



Unified registration number 40003286750

ANNUAL REPORT

**for the year 1 October 2024
through 30 September 2025**

**prepared in accordance with the Law of the Republic of Latvia on Annual Reports and Consolidated
Annual Reports
(30th financial year)**

together with independent auditors' report

* This version of financial statements is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of financial statements takes precedence over this translation.

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General information

Name of the company	RĪGAS SILTUMS
Legal status of the company	Joint stock company
Unified registration number, place and date of registration	Registered with the Republic of Latvia Enterprise Register on 14 March 1996, re-registered with the Commercial Register on 8 May 2004 Reg. No 40003286750
Registered office and postal address	Cēsu iela 3A Rīga, LV-1012, Latvia
Shareholders	<p>Rīga Municipality (49%) Reg. No 90000064250 Rātslaukums 1 Rīga, LV-1050, Latvia</p> <p>Republic of Latvia (48.995%) Ministry of the Economy (holder of the shares) Reg. No 90000086008 Brīvības iela 55 Rīga, LV-1519, Latvia</p> <p>SIA Enerģijas Risinājumi.RIX (2%) Reg. No 40003718848 Vietalvas 5 Rīga, LV-1009, Latvia</p> <p>AS Latvenergo (0.005%) Reg. No 40003032949 Pulkveža Brieža iela 12 Rīga, LV-1230, Latvia</p>
Subsidiary	SIA Rīgas BioEnerģija Reg. No 40103857024 Address: Meirānu iela 10, Rīga, LV-1073, Latvia Equity interest: 100%
Members of the Management Board	Kalvis Kalniņš, Member of the Management Board from 19 December 2024 and Chairman of the Management Board from 5 September 2025 Raivis Elliņš, Member of the Management Board Vineta Kutkēviča, Member of the Management Board Reinis Kasparsons, Member of the Management Board from 11 September 2025 Uģis Osis, Member of the Management Board until 27 November 2024 Ilvars Pētersons, Chairman of the Management Board until 4 September 2025

Members of the Supervisory Board	Jevgenijs Belezjaks, Chairman of the Supervisory Board until 28 November 2025, Member of the Supervisory Board from 28 November 2025 to 1 December 2025, and Chairman of the Supervisory Board from 2 December 2025 Mārtiņš Lazdovskis, Member of the Supervisory Board until 1 December 2025 and Deputy Chairman of the Supervisory Board from 2 December 2025 Ivars Šulcs, Member of the Supervisory Board from 28 November 2025 Gatis Sniedziņš, Deputy Chairman of the Supervisory Board until 28 November 2025 Matīss Paegle, Member of the Supervisory Board until 28 November 2025 Artūrs Veics, Member of the Supervisory Board until 28 November 2025
Financial year	1 October 2024 – 30 September 2025
Previous financial year	1 October 2023 – 30 September 2024
Independent auditors and responsible certified auditor	SIA ERNST & YOUNG BALTIC License No 17 Responsible certified auditor: Diāna Krišjāne Latvian Certified Auditor Certificate No 124

Management report

The joint stock company RĪGAS SILTUMS (hereinafter also – RS) was established in 1996. RS is the largest district heating company in Latvia and the Baltic countries, with a total network length of 851 km, including 775 km owned by RS, and a total production capacity of 759 MW for heat energy and 55.8 MW for electricity.

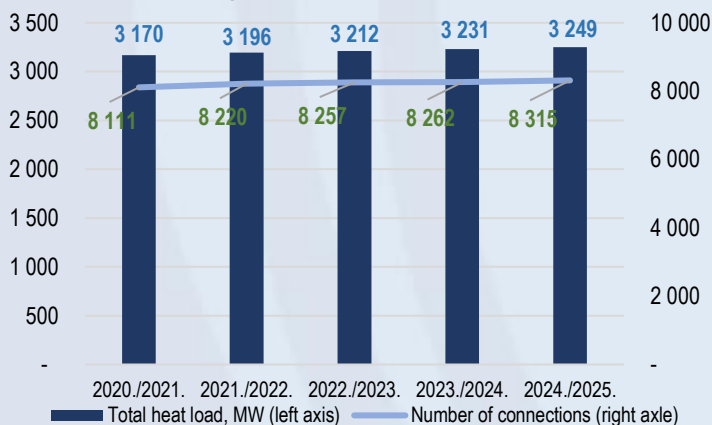
RS's operations in the reporting year

Main events

The number of customers using district heating in Riga keeps growing; in the reporting year, 56 new buildings started using heat energy supplied by RS, with a total expected heat load of 22.5 MW. During the previous financial year, 53 buildings were connected, with an expected heat load of 23.4 MW.

In October 2024, a new heat procurement platform was launched, combining weekly and daily heat market administration functionalities. Thanks to the new heat market model, the daily market operated during the heating season in parallel with weekly heat purchases, so enabling the efficient use of residual heat in district heating.

Summary of heat consumer connections



Residual heat in district heating



134 357
MWh



27 000
t CO₂ less emissions



1 860
unused chip loads



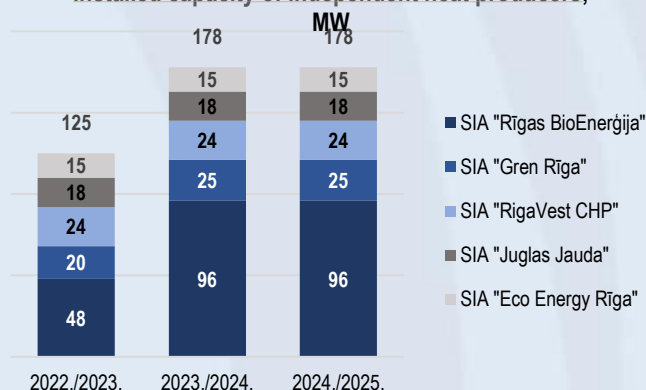
23 250
trees preserved

The daily heat market began operating in November 2024, and 500,963 MWh of heat energy were purchased during the reporting period. This represents 25% of the total heat energy purchased since the launch of the daily market (November to September). The average price on the daily market during this period was beneficial by 49% compared to that on the weekly market.

In the reporting year, a new and improved heat market model was developed for the financial year 2025/2026, which facilitates the purchase of residual heat on the heat market, thereby increasing volumes and reducing prices.

In August 2025, RS conducted qualification testing of the first facility to provide electricity balancing and regulation services.

Installed capacity of independent heat producers,



The Sustainability Development Strategy 2024–2030 of AS RĪGAS SILTUMS was adopted on 16 October 2024.

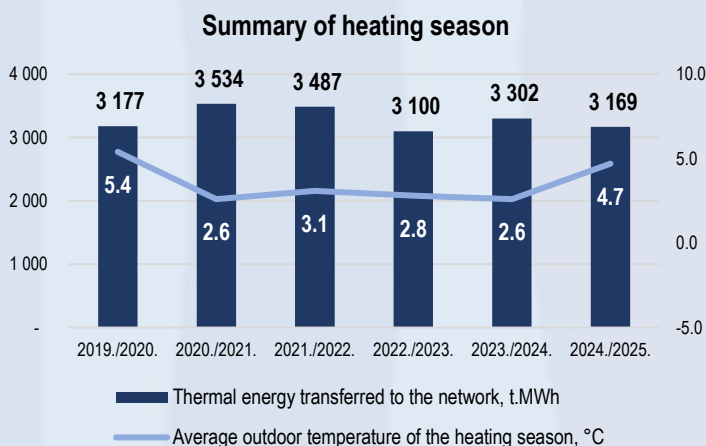
The customer loyalty index rose to 75 in 2025 (previously: 72).

With a view to improving work efficiency, the entity's structure was optimized in the reporting year, centralizing certain functions and reducing the number of departments, managers and employees. Overall, the reorganization resulted in a reduction of 35 positions.

Management report (cont'd)

The heat tariff of 83.01 EUR/MWh entered into force on 1 October 2025, up by 12% from the previous tariff.

Production



network of Riga, while the remaining 68% of the required heat was purchased from other producers. Based on contracts signed with heat producers, RS made purchases on a weekly and daily basis, following the economic gradual approach defined in the Energy Law.

In the reporting year, RS operated 44 heat sources: five heating plants and 39 medium and small boiler houses with installed heat capacities from 0.042 MW to 445.1 MW. The share of fuels used by RS in the reporting year was as follows: 559 thousand MWh or 56% of heat energy was generated using wood chips (previous period: 564 thousand MWh or 54%).

RS generated electricity in cogeneration at five heat sources and three solar power plants. In the reporting year, a total of 11.6 thousand MWh of electricity were generated, a 32% decrease compared to the previous reporting year, which was due to the repairs of the cogeneration unit at the Ziepniekkalns heating plant. Electricity for own consumption and sale was generated by the Ziepniekkalns heating plant, the Vecmīlgrāvis heating plant, the Keramikas 2A boiler house, the Zaslauks heating plant, and solar power plants of the Daugavgrīva heating plant and at Pildas iela 43. Electricity for own needs was produced by the Viestura 20B boiler house and a solar power plant at Cēsu iela 3a.

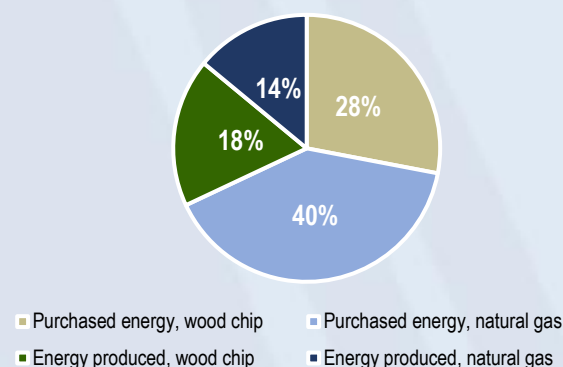
The largest investment in production sources was installing a 49 MW electrode boiler at the Imanta heating plant, which is scheduled for commissioning in January 2026. The boiler will generate heat during periods of low electricity prices and will participate in balancing the electricity grid, which is expected to have a positive impact on the final tariff and generate additional revenue for RS. The operation of a 5 MW absorption heat pump at the Imanta heating plant was restored, for which purpose the previous worn-out heat pump was replaced.

