

## Latvenergo Group's unaudited results for the nine-month period of 2023 are published

Today, on 30 November, the unaudited condensed interim consolidated financial statements of Latvenergo Group for the nine-month period of 2023 are published.

The most significant impact on Latvenergo's financial and operating results in the nine-month period of 2023 still remains from the increase in generation experienced in the spring of 2023 at Daugava HPPs. The Daugava HPPs generated the largest amount of electricity over the last 20 years in a 9-month period. Although the Daugava inflow was lower in the summer months, Latvenergo Group is consistently the largest renewable energy generator in the Baltic states. In the nine-month period of 2023, the Group generated 3,971 GWh of electricity, which is 46% more than in the same period last year. In the nine-month period of 2023, Latvenergo Group's revenue amounted to EUR 1,537.6 million, which is 31% more than a year ago, while the Group's EBITDA has doubled and reached EUR 455.3 million. The Group's profit for the nine-month period of 2023 amounts to EUR 283.4 million. For comparison, the Group's half-year profit was EUR 222.5 million.

In May 2023, Latvenergo AS paid EUR 134.0 million in dividends to the State and additional dividends of EUR 18.5 million were paid after the reporting period. In turn, for the 2023 reporting year, the expected amount of dividends to be paid by Latvenergo AS in 2024 amounts to 64% of the profit for the reporting year, but not less than EUR 199.3 million.

Latvenergo has performed very well in the nine-month period of 2023, maintaining high electricity generation and sales volume, as well as an increase in the number of customers, making it the largest generator of renewable electricity in the Baltic states.

"This is the year when we have made the best use of nature and our HPPs in Latvenergo Group, both in electricity generation and sales, and the good financial results – a logical result of our work as the leading energy company in the Baltic states. We share what we earn, keeping the money here in Latvia and supporting society with dividends, instead of it going abroad. To further expand our renewable energy generation capacity, we have invested in new capacities, as well as further increased the generation capacity of HPPs in these nine months", says Mārtiņš Čakste, Chairman of the Management Board of Latvenergo AS, commenting on the results.

Daugava HPPs' electricity generation in the nine-month period of 2023 has been affected by water inflow – at the beginning of the year, it was almost twice as high as last year; in June, it decreased in line with the season, and the volume of generated electricity also decreased. However, in the nine-month period of the year in total, the output of Daugava HPPs is 35% higher than in the same period last year, reaching 3,036 GWh. The Daugava HPPs generated the largest amount of electricity in the last 20 years during this period. Electricity generation at Latvenergo AS CHPP reached 920 GWh, which is twice as much as in the same period last year. Latvenergo thus generated 34% of all electricity in the Baltic states in the nine-month period of 2023. In total, 3,971 GWh of electricity was generated, which is 46% more than in the same period last year.

As electricity generation has grown, so have electricity sales in the Baltic states, with 6,557 GWh sold in the nine-month period of 2023, which is 23% more than in the same period last year. Retail sales grew by 15% to 4,491 GWh, boosted by a 31% increase in the number of customers outside Latvia to 212 thousand customers in Lithuania and Estonia. In the natural gas trading segment, the number of Latvenergo's customers has doubled, exceeding 42 thousand customers.

Increased power generation at Daugava HPPs in 2023, as well as an increase in electricity sales, have had a positive impact on the Group's financial results for the nine-month period of 2023, with the profit rising to EUR 283.4 million. In the nine-month period of 2023, Latvenergo Group's revenues amounted to EUR 1,537.6 million, which is 31% more than in the same period last year. Latvenergo Group's EBITDA doubled and is EUR 455.3 million.

The influence of new business directions is constantly increasing in financial indicators. The number of contracts for the sale of solar panels and parts of solar parks signed in the nine-month period of 2023 exceeds 1,300. The total capacity of solar panels installed for retail customers of Latvenergo Group at the

end of September reached 70 MW, which makes Latvenergo one of the leading providers of this service in the Baltic states. The Elektrum Drive electric car charging network reached 290 charging points at the end of September with more than 34.8 thousand charges of 735 MWh, saving 450 tonnes of CO<sub>2</sub> emissions.

The total investment volume of Latvenergo Group in the nine-month period of 2023 is EUR 135.4 million, which is 58% or EUR 50.0 million more than in the same period last year, with the largest increase coming from investments in solar power plant development projects. In total, there are 15 solar parks with a total capacity of more than 300 MW under design or construction in the Baltic states, which are expected to be gradually commissioned from 2023–2025.

In May 2023, Latvenergo AS paid EUR 134.0 million in dividends to the State out of the profit of Latvenergo AS for 2022, and paid EUR 26.5 million in corporate income tax. On 18 October, the Extraordinary General Meeting of Latvenergo AS adopted a decision to pay additional dividends of EUR 18.5 million to the State from the retained earnings for the 2022 financial year. The additional dividends paid will be used to reduce the extraordinary increase in energy prices.

After the end of the reporting period, on 28 November 2023, the Cabinet of Ministers of the Republic of Latvia granted the right to the joint venture of Latvenergo and Latvijas valsts meži AS (LVM), Latvijas vēja parki SIA, to obtain building rights in specified Latvian state forest territories to realize the construction of strategically significant wind parks for the country. To realize the construction of strategically significant wind parks for the country, with a total capacity of at least 800 MW, they will be designed, constructed, and operated on state-owned lands, managed by LVM.

The unaudited condensed interim financial statements of Latvenergo Group for 2023 will be published on 29 February 2024. The unaudited condensed interim consolidated financial statements of Latvenergo Group covering the nine-month period of 2023 are available at [www.latvenergo.lv](http://www.latvenergo.lv) in the [Investors/Reports](#) section.

