

CREDIT OPINION

23 September 2026

Update



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RATINGS

Latvenergo AS

Domicile	Riga, Latvia
Long Term Rating	Baa2
Type	LT Issuer Rating - Fgn Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Latvenergo AS

Update to credit analysis

Summary

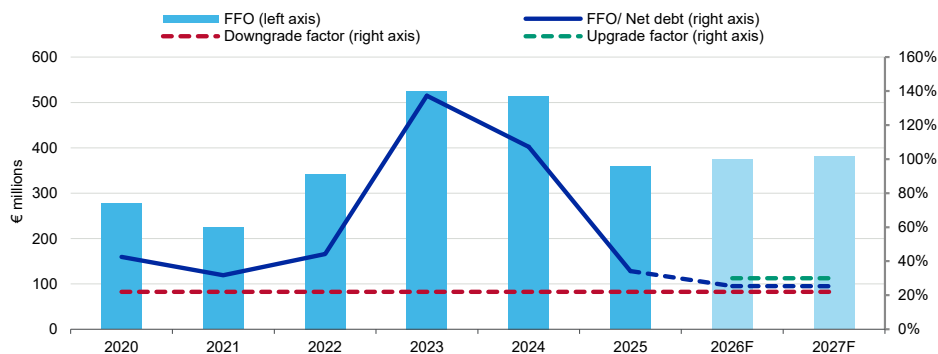
[Latvenergo AS](#) (Latvenergo, Baa2 stable) credit profile is underpinned by the group's leading position as an integrated utility in its domestic market; its fairly low-cost and environmentally clean hydro, solar and wind generation asset base; the strong contribution of regulated distribution activities to its earnings; and its solid financial profile (see Exhibit 1).

However, Latvenergo's credit quality is constrained by its small size; volatile hydro generation and variable profitability of its gas-fuelled heat and power plants, given their exposure to commodity prices and its large investment programme.

Latvenergo's Baa2 rating incorporates two notches of uplift for the potential extraordinary support from its 100% owner, the [Government of Latvia](#) (A3 stable), in case of financial distress. At the same time, the company remains exposed to political interference.

Exhibit 1

Latvenergo's leverage metrics are likely to remain volatile and burdened by growth capital spending, but remain within guidance



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.

Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Credit strengths

- » Dominant position in Latvia and status as a leading electricity producer and supplier in the Baltics
- » Relatively stable cash flow from regulated distribution grid activities, although returns are low
- » Solid financial profile
- » Expectation of strong government support, in case of financial distress

Credit challenges

- » Relatively small size, which leaves the company vulnerable to changes in the regional electricity markets
- » Earnings from generation exposed to variable hydrology and volatile commodity prices
- » A potential short position of own generation versus retail supply with a strong seasonal component may result in some exposure to price volatility
- » Large investment programme that will require significant external financing

Rating outlook

The stable outlook reflects our expectation that, despite a material capex programme, the company should maintain a financial profile in line with the current ratio guidance of funds from operations (FFO)/net debt in the low 20s in percentage terms over the next two to three years.

Factors that could lead to upgrade

Upward pressure on Latvenergo's rating is unlikely to materialise in the near term but could develop in the medium to long term if (1) the company's FFO/net debt were to remain around 30% on a sustained basis; and (2) the company's liquidity improves. Upward rating pressure could also develop if the credit quality of the Latvian government were to significantly strengthen.

Factors that could lead to downgrade

Latvenergo's rating could come under downward pressure if the company's FFO/net debt were to remain below the low 20s in percentage terms on a sustained basis; its liquidity were to deteriorate; there were significant adverse changes in the regulatory framework in Latvia; or the credit quality of the Latvian government or the support assumptions currently incorporated into our assessment were to weaken significantly.

Key indicators

Exhibit 2

Latvenergo AS

Credit metrics are robust but display some volatility, driven by hydrology conditions and wholesale electricity prices

(in € millions)	2022	2023	2024	2025	LTM Jun-26	Moodys 12-18 month forward view
(FFO + Interest Expense) / Interest Expense	33.6x	21.0x	21.2x	13.6x	10.6x	9.5x - 10.5x
FFO / Net Debt	44.3%	137.3%	107.2%	34.2%	35.4%	25% - 27%
RCF / Net Debt	35.2%	97.3%	62.5%	16.3%	28.7%	15% - 17%

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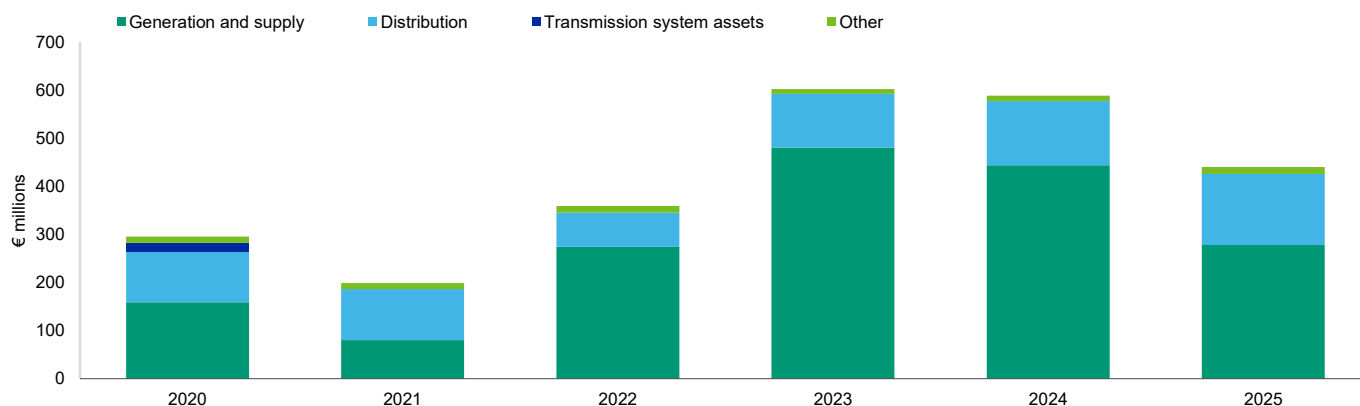
This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