In the reporting year ended 30 September 2025, RS delivered 3 169 thousand MWh of heat to the network, down by 133 thousand MWh or 4% compared to the previous year, and it is the second lowest volume reported for the last six years.

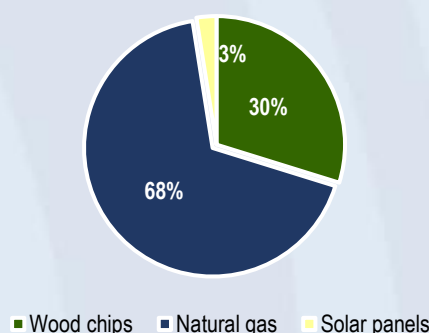
The decrease in the amount of heat delivered to the network was mainly due to higher outdoor temperatures in the heating season of the reporting year (4.7 °C) compared to the previous year (2.6 °C).

In the reporting year, RS provided 32% of the total amount of heat delivered to the district heating

Fuel type, % of heat energy delivered to the network



Sources of produced electricity, % of total



Management report (cont'd)

Energy resources and purchased heat

The average price of natural gas for RS in the reporting year was 42.55 EUR/MWh, which is a 42% decrease from the reporting year 2023/2024. At the beginning of the previous reporting year, RS was still using natural gas stocks purchased for the 2022/2023 season in the summer of 2022 in a situation of the energy crisis, when there was a risk of natural gas shortages. In the reporting year, the average price of wood chips was 21.63 EUR/MWh and that of purchased heat was 64.26 EUR/MWh, which is a 17% decrease and a 7% increase from the previous reporting year, respectively.

Heat transmission and distribution networks

During the reporting year, RS reconstructed 5.72 km of heating networks, investing EUR 19.03 million. In order to boost heat sales and attract new customers to the district heating system, 2.67 km of heating networks were built, investing EUR 2.67 million. In turn, the construction of 2.18 km was financed by the project initiator. The first phase of the construction of heating networks in the vicinity of Krasta iela was completed, with a total of 0.48 km of heating networks built on Kojusalas iela, with an investment of EUR 2.37 million. In total, 11.05 km were reconstructed and constructed during the financial year, including 10.36 km of industrially insulated pipes.

The relative heating network loss was 12.49% in the reporting year (previous reporting year: 12.36%), which is attributable to soil moisture, groundwater level, the number of sunny days, wind speed, soil heat accumulation, and the wear-out of thermal insulation.

Financial performance

RS's turnover for the reporting year ended 30 September 2025 was EUR 239.6 million (previous year: EUR 248.6 million), a 4% decrease compared to the previous year. The decrease was caused by a drop in energy prices, leading to the downward revision of the heat tariff. RS's heat tariff largely comprises the costs of purchased heat and fuel, which is why it is mainly dependent on the prices of purchased heat and fuel – natural gas and biofuel (wood chips and pellets).

The sale of electricity brought EUR 1.2 million in revenue, which formed 0.5% of RS's total net turnover. This constitutes an 18% decrease compared to the reporting year 2023/2024, when electricity prices were higher.

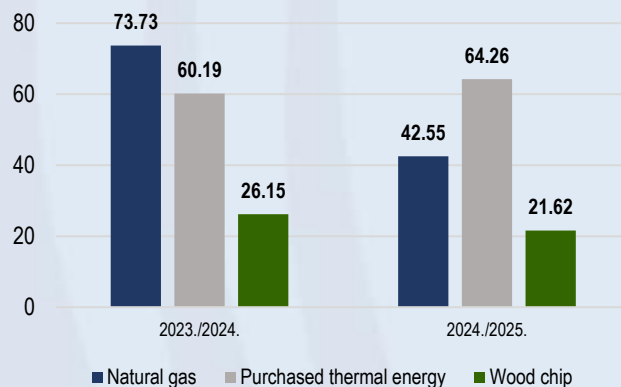
As at 30 September 2025, RS's assets were EUR 285.1 million, including non-current assets of EUR 267.3 million (94%) and current assets of EUR 17.7 million (6%). RS made investments of EUR 35.3 million in non-current assets during the reporting year.

In November 2024, RS obtained an EUR 18 million loan from the Nordic Investment Bank for a period of 15 years to finance investments in property, plant and equipment, under the loan agreement signed on 15 October 2024. On 13 December 2024, RS entered into a current credit line agreement with OP Corporate Bank plc for EUR 10 million for a period of 12 months. On 14 February 2025, RS entered into a current credit line agreement with AS SEB banka for EUR 25 million for a period of 12 months. On 12 June 2025, a loan agreement was signed with the Council of Europe Development Bank for a period of 15 years to finance a four-year investment program for the reconstruction and construction of district heating networks for new customers for an amount of EUR 40 million. The first tranche of EUR 14 million was received in July 2025. On 19 September 2025, a 10-year loan agreement for EUR 7 million was signed with OP Corporate Bank plc Latvia branch for the financing of investment projects for the financial year 2024/2025. The respective amount was credited to the bank account of RS on 30 October 2025.

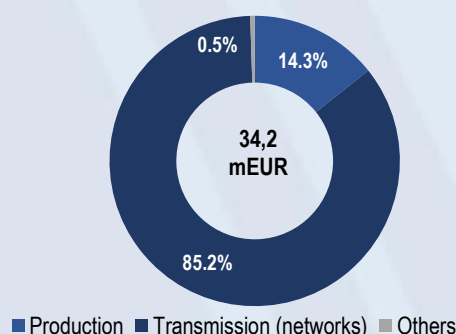
Financial risk management

RS's principal financial instruments are loans from credit institutions, cash, trade and other receivables and trade and other payables, which arise directly from its operations. The main financial risks arising from RS's financial instruments are interest rate risk, credit risk, liquidity risk and price risk.

Average price of fuel and heat energy, EUR/MWh



Investments, % of total



Management report (cont'd)

Financial risk management (cont'd)

Borrowings bearing interest at a floating rate cause a risk of considerable growth of finance costs in situations when interest rates increase. RS is exposed to the risk of changes in market interest rates on its non-current liabilities bearing a floating rate. All RS's borrowings are at floating interest rates. The risk of changes in interest rates is managed by regularly assessing market interest rates available on borrowings as well as considering possibilities of using interest rate risk hedging instruments.

RS is exposed to credit risk through its non-current financial assets, trade and other receivables, and cash. RS manages its credit risk by continuously monitoring receivable balances to ensure that its exposure to bad debts is minimized. RS has a significant concentration of credit risk with a single customer – SIA Rīgas namu pārvaldnieks, which accounted for 65% of balances due for heat energy as at 30 September 2025 (30 September 2024: 64%). Trade receivables are stated at their recoverable amount. RS's counterparties in cash transactions are local financial institutions with an adequate credit history.

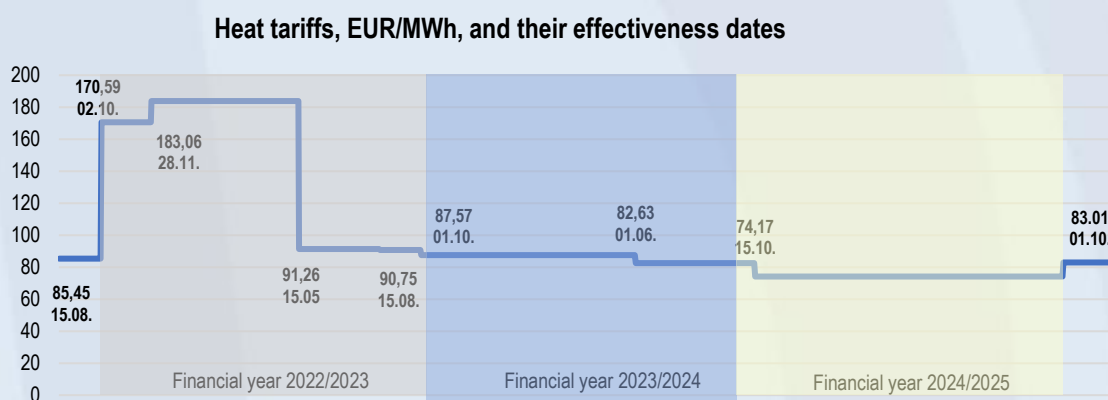
Discipline for heat payments is regularly assessed. As at 31 October 2025, when bills for heat supplied in September fell due, 97.4% of bills issued for heat supplied in the reporting year were paid (31 October 2024: 98.1% of bills for heat supplied in the reporting year 2023/2024).

RS earned a profit of EUR 6 373 thousand for the reporting year. At the year end, RS's current liabilities exceeded its current assets by EUR 49 541 thousand (30 September 2024: EUR 35 543 thousand). The management considers that RS's liquidity position is not at risk because RS had available unused credit facilities of EUR 15 491 thousand at the year end, a credit line agreement for an amount of EUR 19 million was signed with AS SEB banka on 25 November 2025, and positive operating cash flow will ensure stable operations. In early 2026, it is planned to attract additional financing from an international financial institution, positive cash flows from economic activity will ensure stable operations and provide an opportunity to cover short-term liabilities.

The heat tariff which entered into force on 1 October 2025 comprises the unexpected expenditure component of 2.05 EUR/MWh arising from costs in previous periods, which will, accordingly, improve RS's cash flows in the financial year 2025/2026.

Price risk is the risk that the fair values and future cash flows of financial instruments will fluctuate for reasons other than changes associated with interest rate risk or currency risk. Price risk is predominantly related to the purchase of heat and fuel. To hedge price risk, RS has fixed-price contracts signed for natural gas for the entire reporting year 2025/2026 and contracts for purchasing wood chips.

