

LATVENERGO CONSOLIDATED AND
LATVENERGO AS UNAUDITED CONDENSED
FINANCIAL STATEMENTS FOR 2025



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* Financial Statements include Latvenergo consolidated and Latvenergo AS financial information prepared in accordance with the International Financial Reporting Standards (IFRS) Accounting Standards as adopted by the European Union

FINANCIAL CALENDAR

29. 04. 2026.

Latvenergo Consolidated and Latvenergo AS Annual Report 2025

29. 05. 2026.

Condensed Consolidated Interim Financial Statements for the first 3 months of 2026 (unaudited)

31. 08. 2026.

Condensed Consolidated Interim Financial Statements for the first 6 months of 2026 (unaudited)

30. 11. 2026.

Condensed Consolidated Interim Financial Statements for the first 9 months of 2026 (unaudited)

CONTACT DETAILS FOR INVESTOR RELATIONS

E-mail: investor.relations@latvenergo.lv

Website: <http://www.latvenergo.lv>

DISCLAIMER

The financial report includes future projections that are subject to risks, uncertainties and other important factors beyond the control of Latvenergo Group; therefore, the actual results in the future may differ materially from those stated or implied in the future projections.

The report has been prepared in Latvian and in English. In the event of any discrepancies between the Latvian and the English reports, the Latvian version shall prevail.

Highlights

In the Baltics, electricity prices were influenced by higher renewable output.

In 2025, 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.

In 2025, electricity output at Latvenergo Group’s plants reached 4.7 TWh, which is 3% less than a year earlier. The winter of 2024/2025 was characterized by minimal snow and ice accumulation, leading to the absence of spring flooding. As a result, inflow in the Daugava River in 2025 was 5% below the long-term average. Electricity generation at the Daugava 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 operation of the CHPPs is adjusted to the conditions of the market. Generation from new solar and wind power capacities grew significantly. In 2025, it reached 209 GWh, which is almost 5 times more than a year earlier. Due to lower demand, the amount of heat energy generation decreased to 1.6 TWh, which is 7% less compared to 2024.

Latvenergo operates in all energy trade segments in Latvia, Lithuania and Estonia.



6.1 TWh of electricity sold to Baltic retail customers



1.6 TWh of natural gas sold to Baltic retail customers

In 2025, the Group supplied 7.7 TWh of electricity and natural gas to Baltic retail customers, which is 4% more than a year earlier. The number of Latvenergo customers increased in both the electricity and natural gas segments. We have more than 914 thousand electricity customers (+2%), and 306 thousand of them are outside Latvia. The number of natural gas customers exceeded 76 thousand at the end of December (+17%).

The Group’s results were impacted by the decline in generation at the Daugava HPPs.

			MEUR
1,566.1	439.7	198.5	4,967.6
REVENUE	EBITDA	PROFIT	ASSETS

In 2025, Latvenergo Group’s revenue was 8% or EUR 137 million lower than a year earlier. The decrease was mainly due to lower energy sales prices.

With the decrease in electricity generation at the Daugava HPPs and a 17% decline in retail electricity prices, the Group’s EBITDA decreased by 25% compared to 2024.

Investments have increased by 49%.

In 2025, 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. At the end of the reporting year, the Group’s newly installed renewable energy capacities in the Baltics reached 498 MW, while solar and wind parks with a total capacity of 646 MW were under construction. As a result, the total approved portfolio of new renewable energy projects comprised 1,144 MW. In the reporting year, two battery energy storage system (BESS) projects with a total capacity of 10.6 MW / 21.9 MWh were built. Meanwhile, six BESS projects with a total capacity of 183.4 MW / 428.6 MWh are in the development stage.

The international credit rating agency Moody’s reaffirmed the credit rating of Latvenergo AS at Baa2 with a stable outlook.

On 31 October 2025, the international credit rating agency Moody’s reaffirmed the Latvenergo AS credit rating at Baa2 with a stable outlook. The credit rating Baa2 for Latvenergo AS has been stable since 2015, confirming the consistency of operations and financial soundness of Latvenergo Group.

Baa2

MOODY’S

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 events

JANUARY

Latvenergo Group ensures affordable energy for society while also working to protect and restore biodiversity and ecosystems.

Latvenergo AS qualifies the Daugava HPPs' and CHPPs' units to provide balancing services as part of the Baltic power system's synchronization with the European grid.

FEBRUARY

On February 9, 2025, Estonia, Latvia, and Lithuania successfully synchronized their electricity systems with the Continental European synchronous area. This milestone also marked the launch of the Baltic Balancing Capacity Market, operated by the transmission system operators of the three countries.

Latvenergo plans to invest in battery energy storage system (BESS) technologies, aiming to install 250 MW of capacity with 500 MWh of storage by 2030.

The largest *Elektrum Drive* electric vehicle charging park in Estonia opens at the "T1" shopping centre, where 34 electric vehicles can charge simultaneously.

Latvenergo AS receives the award for Best Investor Relations among all bond issuers on the Nasdaq Baltic regulated markets in the Baltics for the fourth time.

MARCH

Latvenergo AS secures a loan of EUR 200 million from the European Investment Bank with a repayment term of 15 years.

Moody's updates the credit rating analysis for Latvenergo AS, maintaining the company's credit rating at Baa2 with a stable outlook.

Latvenergo AS and the Israeli company H2Pro agree to explore the feasibility of H2Pro's green hydrogen production technology, which could offer Latvenergo an innovative solution and support the advancement of green energy development.

APRIL

In April, after ten years of service, Martynas Giga stepped down as the CEO of Elektrum Lietuva UAB. He will be succeeded by Neringa Petrauskiene, current board member of the company.

The Supervisory Board of Sadales tīkls AS has reappointed Kristīne Sarkane as a board member for another five-year term.

On April 8, 2025, Rodžers Jānis Grigulis was appointed as a member of the Supervisory Board of Latvenergo AS for a five-year term.

Elektrum is launching a new electricity product for households – Elektrum Solar Energy – renewable energy that is generated at solar parks owned by *Elektrum* in Latvia.

The *Elektrum Energy Efficiency Centre* will now be rebranded as the Elektrum Energy Centre, with a focus on key topics such as climate change and sustainability, renewable energy and energy independence, and electromobility and charging.

2025 events

MAY

Foundation work begins on Laflores Energy (109 MW), the largest wind park in Latvia to date.

On May 23, the Shareholder Meeting of Latvenergo AS decided to issue debt securities (bonds) under a new public offering programme.

Kostas Dryžas takes on the role of board member and Development Director at Elektrum Lietuva UAB.

JUNE

Latvenergo AS acquires the Pienava Wind wind park project, which will enable the company to start wind power generation with a capacity of 147 MW as early as in the first half of 2027.

Latvenergo AS signs short term loan agreements totalling EUR 300 million with Swedbank AS, OP Corporate Bank plc Latvia branch, and AB SEB Bank.

On June 27, the Supervisory Board of Latvenergo AS approved a further term of office for Management Board Member Guntars Baļčūns until November 15, 2030.

Liepājas enerģija SIA receives the State Environmental Service's annual environmental protection award "Green Excellence", confirming its ability to meet environmental requirements at the highest level.

JULY

Latvenergo AS and State Joint Stock Company Latvian Radio and Television Centre signs a memorandum of understanding with Telia Company AB regarding the acquisition of its shares in Tet SIA and Latvijas Mobilais Telefons SIA.

Latvenergo AS, in cooperation with the foundation "Mission Possible", completes its fourth competition, through which 28 general education institutions in Latvia will receive equipment for physics classrooms to improve the learning process. The total project funding amounts to EUR 360,000.

AUGUST

Sadales tīkls AS, in cooperation with InPass SIA, the Norwegian drone and aerial data technology company Aersea, and the research centre Norce, is developing a state-of-the-art smart inspection system for inspecting wooden utility poles.

2025 events

SEPTEMBER

The Laflora Energy wind park has completed the assembly of Latvia's largest wind turbine, equipped with 87.5-meter rotor blades.

In Lithuania's Klaipėda region, three Elektrum Lietuva UAB solar parks have commenced operations, delivering a combined capacity of nearly 180 MW.

OCTOBER

To enable more efficient competition and better integration of renewable energy, from October 1, electricity exchange prices will be set every 15 minutes instead of hourly, as was previously the case.

As part of creating the largest high-power charging network in the Baltic states, Elektrum Drive, with EUR 2.6 million in funding from the Connecting Europe Facility, will install a total of 130 charging ports across 54 stations on the European TEN-T transport network by 2027.

With 12 charging points, VIADA Baltija and Elektrum Drive have launched a jointly developed electric vehicle charging network covering Latvia's major cities. The network is set to expand to 134 charging ports by 2030.

To strengthen the energy security of both Latvenergo and Latvia, Latvenergo AS has signed several natural gas supply agreements through the Inkoo LNG terminal in Finland.

On October 31, Moody's reaffirmed the Latvenergo AS credit rating at Baa2. At the same time, Moody's assigned a (P)Baa2 rating to the company's new Euro Medium Term Note (EMTN) Programme.

NOVEMBER

Foundation work begins on Latvia's largest wind park, Pienava Wind. Located in Tukums municipality, the wind park will consist of 21 turbines with a combined capacity of 147 MW.

On October 30, the Management Board of Latvenergo AS approved the base prospectus for the company's EMTN programme (the "Programme") with a total volume of EUR 1,000,000,000. As part of the Programme, on November 6, Latvenergo AS completed the placement of its first European green bond, raising EUR 400 million.

Highlighting the energy sector's critical interest in artificial intelligence, Latvenergo AS has joined the Latvian Artificial Intelligence Association as a member.

DECEMBER

In December 2025, the largest hydroelectric power plant in the Baltic states – Plavinas HPP – marks its 60th anniversary.

At the end of 2025, the installation of wind turbines at the Telšiai wind power plant (WPP) (124 MW) in Lithuania was completed, and all wind turbines have commenced electricity generation. The wind park will be commissioned in the first half of 2026 following the testing and adjustment of all wind turbines.

JANUARY, FEBRUARY 2026

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

Latvenergo joins the European Union's LIFE environmental and climate programme project to improve the ecological condition of rivers.

As of 1 February 2026, Sadales tīkls AS provides its customers with 15-minute interval data recording of both electricity consumed and electricity fed into the grid.

Latvenergo Group in Brief

Latvenergo Group is one of the largest power suppliers and energy generators in the Baltics, operating in electricity and thermal energy generation and trade, natural gas trade, supply of products and services related to electricity consumption and energy efficiency, and electricity distribution services.

Latvenergo Group is comprised of a set of commercial enterprises, where the decisive influence is held by the parent company Latvenergo AS. All shares of Latvenergo AS are owned by the state and held by the Ministry of Economics of the Republic of Latvia. For more details, please see Note 9 attached to this report.

Latvenergo Group divides its operations into two operating segments: 1) generation and trade and 2) distribution. This division was made according to the internal organisational structure, which forms the basis for regular performance monitoring, decision-making on resources allocated to segments and their performance measurement. From a commercial point of view, each segment is managed differently.

The generation and trade segment



- comprises electricity and thermal energy generation operations, electricity and natural gas trade in the Baltics and administration of mandatory procurement in Latvia.



Latvijas vēja parki
Dzīvo Latvijas mežos



The distribution segment



- provides electricity distribution services in Latvia. Sadales tīkls AS is the largest state distribution system operator, covering approximately 99% of the territory of Latvia. Distribution system tariffs are approved by the Public Utilities Commission (PUC).



Latvenergo Group's Strategy

The European Union has prioritised issues pertaining to climate and environmental change, as well as digitalization. These priorities follow the European Commission's Communication on the European Green Deal of 2019, which focuses on the use of renewable energy sources (RES) and progress towards climate neutrality by 2050.

Taking into account the climate and energy policy settings and the significant changes they bring to the energy sector, at the end of 2021, the Cabinet of Ministers (CM) approved the general strategic objective for Latvenergo AS:

promote the competitiveness and growth of climate-neutral Latvia and increase the value of Latvenergo Group in the domestic market in the Baltics and beyond through developing and providing goods and services in the energy and related business value chains in a sustainable, innovative and economically sound manner and the effective management of resources and infrastructure that are strategically important for the country's development and security.

The Group's financial objectives

Target group	Ratio	Year 2026
Profitability	Return on equity (ROE) excluding distribution*	> 7%
Capital structure	Adjusted FFO / Net debt ratio	> 25%
Dividend policy	Dividend payout ratio	> 64%
Other	Moody's credit rating	≥ Baa3

* The profitability of the regulated services provided by the Group is determined by the Public Utilities Commission. The most significant share in the Group's regulated services is the distribution service. When evaluating the fulfilment of the ROE target, the Group's return indicator will be assessed, excluding the regulated return on the distribution service – ROE excluding distribution.

In March 2022, Latvenergo Group's medium-term strategy for 2022–2026, with strategic operational and financial objectives, was approved by the Supervisory Board of Latvenergo AS.

The strategy was developed in accordance with the guidelines on corporate governance of state-owned enterprises set by the Organization for Economic Cooperation and Development. Taking into account the general strategic objective set by the shareholder, the strategic priorities of Latvenergo Group were defined, which are further detailed in specific objectives. During the development phase of the strategy, extensive discussions were held in thematic working group sessions, which involved both the Group's employees and external experts. An online seminar was held to identify the Group's stakeholders' vision for the Group's development.

Latvia 2030 - Sustainable Development Strategy of Latvia outlines the need to promote the country's energy independence, and this goal can be achieved by developing the potential of renewable energy. The importance of energy dependence grew significantly after Russia's invasion of Ukraine, as the geopolitical situation in the region changed.

The financial objectives of the Strategy are divided into four groups: profitability, capital structure, dividend policy, and other targets.

The financial objectives are set to ensure:

- ambitious, yet achievable profitability, which is consistent with the average ratios of benchmark companies in the European energy sector and provides for an adequate return on the business risk;
- an optimal and industry-relevant capital structure that limits potential financial risks;
- an adequate dividend policy that is consistent with the planned investment policy and capital structure targets;
- an investment-grade credit rating to secure funding for the strategy's ambitious investment programme.

Latvenergo Group's Strategy

The Group's strategic objectives

GENERATION

Expand and diversify the generation portfolio with green technologies.

The aim is to grow the renewable energy source (RES) generation portfolio, focusing on WPP and SPP:

- 2026: constructed or acquired WPP and SPP with total capacity of 600 MW;
- 2030+: constructed or acquired WPP and SPP with total capacity of 2,300 MW.

The objective also provides for:

- increasing the Daugava HPPs' asset value, guaranteeing their safe operation in the long run;
- ensuring stable, efficient and economically viable operation of the CHPPs in the long run.

TRADE

Strengthen the position of *Elektrum* as the most valuable energy trader in the Baltics.

The goal is to increase the customer portfolio by 15% compared to the year 2020; promote microgeneration, electrification, energy efficiency and product innovation.

ELECTROMOBILITY

Develop electrification of the transport sector.

The objective is to develop a public charging network in the Baltics:

- 2026: 1200-1,500 charging ports;
- 2030+: about 3,000 charging ports.

DISTRIBUTION

Ensure a sustainable and economically viable distribution service and improve the security and quality of electricity supply.

The objective is to systematically and cost-effectively improve the quality and security of electricity supply:

- SAIDI reduced to 164 min. in 2026;
- SAIFI reduced to 1.92 times in 2026.

It also envisages the creation of a two-way network for the development of microgeneration and the implementation of digital transformation and efficiency measures.

SDGs set as a priority and relevant to the Group's core business



By implementing the strategy of Latvenergo Group, we plan to prevent CO₂ emissions* in this amount:

- 2026: 2.6 million tonnes
- 2030: 17.8 million tonnes

In addition, the Group plans to develop innovative products, services and processes that are relevant to the Group's priority Sustainable Development Goals (SDGs). This target provides for the introduction of a culture of innovation in the Group, which supports: 1) research and development of innovative technologies; 2) development and implementation of innovative products and services, business directions and models; 3) systematic and continuous innovation to increase the efficiency of technological and corporate processes.

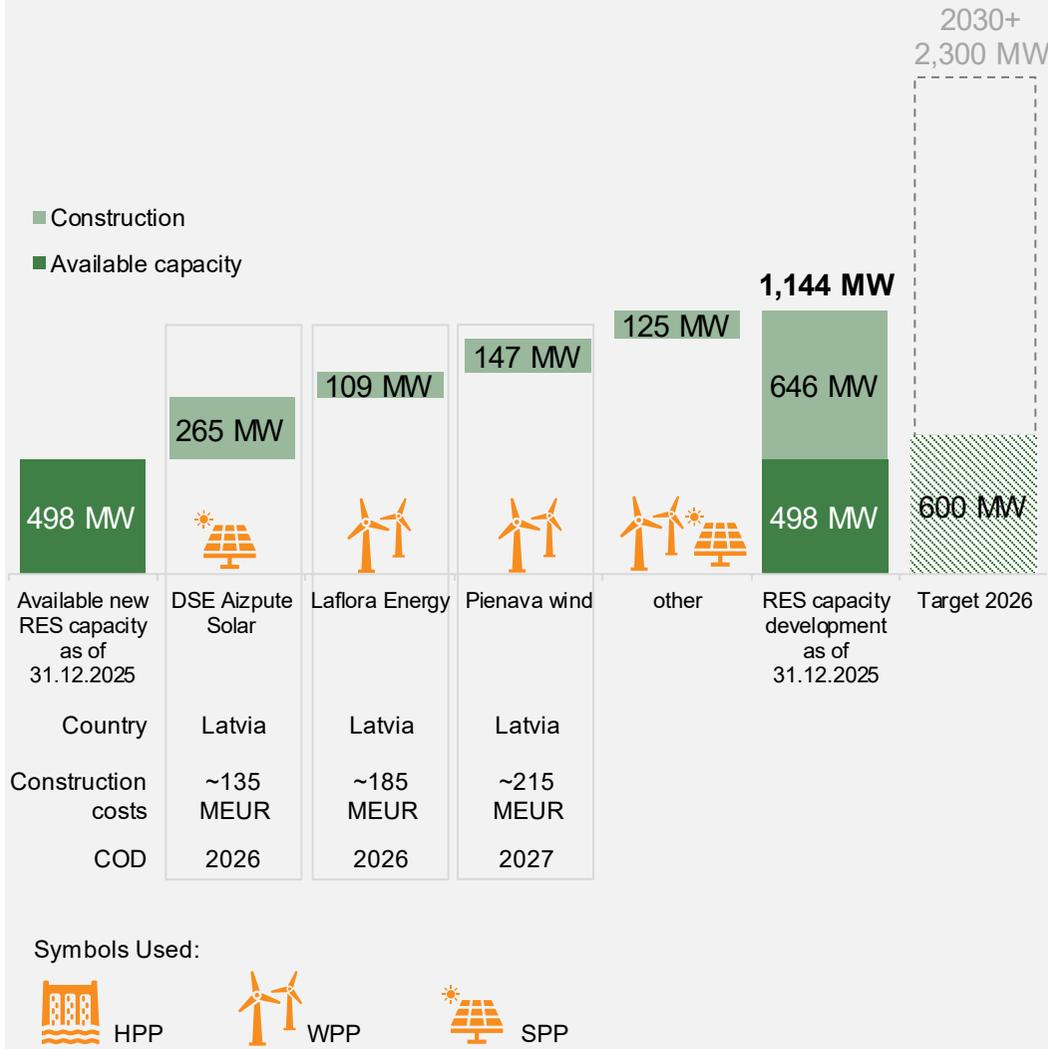
* the calculation is based on the assumption that the green energy generated by Latvenergo's new capacity replaces the same amount of energy that would be produced using coal or fuel stone

Latvenergo Group's Strategy

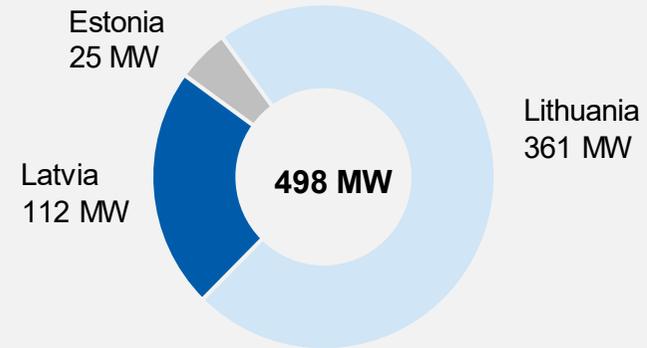
Progress of the Group's strategic objectives

GENERATION

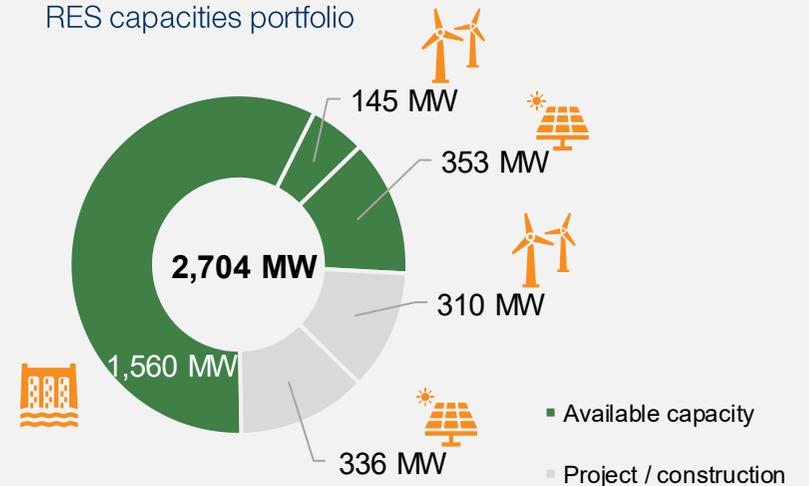
Development of RES generation capacity



Geolocation of newly constructed RES capacities



RES capacities portfolio

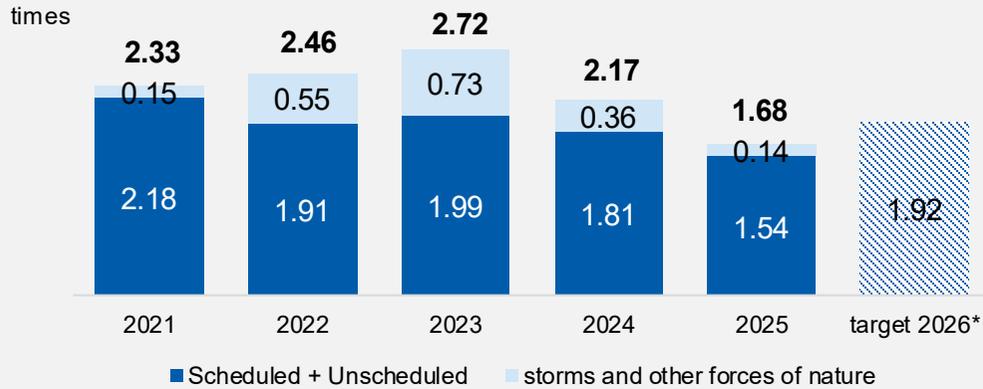


Latvenergo Group's Strategy

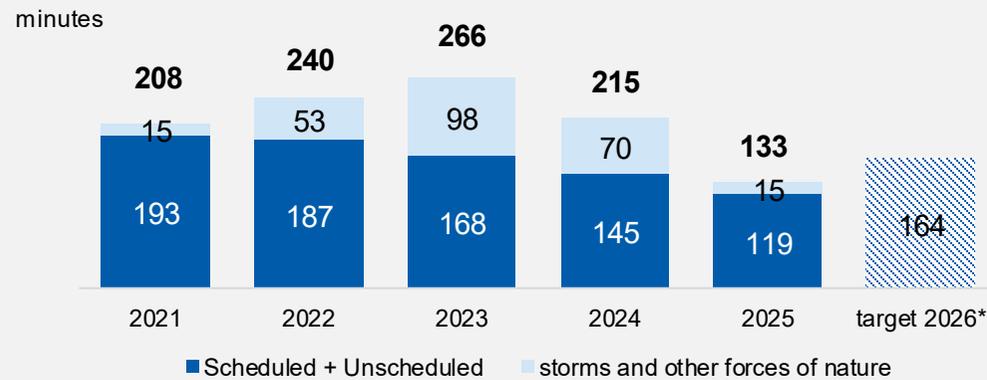
Progress of the Group's strategic objectives

DISTRIBUTION

SAIFI



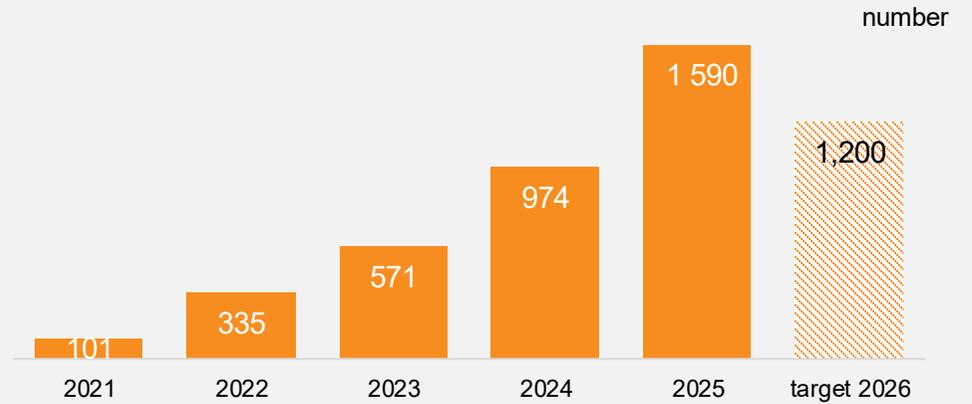
SAIDI



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

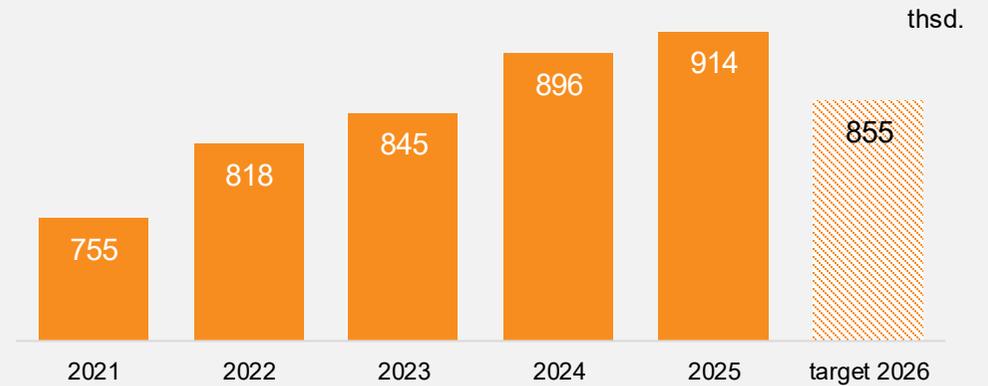
ELECTROMOBILITY

Charging ports**



TRADE

The number of *Elektrum* electricity customers



** Target 2026: 1,200-1,500 charging ports, including partner networks

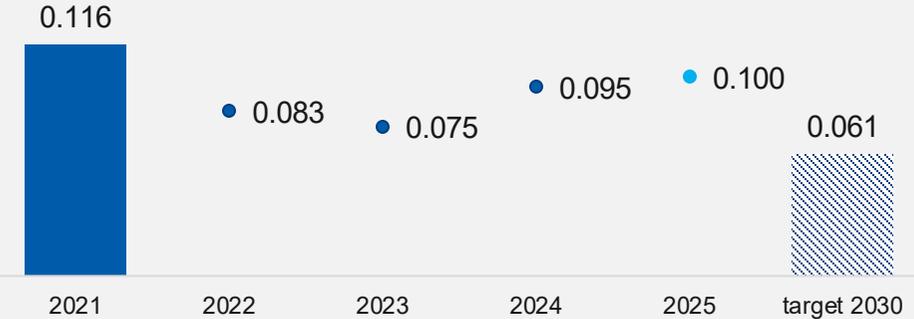
Latvenergo Group's Strategy

Progress of the Group's strategic objectives

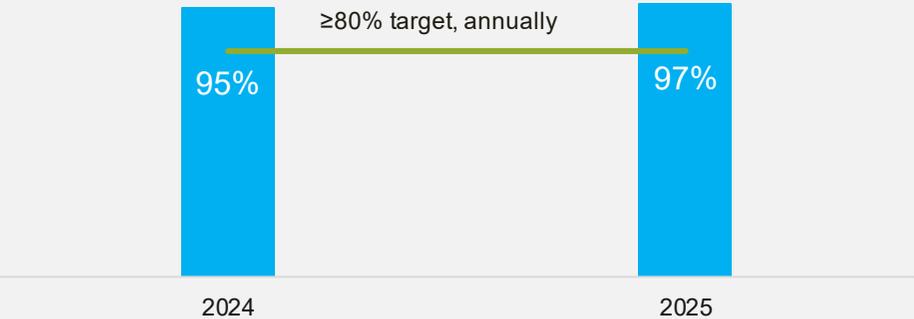
SUSTAINABLE DEVELOPMENT OBJECTIVES

Scope 1 GHG emissions reduction

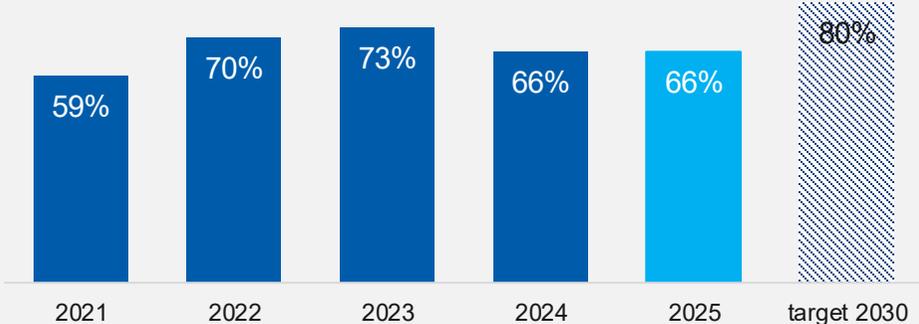
Electricity generation – specific emissions, t CO₂/MWh



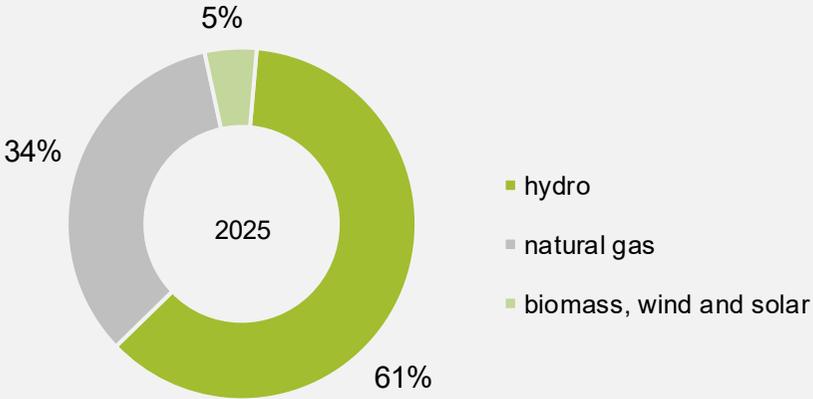
Investments in EU Taxonomy-aligned activities



Share of electricity generated from RES



Energy resources used in electricity generation



Latvenergo Group Key Performance Indicators

Latvenergo Group Operational Figures

		2025	2024	2023	2022	2021
Retail electricity sales ¹⁾	GWh	6,053	6,140	6,208	5,452	6,706
Retail natural gas sales	GWh	1,605	1,190	896	930	1,026
Electricity generation	GWh	4,696	4,842	5,136	3,822	4,517
Thermal energy generation	GWh	1,554	1,665	1,698	1,777	2,072
Number of employees		3,383	3,436	3,497	3,316	3,153
Moody's credit rating		Baa2 (stable)				

Latvenergo Group Financial Figures

		2025	2024	2023	2022	2021
Revenue	MEUR	1,566.1	1,703.6	2,034.4	1,841.8	1,065.2
EBITDA ²⁾	MEUR	439.7	588.4	601.8	360.2	198.8
Profit for the year	MEUR	198.5	273.7	350.9	183.9	71.6
Assets	MEUR	4,967.6	4,438.1	4,174.2	3,855.3	3,475.9
Equity	MEUR	3,031.2	3,006.9	2,963.1	2,356.4	2,123.4
Net debt ²⁾	MEUR	1,152.7	656.9	511.2	763.2	698.0
Adjusted funds from operations (FFO) ²⁾	MEUR	353.7	509.1	520.8	339.0	176.1
Capital expenditure	MEUR	792.2	530.2	193.3	121.7	126.7

Latvenergo Group Financial Ratios

	2025	2024	2023	2022	2021
Return on equity (ROE) ²⁾	6.6%	9.2%	13.2%	8.2%	3.4%
Return on equity (ROE) excluding distribution ²⁾	8.1%	12.3%	19.9%	16.3%	5.5%
Adjusted FFO / net debt	39%	87%	82%	46%	28%
Net debt / EBITDA ²⁾	2.1	1.0	1.1	2.0	3.2
EBITDA margin ²⁾	28%	35%	30%	20%	19%
Return on assets (ROA) ²⁾	4.2%	6.4%	8.7%	5.0%	2.1%
Return on capital employed (ROCE) ²⁾	6.4%	9.2%	11.9%	6.3%	2.9%
Net debt / equity ²⁾	38%	22%	17%	32%	33%

1) Including operating consumption

2) Formulas are available on page 28

Operating Environment

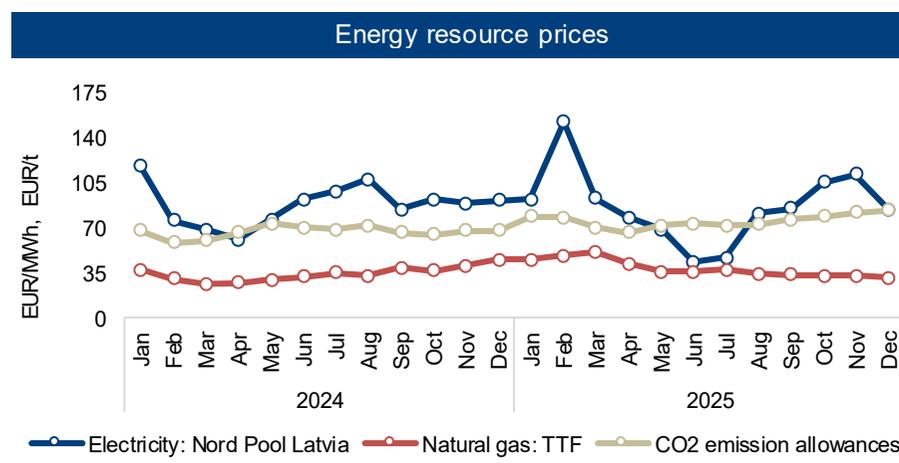
Latvenergo Group's operations and performance are influenced by various global and regional factors, including electricity and natural gas prices. In 2025:

- the Nord Pool system price increased by 10%, while the electricity price in Latvia decreased by 1%
- the price of natural gas at the TTF (the Dutch natural gas virtual trading point) increased by 12% compared to 2024

In the Baltics, electricity prices were influenced by higher renewable output

In 2025, the increase in Nord Pool system prices was mainly affected by lower electricity generation at wind power plants in the Nordic countries, particularly in Q4 2025, when output decreased by 10% compared to the respective period in 2024. In the second half of the year, the hydrological situation also deteriorated, and by the end of the year the hydrological balance showed a deficit of 2 TWh compared to the long-term average. The average electricity price in the Baltics during the reporting year was 3% lower than a year earlier. This was driven by a 34% increase in solar generation and an 11% increase in wind generation, supported by the growth of installed generation capacities across the Baltics. At the end of June 2025, the Finland–Estonia interconnection EstLink 2 resumed operation after an outage that had lasted since the end of 2024.

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%)
Poland	104.5	96.2	9%
Sweden	35.0	33.8	4%
Finland	40.5	45.6	(11%)
Denmark	82.0	70.7	16%
Norway	40.2	37.0	9%
Germany	89.6	78.5	14%
France	61.4	58.0	6%
Great Britain	91.1	81.8	11%



In 2025, electricity consumption in the Baltic states increased by 1.8%, reaching 28.1 TWh.

On February 9, 2025, Estonia, Latvia, and Lithuania successfully synchronized their electricity systems with Continental Europe. This milestone also marked the launch of the Baltic Balancing Capacity Market, operated by the Baltic transmission system operators. Latvenergo AS has qualified the Daugava HPPs' and CHPPs' units for providing balancing services and participates in the provision of these services.

In 2025, the total amount of electricity generated in the Baltics increased by 8%, reaching 19.3 TWh. The increase was mainly driven by 17% higher generation in Lithuania, reaching 9.0 TWh. Electricity generation in Latvia increased by 8%, reaching 5.8 TWh, while in Estonia electricity generation has remained unchanged, reaching 4.8 TWh.

Operating Environment

The natural gas price is higher

Natural gas is the main fuel resource in the Latvenergo AS CHPPs' operation. In the reporting year, the average price of natural gas at the TTF (front month) reached 38 EUR/MWh, which is 12% higher than in 2024. In 2025, natural gas demand was affected by variable weather conditions in Europe, increasing during periods when RES and nuclear generation output were lower. At the beginning of 2025, gas supplies from Russia via Ukraine were halted. However, high levels of liquefied natural gas imports – primarily from the United States – offset gas supply shortages. At the end of December, the gas storage fill rate in Europe reached 62% (at the end of December 2024, it was 72%).

The dynamics of the natural gas market are linked with the oil market and other energy resource markets. In 2025:

- The average price of Brent crude oil futures decreased by 14%, comprising 69 USD / bbl. The Brent crude oil market prices were affected by geopolitical risks, U.S. tariff policies and sanctions on the oil industry, while OPEC+ member countries maintained higher oil production.
- The average price of CO₂ emission allowances (EUA DEC futures) was 13% higher, reaching 75 EUR / t. In the reporting year, the price of EU emission allowances was affected by high volatility in financial markets. In 2025, the volume of emission allowance auctions increased to finance the REPowerEU plan.

Latvenergo AS has not imported natural gas from Russia since 24 February 2022, switching to supplies of LNG from the U.S., Norway, and other countries. Until 2032, Latvenergo AS has secured the rights to make regular natural gas deliveries to the KN Energies LNG terminal at a volume of 6 TWh per year. In 2025, Latvenergo AS purchased 7 TWh of natural gas through the KN Energies LNG terminal and 2 TWh of natural gas through the Inkoo LNG terminal. By diversifying LNG supply sources, Latvenergo significantly enhances both its own and Latvia's overall energy security. In the reporting year, natural gas consumption in the Baltic states decreased by 5% compared to 2024.

On Latvenergo AS dividend payments and share capital changes

In June 2025, Latvenergo AS paid EUR 185.9 million of its 2024 profit to the state as dividends, paying a corporate income tax of EUR 39.0 million accordingly. According to the law "On the state budget for 2026 and budgetary framework for 2026, 2027 and 2028", the projected dividend payout by Latvenergo AS in the year 2026 (for the reporting year 2025) amounts to EUR 141.0 million. Accordingly, corporate income tax is calculated and paid in accordance with laws and regulations.

In June 2025, the Latvenergo AS share capital was increased by EUR 286.0 million, using Latvenergo AS retained earnings from previous years.

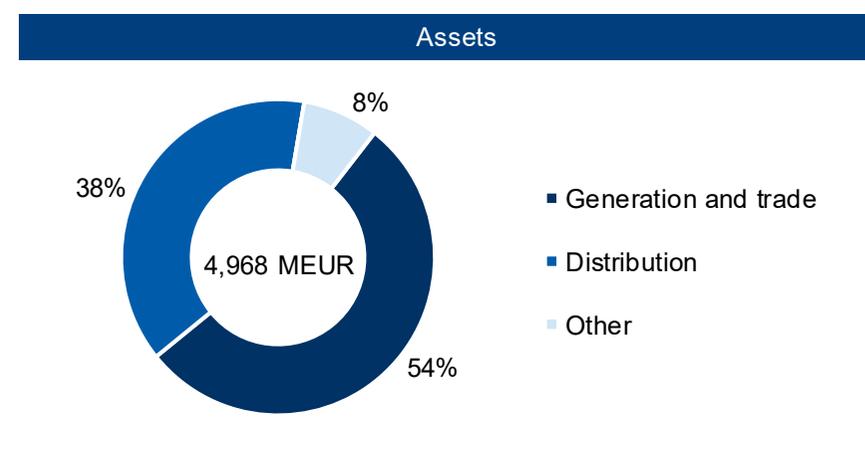
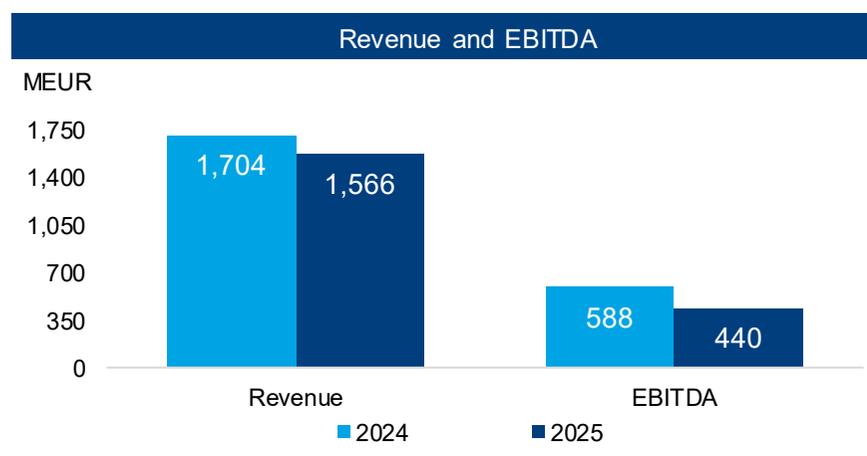
Financial Results

In 2025, Latvenergo Group's revenue reached EUR 1,566.1 million, which was EUR 137.5 million or 8% less than a year earlier. The revenue decline was affected by energy sales revenue decreasing by EUR 128.8 million, driven by 17% lower electricity retail sales prices.

Latvenergo Group financial figures		2025	2024	Δ	Δ, %
Revenue	MEUR	1,566.1	1,703.6	(137.5)	(8%)
EBITDA	MEUR	439.7	588.4	(148.6)	(25%)
Profit for the year	MEUR	198.5	273.7	(75.2)	(27%)
Assets	MEUR	4,967.6	4,438.1	529.5	12%

Latvenergo Group's EBITDA was EUR 148.6 million or 25% lower compared to 2024, reaching EUR 439.7 million. This was mainly negatively affected by lower electricity retail sales prices and lower output at the Daugava HPPs. The winter of 2024/2025 was characterized by minimal snow and ice accumulation, leading to the absence of spring flooding. As a result, inflow in the Daugava River in 2025 was 5% below the long-term average. As a result, electricity generation at the Daugava HPPs decreased by 8% compared to 2024.

The Group's profit for the reporting year reached EUR 198.5 million.



Generation and Trade



Revenue
75%

EBITDA
63%

Assets
54%

Employees
31%

Segment weight in Latvenergo Group

In 2025, generation and trade comprised Latvenergo Group's largest operating segment by revenue and EBITDA. The majority or 91% of the revenue of the segment was comprised of electricity, natural gas trade and related supply services revenue, while thermal energy revenue accounted for 9%.

In 2025, the segment's revenue reached EUR 1,205.3 million, which was EUR 163.4 million less than a year earlier. Energy sales revenue decreased by EUR 128.8 million, driven by 17% lower electricity retail sales prices.

Meanwhile, the segment's EBITDA was mainly negatively affected by lower electricity retail sales prices and lower output at the Daugava HPPs. Overall, in 2025, the Daugava HPPs generated 8% less electricity than a year earlier. In 2024, inflow in the Daugava River was 6% above the long-term average. However, the winter of 2024/2025 was characterized by minimal snow and ice accumulation, leading to the absence of spring flooding. As a result, inflow in the Daugava River in 2025 was 5% below the long-term average.

In 2025, the total volume of electricity generated at Latvenergo Group's plants amounted to 4,696 GWh, which corresponded to 78% of the amount of electricity sold to retail customers (in 2024: 79%).

Operational figures		2025	2024	Δ	Δ, %
Electricity customers	thsd.	914	896	18	2%
Electricity supply	GWh	8,186	8,552	(366)	(4%)
<i>Retail*</i>	GWh	6,053	6,140	(87)	(1%)
<i>Wholesale**</i>	GWh	2,133	2,412	(279)	(12%)
Natural gas customers	thsd.	76	65	11	17%
Natural gas supply	GWh	3,283	2,559	724	28%
<i>Retail</i>	GWh	1,605	1,190	415	35%
<i>Wholesale</i>	GWh	1,678	1,369	309	23%
Electricity generation	GWh	4,696	4,842	(146)	(3%)
<i>HPPs</i>	GWh	2,882	3,147	(266)	(8%)
<i>CHPPs</i>	GWh	1,587	1,633	(46)	(3%)
<i>SPPs and WPPs</i>	GWh	209	44	165	375%
<i>Liepaja plants</i>	GWh	18	17	0.3	2%
Thermal energy generation	GWh	1,554	1,665	(111)	(7%)
<i>CHPPs</i>	GWh	1,310	1,423	(113)	(8%)
<i>Liepaja plants</i>	GWh	244	242	2	1%
Financial figures		2025	2024	Δ	Δ, %
Revenue	MEUR	1,205.3	1,368.7	(163.4)	(12%)
EBITDA	MEUR	277.7	443.8	(166.1)	(37%)
Assets	MEUR	2,663.7	2,178.9	484.8	22%
Capital expenditure	MEUR	602.1	395.0	207.1	52%

* Including operating consumption

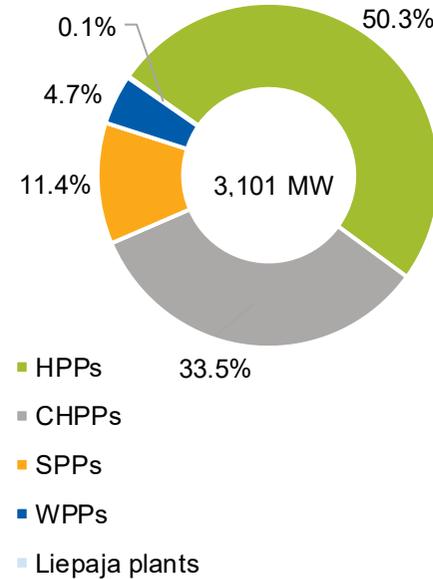
** Including sale of energy purchased within the mandatory procurement on the Nord Pool

Generation and Trade

Generation



Installed electrical capacity



Latvenergo Group has a balanced energy generation portfolio, consisting primarily of HPPs and highly efficient CHPPs. In addition, Latvenergo Group's renewable energy generation capacities in the Baltics are increasingly being developed, and as of 31 December 2025, the installed capacity of newly constructed RES already reached 498 MW. At the end of the reporting year, the Group had solar and wind parks with a total capacity of almost 646 MW under construction. As a result, the total approved portfolio of new renewable energy projects comprised 1,144 MW. Gradual commissioning of the solar and wind parks is expected between 2026 and 2027. This new RES capacity is expected to generate an additional 2.2 TWh of electricity annually. Alongside the new RES capacities, BESS projects are also being developed. In the reporting year, two BESS projects with a total capacity of 10.6 MW / 21.9 MWh were built. Meanwhile, six BESS projects with a total capacity of 183.4 MW / 428.6 MWh are in the development stage.

HPPs	CHPPs	SPPs	WPPs	Liepaja plants	TOTAL
1,560 MW	1,039 MW _{el} 1,617 MW _{th}	353 MW	145 MW	4 MW	3,101 MW _{el}
		336 MW	310 MW	181 MW _{th}	1,798 MW _{th}
					646 MW _{el}
TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
1,560 MW _{el}	1,039 MW _{el}	689 MW _{el}	455 MW _{el}	4 MW _{el}	3,747 MW _{el}

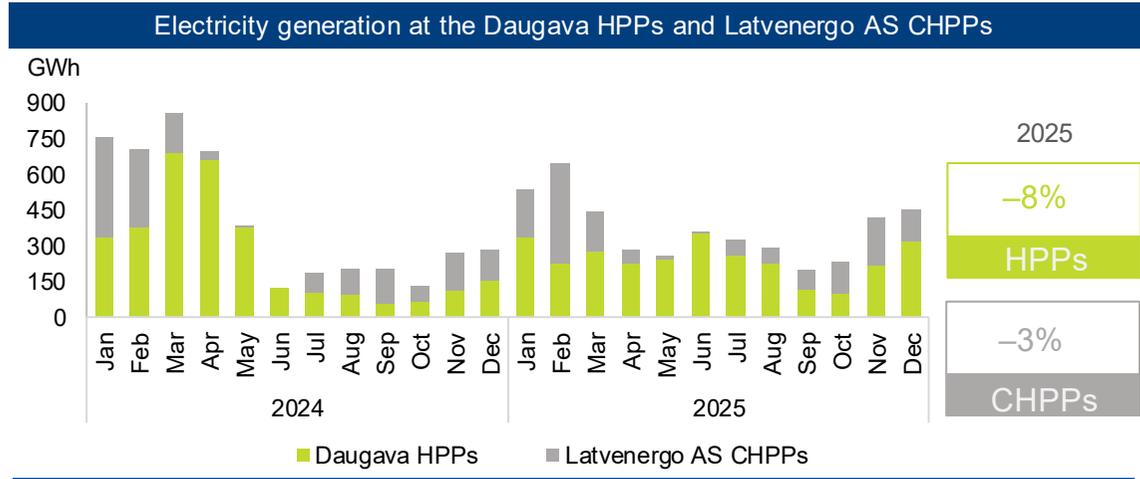
Generation and Trade



Latvenergo Group is one of the largest electricity producers in the Baltics. In 2025, Latvenergo Group produced 24% of the total electricity generated in the Baltics, and 66% of the electricity was generated from renewable energy sources (in 2024: 66%). The total amount generated by Latvenergo Group's power plants comprised 4,696 GWh of electricity and 1,554 GWh of thermal energy.

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

The winter of 2024/2025 was characterized by minimal snow and ice accumulation, leading to the absence of spring flooding. As a result, inflow in the Daugava River in 2025 was 5% below the long-term average. Electricity generation at the Daugava HPPs decreased by 8% compared to 2024, reaching 2,875 GWh. According to data from the Latvian Environment, Geology and Meteorology Centre, the average water inflow in the Daugava River in 2025 was 560 m³/s (in 2024 it was 628 m³/s).



The amount generated at the Latvenergo AS CHPPs decreased by 3%, reaching 1,587 GWh. The operation of the Latvenergo AS CHPPs is adjusted to the conditions of the electricity market and heat demand.

Generation from new solar and wind power capacities grew significantly. In 2025, it reached 209 GWh, which is almost five times more than a year earlier.

Due to lower demand, the amount of heat energy generation decreased to 1,554 GWh, which is 7% less than a year ago.

Generation and Trade



Trade

Latvenergo Group is one of the largest energy suppliers in the Baltics, offering its customers electricity and natural gas, as well as a wide range of related products and services, under the *Elektrum* brand.

The number of electricity customers increased by 2% and natural gas customers by 17%

In 2025, the Group supplied 7.7 TWh of electricity and natural gas to Baltic retail customers, which is 4% more than a year earlier.

The Group supplied 6,053 GWh of electricity to its customers in the Baltics, which is 1% less than a year earlier. In 2025, the electricity consumption in the Baltic states increased by 2% compared to 2024, reaching 28.1 TWh. In the reporting year, the total number of electricity customers increased by 2%, reflecting the company's strengthened position in strategically important household and small business segments. At the end of the reporting year, the number of electricity customers exceeded 914 thousand, including more than 306 thousand foreign customers.

45% of the total retail electricity was sold outside Latvia. The electricity trade volume in Latvia was 3.3 TWh, while in Lithuania it was 1.5 TWh and in Estonia it was 1.2 TWh.

The Group's natural gas retail sales in the Baltics increased by 35%, reaching 1,605 GWh. The volume of natural gas sold has increased despite a 5% decrease in overall natural gas consumption in the Baltics. The number of natural gas customers exceeded 76 thousand at the end of December, which is 17% more than a year earlier.

Development of other retail products and services in the Baltic states:

- The *Elektrum Drive* electric vehicle charging network in the Baltics had 1,339 charging ports at the end of December. By using the e-mobi network in Latvia and at LIDL charging stations in Lithuania and Estonia *Elektrum Drive* customers had access to a total of 1,590 charging ports in the Baltics. In 2025, more than 181 thousand electric vehicle charges were made, comprising 3,870 MWh, resulting in savings of more than 2,360 tonnes of CO₂ emissions.
- The *Elektrum Insured* customer portfolio in the Baltics comprised almost 174 thousand clients in total. The range of insurance services includes products such as protection against power supply disruptions and damage to electrical appliances (including emergency assistance from professional electricians, plumbers, carpenters, and locksmiths), insurance covering fire risks related to electrical installations and devices, and financial support for electricity and gas bill payments in the event of unforeseen circumstances (such as prolonged incapacity to work due to health issues or unemployment), and insurance for heating equipment.

Completed in 2025

6,053 GWh of electricity sold to Baltic retail customers.

1,605 GWh of natural gas sold to Baltic retail customers.

Elektrum Drive electric vehicle 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 comprised almost 174 thousand.



Distribution

Revenue **24%**
 EBITDA **34%**
 Assets **39%**
 Employees **50%**

Segment weight in Latvenergo Group

In 2025, due to a 3% increase in the volume of distributed electricity, the segment's revenue increased by EUR 10.7 million, reaching EUR 381.9 million. Meanwhile, the segment's EBITDA increased by 11% or EUR 14.1 million, reaching EUR 147.3 million.

At the end of the reporting year, the total generation capacity of microgenerators connected to the distribution system reached more than 210 MW, and the number of microgenerators connected to the distribution grid exceeded 24 thousand. In the reporting year, 484 new solar power plants were connected to the electricity distribution system. In total, about 1,550 solar power plants were connected to the electricity distribution system at the end of December, and their total generation capacity has reached about 710 MW. In the reporting year, about 600 GWh of electricity was produced from solar power and fed into the grid, accounting for about 10% of the total electricity distributed within the network, which is 1.5 times more than a year ago. In addition, in 2025, Sadales tīkls AS built 219 electric charging ports for its customers, with a total connected capacity of about 51 MW.

In the reporting year, the infrastructure of Sadales tīkls AS (excluding the impact of mass damage caused by storms and other forces of nature) experienced the historically lowest number of faults. SAIDI and SAIFI indicators improved significantly, mainly due to milder weather conditions compared to 2024. In addition to regular power line maintenance and power line corridor clearing, generators are used during planned maintenance outages to promote the quality and security of the energy supply.

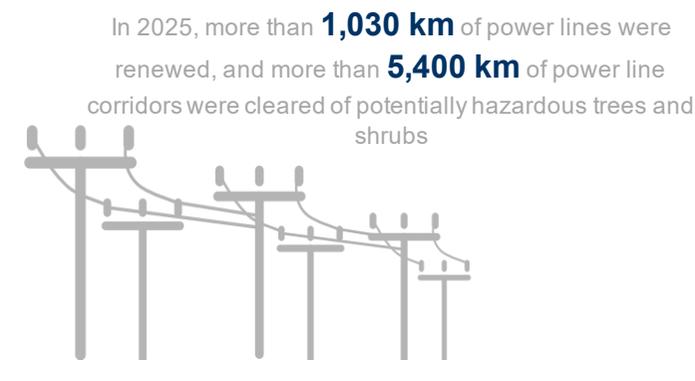
EU funding is being actively used for the development of the electricity grid. Sadales tīkls AS continues to

Operational figures		2025	2024	Δ	Δ, %
Electricity distributed	GWh	6,293	6,116	177	3%
Distribution losses*	GWh	246	237	9.2	4%
SAIF**	times	1.7	2.2	(0.5)	(23%)
SAIDI**	minutes	133	215	(82)	(38%)

Financial figures		2025	2024	Δ	Δ, %
Revenue	MEUR	381.9	371.3	10.7	3%
EBITDA	MEUR	147.3	133.2	14.1	11%
Assets	MEUR	1,913.6	1,841.6	72.0	4%
RAB	MEUR	1,584.3	1,582.7	1.5	0%
Capital expenditure	MEUR	172.2	122.3	49.8	41%

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

implement the EU Recovery Fund investment project "Modernization of the Electricity Distribution System" (funding – EUR 41.9 million, deadline – 31 July 2026). The project includes seven key modernization activities: installation of solar panels to compensate transformer losses, replacement of 1,510 transformers, construction and reconstruction of 75 km of medium-voltage lines, improvement of building energy efficiency, creation of connections for public charging stations and microgeneration, development of an electricity market data platform, and introduction of an advanced metering system. In parallel, the company is carrying out the REPowerEU project (funding – EUR 60 million, deadline – 30 June 2026), focused on increasing capacity by 70 MW through new and upgraded substations, installing 285 remotely controlled medium-voltage switches, replacing overhead lines with underground cables in strategic locations, and introducing a smart grid management solution.



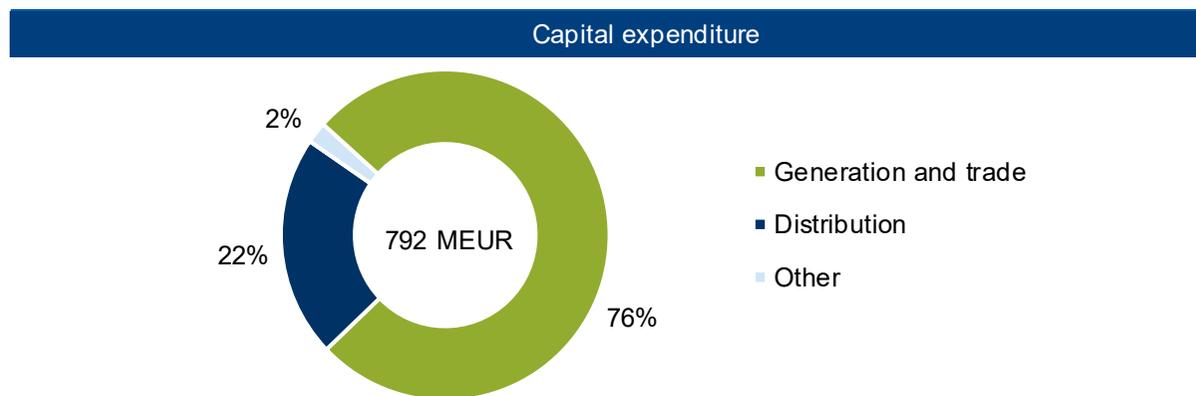
Investments

With the continued development of renewable energy generation capacities in the Baltics, the volume of investments by Latvenergo Group increased significantly. In 2025, the total amount of investment comprised EUR 792 million, which is 49% more than a year earlier. More than 2/3 of it or EUR 548 million was made in new wind and solar generation capacities.

Latvenergo Group purposefully develops renewable generation capacity in the Baltic region

In 2025, almost 1/2 of Latvenergo Group's total investments were made in wind generation capacities. In February 2025, the reconstruction of the Ainazi WPP, which was launched in 2024, was completed. As part of this project, two wind turbines with a total installed capacity of 1.2 MW were renewed. Meanwhile, in June, the Akmene WPP in Lithuania, with a total capacity of 19.6 MW, was commissioned. At the end of 2025, the Telšiai WPP (124 MW) in Lithuania began operations. Equipment assembly and installation for the wind power project Laflora Energy (109 MW) in Latvia continued. Laflora WPP will enable the start of wind energy generation in 2026. In November 2025, foundation work began on Latvia's largest wind park, Pienava Wind (147 MW), which will start wind power generation as early as in the first half of 2027. The construction costs of the wind park are expected to be approximately EUR 215 million.

1/5 of Latvenergo Group's total investments were made in solar park projects. In 2025, construction work continued on the solar park project DSE Aizpute Solar (265 MW), which is expected to be completed in 2026.



In total, during the reporting year, 3 solar parks in Latvia with a total capacity of 37.4 MW and 5 solar parks in Lithuania with a total capacity of 213.2 MW began operations. At the end of December, Latvenergo Group already had 22 solar parks with an installed capacity of 353 MW.

At the end of December, the Group had solar and wind parks with a total capacity of 646 MW under construction. As a result, the total approved portfolio of new renewable energy projects comprised 1,144 MW. Solar and wind parks are expected to be commissioned gradually from 2026–2027.

In the reporting year, two BESS projects with a total capacity of 10.6 MW / 21.9 MWh were built. Meanwhile six BESS projects with a total capacity of 183.4 MW / 428.6 MWh are in the development stage. Demonstrating its strategic commitment to leading renewable energy in the Baltics, the Group plans to invest in storage technologies and install at least 250 MW / 500 MWh by 2030.

Also, reconstruction work on Plavinas HPP continued. The procurement process for the reconstruction of the Kegums HPP hydro units is ongoing.

In the reporting year, investments in distribution reached EUR 172 million, which is about 1/5 of the Group's total investments. About 25% of the distribution segment's funds are invested in the construction and reconstruction of power lines and transformers, thereby ensuring high-quality network services, technical performance, and operational safety. EU funding is also being attracted for the modernization of the electricity distribution system within the framework of the Recovery and Resilience Facility, implementing two projects with total funding of nearly EUR 102 million during the period from 2023 to 2026. The purpose of investments in the distribution segment is to increase the reliability and resilience of the electricity distribution network, reduce the frequency and duration of planned and unplanned power outages, improve voltage quality, and at the same time strengthen the network's readiness for growing demand and the integration of renewable energy sources.

Funding and Liquidity

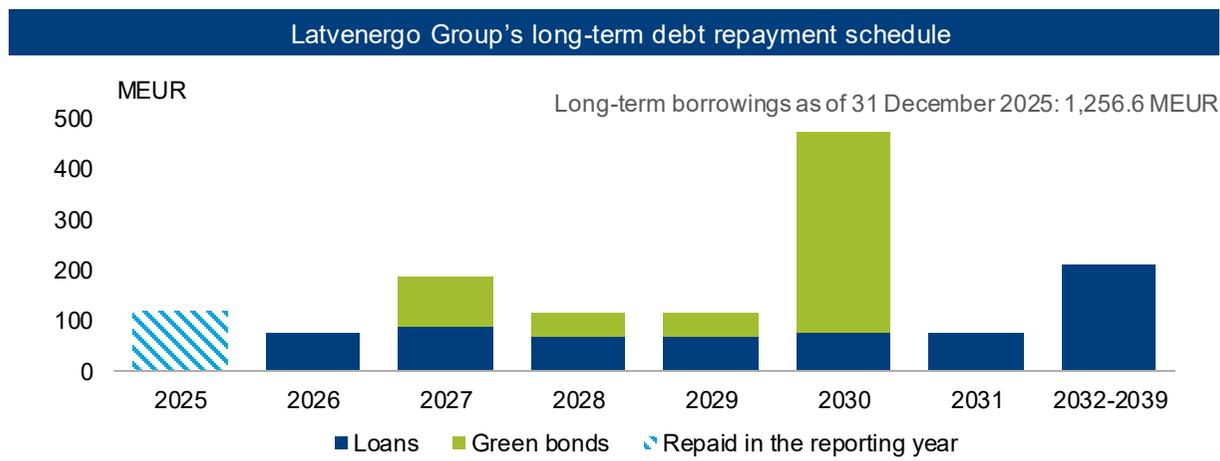
Latvenergo Group finances its investments from its own resources and external long-term borrowings, which are regularly sourced in financial and capital markets in a timely manner.

Planning the sourcing of borrowings in a timely manner is also crucial in order to ensure loan refinancing risk management and debt repayment in due time.

In the reporting year, Latvenergo AS secured a loan of EUR 200 million from the European Investment Bank with a repayment term of 15 years and signed short-term loan agreements totalling EUR 300 million with Swedbank AS, OP Corporate Bank plc Latvia branch, and AB SEB Bank.

On 30 October 2025, the Management Board of Latvenergo AS approved the base prospectus for the company's EMTN programme (the "Programme") with a total volume of EUR 1,000,000,000. As part of the Programme, on 13 November, Latvenergo AS carried out its first European green bond issue in the amount of EUR 400 million with a fixed interest rate of 3.612% and a maturity date of 13 November 2030. The issued bonds have been assigned a Baa2 rating by Moody's. The proceeds from the bond issuance are / will be allocated to eligible green projects in accordance with the European green bond fact sheet.

As of 31 December 2025, the Group's borrowings amount to EUR 1,270.4 million (31 December 2024: EUR 743.4 million) of which EUR 1,256.6 million are long-term loans (31 December 2024: EUR 743.4 million). The long-term loan portfolio includes loans from commercial banks and international financial institutions, as well as green bonds in the amount of EUR 600 million.



External funding sources are purposefully diversified in the long run, thus creating a balance between lender categories in the total loan portfolio.

As of 31 December 2025, all borrowings are denominated in euro currency. The weighted average long-term loan repayment period is 4.9 years (31 December 2024: 3.8 years). The effective weighted average interest rate (with interest rate swaps) is 3.0% (31 December 2024: 3.3%). Also, sufficient coverage of debt service requirements has been ensured.

In the reporting year, all the binding financial covenants set in Latvenergo Group's loan agreements were met.

In February 2025, for the fourth time, Latvenergo AS won the award for the best investor relations among all bond issuers on the Nasdaq Baltic regulated markets in the Baltic countries. Since 2012, the bonds have been issued with consistently high investor valuations.

On 31 October 2025, the international credit rating agency Moody's reaffirmed the Latvenergo AS credit rating at Baa2 with a stable outlook. The credit rating Baa2 for Latvenergo AS has been stable since 2015, confirming the consistency of operations and financial soundness of Latvenergo Group.

Financial Risk Management

The activities of Latvenergo Group are exposed to a variety of financial risks: market risks, credit risk, and liquidity and cash flow risk. Latvenergo Group's Financial Risk Management Policy focuses on mitigating the potential adverse effects from such risks on financial performance. In the framework of financial risk management, Latvenergo Group uses various financial risk controls and hedging to reduce certain risk exposures.

a) Market risks

I) Price risk

Price risk might negatively affect the financial results of the Group due to falling revenue from generation and a mismatch between floating market prices and fixed retail prices.

The main sources of Latvenergo Group's exposure to price risk are the floating market prices of electricity on the Nord Pool power exchange in Baltic bidding areas and the fuel price for CHPPs. The financial results of the Group may be negatively affected by the volatility of the electricity market price, which depends on the weather conditions in the Nordic countries, global prices of resources, and the influence of local factors (water availability and ambient air temperature) on electricity generation opportunities. Due to supply-demand factors and seasonal fluctuations, natural gas price volatility may have a negative effect on the difference between fixed retail electricity prices in contracts with customers and variable generation costs at CHPPs.

In order to hedge the price risk, the Group enters into long-term fixed price customer contracts, uses electricity financial derivatives and enters into fixed price contracts for natural gas supply. The impact of price risk on generation is hedged gradually – 69% of projected electricity output is sold prior to the

upcoming year. Further hedging of risk is limited by the seasonal generation pattern of the Daugava HPPs. The price fixing level reached 89% of the annual generation volume by the end of 2025.

II) Interest rate risk

Latvenergo Group's interest rate risk mainly arises from long-term borrowings at variable rates. They expose the Group to the risk that finance costs might increase significantly when the reference rate surges. Most of the borrowings from financial institutions have a variable interest rate, comprising 6-month EURIBOR and a margin. The Group's Financial Risk Management Policy stipulates maintaining at least 35% of its borrowings as fixed interest rate borrowings (taking into account the effect of interest rate swaps and issued bonds) with a duration of 1–4 years. Taking into account the effect of interest rate swaps and bonds with a fixed interest rate, 53% of the long-term borrowings had a fixed interest rate with an average period of 2.2 years as of 31 December 2025.

III) Currency risk

Foreign currency exchange risk arises when future transactions or recognised assets or liabilities are denominated in a currency other than the functional currency.

As of 31 December 2025, all borrowings of Latvenergo Group are denominated in euros, and during the reporting year, there was no substantial exposure to foreign currency risk as regards the Group's investments.

To manage the Group's foreign currency exchange risk, the Financial Risk Management Policy envisages use of foreign exchange forward contracts. In the reporting year, the Group and Latvenergo AS did not have foreign currency exchange forward contracts.

Financial Risk Management

b) Credit risk

Credit risk is managed at the Latvenergo Group level. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks, and receivables. Credit risk exposure of receivables is limited due to the large number of Group customers as there is no significant concentration of credit risk with any single counterparty or group of counterparties with similar characteristics.

Credit risk related to cash and short-term deposits with banks is managed by balancing the placement of financial assets in order to simultaneously choose the best offers and reduce the probability of incurrance of loss. No credit limits were exceeded during the reporting year, and the Group's management does not expect any losses due to the occurrence of credit risk.

c) Liquidity risk and cash flow risk

Latvenergo Group's liquidity and cash flow risk management policy is to maintain a sufficient amount of cash and cash equivalents and the availability of long and short-term funding through an adequate amount of committed credit facilities in order to meet existing and expected commitments and compensate for fluctuations in cash flows due to the occurrence of a variety of financial risks. On 31 December 2025, Latvenergo Group's liquid assets (cash and short-term deposits up to 3 months) reached EUR 117.8 million (31 December 2024: EUR 86.6 million), while the current ratio was 1.7 (1.6).

The Group plans to use its funds in the amount of EUR 117.8 million for repayment of the existing loan principal, dividend payout and financing investments and operating expenses.

The Group continuously monitors cash flow and liquidity forecasts, evaluating the total volume of undrawn borrowing facilities and cash and cash equivalents.

Latvenergo AS Key Performance Indicators

Latvenergo AS operational figures

		2025	2024	2023
Electricity supply	GWh	5,072	5,714	6,090
<i>Retail</i> ²⁾	<i>GWh</i>	3,320	3,561	3,830
<i>Wholesale</i> ³⁾	<i>GWh</i>	1,752	2,153	2,261
Natural gas supply	GWh	2,689	2,324	1,435
<i>Retail</i>	<i>GWh</i>	1,011	955	777
<i>Wholesale</i>	<i>GWh</i>	1,678	1,369	658
Electricity generation	GWh	4,512	4,790	5,115
Thermal energy generation	GWh	1,310	1,423	1,457
Number of employees		1,371	1,430	1,414
Moody's credit rating		Baa2 (stable)	Baa2 (stable)	Baa2 (stable)

Latvenergo AS financial figures

		2025	2024	2023
Revenue	MEUR	949.8	1,057.0	1,397.2
EBITDA ¹⁾	MEUR	274.0	441.7	473.3
Profit for the year	MEUR	190.0	265.6	331.6
Assets	MEUR	4,189.4	3,734.3	3,520.3
Equity	MEUR	2,658.2	2,643.6	2,608.0
Net debt (adjusted) ¹⁾	MEUR	1,166.0	701.7	511.0
Capital expenditure	MEUR	53.4	66.2	64.5

Latvenergo AS financial ratios

	2025	2024	2023
Return on equity (ROE) ¹⁾	7.2%	10.1%	14.3%
Net debt / equity (adjusted) ¹⁾	44%	27%	20%
EBITDA margin ¹⁾	29%	42%	34%

1) Formulas are available on page 28

2) Including operating consumption

3) Including sale of energy purchased within the mandatory procurement on the Nord Pool

Statement of Management Responsibility

Based on the information available to the Management Board of Latvenergo AS, the *Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Financial Statements for 2025*, including the Management Report, have been prepared in accordance with the IFRS Accounting Standards and in all material respect present a true and fair view of the assets, liabilities, financial position and profit and loss of Latvenergo Group and Latvenergo AS. Information provided in the Management Report is accurate.

The *Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Financial Statements for 2025* were approved by the Management Board of Latvenergo AS on 24 February 2026 and have been signed by Member of the Management Board Guntars Baļčūns as authorized person.

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

Guntars Baļčūns

Member of the Management Board

24 February 2026

Formulas

In order to ensure an objective and comparable presentation of the financial results. Latvenergo Group and Latvenergo AS use various financial figures and ratios that are derived from the financial statements.

Based on the most commonly used financial figures and ratios in the industry. the Latvenergo Group Strategy for 2022-2026. and the binding financial covenants set in the Group's loan agreements. Latvenergo Group has set and therefore uses the following financial figures and ratios:

- Profitability measures: EBITDA; EBITDA margin; return on assets (ROA); return on equity (ROE); ROE excluding distribution; return on capital employed (ROCE);
- Financial leverage measures: net debt; equity-to-asset ratio; net debt / EBITDA; net debt / equity; debt service coverage ratio; Adjusted Funds from operations (FFO) / Net debt;
- Liquidity measure: current ratio;
- Dividend policy measure: dividend pay-out ratio.

The financial ratios binding on loan agreements are: equity-to-asset ratio. net debt / EBITDA and debt service coverage ratio. Other ratios and financial figures. including net debt / EBITDA are the most commonly used ones in the industry.

The definitions and components of the financial figures and ratios are described below.

These financial figures and ratios have not changed compared to the financial statements for 2024.

Net debt = borrowings at the end of the period - cash and cash equivalents at the end of the period

Adjusted Funds from operations (FFO) =
funds from operations (FFO) – compensation from the state-on-state support for the installed capacity of CHPPs

Adjusted Funds from operations (FFO) / Net debt =
$$\frac{\text{adjusted FFO (12-month rolling)}}{(\text{net debt at the beginning of the 12-month period} + \text{net debt at the end of the 12-month period})/2} \times 100\%$$

Net debt/ EBITDA =
$$\frac{(\text{net debt at the beginning of the 12-month period} + \text{net debt at the end of the 12-month period}) \times 0.5}{\text{EBITDA (12-month rolling)}}$$

EBITDA margin =
$$\frac{\text{EBITDA (12-month rolling)}}{\text{revenue (12-month rolling)}} \times 100\%$$

Net debt/equity =
$$\frac{\text{net debt at the end of the reporting period}}{\text{equity at the end of the reporting period}} \times 100\%$$

Return on assets =
$$\frac{\text{net profit (12-month rolling)}}{(\text{assets at the beginning of the 12-month period} + \text{assets at the end of the 12-month period})/2} \times 100\%$$

Return on equity =
$$\frac{\text{net profit (12-month rolling)}}{(\text{equity at the beginning of the 12-month period} + \text{equity at the end of the 12-month period})/2} \times 100\%$$

Return on equity excluding distribution =
$$\frac{(\text{Group's profit} - \text{Sadales tīkls AS profit (12-month rolling)}) / ((\text{Group's equity} - \text{Sadales tīkls AS equity (at the beginning of the 12-month period)} + \text{Group's equity} - \text{Sadales tīkls AS equity (at the end of the 12-month period)}) / 2)}{\text{operating profit of the 12-month period}} \times 100\%$$

Return on capital employed =
$$\frac{\text{operating profit of the 12-month period}}{\text{average value of equity} + \text{average value of borrowings (without LET)}} \times 100\%$$

Average value of borrowings =
$$\frac{\text{borrowings from FI at the beginning of the 12-month period} + \text{borrowings from FI at the end of the 12-month period}}{2}$$

Debt service coverage ratio =
$$\frac{\text{net income +/- extraordinary items} + \text{depreciation} + \text{interest expense}}{\text{principal payments} + \text{interest payments}}$$

Current ratio =
$$\frac{\text{current assets at the end of the reporting period}}{\text{current liabilities at the end of the reporting period}}$$

Dividend payout ratio =
$$\frac{\text{dividends paid in the reporting period}}{\text{profit of the parent company in the previous reporting year}} \times 100\%$$

List of Abbreviations

bbl –	barrel of oil (158.99 litres)
BESS –	Battery energy storage system
CHPPs –	Latvenergo AS combined heat and power plants
CM –	Cabinet of Ministers
CO ₂ –	Carbon dioxide
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
GW –	gigawatt
kV –	kilovolt
LET –	Latvijas elektriskie tīkli AS
LNG –	liquid natural gas
MEUR –	million euros
MW –	megawatt
MWh –	megawatt hour (1.000.000 MWh = 1.000 GWh = 1 TWh)
nm ³ –	normal cubic meter
PUC –	Public Utilities Commission
RAB –	Regulated asset base
RES –	Renewable energy sources
SAIDI –	System Average Interruption Duration Index
SAIFI –	System Average Interruption Frequency Index
SDG –	Sustainable Development Goals
SPP –	Solar power plant
TTF –	the Dutch natural gas virtual trading point
WACC –	Weighted average cost of capital
WPP –	Wind power plant

Unaudited Condensed Financial Statements

Statement of Profit or Loss

EUR'000

	Notes	Group		Parent Company	
		2025	2024	2025	2024
Revenue	4	1,566,107	1,703,588	949,824	1,057,016
Other income		32,158	31,413	27,110	27,618
Raw materials and consumables	5	(930,509)	(921,528)	(583,623)	(525,665)
Personnel expenses		(155,719)	(154,874)	(71,687)	(71,148)
Other operating expenses		(72,297)	(70,231)	(47,576)	(46,127)
EBITDA*		439,740	588,368	274,048	441,694
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right-of-use assets	7,8	(183,249)	(250,812)	(83,495)	(159,138)
Operating profit		256,491	337,556	190,553	282,556
Finance income	6 a	6,362	13,993	35,390	34,994
Finance costs	6 b	(15,013)	(22,020)	(26,856)	(22,762)
Dividends from subsidiaries		–	–	29,936	19,069
Profit before tax		247,840	329,529	229,023	313,857
Income tax		(49,377)	(55,878)	(38,992)	(48,282)
Profit for the year		198,463	273,651	190,031	265,575
Profit attributable to:					
– Equity holder of the Parent Company		197,160	272,081	190,031	265,575
– Non-controlling interests		1,303	1,570	–	–

* See the definition of this Alternative Performance Measure in Note 2

Statement of Comprehensive Income

EUR'000

	Notes	Group		Parent Company	
		2025	2024	2025	2024
Profit for the year		198,463	273,651	190,031	265,575
Other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods, net of tax:					
– gains / (losses) from change in hedge reserve	13	10,662	(19,645)	10,662	(19,645)
Net other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods		10,662	(19,645)	10,662	(19,645)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of tax:					
– gains on revaluation of non-current assets		3,017	–	–	–
– (losses) / gains on remeasurement on defined benefit plan		(370)	4,520	(180)	1,882
Net other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods		2,647	4,520	(180)	1,882
Other comprehensive income / (loss) for the year		13,309	(15,125)	10,482	(17,763)
TOTAL comprehensive income for the year		211,772	258,526	200,513	247,812
Attributable to:					
– Equity holder of the Parent Company		210,469	256,956	200,513	247,812
– Non-controlling interests		1,303	1,570	–	–

Statement of Financial Position

EUR'000

	Notes	Group		Parent Company	
		31/12/2025	31/12/2024	31/12/2025	31/12/2024
ASSETS					
Non-current assets					
Intangible assets	7 a	124,816	105,566	23,831	22,514
Property, plant and equipment	7 c	4,106,453	3,523,090	1,377,389	1,412,707
Right-of-use assets	8	44,104	31,910	2,843	3,514
Investment property	7 d	2,331	2,098	2,263	2,049
Non-current financial investments	9	40	82	993,406	857,359
Non-current loans to related parties	19 e	–	22,244	1,006,846	632,564
Other non-current receivables	11 c	1,840	540	1,796	470
Deferred income tax assets		2,097	1,857	–	–
Derivative financial instruments	15	1,688	2,124	1,688	2,124
Total non-current assets		4,283,369	3,689,511	3,410,062	2,933,301
Current assets					
Inventories	10	163,960	169,562	139,201	140,078
Current intangible assets	7 b	51,668	54,616	51,668	54,616
Receivables from contracts with customers	11 a	169,878	190,108	116,715	128,660
Other current receivables	11 b, c	14,317	32,928	40,403	35,239
Deferred expenses		3,184	3,196	2,393	2,720
Current loans to related parties	19 e	–	–	172,523	165,108
Prepayment for income tax		1,736	491	–	–
Derivative financial instruments	15	11,818	1,298	11,818	1,298
Other current financial investments	12	149,915	209,842	149,915	209,842
Cash and cash equivalents	12	117,755	86,554	94,699	63,483
Total current assets		684,231	748,595	779,335	801,044
TOTAL ASSETS		4,967,600	4,438,106	4,189,397	3,734,345
EQUITY AND LIABILITIES					
EQUITY					
Share capital		1,076,324	790,368	1,076,324	790,368
Reserves		1,664,563	1,660,068	1,311,816	1,301,728
Retained earnings		283,443	549,328	270,097	551,531
Equity attributable to equity holder of the Parent Company		3,024,330	2,999,764	2,658,237	2,643,627
Non-controlling interests		6,852	7,162	–	–
Total equity		3,031,182	3,006,926	2,658,237	2,643,627
LIABILITIES					
Non-current liabilities					
Borrowings	14	1,179,715	615,280	1,171,807	608,119
Lease liabilities	8	43,514	29,828	2,285	2,417
Deferred income tax liabilities		10,254	8,003	–	–
Provisions		20,385	17,113	11,219	8,981
Deferred income from contracts with customers and advances received	18 I, a	156,641	150,842	534	601
Other deferred income	18 I, b, c	123,085	112,408	47,909	72,203
Other non-current liabilities		2,790	21,592	2,750	21,489
Total non-current liabilities		1,536,384	955,066	1,236,504	713,810
Current liabilities					
Borrowings	14	90,727	128,125	88,900	157,041
Lease liabilities	8	2,944	2,723	658	1,207
Trade and other payables	17	171,690	210,487	111,661	127,596
Deferred income from contracts with customers and advances received	18 II, a	47,274	48,700	8,718	5,933
Other deferred income	18 II, b, c	27,142	25,104	25,080	24,156
Provisions		51,790	48,010	51,172	48,010
Derivative financial instruments	15	8,467	12,965	8,467	12,965
Total current liabilities		400,034	476,114	294,656	376,908
Total liabilities		1,936,418	1,431,180	1,531,160	1,090,718
TOTAL EQUITY AND LIABILITIES		4,967,600	4,438,106	4,189,397	3,734,345

Statement of Changes in Equity

EUR'000

	Group						Parent Company			
	Attributable to equity holder of the Parent Company				Non-controlling interests	TOTAL	Attributable to equity holder of the Parent Company			TOTAL
	Share capital	Reserves	Retained earnings	Total			Share capital	Reserves	Retained earnings	
As of 31 December 2023	790,368	1,681,852	483,016	2,955,236	7,844	2,963,080	790,368	1,320,419	497,227	2,608,014
Acquisition of non-controlling interests	–	–	(229)	(229)	(173)	(402)	–	–	–	–
Dividends for 2023	–	–	(212,199)	(212,199)	(2,079)	(214,278)	–	–	(212,199)	(212,199)
Disposal of non-current assets revaluation reserve	–	(10,754)	10,754	–	–	–	–	(928)	928	–
Formed other reserves	–	4,095	(4,095)	–	–	–	–	–	–	–
Total transactions with owners and other changes in equity	–	(6,659)	(205,769)	(212,428)	(2,252)	(214,680)	–	(928)	(211,271)	(212,199)
Profit for the year	–	–	272,081	272,081	1,570	273,651	–	–	265,575	265,575
Other comprehensive loss for the year	–	(15,125)	–	(15,125)	–	(15,125)	–	(17,763)	–	(17,763)
Total comprehensive (loss) / income for the year	–	(15,125)	272,081	256,956	1,570	258,526	–	(17,763)	265,575	247,812
As of 31 December 2024	790,368	1,660,068	549,328	2,999,764	7,162	3,006,926	790,368	1,301,728	551,531	2,643,627
Increase of share capital	285,956	–	(285,956)	–	–	–	285,956	–	(285,956)	–
Dividends for 2024	–	–	(185,903)	(185,903)	(1,613)	(187,516)	–	–	(185,903)	(185,903)
Disposal of non-current assets revaluation reserve	–	(8,814)	8,814	–	–	–	–	(394)	394	–
Total transactions with owners and other changes in equity	285,956	(8,814)	(463,045)	(185,903)	(1,613)	(187,516)	285,956	(394)	(471,465)	(185,903)
Profit for the year	–	–	197,160	197,160	1,303	198,463	–	–	190,031	190,031
Other comprehensive income for the year	–	13,309	–	13,309	–	13,309	–	10,482	–	10,482
Total comprehensive income for the year	–	13,309	197,160	210,469	1,303	211,772	–	10,482	190,031	200,513
As of 31 December 2025	1,076,324	1,664,563	283,443	3,024,330	6,852	3,031,182	1,076,324	1,311,816	270,097	2,658,237

Statement of Cash Flows

EUR'000

	Notes	Group		Parent Company	
		2025	2024	2025	2024
Cash flows from operating activities					
Profit before tax		247,840	329,529	229,023	313,857
Adjustments:					
– Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right-of-use assets		183,249	250,812	83,495	159,138
– Loss / (income) from disposal of non-current assets		10,808	7,044	4,438	(964)
– Interest expense		14,312	21,789	26,168	22,509
– Interest income		(4,837)	(10,909)	(34,060)	(31,910)
– Fair value (gain) / loss on derivative financial instruments		(3,920)	1,068	(3,920)	1,068
– Dividends from subsidiaries		–	–	(29,936)	(19,069)
– Increase in provisions		6,681	5,141	5,219	4,045
– Share of profit of an associate and a joint venture		(196)	(41)	–	–
– Other finance costs		7	48	6	45
Interest paid		(32,555)	(24,805)	(25,702)	(24,291)
Interest paid on leases		(906)	(404)	(46)	(29)
Interest received		5,422	10,327	6,070	9,570
Paid corporate income tax		(48,229)	(56,544)	(38,992)	(48,282)
Funds from operations (FFO)*		377,676	533,055	221,763	385,687
Decrease in inventories and current intangible assets		8,725	31,737	3,824	20,662
Decrease in receivables from contracts with customers and other receivables		36,615	52,416	63,446	85,033
Decrease / (increase) in other current financial investments	12	60,000	(70,000)	60,000	(70,000)
Decrease in trade and other liabilities		(89,174)	(6,566)	(60,183)	(10,012)
Impact of non-cash offsetting of operating receivables and liabilities from subsidiaries, net		–	–	87,888	9,957
Net cash flows generated from operating activities		393,842	540,642	376,738	421,327
Cash flows from investing activities					
Loans issued to related parties	19	(7,737)	(21,399)	(508,187)	(152,368)
Repayment of loans to related parties	19	–	–	7,337	–
Purchase of intangible assets and PPE		(729,728)	(472,101)	(53,095)	(59,446)
Dividends received from subsidiaries		–	–	1,680	2,164
Investments in subsidiaries		–	(1,354)	(132,547)	(160,151)
Net cash flows (used in) investing activities		(737,465)	(494,854)	(684,812)	(369,801)
Cash flows from financing activities					
Proceeds on issued debt securities (bonds)		400,000	–	400,000	–
Proceeds on borrowings from financial institutions		246,372	200,030	243,872	200,030
Repayment of borrowings from financial institutions	14	(121,087)	(86,625)	(119,013)	(84,491)
Received financing from European Union	14	39,405	25,577	1,330	2,778
Provided financing from European Union to subsidiary as cooperation partner, net		–	–	(205)	(672)
Lease payments		(2,350)	(1,994)	(791)	(652)
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)	(185,903)	(212,199)
Net cash flows generated from / (used in) financing activities		374,824	(77,690)	339,290	(95,206)
Net increase / (decrease) in cash and cash equivalents		31,201	(31,902)	31,216	(43,680)
Cash and cash equivalents at the beginning of the year	12	86,554	118,456	63,483	107,163
Cash and cash equivalents at the end of the year	12	117,755	86,554	94,699	63,483

* See the definition of this Alternative Performance Measure in Note 2

Notes to the Financial Statements

1. Corporate information

All shares of public limited company Latvenergo, parent company of Latvenergo Group (hereinafter – Latvenergo AS or the Parent Company) are owned by the Republic of Latvia and are held by the Ministry of Economics of the Republic of Latvia. The registered address of the Parent Company is 12 Pulkveža Brieža Street, Riga, Latvia, LV–1230. According to the Energy Law of the Republic of Latvia, Latvenergo AS is designated as a national economy object of State importance.

Latvenergo AS is power supply utility engaged in electricity and thermal energy generation, as well as sales of electricity and natural gas. Latvenergo AS is one of the largest corporate entities in the Baltics.

Latvenergo AS heads the Latvenergo Group (hereinafter – the Group) that includes the subsidiaries, shareholding in subsidiaries, associates and other non-current financial investments are disclosed in Note 9.

The Management Board of Latvenergo AS:
Since 26 January 2024 the Management Board of Latvenergo AS was comprised of the following members: Mārtiņš Čakste (Chairman of the Management Board), Dmitrijs Juskovecs, Guntars Baļčūns, Harijs Teteris and Ilvija Boreiko.

The Supervisory Board of Latvenergo AS:
Since 9 April 2025 the Supervisory Board of Latvenergo AS was comprised of the following members: Aigars Laizāns (re-elected as Chairman on 25 April 2025), Kaspars Rokens (re-elected as Deputy Chairman on 25 April 2025), Toms Siliņš, Gundars Ruža and Rodžers Jānis Grigulis.

Since 1 March 2024 till 8 April 2025 the Supervisory Board of Latvenergo AS was comprised of the following members: Aigars Laizāns (Chairman since 8 March 2024), Kaspars Rokens (Deputy Chairman), Toms Siliņš and Gundars Ruža.

The Audit Committee of Latvenergo AS:
Since 3 February 2021 and re-elected for a term of three years from 3 February 2024, Audit Committee was comprised of the following members: Svens Dinsdorfs, Torben Pedersen, Ilvija Grūba, Toms Siliņš and Gundars Ruža.

The Latvenergo Group's and Latvenergo AS auditor is the certified audit company Ernst & Young Baltic SIA (40003593454) (licence No. 17) and certified auditor in charge is Diāna Krišjāne, certificate No. 124.

Latvenergo Group Consolidated and Latvenergo AS Annual Report 2024 has been approved on 23 May 2025 by the Latvenergo AS Shareholder's meeting (see on Latvenergo AS web page section "Investors":
<http://www.latvenergo.lv/eng/investors/reports/>).

Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Financial Statements for 2025 include the financial information in respect of the Latvenergo Group and Latvenergo AS for the year starting on 1 January 2025 and ending on 31 December 2025 and comparative information for the year starting on 1 January 2024 and ending on 31 December 2024.

Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Financial Statements for 2025 were authorised by the Latvenergo AS Management Board on 24 February 2026.

2. Significant accounting policies

These Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Financial Statements are prepared in accordance with the International Financial Reporting Standards Accounting Standards as adopted for use in the European Union (IFRS) and principal accounting policies applied to these financial statements were identical to those used in the Latvenergo Group Consolidated and Latvenergo AS Financial Statements of 2024. These policies have been consistently applied to all reporting periods presented in financial statements, unless otherwise stated. Where it is necessary, comparatives are reclassified.

Latvenergo Group Consolidated and Latvenergo AS Unaudited Condensed Financial Statements are prepared under the historical cost convention, except for some financial assets and liabilities (including derivative financial instruments and non-current financial investments) measured at fair value and certain property, plant and equipment carried at revalued amounts as disclosed in accounting policies presented in Latvenergo Group Consolidated and Latvenergo AS Annual Report 2024.

Unaudited Condensed Financial Statements had been prepared in euros (EUR) currency and all amounts except non-monetary items shown in these Financial Statements are presented in thousands of EUR (EUR'000). All figures, unless stated otherwise are rounded to the nearest thousand.

3. Operating segment information

Operating segments of the Group and the Parent Company

For segment reporting purposes, the division into operating segments is based on internal management structure, which is the basis for the reporting system, performance assessment and the allocation of resources by the operating segment decision maker – management of the Group's company operating in each of segments. The Management Board of the Parent Company reviews financial results of operating segments.

The profit measure monitored by the chief operating decision maker primarily is EBITDA, but it also monitors operating profit. In separate financial statements operating profit excludes the dividend income and interest income from subsidiaries. The subsidiaries operate independently from the Parent Company under the requirements of EU and Latvian legislation and their businesses are different from that of the Parent Company. Therefore, the Parent Company's chief operating decision maker monitors the performance of the Parent Company and makes decisions regarding allocation of resources based on the operating results of the Parent Company.

Certain monetary amounts, percentages and other figures are subject to rounding adjustments. On occasion, therefore, amounts shown in tables may not be the arithmetic accumulation of the figures that precede them, and figures expressed as percentages in the text and in tables may not total 100 percent.

Definitions of Alternative Performance Measures

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) – operating profit before depreciation, amortisation and impairment of intangible assets, property, plant, and equipment and right-of-use assets.

Funds from operations (FFO) = Net cash flows from operating activities – changes in inventories and current intangible assets – changes in receivables from contracts with customers and other receivables – changes in other current financial investments – changes in trade and other liabilities – Impact of non-cash offsetting of operating receivables and liabilities from subsidiaries, net.

Capital expenditure – additions of property, plant and equipment, intangible assets and investment properties, including assets from the acquisition of subsidiaries.

The Group divides its operations into two main operating segments – generation and trade, and distribution. The Parent Company divides its operations into one main operating segment – generation and trade.

In addition, corporate functions, that cover administration and other support services, are presented in the Group and the Parent Company as separate segment.

Generation and trade comprises the Group's electricity and thermal energy generation operations, electricity and natural gas trade (including wholesale), development of renewable energy generations, as well as administration of the mandatory procurement process provided by Enerģijas publiskais tirgotājs SIA.

Distribution segment provides electricity distribution services in Latvia and is managed by the subsidiary Sadales tīkls AS (the largest distribution system operator in Latvia).

Corporate functions provide management services to subsidiaries as well as provides IT and telecommunication, rental services to external customers.

The following table presents revenue, financial results and profit information and segment assets and liabilities of the Group's and the Parent Company's operating segments. Inter-segment revenue is eliminated on consolidation and reflected in the 'adjustments and eliminations' column. All transactions between segments are made based on the regulated tariffs, where applicable, or on an arm's length principle.

EUR'000

	Group						Parent Company				
	Generation and trade	Distribution	Corporate functions	TOTAL segments	Adjustments and eliminations	TOTAL Group	Generation and trade	Corporate functions	TOTAL segments	Adjustments and eliminations	TOTAL Parent Company
2025											
Revenue											
External customers	1,176,661	380,781	8,665	1,566,107	–	1,566,107	908,556	41,268	949,824	–	949,824
Inter-segment	28,599	1,156	70,555	100,310	(100,310)	–	100	37,965	38,065	(38,065)	–
TOTAL revenue	1,205,260	381,937	79,220	1,666,417	(100,310)	1,566,107	908,656	79,233	987,889	(38,065)	949,824
Results											
EBITDA*	277,708	147,285	14,747	439,740	–	439,740	258,641	15,407	274,048	–	274,048
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment and right-of-use assets	(79,498)	(89,801)	(13,950)	(183,249)	–	(183,249)	(69,433)	(14,062)	(83,495)	–	(83,495)
Segment profit before tax	198,210	57,484	797	256,491	(8,651)	247,840	189,208	1,345	190,553	38,470	229,023
Capital expenditure*	602,116	172,179	16,407	790,702	1,479	792,181	36,959	16,407	53,366	–	53,366
2024											
Revenue											
External customers	1,325,469	370,049	8,070	1,703,588	–	1,703,588	1,018,649	38,367	1,057,016	–	1,057,016
Inter-segment	43,224	1,211	66,813	111,248	(111,248)	–	–	40,692	40,692	(40,692)	–
TOTAL revenue	1,368,693	371,260	74,883	1,814,836	(111,248)	1,703,588	1,018,649	79,059	1,097,708	(40,692)	1,057,016
Results											
EBITDA*	443,768	133,157	11,443	588,368	–	588,368	423,433	18,261	441,694	–	441,694
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment and right-of-use assets	(152,302)	(84,691)	(13,819)	(250,812)	–	(250,812)	(145,177)	(13,961)	(159,138)	–	(159,138)
Segment profit / (loss) before tax	291,466	48,466	(2,376)	337,556	(8,027)	329,529	278,256	4,300	282,556	31,301	313,857
Capital expenditure*	394,978	122,334	13,200	530,512	(321)	530,191	53,039	13,200	66,239	–	66,239

* See the definition of this Alternative Performance Measure in Note 2

Segment assets

EUR'000

	Group						Parent Company				
	Generation and trade	Distribution	Corporate functions	TOTAL segments	Adjustments and eliminations	TOTAL Group	Generation and trade	Corporate functions	TOTAL segments	Adjustments and eliminations	TOTAL Parent Company
As of 31 December 2025	2,663,666	1,913,576	118,814	4,696,056	271,544	4,967,600	1,621,873	150,135	1,772,008	2,417,389	4,189,397
As of 31 December 2024	2,178,943	1,841,614	118,723	4,139,280	298,826	4,438,106	1,656,586	149,403	1,805,989	1,928,356	3,734,345

The Group's and the Parent Company's revenue from external customers (Note 4)

EUR'000

	Group					Parent Company			
	Generation and trade	Distribution	Corporate Functions	TOTAL segments	TOTAL Group	Generation and trade	Corporate Functions	TOTAL segments	TOTAL Group
2025									
Revenue from contracts with customers:									
Trade of energy and related supply services	1,059,395	3,933	–	1,063,328	1,063,328	811,304	–	811,304	811,304
Distribution system services	–	354,546	–	354,546	354,546	–	–	–	–
Heat sales	107,361	53	–	107,414	107,414	91,015	–	91,015	91,015
Sales of goods and energy related solutions	4,857	–	–	4,857	4,857	3,529	759	4,288	4,288
Other revenue	5,048	22,163	7,202	34,413	34,413	2,650	36,923	39,573	39,573
Total revenue from contracts with customers	1,176,661	380,695	7,202	1,564,558	1,564,558	908,498	37,682	946,180	946,180
Other revenue:									
Lease of other assets	–	86	1,463	1,549	1,549	58	3,586	3,644	3,644
Total other revenue	–	86	1,463	1,549	1,549	58	3,586	3,644	3,644
2024									
Revenue from contracts with customers:									
Trade of energy and related supply services	1,187,397	3,388	–	1,190,785	1,190,785	920,800	–	920,800	920,800
Distribution system services	–	346,486	–	346,486	346,486	–	–	–	–
Heat sales	108,685	108	–	108,793	108,793	90,236	–	90,236	90,236
Sales of goods and energy related solutions	21,400	–	–	21,400	21,400	3,771	–	3,771	3,771
Other revenue	7,987	19,986	6,638	34,611	34,611	3,760	35,185	38,945	38,945
Total revenue from contracts with customers	1,325,469	369,968	6,638	1,702,075	1,702,075	1,018,567	35,185	1,053,752	1,053,752
Other revenue:									
Lease of other assets	–	81	1,432	1,513	1,513	82	3,182	3,264	3,264
Total other revenue	–	81	1,432	1,513	1,513	82	3,182	3,264	3,264

Adjustments and eliminations

Finance income and expenses, fair value gains and losses on financial assets, financial instruments and deferred taxes are not allocated to individual segments as the underlying instruments are managed on a group basis. Taxes and certain financial assets and liabilities, including loans and borrowings are not allocated to those segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

Reconciliation of profit before tax

EUR'000

	Group		Parent Company	
	2025	2024	2025	2024
EBITDA	439,740	588,368	274,048	441,694
Depreciation, amortisation and impairment of intangible assets, property, plant, and equipment and right-of-use assets	(183,249)	(250,812)	(83,495)	(159,138)
Segment profit before tax	256,491	337,556	190,553	282,556
Finance income	6,362	13,993	35,390	34,994
Finance costs	(15,013)	(22,020)	(26,856)	(22,762)
Dividends received from subsidiaries	–	–	29,936	19,069
Profit before tax	247,840	329,529	229,023	313,857

Reconciliation of assets

EUR'000

	Group		Parent Company	
	2025	2024	2025	2024
Segment operating assets	4,696,056	4,139,280	1,772,008	1,805,989
Non-current financial investments and joint ventures	40	82	993,406	857,359
Loans to related parties	–	–	1,179,369	797,672
Other current financial investments	149,915	209,842	149,915	209,842
Deferred income tax assets and prepayment for income tax	3,834	2,348	–	–
Cash and cash equivalents	117,755	86,554	94,699	63,483
TOTAL assets	4,967,600	4,438,106	4,189,397	3,734,345

4. Revenue

EUR'000

	IFRS or IAS applied	Group		Parent Company	
		2025	2024	2025	2024
Revenue from contracts with customers:					
Trade of energy and related supply services	IFRS 15	1,063,328	1,190,785	811,304	920,800
Distribution system services	IFRS 15	354,546	346,486	–	–
Heat sales	IFRS 15	107,414	108,793	91,015	90,236
Sales of goods and energy related solutions	IFRS 15	4,857	21,400	4,288	3,771
Construction services	IFRS 15	504	1,572	504	1,572
Other revenue	IFRS 15	33,909	33,039	39,069	37,373
Total revenue from contracts with customers		1,564,558	1,702,075	946,180	1,053,752
Other revenue:					
Lease of other assets	IFRS 16	1,549	1,513	3,644	3,264
Total other revenue		1,549	1,513	3,644	3,264
TOTAL revenue		1,566,107	1,703,588	949,824	1,057,016

The Group's and the Parent Company's revenue from contracts with customers based on the timing of revenue recognition:

EUR'000

	Group		Parent Company	
	2025	2024	2025	2024
Goods and services transferred over time	1,459,562	1,538,202	811,590	895,015
Goods and services transferred at a point in time	104,996	163,873	134,590	158,737
TOTAL revenue from contracts with customers	1,564,558	1,702,075	946,180	1,053,752

Gross amounts invoiced to customers and whose net effect on revenue, by applying agent accounting principle, is zero:

EUR'000

	Group		Parent Company	
	2025	2024	2025	2024
Distribution system services	88,901	75,759	209,726	179,841
Transmission system services	470	1,962	499	1,991
Insurance intermediation	2,584	2,053	2,172	1,922
TOTAL revenue recognised applying agent accounting principle	91,955	79,774	212,397	183,754

5. Raw materials and consumables

EUR'000

	Group		Parent Company	
	2025	2024	2025	2024
Energy costs:				
Electricity and costs of related supply services	336,924	345,714	103,221	68,131
Electricity transmission services costs	90,377	90,072	2,641	2,741
Natural gas and other energy resources costs	426,320	397,297	416,789	387,221
CO ₂ emission allowances costs	51,172	48,096	51,172	48,096
(Gains) / losses on fair value changes on energy futures, forwards, and swaps (Note 15 II)	(3,932)	1,036	(3,932)	1,036
	900,861	882,215	569,891	507,225
Raw materials, spare parts and maintenance costs	29,648	39,313	13,732	18,440
TOTAL raw materials and consumables used	930,509	921,528	583,623	525,665

6. Finance income and costs

EUR'000

	Group		Parent Company	
	2025	2024	2025	2024
a) Finance income:				
Interest income	3,925	9,964	3,884	10,071
Interest income on loans to related parties	911	945	30,176	21,839
Interest income on interest rate swaps	1,330	3,077	1,330	3,077
Gains on fair value changes on interest rate swaps (Note 15 I)	–	7	–	7
Other finance income	196	–	–	–
TOTAL finance income	6,362	13,993	35,390	34,994

EUR'000

	Group		Parent Company	
	2025	2024	2025	2024
b) Finance costs:				
Interest expense on borrowings from financial institutions	20,450	19,985	20,524	19,532
Interest expense on issued debt securities (bonds)	7,039	5,153	7,039	5,153
Interest expense on assets lease	930	363	72	61
Losses on fair value changes on interest rate swaps (Note 15 I)	12	38	12	38
Capitalised borrowing costs	(14,107)	(3,711)	(1,468)	(2,236)
Other finance costs	689	192	677	214
TOTAL finance costs	15,013	22,020	26,856	22,762

7. Intangible assets and property, plant and equipment

a) Non-current intangible assets

EUR'000

	Group		Parent Company	
	2025	2024	2025	2024
Cost	190,357	134,711	78,600	73,666
Accumulated amortisation	(84,791)	(77,385)	(56,086)	(52,019)
Net book amount at the beginning of the year	105,566	57,326	22,514	21,647
Additions	25,968	55,682	5,785	4,971
Disposals	(8)	–	(8)	–
Impairment charge	692	(847)	–	–
Amortisation charge	(7,402)	(6,595)	(4,460)	(4,104)
Closing net book amount at the end of the year	124,816	105,566	23,831	22,514
Cost	216,446	190,357	84,368	78,600
Accumulated amortisation	(91,630)	(84,791)	(60,537)	(56,086)
Closing net book amount at the end of the year	124,816	105,566	23,831	22,514

b) Current intangible assets (CO₂ emission allowances)

EUR'000

	Group		Parent Company	
	2025	2024	2025	2024
Net book amount at the beginning of the year	54,616	69,312	54,616	69,312
Additions	45,062	31,649	45,062	31,649
Disposals	(48,010)	(46,345)	(48,010)	(46,345)
Closing net book amount at the end of the year	51,668	54,616	51,668	54,616

c) Property, plant and equipment

EUR'000

	Group		Parent Company	
	2025	2024	2025	2024
Cost or revalued amount	7,741,410	7,335,425	4,054,094	4,002,104
Accumulated depreciation and impairment	(4,218,320)	(4,034,374)	(2,641,387)	(2,496,693)
Net book amount at the beginning of the year	3,523,090	3,301,051	1,412,707	1,505,411
Additions	726,284	455,632	47,581	61,268
Acquisition of a subsidiaries	39,929	18,877	–	–
Reclassified (to) / from investment properties	(524)	(123)	(278)	75
Reclassified to non-current assets held for sale	(196)	(2,841)	(18)	(16)
Disposals	(11,496)	(8,622)	(4,852)	(194)
Increase in value of assets as a result of revaluation recognised in comprehensive income	3,017	–	–	–
Decrease in the value of assets as a result of revaluation recognised in profit or loss	(3,017)	–	–	–
(Impairment charge)/ reversed impairment charge	(1,027)	(76,369)	2,433	(74,822)
Depreciation	(169,607)	(164,515)	(80,184)	(79,015)
Closing net book amount at the end of the year	4,106,453	3,523,090	1,377,389	1,412,707
Cost or revalued amount	9,385,142	7,741,410	4,087,123	4,054,094
Accumulated depreciation and impairment	(5,278,689)	(4,218,320)	(2,709,734)	(2,641,387)
Closing net book amount at the end of the year	4,106,453	3,523,090	1,377,389	1,412,707

d) Investment property

EUR'000

	Group		Parent Company	
	2025	2024	2025	2024
Cost or revalued amount	2,416	2,613	2,614	2,987
Accumulated depreciation and impairment	(318)	(304)	(565)	(726)
Net book amount at the beginning of the year	2,098	2,309	2,049	2,261
Reclassified from / (to) property, plant, and equipment	523	123	278	(75)
Disposal	(12)	(307)	(2)	(122)
Sold	(267)	(14)	(50)	(1)
Depreciation	(11)	(13)	(12)	(14)
Closing net book amount at the end of the year	2,331	2,098	2,263	2,049
Cost or revalued amount	2,796	2,416	3,023	2,614
Accumulated depreciation and impairment	(465)	(318)	(760)	(565)
Closing net book amount at the end of the year	2,331	2,098	2,263	2,049

e) Property, plant and equipment revaluation

Hydropower plants and distribution system assets (property, plant, and equipment) of the Group and the Parent company are revalued regularly but not less frequently than every five years, revaluation may be performed more frequently if there is a significant and sustained increase in the civil engineering construction costs.

- a) Assets of Hydropower plants:
- hydropower plants' buildings and facilities, hydropower plants' technology equipment and machinery revalued as of 1 April 2023.
- b) Distribution system electricity lines and electrical equipment:
- electricity lines, revalued as of 1 January 2026,
 - electrical equipment of transformer substations, revalued as of 1 July 2025.

Revaluation of the distribution system electrical equipment of transformer substations and electricity lines is performed by an independent, certified expert using the income method and the depreciated replacement cost method.

As a result of the revaluation, the increase in the carrying amount of the distribution system electrical equipment and electricity lines revalued in 2025 in the amount of EUR 3,016 thousand, was recognised in the revaluation reserve of non-current assets in equity, while the decrease in value in the amount of EUR 3,016 thousand was recognized in the profit or loss statement item "Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right-of-use assets".

8. Leases

a) Right-of-use assets

	EUR'000			
	Group		Parent Company	
	2025	2024	2025	2024
Cost	41,034	17,994	9,297	9,311
Accumulated depreciation	(9,124)	(6,775)	(5,783)	(4,601)
Net book amount at the beginning of the year	31,910	11,219	3,514	4,710
Recognised changes in lease agreements	15,775	23,229	601	(13)
Depreciation	(3,581)	(2,538)	(1,272)	(1,183)
Closing net book amount at the end of the year	44,104	31,910	2,843	3,514
Cost	56,577	41,034	9,897	9,297
Accumulated depreciation	(12,473)	(9,124)	(7,054)	(5,783)
Closing net book amount at the end of the year	44,104	31,910	2,843	3,514

b) Lease liabilities

	EUR'000			
	Group		Parent Company	
	2025	2024	2025	2024
At the beginning of the year	32,551	11,406	3,624	4,824
<i>Of which are:</i>				
– non-current	29,828	9,015	2,417	3,607
– current	2,723	2,391	1,207	1,217
Recognised changes in lease agreements	15,787	23,441	601	(13)
Decrease of lease liabilities	(3,828)	(2,754)	(1,354)	(1,248)
Recognised interest liabilities (Note 6)	1,948	458	72	61
At the end of the year	46,458	32,551	2,943	3,624
<i>Of which are:</i>				
– non-current	43,514	29,828	2,285	2,417
– current	2,944	2,723	658	1,207

9. Non-current financial investments

The Parent Company's effective ownership interest in subsidiaries

Company's name	Date of establishment or acquisition	Country of incorporation	Operating segment	Principal activities	Effective ownership interest, %		Non-controlling interest's effective ownership interest, %	
					31/12/2025	31/12/2024	31/12/2025	31/12/2024
Sadales tīkls AS	18/09/2006	Latvia	Distribution	Electricity distribution	100%	100%	–	–
Enerģijas publiskais tirgotājs SIA	25/02/2014	Latvia	Generation and trade	Administration of mandatory electricity procurement process	100%	100%	–	–
Elektrum Eesti OÜ	27/06/2007	Estonia	Generation and trade	Electricity and natural gas trade	100%	100%	–	–
Elektrum Lietuva, UAB	07/01/2008	Lithuania	Generation and trade	Electricity and natural gas trade	100%	100%	–	–
Latvijas vēja parki SIA	22/07/2022	Latvia	Generation and trade	Electricity generation from RES	100%	100%	–	–
Krāslavas SES SIA *	05/01/2024	Latvia	Generation and trade	Electricity generation from RES	–	100%	–	–
Telšiņu vējo parkas UAB	23/05/2024	Lithuania	Generation and trade	Electricity generation from RES	100%	100%	–	–
Lafloa Energy SIA	17/09/2024	Latvia	Generation and trade	Electricity generation from RES	100%	100%	–	–
DSE Aizpute Solar SIA	07/11/2024	Latvia	Generation and trade	Electricity generation from RES	100%	100%	–	–
Elektrum Next SIA	13/11/2024	Latvia	Generation and trade	Electricity generation from RES	100%	100%	–	–
Pienava Wind SIA	12/06/2025	Latvia	Generation and trade	Electricity generation from RES	100%	–	–	–
Elektrum Next LT UAB	11/06/2025	Lithuania	Generation and trade	Electricity generation from RES	100%	–	–	–
Liepājas enerģija SIA	06/07/2005	Latvia	Generation and trade	Thermal energy generation and trade, electricity generation	51%	51%	49%	49%

* On 14 May 2025 in a result of reorganisation merged with Elektrum Next SIA

The Parent Company's subsidiaries' effective ownership interest

Company's name	Date of establishment or acquisition	Country of incorporation	Operating segment	Principal activities	Effective ownership interest, %	
					31/12/2025	31/12/2024
Subsidiaries of Elektrum Eesti OÜ:						
Elektrum Latvija SIA	18/09/2012	Latvia	Generation and trade	Electricity trade	100%	100%
Enerģiaturu Vörguehitus OÜ	26/08/2021	Estonia	Generation and trade	Electricity microgrid services	100%	100%
HN Põld ja Mets 1 OÜ**	31/05/2023	Estonia	Generation and trade	Electricity generation from RES	–	100%
Solarpark Kuusalu OÜ**	19/07/2024	Estonia	Generation and trade	Electricity generation from RES	–	100%
Subsidiaries of Elektrum Lietuva, UAB:						
Klaipēda unlimited sun UAB	27/01/2023	Lithuania	Generation and trade	Electricity generation from RES	100%	100%
Secundus Navitas UAB	25/05/2024	Lithuania	Generation and trade	Electricity generation from RES	100%	100%
Geniva UAB	13/08/2025	Lithuania	Generation and trade	Electricity generation from RES	100%	–
Vējo miestas UAB	13/08/2025	Lithuania	Generation and trade	Electricity generation from RES	100%	–

** On 31 December 2025 in a result of reorganisation merged with Elektrum Eesti OU

The Group's other non-current financial investments

Company's name	Country of incorporation	Business activity profile	Effective ownership interest, %	
			31/12/2025	31/12/2024
Investments in joint ventures and associates (Group):				
Geniva UAB	Lithuania	Electricity generation from RES	–	50%
Vējo miestas UAB	Lithuania	Electricity generation from RES	–	50%
Other non-current financial investments (Group):				
Pirmais Slēgtais Pensiju Fonds AS	Latvia	Management of pension plans	48.15%	48.15%
Rīgas siltums AS	Latvia	Thermal energy generation and trade, electricity generation	0.0051%	0.0051%

The Group owns 48.15% of the shares of the closed pension fund Pirmais Slēgtais Pensiju Fonds AS (Latvenergo AS – 46.30%, Enerģijas publiskais tirgotājs SIA and Sadales tīkls – jointly 1.85%). However, the Group and the Parent Company are only a nominal shareholder as the Pension Fund is a non-profit company, and all

risks and benefits arising from company's activities and investments in the pension plan are taken and accrued by the members of the Pension Fund pension plan. For this reason, the investment in Pirmais Slēgtais Pensiju Fonds AS is valued at acquisition cost.

Movement in non-current investments

	EUR'000			
	Group		Parent Company	
	2025	2024	2025	2024
At the beginning of the year	82	42	857,359	671,720
Acquisition of shares	–	–	9,108	49,318
Invested in share capital	–	–	126,939	135,921
Acquired shares from non-controlling interest	–	–	–	400
Share of profit / (loss) from investments in joint ventures using equity method	196	40	–	–
Derecognised investment in joint ventures after obtaining full control	(238)	–	–	–
At the end of the year	40	82	993,406	857,359

10. Inventories

	EUR'000			
	Group		Parent Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Natural gas (at cost and net realisable value)	125,028	117,552	125,028	117,552
Raw materials and materials (at cost)	24,959	22,265	1,439	1,167
Goods for sale (at lower of cost and net realisable value)	2,728	9,749	258	1,537
Other inventories (at cost and net realisable value)	13,853	19,285	13,612	18,906
Unfinished products and orders (at cost)	6	659	–	–
Prepayments for natural gas and other inventories	439	4,976	39	2,189
Allowances for impaired inventories	(3,053)	(4,924)	(1,175)	(1,273)
TOTAL inventories	163,960	169,562	139,201	140,078

Movement on the allowance for inventories

	EUR'000			
	Group		Parent Company	
	2025	2024	2025	2024
At the beginning of the year	4,924	3,090	1,273	1,340
Charged to the Statement of Profit or Loss	(1,871)	1,834	(98)	(67)
At the end of the year	3,053	4,924	1,175	1,273

11. Receivables from contracts with customers and other receivables

Receivables from contracts with customers grouped by the expected credit loss (ECL) assessment model, net

EUR'000

	Group		Parent Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Individually assessed receivables with lifetime ECL assessment (counterparty model)	32,122	47,125	35,664	44,587
Receivables with lifetime ECL assessment by simplified approach (portfolio model)	137,756	142,983	81,051	84,073
TOTAL receivables from contracts with customers	169,878	190,108	116,715	128,660

a) Receivables from contracts with customers, net

EUR'000

	Group		Parent Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Receivables from contracts with customers:				
– Electricity, natural gas trade and related services customers (portfolio model)	138,381	143,911	83,903	86,585
– Electricity, natural gas trade and related services customers (counterparty model)	11,683	19,770	–	–
– Heating customers (portfolio model)	15,333	17,252	12,857	14,341
– Other receivables from contracts with customers (portfolio model)	4,011	3,461	490	459
– Other receivables from contracts with customers (counterparty model)	20,494	27,432	18,431	25,985
– Subsidiaries (counterparty model) (Note 19 b)	–	–	17,274	18,663
	189,902	211,826	132,955	146,033
Allowances for expected credit loss from contracts with customers:				
– Electricity, natural gas trade and related services customers (portfolio model)	(18,209)	(19,840)	(15,879)	(16,956)
– Electricity, natural gas trade and related services customers (counterparty model)	(20)	(24)	–	–
– Heating customers (portfolio model)	(308)	(341)	(299)	(333)
– Other receivables from contracts with customers (portfolio model)	(1,452)	(1,460)	(21)	(23)
– Other receivables from contracts with customers (counterparty model)	(35)	(53)	(32)	(52)
– Subsidiaries (counterparty model) (Note 19 b)	–	–	(9)	(9)
	(20,024)	(21,718)	(16,240)	(17,373)
Receivables from contracts with customers, net:				
– Electricity, natural gas trade and related services customers (portfolio model)	120,172	124,071	68,024	69,629
– Electricity, natural gas trade and related services customers (counterparty model)	11,663	19,746	–	–
– Heating customers (portfolio model)	15,025	16,911	12,558	14,008
– Other receivables from contracts with customers (portfolio model)	2,559	2,001	469	436
– Other receivables from contracts with customers (counterparty model)	20,459	27,379	18,399	25,933
– Subsidiaries (counterparty model) (Note 19 b)	–	–	17,265	18,654
	169,878	190,108	116,715	128,660

Movements in loss allowances for impaired receivables from contracts with customers

EUR'000

	Group		Parent Company	
	2025	2024	2025	2024
At the beginning of the year	21,718	26,769	17,373	19,100
Receivables written off during the year as uncollectible	(1,831)	(1,981)	(1,183)	(1,510)
Allowances for expected credit losses	137	(3,070)	50	(217)
At the end of the year	20,024	21,718	16,240	17,373

b) Other financial receivables

	EUR'000			
	Group		Parent Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Current financial receivables:				
Uncovered costs of mandatory procurement and guaranteed fee for the installed electrical capacity of cogeneration power plants, net*	3,795	23,544	–	–
Receivables for lease	98	15	70	11
Other current financial receivables	6,520	10,156	4,829	7,327
Accrued interest income on interest rate swap financial instruments	177	315	177	315
Allowances for expected credit losses	(2,674)	(2,273)	(2,288)	(1,934)
Receivables for lease from subsidiaries (Note 19 b)	–	–	21	21
Other financial receivables from subsidiaries (Note 19 b)	–	–	25,103	23,377
Other accrued income from related parties (Note 19 c)	–	–	11,909	5,501
Allowances for expected credit losses on subsidiaries receivables (Note 19 b)	–	–	(17)	(17)
TOTAL other current financial receivables	7,916	31,757	39,804	34,601

* by applying agent principle, uncovered costs of mandatory procurement and guaranteed fee for the installed electrical capacity of cogeneration power plants are recognised as assets in net amount, as difference between revenue and costs recognised under the mandatory procurement

c) Other non-financial receivables

	EUR'000			
	Group		Parent Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Non-current non-financial receivables	1,840	540	1,796	470
Current non-financial receivables	6,401	1,171	599	638
TOTAL non-financial receivables	8,241	1,711	2,395	1,108

12. Cash and cash equivalents

Cash and cash equivalents include cash balances on bank accounts, demand deposits at bank and other short-term deposits with original maturities of three months or less.

	EUR'000			
	Group		Parent Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Cash at bank	37,672	86,471	14,616	63,400
Short-term bank deposits	80,000	–	80,000	–
Other cash equivalents	83	83	83	83
TOTAL cash and cash equivalents	117,755	86,554	94,699	63,483

Cash at bank balances earns interest for the Group mostly based on floating interbank deposit rates. Short-term deposits are placed by the Group for different periods between three and six months depending on the immediate cash needs of the Group and cash flow forecasts.

As of 31 December 2025, the Group and the Parent Company have deposits at banks, with maturity date longer than 3 months that does not comply with the principles of recognition as cash equivalents, in amount of EUR 149,915 thousand including provisions for impairment of EUR 85 thousand (31/12/2024: EUR 209,842 thousand including provisions for impairment of EUR 158 thousand). These deposits are presented as 'Other current financial investments' in the Statement of Financial Position.

13. Reserves

EUR'000

	Group					Parent Company			
	Non-current assets revaluation reserve	Hedge reserve	Post-employment benefit plan revaluation reserve	Other reserves	TOTAL	Non-current assets revaluation reserve	Hedge reserve	Post-employment benefit plan revaluation reserve	TOTAL
As of 31 December 2023	1,676,439	9,115	(3,862)	160	1,681,852	1,313,774	9,115	(2,470)	1,320,419
Disposal of revaluation reserve	(10,754)	–	–	–	(10,754)	(928)	–	–	(928)
Losses from fair value changes of derivative financial instruments	–	(19,645)	–	–	(19,645)	–	(19,645)	–	(19,645)
Gains on re-measurement of defined post-employment benefit plan	–	–	4,520	–	4,520	–	–	1,882	1,882
Formed statutory reserves	–	–	–	4,095	4,095	–	–	–	–
As of 31 December 2024	1,665,685	(10,530)	658	4,255	1,660,068	1,312,846	(10,530)	(588)	1,301,728
Increase of assets as a result of revaluation	3,017	–	–	–	3,017	–	–	–	–
Decrease in the value of assets as a result of revaluation	(3,017)	–	–	–	(3,017)	–	–	–	–
Disposal of revaluation reserve	(5,797)	–	–	–	(5,797)	(394)	–	–	(394)
Gains from fair value changes of derivative financial instruments	–	10,662	–	–	10,662	–	10,662	–	10,662
Losses on re-measurement of defined post-employment benefit plan	–	–	(370)	–	(370)	–	–	(180)	(180)
As of 31 December 2025	1,659,888	132	288	4,255	1,664,563	1,312,452	132	(768)	1,311,816

14. Borrowings

EUR'000

	Group		Parent Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Non-current portion of non-current borrowings from credit institutions	579,765	415,351	571,857	408,190
Non-current portion of issued debt securities (bonds)	599,950	199,929	599,950	199,929
Total non-current borrowings from financial institutions	1,179,715	615,280	1,171,807	608,119
Current portion of non-current borrowings from credit institutions	68,086	121,057	66,334	118,982
Current borrowings from state development finance institutions	–	30	–	30
Overdraft from financial institutions	13,872	–	13,872	–
Accrued interest on non-current borrowings from credit institutions	3,005	3,167	2,930	3,057
Accrued coupon interest on issued debt securities (bonds)	5,764	3,871	5,764	3,871
Total current borrowings from financial institutions	90,727	128,125	88,900	125,940
TOTAL borrowings from financial institutions	1,270,442	743,405	1,260,707	734,059
Current borrowings from related parties	–	–	–	31,101
Total current borrowings	90,727	128,125	88,900	157,041
TOTAL borrowings	1,270,442	743,405	1,260,707	765,160

Movement in borrowings:

EUR'000

	Group		Parent Company	
	2025	2024	2025	2024
At the beginning of the year	743,405	629,696	765,160	618,179
Received borrowings from credit institutions	246,372	200,000	243,872	200,000
Repaid borrowings from credit institutions	(121,057)	(86,625)	(118,983)	(84,491)
Received borrowings from state development finance institutions	(30)	30	(30)	30
Proceeds from issued debt securities (bonds)	400,000	–	400,000	–
Borrowings received / (repaid) from related parties	–	–	(31,101)	31,101
Change in accrued interest on borrowings from credit institutions	1,731	283	1,768	320
Changes in outstanding value of issued debt securities (bonds)	21	21	21	21
At the end of the year	1,270,442	743,405	1,260,707	765,160

15. Derivative financial instruments

Outstanding fair values of derivatives and their classification

EUR'000

	Group				Parent Company			
	31/12/2025		31/12/2024		31/12/2025		31/12/2024	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	2,458	–	3,422	–	2,458	–	3,422	–
Energy forwards, futures, and swaps	11,048	(8,467)	–	(12,965)	11,048	(8,467)	–	(12,965)
Total outstanding fair values of derivatives	13,506	(8,467)	3,422	(12,965)	13,506	(8,467)	3,422	(12,965)

I) Interest rate swaps

The Group and the Parent Company enters into interest rate swap agreements with 7 to 10 year initial maturities and hedged floating rates are 6 month EURIBOR.

All contracts are designed as cash flow hedges and are eligible for hedge accounting. During the prospective and retrospective testing, an ineffective portion of some transactions has been identified and recognised in the Statement of Profit or Loss.

Fair value changes of interest rate swaps

EUR'000

	Group				Parent Company			
	2025		2024		2025		2024	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Outstanding fair value at the beginning of the year	3,422	–	5,872	–	3,422	–	5,872	–
Included in the Statement of Profit or Loss (Note 6)	(12)	–	(38)	7	(12)	–	(38)	7
Included in the Statement of Comprehensive Income	(952)	–	(2,412)	(7)	(952)	–	(2,412)	(7)
Outstanding fair value at the end of the year	2,458	–	3,422	–	2,458	–	3,422	–

II) Energy forwards, futures and swaps

The Group and the Parent Company conclude electricity price and natural gas price swap contracts with financial institutions and other counterparties. Electricity price swap contracts are intended for hedging of the electricity price risk and are used to fix the price for the purchase of electricity on Nord Pool AS to ensure deliveries at a

fixed price or to fix the price for the sale of electricity produced in Latvenergo AS power stations on Nord Pool AS. Natural gas swap contracts are intended for hedging of the natural gas price risk and are used for fixing the price of natural gas purchased or to fix the spread between the purchase and sale price of natural gas.

Fair value changes of energy forward and future contracts

EUR'000

	Group				Parent Company			
	2025		2024		2025		2024	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Outstanding fair value at the beginning of the year	–	(12,965)	5,297	–	–	(12,965)	5,297	–
Included in Statement of Profit or Loss (Note 5)	10,788	(6,856)	(783)	(253)	10,788	(6,856)	(783)	(253)
Included in Statement of Comprehensive Income	260	11,354	(4,514)	(12,712)	260	11,354	(4,514)	(12,712)
Outstanding fair value at the end of the year	11,048	(8,467)	–	(12,965)	11,048	(8,467)	–	(12,965)

16. Fair values and fair value measurement

In this Note are disclosed the fair value measurement hierarchy for the Group's and the Parent Company's financial assets and liabilities and revalued property, plant and equipment.

Quantitative disclosures of fair value measurement hierarchy for assets at the end of the year

EUR'000

Type of assets	Group			Parent Company		
	Fair value measurement using			Fair value measurement using		
	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL
As of 31 December 2025						
Assets measured at fair value						
Revalued property, plant and equipment	–	2,926,312	2,926,312	–	1 231 544	1 231 544
Non-current financial investments (Note 9)	–	40	40	–	39	39
<i>Derivative financial instruments, including:</i>						
Interest rate swaps (Note 15 I)	2,458	–	2,458	2,458	–	2,458
Energy forwards, futures, and swaps (Note 15 II)	11,048	–	11,048	11,048	–	11,048
Assets for which fair values are disclosed						
Investment properties (Note 7 c)	–	2,331	2,331	–	2,263	2,263
Loans to related parties:						
– Floating rate loans (Note 19 c)	–	–	–	970,436	–	970,436
– Fixed rate loans (Note 19 c)	–	–	–	208,933	–	208,933
Current financial receivables (Note 11 a, b)	–	177,794	177,794	–	156,519	156,519
Cash and cash equivalents (Note 12)	117,755	–	117,755	94,699	–	94,699

Type of assets	Group			Parent Company		
	Significant observable inputs (Level 2)	Fair value measurement using Significant unobservable inputs (Level 3)	TOTAL	Significant observable inputs (Level 2)	Fair value measurement using Significant unobservable inputs (Level 3)	TOTAL
As of 31 December 2024						
Assets measured at fair value						
Revalued property, plant and equipment	–	2,901,412	2,901,412	–	1,246,514	1,246,514
Non-current financial investments (Note 9)	–	40	40	–	39	39
<i>Derivative financial instruments, including:</i>						
Interest rate swaps (Note 15 I)	3,422	–	3,422	3,422	–	3,422
Assets for which fair values are disclosed						
Investment properties (Note 7 c)	–	2,099	2,099	–	2,049	2,049
Loans to related parties:						
– Floating rate loans (Note 19 c)	–	–	–	517,656	–	517,656
– Fixed rate loans (Note 19 c)	22,244	–	22,244	280,016	–	280,016
Current financial receivables (Note 11 a, b)	–	221,865	221,865	–	163,261	163,261
Cash and cash equivalents (Note 12)	86,554	–	86,554	63,483	–	63,483

There have been no transfers for assets between Level 1, Level 2 and Level 3 during the reporting year.
The Group and the Parent Company have not measured their assets using quoted market prices as significant observable inputs (Level 1).

Quantitative disclosures of fair value measurement hierarchy for liabilities at the end of the year

EUR'000

Type of liabilities	Group			Parent Company		
	Significant observable inputs (Level 2)	Fair value measurement using Significant unobservable inputs (Level 3)	TOTAL	Significant observable inputs (Level 2)	Fair value measurement using Significant unobservable inputs (Level 3)	TOTAL
As of 31 December 2025						
Liabilities measured at fair value						
<i>Derivative financial instruments, including:</i>						
Energy forwards, futures, and swaps (Note 15 II)	8,467	–	8,467	8,467	–	8,467
Liabilities for which fair values are disclosed						
Issued debt securities (bonds) (Note 14)	605,714	–	605,714	605,714	–	605,714
Borrowings from financial institutions (Note 14)	664,728	–	664,728	654,993	–	654,993
Trade and other financial current payables (Note 17)	–	140,375	140,375	–	95,887	95,887
As of 31 December 2024						
Liabilities measured at fair value						
<i>Derivative financial instruments, including:</i>						
Energy forwards, futures, and swaps (Note 15 II)	12,965	–	12,965	12,965	–	12,965
Liabilities for which fair values are disclosed						
Issued debt securities (bonds) (Note 14)	203,800	–	203,800	203,800	–	203,800
Borrowings from financial institutions (Note 14)	539,605	–	539,605	530,259	–	530,259
Borrowings from related parties (Note 14)	–	–	–	31,101	–	31,101
Trade and other financial current payables (Note 17)	–	178,787	178,787	–	112,741	112,741

There have been no transfers for liabilities between Level 1, Level 2 and Level 3 during the reporting year.
The Group and the Parent Company have not measured their liabilities using quoted market prices as significant observable inputs (Level 1).

The fair value hierarchy for the Group's and the Parent Company's financial instruments that are measured at fair value, by using specific valuation methods, is disclosed above. Management assessed that cash and short-term deposits, receivables, trade payables, bank overdrafts and other current liabilities largely approximate their carrying amounts due to the short-term maturities of these instruments.

Set out below, is a comparison by class of the carrying amounts and fair values of the Group's and the Parent Company's financial instruments, other than those with carrying amounts which approximates their fair values:

	Group				Parent Company				EUR'000
	Carrying amount		Fair value		Carrying amount		Fair value		
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	
Financial assets									
Fixed rate loans to related parties	–	22,244	–	22,244	208,933	280,016	200,822	269,792	
Financial liabilities									
Issued debt securities (bonds)	605,714	203,800	599,045	196,077	605,714	203,800	599,045	196,077	

17. Trade and other payables

	Group		Parent Company		EUR'000
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	
	Financial liabilities:				
Payables for suppliers	71,121	128,936	17,196	72,327	
Payables to related parties (Note 19 b)	13,257	14,810	28,850	20,708	
Accrued expenses	24,748	27,579	7,881	9,153	
Accrued expenses from related parties (Note 19 d)	3,277	–	15,818	5,705	
Other financial current payables	27,972	7,462	26,142	4,848	
TOTAL financial liabilities	140,375	178,787	95,887	112,741	
Non-financial liabilities:					
Taxes	26,734	27,614	13,934	13,234	
Other current payables	4,581	4,086	1,840	1,621	
TOTAL non-financial liabilities	31,315	31,700	15,774	14,855	
TOTAL trade and other current payables	171,690	210,487	111,661	127,596	

18. Deferred income and advances received

	IFRS/IAS applied	EUR'000			
		Group		Parent Company	
		31/12/2025	31/12/2024	31/12/2025	31/12/2024
I) Non-current deferred income and advances received					
a) contracts with customers					
Deferred income from connection fees	IFRS 15	156,107	150,241	–	–
Other deferred income	IFRS 15	534	601	534	601
		156,641	150,842	534	601
b) operating lease					
Other deferred income	IFRS 16	259	280	259	280
		259	280	259	280
c) other					
On grant for the installed electrical capacity of CHPPs	IAS 20	41,491	65,480	41,491	65,480
On financing from European Union funds	IAS 20	81,311	46,619	6,135	6,414
Other deferred income	IAS 20	24	29	24	29
		122,826	112,128	47,650	71,923
Total non-current deferred income and advances received		279,726	263,250	48,443	72,804
II) Current deferred income and advances received					
a) contracts with customers					
Deferred income from connection fees	IFRS 15	16,959	17,570	–	–
Other deferred income	IFRS 15	654	408	325	67
Advances received		29,661	30,722	8,393	5,866
		47,274	48,700	8,718	5,933
b) operating lease					
Other deferred income	IFRS 16	20	20	20	20
		20	20	20	20
c) other					
On grant for the installed electrical capacity of CHPPs	IAS 20	23,990	23,990	23,990	23,990
On financing from European Union funds	IAS 20	3,132	1,094	1,070	146
		27,122	25,084	25,060	24,136
TOTAL current deferred income and advances received		74,416	73,804	33,798	30,089
TOTAL deferred income and advances received		354,142	337,054	82,241	102,893

During the reporting year Sadales tīkls AS received European Union financing from the Central Finance and Contracting Agency and within the framework of supplement plan of Recovery and Resilience Facility is implementing the electricity distribution network modernisation project – REPowerEU, in the amount of EUR 24,677 thousand, and received financing in the amount of EUR 12,570 thousand as part of the agreement with the Ministry of Economics of the Republic of Latvia on the financing of the European Union Recovery and Resilience Facility. Liepājas Enerģija SIA received European Union financing in the amount of EUR 719 thousand for the development of the Liepāja Industrial Park territory. Latvenergo AS received financing in the amount of EUR 1,300 thousand from Connecting Europe Facility (CEF) for the development of electric vehicles charging network.

In 2024 Sadales tīkls AS received financing in the amount of EUR 12,570 thousand as part of the agreement with the Ministry of Economics of the Republic of Latvia on the financing of the European Union Recovery and Resilience Facility and in the amount EUR 10,000 European Union funds' financing from the Central Finance and Contracting Agency and was implementing the electricity distribution network modernisation project – REPowerEU. Liepājas Enerģija SIA received European Union financing in the amount of EUR 237 thousand for fossil fuels substitution in Liepāja. Latvenergo AS received financing in the amount of EUR 2,750 thousand from Connecting Europe Facility (CEF) for the development of electric vehicles charging network.

Movement in deferred income and advances received (non-current and current part)

EUR'000

	Group		Parent Company	
	2025	2024	2025	2024
At the beginning of the year	337,054	326,199	102,893	126,696
<i>Recognised in Statement of Financial Position:</i>				
– Received deferred income (financing and other income)	39,405	25,577	1,330	2,778
– Changes in advances received	(1,061)	1,815	2,527	(1,680)
– EU co-financing transferred to the subsidiary as a cooperation partner, net	–	–	(205)	(672)
– Received connection fees for connection to distribution system	23,459	30,176	–	–
<i>Recognised in Statement of Profit or Loss:</i>				
– Other deferred income	(22,791)	(25,025)	(24,218)	(24,141)
– Deferred income from contracts with customers and operating lease	(21,924)	(21,688)	(86)	(88)
At the end of the year	354,142	337,054	82,241	102,893

19. Related party transactions

The Parent Company and, indirectly, its subsidiaries are controlled by the Latvian state. Related parties of the Latvenergo Group and the Parent Company are Shareholder of the Parent Company who controls over the Parent Company in accepting operating business decisions, members of Latvenergo Group entities' management boards, members of the Supervisory board, members of the Audit Committee and close family members of any above-mentioned persons, as well as entities over which those persons have control or significant influence.

Trading transactions taking place under normal business activities with the Latvian government including its departments and agencies as well as transactions with

state-controlled entities and providers of public utilities are excluded from the scope of related party quantitative disclosures. The Group and the Parent Company enter into transactions with many of these bodies on an arm's length basis.

Transactions with government related entities include sales of energy and related services and does not contain individually significant transactions and quantitative disclosure of transactions with those related parties is impossible due to broad range of the Latvenergo Group's and the Parent Company's customers, except for transactions with transmission system operator.

a) Sales/purchases of goods, PPE and services to / from related parties

EUR'000

	Group		Parent Company			
	2025	2024	2025		2024	
	Other related parties*	Other related parties*	Subsidiaries	Other related parties*	Subsidiaries	Other related parties*
Sales of goods, PPE and services, finance income	63,041	64,571	149,410	60,331	155,680	63,902
Purchases of goods, PPE, and services	174,610	151,591	249,517	64,071	174,013	53,102
<i>including gross expenses from transactions with subsidiaries recognised in net amount through profit or loss:</i>						
– <i>Sadales tīkls AS</i>	–	–	191,536	–	164,508	–

b) Balances at the end of the year arising from sales / purchases of goods, PPE and services

EUR'000

	Group		Parent Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Receivables from related parties:				
– subsidiaries (Note 11 a, b)	–	–	38,299	34,009
– other related parties*	6,530	13,647	4,812	12,952
– loss allowances for expected credit loss from receivables of subsidiaries (Note 11 a, b)	–	–	(26)	(26)
– loss allowances for expected credit loss from receivables of other related parties*	(12)	(25)	(9)	(24)
	6,518	13,622	43,076	46,911
Payables to related parties (Note 17):				
– subsidiaries	–	–	24,047	15,024
– other related parties*	13,257	14,810	4,803	5,684
	13,257	14,810	28,850	20,708

c) Accrued income raised from transactions with related parties

EUR'000

	Group		Parent Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
– for goods sold/services provided for subsidiaries (Note 11 a, b)	–	–	10,416	8,302
– for interest received from related parties (Note 11 a, b)	–	–	5,592	5,251
– for goods sold/services provided for other related parties*	–	175	–	175
	–	175	16,008	13,728

d) Accrued expenses raised from transactions with related parties (Note 17)

EUR'000

	Group		Parent Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
– for purchased goods/received services from subsidiaries	–	–	13,946	5,705
– for purchased goods / received services from other related parties*	3,277	–	1,872	–
	3,277	–	15,818	5,705

* Other related parties included transmission system operator – Augstsprieguma tīkls AS and its subsidiary Conexus Baltic Grid AS, Latvijas valsts meži AS (till 01/05/2024), Pirmais Slēgtais Pensiju Fonds AS

In the year ending on 31 December 2025 remuneration to the Latvenergo Group's management includes remuneration to the members of the Management Boards of the Group entities, the Supervisory Board, and the Audit Committee of the Parent Company, including salary, social insurance contributions and payments to pension plan and is amounted to EUR 4,528.3 thousand (01/01 – 31/12/2024: EUR 4,446.1 thousand).

In the year ending on 31 Decemberr 2025 remuneration to the Parent Company's management includes remuneration to the members of the Parent Company's Management Board, the Supervisory Board and the Audit Committee, including salary, social insurance contributions and payments to pension plan and is amounted to EUR 1,634.7 thousand (01/01 – 31/12/2024: EUR 1,567.4 thousand).

Remuneration to the Latvenergo Group's and the Parent Company's management is included in the Statement of Profit or Loss position 'Personnel expenses'.

e) Loans to related parties

Non-current and current loans to related parties

EUR'000

	Group		Parent Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Non-current loans to subsidiaries	–	–	1,006,846	632,564
Non-current loans to other related parties	–	22,244	–	–
TOTAL non-current loans	–	22,244	1,006,846	632,564
Current portion of non-current loans to subsidiaries	–	–	121,634	96,638
Current loans to subsidiaries	–	–	50,889	68,470
TOTAL current loans	–	–	172,523	165,108
TOTAL loans to related parties	–	22,244	1,179,369	797,672

Movement in loans issued to related parties

EUR'000

	Group		Parent Company	
	2025	2024	2025	2024
At the beginning of the year	22,244	863	797,672	624,298
Change in loans in cash (net)	–	–	508,187	152,368
Repayment of loans to related parties	–	–	(7,337)	–
Change in current loans by non-cash offsetting of operating receivables and payables (net)	–	–	8,500	128,797
Issued non-current loans to joint ventures in cash	7,737	21,399	–	–
Derecognised non-current loans to joint ventures after obtaining full control	(29,999)	–	–	–
Repaid non-current loans by non-cash offset	–	–	(127,489)	(107,653)
Impairment for expected credit loss	18	(18)	(164)	(138)
At the end of the year	–	22,244	1,179,369	797,672
<i>incl. loan movement through bank account</i>				
Issued loans to related parties	7,737	21,399	1,314,421	883,043
Repaid loans issued to related parties	–	–	(813,571)	(730,675)
Issued loans, net	7,737	21,399	500,850	152,368

f) Current loans / borrowings

To ensure efficiency and centralised management of Latvenergo Group companies' financial resources and using the functionality of Group accounts and possibility for non-cash offsetting of mutual invoices between the parties, current loans / borrowings are provided. In the reporting year Latvenergo AS issued loans to subsidiaries in accordance with mutually concluded agreement 'On provision of mutual financial

resources', allowing the subsidiaries to borrow and to repay the loan according to daily operating needs and including non-cash offsetting of operating receivables and payables. Within the framework of this agreement, as of 31 December 2024 Latvenergo AS had current borrowing from subsidiary in the amount of EUR 31,101 thousand (see Note 14).

20. Events after the reporting year

On 24 February 2026 the Management Board of Sadales tīkls AS decided to recognise the revaluation of Sadales tīkls AS electricity lines as of 1 January 2026 for financial reporting purposes and the result of the revaluation was recognised in the financial statements of 2025 as an adjusting event.

There have been no other significant events subsequent after the end of the reporting year that might have a material effect on the Latvenergo Group Consolidated and Latvenergo AS Unaudited Condensed Financial Statements for the year ended 31 December 2025.