CREDIT OPINION
21 March 2025

Update

Send Your Feedback

RATINGS

Latvenergo AS

Domicile	Riga, Latvia
Long Term Rating	Baa2
Type	LT Issuer Rating - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Jan Jurgensen +49.698.67902.154
AVP-Analyst
jan.jurgensen@moodys.com

Vitalij Jermolajev +49.69.86790.2103
Sr Ratings Associate
vitalij.jermolajev@moodys.com

Paul Marty +33.1.5330.3371
Associate Managing Director
paul.marty@moodys.com

Latvenergo AS

Update to credit analysis

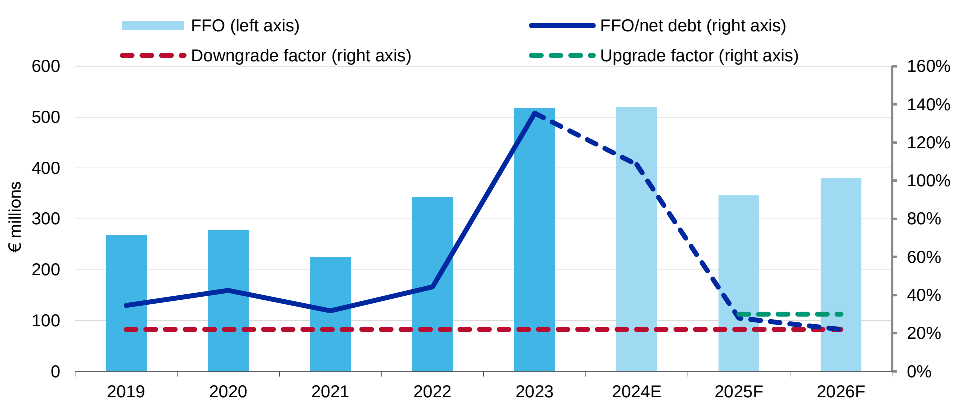
Summary

Latvenergo AS' (Latvenergo, Baa2 stable) credit profile is underpinned by the group's leading position as an integrated utility in its domestic market; its fairly low-cost and environmentally clean hydro generation asset base; the strong contribution of regulated distribution activities to its earnings; and its solid financial profile (see Exhibit 1).

However, Latvenergo's credit quality is constrained by its small size; volatile hydro generation and variable profitability of its gas-fuelled heat and power plants, given their exposure to commodity prices; its large investment programme and relatively weak liquidity.

Latvenergo's Baa2 rating incorporates two notches of uplift for the potential extraordinary support from its 100% owner, the Government of Latvia (A3 stable), in case of financial distress. At the same time, the company remains exposed to political interference.

Exhibit 1
Latvenergo's leverage metrics are likely to remain volatile and burdened by growth capital spending, but remain within guidance



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Credit strengths

- Dominant position in Latvia and status as a leading electricity producer and supplier in the Baltics
- Relatively stable cash flow from regulated distribution grid activities, although returns are low
- Solid financial profile
- Expectation of strong government support, in case of financial distress

Credit challenges

- Relatively small size, which leaves the company vulnerable to changes in the regional electricity markets
- Earnings from generation exposed to variable hydrology and volatile commodity prices
- A potential short position of own generation versus retail supply with a strong seasonal component, which leaves the company exposed to price volatility
- Large investment programme that will require significant external financing

Rating outlook

The stable outlook reflects our expectation that, despite a material capex programme, the company should maintain a financial profile in line with the current ratio guidance of funds from operations (FFO)/net debt in the low 20s in percentage terms over the next two to three years.

Factors that could lead to upgrade

Upward pressure on Latvenergo's rating is unlikely to materialise in the near term but could develop in the medium to long term if (1) the company's FFO/net debt were to remain around 30% on a sustained basis; and (2) the company's liquidity improves. Upward rating pressure could also develop if the credit quality of the Latvian government were to significantly strengthen.

Factors that could lead to downgrade

Latvenergo's rating could come under downward pressure if the company's FFO/net debt were to remain below the low 20s in percentage terms on a sustained basis; its liquidity were to deteriorate; there were significant adverse changes in the regulatory framework in Latvia; or the credit quality of the Latvian government or the support assumptions currently incorporated into our assessment were to weaken significantly.

Key indicators

Exhibit 2

Latvenergo AS

Credit metrics are robust but display some volatility, driven by hydrology conditions and wholesale electricity prices

