

# LATVENERGO CONSOLIDATED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST 6 MONTHS OF 2025

29.08.2025, Riga



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# Facts and events in 1H 2025

## Electricity and energy resource prices are higher.

Electricity spot prices in the Baltics were on average 6% higher, reaching 86–87 EUR/MWh. Meanwhile, the average price of natural gas at the TTF (front month) reached 43 EUR/MWh, which is 43% higher than in the respective period a year ago. The price of CO2 emission allowances (EUA DEC futures) increased by 11%, reaching 73 EUR/t.

## Latvenergo Group produced 24% of the total electricity generated in the Baltics.

Electricity output at Latvenergo Group's plants reached 2,603 GWh, which is 26% less than a year ago. Electricity generation at the Daugava hydroelectric power stations (HPPs) decreased by 36% compared to 1H 2024, reaching 1,647 GWh. The amount of electricity generated at the Latvenergo AS combined heat and power plants (CHPPs) decreased by 7%, reaching 887 GWh. The amount of heat energy generation decreased to 916 GWh, which is 12% less than a year ago.

## Investments have increased 2.2 times.

The total amount of investment increased 2.2 times, reaching EUR 392 million. Almost 3/4 of it or EUR 291 million was made in new wind and solar generation capacities.

## The international credit rating agency Moody's reaffirmed the credit rating of Latvenergo AS at Baa2 with a stable outlook.

In March, Moody's published an updated Credit Opinion of Latvenergo AS. The rating of Latvenergo AS remains unchanged: Baa2 with a stable outlook.

## Elected member of the Latvenergo AS Supervisory Board.

On April 8, Rodžers Jānis Grigulis was appointed as a member of the Supervisory Board of Latvenergo AS for a five-year term.

## Latvenergo AS plans to continue issuing bonds.

On May 23, the Shareholder Meeting of Latvenergo AS decided to issue debt securities (bonds) under a new public offering programme.

## On Latvenergo AS dividend payments and share capital changes

In June, Latvenergo AS paid EUR 185.9 million of the 2024 profit of Latvenergo AS to the state as dividends, paying a corporate income tax of EUR 39.0 million accordingly. In June, the Latvenergo AS share capital was increased by EUR 286,0 million.

## Latvenergo AS acquired the wind park project Pienava Wind

Wind park Pienava wind will start wind power generation with a capacity of 147 MW as early as in the first half of 2027. The construction costs of the wind park are expected to be approximately EUR 215 million.

## Memorandum of understanding signed with Telia Company AB

Latvenergo AS and State Joint Stock Company Latvian Radio and Television Centre signed a memorandum of understanding with Telia Company AB, which provides the option to consider the acquisition of a portion of the shares in its subsidiaries Tet SIA and Latvijas Mobilais Telefons SIA.



# 1H 2025 results I

## Overview

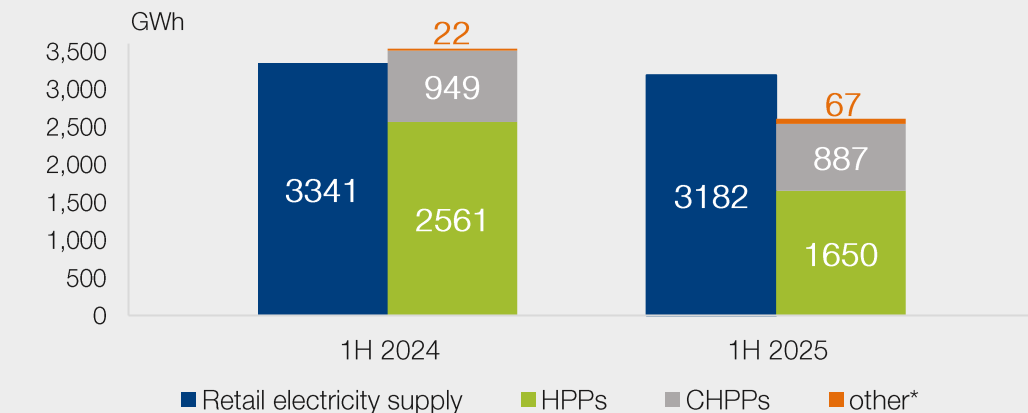
### Financial Figures

MEUR	1H 2025	1H 2024	Δ, %
Revenue	847.1	955.4	(11%)
EBITDA	271.7	393.7	(31%)
Profit for the period	135.3	252.5	(46%)
Assets	4,471.3	4,107.9	+9%
Net debt	843.1	512.2	+65%
Investments	391.8	174.8	+124%

### Financial objectives 2026

	Target 2026	Actual 1H 2025
ROE excluding distribution	> 7%	8.7%
Adjusted FFO / Net debt ratio	> 25%	57%
Moody's credit rating	≥ Baa3	Baa2

