298**	**283,393**	**257,800**	**276,849**
Profit attributable to:					
- Equity holder of the Parent Company		260,476	283,120	257,800	276,849
- Non-controlling interests		822	273	–	–

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 01/01-30/09/2024	Group 01/01-30/09/2023	Parent Company 01/01-30/09/2024	Parent Company 01/01-30/09/2023
Profit for the period		**261,298**	**283,393**	**257,800**	**276,849**
Other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods, net of tax:					
- (losses) / gains from change in hedge reserve	13	(3,769)	87,249	(3,769)	87,249
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(3,769)**	**87,249**	**(3,769)**	**87,249**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of tax:					
– gains on revaluation of non–current assets	7 c	–	312,062	–	312,062
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**–**	**312,062**	**–**	**312,062**
Other comprehensive loss for the period		**(3,769)**	**399,311**	**(3,769)**	**399,311**
TOTAL comprehensive income for the period		**257,529**	**682,704**	**254,031**	**676,160**
Comprehensive income attributable to:					
- Equity holder of the Parent Company		256,707	682,431	254,031	676,160
- Non-controlling interests		822	273	–	–

Statement of Financial Position

EUR'000

	Notes	Group		Parent Company	
		30/09/2024	31/12/2023	30/09/2024	31/12/2023
ASSETS					
Non-current assets					
Intangible assets	7 a	79,532	57,326	21,757	21,647
Property, plant and equipment	7 c	3,428,674	3,301,051	1,445,419	1,505,411
Right-of-use assets	8	9,762	11,219	3,765	4,710
Investment property	7 d	2,256	2,309	2,053	2,261
Non-current financial investments	9	40	42	801,634	671,720
Non-current loans to related parties	19 e	21,589	863	517,970	463,030
Other non-current receivables	11 c	447	447	447	447
Deferred income tax assets		66	800	–	–
Derivative financial instruments	15	2,520	3,210	2,520	3,210
Total non-current assets		**3,544,886**	**3,377,267**	**2,795,565**	**2,672,436**
Current assets					
Inventories	10	173,440	183,798	124,215	146,045
Current intangible assets	7 b	44,097	69,312	44,097	69,312
Receivables from contracts with customers	11 a	165,396	224,922	90,197	161,674
Other current receivables	11 b, c	20,840	50,081	51,012	52,280
Deferred expenses		3,429	2,388	2,826	2,156
Current loans to related parties	19 e	–	–	210,718	161,268
Prepayment for income tax		304	–	–	–
Derivative financial instruments	15	4,710	7,959	4,710	7,959
Other current financial investments		79,940	140,000	79,940	140,000
Cash and cash equivalents	12	74,863	118,456	39,935	107,163
Total current assets		**567,019**	**796,916**	**647,650**	**847,857**
TOTAL ASSETS		**4,111,905**	**4,174,183**	**3,443,215**	**3,520,293**
Equity					
Share capital		790,368	790,368	790,368	790,368
Reserves		1,676,163	1,681,852	1,315,761	1,320,419
Retained earnings		532,985	483,016	543,717	497,227
Equity attributable to equity holder of the Parent Company		**2,999,516**	**2,955,236**	**2,649,846**	**2,608,014**
Non-controlling interests		6,415	7,844	–	–
Total equity		**3,005,931**	**2,963,080**	**2,649,846**	**2,608,014**
Liabilities					
Non-current liabilities					
Borrowings		476,868	536,316	469,135	527,082
Lease liabilities	14	7,573	9,015	2,673	3,607
Deferred income tax liabilities	8	5,022	5,475	–	–
Provisions		18,608	18,240	8,863	8,565
Derivative financial instruments		324		324	
Deferred income from contracts with customers	18 I, a	146,179	138,506	618	668
Other deferred income	18 I, b, c	96,639	112,509	78,221	94,263
Total non-current liabilities	18 I, b, c	**751,213**	**820,061**	**559,834**	**634,185**
Current liabilities					
Borrowings	14	102,956	93,380	100,799	91,097
Lease liabilities	8	2,461	2,391	1,204	1,217
Trade and other payables	17	170,661	202,733	71,129	115,300
Deferred income from contracts with customers	18 II, a	17,525	21,304	67	67
Other deferred income	18 II, b, c	24,974	24,973	24,152	24,152
Provisions		35,868	46,261	35,868	46,261
Derivative financial instruments	15	316	–	316	–
Total current liabilities		**354,761**	**391,042**	**233,535**	**278,094**
Total liabilities		**1,105,974**	**1,211,103**	**793,369**	**912,279**
TOTAL EQUITY AND LIABILITIES		**4,111,905**	**4,174,183**	**3,443,215**	**3,520,293**

Statement of Changes in Equity

EUR'000

	Group						Parent Company			
	Attributable to equity holder of the Parent Company						Attributable to equity holder of the Parent Company			
	Share capital	Reserves	Retained earnings	Total	Non-controlling interests	TOTAL	Share capital	Reserves	Retained earnings	TOTAL
As of 31 December 2022	**790,368**	**1,282,683**	**276,242**	**2,349,293**	**7,126**	**2,356,419**	**790,368**	**910,683**	**317,643**	**2,018,694**
Dividends for 2022	–	–	(133,991)	**(133,991)**	(450)	**(134,441)**	–	–	(133,991)	**(133 991)**
Disposal of non–current assets revaluation reserve	–	(5,554)	5,554	**–**	–	**–**	–	(534)	534	**–**
Total transactions with owners and other changes in equity	**–**	**(5,554)**	**(128,437)**	**(133,991)**	**(450)**	**(134,441)**	**–**	**(534)**	**(133,457)**	**(133,991)**
Profit for the period	–	–	283,120	**283,120**	273	**283,393**	–	–	276,849	**276 849**
Other comprehensive income for the period	–	399,311	–	**399,311**	–	**399,311**	–	399,311	–	**399 311**
Total comprehensive income for the period	**–**	**399,311**	**283,120**	**682,431**	**273**	**682,704**	**–**	**399,311**	**276,849**	**676,160**
As of 30 September 2023	**790,368**	**1,676,440**	**430,925**	**2,897,733**	**6,949**	**2,904,682**	**790,368**	**1,309,460**	**461,035**	**2 560 863**
Dividends for 2022	–	–	(18,547)	**(18,547)**	–	**(18,547)**	–	–	(18,547)	**(18 547)**
Formed other reserves	–	50	(50)	**–**	–	**–**	–	–	–	–
Disposal of non–current assets revaluation reserve	–	(4,059)	4,059	**–**	–	**–**	–	(27)	27	**–**
Total transactions with owners and other changes in equity	**–**	**(4,009)**	**(14,538)**	**(18,547)**	–	**(18,547)**	**–**	**(27)**	**(18,520)**	**(18,547)**
Profit for the period	–	–	66,629	**66,629**	895	**67,524**	–	–	54,712	**54 712**
Other comprehensive income for the period	–	9,421	–	**9,421**	–	**9,421**	–	10,986	–	**10 986**
Total comprehensive income for the period	**–**	**9,421**	**66,629**	**76,050**	**895**	**76,945**	**–**	**10,986**	**54,712**	**65,698**
As of 31 December 2023	**790,368**	**1,681,852**	**483,016**	**2,955,236**	**7,844**	**2,963,080**	**790,368**	**1,320,419**	**497,227**	**2,608,014**
Acquisition of non-controlling interests	**–**	**–**	(228)	**(228)**	(172)	**(400)**	**–**	**–**	**–**	**–**
Dividends for 2023	**–**	**–**	(212,199)	**(212,199)**	(2,079)	**(214,278)**	**–**	**–**	(212,199)	**(212,199)**
Disposal of non–current assets revaluation reserve	**–**	(6,016)	6,016	**–**	**–**	**–**	–	(889)	889	**–**
Formed other reserves		4,096	**(4,096)**	**–**	**–**	**–**	–	**–**	**–**	**–**
Total transactions with owners and other changes in equity	**–**	**(1,920)**	**(210,507)**	**(212,427)**	**(2,251)**	**(214,678)**	**–**	**(889)**	**(211,310)**	**(212,199)**
Profit for the period	**–**	–	260,476	**260,476**	822	**261,298**	–	–	257,800	**257,800**
Other comprehensive income for the period	**–**	(3,769)	–	**(3,769)**	**–**	**(3,769)**	–	(3,769)	-	**(3,769)**
Total comprehensive income for the period	**–**	**(3,769)**	**260,476**	**256,707**	**822**	**257,529**	**–**	**(3,769)**	**257,800**	**254,031**
As of 30 September 2024	**790,368**	**1,676,163**	**532,985**	**2,999,516**	**6,415**	**3,005,931**	**790,368**	**1,315,761**	**543,717**	**2,649,846**

