

LATVIJAS GĀZE GROUP CONSOLIDATED ANNUAL STATEMENT AND ANNUAL STATEMENT OF THE JOINT STOCK COMPANY LATVIJAS GĀZE 2025

Prepared in accordance with the requirements of the Law on Annual Statements and Consolidated Annual Statements, with the exception of the application of IFRS 9 “Financial Instruments”, as adopted by the European Union, to the accounting for trade receivables.

*Translation from Latvian original

Riga, 2026

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GENERAL INFORMATION

Name of the parent company of the Group	Latvijas Gāze
Type of the parent company of the Group	Joint Stock Company
Registration number	40003000642
Registered address	A. Briāna 6, Riga, Latvia, LV-1001
The Board	Aigars Kalvītis – Chairman of the Board Egīls Lapsalis – Member of the Board Kārlis Lapiņš – Member of the Board since 16 August 2025 Elita Dreimane – Member of the Board from 16 August 2024 to 15 August 2025 Deniss Jemeljanovs – Member of the Board from 15 August 2024 to 15 August 2025 Term of office of the Board until 12 August 2026.
Supervisory Board	Guntars Reidzāns – Chairman of the Supervisory Board Ričardas Matijošaitis – Vice-President of the Supervisory Board from 15 August 2025 Valentīns Bļugers – Member of the Supervisory Board Aivars Strakšas – Member of the Supervisory Board from 15 August 2025 Janzens Kristians – Member of the Supervisory Board from 13 March 2024 to 3 January 2025 Matiass Kolenbahs – Member of the Supervisory Board from 13 March 2024 to 15 July 2025 Edgars Buncis – Member of the Supervisory Board from 13 March 2024 to 15 August 2025 Nikolajs Dorofejevs – Member of the Supervisory Board from 13 March 2024 to 15 August 2025 Term of office of the Supervisory Board until 12 August 2028.

Shareholders	Energy Investments, LLC (81.25%) ITERA Latvia, LLC (16.0%) Minority shareholders (2.75%)
Principal activities of the Group	35.23 Pipeline trade services of gas, NACE 2.1 Rev. 64.99 Other financial service activities, except insurance and pension funding, n.e.c., NACE 2.1 Rev.
Reporting period	1 January 2025 – 31 December 2025
Group subsidiary	LLC LG Capital, A. Briāna 6, Riga, 100% shares
Name and address of the Auditor and of the Sworn Auditor responsible	AS "RSM Latvia" Mihaila Tāla iela 1 Riga, LV-1045, Latvia Commercial company of Sworn Auditors Licence No. 134 Responsible Sworn Auditor Marija Jansone Certificate No. 25

CONSOLIDATED MANAGEMENT REPORT

GENERAL INFORMATION

The joint-stock company "Latvijas Gāze" (hereinafter – the Company or Parent Company of the Group) provides services related to the purchase, trade and sale of natural gas in Latvia, Lithuania, Estonia, Luxembourg, Norway, the Netherlands and Finland. These services include the wholesale and sale of natural gas to industrial and commercial customers as well as to households.

"Latvijas Gāze" Group comprises the joint-stock company "Latvijas Gāze" and its subsidiary LLC "LG Capital" (hereinafter – Group).

On 18 August 2025, the Company's Supervisory Board approved the proposal of the Company's Board regarding the establishment of the subsidiary LLC "LG Capital" (hereinafter – Subsidiary) with a share capital of EUR 17 000 000, consisting of 17 000 000 shares with a par value of EUR 1 per share. The Subsidiary was registered in the Register of Enterprises of the Republic of Latvia on 25 August 2025. During the reporting year, the Subsidiary conducted its operations in accordance with the statistical classification system for economic activities in the European Community (NACE) code 64.99: Other financial service activities, except insurance and pension funding, n.e.c.

In 2025, structural changes continued in European natural gas markets, following the 2022 energy crisis triggered by Russia's war in Ukraine. These changes were driven by geopolitical factors, shifts in the supply structure, and the European Union's (hereinafter – EU) energy policy. Despite the impact of these circumstances (given the linking of natural gas prices to Western European natural gas exchange indices), the Company continued to develop its operations in the Baltic and Finnish regions during the reporting period, ensuring natural gas supply and sales to customers while adapting its operational strategy to changing market conditions. During the reporting period, Management focused on mitigating the risk of natural gas price fluctuations and strengthening the Company's competitiveness in its operating markets.

NATURAL GAS PRICE DYNAMICS

Natural gas prices in March 2024 were at their lowest level since June 2021, but subsequently rose gradually, reaching their highest level in March 2025. Since March, prices gradually declined, reaching their lowest point in December, creating an unusual situation in European (and consequently Latvian) natural gas markets – the traditional seasonality (where gas prices are lower in spring and summer than in winter) was not observed.

At the beginning of the year, prices remained high due to colder weather (than in the previous two years), which reduced the volume of natural gas in storages and raised concerns about the sufficiency of reserves until the end of the heating season and the need for more substantial storage refilling in the summer. At the same time, the suspension of Russian gas transit through Ukraine as of 1 January 2025 increased Europe's dependence on liquefied natural gas (hereinafter – LNG) supplies, exerting additional pressure on prices.

Starting in the second quarter, natural gas prices declined as the heating season ended in Europe, which reduced overall natural gas consumption. As wind and solar power generation capacities increase, renewable energy production capacity rises during the spring and summer months, reducing the demand for natural gas in electricity generation. Similarly, the amount of electricity generated by hydroelectric power plants increases significantly in the spring. Due to tariffs imposed by the United States of America (hereinafter – the USA), slower economic growth was

observed in China and other Asian countries in 2025, which reduced competition for LNG cargoes, allowing Europe to purchase them at lower prices. The decline in demand in China is also linked to an increase in domestic energy production capacity, as well as a rise in Russian gas imports. In 2025, new LNG export projects (primarily in the USA) also began operations, increasing global supply.

Despite the aforementioned favourable conditions for a decline in natural gas prices, significant short-term fluctuations in natural gas prices are still being observed. These may be linked to both global geopolitical events and disruptions in natural gas supplies. For example, in June 2025, prices temporarily rose by approximately 20% due to a military conflict in the Middle East between Israel and Iran. Although physical supply disruptions were not widely observed, the price increase was driven by a geopolitical risk premium. At the same time, the conflict intensified competition for LNG supplies between Europe and Asia, as Asian buyers increased their purchases for security reasons, thereby temporarily reducing the volumes available to Europe. After the conflict subsided and it became clear that supplies were not significantly disrupted, prices quickly returned to their previous levels. Natural gas prices are also temporarily affected by planned and unplanned interruptions in natural gas supplies via pipeline from Europe's main natural gas supplier – Norway – as well as extensive annual maintenance and repair work on the energy sector infrastructure.

DEVELOPMENT OF THE NATURAL GAS MARKET

In 2025, structural changes continued in the European natural gas market – LNG accounted for nearly half of the total natural gas imports into the EU. While LNG accounted for only 20% of total natural gas imports in 2021, the volume already reached 45% in 2025¹. Similarly, the structure of natural gas suppliers has changed significantly – while in 2021, the EU imported approximately 40% of its total natural gas volume from Russia via pipelines, by 2025, that figure had already fallen to just around 6%. Together with LNG supplies from Russia, the volume of imports reached approximately 12% of the total volume of natural gas imported into the EU in 2025². Natural gas from Russia has been replaced by the USA, accounting for 58% of EU LNG imports in 2025, which together make up approximately 26% of total EU natural gas imports, and Norway – increasing pipeline supplies from 30% in 2021 to 54% of total pipeline natural gas imports in 2025 (together with LNG supplies, accounting for nearly one-third of total EU natural gas imports). Other significant suppliers include North African countries (nearly 13% of total EU natural gas imports in 2025), the United Kingdom (approximately 4%), and Azerbaijan (nearly 4%).

The decline in Russian natural gas imports is linked both to the EU's REPowerEU Plan (hereinafter – Plan) and to market participants' deliberate efforts to diversify their sources. The Plan was created with the aim of reducing the EU's dependence on Russian energy resources (natural gas, oil, and coal)³. Based on the Plan, Regulation (EU) 2026/261⁴ of the European Parliament and of the Council was adopted on 26 January 2026, which provides for a ban on imports of Russian LNG and pipeline gas starting from 18 March 2026. To prevent supply disruptions, a transition period is provided for existing contracts: for short-term contracts, the ban on LNG will apply from 25 April 2026 and the ban on pipeline gas from 17 June 2026, while for long-term contracts, the ban on LNG, in line with EU sanctions against Russia, will apply from 1 January 2027, and the ban on pipeline gas will apply from 30 September 2027 (or from 1 November 2027 if winter storage targets are not met). Although this decision may increase market uncertainty and price fluctuations in the short term, in the long

¹ https://energy.ec.europa.eu/topics/carbon-management-and-fossil-fuels/liquefied-natural-gas_en

² <https://www.consilium.europa.eu/iv/infographics/where-does-the-eu-s-gas-come-from/>

³ <https://www.consilium.europa.eu/iv/policies/ending-russian-energy-imports/>

⁴ Regulation (EU) 2026/261 of the European Parliament and of the Council of 26 January 2026 on phasing out Russian natural gas imports and preparing the phase-out of Russian oil imports, improving monitoring of potential energy dependencies and amending Regulation (EU) 2017/1938 (OJ L 2026/261, 2 February 2026)

term, it promotes the integration of the European natural gas market into the global LNG system and helps achieve the Plan's objective of increasing the EU's energy independence.

Despite the situation described in the previous section, where the traditional seasonality of natural gas prices was not observed in 2025 (when gas prices are lower in spring and summer than in winter), natural gas storage facilities, including the Inčukalna underground gas storage (hereinafter – IUGS), play an important role in the European natural gas market. They have become a significant element of energy security to mitigate supply risks, given the link between LNG supply and price dynamics and events in other regions of the world, particularly the Middle East and North America. For this reason, the Company actively utilises IUGS in its operations to ensure uninterrupted natural gas supplies to its customers.