### Electricity generation and trade



# 1H 2025 results II

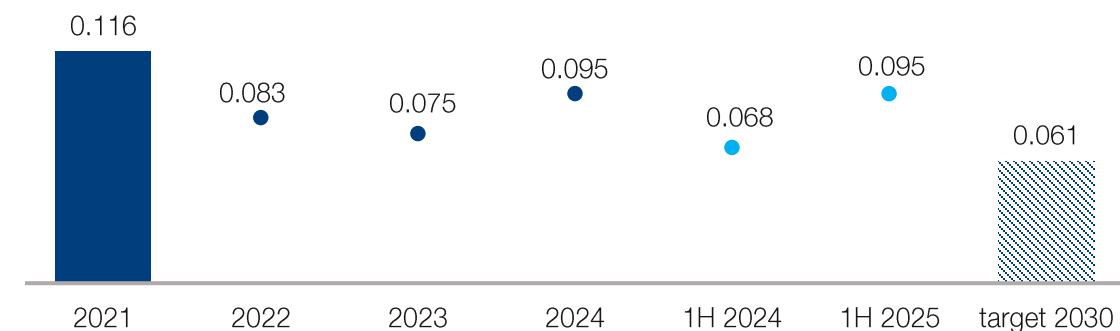
## Overview

### Non-financial objectives 2026

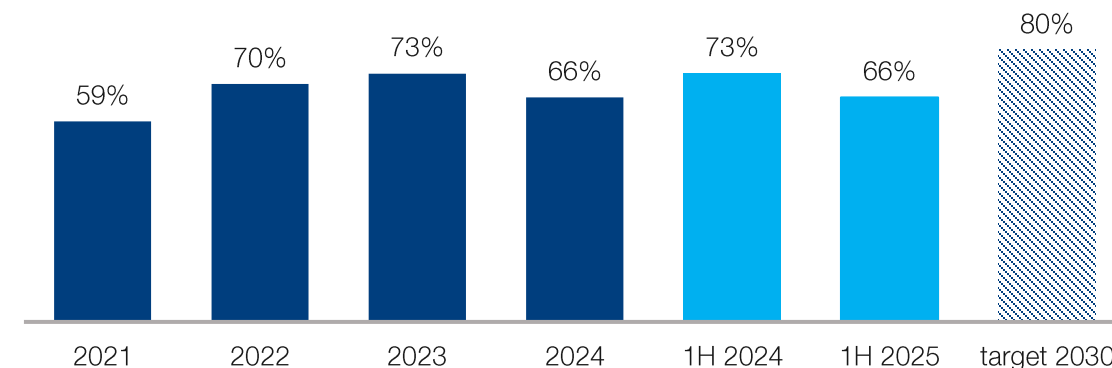
	Target 2026	Actual 1H 2025
Available new RES capacity	600 MW	179 MW (1,144 MW)*
SAIFI (number)**	1.92	0.66
SAIDI (minutes)**	164	54
Electricity customers	855 thsd.	911 thsd.
Public electric car charging ports	1,200	1,126

### Target 2030: Reducing Scope 1 GHG emissions by 47% compared to 2021

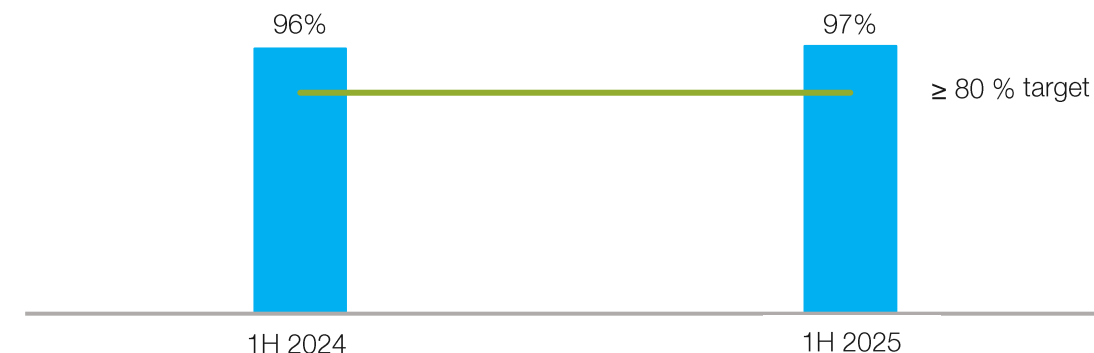
Electricity production- specific emissions, t CO<sub>2</sub>/MWh



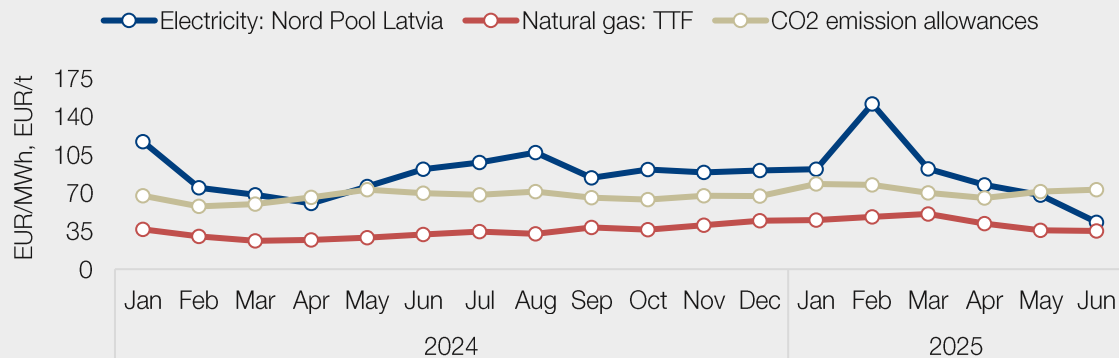
### Target 2030: Share of electricity produced from RES: at least 80%