Statement of Cash Flows

EUR'000

	Notes	Group		Parent Company	
		01/01-30/09/2024	**01/01-30/09/2023**	**01/01-30/09/2024**	**01/01-30/09/2023**
Cash flows from operating activities					
Profit before tax		315,149	311,672	306,082	303,311
Adjustments:					
- Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right–of–use assets		167,655	130,534	101,235	66,312
- Loss / (income) from disposal of non–current assets		3,550	3,205	(862)	(90)
- Interest expense		16,208	18,637	16,454	18,651
- Interest income		(9,431)	(3,590)	(24,570)	(14,502)
- Fair value loss / (income) on derivative financial instruments		810	(19,794)	810	(19,794)
- Dividends from subsidiaries		–	–	(19,069)	(924)
- Increase in provisions		(10,025)	(10,711)	(10,095)	(11,041)
Interest paid		(17,193)	(14,383)	(16,754)	(14,083)
Interest paid on leases		(100)	(82)	(22)	(17)
Interest received		9,786	3,590	9,120	3,381
Paid corporate income tax		(56,046)	(27,364)	(48,282)	(26,462)
Funds from operations (FFO)		**420,363**	**391,714**	**314,047**	**304,742**
Decrease in inventories and current intangible assets		38,402	76,031	47,045	81,346
Decrease in receivables from contracts with customers and other receivables		87,906	110,509	100,576	104,069
Decrease in other current financial investments		60,000	–	60,000	–
(Decrease) / increase in trade and other liabilities		(85,347)	16,625	(65,828)	(40,374)
Impact of non-cash offsetting of operating receivables and liabilities from subsidiaries, net		–	–	10,775	15,950
Net cash flows generated from operating activities		**521,324**	**594,879**	**466,615**	**465,733**
Cash flows from investing activities					
Loans issued to related parties	19	(20,744)	–	(115,248)	–
Repayment of loans to related parties	19	–	–	–	51,385
Purchase of intangible assets and PPE		(279,779)	(128,261)	(34,670)	(45,592)
Dividends received from subsidiaries		–	–	2,164	924
Investments in subsidiaries		–	–	(125,915)	–
Net cash flows (used in) / generated from investing activities		**(300,523)**	**(128,261)**	**(273,669)**	**6,717**
Cash flows from financing activities					
Proceeds on issued debt securities (bonds)	14	–	50,000	–	50,000
Proceeds on borrowings from financial institutions	14	57	–	57	–
Repayment of borrowings from financial institutions	14	(51,235)	(256,866)	(49,626)	(251,424)
Received financing from European Union		2,867	16,245	2,750	2,625
Provided financing from European Union to subsidiary as cooperation partner, net		–	–	(672)	–
Lease payments		(1,405)	(1,149)	(484)	(283)
Acquisition of non-controlling interests		(400)	–	–	–
Dividends paid to non–controlling interests		(2,079)	(451)	–	–
Dividends paid to equity holder of the Parent Company		(212,199)	(133,991)	(212,199)	(133,991)
Net cash flows used in financing activities		**(264,394)**	**(326,212)**	**(260,174)**	**(333,073)**
Net (decrease) / increase in cash and cash equivalents		**(43,593)**	**140,406**	**(67,228)**	**139,377**
Cash and cash equivalents at the beginning of the period	12	118,456	112,757	107,163	100,268
Cash and cash equivalents at the end of the period	**12**	**74,863**	**253,163**	**39,935**	**239,645**

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 and, therefore, is not subject to privatisation.

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 (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 (since 26 January 2024 till 9 May 2024 as temporary Management Board Member, since 10 May 2024 as permanent Management Board Member) .

Since 3 January 2022 till 26 January 2024 the Management Board of Latvenergo AS was comprised of the following members: Mārtiņš Čakste (Chairman of the Board), Dmitrijs Juskovecs, Guntars Baļčūns, Harijs Teteris and Kaspars Cikmačs until 24 September 2023.

The Supervisory Board of Latvenergo AS:
Since 1 March 2024 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.

Since 11 June 2020 till 1 March 2024 the Supervisory Board of Latvenergo AS was comprised of the following members: Ivars Golsts (Chairman), Kaspars Rokens (Deputy Chairman), Aigars Laizāns, 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, Torbens Pedersens (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 2023 has been approved on 29 May 2024 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 9 months of 2024 include the financial information in respect of the Latvenergo Group and Latvenergo AS for the period starting on 1 January 2024 and ending on 30 September 2024 and comparative information for the period of 2023 starting on 1 January 2023 and ending on 30 September 2023.

Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Interim Financial Statements for the first 9 months of 2024 were authorised by the Latvenergo AS Management Board on 26 November 2024.

2. Significant accounting policies

These Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Interim Financial Statements are prepared in accordance with the International Financial Reporting 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 2023. 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 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 2023.

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.

Corporate functions provide management services to subsidiaries as well as provides IT and telecommunication, rental services to external customers.

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.

The operations of the distribution operating segment relate to the provision of electricity distribution services in Latvia and is managed by the subsidiary Sadales tīkls AS (the largest distribution system operator in Latvia).

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**	**Consolidated**	**Generation and trade**	**Corporate functions**	**TOTAL segments**	**Adjustments and eliminations**	**Consolidated**
Period: 01/01–30/09/2024											
Revenue											
External customers	1,025,061	273,949	6,115	**1,305,125**	–	**1,305,125**	797,106	28,549	**825,655**	–	**825,655**
Inter-segment	22,944	1,407	50,905	**75,256**	(75,256)	**–**	–	30,421	**30,421**	(30,421)	**–**
TOTAL revenue	**1,048,005**	**275,356**	**57,020**	**1,380,381**	**(75,256)**	**1,305,125**	**797,106**	**58,970**	**856,076**	**(30,421)**	**825,655**
Results											
EBITDA	**376,652**	**97,898**	**12,700**	**487,250**	**–**	**487,250**	**363,797**	**13,989**	**377,786**	**–**	**377,786**
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment and right-of-use assets	(94,325)	(63,313)	(10,017)	**(167,655)**	–	**(167,655)**	(91,171)	(10,064)	**(101,235)**	–	**(101,235)**
Segment profit / (loss) before tax	**282,327**	**34,585**	**2,683**	**319,595**	**(4,446)**	**315,149**	**272,626**	**3,925**	**276,551**	**29,531**	**306,082**
Capital expenditure	233,379	83,850	7,598	**324,827**	**(1,332)**	**323,495**	33,032	7,598	**40,630**	**–**	**40,630**
Period: 01/01–31/09/2023											
Revenue											
External customers	1,295,881	241,615	6,220	**1,543,716**	–	**1,543,716**	1,059,890	27,140	**1,087,030**	–	**1,087,030**
Inter-segment	21,987	580	45,017	**67,584**	(67,584)	**–**	2,243	26,858	**29,101**	(29,101)	**–**
TOTAL revenue	**1,317,868**	**242,195**	**51,237**	**1,611,300**	**(67,584)**	**1,543,716**	**1,062,133**	**53,998**	**1,116,131**	**(29,101)**	**1,087,030**
Results											
EBITDA	**372,067**	**74,468**	**8,811**	**455,346**	**–**	**455,346**	**358,482**	**12,441**	**370,923**	**–**	**370,923**
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment and right-of-use assets	(59,998)	(61,339)	(9,197)	**(130,534)**	–	**(130,534)**	(56,994)	(9,318)	**(66,312)**	–	**(66,312)**
Segment profit / (loss) before tax	**312,069**	**13,129**	**(386)**	**324,812**	**(13,140)**	**311,672**	**301,488**	**3,123**	**304,611**	**(1,300)**	**303,311**
Capital expenditure	52,858	70,077	12,489	**135,424**	**–**	**135,424**	35,513	12,489	**48,002**	**–**	**48,002**

