

# LATVENERGO CONSOLIDATED FINANCIAL STATEMENTS FOR 2025

29.04.2026, 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 earlier.

## 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

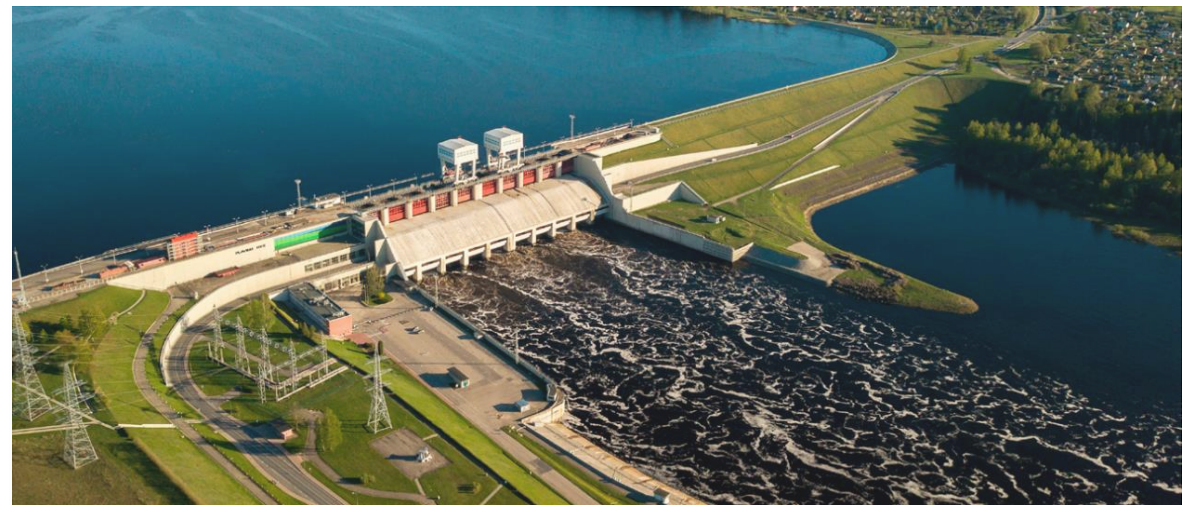
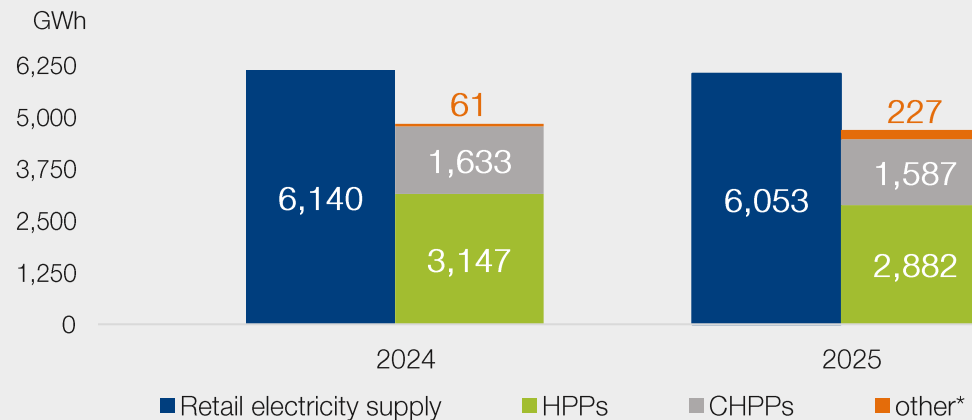
### Financial Figures

| MEUR        | 2025    | 2024    | Δ, %  |
|-------------|---------|---------|-------|
| Revenue     | 1,566.1 | 1,703.6 | (8%)  |
| EBITDA      | 440.1   | 588.4   | (25%) |
| Profit      | 198.8   | 273.7   | (27%) |
| Assets      | 4,967.5 | 4,438.1 | +12%  |
| Net debt    | 1,152.7 | 656.9   | +75%  |
| Investments | 792.1   | 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



