Latvenergo

LATVENERGO CONSOLIDATED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST 6 MONTHS OF 2026

31.08.2026, Riga

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Information about the financial indicators and coefficients used by the Latvenergo Group is available in Latvenergo Group's consolidated and Latvenergo AS Unaudited Condensed Interim Financial statements, see the section "Formulas".

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Facts and events in 1H 2026

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In the Baltics, electricity prices were affected by colder weather at the beginning of the year and RES generation.

Electricity spot prices in the Baltics were on average 15% higher, reaching 92–104 EUR/MWh. Meanwhile, the average price of natural gas at the TTF (front month) reached 40 EUR/MWh, which is 7% lower than a year earlier. The price of CO_2 emission allowances (EUA DEC futures) increased by 6%, reaching 77 EUR/t.

Latvenergo Group produced 27% of the total electricity generated in the Baltics.

Electricity output at Latvenergo Group's plants reached 3.3 TWh, which is 28% more than in the respective period a year ago. As installed capacity increased, solar and wind generation nearly 11-fold, reaching 0.6 TWh. Due to colder weather at the beginning of the year, the amount of electricity generated at the Latvenergo AS combined heat and power plants (CHPPs) increased by 28%, reaching 1.1 TWh. Generation at the Daugava hydropower plants (HPPs) decreased by 4%, reaching 1.6 TWh. Higher demand increased heat generation to 1.2 TWh, up 31% year-on-year.

Latvenergo Group continues to expand its renewable energy capacity in the Baltics.

the total amount of investment reached EUR 256 million, 35% less than in the same period last year, as the development of solar and wind power park projects launched in previous years approaches completion. More than 1/2 of it or EUR 134 million were allocated to new wind generation capacities.

Gundars Ruža stepped down from the Supervisory Board and Audit Committee of Latvenergo AS.

On 25 April 2026, Gundars Ruža stepped down from the Supervisory Board and Audit Committee of Latvenergo AS. Until a new member is appointed, the Supervisory Board will continue operating with four members.

Agreements signed with advisors for the acquisition of Tet and LMT shares.

Contracts are signed with advisors for the acquisition of Telia Company AB stakes in Tet and LMT; the advisors begin work.

Mārtiņš Čakste will continue to serve as CEO of Latvenergo AS.

Latvenergo AS Supervisory Board has approved a further five-year term for CEO Mārtiņš Čakste.

Latvenergo AS issues 7-year European Green Bonds.

On 25 June 2026, Latvenergo AS issued EUR 300 million in European Green Bonds under its Euro Medium-Term Note Programme.

Latvenergo's trade brand Elektrum renews its visual identity.

Latvenergo's trading brand Elektrum has refreshed its visual identity, unifying its operations across all Baltic countries under a single, recognisable symbol: amber.

1H 2026 results I

Overview

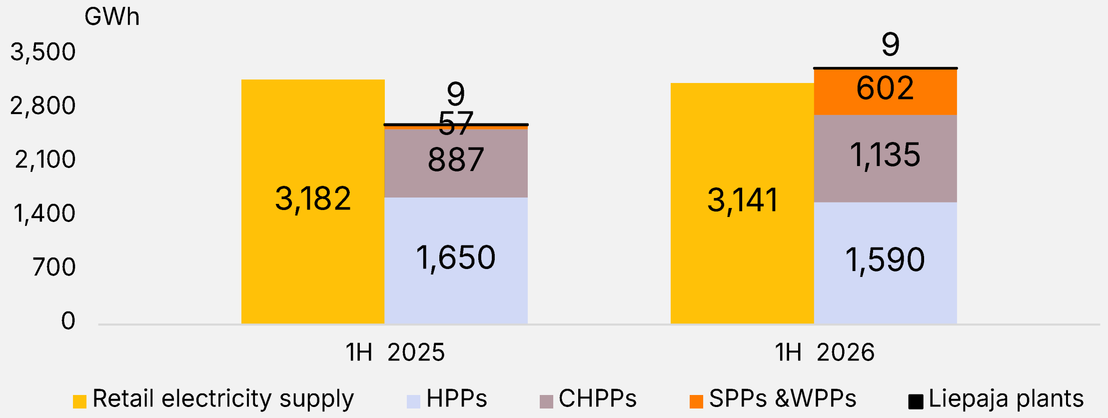
Financial Figures

MEUR	1H 2026	1H 2025	Δ, %
Revenue	941.8	847.1	+11%
EBITDA	284.6	271.7	+5%
Profit	144.6	135.3	+7%
Assets	5,259.6	4,471.3	+18%
Net debt	1,372.1	843.1	+63%
Investments	255.5	391.8	–35%

Financial objectives 2026

	Target 2026	Actual 1H 2026
ROE excluding distribution	> 7%	11.1%
Adjusted FFO / Net debt ratio	> 25%	35%
Moody's credit rating	≥ Baa3	Baa2

