

## Latvenergo Group's unaudited results for the first quarter of 2025 are published

Today, on 30 May, the unaudited condensed interim consolidated financial statements of Latvenergo Group for the first three months of 2025 are published.

Latvenergo Group's operations in the first three months of 2025 were affected by lower inflow in the Daugava River, unlike in the previous two years. Therefore, in the first three months of the year, electricity generation was 29% lower than in the same period last year. In 2023 overall and in the three-month period of 2024, the Daugava hydropower plants (HPPs) experienced record-high levels of generation, but in the first three months of 2025, generation is in line with the long-term average. Although generation declined in these months, Latvenergo Group produced 30% of the total electricity generated in the Baltics. Newly built RES plants also showed the first results. As part of the strategy and growth in the regional renewable energy sector, investments increased 2.7 times, reaching EUR 137 million. At the end of the reporting period, Latvenergo Group had built, designed or started the construction of solar and wind power parks in the Baltics with a total capacity of around 1,000 MW. They complement the existing HPPs with an installed capacity of 1,560 MW and CHPPs with 1,039 MW.

At the beginning of this year, Latvenergo Group has sold 2,385 GWh of electricity and natural gas at retail in the Baltics, which is 3% more than in the same period last year. Almost half of the energy was sold outside Latvia. The number of customers also showed a positive increase. Latvenergo Group's electricity customers in the Baltics grew by 6%, while natural gas customers increased by 26%.

**Lower generation at the Daugava HPPs impacted Latvenergo Group's financial results. In the first quarter of 2025, Latvenergo Group's revenue is EUR 516.2 million or 14% less than in the same period last year, EBITDA is EUR 145 million or 34% less, and profit is EUR 94.9 million.**

In the first quarter of 2025, electricity prices in the Baltics increased by 27% on average to EUR 111–112 per MWh. The electricity price in the region was affected by the damage to the Finnish-Estonia interconnection EstLink 2 on 25 December 2024. Of the total installed capacity of the Finland-Estonia interconnection – 1,016 MW – only 358 MW is currently available (EstLink 1), which significantly limits electricity imports from the Nordic countries. According to information published by the Finnish system operator, repair work on this interconnection will last until 15 July. Higher natural gas prices also had a negative impact on electricity prices. TTF natural gas (Front Month) average price was EUR 48/MWh, which is 55% higher than in the same period last year.

On 9 February 2025, Estonia, Latvia and Lithuania successfully synchronised their electricity systems with the Continental Europe Synchronous Area. With the synchronisation, the Baltic balancing capacity market of Estonian, Latvian and Lithuanian transmission system operators became operational, in which Latvenergo AS participates with CHPPs and HPPs.

In describing the operating environment in the first quarter of 2025, it should also be noted that electricity consumption in the Baltics has decreased by 3% and natural gas consumption by 5% compared to the same period last year. Moreover, after several years of high inflow in the Daugava River, it has returned to its long-term average inflow level at the beginning of 2025. The Daugava HPPs generated 829 GWh of electricity, which is 41% less than in the same period last year. Latvenergo AS CHPPs generated 803 GWh of electricity, down by 12%. Due to warmer weather conditions, the Group's heat production decreased by 19% to 733 GWh. Despite the reduction in electricity generation, Latvenergo Group produced 30% of the total electricity generated in the Baltics, of which 51% is from renewable energy sources (61% in the 3-month period of 2024).

2025 is the first year when newly built RES plants start to show results – contributing 12 GWh to the total production balance in the first quarter of 2025. This brings the total electricity generated by all Latvenergo plants to 1,651 GWh.

At the beginning of this year, Latvenergo Group sold 1,752 GWh of electricity in the Baltics, which is 6% less than in the same period last year. However, the number of customers increased by 6%. It exceeds 906,000, and more than 295,000 of them are outside Latvia. In the first three months of 2025, almost half of the electricity was sold outside Latvia: 452 GWh in Lithuania and 407 GWh in Estonia. Although natural gas consumption in the Baltics decreased, Latvenergo Group's natural gas sales in the Baltics increased by 39% to 633 GWh and the number of customers increased by 26% compared to the beginning of last year.

Investments and completed projects have increased noticeably, moving towards the targets set in the 2022–2026 strategy. In the first quarter of 2025, EUR 137 million was invested, which is 2.7 times more than in the same period last year. Almost 3/4 of the investment, or EUR 97 million, is invested into new wind and solar generation capacity. The largest projects are the Telšiai and Laflora Energy wind parks, which will start generation in 2026, as well as the Aizpute solar park. After the end of the reporting period, the foundation stone was laid on 22 May for the Laflora Energy wind park, the first and largest wind park to be built exclusively by Latvian companies. At the end of the reporting period, Latvenergo Group had built, designed or started the construction of solar and wind parks in the Baltics with a total capacity of around 1,000 MW. They complement the existing HPPs with an installed capacity of 1,560 MW and CHPPs with 1,039 MW. The investment in distribution system assets amounts to EUR 31 million, which is approximately 1/4 of the Group's total investment.

The aforementioned decrease in electricity consumption and electricity generated by the Daugava HPPs also affected the financial results of Latvenergo Group. Revenues from energy sales were EUR 77.0 million lower due to 16% lower electricity sales prices and lower volumes of energy sold. Thus, Latvenergo Group's revenue is EUR 516.2 million or 14% less than in the respective period last year, EBITDA is EUR 145 million or 34% less, and profit for the reporting period is EUR 94.9 million or 45% less.

After the end of the reporting period, on 23 May, the shareholder of Latvenergo AS decided to pay a dividend of EUR 185.9 million to the State out of the 2024 profit, which corresponds to approximately 70% of the 2024 profit of Latvenergo AS as set out in the Law on the State Budget for 2025 and Budget Framework for 2025, 2026 and 2027.

Latvenergo Group's unaudited condensed interim financial statements for the first six months of 2025 will be published on 29 August and for the first nine months on 28 November. The unaudited condensed interim financial statements of Latvenergo Group covering the first three months of 2025 are available in the [Investors/Reports](#) section.