### Target, annually: Investments in activities aligned with the EU Taxonomy: at least 80%



# Operating environment: Higher electricity prices in the Baltics

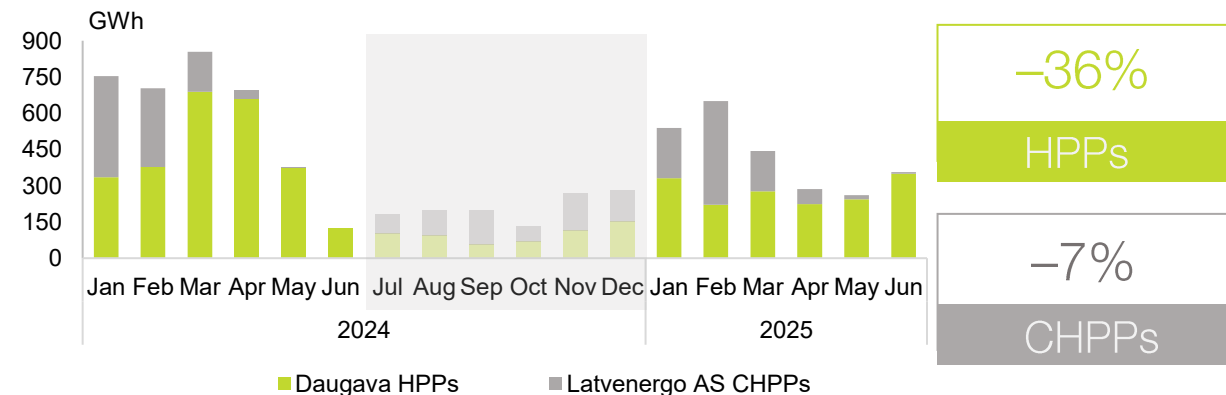


- Electricity prices in the Baltics were affected by lower output at the Daugava HPPs, reduced imports due to maintenance of the EstLink 2 interconnection between Finland and Estonia and higher natural gas and CO<sub>2</sub> emission quota prices
- The price of natural gas at TTF virtual trading point (front month) 43% higher, reaching 43 EUR/MWh
- The average price of CO<sub>2</sub> emission allowances (EUA DEC futures) 11% higher, reaching 73 EUR/t

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

Region	1H 2025	1H 2024	Δ, %
System price	36.2	46.8	(23%)
Latvia	87.3	81.3	7%
Lithuania	86.5	81.4	6%
Estonia	86.0	83.0	4%

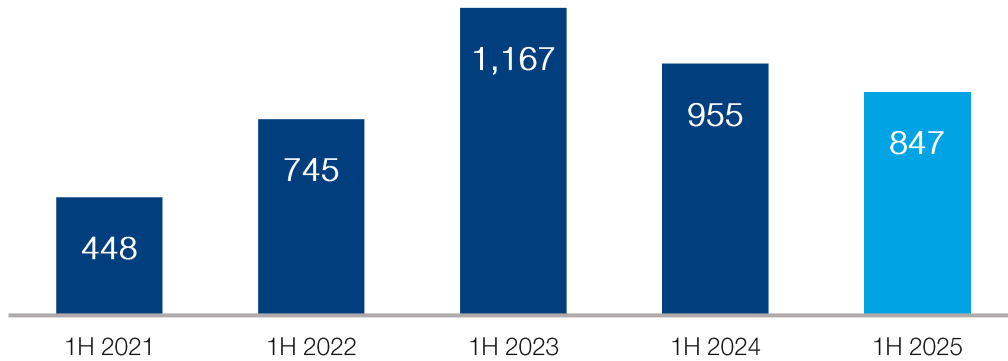
## Significant reduction in Daugava River inflow lowers generation at the Daugava HPPs



