

LATVENERGO GROUP UNAUDITED RESULTS FOR 1H 2024

Investor Conference Webinar
Presentation

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Group profile



Financials



Current events



Q&A



Group profile



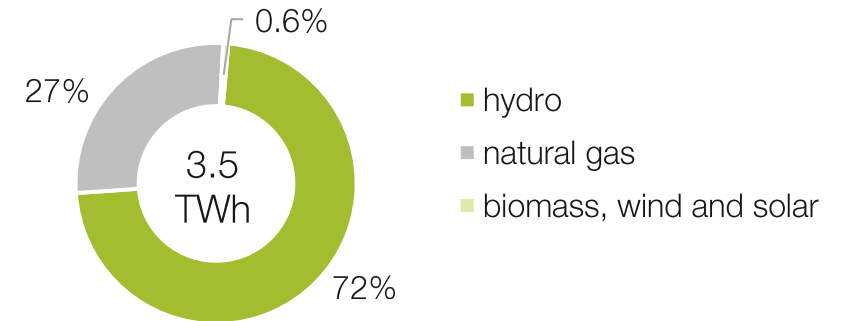
One of the leading energy suppliers and leader in renewable energy generation in the Baltics

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})
- Solar and wind plants (100 MW_{el})

Share of renewable resources in the electricity output 1H 2024

73%



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

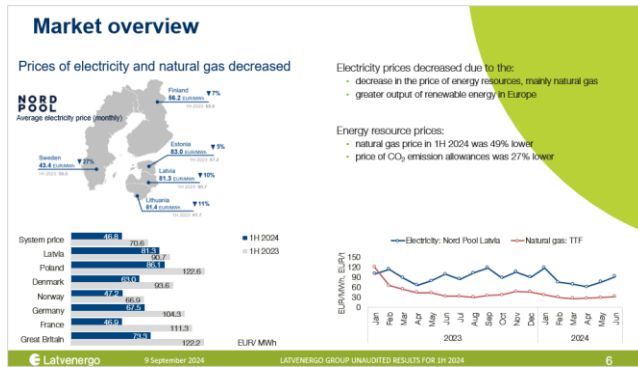


- Baa2 credit rating with stable outlook by Moody's
- 100% owned by the Republic of Latvia A3 / A+ / A-
- 80+ years of experience in energy sector