Segment assets

EUR'000

	Group						Parent Company				
	Generation and trade	**Distri-bution**	**Corporate functions**	**TOTAL segments**	**Adjustments and eliminations**	**Consolidated**	**Generation and trade**	**Corporate functions**	**TOTAL segments**	**Adjustments and eliminations**	**Consolidated**
As of 30 September 2024	1,990,721	1,850,081	115,890	**3,956,692**	155,213	**4,111,905**	1,637,843	155,175	**1,793,018**	1,650,197	**3,443,215**
As of 31 December 2023	1,986,902	1,800,405	127,578	**3,914,885**	259,298	**4,174,183**	1,821,772	155,340	**1,977,112**	1,543,181	**3,520,293**

The Group's and the Parent Company's revenue from external customers (Note 4)

EUR'000

	Group					Parent Company			
	Generation and trade	Distribution	Corporate Functions	TOTAL segments	TOTAL Group	Generation and trade	Corporate Functions	TOTAL segments	TOTAL Group
Period: 01/01–30/09/2024									
Revenue from contracts with customers:									
Trade of energy and related supply services	930,364	2,538	–	**932,902**	**932,902**	731,176	–	**731,176**	**731,176**
Distribution system services	–	256,431	–	**256,431**	**256,431**	–	–	**–**	**–**
Heat sales	73,645	75	–	**73,720**	**73,720**	61,134	–	**61,134**	**61,134**
Sales of goods and energy related solutions	16,104	–	–	**16,104**	**16,104**	3,076	–	**3,076**	**3,076**
Other revenue	4,948	14,844	4,961	**24,753**	**24,753**	1,640	26,056	**27,696**	**27,696**
Total revenue from contracts with customers	**1,025,061**	**273,888**	**4,961**	**1,303,910**	**1,303,910**	**797,026**	**26,056**	**823,082**	**823,082**
Other revenue:									
Lease of other assets	–	61	1,154	**1,215**	**1,215**	80	2,493	**2,573**	**2,573**
Total other revenue	**–**	**61**	**1,154**	**1,215**	**1,215**	**80**	**2,493**	**2,573**	**2,573**
Period: 01/01–30/09/2023									
Revenue from contracts with customers:									
Trade of energy and related supply services	1,101,496	2,564	–	**1,104,060**	**1,104,060**	899,587	–	**899,587**	**899,587**
Distribution system services	–	224,621	–	**224,621**	**224,621**	–	–	**–**	**–**
Heat sales	162,371	86	–	**162,457**	**162,457**	149,366	–	**149,366**	**149,366**
Sales of goods and energy related solutions	28,115	–	–	**28,115**	**28,115**	9,950	–	**9,950**	**9,950**
Other revenue	3,899	14,292	4,993	**23,184**	**23,184**	987	24,574	**25,561**	**25,561**
Total revenue from contracts with customers	**1,295,881**	**241,563**	**4,993**	**1,542,437**	**1,542,437**	**1,059,890**	**24,574**	**1,084,464**	**1,084,464**
Other revenue:									
Lease of other assets	–	52	1,227	**1,279**	**1,279**	–	2,566	**2,566**	**2,566**
Total other revenue	**–**	**52**	**1,227**	**1,279**	**1,279**	**–**	**2,566**	**2,566**	**2,566**

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	
	01/01-30/09/2024	01/01-30/09/2023	01/01-30/09/2024	01/01-30/09/2023
EBITDA	**487,250**	**455,346**	**377,786**	**370,923**
Depreciation, amortisation and impairment of intangible assets, property, plant, and equipment and right–of–use assets	(167,655)	(130,534)	(101,235)	(66,312)
Segment profit before tax	**319,595**	**324,812**	**276,551**	**304,611**
Finance income	11,938	5,710	27,077	16,622
Finance costs	(16,384)	(18,850)	(16,615)	(18,846)
Dividends received from subsidiaries	–	–	19,069	924
Profit before tax	**315,149**	**311,672**	**306,082**	**303,311**

Reconciliation of assets

EUR'000

	Group		Parent Company	
	30/09/2024	31/12/2023	30/09/2024	31/12/2023
Segment operating assets	**3,956,692**	**3,914,885**	**1,793,018**	**1,977,112**
Non-current financial investments	40	42	801,634	671,720
Loans to related parties	–	–	728,688	624,298
Other current financial investments	79,940	140,000	79,940	140,000
Prepayment for income tax	370	800	–	–
Cash and cash equivalents	74,863	118,456	39,935	107,163
TOTAL assets	**4,111,905**	**4,174,183**	**3,443,215**	**3,520,293**

4. Revenue

EUR'000

	IFRS or IAS applied	Group		Parent Company	
		01/01-30/09/2024	01/01-30/09/2023	01/01-30/09/2024	01/01-30/09/2023
Revenue from contracts with customers:					
Trade of energy and related supply services	IFRS 15	932,902	1,104,060	731,176	899,587
Distribution system services	IFRS 15	256,431	224,621	–	–
Heat sales	IFRS 15	73,720	162,457	61,134	149,366
Sales of goods and energy related solutions	IFRS 15	16,104	28,115	3,076	9,950
Other revenue	IFRS 15	24,753	23,184	27,696	25,561
Total revenue from contracts with customers		**1,303,910**	**1,542,437**	**823,082**	**1,084,464**
Other revenue:					
Lease of other assets	IFRS 16	1,215	1,279	2,573	2,566
Total other revenue		**1,215**	**1,279**	**2,573**	**2,566**
TOTAL revenue		**1,305,125**	**1,543,716**	**825,655**	**1,087,030**

In Latvia, Lithuania and Estonia end-users have been granted state support. In the 9–month period ending on 30 September 2024 state support was provided on distribution system services while in during the 9–month period ending on 30 September 2023 support was provided for electricity, distribution system services, consumed natural gas and for heat. The support did not change tariffs and energy prices (and thus gross revenue is recognised) rather the process of receiving the transaction fees, the payment being partially received from the end-users and partially from the state budget. During the reporting period, the Group has recognised gross revenue for the allocated state support for the end-users of the Group companies in amount of EUR 31,942 thousand (01/01 - 30/09/2023: in amount of EUR 104,414 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	
	01/01-30/09/2024	**01/01-30/09/2023**	**01/01-30/09/2024**	**01/01-30/09/2023**
Goods and services transferred over time	1,171,110	1,095,290	698,323	742,757
Goods and services transferred at a point in time	132,800	447,147	124,759	341,707
TOTAL revenue from contracts with customers	**1,303,910**	**1,542,437**	**823,082**	**1,084,464**

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	
	01/01-30/09/2024	**01/01-30/09/2023**	**01/01-30/09/2024**	**01/01-30/09/2023**
Distribution system services	53,082	21,673	133,927	58,084
Transmission system services	1,574	413	1,599	419
Insurance intermediation	1,508	854	1,413	806
TOTAL revenue recognised applying agent accounting principle	**56,164**	**22,940**	**136,939**	**59,309**

