



Rīgas ūdens SIA UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

for the 3-month period ending on
31 March 2026

GENERAL INFORMATION

The Statement (or the "Document") is not intended to form part of an offer or solicitation of an offer to buy, subscribe for or sell any securities of the Rīgas ūdens SIA (hereinafter referred to as — the Company or Rīgas ūdens) and nothing in the Document shall in any way be deemed to constitute or form part of any legal agreement and shall not be relied upon in connection with any contract, commitment or investment decision.

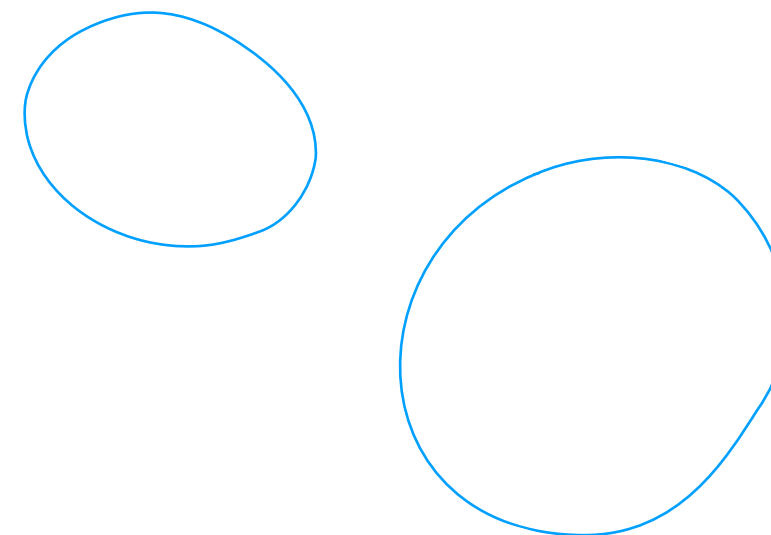
Each recipient of the information contained in this Document is responsible for making its own independent assessment of the Company's business, financial position, prospects, status and affairs. No person shall have any right of action against the Company or any other person in respect of the accuracy or completeness of the information contained in the Statement.

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union.

The unaudited condensed interim financial statements do not include all the information and notes that should be included in the full financial statements, so these unaudited condensed interim financial statements should be read in the context of the Company's Financial Statements 2025.

The information contained in this Statement is for information purposes only and is based on unaudited financial data that reflects the information available to management at the time of preparation thereof.

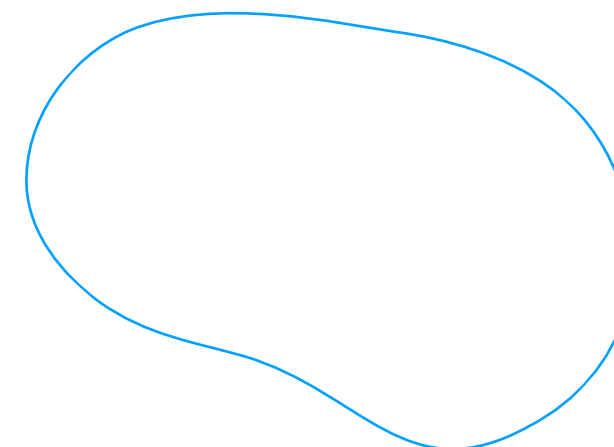
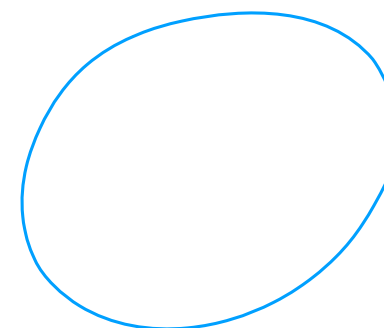
The Alternative Performance Measures (APMs) used in this Statement are measures calculated by management to provide additional insight into the Company's performance and financial position. APMs are not a substitute for statutory financial measures and should be read in conjunction with the financial statements.



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**1 MANAGEMENT
REPORT**



Comment of the Chairman of the Management Board of Rīgas ūdens SIA, Mr Krišjānis Krūmiņš, on the results of Q1 2026

Investment cycle continues

In the first quarter of 2026, Rīgas ūdens continued to implement its extensive investment programme while ensuring stable financial performance and continued operation of critical infrastructure in challenging operating conditions.

During the reporting period, amount of investments reached EUR 10.7 million, the highest level in the first quarter in recent years. At the same time, the Company's EBITDA increased to EUR 10.2 million and operating revenue reached EUR 22.8 million.

These results demonstrate the Company's ability to implement infrastructure projects of strategic importance, maintain financial stability and deliver high quality services simultaneously.

Access to diversified funding

The financing structure of the Company was also significantly strengthened during the reporting period. In February, the agreement was signed with the Nordic Investment Bank to increase the uncommitted loan facility to EUR 50 million, broadening the range of financing instruments available and strengthening the liquidity cushion for the implementation of long-term investment projects.

At the same time, the process of extending the maturity of the bond programme has been launched, taking into account the investor interest and the need to ensure full use of the up to EUR 60 million bond programme.

The company consistently continues to build a diversified financing model, combining capital market instruments and funding from international financial institutions.

Progress of strategic projects

Implementation of several infrastructure projects of strategic importance continued in the first quarter.

The construction of two methane tanks at the Biologic wastewater treatment plant Daugavgrīva, one of the Company's most important energy neutrality projects, continues. By the end of the quarter, the project was 17.5 % complete, with EUR 5.7 million invested.

At the same time, the reconstruction of the sewerage collector at the Zunda Canal and the renewal of the settling tanks at the Biologic wastewater treatment plant Daugavgrīva continue, gradually modernising the wastewater treatment infrastructure.

During the reporting period, the construction of solar power plants at the Biologic wastewater treatment plant Daugavgrīva and at the Water Preparation Station Daugava was also completed, marking the next step in the Company's progress towards energy neutrality.

Whereas, in Mangaļsala, most of the preparatory works for the water supply and sewerage networks have been carried out. The project is scheduled to start in the summer 2026, significantly improving the quality of services and the environmental situation in the neighbourhood.

Critical infrastructure resilience

At the beginning of 2026, the Company faced a significant increase in the number of breakdowns in the water and sewerage networks due to severe weather conditions and infrastructure deterioration.

In the first three months, 458 breakdowns were recorded, significantly more than in the same period last year.

Despite the increased workload, the Company ensured uninterrupted service delivery and prompt organisation of emergency works, demonstrating the effectiveness of the internal control system and the ability of the professional team to adapt to complex operating conditions.

Industry development and public involvement

During the reporting period, Rīgas ūdens continued to be actively involved in the sector development in Latvia and globally.

Representatives of the company participated in the OECD expert working visits and discussions on the long-term development of Latvia's water sector, providing proposals to strengthen the sector's resilience and infrastructure development.

At the same time, the Company's specialists were involved in working groups of the Ministry of Economics on amendments to the Law on Administration of Residential Houses, representing the interests of the water sector.

The Company also continued its work in raising public awareness — the Company joined the VIAA STEM project, which involved 111 students in practical classes in the first quarter.

1.1 Rīgas ūdens Highlights in the Reporting Period

Business Results

+0.9 %

Increase of
water sold
vs. 2025 period

+0.1 %

Changes in
sewerage
services
vs. 2025 period

76

New objects
connected to
centralized
system

1.19 km

Pipelines
renovated

+137

New service
users

Financial performance

+14.5 %

Change in revenue
vs. the period of 2025

10.2

million EUR
EBITDA
8.2 million EUR for the period of
2025

2.6x

Net debt/EBITDA
2.0X in the period of 2025

71.4 %

Equity ratio
74.2% in the period of 2025

10.7
million EUR

Investment
5.7 million EUR in 2025

1.2 Rīgas ūdens Operating Environment

Rīgas ūdens SIA was established on 24 September 1991. By the Decision of the Riga State City Council of 16 December 2003, the Company was reorganised into a limited liability company, establishing that it is the successor of the municipal company Rīgas ūdens. The Company was registered with the Commercial Register on 12 January 2004.

Rīgas ūdens is a water management company 100 % owned by the Riga City Municipality, which provides high-quality and safe water supply and sewerage services in Riga and selected municipalities of the Riga Region. On 25 March 2026, the Riga State City Council adopted the Decision to maintain the direct shareholding of the Riga State City Municipality in the Rīgas ūdens SIA. The Decision was adopted following an assessment of the municipality's shareholding, taking into account the strategic importance of water services for the city's infrastructure and development.

The Company is registered with the Register of The Public Utilities Commission (hereinafter referred to as – PUC), and the tariffs for water services are approved by PUC after verifying their economic feasibility and compliance with the laws and regulations.

A contract for the provision of public water management services in the administrative territory of Riga City until 23 July 2029 has been concluded between the Riga City Municipality and Rīgas ūdens.

The Company operates in the water supply and sewerage services sector, a strategically important sector, and is a critical infrastructure company, managing water supply and sewerage infrastructure facilities essential for public safety.

According to PUC, there are 55 water service providers in Latvia, and Rīgas ūdens is the largest in terms of the volume of water production and supply, as well as wastewater collection and treatment.

Demand for services is stable because it is based on the basic needs of society, but influenced by:

- demographic changes in Riga and the Riga Metropolitan Area;
- business activity;
- changes in water consumption habits;
- national inflation rate;
- climate and environmental factors.

The sector is characterised by high capital intensity and the need for maintenance of long-term infrastructure.

1.3 Future Development of the Company

The strategic framework of the operations of *Rīgas ūdens* is based on the objectives set by the Riga State City Municipality and the Company's long-term development vision.

By the Decision No 720 of the Riga State City Council of 7 July 2021 *on the retention of the direct shareholding of the Riga State City Municipality in Rīgas ūdens* sets out the overall strategic objective of the Company:

To provide and deliver high quality and reliable water management services, to ensure sustainable and safe use of the water resources important for Riga and governance of the strategic infrastructure, as well as to promote involvement of residents in the prevention of water pollution.

