

# SIA "Rīgas ūdens" UNAUDITED CONDENSED FINANCIAL STATEMENTS

for the 6-month period that ended  
on June 30, 2025, prepared in accordance with  
to the requirements of international financial  
reporting standards

RIGA, 2025



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# Information about company

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**Company name**

SIA „Rīgas ūdens”

**Legal status**

Limited company

**Registration number,  
place and date**

40103023035  
Riga, September 24. 1991  
Reregistration in the Commercial Register  
12 January 2004, under uniform registration number  
40103023035

**Address**

Zigfrida Annas Meierovica boulevard 1  
Riga, LV-1495, Latvia

**Owner**

Riga City Council(100%)  
Ratslaukums 1, Riga, LV-1050,Latvia

**Supervisory board members**

Dace Ljusa – Chairman of the supervisory board  
Tālis Juhna – member of the supervisory board  
Imants Paeglītis – member of the supervisory board

**Board members**

Krišjānis Krūmiņš- Chairman of the board  
Normunds Zvaunis– member of the board  
Agnese Ozolkāja – member of the board

# Key Performance Indicators

Period 01.01.2025–30.06.2025

## Business Performance



–0,06%

Volume of  
Water Sold  
(m³) Compared  
to 6M 2024

–1,3%

Sewerage  
Services (m³)  
Compared to 6M  
2024

0,8 km

New Pipelines  
Constructed

8km

Renovated  
Pipelines

+495

New Service  
Users

## Financial Performance



+7,1%

6-Month  
Revenue  
Changes  
Compared to 6M  
2024

+38%

6-Month  
EBITDA  
Changes  
Compared to 6M  
2024

2,1x

Net debt/  
EBITDA

72,4%

Capital ratio

14,58  
MEUR

Investment  
Volume

# Management report

## Business model

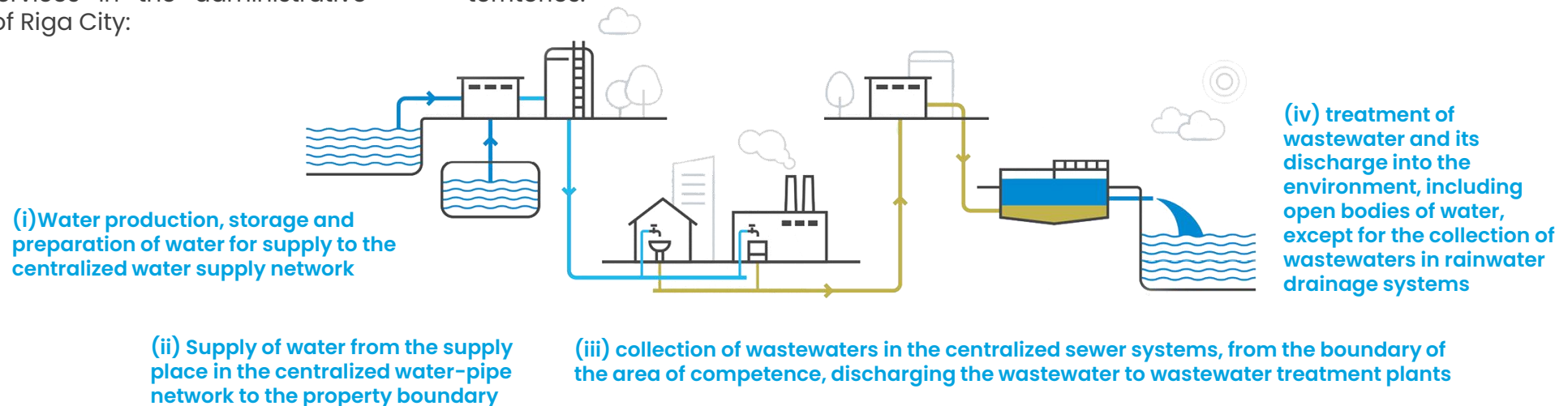
The main activity of SIA "Rīgas ūdens" (hereinafter – society) is the provision of centralised water supply and sewerage services to natural and legal persons.

on July 24, 2019, the Riga City Self-government and the company entered into a new contract for the provision of the following water management public services in the administrative territory of Riga City:

The contract shall remain in force until 23 July 2029.

The company also provides centralised water supply services in certain territories of Pierīga – Adazi Municipality Adazi Parish, Ropazi Municipality Garkalne and Stopiņu Parish, Marupes Municipality Marupes Parish and Kekava Municipality Kekava Parish territories.

In addition to operating services in the field of water management, the company provides real estate rental services, providing utilities to tenants, conducting water and sewage laboratory analysis and other services. The proportion of these services is negligible.



# Management report

## Water management service tariff

During the reporting period, the Company ensured the provision of water utility services as stipulated in the Public Service Agreements and implemented a range of measures aimed at improving the Company's infrastructure, technological development, customer service, and service delivery efficiency.

To support continued pipeline renovation and mitigate the future increase in costs associated with unplanned repair works, a tariff revision is planned for the upcoming period.

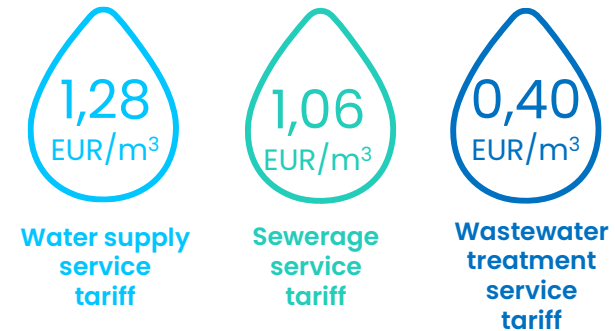
The tariffs set for the Company's operations, which form the basis of its revenue, are strictly monitored by the Public Utilities Commission (hereinafter – PUC).

On January 1, 2025, new water utility service tariffs (excluding value-added tax) came into effect, as approved by the Public Utilities Commission (PUC) Council Decision No. 86 dated November 21, 2024, regarding the tariffs of SIA "Rīgas ūdens." The tariff changes were related to an increase in capital costs. No changes were made to other components of the water utility service tariff.

On July 3, 2025, the PUC adopted a decision on the return on capital rates for 2026, increasing the existing rate from 4.87% to 5.82%.

A tariff proposal for SIA "Rīgas ūdens" water utility services has been submitted to the PUC. It foresees a tariff increase of EUR 0.33/m<sup>3</sup> effective from December 1, 2025. The increase is intended to cover expenses related to the renovation of the city's water supply and sewerage pipelines.

Tariffs for water Management services from 1 January 2025 (without value added tax):



Overall, tariffs increased by 1.7% and amount to EUR 2.83 (VAT included).





# Management report

## Bond Issuance in May 2025

### Oversubscription and Broad Investor Participation Confirm the Success of the Transaction

By launching its first public European green bond offering to investors in the Baltics, SIA "Rīgas ūdens" successfully raised EUR 20 million. The company attracted 228% of its targeted bond issuance amount, with total demand reaching EUR 45.5 million—significantly exceeding the planned EUR 20 million.

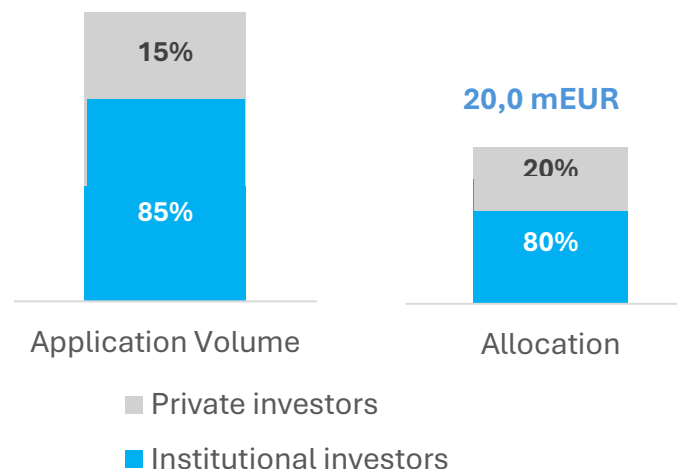
Strong demand was driven by institutional investors, who accounted for approximately 85% of the total demand (EUR 38.5 million). More than 25 institutional investors participated, including the Nordic Investment Bank, asset managers, banks, and insurance companies.

Private investor demand amounted to EUR 7 million, representing 15% of the total.

