

Latvenergo Group`s Presentation

June 2023

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Content

1. Group`s profile
2. Financial performance
3. Operating segments
4. Baltic electricity market
5. Sustainability and awards

1. Group`s profile

Group`s profile 2022

One of the leading energy suppliers and leader in green energy generation in the Baltics

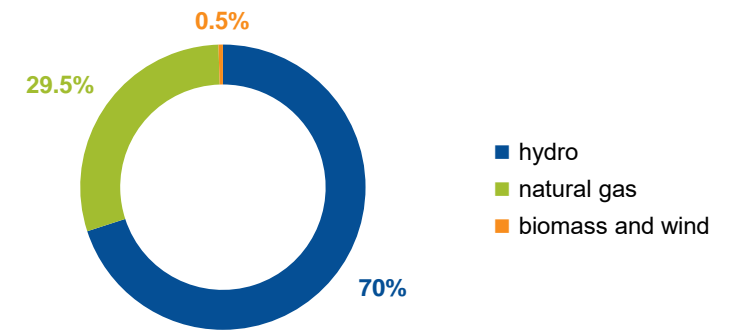


Balanced and environmentally friendly energy generation portfolio

- Low-cost hydropower generation
- Highly efficient combined heat and power plants

Share of renewable resources in the electricity output

70%



Sound business model

- 20% of EBITDA from regulated distribution network activities
- 35% of retail electricity trade supplied to customers in Lithuania and Estonia
- Broad customer base



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

Group`s profile 2022

We energize the growth of society!

It is in our hands to take care of our customers today while also considering the impact on our future generations. We are well aware that natural resources are scarce, thus we are already looking for solutions to handle and utilize them wisely. We want to see a world in which every move is initiated by sustainable energy. We believe that you get what you give – as the energy always transfers from one form to another. Therefore, by transforming the power of nature into energy, we help to start the movement of growth for all of us! Innovation helps us to make our services sustainable and suitable for everyone's needs, encouraging others to change their habits and grow, as well as to stand up for the wellbeing of our society.

Vision

We are the leading sustainable solutions provider in the energy industry.

Mission

We drive the development of the energy industry by providing friendly, innovative and sustainable solutions.



WITH HEART

We are open and passionate



WITH MIND

We do the right things and learn continuously



WITH ENERGY

We are brave and learn persistent

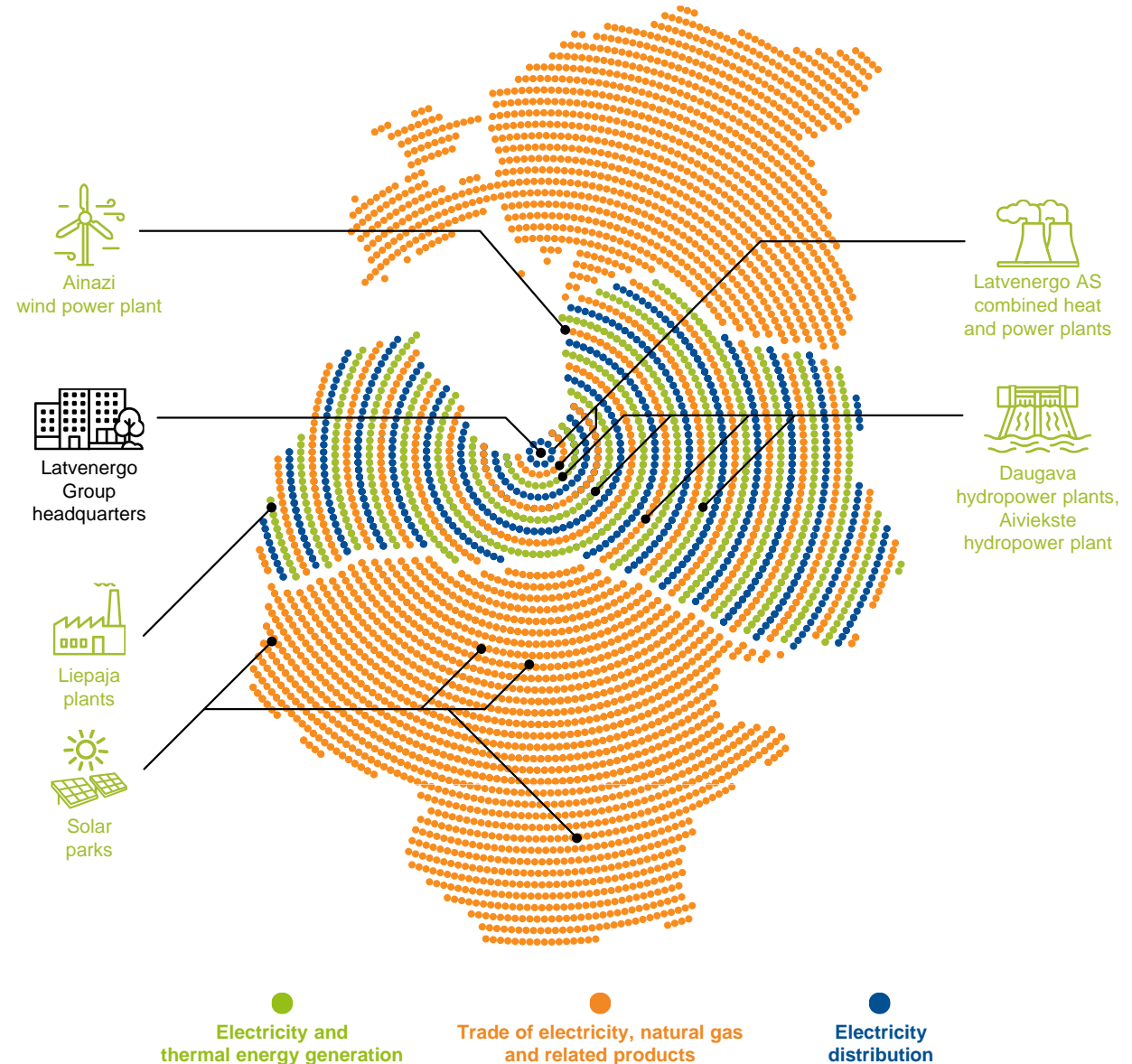


WITH FUTURE OUTLOOK

We do good for clients and society

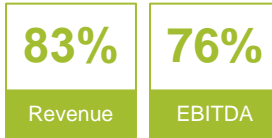
Latvenergo Group is one of the largest power suppliers in the Baltics, which operates in

- electricity and thermal energy generation and trade
- natural gas trade
- trade in products and services related to electricity consumption and energy efficiency
- electricity distribution



Operating segments 2022

Generation and trade



- Electricity and thermal energy generation
- Electricity trade in wholesale and retail
- Other (natural gas trade, solar, EV charging, etc.)

The Group is one of the largest energy trading companies in the Baltics with a market share of around 20%.

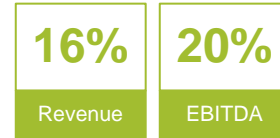


Enerģijas publiskais tirgotājs

LIEPĀJAS ENERĢIJA

Latvijas vēja parki
Dzīvo Latvijas mežos

Distribution



- Electricity distribution in Latvia

Sadales tīkls AS is the largest state distribution system operator, covering approximately 99% of the territory of Latvia.



Latvenergo Group

Latvenergo AS

Sadales tīkls AS 100%

Elektrum Eesti, OÜ (EE) 100%

Enerģiaturu Vörguehitus, OÜ (EE) 100%

Elektrum Lietuva, UAB (LT) 100%

Enerģijas publiskais tirgotājs SIA 100%

Latvijas vēja parki SIA 80%

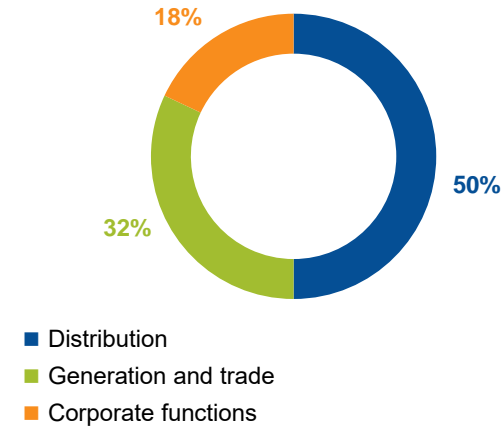
Liepājas enerģija SIA 51%

Facts 2022

			2022	2021
Financial figures				
	Revenue	MEUR	1,841.8	1,065.2
	Profit	MEUR	183.9	71.6
	Assets	MEUR	3,855.3	3,475.9
	Investments	MEUR	121.7	126.7
	Moody's credit rating		Baa2	Baa2
	Moody's ESG credit impact score		CIS-2	CIS-2
Generation and trade				
	Installed electrical capacity	MW	2,606	2,606
	Installed thermal capacity	MW	1,793	1,797
	Electricity output	GWh	3,822	4,517
	Thermal energy output	GWh	1,777	2,072
	Generation efficiency of the Daugava HPPs	m ³ /kWh	17.8	17.9
	Generation efficiency of the Latvenergo AS CHPPs	%	83	81
	CO ₂ emission intensity	t/MWh _{el}	0.08	0.12
	Electricity market share in the Baltics	%	20	23
	Retail electricity supply	GWh	5,452	6,706
	Retail natural gas supply	GWh	930	1,026
	Electricity retail customers	thsd.	818	755
Distribution				
	SAIDI	min	240	208
	SAIFI	number	2.5	2.3
	Length of distribution lines	km	92,407	92,430
	Transformer capacity	MVA	5,971	5,951