The Decision No RD-24-4064-lē of the Riga State City Council of 20 November 2024 approved seven non-financial objectives covering the priority development directions set out in the Company's Sustainable Development Strategy 2040. In addition, the Company's Supervisory Board has set an additional non-financial objective to improve customer satisfaction.

Non-financial Objectives

- | | |
|------------|--|
| NM1 | Improving energy efficiency, increasing the use of renewable energy sources and ensuring sustainable rehabilitation of sewerage networks |
| NM2 | Ensure wastewater treatment requirements are met and the environment is not degraded |
| NM3 | Ensure efficient use of water resources and sustainable renewal of water networks |
| NM4 | Develop access to centralised water management services |
| NM5 | Increase customer satisfaction |
| NM6 | Raise public awareness of environmental protection, promoting research, digitisation and innovation |
| NM7 | Ensure the wellbeing, motivation and professionalism of employees |
| NM8 | Assessment of the level of corporate responsibility |

The shareholder has also set the relevant medium-term financial objectives. On this basis, the Company has developed the Medium-Term Operational Strategy 2025-2030 which sets out its development priorities, objectives and performance indicators.

Implementation of the Strategy is ensured through annual Activity Plans which define specific actions, projects and measures to achieve the objectives. The implementation of the Strategy is based on systematic management and internal communication, ensuring management and staff involvement into its implementation.

The Company's long-term development is also guided by the EUR 235 million Investment Programme 2025-2028 providing for purposeful investments in infrastructure modernisation, network renewal, digitalisation and improvement of energy efficiency. The Investment Programme is being implemented through a diversified financing portfolio, combining capital market instruments and financing from international financial institutions.

At the same time, the Company is also implementing a strategy to renew its water supply and sewerage networks, with the aim of significantly reducing infrastructure deterioration and improving the safety and quality of services by 2040.

The Company is also working towards energy neutrality by improving energy efficiency and increasing the use of renewable energy sources.

The strategy and long-term development objectives are integrated into the Company's sustainability management system and serve as the basis for operational activities and investment decisions.



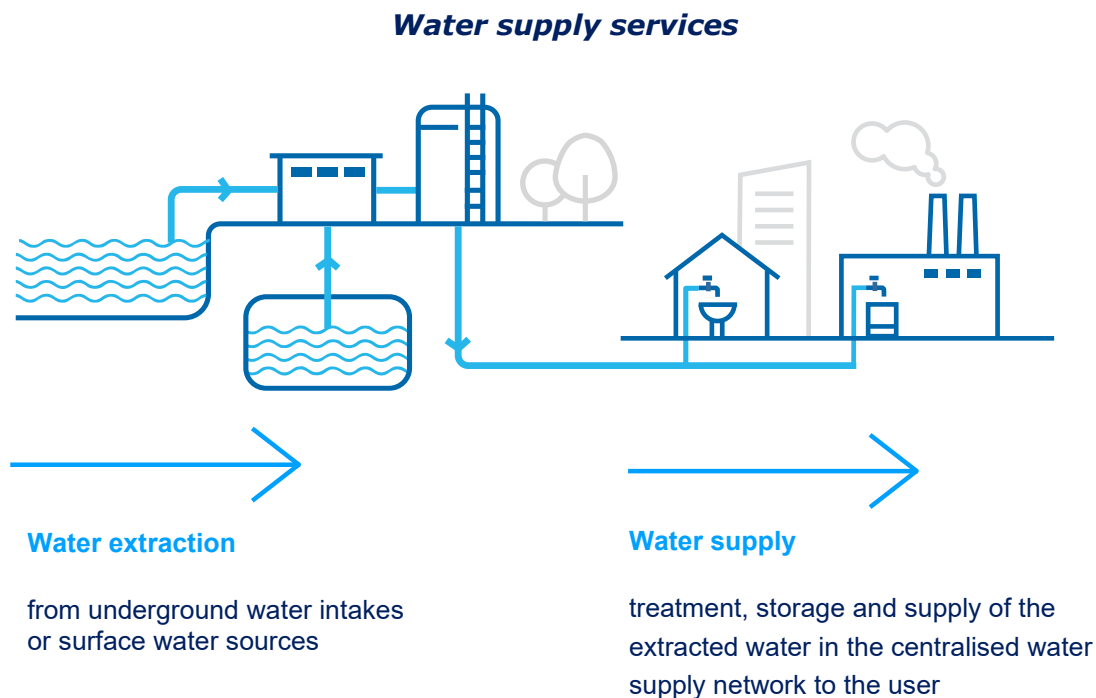
1.4 Segments of the Company's Operation

Rīgas ūdens provides centralised water supply and sewerage services in Riga and selected municipalities in the Riga Region.

During the reporting period, there were no significant changes in the structure of the Company's assets.

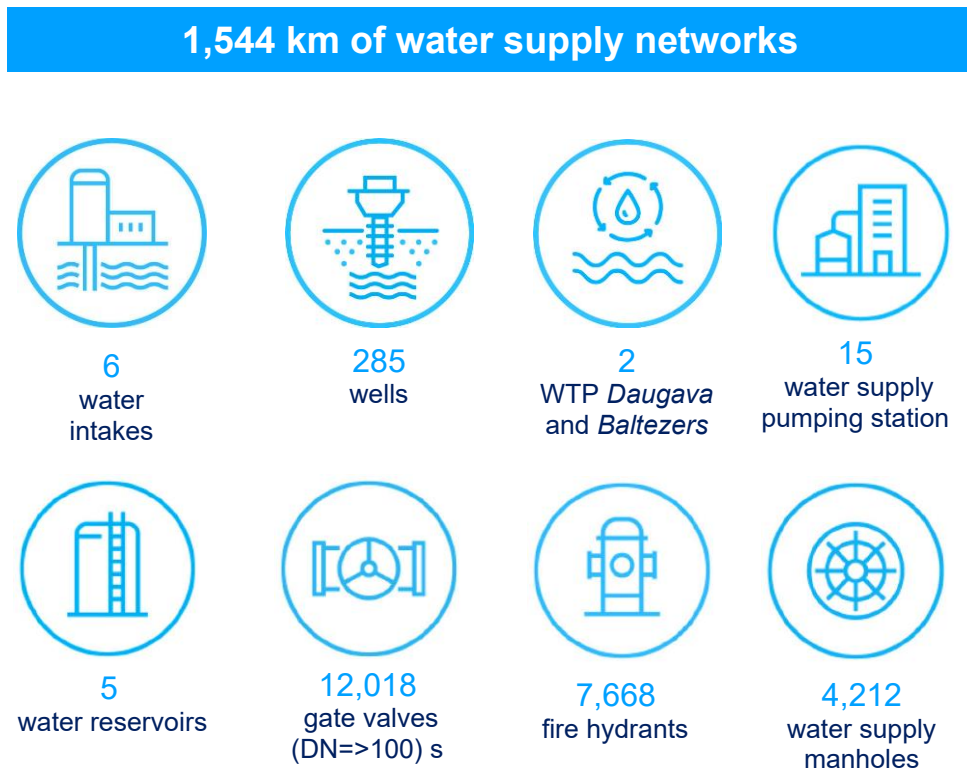
1.4.1 Water supply segment

The Company ensures the extraction of drinking water from underground and surface water sources, its treatment, storage and supply to consumers in the centralised water supply system, in compliance with the quality and safety requirements laid down in laws and regulations.



Water supply services are based on a multi-tiered infrastructure system — water intakes, treatment plants, reservoirs, pumping stations and water supply networks. Maintaining and developing this infrastructure is essential for quality and safety of services.

Company's water supply infrastructure



Water necessary for the water supply of *Rīgas ūdens* is extracted from six water intakes of city importance, which can be divided into two groups:

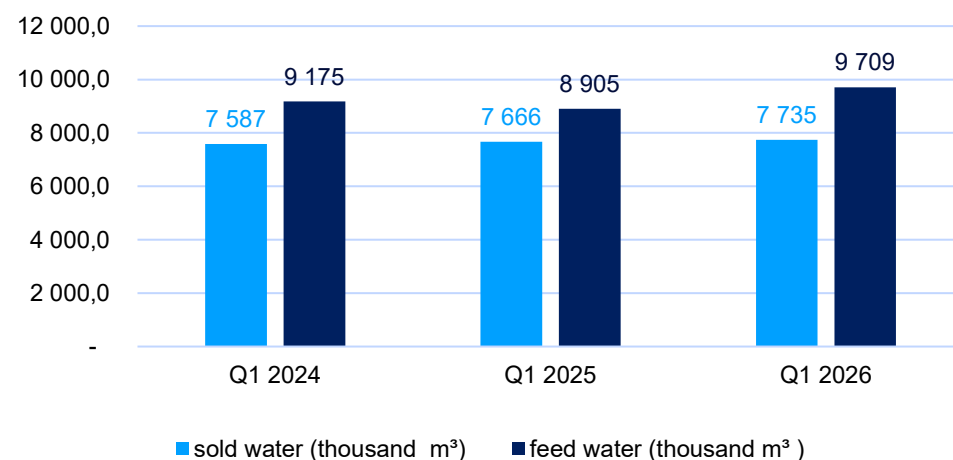
- a water intake using surface water as a water source — a water extraction station *Daugava*;
- water intakes using underground water supplies — *Baltezers, Baltezers-1, Baltezers-2, Zaķumuiža, Remberģi*.

In Q1 2026, water extraction from water intakes was balanced, with 49.2 % of the total volume being extracted from surface water sources and 50.8 % — underground water intakes.

The Company's water supply services are provided in the territory of the Riga State City, as well as in parts of Ķekava, Ropaži, Ādaži and Mārupe municipalities.

In Q1 2026, drinking water sold to customers amounted to 7,735 thousand m³.