Regulatory environment and heat tariffs



Heat tariffs are calculated pursuant to Resolution No 1/7 on the Methodology for Calculating Tariffs of Heat Supply Services published by the Public Utilities Commission (hereinafter also – the PUC) on 14 April 2010. Tariffs are set in a way that RS receiving payments from heat consumers generates economically justifiable revenue to cover energy production costs, wages and salaries, operating and administrative expense and to ensure the maintenance of non-current assets.

Management report (cont'd)

Regulatory environment and heat tariffs

In the reporting year, the following two heat tariffs were in force: from 1 October 2024 to 14 October 2024 – 82.63 EUR/MWh, from 15 October 2024 to 30 September 2025 – 74.17 EUR/MWh. The average heat tariff for the reporting year was 74.40 EUR/MWh, down by 15% from the previous reporting year (87.17 EUR/MWh).

RS is authorized by the PUC Board to define its own tariffs for heat supply services in case of changes in the prices of fuel, purchased heat and sold electricity, in accordance with the Methodology for Calculating Tariffs of Heat Supply Services. In the reporting period, income of EUR 21.7 million was recognized as a result of fluctuations in the prices of purchased heat, fuel and sold electricity compared to those factored in the heat tariff. In the reporting period, income of EUR 9.9 million was recognized from deferred income based on the unexpected revenue and expenditure component of the tariff, which arises from the cumulative effect of price fluctuations over previous periods and by which the tariff applied to customers is adjusted for a period of up to two years. The tariff of 82.63 EUR/MWh applied from 1 October 2024 comprised a component of 3.18 EUR/MWh; the component included in the tariff of 74.17 EUR/MWh recalculated since 15 October 2024 was 3.60 EUR/MWh.

On 19 June 2025, RS submitted to the PUC a heat tariff of 90.15 EUR/MWh, which comprised the unexpected expenditure component of 2.05 EUR/MWh, reflecting updated prices of purchased heat in line with the market situation and the prices of fuel based on purchases, as well as recalculating the unexpected revenue/expenditure component of the tariff. Following cooperation with RS's shareholders, the PUC, the Competition Council and market players, conditions for purchasing residual heat on the heat market in the coming heating season were improved, an agreement was reached with AS Latvenergo on the purchase of 120 MW for four months at a fixed reduced price, and independent producers were given the voluntary option to offer up to 50% of their production capacity at a fixed reduced price for four months. As a result, the projected price of purchased heat was reduced. On 5 August 2025, an adjusted heat tariff of EUR 83.01/MWh was submitted, with the unexpected expenditure component of EUR 2.05/MWh (8% lower than the one originally announced), which included the reduced projected price of purchased heat and updated fuel prices based on additional contracts concluded. The submitted tariff entered into force on 1 October 2025.

Strategic development

In July 2024, RS's medium-term operational strategy 2024-2030 was approved, defining four key objectives aimed at achieving outlined changes in the business and operational model: network development and expansion, developing a multi-energy platform, promoting employee development, and improving process efficiency. To achieve the objectives, RS's medium-term operational strategy 2024-2030 defines eight priorities, arranged in hierarchical order, and performance indicators to be attained by 2030. In order to contribute to the sustainability of RS and continue progress towards climate neutrality, using fossil fuels for heat production needs to be minimized. Work will be continued to bring in new local and international strategic partners.

Management report (cont'd)

Strategic development (cont'd)

In order to contribute to the sustainability of RS and continue progress towards climate neutrality, the entity is actively working on replacing fossil fuels and reusing resources by developing cooperation in four strategic areas:



1. Heat recovery from wastewater: under the ENABLE DHC project, technical and economic calculations have been made jointly with the Riga Energy Agency for heat recovery from the Daugavgrīva biological treatment plant, with the aim of transferring the recovered heat energy to a heat pump to increase the temperature of the heat energy and use it in the heating supply to Daugavgrīva and Bolderāja. Additional scenario modeling and digital simulation are being carried out as part of the project.
2. Residual heat and cooling: potential solutions for residual heat and cooling services have been evaluated jointly with the technology company SIA Tet. Following a technical and economic analysis, a specific pilot project has been identified and a design task has already been drawn up and submitted to ensure further progress of the project.
3. Ash disposal: experience has been gained on the introduction of wood ash into forest soil, assessing the resulting environmental impact, jointly with AS Latvijas valsts meži and LVMI Silava. Based on the assessment of ash quality made by RS, legislative improvements have been proposed that would allow scaling up this practice, while reducing the entity's costs.
4. Establishing a system to certify the origin of heat energy: cooperation with the Ministry of Climate and Energy has begun on the development and implementation of a system for certifying the origin of "green" heat energy in Latvia's heating system.

RS's subsidiary

RS is the sole shareholder of SIA Rīgas BioEnergija (hereinafter also – RBE), which is engaged in the generation and sale of heat energy to the operator of the district heating system of Riga, i.e., the parent company.

As at 30 September 2025, the subscribed and fully paid share capital of SIA Rīgas BioEnergija was EUR 12 998 million and consisted of 129 980 ordinary shares, each having the par value of EUR 100. As at 30 September 2025, the assets of SIA Rīgas BioEnergija were EUR 55 million, including non-current assets of EUR 33 million (60%) and current assets of EUR 22 million (40%). The turnover for the reporting year 2024/2025 was EUR 29.1 million. The result of SIA Rīgas BioEnergija for the reporting year 2024/2025 was a profit of EUR 13.7 million.

In the reporting year, RS purchased 463.2 thousand MWh of heat from RBE for EUR 29.1 million, and this amount was by 43% larger with costs by 86% higher than in the previous reporting year. The substantial growth is due to the commissioning of the subsidiary's second wood chip-fired boiler house in the previous reporting year.

Further development of RS

In the financial year 2025/2026, RS will continue to invest in development, focusing on the expansion of the heating network within the administrative territory of Riga, the development and implementation of zero-emission projects, enhancing effectiveness of biofuel boiler houses and installing a new absorption heat pump at the Imanta heating plant.



Management report (cont'd)

Further development of RS (cont'd)

In the financial year 2024/2025, a technical assessment was carried out for connecting heat-supply zones of the right and left banks of the River Daugava in Riga using the Salu Bridge infrastructure. Factors limiting the volume of heat energy transmission were identified and indicative calculations of planned construction costs were made. In the year 2025/2026, it is planned to assess the economic effect on the heat tariff under various scenarios and to determine investments needed for the long-term development of the district heating system in Riga. The priority set for 2026 is to expand connections, including connecting Riga Technical University (RTU) with a 6 MW heat load.

The installation of a 49 MW electrode boiler at the Imanta heating plant has now been completed, and the boiler is scheduled for commissioning in January 2026. The boiler will generate heat during periods of low electricity prices and will participate in balancing the electricity grid. This service is expected to have a positive impact on the final tariff and generate additional revenue for RS not only through the production of electricity or heat during periods of low electricity prices, but also through the balancing of the electricity grid.

In the financial year 2025/2026, it is planned to start cooperation with the European Investment Bank and obtain a loan for financing investments in heating networks.

RS will continue to raise customer awareness and promote the wider use of energy efficiency services within the administrative territory of Riga, and plans to design a new website and customer portal for easier exchange of information.

Events after balance sheet date

The heat tariff of 83.01 EUR/MWh, approved by the PUC, entered into force on 1 October 2025.

A credit line agreement for an amount of EUR 19 million was signed with AS SEB banka on 26 November 2025.

As of the last day of the reporting year until the date of signing these financial statements there have been no other events requiring adjustment of or disclosure in the financial statements or notes thereto.

Statement of management's responsibility

RS's financial statements for the year ended 30 September 2025 have been drawn up in accordance with the existing statutory requirements and give a true and fair view of RS's financial performance, financial position and cash flows. The information provided in the management report is true.

Suggestions regarding profit distribution

In accordance of the law "On the State Budget for 2025 and the Budget Framework for 2025, 2026 and 2027", as well as the fact that the draft law "On the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028" was adopted by the Parliament on 04.12.2025, but has not been announced, the board proposes to pay out 70% of RS's profit in dividends. . If the law "On the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028" enters into force by the meeting of the council and shareholders, then 90% of RS's profit specified in the law shall be paid out in dividends. The remaining part of the profit shall be left undistributed.

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Kalvis Kalniņš Chairman of the Management Board	Raivis Elliņš Member of the Management Board	Vineta Kutkēviča Member of the Management Board
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Reinis Kasparsons Member of the Management Board		

17 December 2025

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Statement of profit or loss

	Notes	01/10/2024- 30/09/2025 EUR	01/10/2023- 30/09/2024 EUR
Net turnover	3	239 618 082	248 628 021
Cost of sales	4	(227 810 962)	(244 346 525)
Gross profit		11 807 120	4 281 496
Administrative expense	5	(7 097 691)	(6 318 542)
Other operating income	6	6 189 425	5 487 545
Other operating expense	7	(1 603 111)	(1 313 303)
Income from investments in related companies		-	5 000 000
Interest and similar income		61 730	167 907
Interest and similar expense	15	(2 984 702)	(3 356 621)
Profit before tax		6 372 771	3 948 482
Net profit for the reporting year		6 372 771	3 948 482

The accompanying notes on pages 17 to 36 form an integral part of these financial statements.

*signature	*signature	*signature
Kalvis Kalniņš Chairman of the Management Board	Raivis Elliņš Member of the Management Board	Vineta Kutkēviča Member of the Management Board
*signature	*signature	
Reinis Kasparsons Member of the Management Board	Ilze Caune Chief Accountant	

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Balance sheet

		ASSETS			
			Notes	30/09/2025	30/09/2024
				EUR	EUR
NON-CURRENT ASSETS					
Intangible assets					
	Licenses, trademarks and similar rights		10	643 512	392 415
	TOTAL			643 512	392 415
Property, plant and equipment					
	Land plots, buildings and engineering constructions		10	195 247 930	177 520 897
	Equipment and machinery		10	29 677 023	33 272 389
	Other fixtures and fittings, tools and equipment		10	4 452 447	5 118 584
	Construction in progress		10	23 459 702	18 850 071
	TOTAL			252 837 102	234 761 941
Non-current financial assets					
	Investments in related companies		6	13 852 000	13 852 000
	TOTAL			13 852 000	13 852 000
		TOTAL NON-CURRENT ASSETS		267 332 614	249 006 356
CURRENT ASSETS					
Inventories					
	Raw materials and consumables		7	3 666 639	3 035 195
	Prepayments for inventories			18 974	111 994
	TOTAL			3 685 613	3 147 189
Receivables					
	Trade receivables		13	8 006 534	9 529 158
	Receivables from related companies		25	5 767	-
	Other receivables		14	634 555	204 716
	Accrued income from unexpected expenditure		3	3 758 391	-
	Prepaid expense			309 406	195 563
	TOTAL			12 714 653	9 929 437
		TOTAL CURRENT ASSETS		17 729 837	18 289 705
		TOTAL ASSETS		285 062 451	267 296 061

The accompanying notes on pages 17 to 36 form an integral part of these financial statements.