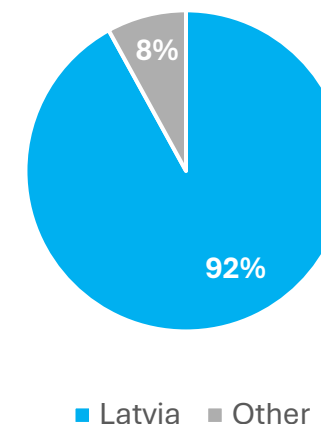
Each bond has a nominal value of EUR 100, an annual interest rate of 4%, with coupon payments made quarterly. The bonds have a maturity period of 5 years.

Summary of Demand and Allocation

45,5 mEUR



Private Investors by Country



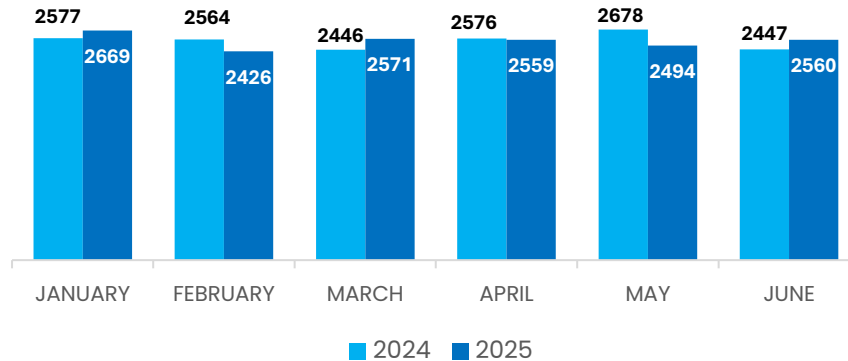
The bonds were listed on the Nasdaq Riga regulated market on June 5, 2025 — one day after the issuance date.



# Management report

## Volume of water supply and sewerage services provided during the reporting period

### Water supply services, thousand m<sup>3</sup>



Water supply services remained largely consistent compared to the corresponding period in 2024.



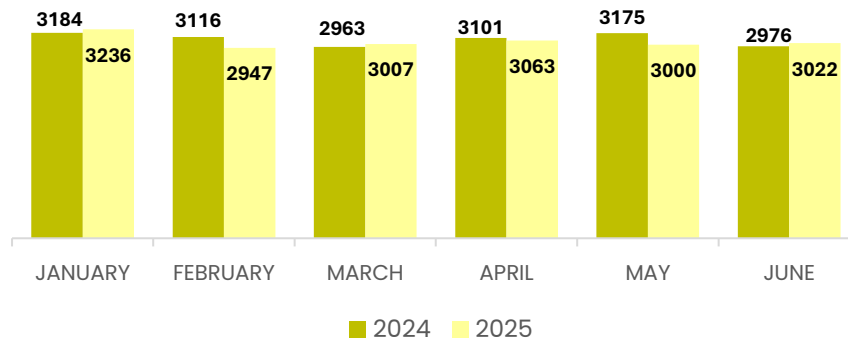
- 0,06%

In comparison to 6M 2024

Water supplied during the six-month period

**15 279.2 thousand m<sup>3</sup>**

### Sewerage services, thousand m<sup>3</sup>



Sewerage services remained largely consistent compared to the corresponding period in 2024.



- 1,3%

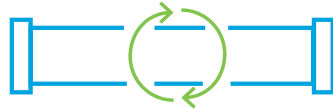
In comparison to 6M 2024

Sewerage services volume during the six-month period

**18 274.5 thousand m<sup>3</sup>**

# Management report

## Accessibility



**8,0 km**

Renovated Water and  
Sewerage Pipelines



**0,8 km**

New Water Supply and  
Sewerage Pipelines  
Constructed

Renovation works were carried out in the following locations:

- Slēpotāju, Krosa, Tramlīna, Silciema, and Biatlona Streets in Jugla
- Dzelzavas Street
- Katoļu Street

New networks constructed to improve service availability:

- 0.8 km of water and sewerage pipelines built in the Ziepniekkalns district

Design work initiated for future infrastructure development at:

- Mazā Ozolu 1
- Natana Barkāna Street
- Raunas Street 58
- Skrudalienas Street 6
- Krustpils Street

## New clients in the first half of 2025:

- 495 residents were connected to the centralized sewerage system.
- 84 residents were connected to the centralized water supply system.
- 291 property owners received support in obtaining funding from the Riga City Council.
- 1,023 new users registered on the customer portal, representing 88% of all clients.

## Customer Service Activities:

- A total of 118.9 km of water pipelines were flushed during the reporting period to maintain water quality standards.
- The customer satisfaction rate improved from 87% to 88%, following the implementation of post-interaction feedback collection after each customer service engagement.

## Accessibility in Mangaļsala:

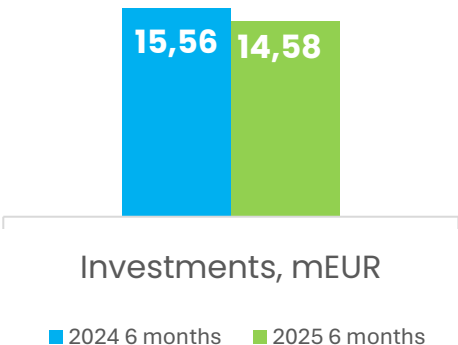
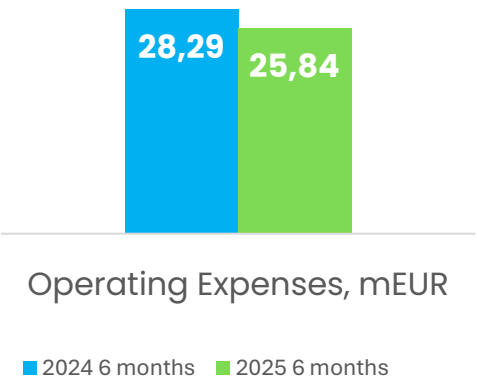
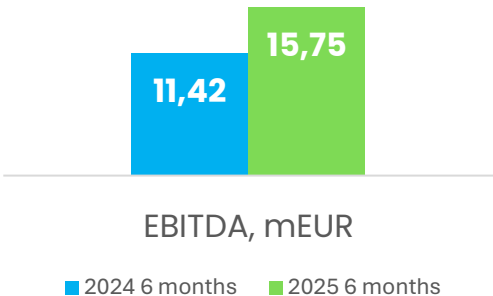
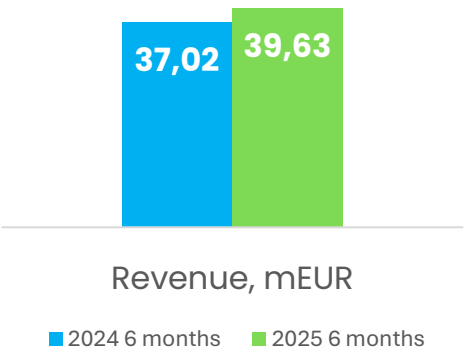
In 2022, the Riga City Council adopted a decision to reduce the share of dividends payable to the municipality in order to support the implementation of the Mangaļsala water supply project. This initiative aims to provide centralized service access to more than 4,200 residents.

Project Status: Design work is currently being refined, including a solution for placing the sewerage pumping station underground. This approach will enhance infrastructure compatibility with other utility networks and contribute to more efficient urban planning.

Construction Timeline: The project is scheduled to be completed within three years.