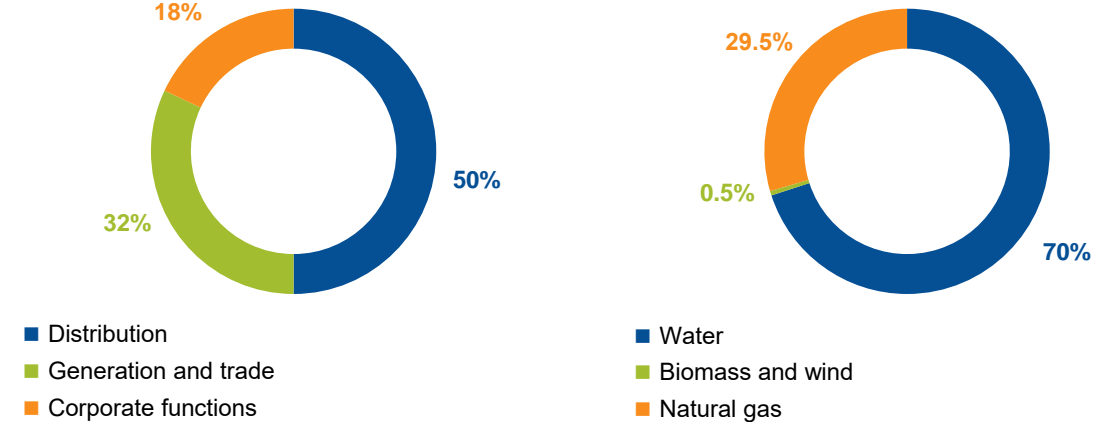
Employees

3,316

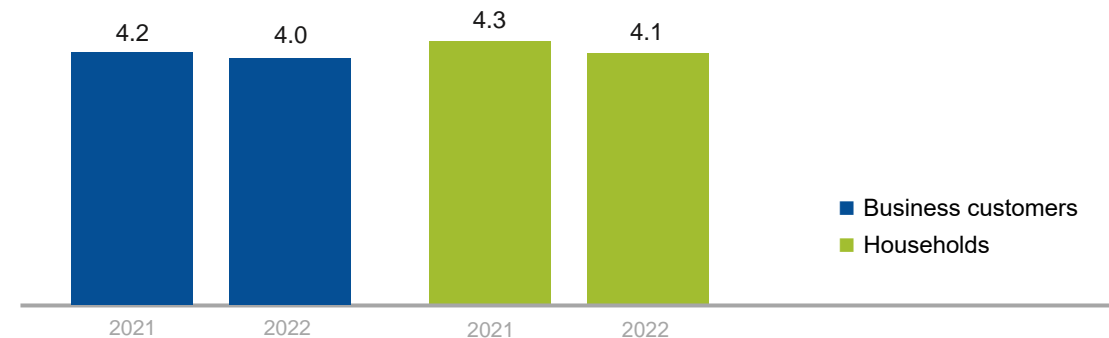


Share of renewable resources in the electricity output

70%



Elektrum customer satisfaction (on a scale 1–6)



Highlights 2022

The strategy of Latvenergo Group for 2022–2026 has been approved

As part of the new strategy, Latvenergo Group plans to develop generation capacity using renewable energy sources, strengthen its position as the most valuable energy trader in the Baltic market, promote sustainable and intelligent electromobility, and ensure a sustainable and flexible distribution system.

Latvenergo group is ambitiously moving towards the development of wind energy in Latvia

At the end of July, Latvenergo AS established a joint venture – Latvijas vēja parki SIA – together with Latvijas valsts meži AS whose purpose is to build new wind energy parks of strategic importance in Latvia. In September, a cooperation agreement was signed with RWE, a global leader in renewable energy, to develop, build and manage offshore wind projects near the Latvian coast.

Green bonds worth eur 100 million issued

In May, Latvenergo AS issued its five-year green bonds. The funds obtained will be invested in environmentally friendly generation and distribution projects.

The number of solar panels connected to the distribution grid is growing rapidly

At the end of the reporting year, a total of 220 solar power plants with a combined capacity of 18 MW were already connected to the distribution network, which is about 3 times more than in 2021. Nearly 12,000 micro-generators – mostly solar panels to generate electricity for households' own consumption – have also been connected to the grid. They have a total capacity of 94 MW.



The total capacity of solar parks and panels installed for Elektrum customers has increased significantly

At the end of the reporting year, the total capacity of *Elektrum* solar parks was 11 MW, while there were solar parks with a total capacity of around 200 MW in the process of design or construction. More and more solar panels are also being installed in customer facilities. At the end of the year, the total capacity of the panels installed by *Elektrum* for their customers in the Baltics reached 38 MW.

Latvenergo AS provides natural gas to its generation plants and customers, as well as to state reserves

In 2022, Latvenergo AS played an important role in securing natural gas reserves for the Latvian state. Latvenergo AS has stopped purchasing natural gas from Russia as of 24 February 2022, switching to LNG supplies from other countries. The timely purchase of gas and the right to use 6 TWh of liquefaction capacity at the Klaipėda LNG terminal for the next 10 years have significantly reduced the risks to the natural gas supply.

Doubling the Elektrum Drive charging network

The *Elektrum Drive* EV charging network has grown significantly, and, by the end of 2022, it already had almost 200 charging ports. In November, an agreement was signed with the e-mobi network, enabling *Elektrum Drive* customers to charge at more than 300 ports in Latvia.

Latvenergo Group was actively involved in various initiatives to support Ukraine

The companies of the Group have provided both technical and financial support for the reconstruction of the Ukrainian energy system. A three-phase 110 kV transformer, 49 transformers of Sadales tīkls AS and 10 quadricycles were delivered to Ukraine. Employees have donated money for external batteries, helped to make trench candles, and coordinated the arrival and accommodation in Latvia of Ukrainian energy engineers and their families.

Latvenergo as received the Latvian Corporate Governance Award

Latvenergo AS was awarded in the category Stakeholder Engagement Practitioner. The efforts of the company to implement good governance practices and the principles of the Latvian Corporate Governance Code were appreciated.

Top rating in the Sustainability Index

Latvenergo AS was awarded the new Diamond category for the first time in the Latvian Sustainability Index, while Sadales tīkls AS was awarded the Platinum category and received the Special Award for Innovation Leader 2022 of the Sustainability Index. Liepājas enerģija SIA was awarded the Gold category.

Group`s strategy 2022–2026

Generation

Grow and diversify portfolio with wind and solar



New wind and solar capacity

2026 600 MW



Trade

Strengthen market position and diversify products



Elektrum – the most valuable energy retailer in the Baltics

-  Growing customer portfolio
-  Microgeneration
-  Electrification and energy efficiency
-  Product innovation
-  Launching operation in Poland

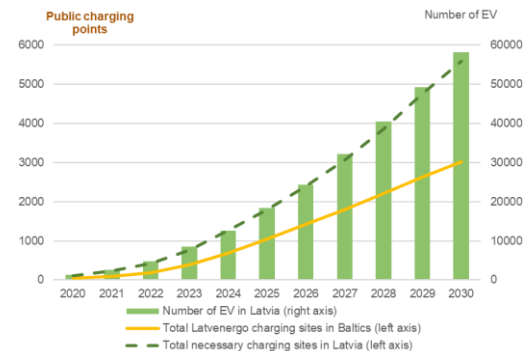
Electromobility

Develop charging network



Electric car charging points in the Baltics

2026 1,200 – 1,500



Distribution

Render sustainable and economically justifiable service



Two-way network of balanced development of microgeneration and charging network

	2020	2026
SAIDI /min	184	164
SAIFI /reizes	2.07	1.92

Implement digital transformation and efficiency

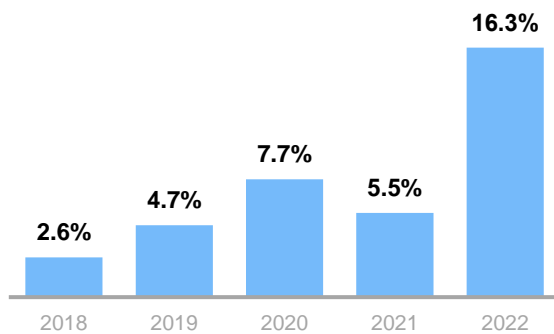
Group`s strategy 2022–2026: financial targets

Profitability

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

Return on equity (ROE) excluding distribution*

> 7%

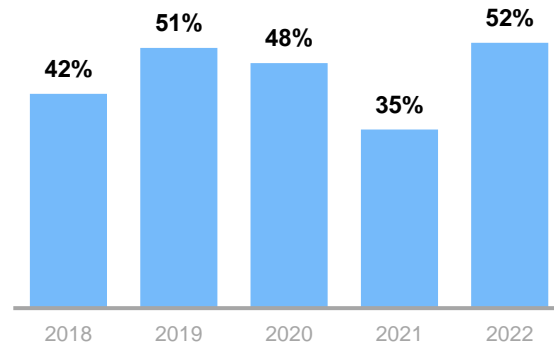


Capital structure

an optimal and industry-relevant capital structure that limits potential financial risks

Ratio between adjusted funds from operations and net debt (FFO / Net Debt)*

> 25%

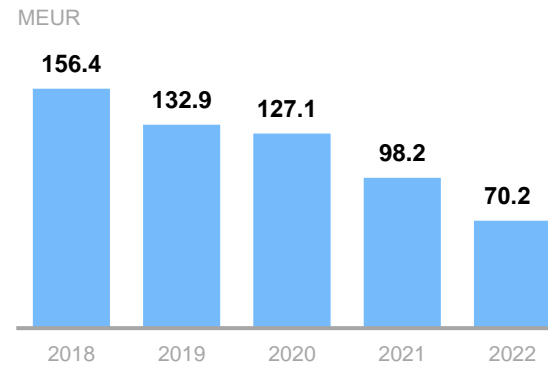


Dividend policy

a dividend policy that is consistent with the planned investment policy and capital structure targets

Dividend payout ratio

> 64%

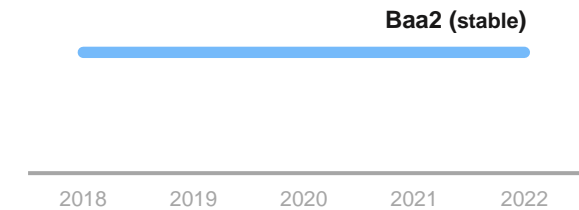


Credit rating

investment-grade credit rating to ensure financing for the ambitious investment programme set out in the strategy