Electricity generation and trade



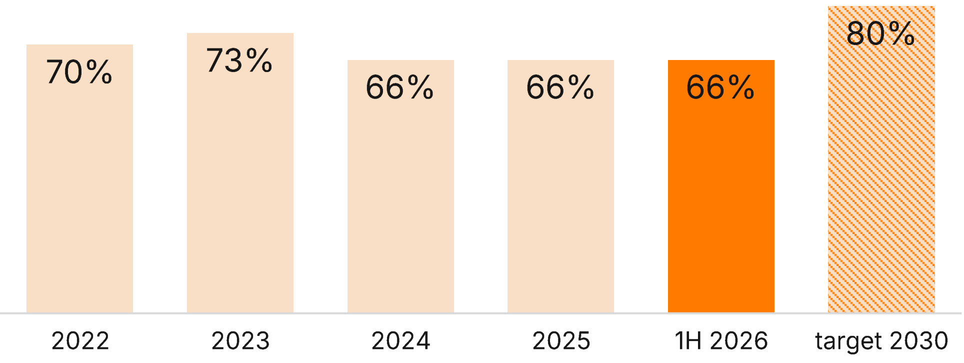
1H 2026 results II

Overview

Non-financial objectives 2026

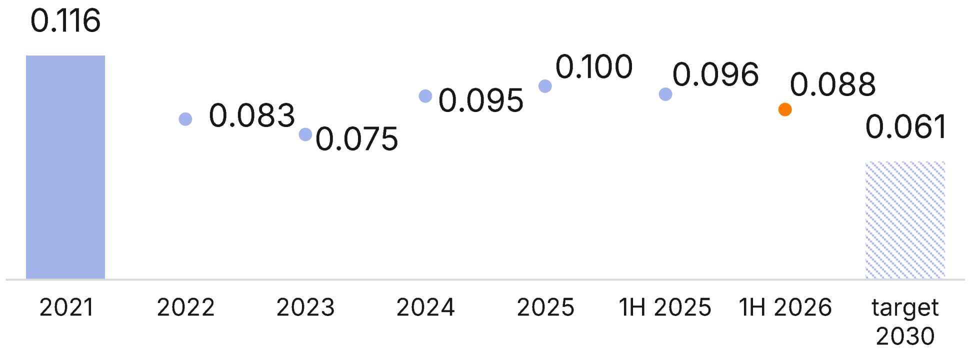
	Target 2026	Actual 1H 2026
Installed new RES capacity	600 MW	937 MW (1,144 MW)*
SAIFI (number)**	1.92	0.74
SAIDI (minutes)**	164	49
Electricity customers	855 thsd.	918 thsd.
Public EV charging ports***	1,200	1,359

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

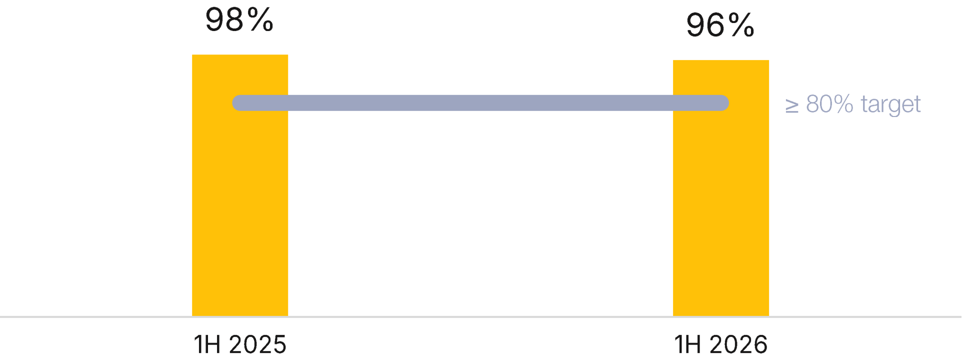


Target 2030: Reducing Scope 1 GHG emissions by 47% compared to 2021

Electricity production- specific emissions, t CO_2/MWh



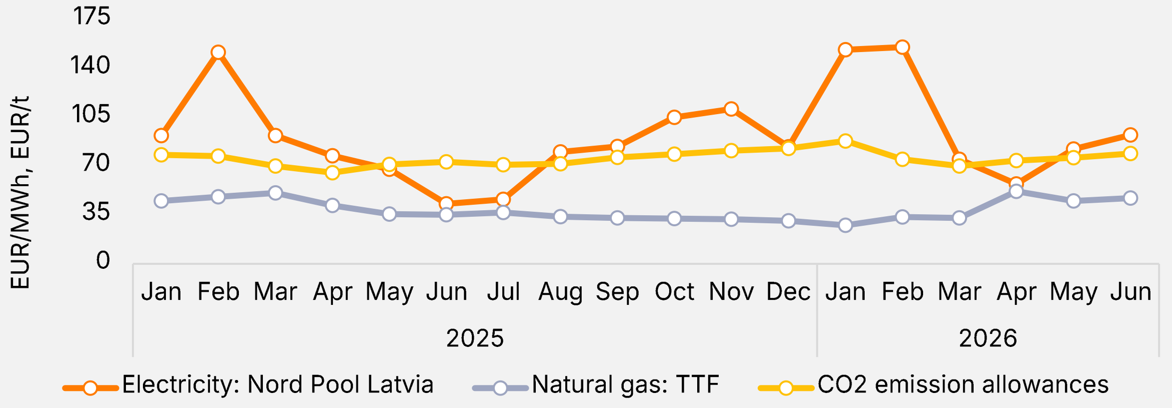
Target, annually: Investments in activities aligned with the EU Taxonomy: at least 80%



* Installed new RES capacities + projects under construction
** Excluding mass damage caused by storms and other forces of nature
*** Installed or acquired charging ports

Baltic electricity prices were affected by colder weather at the beginning of the year and RES generation

Energy resource prices



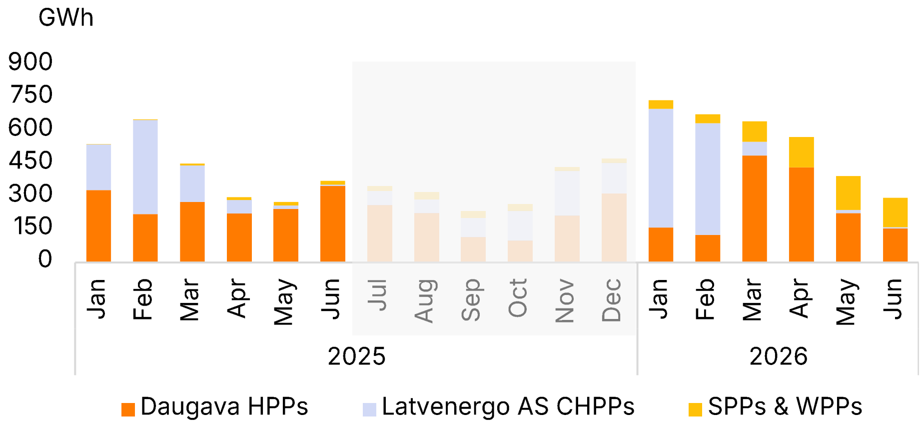
- Baltic electricity consumption increased by 8% (+1.1 TWh)
- Baltic natural gas consumption increased by 20% (+3.1 TWh)
- The price of natural gas at TTF virtual trading point (front month) decreased by 7%, reaching 40 EUR/MWh
- The average price of CO_2 emission allowances (EUA DEC futures) increased by 6%, reaching 77 EUR/t

