

LATVENERGO GROUP UNAUDITED RESULTS FOR 1H 2023

Investor Conference Webinar Presentation

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Group profile



Financials



Current events



Q&A



Group profile



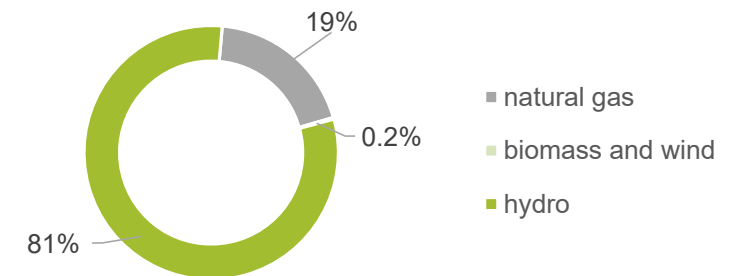
One of the leading energy suppliers and leader in renewable energy generation in the Baltics

Balanced and environmentally friendly energy generation portfolio

- Low-cost hydropower plants (1,559 MW_{el})
- Highly efficient combined heat and power plants (1,039 MW_{el}; 1,617 MW_{th})

Share of renewable resources in the electricity output 1H 2023

81%



Sound business model

- Stable cash flow from regulated distribution network activities
- About 40% of retail electricity trade supplied to customers in Lithuania and Estonia
- Broad customer base

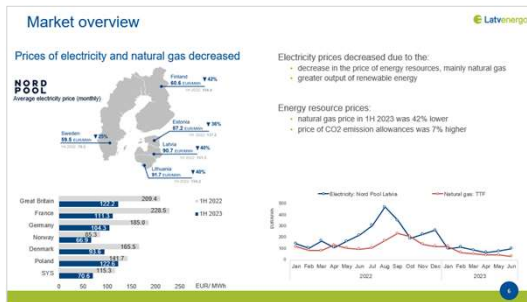


- **Baa2** credit rating with stable outlook by Moody's
- 100% owned by the Republic of Latvia A3 / A+ / A-
- 80+ years of experience in energy sector



Financials

Market overview



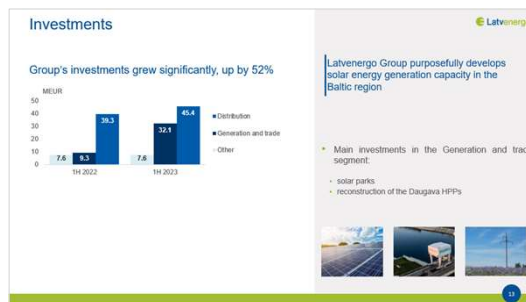
Main indicators



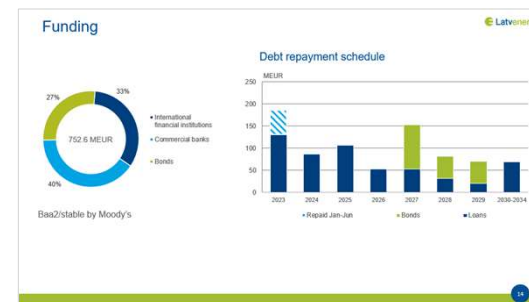
Revenue and profitability



Investments



Funding

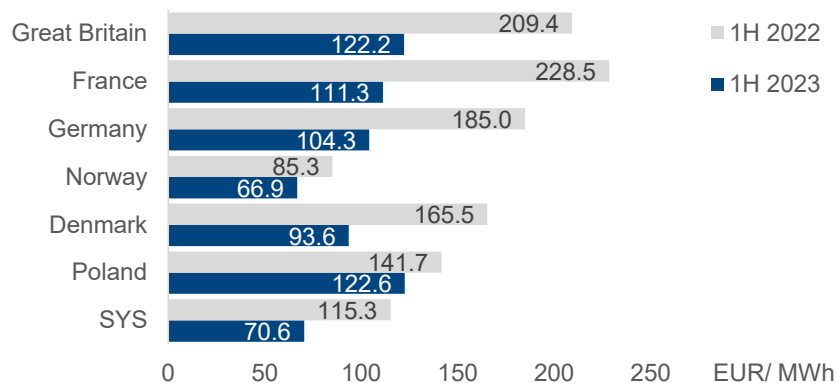
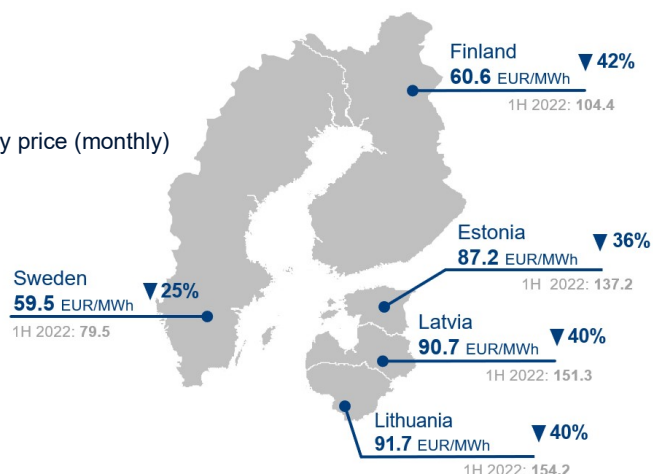