Profile

Latvenergo is the dominant vertically integrated utility in Latvia, with a total installed power generation capacity of around 3.5 gigawatts (GW) as of June 30th 2026, representing around 80% of the total Latvian electricity generation capacity. The group's generation portfolio consists of three hydropower plants (HPPs, 1.6 GW) on River Daugava, two gas-fueled combined heat and power plants (CHPPs, 1.0 GW power and 1.6 GW thermal) in Riga, and a rapidly expanding renewable energy portfolio including solar parks (683 MW) and wind farms (254 MW) across the Baltics. The group also owns and operates the Latvian electricity distribution network. Until June 2020, Latvenergo also owned the Latvian electricity transmission grid assets, which were then transferred to Augstsprieguma tīkls AS (AST) as the state-owned transmission system operator (TSO). Latvenergo is 100% owned by the Latvian government.

Exhibit 3

Latvenergo's earnings are driven by the volatile contribution from its generation business EBITDA by segment



Source: Company filings

Detailed credit considerations

Small size exposes Latvenergo to changes in the Nordic and Baltic electricity markets

Latvenergo is the dominant utility in Latvia and one of the leading electricity end-suppliers across the three Baltic countries, with aggregate retail sales of around 6.1 terawatt hours (TWh) and an overall market share in the Baltics of around 22% (Latvia alone: 46%) in 2025. Despite its strong position in the domestic market, Latvenergo's scale remains relatively small in the pan-European context, which leaves the company exposed to changes in the relevant Nordic and Baltic electricity markets.

Variable output of HPPs is a key driver of the company's significant earnings volatility

Latvenergo partly meets its end-supply obligations with generation from its own HPPs and CHPPs, whose total output varies considerably, with levels ranging from 3.8 TWh to 5.7 TWh between 2015 and 2025 (see Exhibit 4), because of the high reliance on hydropower and the variable utilisation of CHPPs with high seasonal correlation. Since February 2025, when the Latvian grid synchronized with the Continental European grid, Latvenergo's HPPs and CHPPs have been providing balancing ancillary services. The company has qualified units at the Daugava HPPs and CHPPs for these services and actively participates in the market.

The annual production of Latvenergo's HPPs ranges between 1.8 TWh and 4.3 TWh, depending on the hydrological conditions. During the spring flood period, which typically lasts two to three months, the generation output exceeds the domestic demand, thus supporting electricity exports. Hydro generation was exceptionally strong in 2023, when the HPP output was the second largest in the last 25 years at 3.7 TWh, but has declined in each of the two subsequent years. The 2024 output decreased by 16% to 3.1 TWh, while still remaining above the long-term historic average, supported by water inflow in the Daugava River that was 6% above the long-term average. The winter of 2024/25 was then characterised by minimal snow and ice accumulation, which led to the absence of spring flooding in 2025 and left inflow 5% below the long-term average for the year. In consequence, HPP output fell by a further 8% to 2.9 TWh in 2025, and was one of the main drivers — together with 17% lower electricity retail sales prices — of the 25% decline in group EBITDA (company reported) to EUR 440 million. The weak hydrology persisted into 2026: inflow in the Daugava River was 24% below the long-term average in the first half of the year and HPP generation declined by a further 4% to 1.6 TWh, although group EBITDA still

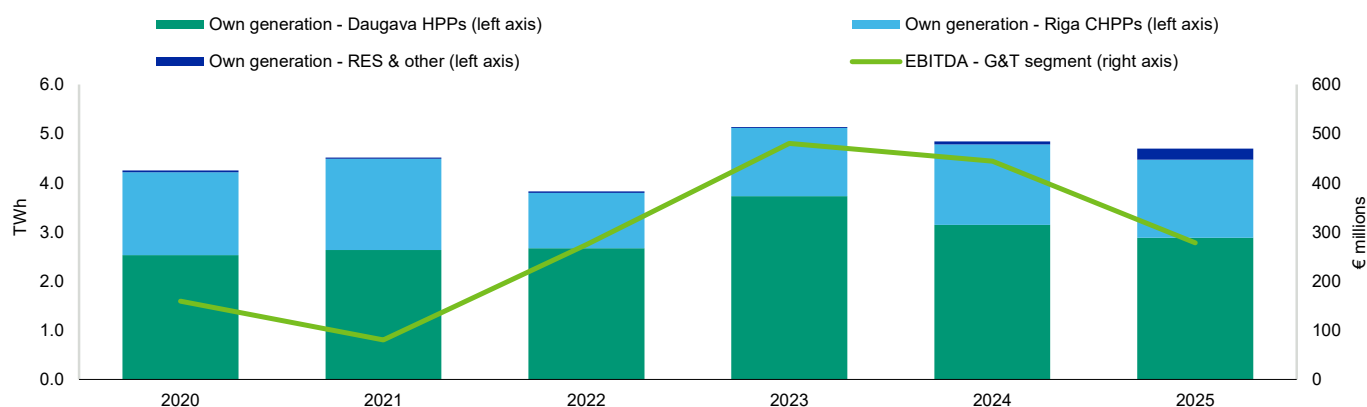
rose by 5% to EUR 285 million as an 11-fold increase in solar and wind output to 0.6 TWh and a 28% increase in CHPP generation to 1.1 TWh more than offset the shortfall.