Moody's credit rating

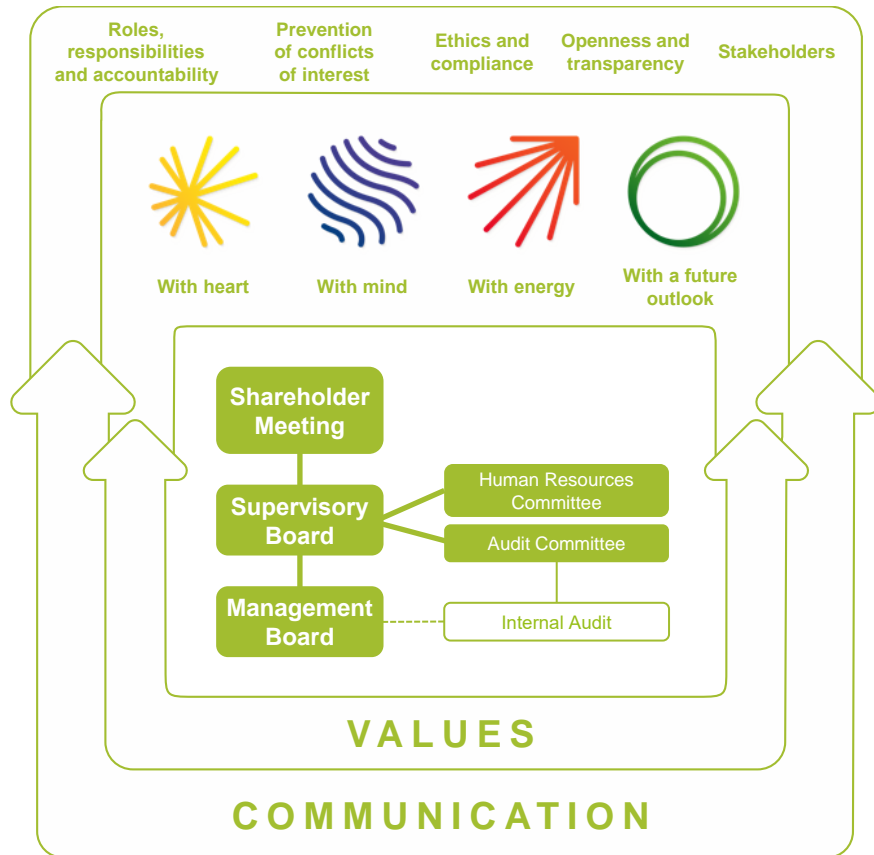
To maintain an investment-grade credit rating



* For definitions of the financial ratios, see the section Key Figures in the Annual Report.

Corporate governance

Corporate governance model



Roles, responsibilities and accountability

The roles, responsibilities and accountability of the governance bodies are defined by laws and regulations of the Republic of Latvia and by the Group's internal documents. The most important of these are the companies' Articles of Association and regulations of the governance bodies, which are published on the Group's website.

Prevention of conflict of interest

Members of supervisory boards and management boards of state capital companies have the status of public officials, which restricts their activities that fall outside the framework of their official powers to prevent personal or financial interests in their activities. Members of supervisory boards and management boards are obliged to submit annual asset declarations as public officials. The Group's Code of Ethics defines the types of conflict of interest and the measures for the prevention of conflicts of interest situations.

Ethics and compliance

Latvenergo Group follows high standards of professional ethics, ensures the compliance of its operation with legislative requirements and does not engage in anti-competitive, corrupt or discriminatory transactions.

Openness and transparency

Financial and non-financial information is published on the Latvenergo website and the Nasdaq Baltic website. Webinars on the Group's financial results and business developments are held every six months.

Stakeholders

Latvenergo Group assesses and takes into consideration its impact on stakeholders and vice versa and handles issues of material importance to its stakeholders with a sense of responsibility.

Corporate Governance Report 2022 is available [here](#)

2. Financial performance

Key financials

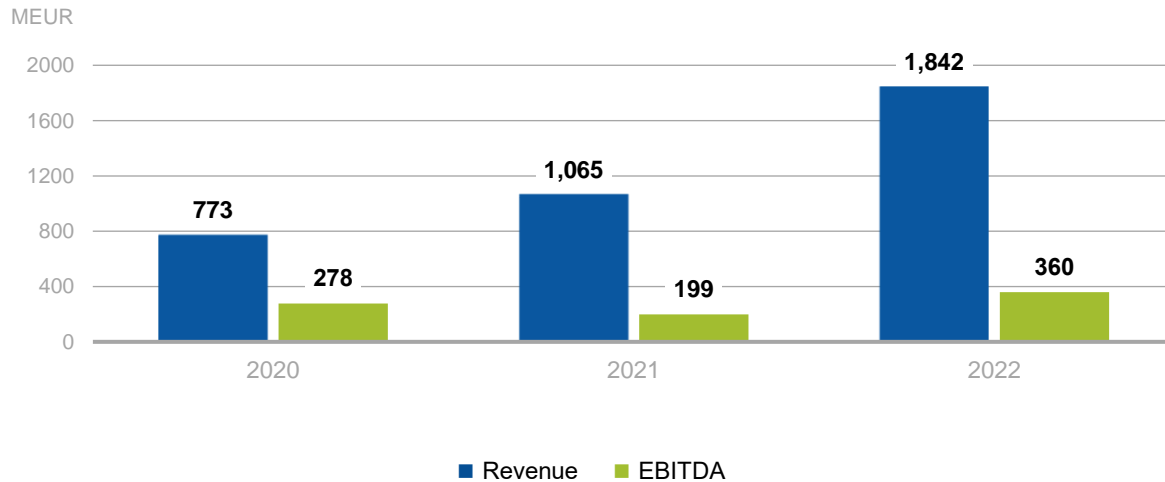
Financial figures (MEUR)	2018	2019	2020	2021	2022
Revenue*	839	842	773	1,065	1,842
EBITDA*	282	244	278	199	360
Profit	76	94	116	72	184
Assets	3,799	3,865	3,359	3,476	3,855
Equity	2,320	2,265	2,118	2,123	2,356
Borrowings	814	883	743	795	876
Net Debt*	505	564	556	698	763
Adjusted funds from operations (FFO)	210	272	269	220	378
Capital expenditure	221	229	169	127	122
Key Financial Ratios	2018	2019	2020	2021	2022
Net Debt to EBITDA	1.8	2.2	2.0	3.2	2.0
EBITDA Margin	34%	29%	36%	19%	20%
Return on Equity (ROE)	2.9%	4.1%	5.3%	3.4%	8.2%
ROE excluding distribution	2.6%	4.8%	7.7%	5.5%	16.3%
Adjusted FFO / net debt	42%	51%	48%	35%	52%
Return on Assets (ROA)	1.8%	2.5%	3.2%	2.1%	5.0%
Return on Capital Employed (ROCE)	2.5%	3.4%	4.2%	2.9%	6.3%
Net Debt to Equity	0.22	0.25	0.26	0.33	0.32
Capital Ratio	61%	59%	63%	61%	61%
Dividend pay-out ratio	104%	62%	126%	63%	88%
Moody's Credit Rating	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)

Information about the financial indicators and coefficients used by the Latvenergo Group is available in Latvenergo Group's consolidated and Latvenergo AS Annual Report, see the section "Key Figures"

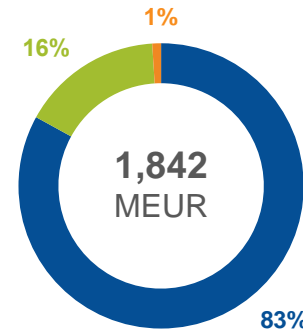
* Figures and ratios until 10 June 2020 are presented by excluding discontinuing operations (unbundling transmission system asset ownership). For more details, please see the Group's annual report for 2020.

Revenue and profit

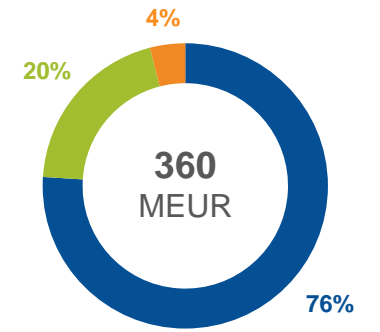
Revenue and EBITDA



Revenue by segment 2022



EBITDA by segment 2022

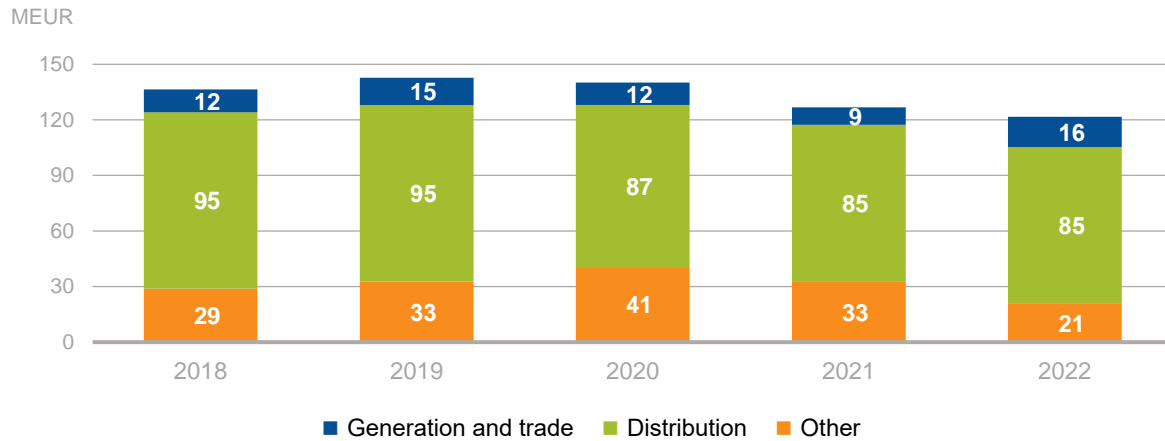


Key highlights

- Revenue was positively impacted by:
 - higher electricity and natural gas spot prices, higher revenue from heat sales
- EBITDA was positively impacted by:
 - the adjustment of electricity sales prices to the market situation and successfully concluded derivative financial instruments
- Profit for the year 2022: 184 MEUR (2021: 72 MEUR)