Market overview

Prices of electricity and natural gas decreased

**NORD
POOL**

Average electricity price (monthly)

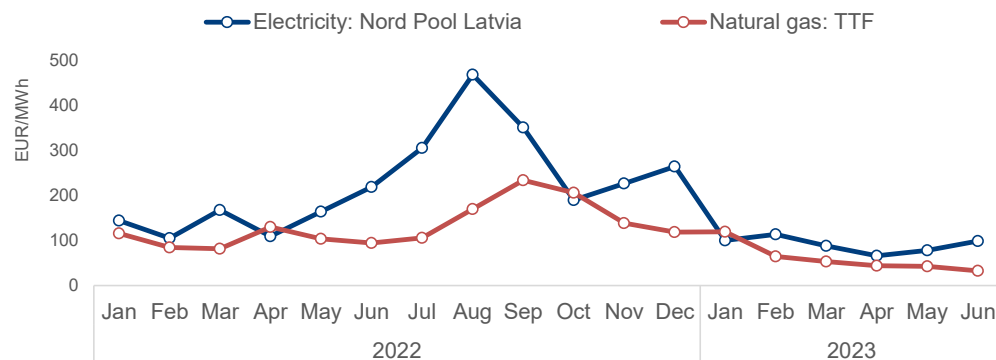


Electricity prices decreased due to the:

- decrease in the price of energy resources, mainly natural gas
- greater output of renewable energy

Energy resource prices:

- natural gas price in 1H 2023 was 42% lower
- price of CO2 emission allowances was 7% higher



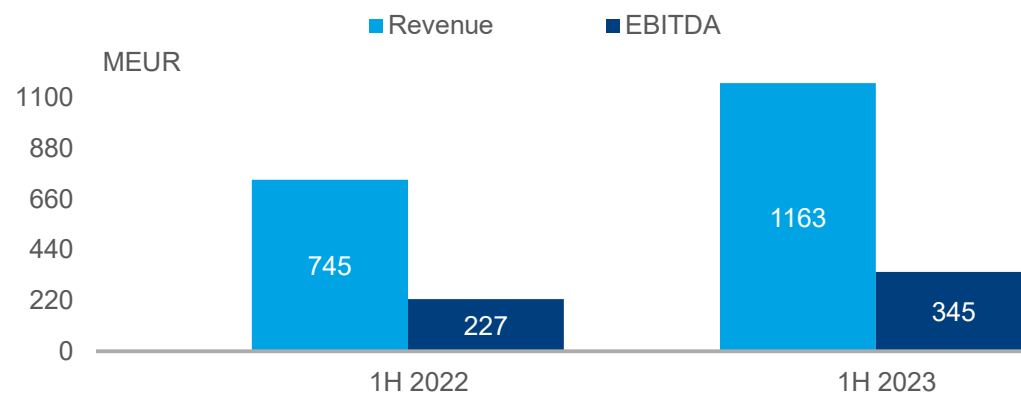
Main indicators: Key financial figures 1H 2023