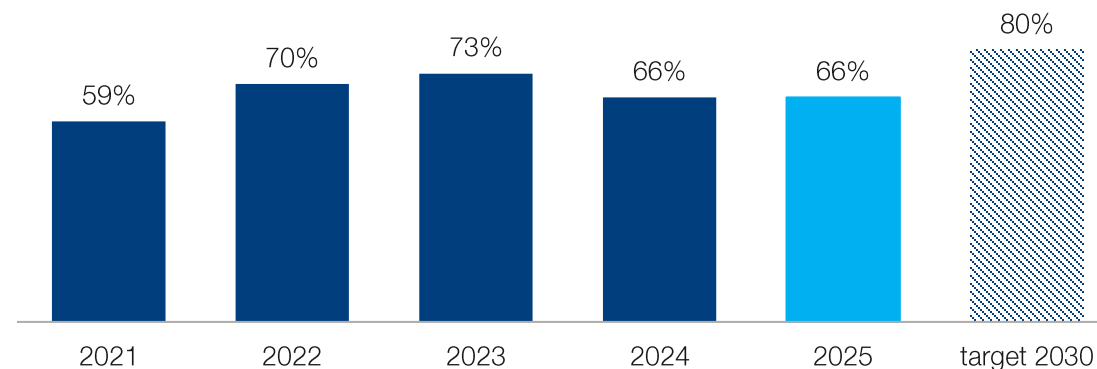
# 2025 results II

## Overview

### Non-financial objectives 2026

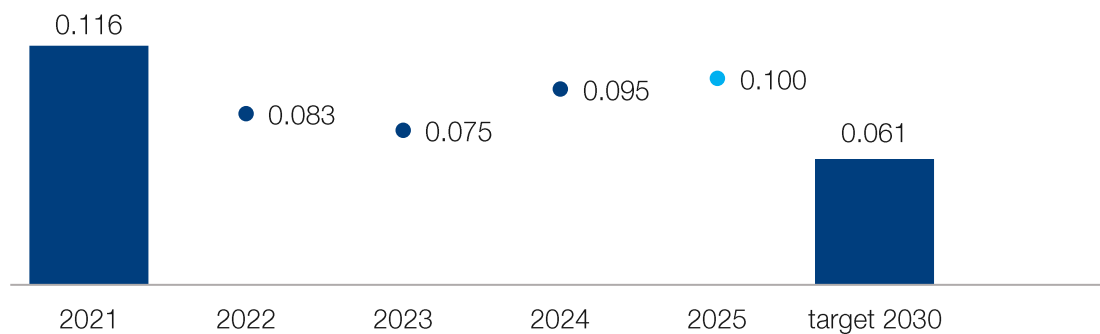
|                             | Target 2026 | Actual 2025        |
|-----------------------------|-------------|--------------------|
| Available new RES capacity  | 600 MW      | 498 MW (1,144 MW)* |
| SAIFI (number)**            | 1.92        | 1.54               |
| SAIDI (minutes)**           | 164         | 119                |
| Electricity customers       | 855 thsd.   | 914 thsd.          |
| Public EV charging ports*** | 1,200       | 1,107              |

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

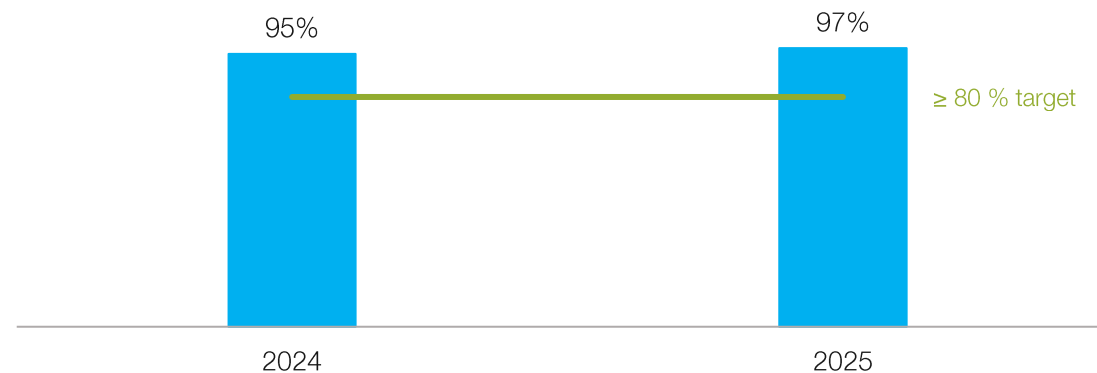


### Target 2030: Reducing Scope 1 GHG emissions by 47% compared to 2021

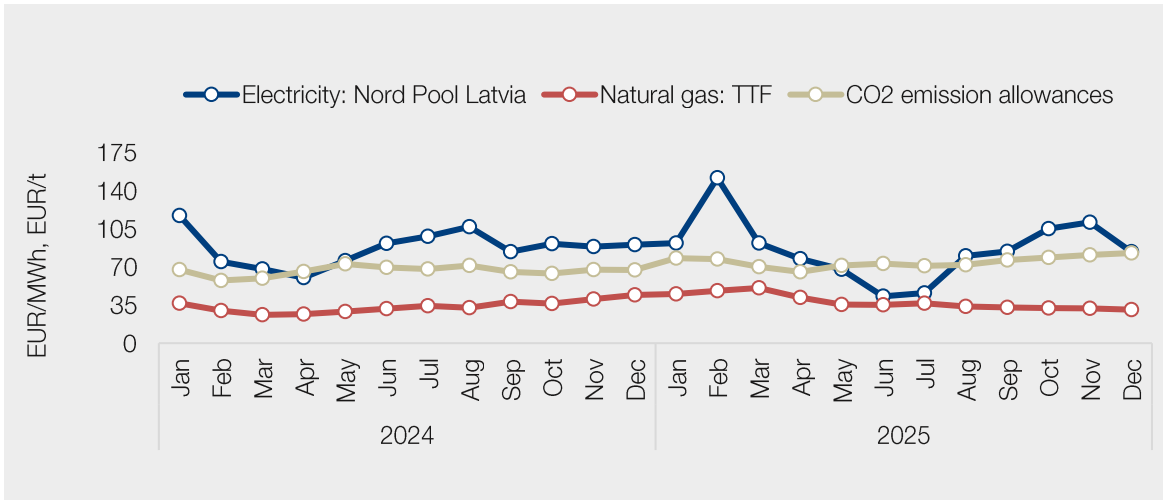
Electricity production- specific emissions, t CO<sub>2</sub>/MWh