**Volume of drinking water produced and realised, Q1
2024–2026 (thousand m³)**



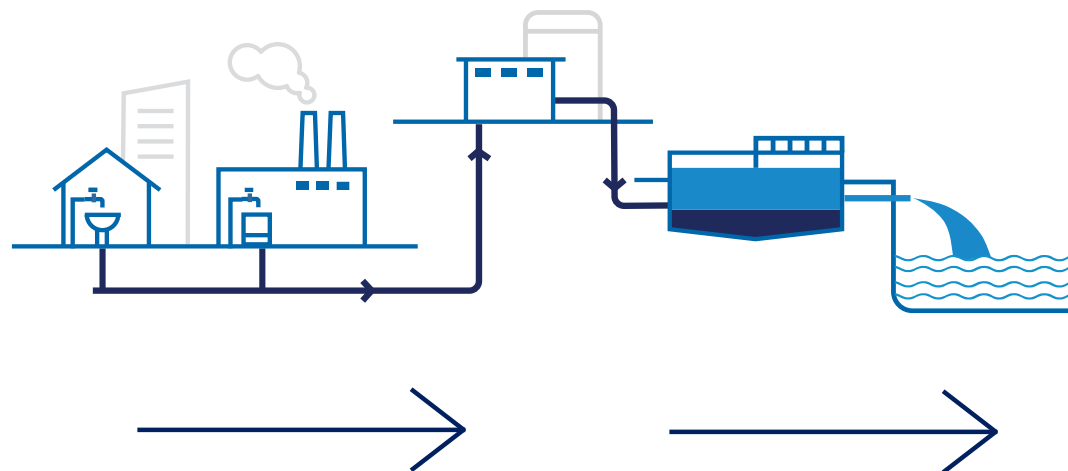
The Company also manages the city's fire hydrants and free water taps, providing drinking water in public outdoor spaces, and a total of 47 public drinking water taps are available in Riga, as well as 27 drinking water stations in educational institutions.

To ensure high quality water management services, the Company's accredited Joint Water Quality Control Laboratory monitors the quality of drinking water on a daily basis throughout the water extraction, treatment and delivery process. Control process includes regular sampling and analysis of physico-chemical and microbiological parameters.

Further information on the financial results of the water supply segment, including revenue and key performance indicators, is provided in the Operating Segments section of the Financial Statements.

1.4.2 Sewerage segment

The Company provides collection, transportation, mechanical and biological treatment, as well as discharge of the treated wastewater into the environment, in compliance with pollution thresholds and environmental quality standards set out in regulatory requirements.

Sewerage services**Wastewater collection**

in centralised sewerage systems, from the property boundary to the wastewater treatment plants

Wastewater treatment

and discharge into the environment, including in surface water bodies, except for the wastewater collection in rainwater sewerage systems

Provision of sewerage services is based on centralised wastewater collection and treatment infrastructure — sewerage networks, pumping stations, collectors and the Biologic wastewater treatment plant Daugavgrīva, where mechanical and biological wastewater treatment is carried out.

Continued maintenance, modernisation of this system and capacity development is essential to protect the environment, public health and ensure the quality of treatment.

Company sewerage infrastructure

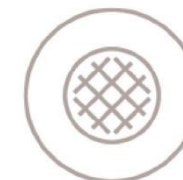
1,293 km of sewerage networks



1
Biologic
wastewater treatment
plant Daugavgrīva



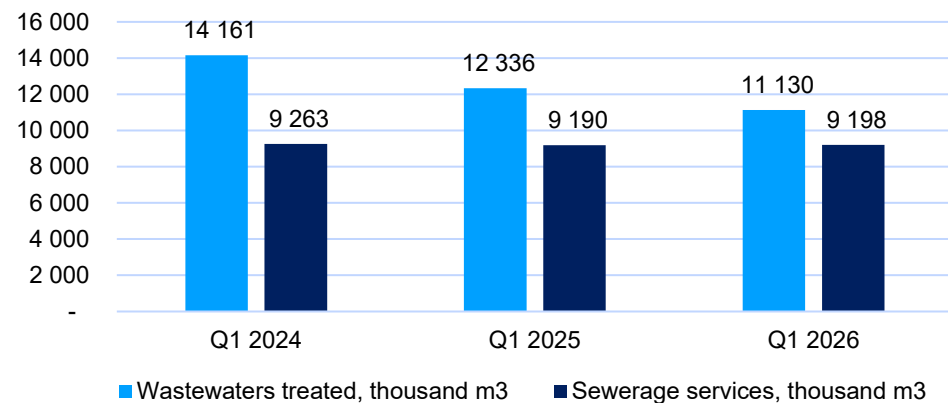
111
sewage
pumping
stations



37,354
sewerage
manholes

Collected wastewater treatment is provided according to the requirements of laws and regulations. After a full mechanical and biological treatment cycle at the Biologic wastewater treatment plant Daugavgrīva, the treated wastewater is discharged into the Gulf of Riga approximately 2.4 km from the shoreline and at a depth of approximately 15 metres, in compliance with the environmental quality standards and pollution threshold values set out in the laws and regulations.

Volume of wastewater collected and treated in Q1 2024-2026



Quality of wastewater is controlled regularly and systematically to ensure compliance with the laws and regulations and meeting the environmental permit requirements. Control is implemented by the company's accredited laboratory, whereas monitoring is carried out also by the responsible national authorities according to their competence.

In Q1 2026, wastewater treatment efficiency exceeded the level required by the regulatory requirements, while the quality of nitrogen and phosphorus treatment remained at a high level.

The Biologic wastewater treatment plant Daugavgrīva was overloaded by less than 2 % per annum during the reporting period, ensuring stable operation of the service and reducing the impact on the Gulf of Riga and the Baltic Sea.

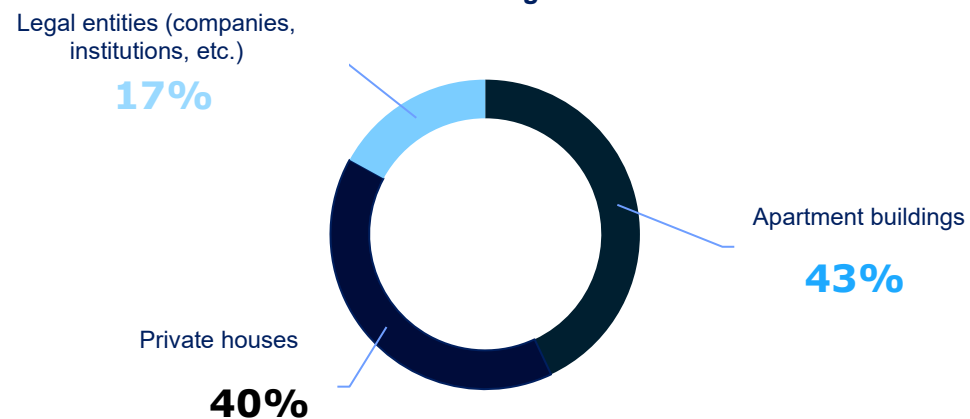
Further information on the financial results of the sewerage segment, including revenues and key indicators, is provided in the Operating Segments section of the Unaudited Condensed Interim Financial Statements.



1.5 Customers

The Company's customers are water service users with whom service contracts have been concluded. In Q1 2026, the Company had 25,488 active contracts for the provision of city water supply and sewerage services at 25,492 properties.

Segments of water management service users in 2025



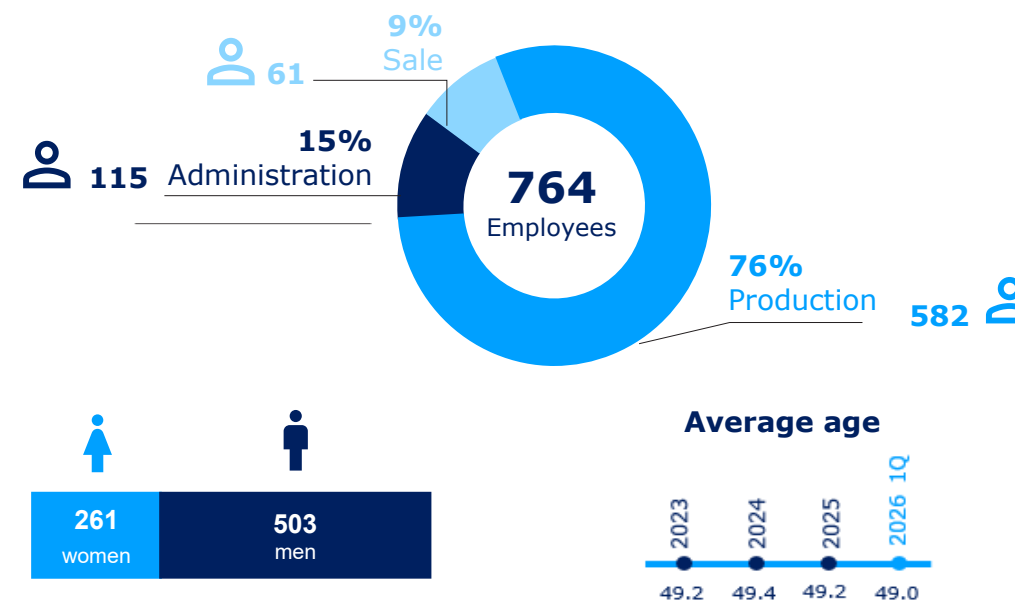
During the reporting period, 53 new properties or 137 residents were connected to the centralised sewerage system, and 23 new sites or 43 residents — to water supply. Municipal co-financing was paid to 93 owners of 72 sites in the total amount of EUR 114.6 thousand.

During the reporting period, new functionality was developed to automate the transfer of contract data between document workflow and resource management systems, reducing the volume of manual work and improving data quality.

The website has introduced a more detailed display of accident applications, ensuring immediate publication of information upon receipt and regular status updates.

1.6 Employees

Operation of the Company is provided by a professional and experienced team involved in the monitoring of critical infrastructure facilities and providing continuous provision of water management services on daily basis.



Compared to the end of 2025, the total number of staff has increased by 13 in Q1 2026.

1.7 Financial Performance

In Q1 2026, the Company's financial indicators show a solid operational performance and progress towards the achievement of the annual financial targets.

The Company's equity ratio reached 71.4 % of the total asset value during the reporting period, thus significantly exceeding the capital structure target of 50 %.