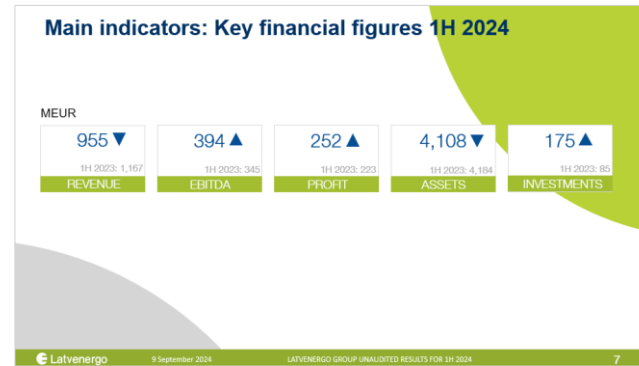


Financials

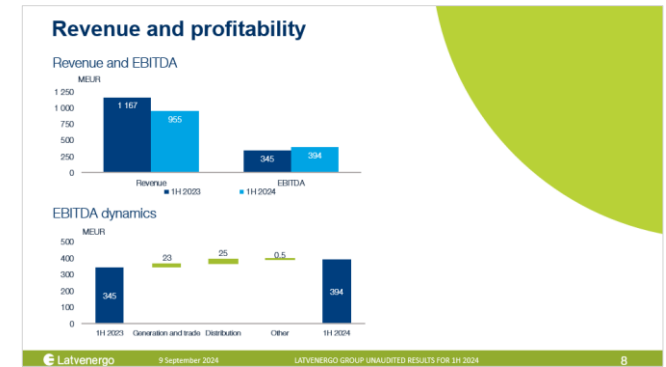
Market overview



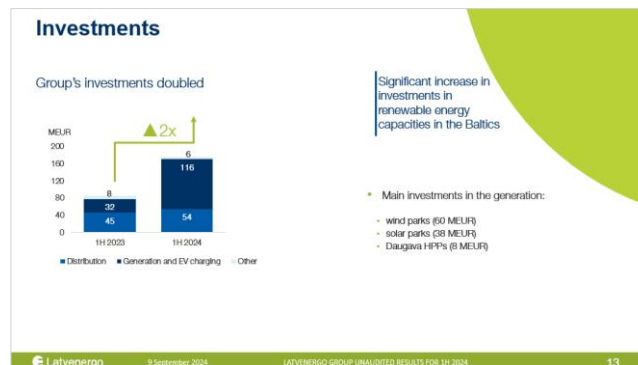
Main indicators



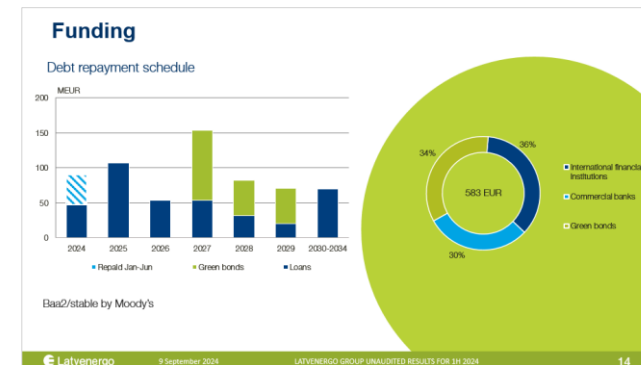
Revenue and profitability



Investments

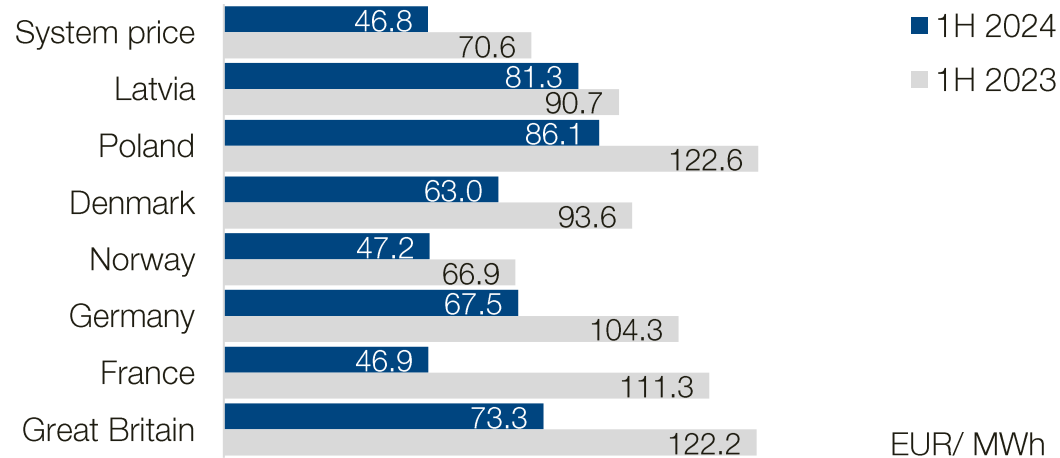
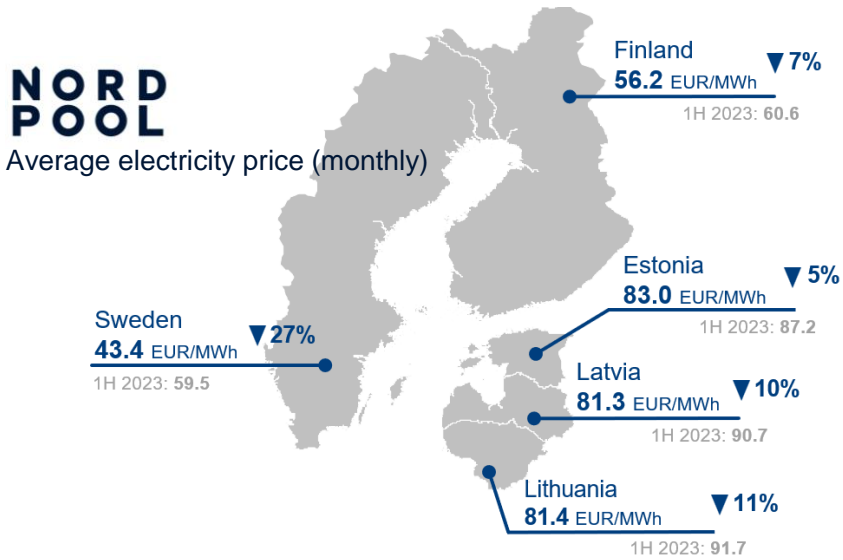


Funding



Market overview

Prices of electricity and natural gas decreased

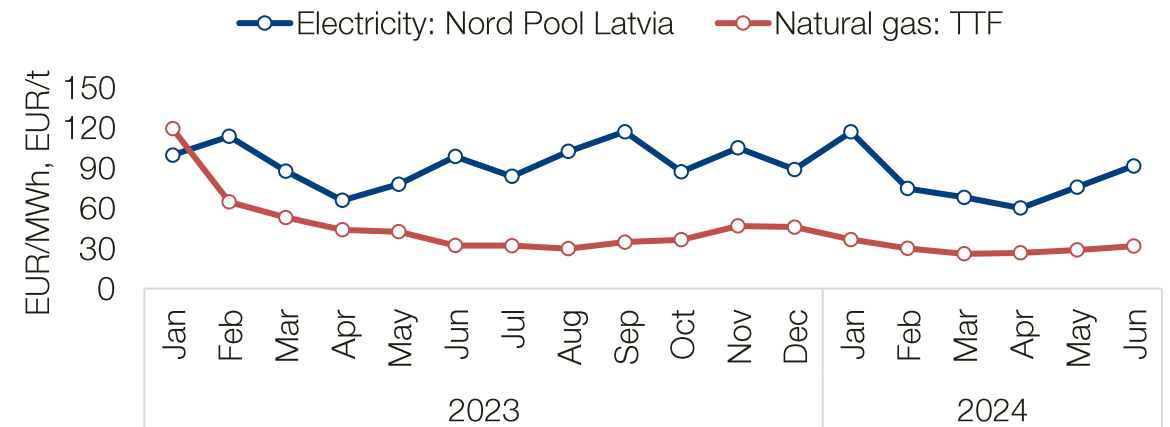


Electricity prices decreased due to the:

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

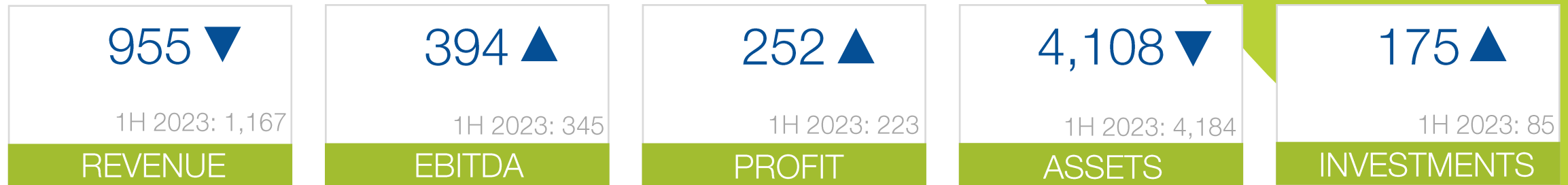
Energy resource prices:

- natural gas price in 1H 2024 was 49% lower
- price of CO₂ emission allowances was 27% lower



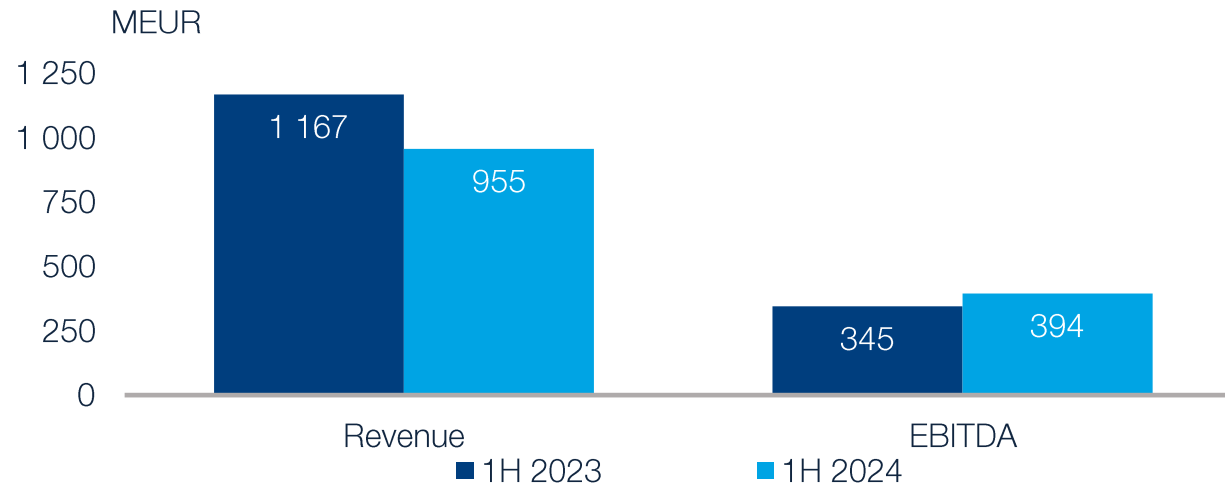
Main indicators: Key financial figures 1H 2024