MEUR

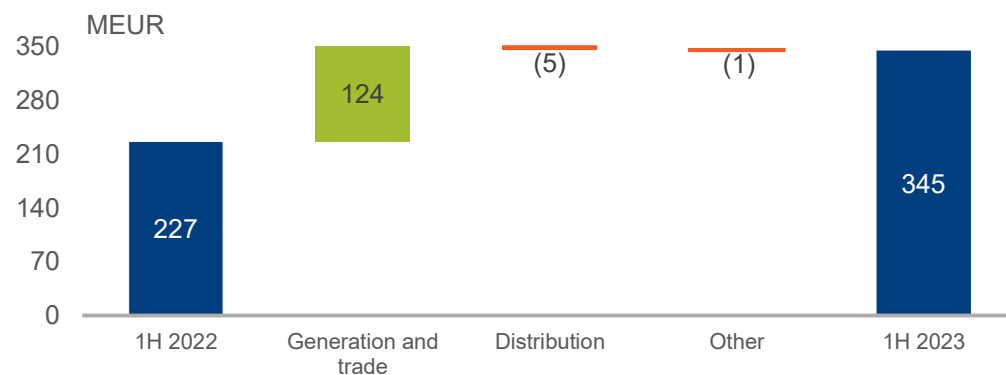
1,163	345	223	4,184	85
REVENUE	EBITDA	PROFIT	ASSETS	INVESTMENTS

Revenue and profitability

Revenue and EBITDA

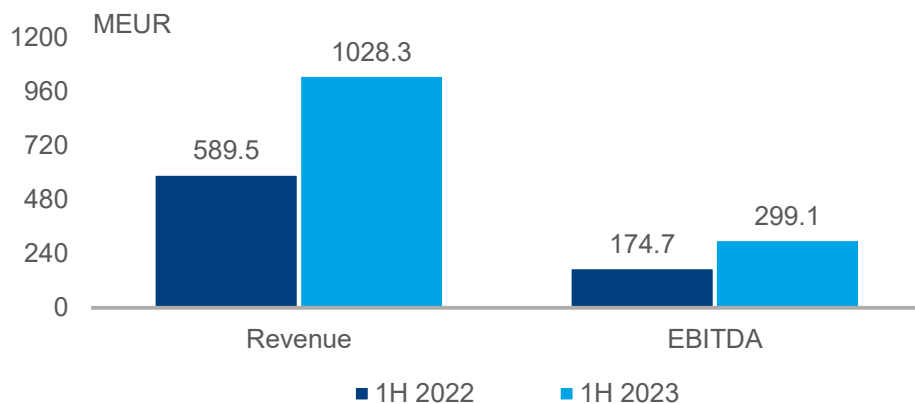


EBITDA dynamics



Generation and trade

Revenue and EBITDA

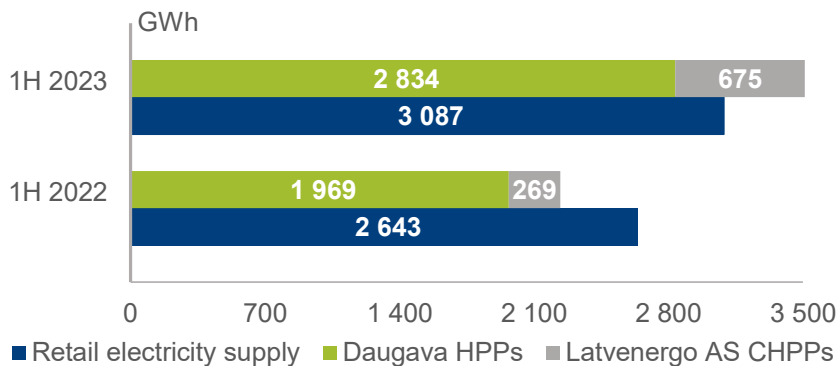
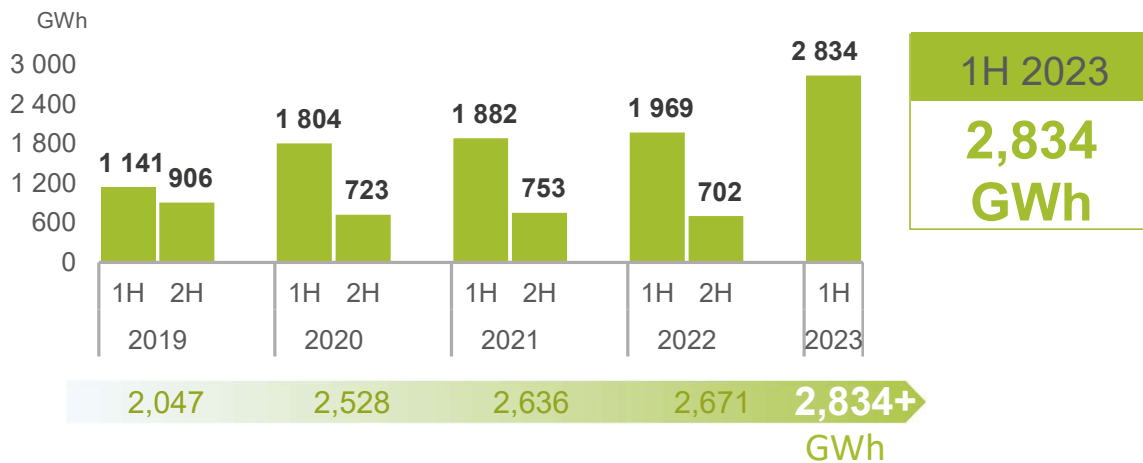