At the end of the reporting period, the Debt Service Coverage Ratio (DSCR) calculated over the last 12 months reached 3.7, exceeding the target of 2.0 for 2026. This reflects the Company's ability to cover interest and principal amount payments on its borrowings.

The three-year average net profit margin is projected at 5.5%, thus falling short of the established 7% profitability target. Given that the initial asset revaluation was carried out in 2024, significantly impacting profit, an adjusted methodology was used to calculate the metric. The three-year average net profit margin was calculated using the net profit for the 2023 and 2025 financial years, and the total comprehensive income recognized in the 2024 financial year, which is included in retained earnings.

The Company is implementing major and strategically important investments in infrastructure renewal and modernisation. The renewal to depreciation ratio of fixed assets is expected to significantly exceed the target of 130 %. This shows that the Company is not only fully compensating for the depreciation of its fixed assets, but is also purposefully improving the quality, permanence and safety of its infrastructure.

In R&D, major investments in Q1 were made in the development of sewerage infrastructure, the improvement of telemetry solutions and research into the reuse of excavated soil.

The projected ratio of bad and doubtful debts to operating revenues (net turnover) remained at the year-2025 level of 0.9 % during the reporting period, thus meeting the financial target (<1 %). The proportion is determined by comparing the provision at the end of the reporting period with the projected annual net turnover. The stable level of the indicator confirms effective monitoring of receivables.

Key financial indicators of the Company in Q1 2022-2026

Financial indicators	2022 Q1	2023 Q1	2024 Q1	2025 Q1	2026 Q1
Revenue, MEUR	14.1	20.6	18.2	19.9	22.8
Operating costs, MEUR*	10.1	14.2	16.6	12.3	13.4
Net profit, m EUR	1.2	3.4	1.4	1.1	2.6
Amortisation and depreciation, MEUR	3.8	3.6	4.2	7.0	7.1
EBITDA, m EUR	5.2	7.4	6.0	8.6	10.2
Investments in fixed assets, MEUR****	3.8	6.6	7.1	5.7	10.7
Net debt, MEUR***	17.1	26.9	42.8	57.7	84.0
Financial ratios					
Equity ratio	56.0 %	52.3 %	52.2 %	74.2 %	71.4 %
Liquidity	0.7	0.9	0.9	1.3	1.0
Net debt/EBITDA**	0.8	1.2	1.9	2.0	2.6
Interest coverage ratio**	80.6	38.4	15.9	15.5	13.8
EBITDA/turnover**	36.4 %	31.5 %	30.1 %	36.5 %	39.2 %
ROA**	1.5 %	2.1 %	1.6 %	-2.6 %	0.3 %
ROE**	2.7 %	4.1 %	3.0 %	-3.5 %	0.4 %

* Raw materials and supplies, personnel costs, other operating costs

** The last 12 months are used to calculate the indicator.

*** Net debt = borrowings from credit institutions and bonds (excluding lease liabilities) - cash

**** Investments in fixed assets = investments made in fixed and intangible assets (excluding advances paid)

See page 35 for explanations of abbreviations and calculation of indicators.

In Q1 2026, operating revenues (net turnover) increased by 14.5 % compared to the same period in 2025. Water supply services increased by 0.9 % and sewerage services by 0.1 %.

Increase in total revenue during the reporting period was mainly driven by changes in water management tariffs, which entered into effect on 1 December 2025 in accordance with the decisions of PUC.

Revenue in Q1 2022-2026

MEUR	Q1 2022	Q1 2023	Q1 2024	Q1 2025	Q1 2026
Revenue from water supply	6.7	9.1	8.8	9.8	10.9
Revenue from sewerage services	6.8	10.7	8.6	9.5	11.4
<i>incl. revenue from rainwater</i>	<i>0.4</i>	<i>0.6</i>	<i>0.5</i>	<i>0.5</i>	<i>0.7</i>
Revenue from construction services	0.1	0.1	0.3	0.0	0.0
<i>incl. construction of new connections</i>	<i>0.1</i>	<i>0.1</i>	<i>0.3</i>	<i>0.0</i>	<i>0.0</i>
Other revenue from contracts with customers	0.5	0.7	0.5	0.6	0.5
<i>incl. biogas revenue</i>	<i>0.1</i>	<i>0.2</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>
Total:	14.1	20.6	18.2	19.9	22.8

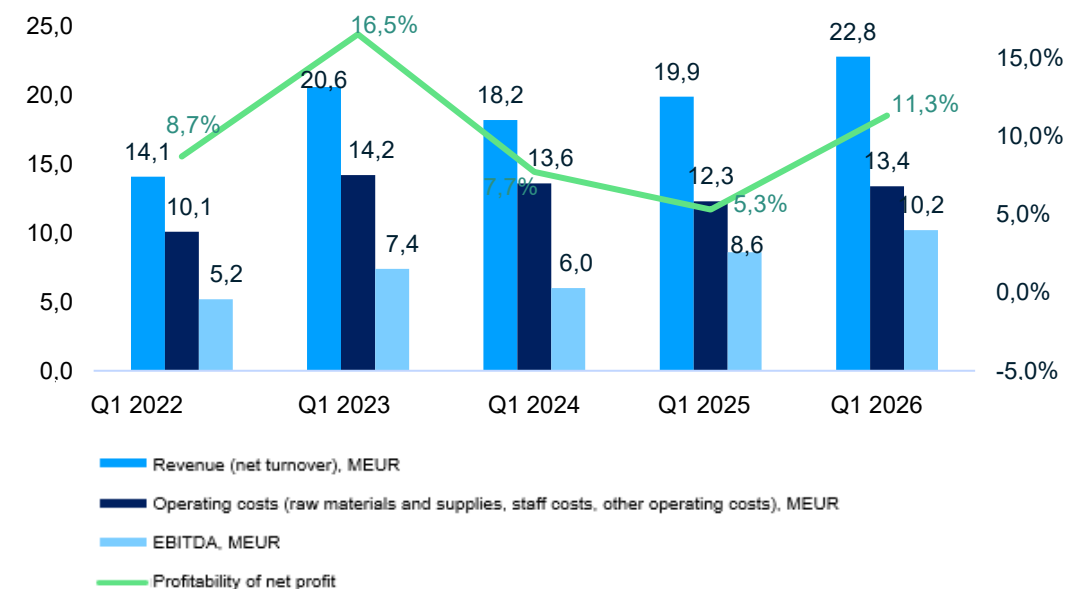
1.7.1 Development of financial performance and investments 2022–2026

Revenue and profitability dynamics

The Company's operating revenue rose to EUR 22.8 million in Q1 2026, while EBITDA amounted to EUR 10.2 million, representing 19.0 % over the relevant period a year ago.

Increase in *EBITDA* was mainly facilitated by the capitalisation of costs related to the repair of utilities, as well as the increase in the tariff for water management services from 1 December 2025.

Dynamics of the operational results in Q1 2022-2026

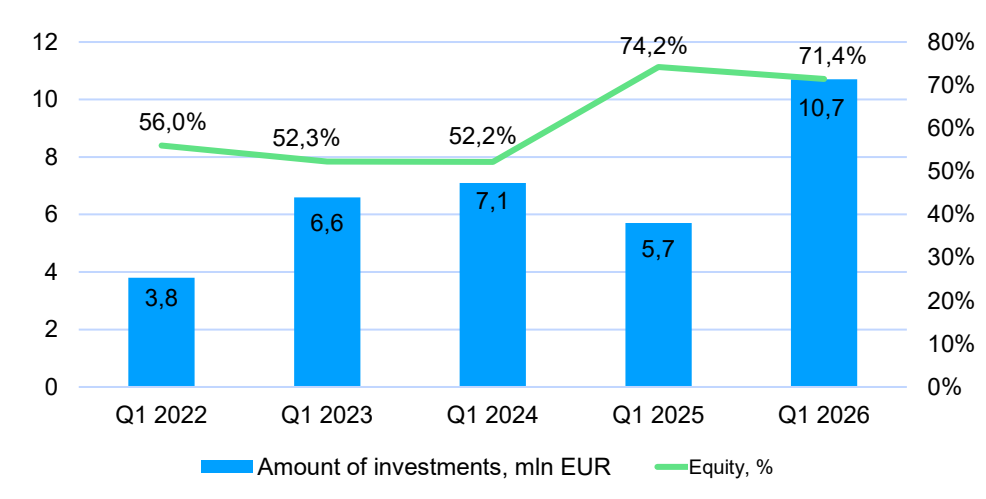


1.7.2 Investment volume and capital structure

Rīgas ūdens investments in Q1 2026 amounted to EUR 10.7 million, the highest level in the last five years.