5. Raw materials and consumables

EUR'000

	Group		Parent Company	
	01/01-30/09/2024	**01/01-30/09/2023**	**01/01-30/09/2024**	**01/01-30/09/2023**
Energy costs:				
Electricity and costs of related supply services	245,140	279,876	38,853	63,551
Electricity transmission services costs	66,802	58,481	2,012	2,110
Natural gas and other energy resources costs	301,373	582,928	294,515	573,450
CO2 emission allowances costs	35,954	27,574	35,954	27,574
Gains on fair value changes on energy futures, forwards, and swaps (Note 15 II)	783	(19,837)	783	(19,837)
	650,052	**929,022**	**372,117**	**646,848**
Raw materials, spare parts and maintenance costs	25,852	23,578	11,978	11,087
TOTAL raw materials and consumables used	**675,904**	**952,600**	**384,095**	**657,935**

6. Finance income and costs

EUR'000

	Group		Parent Company	
	01/01-30/09/2024	01/01-30/09/2023	01/01-30/09/2024	01/01-30/09/2023
a) Finance income:				
Interest income on loans to related parties	607	–	15,804	11,121
Interest income on interest rate swaps	2,501	2111	2,501	2111
Interest income	8,823	3590	8,765	3381
Gains on fair value changes on interest rate swaps (Note 15 I)	7	9	7	9
TOTAL finance income	**11,938**	**5,710**	**27,077**	**16,622**

EUR'000

	Group		Parent Company	
	01/01-30/09/2024	01/01-30/09/2023	01/01-30/09/2024	01/01-30/09/2023
b) Finance costs:				
Interest expense on borrowings	13,891	15,913	14,213	15,989
Interest expense on issued debt securities (bonds)	3,856	3,489	3,856	3,489
Interest expense on assets lease	124	119	48	61
Losses on fair value changes on interest rate swaps	33	51	33	51
Capitalised borrowing costs	(1,662)	(884)	(1,662)	(884)
Loss on issued debt securities (bonds)	16	–	16	–
Other finance costs	126	162	111	140
TOTAL finance costs	**16,384**	**18,850**	**16,615**	**18,846**

7. Intangible assets and property, plant and equipment

a) Non–current intangible assets

EUR'000

	Group			Parent Company		
	01/01-30/09/2024	01/01-30/09/2023	2023	01/01-30/09/2024	01/01-30/09/2023	2023
Cost	134,711	123,660	123,660	73,666	67,879	67,879
Accumulated amortisation	(77,385)	(71,871)	(71,871)	(52,019)	(49,482)	(49,482)
Net book amount at the beginning of the period	**57,326**	**51,789**	**51,789**	**21,647**	**18,397**	**18,397**
Additions	26,872	10,849	11,983	3,076	4,403	6,717
Amortisation charge	(4,666)	(4,780)	(6,446)	(2,966)	(2,549)	(3,467)
Closing net book amount at the end of the period	**79,532**	**57,858**	**57,326**	**21,757**	**20,251**	**21,647**
Cost	161,583	134,432	134,711	76,741	72,207	73,666
Accumulated amortisation	(82,051)	(76,574)	(77,385)	(54,984)	(51,956)	(52,019)
Closing net book amount at the end of the period	**79,532**	**57,858**	**57,326**	**21,757**	**20,251**	**21,647**

b) Current intangible assets (CO_2 emission allowances)

EUR'000

	Group			Parent Company		
	01/01-30/09/2024	01/01-30/09/2023	2023	01/01-30/09/2024	01/01-30/09/2023	2023
Net book amount at the beginning of the period	**69,312**	**70,847**	**70,847**	**69,312**	**70,847**	**70,847**
Additions	21,129	13,096	37,624	21,129	13,096	37,624
Disposals	(46,344)	(39,159)	(39,159)	(46,344)	(39,159)	(39,159)
Closing net book amount at the end of the period	**44,097**	**44,784**	**69,312**	**44,097**	**44,784**	**69,312**

Estimated allowances used during the reporting year (unverified) recognised as provisions.

c) Property, plant and equipment

EUR'000

	Group			Parent Company		
	01/01-30/09/2024	01/01-30/09/2023	2023	01/01-30/09/2024	01/01-30/09/2023	2023
Cost or revalued amount	7,335,425	6,904,473	6,904,473	4,002,104	3,639,619	3,639,619
Accumulated depreciation and impairment	(4,034,374)	(3,899,103)	(3,899,103)	(2,496,693)	(2,396,959)	(2,396,959)
Net book amount at the beginning of the period	**3,301,051**	**3,005,370**	**3,005,370**	**1,505,411**	**1,242,660**	**1,242,660**
Additions	281,683	124,316	181,365	37,554	43,600	57,735
Acquisition of a subsidiary	14,940	258	–	–	–	–
Reclassified (to) / from investment properties	(124)	(80)	(612)	75	(2)	(58)
Reclassified to current assets	(26)	(21)	(39)	(15)	–	(18)
Disposals	(7,649)	(4,346)	(8,615)	(178)	(103)	(657)
Increase in value of assets as a result of revaluation	–	312,062	312,061	–	312,062	312,061
Reversal of impairment charge as a result of revaluation	–	1,108	1,108	–	1,108	1,108
(Impairment) / reversed impairment charge	(38,087)	24	(22,432)	(37,950)	(2)	(22,323)
Depreciation	(123,114)	(125,218)	(167,155)	(59,478)	(63,932)	(85,097)
Closing net book amount at the end of the period	**3,428,674**	**3,313,473**	**3,301,051**	**1,445,419**	**1,535,391**	**1,505,411**
Cost or revalued amount	7,592,483	7,305,393	7,335,425	4,032,208	3,990,752	4,002,104
Accumulated depreciation and impairment	(4,163,809)	(3,991,920)	(4,034,374)	(2,586,789)	(2,455,361)	(2,496,693)
Closing net book amount at the end of the period	**3,428,674**	**3,313,473**	**3,301,051**	**1,445,419**	**1,535,391**	**1,505,411**

d) Investment property

EUR'000

	Group			Parent Company		
	01/01-30/09/2024	01/01-30/09/2023	2023	01/01-30/09/2024	01/01-30/09/2023	2023
Cost or revalued amount	2,613	2,542	2,542	2,987	2,914	2,914
Accumulated depreciation and impairment	(305)	(245)	(245)	(726)	(692)	(692)
Net book amount at the beginning of the year	**2,308**	**2,297**	**2,297**	**2,261**	**2,222**	**2,222**
Reclassified from / (to) property, plant and equipment	124	80	612	(75)	2	58
Disposal	(167)	(5)	(7)	(124)	(2)	(1)
Sold	–	(582)	(581)	–	–	–
Depreciation	(9)	(9)	(12)	(9)	(13)	(18)
Closing net book amount at the end of the period	**2,256**	**1,781**	**2,309**	**2,053**	**2,209**	**2,261**
Cost or revalued amount	2,573	2,001	2,613	2,620	2,914	2,987
Accumulated depreciation and impairment	(317)	(220)	(304)	(567)	(705)	(726)
Closing net book amount at the end of the period	**2,256**	**1,781**	**2,309**	**2,053**	**2,209**	**2,261**

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 and previously revalued as of 1 April 2022.

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.

As of 30 September 2024, the management of Sadales tīkls AS has assessed internal and external indicators that a revaluation would be needed. In this assessment, the increase in the price levels of general construction costs and electrical equipment costs accompanied with the increase of inflation and discount rates, which are exceeding criteria determined in the Group accounting policies, are indicators that revaluation of assets should be performed. After examining the recoverable value of the assets, the management of Sadales tīkls AS concluded that the fair value of the assets does not significantly differ from the assets book value on 30 September 2024.

Such conclusion was mainly driven by the "Methodology of capital costs accounting and calculation" approved by the decision of the Public Utilities Commission as of 29 August 2022, which stipulates that the value of assets used in calculations of regulatory asset base are included without the effect of asset revaluations after 31 December 2021. Considering the above, revaluation of assets as of 30 September 2024 does not need to be carried out.