*signature	*signature	*signature
_____ Kalvis Kalniņš Chairman of the Management Board	_____ Raivis Elliņš Member of the Management Board	_____ Vineta Kutkēviča Member of the Management Board
*signature	*signature	
_____ Reinis Kasparsons Member of the Management Board	_____ Ilze Caune Chief Accountant	

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EQUITY AND LIABILITIES

	Notes	30/09/2025	30/09/2024
EQUITY		EUR	EUR
Share capital	1	66 968 300	66 968 300
Reserves:			
Reserves assigned for development		69 628 450	68 443 906
Retained earnings:			
Profit for the reporting year		6 372 771	3 948 482
TOTAL EQUITY		142 969 521	139 360 688
PROVISIONS FOR LIABILITIES AND CHARGES			
Other provisions		-	243 560
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES		-	243 560
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	15	62 698 864	44 727 273
Other loans		79 354	-
Deferred income	19	12 044 308	29 131 655
TOTAL		74 822 526	73 858 928
Current liabilities			
Loans from credit institutions	15	40 538 031	13 772 727
Other loans		22 051	-
Prepayments received from customers		3 810 065	1 724 733
Trade payables	16	11 091 970	17 739 160
Payables to related companies	25	718 022	157
Taxes payable	18	900 660	868 839
Accrued liabilities	17	8 568 591	7 610 820
Deferred income	19	1 621 014	12 116 449
TOTAL		67 270 404	53 832 885
TOTAL LIABILITIES		142 092 930	127 691 813
TOTAL EQUITY AND LIABILITIES		285 062 451	267 296 061

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*signature	*signature	*signature
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_____ Reinis Kasparsons Member of the Management Board	_____ Ilze Caune Chief Accountant	

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Statement of cash flows

	Notes	01/10/2024- 30/09/2025	01/10/2023- 30/09/2024
Cash flows to/from operating activities			
Profit before corporate income tax		6 372 771	3 948 482
Adjustments for:			
Depreciation and impairment of property, plant and equipment		16 806 824	15 633 231
Amortization and impairment of intangible assets		150 681	50 705
Other interest and similar income		(61 730)	(167 907)
Interest and similar expense	15	2 980 576	3 356 411
Change in provisions (except for allowances for doubtful receivables)		(519 541)	608 900
EU grants received	19	(929 325)	(935 160)
Income from investments in related companies		-	(5 000 000)
Loss/(gain) on disposal of property, plant and equipment		(236 608)	126 811
Profit before adjustments for the effect of changes in current assets and current liabilities		24 563 648	17 621 473
Adjustments for:			
Decrease in inventories		(538 424)	10 052 141
Decrease in receivables		(2 785 215)	1 589 064
Increase/(decrease) in trade and other payables		(29 302 528)	12 526 930
Cash generated from operations		(8 062 519)	41 789 608
Interest paid		(2 909 927)	(3 409 926)
Net cash flows to/from operating activities		(10 972 446)	38 379 682
Cash flows to/from investing activities			
Purchase of property, plant and equipment and intangible assets		(35 211 080)	(32 698 364)
Proceeds from sale of property, plant and equipment and intangible assets		294 000	76 240
Dividends received		-	5 000 000
Interest received		61 730	167 907
Net cash flows to/from investing activities		(34 855 350)	(27 454 217)
Cash flows to/from financing activities			
Dividends paid		(2 763 937)	(919 864)
Payment of finance lease liabilities		(28 670)	-
Proceeds from borrowings	15	58 509 622	29 000 000
Repayment of borrowings	15	(13 772 727)	(34 771 945)
Net cash flows to/from financing activities		41 944 288	(6 691 809)
Net cash flow for the year		(3 883 508)	4 233 656
Cash and cash equivalents at the beginning of the year		5 213 079	979 423
Cash and cash equivalents at the end of the year		1 329 571	5 213 079

The accompanying notes on pages 17 to 36 form an integral part of these financial statements.

*signature	*signature	*signature
Kalvis Kalniņš	Raivis Elliņš	Vineta Kutkēviča
Chairman of the Management Board	Member of the Management Board	Member of the Management Board
*signature	*signature	
Reinis Kasparsons	Ilze Caune	
Member of the Management Board	Chief Accountant	

*THIS DOCUMENT IS SIGNED WITH A SAFE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP

Statement of changes in equity

	Share capital	Reserves assigned for development	Profit for the reporting year	Total
As at 30 September 2023	66 968 300	67 524 042	1 839 728	136 332 070
Transferred to reserves from retained earnings	-	919 864	(919 864)	-
Dividends paid	-	-	(919 864)	(919 864)
Profit for the reporting year	-	-	3 948 482	3 948 482
As at 30 September 2024	66 968 300	68 443 906	3 948 482	139 360 688
Transferred to reserves from retained earnings	-	1 184 544	(1 184 544)	-
Dividends paid	-	-	(2 763 938)	(2 763 938)
Profit for the reporting year	-	-	6 372 771	6 372 771
As at 30 September 2025	66 968 300	69 628 450	6 372 771	142 969 521

The accompanying notes on pages 17 to 36 form an integral part of these financial statements.

*signature	*signature	*signature
_____ Kalvis Kalniņš Chairman of the Management Board	_____ Raivis Elliņš Member of the Management Board	_____ Vīneta Kutkēviča Member of the Management Board
*signature	*signature	
_____ Reinis Kasparsons Member of the Management Board	_____ Ilze Caune Chief Accountant	

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Notes to the financial statements

1. Corporate information

AS RĪGAS SILTUMS (hereinafter also – RS) was established on 25 September 1995 as a joint stock company incorporated in the Republic of Latvia. RS was registered with the Republic of Latvia Enterprise Register on 14 March 1996 and re-registered with the Commercial Register on 8 May 2004.

As at 30 September 2025 and 2024, the 669 683 shares of RS (each having the par value of EUR 100) were allocated as follows:

	%	Number of shares	Par value
Rīga Municipality	49.000	328 144	32 814 400
Republic of Latvia	48.995	328 110	32 811 000
SIA Enerģijas Risinājumi.RIX	2.000	13 395	1 339 500
AS Latvenergo	0.005	34	3 400
Total	100	669 683	66 968 300

RS's Members of the Management Board are Kalvis Kalniņš (Member of the Management Board from 19 December 2024 and Chairman of the Management Board from 5 September 2025), Raivis Elliņš (Member of the Management Board), Vineta Kutkēviča (Member of the Management Board), Reinis Kasparsons (Member of the Management Board from 11 September 2025), Uģis Osis (Member of the Management Board until 27 November 2024), and Ilvars Pētersons (Chairman of the Management Board until 4 September 2025).

RS's Members of the Supervisory Board are Jevgenijs Belezjaks (Chairman of the Supervisory Board until 28 November 2025, Member of the Supervisory Board from 28 November 2025 to 1 December 2025, and Chairman of the Supervisory Board from 2 December 2025), Mārtiņš Lazdovskis (Member of the Supervisory Board until 1 December 2025 and Deputy Chairman of the Supervisory Board from 2 December 2025), Ivars Šulcs (Member of the Supervisory Board from 28 November 2025), Gatis Sniedziņš (Deputy Chairman of the Supervisory Board until 28 November 2025), Matīss Paegle (Member of the Supervisory Board until 28 November 2025), Artūrs Veics (Member of the Supervisory Board until 28 November 2025).

The Company's auditor is the firm of certified auditors SIA ERNST & YOUNG BALTIC, and the responsible certified auditor is Diāna Krišjāne.

RS is the largest district heating company in Latvia and the Baltic countries and the main supplier of heat energy in Riga, which is engaged in the generation, transmission, distribution and sale of heat energy, the cogeneration of heat and electricity at combined heat and power plants, and the maintenance of heating networks and internal utilities systems of buildings. Heat tariffs are calculated pursuant to Resolution No 1/7 on the Methodology for Calculating Tariffs of Heat Supply Services published by the Public Utilities Commission on 14 April 2010. Tariffs are set in a way that RS receiving payments from heat consumers generates economically justifiable revenue to cover energy production costs, wages and salaries, operating and administrative expenses and to ensure the maintenance of non-current assets.

2. Summary of significant accounting policies

Form and content of financial statements

The financial statements of RS have been prepared in accordance with the Law of the Republic of Latvia on Annual Reports and Consolidated Annual Reports and the Accounting Law. These are the separate financial statements of RS, while the consolidated financial statements, including those of RS and its subsidiary SIA Rīgas BioEnerģija, are prepared separately.

The monetary unit used in the financial statements is the euro, the monetary unit of the European Union (hereinafter – EUR), which is the functional and presentation currency of RS.

The statement of profit or loss has been prepared according to the function of expense method. The statement of cash flows has been prepared under the indirect method. RS qualifies as a large enterprise.