Inflow in the Daugava River is 24% below the long-term average level

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

Region	1H 2026	1H 2025	Δ, %
System price	79.3	36.2	+119%
Latvia	102.6	87.3	+18%
Lithuania	104.1	86.5	+20%
Estonia	91.6	86.0	+6%

Latvenergo Group's major electricity generation assets

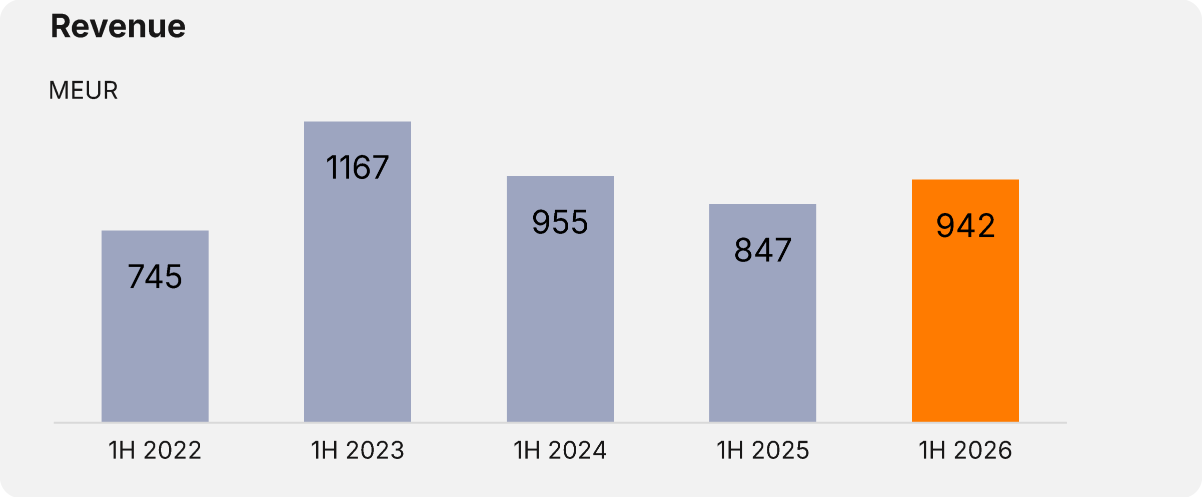


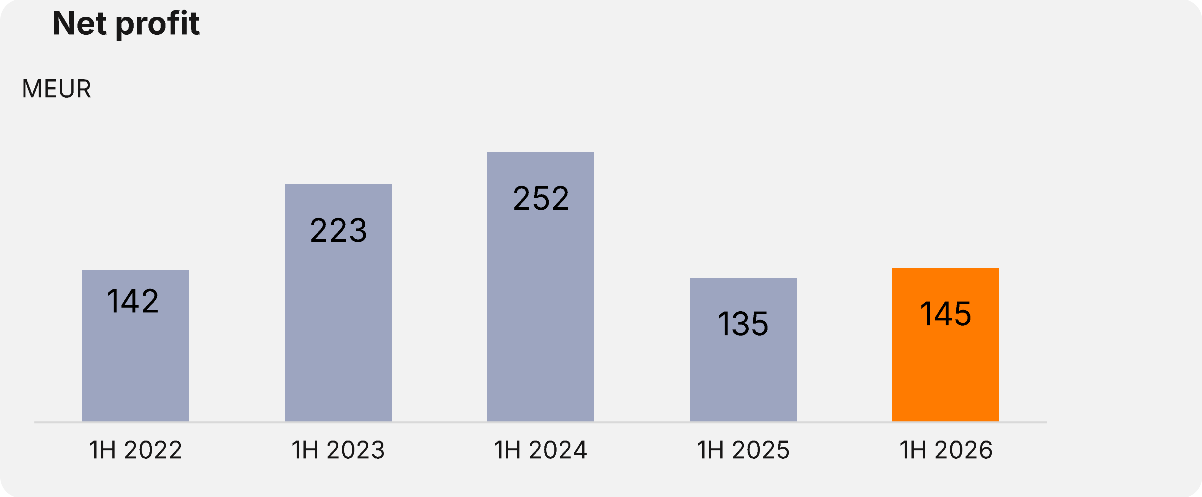
1.6 TWh