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



# Higher renewable output affected Baltic electricity prices

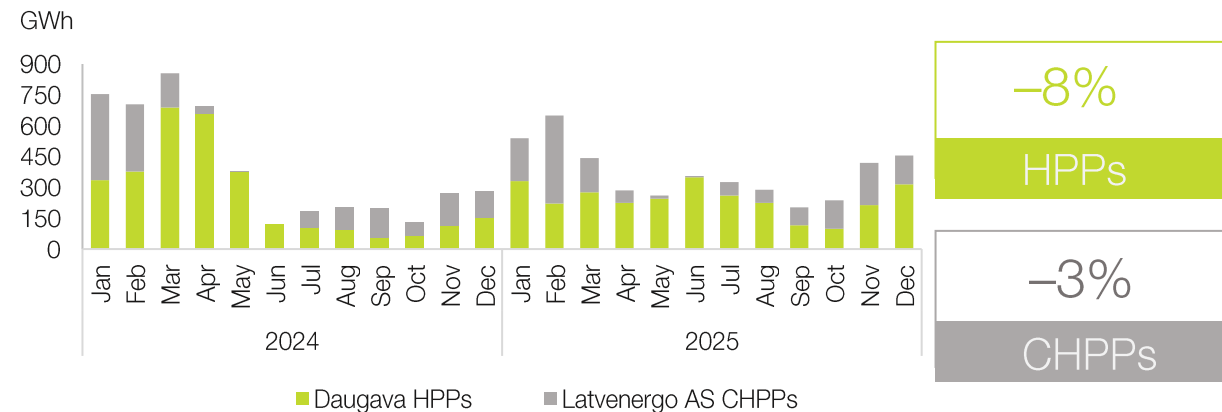


- Higher renewable output in the Baltics (SPPs +34%, WPPs +11%)
- The price of natural gas at TTF virtual trading point (front month) 12% higher, reaching 38 EUR/MWh
- The average price of CO<sub>2</sub> emission allowances (EUA DEC futures) 13% higher, reaching 75 EUR/t

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%) |

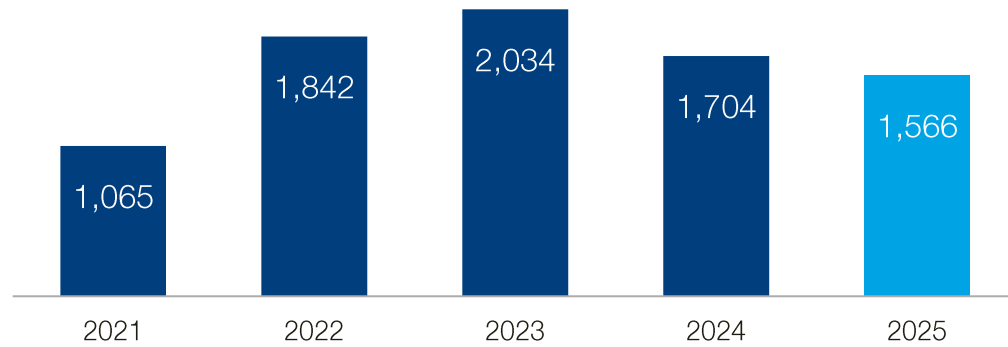
## Inflow in the Daugava River is 5% below the long-term average level



