

Rīga, 7 April 2022

Internal Audit's Report on Compliance Review

Objective

In accordance with the Internal Audit Plan approved for the Supervisory Board of AS Latvenergo and in line with the Green Bond Framework of Latvenergo Group (version dated April 2020) – hereinafter referred to as "the Framework", Internal Audit of AS Latvenergo has conducted a compliance review of management of proceeds and selection of eligible green projects in relation to AS Latvenergo Green Bonds issue in 2021 (ISIN code: LV0000802460) – hereinafter referred to as "the Green Bonds".

Scope of work

The Internal Audit's review included the following compliance criteria:

- Procedures for allocation of proceeds and selection of eligible projects as set out in the Framework were followed,
- Projects selected for allocation of proceeds of the Green Bonds meet the requirements for eligible project as described in the Framework, and
- Proceeds from the Green Bonds were managed in accordance with the Framework.

The review was performed in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The information on the use of proceeds of the Green Bonds and eligible green projects selected for allocation of funds is presented in the Green Bond Report (pages 91-93 of Sustainability and Annual Report 2021 of Latvenergo Group).

Responsibilities of the Management

The management of AS Latvenergo is responsible for ensuring compliance with the Framework and preparing information of the Green Bond Report that is free of material misstatements and presented fairly.

Responsibilities of the Internal Audit

The responsibility of Internal Audit of AS Latvenergo is to plan and perform the review and conclude based on the procedures performed and evidence obtained whether the compliance criteria stated above have been met.

Internal Audit's opinion

Based on the procedures performed and evidence obtained we confirm that, in all material respects, the management of proceeds from the Green Bonds and selection of eligible green projects meet the compliance criteria stated above and comply with the Framework.

This document is signed with a secure electronic signature and contains a time stamp

L.Ašmanis
Internal Audit Director, AS Latvenergo