8. Leases

a) Right–of–use assets

EUR'000

	Group			Parent Company		
	01/01-30/09/2024	01/01-30/09/2023	2023	01/01-30/09/2024	01/01-30/09/2023	2023
Initial recognition cost	17,994	16,784	16,784	9,311	8,436	8,436
Accumulated depreciation	(6,775)	(6,258)	(6,258)	(4,601)	(3,370)	(3,370)
Net book amount at the beginning of the period	**11,219**	**10,526**	**10,526**	**4,710**	**5,066**	**5,066**
Recognised changes in lease agreements	322	923	2,928	(113)	866	875
Depreciation	(1,779)	(1,659)	(2,235)	(832)	(924)	(1,231)
Closing net book amount at the end of the period	**9,762**	**9,790**	**11,219**	**3,765**	**5,008**	**4,710**
Initial recognition cost	18,282	17,707	17,994	9,198	9,302	9,311
Accumulated depreciation	(8,520)	(7,917)	(6,775)	(5,433)	(4,294)	(4,601)
Closing net book amount at the end of the period	**9,762**	**9,790**	**11,219**	**3,765**	**5,008**	**4,710**

b) Lease liabilities

EUR'000

	Group			Parent Company		
	01/01-30/09/2024	01/01-30/09/2023	2023	01/01-30/09/2024	01/01-30/09/2023	2023
At the beginning of the period	**11,406**	**10,675**	**10,675**	**4,824**	**5,166**	**5,166**
Of which are:						
– non–current	*9,015*	*8,648*	*8,648*	*3,607*	*4,206*	*4,206*
– current	*2,391*	*2,027*	*2,027*	*1,217*	*960*	*960*
Recognised changes in lease agreements	329	923	2,933	(113)	866	875
Decrease of lease liabilities	(1,825)	(1,753)	(2,364)	(882)	(975)	(1,300)
Recognised interest liabilities (Note 6)	124	119	162	48	61	83
At the end of the period	**10,034**	**9,964**	**11,406**	**3,877**	**5,118**	**4 824**
Of which are:						
– non–current	*7,573*	*7,814*	*9,015*	*2,673*	*3,906*	*3,607*
– current	*2,461*	*2,150*	*2,391*	*1,204*	*1,212*	*1,217*

9. Non–current financial investments

The Parent Company's participating interest in subsidiaries and other non–current financial investments (%)

	Country of incorporation	Business activity held	Operating segment	30/09/2024 Interest held, %	31/12/2023 Interest held, %
Investments in subsidiaries					
Sadales tīkls AS	Latvia	Electricity distribution	Distribution	100%	100%
Enerģijas publiskais tirgotājs SIA	Latvia	Management of the mandatory procurement process	Generation and trade	100%	100%
Elektrum Eesti OÜ	Estonia	Electricity & gas trade	Generation and trade	100%	100%
Elektrum Lietuva, UAB	Lithuania	Electricity & gas trade	Generation and trade	100%	100%
Latvijas vēja parki SIA	Latvia	Development of renewable energy generation	Generation and trade	100%	80%
Liepājas enerģija SIA	Latvia	Thermal energy, electricity generation and trade	Generation and trade	51%	51%
Renewable energy generation companies	Latvia	Development of renewable energy generation	Generation and trade	100%	–
Renewable energy generation companies	Lietuva	Development of renewable energy generation	Generation and trade	100%	–
Other non–current financial investments					
Pirmais Slēgtais Pensiju Fonds AS	Latvia	Management of pension plans		46.30%	46.30%
Rīgas siltums AS	Latvia	Thermal energy, electricity generation and trade		0.0051%	0.0051%

Subsidiaries' participating interest held (%)

	Country of incorporation	Business activity held	Operating segment	30/09/2024 Interest held, %	31/12/2023 Interest held, %
Subsidiaries of Elektrum Eesti OÜ:					
Elektrum Latvija, SIA	Latvia	Electricity trade	Generation and trade	100%	100%
Energiaturu Võrguehitus OÜ	Estonia	Electricity microgrid services	Generation and trade	100%	100%
Renewable energy generation companies	Estonia	Development of renewable energy generation	Generation and trade	100%	100%
Subsidiaries of Elektrum Lietuva, UAB					
Renewable energy generation companies	Lithuania	Development of renewable energy generation	Generation and trade	100%	–

The Group's non–current financial investments (%)

	Country of incorporation	Business activity held	30/09/2024 Interest held, %	31/12/2023 Interest held, %
Pirmais Slēgtais Pensiju Fonds AS	Latvia	Management of pension plans	48.15%	48.15%
Rīgas siltums AS	Latvia	Thermal energy, electricity generation and trade	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%). 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 associate'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.

As of 30 June 2024, Enerģijas publiskais tirgotājs SIA and Sadales tīkls AS jointly own one share of Pirmais Slēgtais Pensiju Fonds AS with nominal value in the amount of EUR 1,422 (1.85% interest held in share capital) and consequently, each entity owns 1/2 of the notional shares in the amount of EUR 711 per share.

10. Inventories

EUR'000

	Group		Parent Company	
	30/09/2024	31/12/2023	30/09/2024	31/12/2023
Natural gas (at lower of cost and net realisable value)	99,039	119,250	99,039	119,250
Raw materials and materials (at cost)	22,299	23,377	1,282	1,205
Goods for sale (at lower of cost and net realisable value)	27,670	13,809	2,856	3,916
Other inventories (at cost)	19,130	19,359	18,928	18,900
Unfinished products and orders (at cost)	5,206	6,490	1,248	88
Prepayments for natural gas and other inventories	2,756	4,603	2,235	4,026
Allowances for impaired inventories	(2,660)	(3,090)	(1,373)	(1,340)
TOTAL inventories	**173,440**	**183,798**	**124,215**	**146,045**

Inventories are valued at cost, except for goods for sale, which are valued at net realisable value.

Movement on the allowance for inventories

EUR'000

	Group			Parent Company		
	01/01-30/09/2024	01/01-30/09/2023	2023	01/01-30/09/2024	01/01-30/09/2023	2023
At the beginning of the period	**3,090**	**1,380**	**1,380**	**1,340**	**869**	**869**
Changes to the Statement of Profit or Loss	(430)	247	1,710	33	211	471
At the end of the period	**2,660**	**1,627**	**3,090**	**1,373**	**1,080**	**1,340**

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	
	30/09/2024	31/12/2023	30/09/2024	31/12/2023
Individually assessed receivables with lifetime ECL assessment (counterparty model)	53,751	28,381	22,703	30,943
Receivables with lifetime ECL assessment by simplified approach (portfolio model)	111,645	196,541	67,494	130,731
TOTAL receivables from contracts with customers	**165,396**	**224,922**	**90,197**	**161,674**

a) Receivables from contracts with customers, net

EUR'000

	Group		Parent Company	
	30/09/2024	31/12/2023	30/09/2024	31/12/2023
Receivables from contracts with customers:				
– Electricity, natural gas trade and related services customers (portfolio model)	129,998	194,928	82,133	128,213
– Electricity, natural gas trade and related services customers (counterparty model)	43,519	8,273	–	–
– Heating customers (portfolio model)	2,085	23,907	1,625	20,289
– Other receivables from contracts with customers (portfolio model)	4,657	4,418	1,414	1,279
– Other receivables from contracts with customers (counterparty model)	10,280	20,165	10,028	19,936
– Subsidiaries (counterparty model) (Note 19 b)	–	–	12,697	11,057
	190,539	**251,691**	**107,897**	**180,774**
Allowances for expected credit loss from contracts with customers:				
– Electricity, natural gas trade and related services customers (portfolio model)	(23,262)	(24,752)	(17,353)	(18,682)
– Electricity, natural gas trade and related services customers (counterparty model)	(33)	(17)	–	–
– Heating customers (portfolio model)	(305)	(360)	(302)	(348)
– Other receivables from contracts with customers (portfolio model)	(1,528)	(1,600)	(23)	(20)
– Other receivables from contracts with customers (counterparty model)	(15)	(40)	(15)	(40)
– Subsidiaries (counterparty model) (Note 19 b)	–	–	(7)	(10)
	(25,143)	**(26,769)**	**(17,700)**	**(19,100)**
Receivables from contracts with customers, net:				
– Electricity, natural gas trade and related services customers (portfolio model)	106,736	170,176	64,780	109,531
– Electricity, natural gas trade and related services customers (counterparty model)	43,486	8,256	–	–
– Heating customers (portfolio model)	1,780	23,547	1,323	19,941
– Other receivables from contracts with customers (portfolio model)	3,129	2,818	1,391	1,259
– Other receivables from contracts with customers (counterparty model)	10,265	20,125	10,013	19,896
– Subsidiaries (counterparty model) (Note 19 b)	–	–	12,690	11,047
	165,396	**224,922**	**90,197**	**161,674**