- Impacts on revenue:
 - 17% greater amount of electricity sold in retail
 - higher energy sales prices
 - greater amount of power generated at the Daugava HPPs
- Impacts on EBITDA:
 - greater amount of power generated at the Daugava HPPs



Main indicators: Generation

The highest Daugava HPPs' generation in recent years



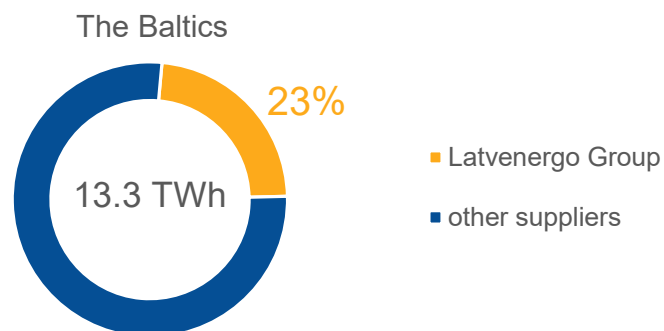
Electricity generation increased by 56% at Latvenergo Group's plants

- Latvenergo – largest renewable electricity producer in the Baltics
- 40% of the total electricity generated in the Baltics
- 81% generated from renewable energy sources
- Electricity generated at Latvenergo was 14% greater than the amount of electricity sold in retail

Trade

Retail electricity supply in the Baltics

including operational consumption



3,087 GWh of electricity sold to Baltic retail customers. The number of customers is up by 6%, reaching 842 thous.



445 GWh of natural gas sold to Baltic retail customers. The number of customers is up by 88%, reaching 38 thous.

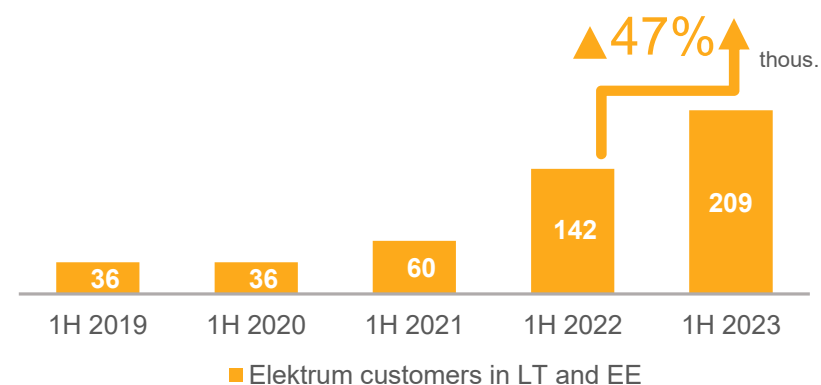


The total installed solar panel capacity provided to retail customers in the Baltics reached 55 MW