MEUR



Revenue and profitability

Revenue and EBITDA

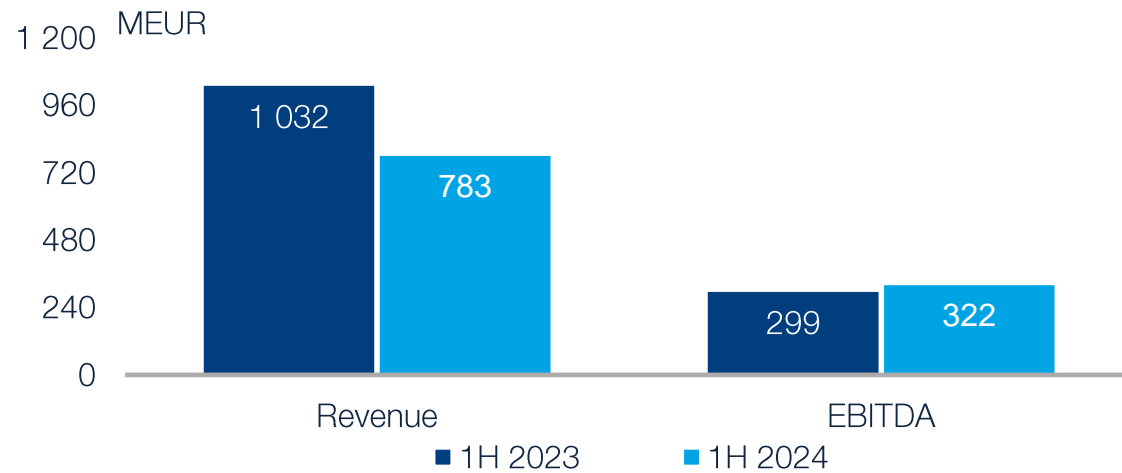


EBITDA dynamics



Generation and trade

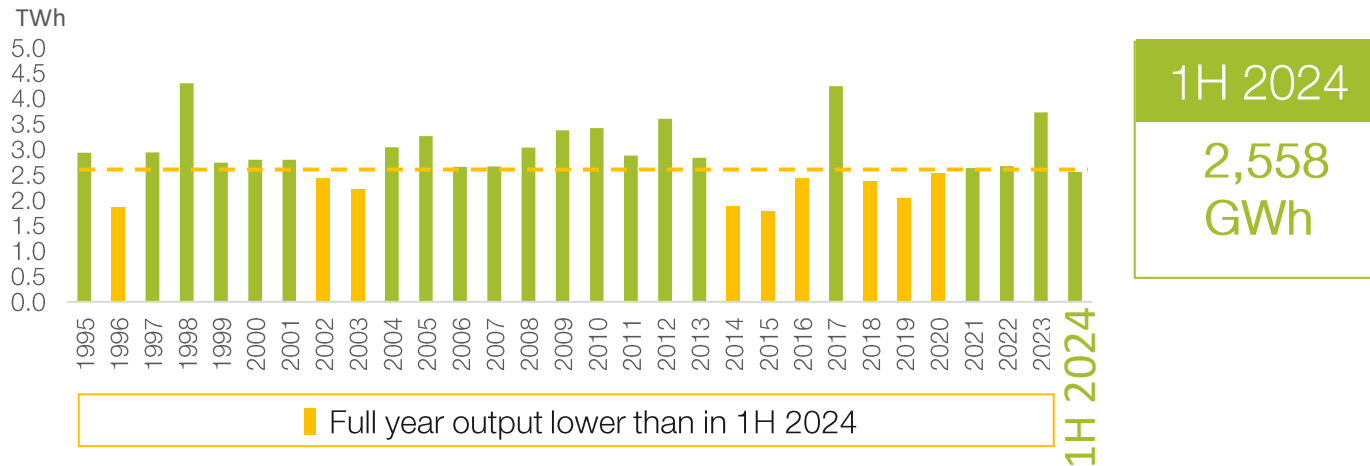
Revenue and EBITDA



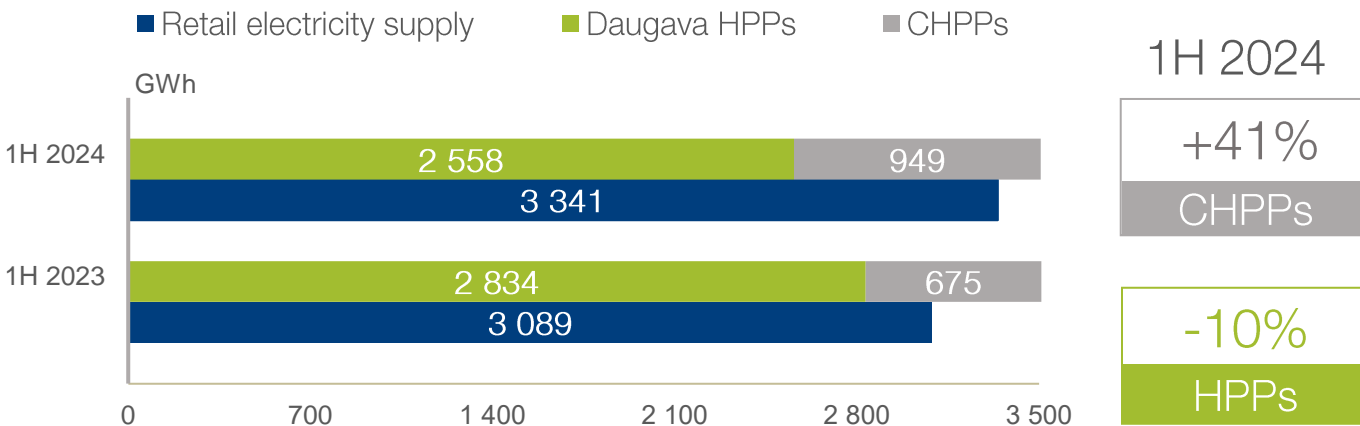
- Impacts on revenue:
 - lower energy sales prices
- Impacts on EBITDA:
 - lower natural gas purchase prices
 - 8% increase in retail electricity sales volume
 - 39% increase in retail natural gas sales volume
 - 41% higher output at the CHPPs