# Key financial figures

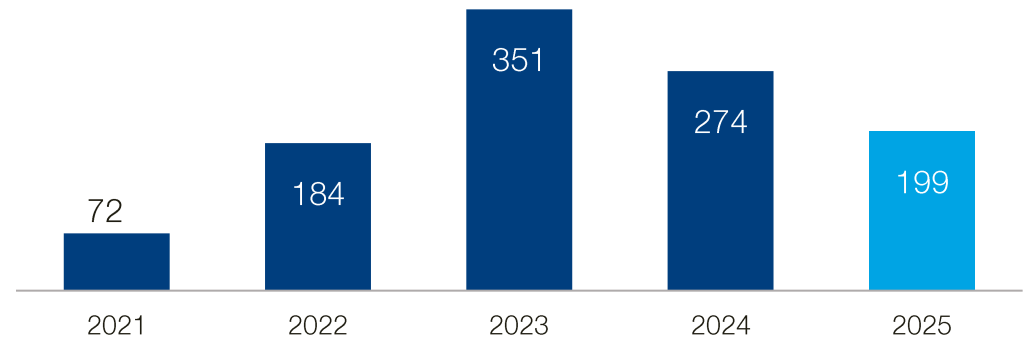
## Revenue

MEUR



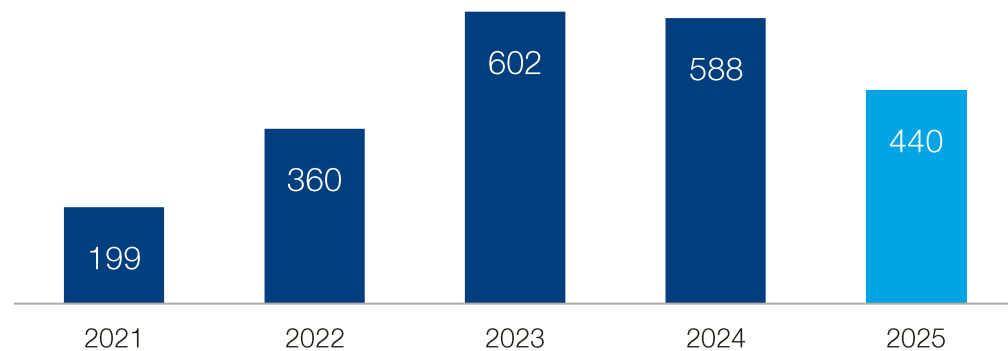
## Net profit

MEUR



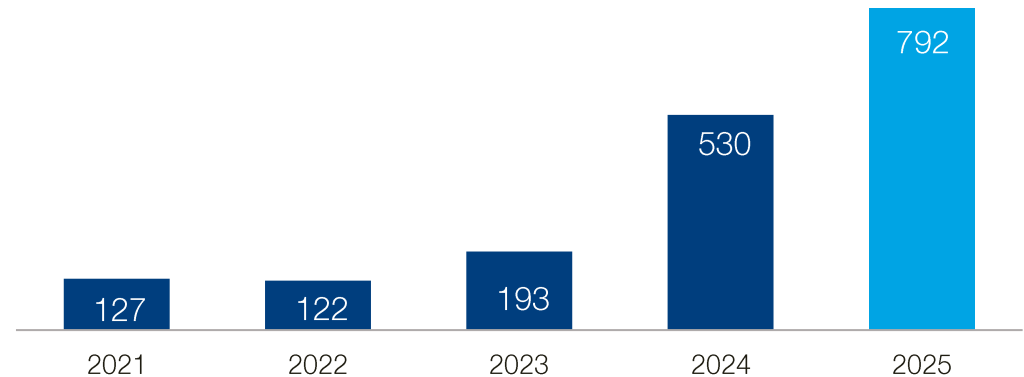
## EBITDA

MEUR



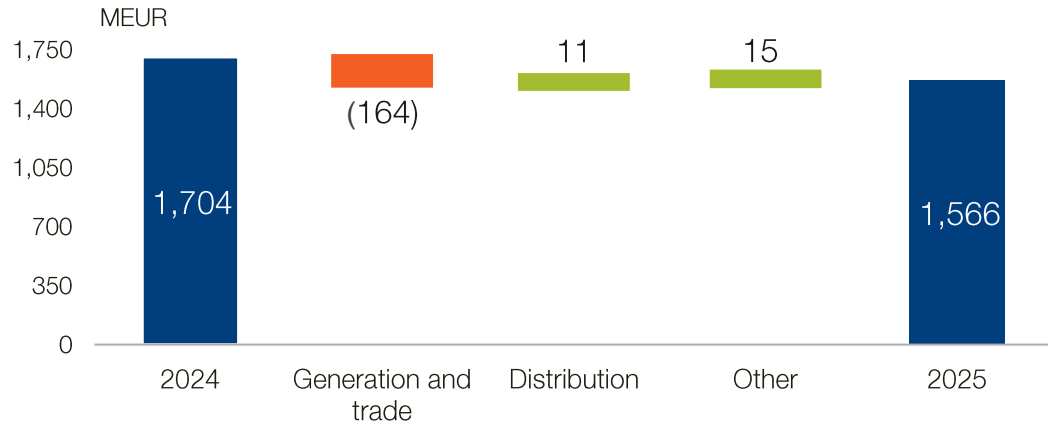
## Investments

MEUR

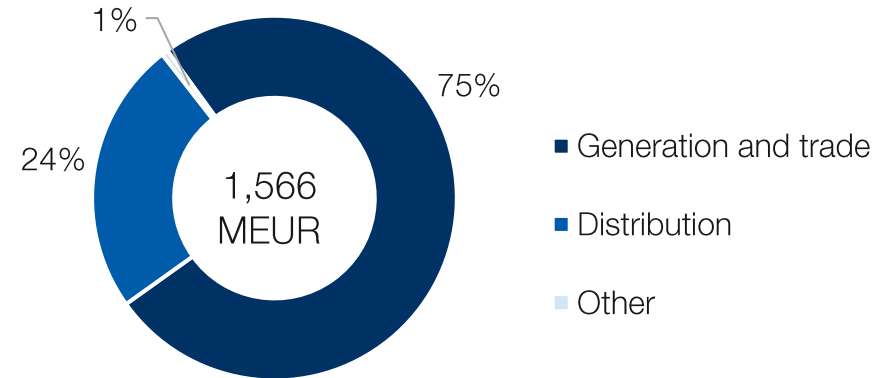


# Lower energy sales prices and lower generation at the Daugava HPPs affected results

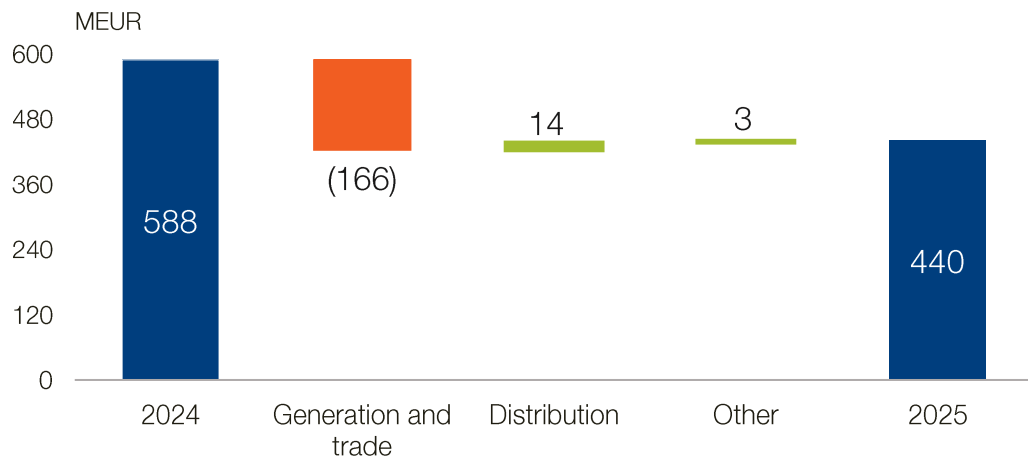
