

# LATVENERGO CONSOLIDATED UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR 2025

27.02.2026, Riga



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# Facts and events in 2025

## Higher renewable output lowered Baltic electricity prices.

Electricity spot prices in the Baltics were on average 3% lower, reaching 81–86 EUR/MWh. Meanwhile, the average price of natural gas at the TTF (front month) reached 38 EUR/MWh, which is 12% higher than a year earlier. The price of CO2 emission allowances (EUA DEC futures) increased by 13%, reaching 75 EUR/t.

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

Electricity output at Latvenergo Group's plants reached 4.7 TWh, which is 3% less than a year ago. Electricity generation at the Daugava hydroelectric power plants (HPPs) decreased by 8% compared to 2024, reaching 2.9 TWh. The amount of electricity generated at the Latvenergo AS combined heat and power plants (CHPPs) decreased by 3%, reaching 1.6 TWh. The amount of heat energy generation decreased to 1.6 TWh, which is 7% less than a year ago.

## Investments increased by 49%.

The total amount of investment increased by 49%, reaching EUR 792 million. More than 2/3 of it or EUR 548 million was made in new wind and solar generation capacities.

## 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.

## 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. Foundation work began in November.

## 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. In January 2026, contracts signed with advisors for the acquisition; the advisors begin work.

## With a transaction at the Inkoo terminal in Finland, Latvenergo strengthens the country's energy supply.

By diversifying LNG supplies, in 2025 Latvenergo AS purchased 2 TWh of natural gas using the Inkoo LNG terminal.

## Moody's reaffirmed the credit rating of Latvenergo AS.

On 31 October 2025, Moody's reaffirmed the Latvenergo AS credit rating at Baa2 with a stable outlook.

## Latvenergo AS issued international bonds to finance green projects.

On 13 November 2025, Latvenergo AS carried out a EUR 400 million European green bond issue under its Euro Medium Term Note Programme.

# 2025 results I

## Overview

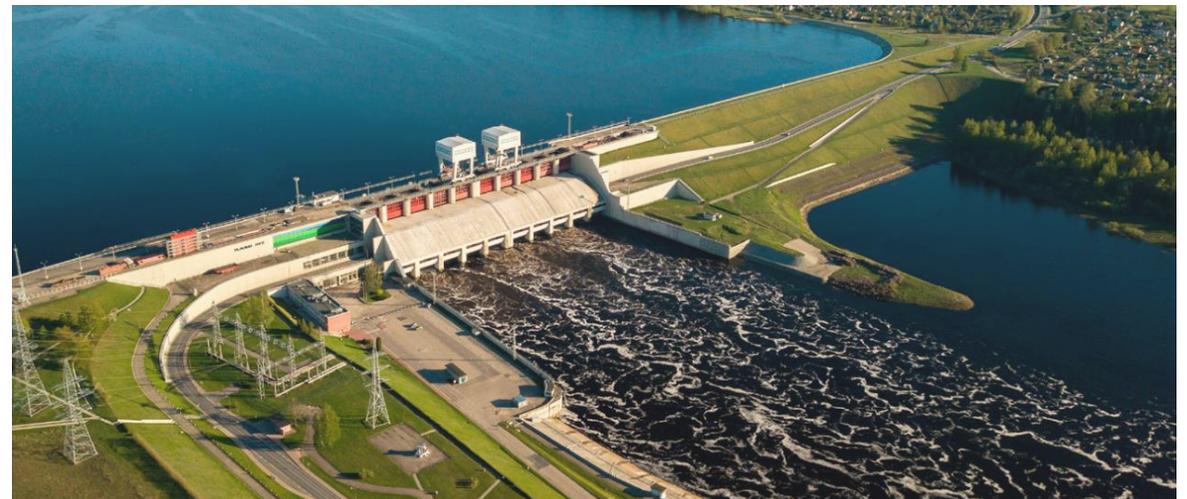
### Financial Figures

MEUR	2025	2024	Δ, %
Revenue	1,566.1	1,703.6	(8%)
EBITDA	439.7	588.4	(25%)
Profit	198.5	273.7	(27%)
Assets	4,967.6	4,438.1	+12%
Net debt	1,152.7	656.9	+75%
Investments	792.2	530.2	+49%

### Financial objectives 2026

	Target 2026	Actual 2025
ROE excluding distribution	> 7%	8.1%
Adjusted FFO / Net debt ratio	> 25%	39%
Moody's credit rating	≥ Baa3	Baa2