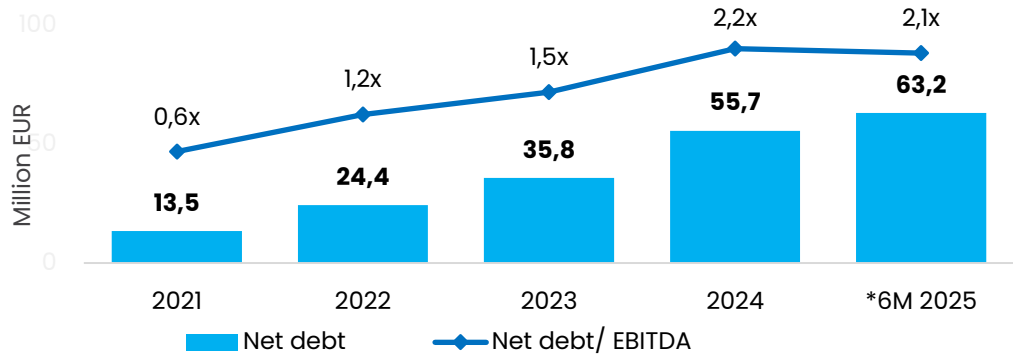
# Management report

## Financial performance summary

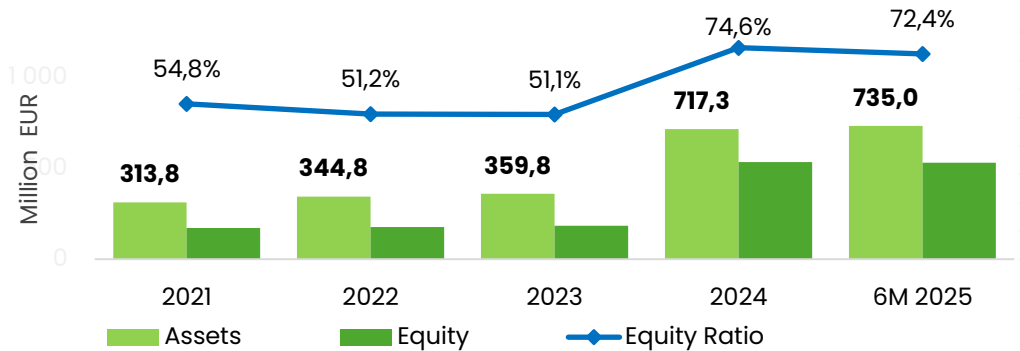


## Key financial indicators

### Net Debt and Net Debt Ratio



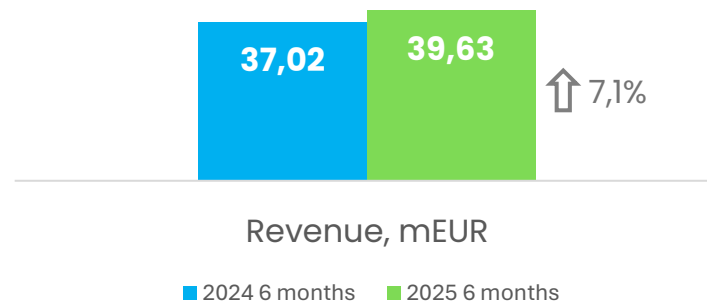
### Sufficiency of Capital Resources



*\*For the 6-month performance indicators, the EBITDA formula is based on last 12-month rolling basis and includes the following components: Profit before tax, interest expenses and similar costs, Depreciation of right-of-use assets, Depreciation and amortization of fixed assets*

# Management report

## Revenue

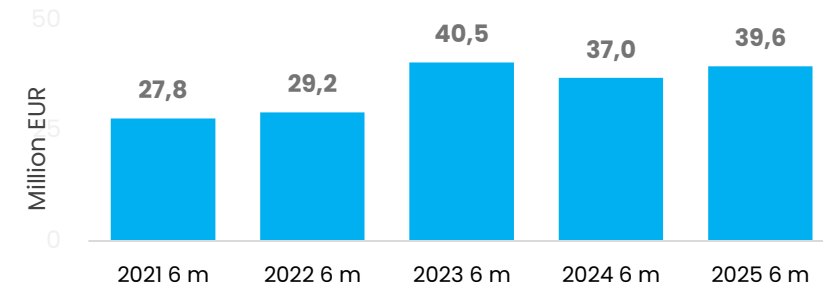


In the first half of 2025, revenue increased primarily due to the adjustment of water utility service tariffs effective from January 1, 2025.

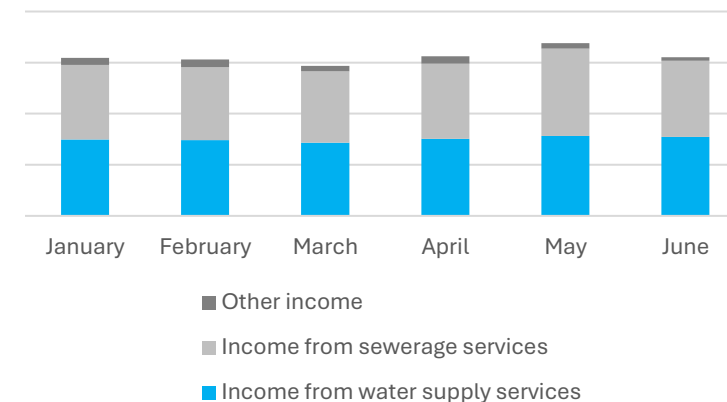
Revenue from services in the Greater Riga area amounted to EUR 1.4 million during the six-month period, of which 88% was generated from sewerage services.

Other income was derived from the maintenance of public water taps funded by the Riga City Municipality and from the construction of new service connections.

## Revenue Evolution Across Reporting Periods

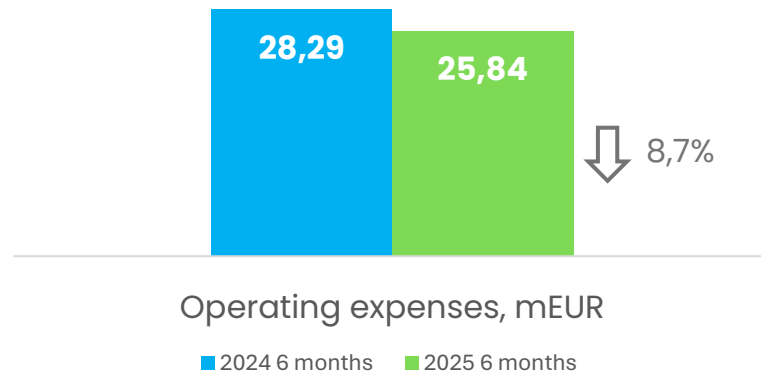


## Revenue Development in the First 6 Month of 2025



# Management report

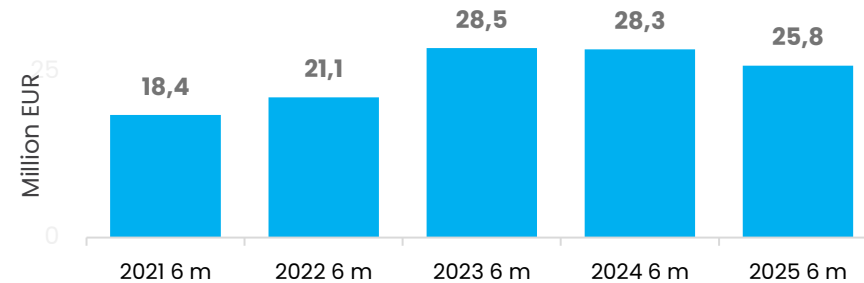
## Operating expenses



The cost reduction is primarily attributed to changes in the accounting treatment of water and sewerage pipeline repair expenses, with a higher proportion of costs being capitalized, as well as a decrease in electricity expenses.

Main expense categories include: raw materials and supplies, including network repair works, maintenance of real estate, repairs and equipment servicing, energy costs, procurement of reagents, sludge disposal, personnel expenses and other operational business costs.

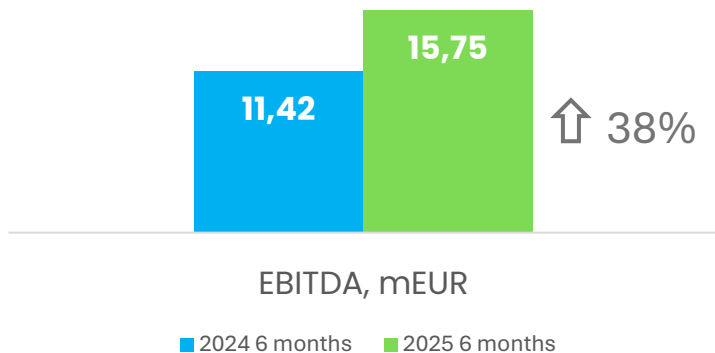
## Evolution of Costs Across Reporting Periods



# Management report

## Core operating performance

Earnings before Interest, Taxes, Depreciation, and Amortization

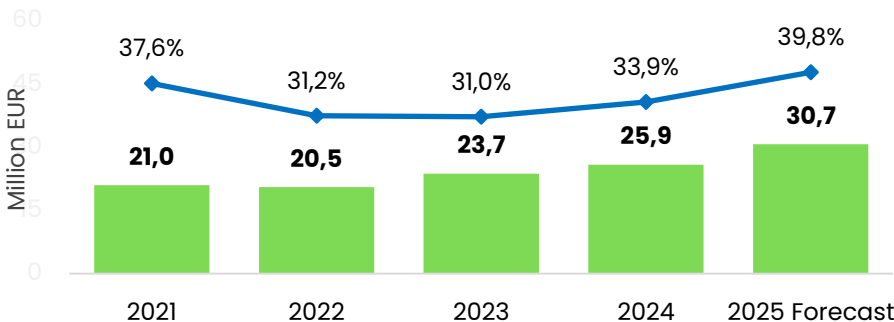


The increase in EBITDA is primarily attributed to higher revenue from water utility services and a reduction in production costs.