## Revenue dynamics by segments



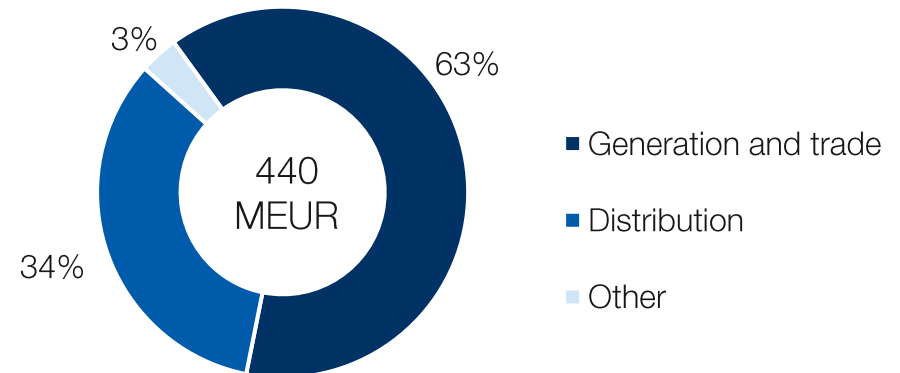
## Revenue weight by segments



## EBITDA dynamics by segments



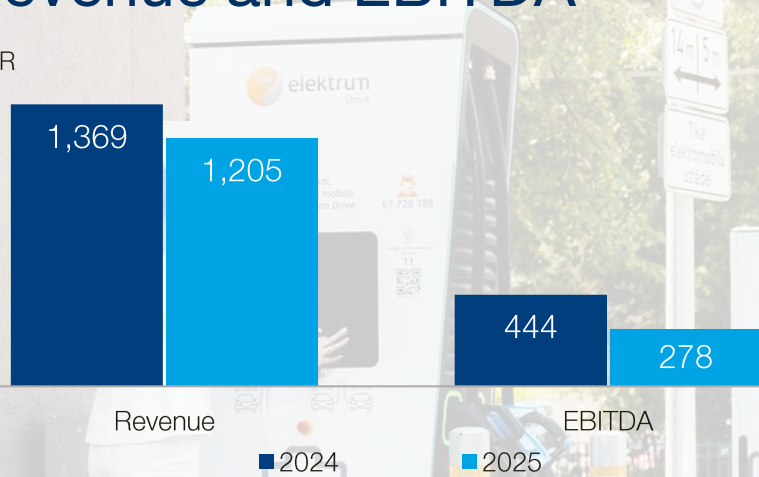
## EBITDA weight by segments



# Generation and trade

## Revenue and EBITDA

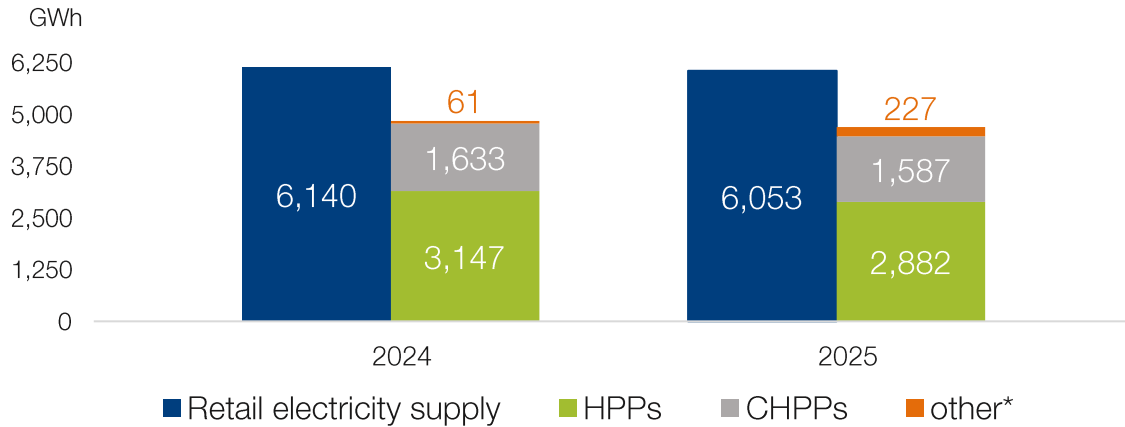
MEUR



- 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

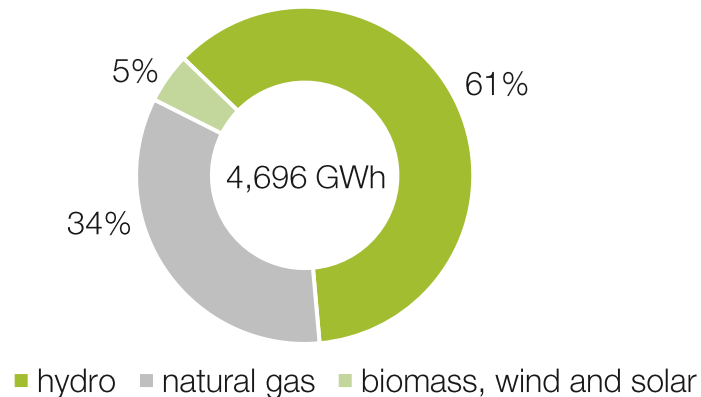
4,696 GWh of electricity generated



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%)