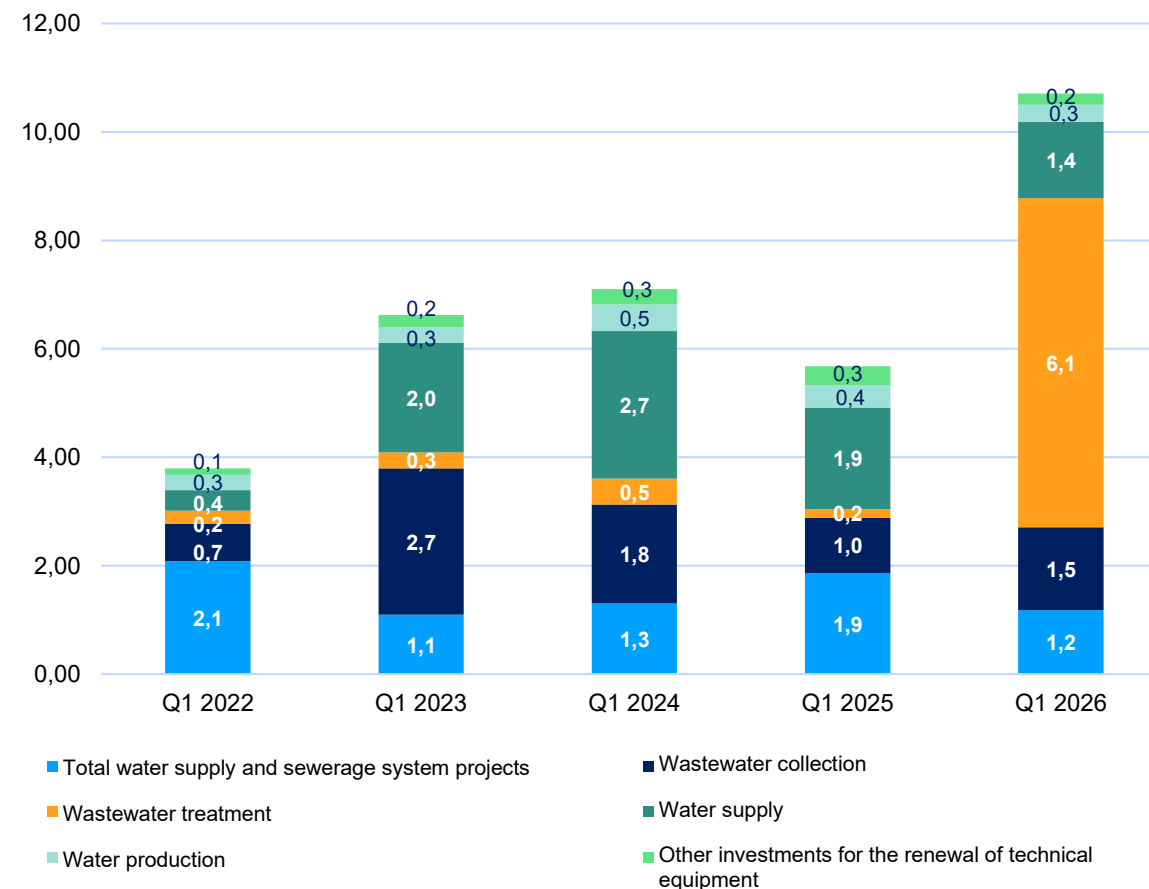
The equity ratio remained high at 71.4 %, ensuring a balanced funding structure.

Investment volume and equity ratio in Q1 2022-2026



Majority of the investments have been made in developing and modernising water supply and sewerage systems, strengthening the sustainability and operational safety of infrastructure.

Breakdown of investments by development area in Q1 2022-2026 (MEUR)



The financial and investment results for Q1 2026 demonstrate the ability of Rīgas ūdens to simultaneously deliver a solid operating performance and implement a major infrastructure development programme, while maintaining a balanced funding structure and a sustainable capital base.

1.7.3 Information on tariff

During the reporting period, the Company has ensured the provision of water management services as specified in the Public Service Agreements and taken a number of measures to improve the Company's infrastructure, technological development, customer service and improvement of the development and efficiency of service provision.

A tariff review is planned in the following period to ensure further renewal of pipelines and reduce unplanned increases in repair costs in the future.

The Company's revenue-generating tariffs are closely monitored by the Public Utilities Commission (hereinafter referred to as – PUC).

During the reporting period, water management tariffs of EUR 2.67/m³ (excluding VAT) approved by Public Utilities Commission (PUC) as of 1 December 2025 were in force.

Water management service tariffs from 1 December 2025 (excl. VAT):



Tariff for water
supply
services



Tariff for
sewerage
services



Tariff for
wastewater
treatment
services

1.7.4 Information on the Company's share capital

On 31 December 2025, Rīgas ūdens has a share capital of EUR 127,686,123, divided into 127,686,123 shares with a nominal value of EUR 1 each.

Share capital
127 686 123 EUR

Number of shares
127 686 123

Par value per share
1 EUR

1.8 Circumstances and Events after the End of the Reporting Period

Information on circumstances and events after the end of the reporting period is provided in Annex 2.7 to the Financial Statements.

During the period since the last day of the reporting year, there have been no events that have materially affected the Company's financial position as of 31 March 2026.

1.9 Statement of Management Responsibility

The Management Board of the Rīgas ūdens SIA is responsible for the preparation of the Company's financial statements. Based on the information available to the Company's Management Board, the unaudited condensed financial statements for the 3-month period ending on 31 March 2026 have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union and present a true and fair view in all material respects of the assets, liabilities, financial position and profit or loss of the Company.

The information provided in the management report is correct.



2

**2 UNAUDITED
CONDENSED
INTERIM FINANCIAL
STATEMENTS**

2.1 Information about the Company

Company name	Rīgas ūdens SIA
Legal status of the company	Limited Liability Company
Registration number, place and date	40103023035 Riga, 24 September 1991
	Re-registration in the Commercial Register 12 January 2004, under the unified registration number 40103023035
Type of activity according to NACE 2.1 classification	36.00 Extraction, purification and supply of water 37.00 Sewerage
Address	1 Zigfrīda Annas Meierovica Blvd Riga, LV-1495 Latvia
Sole shareholder	Riga State City Municipality (100 %) 1 Rātslaukums, Riga, LV-1050, Latvia
Names, surnames and titles of members of the Supervisory Board	Ms Dace Ljusa — Chairperson of the Supervisory Board Mr Imants Paeglītis — Vice-Chairman of the Supervisory Board Mr Māris Kleinbergs — Member of the Supervisory Board

Names, surnames and titles of Members of the Management Board	Mr Krišjānis Krūmiņš - Chairman of the Management Board Mr Normunds Zvaunis - Member of the Management Board Ms Agnese Ozolkāja - Member of the Management Board
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Accounting Officer	Mr Sandijs Māliņš, Director of the Finance Department
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Reporting period	1 January to 31 March 2026
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2.2 Condensed Interim Financial Statements

2.2.1 Statement of profit or loss

	Annex	3 months 2026 EUR	3 months 2025 EUR
Revenue	5	22,809,841	19,925,405
Other operating income		840,459	959,547
Raw materials and supplies	6	(6,328,290)	(5,560,478)
Personnel costs	7	(6,320,806)	(6,086,152)
Other operating expenses		(761,709)	(632,401)
EBITDA		10,239,495	8,605,921
Depreciation and amortisation of long-term assets	8(d)	(7,121,115)	(7,041,017)
Operating profit after impairment		3,118,380	1,564,904
Financial income		51,043	34,650
Financial costs		(588,092)	(541,947)
Profit before tax		2,581,332	1,057,606
Corporate income tax		-	-
Profit for the reporting period		2,581,332	1,057,606

2.2.2 Statement of comprehensive income

	Annex	3 months 2026 EUR	3 months 2025 EUR
Profit for the reporting period		2,581,332	1,057,606
Net other comprehensive income not to be reclassified as profit or loss in later periods:			
Income from revaluation of non-current assets		-	-
Total comprehensive income recognised for the reporting period		2,581,332	1,057,606

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Management Board

Normunds Zvaunis
Member of the
Management Board

Agnese Ozolkāja
Member of the
Management Board

Sandijs Māliņš
Director of the Finance Department

The annexes on pages 24 to 34 form an integral part of the Financial Statements.

2.4 Statement of Changes in Equity

	Share capital	Reserves	Retained earnings	Equity
	EUR	EUR	EUR	EUR
31.12.2024	127,686,123	342,630,489	63,707,026	534,023,638
Profit for the reporting period	-	-	1,057,606	1,057,606
Changes in revaluation reserve	-	(3,561,003)	3,561,003	-
Total comprehensive income	-	(3,561,006)	4,618,609	1,057,606
31.03.2025	127,686,123	339,069,486	68,325,635	535,081,244
Dividends	-	-	(2,517,408)	(2,517,408)
Total transactions with the shareholder and other changes recognised in equity	-	-	(2,517,408)	(2,517,408)
Losses for other quarters of the year	-	-	(467,087)	(467,087)
Changes in revaluation reserve	-	(11,088,962)	(11,088,962)	-
31.12.2025	127,686,123	327,980,524	76,430,102	532,096,749
Profit for the reporting period	-	-	2,581,332	2,581,332
Changes in revaluation reserve	-	(3,563,579)	3,563,579	-
Total comprehensive income	-	(3,563,579)	6,144,911	2,581,332
31.03.2026	127,686,123	324,416,945	82,575,013	534,678,081

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2.5 Cash Flow Statement

	Annex	3 months 2026 EUR	3 months 2025 EUR
Operating cash flow			
1. Profit/(loss) before corporate income tax		2,581,332	1,057,606
Corrections:			
a) depreciation, amortisation, impairment of property, plant and equipment and intangible assets and profit or loss on disposal	8 (a), (b)	7,144,996	6,982,245
b) depreciation of the right-of-use assets	8(c)	41,293	38,557
c) amortisation of co-financing of fixed assets	8(d)	(709,911)	(645,020)
d) changes in provisions		73,304	131,496
e) other interest and similar income		(51,043)	(34,650)
f) interest payments and similar costs		588,091	349,820
2. Profit before adjustments for the effects of changes in the balances of current assets and liabilities		9,668,063	7,880,055
Corrections:			
a) (increase) or decrease in accounts receivable balances		(1,221,262)	(989,150)
b) remaining stock (increase) or decrease		202,710	(112,237)
c) increase or (decrease) in remaining debts to suppliers, contractors and other creditors		(5,199,122)	(5,469,207)
3. Gross operating cash flow		3,450,389	1,309,461
Corporate income tax payments		6,862	-
Interest paid		(606,124)	(331,573)
Bank fees paid		(10,715)	(10,907)
Net operating cash flow		2,840,412	966,981

II. Cash flow from investing activities

	Annex	3 months 2026 EUR	3 months 2025 EUR
Acquisition of fixed assets and intangible assets		(12,810,947)	(3,288,222)
Proceeds from the sale of fixed assets		28,721	20,504
Interest received		51,043	34,650
Net cash flow from investing activities		12,731,183	(3,233,068)

III. Cash flow from financing activities

Borrowings received / bonds issued		194,187	8,000,000
Borrowing repayment expenditure		(1,308,546)	(896,326)
Finance raising costs		(1,987)	-
Lease payments		(39,527)	(39,158)
Net cash flow from financing activities		(1,155,873)	7,064,516

V. Net cash flow for the reporting period

VI. Cash and cash equivalents at the beginning of the reporting period

VII. Balance of cash and cash equivalents at the end of the reporting period

	Annex	3 months 2026 EUR	3 months 2025 EUR
		(11,046,645)	4,798,428
		23,620,519	12,725,465
	11	12,573,874	17,523,893

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2.6 Notes to the Financial Statements

2.6.1 Reporting company

The Company is a capital company owned by the Riga State City Municipality, which operates in a strategically important sector, performing the municipal function of water supply and sewerage services (according to NACE Revision 2.1 codes: Code 36 - water extraction, treatment and supply, Code 37 - sewerage).