# Key financial figures

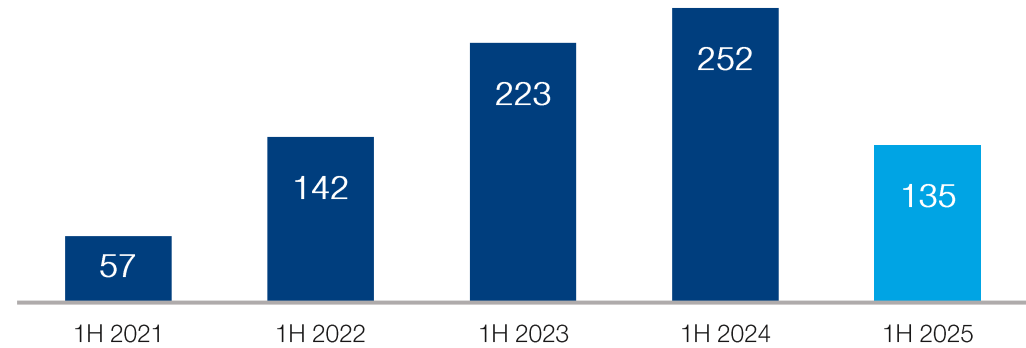
## Revenue

MEUR



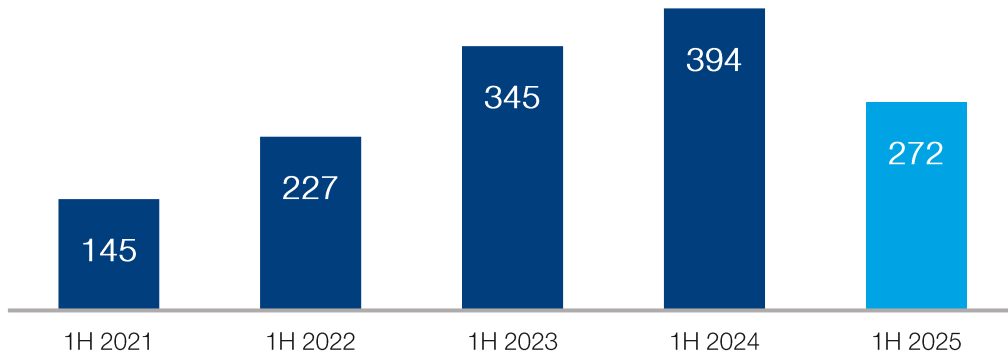
## Net profit

MEUR



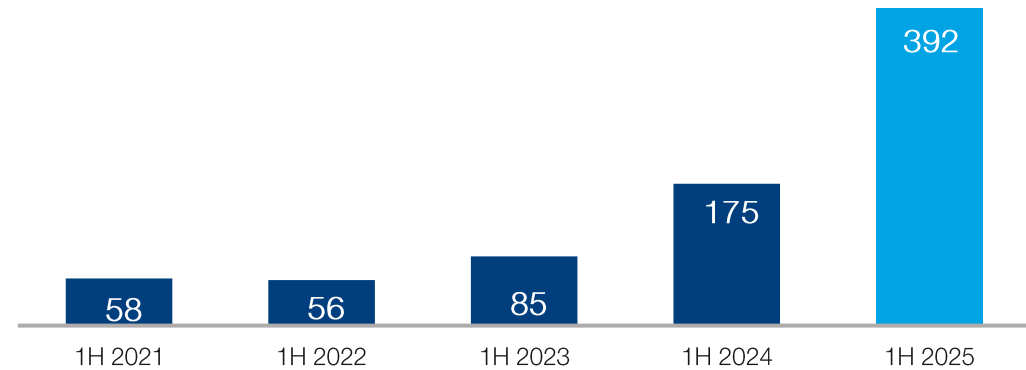
## EBITDA

MEUR



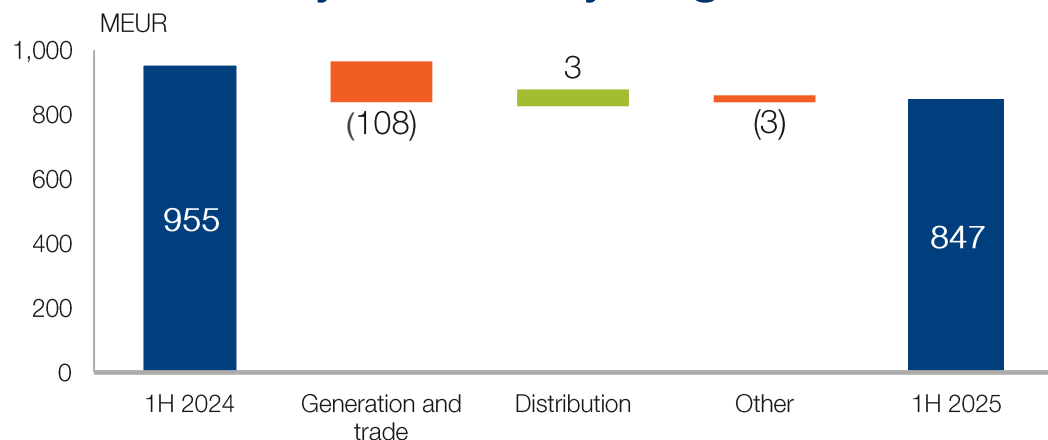
## Investments

MEUR

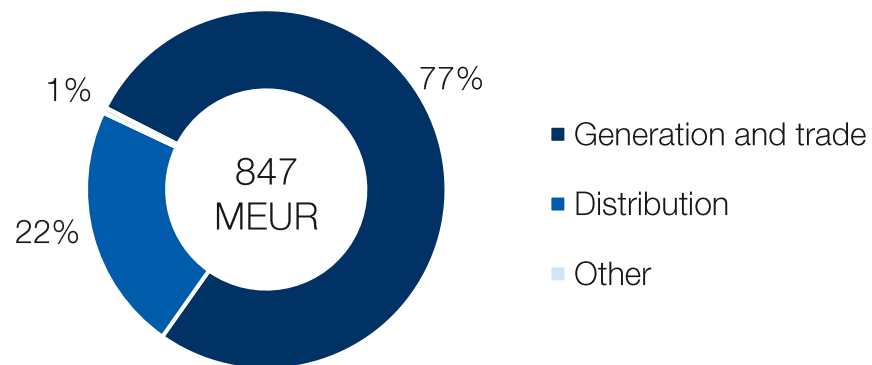


# Lower generation at the Daugava HPPs impacted results

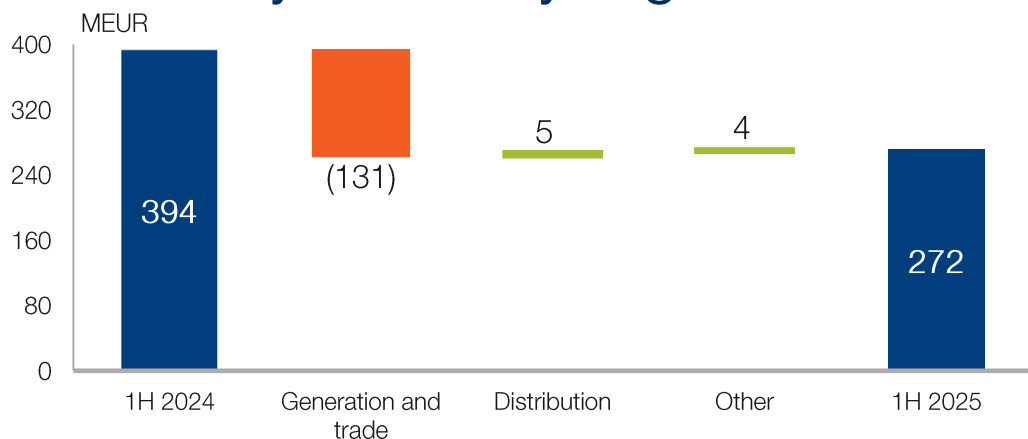
## Revenue dynamics by segments



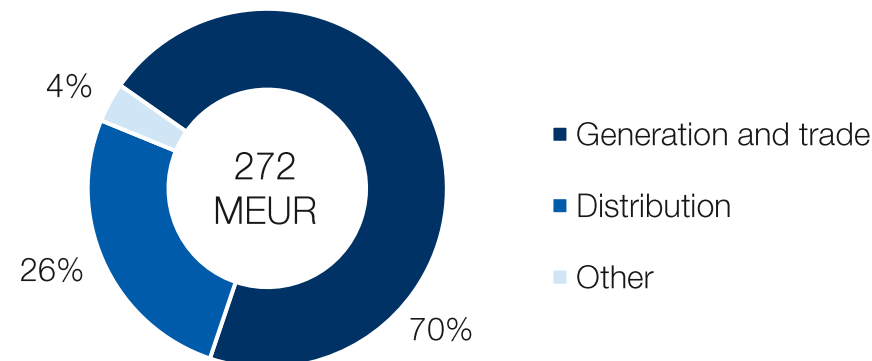
## Revenue weight by segments



## EBITDA dynamics by segments



## EBITDA weight by segments

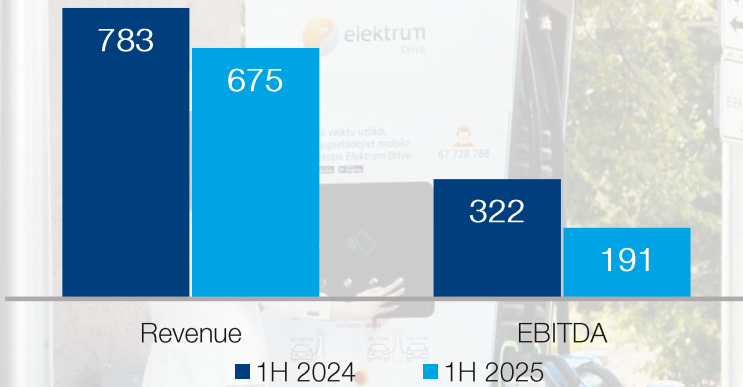




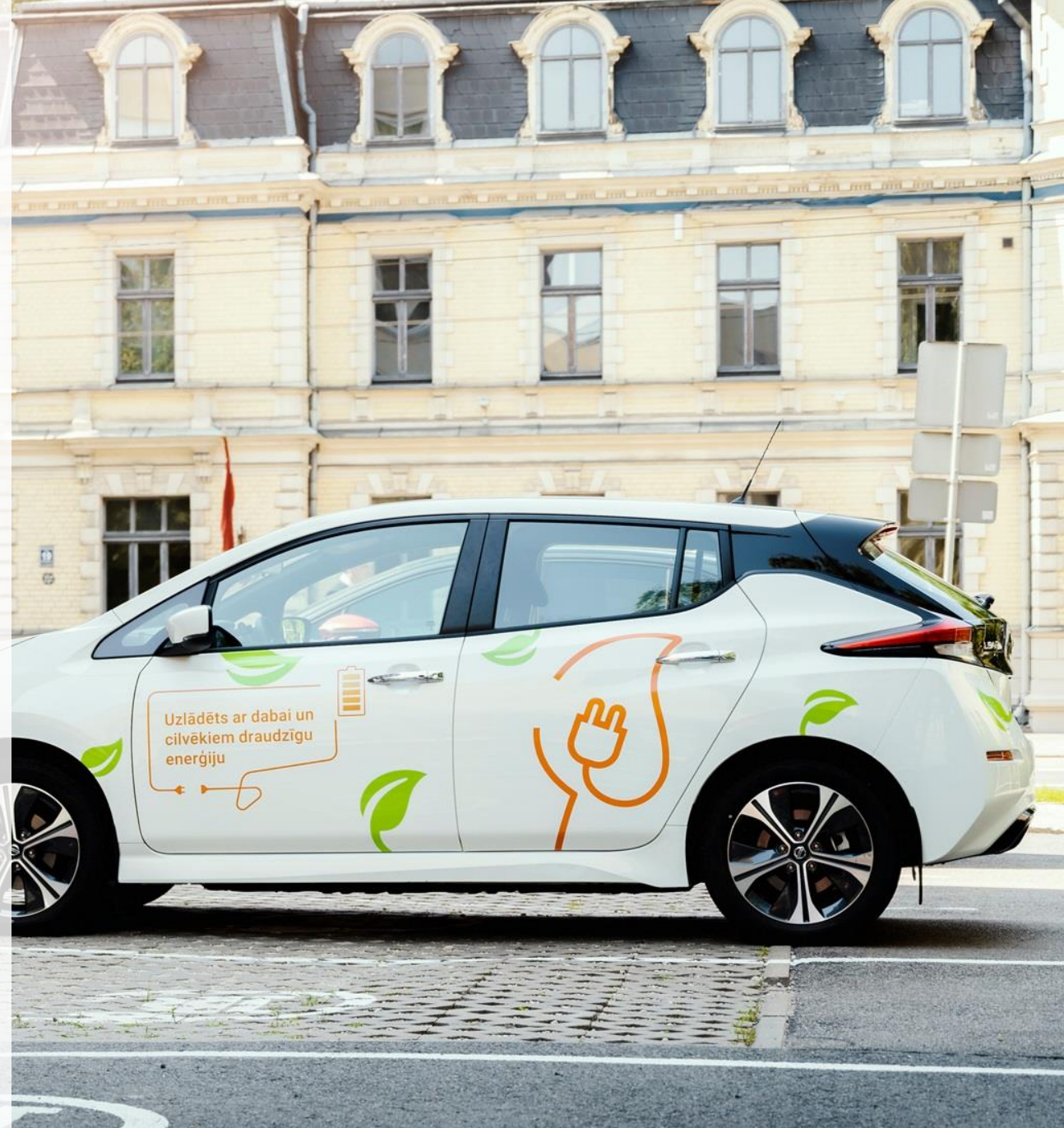
# Generation and trade

## Revenue and EBITDA

MEUR

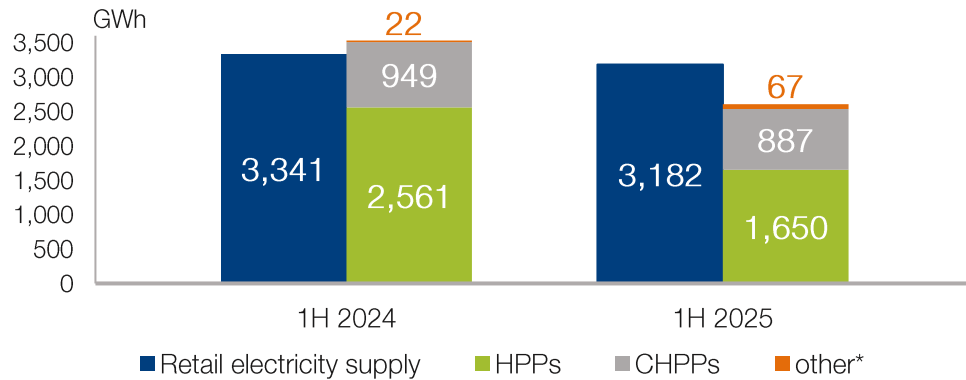