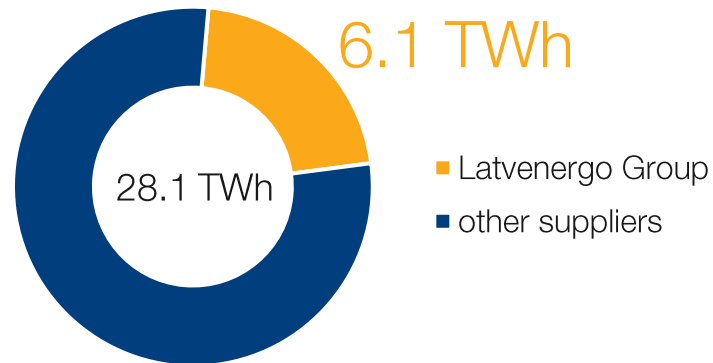
66% of the electricity was generated from RES



# Trade

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

Electricity market in the Baltics

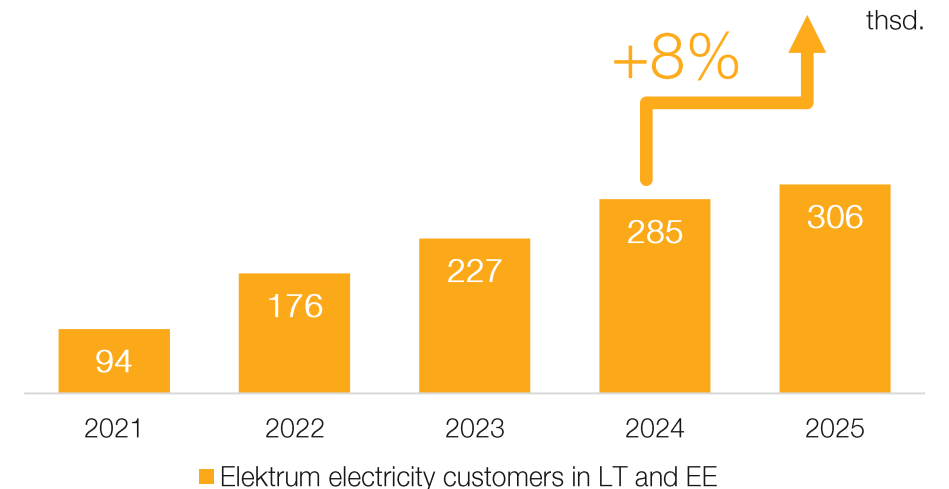


6.1 TWh of electricity\* sold to Baltic retail customers (-1%). 45% of it sold outside Latvia. The number of customers exceeded 914 thsd.



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



At the end of December, the number of charging ports installed at *Elektrum Drive* charging stations reached 1,107.

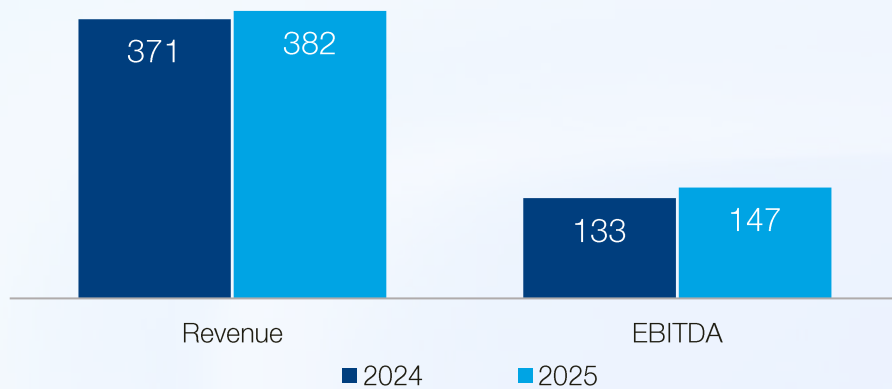


At the end of December, the total number of *Elektrum Insured* customers reached almost 174 thsd.