−4%
DHPPs

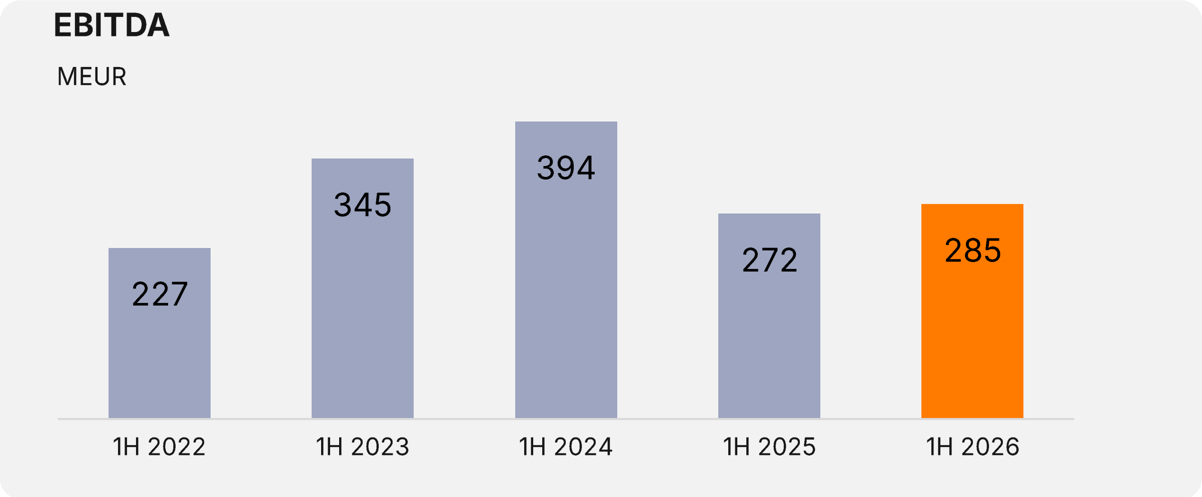
1.1 TWh
+28%
CHPPs

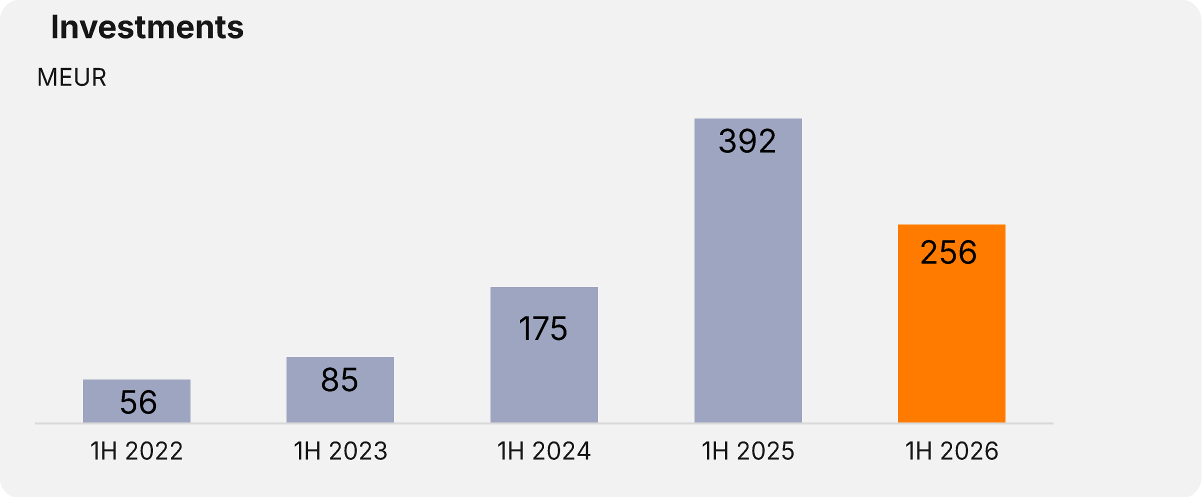
0.6 TWh
+11x
SPPs & WPPs

Key financial figures









Results by Segment

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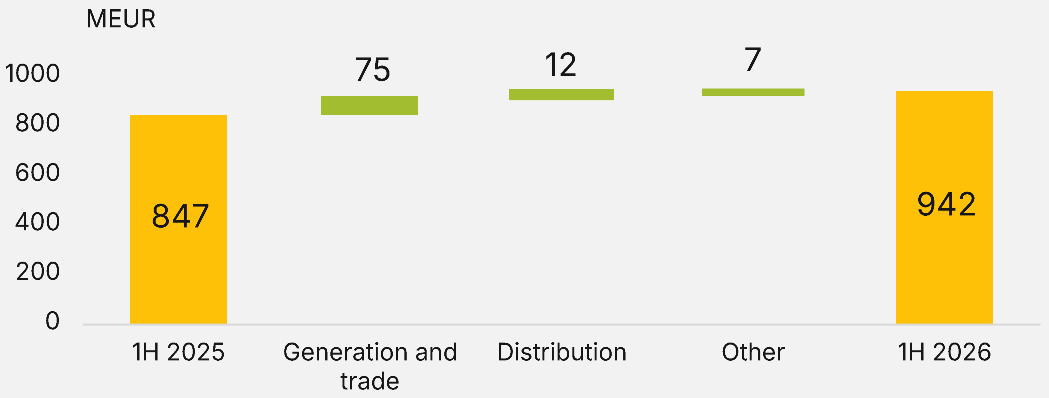
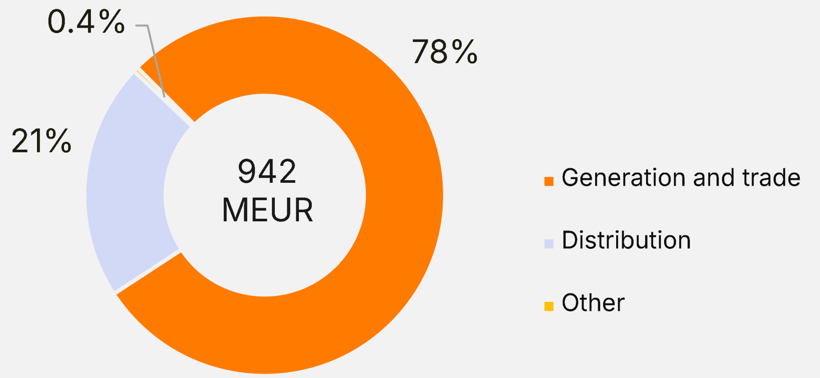
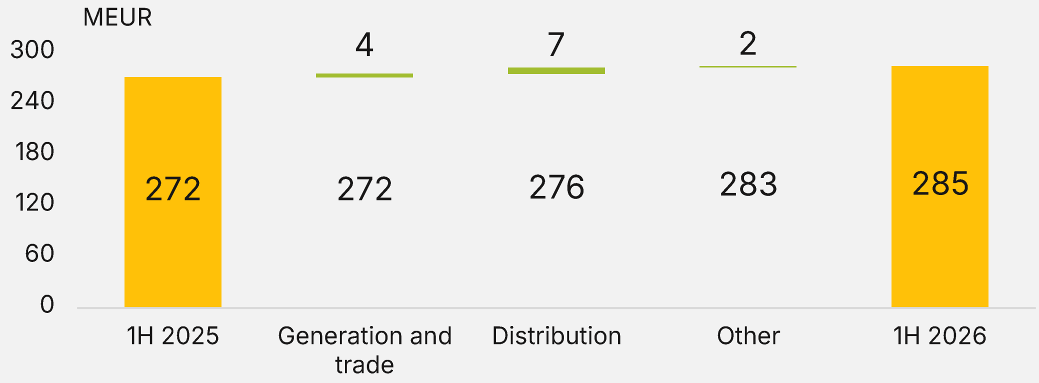
Revenue dynamics by segment