Movements in loss allowances for impaired receivables from contracts with customers

EUR'000

	Group			Parent Company		
	01/01-30/09/2024	01/01-30/09/2023	2023	01/01-30/09/2024	01/01-30/09/2023	2023
At the beginning of the period	**26,769**	**19,957**	**19,957**	**19,100**	**16,411**	**16,411**
Receivables written off during the period as uncollectible	(1,152)	(1,119)	(2,048)	(1,047)	(929)	(1,789)
Allowances for expected credit losses	(474)	4,558	8,860	(353)	2,417	4,478
At the end of the period	**25,143**	**23,396**	**26,769**	**17,700**	**17,899**	**19,100**

b) Other current financial receivables

EUR'000

	Group		Parent Company	
	30/09/2024	31/12/2023	30/09/2024	31/12/2023
Current financial receivables:				
Uncovered costs of mandatory procurement and guaranteed fee for the installed electrical capacity of CHHP, net*	7,999	32,286	–	–
Expected state budget subsidy for the uncovered costs of mandatory procurement and guaranteed fee for the installed electrical capacity of CHPP, net (including VAT)	5,422	–	–	–
Receivables for lease	76	18	71	11
Other current financial receivables	6,278	16,718	3,872	6,443
Other accrued income	1,227	586	1,227	586
Allowances for expected credit losses	(1,879)	(1,636)	(1,564)	(1,287)
Receivables for lease from subsidiaries (Note 19 b)	–	–	21	26
Unregistered (paid-up) shares in subsidiaries' share capitals (Note 9)	–	–	–	4,000
Other financial receivables from subsidiaries (Note 19 b)	–	–	36,290	26,837
Other accrued income from subsidiaries (Note 19 c)	–	–	10,761	14,630
Allowances for expected credit losses on subsidiaries receivables (Note 19 b)	–	–	(26)	(21)
TOTAL other current financial receivables	**19,123**	**47,972**	**50,652**	**51,225**

* 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	
	30/09/2024	31/12/2023	30/09/2024	31/12/2023
Non–current non–financial receivables	447	447	447	447
Current non–financial receivables	1,717	2,109	360	1,055
TOTAL non–financial receivables	**2,164**	**2,556**	**807**	**1,502**

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	
	30/09/2024	31/12/2023	30/09/2024	31/12/2023
Cash at bank	73,580	78,373	39,852	67,080
Short–term bank deposits	1,200	40,000	–	40,000
Other cash equivalents	83	83	83	83
TOTAL cash and cash equivalents	**74,863**	**118,456**	**39,935**	**107,163**

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 September 2024, the Group and the Parent Company had deposits at banks in amount of EUR 80,000 thousand with maturity date longer than 3 months that does not comply with the principles of recognition as cash equivalents (31/12/2023: EUR 140,000 thousand). These deposits are disclosed as 'Other current financial investments' in the Statement of Financial Position.

13. Reserves

EUR'000

	Group					Parent Company			
	Non–current assets revaluation reserve	Hedge reserve	Post–employment benefit plan revaluation reserve	Other reserves	TOTAL	Non–current assets revaluation reserve	Hedge reserve	Post–employment benefit plan revaluation reserve	TOTAL
As of 31 December 2022	**1,373,991**	**(90,265)**	**(1,153)**	**110**	**1,282,683**	**1,002,274**	**(90,265)**	**(1,326)**	**910,683**
Increase of non–current assets revaluation reserve as a result of revaluation (Note 7 c)	312,061	–	–	–	**312,061**	312,061	–	–	**312,061**
Disposal of revaluation reserve	(5,554)	–	–	–	**(5,554)**	(534)	–	–	**(534)**
Gains from fair value changes of derivative financial instruments	–	87,249	–	–	**87,249**	–	87,249	–	**87,249**
As of 30 September 2023	**1,680,498**	**(3,016)**	**(1,153)**	**110**	**1,676,439**	**1,313,801**	**(3,016)**	**(1,326)**	**1,309,459**
Disposal of revaluation reserve	(4,059)	–	–	–	**(4,059)**	(27)	–	–	**(27)**
Losses on re–measurement of defined post–employment benefit plan	–	–	(2,709)	–	**(2,709)**	–	–	(1,144)	**(1,144)**
Gains from fair value changes of derivative financial instruments	–	12,131	–	–	**12,131**	–	12,131	–	**12,131**
Formed statutory reserves	–	–	–	50	**50**	–	–	–	**–**
As of 31 December 2023	**1,676,439**	**9,115**	**(3,862)**	**160**	**1,681,852**	**1,313,774**	**9,115**	**(2,470)**	**1,320,419**
Disposal of revaluation reserve	(6,016)	–	–	–	**(6,016)**	(889)	–	–	**(889)**
Losses from fair value changes of derivative financial instruments	–	(3,769)	–	–	**(3,769)**	–	(3,769)	–	**(3,769)**
Formed statutory reserves	–	–	–	4,096	**4,096**	–	–	–	–
As of 30 September 2024	**1,670,423**	**5,346**	**(3,862)**	**4,256**	**1,676,163**	**1,312,885**	**5,346**	**(2,470)**	**1,315,761**

14. Borrowings

EUR'000

	Group		Parent Company	
	30/09/2024	31/12/2023	30/09/2024	31/12/2023
Non–current portion of non-current borrowings from financial institutions	276,944	336,408	269,211	327,174
Non-current portion of issued debt securities (bonds)	199,924	199,908	199,924	199,908
Total non-current borrowings from financial institutions	**476,868**	**536,316**	**469,135**	**527,082**
Current portion of non–current borrowings from financial institutions	94,851	86,625	92,824	84,491
Current borrowings from state financial institutions	57	–	57	–
Accrued interest on non–current borrowings from financial institutions	5,475	2,891	5,345	2,742
Accrued coupon interest on issued debt securities (bonds)	2,573	3,864	2,573	3,864
Total current borrowings from financial institutions	**102,956**	**93,380**	**100,799**	**91,097**
TOTAL borrowings from financial institutions	**579,824**	**629,696**	**569,934**	**618,179**
Total current borrowings	**102,956**	**93,380**	**100,799**	**91,097**
TOTAL borrowings	**579,824**	**629,696**	**569,934**	**618,179**

Movement in borrowings: EUR'000

	Group			Parent Company		
	01/01-30/09/2024	01/01-30/09/2023	2023	01/01-30/09/2024	01/01-30/09/2023	2023
At the beginning of the year	**629,696**	**875,918**	**875,918**	**618,179**	**863,938**	**863,938**
Received borrowings from financial institutions	57	–	2,000	57	–	–
Repaid borrowings from financial institutions	(51,235)	(256,866)	(301,090)	(49,626)	(251,424)	(295,276)
Proceeds from issued debt securities (bonds)	–	50,000	50,000	–	50,000	50,000
Borrowings received from related parties	–	–	–	–	(3,317)	(3,317)
Change in accrued interest on borrowings from financial institutions	1,291	5,377	2,847	1,309	5,384	2,813
Changes in outstanding value of issued debt securities (bonds)	15	16	21	15	16	21
At the end of the year	**579,824**	**674,445**	**629,696**	**569,934**	**664,597**	**618,179**