NATURAL GAS DEMAND

Still, one of the main challenges for natural gas traders, including the Company, is the low level of natural gas consumption compared to pre-war levels. According to data published by the Central Statistical Bureau⁵ natural gas consumption in Latvia decreased by 1,5% in 2025 compared to the same period last year, which is significantly lower than before the start of the war in Ukraine. A similar situation has been observed elsewhere in Europe – EU demand for natural gas decreased by more than 19%² between 2021 and 2024. Natural gas in the EU is used for electricity and heat generation (approximately 30% of total natural gas consumption), nearly 25% is used in households (for heating and cooking), 25% is used in manufacturing, and 11% in the services sector. Consumption for other energy-related and non-energy-related purposes accounts for approximately 9%. Although demand for natural gas in Europe remained stable in 2025, in line with the targets set out in the REPowerEU and Fit for 55 plans, the European natural gas market continues to move towards a reduced use of fossil fuels and an increased role for renewable energy sources in the long term across all the aforementioned sectors where natural gas or other fossil fuels are currently used. Similarly, growth in consumption is being held back by the weak macroeconomic situation in Europe, changes in household consumption habits since the energy crisis of 2022, energy efficiency measures, and increasing renewable energy generation capacity. Despite those factors holding back consumption growth, periodic increases in natural gas consumption can be caused by both low renewable energy (wind, solar, hydro) generation capacity or sudden changes in weather conditions – periods of extreme heat or cold.

FINANCIAL PERFORMANCE INDICATORS

In such dynamic and challenging market conditions, the Company's years of experience and knowledge of the natural gas market in Latvia and Europe, as well as its ability to act proactively in changing market conditions, play a crucial role. As a result, the Company achieved stable profit indicators in 2025. In 2025, the Company operated with a net profit of EUR 0,3 million, which is a significant decrease compared to the 2024 net profit of EUR 13,2 million. The amount of net profit was negatively impacted by dividends paid in December 2025 – in accordance with Latvian legislation, at the time of calculating dividends, the Company was required to pay corporate income tax of EUR 2,3 million and recognise it as an expense for the current year. The Subsidiary operated with a net profit of EUR 0,2 million in 2025. The Group's key financial indicators are summarised in the table on the next page.

⁵ https://data.stat.gov.lv/pxweb/lv/OSP_PUB/START__NOZ__EN__ENB/ENB020m/

The Group's key financial figures	2025	2024
	EUR'000	EUR'000
Net turnover	70 722	91 068
EBITDA	1 650	11 508
EBITDA, %	2,3	12,6
Impairment adjustments to property, plant, and equipment, and intangible assets	(1 214)	(1 259)
EBIT	436	10 249
EBIT, %	0,6	11,3
Other interest receivable and similar revenues	2 320	3 088
Interest payable and similar expenses	-	(22)
Corporate income tax	(2 262)	(71)
Net profit	494	13 244
Net profit margin, %	0,7	14,5
Profit per share, EUR	0,01	0,33
Current ratio	2,67	4,6
ROCE	0,00	0,07
Dividends / net profit	24,23	-

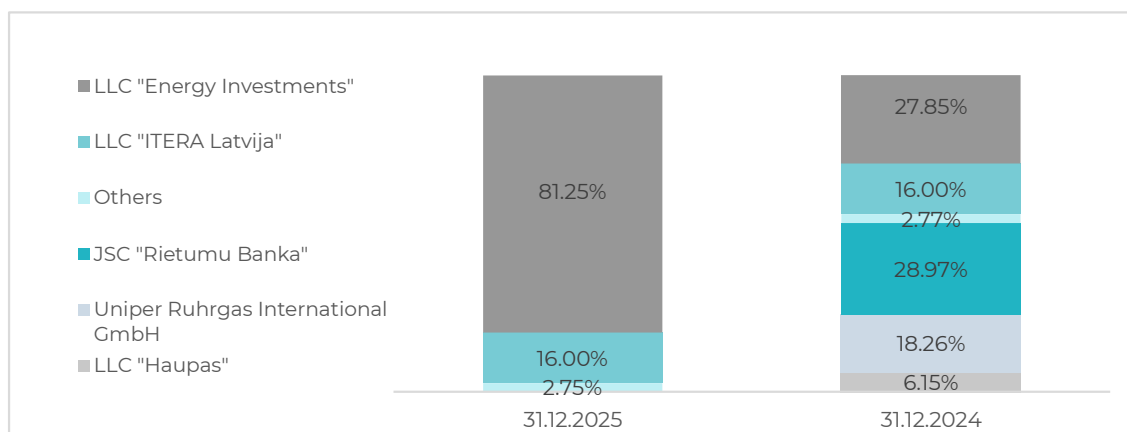
Alternative Performance Measures (APM)	Formulas
EBITDA (<i>Profit before income tax, interest, depreciation and amortization</i>)	EBITDA = Profit for the reporting year + Corporate income tax + Interest payable and similar expenses - Other interest receivable and similar revenues + Impairment adjustments to property, plant, and equipment, and intangible assets
EBITDA, % (<i>or EBITDA margin</i>)	$\text{EBITDA, \%} = \frac{\text{EBITDA}}{\text{Net turnover}} \times 100\%$
EBIT (<i>Profit before income tax and interest</i>)	EBIT = Profit for the reporting year + Corporate income tax + Interest payable and similar expenses - Other interest receivable and similar revenues
EBIT, % (<i>or EBIT margin</i>)	$\text{EBIT, \%} = \frac{\text{EBIT}}{\text{Net turnover}} \times 100\%$
Net profitability (<i>or Commercial profitability</i>) The indicator reflects how much the company earns from each of the EUR received from customers	$\text{Net margin, \%} = \frac{\text{Profit for the reporting year}}{\text{Net turnover}} \times 100\%$
Current ratio The indicator measures company's ability to pay short-term obligations that matures within one year	$\text{Current ratio} = \frac{\text{Current assets}}{\text{Short-term payables}}$
Return on capital employed (ROCE) The indicator measures the effective use of available capital by the company	$\text{Return on capital employed} = \frac{\text{EBIT}}{\text{Capital employed}}$
Dividend payout ratio The indicator reflects total amount of dividends paid out to shareholders relative to the net income of the company	$\text{Dividend payout ratio} = \frac{\text{Dividends paid}}{\text{Profit for the reporting year}}$

COMPANY'S OWN SHARES

In 2025, changes in the Company's shareholder structure continued:

- On 8 July, LLC "Energy Investments" acquired 18,26% of the Company's shares held by Uniper Ruhrgas International GmbH;
- On 8 July, Port Investment Company SARL acquired 5% of the Company's shares held by LLC "Energy Investments";
- On 24 July, LLC "ENERGO MANAGEMENT" acquired 6,15% of the Company's shares held by Lithuanian LLC "HAUPAS" and 5% held by Port Investment Company SARL;
- On 24 July, LLC "Energy Investments" acquired 11,15% of the Company's shares held by LLC "ENERGO MANAGEMENT";
- On 8 August, LLC "Energy Investments" acquired 28,97% of the Company's shares held by JSC "Rietumu Banka", becoming a shareholder with an 81,25% interest in the Company's share capital.

Work is ongoing on the development of solutions for the buyout of shares from the remaining strategic shareholder – LLC "Itera Latvia", in order for the locally controlled Company to become a significant player in the Baltic energy market.



NATURAL GAS SUPPLIES

The Company purchased natural gas not originating from Russia from other alternative natural gas suppliers (bilateral contracts with natural gas suppliers from EU Member States, LNG supplies, and the natural gas exchange European Energy Exchange (EEX)).

Since 1999, the Company has had a long-term natural gas supply agreement with PJSC Gazprom (hereinafter – Contract) on “take or pay” terms, which stipulates a minimum volume of natural gas to be purchased during the relevant period. In 2022, the Contract was suspended following an agreement between the parties, including a mutual waiver of claims against each other regarding the non-performance of the terms of that Contract. On 15 April 2025, the Company sent a letter to PJSC Gazprom requesting that the obligations arising from the Contract be transferred to a third party. On 30 April 2025, a letter was received from PJSC Gazprom in which it agreed to the transfer of the Company's obligations under the Contract to a third party.

INFORMATION ON RISKS

The Company is exposed to **credit risk**, i.e., the risk that material losses will arise if a party to a transaction is unable to fulfil its contractual obligations to the Company. Credit risk arises from cash and cash equivalents, as well as from credit risk in customer relationships, including outstanding accounts receivable. To mitigate credit risk, an individual credit risk management policy is applied to customers, encompassing measures such as credit limit assessment, detailed

monitoring of financial indicators, and ongoing monitoring and oversight of debtor payments to prevent the accumulation of debt. The Company has adopted a financial asset management policy for the management of credit risk associated with cash and cash equivalents. In accordance with internal guidelines, all credit institutions with which the Company cooperates are assessed annually, taking their financial and non-financial indicators into account. Based on this assessment, limits on current accounts at a single institution are established and regularly monitored.

Liquidity risk relates to the Company's ability to meet its obligations within the specified terms. The Company's liquidity risk is primarily related to the seasonal nature of the natural gas business. To ensure security of supply during the winter months, the Company pumps significant volumes of natural gas into the IUGS during the injection season, which begins in early summer. While the Company must ensure the availability of funds to finance the injection of natural gas into storage during the summer months, customers primarily consume and pay for natural gas during the winter. The Company uses cash flow planning tools to manage liquidity risk. The Company prepares annual, quarterly, and monthly cash flow statements to determine its operating cash flow requirements. The Company operates without borrowed capital, and its short-term liquidity is good.

Market risk is the risk that changes in market factors, such as foreign exchange rates, interest rates, and commodity prices, will affect the Company's earnings. As of 31 December 2025, the Company has no cash balances in foreign currencies, and the Company has no other assets or liabilities denominated in foreign currencies. In its operations, the Company faces market risk arising from fluctuations in natural gas prices, timing differences between sales and purchases, and differences in pricing models for purchases and sales. The Company prioritises internal market risk mitigation ("natural hedge") by reviewing the terms of supply contracts and managing its trading portfolio.

Compliance risk is the risk that the Company may incur losses, face legal liabilities, be subject to sanctions, or suffer reputational damage because the Company fails to comply with or violates compliance laws, regulations, and standards. The Company closely monitors changes in the laws and regulations, as well as the functioning of its internal control processes, to ensure compliance with current laws and regulations and to prepare in a timely manner for any necessary operational changes in the future. The following approaches are used for compliance risk management:

- regular monitoring of the laws and regulations, as well as any changes or amendments thereto, by implementing the relevant requirements in the Company's operations and updating the corresponding internal regulations,
- harmonisation of cooperation contracts and regular monitoring of their implementation,
- timely preparation and submission of reports and statements, and the processing and fulfilment of requests from supervisory authorities and other external institutions,
- updating the Company's internal regulations and assessing the compliance of actual operations with these regulations, monitoring the implementation of the Board's decisions and orders, as well as addressing deficiencies identified during internal and external audits,
- implementation of a whistleblowing system within the Company – reporting of violations that go beyond personal interests and affect the Company, its employees, or the general interests of the Company,
- timely identification and prevention of conflicts of interest,
- tax risk management.