- Electricity consumption in the Baltic states decreased by 2%, while natural gas consumption decreased by 7%
- The segment's revenue was negatively impacted by lower energy sales prices and lower wholesale volumes
- The segment's EBITDA negatively impacted by
  - 36% lower output at the Daugava HPPs
  - 18% lower retail electricity sales prices
- Latvenergo Group operates in all energy trade segments in Latvia, Lithuania and Estonia



# Generation

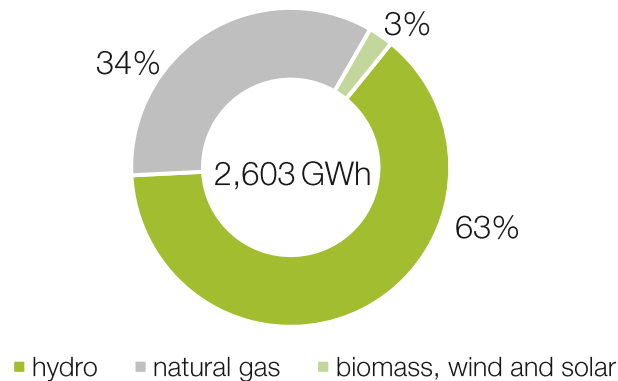
2,603 GWh of electricity generated



Latvenergo produced 24% of the total electricity generated in the Baltics

- Electricity generated at *Latvenergo* corresponds to 82% of the electricity sold at retail
- Electricity generation at the Daugava HPPs reduced by 36%, and at Latvenergo CHPPs, it's down by 7%