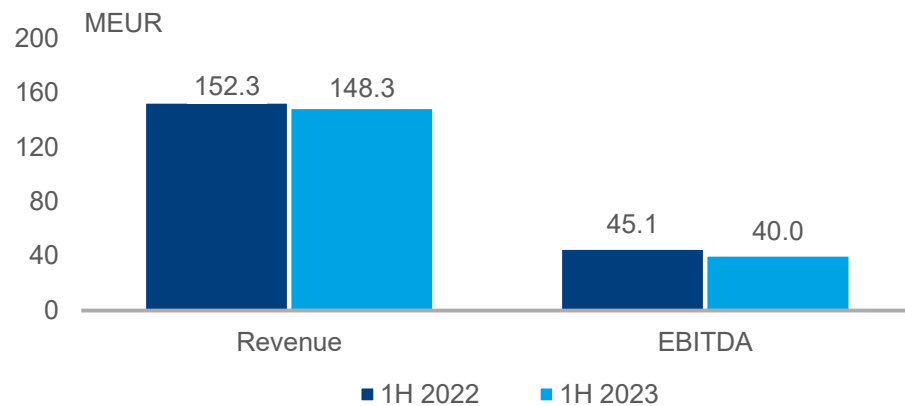
More than 20 thous. electric vehicle charges were made at the *Elektrum Drive* electric car charging stations

The number of *Elektrum* customers in neighbouring countries grows rapidly



Distribution

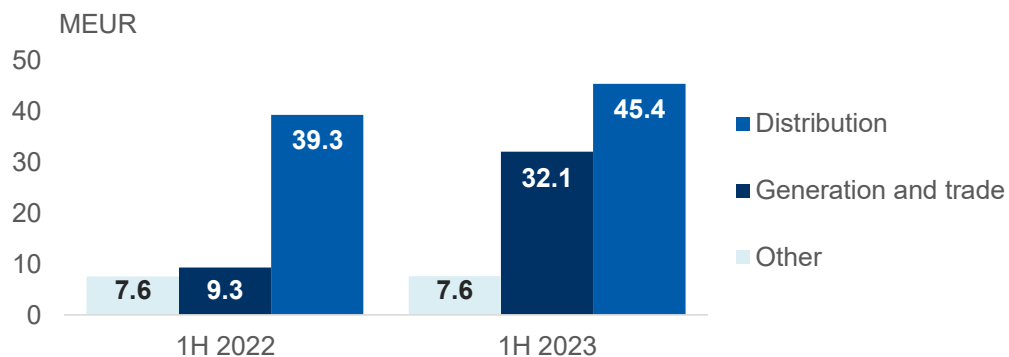
Revenue and EBITDA



- Negative impacts:
 - reduced consumption due to customer energy efficiency measures
 - growing number of microgenerators
- Positive impacts:
 - lower electricity loss costs due to reduced electricity market prices
- Electricity distributed: 3.0 TWh (1H 2022: 3.2 TWh)
- New Sadales tīkls AS distribution tariffs are in effect from July 1, 2023. The new tariff structure has a higher fixed tariff proportion to better correspond with the actual cost structure of the electrical grid

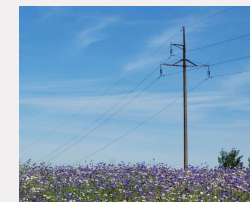
Investments

Group's investments grew significantly, up by 52%

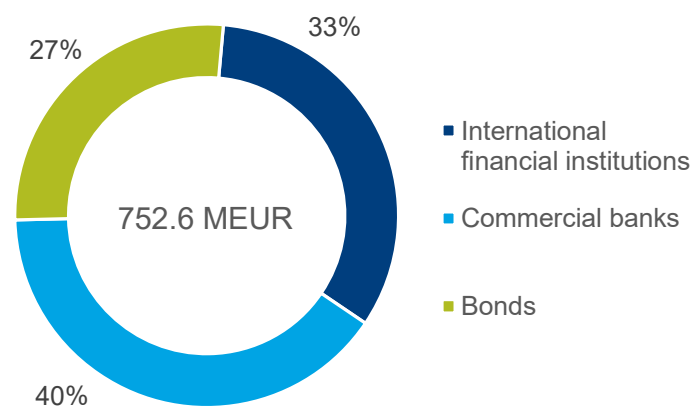


Latvenergo Group purposefully develops solar energy generation capacity in the Baltic region

- Main investments in the Generation and trade segment:
 - solar parks
 - reconstruction of the Daugava HPPs