15. Derivative financial instruments

Outstanding fair values of derivatives and their classification

EUR'000

	Group				Parent Company			
	30/09/2024		31/12/2023		30/09/2024		31/12/2023	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	3,806	–	5,872	–	3,806	–	5,872	–
Energy forwards, futures, and swaps	3,424	(640)	5,297	–	3,424	(640)	5,297	–
Total outstanding fair values of derivatives	**7,230**	**(640)**	**11,169**	**–**	**7,230**	**(640)**	**11,169**	**–**

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					
	01/01-30/09/2024		01/01-30/09/2023		2023		01/01-30/09/2024		01/01-30/09/2023		2023	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Outstanding fair value at the beginning of the period	**5,872**	**–**	**10,279**	**–**	**10,279**	**–**	**5,872**	**–**	**10,279**	**–**	**10,279**	**–**
Included in the Statement of Profit or Loss (Note 6)	(33)	7	(51)	9	(128)	9	(33)	7	(51)	9	(128)	9
Included in the Statement of Comprehensive Income	(2,033)	(7)	(1,059)	(9)	(4,279)	(9)	(2,033)	(7)	(1,059)	(9)	(4,279)	(9)
Outstanding fair value at the end of the period	**3,806**	**–**	**9,169**	**–**	**5,872**	**–**	**3,806**	**–**	**9,169**	**–**	**5,872**	**–**

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 AS "Latvenergo" 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					
	01/01-30/09/2024		01/01-30/09/2023		2023		01/01-30/09/2024		01/01-30/09/2023		2023	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Outstanding fair value at the beginning of the period	**5,297**	**–**	**450**	**(120,520)**	**450**	**(120,520)**	**5,297**	**–**	**450**	**(120,520)**	**450**	**(120,520)**
Included in Statement of Profit or Loss (Note 5)	(783)	–	(450)	20,287	333	22,865	(783)	–	(450)	20,287	333	22,865
Included in Statement of Comprehensive Income	(1,090)	(640)	–	86,818	4,514	97,655	(1,090)	(640)	–	86,818	4,514	97,655
Outstanding fair value at the end of the period	**3,424**	**(640)**	**–**	**(13,415)**	**5,297**	**–**	**3,424**	**(640)**	**–**	**(13,415)**	**5,297**	**–**

III) Currency exchange forwards

The Group and the Parent Company has concluded several forward foreign currencies exchange transactions in order to limit the currency risk of the payments in foreign currencies planned in the natural gas purchase agreements. All contracts are designed as cash flow hedges and are eligible for hedge accounting.

For the Group and the Parent company in 9-month period ending on 30 September 2023 has been fulfilled forward currencies exchange contracts, the outstanding fair value of which on 31 December 2022 was EUR 1,499 thousand.

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			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL
As of 30 September 2024								
Assets measured at fair value								
Revalued property, plant and equipment	–	–	2,885,970	**2,885,970**	–	–	1,255,406	**1,255,406**
Non-current financial investments (Note 9)	–	–	40	**40**	–	–	39	**39**
Derivative financial instruments, including:								
Interest rate swaps (Note 15 I)	–	3,806	–	**3,806**	–	3,806	–	**3,806**
Energy forwards, futures, and swaps (Note 15 II)	–	3,424	–	**3,424**	–	3,424	–	**3,424**
Assets for which fair values are disclosed								
Investment properties (Note 7 c)	–	–	2,256	**2,256**	–	–	2,053	**2,053**
Loans to related parties:								
– Floating rate loans (Note 19 e)	–	–	–	**–**	–	429,656	–	**429,656**
– Fixed rate loans (Note 19 e)	–	21,589	–	**21,589**	–	299,032	–	**299,032**
Current financial receivables (Note 11 a, b)	–	–	184,519	**184,519**	–	–	140,849	**140,849**
Cash and cash equivalents (Note 12)	–	74,863	–	**74,863**	–	39,935	–	**39,935**
As of 31 December 2023								
Assets measured at fair value								
Revalued property, plant and equipment	–	–	2,909,307	**2,909,307**	–	–	1,277,600	**1,277,600**
Non-current financial investments (Note 9)	–	–	40	**40**	–	–	39	**39**
Derivative financial instruments, including:								
Interest rate swaps (Note 15 I)	–	5,872	–	**5,872**	–	5,872	–	**5,872**
Energy forwards, futures, and swaps (Note 15 II)	–	5,297	–	**5,297**	–	5,297	–	**5,297**
Assets for which fair values are disclosed								
Investment properties (Note 7 c)	–	–	2,309	**2,309**	–	–	2,261	**2,261**
Loans to related parties:								
– Floating rate loans (Note 19 e)	–	–	–	**–**	–	263,182	–	**263,182**
– Fixed rate loans (Note 19 e)	–	863	–	**863**	–	361,116	–	**361,116**
Current financial receivables (Note 11 a, b)	–	–	272,894	**272,894**	–	–	212,899	**212,899**
Cash and cash equivalents (Note 12)	–	118,456	–	**118,456**	–	107,163	–	**107,163**

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

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			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL
As of 30 September 2024								
Liabilities measured at fair value								
Derivative financial instruments, including:								
Energy forwards, futures, and swaps (Note 15 II)	–	640	–	**640**	–	640	–	**640**
Liabilities for which fair values are disclosed								
Issued debt securities (bonds) (Note 14)	–	202,497	–	**202,497**	–	202,497	–	**202,497**
Borrowings from financial institutions (Note 14)	–	377,327	–	**377,327**	–	367,437	–	**367,437**
Trade and other financial current payables (Note 17)	–	–	119,355	**119,355**	–	–	52,942	**52,942**
As of 31 December 2023								
Liabilities for which fair values are disclosed								
Issued debt securities (bonds) (Note 14)	–	203,772	–	**203,772**	–	203,772	–	**203,772**
Borrowings from financial institutions (Note 14)	–	425,924	–	**425,924**	–	414,407	–	**414,407**
Borrowings from related parties (Note 14)	–	–	–	–	–	–	–	–
Trade and other financial current payables (Note 17)	–	–	136,014	**136,014**	–	–	87,078	**87,078**

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

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:

EUR'000

	Group				Parent Company			
	Carrying amount		Fair value		Carrying amount		Fair value	
	30/09/2024	31/12/2023	30/09/2024	31/12/2023	30/09/2024	31/12/2023	30/09/2024	31/12/2023
Financial assets								
Fixed rate loans to related parties	21,589	863	21,589	863	299,032	361,116	284,517	343,998
Financial liabilities								
Issued debt securities (bonds)	202,497	203,772	193,115	188,678	202,497	203,772	193,115	188,678

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

17. Trade and other payables

EUR'000

	Group		Parent Company	
	30/09/2024	31/12/2023	30/09/2024	31/12/2023
Financial liabilities:				
Payables for suppliers	77,833	89,320	21,153	51,934
Payables to related parties (Note 19 b)	11,862	14,864	17,792	21,390
Accrued expenses	19,805	21,212	7,808	7,139
Accrued expenses from related parties (Note 19 d)	–	–	1,580	3,321
Other financial current payables	9,855	10,618	4,609	3,294
TOTAL financial liabilities	**119,355**	**136,014**	**52,942**	**87,078**
Non–financial liabilities:				
Taxes other than income tax	18,362	33,681	9,281	19,055
Contract liabilities	27,656	28,907	6,733	7,547
Other current payables	5,288	4,131	2,173	1,620
TOTAL non–financial liabilities	**51,306**	**66,719**	**18,187**	**28,222**
TOTAL trade and other current payables	**170,661**	**202,733**	**71,129**	**115,300**