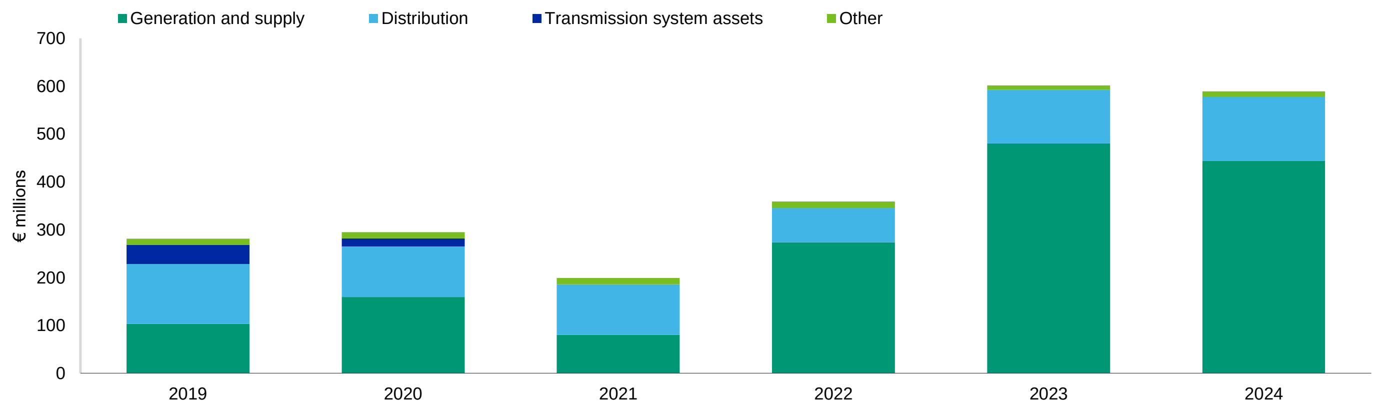
	2020	2021	2022	2023	LTM Sep-24	Moody's 12-18 month forward view
(CFO Pre-W/C + Interest) / Interest Expense	26.6x	25.3x	33.6x	20.7x	23.4x	9.0x - 22.0x
(CFO Pre-W/C) / Net Debt	42.8%	31.7%	44.3%	135.4%	126.7%	22.0% - 28.0%
RCF / Net Debt	22.9%	17.4%	35.2%	95.4%	73.2%	13.0% - 15.0%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Profile

Latvenergo is the dominant vertically integrated utility in Latvia, with a total installed power generation capacity of around 2.7 gigawatts (GW), representing around 80% of the total Latvian electricity generation capacity. Latvenergo's main power plants comprise three hydropower plants (HPPs, 1.6 GW) on River Daugava, and two gas-fueled combined heat and power plants (CHPPs, 1.0 GW power and 1.6 GW thermal) in Riga. The group also owns and operates the Latvian electricity distribution network. Until June 2020, Latvenergo also owned the Latvian electricity transmission grid assets, which were then transferred to Augstprieguma tīkls AS (AST) as the state-owned transmission system operator (TSO). Latvenergo is 100% owned by the Latvian government.

Exhibit 3
Latvenergo's earnings are driven by the volatile contribution from its generation business
EBITDA by segment



Source: Company filings

Detailed credit considerations

Small size exposes Latvenergo to changes in the Nordic and Baltic electricity markets

Latvenergo is the dominant utility in Latvia and one of the leading electricity end-suppliers across the three Baltic countries, with aggregate retail sales of around 6.1 terawatt hours (TWh) and an overall market share in the Baltics of around 22% (Latvia alone: 51%) in 2024. Despite its strong position in the domestic market, Latvenergo's scale remains relatively small in the pan-European context, which leaves the company exposed to changes in the relevant Nordic and Baltic electricity markets.

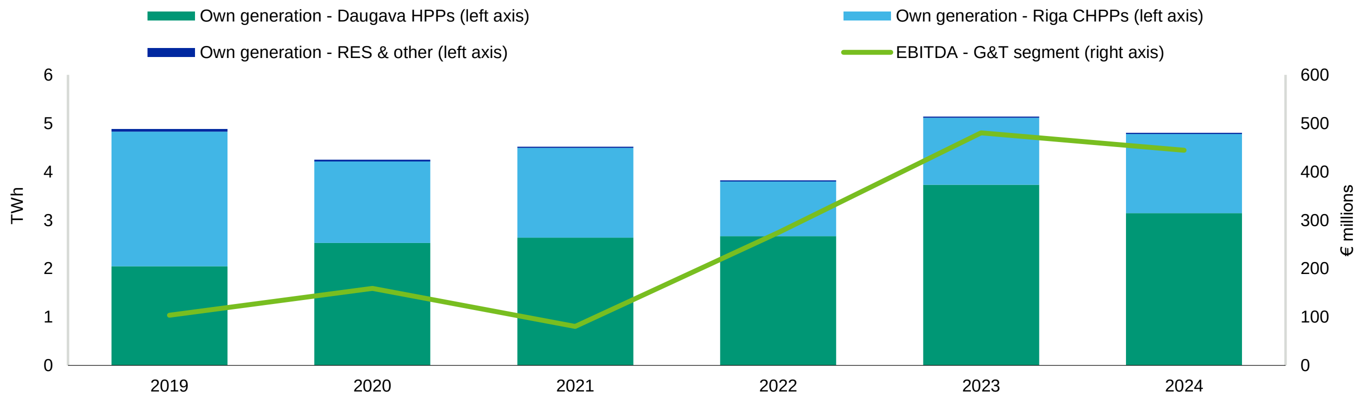
Variable output of HPPs is a key driver of the company's significant earnings volatility

Latvenergo partly meets its end-supply obligations with generation from its own HPPs and CHPPs, whose total output varies considerably, with levels ranging from 3.8 TWh to 5.7 TWh between 2015 and 2024 (see Exhibit 4), because of the high reliance on hydropower and the variable utilisation of CHPPs with high seasonal correlation.

The annual production of Latvenergo's HPPs ranges between 1.8 TWh and 4.3 TWh, depending on the hydrological conditions. During the spring flood period, which typically lasts two to three months, the generation output exceeds the domestic demand, thus supporting electricity exports. Hydro generation has remained strong over the past years, with outputs of 2.7 TWh in 2022, 2.6 TWh in 2021, and 2.5 TWh in 2020. In 2023, the HPP output was the second largest in the last 25 years at 3.7 TWh. Although the 2024 output decreased by 16% to 3.1 TWh, it still remained 10% above the long-term historic average.

However, the variability of the hydro generation output across years, combined with a strong seasonal component, exposes Latvenergo to significant volatility in earnings, because of HPPs' fixed-cost nature.

Exhibit 4
Latvenergo's Generation and Trade (G&T) earnings are linked to hydro production
Generation output by technology versus earnings from G&T



Source: Company filings

In 2023, the average Latvian day-ahead price stood at €94 per megawatt hour (MWh), 58% decline from the exceptionally high level of €226/MWh seen in the 2022 energy crisis. The downward trend continued in 2024, when the average price contracted another 7% to €87/MWh year-on-year. Power price declines were mainly driven by lower gas prices and an increase in installed renewable capacity compared to 2022.

Visibility into CHPP earnings is low

Latvenergo's CHPPs run mainly in the cogeneration mode during the heating season from October through March. In 2024, the Riga CHPPs, with an installed thermal capacity of 1.6 GW, produced ca. 1.4 TWh of heat, supplied to the district heating system of the city, generating regulated income.[1] In addition, Latvenergo receives capacity payments, which amount to €21 million annually for 2022-28 and offset the plants' fixed costs.

The CHPPs' earnings are exposed to seasonal weather conditions, as well as volatile gas and carbon prices. The effects on operating costs are mitigated by Latvenergo's policy to hedge its gas and carbon requirements to a large degree; and by the fact that the district heating tariffs are adjusted for commodity price movements.

Earnings from the heat plant operations are further underpinned by income from power sales, which particularly benefited from the very high power prices seen throughout the 2022/2023 energy crisis; the capacity payments, covering fixed operating costs; and the technical flexibility of the plants, which allows load adaptation to market conditions on short notice. Since Latvenergo does not report isolated figures for the CHPPs' contribution to G&T earnings, there is low visibility into whether or not the plants support the segment's profitability. The operation of the CHPPs is adjusted to the conditions of the electricity market and heat demand, therefore providing an optimization of electricity sourcing on an hourly basis. In 2024, CHPP output increased by 18%, which we regard to be also a consequence of 30% lower gas prices in 2024 compared to 2023.

Leading retail supplier in Latvia and the Baltics, but intense competition has reduced the domestic market share

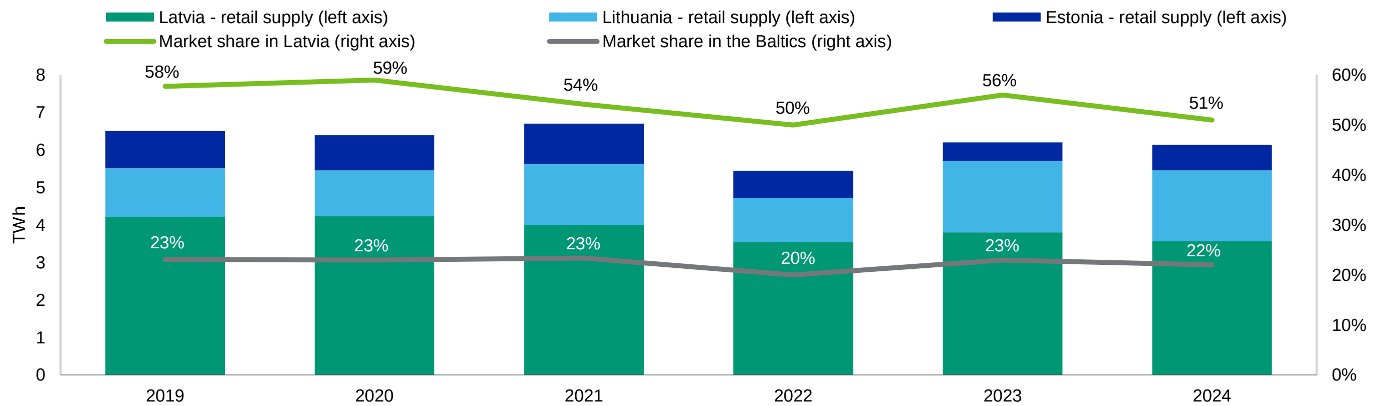
Over the last few years, Latvenergo's power sales and retail market shares have been subject to some degree of volatility, driven by supply and demand distortions triggered by the coronavirus pandemic, but also the military conflict in Ukraine and the associated European energy crisis. Latvenergo's market share and sold volumes have decreased substantially since 2015, when electricity supply to households in Latvia was liberalised.

However, volume reductions are also strategically desired to balance production and sales volumes. Lower retail supply volumes in Latvia are mitigated by Latvenergo's relatively stable market shares in Estonia and Lithuania, and a retention level well above 75% in the less volatile Latvian household segment, observed over the past few years. The company seeks to defend its competitive position at home and grow abroad by expanding its service offer through supplementing services to the electricity and gas sales agreements.

Exhibit 5

Latvenergo's sales have seen some volatility in the recent few years

Retail sales and retail market shares in Latvia and the Baltics



Source: Company filings

The retail operations form part of the company's G&T segment. Their profitability is a function of the share of end-supply volumes being covered by the company's own power generation from HPPs and CHPPs, which has a strong seasonal component; and of the scope and price levels of electricity procured in the wholesale market, because on an annual basis, the company's (retail) sales volumes have historically exceeded its electricity production.

Latvenergo makes progress in reducing its historical short position in generation

Latvenergo covers its supply shortfall with imports from the NordPool (NP) electricity exchange, where the company also sells any excess output from its HPPs during the spring flood period. Because of its volatile own generation, in combination with fixed-price tariff offers, and the increased interconnection capacities since 2015 between the Baltic and the much larger Nordic countries as well as Poland, Latvenergo is exposed to Nordic power generation volatility. This is reflected in converging power prices that are significantly driven by Nordic hydrology.

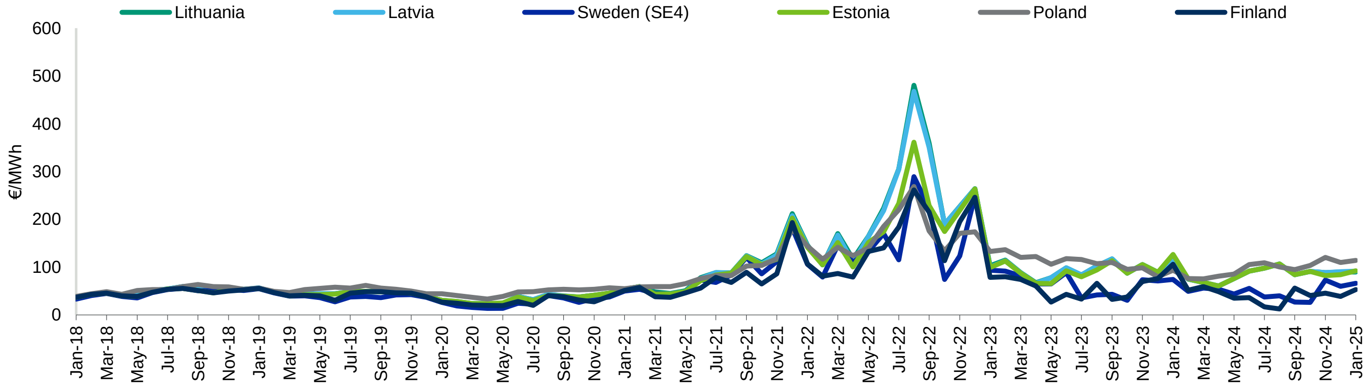
Generally, Baltic power prices tend to be positioned between the lower Nordic and the higher Polish prices in the day-ahead market. The ensuing risk of price volatility is mitigated by a positive correlation between rising electricity prices (often influenced by a low hydro output) and higher CHPP production; the use of derivative financial instruments; and the complementary hydrology seasons in Latvia and Southern Sweden, the last factor defining the lower end of the NP price range.

Latvenergo's structural short generation position is mitigated by (1) the option to change end customer prices in the largely liberalised Baltic retail markets;[2] (2) its efforts to balance power production and fixed price retail sales contracts; and (3) a strategy to expand solar and wind generation capacities over the medium term.

Exhibit 6

Prices in the Baltics and NP reflect close links, with Southern Sweden's hydro capacity acting as a price floor

Day-ahead electricity prices expressed in €/MWh



Lithuanian and Latvian prices are nearly identical for most of the time; therefore, the Lithuanian graph is barely visible.
Sources: NordPool, Polish Power Exchange and Moody's Ratings

Relatively stable earnings from regulated network activities

Latvenergo also owns and operates the country's electricity distribution network through its 100% subsidiary Sadales tīkls AS (ST), which is regulated by the Public Utilities Commission (PUC).

Since the beginning of 2020, ST has been operating under a new regulatory framework, which is based on a revenue cap approach with an efficiency factor and a regulatory account mechanism. The regulatory period for Latvian distribution networks can span up to five years but not less than two. In November 2022, ST submitted a request to the regulator for a higher distribution tariff to address a rise in costs stemming from the high electricity power prices and general cost inflation. The regulator followed ST's request and the current regulatory lag spans from July 2023 till end December 2027. Under the current calculation method, a higher proportion of fixed tariffs allows for a more predictable recovery of operating costs.

Tariffs are set at the beginning of each year and can be adjusted for deviations from assumptions on distributed volumes, one-off costs or inflation rate. These in-period adjustments limit volume risk for ST as revenue deviations of up to 3% can be considered when adjusting tariffs, whereas larger differences would be booked to the regulatory account and could be recovered in the next regulatory period.

As for the regulatory asset base (RAB) and the weighted average cost of capital (WACC), both will remain constant throughout the current regulatory period. Since a revaluation of the RAB at year-end 2020, its value remains at around €1.6 billion, while the WACC was determined at 2.72% (pretax, real, or 4.25% nominal).

Since its introduction in 2020, the principles-based regulatory framework provides greater transparency over methodological details, although it lacks the sophistication of the regulatory frameworks prevalent in Western Europe and allowed return rates are relatively low in the European context.

As of 31 December 2024, under unaudited results, the division reported revenue of €371 million (2023: €343 million) and an EBITDA of €133 million. This represents an earnings increase from the 2023 EBITDA level of €112 million, thanks to the new tariff formula applicable since July 2023, referred to above.

Latvenergo's investment plan under the new 2022-2026 strategy will result in rising debt

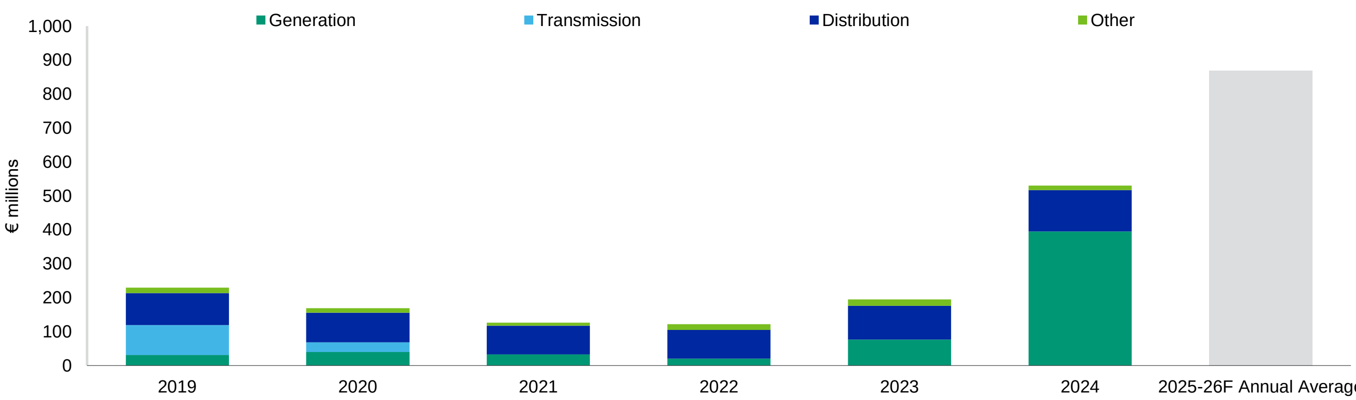
In March 2022, Latvenergo's supervisory board approved the actual medium-term strategy 2022-26, which includes reinforced investments in renewables, underpinning Latvia's goal to become climate neutral by 2050. With this strategy, Latvenergo essentially follows a path similar to other regional utilities, such as its Baltic peer Eesti Energia AS (Baa3 stable), investing mainly in onshore wind and solar installations to increase respective capacities combined to at least 600 MW by 2026. At end of December 2024, Latvenergo had 122 MW of new wind and solar capacities installed and an additional 878 MW in the project- or construction phase and to be gradually commissioned over 2025 and 2026.

We expect Latvenergo to invest a total of €2.5 billion in its asset base over 2022-26, most of which is allocated to the buildout of onshore wind and solar capacity, and for the lifetime extension and capacity increase of the Daugava HPPs. Lastly, the company will proceed with the maintenance of its grid assets, which will help to support the regulated earnings base of the group. Until 2030, Latvenergo plans to grow its renewables portfolio further to 2,300 MW of installed renewables capacity. Although we expect that the majority of associated investments are concentrated over the 2022-26 period, capital spending will likely remain elevated after 2026, compared to pre-2022 levels.

Additional renewable capacities, in particular solar plants, could be helpful to reduce Latvenergo's short position in their retail supply operations and mitigate the company's exposure to price volatility during the summer months, when hydrology levels are at seasonable lows. However, the investment plan, relative to Latvenergo's operating scale, is ambitious, entails execution risk and will require additional debt as it is only partly financed by operating cash flows.

Exhibit 7

Latvenergo's capital investments were at low levels over the last few years and will rise until 2026



Source: Company filings

The 2022-2026 strategy includes an annual payout ratio of more than 64% of the unconsolidated net profits of the parent company Latvenergo AS and latest changes in the legislation stipulate a payout ratio of 70% of the 2024-2026 net profits.

Latvenergo's leverage to gradually increase over the next few years, but will remain in line with our guidance

According to unaudited full year results, Latvenergo's 2024 reported EBITDA remained very strong at €589 million, only slightly below the 2023 record level of €602 million. This was mainly because of a lower HPP output described above and largely offset by (1) a new distribution tariff introduced in July 2023; and (2) lower natural gas prices that supported a higher CHPP power output and improved retail electricity and gas sales volumes. However, high dividend payments and sharply rising capital spending turned free cash flow generation (as adjusted by Moody's) negative and drove a 27% increase in net debt when considering short-term deposits and lease liabilities. 2024 unaudited financial results indicate leverage, measured as funds from operations to net debt (as adjusted by Moody's) of 109%.

Going forward, we expect the large levels of capex and dividends planned and budgeted to lead to continued negative free cash flow generation. This, we assume, will drive leverage gradually towards the low 20s in percentage terms over the coming two to three years, which is commensurate with our guidance for the current Baa2 rating (see Exhibit 1). This compares with the company's financial policy, that includes a minimum target of 25% FFO/net debt.

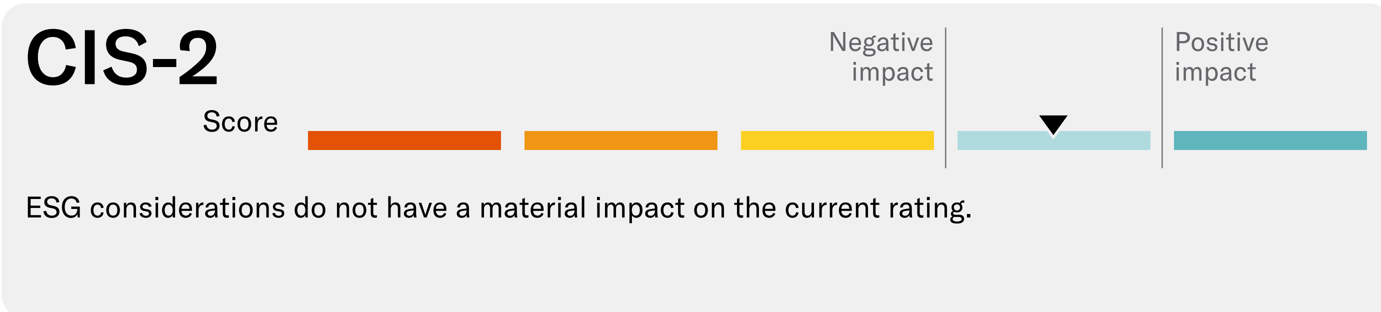
Credit quality is supported by the government ownership

Latvenergo is 100% owned by the Government of Latvia and Latvenergo's Baa2 rating incorporates two notches of uplift from its Baseline Credit Assessment (BCA) of ba1. This uplift is based on our assessment of a strong probability of government support for the company in the event of financial distress and our view of high default dependence (that is, the degree of exposure to common drivers of credit quality) between the government and Latvenergo.

ESG considerations

Latvenergo AS' ESG credit impact score is CIS-2

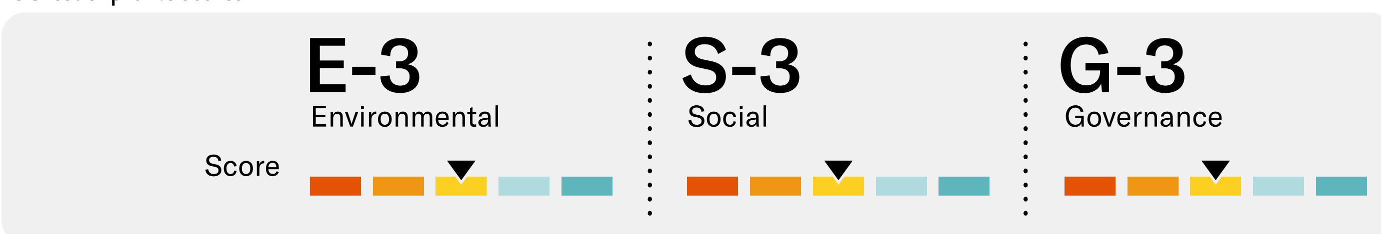
Exhibit 8
ESG credit impact score



Source: Moody's Ratings

Latvenergo's **CIS-2** indicates that its ESG attributes have no discernible impact on its rating. Its score reflects moderate environmental, social and governance risks. The effect of ESG risks to the rating is mitigated by our expectation that Latvenergo's government shareholder would support the company, if this were to become necessary.

Exhibit 9
ESG issuer profile scores



Source: Moody's Ratings

Environmental

Latvenergo's **E-3** score reflects the company's generation mix consisting of hydro and gas-fueled cogeneration plants which are exposed to risks arising from volatile hydrology and stricter carbon emission policies, respectively. Latvenergo's hydro plants are exposed to resource volatility related to changing climate patterns, but the company's flexible cogeneration plants mitigate the impact of low hydrology on earnings. Climate-related incidents, such as storms, may also have a negative impact on the group's electricity distribution grid assets, but since this is a regulated business, we expect any damages to be reflected in tariff determinations over time.

Social

Latvenergo's **S-3** score reflects risks related to demographic & social trends, which include adverse regulatory decisions or government intervention in regulatory affairs. While the infrastructure regulation of the distribution grid operations has allowed the company to recover its costs in a timely manner, the current framework was only introduced in 2020 and has yet to build a track record of predictability and reliability.

Governance

Latvenergo's **G-3** score incorporates the relatively low liquidity buffer the company retains, which is part of its risk management policy. It also reflects that the Latvian government as the sole owner of Latvenergo has a track record of extracting large dividend payouts. Although we view this as credit negative, we understand that the government's actions are strictly subject to preserving Latvenergo's solid credit profile.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

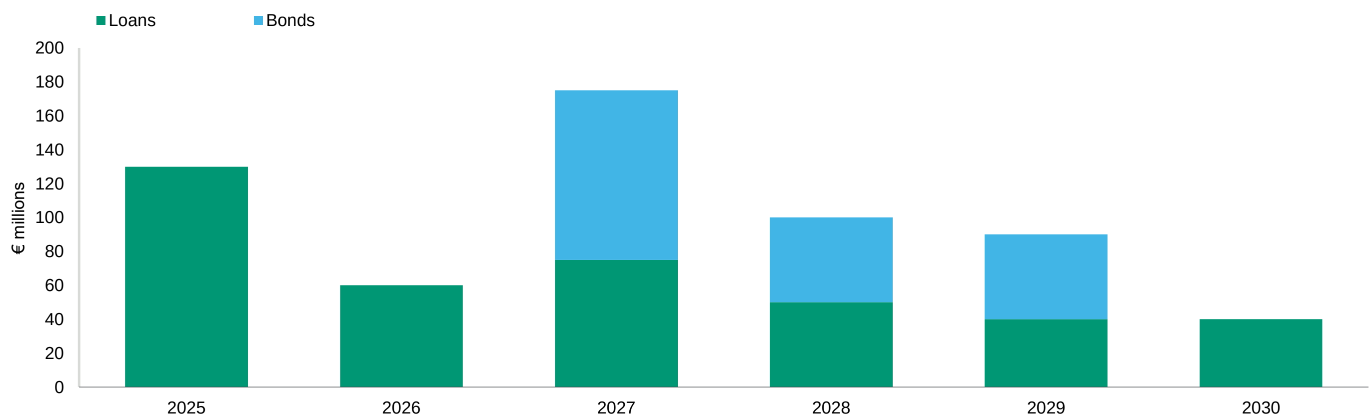
At end of December 2024, Latvenergo reported cash and cash equivalents of €87 million and €210 million of short term investments. Additionally, the company has access to (1) two currently undrawn loans from Nordic Investment Bank (€230 million) and European Investment Bank (€200 million), signed in December 2024 and March 2025, respectively, with tenors of 15 years each; and (2) a €100 million RCF, maturing in August 2026, under which €68 million of guarantees are currently drawn.

We regard these cash sources sufficient to cover Latvenergo's basic cash needs over the coming 12 months, including committed capital expenditure. However, to fund currently uncommitted investment projects, Latvenergo will likely have to secure additional external financing in 2025. Latvenergo has robust banking relationships, as demonstrated by recently granted loans.

Exhibit 10

Latvenergo has a well-spread debt maturity profile

Debt repayment schedule as of 31 December 2024



Source: Company filings

Methodology and scorecard

The principal methodologies used in rating Latvenergo are Unregulated Utilities and Unregulated Power Companies, and Government-Related Issuers. The forward-looking scorecard-indicated outcome is Baa3, which is above the assigned BCA of ba1. The BCA also incorporates volatility in the company's hydro generation, limiting the visibility into its cash flow generation, and our expectation that credit metrics will weaken further beyond the next 12-18 months as a result of the company's sizeable capital spending.

Exhibit 11

Rating factors

Latvenergo AS

Unregulated Utilities and Unregulated Power Companies Industry Scorecard	Current LTM Sep-24		Moody's 12-18 Month forward view	
Factor 1 : Scale (10%)	**Measure**	**Score**	**Measure**	**Score**
a) Scale ($ billions)	B	B	Ba	Ba
Factor 2 : Business Profile (40%)				
a) Market Diversification	Ba	Ba	Ba	Ba
b) Hedging and Integration Impact on Cash Flow Predictability	Ba	Ba	Ba	Ba
c) Market Framework & Positioning	Ba	Ba	Ba	Ba
d) Capital Requirements and Operational Performance	Baa	Baa	Ba	Ba
e) Business Mix Impact on Cash Flow Predictability	A	A	A	A
Factor 3 : Financial Policy (10%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Factor 4 : Leverage and Coverage (40%)				
a) (CFO Pre-W/C + Interest) / Interest (3 Year Avg)	24.7x	Aaa	9.0x - 22.0x	Aa
b) (CFO Pre-W/C) / Net Debt (3 Year Avg)	75.0%	Aa	22.0% - 28.0%	Baa
c) RCF / Net Debt (3 Year Avg)	50.6%	Aa	13.0% - 15.0%	Ba
Rating:				
a) Scorecard-Indicated Outcome		A3		Baa3
b) Actual Baseline Credit Assessment Assigned				ba1
Government-Related Issuer				**Factor**
a) Baseline Credit Assessment				ba1
b) Government Local Currency Rating				A3
c) Default Dependence				High
d) Support				Strong
e) Actual Rating Assigned				Baa2

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Appendix

Exhibit 12
Peer comparison
Latvenergo AS

	Latvenergo AS			MVM Zrt.			Eesti Energia AS			Holding Slovenske elektrarne d.o.o.		
	Baa2 Stable			Baa2 Negative			Baa3 Stable			Baa3 Stable		
	FY	FY	LTM	FY	FY	LTM	FY	FY	LTM	FY	FY	FY
(in € millions)	Dec-22	Dec-23	Sep-24	Dec-22	Dec-23	Jun-24	Dec-22	Dec-23	Sep-24	Dec-21	Dec-22	Dec-23
Revenue	1,842	2,034	1,796	19,671	13,316	11,568	2,218	1,906	1,801	2,538	5,331	4,948
EBITDA	343	599	637	1,068	2,342	2,300	425	451	397	91	(134)	618
Total Assets	3,855	4,127	4,110	20,717	18,350	16,230	5,499	4,790	5,186	2,044	2,455	2,393
Total Debt	887	641	590	3,760	4,499	3,175	1,059	1,694	1,851	662	838	622
Net Debt	774	383	435	2,742	3,857	2,201	779	1,520	1,322	565	481	510
FFO / Net Debt	44.3%	135.4%	126.7%	21.3%	38.2%	72.6%	46.9%	23.6%	15.0%	52.2%	-31.4%	112.3%
RCF / Net Debt	35.2%	95.4%	73.2%	20.6%	9.9%	35.3%	39.7%	18.2%	14.5%	52.2%	-31.4%	112.3%
(FFO + Interest Expense) / Interest Expense	33.6x	20.7x	23.4x	4.9x	6.7x	9.0x	13.6x	5.7x	3.5x	18.6x	-7.4x	23.0x
Debt / Book Capitalization	27.3%	17.8%	16.4%	34.8%	43.2%	35.4%	25.3%	45.4%	43.5%	44.8%	45.0%	34.6%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Exhibit 13
Moody's-adjusted debt reconciliation
Latvenergo AS

(in € millions)	2019	2020	2021	2022	2023	LTM Sep-24
As reported total debt	888.2	749.8	803.5	886.6	641.1	589.9
Non-Standard Adjustments	(1.3)	-	-	-	-	-
Moody's adjusted total debt	886.9	749.8	803.5	886.6	641.1	589.9
Cash & Cash Equivalents	(116.0)	(100.7)	(97.1)	(112.8)	(258.5)	(154.8)
Moody's adjusted net debt	771.0	649.1	706.4	773.8	382.6	435.1

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Exhibit 14
Moody's-adjusted EBITDA reconciliation
Latvenergo AS

(in € millions)	2019	2020	2021	2022	2023	LTM Sep-24
As reported EBITDA	**244.6**	**279.6**	**200.7**	**361.3**	**610.7**	**648.8**
Unusual Items	(21.3)	(25.1)	(49.6)	(18.7)	(11.6)	(11.6)
Moody's-adjusted EBITDA	**223.2**	**254.5**	**151.1**	**342.6**	**599.0**	**637.2**

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Exhibit 15

Overview on select historical Moody's-adjusted financial data

Latvenergo AS

(in € millions)	2019	2020	2021	2022	2023	LTM Sep-24
INCOME STATEMENT						
Revenue	842	773	1,065	1,842	2,034	1,796
EBITDA	223	254	151	343	599	637
EBIT	60	96	(7)	176	423	462
Interest Expense	10	11	9	10	26	25
Net income	59	93	(2)	168	356	364
BALANCE SHEET						
Net Property Plant and Equipment	2,758	2,835	2,835	3,016	3,311	3,437
Total Assets	3,865	3,358	3,476	3,855	4,127	4,110
Total Debt	887	750	803	887	641	590
Cash & Cash Equivalents	116	101	97	113	258	155
Net Debt	771	649	706	774	383	435
Total Liabilities	1,607	1,248	1,359	1,506	1,172	1,112
CASH FLOW						
Funds from Operations (FFO)	268	278	224	343	518	551
Cash Flow From Operations (CFO)	315	291	131	126	574	500
Dividends	135	129	101	70	153	233
Retained Cash Flow (RCF)	133	149	123	272	365	319
Capital Expenditures	(255)	(185)	(191)	(120)	(182)	(333)
Free Cash Flow (FCF)	(76)	(23)	(160)	(63)	239	(66)
INTEREST COVERAGE						
(FFO + Interest Expense) / Interest Expense	28.5x	26.6x	25.3x	33.6x	20.7x	23.4x
LEVERAGE						
FFO / Net Debt	34.8%	42.8%	31.7%	44.3%	135.4%	126.7%
RCF / Net Debt	17.2%	22.9%	17.4%	35.2%	95.4%	73.2%
Debt / EBITDA	4.0x	2.9x	5.3x	2.6x	1.1x	0.9x
Net Debt / EBITDA	3.5x	2.6x	4.7x	2.3x	0.6x	0.7x

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Ratings

Exhibit 16

Category	Moody's Rating
LATVENERGO AS	
Outlook	Stable
Issuer Rating	Baa2

Source: Moody's Ratings

Endnotes

1 Another 242 MWh of heat were generated within Liepājas enerģija SIA, a company owned 51% by Latvenergo. This company primary ensures generation and supply of thermal energy to Liepaja, a city in Latvia.

2 For instance, in H2 2021 several price adjustments were made to address energy price rises. However, the positive effect of such adjustments on G&T earnings is subject to lags because of notice periods and negotiations with customers, especially in relation to fixed-price tariffs; customer churn as end-users seek cheaper offers; and the magnitude of the price increases compared with the cost increases.

REPORT NUMBER 1438339