2. Summary of significant accounting policies (cont'd)

Accounting principles

The financial statements are prepared in accordance with the following principles:

- a) The going concern assumption that RS will continue as a going concern (see Note 26).
- b) Consistent valuation principles with those used in the prior year.
- c) Items are valued in accordance with the principle of prudence:
 - the financial statements reflect only the profit generated in the balance sheet date;
 - all expected risk amounts and current or prior year losses are taken into consideration, even if discovered within the period from the last day of the reporting year to the date of preparing these financial statements;
 - all amounts of impairment and depreciation are calculated and taken into consideration irrespective of whether the financial result is a profit or loss.
- d) Revenues and expenses for the reporting year are taken into consideration irrespective of the payment date or the date when the invoice was received or issued. Costs are matched with revenues for the reporting period.
- e) Assets and liabilities are valued separately.
- f) The opening balance agrees with the prior year closing balance.
- g) All items having a material impact on the evaluation or decision making by the users of the financial statements are presented, immaterial items are aggregated and their details are disclosed in the notes.
- h) Business transactions are recorded according to their substance and economic reality and not merely their legal form.

The accounting and measurement policies applied by RS are consistent with those of the previous reporting year.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date, applying the currency rate set by the European Central Bank.

Gains or losses arising on these transactions and the translation of monetary assets and liabilities denominated in foreign currencies into EUR are recognized in the statement of profit or loss.

Property, plant and equipment

Property, plant and equipment acquired are stated at cost less accumulated depreciation and any impairment in value and are depreciated on a straight-line basis over their entire useful life. Land is not depreciated.

Each part of an item of property, plant and equipment with a different useful life is depreciated separately. Depreciation is calculated starting with the following month after the asset is put into operation or engaged in commercial activity.

Depreciation is calculated using the following useful lives of property, plant and equipment as determined by the management:

	<u>Useful life of acquired assets (years)</u>
Buildings and engineering constructions	5 - 50
Heating networks	20 - 30
Equipment and machinery	5 - 40
Other fixtures and fittings, tools and equipment	5 - 20
Computers and office equipment	3 - 5

Property, plant and equipment with a value exceeding EUR 500 and an estimated useful life of more than one year are capitalized. Assets acquired below EUR 500 are expensed and/or recorded as low-value inventories.

Current repair and maintenance costs are charged directly to the statement of profit or loss in the period when incurred. Restorations and improvements substantially extending the useful life of property, plant and equipment are capitalized.

2. Summary of significant accounting policies (cont'd)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the higher of an asset's net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of profit or loss in the operating expense caption.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit or loss in the year the item is derecognized.

Construction in progress is stated at cost. This includes the cost of construction and other direct expenses. Construction in progress is not depreciated as long as the respective assets are not completed and put into operation.

Intangible assets

Intangible assets are stated at cost, less accumulated amortization and any impairment in value. The cost includes expenditure that is directly attributable to the acquisition of intangible assets. The cost of software licenses includes the cost of acquiring and implementing each license.

Intangible assets are amortized over their estimated useful lives on a straight-line basis:

Licenses, trademarks and similar rights - over 5 years

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Losses from impairment are recognized where the carrying value of intangible non-current assets exceed their recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Investments in related companies

A related company is a subsidiary of RS, i.e., with equity interest of more than 50%, another parent company's subsidiary, or a subsidiary's subsidiary. Investments in related companies are carried at costless impairment losses.

Income from the investment is recognized only to the extent that RS receives distributions from accumulated profits of the investee arising after the date of acquisition.

If there is objective evidence that the carrying amount of investments in subsidiaries has decreased, an impairment loss is measured as the difference between the investment's carrying amount and its recoverable amount. The recoverable amount is the higher of an investment's fair value less costs to sell and its value in use. An impairment loss is reversed only if there has been a change in the estimates used to determine the impairment since the last impairment loss was recognized.

Losses from impairment are recognized in the statement of profit or loss.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average cost basis. The cost of inventories includes all acquisition, processing and other costs incurred in bringing the asset to a respective location and condition. The net realizable value of inventories is determined on the basis of information about expected selling prices and selling costs and the physical condition of the inventories. When the net realizable value of inventories is lower than cost, allowances are made to write down the value of inventories to their net realizable value. Raw materials and consumables mainly comprise fuel and maintenance materials for heat sources and heating networks. Raw materials and consumables are accounted for using the perpetual inventory method. This method requires the inventory accounts to record all movements of materials – receipts and usage – ensuring that at any point in the reporting period inventory balances can be identified according to their list.

2. Summary of significant accounting policies (cont'd)

Trade and other receivables

Trade and other receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful receivables is established when there is objective evidence that RS will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the carrying amount of the receivables and their recoverable amount. The recoverable amount of receivables is the present value of projected cash flows. Allowances are charged to the statement of profit or loss.

Prepaid expense

Expense incurred before the balance sheet date but relating to next reporting periods is recognized as prepaid expense under receivables. Expense recognized as prepaid expense is included in operating expense on an accrual basis, with expense recognized in the period to which it relates.

Prepayments for goods to be delivered in future periods are recognized by RS as advances paid.

Cash

Cash represents cash at bank in EUR.

Trade payables

Trade payables comprise liabilities to pay for goods and services received in accordance with supporting documents provided.

Borrowings

Borrowings are recognized to the extent of cash received. Borrowing costs are taken to the statement of profit or loss when incurred.

Operating lease – RS as a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and advances made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the lease term.

Operating lease – RS as a lessor

Assets that are leased out under operating lease terms are recognized as property, plant and equipment at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of an asset to write down the asset to its estimated residual value at the end of the useful life, using rates set for similar assets of RS. Income from operating leases including prepayments received from customers is recognized in the statement of profit or loss on a straight-line basis over the lease term.

Finance lease – RS as a lessee

Finance leases, which transfer to RS substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments, by a respective charge to current and non-current liabilities. Lease payments are apportioned between the finance charges and reduction of the principal lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Reserves

RS's reserves represent retained earnings transferred to reserves.

Prepayments received from customers

Prepayments received from customers include payments received for services to be provided by RS in the future (periods subsequent to the financial statements).

2. Summary of significant accounting policies (cont'd)

Accrued liabilities

Accrued liabilities include a vacation pay reserve and other expenses which is incurred in the reporting year but billed after the year end.

The vacation pay reserve is computed by multiplying the average remuneration expense for the last six months by the total number of vacation days earned but not taken as at the year end. The calculation of the average remuneration includes all forms of remuneration from which the employee vacation pay is computed.

Provisions

Provisions are recognized when RS has a present obligation (legal or constructive) 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. Changes in provisions are recognized in the statement of profit or loss.

Environmental risks and related provisions

RS operates in an industry where there are business-related environmental risks, whose prevention may require financial investments. One such risk is the pollution of natural resources that may have occurred as a result of technologies used for RS's past operations. In this context, RS identifies and assesses potential sources of contamination as a basis for determining the extent of contaminated soil. Provisions for remediation are recognized when it is known when remediation works are required, and the amount is based on the volume of contaminated soil and the market price of the related service.

Reorganization provision

An RS reorganization plan was approved and communicated in September 2024. The plan foresees improving the entity's internal structure and optimizing the staffing level over a two-year period, starting from the beginning of the financial year 2024/2025. A reorganization provision was calculated based on the approved reorganization plan, average salary and length of service of the staff, and estimated costs were charged to the statement of profit or loss as staff costs and to the balance sheet as other provisions (non-current) and accrued liabilities (current).

Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of RS.

The contingent asset is measured at the best estimate of the value of the resources to be received and is recorded as an off-balance sheet item.

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of RS;
- a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to RS and the revenue can be reliably measured, less value added tax. The following specific recognition criteria must also be met before revenue is recognized:

Sale of heat

Revenue from the sale of heat energy comprises revenue generated by RS from the supply of heat to heat consumers in Riga. Revenue is recognized for the supply of services based on existing contracts for a certain period. Revenue from the sale of heat energy is calculated by multiplying the quantity of supplied heat by the heat tariff set by the Public Utilities Commission (hereinafter – the PUC).

2. Summary of significant accounting policies (cont'd)

Revenue (cont'd)

Sale of electricity

Electricity is generated in cogeneration simultaneously with heat. Revenue from the sale of electricity is calculated by multiplying the supplied electricity quantity by the price set per unit.

Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

Rendering of services

The value of services rendered basically comprises revenue from the maintenance of internal systems of buildings. Revenue is recognized in the period when the services are rendered. Revenue from the maintenance of internal systems of buildings and the respective expenses are recognized based on the amount of the respective services rendered.

Penalties and default interest

Penalties and default interest are recognized as revenue and taken to the statement of profit or loss when received.

Deferred income

Deferred income represents income transferred to the next reporting periods in respect of payments made by customers for the connection to heating networks upon their request. Income is recognized in the current reporting period over the agreed connection period.

Deferred income from unexpected revenue and accrued income from unexpected expenditure (tariff adjustments)

RS is authorized by the PUC Board to determine its own tariffs for heat supply services in case of changes in the prices of fuel, purchased heat and sold electricity, in accordance with the Methodology for Calculating Tariffs of Heat Supply Services. RS is obliged to include unexpected revenue in the draft tariff calculation and has the right to include unexpected expenditure, which is spread over the period specified in the tariff methodology (for a time period not exceeding two years, discounting is not applied, considering that the time period does not exceed two years), when calculating the heat tariff for the following period. In the event that unexpected revenue arises, it is recognized as deferred income reducing the net turnover (revenue from the sale of heat energy) for the reporting year in the period in which it arises. Deferred income is included in net turnover in the period in which the heat energy is invoiced according to the amount of heat supplied at the tariff reduced for the unexpected revenue.

If unexpected expenditure is incurred, it is recognized as accrued income, increasing the net turnover (revenue from the sale of heat energy) for the reporting year only if it is reasonably expected that the unexpected expenditure will be recovered through an approved tariff increase.

Sale of CO₂ allowances

See the revenue recognition principles in the section "Accounting for CO₂ emission allowances".

EU grants

Income from EU grants is recognized in the statement of profit or loss in the period to which the grants are attributable. Grants attributable to assets (property, plant and equipment) are accounted for as deferred income and taken to income on a systematic basis over the useful life of the relevant assets.

Grants related to income are included in the statement of profit or loss as other operating income in the same period as the related expenditure, provided all the conditions attaching to the grants are complied with.