Main indicators: Generation

The third highest Daugava HPPs' generation in 30 years

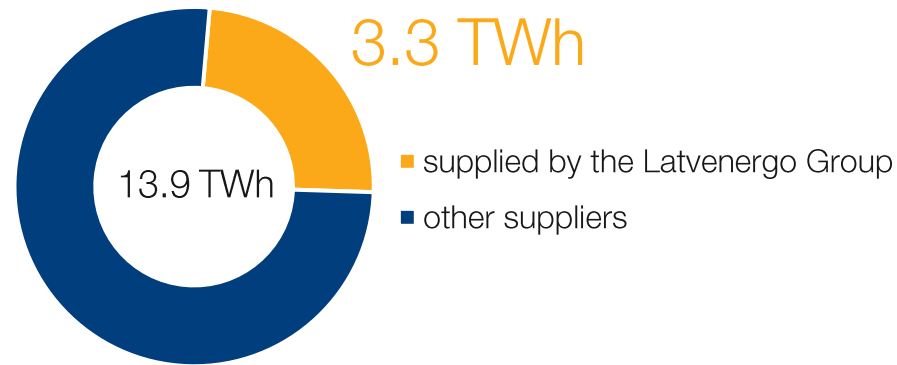


- Latvenergo – largest renewable electricity producer in the Baltics
- 3.5 TWh of electricity generated
- Latvenergo makes 35% of the total electricity generated in the Baltics
- 73% generated from renewable energy sources
- 41% higher output at the CHPPs
- Electricity generated at Latvenergo was 6% greater than the amount of electricity sold in retail



Trade

Baltic electricity consumption



3.3 TWh of electricity sold to Baltic retail customers (+8%). The number of customers is up by 5%, reaching 884 thous.



619 GWh of natural gas sold to Baltic retail customers (+39%). The number of customers is up by 56%, reaching 59 thous.

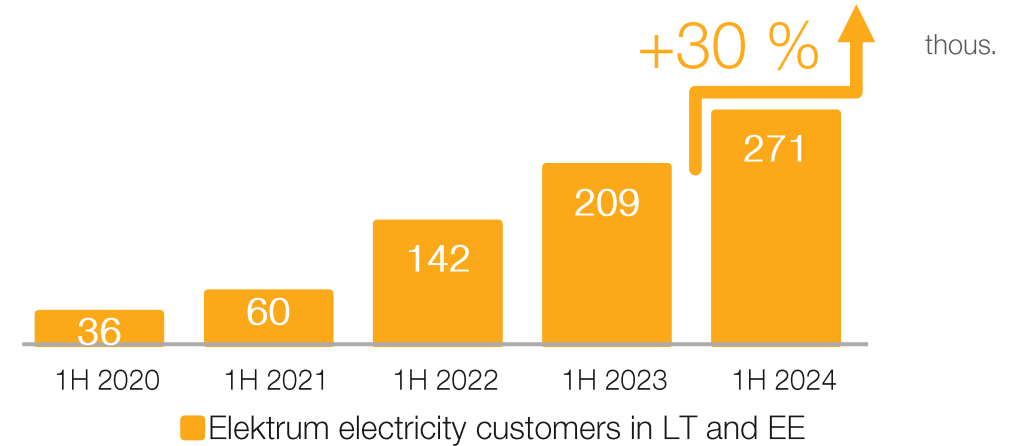


More than 49 thous. EV charging sessions were made at the *Elektrum Drive* electric car charging stations (+145%).



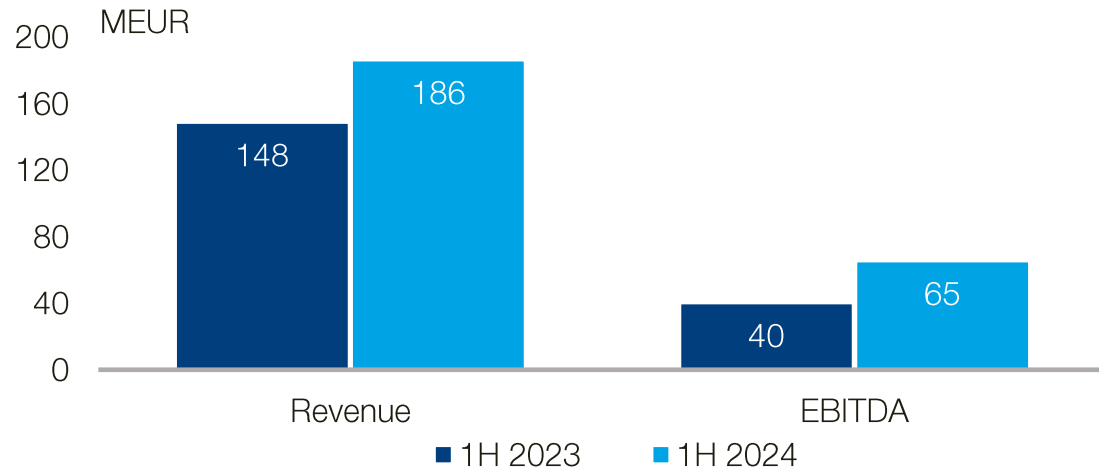
At the end of June, the total installed solar panel capacity for Baltic customers reached 85 MW (+51%).