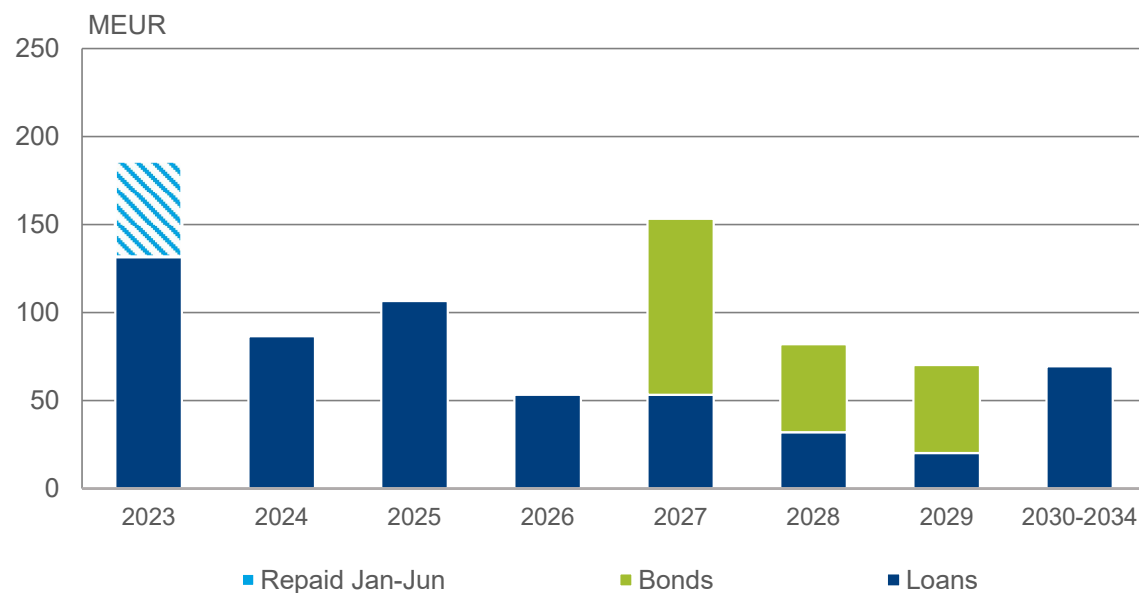


Funding



Baa2/stable by Moody's

Debt repayment schedule





Current events

- New renewable energy projects

New renewable energy projects

Latvenergo Strategy 2022-2026 provides for achievement of a high share of RES in electricity generation

	2019	2020
New renewables (MW)	600	2300



- New solar and wind power generation capacities of 600 MW planned to be reached by 2026
- 15 solar park projects with capacity of 300 MW in progress in the Baltics, commissioning 2023-2025
- Wind, solar and hybrid power plant development through greenfield projects and M&A
- SIA Latvijas vēja parki to develop new wind farms with a total capacity of ~ 800 MW by 2030

Elektrum Drive

elektrum in the Baltics

Elektrum Drive charging network in the Baltics

	2019	2020	2021	2022	2023
Charging ports in the Baltics	7	36	90	195	800+

Elektrum Drive strategy

Development of electromobility is one of the objectives set in Latvenergo medium-term strategy, promoting sustainable and smart mobility

Our target is by 2026 to reach at least 1200 public electric charging ports in the Baltics

Charging in more than 250 charging ports available via mobile app **Elektrum Drive**, which is available in Baltic countries and provides features such as charging station filters, plug reservation time, 24/7 client support etc.

In Riga and Jūrmala launched 6 charging stations with charging power up to 150 kW

In August 2023 the largest charging station in Latvia launched in business center Jaunā Teika, which can provide the charging for 28 EV's at the same time

Summary

Summary

- The highest Daugava HPP's generation in recent years, reaching 2.8 TWh in 1H 2023
- The number of Elektrum electricity customers increased by 6%
- 15 solar parks: 300+ MW, set for commissioning from 2023-2025
- Group's EBITDA – 345 MEUR, profit – 223 MEUR

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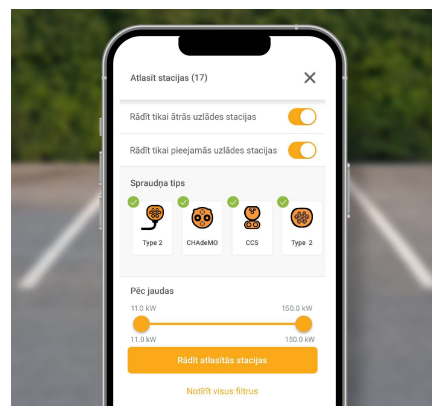
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Q&A

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