# Distribution

## Revenue and EBITDA

MEUR

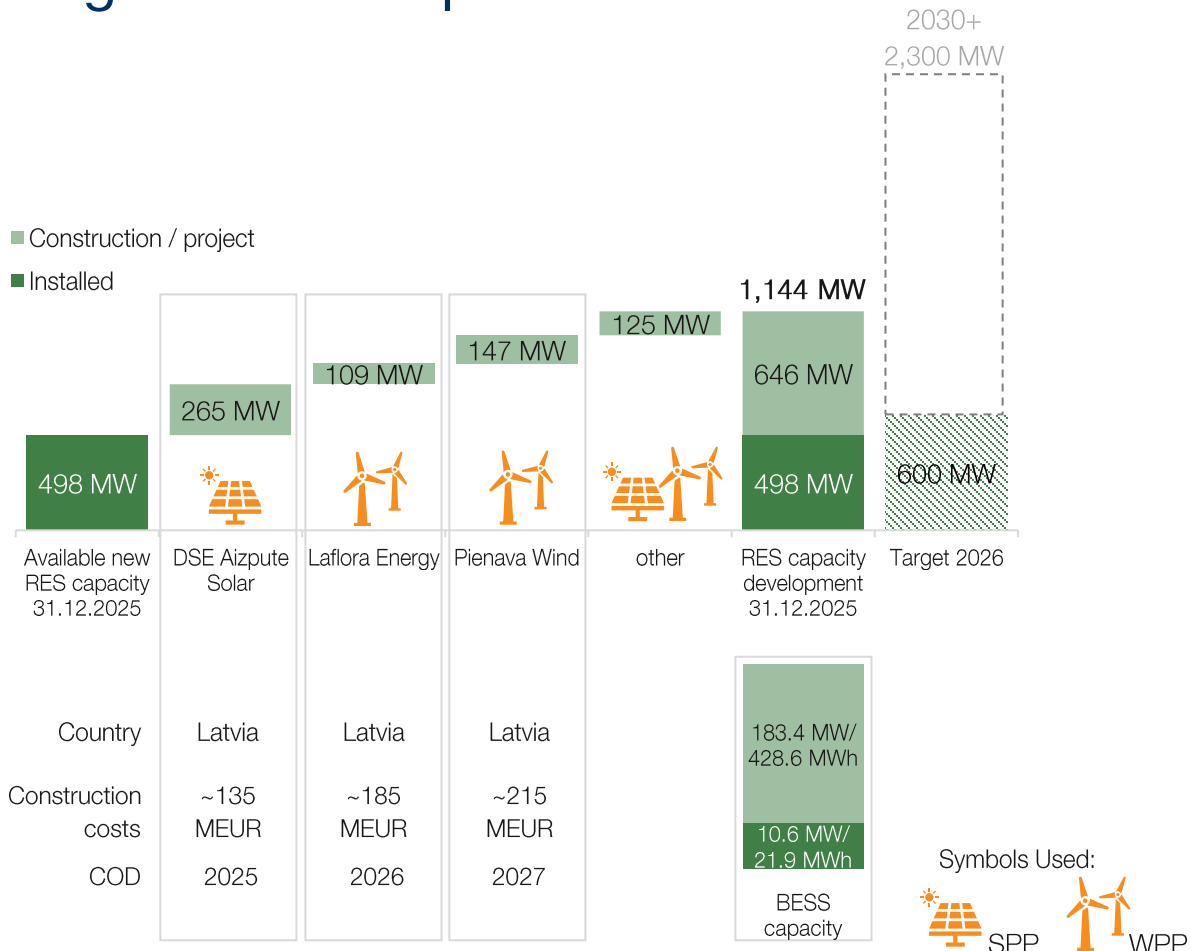


- Electricity distributed: 6,293 GWh (+3%)
- Financial results were positively affected by higher distributed electricity volumes
- 172 MEUR invested in distribution assets (+41%)
- Quality of the energy supply increased\*:
  - SAIFI: 1.7 times (-23%)
  - SAIDI: 133 min. (-38%)