### Electricity generation and trade



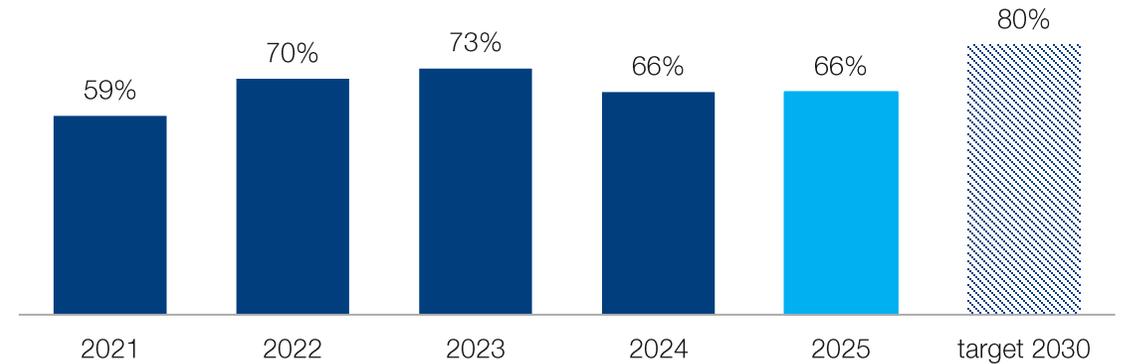
# 2025 results II

## Overview

### Non-financial objectives 2026

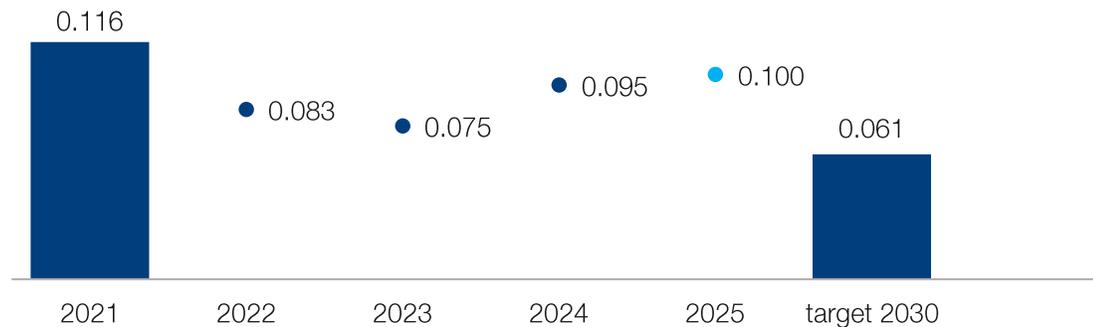
	Target 2026	Actual 2025
Available new RES capacity	600 MW	498 MW (1,144 MW)*
SAIFI (number)**	1.92	1.54
SAIDI (minutes)**	164	119
Electricity customers	855 thsd.	914 thsd.
Public EV charging ports***	1,200	1,590

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

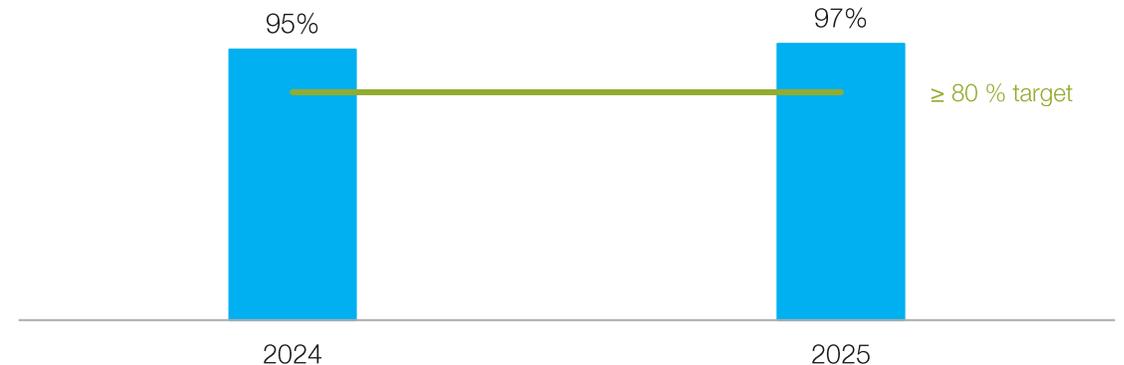


### Target 2030: Reducing Scope 1 GHG emissions by 47% compared to 2021

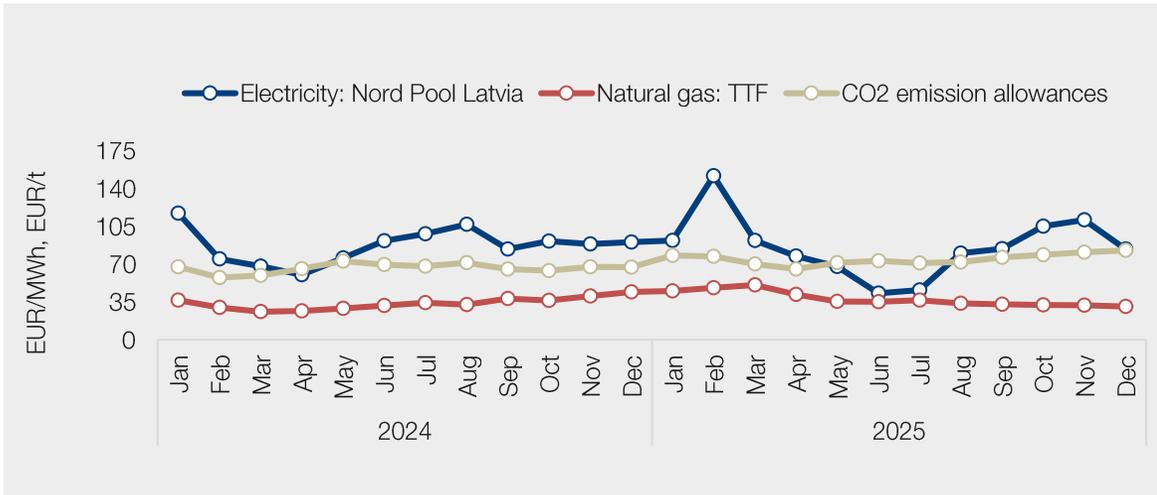
Electricity production- specific emissions, t CO<sub>2</sub>/MWh



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



# Higher renewable output affected Baltic electricity prices

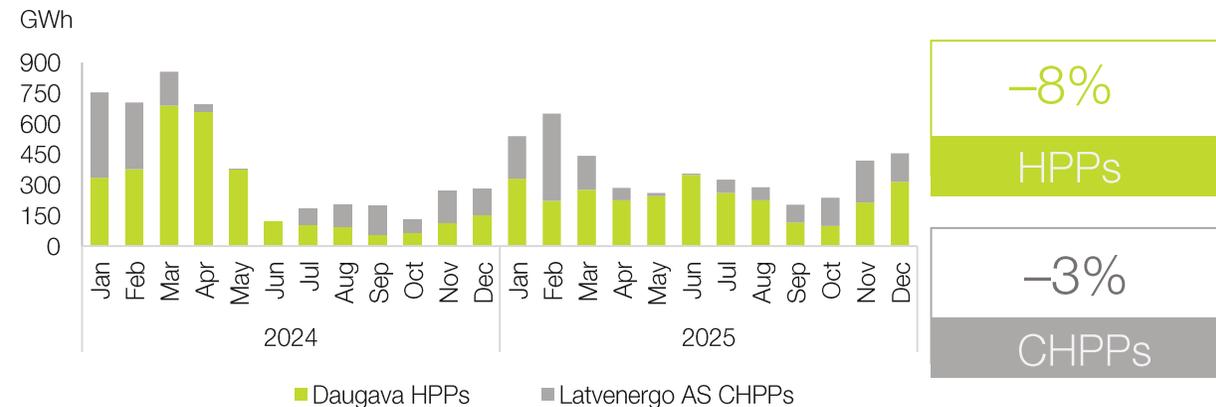


- Higher renewable output in the Baltics (SPPs +34%, WPPs +11%)
- The price of natural gas at TTF virtual trading point (front month) 12% higher, reaching 38 EUR/MWh
- The average price of CO<sub>2</sub> emission allowances (EUA DEC futures) 13% higher, reaching 75 EUR/t

