LATVENERGO CONSOLIDATED AND LATVENERGO AS UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST 6 MONTHS OF 2024

CONTENTS

Management Report

Unaudited Condensed Interim Financial Statements*

FINANCIAL CALENDAR

29. 11. 2024.
Condensed Consolidated Interim Financial Statements for the first 9 months of 2024 (unaudited)

28. 02. 2024.
Latvenergo Consolidated and Latvenergo AS Condensed Financial Statements for 2024 (unaudited)

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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.

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

Highlights

Electricity and natural gas prices are lower.

In 1H 2024, the prices of electricity and natural gas were lower than in the respective period a year ago. Electricity spot prices in the Baltics were on average 9% lower than in the respective period a year ago. Meanwhile, the average price of natural gas at the TTF (front month) reached 30 EUR/MWh, which is 49% lower than in 1H 2023. The price of CO_2 emission allowances (EUA DEC futures) decreased by 27%, reaching 66 EUR/t.

The volume of electricity produced has remained at last year's level.

In the reporting period, electricity output at Latvenergo Group's plants reached 3,531 GWh, which is approximately the same as in 1H 2023. Although 10% less electricity was generated at the Daugava hydroelectric power stations (HPPs) during the reporting period compared to the first six months of 2023, due to lower water inflow in the Daugava River, the Daugava HPPs generated the third largest amount of electricity in 30 years for a 6-month period: 2,558 GWh. The amount of electricity generated at the Latvenergo AS combined heat and power plants (CHPPs) increased by 41%, reaching 949 GWh. The operation of the CHPPs is adjusted to the conditions of the market. Due to colder weather conditions, the amount of heat energy generation increased by 8%, reaching 1,045 GWh.

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

884 thous. customers

3,341 GWh of electricity sold to Baltic retail customers

59 thous. customers

619 GWh of natural gas sold to Baltic retail customers

In 1H 2024, the Group supplied 3,341 GWh of electricity to Baltic retail customers, which is 8% more than in the respective period a year ago. Meanwhile, the volume of natural gas sold in retail reached 619 GWh, which is 39% more. The number of *Latvenergo* customers increased in both the electricity and natural gas segments. We have about 884 thousand electricity customers, and 271 thousand of them are outside Latvia. The number of natural gas customers comprised almost 59 thousand at the end of June.

EBITDA increased by 14%.

MEUR

955.4	393.7	252.5	4,107.9
REVENUE	EBITDA	PROFIT	ASSETS

Due to lower energy sales prices, Latvenergo Group's revenue in 1H 2024 was 18% or EUR 212 million lower than in the respective period a year ago. Meanwhile, a positive impact was seen from the increase in revenue from the distribution segment, following the implementation of the new distribution tariffs by Sadales tīkls AS on 1 July 2023.

The Group's EBITDA increased by 14% compared to 1H 2023, reaching EUR 394 million. This was mainly positively impacted by higher revenues in the distribution segment, lower natural gas purchase prices, an 8% increase in retail electricity sales volume and a 39% increase in retail natural gas sales volume.

Investments have grown significantly, advancing the Group's strategy.

In 1H 2024, the total amount of investment comprised EUR 175 million. More than half of it or EUR 98 million was made in new wind and solar generation capacities. In May 2024, Latvenergo AS purchased the wind project *Telšiai*, which will enable the start of wind energy production with a capacity of 124 MW in 2026. The construction costs of the wind park are expected to be approximately EUR 200 million. New solar capacities are also being successfully developed. In 1H 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) began operations. After the end of the reporting period, in July 2024, the Group expanded its solar energy portfolio with the largest solar park so far, the *Kuusalu* solar park in Estonia (17.4 MW), and a 2.2 MW solar park in Latvia.

Latvenergo AS has become the sole owner of Latvijas vēja parki SIA.

Latvenergo AS has become the 100% owner of Latvijas vēja parki SIA (LVP), a company in which it previously held an 80% stake, with 20% owned by Latvijas valsts meži AS. On 9 April 2024, the Cabinet of Ministers granted permission for Latvijas valsts meži AS to cease its participation in LVP. LVP has set a goal to develop wind power capacity of 800 MW by 2030.

Highlights

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.

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 in Brief

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.

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.

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	Maintain an investment-grade credit rating

* 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.

Latvenergo Group in Brief

The Group's strategic objectives

GENERATION Expand and diversify the generation portfolio with green technologies.	The aim is to grow the 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; 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 160 min. in 2026; • SAIFI reduced to 1.85 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.

By implementing the strategy of Latvenergo Group, we plan to prevent CO_2 emissions* in this amount:

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

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

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 Key Performance Indicators

Latvenergo Group Operational Figures

		1H 2024	1H 2023	1H 2022	1H 2021	1H 2020
Retail electricity [1)]	GWh	3,341	3,089	2,643	3,384	3,083
Natural gas sales	GWh	1,333	799	518	506	227
Electricity generation	GWh	3,531	3,520	2,253	2,827	2,550
Thermal energy generation	GWh	1,045	969	1,092	1,259	978
Number of employees		3,492	3,473	3,201	3,303	3,374
Moody's credit rating		Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)

Latvenergo Group Financial Figures

		1H 2024	1H 2023	1H 2022	1H 2021	1H 2020
Revenue	MEUR	955.4	1,167.5	744.6	448.1	393.4
EBITDA [2)]	MEUR	393.7	344.7	226.5	145.1	162.1
Profit	MEUR	252.5	222.5	141.9	57.1	86.8
Assets	MEUR	4,107.9	4,183.6	3,947.4	3,299.7	3,248.0
Equity	MEUR	2,995.6	2,811.2	2,552.6	2,068.6	2,004.4
Net debt [2)]	MEUR	512.2	419.9	829.0	587.2	596.1
Adjusted funds from operations (FFO) [2)*]	MEUR	301.8	315.8	161.8	130.0	138.0
Capital expenditure	MEUR	174.8	85.1	56.2	58.1	93.2

Latvenergo Group Financial Ratios

	1H 2024	1H 2023	1H 2022	1H 2021	1H 2020
Return on equity (ROE) [2)]	13.1%	9.9%	6.8%	4.3%	6.0%
Adjusted FFO / net debt	109%	78%	33%	40%	47%
Net debt / EBITDA [2)]	0.7	1.3	2.5	2.3	2.1
EBITDA margin [2)]	36%	21%	21%	32%	35%
Return on assets (ROA) [2)]	9.2%	6.5%	4.3%	2.6%	3.6%
Return on capital employed (ROCE) [2)]	12.7%	8.8%	5.3%	3.7%	4.7%
Net debt / equity [2)]	17%	15%	32%	28%	30%

* Comparative figures recalculated, presenting the provisions for CO_2 emission quotas at gross value, separately from the purchased emission quotas in short-term intangible investments
1) Including operating consumption
2) Formulas are available on page 22

Operating Environment

Latvenergo Group's operations and performance are influenced by various global and regional factors, including electricity and natural gas prices. In 1H 2024:

- the Nord Pool system price decreased by 34% and the electricity price in Latvia decreased by 10% compared to the respective period a year ago
- the price of natural gas at the TTF (the Dutch natural gas virtual trading point) decreased by 49%

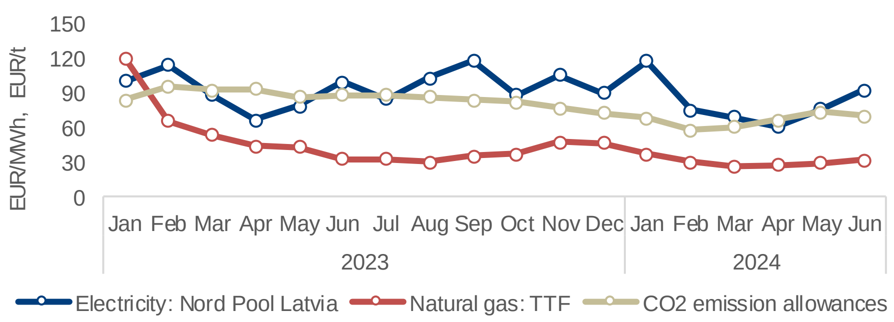
Electricity prices decreased

The electricity price decrease at the Nord Pool was mainly affected by lower natural gas prices and increased electricity generation through renewable energy sources. In the reporting period, electricity generation in the Nord Pool region from solar, wind, and hydro sources increased by 16%. Warmer weather in Europe and higher renewable energy production reduced the demand for coal and natural gas power plant generation. This, combined with stable coal and natural gas import supplies and high gas storage levels, contributed to the price decrease at fossil fuel-powered electricity stations. The electricity market also stabilized with the help of the European Commission's REPowerEU plan, which aims to implement energy-saving measures, diversification of energy sources and accelerated development of renewable energy sources.

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

Region	1H 2024	1H 2023	Δ, %
System price	**46.8**	70.6	(34%)
Latvia	**81.3**	90.7	(10%)
Lithuania	**81.4**	91.7	(11%)
Estonia	**83.0**	87.2	(5%)
Poland	**86.1**	122.6	(30%)
Sweden	**43.4**	59.5	(27%)
Finland	**56.2**	60.6	(7%)
Denmark	**63.0**	93.6	(33%)
Norway	**47.2**	66.9	(29%)
Germany	**67.5**	104.3	(35%)
France	**46.9**	111.3	(58%)
Great Britain	**73.3**	122.2	(40%)

Energy resource prices



In 1H 2024, electricity consumption in the Baltic states increased by an average of 4%, reaching 13.9 TWh. The increase was affected by colder weather at the beginning of the year.

The amount of overall electricity generation in the Baltics increased by 15%, reaching 10.0 TWh (in 1H 2023, it was 8.7 TWh). The total volume of electricity generation in Latvia and Estonia did not change significantly compared to the respective period a year ago and reached 3.8 TWh and 2.5 TWh respectively. The increased generation of wind and solar energy has led to a 53% rise in total electricity generation in Lithuania, reaching 3.8 TWh. In the reporting period, the electricity purchased from neighbouring countries decreased by 21%; it amounted to 3.4 TWh.

Operating Environment

The natural gas price decreased

Natural gas is the main fuel resource in the Latvenergo AS CHPPs' operation. In the reporting period, the average price of natural gas at the TTF (front month) reached 30 EUR/MWh, which is 49% lower than in 1H 2023. The decrease was mainly affected by 4% lower natural gas consumption in Europe, higher renewable energy production in Europe, and stable liquefied natural gas (LNG) supplies. In 1H 2024, the average fill rate of natural gas storage facilities, according to *Gas Infrastructure Europe* data, did not change significantly compared to 1H 2023, comprising 68%.

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

- The average price of Brent crude futures oil did not change significantly compared to 1H 2023, comprising 82 USD / bbl. OPEC+ member countries plan to limit oil production until 2025, while supply risks were affected by the geopolitical situation in Europe and the Middle East.
- The average price of coal (API2 Rotterdam coal futures front month) was 29% lower, reaching 107 USD / t. The decrease in the coal price was affected by lower coal consumption in Europe due to the lower price of natural gas, higher output of renewable energy, and stable coal stockpiles in European ports.
- The average price of CO_2 emission allowances (EUA DEC futures) was 27% lower, reaching 66 EUR / t. This decline was due to decreased natural gas prices and slower economic growth. The European Parliament's decision to allocate additional quotas for financing REPowerEU, aimed at reducing dependence on Russian energy, increased the short-term supply of quotas.

Latvenergo AS has not imported natural gas from Russia since 2022, switching to supplies of LNG from 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. For 2024, Latvenergo AS has signed contracts for the purchase of 7 TWh of natural gas using the *KN Energies* LNG terminal, and it has also signed contracts for 2025 and 2026 with the Norwegian company Equinor ASA for LNG supplies of 2 TWh per year.

Dividends

In June 2024, Latvenergo AS paid EUR 212.2 million of the 2023 profit of Latvenergo AS to the state as dividends, paying a corporate income tax of EUR 48.3 million accordingly. According to the law "On the state budget for 2024 and budgetary framework for 2024, 2025 and 2026", Latvenergo AS dividend payout in the year 2025 (for the reporting year 2024) amounts to 64% of profit for the reporting year and is not less than EUR 129.2 million. Accordingly, corporate income tax is calculated and paid in accordance with laws and regulations. The actual amount of the dividend payout is set at the Shareholder Meeting of Latvenergo AS after the approval of the annual report, upon evaluation of the results of the previous year. Latvenergo AS dividends are used as a source of funding the mandatory procurement public service obligation fee. Latvenergo Group's capital structure ratios are sufficient to proceed with the dividend payout. As of 30 June 2024, the Group's asset value exceeds EUR 4.1 billion and its equity exceeds EUR 2.9 billion.