Other risks related to changes in the regulatory framework – On 10 August 2022, Cabinet Regulation No. 503 "On the Supply of Energy Users During the Declaration of Early Warning and Alarm Level" (hereinafter – Regulations) entered into force, which stipulated that from 10.08.2022 to 30.09.2022, the public trader (the Company) must maintain natural gas reserves of 1,150 TWh in

the IUGS, intended for the supply of gas to household consumers during the period from 01.10.2022 to 30.04.2023. In accordance with Paragraph 2.1 of the Regulations, the total volume of reserved natural gas quantity is calculated as an average, taking into account the consumption volumes of household consumers over the previous three years during the period from 1 October to 30 April. These reserved natural gas stocks could be used by the public trader solely for the supply of natural gas to household consumers. The Company, acting as the Public Trader and fulfilling this obligation set forth in the Regulations, purchased natural gas, which was reserved for household gas supply needs during the 2022/2023 heating season at IUGS. The Company paid for the natural gas reserves set aside for IUGS at the most favourable time – December 2022 – purchasing them at a price of 119,51 EUR/MWh. It should be noted that the TTF forward prices for natural gas were in the range of 123-146 EUR/MWh. Competent authorities overseeing the sector were provided with data on both the last three years' historical actual natural gas supply volumes to household consumers for the period October-December, as well as a natural gas sales forecast for 2023, reflecting a 20% reduction in the volume required to supply household consumers. However, despite the information provided, in accordance with the wording of the Regulations, a volume of natural gas was blocked that exceeded the forecast for household consumers for the period from 1 October 2022 to 30 April 2023. As a result of the implementation of these Regulations, following the revaluation of natural gas reserves, the Company incurred losses amounting to EUR 16,86 million. Similarly, on 14 July 2022, the Saeima (Parliament of the Republic of Latvia) adopted the law "Amendments to the Energy Law", which provided for the removal of the Public Trader institution from the Energy Law as of 1 May 2023. As a Public Trader, the Company was obligated to sell natural gas at a regulated tariff from 1 January 2023, when the tariff was approved, until 30 April 2023. In accordance with the tariff-setting methodology, losses incurred by the Public Trader are compensated by including the price difference in the next tariff period. The next tariff period did not commence due to amendments to the aforementioned law, and no transition from the regulated sector to market conditions was established that would compensate the Company for the losses incurred in the regulated market. Accordingly, under the legal provisions in force until 30 April 2023, the Company was entitled to receive compensation for its losses, but such compensation has not been paid to the Company. The Company's losses resulting from the difference between the applicable and actual prices of natural gas during this period (January-April 2023) amount to EUR 5,02 million. In connection with the negotiation process initiated in 2022 with the relevant energy sector authorities regarding compensation for losses amounting to EUR 21,88 million, the Company is evaluating further options for the protection of its legitimate interests.

The subsidiary is exposed to **credit risk**. Credit risk primarily arises from transactions with customers and the resulting trade receivables. Various receivables repayment mechanisms are incorporated into transactions as collateral to minimize the risk of non-payment. In addition, in accordance with guidelines approved by the Board, mandatory customer due diligence is performed prior to entering into transactions, requiring the submission of necessary information in a prescribed application form. To mitigate **liquidity risk**, similar transaction terms are established for both transactions with the Company and with customers, which may be revised by mutual agreement of the parties. **Market risk** is not significant for the subsidiary, but **compliance risk** is actively managed in line with the same principles applied by the Company.

FUTURE PERSPECTIVE

The Company plans to continue selling natural gas to households and commercial customers, investing in the modernisation and digitisation of customer service processes, as well as in the development of new products and services. Similarly, to increase the efficiency of settlement processes, the Company continues to implement new functionalities in its settlement system and customer portal.

Sustainability, development, and efficiency are the foundation of the Company's operations, ensuring competitiveness in a dynamic market. In light of the EU's climate neutrality goals for 2050, the Company is focusing on reducing GHG emissions by developing renewable energy projects and promoting the use of natural gas as an alternative to more emission-intensive fuels.

In 2025, the Sustainability Strategy for 2025–2030 was approved, setting out the main directions in management, social responsibility, and environmental matters. Its goals include improving employee well-being, promoting gender balance in leadership, ensuring equal pay, achieving high customer satisfaction, as well as reducing CO₂ emissions by 40% compared to 2023 levels and reducing the carbon footprint, including through afforestation.

The Company will continue to develop and improve its integrated management system, ensuring a coordinated approach to quality, environmental, and energy efficiency management. Within the framework of the quality management system, in accordance with the ISO 9001:2015 standard, customer journey management will be strengthened at all stages – from service delivery to billing and legal compliance, while continuing to improve process efficiency, risk management, and compliance with regulatory requirements.

At the same time, the Company will continue to maintain and improve its energy management and environmental management systems in accordance with the ISO 50001:2018 and ISO 14001:2015 standards, focusing on optimising energy consumption and reducing the environmental impact. The Company plans to continue implementing energy efficiency measures that will promote reduced energy consumption, cost optimisation, and the development of sustainable operations.

It is expected that the further development of an integrated management approach will contribute to improved service quality, increased customer satisfaction, as well as the Company's operational efficiency and long-term competitiveness.

Within the framework of ISO 50001:2018 and ISO 14001:2015, the Company has implemented specific energy efficiency measures. In 2025, total energy consumption decreased by 8,6%, while the implemented projects yielded annual savings of 39 MWh, exceeding that which was planned. Both electricity consumption in the office building and fuel consumption in the vehicle fleet have been reduced.

The use of renewable energy sources is a key focus – solar panels provide an average of 25% of the office's electricity consumption. At the same time, the Company is implementing long-term environmental initiatives, including CO₂ emissions tracking and offsetting (e.g., afforestation) and improving its sustainability performance in international assessments, achieving the EcoVadis Gold Level in 2025.

Sustainability initiatives are integrated into the Company's KPIs and future plans, with a focus on further reducing energy consumption, digitisation, developing the use of biomethane, and maintaining certified management systems. The Company continues to work towards improving efficiency and achieving its sustainable development goals.

EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred after 31 December 2025 that would affect the Group's financial position or financial results as of the balance sheet date.

On behalf of the Board:

Aigars Kalvītis
Chairman of the Board

Egīls Lapsalis
Member of the Board

Kārlis Lapiņš
Member of the Board

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CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS OF THE GROUP

Prepared in accordance with the requirements of the Law on Annual Statements and Consolidated Annual Statements, with the exception of the application of IFRS 9 “Financial Instruments”, as adopted by the European Union, to the accounting for trade receivables.

CONSOLIDATED AND SEPARATE PROFIT OR LOSS STATEMENT

	Note	Group 2025	Group 2024	Company 2025	Company 2024*
		EUR'000	EUR'000	EUR'000	EUR'000
Net turnover:	3	70 722	91 068	70 722	91 068
c) from other types of operating activity		70 722	91 068	70 722	91 068
Changes in inventories of finished goods and work-in-progress	4	(63 457)	(70 890)	(63 457)	(70 890)
Other operating revenues	5	3 219	2 304	3 223	2 304
Costs of materials:	6	(48)	(59)	(48)	(59)
a) costs of raw materials and consumables		(48)	(59)	(48)	(59)
Personnel expenses:	7	(4 761)	(5 907)	(4 761)	(5 907)
a) remuneration for work		(3 614)	(4 302)	(3 614)	(4 302)
b) pensions from funds of the undertaking		(209)	(173)	(209)	(173)
c) mandatory State social insurance contributions		(776)	(1 006)	(776)	(1 006)
d) other social security costs		(162)	(426)	(162)	(426)
Impairment adjustments:	8	(1 214)	(1 188)	(1 214)	(1 188)
a) impairment adjustments to property, plant, and equipment, and intangible assets		(1 214)	(1 188)	(1 214)	(1 188)
Other operating expenses	9	(4 025)	(5 079)	(4 024)	(5 079)
Other interest receivable and similar revenues:		2 320	3 088	2 083	3 088
a) from affiliated undertakings		588	-	351	-
b) from other persons		1 732	3 088	1 732	3 088

CONSOLIDATED AND SEPARATE PROFIT OR LOSS STATEMENT (CONTINUED)

Note	Group 2025	Group 2024	Company 2025	Company 2024*
	EUR'000	EUR'000	EUR'000	EUR'000
Interest payable and similar expenses:	-	(22)	-	(22)
b) for other persons	-	(22)	-	(22)
Profit or loss before corporate income tax	2 756	13 315	2 524	13 315
Corporate income tax for the reporting year	(2 262)	(71)	(2 262)	(71)
Profit for the reporting year	494	13 244	262	13 244

*Detailed reconciliation of the differences as at 31 December 2024 due to the change in accounting policy described under the "Basis for the Preparation of the Financial Statements".