The entire Company's share capital is held by the Riga State City Municipality. On matters not regulated by the Articles of Association, the provisions of the Law on Governance of Capital Shares of Public Entity and Management of Capital Companies Thereof shall apply.

Information on the Company laid down in the Law on the Annual Financial Statements and Consolidated Financial Statements is presented in a separate section *Information on the Company*.

2.6.2 Basis of valuation and key accounting principles

These unaudited condensed interim financial statements of the Company (hereinafter referred to as — the Financial Statements) have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union. These condensed interim financial statements do not include all the information that was presented in the annual financial statements and should be read in conjunction with the Company's Annual Report 2025.

The condensed interim financial statements include explanations of events and transactions that are significant to an understanding of changes in the Company's financial position and performance since the end of the last annual reporting period. Disclosure of information related to such events and transactions clarifies the related information presented in the most recent annual financial report. Information about other annexes to the financial statements, if not specifically disclosed in the quarterly

financial statements, is consistent with the disclosures in the Company's Financial Statements 2025.

2.6.3 Operating segments

The Company's operating segments are determined on the basis of an internal governance structure that underpins the reporting framework, performance measurement and resource allocation, taking into account the views of the Company's management. The Company's Management Board (the chief operating decision-maker) reviews the financial performance of all the operating segments.

For the segment reporting purposes, the Company's operations are divided into two segments — water supply segment and sewerage segment.

The financial indicator monitored by the chief operating decision maker is mainly *EBITDA*, but it also monitors the operating profit, as well as the capital investment and financing of each segment.

Management (administrative) functions are attributed to segments based on cost centres.

When assessing the segment's financial performance and operating results, it should be taken into account that, in accordance with the Law on Water Management Services and the Regulation on Public Utilities Commission (hereinafter referred to as — PUC), provision of water supply and sewerage services is a regulated industry. PUC approves tariffs for centralised water supply and sewerage services and sets the applicable rate of return on capital.

Water supply segment

In the reporting period, segment operating revenues amounted to EUR 10.91 million. Increase in revenues from water supply sales amounts to EUR 1.09 million or 11.1 % compared to the relevant period in 2025, which can be explained by the changes in

the water supply tariff in 2025. According to the Decision No 86 of the PUC Council of 30 October 2025, tariff for water supply services was set at EUR 1.41/m³ as of 1 December 2025.

In the reporting period, segment *EBITDA* amounted to EUR 4.65 million representing 45.4 % of the Company's total *EBITDA*.

The segment's revenues are mainly derived from the extraction, storage and treatment of drinking water for safe use by customers according to laws and regulations. Additional revenues are generated from the construction and administration of water supply connections.

The revenues generated from water supply services are further channelled for the renewal of the city's pipelines. The Company plans to renew at least 90 km of water supply pipelines by 2030. This will significantly reduce the risks of water loss and accidents, thereby also reducing costs for residents.

Sewerage segment

In the reporting period, revenue from the sewerage segment amounted to EUR 11.90 million with revenues from wastewater collection and treatment services accounting for EUR 11.37 million or 95.5 % of total segment revenues and exceeding the Q1 2025 result. Increase in revenue for wastewater collection and treatment is EUR 1.85 million or 19.5 % compared to the same period in 2025, and this can be explained by increase in the sewerage tariff in 2025. According to the Council Decision No 86 of 30 October 2025, the sewerage service tariff is set at EUR 1.26/m³ as of 01.12.2025.

The segment's *EBITDA* was EUR 5.59 million accounting for 54.6 % of the Company's total *EBITDA*.

In Q1 2026, the segment's profit before tax for the reporting period was EUR 0.92 million.

The segment's revenue is mainly generated from wastewater collection in centralised sewerage systems in the administrative territory of Riga, as well as in the Riga

Metropolitan Area - in part of Ādaži, Ropaži, Ķekava and Mārupe municipalities, ensuring wastewater and rainwater treatment, including in the eastern part of Jūrmala, and their discharge into the environment according to the requirements of laws and regulations. In addition to basic services, Rīgas ūdens generates revenues from construction and administration of sewerage connections.

In line with the Company's strategic objectives, Rīgas ūdens plans to make significant investments to renew at least 55 km of sewerage pipelines by 2030 to provide customers with even better-quality services, as 35 % of sewerage pipelines in Riga are currently beyond their planned lifetime.

The following tables disclose the operating revenues, financial performance, as well as segment assets and liabilities.

2026 Q1	Water supply, EUR	Sewerage, EUR	TOTAL, EUR
Revenue	10,909,598	11,900,243	22,809,841
Other operating income	279,011	561,448	840,459
Raw materials and supplies	(3,088,890)	(3,239,400)	(6,328,290)
Personnel costs	(3,075,635)	(3,245,171)	(6,320,806)
Other operating expenses	(375,431)	(386,278)	(761,709)
EBITDA	4,648,653	5,590,841	10,239,495
Impairment of long-term assets	(2,735,438)	(4,385,676)	(7,121,115)
Segment profit before tax	1,659,633	921,699	2,581,332
Segment assets as at 31.03.2026	296,249,493	452,926,609	749,176,102
Segment liabilities as at 31.03.2026	72,511,945	141,986,076	214,498,021
Capital investment 2026 Q1	2,352,262	8,352,861	10,705,123

2025 Q1	Water supply, EUR	Sewerage, EUR	TOTAL, EUR
Revenue	9,819,619	10,105,786	19,925,405
Other operating income	289,739	669,808	959,547
Raw materials and supplies	(2,400,195)	(3,160,283)	(5,560,478)
Personnel costs	(2,971,006)	(3,115,146)	6,086,152)
Other operating expenses	(293,104)	(339,297)	(632,401)
EBITDA	4,445,053	4,160,868	8,605,921
Impairment of long-term assets	(2,664,768)	(4,376,249)	(7,041,017)
Segment profit before tax	1,540,648	(483,042)	1,057,606
Segment assets as at 31.12.2025	301,712,460	450,433,842	752,146,302
Segment liabilities as at 31.12.2025	74,951,376	145,098,177	220,049,553
Capital investment Q1 2025	3,446,595	2,233,200	5,679,795

2.6.4 Financial risk management

The Company's activities are exposed to various financial risks: market risks, credit risk and liquidity and cash flow risk. The Company's management is focused on minimising the potential negative effect of these risks on financial performance. As part of its financial risk management, the Company uses financial risk control and hedging measures, thus reducing positions open to risk.

This note presents information on the Company's exposure to each of the above risks, the Company's objectives, policies and processes for assessing and managing risks, as well as the Company's principles for managing financial risks and capital.

Risk management framework

The Company's management is responsible for establishing and supervising the Company's risk management framework. To meet the Company's risk management objectives, risk management is integrated into the Company's operation and governance. Risk management is the process of identifying, assessing and managing the risks typical for the Company the occurrence of which could prevent or jeopardise achievement of its objectives.

The Company is improving its risk management processes, including its Risk Management Policy, other internal regulations and their application in practice, in order to better ensure safe service delivery in a changing business environment. The Company risk management aims to identify and manage the Company's most significant risks in a timely manner to ensure the achievement of strategic objectives and minimise potential losses and other damage.

The Company's most significant financial instruments are financial assets — trade and other receivables, cash and cash equivalents, financial liabilities — borrowings, bonds, lease liabilities, trade payables and other creditors. The Company's operation is exposed to various financial risks, including credit risk, liquidity risk and interest rate risks.

Price risk

The risk of price changes can have an adverse effect on the Company's financial performance, and, as a result, the need for tariff changes is regularly assessed based on raw material/service cost increases. Indexation clauses are included in contracts for the purchase of services and goods. Electricity costs, fixed once a year, has a significant impact.

Currency risk

The Company is not exposed to significant currency risk because its business activities and payments with counterparties are predominantly denominated in *euro*. Hence, the effect of foreign currency fluctuations on the financial performance and cash flows of Company is immaterial.

Credit risk

Financial assets that potentially expose the Company to a certain degree of the credit risk concentration, mainly consist of cash and trade receivables. A significant share of net turnover applies to a single customer, accounting for up to 27 % of sales. The Company's management has reduced the adverse effect of the potential financial risks on the Company's financial situation by implementing a set of control and analysis measures. The Company has developed an internal procedure for the supervision of accounts receivables by determining individualised measures for the supervision of accounts receivables for each group of customers, including depending on the risks of credit risk concentration.

The Company's debtors are supervised accordingly. Trade receivables are stated at recoverable amount, and the Company regularly monitors the payment behaviour of debtors. The basic services provided by the Company are largely essential services for customers.

The Company's counterparties in cash transactions are financial institutions with an appropriate credit history.

Liquidity and cash flow risk

In order to prevent liquidity risk, the Company's management analyses the maturity structure of assets and liabilities. The Company's management supervises liquidity risk by ensuring timely availability of funding. Objective of the Company is to maintain cash resources or to provide available and unused credit funds in accordance with the investment plan. Project timelines, current expenditure, credit limits and cash balances in accounts are regularly assessed to meet expected commitments and offset cash flow fluctuations.

The Company has attracted broadly diversified long-term financing.

In addition, on 12 February 2026, an agreement was signed with the Nordic Investment Bank for the possibility to use a loan limit of up to EUR 50 million. Under the conditions of the agreement, the Company is not obliged to attract funds (uncommitted agreement). Existence of such an agreement ensures diversification and liquidity of borrowed funds.

At the same time, the Company started the process of extending its bond programme, continuing its efforts to ensure diversified access to finance for the successful implementation of the EUR 235 million investment programme for the development of wastewater treatment and drinking water infrastructure in Riga. In view of the fact that the bond programme worth up to 60 million in total will expire in May this year and the interest of potential investors, the Company has now initiated extension of the bond programme for 12-months in order to fully use the bond programme.

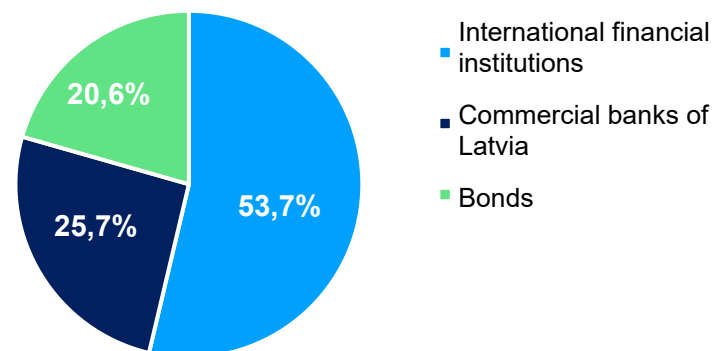
The outstanding principal amount of borrowings from credit institutions as of 31 March 2026 was EUR 96.07 million.

All the limits of financial indicators laid down in the Company's existing loan agreements have been met during the reporting year and as at the end thereof.

49.6 % of the outstanding borrowings as of 31 March 2026 were floating rate borrowings, while 50.4 % were fixed rate borrowings. The interest rate fixing period for interest rates is 5 years.

The weighted average interest rate on long-term borrowings at the end of the reporting period was 3.1 %.

Structure of borrowings from credit institutions at the end of the reporting period



Cash balances as at the end of the reporting period (cash and short-term deposits of up to one month) amounted to EUR 12.57 million. In relation to cash balances, financial assets are balanced by placing them in short-term deposits or receiving interest income on account balances, diversifying account balances across commercial banks.

The Company has provided sufficient amount of cash and cash equivalents and availability of long-term and short-term borrowings through sufficient credit facilities to meet existing and expected commitments and to offset fluctuations in cash flows due to various financial risks. The Company's management is of the opinion that it will not have liquidity problems, that it will make settlements with the creditors within the agreed time limits and that it will have sufficient cash resources to avoid compromising liquidity.

Interest rate risk

Interest rate risk arises mainly from borrowings at floating interest rates, with the risk of a significant increase in financing costs due to rising interest rates. To hedge risk, the Company maintains a balanced portfolio of fixed and floating rate borrowings, thereby reducing the risks associated with significant future interest rate fluctuations.

49.6 % of the outstanding borrowings at the end of the reporting period were fixed-rate, while 50.4 % were floating-rate. The interest rate fixing period for interest rates is 5 years.

Capital management

The Company is owned by the Riga State City Municipality (100 %). The capital risk management aims to ensure sustainable operation and development of the Company, the funding required to implement its medium- and long-term strategy, and fulfilment of the restrictive conditions set out in the loan agreements.

During the reporting period, the restrictive conditions set out in the loan agreements were not breached. Regular analysis of financial indicators is carried out to ensure that the restrictive conditions set out in the loan agreements are met.

2.6.5 Revenue

	3 months 2026 EUR	3 months 2025 EUR
Income from water supply services	10,898,613	9,812,814
Income from sewerage services	11,367,669	9,513,854
Revenue from construction services	18,855	8,466
Other revenue from contracts with customers	524,705	590,272
	22,809,841	19,925,405

All of the Company's revenue from contracts with customers is generated in Latvia.

Revenue from construction services consists of revenue from the provided construction services of water mains and sewerage branches in areas of Riga where water management infrastructure has been built through the attraction of Cohesion Fund co-financing.

Assets and liabilities arising from contracts with customers

The table summarises contract balances, including receivables and contract liabilities.

	31.03.2026 EUR	31.12.2025 EUR
Receivables (gross) presented under the item Debts from contracts with customers (Annex 2.6.10)	12,645,199	11,956,344
Contractual liabilities	(1,477,469)	(1,434,366)
	11,167,730	10,521,978

2.6.6 Raw materials and supplies

	3 months 2026 EUR	3 months 2025 EUR
Water supply and sewerage network repair works	1,438,471	1,085,632
Electricity expenses	1,316,585	1,179,672
Equipment repairs and maintenance	703,057	563,194
Costs of reagents	694,617	641,679
Real estate maintenance costs	460,526	516,239
Sludge disposal costs	426,391	432,126
Natural resources tax	257,012	252,656
Materials and low-value equipment	148,132	159,777
Natural gas costs	258,924	218,214
Fuel	126,536	129,748
Heating energy costs	195,075	166,207
Vehicle maintenance	165,918	139,532
Replacement and verification of commercial meters	73,848	52,032
Other costs of raw materials and supplies	63,198	23,769
	6,328,290	5,560,478

2.6.7 Personnel costs

	3 months 2026 EUR	3 months 2025 EUR
Remuneration for work	5,008,414	4,803,914
Mandatory state social insurance contributions	1,165,722	1,119,695
Other staff costs	146,670	162,544
	6,320,806	6,086,152

Personnel costs of the reporting period amounting to EUR 290,285 have been capitalised, increasing the carrying amount of property, plant and equipment *Engineered structures (underground networks)* in connection with the performed reconstruction and technical upgrading of the networks (in 2025: EUR 1,805,446).

2.6.8 Intangible assets, property, plant and equipment and right-of-use assets

(a) Intangible assets

	31.03.2026 EUR	31.12.2025 EUR
<i>Initial or revalued amount</i>	4,876,731	4,574,219
<i>Accumulated depreciation and impairment</i>	(4,038,728)	(3,819,865)
Carrying value at the beginning of the reporting period	838,003	754,354
Acquisitions (+)	37,240	302,512
Disposal/liquidation (-)	-	-
Depreciation (-)	(58,347)	(218,863)
<i>Initial or revalued amount</i>	4,913,971	4,876,731
<i>Accumulated depreciation and impairment</i>	(4,097,075)	(4,038,728)
Carrying value at the end of the reporting period	816,896	838,003

(b) Fixed assets

	31.03.2026 EUR	31.12.2025 EUR
<i>Initial or revalued amount</i>	990,414,217	944,895,839
<i>Accumulated depreciation and impairment</i>	280,235,159	(256,516,380)
Carrying value at the beginning of the reporting period	710,179,058	688,379,459
Acquisitions (+)	14,183,688	49,886,569
Disposal/liquidation (-)	(65,175)	(979,241)
Reclassified	-	579,272
Depreciation (-)	(7,021,475)	(27,687,001)
<i>Initial or revalued amount</i>	1,007,739,266	990,414,217
<i>Accumulated depreciation and impairment</i>	(290,463,170)	280,235,159
Carrying value at the end of the reporting period	717,276,096	710,179,058

(c) Right-of-use assets

	31.03.2026 EUR	31.12.2025 EUR
<i>Initial or revalued amount</i>	1,490,313	1,110,733
<i>Accumulated depreciation and impairment</i>	(243,810)	(335,017)
Carrying value at the beginning of the reporting period	1,246,503	775,716
Acquisitions (+)	23,255	679,908
Disposal/liquidation (-)	-	(9,857)
Depreciation (-)	(41,292)	(199,264)
<i>Initial or revalued amount</i>	1,513,568	1,490,313
<i>Accumulated depreciation and impairment</i>	(285,102)	(243 81)
Carrying value at the end of the reporting period	1,228,466	1,246,503

(d) Depreciation and amortisation of long-term assets

	2026 Q1 EUR	2025 Q1 EUR
Amortisation of intangible investments	58,347	57,262
Depreciation of fixed assets	7,021,475	6,945,292
Depreciation of right-of-use assets	41,293	38,463
	7,121,115	7,041,017

(e) Revaluation of property, plant and equipment

Revaluation of the Company's civil engineering structures was carried out in 2024. Impact of revaluation amounting to EUR 451 million is included in the Long-term investments revaluation reserve (Annex 2.6.12). Increase in the value of assets recognised as a result of the revaluation amounting to EUR 148 million was attributed to the accumulated depreciation and, in the amount of EUR 303 million to the historical acquisition cost of the assets.

2.6.9 Stocks

	31.03.2026 EUR	31.12.2025 EUR
<i>Raw materials, basic materials and consumables:</i>		
Raw materials and supplementary materials	2,724,821	2,679,467
Reagents	408,190	643,128
Fuel	36,552	30,838
Provisions for inventory write-downs	(451,733)	(432,893)
	2,717,830	2,920,540

The impairment of inventory provisions is mainly due to provisions made by assessing the inventory turnover rate for specific infrastructure elements and spare parts included in the row "Raw materials and additional materials".