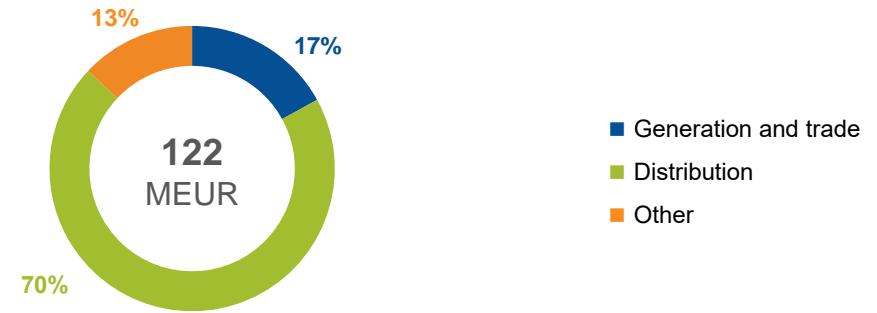
Investments

Average annual investment ~130 MEUR*

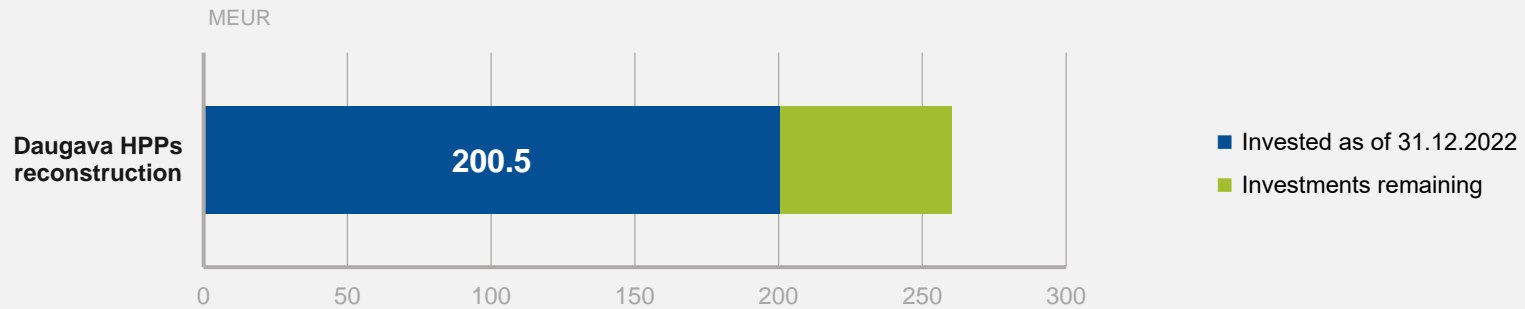


*Excluding investments in discontinuing operations (unbundling transmission system asset ownership)

Investment in network assets – 2/3 of the total; 2022

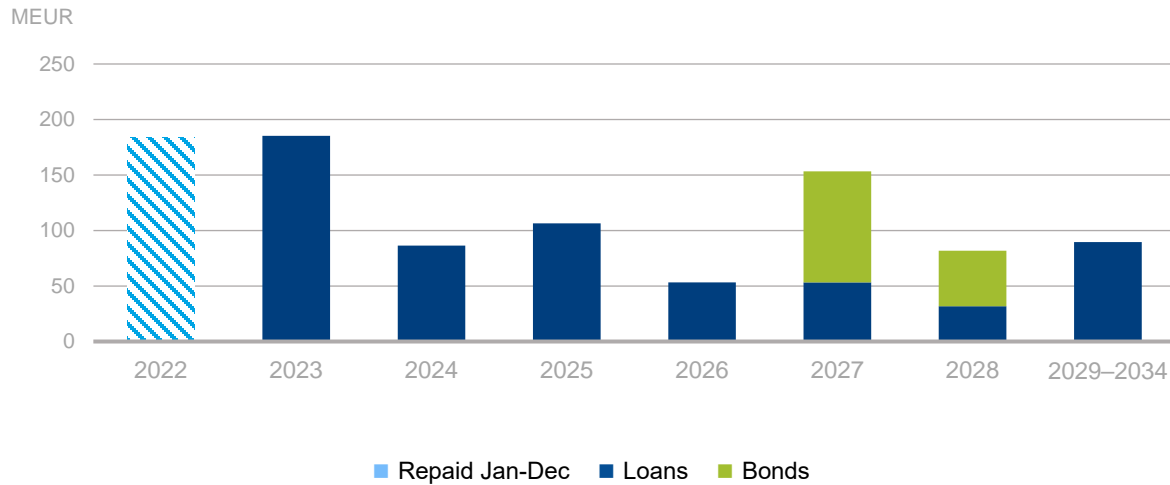


Major investment project

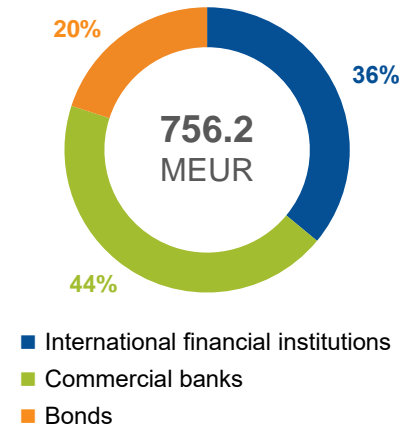


Borrowings

Long-term debt repayment schedule



Diversified sources 2022



Liquidity position 2022

Liquid assets, cash	113 MEUR
Committed long-term loans	200 MEUR
Committed overdrafts	173 MEUR

2022

- Total long-term borrowings – 756.2 MEUR; including outstanding amount of green bonds – 150 MEUR
- Share of fixed interest rate (with IRS) – 36%, weighted average fixed interest rate period (with IRS) – 1.8 years, effective weighted average interest rate (with IRS) – 1.2%
- On 9 March 2023 Moody’s reconfirmed Baa2 (stable)

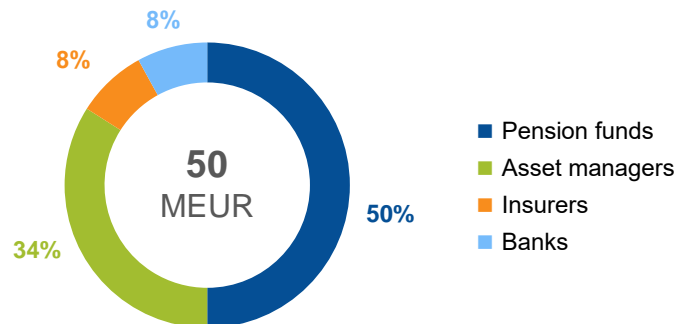
Green bonds

First state-owned and investment grade green bond issuer in Eastern Europe

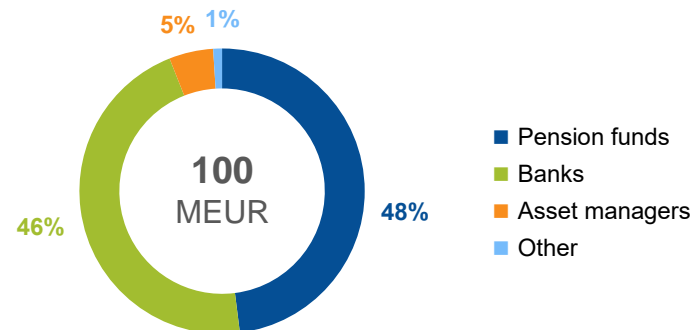


	50 MEUR Green bonds 0.5% annual coupon due 17 May 2028	100 MEUR Green bonds 2.42% annual coupon due 5 May 2027	50 MEUR Green bonds 4.952% annual coupon due 22 February 2029
ISIN	LV0000802460	LV0000870129	LV0000802684
Issued in	2021	2022	2023
Use of proceeds	In accordance with the Green Bond Framework	In accordance with the Green Bond Framework	In accordance with the Green Bond Framework
Programme	The third Latvenergo AS 200 MEUR Programme	The third Latvenergo AS 200 MEUR Programme	The third Latvenergo AS 200 MEUR Programme

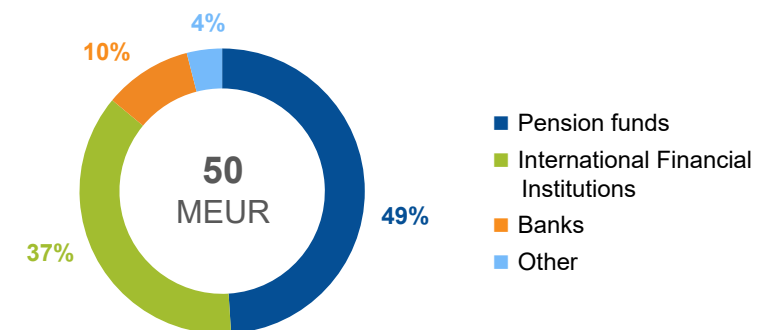
Investors by type according to the coupon payment of 2022



Investors by type according to the coupon payment of 2022



Investors by type according to the placement in February 2023



Green bond programme 2021–2023

The Third Programme for the Issuance of Notes of Latvenergo AS for bond issues up to the total nominal amount of 200 MEUR

- 50 MEUR issued on 17 May 2021
- 100 MEUR issued on 5 May 2022
- 50 MEUR issued on 22 February 2023

Dark Green Shading assigned by CICERO to

Updated Green Bond Framework



The overall assessment of governance structure and processes – **Excellent**

Highlights from the Second Opinion

“Latvenergo has in place a **sound management and governance structure** as well as regular and transparent reporting on own activities and green bond projects”

“It is a clear strength that Latvenergo **participates in the national adaptation plan of Latvia**”