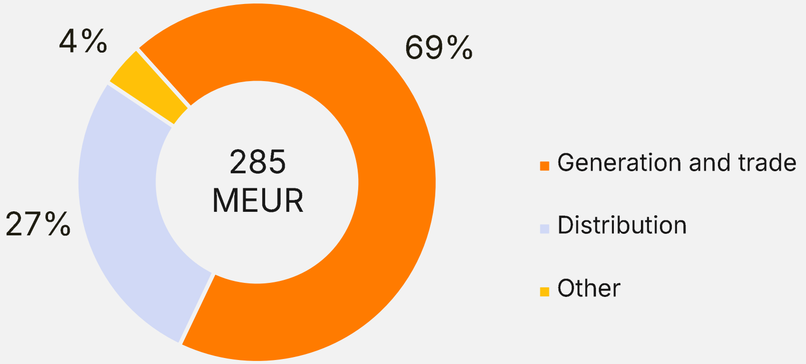
Revenue weight by segment



EBITDA dynamics by segment



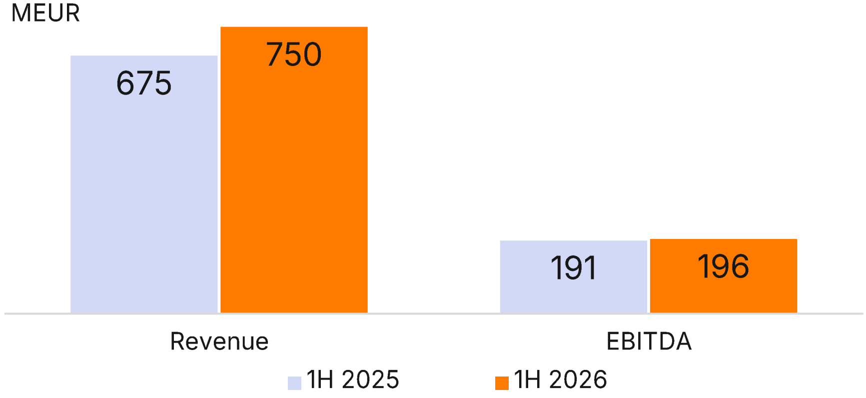
EBITDA weight by segment



Generation and trade

elektrum | Latvenergo

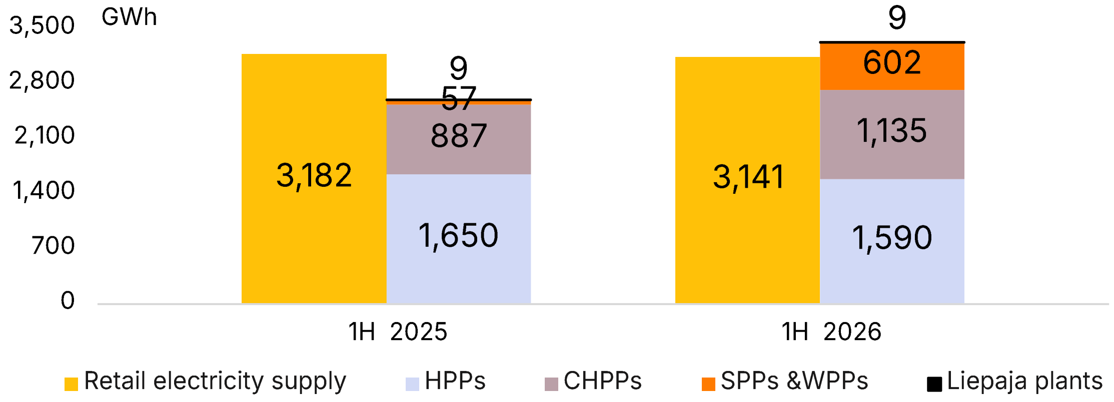
Revenue and EBITDA



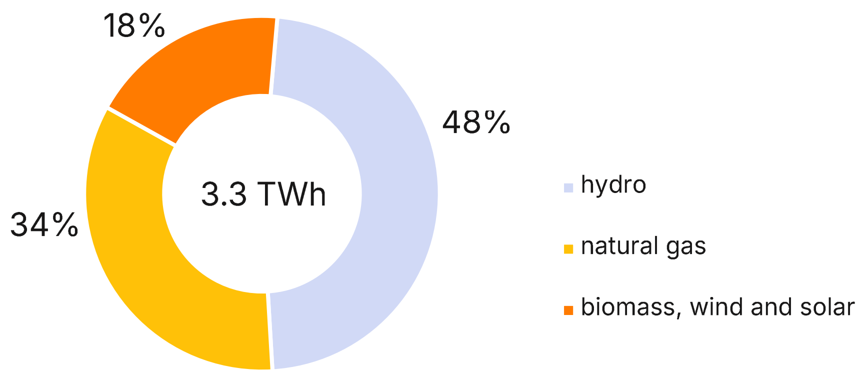
- Key factors affecting segment revenue:
  - higher natural gas sales (+3x) ↑
  - higher electricity sales (+8%) ↑
  - and higher heat sales (+31%) ↑
- Key factors affecting segment EBITDA:
  - higher output from SPPs and WPPs (+11x) ↑
  - higher electricity output from Latvenergo AS CHPPs (+28%) ↑
  - lower Daugava HPP generation (-4%) ↓
- Latvenergo Group operates in all energy trade segments in Latvia, Lithuania and Estonia

Generation

3.3 TWh of electricity generated



66% of the electricity was generated from RES



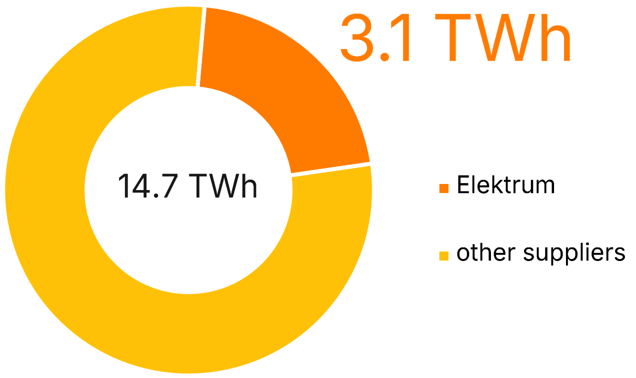
Latvenergo Group produced 27% of the total electricity generated in the Baltics

- 11x higher output from SPPs and WPPs: 602 GWh
- 28% higher electricity output from Latvenergo AS CHPPs, generation at the Daugava HPPs decreased by 4%
- 1.2 TWh of thermal energy generated (+31%)
- Electricity generated at Latvenergo Group corresponds to 106% of the electricity sold at retail