18. Deferred income

EUR'000

	Group		Parent Company	
	30/09/2024	31/12/2023	30/09/2024	31/12/2023
I) Non–current deferred income				
a) contracts with customers				
From connection fees	145,561	137,838	–	–
Other deferred income	618	668	618	668
	146,179	**138,506**	**618**	**668**
b) operating lease				
Other deferred income	285	300	285	300
	285	**300**	**285**	**300**
c) other				
On grant for the installed electrical capacity of CHPPs	71,478	89,470	71,478	89,470
On financing from European Union funds	24,846	22,702	6,428	4,456
Other deferred income	30	37	30	37
	96,354	**112,209**	**77,936**	**93,963**
Total non–current deferred income	**242,818**	**251,015**	**78,839**	**94,931**
II) Current deferred income				
a) contracts with customers				
From connection fees	17,095	16,510	–	–
Other deferred income	430	4,794	67	67
	17,525	**21,304**	**67**	**67**
b) operating lease				
Other deferred income	20	20	20	20
	20	**20**	**20**	**20**
c) other				
On grant for the installed electrical capacity of CHPPs	23,990	23,990	23,990	23,990
On financing from European Union funds	964	963	142	142
	24,954	**24,953**	**24,132**	**24,132**
TOTAL current deferred income	**42,499**	**46,277**	**24,219**	**24,219**
TOTAL deferred income	**285,317**	**297,292**	**103,058**	**119,150**

In the 9–month period ending on 30 September 2024 Latvenergo AS received financing from Connecting Europe Facility (CEF) for the development of electric vehicles charging network and 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 from Sadales tīkls AS. Liepājas enerģija SIA received European Union financing for fossil fuels substitution.

In 2023 received financing 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 by Sadales tīkls AS, financing from Connecting Europe Facility (CEF) for the development of electric vehicles charging network received by the Parent Company and received European Union financing for fossil fuels substitution in Liepāja by Liepājas Enerģija SIA.

Movement in deferred income (non–current and current part) EUR'000

	Group			Parent Company		
	01/01-30/09/2024	**01/01-30/09/2023**	**2023**	**01/01-30/09/2024**	**01/01-30/09/2023**	**2023**
At the beginning of the period	**297,292**	**308,527**	**308,527**	**119,150**	**154,399**	**154,399**
Recognised in Statement of Financial Position:						
– other deferred non–current income (financing)	2,867	20,217	20,606	2,078	2,625	2,625
– fees for connection to distribution system	20,472	13,441	23,015	–	–	–
Recognised in Statement of Profit or Loss:						
– Other deferred income	(18,721)	(18,686)	(24,933)	(18,105)	(18,105)	(24,139)
– Deferred income from contracts with customers and operating lease	(16,593)	(25,217)	(29,923)	(65)	(13,713)	(13,735)
At the end of the period	**285,317**	**298,282**	**297,292**	**103,058**	**125,206**	**119,150**

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 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 but does not contain individually significant transactions therefore 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 operators – Augstsprieguma tīkls AS.

a) Sales/purchases of goods, PPE and services to / from related parties EUR'000

	Group		Parent Company			
	01/01–30/09/2024	**01/01–30/09/2023**	**01/01–30/09/2024**		**01/01–30/09/2023**	
	Other related parties*	**Other related parties***	**Subsidiaries**	**Other related parties***	**Subsidiaries**	**Other related parties***
Sales of goods, PPE and services, finance income	47,375	39,143	122,622	47,303	149,543	39,083
Purchases of goods, PPE, and services	110,079	87,857	127,714	38,876	93,374	26,225
including gross expenses from transactions with subsidiaries recognised in net amount through profit or loss:						
– Sadales tīkls AS	–	–	*123,427*		*103,162*	–

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

EUR'000

	Group		Parent Company	
	30/09/2024	**31/12/2023**	**30/09/2024**	**31/12/2023**
Receivables from related parties:				
– subsidiaries (Note 11 a, b)	–	–	45,352	41,642
– other related parties*	6,236	15,506	5,878	15,172
– loss allowances for expected credit loss from receivables of subsidiaries (Note 11 a, b)	–	–	(33)	(31)
– loss allowances for expected credit loss from receivables of other related parties*	(12)	(33)	(12)	(33)
	6,224	**15,473**	**51,185**	**56,750**
Payables to related parties (Note 17):				
– subsidiaries	–	–	13,185	15,214
– other related parties*	11,862	14,864	4,607	6,176
	11,862	**14,864**	**17,792**	**21,390**

c) Accrued income raised from transactions with related parties

EUR'000

	Group		Parent Company	
	30/09/2024	**31/12/2023**	**30/09/2024**	**31/12/2023**
– for goods sold/services provided for subsidiaries (Note 11 a, b)	–	–	12,297	11,425
– for interest received from subsidiaries (Note 11 a, b)	–	–	1,875	3,483
– for goods sold/services provided for other related parties*	1,646	–	1,646	–
	1,646	**–**	**15,818**	**14,908**

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

EUR'000

	Group		Parent Company	
	30/09/2024	**31/12/2023**	**30/09/2024**	**31/12/2023**
– for purchased goods/received services from subsidiaries	–	–	1,580	3,321
	–	**–**	**1,580**	**3,321**

* 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 and other entities controlled by the management members of Latvenergo Group, if any

In the 9–month period ending on 30 September 2024 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 3,234.2 thousand (01/01 – 30/09/2023: EUR 2,818.1 thousand).

In the 9–month period ending on 30 September 2024 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 1,172.1 thousand (01/01 – 30/09/2023: EUR 1,094.5 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	
	30/09/2024	31/12/2023	30/09/2024	31/12/2023
Non–current loans to subsidiaries	–	–	517,970	463,030
Non-current loans to other related parties	21,589	863	–	–
TOTAL non–current loans	**21,589**	**863**	**517,970**	**463,030**
Current portion of non–current loans to subsidiaries	–	–	97,106	107,609
Current loans to subsidiaries	–	–	113,612	53,659
TOTAL current loans	–	–	**210,718**	**161,268**
TOTAL loans to related parties	**21,589**	**863**	**728,688**	**624,298**

Movement in loans issued to related parties EUR'000

	Group			Parent Company		
	01/01-30/09/2024	01/01-30/09/2023	2023	01/01-30/09/2024	01/01-30/09/2023	2023
At the beginning of the period	**863**	**–**	**–**	**624,298**	**713,308**	**713,308**
Change in current loans in cash (net)	–	–	–	115,248	(51,385)	(68,272)
Change in current loans by non–cash offsetting of operating receivables and payables (net)	–	–	–	76,574	54,487	76,311
Issued non–current loans in cash	20,743	–	863	–	–	**–**
Repaid non–current loans by non–cash offset	–	–	–	(87,348)	(73,755)	(96,977)
Allowances for expected credit loss	(17)	–	–	(84)	(86)	(72)
At the end of the period	**21,589**	**–**	**863**	**728,688**	**642,569**	**624,298**
incl. loan movement through bank account						
Issued loans to subsidiaries	21,589	–	863	635,760	523,508	719,798
Repaid loans issued to subsidiaries	–	–	–	(520,512)	(574,893)	(788,070)
Issued / (repaid) loans, net	**21,589**	**–**	**863**	**115,248**	**(51,385)**	**(68,272)**

20. Events after the reporting period

Elektrum Next SIA, a subsidiary of Latvenergo AS, was established. It will gradually consolidate the renewable energy assets developed within the Group in recent years and further advance green energy projects.

Latvenergo AS acquired DSE Aizpute Solar SIA to construct its largest solar power plant to date, with a total capacity of 265 MW, by the end of 2025.

There have not been any other significant events subsequent after the end of the reporting period that might have a material effect on the Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Interim Financial Statements for the first 9 months of 2024.

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