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



Distribution

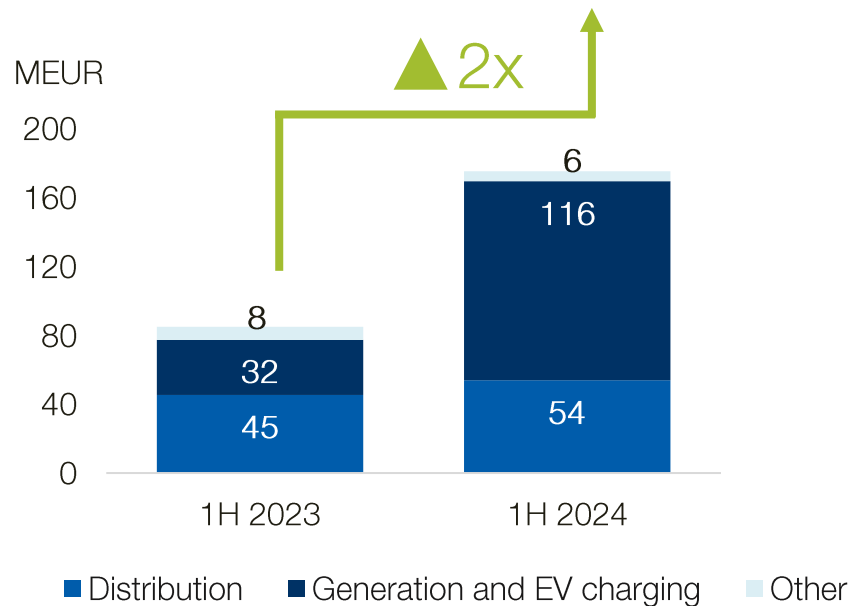
Revenue and EBITDA



- Positive impacts:
 - new distribution tariffs of Sadales tīkls AS starting from 1 July 2023
 - increased electricity consumption
- Negative impacts:
 - rise in electricity transmission service costs
- Electricity distributed: 3,078 GWh (1H 2023: 3,015 GWh)

Investments

Group's investments doubled

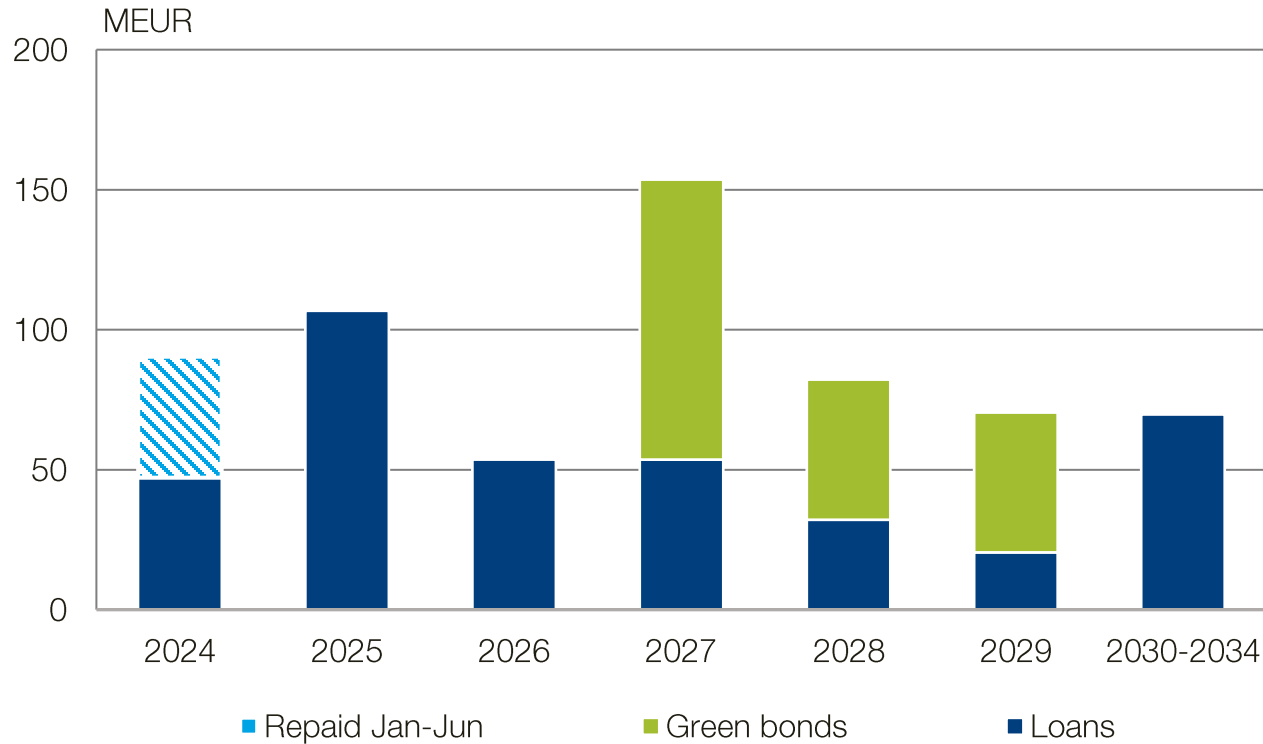


Significant increase in investments in renewable energy capacities in the Baltics