- 57 GWh of electricity generated at SPPs and WPPs (+387%)
- 916 GWh of thermal energy generated (-12%)

66% of the electricity was generated from RES

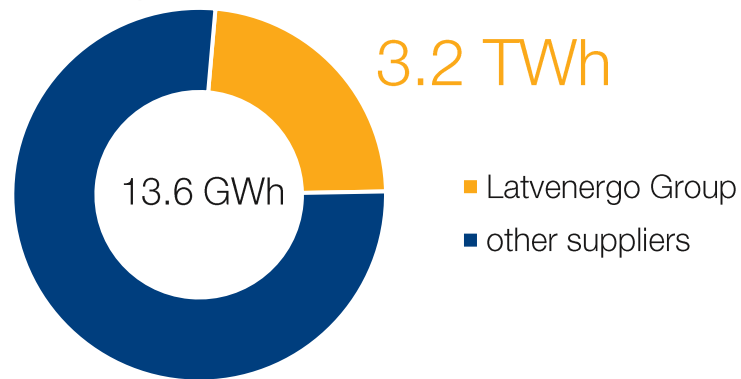




# Trade

The number of electricity customers is up by 3% and natural gas +20%

Electricity market in the Baltics

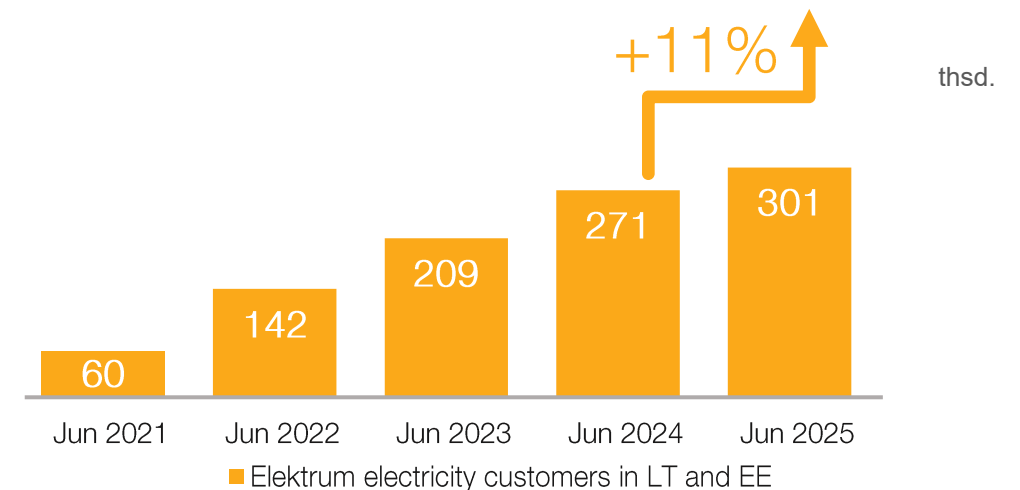


3.2 TWh of electricity\* sold to Baltic retail customers (-5%). The number of customers exceeded 911 thsd.



0.9 TWh of natural gas sold to Baltic retail customers (+44%). The number of customers exceeded 70 thsd.

The number of *Elektrum* customers in neighbouring countries increased



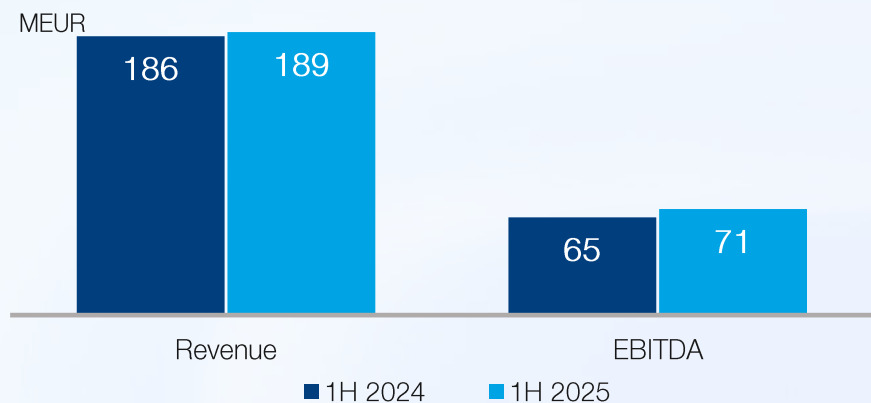
*Elektrum Drive* electric car charging network in the Baltics had 875 charging ports at the end of June