2. Summary of significant accounting policies (cont'd)

Related parties

Related parties are legal entities and individuals which are related to the Company in accordance with the rules set out below.

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - iii. both entities are joint ventures of the same third party;
 - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - vi. the entity is controlled or jointly controlled by a person identified in (a);
 - vii. a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingencies at the balance sheet date and income and expense for the reporting period. Actual results may differ from these estimates. The effect of estimates is reflected when changes occur.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Allowances for doubtful and bad receivables

RS's management reviews the carrying amounts of receivables for their recoverability and, whenever necessary, establishes allowances for doubtful and bad receivables. For the reporting years ended 30 September 2025 and 2024, specific allowances for doubtful receivables have been made by evaluating each receivable separately and general allowances have been made on the basis of the historical level of default, supported by future forecasts, if they have a significant effect.

Net realizable value of inventories

RS's management reviews the net realizable value of inventories based on information available about expected selling prices and distribution costs, as well as assessing the physical condition of inventories during annual stock counts. Allowances for inventories are established when their net realizable value is lower than cost.

Useful lives of property, plant and equipment and intangible assets

Useful lives of property, plant and equipment are reviewed annually and changed, if necessary, to reflect the management's current view on their remaining lives in the light of technological change, prospective economic utilization and physical condition of the assets concerned.

Recoverable amount of property, plant and equipment

RS's management reviews the carrying amounts of property, plant and equipment and assesses whether indications exist that the assets' recoverable amounts are lower than their carrying amounts. RS's management calculates and recognizes impairment losses on assets based on estimates of their future utilization, alienation or sale. Taking into consideration the planned level of activities and the estimated market value of assets, RS's management believes that no significant adjustments to the values of property, plant and equipment are necessary as at 30 September 2025 (and 30 September 2024).

2. Summary of significant accounting policies (cont'd)

Corporate income tax

Current corporate income tax is recognized in the financial statements based on the management's calculations made in accordance with Latvian tax legislation.

Corporate income tax is calculated on distributed profits (20/80 of the net amount payable to shareholders). Corporate income tax on distributed profits is recognized at the time when the Company's shareholders make a decision on profit distribution.

The Company calculates and pays corporate income tax also on deemed profit distributions (20/80 of the taxable base), which include taxable items defined in the law, such as non-operating expense, accumulated doubtful receivables and other expense exceeding statutory deduction thresholds. Corporate income tax on deemed profit distributions is recognized in the statement of profit or loss in the year when it arises. Corporate income tax on distributed profits and deemed profit distributions is presented in the statement of profit or loss as income tax expense, specifying the reported tax amount in the notes to the financial statements.

Accounting for CO₂ emission allowances

RS receives emission allowances free of charge and transfers them to the Latvian Environment, Geology and Meteorology Agency following the procedure set out in the Pollution Law. Meanwhile, if the RS carries out actions involving emission allowances which give rise to assets, liabilities, income or expense, respective records will be made in monetary terms based on each particular transaction's value stated in supporting documents and its substance and economic reality.

RS accounts for CO₂ emission allowances using the net liability method, i.e., in the event that allowances are used over the allotted amount and RS has to buy additional allowances, respective liabilities are recorded as expense and liabilities. If allowances are sold, income is recognized in the respective reporting period.

Subsequent events

Post-year-end events that provide additional information about RS's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

3. Net turnover

	01/10/2024- 30/09/2025	01/10/2023- 30/09/2024
Sale of heat energy	205 944 982	251 806 321
Unexpected revenue (due to changes in prices of purchased heat, fuel and electricity)*:		
Changes in prices of purchased heat, fuel and electricity	21 740 298	(14 732 523)
Tariff component	9 933 139	9 185 485
Sale of electricity	1 192 163	1 456 874
Maintenance of internal systems of buildings	435 774	570 444
Other income	371 726	341 420
TOTAL:	239 618 082	248 628 021

All income is generated in Latvia.

* In accordance with the accounting policy "Deferred income from unexpected revenue and accrued income from unexpected expenditure (tariff adjustments)", RS has recognized unexpected revenue of EUR 31 673 thousand for the financial year ended 30 September 2025 due to fluctuations in the prices of purchased heat and fuel compared to those factored in the tariff calculation, as well as recognizing revenue from deferred income accumulated over the previous year, by which heat bills issued to customers were reduced during 12 months of this financial year (until 14 October 2024: 3.18 EUR/MWh; from 15 October 2024: 3.60 EUR/MWh). In the financial year 2024/2025, deferred income from unexpected revenue in respect of the heat tariff has fully been taken to income for an amount of EUR 27 915 thousand, as well as recognizing accrued income from unexpected expenditure for an amount of EUR 3 758 thousand.

4. Cost of sales

	01/10/2024- 30/09/2025	01/10/2023- 30/09/2024
Purchase of heat energy	144 025 394	140 629 477
Fuel*	34 476 046	55 382 361
Staff costs	18 095 971	19 146 107
Amortization and depreciation	16 957 505	15 683 936
Costs of maintenance materials and repairs	10 281 162	9 544 229
Electricity	2 718 314	2 673 654
Other costs	1 256 570	1 286 761
TOTAL:	227 810 962	244 346 525

*The average price of fuel chips fell by 17% in the financial year ended 30 September 2025.

5. Administrative expense

	01/10/2024- 30/09/2025	01/10/2023- 30/09/2024
Staff costs	5 871 113	5 372 297
Computer maintenance, accessories, software maintenance	409 834	309 596
Electronic communications expense	70 552	56 561
Credit institution fees	53 119	21 724
Other administrative expense	693 073	558 364
TOTAL:	7 097 691	6 318 542

6. Other operating income

	01/10/2024- 30/09/2025	01/10/2023- 30/09/2024
Construction of heat pipelines and related income	4 215 255	2 819 215
EU grants (see Note 19)	929 325	935 160
Gain on disposal of property, plant and equipment, net	251 280	67 571
Gain on disposal of current assets	246 329	195 414
Penalties and fines received (see Note 13)	277 190	1 219 447
Gain on lease of property, plant and equipment	14 862	15 293
Other income	255 184	235 445
TOTAL:	6 189 425	5 487 545

7. Other operating expense

	01/10/2024- 30/09/2025	01/10/2023- 30/09/2024
Benefits under the Collective Agreement	362 602	356 428
Net carrying amount of disposals	-	193 734
Change in allowances for doubtful receivables (see Note 13)	948 634	495 825
Other expense	291 875	267 316
TOTAL:	1 603 111	1 313 303

8. Corporate income tax

In the reporting year ended 30 September 2025, no corporate income tax was payable by RS (30 September 2024: no corporate income tax liability).

9. Staff costs

Total staff costs are included in the following captions of the financial statements:

	01/10/2024- 30/09/2025	01/10/2023- 30/09/2024
Cost of sales	18 095 971	19 146 107
Administrative expense (including remuneration to the Management Board and the Supervisory Board)	5 871 113	5 372 297
Capitalized staff costs	56 694	109 104
TOTAL:	24 023 778	24 627 508

	01/10/2024- 30/09/2025	01/10/2023- 30/09/2024
Wages and salaries	17 751 925	17 595 033
Statutory social insurance contributions	4 147 090	4 091 277
Change in accrued liabilities (including statutory social insurance contributions)	2 124 763	2 941 198
TOTAL:	24 023 778	24 627 508

<i>Remuneration to the Management Board and the Supervisory Board (charged to administrative expense)</i>	01/10/2024- 30/09/2025	01/10/2023- 30/09/2024
Remuneration to the Management Board	443 083	515 594
Remuneration to the Supervisory Board	182 160	174 591
Statutory social insurance contributions for members of the Management Board	104 523	121 629
Statutory social insurance contributions for members of the Supervisory Board	42 971	41 186
TOTAL:	772 737	853 000

<i>Average number of employees</i>	01/10/2024- 30/09/2025	01/10/2023- 30/09/2024
Management Board	4	4
Supervisory Board	5	5
Other employees	643	674
TOTAL:	652	683

10. Intangible assets and property, plant and equipment	Licenses, trademarks and similar rights	Land plots, buildings and engineering constructions	Equipment and machinery	Other fixtures and fittings, tools and equipment	Construction in progress	TOTAL
Cost as at 30/09/2023	2 113 071	306 365 462	102 990 260	22 847 776	25 318 505	459 635 074
Additions	392 237	-	251 273	609 091	31 445 763	32 698 364
Reclassification	-	27 864 394	9 937 725	112 078	(37 914 197)	-
Disposals	-	(972 095)	(1 022 371)	(475 789)	-	(2 470 255)
Cost as at 30/09/2024	2 505 308	333 257 761	112 156 887	23 093 156	18 850 071	489 863 183
Additions	383 778	-	188 369	569 831	34 199 177	35 341 155
Reclassification	18 000	27 687 165	1 574 180	310 201	(29 589 546)	-
Disposals	(3 869)	(477 833)	(325 222)	(432 564)	-	(1 239 488)
Cost as at 30/09/2025	2 903 217	360 467 093	113 594 214	23 540 624	23 459 702	523 964 850
Accumulated depreciation/ amortization as at 30/09/2023	(2 062 188)	(147 259 088)	(75 100 715)	(16 870 104)	-	(241 292 095)
Depreciation/amortization charge	(50 705)	(9 267 144)	(4 791 438)	(1 574 649)	-	(15 683 936)
Depreciation/amortization of disposals	-	789 368	1 007 655	470 181	-	2 267 204
Accumulated depreciation/ amortization as at 30/09/2024	(2 112 893)	(155 736 864)	(78 884 498)	(17 974 572)	-	(254 708 827)
Depreciation/amortization charge	(150 681)	(9 912 911)	(5 356 850)	(1 537 063)	-	(16 957 505)
Depreciation/amortization of disposals	3 869	430 612	324 157	423 458	-	1 182 096
Accumulated depreciation/ amortization as at 30/09/2025	(2 259 705)	(165 219 163)	(83 917 191)	(19 088 177)	-	(270 484 236)
Net carrying amount as at 30/09/2024	392 415	177 520 897	33 272 389	5 118 584	18 850 071	235 154 356
Net carrying amount as at 30/09/2025	643 512	195 247 930	29 677 023	4 452 447	23 459 702	253 480 614

As at 30 September 2025, construction in progress comprised capitalized design costs and the launched development of heating networks amounting to EUR 19 635 thousand (30 September 2024: EUR 17 934 thousand) and investments in the development of production facilities of EUR 3 825 thousand (30 September 2024: EUR 916 thousand).