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

Region	2025	2024	Δ, %
System price	39.8	36.1	10%
Latvia	86.2	87.3	(1%)
Lithuania	85.8	87.2	(2%)
Estonia	80.9	87.1	(7%)

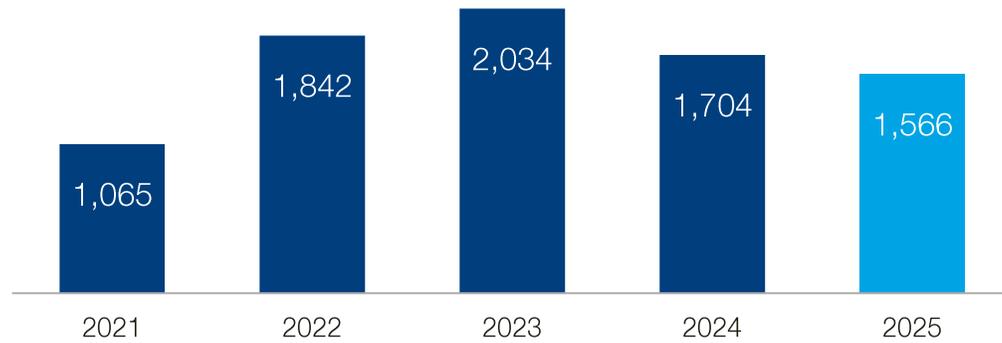
## Inflow in the Daugava River is 5% below the long-term average level