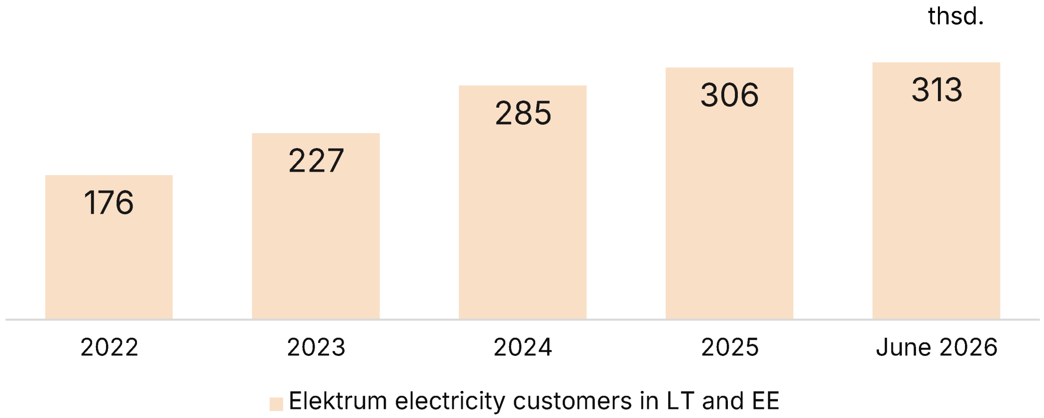
Trade

The number of electricity customers is up by 1% and natural gas +15%

Electricity market in the Baltics



The number of Elektrum customers in neighbouring countries increased



3.1 TWh of electricity* sold to Baltic retail customers (-1%). 44% of it sold outside Latvia. The number of customers exceeded 918 thsd.

1.4 TWh of natural gas sold to Baltic retail customers (+58%). The number of customers reached 81 thsd.

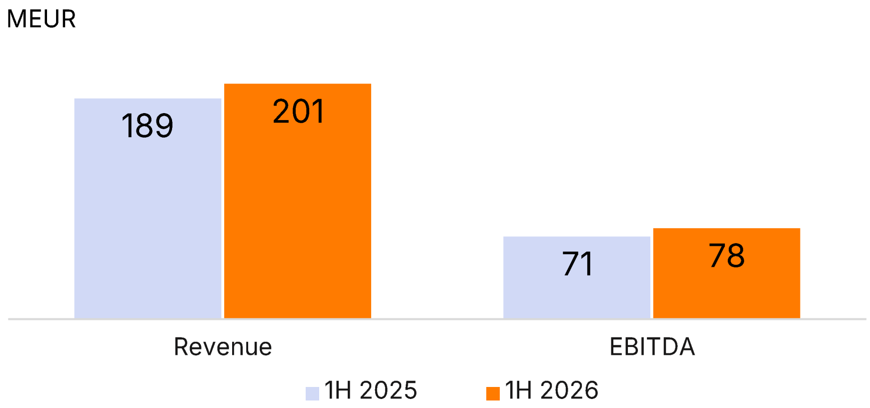
At the end of June, the number of charging ports installed and acquired at Elektrum Drive charging stations reached 1,359.

At the end of June, the total number of Elektrum Insured customers exceeded 182 thsd.