Aigars Kalvītis
Chairman of the
Board

Egīls Lapsalis
Member of the
Board

Kārlis Lapiņš
Member of the
Board

Laima Dudiča
Chief Accountant
Head of the Accounting
and Reporting
Department

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CONSOLIDATED AND SEPARATE BALANCE SHEETS

	Note	Group 31.12.2025	Group 31.12.2024	Company 31.12.2025	Company 31.12.2024*
		EUR'000	EUR'000	EUR'000	EUR'000
ASSETS					
Non-current assets					
I. Intangible investments					
Concessions, patents, licences, trademarks, and similar rights	10	2 544	3 341	2 544	3 341
I. Total intangible investments	10	2 544	3 341	2 544	3 341
II. Property, plant, and equipment, investment properties, and biological assets					
Immovable properties:					
a) plots of land, buildings, and engineering structures		1 488	1 553	1 488	1 553
Other property, plant, and equipment and inventory		345	539	345	539
Costs of construction of property, plant, and equipment, and unfinished building objects		42	50	42	50
II. Total property, plant, and equipment, investment properties, and biological assets	11	1 875	2 142	1 875	2 142
III. Long-term financial investments					
Participating interests in affiliated undertakings	12	-	-	17 000	-
Loans to affiliated undertakings	12	55 254	-	38 523	-
Own stocks and shares		-	19	-	19
III. Total long-term financial investments		55 254	19	55 523	19
Total non-current assets:		59 673	5 502	59 942	5 502
Current assets					
I. Inventories:					
Finished products and goods for sale	13	67 457	30 714	67 457	30 714
Advance payments for inventories		4	3 828	4	3 828
I. Total inventories		67 461	34 542	67 461	34 542
II. Receivables:					
Trade receivables	14	14 433	16 969	14 433	16 969
Other receivables	15	4 650	3 166	4 651	3 166
Deferred expenses		223	223	223	223
Accrued revenues		456	343	63	343
II. Total receivables		19 762	20 701	19 370	20 701
III. Cash		20 262	114 470	20 153	114 470
Total current assets:		107 485	169 713	106 984	169 713
TOTAL ASSETS		167 158	175 215	166 926	175 215

CONSOLIDATED AND SEPARATE BALANCE SHEETS (CONTINUED)

	Note	Group 31.12.2025 EUR'000	Group 31.12.2024 EUR'000	Company 31.12.2025 EUR'000	Company 31.12.2024* EUR'000
LIABILITIES					
Equity					
Share capital	16	55 860	55 860	55 860	55 860
Share premium account		20 376	20 376	20 376	20 376
Retained earnings for previous years		50 182	48 926	50 182	48 926
Profit or loss for the reporting year		494	13 244	262	13 244
Total equity:		126 912	138 406	126 680	138 406
Payables					
Short-term payables					
Advance payments received from purchasers		3 822	4 414	3 822	4 414
Trade payables	17	5 447	5 476	5 447	5 476
Taxes and mandatory State social insurance contributions	18	4 386	2 190	4 386	2 190
Other payables	19	185	208	185	208
Dividends unpaid		25 341	23 212	25 341	23 212
Accrued liabilities		1 065	1 309	1 065	1 309
Total short-term payables		40 246	36 809	40 246	36 809
TOTAL LIABILITIES		167 158	175 215	166 926	175 215

*Detailed reconciliation of the differences as at 31 December 2024 due to the change in accounting policy described under the "Basis for the Preparation of the Financial Statements".

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Kārlis Lapiņš
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Laima Dudiča
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Head of the
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GROUP STATEMENT OF CHANGES IN EQUITY

	2025	2024
	EUR'000	EUR'000
I. Stock or share capital (equity capital)		
Amount reported in the balance sheet of the previous year	55 860	55 860
The amount reported in the balance sheet of the reporting year as at the end of the period	55 860	55 860
II. Share premium account		
Amount reported in the balance sheet of the previous year	20 376	20 376
The amount reported in the balance sheet of the reporting year as at the end of the period	20 376	20 376
V. Reserves		
Amount reported in the balance sheet of the previous year	-	(67)
Increase/reduction in the balance of the reserves	-	67
The amount reported in the balance sheet of the reporting year as at the end of the period	-	-
VI. Retained earnings		
Amount reported in the balance sheet of the previous year	62 170	48 926
Increase/reduction in retained earnings	(11 494)	13 244
The amount reported in the balance sheet of the reporting year as at the end of the period	50 676	62 170
VII. Equity		
Amount reported in the balance sheet of the previous year	138 406	125 114
Adjustment of the amount reported in the balance sheet of the previous year	(11 494)	13 292
The amount reported in the balance sheet of the reporting year as at the end of the period	126 912	138 406

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COMPANY STATEMENT OF CHANGES IN EQUITY

	2025	2024*
	EUR'000	EUR'000
I. Stock or share capital (equity capital)		
Amount reported in the balance sheet of the previous year	55 860	55 860
The amount reported in the balance sheet of the reporting year as at the end of the period	55 860	55 860
II. Share premium account		
Amount reported in the balance sheet of the previous year	20 376	20 376
The amount reported in the balance sheet of the reporting year as at the end of the period	20 376	20 376
V. Reserves		
Amount reported in the balance sheet of the previous year	-	(67)
Increase/reduction in the balance of the reserves	-	67
The amount reported in the balance sheet of the reporting year as at the end of the period	-	-
VI. Retained earnings		
Amount reported in the balance sheet of the previous year	62 170	48 926
Increase/reduction in retained earnings	(11 726)	13 244
The amount reported in the balance sheet of the reporting year as at the end of the period	50 444	62 170
VII. Equity		
Amount reported in the balance sheet of the previous year	138 406	125 114*
Adjustment of the amount reported in the balance sheet of the previous year	(11 726)	13 292
The amount reported in the balance sheet of the reporting year as at the end of the period	126 680	138 406

*The Company's statement of changes in equity for 2025 has been prepared in accordance with the Law on Annual Statements and Consolidated Annual Statements. Consequently, changes have been made to the format of the statement, and own shares amounting to EUR 19 thousand have been excluded from the statement. Accordingly, this amount has been included in the balance sheet under long-term financial investments as "Own stocks and shares" and removed from equity (as previously required under IFRS). Detailed reconciliation of the differences as at 31 December 2024 due to the change in accounting policy described under the "Basis for the Preparation of the Financial Statements".

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CONSOLIDATED AND SEPARATE CASH FLOW STATEMENT

	Note	Group 2025	Group 2024	Company 2025	Company 2024*
		EUR'000	EUR'000	EUR'000	EUR'000
Operating cash flow					
Profits or losses before corporate income tax		2 756	13 315	2 524	13 315
<i>Adjustments:</i>					
- impairment adjustments of property, plant, and equipment	11	257	278	257	278
- impairment adjustments of intangible investments	10	957	910	957	910
- formation of provisions (except for provisions for doubtful debts)		(18)	-	(18)	-
- profits or losses from fluctuations of foreign currency rates		66	1	66	1
- other interest revenues and similar revenues		(2 320)	(3 088)	(2 083)	(3 088)
- interest payments and similar costs		-	22	-	22
- other non-cash adjustments		(353)	3	(2)	3
Profits/(losses) before adjustments of the impact of changes in the balances of current assets and short-term creditors		1 345	11 441	1 701	11 441
<i>Adjustments:</i>					
- increase or reduction in the balances of receivables		831	2 830	777	2 830
- increase or reduction in the balances of inventories		(32 919)	20 404	(32 919)	20 404
- increase or reduction in the balances of debts to be paid to suppliers, contractors, and other payables		(313)	(1 112)	(313)	(1 112)
Gross operating cash flow					
- expenditures for interest payments		-	(22)	-	(22)
- expenditures for corporate income tax payments		(49)	(78)	(49)	(78)
Net operating cash flow		(31 105)	33 463	(30 803)	33 463
Investing cash flow					
Acquisition of the stocks or shares of affiliated undertakings, associated undertakings, or other undertakings		-	-	(17 000)	-
Acquisition of property, plant, and equipment, and intangible investments		(216)	(367)	(216)	(367)
Loans issued		(55 254)	-	(38 523)	-
Interest received		2 208	3 046	2 066	3 046
Net investing cash flow		(53 262)	2 679	(53 673)	2 679

CONSOLIDATED AND SEPARATE CASH FLOW STATEMENT (CONTINUED)

	Note	Group 2025	Group 2024	Company 2025	Company 2024*
		EUR'000	EUR'000	EUR'000	EUR'000
Financing cash flow					
Disbursed dividends		(9 841)	-	(9 841)	-
Net financing cash flow		(9 841)	-	(9 841)	-
Net cash flow of the reporting year		(94 208)	36 142	(94 317)	36 142
Balance of cash and its equivalents at the beginning of the reporting year		114 470	78 328	114 470	78 328
Balance of cash and its equivalents at the end of the reporting year		20 262	114 470	20 153	114 470

*Detailed reconciliation of the differences as at 31 December 2024 due to the change in accounting policy described under the "Basis for the Preparation of the Financial Statements".

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1. General information

The joint-stock company “Latvijas Gāze” (hereinafter – the Company or Parent Company of the Group) provides services related to the purchase, trade and sale of natural gas in Latvia, Lithuania, Estonia, Luxembourg, Norway, the Netherlands and Finland. These services include the wholesale and sale of natural gas to industrial and commercial customers as well as to households.

“Latvijas Gāze” Group comprises the joint-stock company “Latvijas Gāze” and its subsidiary LLC “LG Capital” (hereinafter – Group).

The parent company of the joint-stock company “Latvijas Gāze” is LLC “Energy Investments”, registered in Latvia, reg. no. 40203503839, registered address Aristida Briāna 6, Riga, LV-1001. LLC “Energy Investments” shall prepare consolidated financial statements by including “Latvijas Gāze” as its subsidiary. Copies of the consolidated financial statements, when available, may be obtained from the Register of Enterprises of the Republic of Latvia.

On 18 August 2025, the Company’s Supervisory Board approved the proposal of the Company’s Board regarding the establishment of the subsidiary LLC “LG Capital” (hereinafter – Subsidiary) with a share capital of EUR 17 000 000, consisting of 17 000 000 shares with a par value of EUR 1 per share. The Subsidiary was registered in the Register of Enterprises of the Republic of Latvia on 25 August 2025. During the reporting year, the Subsidiary conducted its operations in accordance with the statistical classification system for economic activities in the European Community (NACE) code 64.99: Other financial service activities, except insurance and pension funding, n.e.c.

2. Basis of preparation of consolidated and separate financial statements

The consolidated and separate financial statements of the Group and the Company for the year 2025 have been prepared in accordance with the Accounting Law of the Republic of Latvia, the Law on Annual Statements and Consolidated Annual Statements (hereinafter – LASCAS), with the exception of the application of IFRS 9 Financial Instruments as adopted by the European Union for the accounting of trade receivables, and Cabinet of Ministers Regulation No. 775 of 22 December 2015, “Regulations on the Application of the Law on Annual Statements and Consolidated Annual Statements”.

The consolidated and separate financial statements have been prepared in accordance with the historical cost convention. The monetary unit used in the consolidated and separate financial statements is the Euro (EUR), the currency of the Republic of Latvia.

These consolidated and separate financial statements of the Group and the Company are presented in thousands of euros (EUR'000), unless otherwise stated.

The Group and the parent company have elected to classify expenses in the income statement by nature of expense. The cash flow statements have been prepared using the indirect method.