At the end of June, the total number of *Elektrum Insured* customers reached almost 160 thsd.

# Distribution

## Revenue and EBITDA



- Electricity distributed: 3,104 GWh (+1%)
- Financial results were positively affected by higher distributed electricity volumes, increased customer capacity and lower costs of electricity distribution losses, due to 29% lower electricity purchase prices
- 73 MEUR invested in distribution assets (+36%)
- Quality of the energy supply increased\*:
  - SAIFI: 0.7 times (–26%)
  - SAIDI: 60.6 min. (–26%)



# Development of renewable energy generation capacities

- Project / construction
- Available capacity



Stacked bar chart showing EBITDA components (Generation and trade, Distribution, Other) for 1H 2024 and 1H 2025 in MEUR. The Y-axis ranges from 0 to 400 MEUR. The X-axis shows 1H 2024 and 1H 2025. The legend indicates: Generation and trade (dark blue), Distribution (medium blue), and Other (light blue).

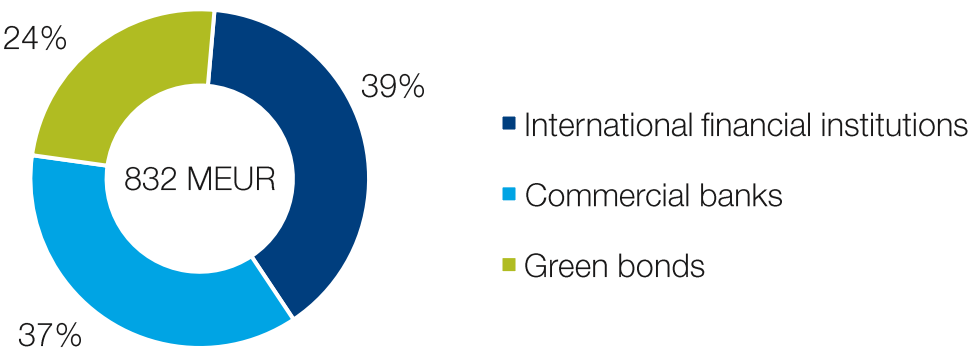
Period	Generation and trade	Distribution	Other	Total
1H 2024	116	54	6	176
1H 2025	311	73	8	392

- Latvenergo**



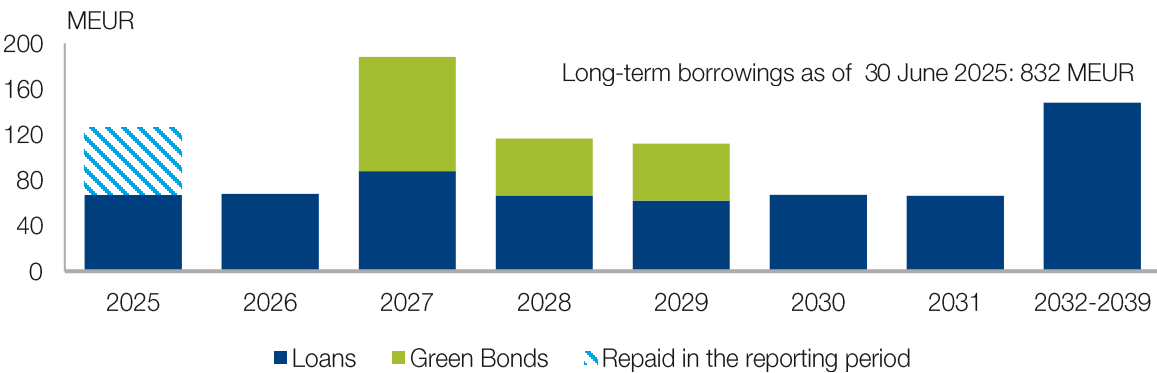
# Investment funding

## Diversified long-term funding



- In February, Latvenergo AS for the fourth time won the award for the best investor relations among all bond issuers on the Nasdaq Baltic regulated markets in the Baltic countries
- In March, *Moody's* reaffirmed Latvenergo AS credit rating at Baa2 with a stable outlook
- In March, Latvenergo AS secured a long-term loan of MEUR 200 from the European Investment Bank with a repayment term of 15 years, but in June overdraft agreements signed with Swedbank AS, OP Corporate Bank plc Latvia branch, and AB SEB Bank, totalling MEUR 300
- Over the next three years Latvenergo AS plans to issue debt securities (bonds) under a new public offering programme in the amount of MEUR 300–350 per year

## Long-term debt repayment schedule



## Main figures of the long-term debt portfolio

	30.06.2025.
Share of fixed interest rate*	33%
Weighted average fixed interest rate duration*	1.2 years
Weighted average effective interest rate*	3.1%

# Thank you!

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# Abbreviations

CHPPs –	Latvenergo AS combined heat and power plants
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
IFRS –	International Financial Reporting Standards
MEUR –	Million euros
MWh –	Megawatt hour (1,000,000 MWh = 1,000 GWh = 1 TWh)
RES –	Renewable energy sources
SAIDI –	System Average Interruption Duration Index
SAIFI –	System Average Interruption Frequency Index
SPP –	Solar power plant