* including operational consumption

Distribution

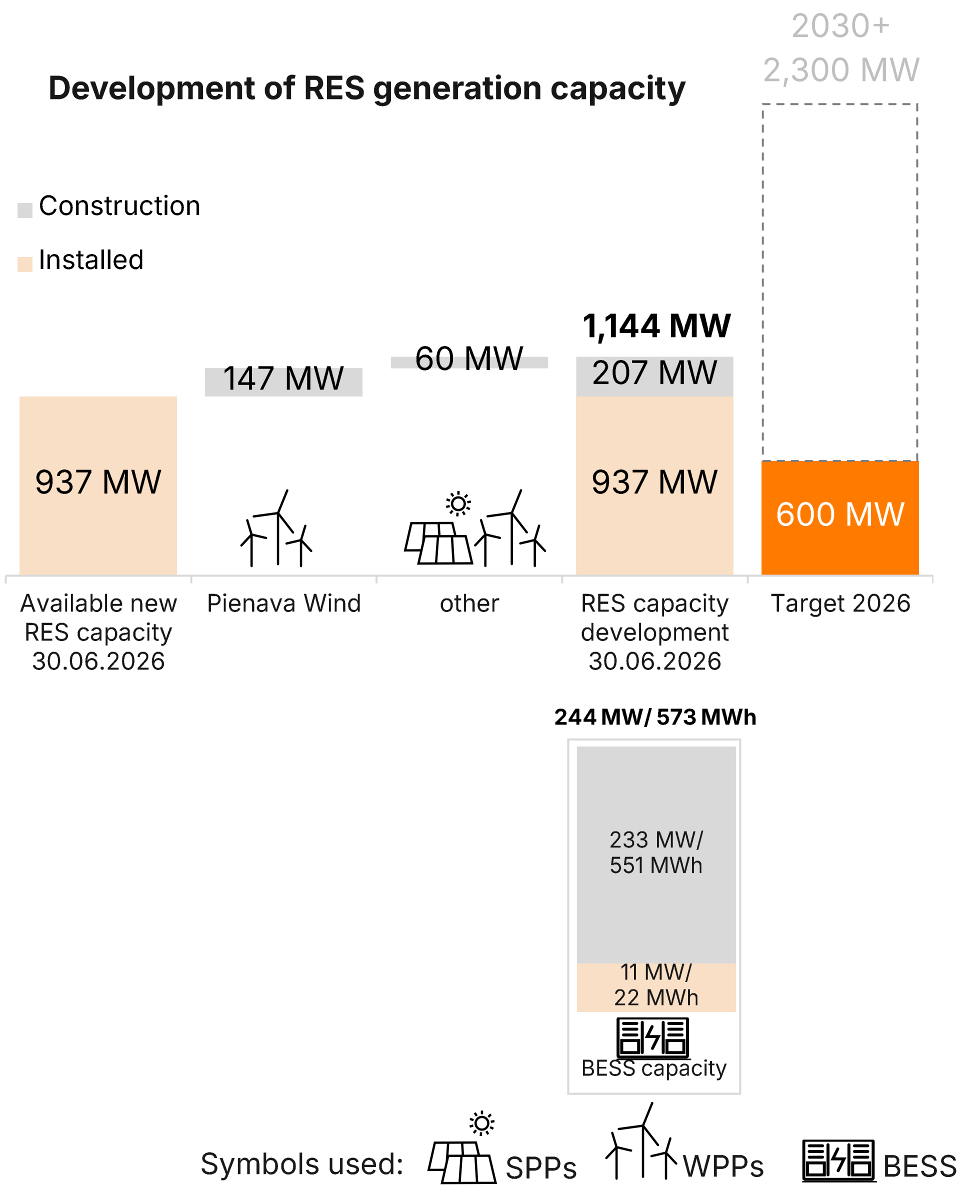
Revenue and EBITDA

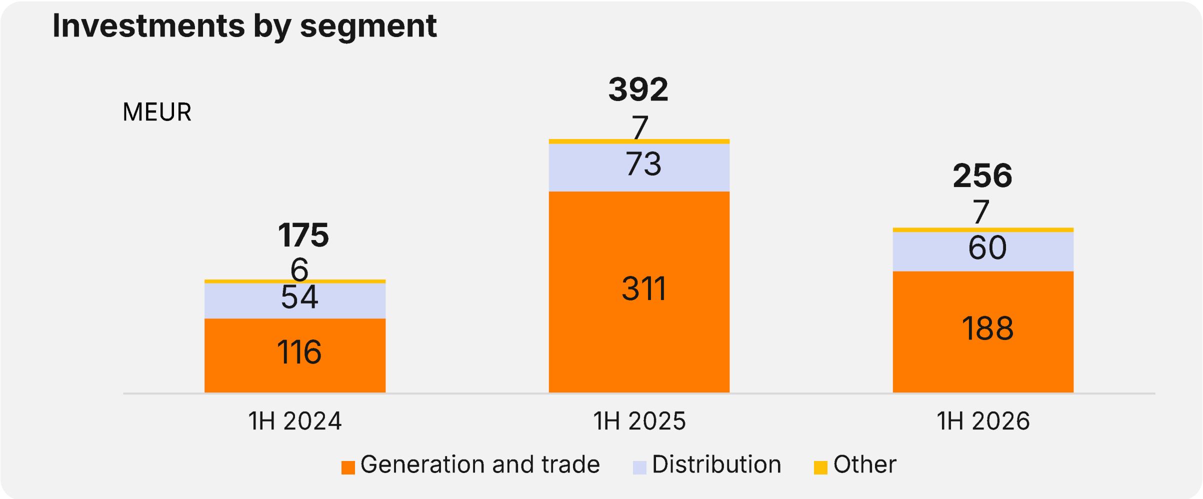


- Electricity distributed: 3,398 GWh (+9%)
- Financial results were positively affected by higher distributed electricity volumes
- 60 MEUR invested in distribution assets (–18%)
- Quality of the energy supply*:
  - SAIFI: 0.8 times (+6%)
  - SAIDI: 52 min. (–15%)

* Including mass damage caused by storms and other forces of nature

Investments

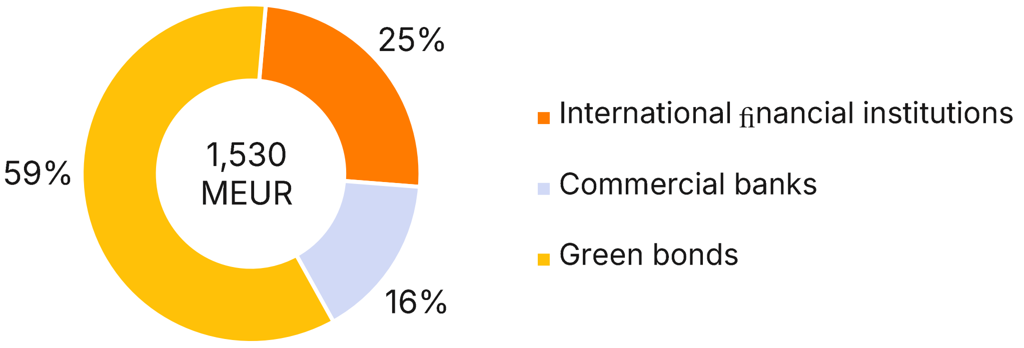




- 134 MEUR were allocated towards the development of wind parks, which is more than 1/2 of the Group's total investments
- At the end of June, Latvenergo Group had 24 SPPs with an installed capacity of 683 MW and 4 WPPs with an installed capacity of 254 MW
- RES capacities currently under construction are expected to be gradually commissioned in 2026-2027
- Investments in network assets allows to improve the quality of the power network services and technical parameters

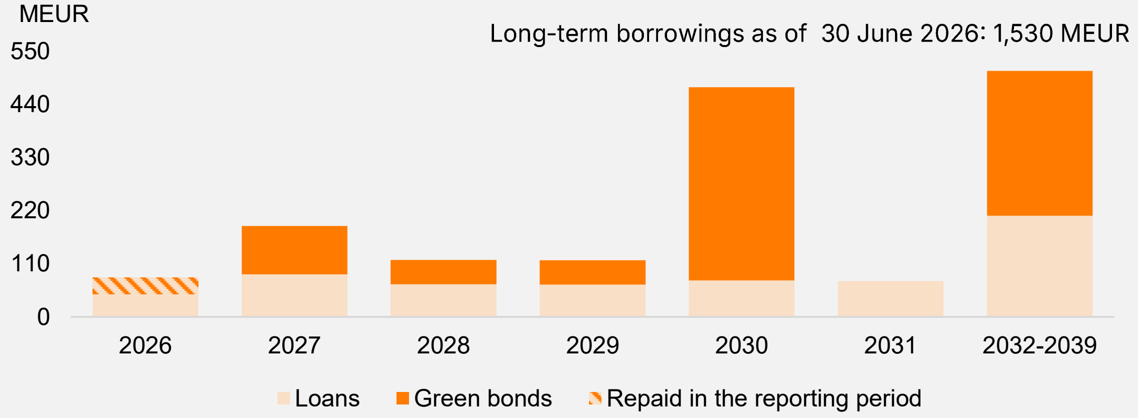
Investment funding

Diversified long-term funding



- Moody's credit rating: Baa2 (with a stable outlook)
- On 25 June 2026, Latvenergo AS issued EUR 300 million in European Green Bonds under its Euro Medium-Term Note Programme

Long-term debt repayment schedule



Main figures of the long-term debt portfolio

	30.06.2026.
Share of fixed interest rate*	63%
Weighted average fixed interest rate duration*	3.0 years
Weighted average effective interest rate*	3.0%

* with interest rate swaps

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Thank you!