The consolidated and separate financial statements of the Group and the Company are authorised for issue by the Board of Directors of the Group’s parent company on 18 June 2026. In accordance with the requirements of the Commercial Law, the Company announces the Annual General Meeting upon the receipt of the auditor’s report and the Supervisory Board’s report, and at the same time, sends the Annual Statement to the Company’s shareholders.

Accounting principles applied

Items in the Group's consolidated and the Company's separate financial statements have been valued in accordance with the following accounting principles:

- a) it has been assumed that the Group and the Group's parent company will continue operation,
- b) the same valuation methods were used as in the previous year – accordingly, the 2024 figures in the financial statements are valued in line with the changes applied in 2025,
- c) items are valued with due care:
 - the statement only includes profits up to the balance sheet date,
 - all foreseeable risks and losses arising in the current or previous reporting periods are recognised, even if they become known between the balance sheet date and the date on which the annual report is authorised for issue,
 - all depreciation, amortisation, and impairment charges are recognised, irrespective of whether the reporting year results in a profit or a loss,
- d) income and expenses relating to the reporting year are recognised irrespective of the date of payment or the date on which the related invoice is received or issued. Expenses are aligned with revenues during the reporting period,
- e) the components of asset and liability items are valued separately,
- f) the opening balance of the current year is the same as the closing balance of the previous year,
- g) all items that are material to the assessment or decision-making of users of the annual report are presented separately, while immaterial items are aggregated and disclosed in the notes to the financial statements,
- h) economic transactions are presented in the annual report based on their economic substance, not just their legal form.

Reporting period

The Group's consolidated and the Company's separate financial statements cover the period from 01.01.2025 to 31.12.2025. Due to the establishment of the Subsidiary in the current year, its first financial reporting period is from the date of establishment, 25.08.2025, to 31.12.2026. The consolidation includes the Subsidiary's transactions and financial information for the period from 25.08.2025 to 31.12.2025.

Consolidation guidelines

The Group's consolidated financial statements incorporate the financial statements of the parent company and its subsidiary by combining the corresponding items of assets, liabilities, income, and expenses. The value of transactions between undertakings included in a consolidation shall be determined according to the market value of the transactions. All intercompany balances and unrealised gains and losses arising from transactions between consolidated entities are eliminated upon consolidation. Accordingly, the consolidated financial statements present "Latvijas Gāze" Group as a single economic entity.

"Latvijas Gāze" prepares the consolidated financial statements of the Group if control over other companies is obtained, directly or indirectly. Control is deemed to exist if the parent company owns more than 50 per cent of the shares or equity interests of the subsidiary. A subsidiary is included in the consolidated financial statements from the date that control is effectively obtained. Consolidation shall cease on the date on which control effectively ceases.

Change in accounting policy

As JSC “Latvijas Gāze” remained a participant in a regulated market during 2024, despite the decision of the shareholders’ meeting on 19 June 2024 to delist the Company’s shares from the Baltic Second List of Nasdaq Riga, its annual reports were prepared in accordance with the IFRS Accounting Standards as adopted by the European Union (hereinafter – IFRS). Such reporting was required under the Financial Instruments Market Law for companies participating in a regulated market. As JSC “Latvijas Gāze” is no longer subject to the Financial Instruments Market Law, it is no longer required to prepare its annual report in accordance with IFRS Accounting Standards as adopted by the European Union.

Given the fact that “Latvijas Gāze” Group prepares its consolidated financial statements in accordance with the LASCAS, that it is the Group’s policy to apply the requirements of that Law across all Group companies, and that the change reduces the administrative burden while ensuring the compliance of annual report items with the State Revenue Service Electronic Declaration System (EDS) without the need for additional adjustments or interpretation, a decision was made to transition to accounting in accordance with the laws and regulations of the Republic of Latvia, and to prepare annual reports in accordance with the LASCAS.

Accordingly, the parent company’s accounting policies were changed in 2025. In the previous reporting year, the 2024 annual report had been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union (hereinafter – IFRS Accounting Standards). To ensure the consistency and comparability of financial information, the comparative figures for 2024 have been restated and reclassified in accordance with the accounting policies applied in the 2025 financial statements. The adjustments made to prior years’ figures are explained in the Reclassification table.

With respect to trade and other receivables, including allowances for doubtful debts, for which an allowance of EUR 6,98 million had been recognised as at 31 December 2024, it was decided to continue applying the requirements of IFRS Accounting Standard 9, Financial Instruments. The existing level of accounting detail enables the more accurate recording and monitoring of each debtor’s principal outstanding balance, ancillary claims, allowance amounts, and the dates on which allowances are recognised and written off.

Explanation of changes in accounting policies and reclassifications

Reclassification	LASCAS 31.12.2024	IFRS 31.12.2024	Difference
	EUR'000	EUR'000	EUR'000
Profit or loss statement			
Personnel expenses* (difference included in Balance sheet – Retained earnings of previous years)	(5 907)	(5 916)	(9)
Financial expenses**	-	(23)	(23)
Interest payments** (Difference on the Balance Sheet – Estimated % of leases)	(22)	-	22
Balance			
Changes in the item “Right to use assets”			
Right to use assets	-	381	381
Right to use assets – accumulated depreciation on land, buildings, structures, and premises	-	(67)	(67)
Lease liabilities – long-term	-	(251)	(251)
Lease liabilities – short-term	-	(64)	(64)
Estimated % of leases**	(1)		1
Total changes in the item “Right to use assets”	(1)	(1)	-

Explanation of changes in accounting policies and reclassifications (continued)

Reclassification	LASCAS 31.12.2024	IFRS 31.12.2024	Difference
	EUR'000	EUR'000	EUR'000
Changes in “Retained earnings”			
Retained earnings	-	(62 152)	(62 152)
Retained earnings for previous years	(48 926)	-	48 926
Profit or loss for the reporting year	(13 244)	-	13 244
Reserves***	-	62	62
Provisions for post-employment benefit obligations***	-	(80)	(80)
Total changes in “Retained earnings”	(62 170)	(62 170)	-
Change of item names			
Other financial assets at amortised cost	-	3 089	3 089
Other current assets	-	643	643
Other receivables	3 166	-	(3 166)
Deferred expenses	223	-	(223)
Accrued revenues	343	-	(343)
Total changes in item names	3 732	3 732	-
The LASCAS does not provide for the reassessment of post-employment benefits ***			
Provisions for post-employment benefits Actuarial gains/losses	-	(51)	(51)
Provisions for other collective agreement expenditure Actuarial gains/losses	-	13	13
Provisions for post-employment benefit obligations Actuarial gains/losses of the SSA	-	(23)	(23)
Provisions for other collective agreement expenditure SSA actuarial gains/losses	-	(1)	(1)
Provisions for post-employment benefit obligations	-	60	60
Provisions for other collective agreement expenditure	-	6	6
Provisions for post-employment benefit obligations (SSA)	-	13	13
Provisions for other collective agreement expenditure	-	1	1
Provisions for other collective agreement expenditure SI – provisions for other collective agreement expenditure	(8)	-	8
	(1)	-	1
Retained earnings for previous years*	(9)	-	9
Total for the reassessment of post-employment benefits ***	(18)	18	-
Balance sheet/Statement of changes in equity			
Own stocks and shares (Assets)	19	-	19
Own shares (Liability)	-	(19)	(19)
Total – own stocks (or shares)	19	(19)	-

Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses, as well as the disclosure of contingent liabilities in the consolidated and separate financial statements. Future events may affect the assumptions on which the estimates are based. Any effects of changes in estimates are recognised in the financial statements when they are made.

Contingent liabilities and assets

Contingent liabilities are not recognised in these consolidated and separate financial statements. They are only recognised as liabilities when it becomes probable that an outflow of resources will be required. Contingent assets are not recognised in these financial statements and are only disclosed when it becomes probable that the economic benefits associated with the underlying transaction will flow to the Group or the Company.

Long-term and short-term items

Long-term items include amounts due for collection, payment, or amortisation more than one year after the end of the reporting year. Amounts receivable, payable, or to be written off during the year are shown under short-term items.

Monetary unit and foreign currency revaluation

The functional currency of the Group and the Company and the currency used in the financial statements, is the Euro, the monetary unit of the Republic of Latvia. All transactions denominated in foreign currencies are translated into euros using the official exchange rate of the relevant foreign currency against the Euro published by the European Central Bank and effective at the beginning of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into euros using the applicable foreign exchange rates prevailing at the end of the reporting year.

Exchange gains and losses arising from the settlement of foreign currency transactions and from the translation of assets and liabilities at exchange rates different from those used on initial recognition are recognised on a net basis in the statement of profit or loss.

Related party transactions

Related parties include the major shareholders of JSC “Latvijas Gāze” with significant influence, members of the Supervisory Board, members of the Management Boards of JSC “Latvijas Gāze” and LLC “LG Capital”, their close family members, and entities over which those persons exercise control or significant influence.

The notes to the consolidated and separate financial statements disclose material transactions with related parties that have not been conducted on normal market terms. Such disclosures include the transaction amounts, the nature of the related-party relationship, and any other information necessary to understand the financial position of the Group and the Company. Information on individual related-party transactions may be aggregated by category of transaction, except where separate disclosure is necessary to assess the effect of related-party transactions on the financial position of the Group or the Company.

A subsidiary is an entity over which JSC “Latvijas Gāze” exercises control, generally through the ownership of more than 50% of the voting shares or equity interests. In the Company's separate financial statements, transactions between the Company and its subsidiary are measured at market value.

Transactions with minority shareholders are classified as external transactions.

Affiliated entities

An affiliated entity is an undertaking that is directly or indirectly controlled by another undertaking (the parent undertaking), which holds more than 50% of the voting rights of the shareholders or

members of that undertaking. The parent undertaking controls the subsidiary's financial and business policies. An entity only recognises income from an investment if it receives a distribution of the profits arising after the acquisition date from an affiliated entity. Distributions received in excess of these gains are treated as a cost of recovering the investment and are presented as a reduction of the cost of acquiring the investment in the equity of the affiliated entity.

Own shares and interests in other companies

The Company presents its own acquired shares or interests in the balance sheet under the item "Own stocks and shares", while investments in the share capital of other entities are presented, as appropriate, under the balance sheet items "Participating interests in affiliated undertakings", "Participating interests in associated undertakings " or "Other Securities and Investments".