# Key financial figures

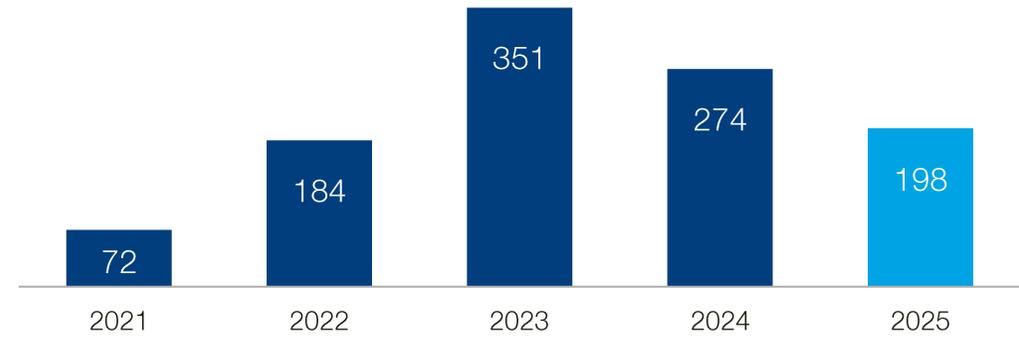
## Revenue

MEUR



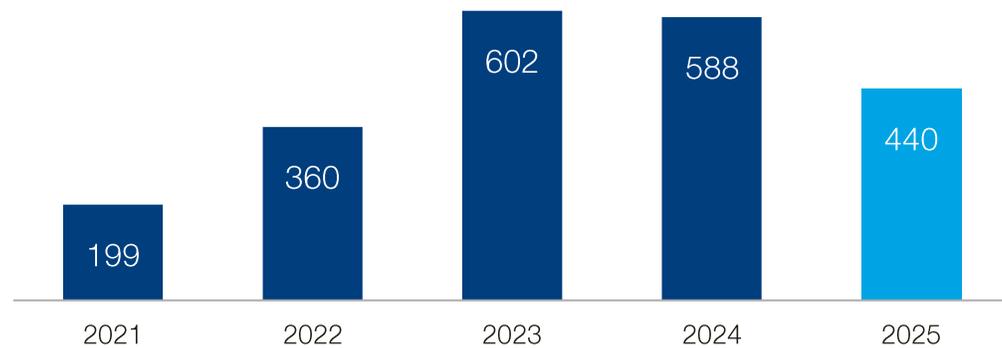
## Net profit

MEUR



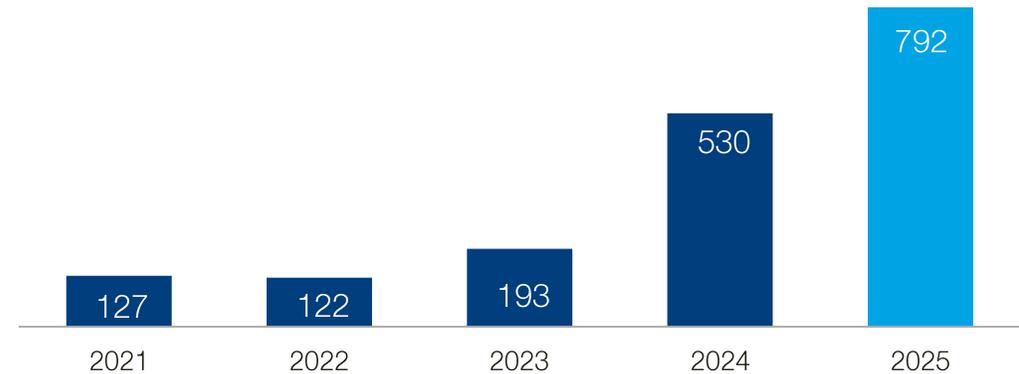
## EBITDA

MEUR



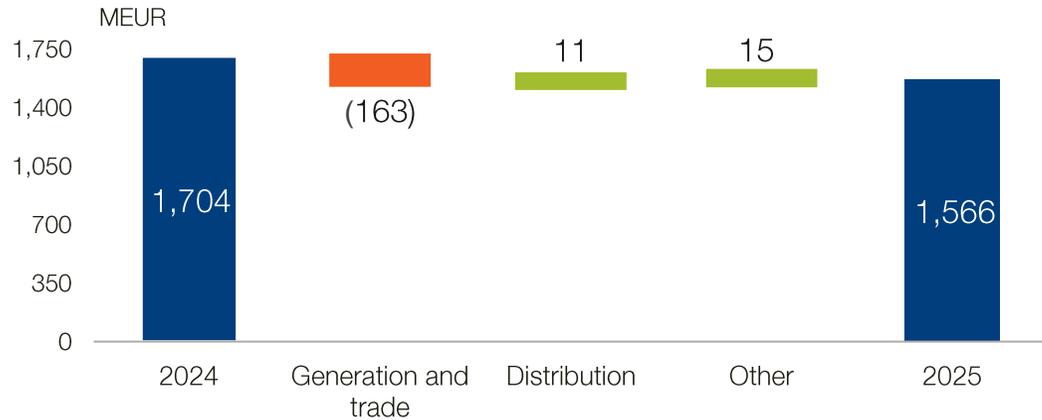
## Investments

MEUR

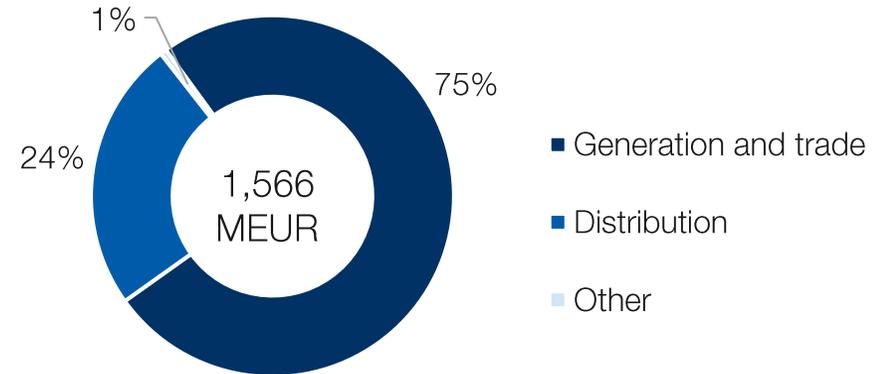


# Lower energy sales prices and lower generation at the Daugava HPPs affected results

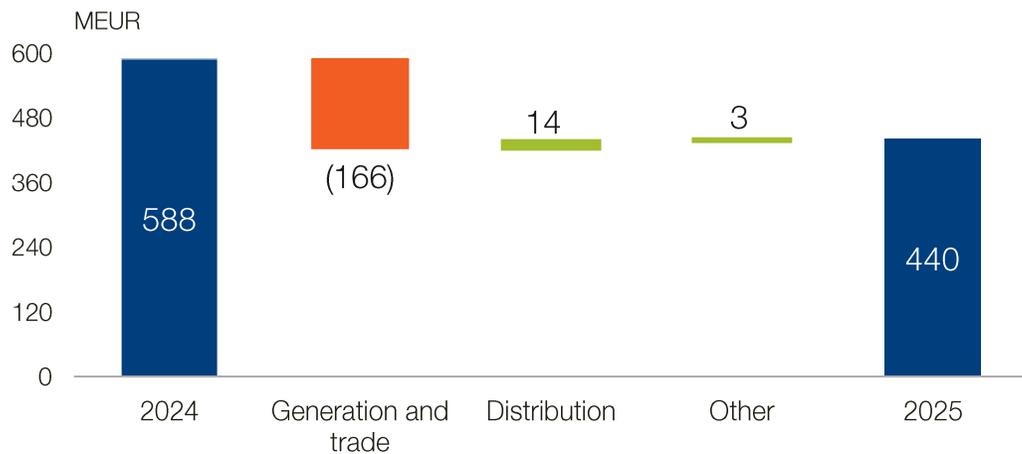
## Revenue dynamics by segments



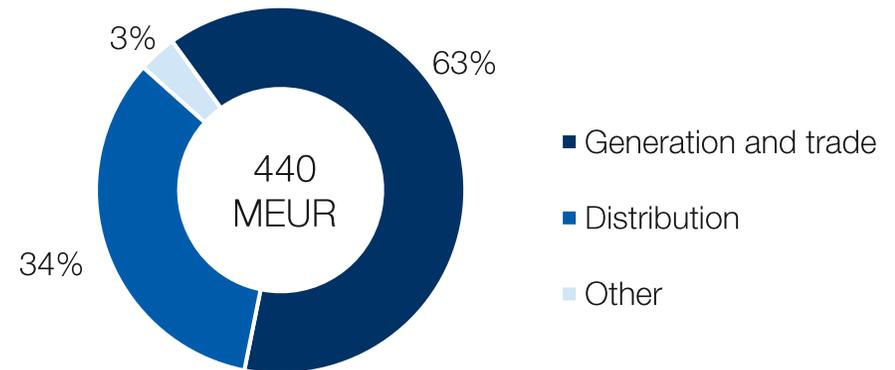
## Revenue weight by segments



## EBITDA dynamics by segments



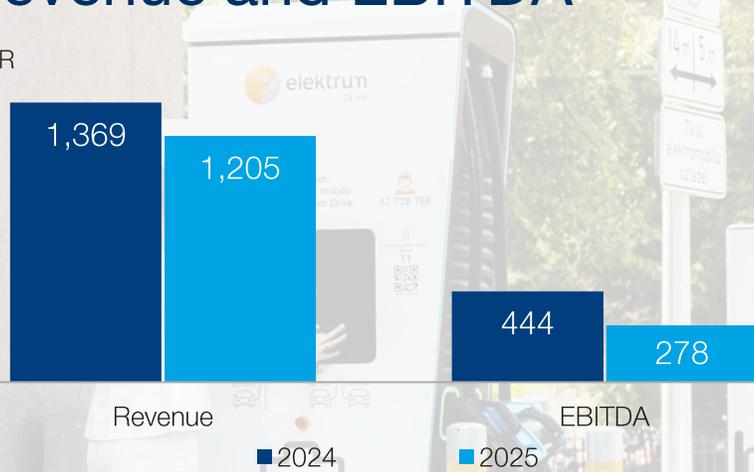
## EBITDA weight by segments



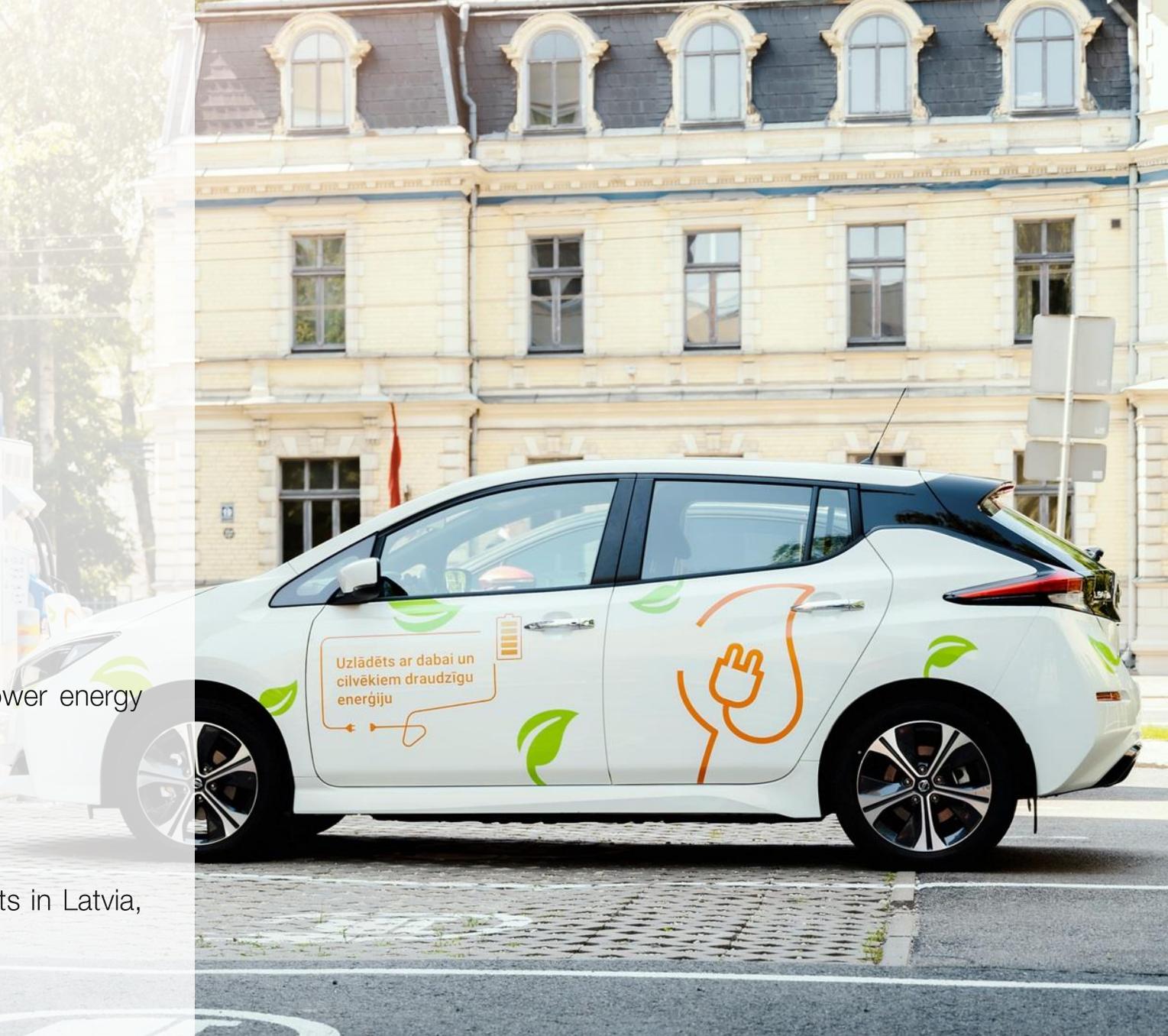
# Generation and trade

## Revenue and EBITDA

MEUR