Green bond programme 2021–2023

Eligible green project categories



Renewable energy and related infrastructure

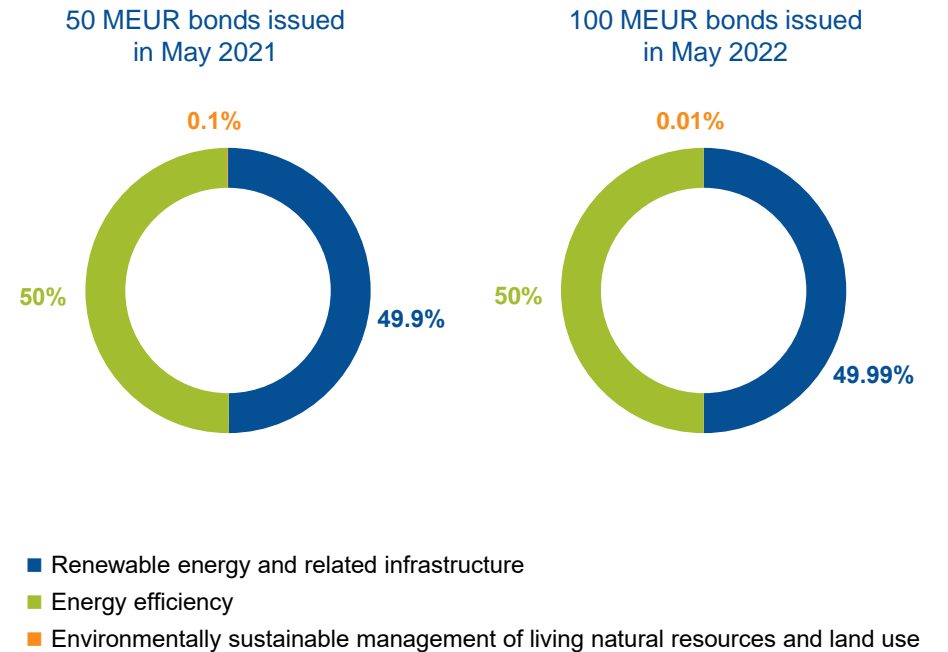


Energy efficiency



Environmentally sustainable management of living natural resources and land use

Investments by project group



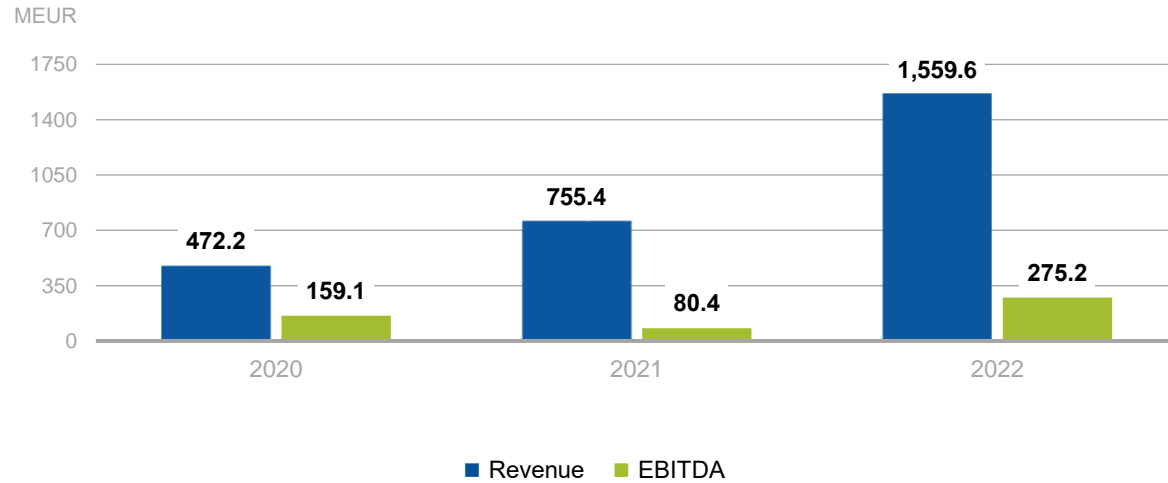
3. Operating segments

Generation and trade

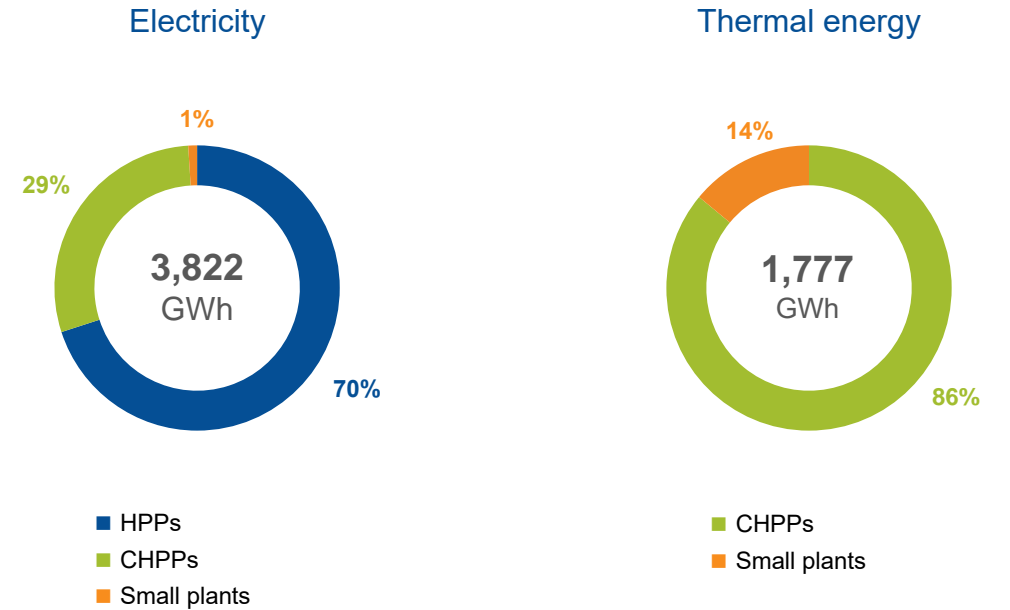
83%
of revenues

76%
EBITDA

Revenue and EBITDA



Electricity and thermal energy output 2022



Generation and trade

Latvenergo Group electricity balance sheet*

	Units	2018	2019	2020	2021	2022
Retail electricity supply and operating consumption	GWh	7,281	6,773	6,670	6,983	5,612
<i>incl. retail electricity supply</i>	GWh	6,954	6,505	6,394	6,706	5,452
Wholesale electricity supply	GWh	3,030	2,754	2,460	2,554	1,894
Technological electricity consumption	GWh	124	121	85	96	67
TOTAL	GWh	10,435	9,648	9,216	9,632	7,573
Gross electricity generation	GWh	5,076	4,880	4,249	4,517	3,822
Electricity procured within the MP scheme**	GWh	1,339	1,199	1,144	907	397
Purchased electricity	GWh	4,020	3,569	3,823	4,208	3,354
TOTAL	GWh	10,435	9,648	9,216	9,632	7,573

* the amount of electricity generated at the Group's facilities which has been traded and procured on the electricity exchange for auxiliary consumption purposes is not included in the Group's electricity balance sheet

** excluding electricity generated by the Group

Key highlights 2022

- Latvenergo Group has a balanced and environmentally friendly energy generation portfolio, consisting mostly of hydropower plants and highly efficient combined heat and power plants
- Installed electrical capacity – 2,606 MW; installed thermal capacity – 1,793 MW
- Segment's EBITDA in 2022 was positively impacted by the adjustment of electricity sales prices to the market situation and successfully concluded derivative financial instruments, which partially limited the negative impact of the increase in costs due to the significant increase in the prices of energy resources in the market

Generation and trade

Trade 2022

- Focus on the development of new products, the increase of revenue from one customer, increasing cost efficiency and customer satisfaction
- ~818k electricity retail customers across the Baltics
- 96% of these are households and 4% business customers
- 5.5 TWh of electricity sold to Baltic retail customers
- 35% of electricity supplied outside Latvia



Baltic electricity market share

~20%

Estonia

9% market share



Business customers
~ 3.9 thousand



Households
~ 40.5 thousand

Latvia

50% market share



Business customers
~ 19.7 thousand



Households
~ 622.9 thousand

Lithuania

10% market share



Business customers
~ 11.8 thousand



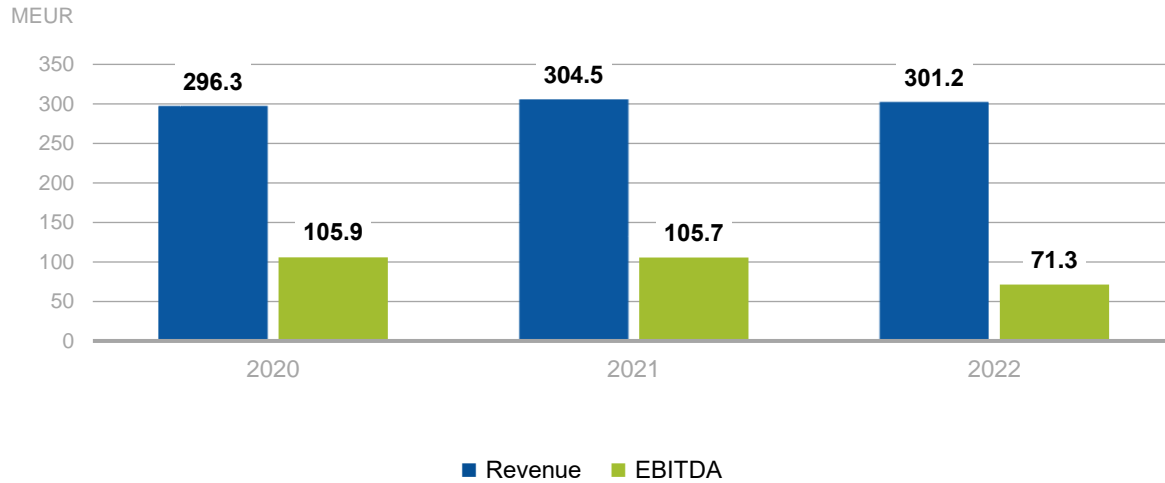
Households
~ 119.5 thousand

Distribution

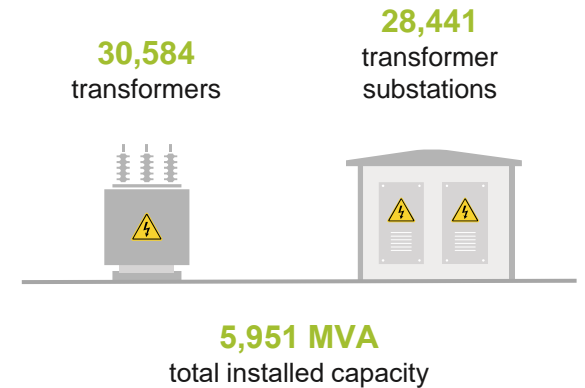
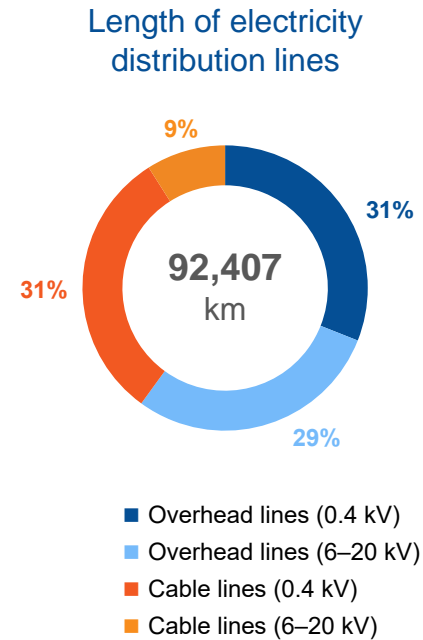
16%
of revenues