Intangible investments

Intangible assets are identifiable non-monetary assets without physical substance that are not financial assets and that meet both of the following criteria:

1. they are separable from the Company and can be sold, transferred, licensed, leased or exchanged (individually or together with another liability or asset) or they arise from a contract or other right, whether transferable or severable from the Company or from other rights and obligations,
2. they are expected to be used for more than one year and to generate future economic benefits for the Group and the Company.

Intangible assets that meet the recognition criteria for assets and are expected to be used for a period exceeding one year for the purpose of generating economic benefits are recognised as non-current assets. Criteria for the recognition of intangible investments:

- it is probable that future economic benefits associated with the asset will flow to the entity,
- the cost of the asset can be measured reliably.

Only rights acquired for consideration are recognised as intangible assets, irrespective of their acquisition cost.

Intangible investments are carried at historical cost less accumulated amortisation and impairment. Amortisation is calculated on a straight-line basis by allocating the cost of the intangible asset over its estimated useful life.

Where the useful life of goodwill or a development cost asset cannot be estimated reliably, its initial cost is amortised on a systematic basis over a period not exceeding 10 years. Each such exception shall be explained in the notes to the financial statements, indicating the length of the period over which the original amount of the item is to be written down.

Intangible investments are not revalued.

The classification and useful lives of intangible investments are determined by decisions of the Management Boards of JSC "Latvijas Gāze" and LLC "LG Capital".

Property, plant, and equipment

All intangible investments and property, plant, and equipment are initially valued at acquisition cost.

Property, plant, and equipment are tangible movable or immovable assets that meet all the following classification criteria:

- they are held by the Group or the Company as the owner or lessee under a finance lease for the purpose of producing goods, providing services, hiring out or for administrative purposes (for the Company's management or other purposes, such as maintaining the operations of other property, plant, and equipment, meeting safety or environmental requirements that are essential to the Company's core business),
- they are expected to be used for more than one year and to generate future economic benefits for the Group or the Company,
- they are not purchased and not held for sale,
- they have a useful life longer than one normal operating cycle.

An asset is only recognised as a property, plant, and equipment, if:

- it is probable that future economic benefits associated with the asset will be received, or the asset can be used to provide energy services in the circumstances specified in the regulatory enactments governing the energy sector,
- the unit cost of the asset can be valued reliably,
- the unit monetary value of the asset exceeds a specified value criterion.

The value criterion for an item of property, plant, and equipment is EUR 250 or more, except for computing and electronic equipment. For computing and electronic devices, the purchase or creation value is EUR 150 or more. Where the acquisition or construction cost criterion is not met, a tangible asset may nevertheless be recognised as an item of property, plant, and equipment if it is considered necessary for the purposes of the Company's operations.

An asset is not classified as property, plant, and equipment if its estimated useful life is less than one year, even where its value meets or exceeds the specified capitalisation threshold.

Irrespective of the acquisition value, the following are not recognised as property, plant, and equipment:

- stationery, assuming such is used within the year,
- advertising boards, posters, and items designed for a specific event,
- fire-extinguishing equipment expensed when purchased.

An item of property, plant, and equipment may comprise an individual asset, a group of similar assets with a long-term useful life where their aggregate value is significant, or a separately identifiable component of an asset that has a different useful life and a significant value.

Property, plant, and equipment are initially recorded at cost (acquisition cost). The cost of an item of property, plant, and equipment comprises its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to operate as intended by management. Such costs include delivery costs, site preparation costs, installation and assembly costs, employee remuneration costs, borrowing costs, and other costs directly attributable to the acquisition or construction of the asset.

Useful life:

Buildings: 20–80 years

Other property, plant, and equipment: 2–10 years

The useful lives of assets are reviewed at the end of each reporting period and adjusted, where necessary. Where the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down to its recoverable amount.

Subsequent expenditure incurred in relation to an asset is only capitalised when it is probable that future economic benefits associated with the asset will flow to the Group or the Company and the expenditure can be measured reliably. Expenditure incurred on the renewal, reconstruction or

improvement of property, plant, and equipment is capitalised where it extends the asset's useful life or significantly enhances its condition and is added to the carrying amount of the asset. Costs incurred in maintaining or preserving the condition of property, plant, and equipment, as well as repair and maintenance costs, are recognised as an expense in the period in which they are incurred.

Where, as part of a reconstruction or renovation project, a significant component of an item of property, plant, and equipment that was not previously recognised as a separate asset is replaced, the carrying amount of the replaced component is derecognised and recognised as an expense in the statement of profit or loss when the cost of the replacement component is capitalised.

Property, plant, and equipment are stated net of accumulated depreciation and accumulated impairment losses. Depreciation of property, plant, and equipment is calculated on a straight-line basis. The asset is written down to its estimated residual value on a straight-line basis over the useful life of the asset. Depreciation commences in the month following the date on which the asset is available for its intended use.

Depreciation is not provided for land, works of art, advances, and construction in progress.

Classification and useful lives of property, plant, and equipment are approved by decisions of the Boards of JSC "Latvijas Gāze" and LLC "LG Capital".

An item of property, plant, and equipment is derecognised when it is no longer in use, is disposed of, dismantled or destroyed. Gains or losses arising from the derecognition of an item of property, plant and equipment are recognised in the period in which the derecognition occurs.

Construction in progress includes the cost of projects to create items of property, plant, and equipment. Construction-in-progress assets are assessed for impairment where construction or installation works have been suspended for more than 12 months, based on the management's assessment.

Advances paid for property, plant, and equipment, and advances paid for services relating to construction projects are presented in the balance sheet as part of non-current assets.

Inventories

Inventories included within current assets comprise natural gas and materials held for use in the ordinary course of business and in the provision of services, or for sale.

Inventories are carried at cost, based on the documents of purchase or receipt. The cost of inventories includes all costs directly attributable to the acquisition, such as the purchase price, transport and other costs directly associated with delivery, import duties, taxes, and charges other than value-added tax. The cost of inventories is reduced by discounts received.

Natural gas is valued using the first-in, first-out (FIFO) method of inventory accounting and valuation.

The cost of inventories is recognised in the statement of profit or loss in the period in which the inventories are consumed.

At the end of the reporting year, the carrying amount of inventories is adjusted to ensure that inventories are measured at the balance sheet date at the lower of cost and market value.

The amount of any write-down of inventories to net realisable value, together with all other inventory impairment adjustments, is recognised as an expense in the reporting period in which the reduction in value is identified.

Advances on inventories are shown separately in the balance sheet of the annual accounts.

Accounts receivable

Accounts receivable balances are recognised based on supporting documentation and are reconciled through the confirmation and comparison of balances at the balance sheet date. Receivables are measured in accordance with the principle of prudence.

Receivable balances are disclosed separately in the notes to the balance sheet, distinguishing between amounts recoverable within one year and amounts recoverable more than one year after the balance sheet date.

Trade receivables

Trade receivables are debts owed by legal and natural persons, which are mainly classified into the following groups:

- settlement of natural gas,
- settlement of natural gas transported for other countries,
- settlement of distribution system services,
- settlement for other services,
- doubtful (bad) debts,
- provision for doubtful debts,
- provisions for secure receivables.

Receivables are reconciled by means of reconciliation deeds.

Receivables are presented in the balance sheet at their net carrying amount, being the carrying amount of the receivables less any specific allowance for doubtful debts.

A provision for doubtful debts is recognised on a prudent basis in the amount of 100% of the receivable whenever, in the management's judgement, recovery of the receivable is considered doubtful. The cost of establishing the provision is included in the income statement for the year.

Receivables that are considered irrecoverable due to the liquidation or death of the debtor, or because the statutory limitation period has expired, are derecognised by writing them off against the allowance for doubtful debts. Where the provision is insufficient or has not been established, the amount is recognised as an expense.

For trade receivables that do not contain a significant financing component, the simplified approach permitted by IFRS 9 is applied, whereby the loss allowance is measured at an amount equal to lifetime expected credit losses from the date of initial recognition of the receivables. Receivables that are not individually assessed are classified into groups of receivables based on days past due and are collectively assessed for impairment.

Where the rights to a receivable are assigned to a third party, the difference between the carrying amount of the receivable and the consideration received for the assignment is recognised as an expense in the statement of profit or loss for the reporting period.

Other receivables

Other receivables include short-term receivables from natural or legal entities for other transactions (rents received, advance payments for services, advance payments for fixed assets and intangible investments, advance settlements, etc.). Receivables are carried at fair value.

Other long-term receivables include liabilities that expire at least 12 months after the balance sheet date, with interest received from affiliated entities and interest received from associates and other companies shown separately.

Advances for the acquisition of assets are recorded in the same balance sheet group in which the acquired asset will be recorded when the transaction is completed. Distinctions are made between advances for intangible investments, advances for the acquisition of property, plant, and equipment, and advances for financial investments. Other advances are classified together as part of short-term assets.

Deferred Expenses and Revenues

Payments made before the balance sheet date but relating to future years are shown under "Deferred expenses".

Payments received before the balance sheet date but relating to a future year or years are shown as deferred revenues.

Financial investments

Financial investments are classified as long-term or short-term financial investments in the balance sheet. Non-current assets mature more than 12 months after the end of the reporting year. Other investments are short-term investments.

Long-term financial investments are initially recognised at acquisition cost. Long-term financial investments are presented in the balance sheet at their carrying amount less any impairment allowance recognised as a result of exceptional circumstances. Investments are valued based on the latest available financial figures.

When a long-term financial investment is sold, the difference between its carrying amount and the value of the consideration received is recognised in the statement of profit or loss as a gain or loss on disposal of the investment.

Long-term financial investments are not subject to the revaluation method and are measured at fair value.

Financial investments that can be realised at any time and are intended to be realised within the next twelve months are classified as short-term financial investments.

Cash

Cash comprises balances held in current accounts with banks and short-term deposits with original maturities of up to 90 days that are readily convertible into cash and are subject to an insignificant risk of changes in value.

Equity

Equity includes share capital, share premium, other reserves as defined in the Articles of Association, and retained earnings.

Other reserves shall be established with the approval of the Supervisory Board, for specific purposes as required by law and the Articles of Association.

Retained earnings are accounted for by the prior year and the current year.

Accounts payable

Accounts payable represent existing obligations of JSC “Latvijas Gāze” and LLC “LG Capital” arising from past transactions or events, the settlement of which is expected to result in an outflow of resources, such as cash payments, the transfer of other assets, or the provision of services. Accounts payable comprise settlements of loans and payables, advances received, settlements with suppliers and contractors, settlements of wages and salaries, and settlements of taxes.