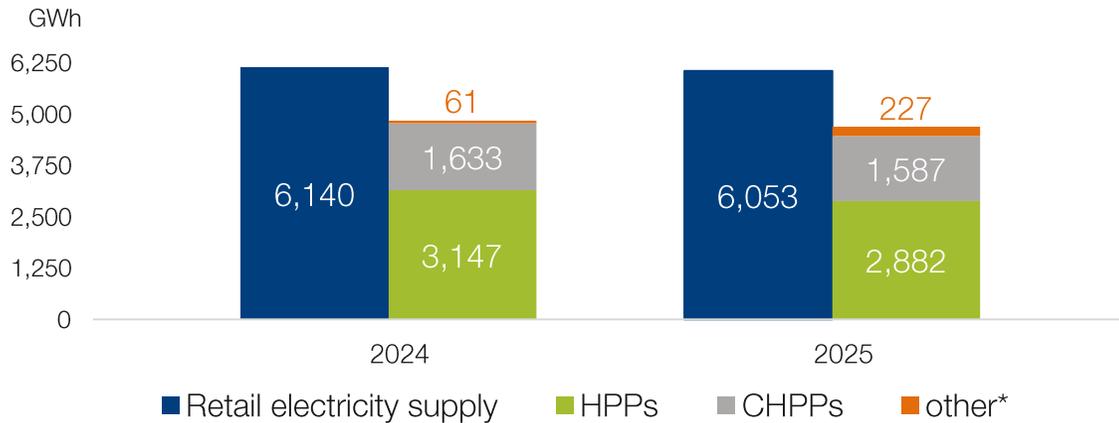


- The segment's revenue was negatively impacted by lower energy sales prices
- The segment's EBITDA negatively impacted by
  - 17% lower retail electricity sales prices
  - 8% lower output at the Daugava HPPs
- Latvenergo Group operates in all energy trade segments in Latvia, Lithuania and Estonia



# Generation

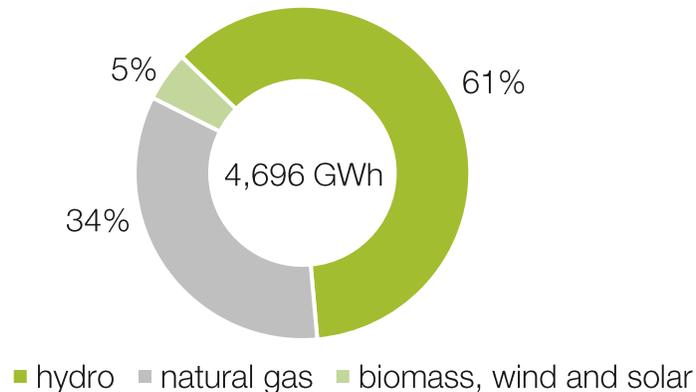
4,696 GWh of electricity generated



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

- Electricity generated at *Latvenergo* corresponds to 78% of the electricity sold at retail
- Electricity generation at the Daugava HPPs reduced by 8%, and at Latvenergo CHPPs, it's down by 3%
- 209 GWh of electricity generated at SPPs and WPPs (+375%)
- 1,554 GWh of thermal energy generated (-7%)