The variability of the hydro generation output across years, combined with a strong seasonal component, exposes Latvenergo to significant volatility in earnings, because of HPPs' fixed-cost nature. This exposure is, however, gradually diluted by the rapid build-out of the group's solar and wind portfolio, which reached 937 MW of installed capacity by end-June 2026 against a company's 2026 target of 600 MW. Additionally to solar and wind parks that already are in operation, at the end of June 2026, the Group had wind and solar parks with a total capacity of 207 MW under construction. As a result, the total approved portfolio of new renewable energy projects comprised 1,144 MW. Gradual commissioning of the wind and solar parks is expected between 2026 and 2027. Following the completion of all new renewable energy assets, the Group's annual electricity generation is expected to increase by approximately 2.2 TWh

Exhibit 4

Latvenergo's Generation and Trade (G&T) earnings are linked to hydro production

Generation output by technology versus earnings from G&T



Source: Company filings

In 2023, the average Latvian day-ahead price stood at €94 per megawatt hour (MWh), a 58% decline from the exceptionally high level of €226/MWh seen in the 2022 energy crisis. The downward trend continued in 2024, when the average price for the full year contracted another 7% to €87.3/MWh, mainly driven by lower gas prices and an increase in installed renewable capacity compared to 2022. Prices were broadly flat in 2025, with the Latvian average easing a further 1% to €86.2/MWh.

The trend reversed in the first half of 2026. Latvian power prices rose 18% year on year to €102.6/MWh, reflecting colder weather at the start of the year and regional renewable generation patterns, with Baltic spot prices averaging €92-104/MWh, around 15% higher than a year earlier. Higher prices were modestly positive for Latvenergo's earnings because the company reached a long generation position in H1 2026 due to growing renewable output. However, the benefit was limited by the company's hedging policy, which seeks to match annual retail sales volumes with expected annual generation. As a result, Generation and Trade EBITDA increased by only 2% year over year.

Visibility into CHPP earnings is low

Latvenergo's CHPPs run mainly in the cogeneration mode during the heating season from October through March. In 2025, the Riga CHPPs, with an installed thermal capacity of 1.6 GW, produced 1,310 GWh of heat, supplied to the district heating system of the city at regulated tariffs under contract with Rīgas siltums AS, generating regulated income. Another 244 GWh of heat were generated within Liepājas enerģija SIA, a company owned 51% by Latvenergo, which primarily ensures the generation and supply of thermal energy to Liepāja, a city in Latvia; since 2025 it also covers Priekule. In addition, Latvenergo receives capacity payments, which amount to €21 million annually for 2021-28 and largely offset the plants' fixed costs.

The earnings of Latvenergo's combined heat and power plants (CHPPs) are exposed to seasonal weather conditions, as well as fluctuations in natural gas and CO₂ emission allowance prices. The impact of commodity price volatility on operating costs is mitigated by the Group's extensive hedging policy, under which a significant share of its natural gas and carbon requirements is secured in

advance through financial instruments. Latvenergo also manages electricity price risk through electricity swaps, which are used to hedge future electricity sales and purchases, depending on the portfolio's net exposure. The exposure of district heating operations to fuel price movements is further reduced through tariff adjustment mechanisms that allow changes in commodity costs to be reflected in heat tariffs.

Earnings from the heat plant operations are further underpinned by income from power sales, which particularly benefited from the very high power prices seen throughout the 2022/2023 energy crisis; the capacity payments, and the technical flexibility of the plants, which allows load adaptation to market conditions on short notice. That flexibility was extended in 2025, when CHPP-1 became able to operate in condensation mode as well, and CHPP-1 and CHPP-2 both are now qualified for the Baltic balancing capacity market launched in February 2025 following synchronisation with Continental Europe, where the CHPPs contribute 264 MW of aFRR and 264 MW of mFRR capacity in each direction.

Since Latvenergo does not report isolated figures for the CHPPs' contribution to G&T earnings, there is low visibility into whether or not the plants support the segment's profitability. CHPP operations are flexibly dispatched in response to prevailing power market conditions and heat demand, supporting optimisation of the Group's electricity generation and procurement portfolio. In 2025, CHPP electricity output declined by 3% to 1,587 GWh and heat output fell 8% on lower demand, against a 12% increase in TTF gas prices. The trend reversed sharply in 1H 2026: colder weather at the start of the year and significantly more operation in cogeneration mode lifted CHPP electricity output by 28% to 1.1 TWh and group heat generation by 31% to 1.2 TWh, supported by a 7% decline in TTF gas prices to €40/MWh — one of the main positive drivers of the generation and trade segment's EBITDA in the period.