Accounts payable are classified as:

- short-term liabilities – due for settlement less than twelve months after the balance sheet date,
- long-term liabilities – due for settlement more than twelve months after the balance sheet date.

Accounts payable are recognised based on supporting documentation and are reconciled through the preparation and approval of balance confirmations.

Loans and borrowings

Loans and borrowings are initially recognised at their initial value, which is determined by adding directly attributable loan origination costs to the fair value of loans granted and deducting directly attributable transaction costs from the fair value of borrowings received.

Lease

Finance leases

A lease is classified as a finance lease if it substantially transfers to the lessee all the risks and rewards incidental to ownership and meets at least one of the following criteria:

- ownership of the leased asset will be transferred to the lessee by the end of the lease term,
- the lease term covers substantially most of the asset's useful life, even if ownership is not transferred,
- the leased assets are so specific that only the lessee is entitled to use them without significant modification.

A lease agreement containing a purchase option is also classified as a finance lease where the lessee is entitled to obtain ownership of the asset upon satisfying specified conditions.

Where a lease is classified as a finance lease, the leased asset is recognised within long-term assets under the relevant balance sheet item, and a corresponding liability is recognised in the same amount, split between long-term and short-term liabilities as appropriate.

Depreciable leased assets are depreciated using the same depreciation method as owned property, plant, and equipment.

Where the value of a leased asset has declined as at the balance sheet date, the asset is measured at the lower value, and any impairment loss is recognised in the statement of profit or loss in the reporting year in which the decline in value is identified.

Operating lease

A lease is classified as an operating lease if it does not transfer to the lessee all the risks and rewards of ownership.

Operating lease payments, together with insurance premiums relating to leased assets, maintenance costs, and other similar expenses incurred in connection with leased assets, are recognised as expenses in the reporting period in which they are incurred.

Where expenditure is incurred on leased assets, such as reconstruction, improvement or refurbishment works, the related costs are recognised under the balance sheet item “Leasehold Improvements” and depreciated over the term of the lease.

Provisions

In preparing the consolidated and separate financial statements, provisions for legal claims are recognised when JSC “Latvijas Gāze” or LLC “LG Capital” has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured at present value, based on the management’s best estimate of the cost of meeting the present obligation at the end of the reporting period. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Provisions are made by charging the estimated amounts to the income statement as an expense. Reductions in provisions and the reversal of specific provisions are recognised in the statement of profit or loss as income or as a reduction of the corresponding expense.

Accrued liabilities and revenues

Accrued liabilities are recognised in the balance sheet when the amount payable for goods or services received during the reporting period can be determined reliably, and the obligation exists at the reporting date, although the related invoice has not yet been issued or received.

The amount of the accrued liability is determined based on the contracts, estimates, and deeds of work. The calculated amount is recorded as an expense and an accrued liability.

The accrued liability for interest on borrowings is calculated in accordance with the contractual terms and repayment schedules.

The accrual for unused annual leave is measured by applying each employee’s average daily remuneration for the six months preceding the reporting date to the number of unused annual leave days outstanding at the end of the reporting year, together with the related mandatory social insurance contributions.

Accrued revenues are recognised for amounts that relate to the reporting year and can be determined reliably at the date of preparation of the consolidated and separate financial statements, but for which no invoice has yet been issued, and no payment has yet been received in accordance with the contractual terms. The amounts of accrued revenue are calculated based on the price, interest rate, and evidence of the actual delivery of goods or services as specified in the relevant contract.

Advance payments received from purchasers

An advance payment received from the purchaser is a payment made by the purchaser to the seller in accordance with the contract until the goods or services are received.

Other payables

The Group and the Company include within the balance sheet item “Other payables” those liabilities that cannot be presented under any other balance sheet item.

Dividends

Dividend receivables and liabilities are recognised when the rights of shareholders or members to receive dividends arise, that is, only when a resolution has been adopted by the shareholders' or members' meeting regarding the distribution of profit as dividends and the amount of the dividend has been determined and calculated.

Taxes and mandatory State social insurance contributions

The income tax expense for the year is calculated and included in the financial statements in accordance with the Corporate Income Tax Law.

Corporate income tax is calculated on distributed profits and notional distributed profits.

Corporate income tax on distributed profits is recognised in the tax period in which dividends are declared in accordance with the resolution of the Company's shareholders. Such tax, together with corporate income tax arising on deemed profit distributions, is recognised in accordance with the requirements of the Corporate Income Tax Law. Current corporate income tax for the reporting period has been calculated in accordance with the Corporate Income Tax Law. The taxable base is determined by grossing up the value of the taxable object using a coefficient of 0.8 and applying the statutory tax rate of 20%.

Excise duty is charged on natural gas supplied to end consumers and is calculated using fixed rates based on the quantity supplied and the end consumer's intended use of the natural gas.

Management has determined that, in respect of excise duty, the Company acts as an agent for the collection of excise duty on behalf of the State. As a result, the excise duty is deducted from net revenue (as with other sales taxes) rather than included in both revenue and cost of sales, as such disclosure would better reflect the substance of the transaction.

The following arguments support this conclusion of the Management:

- Although, due to the nature of the business, the activities of "production" and "sale" (supply to the end user) are not clearly distinguishable, the primary taxable event for excise duty purposes is the supply of natural gas to the end user. Accordingly, excise duty is payable immediately upon supply to the end consumer and, in substance, shares characteristics more commonly associated with a sales tax,
- Excise duty is clearly separated from the sales price and invoiced separately to commercial customers.

Other taxes are calculated and accounted for in accordance with tax laws and regulations and are presented as a liability in the balance sheet at the end of the reporting period.

The Company shall coordinate tax information with the tax administration. The Company presents only tax debts in the accounts payable, with any overpayments included in other receivables.

Operating revenue

Revenue is recognised on an accrual basis. Revenue is recognised when control of the natural gas has been transferred to the customer or when services have been provided, irrespective of the timing of cash receipts or payments. Revenue is only recognised in accordance with the principle of prudence where it is probable that the associated economic benefits will flow to the Group or the Company and the amount of the transaction can be measured reliably.

Revenue from the supply of natural gas is accounted for net of value-added tax, excise duty, and sales rebates. The volume of natural gas supplied to residential customers during the reporting

month is determined based on submitted meter readings or, where such readings are unavailable, estimated based on consumption in the previous reporting period.

Interest income is accrued on a time proportion basis using the effective interest rate. Interest income is discontinued if its receipt is doubtful.

Contractual penalties and late payment charges are only recognised in revenue on the date of receipt, on a prudent basis.

Dividend income is recognised in the accounting period in which the Company has the right to receive the dividend.

Other revenue

Other revenue represents income that is not classified as revenue from principal operations but arises from, is associated with, or directly results from the Group's and the Company's economic activities. Other revenue is recognised as follows:

- proceeds from fines and late-payment penalties – when received,
- proceeds from the disposal of property, plant, and equipment is recognised on a net basis. Gains or losses on disposal are determined as the difference between the carrying amount of the asset and the proceeds from its disposal and are recognised in the statement of profit or loss in the period in which they arise,
- proceeds from dividends – when the legal right to receive it arises,
- other revenue – as it arises.

Other interest receivable and similar revenues

Other interest receivable and similar revenues:

- interest receivable from credit institutions registered in the Republic of Latvia on current account balances – when received,
- interest revenues from credit institutions on deposits – accrued on a time-proportion basis using the effective interest rate.

Expenditure

Expenditure is to be recorded in accordance with the economic substance and nature of the cost. The period of recognition of expenditure in the income statement is reconciled to income.

All expected or probable expenses that become known by the date of preparation of the financial statements are recognised in the reporting period to which they relate, irrespective of the date on which the related invoice is received or payment is made. Donations made are recognised as expenses on the date of payment.

Costs are classified by type of expense in the income statement and detailed in the notes to the financial statements.

3. Net turnover

Net turnover is made up of one type of economic activity: 35.23 Pipeline trade services of gas – NACE Rev. 2.1 classification.

	Group 2025	Group 2024	Company 2025	Company 2024
	EUR'000	EUR'000	EUR'000	EUR'000
Latvia	57 378	69 158	57 378	69 158
Lithuania	11 662	20 619	11 662	20 619
Estonia	1 001	912	1 001	912
Luxembourg	487	-	487	-
Norway	179	-	179	-
The Netherlands	-	324	-	324
Others	15	55	15	55
	70 722	91 068	70 722	91 068

4. Changes in inventories of finished goods and work-in-progress

	Group 2025	Group 2024	Company 2025	Company 2024
	EUR'000	EUR'000	EUR'000	EUR'000
Purchase cost of natural gas sold	63 457	70 890	63 457	70 890
	63 457	70 890	63 457	70 890

5. Other operating revenues

	Group 2025	Group 2024	Company 2025	Company 2024
	EUR'000	EUR'000	EUR'000	EUR'000
Other revenue	1 546	1 372	1 550	1 372
Increase in provision for bad debtors, net	1 148	-	1 148	-
Fines	525	932	525	932
	3 219	2 304	3 223	2 304

6. Costs of materials

	Group 2025	Group 2024	Company 2025	Company 2024
	EUR'000	EUR'000	EUR'000	EUR'000
Cost of materials, spare parts, and fuel	48	59	48	59
	48	59	48	59

7. Personnel expenses

	Group 2025	Group 2024	Company 2025	Company 2024
	EUR'000	EUR'000	EUR'000	EUR'000
Remuneration for work	3 614	4 302	3 614	4 302
Pensions from funds of the undertaking	209	173	209	173
Mandatory State social insurance contributions	776	1 006	776	1 006
Other social security costs	162	426	162	426
	4 761	5 907	4 761	5 907

Average number of employees	Group 2025	Group 2024	Company 2025	Company 2024
Members of the Supervisory Board	5	10	5	10
Members of the Board	4	4	4	4
Other employees	89	101	89	101
TOTAL	98	115	98	115

Remuneration of the Supervisory Board	Group 2025	Group 2024	Company 2025	Company 2024
	EUR'000	EUR'000	EUR'000	EUR'000
Remuneration for work	180	365	180	365
Mandatory State social insurance contributions	14	15	14	15
	194	380	194	380