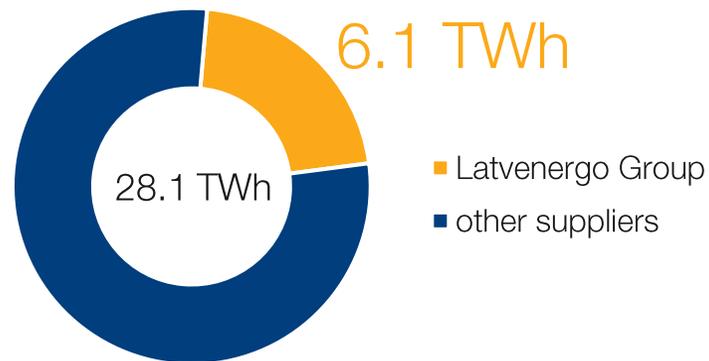
66% of the electricity was generated from RES



# Trade

The number of electricity customers is up by 2% and natural gas +17%

Electricity market in the Baltics

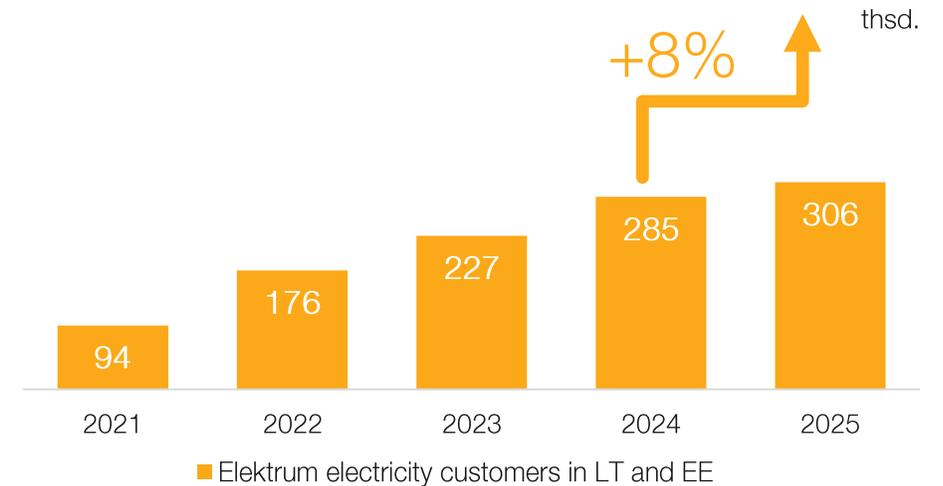


6.1 TWh of electricity\* sold to Baltic retail customers (-1%). 45% of it sold outside Latvia. The number of customers exceeded 914 thsd.



1.6 TWh of natural gas sold to Baltic retail customers (+35%). The number of customers exceeded 76 thsd.

The number of *Elektrum* customers in neighbouring countries increased



*Elektrum Drive* public electric car charging network in the Baltics had 1,339 charging ports at the end of December

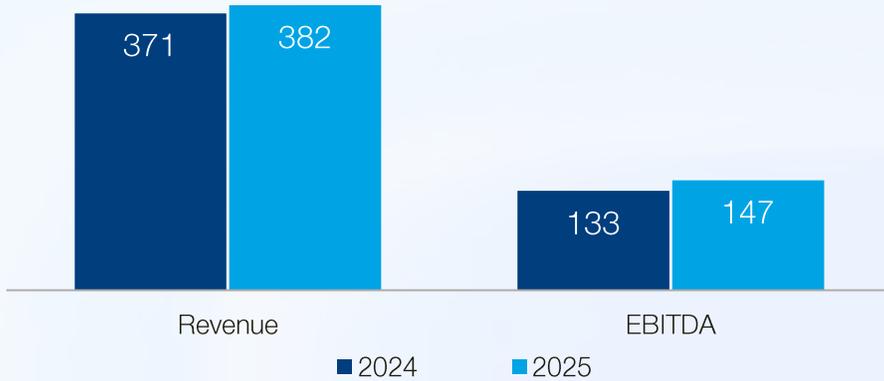


At the end of December, the total number of *Elektrum Insured* customers reached almost 174 thsd.