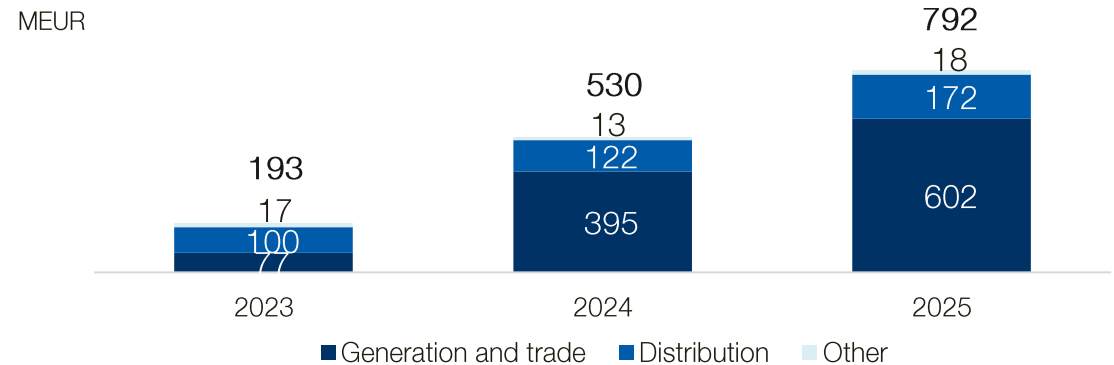


# Investments

## Development of renewable energy generation capacities



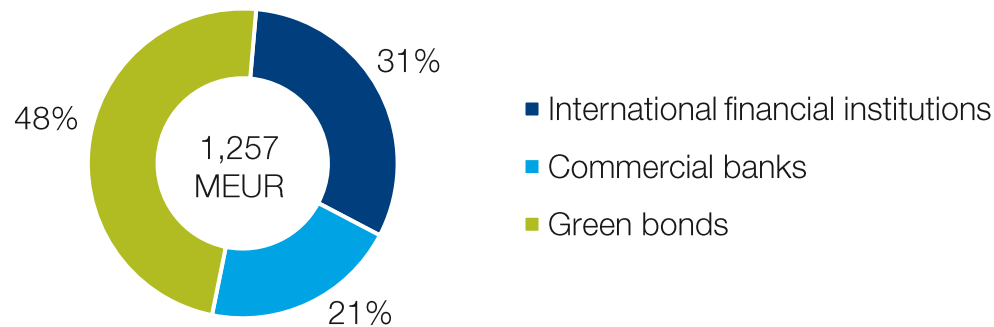
## Investments grew by 49% to 792 MEUR



- 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

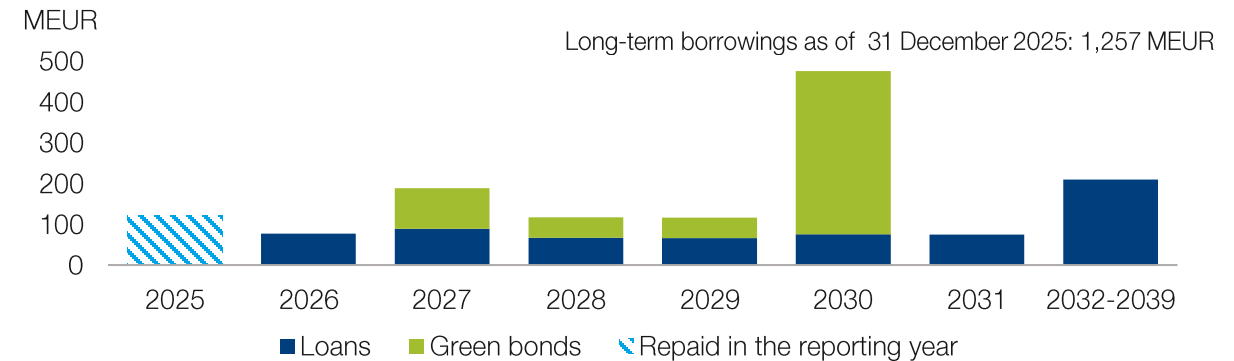
# Investment funding

## 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

|   | 01/01-<br>31/12/2025 | 01/01-<br>31/12/2024 |
|---|----------------------|----------------------|
| Revenue   | 1,566,107            | 1,703,588            |
| Other income  | 32,158               | 31,413               |
| Raw materials and consumables   | (930,039)            | (921,528)            |
| Personnel expenses  | (155,719)            | (154,874)            |
| Other operating expenses  | (72,448)             | (70,231)             |
| <b>EBITDA</b>   | <b>440,059</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>256,810</b>       | <b>337,556</b>       |
| Finance income  | 6,362                | 13,993               |
| Finance costs   | (15,013)             | (22,020)             |
| <b>Profit before tax</b>  | <b>248,159</b>       | <b>329,529</b>       |
| Income tax  | (49,350)             | (55,878)             |
| <b>Profit for the year</b>  | <b>198,809</b>       | <b>273,651</b>       |
| <b>Profit attributable to:</b>  |                      |                      |
| – Equity holder of the Parent Company   | 197,544              | 272,081              |
| – Non-controlling interests   | 1,265                | 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                                      | 4,106,391        | 3,523,090        |
| Right-of-use assets   | 44,104           | 31,910           |
| Investment property   | 2,332            | 2,098            |
| Non-current financial investments                                   | 40               | 82               |
| Non-current loans to related parties                                | –                | 22,244           |
| Other non-current receivables                                       | 1,855            | 540              |
| Deferred income tax assets  | 2,037            | 1,857            |
| Derivative financial instruments                                    | 1,688            | 2,124            |
| <b>Total non-current assets</b>                                     | <b>4,283,263</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                           | 169,877          | 190,108          |
| Other current receivables   | 14,358           | 32,928           |
| Deferred expenses   | 3,169            | 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>684,256</b>   | <b>748,595</b>   |
| <b>TOTAL ASSETS</b>   | <b>4,967,519</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   | 283,826          | 549,328          |
| <b>Equity attributable to equity holder of the Parent Company</b>   | <b>3,024,713</b> | <b>2,999,764</b> |
| Non-controlling interests   | 6,814            | 7,162            |
| <b>Total equity</b>   | <b>3,031,527</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                                     | 10,168           | 8,003            |
| Provisions  | 20,595           | 17,113           |
| Deferred income from contracts with customers and advances received | 156,640          | 150,842          |
| Other deferred income   | 123,085          | 112,408          |
| Other non-current liabilities                                       | 2,790            | 21,592           |
| <b>Total non-current liabilities</b>                                | <b>1,536,507</b> | <b>955,066</b>   |
| <b>Current liabilities</b>  |                  |                  |
| Borrowings  | 90,727           | 128,125          |
| Lease liabilities   | 2,944            | 2,723            |
| Trade and other payables  | 171,650          | 210,487          |
| Deferred income from contracts with customers and advances received | 47,274           | 48,700           |
| Other deferred income   | 27,142           | 25,104           |
| Provisions  | 51,281           | 48,010           |
| Derivative financial instruments                                    | 8,467            | 12,965           |
| <b>Total current liabilities</b>                                    | <b>399,485</b>   | <b>476,114</b>   |
| <b>Total liabilities</b>  | <b>1,935,992</b> | <b>1,431,180</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                 | <b>4,967,519</b> | <b>4,438,106</b> |

# Consolidated Statement of Cash Flows\*

|   | EUR'000              |                      |
|---|----------------------|----------------------|
|   | 01/01-<br>31/12/2025 | 01/01-<br>31/12/2024 |
| <b>Cash flows from operating activities</b>   |                      |                      |
| Profit before tax   | 248,159              | 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  | 6,382                | 5,141                |
| – Other finance costs   | 7                    | 48                   |
| Share of profit of joint venture  | (196)                | (41)                 |
| 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>377,696</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   | 36,589               | 52,416               |
| Decrease / (increase) in other current financial investments  | 60,000               | (70,000)             |
| Decrease in trade and other liabilities   | (89,230)             | (6,566)              |
| <b>Net cash flows generated from operating activities</b>   | <b>393,780</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   | (729,666)            | (472,101)            |
| Investments in subsidiaries   | –                    | (1,354)              |
| <b>Net cash flows (used in) investing activities</b>  | <b>(737,403)</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>        |