Amortization and depreciation costs are included in the statement of profit or loss as the cost of sales.

Pledges and other restrictions on title

RS has not pledged its assets to secure borrowings.

According to the signed loan agreements, RS obtains from credit institutions approval for, or notifies of, any alienation of assets whose total carrying amount or selling price (whichever is the highest) exceeds EUR 500 000 within a financial year and any alienation or lease of properties whose total carrying amount within a year exceeds 5% of the total assets of RS, except when properties are alienated or leased out in the ordinary course of business.

Fully depreciated assets

A number of assets that have been fully depreciated are still in active use. As at 30 September 2025, the total original cost value of these assets was EUR 110 681 thousand (30 September 2024: EUR 104 973 thousand). Each year, in line with the established priorities, investments are made in the repairs and restoration of assets.

11. Investments in related companies

	Equity interest		Carrying amount	
	30/09/2025	30/09/2024	30/09/2025	30/09/2024
	%	%	EUR	EUR
SIA Rīgas BioEnerģija	100	100	13 852 000	13 852 000

Financial indicators of related companies:

Related company	Equity		Profit for the reporting year	
	30/09/2025	30/09/2024	01/10/2024- 30/09/2025	01/10/2023- 30/09/2024
SIA Rīgas BioEnerģija	38 635 119	24 915 008	13 720 111	2 439 991

The core business of SIA Rīgas BioEnerģija is steam supply and air conditioning (NACE 35.30). The operating aim of SIA Rīgas BioEnerģija is the construction of heat generating facilities, the production and sale of heat energy to RS.

12. Raw materials and consumables

	30/09/2025	30/09/2024
Natural gas	809 323	760 537
Chips	227 320	293 176
Metal products	608 093	679 925
Liquid fuel	703 675	533 012
Building materials	809 442	276 954
Measuring instruments	101 671	76 752
Equipment	64 886	69 376
Office-related materials	137 931	38 264
Other inventories	330 019	418 048
Allowances for obsolete items	(125 721)	(110 849)
TOTAL:	3 666 639	3 035 195

Changes in allowances for obsolete items can be specified as follows:

	01/10/2024- 30/09/2025	01/10/2023- 30/09/2024
At the beginning of the reporting period	110 849	68 582
Change in allowances	14 872	42 267
At the end of the reporting period	125 721	110 849

13. Trade receivables

	30/09/2025	30/09/2024
Due for heat energy	11 640 946	11 244 238
Due for electricity sold	69 711	49
Due for the maintenance of internal systems of buildings	6 353	5 997
Allowances for doubtful receivables	(3 710 476)	(1 721 126)
TOTAL:	8 006 534	9 529 158

Changes in allowances for doubtful receivables can be specified as follows:

	01/10/2024- 30/09/2025	01/10/2023- 30/09/2024
At the beginning of the reporting period	1 721 126	1 328 261
Additional allowances established*	2 220 306	495 825
Recovery of previously impaired balances	(169 305)	(48 433)
Write-off of previously impaired balances	(61 651)	(54 527)
At the end of the reporting period	3 710 476	1 721 126

* In the financial year ended 30 September 2025, allowances for doubtful receivables were increased over uncertainty concerning the recoverability of balances due to differences in the booking of payments as penalties by RS and certain debtors, and information about the aging structure of end consumers. The additional allowances have been recognized in the statement of profit or loss under other operating expense for an amount of EUR 948 634 and as a decrease in penalties received by EUR 1 271 672.

14. Other receivables

	30/09/2025	30/09/2024
Overpayment of value added tax (see Note 18)	495 779	68 378
Other receivables	138 776	136 338
TOTAL:	634 555	204 716

15. Loans from credit institutions

Non-current:	Original amount, EUR	Effective interest rate (%)	Maturity	30/09/2025	30/09/2024
Loan from Swedbank AS	15 000 000	6M EURIBOR + 0.93%	17/08/2026	-	5 000 000
Loan from AS SEB banka	17 000 000	3M EURIBOR + 1.3%	25/08/2027	5 666 667	11 333 334
Loan from Swedbank AS	9 000 000	3M EURIBOR + 0.29%	29/11/2028	8 062 500	9 000 000
Loan from the Nordic Investment Bank	20 000 000	3M EURIBOR + 1.2%	11/07/2033	16 969 697	19 393 939
Loan from the Nordic Investment Bank	18 000 000	3M EURIBOR + 1.05%	17/10/2039	18 000 000	-
Loan from the Council of Europe Development Bank	14 000 000	3M EURIBOR + 0.66%	30/07/2040	14 000 000	-
TOTAL non-current loans:				62 698 864	44 727 273

15. Loans from credit institutions (cont'd)

Current portion of non-current loans	Original amount, EUR	Effective interest rate (%)	Maturity	30/09/2025	30/09/2024
Loan from OP Corporate Bank plc Latvia branch	10 000 000	6M EURIBOR + 1.19%	25/08/2025	-	2 500 000
Loan from Swedbank AS	15 000 000	6M EURIBOR + 0.93%	17/08/2026	5 000 000	5 000 000
Loan from AS SEB banka	17 000 000	3M EURIBOR + 1.3%	25/08/2027	5 666 667	5 666 667
Loan from Swedbank AS	9 000 000	3M EURIBOR + 0.29%	29/11/2028	937 500	-
Loan from the Nordic Investment Bank	20 000 000	3M EURIBOR + 1.2%	11/07/2033	2 424 242	606 060
TOTAL:				14 028 409	13 772 727
Current credit lines (overdrafts)					
OP Corporate Bank plc Latvia branch	10 000 000	3M EURIBOR + 0.45%	19/12/2025	9 236 031	-
AS SEB banka	25 000 000	12M EURIBOR + 0.36%	14/02/2026	17 273 591	-
TOTAL:				26 509 622	-
TOTAL current loans:				40 538 031	13 772 727
TOTAL loans from credit institutions:				103 236 895	58 500 000

Changes in loans:

	30/09/2025	30/09/2024
Balance at the beginning of the reporting year	58 500 000	64 271 945
Loans received	58 509 622	29 000 000
Loans repaid	(13 772 727)	(34 771 945)
Balance at the end of the reporting year	103 236 895	58 500 000

During the reporting period, interest amounting to EUR 2 980 576 (30 September 2024: EUR 3 356 411) was charged on loans from credit institutions.

On 15 October 2024, a 15-year loan agreement for EUR 18 million was signed with the Nordic Investment Bank for the financing of investment projects for the financial year 2023/2024. The respective amount was credited to the bank account of RS in November 2024. A 12-month credit line agreement subject to the maximum limit of EUR 10 million was signed with OP Corporate Bank plc Latvia branch on 13 December 2024, and a 12-month credit line agreement subject to the maximum limit of EUR 25 million was signed with AS SEB banka on 14 February 2025. On 12 June 2025, a loan agreement was signed with the Council of Europe Development Bank for a period of 15 years to finance a four-year investment program for the reconstruction and construction of district heating networks for new customers for an amount of EUR 40 million. The first tranche of EUR 14 million was received in July 2025. On 19 September 2025, a 10-year loan agreement for EUR 7 million was signed with OP Corporate Bank plc Latvia branch for the financing of investment projects for the financial year 2024/2025. The respective amount was credited to the bank account of RS on 30 October 2025.

As at 30 September 2025, the amount of loans contracted but not used by RS was EUR 15 491 thousand (30 September 2024: EUR 14 000 thousand).

As at 30 September 2025, RS met all the financial covenants set out in the loan agreements.

Information on pledges and other restrictions on title under the loan agreements is disclosed in Note 10.

16. Trade payables

	30/09/2025	30/09/2024
Due to suppliers	1 973 719	2 434 999
Due to contractors	8 631 243	14 874 919
Due for services	487 008	429 242
TOTAL:	11 091 970	17 739 160

17. Accrued liabilities

	30/09/2025	30/09/2024
Vacation pay reserve and provisions for employee incentives	3 699 807	3 778 027
Current payables for heat energy supplied	1 910 677	1 537 710
Other current payables	1 630 950	800 610
Wages and salaries	901 192	863 176
Accrued interest payments	336 606	265 957
Reorganization provision*	89 359	365 340
TOTAL:	8 568 591	7 610 820

* An RS reorganization plan was approved and communicated in September 2024. The plan foresees improving the entity's internal structure and optimizing the staffing level as part of efficiency measures to be implemented over a two-year period. As a result, a reorganization provision of EUR 609 thousand was calculated, including current liabilities of EUR 365 thousand. As at 30 September 2025, the provision amounted to EUR 89 359, and the reorganization plan will be completed in the financial year 2025/2026.