Operating Environment

The Cabinet of Ministers' decisions related to the operations of Latvenergo Group

On 9 April 2024, the CM of the Republic of Latvia made the following decisions related to the operations of Latvenergo Group:

1. The Ministry of Economics and Latvenergo AS were tasked with preparing an evaluation for the optimal structure of Latvenergo Group, considering the possibility of consolidating existing and planned renewable energy projects within Latvenergo Group into one subsidiary.

2. Latvijas valsts meži AS was permitted to terminate its participation in the joint venture Latvijas vēja parki SIA with Latvenergo AS by transferring all its shares (20%) in Latvijas vēja parki SIA to Latvenergo AS. According to the CM decision, in April, Latvenergo AS became the 100% owner of Latvijas vēja parki SIA. The valuation of the shares was performed by the audit and business consulting firm KPMG Baltics SIA.

3. To implement the installation of new renewable energy capacities totalling 2,300 MW as outlined in Latvenergo Group's strategy, the Ministry of Economics was instructed to prepare and submit a draft order to the CM. This draft would allow Latvenergo AS to specify a different amount of dividends to be paid into the state budget in its medium-term strategy for 2026–2030, starting from 2027. The project aims for Latvenergo AS to align its dividend payments with the average dividend payout ratios of European energy sector market participants.

4. It was determined that Latvenergo AS must retain its participation in Sadales tīkls AS at least until the new 2,300 MW renewable energy capacities outlined in the Latvenergo Group strategy are achieved, to ensure that the Group's long-term financing and development opportunities are not impacted.

5. The Ministry of Economics was tasked with developing a letter of expectations for Latvenergo AS by 31 July 2024 for the medium-term strategy period. This letter should include expectations regarding investments, capital structure, return on capital, and dividend policy.

Financial Results

In 1H 2024, Latvenergo Group's revenue reached EUR 955.4 million, which was EUR 212.0 million or 18% less than in the respective period a year ago. The revenue decline was affected by energy sales revenue decreasing by EUR 244.7 million, driven by lower energy sales prices. On the other hand, there was a positive impact from an increase in revenue in the distribution segment of EUR 37.5 million, following the introduction of the new distribution tariffs by Sadales tīkls AS starting from 1 July 2023.

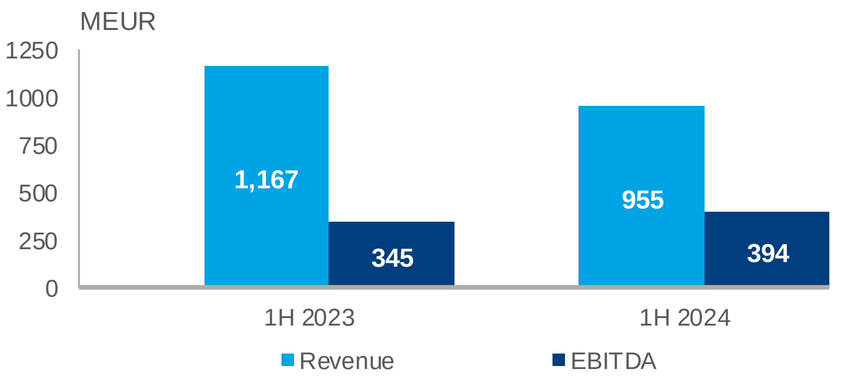
> Latvenergo Group's EBITDA increased by 14%

Latvenergo Group financial figures		1H 2024	1H 2023	Δ	Δ, %
Revenue	MEUR	955.4	1,167.5	(212.0)	(18%)
EBITDA	MEUR	393.7	344.7	49.1	14%
Net profit	MEUR	252.5	222.5	30.0	13%
Assets	MEUR	4,107.9	4,183.6	(75.7)	(2%)

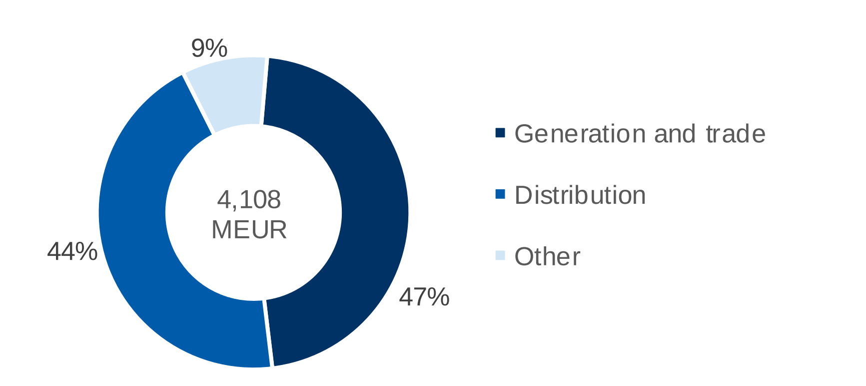
Latvenergo Group's EBITDA increased by EUR 49.1 million, which is 14% more than in 1H 2023, reaching EUR 393.7 million. This was mainly positively impacted by the introduction of the new distribution tariffs by Sadales tīkls AS starting from 1 July 2023 and the lower natural gas purchase prices. In 1H 2024, the average price of natural gas at the TTF (front month) reached 30 EUR/MWh, which is 49% lower than in 1H 2023. Additionally, there was a positive impact on EBITDA from the 8% increase in retail electricity sales volume, the 39% increase in retail natural gas sales volume and 41% higher output at the CHPPs.

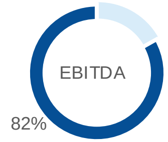
The Group's profit for the reporting period reached EUR 252.5 million.

Revenue and EBITDA



Assets





Generation and Trade

Segment weight in Latvenergo Group

Revenue
80%

EBITDA
82%

Assets
47%

Employees
34%

In the reporting period, generation and trade comprised Latvenergo Group's largest operating segment by revenue and EBITDA. The majority or 91% of the segment's revenue came from electricity and natural gas trade, while 9% came from thermal energy supply.

The segment's revenue was negatively impacted by EUR 244.7 million lower energy sales revenues due to the lower energy sales prices.

Meanwhile, the segment's EBITDA was mainly positively impacted by the lower natural gas purchase prices. In 1H 2024, the average price of natural gas at the TTF (front month) reached 30 EUR/MWh, which is 49% lower than in 1H 2023. Additionally, the segment's EBITDA was positively impacted by the 8% increase in retail electricity sales volume, the 39% increase in retail natural gas sales volume and 41% higher output at the CHPPs.

In the reporting period, the amount of electricity generated at the Group's power plants was sufficient to meet the electricity needs of all its customers; additionally, a portion of electricity was exported to neighbouring countries. The total volume of electricity generated at Latvenergo Group's plants amounted to 3,531 GWh, which corresponded to 106% of the amount of electricity sold to retail customers (in 1H 2023: 114%).

Operational figures		**1H 2024**	**1H 2023**	**Δ**	**Δ, %**
Electricity customers	thous.	884	842	42	5%
Electricity supply	GWh	5,345	5,027	318	6%
*Retail**	*GWh*	*3,341*	*3,089*	*252*	*8%*
*Wholesale***	*GWh*	*2,004*	*1,939*	*65*	*3%*
Natural gas customers	thous.	59	38	21	56%
Natural gas supply	GWh	1,333	799	534	67%
Retail	*GWh*	*619*	*445*	*174*	*39%*
Wholesale	*GWh*	*714*	*354*	*360*	*102%*
Electricity generation	GWh	3,531	3,520	11	0%
Daugava HPPs	GWh	*2,558*	*2,834*	*(276)*	*(10%)*
CHPPs	GWh	*949*	*675*	*274*	*41%*
Liepaja plants and small plants	GWh	*24*	*11*	*13*	*119%*
Thermal energy generation	GWh	1,045	969	76	8%
CHPPs	GWh	*901*	*833*	*68*	*8%*
Liepaja plants	GWh	*144*	*136*	*8*	*6%*

Financial figures		**1H 2024**	**1H 2023**	**Δ**	**Δ, %**
Revenue	MEUR	782.9	1,032.3	(249.4)	(24%)
EBITDA	MEUR	322.4	299.1	23.4	8%
Assets	MEUR	1,918.4	1,941.2	(22.9)	(1%)
Capital expenditure	MEUR	115.7	32.1	83.6	261%

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

Generation and Trade

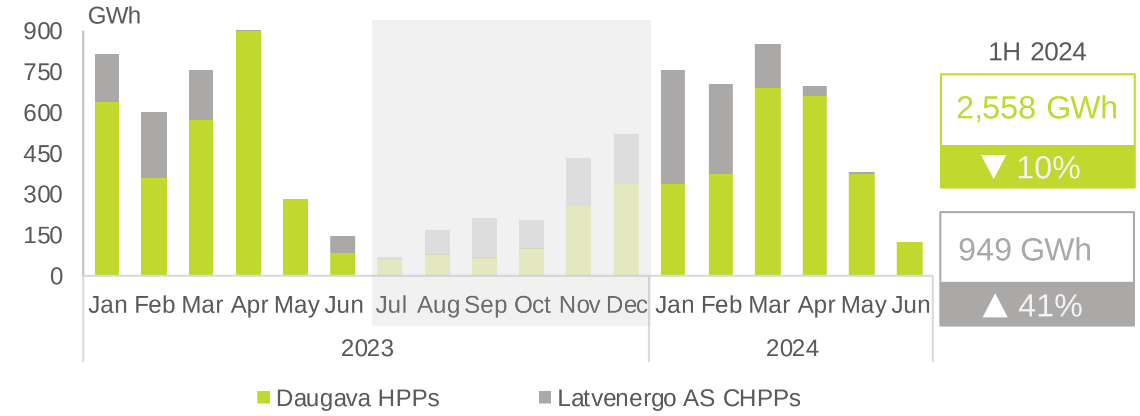
Generation

Latvenergo Group is one of the largest electricity producers in the Baltics. In the reporting period, Latvenergo Group produced 35% of the total electricity generated in the Baltics. Moreover, 73% of the electricity was generated from renewable energy sources (in 1H 2023: 81%). The total amount generated by Latvenergo Group's power plants comprised 3,531 GWh of electricity and 1,045 GWh of thermal energy.

> 73% of the electricity was generated from renewable energy sources

Although 10% less electricity was generated at the Daugava HPPs during the reporting period compared to the first six months of 2023, due to lower water inflow in the Daugava River, the Daugava HPPs generated the third largest amount of electricity in 30 years for a 6-month period: 2,558 GWh. According to data from the Latvian Environment, Geology and Meteorology Centre, the average water inflow in the Daugava River in 1H 2024 was 1,027 m^3/s, which is 24% greater than the long-term average inflow since 1992 (in 1H 2023 it was 1,243 m^3/s).

Electricity generation at Daugava HPPs and Latvenergo AS CHPPs



As natural gas prices gradually normalize, our CHPPs are becoming increasingly competitive. The amount generated at the Latvenergo AS CHPPs increased by 41%, reaching 949 GWh. The operation of the Latvenergo AS CHPPs is adjusted to the conditions of the electricity market and heat demand.

Due to colder weather conditions and more favourable competition, the amount of thermal energy generated increased by 8%, reaching 1,045 GWh.

Generation and Trade

Trade

At the end of June, the number of electricity customers was more than 884 thousand, including 271 thousand foreign customers. The electricity customer portfolio shows a positive 5% increase mainly due to the increase in the number of customers within households in Lithuania and customers in Estonia.

In 1H 2024, the Group supplied 3,341 GWh of electricity to its customers in the Baltics, which is 8% more than in the respective period a year ago. The increase in electricity sales volume has been noted in all segments.

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

The overall amount of retail electricity trade outside Latvia accounted for about 43%. The electricity trade volume in Latvia was 1,898 GWh, while in Lithuania it was 1,102 GWh and in Estonia it was 341 GWh.