Latvenergo AS
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ElektrumLV

elektrum.lv

Abbreviations

BESS – Battery energy storage system

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

WPP – Wind power plant

Consolidated Statement of Profit or Loss*

EUR'000

	01/01-30/06/2026	01/01-30/06/2025
Revenue	941,810	847,068
Other income	19,851	15,711
Raw materials and consumables	(561,218)	(477,369)
Personnel expenses	(84,090)	(80,934)
Other operating expenses	(31,748)	(32,820)
EBITDA	**284,605**	**271,656**
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right–of–use assets	(97,923)	(88,636)
Operating profit	**186,682**	**183,020**
Finance income	3,913	5,257
Finance costs	(13,588)	(9,412)
Profit before tax	**177,007**	**178,865**
Income tax	(32,432)	(43,598)
Profit for the period	**144,575**	**135,267**
Profit attributable to:		
– Equity holder of the Parent Company	*143,736*	*134,281*
– Non–controlling interests	*839*	*986*

* The Latvenergo Consolidated Unaudited Condensed Interim Financial Statements for the first 6 months of 2026 are prepared in accordance with the IFRS Accounting Standards as adopted by the European Union

Consolidated Statement of Financial Position*

EUR'000

	30/06/2026	31/12/2025
ASSETS		
Non–current assets		
Intangible assets	141,085	124,816
Property, plant, and equipment	4,246,024	4,106,391
Right–of–use assets	44,730	44,104
Investment property	1,756	2,332
Non–current financial investments	40	40
Other non–current receivables	1,835	1,855
Deferred income tax assets	1,271	2,037
Derivative financial instruments	1,932	1,688
Total non–current assets	**4,438,673**	**4,283,263**
Current assets		
Inventories	115,929	163,960
Current intangible assets	33,646	51,668
Receivables from contracts with customers	117,242	169,877
Other current receivables	20,200	14,358
Deferred expenses	5,040	3,169
Prepayment for income tax	1,128	1,736
Derivative financial instruments	5,019	11,818
Other current financial investments	364,921	149,915
Cash and cash equivalents	157,815	117,755
Total current assets	**820,940**	**684,256**
TOTAL ASSETS	**5,259,613**	**4,967,519**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,076,324	1,076,324
Unregistered share capital	80,066	–
Reserves	1,662,557	1,664,563
Retained earnings	209,794	283,826
Equity attributable to equity holder of the Parent Company	**3,028,741**	**3,024,713**
Non–controlling interests	7,162	6,814
Total equity	**3,035,903**	**3,031,527**
LIABILITIES		
Non–current liabilities		
Borrowings	1,338,093	1,179,715
Lease liabilities	44,531	43,514
Deferred income tax liabilities	6,673	10,168
Provisions	23,063	20,595
Deferred income from contracts with customers and advances received	158,369	156,640
Other deferred income	130,861	123,085
Other non–current liabilities	2,790	2,790
Total non–current liabilities	**1,704,380**	**1,536,507**
Current liabilities		
Borrowings	191,828	90,727
Lease liabilities	3,193	2,944
Trade and other payables	221,945	171,650
Deferred income from contracts with customers and advances received	39,746	47,274
Other deferred income	26,963	27,142
Provisions	35,227	51,281
Derivative financial instruments	428	8,467
Total current liabilities	**519,330**	**399,485**
Total liabilities	**2,223,710**	**1,935,992**
TOTAL EQUITY AND LIABILITIES	**5,259,613**	**4,967,519**

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Consolidated Statement of Cash Flows*

Latvenergo

EUR'000

	01/01-30/06/2026	01/01-30/06/2025
Cash flows from operating activities		
Profit before tax	**177,007**	**178,865**
Adjustments:		
– Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right–of–use assets	97,923	88,636
– Loss / (gain) from disposal of non–current assets	(171)	1,891
– Interest expense	13,330	9,404
– Interest income	(3,367)	(3,945)
– Fair value loss / (gain) on derivative financial instruments	(193)	(4,234)
– Increase / (decrease) in provisions	(13,586)	(22,887)
– Other finance costs / (gains)	6	(8)
Share of profit of an associate and a joint venture	–	(531)
Interest paid	(15,271)	(14,563)
Interest paid on leases	(287)	(129)
Interest received	3,027	5,173
Paid corporate income tax	(35,857)	(48,025)
Funds from operations (FFO)	**222,561**	**189,647**
Decrease / (increase) in inventories and current intangible assets	66,348	(25,389)
Decrease / (increase) in receivables from contracts with customers and other receivables	46,336	53,381
Decrease / (increase) in other current financial investments	(215,000)	210,000
Increase / (decrease) in trade and other liabilities	(39,470)	(48,268)
Net cash flows generated from operating activities	**80,775**	**379,371**
Cash flows from investing activities		
Loans issued to related parties	–	(979)
Purchase of intangible assets and PPE	(242,900)	(389,777)
Net cash flows used in investing activities	**(242,900)**	**(390,756)**
Cash flows from financing activities		
Proceeds on issued debt securities (bonds)	300,000	–
Proceeds on borrowings from financial institutions	2,500	209,788
Repayment of borrowings from financial institutions	(47,826)	(58,788)
Received financing from European Union	19,579	11,190
Lease payments	(1,078)	(836)
Dividends paid to non–controlling interests	(490)	(1,614)
Dividends paid to equity holder of the Parent Company	(70,500)	(185,903)
Net cash flows from / (used in) financing activities	**202,185**	**(26,163)**
Net increase / (decrease) in cash and cash equivalents	**40,060**	**(37,548)**
Cash and cash equivalents at the beginning of the period	117,755	86,554
Cash and cash equivalents at the end of the period	**157,815**	**49,006**

* The Latvenergo Consolidated Unaudited Condensed Interim Financial Statements for the first 6 months of 2026 are prepared in accordance with the IFRS Accounting Standards as adopted by the European Union