

Latvenergo Group's unaudited results for the first half of 2024 are published

Today, on 30 August, Latvenergo Group published its unaudited condensed interim consolidated financial statements for the first half of 2024.

In the first half of the year, Latvenergo Group invested EUR 175 million, thus doubling its investments compared to the same period last year, by implementing the targeted development of new renewable energy (RES) projects. The sustainable generation portfolio of the group is complemented by new solar park and wind farm capacities in all the Baltic states in accordance with its growth strategy.

In the first six months of 2024, the high output of the Daugava hydropower plants has mainly determined the financial results of the Group. In the first half of this year, the Daugava HPPs generated the third largest amount of electricity in the last 30 years for a 6-month period: 2,558 GWh. Due to the decrease in the price of natural gas, the amount of electricity generated by CHPPs of Latvenergo AS increased by 41% to 949 GWh. The Group generated a total of 3,531 GWh of electricity, comprising to 35% of the total electricity generation in the Baltic states; furthermore, 73% of electricity was generated from renewable energy sources.

As a result, Latvenergo Group is the largest electricity producer in the Baltics for the first half of 2024, generating 3.5 terawatt-hours (TWh). The next largest producers are in Estonia (2.0 TWh) and Lithuania (1.3 TWh).

In the first half of the year, an increase in the number of electricity as well as natural gas customers was observed. Retail sales of electricity increased by 8% and those of natural gas rose by 39% compared to the same period last year.

In the first half of 2024, the revenues of the Group amounted to EUR 955.4 million, down by 18% from the same period last year, which was due to the lower sales prices of energy. Lower natural gas purchase prices, higher retail sales of electricity and natural gas, and the increase in the number of *Elektrum* customers had a positive impact on the profit performance of the Group. The EBITDA of Latvenergo Group increased by 14% to EUR 393.7 million, while profit was EUR 252.5 million – 13% growth year-on-year.

In June 2024, Latvenergo AS paid EUR 212.2 million in dividends to the State on the profit of the previous year, as well as paid EUR 48.3 million in corporate income tax.

The decline in electricity and natural gas prices continued in the first half of 2024. In the Baltic states, spot electricity prices were, on average, 9% lower, while TTF natural gas (Front Month) averaged at EUR 30/MWh, which is a 49% drop from the first half of 2023.

Although the water inflow this year was slightly lower than a year before, the amount of electricity generated by Daugava HPPs continues to be high. This is one of the highest amounts generated in the first 6 months of a year and amounted to 2,558 GWh. The production facilities of the Group generated a total of 3,531 GWh of electricity, which is on par with the same period last year. Due to the decrease in natural gas purchase prices, the generation of electricity at the CHPPs of Latvenergo AS increased significantly, reaching 949 GWh, which is 41% more than in the same period a year earlier, while heat generation amounted to – 1,045 GWh – up 8% year-on-year.

Thus, the sustainable generation portfolio of Latvenergo ensured 35% of the total electricity generation of the Baltic states; furthermore, 73% of electricity was generated from renewable energy sources. Demonstrating Latvenergo Group's position as a leader in renewable energy in the Baltics, with a strategic goal to develop new renewable energy capacities in all Baltic states, the Group's investment volume was doubled in the first half of the year to EUR 175 million, with more than half, or EUR 98 million, invested in new wind and solar projects. In the first half of 2024, the first four solar parks in Latvia with a total capacity of 29 MW, one solar park in Lithuania (13 MW) and one solar park in Estonia (7 MW) were launched into

operation. At the end of August, as many as 14 solar parks with a total capacity of almost 85 MW were producing electricity under the *Elektrum* brand in the Baltic states. In May 2024, Latvenergo AS acquired the *Telšiai* wind power plant project (124 MW), which is expected to start generating wind power in 2026, and construction works of a wind power plant in Akmenė District, Lithuania, with a capacity of up to 15 MW, is also in progress.

Thanks to its successful performance in the energy market, the number of electricity customers of Latvenergo Group increased by 5%, exceeding 884 thousand, of which 271 thousand were customers outside Latvia. Electricity sales to customers increased by 8% to 3,341 GWh. The operations of the Group in export markets should be emphasised – 43% of the total retail electricity sales have occurred outside Latvia.

The number of natural gas customers of the Group increased by 56% to 59 thousand. As the number of customers increased and overall natural gas consumption in the Baltic states also increased by 1/3, the volume of natural gas sold to customers has increased by 39% to 619 GWh. Including wholesale, a total of 1,333 GWh of natural gas was sold, which is a 67% increase from the same period a year earlier.

The financial results of the distribution segment have also improved in the first half of 2024. They were positively affected by a 2% increase in distributed electricity.

The growth in the retail sales of electricity and natural gas, the increase in the number of *Elektrum* customers, as well as lower purchase prices of natural gas, and better results of the distribution segment, have positively affected the financial results of the Group. New business types are also having an increasing impact on financial and operational performance. At the end of June, the *Elektrum Drive* electric vehicle charging network reached 495 ports in the Baltic states with more than 49 thousand charges of 1,080 MWh made in the charging network, saving 660 tonnes of CO₂ emissions. Meanwhile, together with the charging networks of our collaboration partners, a total of 690 charging points are available to the customers of *Elektrum Drive* in the Baltic states.

In the first 6 months of 2024, the revenue of Latvenergo Group decreased by 18% year-on-year and reached EUR 955.4 million, the EBITDA increased by 14% to EUR 393.7 million, while the profit amounted to EUR 252.5 million, increasing 13% from the respective period a year earlier.

During the reporting period, Latvenergo AS, as a state capital company, has contributed more than EUR 260 million to the state budget of Latvia. Dividends in the amount of EUR 212.2 million from the profit of 2023 have been paid to the State, as well as corporate income tax in the amount of EUR 48.3 million has been paid. Meanwhile, in accordance with the law “On the state budget for 2024 and the budget framework for 2024, 2025 and 2026”, the estimated amount of dividends to be paid by Latvenergo AS in 2025 will amount to 64% of the profit of 2024.

Latvenergo is the first energy company in the Baltic states to publish Moody’s opinion on the climate targets defined by the company and the feasibility of achieving them. The NZ-3 score received by the Group confirms the high credibility of reaching the climate targets of the Group and its compliance with the requirements of the Paris Agreement. Latvenergo Group aims to achieve climate neutrality in electricity generation by 2040 through the development of new RES capacity. Assessments of the climate targets of companies by Moody’s started this year, and only those companies that demonstrate a real commitment to reducing climate change and GHG emissions in their operations undergo the assessment.

The unaudited condensed interim financial statements of Latvenergo Group for the first 9 months of 2024 will be published on 29 November. The unaudited condensed interim consolidated financial statements of Latvenergo Group covering the first six months of 2024 are available in the [Investors/Reports](#) section.