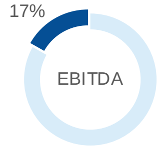
In the reporting period, growth in the natural gas segment continued. The number of natural gas customers increased by 56% compared to 1H 2023, comprising 59 thousand at the end of June. The Group's natural gas sales in the Baltics increased by 39%, reaching 619 GWh. In total, including wholesale, 1,333 GWh of natural gas was sold, which is 67% more than in the respective period a year ago.

Retail activities of other products and services:

- We continue to expand the *Elektrum Drive* electric car charging network in the Baltics, which had 495 charging ports at the end of June. In the reporting period, more than 49 thousand electric vehicle charges were made, comprising 1,080 MWh, resulting in savings of almost 660 tonnes of CO_2 emissions. By using the *Elektrum Drive* application, charging is also possible within the e-mobi network in Latvia and at LIDL charging stations in Lithuania – providing customers access to a total of 690 charging points in the Baltics.
- The number of contracts for the installation of solar panels and trade of solar park components in the Baltics exceeded 660. The total installed solar panel capacity (including remote solar parks) provided to Latvenergo Group's retail customers in the Baltics reached almost 85 MW at the end of June; thus, Latvenergo is one of the leading providers of this service in the Baltics. Three fourths of panels are installed for customers outside Latvia.

Completed in 1H 2024

- 3,341 GWh of electricity sold to Baltic retail customers.
- 619 GWh of natural gas sold to Baltic retail customers.
- 49 thousand electric vehicle charges were made at the *Elektrum Drive* electric car charging stations.
- More than 660 contracts were concluded for the installation of solar panels in the Baltics.



Distribution

Segment weight in Latvenergo Group

Revenue **19%**

EBITDA **17%**

Assets **44%**

Employees **47%**

As of 1 July 2023, the new distribution service tariffs of Sadales tīkls AS have come into effect, with the tariff calculation increasing the proportion of the fixed tariff, providing a more appropriate solution for the actual maintenance cost structure of the distribution network. Meanwhile, since 1 January 2024, tariffs have been reduced for all Sadales tīkls AS electricity distribution system service plans *Basic* and *Special* at all voltage levels.

With the introduction of the new tariff and the 2% increase in distributed electricity, the financial results of the distribution segment have improved. In 1H 2024, the segment's revenue increased by 25%, reaching EUR 185.8 million. Meanwhile, the segment's EBITDA increased by 63%, reaching EUR 65.2 million. Financial results were negatively impacted by EUR 9.2 million higher electricity transmission service costs, since the transmission service tariffs were also increased on 1 July 2023.

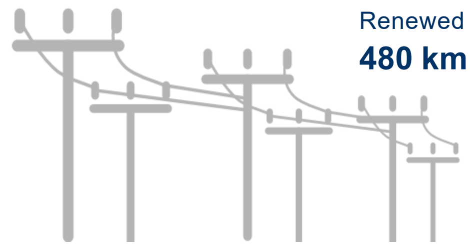
Operational figures		**1H 2024**	**1H 2023**	**Δ**	**Δ, %**
Electricity distributed	GWh	3,078	3,015	63	2%
Distribution losses	GWh	109	117	(8)	(7%)
SAIFI*	number	0.99	0.96	0.03	3%
SAIDI*	minutes	82.0	86.0	(4.0)	(5%)

Financial figures		**1H 2024**	**1H 2023**	**Δ**	**Δ, %**
Revenue	MEUR	185.8	148.3	37.5	25%
EBITDA	MEUR	65.2	40.0	25.2	63%
Assets	MEUR	1,826.1	1,787.7	38.4	2%
RAB	MEUR	1,570.4	1,572.8	(2.4)	(0%)
Capital expenditure	MEUR	54.0	45.4	8.6	19%

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

As of May 2024, a new billing system for electricity producers – known as the net metering system – came into effect. This new billing method is designed for electricity producers who generate energy for self-consumption from renewable resources and feed the unused electricity into the distribution system operator's grid. In the net metering system, the electricity generated by the client and fed into the grid, as well as the electricity received from the grid, are expressed in monetary terms.

Completed in 1H 2024



Renewed more than **480 km** of power lines

Investments

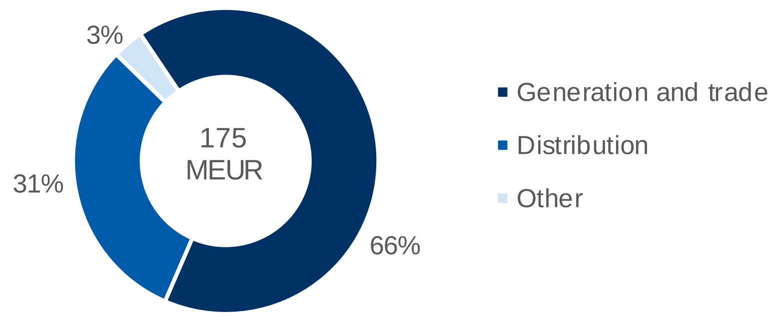
With the continued development of renewable energy production capacities in the Baltics, the volume of investments by Latvenergo Group increased significantly. In 1H 2024, the total amount of investment comprised EUR 175.4 million, which is twice as much as in the respective period a year ago. More than half of it or EUR 98 million was made in new wind and solar generation capacities.

In the reporting period, more than one third of Latvenergo Group's total investments were made in wind generation capacities. In May 2024, Latvenergo AS purchased the wind project *Telšiai*, which will enable the start of wind energy production with a capacity of 124 MW in 2026. The construction costs of the wind park are expected to be approximately EUR 200 million. Additionally, road and turbine foundation construction is currently underway for a wind power plant in Lithuania, in the district of Akmene, with a capacity of up to 15 MW.

More than one fifth of Latvenergo Group's total investments were invested in *Elektrum* solar park projects. In 1H 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) began operations. After the end of the reporting period, in July 2024, the Group expanded its solar energy portfolio with the largest solar park so far, the *Kuusalu* solar park in Estonia (17.4 MW), and a 2.2 MW solar park in Latvia. By the end of August, we had 14 *Elektrum* solar parks in operation in the Baltics with a total capacity of almost 85 MW.

Also, reconstruction work and procurement procedures continued for the reconstruction of the last three hydro units of the Daugava HPPs.

Capital expenditure



In the reporting period, investments in distribution comprised EUR 54.0 million, which is about one third of the Group's total investments. The majority of funds are invested in the construction and reconstruction of power lines and transformers, thereby ensuring high-quality network services, technical performance, and operational safety. The purpose of investments in the distribution segment is to promote the quality and security of the energy supply, reduce the frequency and duration of power supply disruptions caused by planned and unplanned maintenance, and ensure the appropriate voltage quality.

Latvenergo Group purposefully develops renewable generation capacity in the Baltic region

At the time of this report's publication, in the Baltic region, the Group has solar and wind parks in the project or construction stage with a total capacity of more than 500 MW. Solar and wind parks are expected to be commissioned gradually from 2024–2026.

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.

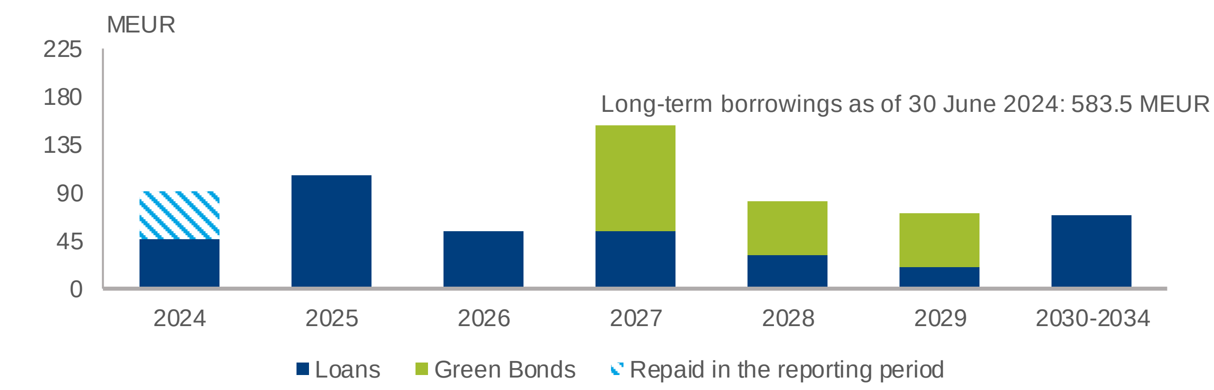
As of 30 June 2024, the Group's borrowings amount to EUR 583.5 million (30 June 2023: EUR 752.6 million), all of which are long-term loans. The loan portfolio includes long-term loans from commercial banks and international financial institutions, as well as green bonds in the amount of EUR 200 million.

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

As of 30 June 2024, all borrowings are denominated in euro currency. The weighted average long-term loan repayment period is 3.7 years (30 June 2023: 3.8 years). The effective weighted average interest rate (with interest rate swaps) is 3.6% (30 June 2023: 2.9%). Also, sufficient coverage of debt service requirements has been ensured.

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

Latvenergo Group's long-term debt repayment schedule



The credit rating of Latvenergo AS is Baa2 from Moody's 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 – 60%–65% 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 73% of the annual production volume by the end of June.

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, 48% of the long-term borrowings had a fixed interest rate with an average period of 1.9 years as of 30 June 2024.

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 30 June 2024, all borrowings of Latvenergo Group are denominated in euros, and during the reporting period, 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 period, 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 incurrence of loss. No credit limits were exceeded during the reporting period, 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 30 June 2024, Latvenergo Group's liquid assets (cash and short-term deposits up to 3 months) reached EUR 71.2 million (30 June 2023: EUR 332.7 million), while the current ratio was 1.8 (1.5).

The Group plans to use its funds in the amount of EUR 71.2 million for repayment of the existing loan principal, 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

		1H 2024	1H 2023	1H 2022
Electricity supply	GWh	3,753	3,763	2,520
Retail[2]	*GWh*	*1,898*	*1,927*	*1,710*
Wholesale[3]	*GWh*	*1,855*	*1,836*	*810*
Natural gas supply	GWh	1,238	734	435
Retail	*GWh*	*524*	*380*	*435*
Wholesale	*GWh*	*714*	*354*	–
Electricity generation	GWh	3,511	3,512	2,242
Thermal energy generation	GWh	901	833	945
Number of employees		1,467	1,388	1,281
Moody's credit rating		Baa2 (stable)	Baa2 (stable)	Baa2 (stable)

Latvenergo AS financial figures

		1H 2024	1H 2023	1H 2022
Revenue	MEUR	619.7	870.3	473.7
EBITDA[1]	MEUR	317.7	299.0	179.3
Profit	MEUR	253.6	228.2	151.6
Assets	MEUR	3,473.9	3,580.2	3,386.3
Equity	MEUR	2,644.1	2,479.6	2,199.9
Net debt (adjusted)[1]	MEUR	521.8	424.9	822.9
Capital expenditure	MEUR	20.6	22.6	10.8

Latvenergo AS financial ratios

	1H 2024	1H 2023	1H 2022
Return on equity (ROE)[1]	13.9%	12.2%	8.1%
Net debt / equity (adjusted)[1]	20%	17%	37%
EBITDA margin[1]	43%	25%	22%

1) Formulas are available on page 22
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 Interim Financial Statements for the first 6 months of 2024,* including the Management Report, have been prepared in accordance with the International Financial Reporting 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 Interim Financial Statements for the first 6 months of 2024* were approved by the Management Board of Latvenergo AS on 27 August 2024 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

27 August 2024

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 2021.