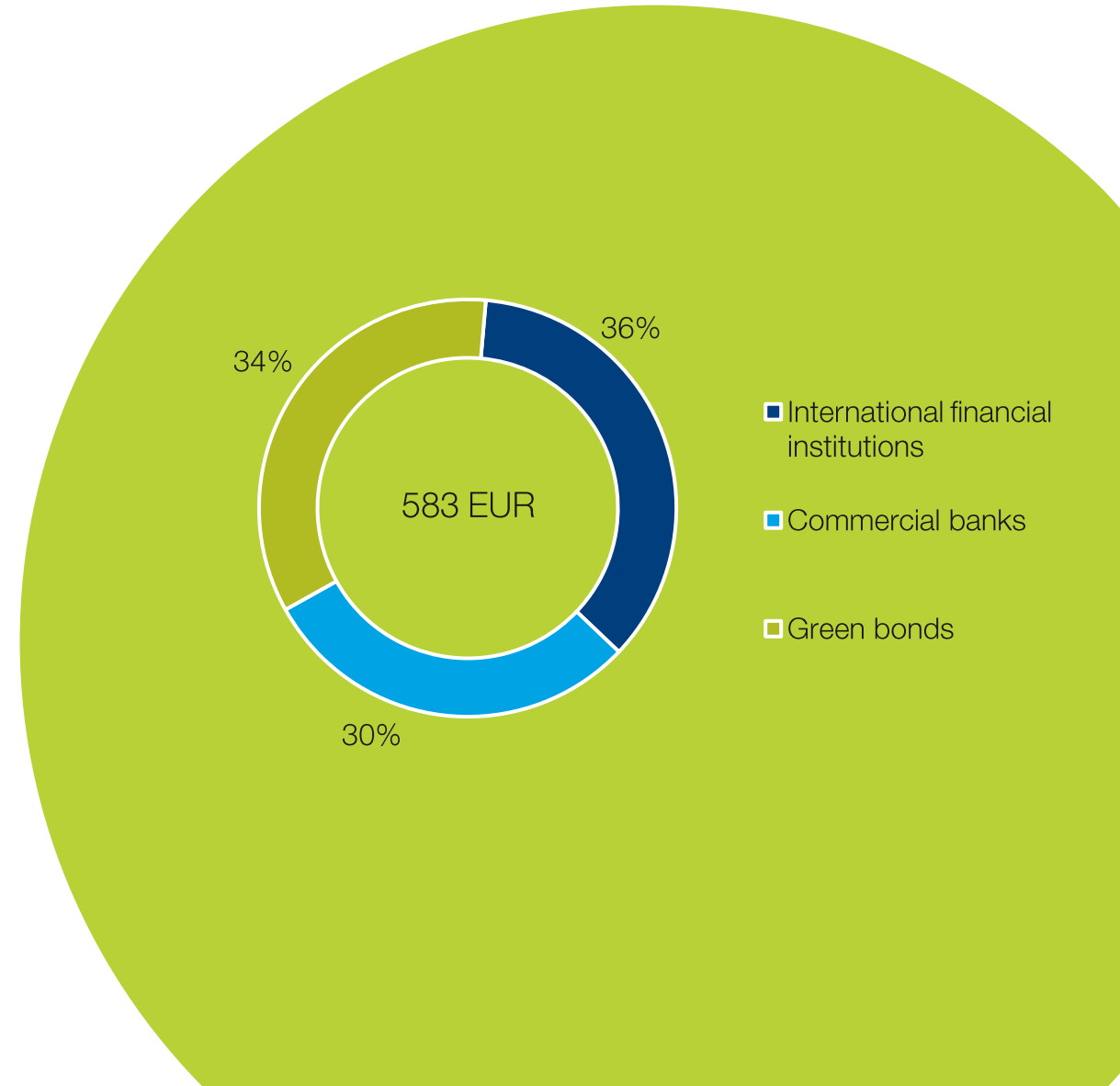
- Main investments in the generation:
 - wind parks (60 MEUR)
 - solar parks (38 MEUR)
 - Daugava HPPs (8 MEUR)

Funding

Debt repayment schedule



Baa2/stable by Moody's

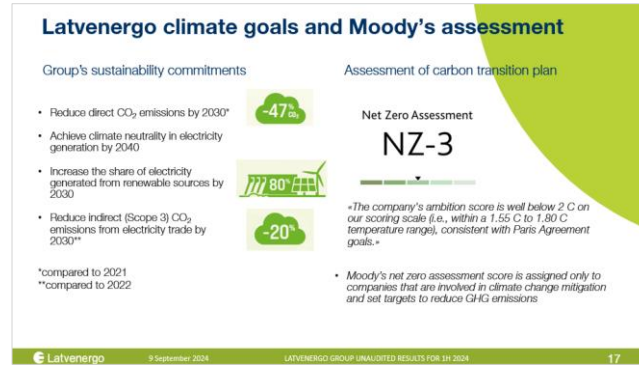
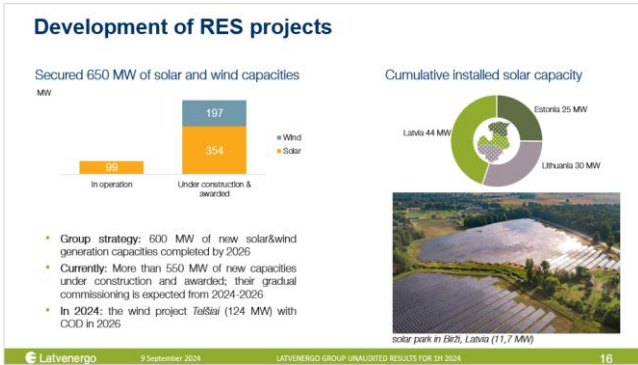




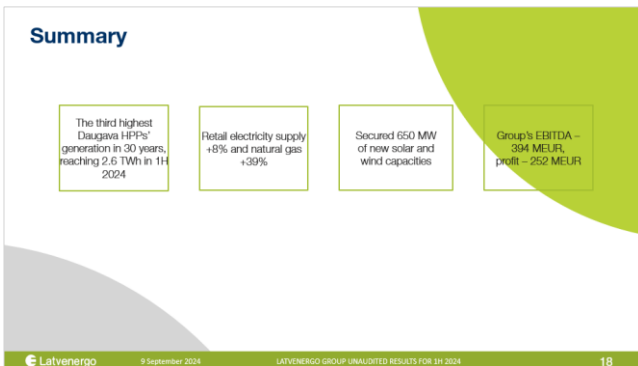
Current events

Development of RES projects

Latvenergo climate goals and Moody's assessment



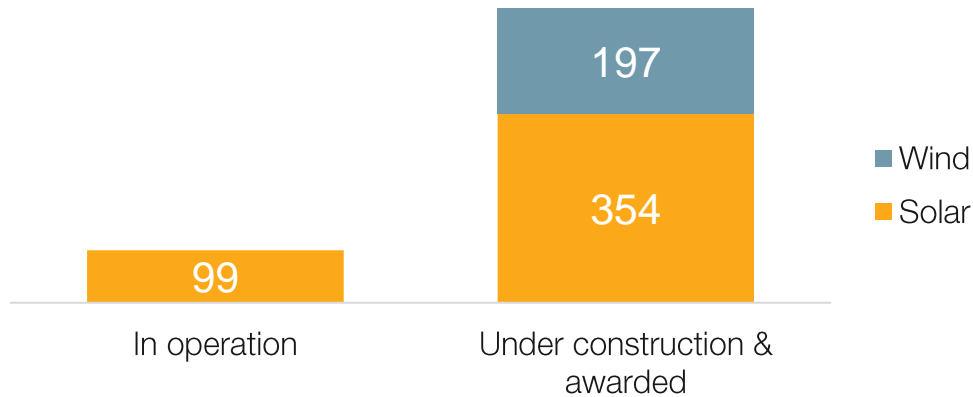
Summary



Development of RES projects

Secured 650 MW of solar and wind capacities

MW



- **Group strategy:** 600 MW of new solar&wind generation capacities completed by 2026
- **Currently:** More than 550 MW of new capacities under construction and awarded; their gradual commissioning is expected from 2024-2026
- **In 2024:** the wind project *Telšiai* (124 MW) with COD in 2026

Cumulative installed solar capacity



solar park in Birži, Latvia (11,7 MW)

Latvenergo climate goals and Moody's assessment

Group's sustainability commitments

- Reduce direct CO₂ emissions by 2030*
- Achieve climate neutrality in electricity generation by 2040
- Increase the share of electricity generated from renewable sources by 2030
- Reduce indirect (Scope 3) CO₂ emissions from electricity trade by 2030**



*compared to 2021

**compared to 2022

Assessment of carbon transition plan

Net Zero Assessment

NZ-3



«The company's ambition score is well below 2 C on our scoring scale (i.e., within a 1.55 C to 1.80 C temperature range), consistent with Paris Agreement goals.»

- Moody's net zero assessment score is assigned only to companies that are involved in climate change mitigation and set targets to reduce GHG emissions

Summary

The third highest
Daugava HPPs'
generation in 30 years,
reaching 2.6 TWh in 1H
2024

Retail electricity supply
+8% and natural gas
+39%

Secured 650 MW
of new solar and
wind capacities

Group's EBITDA –
394 MEUR,
profit – 252 MEUR



Q&A

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