2.6.10 Receivables from contracts with customers

	31.03.2026	31.12.2025
	EUR	EUR
Carrying amount of trade receivables	12,645,199	11,956,344
Portfolio provisions for doubtful trade receivables (ECL)	(508,039)	(532,593)
	12,137,160	11,423,751

Movement in provisions:	3 months	2025
	2026	
	EUR	EUR
Provisions at the beginning of the period	532,593	638,377
Additional provisions made	-	872,965
Cancelled because of recovery	(24,554)	(936,173)
Written off as irrecoverable	-	(42,576)
Provisions at end of period	508,039	532,593

2.6.11 Cash and cash equivalents

	31.03.2026	31.12.2025
	EUR	EUR
Overnight deposits	4,584,274	8,213,810
Cash at banks, EUR	7,989,600	15,406,709
	12,573,874	23,620,519

Company cash balances with banks according to the bank credit ratings issued by *Moody's*:

CREDIT RATING	31.03.2026	31.12.2025
	EUR	EUR
A2	2,807,628	3,785,289
Aa2	9,204,481	8,213,810
Aa3	113,195	11,076,542
Baa1	448,570	544,878
	12,573,874	23,620,519

2.6.12 Long-term asset revaluation reserve

	31.12.2026 EUR	31.12.2025 EUR
Long-term investment revaluation reserve at the beginning of the year	327,980,52	
	4	342,630,489
Exclusion of revaluation reserve	(1,609)	(406,903)
Decrease in revaluation reserve	(3,561 970)	(14,243,062)
Long-term investment revaluation reserve at the end of the year	324,416,94	
	5	327,980,524

The revaluation reserve is a non-cash reserve established to reflect the revalued amount of an asset to approximate its fair value. The revaluation reserve for non-current investments is the difference between the revalued amount of an asset and its carrying amount. The revaluation reserve may not be distributed as dividends, invested in equity, used to cover losses, transferred to other reserves or used for any other purposes

2.6.13 Bonds and borrowings

	31.03.2026 EUR	31.12.2025 EUR
EIB loan with maturity term of 2-5 years *	16,055,085	16,055,084
EIB loan with maturity term of 5 years *	31,486,522	32,117,064
Loan from the JSC Swedbank with maturity term of 2-5 years **	21 539,096	22,217,101
Bonds with maturity term of 2-5 years ***	20,000,000	20,000,000
Long-term part	89,080,703	90,389,249
Borrowing from EIB - short-term part *	4,013,770	4,013,770
Borrowing from the JSC Swedbank - short-term part **	2,712,017	2,712,017
Accrued interest for credit institutions	455,771	324,194
Accrued interest on bonds ***	61,370	61,370
Other borrowings ****	261,937	67,750
Short-term part	7,504,865	7,179,101
	96,585,568	97,568,350

* On 16 June 2022, the Company entered into a long-term loan agreement with the European Investment Bank (EIB) for a loan of EUR 60 million. At the end of the reporting period, the principal balance of the loan amounted to EUR 51.56 million EUR. On 7 April 2025, an additional loan agreement was signed with the European Investment Bank amounting to 70 million EUR to improve and extend the water supply network, with the aim of reducing drinking water losses in the networks and contributing to environmental protection by reducing damage to the sewerage networks. The first tranche of the loan is expected to be attracted in May 2026.

** On 6 April 2022, the Company entered into a loan agreement with the JSC Swedbank maturing on 6 April 2027 for EUR 15 million. The loan is repayable according to a schedule starting from the thirteenth month after the conclusion of the loan agreement, and the schedule is based on a 10-year amortisation method. The outstanding amount not repaid according to the schedule is repayable in April 2027.

On 27 September 2024, a new agreement was signed with the JSC Swedbank on attraction of a long-term loan in the amount of EUR 15 million, of which the remaining part of the loan in the amount of EUR 7 million was attracted during the reporting period. The borrowing schedule is based on a 15-year amortisation method, and the outstanding balance is repayable in September 2029. The balance of loans received from the JSC *Swedbank* at the end of the reporting period amounted to EUR 24.25 million.

*** In 2025, the Company issued European Green Bonds worth EUR 20 million. A total of 200,000 bonds were issued with a nominal value of EUR 100 each. The bond bears an annual interest rate of 4 % with quarterly coupon payments. The bonds have a maturity of 5 years — the bonds are repaid in full at their nominal value on 4 June 2030. Details on the bond issue are available on Rīgas ūdens website under *For investors/Bonds* section.

**** In 2025, two loan agreements were concluded with the JSC Attīstības finanšu institūcija Altum, the conditions of which include capital discount reducing principal amount by 100 %. The total amount of the agreements is EUR 392,593; part of the loan received during the reporting period amounts to EUR 67,750. The agreements include a condition that the Company provides to the JSC Attīstības finanšu institūcija Altum irrevocable guarantees on first demand for 100 % of the amount of the agreements, valid for the entire duration of the loan agreements.

The Company's existing loan agreements do not require collateral; however, the agreements impose certain restrictions and require compliance with certain financial indicators. The agreements also impose certain restrictions on transactions that require the bank's prior written consent (including certain profit-sharing limits, reductions in share capital, pledging of assets, etc.). All financial indicators and restrictions have been met during the reporting year and at the end thereof.

2.6.14 Accrued liabilities

	31.03.2026	31.12.2025
	EUR	EUR
For the services received for the establishment of non-current investments	621,722	6,450,614
For network repairs invoiced after the end of the year	1,139,968	2,631,925
For the planned staff and management costs	2,380,737	1,867,872
Accrued unexpended leave costs	1,286,291	841,078
Accrued liabilities for immovable property maintenance payments	163,553	149,429
Accrued MSSIC for projected employee and management costs	572,052	644,525
Accrued liabilities for other production costs	762,079	812,665
Other accrued liabilities	100,427	147,773
	7,026,829	13,545,881
Including:		
Financial liabilities	2,787,749	10,191,082
Non-financial liabilities	4,239,080	3,354,799

2.6.15 Transactions with related parties

Riga State City Municipality capital companies and institutions - related parties

In Q1 2026, the Company invoiced other Riga State City Municipality capital companies for the services rendered:

- the housing manager - for an amount of EUR 5.6 million (Q1 2025: EUR 5.6 million);
- other capital companies and institutions for the amount of EUR 1.1 million (Q1 2025: EUR 0.97 million).

As at 31 March 2026, the Company's receivables of the municipality's capital companies and institutions amounted to EUR 4.28 million, including debts of the housing manager EUR 3.8 million (31.03.2025: EUR 4.24 million, including debts of the housing manager EUR 3.83 million).

In Q1 2026, the Company paid invoices for services received to Riga State Municipality companies and capital companies in the total amount of EUR 0.66 million (incl. VAT) (Q1 2025: EUR 0.46 million including VAT).

As at 31 March 2026, the Company's debts to municipal companies and institutions amount to EUR 0.21 million (31.03.2025: EUR 0.19 million).

2.7 Events after the end of the reporting period

The term of office of the Member of the Management Board Normunds Zvaunis was extended

On 21 April, the sitting of the Supervisory Board of the Rīgas ūdens SIA decided to extend the term of office of Normunds Zvaunis, the Member of the Management Board of the Rīgas ūdens SIA, for five years, until 14 May 2031. The Chairman of the Management Board, Krišjānis Krūmiņš, and the Member of the Management Board Agnese Ozolkāja continue to serve on the Company's Management Board.

N. Zvaunis has been a Member of the Company's Management Board since 2010, and his current term of office ends on 14 May 2026. N. Zvaunis' areas of responsibility within the Company include management of water extraction, storage, treatment and supply to the centralised water supply network and ownership boundary, management of wastewater collection, purification and discharge, civil protection, safety and labour protection system, IT and telecommunication, transport, as well as risk management process and security measures.

Decision not to apply late-payment penalty extended

At the end of April, it was examined and decided to extend the decision not to apply calculation of late payment penalty for water services provided by the Company received by 30 May, and not to transfer debts incurred by 30 June to external recovery or legal proceedings during this period.

There have been no events that occurred during the period since the last day of the reporting year that have materially affected the Company's financial position as at 31 March 2026 or that require further explanation in the annexes to the condensed interim financial statements.

Moody's credit rating, Allocation Report, Prospectus

On May 22, 2026, the international credit rating agency Moody's Ratings reaffirmed the Company's long-term issuer credit rating of A3 with a stable outlook.

On 7 May 2026, the Report 2025 of the 2025 Revenue Allocation Report for the first part of the Green Bond Programme was published. The report was endorsed by Sustainable Fitch, which confirms that 100 % of the funds have been used in accordance with the European Green Bond Standard.

On 14 May 2026, the Bank of Latvia approved the updated base prospectus for the EUR 60,000,000 bond programme determining a maturity of 12 months. Purpose of the Bond Programme remains unchanged.

Approval of the Company's 2025 results, dividend distribution, and election of the auditor

At the shareholder meeting of SIA "Rīgas ūdens" held on May 22, 2026, the company's 2025 annual report was approved, and the operational results were evaluated with the highest possible rating ("very good").

A decision on profit distribution was made at the shareholder meeting. Out of the company's 2025 profit (EUR 590,519), it was decided to allocate 10% (EUR 59,052) for dividend payments, 30% (EUR 177,156) for the development of centralized water supply and sewerage systems in Dārziņi, and to leave 60% (EUR 354,311) as retained earnings for the development of the company's operations and services.

SIA "Potapoviča un Andersone" was approved at the shareholder meeting as the company's auditor for the audit of the 2026 and 2027 annual reports and for providing assurance services on the sustainability report.

There have been no events that occurred during the period since the last day of the reporting year that have materially affected the Company's financial position as of 31 March 2026 or that require further explanation in the annexes to the condensed interim financial statements.

Abbreviations Used

EBITDA - operating profit before depreciation, amortisation, impairment, financial items and corporate income tax.

ROA - return on assets

ROE - return on equity

DSCR - debt service coverage ratio

PUC - Public Utilities Commission

Formulas

Financial ratios that include profit or revenue indicators are determined using the most recent 12-month (rolling) period. The balance sheet indicators are based on the position at the end of the reporting period on 31 March. The average balance sheet values over the reporting period are used to calculate the return rates. All the financial rates have been calculated following a common and consistent methodology for all comparative periods.

Equity ratio = equity / total assets

Liquidity = current assets / current liabilities

Net debt = Long-term borrowings + Short-term borrowings - Cash and cash equivalents

Net debt/EBITDA = Net debt / EBITDA for the last 12 months

EBITDA/turnover = EBITDA in the last 12 months / revenue in the last 12 months

Interest coverage ratio = EBITDA in the last 12 months / interest payments on borrowings in the last 12 months

ROA = Net profit in the last 12 months / average assets

ROE = Net profit in the last 12 months / average equity



Rīgas ūdens SIA

Address: 1 Zigfrīda Annas Meierovica Blvd,
Rīga, LV-1050, Latvia

Uniform registration number: 40103023035

www.rigasudens.lv

Phone: 80002122

E-mail: rigasudens@rigasudens.lv



For investor questions:

Sandijs Māliņš,

Director of the Finance Department

Phone: [+371 29187817](tel:+37129187817)

E-mail: investoriem@rigasudens.lv