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 =

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

Net debt/ EBITDA =

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

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

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

Return on assets =

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

Return on equity =

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

Return on equity excluding distribution=
(Group's profit – Sadales tīkls AS profit (12-month rolling)) / ((Group's equity – Sadales tīkls AS equity (at the beginning of the 12-moth period)
+ Group's equity – Sadales tīkls AS equity (at the end of the 12-month period) / 2)

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

Average value of borrowings =

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

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

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

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

* Financial figures and ratios until 10 June 2020 are presented by excluding discontinuing operations (unbundling transmission system asset ownership)

List of Abbreviations

AST – Augstsprieguma tīkls AS
bbl – barrel of oil (158.99 litres)
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)
MP – mandatory procurement
MPC – mandatory procurement component
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 Interim Financial Statements

Statement of Profit or Loss

EUR'000

	Notes	Group 01/01-30/06/2024	Group 01/01-30/06/2023	Parent Company 01/01-30/06/2024	Parent Company 01/01-30/06/2023
Revenue	4	955,423	1,167,466	619,683	870,286
Other income		15,415	16,296	14,110	14,432
Raw materials and consumables	5	(467,797)	(731,991)	(260,263)	(531,105)
Personnel expenses		(76,425)	(72,688)	(34,805)	(33,113)
Other operating expenses		(32,890)	(34,415)	(21,028)	(21,462)
EBITDA		**393,726**	**344,668**	**317,697**	**299,038**
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right–of–use assets	7, 8	(86,582)	(85,523)	(42,281)	(42,822)
Operating profit		**307,144**	**259,145**	**275,416**	**256,216**
Finance income	6 a	9,208	2,381	18,910	9,449
Finance costs	6 b	(11,584)	(11,910)	(11,517)	(11,909)
Dividends from subsidiaries		–	–	19,069	924
Profit before tax		**304,768**	**249,616**	**301,878**	**254,680**
Income tax		(52,280)	(27,097)	(48,282)	(26,462)
Profit for the period		**252,488**	**222,519**	**253,596**	**228,218**
Profit attributable to:					
- Equity holder of the Parent Company		251,368	221,999	253,596	228,218
- Non-controlling interests		1,120	520	–	–

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

Statement of Comprehensive Income

EUR'000

	Notes	Group 01/01-30/06/2024	Group 01/01-30/06/2023	Parent Company 01/01-30/06/2024	Parent Company 01/01-30/06/2023
Profit for the period		**252,488**	**222,519**	**253,596**	**228,218**
Other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods:					
- gains from change in hedge reserve	13	(5,274)	54,596	(5,274)	54,596
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(5,274)**	**54,596**	**(5,274)**	**54,596**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
– gains on revaluation of non–current assets	7 c	–	312,062	–	312,062
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**–**	**312,062**	**–**	**312,062**
Other comprehensive loss for the period		**(5,274)**	**366,658**	**(5,274)**	**366,658**
TOTAL comprehensive income for the period		**247,214**	**589,177**	**248,322**	**594,876**
Comprehensive income attributable to:					
- Equity holder of the Parent Company		246,094	588,657	248,322	594,876
- Non-controlling interests		1,120	520	–	–

Statement of Financial Position

EUR'000

	Notes	Group 30/06/2024	Group 31/12/2023	Parent Company 30/06/2024	Parent Company 31/12/2023
ASSETS					
Non-current assets					
Intangible assets	7 a	69,630	57,326	21,968	21,647
Property, plant and equipment	7 c	3,372,245	3,301,051	1,483,974	1,505,411
Right-of-use assets	8	10,278	11,219	4,063	4,710
Investment property	7 d	2,266	2,309	2,060	2,261
Non-current financial investments	9	40	42	755,628	671,720
Non-current loans to related parties	19 e	16,079	863	494,729	463,030
Other non-current receivables	11 c	447	447	447	447
Deferred income tax assets		66	800	–	–
Derivative financial instruments	15	3,734	3,210	3,734	3,210
Total non-current assets		**3,474,785**	**3,377,267**	**2,766,603**	**2,672,436**
Current assets					
Inventories	10	141,734	183,798	98,582	146,045
Current intangible assets	7 b	39,668	69,312	39,668	69,312
Receivables from contracts with customers	11 a	167,029	224,922	108,497	161,674
Other current receivables	11 b, c	36,564	50,081	48,262	52,280
Deferred expenses		4,184	2,388	3,476	2,156
Current loans to related parties	19 e	–	–	185,251	161,268
Prepayment for income tax		304	–	–	–
Derivative financial instruments	15	2,398	7,959	2,398	7,959
Other current financial investments		170,000	140,000	170,000	140,000
Cash and cash equivalents	12	71,245	118,456	51,141	107,163
Total current assets		**633,126**	**796,916**	**707,275**	**847,857**
TOTAL ASSETS		**4,107,911**	**4,174,183**	**3,473,878**	**3,520,293**
Equity					
Share capital		790,368	790,368	790,368	790,368
Reserves		1,676,997	1,681,852	1,314,944	1,320,419
Retained earnings		521,538	483,016	538,825	497,227
Equity attributable to equity holder of the Parent Company		**2,988,903**	**2,955,236**	**2,644,137**	**2,608,014**
Non-controlling interests		6,713	7,844	–	–
Total equity		**2,995,616**	**2,963,080**	**2,644,137**	**2,608,014**
Liabilities					
Non-current liabilities					
Borrowings		484,865	536,316	476,513	527,082
Lease liabilities	14	8,085	9,015	2,976	3,607
Deferred income tax liabilities	8	3,449	5,475	–	–
Provisions		18,485	18,240	8,764	8,565
Deferred income from contracts with customers	18 I, a	142,438	138,506	635	668
Other deferred income	18 I, b, c	102,886	112,509	84,263	94,263
Total non-current liabilities	18 I, b, c	**760,208**	**820,061**	**573,151**	**634,185**
Current liabilities					
Borrowings	14	98,596	93,380	96,431	91,097
Lease liabilities	8	2,646	2,391	1,385	1,217
Trade and other payables	17	179,700	202,733	106,008	115,300
Deferred income from contracts with customers	18 II, a	17,624	21,304	67	67
Other deferred income	18 II, b, c	24,974	24,973	24,152	24,152
Provisions		27,591	46,261	27,591	46,261
Derivative financial instruments	15	956	–	956	–
Total current liabilities		**352,087**	**391,042**	**256,590**	**278,094**
Total liabilities		**1,112,295**	**1,211,103**	**829,741**	**912,279**
TOTAL EQUITY AND LIABILITIES		**4,107,911**	**4,174,183**	**3,473,878**	**3,520,293**

Statement of Changes in Equity

EUR'000

	Group						Parent Company			
	Attributable to equity holder of the Parent Company						Attributable to equity holder of the Parent Company			
	Share capital	Reserves	Retained earnings	Total	Non-controlling interests	TOTAL	Share capital	Reserves	Retained earnings	TOTAL
As of 31 December 2022	**790,368**	**1,282,683**	**276,242**	**2,349,293**	**7,126**	**2,356,419**	**790,368**	**910,683**	**317,643**	**2,018,694**
Dividends for 2022	–	–	(133,991)	**(133,991)**	(450)	**(134,441)**	–	–	(133,991)	**(133,991)**
Disposal of non–current assets revaluation reserve	–	(3,195)	3,195	**–**	–	**–**	–	–	–	**–**
Total transactions with owners and other changes in equity	**–**	**(3,195)**	**(130,796)**	**(133,991)**	**(450)**	**(134,441)**	**–**	**–**	**(133,991)**	**(133,991)**
Profit for the period	–	–	221,999	**221,999**	519	**222,518**	–	–	228,218	**228,218**
Other comprehensive income for the period	–	366,658	–	**366,658**	–	**366,658**	–	366,658	–	**366,658**
Total comprehensive income for the period	**–**	**366,658**	**221,999**	**588,657**	**519**	**589,176**	**–**	**366,658**	**228,218**	**594,876**
As of 30 June 2023	**790,368**	**1,646,146**	**367,445**	**2,803,959**	**7,195**	**2,811,154**	**790,368**	**1,277,341**	**411,870**	**2,479,579**
Dividends for 2022	–	–	(18,547)	**(18,547)**	–	**(18,547)**	–	–	(18,547)	**(18,547)**
Formed other reserves	–	50	(50)	**–**	–	**–**	–	–	–	**–**
Disposal of non–current assets revaluation reserve	–	(6,418)	6,418	**–**	–	**–**	–	(561)	561	**–**
Total transactions with owners and other changes in equity	**–**	**(6,368)**	**(12,179)**	**(18,547)**	–	**(18,547)**	–	**(561)**	**(17,986)**	**(18,547)**
Profit for the period	–	–	127,750	**127,750**	649	**128,399**	–	–	103,343	**103,343**
Other comprehensive income for the period	–	42,074	–	**42,074**	–	**42,074**	–	43,639	–	**43,639**
Total comprehensive income for the period	**–**	**42,074**	**127,750**	**169,824**	**649**	**170,473**	–	**43,639**	**103,343**	**146,982**
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	–	–	(228)	**(228)**	(172)	**(400)**	–	–	–	**–**
Dividends for 2023	–	–	(212,199)	**(212,199)**	(2,079)	**(214,278)**	–	–	(212 199)	**(212 199)**
Disposal of non–current assets revaluation reserve	–	(3,677)	3,677	**–**	–	**–**	–	(201)	201	**–**
Formed other reserves	–	4,096	(4,096)	**–**	–	**–**	–	–	–	**–**
Total transactions with owners and other changes in equity	**–**	**419**	**(212,846)**	**(212,427)**	**(2,251)**	**(214,678)**	–	**(201)**	**(211,998)**	**(212,199)**
Profit for the period	–	–	251,368	**251,368**	1,120	**252,488**	–	–	253,596	**253,596**
Other comprehensive income for the period	–	(5,274)	–	**(5,274)**	–	**(5,274)**	–	(5,274)	–	**(5,274)**
Total comprehensive income for the period	**–**	**(5,274)**	**251,368**	**246,094**	**1,120**	**247,214**	–	**(5,274)**	**253,596**	**248,322**
As of 30 June 2024	**790,368**	**1,676,997**	**521,538**	**2,988,903**	**6,713**	**2,995,616**	**790,368**	**1,314,944**	**538,825**	**2,644,137**

Statement of Cash Flows

EUR'000

	Notes	Group		Parent Company	
		01/01-30/06/2024	01/01-30/06/2023	01/01-30/06/2024	01/01-30/06/2023
Cash flows from operating activities					
Profit before tax		304,768	249,616	301,878	254,680
Adjustments:					
- Depreciation, amortisation and impairment of intangible assets, property, plant and equipment (PPE) and right–of–use assets		86,582	85,523	42,281	42,822
- Loss / (income) from disposal of non–current assets		2,076	1,699	(709)	(188)
- Interest expense		11,495	11,773	11,438	11,785
- Interest income		(7,446)	(1,170)	(17,146)	(8,238)
- Fair value loss on derivative financial instruments		719	35,726	719	35,726
- Dividends from subsidiaries		–	–	(19,069)	(924)
- Increase in provisions		(18,425)	(17,546)	(18,472)	(17,766)
Interest paid		(15,833)	(11,769)	(15,455)	(11,738)
Interest paid on leases		(69)	(54)	(15)	(13)
Interest received		5,505	1,170	5,173	1,168
Paid corporate income tax		(55,550)	(27,153)	(48,282)	(26,462)
Funds from operations (FFO)		**313,822**	**327,815**	**242,341**	**280,852**
Decrease in inventories and current intangible assets		74,489	96,413	77,107	127,827
Decrease in receivables from contracts with customers and other receivables		71,733	122,792	80,796	55,384
Increase in other current financial investments		(30,000)	–	(30,000)	–
Decrease in trade and other liabilities		(36,664)	(853)	(21,880)	(47,335)
Impact of non-cash offsetting of operating receivables and liabilities from subsidiaries, net		–	–	(9,674)	17,400
Net cash flows generated from operating activities		**393,380**	**546,167**	**338,690**	**434,128**
Cash flows from investing activities					
Loans issued to related parties	19	(15,229)	–	(46,053)	–
Repayment of loans to related parties	19	–	–	–	56,021
Purchase of intangible assets and PPE		(169,357)	(80,855)	(18,234)	(20,984)
Dividends received from subsidiaries		–	–	2,164	924
Investments in subsidiaries		–	–	(79,909)	–
Net cash flows (used in) / generated from investing activities		**(184,586)**	**(80,855)**	**(142,032)**	**35,961**
Cash flows from financing activities					
Proceeds on issued debt securities (bonds)	14	–	50,000	–	50,000
Repayment of borrowings from financial institutions	14	(43,236)	(173,867)	(42,245)	(169,043)
Received financing from European Union		2,867	13,620	2,750	–
Provided financing from European Union to subsidiary as cooperation partner, net		–	–	(672)	–
Lease payments		(958)	(716)	(314)	(191)
Acquisition of non-controlling interests		(400)	–	–	–
Dividends paid to non–controlling interests		(2,079)	(451)	–	–
Dividends paid to equity holder of the Parent Company		(212,199)	(133,991)	(212,199)	(133,991)
Net cash flows used in financing activities		**(256,005)**	**(245,405)**	**(252,680)**	**(253,225)**
Net (decrease) / increase in cash and cash equivalents		**(47,211)**	**219,907**	**(56,022)**	**216,864**
Cash and cash equivalents at the beginning of the period	12	118,456	112,757	107,163	100,268
Cash and cash equivalents at the end of the period	**12**	**71,245**	**332,664**	**51,141**	**317,132**

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.

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 and, therefore, is not subject to privatisation.

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 (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 (since 26 January 2024 till 9 May 2024 as temporary Management Board Member, since 10 May 2024 as permanent Management Board Member) .

Since 3 January 2022 till 26 January 2024 the Management Board of Latvenergo AS was comprised of the following members: Mārtiņš Čakste (Chairman of the Board), Dmitrijs Juskovecs, Guntars Baļčūns, Harijs Teteris and Kaspars Cikmačs until 24 September 2023.

The Supervisory Board of Latvenergo AS:
Since 1 March 2024 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.

Since 11 June 2020 till 1 March 2024 the Supervisory Board of Latvenergo AS was comprised of the following members: Ivars Golsts (Chairman), Kaspars Rokens (Deputy Chairman), Aigars Laizāns, Toms Siliņš and Gundars Ruža.

The Supervisory body – Audit Committee:
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, Torbens Pedersens (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 2023 has been approved on 29 May 2024 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 Interim Financial Statements for the first 6 months of 2024 include the financial information in respect of the Latvenergo Group and Latvenergo AS for the period starting on 1 January 2024 and ending on 30 June 2024 and comparative information for the period of 2023 starting on 1 January 2023 and ending on 30 June 2023.

Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Interim Financial Statements for the first 6 months of 2024 were authorised by the Latvenergo AS Management Board on 27 August 2024.

2. Significant accounting policies

These Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Interim Financial Statements are prepared in accordance with the International Financial Reporting 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 2023. 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 Consolidated and Latvenergo AS Unaudited Condensed Interim 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 2023.

Unaudited Condensed Interim 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.

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.

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.

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.

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

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.

The operations of the distribution operating segment relate to the provision of electricity distribution services in Latvia and is managed by the subsidiary Sadales tīkls AS (the largest distribution system operator in Latvia).

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	**Distri-bution**	**Corporate functions**	**TOTAL segments**	**Adjustments and eliminations**	**Consolidated**	**Generation and trade**	**Corporate functions**	**TOTAL segments**	**Adjustments and eliminations**	**Consolidated**
Period: 01/01–30/06/2024											
Revenue											
External customers	766,183	185,233	4,007	**955,423**	–	**955,423**	600,955	18,728	**619,683**	–	**619,683**
Inter-segment	16,706	587	32,599	**49,892**	(49,892)	**–**	1,993	20,400	**22,393**	(22,393)	**–**
TOTAL revenue	**782,889**	**185,820**	**36,606**	**1,005,315**	**(49,892)**	**955,423**	**602,948**	**39,128**	**642,076**	**(22,393)**	**619,683**
Results											
EBITDA	**322,448**	**65,207**	**6,071**	**393,726**	**–**	**393,726**	**310,348**	**7,349**	**317,697**	**–**	**317,697**
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment and right-of-use assets	(37,908)	(41,988)	(6,686)	**(86,582)**	–	**(86,582)**	(35,584)	(6,697)	**(42,281)**	–	**(42,281)**
	284,540	**23,219**	**(615)**	**307,144**	**(2 376)**	**304,768**	**274 764**	**652**	**275,416**	**26,462**	**301,878**
Capital expenditure	115,658	53,959	5,746	**175,363**	(579)	**174,784**	14,873	5,746	**20,619**	**–**	**20,619**
Period: 01/01–31/06/2023											
Revenue											
External customers	1,015,511	148,028	3,927	**1,167,466**	–	**1,167,466**	852,483	17,803	**870,286**	–	**870,286**
Inter-segment	16,807	313	30,161	**47,281**	(47,281)	**–**	181	18,226	**18,407**	(18,407)	**–**
TOTAL revenue	**1,032,318**	**148,341**	**34,088**	**1,214,747**	**(47,281)**	**1,167,466**	**852,664**	**36,029**	**888,693**	**(18,407)**	**870,286**
Results											
EBITDA	**299,065**	**40,005**	**5,598**	**344,668**	**–**	**344,668**	**291,216**	**7,822**	**299,038**	**–**	**299,038**
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment and right-of-use assets	(38,683)	(40,789)	(6,051)	**(85,523)**	–	**(85,523)**	(36,691)	(6,131)	**(42,822)**	–	**(42,822)**
	260,382	**(784)**	**(453)**	**259,145**	**(9,529)**	**249,616**	**254,525**	**1,691**	**256,216**	**(1,536)**	**254,680**
Capital expenditure	32,063	45,441	7,605	**85,109**	**–**	**85,109**	14,961	7,605	**22,566**	**–**	**22,566**

Segment assets

EUR'000

	Group						Parent Company				
	Generation and trade	**Distri-bution**	**Corporate functions**	**TOTAL segments**	**Adjustments and eliminations**	**Consolidated**	**Generation and trade**	**Corporate functions**	**TOTAL segments**	**Adjustments and eliminations**	**Consolidated**
As of 30 June 2024	1,918,359	1,826,085	121,812	**3,866,256**	241,655	**4,107,911**	1,664,780	152,349	**1,817,129**	1,656,749	**3,473,878**
As of 31 December 2023	1,986,902	1,800,405	127,578	**3,914,885**	259,298	**4,174,183**	1,821,772	155,340	**1,977,112**	1,543,181	**3,520,293**

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
Period: 01/01–30/06/2024									
Revenue from contracts with customers:									
Trade of energy and related supply services	681,365	1,625	–	**682,990**	**682,990**	539,368	–	**539,368**	**539,368**
Distribution system services	–	173,317	–	**173,317**	**173,317**	–	–	**–**	**–**
Heat sales	69,980	75	–	**70,055**	**70,055**	58,603	–	**58,603**	**58,603**
Sales of goods and energy related solutions	11,633	–	–	**11,633**	**11,633**	1,839	–	**1,839**	**1,839**
Other revenue	3,205	10,177	3,298	**16,680**	**16,680**	1,092	17,133	**18,225**	**18,225**
Total revenue from contracts with customers	**766,183**	**185,194**	**3,298**	**954,675**	**954,675**	**600,902**	**17,133**	**618,035**	**618,035**
Other revenue:									
Lease of other assets	–	39	709	**748**	**748**	53	1,595	**1,648**	**1,648**
Total other revenue	**–**	**39**	**709**	**748**	**748**	**53**	**1,595**	**1,648**	**1,648**
Period: 01/01–30/06/2023									
Revenue from contracts with customers:									
Trade of energy and related supply services	836,850	1,668	–	**838,518**	**838,518**	696,501	–	**696,501**	**696,501**
Distribution system services	–	136,714	–	**136,714**	**136,714**	–	–	**–**	**–**
Heat sales	159,158	86	–	**159,244**	**159,244**	147,604	–	**147,604**	**147,604**
Sales of goods and energy related solutions	17,053	–	–	**17,053**	**17,053**	7,719	–	**7,719**	**7,719**
Other revenue	2,450	9,527	3,326	**15,303**	**15,303**	659	16,324	**16,983**	**16,983**
Total revenue from contracts with customers	**1,015,511**	**147,995**	**3,326**	**1,166,832**	**1,166,832**	**852,483**	**16,324**	**868,807**	**868,807**
Other revenue:									
Lease of other assets	–	33	601	**634**	**634**	–	1,479	**1,479**	**1,479**
Total other revenue	**–**	**33**	**601**	**634**	**634**	**–**	**1,479**	**1,479**	**1,479**

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	
	01/01-30/06/2024	01/01-30/06/2023	01/01-30/06/2024	01/01-30/06/2023
EBITDA	**393,726**	**344,668**	**317,697**	**299,038**
Depreciation, amortisation and impairment of intangible assets, property, plant, and equipment and right–of–use assets	(86,582)	(85,523)	(42,281)	(42,822)
Segment profit before tax	**307,144**	**259,145**	**275,416**	**256,216**
Finance income	9,208	2,381	18,910	9,449
Finance costs	(11,584)	(11,910)	(11,517)	(11,909)
Dividends received from subsidiaries	–	–	19,069	924
Profit before tax	**304,768**	**249,616**	**301,878**	**254,680**

Reconciliation of assets EUR'000

	Group		Parent Company	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
Segment operating assets	**3,866,256**	**3,914,885**	**1,817,129**	**1,977,112**
Non-current financial investments	40	42	755,628	671,720
Loans to related parties	–	–	679,980	624,298
Other current financial investments	170,000	140,000	170,000	140,000
Prepayment for income tax	370	800	–	–
Cash and cash equivalents	71,245	118,456	51,141	107,163
TOTAL assets	**4,107,911**	**4,174,183**	**3,473,878**	**3,520,293**

4. Revenue

EUR'000

	IFRS or IAS applied	Group		Parent Company	
		01/01-30/06/2024	01/01-30/06/2023	01/01-30/06/2024	01/01-30/06/2023
Revenue from contracts with customers:					
Trade of energy and related supply services	IFRS 15	682,990	838,518	539,368	696,501
Distribution system services	IFRS 15	173,317	136,714	–	–
Heat sales	IFRS 15	70,055	159,244	58,603	147,604
Sales of goods and energy related solutions	IFRS 15	11,633	17,053	1,839	7,719
Other revenue	IFRS 15	16,680	15,303	18,225	16,983
Total revenue from contracts with customers		**954,675**	**1,166,832**	**618,035**	**868,807**
Other revenue:					
Lease of other assets	IFRS 16	748	634	1,648	1,479
Total other revenue		**748**	**634**	**1,648**	**1,479**
TOTAL revenue		**955,423**	**1,167,466**	**619,683**	**870,286**

In Latvia, Lithuania and Estonia end-users have been granted state support. In the 6–month period ending on 30 June 2024 state support was provided on distribution system services while in during the 6–month period ending on 30 June 2023 support was provided for electricity, distribution system services, consumed natural gas and for heat. The support did not change tariffs and energy prices (and thus gross revenue is recognised) rather the process of receiving the transaction fees, the payment being partially received from the end-users and partially from the state budget. During the reporting period, the Group has recognised gross revenue for the allocated state support for the end-users of the Group companies in amount of EUR 21,233 thousand (01/01 - 30/06/2023: in amount of EUR 98,274 thousand).

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	
	01/01-30/06/2024	01/01-30/06/2023	01/01-30/06/2024	01/01-30/06/2023
Goods and services transferred over time	881,218	1 095,290	551,723	742,757
Goods and services transferred at a point in time	73,457	71,542	66,312	126,050
TOTAL revenue from contracts with customers	**954,675**	**1,166,832**	**618,035**	**868,807**

Gross amounts invoiced to customers by applying agent accounting principle, recognised on net basis under trade of energy and related supply services: EUR'000

	Group		Parent Company	
	01/01-30/06/2024	01/01-30/06/2023	01/01-30/06/2024	01/01-30/06/2023
Distribution system services	38,183	21,673	93,439	58,084
Transmission system services	1,178	413	1,184	419
Insurance intermediation	987	854	920	806
TOTAL revenue recognised applying agent accounting principle	**40,348**	**22,940**	**95,543**	**59,309**

5. Raw materials and consumables

EUR'000

	Group		Parent Company	
	01/01-30/06/2024	01/01-30/06/2023	01/01-30/06/2024	01/01-30/06/2023
Energy costs:				
Electricity and costs of related supply services	164,658	167,266	15,891	17,729
Electricity transmission services costs	44,997	35,863	1,302	1,388
Natural gas and other energy resources costs	212,943	456,738	207,036	448,137
CO_2 emission allowances costs	27,677	21,026	27,677	21,026
Gains on fair value changes on energy futures, forwards, and swaps (Note 15 II)	726	35,692	726	35,692
	451,001	**716,585**	**252,632**	**523,972**
Raw materials, spare parts and maintenance costs	16,796	15,406	7,631	7,133
TOTAL raw materials and consumables used	**467,797**	**731,991**	**260,263**	**531,105**

6. Finance income and costs

EUR'000

	Group		Parent Company	
	01/01-30/06/2024	01/01-30/06/2023	01/01-30/06/2024	01/01-30/06/2023
a) Finance income:				
Interest income on loans to related parties	291	–	10,029	7,070
Interest income on interest rate swaps	1,755	1,202	1,755	1,202
Interest income	7,154	1,170	7,119	1,168
Gains on fair value changes on interest rate swaps (Note 15 l)	7	9	7	9
TOTAL finance income	**9,208**	**2,381**	**18,910**	**9,449**

EUR'000

	Group		Parent Company	
	01/01-30/06/2024	01/01-30/06/2023	01/01-30/06/2024	01/01-30/06/2023
b) Finance costs:				
Interest expense on borrowings	9,906	9,984	9,899	10,037
Interest expense on issued debt securities (bonds)	2,559	2,192	2,559	2,192
Interest expense on assets lease	82	81	31	41
Capitalised borrowing costs	–	43	–	43
Net losses on redemption of other financial investments	(1,051)	(484)	(1,051)	(483)
Other finance costs	88	94	79	79
TOTAL finance costs	**11,584**	**11,910**	**11,517**	**11,909**

7. Intangible assets and property, plant and equipment

a) Non–current intangible assets

EUR'000

	Group			Parent Company		
	01/01-30/06/2024	01/01-30/06/2023	2023	01/01-30/06/2024	01/01-30/06/2023	2023
Cost	134,711	123,660	123,660	73,666	67,879	67,879
Accumulated amortisation	(77,385)	(71,871)	(71,871)	(52,019)	(49,482)	(49,482)
Net book amount at the beginning of the period	**57,326**	**51,789**	**51,789**	**21,647**	**18,397**	**18,397**
Additions	15,781	8,585	11,983	2,298	2,830	6,717
Amortisation charge	(3,477)	(3,180)	(6,446)	(1,977)	(1,697)	(3,467)
Closing net book amount at the end of the period	**69,630**	**57,194**	**57,326**	**21,968**	**19,530**	**21,647**
Cost	150,492	132,170	134,711	75,965	70,634	73,666
Accumulated amortisation	(80,862)	(74,976)	(77,385)	(53,997)	(51,104)	(52,019)
Closing net book amount at the end of the period	**69,630**	**57,194**	**57,326**	**21,968**	**19,530**	**21,647**

b) Current intangible assets (CO2 emission allowances)

EUR'000

	Group			Parent Company		
	01/01-30/06/2024	01/01-30/06/2023	2023	01/01-30/06/2024	01/01-30/06/2023	2023
Net book amount at the beginning of the period	**69,312**	**70,847**	**70,847**	**69,312**	**70,847**	**70,847**
Additions	16,700	10,969	37,624	16,700	10,969	37,624
Disposals	(46,344)	(39,159)	(39,159)	(46,344)	(39,159)	(39,159)
Closing net book amount at the end of the period	**39,668**	**42,657**	**69,312**	**39,668**	**42,657**	**69,312**

Estimated allowances used during the reporting year (unverified) recognised as provisions.

c) Property, plant and equipment

EUR'000

	Group			Parent Company		
	01/01-30/06/2024	01/01-30/06/2023	2023	01/01-30/06/2024	01/01-30/06/2023	2023
Cost or revalued amount	7,335,425	6,904,473	6,904,473	4,002,104	3,639,619	3,639,619
Accumulated depreciation and impairment	(4,034,374)	(3,899,103)	(3,899,103)	(2,496,693)	(2,396,959)	(2,396,959)
Net book amount at the beginning of the period	**3,301,051**	**3,005,370**	**3,005,370**	**1,505,411**	**1,242,660**	**1,242,660**
Additions	159,003	76,526	181,365	18,321	19,736	57,735
Reclassified (to) / from investment properties	(123)	(80)	(612)	75	(2)	(58)
Reclassified to current assets	(2,781)	(21)	(39)	–	–	(18)
Disposals	(3,001)	(2,595)	(8,615)	(71)	(12)	(657)
Increase in value of assets as a result of revaluation	–	312,062	312,061	–	312,062	312,061
Reversal of impairment charge as a result of revaluation	–	1,108	1,108	–	1,108	1,108
(Impairment) / reversed impairment charge	(80)	(33)	(22,432)	14	(15)	(22,323)
Depreciation	(81,824)	(82,292)	(167,155)	(39,776)	(41,591)	(85,097)
Closing net book amount at the end of the period	**3,372,245**	**3,310,045**	**3,301,051**	**1,483,974**	**1,533,946**	**1,505,411**
Cost or revalued amount	7,470,745	7,274,247	7,335,425	4,019,282	3,972,870	4,002,104
Accumulated depreciation and impairment	(4,098,500)	(3,964,202)	(4,034,374)	(2,535,308)	(2,438,924)	(2,496,693)
Closing net book amount at the end of the period	**3,372,245**	**3,310,045**	**3,301,051**	**1,483,974**	**1,533,946**	**1,505,411**

d) Investment property

EUR'000

	Group			Parent Company		
	01/01-30/06/2024	01/01-30/06/2023	2023	01/01-30/06/2024	01/01-30/06/2023	2023
Cost or revalued amount	2,613	2,542	2,542	2,987	2,914	2,914
Accumulated depreciation and impairment	(305)	(245)	(245)	(726)	(692)	(692)
Net book amount at the beginning of the year	**2,308**	**2,297**	**2,297**	**2,261**	**2,222**	**2,222**
Reclassified from / (to) property, plant and equipment	123	80	612	(75)	2	58
Disposal	(159)	(4)	(7)	(120)	(2)	(1)
Sold	–	(358)	(581)	–	–	–
Depreciation	(6)	(6)	(12)	(6)	(9)	(18)
Closing net book amount at the end of the period	**2,266**	**2,009**	**2,309**	**2,060**	**2,213**	**2,261**
Cost or revalued amount	2,710	2,239	2,613	2,757	2,914	2,987
Accumulated depreciation and impairment	(444)	(230)	(304)	(697)	(701)	(726)
Closing net book amount at the end of the period	**2,266**	**2,009**	**2,309**	**2,060**	**2,213**	**2,261**

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, revalued as of 1 April 2023 and previously revalued as of 1 April 2022.

b) Distribution system electricity lines and electrical equipment:
   – electricity lines, revalued as of 1 January 2021.
   – electrical equipment of transformer substations, revalued as of 1 April 2020.

As of 30 June 2024, the management of Sadales tīkls AS has assessed internal and external indicators that a revaluation would be needed. In this assessment, the increase in the price levels of general construction costs and electrical

equipment costs accompanied with the increase of inflation and discount rates, which are exceeding criteria determined in the Group accounting policies, are indicators that revaluation of assets should be performed. After examining the recoverable value of the assets, the management of Sadales tīkls AS concluded that the fair value of the assets does not significantly differ from the assets book value on 30 June 2024.
Such conclusion was mainly driven by the "Methodology of capital costs accounting and calculation" approved by the decision of the Public Utilities Commission as of 29 August 2022, which stipulates that the value of assets used in calculations of regulatory asset base are included without the effect of asset revaluations after 31 December 2021. Considering the above, revaluation of assets as of 30 June 2024 does not need to be carried out.

8. Leases

a) Right–of–use assets

EUR'000

	Group			Parent Company		
	01/01-30/06/2024	01/01-30/06/2023	2023	01/01-30/06/2024	01/01-30/06/2023	2023
Initial recognition cost	17,994	16,784	16,784	9,311	8,436	8,436
Accumulated depreciation	(6,775)	(6,258)	(6,258)	(4,601)	(3,370)	(3,370)
Net book amount at the beginning of the period	**11,219**	**10,526**	**10,526**	**4,710**	**5,066**	**5,066**
Recognised changes in lease agreements	254	1,032	2,928	(111)	1,025	875
Depreciation	(1,195)	(1,125)	(2,235)	(536)	(618)	(1,231)
Closing net book amount at the end of the period	**10,278**	**10,433**	**11,219**	**4,063**	**5,473**	**4,710**
Initial recognition cost	18,225	17,816	17,994	9,200	9,461	9,311
Accumulated depreciation	(7,947)	(7,383)	(6,775)	(5,137)	(3,988)	(4,601)
Closing net book amount at the end of the period	**10,278**	**10,433**	**11,219**	**4,063**	**5,473**	**4,710**

b) Lease liabilities

EUR'000

	Group			Parent Company		
	01/01-30/06/2024	01/01-30/06/2023	2023	01/01-30/06/2024	01/01-30/06/2023	2023
At the beginning of the period	**11,406**	**10,675**	**10,675**	**4,824**	**5,166**	**5,166**
Of which are:						
– non–current	*9,015*	*8,648*	*8,648*	*3,607*	*4,206*	*4,206*
– current	*2,391*	*2,027*	*2,027*	*1,217*	*960*	*960*
Recognised changes in lease agreements	450	1,034	2,933	75	1,024	875
Decrease of lease liabilities	(1,207)	(1,191)	(2,364)	(569)	(652)	(1,300)
Recognised interest liabilities (Note 6)	82	81	162	31	41	83
At the end of the period	**10,731**	**10,599**	**11,406**	**4,361**	**5,579**	**4 824**
Of which are:						
– non–current	*8,085*	*8,395*	*9,015*	*2,976*	*4,368*	*3,607*
– current	*2,646*	*2,204*	*2,391*	*1,385*	*1,211*	*1,217*

9. Non–current financial investments

The Parent Company's participating interest in subsidiaries and other non–current financial investments (%)

				30/06/2024	31/12/2023
	Country of incorporation	Business activity held	Operating segment	Interest held, %	Interest held, %
Investments in subsidiaries					
Sadales tīkls AS	Latvia	Electricity distribution	Distribution	100%	100%
Enerģijas publiskais tirgotājs SIA	Latvia	Management of the mandatory procurement process	Generation and trade	100%	100%
Elektrum Eesti OÜ	Estonia	Electricity & gas trade	Generation and trade	100%	100%
Elektrum Lietuva, UAB	Lithuania	Electricity & gas trade	Generation and trade	100%	100%
Latvijas vēja parki SIA	Latvia	Development of renewable energy generation	Generation and trade	100%	80%
Liepājas enerģija SIA	Latvia	Thermal energy, electricity generation and trade	Generation and trade	51%	51%
Renewable energy generation companies	Latvia	Development of renewable energy generation	Generation and trade	100%	–
Telšių vėjo parkas UAB	Lietuva	Development of renewable energy generation	Generation and trade	100%	–
Other non–current financial investments					
Pirmais Slēgtais Pensiju Fonds AS	Latvia	Management of pension plans		46.30%	46.30%
Rīgas siltums AS	Latvia	Thermal energy, electricity generation and trade		0.0051%	0.0051%

Subsidiaries' participating interest held (%)

				30/06/2024	31/12/2023
	Country of incorporation	Business activity held	Operating segment	Interest held, %	Interest held, %
Subsidiaries of Elektrum Eesti OÜ:					
Elektrum Latvija, SIA	Latvia	Electricity trade	Generation and trade	100%	100%
Energiaturu Võrguehitus OÜ	Estonia	Electricity microgrid services	Generation and trade	100%	100%
Renewable energy generation companies	Estonia	Development of renewable energy generation	Generation and trade	100%	100%
Subsidiaries of Elektrum Lietuva, UAB					
Renewable energy generation companies	Lithuania	Development of renewable energy generation	Generation and trade	100%	–

The Group's non–current financial investments (%)

			30/06/2024	31/12/2023
	Country of incorporation	Business activity held	Interest held, %	Interest held, %
Pirmais Slēgtais Pensiju Fonds AS	Latvia	Management of pension plans	48.15%	48.15%
Rīgas siltums AS	Latvia	Thermal energy, electricity generation and trade	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%). 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 associate'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.

As of 30 June 2024, Enerģijas publiskais tirgotājs SIA and Sadales tīkls AS jointly own one share of Pirmais Slēgtais Pensiju Fonds AS with nominal value in the amount of EUR 1,422 (1.85% interest held in share capital) and consequently, each entity owns 1/2 of the notional shares in the amount of EUR 711 per share.

10. Inventories

EUR'000

	Group		Parent Company	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
Natural gas (at lower of cost and net realisable value)	71,779	119,250	71,779	119,250
Raw materials and materials (at cost)	21,594	23,377	1,334	1,205
Goods for sale (at lower of cost and net realisable value)	20,878	13,809	3,899	3,916
Other inventories (at cost)	19,097	19,359	18,932	18,900
Unfinished products and orders (at cost)	6,868	6,490	748	88
Prepayments for natural gas and other inventories	4,193	4,603	3,337	4,026
Allowances for impaired inventories	(2,675)	(3,090)	(1,447)	(1,340)
TOTAL inventories	**141,734**	**183,798**	**98,582**	**146,045**

Inventories are valued at cost, except for goods for sale, which are valued at net realisable value.

Movement on the allowance for inventories

EUR'000

	Group			Parent Company		
	01/01-30/06/2024	01/01-30/06/2023	2023	01/01-30/06/2024	01/01-30/06/2023	2023
At the beginning of the period	**3,090**	**1,380**	**1,380**	**1,340**	**869**	**869**
Changes to the Statement of Profit or Loss	(415)	262	1,710	107	154	471
At the end of the period	**2,675**	**1,642**	**3,090**	**1,447**	**1,023**	**1,340**

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	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
Individually assessed receivables with lifetime ECL assessment (counterparty model)	41,983	28,381	31,299	30,943
Receivables with lifetime ECL assessment by simplified approach (portfolio model)	125,046	196,541	77,198	130,731
TOTAL receivables from contracts with customers	**167,029**	**224,922**	**108,497**	**161,674**

a) Receivables from contracts with customers, net

EUR'000

	Group		Parent Company	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
Receivables from contracts with customers:				
– Electricity, natural gas trade and related services customers (portfolio model)	144,724	194,928	92,879	128,213
– Electricity, natural gas trade and related services customers (counterparty model)	27,595	8,273	–	–
– Heating customers (portfolio model)	1,216	23,907	717	20,289
– Other receivables from contracts with customers (portfolio model)	4,223	4,418	1,240	1,279
– Other receivables from contracts with customers (counterparty model)	14,426	20,165	12,885	19,936
– Subsidiaries (counterparty model) (Note 19 b)	–	–	18,448	11,057
	192,184	**251,691**	**126,169**	**180,774**
Allowances for expected credit loss from contracts with customers:				
– Electricity, natural gas trade and related services customers (portfolio model)	(23 262)	(24,752)	(17,314)	(18,682)
– Electricity, natural gas trade and related services customers (counterparty model)	(12)	(17)	–	–
– Heating customers (portfolio model)	(317)	(360)	(301)	(348)
– Other receivables from contracts with customers (portfolio model)	(1,538)	(1,600)	(23)	(20)
– Other receivables from contracts with customers (counterparty model)	(26)	(40)	(23)	(40)
– Subsidiaries (counterparty model) (Note 19 b)	–	–	(11)	(10)
	(25,155)	**(26,769)**	**(17,672)**	**(19,100)**
Receivables from contracts with customers, net:				
– Electricity, natural gas trade and related services customers (portfolio model)	121,462	170,176	75,565	109,531
– Electricity, natural gas trade and related services customers (counterparty model)	27,583	8,256	–	–
– Heating customers (portfolio model)	899	23,547	416	19,941
– Other receivables from contracts with customers (portfolio model)	2,685	2,818	1,217	1,259
– Other receivables from contracts with customers (counterparty model)	14,400	20,125	12,862	19,896
– Subsidiaries (counterparty model) (Note 19 b)	–	–	18,437	11,047
	167,029	**224,922**	**108,497**	**161,674**

Movements in loss allowances for impaired receivables from contracts with customers

EUR'000

	Group			Parent Company		
	01/01-30/06/2024	01/01-30/06/2023	2023	01/01-30/06/2024	01/01-30/06/2023	2023
At the beginning of the period	**26,769**	**19,957**	**19,957**	**19,100**	**16,411**	**16,411**
Receivables written off during the period as uncollectible	(922)	(645)	(2,048)	(897)	(552)	(1,789)
Allowances for expected credit losses	(692)	2,240	8,860	(531)	1,615	4,478
At the end of the period	**25,155**	**21,552**	**26,769**	**17,672**	**17,474**	**19,100**

b) Other current financial receivables

EUR'000

	Group		Parent Company	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
Current financial receivables:				
Uncovered costs of mandatory procurement and guaranteed fee for the installed electrical capacity of cogeneration power plants, net*	8,420	32,286	–	–
Receivables for lease	273	18	255	11
Other current financial receivables	27,533	16,718	13,068	6,443
Other accrued income	481	586	481	586
Allowances for expected credit losses	(1,905)	(1,636)	(1,575)	(1,287)
Receivables for lease from subsidiaries (Note 19 b)	–	–	21	26
Unregistered (paid-up) shares in subsidiaries' share capitals (Note 9)	–	–	–	4,000
Other financial receivables from subsidiaries (Note 19 b)	–	–	23,989	26,837
Other accrued income from subsidiaries (Note 19 c)	–	–	11,628	14,630
Allowances for expected credit losses on subsidiaries receivables (Note 19 b)	–	–	(17)	(21)
TOTAL other current financial receivables	**34,802**	**47,972**	**47,850**	**51,225**

* 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	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
Non–current non–financial receivables	447	447	447	447
Current non–financial receivables	1,762	2,109	412	1,055
TOTAL non–financial receivables	**2,209**	**2,556**	**859**	**1,502**

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	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
Cash at bank	69,962	78,373	51,058	67,080
Short–term bank deposits	1,200	40,000	–	40,000
Other cash equivalents	83	83	83	83
TOTAL cash and cash equivalents	**71,245**	**118,456**	**51,141**	**107,163**

Cash at bank balances earns daily 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 30 June 2024, the Group and the Parent Company had deposits at banks in amount of EUR 170,000 thousand with maturity date longer than 3 months that does not comply with the principles of recognition as cash equivalents (31/12/2023: EUR 140,000 thousand). These deposits are disclosed 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 2022	**1,373,991**	**(90,265)**	**(1,153)**	**110**	**1,282,683**	**1,002,274**	**(90,265)**	**(1,326)**	**910,683**
Increase of non–current assets revaluation reserve as a result of revaluation (Note 7 c)	312,061	–	–	–	**312,061**	312,061	–	–	**312,061**
Disposal of revaluation reserve	(3,195)	–	–	–	**(3,195)**	–	–	–	**–**
Gains from fair value changes of derivative financial instruments	–	54,596	–	–	**54,596**	–	54,596	–	**54,596**
As of 30 June 2023	**1,682,857**	**(35,669)**	**(1,153)**	**110**	**1,646,145**	**1,314,335**	**(35,669)**	**(1,326)**	**1,277,340**
Disposal of revaluation reserve	(6,418)	–	–	–	**(6,418)**	(561)	–	–	**(561)**
Losses on re–measurement of defined post–employment benefit plan	–	–	(2,709)	–	**(2,709)**	–	–	(1,144)	**(1,144)**
Gains from fair value changes of derivative financial instruments	–	44,784	–	–	**44,784**	–	44,784	–	**44,784**
Formed statutory reserves	–	–	–	50	**50**	–	–	–	**–**
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	(3,677)	–	–	–	**(3,677)**	(201)	–	–	**(201)**
Losses from fair value changes of derivative financial instruments	–	(5,274)	–	–	**(5,274**	–	(5,274)	–	**(5,274)**
Formed statutory reserves	–	–	–	4,096	**4,096**	–	–	–	**–**
As of 30 June 2024	**1,672,762**	**3,841**	**(3,826)**	**4,256**	**1,676,997**	**1,313,573**	**3,841**	**(2,470)**	**1,314,944**

14. Borrowings

EUR'000

	Group		Parent Company	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
Non–current portion of non-current borrowings from financial institutions	284,947	336,408	276,595	327,174
Non-current portion of issued debt securities (bonds)	199,918	199,908	199,918	199,908
Total non-current borrowings from financial institutions	**484,865**	**536,316**	**476,513**	**527,082**
Current portion of non–current borrowings from financial institutions	94,851	86,625	92,824	84,491
Accrued interest on non–current borrowings from financial institutions	2,468	2,891	2,330	2,742
Accrued coupon interest on issued debt securities (bonds)	1,277	3,864	1,277	3,864
Total current borrowings from financial institutions	**98,596**	**93,380**	**96,431**	**91,097**
TOTAL borrowings from financial institutions	**583,461**	**629,696**	**572,944**	**618,179**
Total current borrowings	**98,596**	**93,380**	**96,431**	**91,097**
TOTAL borrowings	**583,461**	**629,696**	**572,944**	**618,179**

Movement in borrowings: EUR'000

	Group			Parent Company		
	01/01-30/06/2024	01/01-30/06/2023	2023	01/01-30/06/2024	01/01-30/06/2023	2023
At the beginning of the year	**629,696**	**875,918**	**875,918**	**618,179**	**863,938**	**863,938**
Received borrowings from financial institutions	–	–	2,000	–	–	–
Repaid borrowings from financial institutions	(43,236)	(173,867)	(301,090)	(42,245)	(169,043)	(295,276)
Proceeds from issued debt securities (bonds)	–	50,000	50,000	–	50,000	50,000
Borrowings received from related parties	–	–	–	–	(3,317)	(3,317)
Change in accrued interest on borrowings from financial institutions	(3,009)	490	2,847	(3,000)	480	2,813
Changes in outstanding value of issued debt securities (bonds)	10	10	21	10	10	21
At the end of the year	**583,461**	**752,551**	**629,696**	**572,944**	**742,068**	**618,179**

15. Derivative financial instruments

Outstanding fair values of derivatives and their classification

EUR'000

	Group				Parent Company			
	30/06/2024		31/12/2023		30/06/2024		31/12/2023	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	5,852	–	5,872	–	5,852	–	5,872	–
Energy forwards, futures, and swaps	280	(956)	5,297	–	280	(956)	5,297	–
Total outstanding fair values of derivatives	**6,132**	**(956)**	**11,169**	**–**	**6,132**	**(956)**	**11,169**	**–**

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					
	01/01-30/06/2024		01/01-30/06/2023		2023		01/01-30/06/2024		01/01-30/06/2023		2023	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Outstanding fair value at the beginning of the period	**5,872**	**–**	**10,279**	**–**	**10,279**	**–**	**5,872**	**–**	**10,279**	**–**	**10,279**	**–**
Included in the Statement of Profit or Loss (Note 6)	**–**	7	(43)	9	(128)	9	**–**	7	(43)	9	(128)	9
Included in the Statement of Comprehensive Income	(20)	(7)	(721)	(9)	(4,279)	(9)	(20)	(7)	(721)	(9)	(4,279)	(9)
Outstanding fair value at the end of the period	**5,852**	**–**	**9,515**	**–**	**5,872**	**–**	**5,852**	**–**	**9,515**	**–**	**5,872**	**–**

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 AS "Latvenergo" 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 in wholesale gas market or to fix the difference between the purchase and sale price of natural gas.

Fair value changes of energy forward and future contracts

EUR'000

	Group						Parent Company					
	01/01-30/06/2024		01/01-30/06/2023		2023		01/01-30/06/2024		01/01-30/06/2023		2023	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Outstanding fair value at the beginning of the period	**5,297**	**–**	**450**	**(120,520)**	**450**	**(120,520)**	**5,297**	**–**	**450**	**(120,520)**	**450**	**(120,520)**
Included in Statement of Profit or Loss (Note 5)	(726)	–	478	(36,169)	333	22,865	(726)	–	478	(36,169)	333	22,865
Included in Statement of Comprehensive Income	(4,291)	(956)	–	53,827	4,514	97,655	(4,291)	(956)	–	53,827	4,514	97,655
Outstanding fair value at the end of the period	**280**	**(956)**	**928**	**(102,862)**	**5,297**	**–**	**280**	**(956)**	**928**	**(102,862)**	**5,297**	**–**

III) Currency exchange forwards

The Group and the Parent Company has concluded several forward foreign currencies exchange transactions in order to limit the currency risk of the payments in foreign currencies planned in the natural gas purchase agreements. All contracts are designed as cash flow hedges and are eligible for hedge accounting.

For the Group and the Parent company in 6-month period ending on 30 June 2023 has been fulfilled forward currencies exchange contracts, the outstanding fair value of which on 31 December 2022 was EUR 1,499 thousand.

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 period EUR'000

Type of assets	Group				Parent Company			
	Fair value measurement using				Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL
As of 30 June 2024								
Assets measured at fair value								
Revalued property, plant and equipment	–	–	2,889,399	**2,889,399**	–	–	1,261,091	**1,261,091**
Non-current financial investments (Note 9)	–	–	40	**40**	–	–	39	**39**
Derivative financial instruments, including:								
Interest rate swaps (Note 15 I)	–	5,852	–	**5,852**	–	5,852	–	**5,852**
Energy forwards, futures, and swaps (Note 15 II)	–	280	–	**280**	–	280	–	**280**
Assets for which fair values are disclosed								
Investment properties (Note 7 c)	–	–	2,266	**2,266**	–	–	2,060	**2,060**
Loans to related parties:								
– Floating rate loans (Note 19 e)	–	–	–	**–**	–	359,414	–	**359,414**
– Fixed rate loans (Note 19 e)	–	16,079	–	**16,079**	–	320,566	–	**320,566**
Current financial receivables (Note 11 a, b)	–	–	201,831	**201,831**	–	–	156,347	**156,347**
Cash and cash equivalents (Note 12)	–	71,245	–	**71,245**	–	51,141	–	**51,141**
As of 31 December 2023								
Assets measured at fair value								
Revalued property, plant and equipment	–	–	2,909,307	**2,909,307**	–	–	1,277,600	**1,277,600**
Non-current financial investments (Note 9)	–	–	40	**40**	–	–	39	**39**
Derivative financial instruments, including:								
Interest rate swaps (Note 15 I)	–	5,872	–	**5,872**	–	5,872	–	**5,872**
Energy forwards, futures, and swaps (Note 15 II)	–	5,297	–	**5,297**	–	5,297	–	**5,297**
Assets for which fair values are disclosed								
Investment properties (Note 7 c)	–	–	2,309	**2,309**	–	–	2,261	**2,261**
Loans to related parties:								
– Floating rate loans (Note 19 e)	–	–	–	**–**	–	263,182	–	**263,182**
– Fixed rate loans (Note 19 e)	–	863	–	**863**	–	361,116	–	**361,116**
Current financial receivables (Note 11 a, b)	–	–	272,894	**272,894**	–	–	212,899	**212,899**
Cash and cash equivalents (Note 12)	–	118,456	–	**118,456**	–	107,163	–	**107,163**

There have been no transfers for assets between Level 1, Level 2 and Level 3 during the reporting period.

Quantitative disclosures of fair value measurement hierarchy for liabilities at the end of the period EUR'000

Type of liabilities	Group				Parent Company			
	Fair value measurement using				Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	TOTAL
As of 30 June 2024								
Liabilities measured at fair value								
Derivative financial instruments, including:								
Energy forwards, futures, and swaps (Note 15 II)	–	956	–	**956**	–	956	–	**956**
Liabilities for which fair values are disclosed								
Issued debt securities (bonds) (Note 14)	–	201,195	–	**201,195**	–	201,195	–	**201,195**
Borrowings from financial institutions (Note 14)	–	382 266	–	**382,266**	–	371,749	–	**371,749**
Trade and other financial current payables (Note 17)	–	–	114,907	**114,907**	–	–	75,090	**75,090**
As of 31 December 2023								
Liabilities for which fair values are disclosed								
Issued debt securities (bonds) (Note 14)	–	203,772	–	**203,772**	–	203,772	–	**203,772**
Borrowings from financial institutions (Note 14)	–	425,924	–	**425,924**	–	414,407	–	**414,407**
Borrowings from related parties (Note 14)	–	–	–	–	–	–	–	–
Trade and other financial current payables (Note 17)	–	–	136,014	**136,014**	–	–	87,078	**87,078**

There have been no transfers for liabilities between Level 1, Level 2 and Level 3 during the reporting period.

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.

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: EUR'000

	Group				Parent Company			
	Carrying amount		Fair value		Carrying amount		Fair value	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023	30/06/2024	31/12/2023	30/06/2024	31/12/2023
Financial assets								
Fixed rate loans to related parties	16,079	863	16,079	863	320,566	361,116	299,904	343,998
Financial liabilities								
Issued debt securities (bonds)	201,195	203,772	188,158	188,678	201,195	203,772	188,158	188,678

Management assessed that fair values of cash and short–term deposits, receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short–term maturities of these instruments.

17. Trade and other payables

EUR'000

	Group		Parent Company	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
Financial liabilities:				
Payables for suppliers	81,291	89,320	46,612	51,934
Payables to related parties (Note 19 b)	10,441	14,864	18,053	21,390
Accrued expenses	14,687	21,212	5,759	7,139
Accrued expenses from related parties (Note 19 d)	–	–	1,384	3,321
Other financial current payables	8,488	10,618	3,282	3,294
TOTAL financial liabilities	**114,907**	**136,014**	**75,090**	**87,078**
Non–financial liabilities:				
Taxes other than income tax	21,835	33,681	12,002	19,055
Contract liabilities	37,977	28,907	16,739	7,547
Other current payables	4,981	4,131	2,177	1,620
TOTAL non–financial liabilities	**64,793**	**66,719**	**30,918**	**28,222**
TOTAL trade and other current payables	**179,700**	**202,733**	**106,008**	**115,300**

18. Deferred income

EUR'000

	Group		Parent Company	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
I) Non–current deferred income				
a) contracts with customers				
From connection fees	141,803	137,838	–	–
Other deferred income	635	668	635	668
	142,438	**138,506**	**635**	**668**
b) operating lease				
Other deferred income	291	300	291	300
	291	**300**	**291**	**300**
c) other				
On grant for the installed electrical capacity of CHPPs	77,475	89,470	77,475	89,470
On financing from European Union funds	25,086	22,702	6,463	4,456
Other deferred income	34	37	34	37
	102,595	**112,209**	**83,972**	**93,963**
Total non–current deferred income	**245,324**	**251,015**	**84,898**	**94,931**
II) Current deferred income				
a) contracts with customers				
From connection fees	17,161	16,510	–	–
Other deferred income	463	4,794	67	67
	17,624	**21,304**	**67**	**67**
b) operating lease				
Other deferred income	20	20	20	20
	20	**20**	**20**	**20**
c) other				
On grant for the installed electrical capacity of CHPPs	23,990	23,990	23,990	23,990
On financing from European Union funds	964	963	142	142
	24,954	**24,953**	**24,132**	**24,132**
TOTAL current deferred income	**42,598**	**46,277**	**24,219**	**24,219**
TOTAL deferred income	**287,922**	**297,292**	**109,117**	**119,150**

In the 6–month period ending on 30 June 2024 Latvenergo AS received financing from Connecting Europe Facility (CEF) for the development of electric vehicles charging network and 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 from Sadales tīkls AS. Liepājas enerģija SIA received European Union financing for fossil fuels substitution.

In 2023 received financing 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 by Sadales tīkls AS, financing from Connecting Europe Facility (CEF) for the development of electric vehicles charging network received by the Parent Company and received European Union financing for fossil fuels substitution in Liepāja by Liepājas Enerģija SIA.

Movement in deferred income (non–current and current part) EUR'000

	Group			Parent Company		
	01/01-30/06/2024	01/01-30/06/2023	2023	01/01-30/06/2024	01/01-30/06/2023	2023
At the beginning of the period	**297,292**	**308,527**	**308,527**	**119,150**	**154,399**	**154,399**
Recognised in Statement of Financial Position:						
– other deferred non–current income (financing)	2,867	2,928	20,606	2,078	–	2,625
– fees for connection to distribution system	13,045	6,991	23,015	–	–	–
Recognised in Statement of Profit or Loss:						
– Other deferred income	(12,479)	(12,457)	(24,933)	(12,068)	(12,070)	(24,139)
– Deferred income from contracts with customers and operating lease	(12,803)	(21,342)	(29,923)	(43)	(13,690)	(13,735)
At the end of the period	**287,922**	**284,647**	**297,292**	**109,117**	**128,639**	**119,150**

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 of the Parent Company, members of Supervisory body of the Parent Company – 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 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 but does not contain individually significant transactions therefore 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 operators – Augstsprieguma tīkls AS.

a) Sales/purchases of goods, PPE and services to / from related parties EUR'000

	Group		Parent Company			
	01/01–30/06/2024	01/01–30/06/2023	01/01–30/06/2024		01/01–30/06/2023	
	Other related parties*	Other related parties*	Subsidiaries	Other related parties*	Subsidiaries	Other related parties*
Sales of goods, PPE and services, finance income	32,161	19,899	89,503	32,115	108,404	19,860
Purchases of goods, PPE, and services	71,549	53,508	87,851	24,855	43,285	15,738
including gross expenses from transactions with subsidiaries recognised in net amount through profit or loss:						
– Sadales tīkls AS	–	–	*85,303*	–	*53,676*	–

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

EUR'000

	Group		Parent Company	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
Receivables from related parties:				
– subsidiaries (Note 11 a, b)	–	–	38,932	41,642
– other related parties*	18,327	15,506	17,969	15,172
– loss allowances for expected credit loss from receivables of subsidiaries (Note 11 a, b)	–	–	(28)	(31)
– loss allowances for expected credit loss from receivables of other related parties*	(35)	(33)	(34)	(33)
	18,292	**15,473**	**56,839**	**56,750**
Payables to related parties (Note 17):				
– subsidiaries	–	–	14,766	15,214
– other related parties*	10,441	14,864	3,287	6,176
	10,441	**14,864**	**18,053**	**21,390**

c) Accrued income raised from transactions with related parties

EUR'000

	Group		Parent Company	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
– for goods sold/services provided for subsidiaries (Note 11 a, b)	–	–	11,074	11,425
– for interest received from subsidiaries (Note 11 a, b)	–	–	4,078	3,483
– for goods sold/services provided for other related parties*	39	–	39	–
	39	**–**	**15,191**	**14,908**

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

EUR'000

	Group		Parent Company	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
– for purchased goods/received services from subsidiaries	–	–	1,384	3,321
	–	**–**	**1,384**	**3,321**

* 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 and other entities controlled by the management members of Latvenergo Group, if any

In the 6–month period ending on 30 June 2024 remuneration to the Latvenergo Group's management includes remuneration to the members of the Management Boards the Group entities, the Supervisory Board, and the Supervisory body (Audit Committee) of the Parent Company, including salary, social insurance contributions and payments to pension plan and is amounted to EUR 2,180.8 thousand (01/01 – 30/06/2023: EUR 1,947.9 thousand).

In the 6–month period ending on 30 June 2024 remuneration to the Parent Company's management includes remuneration to the members of the Parent Company's Management Board, the Supervisory Board and the Supervisory body (Audit Committee), including salary, social insurance contributions and payments to pension plan and is amounted to EUR 754.6 thousand (01/01 – 30/06/2023: EUR 749.3 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	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
Non–current loans to subsidiaries	–	–	494,729	463,030
Non-current loans to other related parties	16,079	863	–	–
TOTAL non–current loans	**16,079**	**863**	**494,729**	**463,030**
Current portion of non–current loans	–	–	102,102	107,609
Current loans to subsidiaries	–	–	83,149	53,659
TOTAL current loans	–	–	**185,251**	**161,268**
TOTAL loans to related parties	**16,079**	**863**	**679,980**	**624,298**

Movement in loans issued to related parties

EUR'000

	Group			Parent Company		
	01/01-30/06/2024	01/01-30/06/2023	2023	01/01-30/06/2024	01/01-30/06/2023	2023
At the beginning of the period	**863**	–	**–**	**624,298**	**713,308**	**713,308**
Change in current loans in cash (net)	–	–	–	46,053	(56,021)	(68,272)
Change in current loans by non–cash offsetting of operating receivables and payables (net)	–	–	–	63,500	27,675	76,311
Issued non–current loans in cash	15,229	–	863	–	–	**–**
Repaid non–current loans by non–cash offset	–	–	–	(53,826)	(48,393)	(96,977)
Allowances for expected credit loss	(13)	–	–	(45)	(81)	(72)
At the end of the period	**16,079**	–	**863**	**679,980**	**636,488**	**624,298**
incl. loan movement through bank account						
Issued loans to subsidiaries	16,079	–	863	419,794	362,339	719,798
Repaid loans issued to subsidiaries	–	–	–	(373,741)	(418,360)	(788,070)
Issued loans, net	**16,079**	–	**863**	**46,053**	**(56,021)**	**(68,272)**

20. Events after the reporting period

There have not been any significant events subsequent after the end of the reporting period that might have a material effect on the Latvenergo Consolidated and Latvenergo AS Unaudited Condensed Interim Financial Statements for the first 6 months of 2024.

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