

## Unaudited results of Latvenergo Group for the first six months of 2020

**Today, on 28 August, the unaudited interim condensed consolidated financial statements of Latvenergo Group for the first six months of 2020 were published.**

**In the first six month of 2020 the Daugava HPPs of Latvenergo generated 58% more electricity than in the respective period a year ago, and Latvenergo Group was the largest electricity producer in the Baltics. However, electricity consumption reduced under the effects of COVID-19.**

**Revenue of Latvenergo Group in the first six month of 2020 was EUR 393.3 million or 9% less than in the respective period a year ago mainly affected by lower electricity and thermal energy demand. The Group's EBITDA\*, reaching EUR 161.9 million, which is 27% more than in the first six months of 2019.**

An emergency situation was declared in Latvia from 11 March to 9 June 2020 to restrict spreading of COVID-19. During and also after the emergency situation Latvenergo Group has been constantly evaluating the impact of spreading of COVID-19 and implemented measures for safety of customers and employees and secured proper operating mode in strategically important facilities. Therefore, spreading of the virus did not have a significant effect on the provision of services by Latvenergo Group. However, the virus affected economic activity also reducing electricity consumption – electricity consumption in Latvia reduced by 3.7% in the first six months of 2020 compared to the respective period a year ago.

Although the drop in electricity prices and demand reduced electricity generation in the Baltics by 14% reaching 7.4 TWh, electricity generation in Latvia was 4% higher. In the first six months of 2020, Latvenergo Group was the largest electricity generator in the Baltics, whose output accounted for 35% of the total electricity output in the Baltic States. Latvenergo Group generated 2,550 GWh of electricity and 978 GWh of thermal energy at its power plants.

The electricity output at the Daugava HPPs was 58% higher than a year ago and amounted to 1,804 GWh. The average water inflow in the Daugava River in the first six months of 2020 was 726 m<sup>3</sup>/s, whereas in the respective period a year ago it was only 447 m<sup>3</sup>/s. The electricity of the Group generated from renewable energy sources in the first six months of 2020 accounted for 71% (49% in the respective period in 2019).

The electricity output at the CHPPs of Latvenergo AS comprised 720 GWh in the reporting period, which is 40% less than in the respective period a year ago. The thermal energy output decreased by 14% due to the significantly warmer weather during the heating season.

In the reporting period, the volume of electricity supplied by Latvenergo Group in the Baltics was 3,083 GWh, and 1/3 of this volume was supplied to customers outside Latvia. 238 contracts on installation of solar panels were concluded in the Baltics, which is 82% more compared to the first six months of 2019. By the end of the reporting period the total capacity of the solar panels installed for retail customers of Latvenergo Group in Baltics reached 4.1 MW, of which 76% were installed for customer outside Latvia, thus making Latvenergo one of the leading providers of this service in the Baltics. The volume of natural gas supplied in the reporting period increased by 58% compared to the first six months of 2019, and it reached 227 GWh.

Revenue of Latvenergo Group in the first six months of 2020 comprised EUR 393.3 million, and it is 9% less than in the respective period a year ago. This was mainly affected by lower electricity and thermal energy demand. Meanwhile, the Group's EBITDA increased by 27% compared to the respective period a year ago, reaching EUR 161.9 million. This indicator was mainly affected by higher electricity generation at the Daugava HPPs and lower electricity procurement price. The Group's profit increased by EUR 32.8 million, compared to the respective period a year ago, reaching EUR 86.8 million.

Total investments of Latvenergo Group in the first six months of 2020 comprised EUR 93.2 million. As part of the Group's investments in environmentally friendly projects, EUR 12.3 million was invested in the reconstruction of hydropower units at the Daugava HPPs in the first six months of 2020. The investments in the network assets represented 76% of the total investment

amount. EUR 42.2 million was invested in distribution system assets, and EUR 28.9 million – in transmission system assets.

On 10 June, transmission assets amounting to EUR 694.3 million were unbundled from Latvenergo Group in accordance with the decision of the Cabinet of Ministers of 8 October 2019 by transferring the shares of Latvijas elektriskie tīkli AS amounting to EUR 222.7 million to the Ministry of Economics. Along with the unbundling of the transmission assets, all the liabilities of Latvijas elektriskie tīkli AS were also transferred to Augstsprieguma tīkls AS.

On 10 June, a new Supervisory Board of Latvenergo AS was appointed, which includes Ivars Golsts, Toms Siliņš, Aigars Laizāns, Gundars Ruža and Kaspars Rokens. Ivars Golsts was elected the Chairman of the Supervisory Board and Kaspars Rokens – the Deputy Chairman of the Supervisory Board.

The next interim financial statement of Latvenergo Group for 2020 will be published on 27 November. The unaudited interim condensed consolidated financial statements of Latvenergo Group for the first six months of 2020 are available in the section [Investors/Reports](#).

*\* earnings before interest, corporate income tax, share of profit or loss of associated companies, depreciation and amortisation, and impairment of intangible and fixed assets*