# Distribution

## Revenue and EBITDA

MEUR

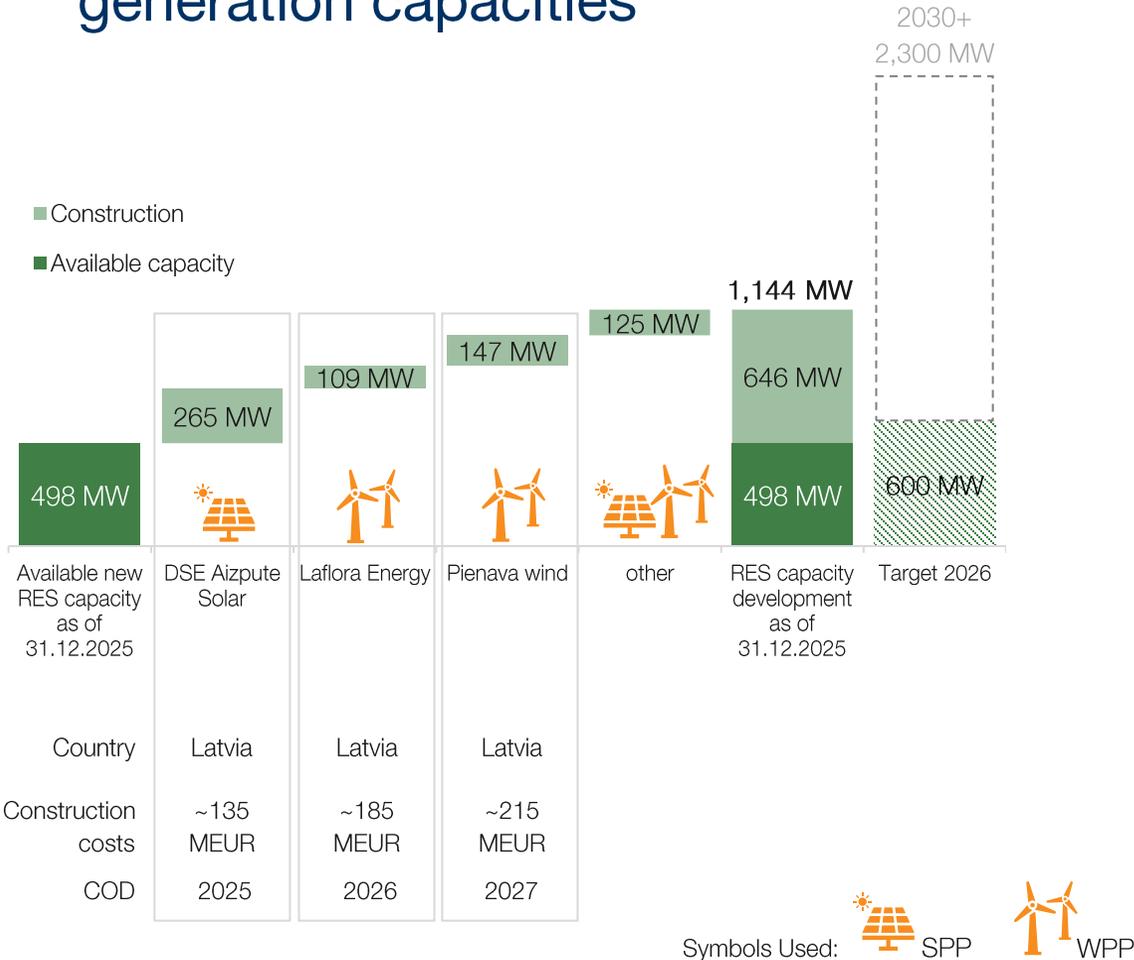


- Electricity distributed: 6,293 GWh (+3%)
- Financial results were positively affected by higher distributed electricity volumes
- 172 MEUR invested in distribution assets (+41%)
- Quality of the energy supply increased\*:
  - SAIFI: 1.7 times (-23%)
  - SAIDI: 133 min. (-38%)

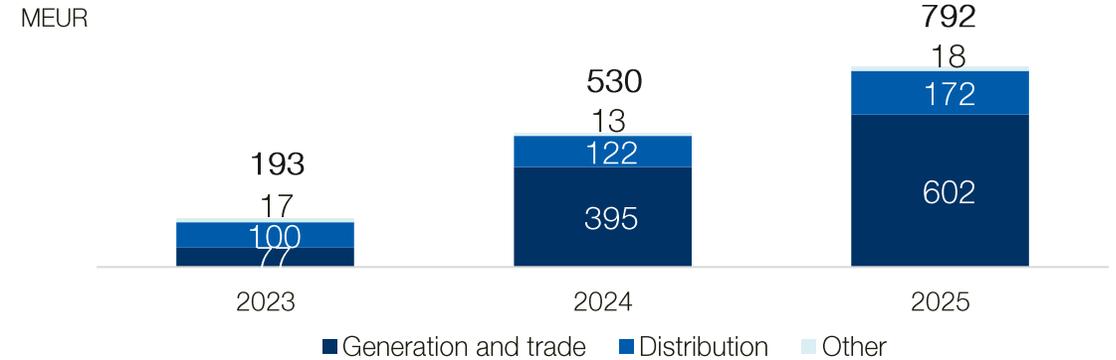


# Investments

## Development of renewable energy generation capacities



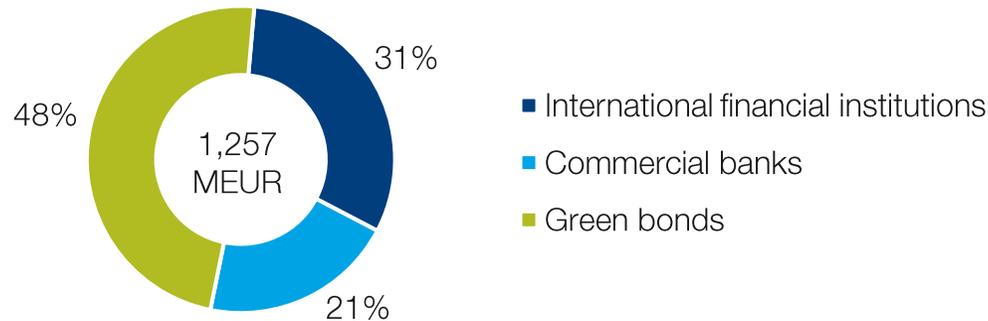
## Investments grew by 49% to 792 MEUR



- 548 MEUR were allocated towards the development of wind and solar parks, which is 2/3 of the Group's total investments
- At the end of December, Latvenergo Group had 22 SPPs with an installed capacity of 353 MW and 3 WPPs with an installed capacity of 145 MW
- RES capacities currently under construction are expected to be gradually commissioned in 2026-2027
- 2 BESS projects with a total capacity of 10.6 MW / 21.9 MWh were built. 6 BESS projects with a total capacity of 183.4 MW / 428.6 MWh are in the development stage.
- Investments in network assets allows to improve the quality of the power network services and technical parameters

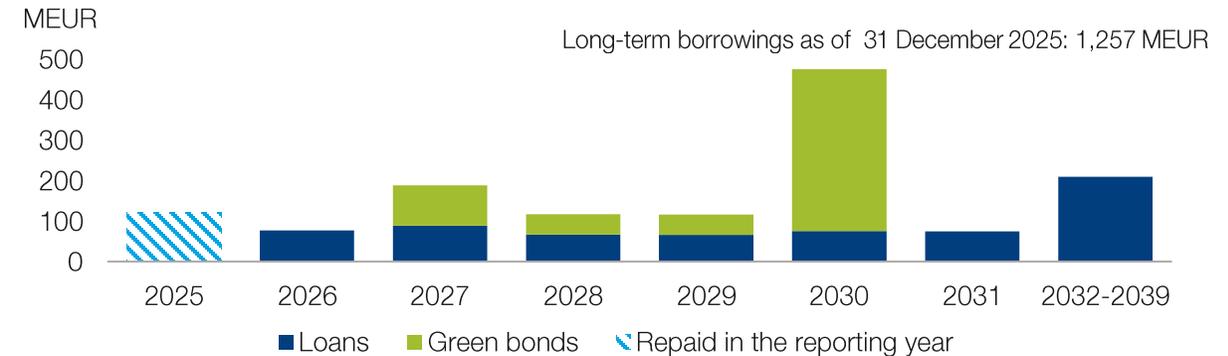
# Investment funding

## Diversified long-term funding



- In February 2025, 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 2025, Latvenergo AS secured a long-term loan of MEUR 200 from the European Investment Bank with a repayment term of 15 years and signed overdraft agreements with Swedbank AS, OP Corporate Bank plc Latvia branch, and AB SEB Bank, totalling MEUR 300
- On 31 October 2025, Moody's reaffirmed the Latvenergo AS credit rating at Baa2 with a stable outlook
- On 13 November 2025, Latvenergo AS carried out a EUR 400 million European green bond issue under its Euro Medium Term Note Programme