20%
EBITDA

Revenue and EBITDA



Distribution network 2022



Distribution

Distributed electricity and losses

	Units	2018	2019*	2020	2021	2022
Distributed electricity	GWh	6,600	6,532	6,286	6,470	6,241
Electricity distribution losses, technological and operating consumption	GWh	327	293	277	271	252
Accumulated microgeneration electricity losses	GWh	–	–	–	–	4
TOTAL	GWh	6,927	6,825	6,563	6,741	6,497
Electricity losses	%	4.43%	4.05%	3.99%	3.79%	3.73%

* in 2020, the transmission system operator recalculated the amount of electricity supplied in 2019; electricity losses in the distribution network were recalculated accordingly

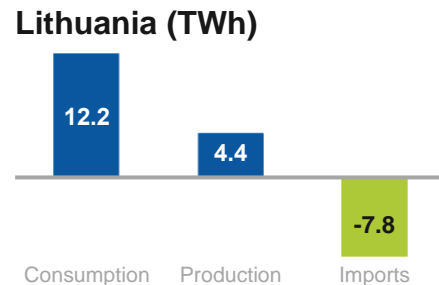
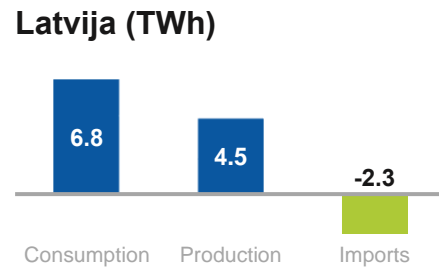
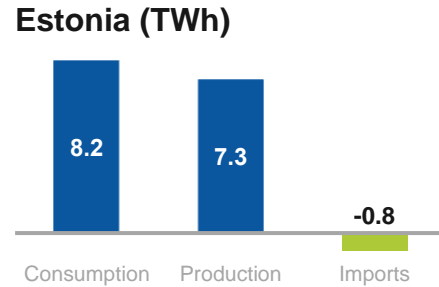
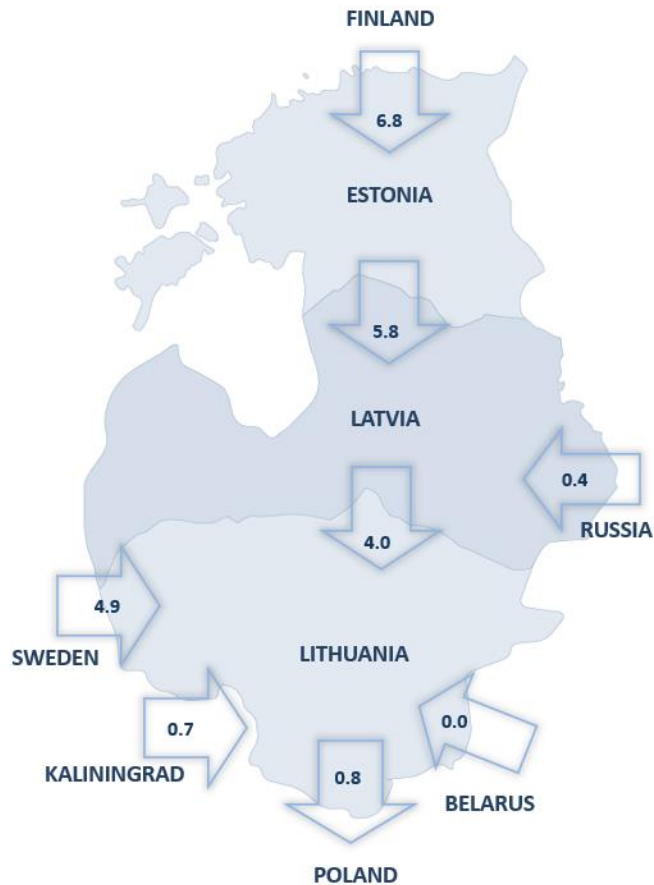
Key highlights 2022

- Provision of distribution system services to about 790 thousand customers in Latvia at regulated tariffs
- In 2022, the efficiency programme of Sadales tīkls AS started in 2017 was completed; Within the programme, the number of workplaces at Sadales tīkls AS has been reduced by about 900
- Smart electricity meters installed for the company's customers comprised more than 1,057 thousand or 98% of all electricity meters
- Results were impacted by a 4% decrease in the amount of distributed electricity, which was affected by lower consumption due to the higher price of electricity and warmer winter
- On 22 May 2023, new tariffs of Sadales tīkls AS were approved by the PUC. Starting from 1 July 2023, electricity distribution tariffs will increase on average by 31%

4. Baltic electricity market

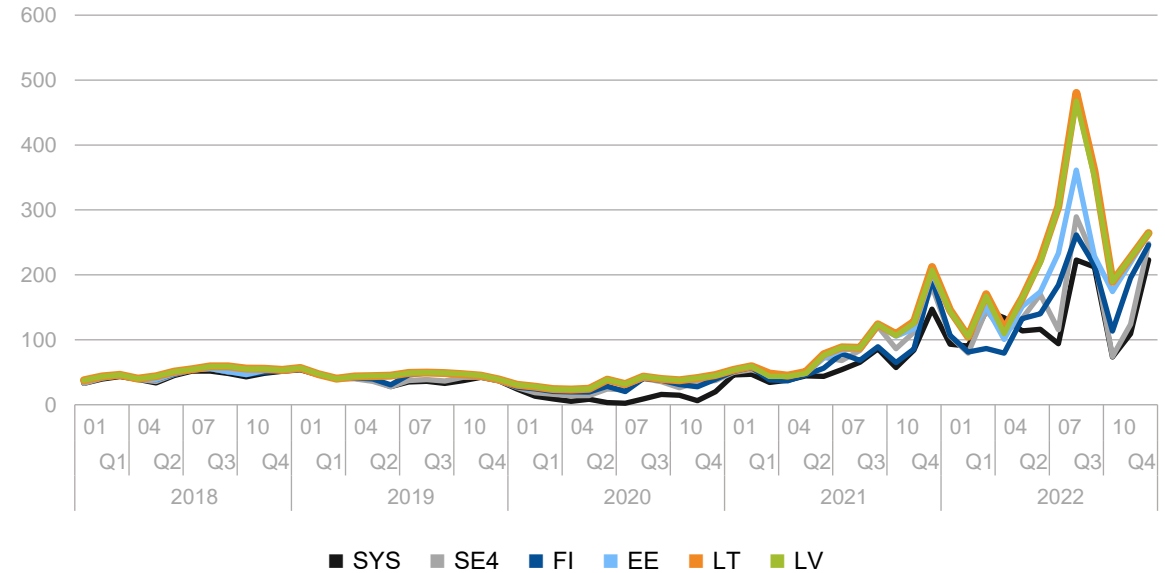
Baltic States in common European market

Energy flow in the Baltics in 2022, TWh



Monthly average Nord Pool spot price

Nord Pool Day-Ahead (EUR/MWh)



- Consumption in the Baltics 27 TWh/year; that is 7% of Nordic 377 TWh/year
- High fuel prices (natural gas, coal, oil) led to power price escalation in Europe which directly reflected price changes in the Nordic and Baltic prices areas
- Natural gas (LV and LT), oil shale (EE) and coal (PL) take an eminent position of power balance in the region (especially during periods of congestion and low RES generation)
- Significant price differences in the Baltic States may arise in the event of interconnection capacity constraints and renewable energy system fluctuations

5. Sustainability and awards

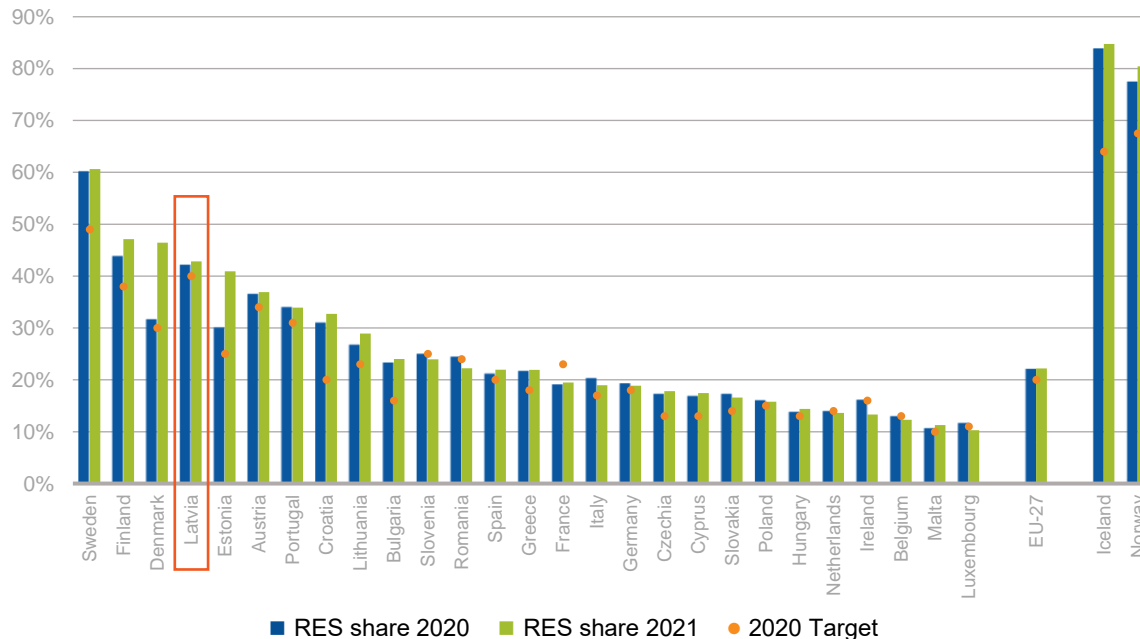
The road to the EU climate neutrality in 2050