Leading retail supplier in Latvia and the Baltics with a stable market share

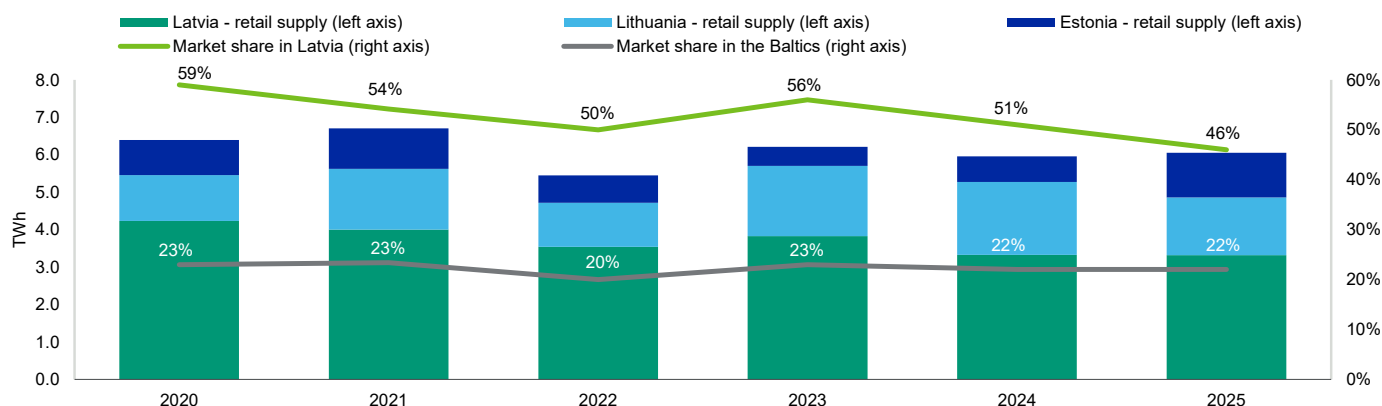
Over the last few years, Latvenergo's power sales and retail market shares have been subject to some degree of volatility, driven by supply and demand distortions triggered by the coronavirus pandemic, but also the military conflict in Ukraine and the associated European energy crisis. Over the past five years, Latvenergo's market share in the Baltics has remained stable at 20%-23%, reflecting its policy of maintaining a balance between retail sales and generation volumes.

However, volume reductions are also strategically desired to balance production and sales volumes. Lower retail supply volumes in Latvia are mitigated by Latvenergo's relatively stable market shares in Estonia and Lithuania, and a retention level well above 75% in the less volatile Latvian household segment, observed over the past few years. The company seeks to defend its competitive position at home and grow abroad by expanding its service offer through supplementing services to the electricity and gas sales agreements.

Exhibit 5

Latvenergo's sales have seen some volatility in the recent few years

Retail sales and retail market shares in Latvia and the Baltics



Source: Company filings

The retail operations form part of the company's G&T segment. Their profitability is a function of the share of end-supply volumes being covered by the company's own power generation from HPPs, CHPPs, solar and wind assets, which has a strong seasonal component; and of the scope and price levels of electricity procured in the wholesale market, because on an annual basis, the company's (retail) sales volumes have historically exceeded its electricity production. The share of retail volumes covered by own

generation varies from year to year, primarily reflecting fluctuations in hydro output from the Daugava HPPs. In 2025, own generation of 4,696 GWh covered 78% of retail volumes (2024: 79%). Coverage is typically higher in the first half of the year because of seasonally stronger hydro and CHP generation, and in 1H 2026 generation of 3.3 TWh covered 106% of electricity sold at retail.

Latvenergo makes progress in reducing its historical short position in generation

Latvenergo covers any supply deficit through purchases on the Nord Pool electricity market and sells surplus hydroelectric generation during periods of high spring inflows. Due to the variability of hydro generation and its fixed-price retail supply commitments, the Group is exposed to wholesale electricity price fluctuations. The growing integration of the Baltic and Nordic power markets has increased the influence of Nordic hydrological conditions on Baltic electricity prices.

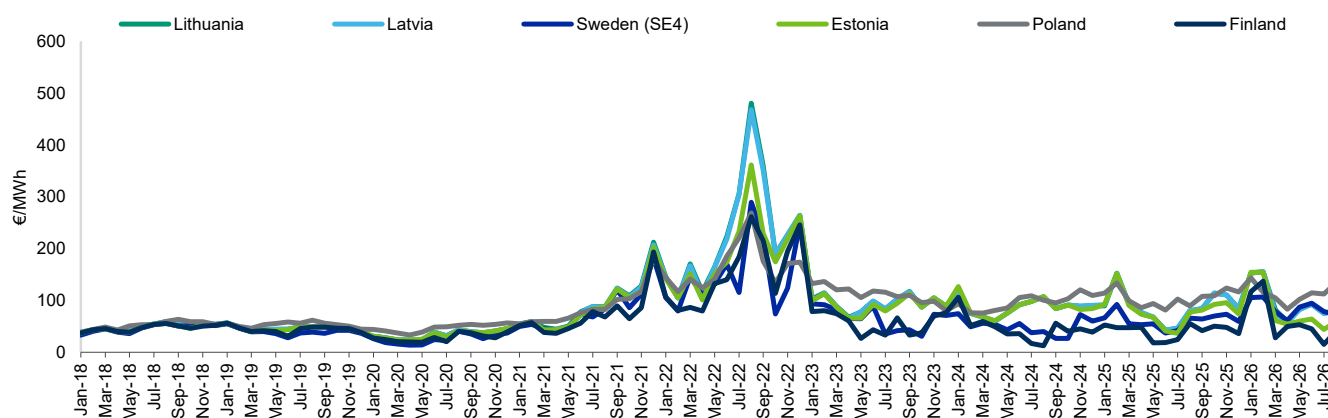
Baltic electricity prices are increasingly influenced by the broader Nordic and continental European power markets. The resulting price volatility is mitigated by Latvenergo's diversified generation portfolio, as periods of lower hydro generation and higher electricity prices typically support increased CHPP output and profitability. The Group further manages its exposure through the use of financial hedging instruments and active portfolio management.

The Group's exposure to periods of short generation is moderated by its ability to manage retail pricing, actively balance generation and supply exposures, and ongoing investments in renewable generation capacity. The continued expansion of wind and solar assets is expected to improve the balance between own generation and customer demand, supporting a gradual reduction in external power procurement requirements.

New RES capacity commissioned by end-June 2026 already accounts for around a quarter of the group's available generation capacity, and solar and wind output grew nearly 11-fold year on year to 0.6 TWh in 1H 2026, which, combined with a 28% increase in CHPP generation, lifted total output to 3.3 TWh, equivalent to 106% of electricity sold at retail. Latvenergo has therefore reached a long generation position in the first half of 2026, although this reflects a seasonally strong period for both hydro and CHPP load, and full-year coverage will depend on hydrological conditions and the pace of remaining RES commissioning. The group is also building out battery storage, with two BESS projects completed and seven in development, which should improve its ability to shape output against its retail book.

Exhibit 6

Prices in the Baltics and NP reflect close links, with Southern Sweden's hydro capacity acting as a price floor
Day-ahead electricity prices expressed in €/MWh



Lithuanian and Latvian prices are nearly identical for most of the time; therefore, the Lithuanian graph is barely visible.

Source: NordPool

Relatively stable earnings from regulated network activities

Latvenergo also owns and operates the country's electricity distribution network through its 100% subsidiary Sadales tīkls AS (ST), which is regulated by the Public Utilities Commission (PUC).

Since the beginning of 2020, ST has been operating under a new regulatory framework, which is based on a revenue cap approach with an efficiency factor and a regulatory account mechanism. The regulatory period for Latvian distribution networks can span up to five years but not less than two. In November 2022, ST submitted a request to the regulator for a higher distribution tariff to address a rise in costs stemming from the high electricity power prices and general cost inflation. The regulator followed ST's request and the current regulatory lag spans from July 2023 till end December 2027. Under the current calculation method, a higher proportion of fixed tariffs allows for a more predictable recovery of operating costs.

Tariffs are set at the beginning of each year and can be adjusted for deviations from assumptions on distributed volumes, one-off costs or inflation rate. These in-period adjustments limit volume risk for ST as revenue deviations of up to 3% can be considered when adjusting tariffs, whereas larger differences would be booked to the regulatory account and could be recovered in the next regulatory period.

As for the regulatory asset base (RAB) and the weighted average cost of capital (WACC), both will remain constant throughout the current regulatory period. Since a revaluation of the RAB at year-end 2020, its value remains at around €1.6 billion, while the WACC was determined at 2.72% (pretax, real, or 4.25% nominal).

Since its introduction in 2020, the principles-based regulatory framework provides greater transparency over methodological details, although it lacks the sophistication of the regulatory frameworks prevalent in Western Europe and allowed return rates are relatively low in the European context.

In FY2025, the division reported revenue of €382 million (2024: €371 million) and EBITDA of €147 million, up from €133 million in 2024, reflecting the full-year effect of the tariff formula applicable since July 2023 and a 3% increase in distributed volumes, alongside lower operating costs supported by a historically low number of network outages. Distribution accounted for 24% of group revenue and 34% of group EBITDA in 2025, up from 23% of group EBITDA a year earlier, as the generation and trade contribution fell sharply on weak hydrology and lower retail prices. In 1H2026, EBITDA rose further to €78 million from €71 million on revenue of €201 million (1H2025: €189 million), driven by a 9% increase in distributed electricity and higher customers' connection capacity.

Latvenergo's investment plan under the 2022-2026 strategy is resulting in rising debt

In March 2022, Latvenergo's supervisory board approved the medium-term strategy 2022-26, which includes reinforced investments in renewables, underpinning Latvia's goal to become climate neutral by 2050. Under the strategy, Latvenergo invests mainly in onshore wind and solar installations to increase respective capacities combined to at least 600 MW by 2026. That target has now been exceeded: at end-June 2026, Latvenergo had 937 MW of new wind and solar capacity installed — 24 solar plants totalling 683 MW and four wind farms totalling 254 MW — with a further 207 MW under construction, taking the total approved portfolio to 1,144 MW to be commissioned gradually over 2026-27. On completion, annual generation is expected to increase by approximately 2.2 TWh. New RES already accounts for around a quarter of the group's available generation capacity.

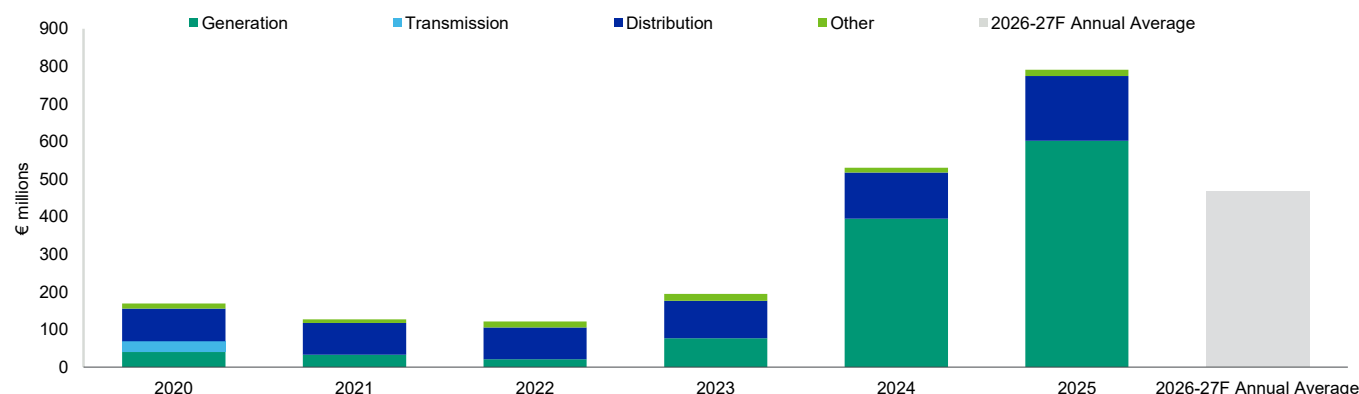
As Latvenergo approaches the end of its 2022-26 strategic period, execution against its investment targets has been strong. The group has already invested around €1.9 billion cumulatively by end-H1 2026, implying that the majority of the originally envisaged investment programme has been delivered. Alongside the renewable build-out described above, Latvenergo has continued to invest in the refurbishment of its hydro assets and the maintenance and development of its regulated distribution network, thereby supporting both the long-term reliability of its generation fleet and the earnings stability of its regulated operations.

While annual capital expenditure appears to have passed its peak, having reached €792 million in 2025 before moderating to €256 million in H1 2026 as major projects approach completion, we do not expect investment activity to return to pre-2022 levels. The current strategy already envisages further expansion of renewable capacity to 2.3 GW by 2030+, complemented by significant battery storage investments, and management continues to view renewable development as a core strategic objective. We therefore expect capital spending to remain elevated beyond the current strategy period, reflecting continued investment in wind and solar projects, battery storage systems, hydro asset modernisation and distribution network upgrades. Although the execution risk associated with the initial phase of the strategy has reduced materially as projects have progressed, the group's investment programme will continue to require sizeable funding and remain an important driver of leverage over the medium term.

This is now evident in the capital structure: Moody's-adjusted net debt has increased from €479 million at YE-2024 up to €1,055 million at end-June 2026, following a debut €400 million European Green Bond issue in November 2025 and a further €300 million issue under the EMTN programme in June 2026. We expect that Latvenergo will adjust its investment plan accordingly to ensure that its established leverage target is maintained (see below).

Exhibit 7

Latvenergo's capital investments are expected to moderate in 2026-2027, while remaining significantly above historical levels



Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

Sources: Company filings and Moody's Ratings forecasts

The 2022-2026 strategy envisaged an annual dividend payout of more than 64% of the unconsolidated net profit of the parent company, while subsequent legislative changes require a payout ratio of 70% of Latvenergo AS's net profit for 2025 - dividends paid in 2025 amounted to €186 million, consistent with the statutory requirement. According to the law "On the State Budget for 2026 and the Budgetary Framework for 2026-28", Latvenergo AS's dividend payment is set at €141 million in 2026, €144 million in 2027 and €122 million in 2028. We expect dividend distributions to remain aligned with the prevailing legal framework going forward, balancing shareholder returns with the group's elevated investment needs and funding requirements.

Latvenergo's leverage to gradually increase over the next few years, but will remain in line with our guidance

Moody's-adjusted FFO/net debt has already compressed from 107% in 2024 to 35.4% at end-June 2026. The combination of elevated capital spending and a statutory dividend payout, set against earnings that remain sensitive to hydrology, will keep free cash flow negative over the next three years. We expect Moody's-adjusted FFO/net debt to decline from 35.4% at end-June 2026 to 25%-27% over the next 18 months, and to settle around the mid-20s in percentage terms thereafter as the remaining RES pipeline is commissioned and debt-funded. This is commensurate with our guidance for the current Baa2 rating (see Exhibit 1), though it leaves materially less headroom than the exceptional metrics recorded in 2023-24, which were supported by strong hydrology and elevated power prices rather than by a structurally lower debt burden.

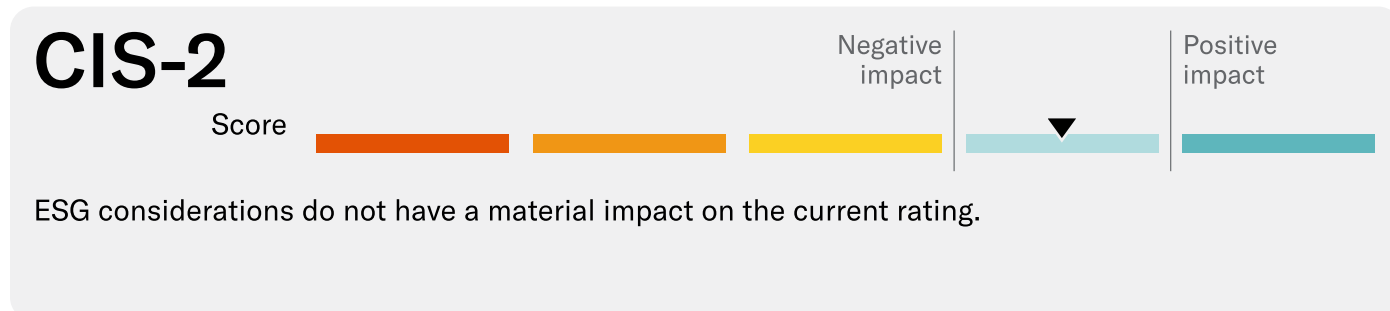
Latvenergo's own financial policy targets a minimum of 25% FFO/net debt. While its FFO definition is broadly similar to ours, the company calculates the ratio against a two-year average net debt balance. In a period of rapidly rising indebtedness, this gives Latvenergo more headroom under its own metric than under our measure, and we therefore do not expect the company to breach its policy threshold even as Moody's-adjusted leverage tightens towards the lower end of our guidance.

ESG considerations

Latvenergo AS' ESG credit impact score is CIS-2

Exhibit 8

ESG credit impact score



Source: Moody's Ratings

Latvenergo's **CIS-2** indicates that its ESG attributes have no discernible impact on its rating. Its score reflects moderate environmental, social and governance risks. The effect of ESG risks to the rating is mitigated by our expectation that Latvenergo's government shareholder would support the company, if this were to become necessary.

Exhibit 9

ESG issuer profile scores



Source: Moody's Ratings

Environmental

Latvenergo's **E-3** score reflects the company's generation mix consisting of hydro and gas-fueled cogeneration plants which are exposed to risks arising from volatile hydrology and stricter carbon emission policies, respectively. Latvenergo's hydro plants are exposed to resource volatility related to changing climate patterns, but the company's flexible cogeneration plants mitigate the impact of low hydrology on earnings. Climate-related incidents, such as storms, may also have a negative impact on the group's electricity distribution grid assets, but since this is a regulated business, we expect any damages to be reflected in tariff determinations over time.

Social

Latvenergo's **S-3** score reflects risks related to demographic & social trends, which include adverse regulatory decisions or government intervention in regulatory affairs. While the infrastructure regulation of the distribution grid operations has allowed the company to recover its costs in a timely manner, the current framework was only introduced in 2020 and has yet to build a track record of predictability and reliability.

Governance

Latvenergo's **G-3** score incorporates the relatively low liquidity buffer the company retains, which is part of its risk management policy. It also reflects that the Latvian government as the sole owner of Latvenergo has a track record of extracting large dividend payouts. Although we view this as credit negative, we understand that the government's actions are strictly subject to preserving Latvenergo's solid credit profile.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

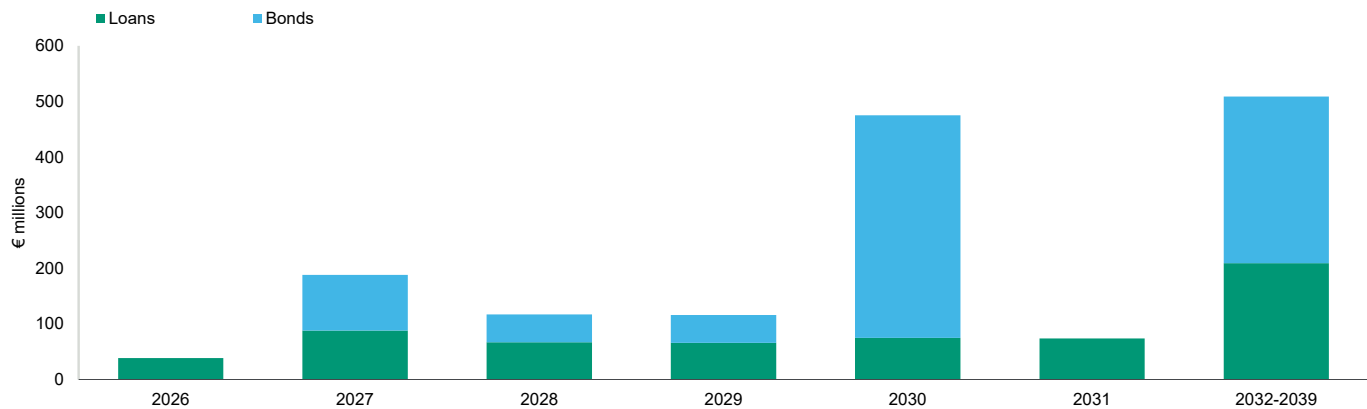
At end-June 2026, Latvenergo reported cash and cash equivalents of €158 million and €365 million of short-term investments, up from €118 million and €150 million, respectively, at end-2025. The company's cash position is further supported by (1) access to a €200 million committed loan from the European Investment Bank; and (2) €400 million of committed revolving credit facilities (RCFs), of which €385 million were undrawn at end-June 2026, maturing in mid-2027 and early 2028.

We regard these liquidity sources as sufficient to cover Latvenergo's basic cash needs over the coming 12 months, including committed capital expenditure. The company has also demonstrated good access to capital markets, as evidenced by the two bond issues noted above. Nevertheless, given our expectation of continued negative free cash flow, Latvenergo may need to secure additional external financing to fund future investment projects. Latvenergo retains robust banking relationships, as demonstrated by recently granted loans.

Exhibit 10

Latvenergo has a well-spread debt maturity profile

Debt repayment schedule as of 30 June 2026



Source: Company filings

Structural considerations

The Baa2 senior unsecured rating of Latvenergo's outstanding green bonds reflects the absence of structural and contractual subordination of the green bond creditors to the claims of other Latvenergo group lenders.

Methodology and scorecard

The principal methodologies used in rating Latvenergo are Unregulated Utilities and Unregulated Power Companies, and Government-Related Issuers.

Exhibit 11

Latvenergo AS

Unregulated Utilities and Power Companies Industry Scorecard *	Current LTM June 30 2026		Moody's 12-18 Month Forward View **	
	Measure	Score	Measure	Score
Factor 1: Scale (10%)				
a) Total Assets (USD Billion)	6.0	Ba	6.2 - 6.5	Ba
Factor 2: Business Profile (35%)				
a) Market Diversification	Ba	Ba	Ba	Ba
b) Cash Flow Stability	Ba	Ba	Ba	Ba
Factor 3: Leverage And Coverage (40%)				
a) (FFO + Interest Expense) / Interest Expense	10.6x	A	9.5x - 10.5x	A
b) FFO / Net Debt	35.4%	Baa	25.0% - 27.0%	Baa
c) RCF / Net Debt	28.7%	A	15.0% - 17.0%	Ba
Factor 4: Financial Policy (15%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Ratings				
Preliminary Outcome		Baa3		Ba1
Construction, Development and Capital Program Risk				
a) Scorecard-Indicated Outcome		Baa3		Ba1
b) Actual Baseline Credit Assessment Assigned				ba1
Government Related Issuers				
a) Baseline Credit Assessment		ba1		
b) Government Local Currency Rating		A3		
c) Default Dependence		High		
d) Support		Strong		
e) Actual Rating Assigned		Baa2		

*All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.