## Long-term debt repayment schedule



## Main figures of the long-term debt portfolio

	31.12.2025.
Share of fixed interest rate*	53%
Weighted average fixed interest rate duration*	2.2 years
Weighted average effective interest rate*	3.0%

# 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	
	<b>01/01- 31/12/2025</b>	<b>01/01- 31/12/2024</b>
Revenue	1,566,107	1,703,588
Other income	32,158	31,413
Raw materials and consumables	(930,509)	(921,528)
Personnel expenses	(155,719)	(154,874)
Other operating expenses	(72,297)	(70,231)
<b>EBITDA</b>	<b>439,740</b>	<b>588,368</b>
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right-of-use assets	(183,249)	(250,812)
<b>Operating profit</b>	<b>256,491</b>	<b>337,556</b>
Finance income	6,362	13,993
Finance costs	(15,013)	(22,020)
<b>Profit before tax</b>	<b>247,840</b>	<b>329,529</b>
Income tax	(49,377)	(55,878)
<b>Profit for the year</b>	<b>198,463</b>	<b>273,651</b>
<b>Profit attributable to:</b>		
– Equity holder of the Parent Company	197,160	272,081
– Non-controlling interests	1,303	1,570

# Consolidated Statement of Financial Position\*

	EUR'000	
	31/12/2025	31/12/2024
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	124,816	105,566
Property, plant, and equipment	4,106,453	3,523,090
Right-of-use assets	44,104	31,910
Investment property	2,331	2,098
Non-current financial investments	40	82
Non-current loans to related parties	–	22,244
Other non-current receivables	1,840	540
Deferred income tax assets	2,097	1,857
Derivative financial instruments	1,688	2,124
<b>Total non-current assets</b>	<b>4,283,369</b>	<b>3,689,511</b>
<b>Current assets</b>		
Inventories	163,960	169,562
Current intangible assets	51,668	54,616
Receivables from contracts with customers	169,878	190,108
Other current receivables	14,317	32,928
Deferred expenses	3,184	3,196
Prepayment for income tax	1,736	491
Derivative financial instruments	11,818	1,298
Other current financial investments	149,915	209,842
Cash and cash equivalents	117,755	86,554
<b>Total current assets</b>	<b>684,231</b>	<b>748,595</b>
<b>TOTAL ASSETS</b>	<b>4,967,600</b>	<b>4,438,106</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	1,076,324	790,368
Reserves	1,664,563	1,660,068
Retained earnings	283,443	549,328
<b>Equity attributable to equity holder of the Parent Company</b>	<b>3,024,330</b>	<b>2,999,764</b>
Non-controlling interests	6,852	7,162
<b>Total equity</b>	<b>3,031,182</b>	<b>3,006,926</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	1,179,715	615,280
Lease liabilities	43,514	29,828
Deferred income tax liabilities	10,254	8,003
Provisions	20,385	17,113
Deferred income from contracts with customers and advances received	156,641	150,842
Other deferred income	123,085	112,408
Other non-current liabilities	2,790	21,592
<b>Total non-current liabilities</b>	<b>1,536,384</b>	<b>955,066</b>
<b>Current liabilities</b>		
Borrowings	90,727	128,125
Lease liabilities	2,944	2,723
Trade and other payables	171,690	210,487
Deferred income from contracts with customers and advances received	47,274	48,700
Other deferred income	27,142	25,104
Provisions	51,790	48,010
Derivative financial instruments	8,467	12,965
<b>Total current liabilities</b>	<b>400,034</b>	<b>476,114</b>
<b>Total liabilities</b>	<b>1,936,418</b>	<b>1,431,180</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,967,600</b>	<b>4,438,106</b>

# Consolidated Statement of Cash Flows\*

	EUR'000	
	01/01- 31/12/2025	01/01- 31/12/2024
<b>Cash flows from operating activities</b>		
Profit before tax	247,840	329,529
<b>Adjustments:</b>		
– Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right-of-use assets	183,249	250,812
– Loss from disposal of non-current assets	10,808	7,044
– Interest expense	14,312	21,789
– Interest income	(4,837)	(10,909)
– Fair value (gain) / loss on derivative financial instruments	(3,920)	1,068
– Increase in provisions	6,681	5,141
– Share of profit of an associate and a joint venture	(196)	(41)
– Other finance costs	7	48
Interest paid	(32,555)	(24,805)
Interest paid on leases	(906)	(404)
Interest received	5,422	10,327
Paid corporate income tax	(48,229)	(56,544)
<b>Funds from operations (FFO)</b>	<b>377,676</b>	<b>533,055</b>
Decrease in inventories and current intangible assets	8,725	31,737
Decrease in receivables from contracts with customers and other receivables	36,615	52,416
Decrease / (increase) in other current financial investments	60,000	(70,000)
Decrease in trade and other liabilities	(89,174)	(6,566)
<b>Net cash flows generated from operating activities</b>	<b>393,842</b>	<b>540,642</b>
<b>Cash flows from investing activities</b>		
Loans issued to related parties	(7,737)	(21,399)
Purchase of intangible assets and PPE	(729,728)	(472,101)
Investments in subsidiaries	–	(1,354)
<b>Net cash flows (used in) investing activities</b>	<b>(737,465)</b>	<b>(494,854)</b>
<b>Cash flows from financing activities</b>		
Proceeds on issued debt securities (bonds)	400,000	–
Proceeds on borrowings from financial institutions	246,372	200,030
Repayment of borrowings from financial institutions	(121,087)	(86,625)
Received financing from European Union	39,405	25,577
Lease payments	(2,350)	(1,994)
Acquisition of non-controlling interests	–	(400)
Dividends paid to non-controlling interests	(1,613)	(2,079)
Dividends paid to equity holder of the Parent Company	(185,903)	(212,199)
<b>Net cash flows from / (used in) financing activities</b>	<b>374,824</b>	<b>(77,690)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>31,201</b>	<b>(31,902)</b>
Cash and cash equivalents at the beginning of the year	86,554	118,456
<b>Cash and cash equivalents at the end of the year</b>	<b>117,755</b>	<b>86,554</b>