# Consolidated Statement of Profit or Loss\*

	EUR'000	
	01/01- 30/06/2025	01/01- 30/06/2024
Revenue	847,068	955,423
Other income	15,711	15,415
Raw materials and consumables	(477,369)	(467,797)
Personnel expenses	(80,934)	(76,425)
Other operating expenses	(32,820)	(32,890)
<b>EBITDA</b>	<b>271,656</b>	<b>393,726</b>
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right-of-use assets	(88,636)	(86,582)
<b>Operating profit</b>	<b>183,020</b>	<b>307,144</b>
Finance income	5,257	9,208
Finance costs	(9,412)	(11,584)
<b>Profit before tax</b>	<b>178,865</b>	<b>304,768</b>
Income tax	(43,598)	(52,280)
<b>Profit for the period</b>	<b>135,267</b>	<b>252,488</b>
<b>Profit attributable to:</b>		
– Equity holder of the Parent Company	134,281	251,368
– Non-controlling interests	986	1,120

# Consolidated Statement of Financial Position\*

	EUR'000	
	30/06/2025	31/12/2024
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	113,358	105,566
Property, plant, and equipment	3,817,372	3,523,090
Right-of-use assets	31,155	31,910
Investment property	1,972	2,098
Non-current financial investments	613	82
Non-current loans to related parties	23,226	22,244
Other non-current receivables	512	540
Deferred income tax assets	1,085	1,857
Derivative financial instruments	1,827	2,124
<b>Total non-current assets</b>	<b>3,991,120</b>	<b>3,689,511</b>
<b>Current assets</b>		
Inventories	221,038	169,562
Current intangible assets	28,599	54,616
Receivables from contracts with customers	141,573	190,108
Other current receivables	25,895	32,928
Deferred expenses	4,097	3,196
Prepayment for income tax	1,021	491
Derivative financial instruments	8,965	1,298
Other current financial investments	–	209,842
Cash and cash equivalents	49,006	86,554
<b>Total current assets</b>	<b>480,194</b>	<b>748,595</b>
<b>TOTAL ASSETS</b>	<b>4,471,314</b>	<b>4,438,106</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	1,076,324	790,368
Reserves	1,671,715	1,660,068
Retained earnings	214,954	549,328
<b>Equity attributable to equity holder of the Parent Company</b>	<b>2,962,993</b>	<b>2,999,764</b>
Non-controlling interests	6,534	7,162
<b>Total equity</b>	<b>2,969,527</b>	<b>3,006,926</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	731,337	615,280
Lease liabilities	29,409	29,828
Deferred income tax liabilities	3,949	8,003
Provisions	18,250	17,113
Deferred income from contracts with customers and advances received	149,716	150,842
Other deferred income	110,920	112,408
Other non-current liabilities	21,489	21,592
<b>Total non-current liabilities</b>	<b>1,065,070</b>	<b>955,066</b>
<b>Current liabilities</b>		
Borrowings	160,723	128,125
Lease liabilities	2,792	2,723
Trade and other payables	178,365	210,487
Deferred income from contracts with customers and advances received	44,516	48,700
Other deferred income	25,083	25,104
Provisions	23,986	48,010
Derivative financial instruments	1,252	12,965
<b>Total current liabilities</b>	<b>436,717</b>	<b>476,114</b>
<b>Total liabilities</b>	<b>1,501,787</b>	<b>1,431,180</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,471,314</b>	<b>4,438,106</b>



# Consolidated Statement of Cash Flows\*

	EUR'000	
	01/01- 30/06/2025	01/01- 30/06/2024
<b>Cash flows from operating activities</b>		
Profit before tax	178,865	304,768
<b>Adjustments:</b>		
– Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right-of-use assets	88,636	86,582
– Loss from disposal of non-current assets	1,891	2,076
– Interest expense	9,404	11,495
– Interest income	(3,945)	(7,446)
– Fair value (gain) / loss on derivative financial instruments	(4,234)	719
– Decrease in provisions	(22,887)	(18,425)
– Share of profit of an associate and a joint venture	(531)	–
– Other finance income	(8)	–
Interest paid	(14,692)	(15,902)
Interest received	5,173	5,505
Paid corporate income tax	(48,025)	(55,550)
<b>Funds from operations (FFO)</b>	<b>189,647</b>	<b>313,822</b>
(Increase) / decrease in inventories and current intangible assets	(25,389)	74,489
Decrease in receivables from contracts with customers and other receivables	53,381	71,733
Decrease / (increase) in other current financial investments	210,000	(30,000)
Decrease in trade and other liabilities	(48,268)	(36,664)
<b>Net cash flows generated from operating activities</b>	<b>379,371</b>	<b>393,380</b>
<b>Cash flows from investing activities</b>		
Loans issued to related parties	(979)	(15,229)
Purchase of intangible assets and PPE	(389,777)	(169,357)
<b>Net cash flows (used in) investing activities</b>	<b>(390,756)</b>	<b>(184,586)</b>
<b>Cash flows from financing activities</b>		
Proceeds on borrowings from financial institutions	209,788	–
Repayment of borrowings from financial institutions	(58,788)	(43,236)
Received financing from European Union	11,190	2,867
Lease payments	(836)	(958)
Acquisition of non-controlling interests	–	(400)
Dividends paid to non-controlling interests	(1,614)	(2,079)
Dividends paid to equity holder of the Parent Company	(185,903)	(212,199)
<b>Net cash flows used in financing activities</b>	<b>(26,163)</b>	<b>(256,005)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(37,548)</b>	<b>(47,211)</b>
Cash and cash equivalents at the beginning of the period	86,554	118,456
<b>Cash and cash equivalents at the end of the period</b>	<b>49,006</b>	<b>71,245</b>