**Moody's forecasts are Moody's opinion and do not represent the views of the issuer (as applicable).

Source: Moody's Financial Metrics™ and Moody's Projections

Credit quality is supported by the government ownership

Latvenergo is 100% owned by the Government of Latvia and Latvenergo's Baa2 rating incorporates two notches of uplift from its Baseline Credit Assessment (BCA) of ba1. This uplift is based on our assessment of a strong probability of government support for the company in the event of financial distress and our view of high default dependence (that is, the degree of exposure to common drivers of credit quality) between the government and Latvenergo.

Appendix

Exhibit 12

Peer comparison

Latvenergo AS

	Latvenergo AS			MVM Zrt.			Eesti Energia AS			Holding Slovenske elektrarne d.o.o.		
	Baa2 Stable			Baa2 Negative			Baa3 Stable			Baa2 Stable		
	FY	FY	LTM	FY	FY	FY	FY	FY	LTM	FY	FY	FY
(in € millions)	Dec-24	Dec-25	Jun-26	Dec-23	Dec-24	Dec-25	Dec-24	Dec-25	Jun-26	Dec-23	Dec-24	Dec-25
Revenue	1,704	1,566	1,661	13,316	11,472	9,601	1,785	1,647	1,677	4,429	3,002	3,125
EBITDA	576	421	432	2,342	2,172	2,011	414	322	294	525	449	330
Total Assets	4,434	4,953	5,256	18,350	13,803	14,879	5,070	4,756	4,901	2,393	1,695	1,552
Total Debt	776	1,317	1,578	4,499	3,582	4,233	1,895	1,831	1,881	622	207	15
Net Debt	480	1,049	1,055	3,857	2,861	3,527	1,426	1,472	1,439	510	(164)	(299)
FFO / Net Debt	107.2%	34.2%	35.4%	38.2%	59.2%	37.7%	19.0%	14.5%	11.9%	114.7%	-344.4%	-97.6%
RCF / Net Debt	62.5%	16.3%	28.7%	9.9%	47.3%	12.3%	13.4%	11.0%	8.4%	114.7%	-283.5%	-42.4%
(FFO + Interest Expense) / Interest Expense	21.2x	13.6x	10.6x	6.7x	9.4x	8.0x	3.4x	3.2x	2.6x	43.0x	46.6x	62.1x
Debt / Book Capitalization	20.5%	30.3%	34.2%	43.2%	37.7%	41.0%	46.8%	50.6%	50.4%	34.6%	15.4%	1.2%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.

Source: Moody's Financial Metrics™

Exhibit 13

Moody's-adjusted debt reconciliation

Latvenergo AS

(in € millions)	2021	2022	2023	2024	2025	LTM Jun-26
As reported Total Debt	803.5	886.6	641.1	776.0	1,316.9	1,577.6
No Adjustments	-	-	-	-	-	-
Moody's adjusted Total Debt	803.5	886.6	641.1	776.0	1,316.9	1,577.6
Cash & Cash Equivalents	(97.1)	(112.8)	(258.5)	(296.4)	(267.7)	(522.7)
Moody's-adjusted Net Debt	706.4	773.8	382.6	479.6	1,049.2	1,054.9

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.

Source: Moody's Financial Metrics™

Exhibit 14

Moody's-adjusted EBITDA reconciliation

Latvenergo AS

(in € millions)	2021	2022	2023	2024	2025	LTM Jun-26
As reported EBITDA	200.7	361.3	610.7	602.1	445.7	457.4
Unusual Items	(49.6)	(18.7)	(11.6)	(26.0)	(25.1)	(25.1)
Moody's-adjusted EBITDA	151.1	342.6	599.0	576.1	420.6	432.3

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.

Source: Moody's Financial Metrics™

Exhibit 15

Overview on select historical Moody's-adjusted financial data

Latvenergo AS

(in € millions)	2021	2022	2023	2024	2025	LTM Jun-26
INCOME STATEMENT						
Revenue	1,065	1,842	2,034	1,704	1,566	1,661
EBITDA	151	343	599	576	421	432
EBIT	(7)	176	423	402	237	240
Interest Expense	9	10	26	26	28	39
Net income	(2)	168	356	310	166	171
BALANCE SHEET						
Net Property Plant and Equipment	2,835	3,016	3,311	3,551	4,136	4,287
Total Assets	3,476	3,855	4,173	4,434	4,953	5,256
Total Debt	803	887	641	776	1,317	1,578
Cash & Cash Equivalents	97	113	258	296	268	523
Net Debt	706	774	383	480	1,049	1,055
Total Liabilities	1,359	1,506	1,219	1,438	1,940	2,230
CASH FLOW						
Funds from Operations (FFO)	224	343	525	514	359	374
Cash Flow From Operations (CFO)	131	126	574	537	380	75
Dividends	101	70	153	214	188	71
Retained Cash Flow (RCF)	123	272	372	300	171	303
Capital Expenditures	(191)	(120)	(182)	(470)	(718)	(565)
Free Cash Flow (FCF)	(160)	(63)	239	(148)	(526)	(561)
INTEREST COVERAGE						
(FFO + Interest Expense) / Interest Expense	25.3x	33.6x	21.0x	21.2x	13.6x	10.6x
LEVERAGE						
FFO / Net Debt	31.7%	44.3%	137.3%	107.2%	34.2%	35.4%
RCF / Net Debt	17.4%	35.2%	97.3%	62.5%	16.3%	28.7%
Debt / EBITDA	5.3x	2.6x	1.1x	1.3x	3.1x	3.6x
Net Debt / EBITDA	4.7x	2.3x	0.6x	0.8x	2.5x	2.4x

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.

Source: Moody's Financial Metrics™

Ratings

Exhibit 16

Category	Moody's Rating
LATVENERGO AS	
Outlook	Stable
Issuer Rating	Baa2
Senior Unsecured -Dom Curr	Baa2

Source: Moody's Ratings

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