Remuneration of the Board	Group 2025	Group 2024	Company 2025	Company 2024
	EUR'000	EUR'000	EUR'000	EUR'000
Remuneration for work	497	517	497	517
Life, health, and pension insurance	53	52	53	52
Mandatory State social insurance contributions	71	190	71	190
Other personnel expenses	49	293	49	293
	670	1 052	670	1 052

8. Impairment adjustments to property, plant, and equipment, and intangible assets

	Group 2025	Group 2024	Company 2025	Company 2024
	EUR'000	EUR'000	EUR'000	EUR'000
Amortisation of intangible assets	957	910	957	910
Depreciation and impairment of property, plant, and equipment	257	278	257	278
	1 214	1 188	1 214	1 188

9. Other operating expenses

	Group 2025	Group 2024	Company 2025	Company 2024
	EUR'000	EUR'000	EUR'000	EUR'000
IT system maintenance, communication, and transport costs	1 017	1 044	1 017	1 044
Donations, financial support	927	62	927	62
Office and other administrative costs	826	956	825	956
Sales and advertising costs	756	937	756	937
Cost of premises and grounds (rent, electricity, security, and other services)	295	285	295	285
Taxes and fees	174	778	174	778
Other costs	30	37	30	37
Increase in provision for bad debtors, net	-	979	-	979
Loss on the sale and retirement of property, plant, and equipment	-	1	-	1
	4 025	5 079	4 024	5 079

10. Intangible investments

	Group 2025	Group 2024	Company 2025	Company 2024
	EUR'000	EUR'000	EUR'000	EUR'000
Initial value				
At the beginning of the period	8 366	8 116	8 366	8 116
Purchased	162	250	162	250
Written off	(228)	-	(228)	-
At the end of the period	8 300	8 366	8 300	8 366
Depreciation				
At the beginning of the period	5 025	4 115	5 025	4 115
Amortisation in the reporting year	957	910	957	910
Written off	(226)	-	(226)	-
At the end of the period	5 756	5 025	5 756	5 025
Residual value at end of period	2 544	3 341	2 544	3 341

11. Property, plant, and equipment, investment properties, and biological assets

The Group and the Company	Plots of land, buildings, and engineering structures	Other property, plant, and equipment and inventory	Costs of construction of property, plant, and equipment, and unfinished building objects	Total
	EUR'000	EUR'000	EUR'000	EUR'000
Initial value				
31.12.2023	1 938	1 806	-	3 744
Purchased	3	75	50	128
Written off	-	(79)	-	(79)
31.12.2024	1 941	1 802	50	3 793
Purchased	14	48	2	64
Written off	-	(376)	(10)	(386)
31.12.2025	1 955	1 474	42	3 471
Depreciation				
31.12.2023	310	1 141	-	1 451
Calculated	78	200	-	278
Written off	-	(78)	-	(78)
31.12.2024	388	1 263	-	1 651
Calculated	79	178	-	257
Written off	-	(312)	-	(312)
31.12.2025	467	1 129	-	1 596
Residual balance amount at 31.12.2023	1 628	665	-	2 293
Residual balance amount at 31.12.2024	1 553	539	50	2 142
Residual balance amount at 31.12.2025	1 488	345	42	1 875

12. Participating interests in affiliated undertakings

Company	
	EUR'000
Invested on 21.08.2025	17 000
Residual balance amount at 31.12.2025	17 000

Shares owned	31.12.2025
LLC LG Capital	100%

Details of the Subsidiary

LLC LG Capital, registered address Aristida Briāna 6, Riga, 100% participation in the share capital as of 21 August 2025.

	Subsidiary's own funds 31.12.2025	Subsidiary's own funds 31.12.2024	Subsidiary's profit 2025	Subsidiary's profit 2024
	EUR'000	EUR'000	EUR'000	EUR'000
LLC LG Capital	17 232	-	232	-

Loans granted to affiliated undertakings

	Group 31.12.2025	Group 31.12.2024	Company 31.12.2025	Company 31.12.2024
	EUR'000	EUR'000	EUR'000	EUR'000
Loans to affiliated undertakings, including:	55 254	-	38 523	-
LLC LG Capital	-	-	38 523	-

During the reporting period, the Company has the following material transaction with a related party, that does not meet normal market conditions:

- Loan agreement signed with LLC LG Capital for EUR 47 950 thousand, for a period of 3 years. By the end of the reporting period, an amount of EUR 9 427 thousand had been repaid; the balance at the end of the reporting period was EUR 38 523 thousand.

13. Finished products and goods for sale

	Group 31.12.2025	Group 31.12.2024	Company 31.12.2025	Company 31.12.2024
	EUR'000	EUR'000	EUR'000	EUR'000
Natural gas	67 457	30 714	67 457	30 714
	67 457	30 714	67 457	30 714

14. Trade receivables

	Group 31.12.2025	Group 31.12.2024	Company 31.12.2025	Company 31.12.2024
	EUR'000	EUR'000	EUR'000	EUR'000
Short-term receivables (nominal value)	19 124	23 950	19 124	23 950
Provisions for doubtful and bad debts	(4 691)	(6 981)	(4 691)	(6 981)
	14 433	16 969	14 433	16 969

Expected credit losses on receivables	Group 31.12.2025	Group 31.12.2024	Company 31.12.2025	Company 31.12.2024
	EUR'000	EUR'000	EUR'000	EUR'000
Expected credit losses at the beginning of the year	6 981	8 675	6 981	8 675
Expenditure recognised in the profit or loss statement	474	2 026	474	2 026
Reduction in expected credit losses due to the recovery of a previously doubtful receivable	(1 622)	(1 047)	(1 622)	(1 047)
Net changes recognised in the statement of profit or loss	(1 148)	979	(1 148)	979
Bad debts written off	(1 142)	(2 673)	(1 142)	(2 673)
Expected credit losses at the end of the year	4 691	6 981	4 691	6 981

Expected credit loss provisions for receivables were determined based on an assessment of the financial position and operating performance of individual customer groups. The ultimate losses incurred may differ from the current estimates, as the relevant amounts are subject to periodic review and any revisions are recognised in the statement of profit or loss.

15. Other receivables

	Group 31.12.2025	Group 31.12.2024	Company 31.12.2025	Company 31.12.2024
	EUR'000	EUR'000	EUR'000	EUR'000
Reserved funds	4 583	3 089	4 583	3 089
Unallocated tax contributions	30	61	30	61
Other receivables	37	16	38	16
	4 650	3 166	4 651	3 166

16. Share capital

	31.12.2025 % of total share capital	31.12.2025 Number of shares	31.12.2024 % of total share capital	31.12.2024 Number of shares
Share capital				
Shares	100	39 900 000	100	39 900 000
Shareholders				
LLC Energy Investments	81.25	32 418 925	27.85	11 112 271
LLC Itera Latvija	16.00	6 384 001	16.00	6 384 001
JSC Rietumu banka	-	-	28.97	11 559 495
Uniper Ruhrgas International GmbH	-	-	18.26	7 285 740
LLC HAUPAS	-	-	6.15	2 455 590
Registered shares	2.75	1 097 084	2.77	1 102 913

The authorised, subscribed, and paid-up share capital as at 31 December 2024 and 31 December 2025 amounts to EUR 55 860 000 and consists of 39 900 000 shares with a nominal value of EUR 1,40 per share. Shares in the Company entitle their holders to the same rights to receive dividends and liquidation allowances, as well as to vote at the General Meeting.

The Company determines, calculates, and pays dividends in accordance with the provisions of the Commercial Law.

17. Trade payables

	Group 31.12.2025	Group 31.12.2024	Company 31.12.2025	Company 31.12.2024
	EUR'000	EUR'000	EUR'000	EUR'000
Trade payables	5 447	5 476	5 447	5 476
	5 447	5 476	5 447	5 476

18. Taxes and mandatory State social insurance contributions

The Group and the Company Tax movement	Liabilities 31.12.2024	Over- payment 31.12.2024	Calculated 2025	Paid 2025	Liabilities 31.12.2025
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Value-added tax	1 599	-	10 991	(11 232)	1 358
Excise duty	261	-	4 356	(4 053)	564
Social insurance payments	174	-	1 234	(1 282)	126
Corporate income tax	48	-	2 262	(49)	2 261
Personal income tax	108	-	733	(765)	76
Mandatory State social insurance contributions in Lithuania	-	-	1	-	1
	2 190	-	19 577	(17 381)	4 386

Tax movement	Liabilities 31.12.2023	Over- payment 31.12.2023	Calculated 2024	Paid 2024	Liabilities 31.12.2024
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Value-added tax	2 649	-	24 411	(25 461)	1 599
Excise duty	363	-	2 095	(2 197)	261
Social insurance payments	153	-	1 506	(1 485)	174
Corporate income tax	55	-	71	(78)	48
Personal income tax	83	-	913	(889)	107
	3 303	-	28 996	(30 110)	2 189

19. Other payables

	Group 31.12.2025	Group 31.12.2024	Company 31.12.2025	Company 31.12.2024
	EUR'000	EUR'000	EUR'000	EUR'000
Personnel remuneration	163	189	163	189
Other payables	22	19	22	19
	185	208	185	208

20. Remuneration of a commercial company of Sworn Auditors

	2025	2024
	EUR'000	EUR'000
Statutory audit of consolidated and separate financial statements	22	25
Performance of non-audit tasks	3	-
	25	25

21. Proposed Distribution of Profit or Coverage of Losses

THE PROPOSED DISTRIBUTION OF THE COMPANY'S PROFITS

	2025
	EUR
Profit of the Company for the reporting year	261 839
Dividends paid in 2025 from retained earnings of previous years	11 970 000
Per share	0,30
Proposed distribution of profits after extraordinary dividend:	
Leave profits undistributed	261 839

The Company closed the year 2025 with a profit which will be retained.

Corporate income tax on dividends amounting to EUR 11 970 000, declared in 2025 from retained earnings of previous periods, was calculated in December 2025 and recognised in the 2025 financial statements.

22. Events after the balance sheet date

No events have occurred after 31 December 2025 that would affect the Group's or Company's financial position or financial results as of the balance sheet date.

The Management Board and the Chief Accountant prepared the Group's consolidated and the Company's separate financial statements for 2025 and signed them on 18 June 2026.

Aigars Kalvītis
Chairman of the
Board

Egīls Lapsalis
Member of
the Board

Kārlis Lapiņš
Member of the
Board

Laima Dudiča
Chief Accountant
Head of the
Accounting and
Reporting
Department

THIS DOCUMENT HAS BEEN SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIMESTAMP