

Unaudited financial results of Latvenergo Group for 2024

Today, on 28 February, the unaudited condensed financial statements of Latvenergo Group for 2024 are published.

The last year at Latvenergo Group can be described in four key words – investments, generation, exports, and sustainability.

2024 is the breakthrough year for new renewable energy (RES) electricity generation capacity in Latvenergo Group. Currently, a portfolio of three different energy sources is being purposefully developed, complementing the existing use of hydropower with solar and wind energy. In 2024, the investments of Latvenergo Group exceed half a billion euros and are 2.7 times higher than a year earlier. EUR 345 million of the total investment of the Group goes directly into new RES electricity generation projects across the Baltics. New capacity strengthens national security and competitiveness, as well as the role of Latvenergo in the regional energy market.

At the same time, the Group generated 27% of all electricity generated in the Baltic states, or 4,842 GWh, of which 2/3 was generated from renewable energy sources. Most of this electricity was generated at the Daugava HPPs – 3,143 GWh, while due to the decrease in the price of natural gas, 18% more, or 1,633 GWh, was generated at Latvenergo AS CHPPs.

The exports of the Group grew dynamically – 2,579 GWh of electricity was sold outside Latvia, or 42% of the 6,140 GWh sold at retail. In Lithuania and Estonia, electromobility services were developed with the *Elektrum Drive* charging network.

In 2024, Latvenergo Group actively contributed to the sustainability of society by donating to support oncology patients, providing equipment for physics classrooms in schools and supporting Ukraine.

In 2024, electricity and natural gas prices on European markets were lower than a year earlier, which also affected the financial results of Latvenergo Group, reducing overall revenues from energy sales. In 2024, the revenue of the Group is EUR 1,704.0 million, a 16% decrease compared to the previous year. Latvenergo Group's EBITDA is 2% lower at EUR 588.9 million, while profit is 21% lower than a year ago at EUR 276.8 million.

2024 is the breakthrough year for Latvenergo Group's new RES electricity generation capacity, developing a portfolio of three different energy sources – the historical use of hydropower is complemented by solar and wind power, confirming the ambitions of Latvenergo for renewable energy in the Baltic states.

To achieve its strategic goals, the investments of Latvenergo Group have grown 2.7 times, with a total of EUR 530 million invested in 2024. About 2/3, or EUR 345 million, has been invested in new wind and solar power plants. New electricity generation capacity is a national and regional security issue – it is part of resilience and energy independence, as well as competitiveness, for Latvia and the Baltics, and an opportunity to secure lower electricity prices.

In 2024, Latvenergo AS has developed its own RES projects as well as acquired ready-to-use ones – the Group already has 14 solar farms with an installed capacity of 102 MW, and the Akmenė WPP in Lithuania (19.6 MW) has also started operations. Latvenergo AS has acquired two WPP projects – Telšiai in Lithuania (124 MW) and Laflora Energy SIA in Latvia (109 MW), as well as DSE Aizpute Solar SIA – the largest solar power plant project to date with a total capacity of 265 MW. In total, at the end of the year, there are solar and wind farms with a total capacity of almost 880 MW under design or construction, which are expected to be gradually put into operation by 2026. In November 2024, Elektrum Next SIA, a subsidiary of Latvenergo AS, was established with the objective of ensuring the management and further development of new green energy projects.

In 2024, Latvenergo AS generated a total of 4,842 GWh of electricity at its power plants, which amounts to 27% of the total electricity generation in the Baltic states; furthermore, 66% of

electricity was generated from renewable energy sources. The decrease in natural gas prices boosted electricity generation at Latvenergo AS CHPP to 1,633 GWh, 18% more than a year earlier. Meanwhile, heat production reached 1,665 GWh. Although the River Daugava inflow in 2024 was lower than in 2023 and the output of the Daugava HPPs decreased by 16%, it is still 10% higher than the long-term average output and reached 3,143 GWh.

The results of the Group are increasingly influenced by exports – 2,579 GWh of electricity sold outside Latvia, or 42% of the 6,140 GWh sold at retail. The number of electricity customers of the Group increased by 6% to 896 thousand, 284 thousand of which are in Lithuania and Estonia. In the neighbouring countries, electromobility services with the *Elektrum Drive* charging network have also been developed, with the number of charging points exceeding 750 at the end of the year. They provided more than 115 thousand charges amounting to 2,500 MWh, saving around 1,500 tonnes of CO₂ emissions. Not only electricity but also the number of natural gas customers has increased, reaching 65 thousand, 33% more than a year ago. 1,190 GWh of natural gas was sold to retail customers, which is also 33% more than in 2023.

In 2024, Latvenergo Group actively contributed to the sustainability of Latvian society – the largest projects include a EUR 200 thousand donation to support oncology patients in the Ziedot.lv programme, a EUR 260 thousand donation to 20 schools to provide equipment to improve physics classrooms, and since day one, the Group has provided assistance to Ukrainian defenders in their fight against Russia.

In describing the financial results of the Group, it is important to underline the fact that electricity and natural gas prices in 2024 were lower than the previous year. In the Baltics, spot electricity prices were on average 6% lower, while the average price of natural gas reached EUR 34/MWh, which is 30% lower than in 2023. Taking this into account, Latvenergo Group's revenue in 2024 is EUR 1,704.0 million, which is 16% lower than a year earlier. On the other hand, with the decline in the development of the Daugava HPPs, the EBITDA of the Group has decreased by 2% compared to 2023 and amounts to EUR 588.9 million. At the same time, the Daugava HPPs output was 10% higher than the long-term average. It should also be mentioned that EBITDA benefited from lower natural gas procurement prices and higher revenues in the distribution segment. The profit of the Group was EUR 276.8 million, 21% lower than a year earlier.

In accordance with the Law "On the State Budget for 2025 and Budget Framework for 2025, 2026 and 2027", the expected amount of dividends to be paid by Latvenergo AS in 2025 (for the reporting year 2024) is 70% of the profit for the reporting year but not less than EUR 183.9 million.

After the end of the reporting year, in February 2025, Latvenergo AS has received the award for the best investor relations among all bond issuers on the Nasdaq Baltic regulated markets in the Baltic states for the fourth time. Since 2012, the bonds have been issued with consistently high investor valuations.