18. Taxes payable

	30/09/2025	30/09/2024
Value added tax	(495 779)	(68 378)
Statutory social insurance contributions	596 133	570 627
Personal income tax	277 473	287 500
Unemployment risk duty	226	241
Natural resource tax	26 828	10 471
TOTAL:	404 881	800 461
<u>Of which:</u>		
Taxes receivable (see Note 14)	(495 779)	(68 378)
Taxes payable	900 660	868 839

19. Deferred income

	01/10/2024- 30/09/2025	01/10/2023- 30/09/2024
At the beginning of the reporting year	41 248 104	35 852 828
Payments received from customers in the reporting year for the connection to heating networks	1 955 478	1 339 569
(Decrease)/increase in deferred income from unexpected expenditure/revenue for the heat tariff (see Note 3)	(17 981 907)	14 732 523
Income recognized in the reporting period from deferred income due to unexpected revenue (tariff component) (see Note 3)	(9 933 139)	(9 185 485)
Inseparable leasehold improvements taken to the statement of profit or loss in the reporting year	-	(37 541)
Recognized in the statement of profit or loss in the reporting year over the useful lives of respective assets (property, plant and equipment) from EU grants received in previous financial years (see Note 6)	(929 325)	(935 160)
Recognized in the statement of profit or loss in the reporting year over the useful lives of respective assets (property, plant and equipment) and from payments received from customers for the connection to heating networks over the mandatory heat purchase period in years	(693 889)	(518 630)
At the end of the reporting year	13 665 322	41 248 104
Non-current:	12 044 308	29 131 655
Current:	1 621 014	12 116 449
	30/09/2025	30/09/2024
Non-current:		
Unexpected revenue (heat tariff adjustments)	-	17 367 787
EU grants received	7 586 440	8 510 452
Customer payments for connection to heating networks	4 457 868	3 253 416
TOTAL:	12 044 308	29 131 655
Current:		
Unexpected revenue (heat tariff adjustments)	-	10 547 259
EU grants received	924 013	929 325
Customer payments for connection to heating networks	697 001	639 865
TOTAL:	1 621 014	12 116 449

In the years 2011 to 2021, 13 projects to upgrade heat sources and heating networks were implemented using EU co-financing. The project surveillance period is five years. EU grants are recognized on a systematic basis over the useful life of relevant assets.

20. Financial risk management

RS's principal financial instruments are loans from credit institutions and cash. The main purpose of these financial instruments is to ensure financing for RS's operations. RS has various other financial instruments, such as trade and other receivables and trade and other payables, which arise directly from its operations. The main financial risks arising from RS's financial instruments are interest rate risk, credit risk, liquidity risk and price risk.

Interest rate risk

Borrowings bearing interest at a floating rate cause a risk of considerable growth of finance costs in situations when interest rates increase. RS is exposed to the risk of changes in market interest rates on its non-current liabilities bearing a floating rate. All RS's borrowings are at floating interest rates. The risk of changes in interest rates is managed by regularly assessing market interest rates available on borrowings.

20. Financial risk management (cont'd)

Credit risk

RS is exposed to credit risk through its non-current financial assets, trade and other receivables, and cash. RS manages its credit risk by continuously monitoring receivable balances to ensure that its exposure to bad debts is minimized. RS has a significant concentration of credit risk with a single customer – SIA Rīgas namu pārvaldnieks, which accounted for 65% of balances due for heat energy as at 30 September 2025 (30 September 2024: 64%). Trade receivables are stated at their recoverable amount. The Company's counterparties in cash transactions are local financial institutions with an adequate credit history.

Liquidity risk

RS manages its liquidity risk by maintaining an adequate level of cash or by arranging an adequate amount of committed credit facilities with banks. As at 30 September 2025, RS's current liabilities exceeded its current assets by EUR 49 541 thousand (30 September 2024: EUR 35 543 thousand). RS intends to settle these liabilities from operating cash flows and by using bank loans granted during the reporting period but unused by the year end as well as those granted after the balance sheet date (see Notes 15 and 27).

Price risk

Price risk is the risk that the fair values and future cash flows of financial instruments will fluctuate for reasons other than changes associated with interest rate risk or currency risk. Price risk is predominantly related to the purchase of heat and fuel. To hedge price risk, RS has a fixed-price contract signed for natural gas for the entire 2025/2026 heating season and contracts for purchasing wood chips through exchanges.

21. Fee paid to certified auditors

	01/10/2024- 30/09/2025	01/10/2023- 30/09/2024
Annual audit fee	28 000	28 000
TOTAL:	28 000	28 000

22. CO₂ allowances

According to Directive 2003/87/EC of the European Parliament and of the Council and the Pollution Law of the Republic of Latvia, combustion installations with a rated thermal input exceeding 20 MW must participate in the Emissions Trading Scheme (ETS). AS RĪGAS SILTUMS has six heat sources that meet this criterion. The quantity of allocated allowances is decreasing annually. AS RĪGAS SILTUMS has a surplus of allowances thanks to fuel diversification and several efficiency improvements carried out at its heat sources.

The fourth period of the European Union Emissions Trading Scheme began on 1 January 2021. This period runs from 2021 to 2030 and is divided into two separate periods: 2021–2025 and 2026–2030.

	01/10/2024 - 30/09/2025	01/10/2023 - 30/09/2024
At the beginning of the year	77 476	133 464
Allowances allocated	37 460	39 109
Allowances used	(71 810)	(95 097)
At the end of the year	43 126	77 476

23. Research and development costs

In the reporting year, RS incurred research and development costs amounting to EUR 273 217 (2024: EUR 500 545).

24. Commitments and contingencies

As at 30 September 2025, RS had future commitments for repairs and construction contracts with pending commitments for a total amount of EUR 7 115 thousand (30 September 2024: EUR 11 896 thousand).

RS operates in an industry exposed to business-related environmental risks, whose prevention may require financial investments. One such risk is the environmental pollution that may have occurred as a result of technologies (storing fuel oil as reserve fuel) used for RS's past operations. In this context, RS identifies and assesses potential sources of contamination; therefore, in 2017, SIA Vides Konsultāciju Birojs examined soil contamination at the Vecmīlgrāvis and Ziepniekkalns heating plants. The fuel oil facility at the Ziepniekkalns heating plant was demolished in the financial year ended 30 September 2025. Taking into account the historical use of the territory, the quality of the soil and groundwater was examined after the demolition of the fuel oil facility and the clean-up of the territory. Main conclusions: the examined area was not significantly affected, oil product clean-up was carried out prior to the demolition, no significant spills were observed, and it cannot be concluded that remediation work should be carried out in the demolition area or that contamination has been detected. The Vecmīlgrāvis heating plant had soil contamination established, but contamination is not migrating with groundwater and is not causing any environmental risk, therefore regular monitoring of ground and groundwater contamination is required at the remediation site. Remediation of contaminated soil at the Vecmīlgrāvis heating plant may be necessary only if construction is planned in the contaminated area, but it is not foreseeable in the near future. Groundwater monitoring is carried out at all heating plants in accordance with permits for polluting activities. The monitoring data show that pollution does not exceed regulatory thresholds. No provisions have been established because remediation works are not expected in the future.

25. Related party disclosures

Ordinary trade transactions with Riga Municipality and the Latvian Government, including ministries and state agencies, and transactions with companies and public service providers controlled by Riga Municipality and the state are not considered to be related party transactions and are not reported under related party disclosures. RS transacts business with many of these entities in accordance with heat tariffs approved by the PUC. Transactions with related parties controlled by Riga Municipality and the state include the sale of heat energy and related services, but are exclusive of individual material transactions; quantitative disclosure of transactions with these related parties is not possible due to the large number of RS's customers, except for transactions with SIA Rīgas namu pārvaldnieks and AS Latvenergo, which are disclosed below as transactions with other related parties.

The table below does not show dividends paid to the shareholders in proportion to their equity interest (see the statement of changes in equity).

Transactions with RS's management consist solely of remuneration paid for their functions in the Management Board and the Supervisory Board (see Note 9).

	01/10/2024-30/09/2025		01/10/2023-30/09/2024	
	SIA Rīgas BioEnergija	Other related parties	SIA Rīgas BioEnergija	Other related parties
Sale of goods and services				
Heat energy	1	81 509 207	12 208	100 797 910
Services provided	6 531	147 369	202 767	89 223
TOTAL:	6 532	81 656 576	214 975	100 887 133
Purchase of goods and services				
Heat energy	29 133 867	89 488 656	15 677 391	104 832 438
Natural gas	-	10 725 340	-	25 496 860
Services received	1 208	533 357	1 217	2 058 988
TOTAL:	29 135 075	100 747 353	15 678 608	132 388 286

25. Related party disclosures (cont'd)

	30/09/2025		30/09/2024	
	SIA Rīgas BioEnergija	Other related parties	SIA Rīgas BioEnergija	Other related parties
Receivables from related companies	5 767	-	-	-
Trade receivables	-	7 583 180	-	7 185 510
Prepayments for inventories	-	-	-	134 721
Other receivables	-	92	-	2 834
TOTAL:	5 767	7 583 272	-	7 323 065
Trade payables	-	1 232 237	-	1 946 116
Payables to related companies	718 022	-	157	-
Prepayments received from customers	-	41 394	-	6 508
TOTAL:	718 022	1 273 631	157	1 952 624

26. Going concern

The financial statements are prepared on the basis that RS will continue to be a going concern. RS earned a profit of EUR 6 373 thousand for the reporting year. At the year end, RS's current liabilities exceeded its current assets by EUR 49 541 thousand (30 September 2024: EUR 35 543 thousand). The management considers that RS's liquidity position is not at risk because RS had available unused credit facilities of EUR 15 491 thousand at the year end, a credit line agreement for an amount of EUR 19 million was signed with AS SEB banka on 26 November 2025. It is planned to attract additional financing from an international financial institution in early 2026, positive cash flow from economic activities will ensure stable operations and provide an opportunity to cover short-term liabilities.

The heat tariff which entered into force on 1 October 2025 comprises the unexpected expenditure component of 2.05 EUR/MWh arising from costs in previous periods, which will, accordingly, improve the Group's cash flows in the financial year 2025/2026.

27. Events after balance sheet date

The heat tariff of 83.01 EUR/MWh, approved by the PUC, entered into force on 1 October 2025.

A credit line agreement for an amount of EUR 19 million was signed with AS SEB banka on 26 November 2025.

As of the last day of the reporting year until the date of signing these financial statements there have been no other events requiring adjustment of or disclosure in the financial statements or notes thereto.

*signature	*signature	*signature
Kalvis Kalniņš Chairman of the Management Board	Raivis Elliņš Member of the Management Board	Vineta Kutkēviča Member of the Management Board
*signature	*signature	
Reinis Kasparsons Member of the Management Board	Ilze Caune Chief Accountant	

*THIS DOCUMENT IS SIGNED WITH A SAFE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP