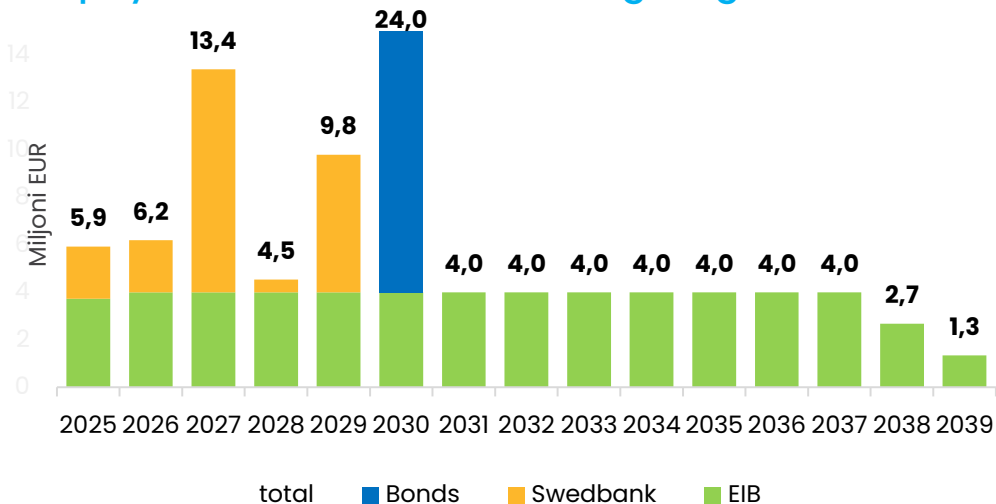
The company's EBITDA margin for the first six months of 2025 reached 39.8%, which is sufficient—with a buffer—for servicing financial obligations and implementing planned investment projects.

Investment projects by "Rīgas ūdens" are financed through a combination of own funds and long-term borrowed capital. Timely planning of external financing is essential to ensure optimal management of refinancing risks and to meet loan principal repayments within the required deadlines.

## EBITDA and EBITDA margin development trends over time

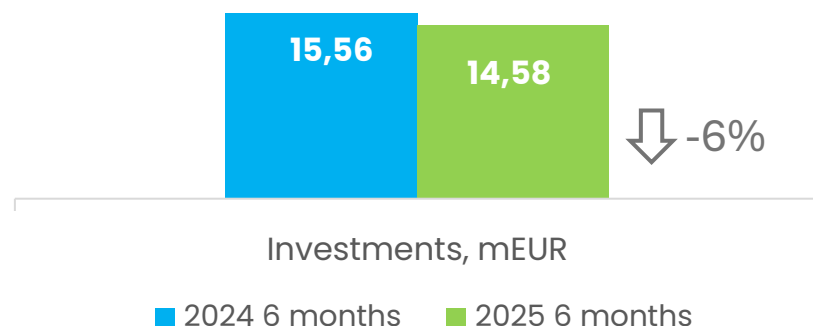


## Repayment schedule for existing long-term loans



# Management report

## Investments



The decrease compared to the corresponding period in 2024 is primarily due to the significant investments made in 2024 within the framework of the EU Cohesion Fund co-financed project "Water Management Development in Riga, Phase 6."

## Financing Liquidity

Rīgas ūdens finances its investment projects through a combination of internal resources and long-term debt.

Available and unused Credit Limits:

- EIB long-term financing: EUR 70 000 000
- Swedbank AS long-term financing: EUR 7 000 000
- OP Corporate Bank plc Latvia credit line: EUR 5 000 000
- Bond amount: EUR 17 962 261

## Key Investment Areas – H1 2025:

- 4.3 km of water pipelines and 3.7 km of sewerage pipelines were renovated
- Water supply and sewerage networks were expanded on Slēpotāju, Krosa, Trampilna, Silciema, and Biatlona Streets
- Reconstruction of equipment at the Imanta Wastewater Pumping Station (ŪSS Imanta)
- Renovation of primary and secondary sedimentation tanks at the Daugavgrīva Wastewater Treatment Plant (BAS "Daugavgrīva")

## Bond Utilization – H1 2025:

- Reconstruction of a 2500x1800 mm sewer collector in Uzvaras Park – EUR 880.1 thousand
- Repair of the sewer collector near Dambja Street pumping station (KSS) – EUR 269.8 thousand
- Reconstruction of an underground sewer pumping station and pressure pipeline at Mūkusalas Street 72C – EUR 153.9 thousand



# Management report

## Post-Reporting Period Circumstances and Events

### **SIA “Rīgas ūdens” has the opportunity to receive EUR 22.3 million in ERDF funding to improve the efficiency of its wastewater treatment infrastructure**

On July 1, 2025, the Cabinet of Ministers approved a draft regulation by the Ministry of Smart Administration and Regional Development concerning European Union fund investments aimed at improving the efficiency of water utility services. The initiative seeks to enhance the operational effectiveness of wastewater treatment infrastructure and reduce anthropogenic pollution within the Riga agglomeration. The investments are targeted at Latvia's largest water utility agglomeration—Riga—and will support: Efficiency and quality improvements in wastewater treatment facilities, upgrades to sludge processing equipment, construction, reconstruction, and modernization of engineering networks related to public water services.

The Central Finance and Contracting Agency will oversee project selection and implementation. All projects must be completed by the end of 2029.

SIA “Rīgas ūdens” plans to implement a major expansion and renovation project for the Daugavgrīva Biological Treatment Plant. Preparations for procurement technical specifications are underway, and the company intends to submit a project application for EUR 22.3 million in European Regional Development Fund (ERDF) financing.

### **SIA “Rīgas ūdens” Launches One of the Largest Water Utility Projects in Latvia**

We have signed a contract for the expansion of the anaerobic digestion park at the Daugavgrīva Biological Treatment Plant. The project will include not only the construction of two new digesters, but also a range of engineering solutions related to the existing wastewater treatment system. This is one of the largest and most technically complex water utility projects in Latvia, which will significantly enhance the capacity for wastewater sludge treatment in Riga and support Rīgas ūdens' strategic transition toward energy neutrality.

The total contract value of the project is EUR 54.7 million (excluding VAT), and its implementation will be carried out by SIA “Industry Service Partner”, in cooperation with the international partner “WTE Wassertechnik GmbH.” Construction work is expected to start this year and finalized within a four up to five-year timeframe.

The goal of the digestion park expansion project is to eliminate the current capacity shortfall that prevents full treatment of the sludge generated during the wastewater purification process. The project includes the construction of two new digestors with a total volume of 12,000 m<sup>3</sup>, enabling complete anaerobic treatment of all wastewater sludge. This will also lead to a significant increase in biogas production. Moreover, the implementation of the project is a critical step toward achieving up to 85% energy neutrality at the Daugavgrīva Biological Treatment Plant, ensuring compliance with EU regulations and mitigate financial and environmental sustainability risks.

The project will be financed from bond programme proceeds, loans from financial institutions – including the European Investment Bank – as well as the company's own equity.

# Management report

## events and circumstances after the reporting period

### Changes in the Supervisory Board

Riga City Municipality has announced a public call for candidates to apply for the position of Supervisory Board Member at SIA "Rīgas ūdens", specifically in the field of core operations (provision of water utility and other engineering system services). Applications were open until July 14, 2025. To oversee the selection and evaluation process, a nomination committee was established, chaired by Jānis Lange, Executive Director of Riga City and representative of the capital shareholding authority.

Starting from August 31, 2025, Tālis Juhna, Deputy Chair of the Supervisory Board and Rector of Riga Technical University, will step down from his board duties. This decision follows the amendments to the Law on Prevention of Conflict of Interest in Activities of Public Officials, which came into force on January 11, 2025, introducing additional restrictions on combining leadership roles in public institutions—such as the position of rector—with board memberships in capital companies.

Changes to the Supervisory Board composition and the Audit Committee membership will be reviewed at the Riga City Council shareholders' meeting, scheduled for August 29, 2025.

### Selection of the Audit Committee Members

On June 5, 2025, SIA "Rīgas ūdens" bonds were officially listed on the NASDAQ Baltic regulated market. In accordance with the Financial Instrument Market Law, the company, as a stock exchange participant, is now required to establish an Audit Committee.

To fulfill this obligation, the company has launched an open competition for two independent Audit Committee member positions, with applications accepted until July 14, 2025. A nomination committee has been formed to oversee candidate evaluation, chaired by Dace Ljusa, Chair of the Supervisory Board. The committee includes independent experts: Kaspars Gorkšs, Director General of the Employers' Confederation of Latvia (LDDK), Agata Anča, Managing Partner at Talentor Latvia.

# Statement of Management Responsibility

Based on the information available to the Management Board of SIA "Rīgas ūdens," the unaudited condensed financial statements for the six-month period ending June 30, 2025, including the management report, have been prepared in accordance with the International Financial Reporting Standards (IFRS). In all material respects, the financial statements provide a true and fair view of the Company's assets, liabilities, and profit or loss.



# Comprehensive Income statement

	30.06.2025	30.06.2024
Operating revenue	39 633 606	37 015 781
Other operating income	1 960 315	2 694 172
Raw materials and supplies	(11 785 539)	(14 455 557)
Personnel expenses	(12 793 722)	(12 766 872)
Other operating expenses	(1 259 768)	(1 070 082)
<b>EBITDA</b>	<b>15 754 892</b>	<b>11 417 442</b>
Depreciation and amortization of non-current assets	(14 092 887)	(8 285 699)
<b>Operating profit</b>	<b>1 662 005</b>	<b>3 131 743</b>
Financial income	80 437	138 296
Financial expenses	(1 217 398)	(854 505)
<b>Profit before tax</b>	<b>525 044</b>	<b>2 415 534</b>
Corporate income tax	(6 330)	
<b>Profit (loss) for the reporting year</b>	<b>518 714</b>	<b>2 415 534</b>
Income from revaluation of non-current assets		
Decrease in value of revalued assets	-	-
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the reporting year</b>	<b>518 714</b>	
Included		
In the reserve	(7 122 006)	
<b>In the retained earnings</b>	<b>7 640 720</b>	<b>2 415 534</b>



# Balance sheet

Assets	30.06.2025	31.12.2024
<b>Long-term investments</b>		
Intangible assets	791 246	754 354
Fixed assets	686 602 530	688 379 459
Right-of-use assets	725 381	775 716
Other loans and long-term receivables	-	-
<b>Ttal Long-term investments</b>	<b>688 119 157</b>	<b>689 909 529</b>
<b>Current assets</b>		
Stocks	3 247 868	2 628 389
Receivables from contracts with clients	10 651 716	9 738 373
Other receivables	951 869	1 202 281
Next period costs	1 144 750	517 488
Deposit	8 832 003	8 787 275
Cash	21 563 369	3 938 190
<b>Total current assets before non-current assets held for sale:</b>	<b>46 391 575</b>	<b>26 811 996</b>
<b>Non-current assets held for sale</b>		
	531 245	531 245
<b>Total current assets</b>	<b>46 922 820</b>	<b>27 343 241</b>
<b>Total assets</b>	<b>735 041 977</b>	<b>717 252 770</b>

1 the revaluation of fixed assets carried out in 2024 and the increase in value on the balance sheet are recognised at 31.12.2024.  
2 changes in debt volume from contracts with customers are due to changes in tariffs for water management services that came into effect on 01.01.2025.

Liabilities	30.06.2025	31.12.2024
<b>Equity:</b>		
Share capital (fixed capital)	127 686 123	127 686 123
Long-term asset revaluation reserve	335 508 483	342 630 489
Retained earnings	68 830 338	63 707 026
<b>Total equity:</b>	<b>532 024 944</b>	<b>534 023 638</b>
<b>Creditors:</b>		
<b>Long - term creditors:</b>		
Borrowings from credit institutions	67 379 270	62 442 922
Bonds	20 000 000	-
Lease liabilities	640 402	622 943
Trade payables	1 889 327	1 841 889
Provisions	1 396 478	1 291 130
Next period income	87 623 977	85 648 327
<b>Total long-term creditors:</b>	<b>178 929 454</b>	<b>151 847 211</b>
<b>Short-term creditors:</b>		
Borrowings from credit institutions	5 887 819	5 648 335
Accrued interest on borrowings from credit institutions	334 145	285 610
Lease liabilities	127 860	195 868
Advance payments received from customers	1 829 358	3 180 404
Trade payables	2 373 063	4 560 494
Taxes, state social insurance contributions	2 212 672	2 082 613
Other creditors	1 234 438	1 181 313
Next period income	2 491 674	3 711 722
Accrued liabilities	5 958 067	8 785 469
Provisions	1 638 483	1 750 093
<b>Total short-term creditors:</b>	<b>24 087 579</b>	<b>31 381 921</b>
<b>Total creditors:</b>	<b>203 017 033</b>	<b>183 229 132</b>
<b>Total liabilities</b>	<b>735 041 977</b>	<b>717 252 770</b>

3 the increase in the long-term part of loans from credit institutions is related to the attraction of the part of the loan 8 million lats. EUR from the European Investment Bank in February 2025.  
4 the increase in the long-term share of revenue of subsequent periods and the decrease in the short-term share are related to the extension of the useful life of individual groups of fixed assets.



# Seperate statement of changes in equity

	Share capital	Reserves	Retained arnings	Equity
	EUR	EUR	EUR	EUR
<b>31.12.2023.</b>	<b>127 588 333</b>	<b>-</b>	<b>56 068 997</b>	<b>183 657 330</b>
Contribution	97 790	-	-	97 790
Dividends	-	-	(753 331)	(753 331)
<b>Total transactions with a shareholder and other changes recognised in equity</b>	<b>97 790</b>	<b>-</b>	<b>(753 331)</b>	<b>(655 541)</b>
Loss for the reporting year	-		(18 274 569)	(18 274 569)
Revaluation of non-current assets	-	451 296 418	-	451 296 418
Impairment of revalued assets	-	(82 000 000)	-	(82 000 000)
Exclusion of revaluation reserve	-	(5 054)	5 054	-
Depreciation of the long-term asset revaluation reserve	-	(26 660 875)	26 660 875	-
<b>Total comprehensive income</b>	<b>-</b>	<b>342 630 489</b>	<b>8 391 360</b>	<b>351 021 849</b>
<b>31.12.2024.</b>	<b>127 686 123</b>	<b>342 630 489</b>	<b>63 707 026</b>	<b>534 023 638</b>
Dividends	-	-	(2 517 408)	(2 517 408)
<b>Total transactions with owners and other changes recognized in equity</b>	<b>-</b>	<b>-</b>	<b>(2 517 408)</b>	<b>(2 517 408)</b>
Profit for the reporting year	-	-	518 714	518 714
Revaluation of non-current assets	-	-	-	-
Impairment of revalued assets	-	-	-	-
Exclusion of revaluation reserve	-	-	-	-
Depreciation of the long-term asset revaluation reserve	-	(7 122 006)	7 122 006	-
<b>Total comprehensive income</b>	<b>-</b>	<b>(7 122 006)</b>	<b>7 640 720</b>	<b>518 714</b>
<b>30.06.2025</b>	<b>127 686 123</b>	<b>335 508 483</b>	<b>68 830 338</b>	<b>532 024 944</b>



# Separate cash flow statement

## I Operating cash flow

### 1. Profit / (loss) before corporate income tax

Corrections:

- a) Amortisation, depreciation, impairment of fixed assets and intangible assets, and profit or loss from exclusion
- b) Depreciation of right-of-use assets
- c) Amortization of co-financed fixed assets
- d) changes in provisions

- e) other interest and similar income
- f) interest payments and similar costs

### 2. Profit before adjustments for the effects of changes in the balances of current assets and liabilities

Corrections:

- a) (increase) or decrease in accounts receivable balances
- b) (increase) or decrease in balance of inventories
- c) increase or (decrease) in balances due to suppliers, contractors and other creditors

### 3. Gross operating cash flow

Expenses for corporate income tax payments

Expenditure on interest payments

*Net operating cash flow*

## II Cash flow from investing activities

Acquisition of property, plant and equipment and intangible assets

Income from disposal of fixed and intangible assets

Interest received

*Net cash flow from investing activities*

## III. Cash flow from financing activities

Funding received from the Cohesion Fund

Borrowing received

Bonds

Borrowing repayment expenditure

Lease payments

Disbursed dividends

*Net cash flow from financing activities*

### IV Net cash flow for the reporting year

**V Balance of cash and cash equivalents at the beginning of the reporting year**

**VI Balance of cash and cash equivalents at the end of the reporting year**

30.06.2025.

30.06.2024

	518 714	2 458 352
	13 995 628	8 210 327
	77 042	-
	(1 435 565)	-
	(6 262)	(541 233)
	(80 437)	(138 296)
	1 114 841	827 057
	14 183 961	10 816 207
	(1 290 193)	101 666
	(619 479)	698 544
	(6 195 635)	(8 089 896)
	6 078 654	3 526 520
	(6 330)	-
	(1 100 146)	(1 109 555)
	4 972 178	2 416 965
	(9 989 924)	(14 055 234)
	26 048	-
	80 437	138 296
	(9 883 439)	(13 916 939)
	-	1 200 000
	8 000 000	-
	20 000 000	-
	(2 824 168)	(1 822 581)
	(77 256)	-
	(2 517 408)	(753 330)
	22 581 168	(1 375 911)
	17 669 907	(12 875 885)
	12 725 465	18 924 188
	30 395 372	6 048 303





## Statement of Profit or Loss and Statement of Financial Position

No.	Position	6 months of 2025F	12 months of 2024F
1.1.	Revenue from water supply services	19 557 450	37 087 843
1.2.	Revenue from sewerage services	18 955 631	35 827 139
1.3.	Revenue from construction services	47 116	1 642 516
1.4.	Other revenue from contracts with customers	1 073 409	1 778 898
	<b>Revenue</b>	<b>39 633 606</b>	<b>76 336 396</b>
2.1.	Amortization of Cohesion Project funding	1 049 231	3 224 138
2.2.	Revenue from received donations	76 644	211 065
2.3.	Revenue from investment projects	146 404	244 692
2.4.	Fee for increased pollution of wastewater	398 947	404 026
2.5.	Received late payment fees and penalties	295 959	636 964
2.6.	Income from lease payments	42 237	89 817
2.7.	Revenue from water utility services of previous periods	- 6 308	47 894
2.8.	Net profit from the disposal of fixed assets and long-term investments held for sale	- 74 568	89 882
2.9.	Modifications to right-of-use asset agreements	1	14 426
2.10.	Changes in provisions for legal proceedings	-	16 240
2.11.	Other provisions	-	787 927
2.14.	Other revenue	31 769	658 494
	<b>Other operating income</b>	<b>1 960 315</b>	<b>6 425 564</b>
3.1.	Repair works of water supply and sewerage networks	- 2 890 151	- 10 742 749
3.2.	Repairs and maintenance of equipment	- 1 201 192	- 2 574 237
3.3.	Property maintenance costs	- 1 007 197	- 1 913 118
3.4.	Sludge disposal expenses	- 965 788	- 1 941 214
3.5.	Electricity expenses	- 2 313 328	- 5 140 225
3.6.	Natural gas expenses	- 302 115	- 600 708
3.7.	Heat energy expenses	- 234 286	- 370 647
3.8.	Reagent costs	- 1 294 185	- 2 408 425
3.9.	Materials	- 195 073	- 260 432
3.10.	Low-value tangible assets	- 199 011	- 561 726
3.11.	Fuel expanses	- 238 012	- 544 271
3.12.	Transport equipment maintenance	- 278 626	- 695 161
3.13.	Replacement and verification of commercial metering devices	- 81 261	- 179 492
3.14.	Natural resource tax	- 498 508	- 1 004 099
3.15.	Other raw materials and supplies costs	- 86 806	- 266 242
	<b>Raw materials and supplies</b>	<b>- 11 785 539</b>	<b>- 29 202 748</b>
4.1.	Remuneration for work	- 10 122 811	- 19 974 613
4.2.	Mandatory social security contributions	- 2 361 054	- 4 657 839
4.3.	Employee health insurance and medical examinations	- 260 520	- 477 087
4.4.	Personnel allowances	- 47 660	- 81 722
4.5.	Business risk fee	- 1 678	- 3 320

## Appendix

	<b>Personnel costs</b>	- 12 793 722	- 25 194 581
5.1.	Information technology expenses	- 460 353	- 762 049
5.2.	Communication and postal services	- 87 185	- 162 480
5.3.	Professional training expenditures	- 86 355	- 105 732
5.4.	Employee recruitment costs	- 26 504	- 24 188
5.5.	Occupational safety expenses	- 2 676	- 20 653
5.6.	Civil liability insurance	- 10 173	- 25 414
5.7.	Public relations expenses	- 9 543	- 38 461
5.8.	Consulting expenses	- 84 132	- 115 006
5.9.	Legal expenses	-	- 13 350
5.10.	Annual report audit and financial consulting expenses	- 18 425	- 26 250
5.11.	Real estate tax	- 88 420	- 177 573
5.12.	State fee to the Public Utilities Commission	- 73 142	- 127 001
5.13.	Travel expenses for business trips	- 45 153	- 59 050
5.14.	Membership fees in public organizations	- 13 290	- 26 086
5.16.	Laboratory accreditation expenses	-	- 9 015
5.17.	Administrative and organizational measures	- 2 389	- 110 971
5.18.	Write-off expenses for uncollectible receivables	- 71 444	- 86 129
5.19.	Allowance for doubtful debts	- 37 559	- 56 900
5.20.	Inventory provisions	-	- 62 772
5.21.	Provisions for impairment of real estate	-	- 89 912
5.23.	Other expenses	- 143 026	- 415 576
	<b>Other operating expenses</b>	<b>- 1 259 768</b>	<b>- 2 514 567</b>
7.1.	Amortization and depreciation	- 14 015 939	- 42 302 654
7.2.	Depreciation of right-of-use assets	- 76 948	- 186 816
	<b>Depreciation and amortization of non-current assets</b>	<b>- 14 092 887</b>	<b>- 42 489 471</b>
9.1.	Interest income from banking services (deposits)	80 426	239 336
9.2.	Interest income from sublease of right-of-use assets	11	28
	<b>Financial income</b>	<b>80 437</b>	<b>239 364</b>
10.1.	Interest expenses to credit institutions	- 1 033 451	- 1 791 480
10.2.	Financing acquisition costs	- 146 094	- 6 839
10.3.	Fees for banking services	- 22 948	- 44 556
10.4.	Losses from foreign exchange fluctuations	- 210	- 134
10.5.	Interest expenses on lease liabilities	- 14 695	- 31 519
	<b>Financial expenses</b>	<b>- 1 217 398</b>	<b>- 1 874 528</b>
12.1.	Corporate income tax	- 6 330	-
	<b>Profit (loss) for the reporting year</b>	<b>518 714</b>	<b>- 18 274 570</b>
14.1.	Other comprehensive income	7 122 006	26 660 875
15.1.	Derecognition of revaluation reserve	-	5 054
	<b>Total:</b>	<b>7 640 720</b>	<b>8 391 359</b>

## 1.,2.,5 Revenue, depreciation, revaluation reserve

1. Revenue	30.06.2025.	31.12.2024.
	EUR	EUR
Revenue from water supply services	19 557 450	37 087 843
Revenue from sewerage services	18 955 631	35 827 139
Revenue from construction services	47 116	1 642 516
Other revenue from contracts with customers	1 073 409	1 778 898
<b>Revenue</b>	<b>39 633 606</b>	<b>76 336 396</b>



2. Depreciation and amortization of long-term investments	30.06.2025.	31.12.2024.
	EUR	EUR
Amortization and depreciation	- 14 015 939	- 42 302 654
Depreciation of right-of-use assets	- 76 948	- 186 816
<b>Depreciation and amortization of long-term investments</b>	<b>- 14 092 887</b>	<b>- 42 489 471</b>

### 5. Revaluation reserve of long-term investments

<b>Balance as of 31 December 2024</b>	<b>342 630 489</b>
Revaluation of long-term investments	-
Decrease in value of revalued assets	-
Derecognition of the revaluation reserve	-
Depreciation of the revaluation reserve	- 7 122 006
<b>Balance as of 30 June 2025</b>	<b>335 508 483</b>

### 3. Fixed assets

Half-year 2025	Intangible assets	Land	Buildings and constructions	Infrastructure assets (underground utilities)	Right-of-use assets	Technological equipment	Other fixed assets and inventory	Assets under construction / Construction in progress	Advance payments for fixed assets	Total
<i>Historical cost</i>										
<b>31.12.2024</b>	<b>4 574 219</b>	<b>17 641 451</b>	<b>144 775 120</b>	<b>693 517 582</b>	<b>1 114 082</b>	<b>51 100 007</b>	<b>17 225 214</b>	<b>18 181 794</b>	<b>1 340 589</b>	<b>949 470 058</b>
Acquired	147 996		379 543	2 016 074		875 259	282 382	7 438 481	1 142 837	12 282 572
Capitalised interest (%)								115 244		115 244
Derecognised			-1 288 593			-1 763 072	-704 669			-3 756 334
Reclassified from assets under construction			125 988	1 178 021		176 722		- 1 480 731		0
Reclassified from advance payments								808 725	- 808 725	0
Reclassified from/to Engineering Structures (Underground Utilities) – Capitalised Depreciation				173 405						173 405
Reclassified from/to Engineering Structures (Underground utilities)			775 576	- 775 576						0
<b>30.06.2025</b>	<b>4 722 215</b>	<b>17 641 451</b>	<b>144 767 634</b>	<b>696 109 506</b>	<b>1 114 082</b>	<b>50 388 916</b>	<b>16 802 927</b>	<b>25 063 513</b>	<b>1 674 701</b>	<b>958 284 945</b>
<i>Depreciation</i>										
<b>31.12.2024</b>	<b>3 819 865</b>	<b>396 908</b>	<b>95 579 756</b>	<b>113 353 685</b>	<b>970 431</b>	<b>35 367 349</b>	<b>10 798 190</b>	<b>50 061</b>	<b>-</b>	<b>260 336 245</b>
Calculated depreciation	111 104		1 368 459	10 517 730	18 817	1 447 080	552 749			14 015 939
Depreciation of derecognized fixed assets			-1 189 076			-1 761 214	-594 219			-3 544 509
Reclassified from/to Engineering Structures (Underground utilities)			23 601	-23 601						0
Reclassified from/to Engineering Structures (Underground Utilities) – Capitalised Depreciation							173 405			173 405
Impairment (provisions)							- 89 912			-89 912
<b>30.06.2025</b>	<b>3 930 969</b>	<b>396 908</b>	<b>95 782 740</b>	<b>123 847 814</b>	<b>989 248</b>	<b>35 053 215</b>	<b>10 840 213</b>	<b>50 061</b>	<b>-</b>	<b>270 891 168</b>
<i>Including:</i>										
Accumulated depreciation	3 930 969		95 711 122	123 847 814	989 248	35 053 215	10 807 962			270 340 330
Impairment		396 908	71 618				32 251	50 061		550 838
Balance sheet value on 31.12.2024	<b>754 354</b>	<b>17 244 543</b>	<b>49 195 364</b>	<b>580 163 897</b>	<b>143 651</b>	<b>15 732 658</b>	<b>6 427 024</b>	<b>18 131 733</b>	<b>1 340 589</b>	<b>689 133 813</b>
<b>Balance sheet value on 30.06.2025</b>	<b>791 246</b>	<b>17 244 543</b>	<b>48 984 894</b>	<b>572 261 692</b>	<b>124 834</b>	<b>15 335 701</b>	<b>5 962 714</b>	<b>25 013 452</b>	<b>1 674 701</b>	<b>687 393 777</b>

## 4. Cash and cash equivalents

	30.06.2025.	31.12.2024.
	EUR	EUR
Cash and cash equivalents		
Night deposit*	8 832 003	8 787 275
Cash held in bank accounts, EUR	21 563 369	3 938 190
Cash in the State Treasury account – Cohesion Fund, Phase 6**	-	-
	<b>30 395 372</b>	<b>12 725 465</b>

\* Deposit placements consist of cash balances held in overnight short-term deposits

\*\* The balance in the State Treasury account consists of the received Cohesion Fund co-financing. In accordance with the Company's internal procedures, the funds in the State Treasury account may only be used for settlements related to eligible expenses of the project co-financed by the Cohesion Fund

The Company's cash balances in banks according to credit ratings assigned by Moody's agency:

Credit rating	30.06.2025.	31.12.2024.
	EUR	EUR
A3	-	-
A2	825 500	1 021 045
Aa2	8 832 003	-
Aa3	20 089 144	10 826 884
Baa1	648 724	877 536
Baa2	-	-
	<b>30 395 372</b>	<b>12 725 465</b>

## 6. Loans from credit institutions

	30.06.2025. EUR	31.12.2024. EUR
Loan from the EIB with a maturity term of 2–5 years*	14 727 306	13 769 370
Loan from the EIB with a maturity term exceeding 5 years*	35 783 675	30 702 266
Loan from AS Swedbank with a maturity term of 2–5 years**	16 868 289	17 971 286
<b>Long-term</b>	<b>67 379 270</b>	<b>62 442 922</b>
Loan from EIB– short-term*	3 681 826	3 442 342
Loan from AS Swedbank – short-term**	2 205 993	2 205 993
Accrued interest	334 145	285 610
<b>Short term</b>	<b>6 221 964</b>	<b>5 933 945</b>
	<b>73 601 234</b>	<b>68 376 867</b>

\* On 16 June 2022, the Company entered into a long-term loan agreement with the European Investment Bank (EIB) for a loan amounting to EUR 60 million. The loan may be drawn in tranches, and the maturity term as well as the interest rate for each tranche are determined individually. As at the end of the reporting period, the outstanding principal amount of the loan was EUR 54 192 807.

\*\* On 6 April 2022, the Company entered into a loan agreement with AS Swedbank for EUR 15 million, with a repayment term until 6 April 2027. The purpose of the loan was to refinance an existing loan and to invest in the restoration and development of public water service infrastructure. Repayment of the loan is scheduled to begin in the thirteenth month following the signing of the agreement, based on a 10-year amortization method. According to the repayment schedule, the outstanding balance is to be repaid on the final repayment date in April 2027. As at the end of the reporting period, the outstanding loan principal amounted to EUR 11 388 889.

On 27 September 2024, the Company entered into a new long-term loan agreement with AS Swedbank for EUR 15 million, of which EUR 8 million was drawn during the reporting period. The loan repayment schedule is based on a 15-year amortization method, and the outstanding balance is to be repaid on the final repayment date in September 2029. As at the end of the reporting period, the outstanding loan principal amounted to EUR 7 685 393.

Under the agreement, additional financing of EUR 7 million is available, which is planned to be drawn in the second half of 2025.

Additionally, on 25 September 2024, the Company entered into an agreement with OP Corporate Bank plc branch in Latvia for a credit line in the amount of EUR 5 million. As of the end of the reporting year, the credit line had not been used.

The Company's existing loan agreements do not require collateral; however, they include certain covenants and require compliance with specific financial ratios. Additionally, the agreements impose restrictions on certain transactions that require prior written consent from the bank (including, among others, specific profit distribution limits, share capital reductions, pledging of assets, and others). All required financial ratios and covenants were complied with during the reporting year and as at the end of the reporting year.

## 7.9.Green bonds and dividends

### 7. Green bonds

By carrying out its first public European green bond offering to investors in the Baltics, SIA 'Rīgas ūdens' has successfully raised EUR 20 million. Rīgas ūdens successfully attracted 228% of the bond issue target, with total demand reaching EUR 45.5 million, significantly exceeding the planned EUR 20 million.

The strong demand was driven by institutional investors, who accounted for approximately 85% of the total demand (EUR 38.5 million). More than 25 institutional investors participated, including the Nordic Investment Bank, asset managers, banks, and insurance companies.

The demand from private investors amounted to EUR 7 million (15% of the total demand).

The nominal value of each bond is EUR 100, the annual interest rate is 4%, with coupon payments made quarterly. The bond maturity term is 5 years.

Interest is paid on 4 March, 4 June, 4 September, and 4 December of each year.

The bonds will be redeemed at their nominal value in full on 4 June 2030.

Detailed information about the bond issuance is available on the website of SIA 'Rīgas ūdens': <https://www.rigasudens.lv/lv/obligacijas>

### 9. Dividends paid

According to Clause 2 of the Riga City Council decision No. 691 of 16 June 2021 'On Dividends in Capital Companies in which the Riga City Municipality Has a Decisive Influence', the minimum forecasted share of profit to be paid as dividends is 40% of the capital company's profit for the reporting year, unless a separate decision of the Riga City Council is adopted regarding a different profit share to be paid as dividends in accordance with Clause 7 of the decision. The capital company calculates, pays, and records corporate income tax in accordance with the procedures established by the regulatory enactments governing corporate income tax. Clause 7 of the aforementioned Riga City Council decision stipulates that if the capital company, when preparing a draft strategy, includes a proposal for a profit share to be paid as dividends that is lower than specified in Clause 2 of the decision, the matter shall be reviewed by the Riga City Council, adopting a separate decision on a different profit share to be paid as dividends.

On 29 January 2025, the Riga City Council adopted a decision 'On a Different Share of Profit to Be Paid as Dividends by SIA "Rīgas ūdens" for the Period from the 2024 to 2030 Reporting Year', stipulating that 30% of the Company's profit for 2024 shall be paid as dividends. Of this, 20% of the 2024 reporting year's profit paid as dividends shall be allocated by the Riga City Municipality to continue co-financing programmes for connecting real estate properties to the centralized water supply or centralized sewerage system.

Clause 3 of the decision stipulates that the representative of the holder of SIA 'Rīgas ūdens' capital shares shall ensure that 10% of the total annual profit for 2024, which is not paid out as dividends, is allocated to the implementation of the Mangaļsala wastewater agglomeration water management system development project. Furthermore, 30% of the total annual profit for each of the years 2025, 2026, 2027, 2028, 2029, and 2030, which is not paid out as dividends, shall be allocated to the development of centralized water supply and sewerage systems in Dārziņi.

In accordance with the Riga City Council decision No. 691 of 16 June 2021 'On Dividends in Capital Companies in which the Riga City Municipality Has a Decisive Influence', the Riga City Council decision No. RD-25-4256-IĒ of 29 January 2025 'On a Different Share of Profit to Be Paid as Dividends by SIA "Rīgas ūdens" for the Period from the 2024 to 2030 Reporting Year', and the decision of the Company's shareholders' meeting, the Company distributed and paid out 30% of its 2024 profit, amounting to EUR 2 517 408, as dividends.

## 8. Deferred income

	Remaining amount 30.06.2025.	Received 01.01.2025.– 30.06.2025.	Included in income 01.01.2025.– 30.06.2025.	Remaining amount 31.12.2024.
Cohesion Fund co-financing*	70 533 150		-1 049 231	71 582 381
Value of fixed assets received free of charge from Latvian entities	5 986 321		-76644	6 062 965
Other deferred income***	13 596 180	2 191 166	-309 689	11 714 703
	<b>90 115 651</b>	<b>2 191 166</b>	<b>-1 435 564</b>	<b>89 360 049</b>
<b>Including:</b>				
- short-term	2 491 674			3 711 722
- long-term	87 623 977			85 648 327

\* Information on received Cohesion Fund financing:

Intended use of funds	Receipt period	Received amount	Condition fulfilment year	Amount in balance sheet 30.06.2025.
1) Cohesion Fund co-financing, 2nd round (ISPA)	2004–2006	20 702 530	2012	9 732 493
2) Cohesion Fund co-financing, 3rd phase	2007–2010	58 838 450	2015	34 174 609
3) Cohesion Fund co-financing, 4th phase	2011–2016	20 620 150	2024/2025	15 997 991
4) Cohesion Fund co-financing, 5th phase	2020–2023	9 929 051	2028	9 288 684
5) Cohesion Fund co-financing, 6th phase	2022–2024	1 377 373	2028	1 339 373
				<b>70 533 150</b>

\*\* Water and/or sewerage connections constructed by Latvian individuals (households) at their own expense were accepted without compensation.

\*\*\* Other deferred income comprises reclassified advance payments for connections to the Company's water and/or sewerage networks. The fee for such connection services is recognised as deferred income and is gradually recognised as revenue over the period in which the service is provided, i.e., over the useful life of the fixed assets constructed by the Company for the provision of the service.

### Cohesion Fund Co-financing – 4th pahse:

On 14 March 2023, an agreement No. 5 was signed with the Ministry of Environmental Protection and Regional Development and the Riga City Council under the civil contract for the major project "Water Management Development in Riga, 4th Round" No. 3DP/3.5.1.1.0/10/IPIA/VIDM/027 (CCI2012LVI61PR001), extending the deadline for achieving the project's objectives and results until 15 April 2024. In 2024, this deadline was further extended by one year, until 15 April 2025. On 9 April 2025, a letter was received from the Ministry of Smart Administration and Regional Development titled "On the EU Cohesion Fund Co-financed Project," stating that, based on Clause 1(b) of Point 6 in Annex 2 to the Ministry of Finance Guidelines No. 10.10, the Responsible Authority has determined that the deviation in achieving the project indicators is less than 25%, is not considered significant, and has decided not to apply a financial correction for the partial achievement of the performance indicators specified in the civil contract for the implementation of the Project.

### Cohesion Fund Co-financing – 5th and 6th pahse:

On 18 January 2024, Amendment No. 2 to Agreement No. 5.3.1.0/18/I/002 was signed with the Central Finance and Contracting Agency, amending the original agreement dated 1 August 2018 titled "Water Management Development in Riga, 5th Round" (No. 5.3.1.0/18/I/002). The amendment added Clause 7.1 with the following wording: "7.1 The beneficiary shall achieve the outcome indicator 'Increase in the number of inhabitants served by improved wastewater treatment systems' in accordance with the procedure set out in the guidelines for calculating repayable assistance, or shall achieve the proportion of inhabitants provided with connections to centralised wastewater management services that comply with regulatory requirements, while ensuring that the value of the outcome indicator reaches at least 65% of the planned project value during the post-implementation monitoring period, but no later than by 31 December 2028."

On 18 January 2024, Amendment No. 1 to Agreement No. 5.3.1.0/20/I/001 was signed with the Central Finance and Contracting Agency, amending the original agreement dated 18 March 2021 titled "Water Management Development in Riga, 6th Round" (No. 5.3.1.0/20/I/001), by (i) revising Clause 1 to state: "The implementation period of the project activities is 44 months from the date of contract signing, but no later than 31 October 2024. The implementation of the project activities shall commence on the date the contract enters into force," and (ii) adding Clause 7.1 with the following wording: "The beneficiary shall achieve the outcome indicator 'Increase in the number of inhabitants served by improved wastewater treatment systems' in accordance with the procedure set out in the guidelines for calculating repayable assistance, or shall achieve the proportion of inhabitants provided with connections to centralised wastewater management services that comply with regulatory requirements, while ensuring that the value of the outcome indicator reaches at least 65% of the planned project value during the post-implementation monitoring period, but no later than by 31 December 2028."

Considering the aforementioned contract amendments, the Company assesses that there are no risks of non-compliance with the agreements in relation to the received funding.



## 10. Related party transactions

### Related parties: municipal companies and institutions of Riga State City

By 30 June 2025, the Company had issued invoices for services provided to other municipal enterprises of the Riga State City Municipality:

- to the residential building manager – in the amount of EUR 10 945 thousand (2024: EUR 20 706 thousand);
- to other municipal enterprises and institutions – in the amount of EUR 2 533 thousand (2024: EUR 3 667 thousand).

On June 30 2025, receivables from municipal enterprises and institutions amounted to EUR 4 364 thousand, including EUR 4 027 thousand from the residential building manager (31.12.2024: EUR 4 023 thousand, including EUR 3 687 thousand from the residential building manager).

By 30 June 2025, the Company had paid invoices for services received from enterprises and municipal companies of the Riga State City Municipality in the total amount of EUR 924 thousand (including VAT) (2024: EUR 2 280 thousand, including VAT).

On June 30 2025, the Company's liabilities to municipal enterprises and institutions amounted to EUR 9 thousand (31.12.2024: EUR 108 thousand).