Policy area	EU target 2030 → Fit for 55	LV target 2030	LV progress 2021
GHG emission reduction	-40% → -55%	-65%	-59%
RES share	32% → 40%	50%	42%

Progress towards renewable energy source targets, by country

Source: European Environment Agency

Share of energy from renewable sources



Latvenergo Group contribution

- Maintaining and improving efficiency of hydropower units
- Developing new capacities (wind, solar)
- Improving efficiency and reducing CO₂ emissions of natural gas cogeneration plants
- Increasing distribution network efficiency
- Developing the charging network for electric vehicles in Latvia
- Electrification solutions (heat pumps, efficient lighting, e-scooters, etc)

Latvenergo Group SEG emissions

	Units	2018	2019	2020	2021	2022
Scope 1 emissions	thousand t	1,251	1,252	860	928	673
From combustion plants	thousand t	1,243	1,244	852	920	665
From fuel for transportation and machinery	thousand t	8	8	8	8	8
Scope 2 emissions	thousand t				76	70
From generation of purchased electricity	thousand t	N/A	N/A	N/A	7	6
From generation of purchased thermal energy	thousand t	N/A	N/A	N/A	91	1
From electricity distribution losses	thousand t	N/A	N/A	N/A	69	61
Scope 3 emissions	thousand t					1,684
GHG Protocol Category 3	thousand t	N/A	N/A	N/A	N/A	154
GHG Protocol Category 11	thousand t	N/A	N/A	N/A	N/A	1,530

Group's strategy and sustainability

Group's business and activities contribute to the UN's Sustainable Development Goals

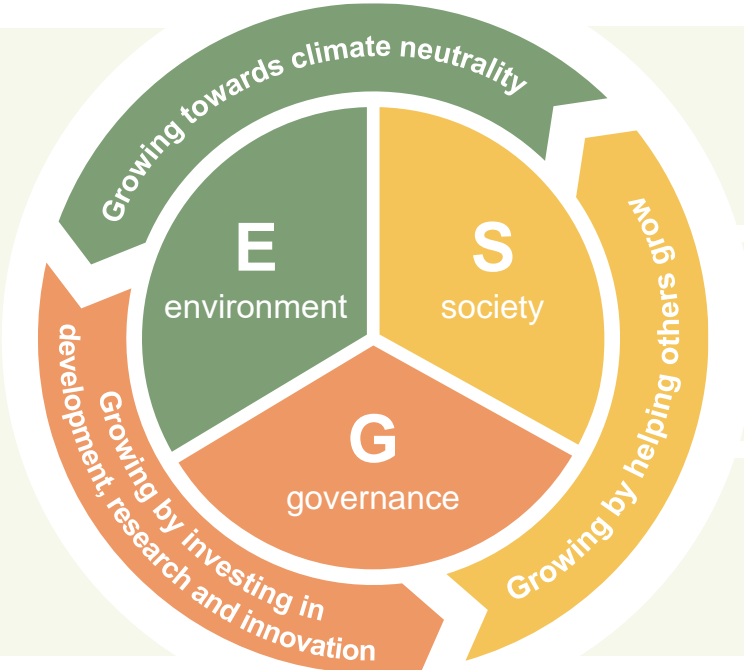
Primary focus



Direct contribution



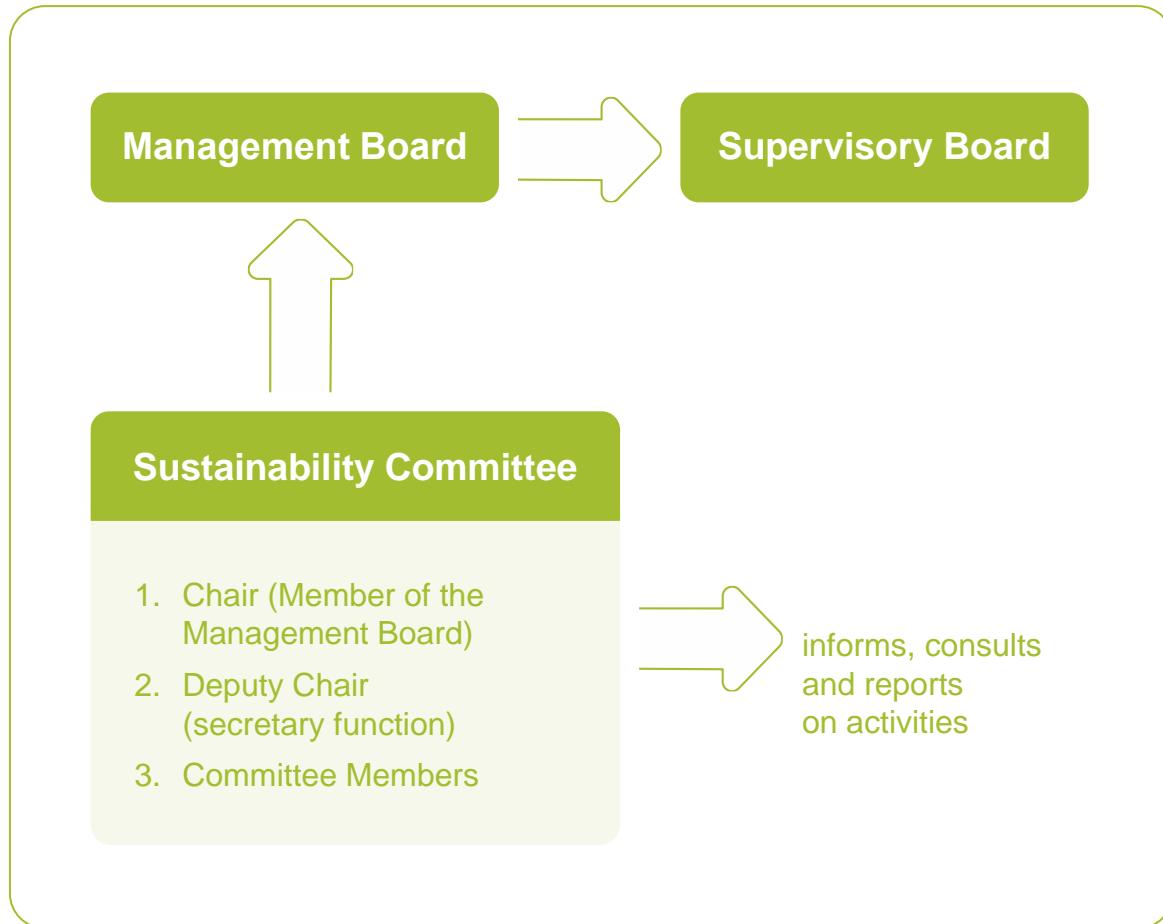
Indirect contribution to other SDG's



- New renewable generation capacities 600 MW by 2026**
- Share of RES capacity in the generation portfolio 80% in 2030**
- Climate target to achieve climate neutrality by 2050**



Governance of sustainability issues



In the reporting year, an international Deloitte team of experts carried out a sustainability maturity assessment of Latvenergo AS, in which the performance of the company so far was evaluated positively. In addition, recommendations were made for improving sustainability performance and managing sustainability issues in the future. In accordance with the recommendations, at the end of 2022, the Sustainability Committee of Latvenergo AS was established, whose activities are supervised by the Management Board of the company. The Head of the Committee is the Chief Financial Officer. Seven organisational units are permanently represented in it which are responsible for different areas of sustainability; other organisational units are involved in reviewing issues relevant to them. The purpose of the Committee is to provide consultative functions for the governance of sustainability issues and to contribute to the improvement of the sustainability performance of Latvenergo Group.

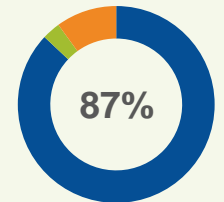
At the level of the Supervisory Board, sustainability issues are discussed and evaluated in its full composition, without forming a separate committee.

EU taxonomy 2022

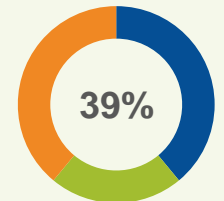
Taxonomy-eligible activities	Activity description	Taxonomy-aligned activities
4.1. Electricity generation using solar photovoltaic technology	Solar power plants in the Baltic states in the design and construction stage with a total capacity of around 200 MW	✓
4.3. Electricity generation from wind power	Ainazi WPP – 1 MW. In 2022, the joint venture Latvijas vēja parki SIA was established to develop 800 MW wind farms; cooperation with RWE on the potential development of wind farms off the Latvian shore has started	✓
4.5. Electricity generation from hydropower	The Daugava HPPs' cascade and the Aiviekste HPPs with a combined capacity of 1,560 MW	✓
4.9. Transmission and distribution of electricity	Electricity distribution network providing distribution services to 790 thousand customers in Latvia	✓
4.11. Storage of thermal energy	Thermal storage system at CHPP-2, which allows thermal energy generated in cogeneration mode to be stored and CHPP operation modes to be adapted more optimally to market conditions and peak loads, achieving more efficient energy consumption and CO ₂ emission savings	✓
4.15. District heating/cooling distribution	Liepājas enerģija SIA heat networks, which provide centralised heating to more than 1,100 buildings in Liepāja	✓
4.20. Cogeneration of heat/cool and power from bioenergy	Liepājas enerģija SIA cogeneration plant, which uses woodchips to generate thermal energy and electricity. Its capacity is 10 MW _{th} and 2 MW _{el} .	✓
4.24. Production of heat/cool from bioenergy	Liepājas enerģija SIA generation plants using woodchips for thermal energy generation. Their total capacity is 32 MW _{th} .	✓
4.29. Electricity generation from fossil gaseous fuels	Latvenergo AS CHPP-2, which uses natural gas for electricity generation in condensation mode. The condensation capacity of the plant is 881 MW _{el} .	
4.30. High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	Latvenergo AS CHPP-1 and CHPP-2 and Liepājas enerģija cogeneration plant, which use natural gas for thermal energy and power generation. The total capacity of these plants is 693 MW _{th} and 994 MW _{el} (with CHPP-2 in cogeneration mode).	
4.31. Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	The Latvenergo AS CHPPs and Liepājas enerģija SIA (1,059 MW _{th}), which use natural gas for thermal energy generation and transfer the thermal energy generated to the centralised heating system	
6.15. Infrastructure enabling low-carbon road transport and public transport	The <i>Elektrum</i> electric vehicle charging network, which included around 200 ports in 2022. In 2023, the number of ports is set to expand to more than 500.	✓

Proportion of taxonomy-aligned activities

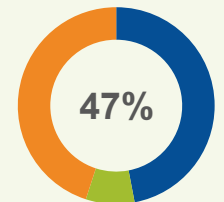
CAPEX



Revenue

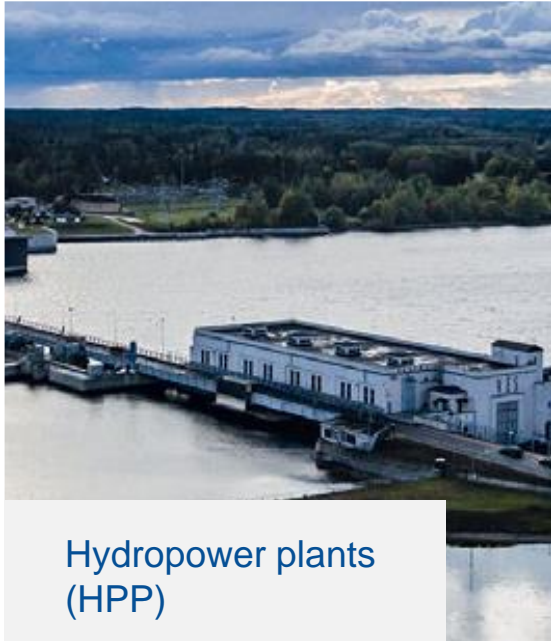


OPEX



- Taxonomy-aligned activities
- Taxonomy-eligible activities
- Taxonomy-non-eligible activities

Efficient generation capacities in 2022



Hydropower plants (HPP)

- 100% green energy
- 1,558 MW_{el}
- 3 HPPs
- Generation ability depends on water inflow in the Daugava River
- Possibility to accumulate water and adapt generation



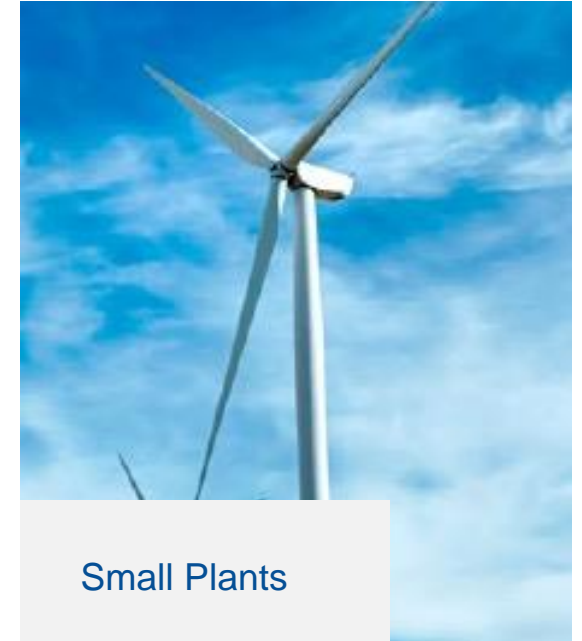
Combined heat and power plants (CHPP)

- Electricity and thermal energy
- 1,039 MW_{el}; 1,617 MW_{th}
- 2 CHPPs
- Upgraded and highly efficient
- Uses natural gas – the most environmentally friendly type of fossil fuel



Liepaja plants

- Electricity and thermal energy
- 6 MW_{el}; 176 MW_{th}
- Mainly uses a renewable energy source – woodchips



Small Plants

- 100% green energy
- Aiviekste HPP (1.5 MW_{el})
- Ainazi WPP (1 MW_{el})
- Solar energy park

Examples of impact investment projects



Daugava HPPs

About:

Reconstruction of hydropower units and technological equipment at Daugava HPPs

Objectives:

Extending service life, increasing capacity and efficiency ratios, increasing the safety, reducing the oil leakage risk

Environmental benefits:

High share of renewables in energy generation, reduction of CO₂ emissions of up to 15,500 tons per year



Distribution network

About:

Building and reconstruction of distribution network

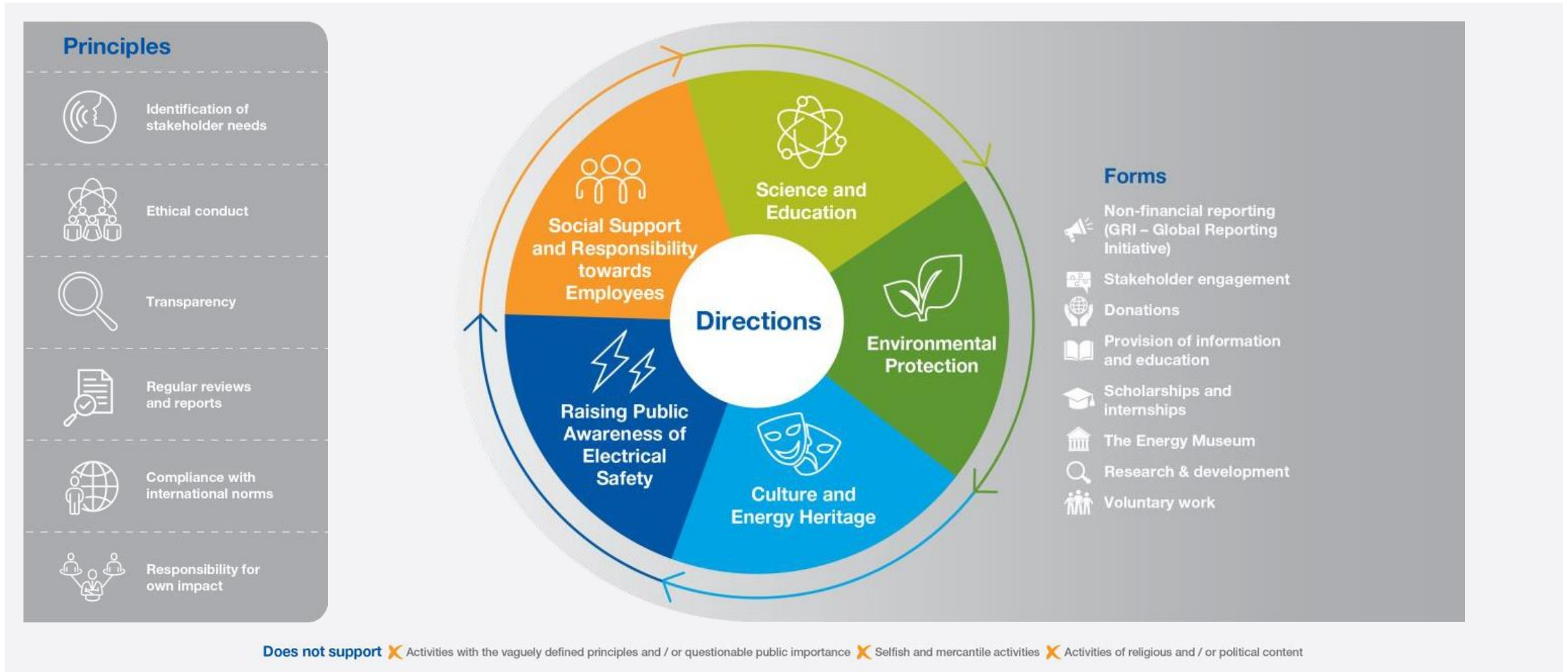
Objectives:

Reducing the duration of power interruptions and electricity losses, extending the service life of the distribution grid

Environmental benefits:

Reduction of CO₂ emissions resulting from the decrease in distribution losses (30,000 tonnes compared to 2014)

Corporate social responsibility



Awards 2022

Latvenergo Group – a leader in sustainability

- Latvenergo AS was awarded the new Diamond (highest) category in the Latvian Sustainability Index, while Sadales tīkls AS was awarded the Platinum category and received the Special Award for Innovation Leader 2022 of the Sustainability Index. Liepājas enerģija SIA was awarded the Gold category.
- Latvenergo AS received an award from the Latvian Corporate Governance Advisory Board in the category Stakeholder Engagement Practitioner.
- In the European Sustainable Brands Index, the brand *Elektrum* of Latvenergo AS was recognised as the second most sustainable brand in Latvia for the second year in a row.
- Sadales tīkls AS received three awards in the annual Baltic communication industry competition Mi:t&Links 2022.
- In its anniversary year, the Safest Company Fleet competition honoured the top-ranked fleets from the previous decade. Latvenergo AS received the Diamond Award of the Decade and a special award from the Ministry of Transport of the Republic of Latvia. The Recognition Award was also conferred to Sadales tīkls AS.
- In the competition Golden Helmet of the State Labour Inspectorate for best practice in labour protection, Sadales tīkls AS received recognition from the Free Trade Union Confederation of Latvia for labour protection measures in the electricity distribution network.

Latvenergo Group companies – top companies in the energy sector

- Latvenergo AS was ranked as the second most valuable company in Latvia in the TOP 101 most valuable companies in Latvia. Latvenergo AS was recognised as the most valuable energy company for the fifth time in the TOP 30 most valuable companies in the Baltics.
- Latvenergo AS was recognised as the largest state-owned company, the largest energy company and the third largest EBITDA earner in the TOP 500 Latvian Companies. Sadales tīkls AS was rated as the third largest energy company and the third largest state-owned company.
- In the Latvian Business Annual Report 2022, Latvenergo AS was assessed as the largest company in the energy sector. Sadales tīkls AS ranked third among Latvian electricity and gas companies.
- At the beginning of 2023, Latvenergo AS received the Nasdaq award for best investor relations on the bond market in the Baltic states for the third time.



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