

SIA "Rīgas ūdens"

# UNAUDITED CONDENSED REPORTS

for the 12-month period ended 31 December 2025

RIGA, 2025



# Disclaimer

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Alternative Performance Measures (APMs) used in the presentation are indicators calculated by management to provide additional insight into the company's performance and financial condition. The APM does not replace the financial indicators specified in regulatory enactments and should be interpreted together with the financial statements.

The forward-looking statements contained in this presentation are based on management's current assumptions and projections, and actual results may vary materially due to various risk and uncertainty factors. The Company undertakes no obligation to update such statements.

The Report is not intended as part of an offer or solicitation of an offer to buy, subscribe for or sell any securities of the Company, and nothing in this Presentation shall in any way constitute a legal agreement or part thereof and may not be relied upon in connection with any contract, obligation or investment decision. Each recipient of the information contained in this Presentation is responsible for making its own independent assessment of the Company's business, financial condition, prospects, status and transactions. No person shall have any right to bring an action against the Company or any other person regarding the accuracy or completeness of the information contained in the Submission. These unaudited condensed financial statements have been prepared in accordance with the requirements of the Law on Management of Capital Shares of a Public Person and Capital Companies of the Republic of Latvia, using the same accounting policies used when preparing the Company's financial statements for 2024 in accordance with the IFRS Accounting Standards approved by the EU. These unaudited condensed financial statements do not include all the information and notes that should be included in the full annual report, so these unaudited condensed financial statements should be read in the context of the Company's 2024 financial statements.

The information contained in this presentation has been prepared for informational purposes and is based on unaudited financial data, which reflects the information available to the company's management at the time of preparation.

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## Information about the company

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|  |   |
|--|---|
| <b>Company name</b>  | SIA „Rīgas ūdens”   |
| <b>Legal status of the company</b>                                     | Limited Liability Company   |
| <b>Registration number, Place and date</b>                             | 40103023035<br>Riga, 24 September 1991<br>Re-registration in the Commercial Register has been carried out 12 January 2004 under the single registration number 40103023035  |
| <b>Address</b>   | Zigfrīda Annas Meierovica boulevard 1<br>Rīga, LV-1495, Latvija   |
| <b>Sole participant</b>  | Riga City Municipality (100%)<br>Rātslaukums 1, Riga, LV-1050, Latvia   |
| <b>Names and positions held by members of the Supervisory board</b>    | Dace Ljusa – chairman of the supervisory board<br>Imants Paeglītis – member of the supervisory board<br>Tālis Juhna – member of the supervisory board (to 31.08.2025.)<br>Māris Kleinbergs – member of the supervisory board (no 17.10.2025)<br>Term of office of the supervisory board members – 5 years |
| <b>Names and positions held of the members of the Management Board</b> | Krišjānis Krūmiņš – chairman of the management board<br>Normunds Zvaunis – member of the management board<br>Agnese Ozolkāja – member of the management board   |
| <b>Company auditor</b>   | “POTAPOVIČA UN ANDERSONE” SIA<br>The responsible sworn auditor: Anna Temerova-Allena<br>Certificate of a sworn auditor No. 154  |

# Key performance indicators

Period 1 January – 31 December 2025

## Business result



**+0,07%**

Increase in the volume of water sold, %

30 275 m<sup>3</sup>  
In 2024

**-0,57%**

Changes in the volume of sewerage services, %

36 799 m<sup>3</sup>  
In 2024

**5,6 km**

new pipelines

19,3 km  
In 2024

**24 km**

Restored pipelines

14,7 km  
In 2024

**+1221**

New service users

1971  
In 2024

## Financial result



**+5,2%**

Changes in revenue

versus 2024

**31,0**  
mEUR

EBITDA

25,9 m EUR  
In 2024

**2,4x**

Net debt/  
EBITDA

2,2x  
In 2024

**70,7%**

Equity ratio

74,6%  
In 2024

**48,5**  
mEUR

Investments

35,6 mEUR  
In 2024

# Management report

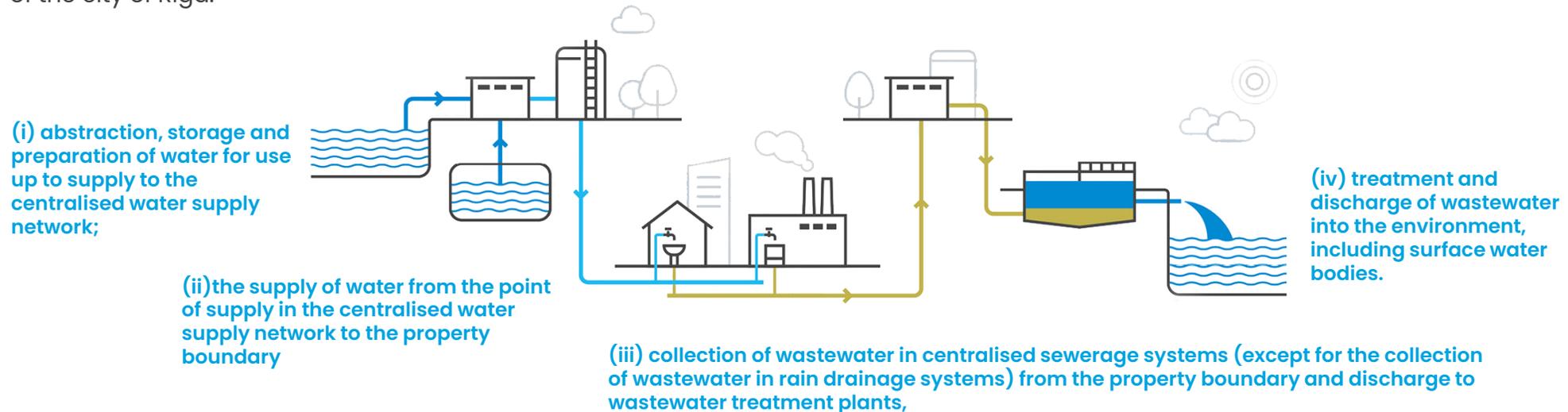
## Main business activity

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

On 24 July 2019, Riga City Municipality and the Company entered into a new agreement on the provision of the following public water management services in the administrative territory of the city of Riga:

The contract is valid until 23 July 2029. The company also provides centralized water supply services in certain territories of Pierīga – Ādaži parish of Ādaži municipality, Garkalne and Stopiņi parish of Ropaži municipality, Mārupe parish of Mārupe municipality and Ķekava parish of Ķekava municipality.

In addition to core services in the field of water management, the Company provides real estate rental services, provides utilities to tenants, performs water and wastewater laboratory analysis and other services. The share of these services is negligible.



# Management report

## Tariff Information

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

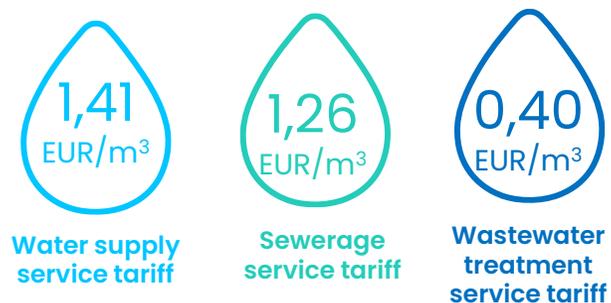
In order to ensure further restoration of pipelines and reduce the increase in the cost of unplanned repairs in the future, a revision of the tariff is planned in the coming period.

The tariffs set by the company, which constitute revenue, are strictly monitored by the Public Utilities Commission (hereinafter - PUC).

During the reporting period, the water management service tariffs approved by the PUC, effective from 1 January 2025, were 2,34 EUR/m<sup>3</sup> (excluding VAT).

At the PUC board meeting on 30 October, a new draft water management service tariff was approved, and as of December 1, the water management tariff was set at 2,67 EUR/m<sup>3</sup> (excluding VAT). The tariff increase amounted to 0,33 EUR, resulting in an indicative monthly expenditure increase of 2,60 EUR for a household in an apartment building, representing less than 1% of the average household income.

Tariffs for water management services from 1 December 2025 (excluding VAT):



In total, tariff increased by 14% and amounted to EUR 2,67 (excluding VAT).



## Management report

### Excess demand and widespread investor engagement confirm the success of the transaction

By implementing its first public European green bond offering to investors in the Baltics, the Company has successfully raised EUR 20 million. The company successfully raised 228% of the bond issue target, with total demand reaching EUR 45,5 million, which significantly exceeded the planned EUR 20 million.

High demand was driven by institutional investors, which accounted for about 85% of the total demand (EUR 38,5 million). More than 25 institutional investors participated, including the Nordic Investment Bank, asset managers, banks and insurance companies.

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

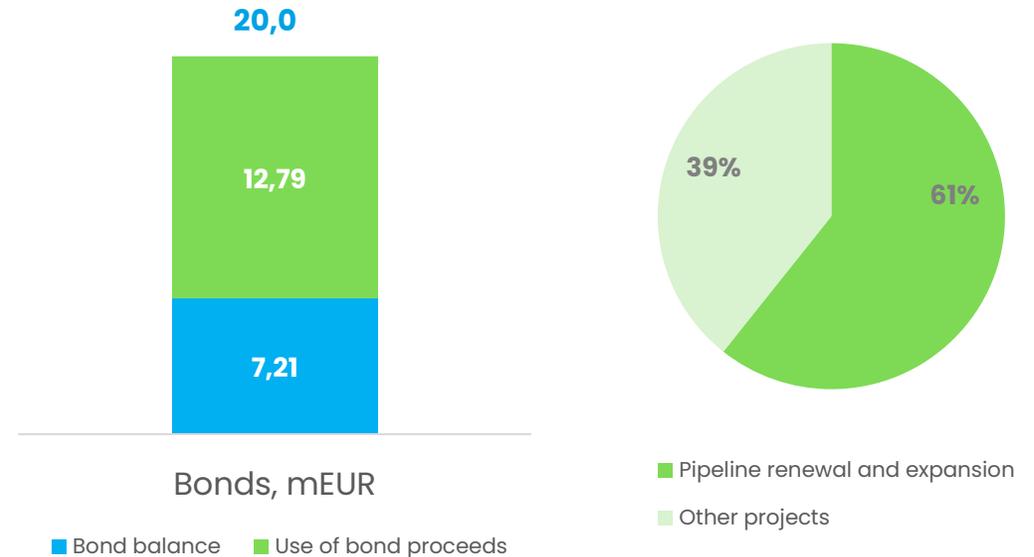
The nominal value of each bond is EUR 100, the annual interest rate is 4% with the payment of coupons quarterly. The maturity of bonds is 5 years.

The bonds were listed on the Nasdaq Riga regulated market on 5 June 2025 – the day after the date of issue.

### Approval of the members of the audit committee

In accordance with the requirements of the Financial Instruments Market Law, the Company, as a stock exchange participant, has an obligation to establish an Audit Committee.

At the meeting of participants on 29 August 2025, a decision was made on the approval of the members of the Audit Committee of the Company. Detailed information about the members of the Audit Committee is provided on the Company's website: <https://www.rigasudens.lv/lv/par-rigas-udens>



In 2025, EUR 7,8 million was spent on water supply and sewerage pipeline renewal and expansion projects. It is 61% of the total use of bonds for the period.

# Management report

## Volumes of services provided during the reporting period

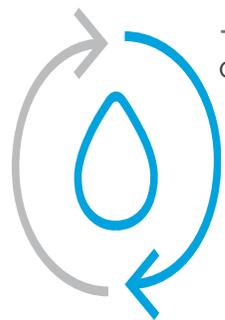
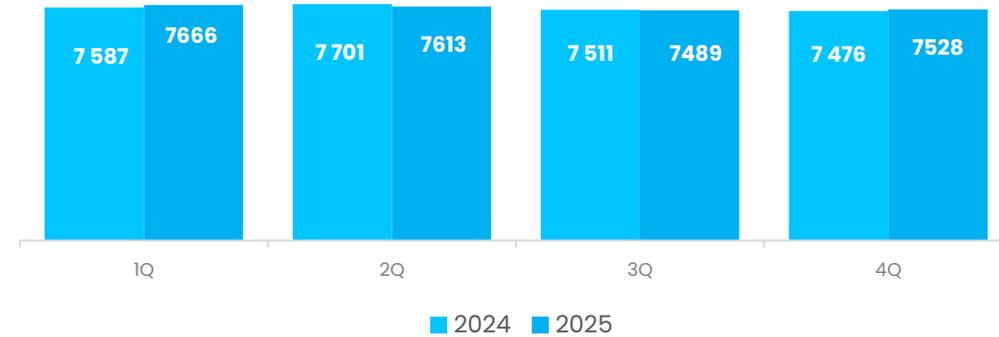


+ 0,07%  
Compared to 2024

Water supply services

**30 296 thousand m<sup>3</sup>**

Changes in water supply services compared to 2024 are insignificant

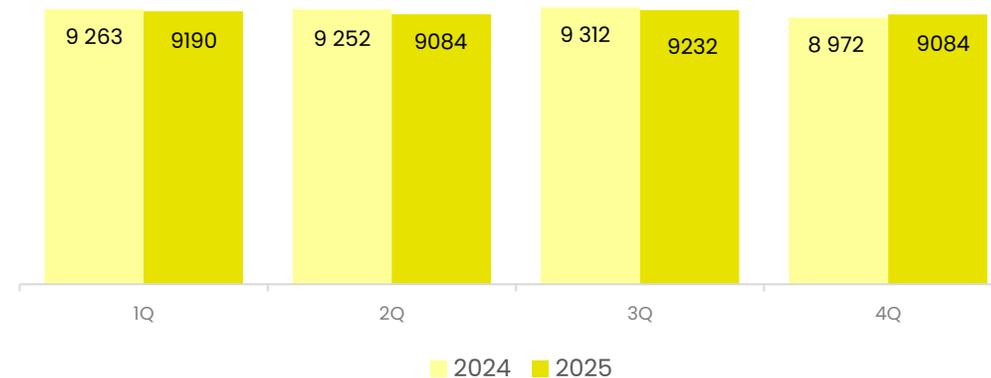


- 0,57%  
Compared to 2024

Sewerage services

**36 590 thousand m<sup>3</sup>**

Changes in sewerage services compared to 2024 are insignificant



# Management report

## Accessibility



**24 km**

Restored water and sewerage pipelines



**5,6 km**

New water and sewerage pipelines have been built

### The most important water and sewerage restoration projects:

- Restoration of sewerage pressure pipes by lining method in Riga, Mukusalas street.
- Reconstruction of the domestic wastewater system in Uzvaras park
- Reconstruction of two primary clarifiers and one secondary clarifier at the Daugavgrīva Biological Treatment Plant at Dzintara Street 60, Riga.

### New pipelines have been built to increase the availability of services:

- In Ziepniekkalns district, 0.82 km of sewerage pipelines and 0.32 km of water supply pipelines.
- In Jugla district, 3.87 km of sewerage pipelines and 0.57 km of water supply pipelines.

### New customers in 2025:

- 1221 inhabitants connected to a centralized sewerage system,
- 568 inhabitants connected to a centralized water supply system,
- Municipal co-financing has been granted to 442 owners of 289 objects,
- 1319 new customer portal users (93% of customers).

### Customer service activities:

- To ensure water quality, flushing of water pipelines was carried out for 333.5 km
- Customer satisfaction rate 93%.

## Main business events

### Availability in Mangaļsala:

In 2022, the Riga City Council adopted a decision on the reduction of the share of dividends payable to the local government and the implementation of the Mangaļsala water supply project, ensuring centralized access to the service for more than 730 residents.

On 29 October 2025, a building design and a building permit have been received by the construction board with a note of the construction board regarding the fulfilment of the design conditions.

Construction is planned to be realized within 3 years.

### Expansion of the anaerobic digester park

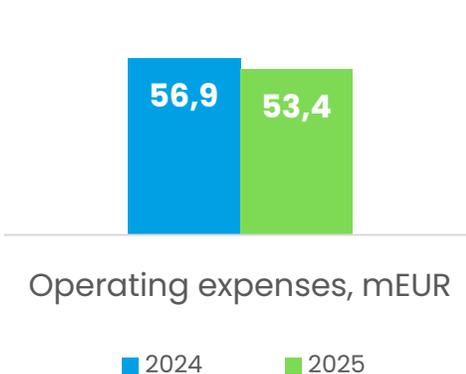
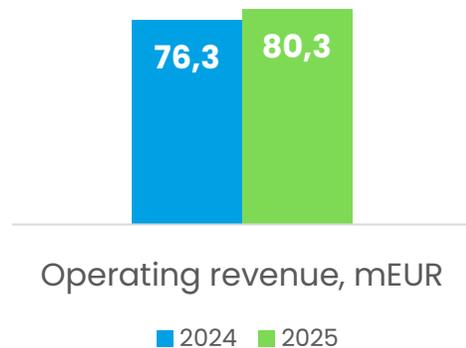
In August 2025, the company concluded an agreement on the expansion of the anaerobic digester park of the Biological Treatment Plant "Daugavgrīva". This is one of the largest and most engineering-complex water management projects in Latvia, which will significantly improve the sewage sludge treatment capacity in Riga and promote the Company's strategic direction towards energy neutrality. The contract amount of the project is EUR 54,7 million (excluding VAT), and the implementation of the project will be carried out by SIA "Industry Service Partner". It is planned to start construction work already this year, but to be completed in four to five years.

The project to expand the anaerobic digester park aims to eliminate the current capacity shortage, which prevents the full treatment of the amount of sludge generated during the sewage treatment process. The project envisages the construction of two new methane tanks with a total volume of 12,000 m<sup>3</sup>, which will ensure full treatment of all sewage sludge under anaerobic conditions, while significantly increasing biogas production. The implementation of the project is also an important step towards BAS "Daugavgrīva" reaching up to 85% level of energy neutrality, meeting the requirements of the European Union and avoiding financial and environmental sustainability risks.

The project will be financed both from the funds of the bond program and from credit institutions, including a loan from the European Investment Bank, as well as from the company's own capital.

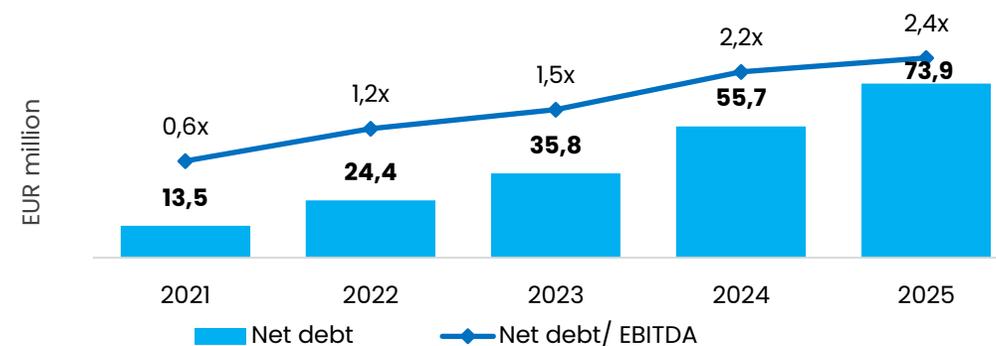
# Management report

## Key indicators

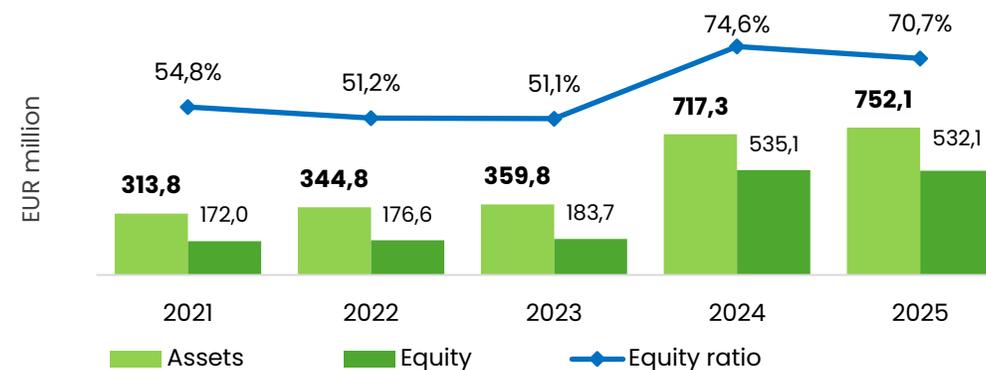


## Key financial indicators

### Net liabilities and net leverage ratio<sup>1)</sup>



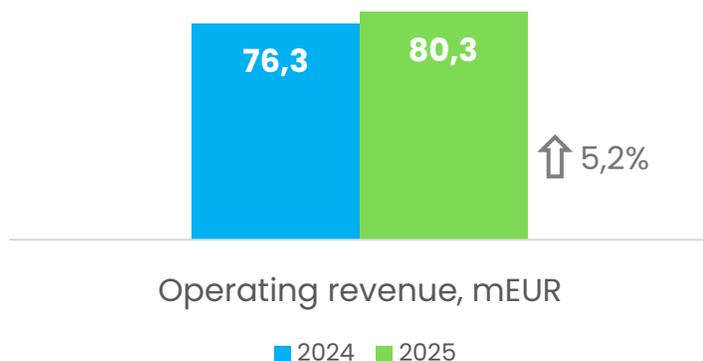
### Equity ratio<sup>1)</sup>



<sup>1)</sup> Definitions and calculation of financial indicators are given on page 16

# Management report

## Revenue



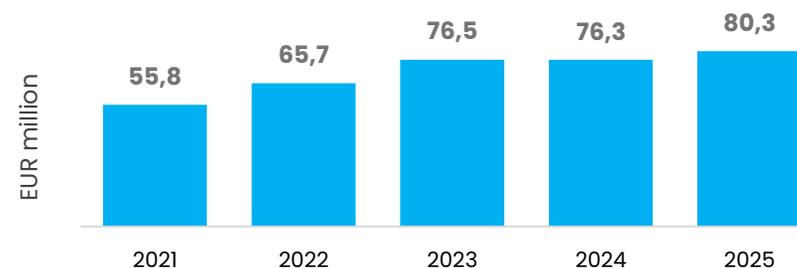
In 2025, revenue has increased, which is mainly due to the increase in tariffs for water and sewerage management services from 01.01.2025 and 01.12.2025.

Revenue from Pieriga services in 2025 amounts to EUR 2,8 million, including 79% sewerage services.

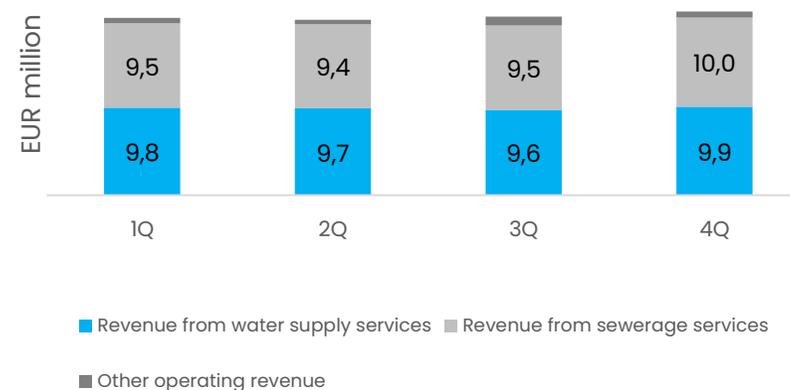
Other revenue is generated from the maintenance of public drinking fountains for the Riga City Municipality and the construction of new water supply and sewerage connections.

## Key financial indicators

## Revenue development by year

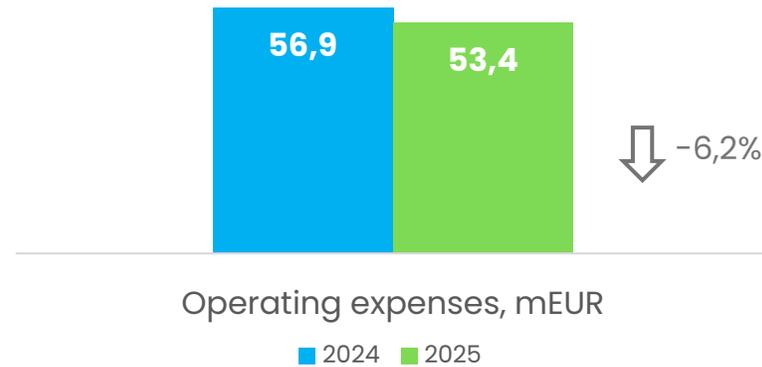


## Revenue development by quarter in 2025



# Management report

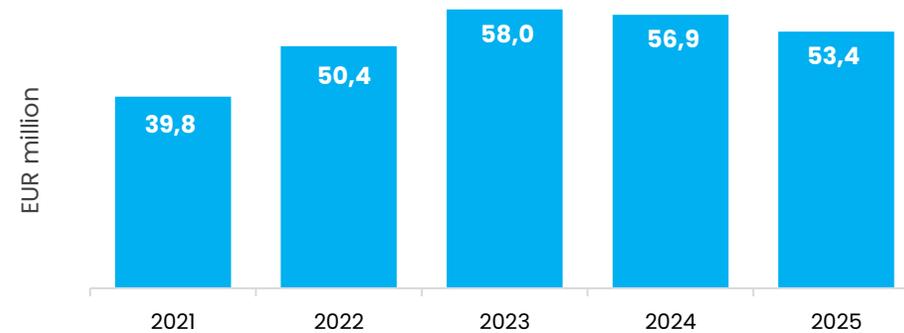
## Operating expenses



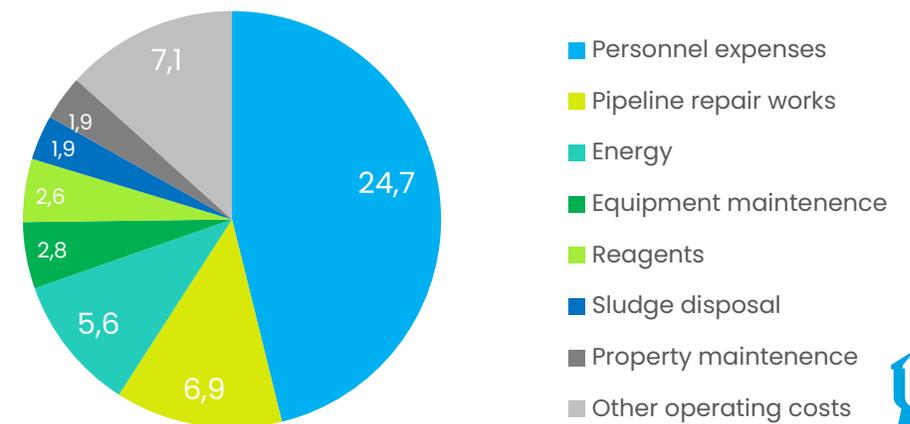
The decrease in expenses is mainly due to changes in the accounting for the costs of repairs of water and sewerage pipelines, increasing the share of cost capitalization, as well as a decrease in electricity costs.

The main cost categories include raw materials and supplies, pipeline repair works, property maintenance, repairs and equipment maintenance, energy costs, reagent purchases, sludge disposal, as well as personnel expenses and other operating costs.

## Operating cost trend analysis

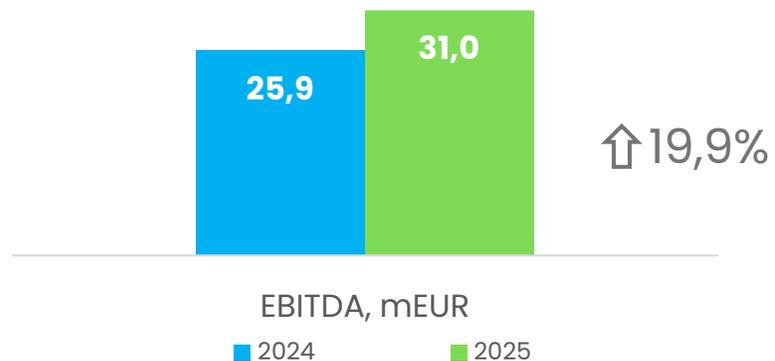


## Cost breakdown, 2025, EUR 53,4 million



# Management report

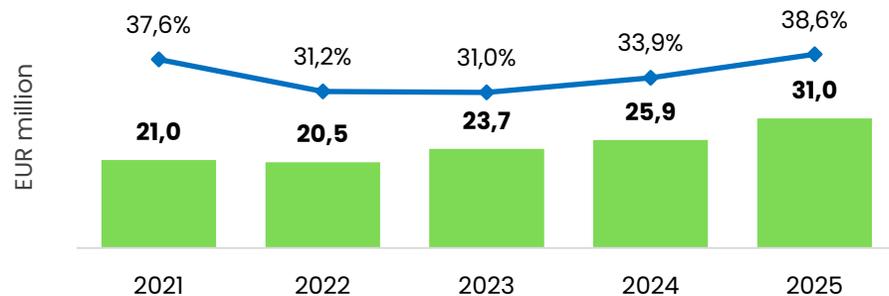
Financial result from economic activity  
Difference between revenue and expenses before taxes, depreciation and amortization



The increase in EBITDA is explained by the increase in revenue from water management services and the decrease in production costs.

The total EBITDA margin of the company in 2025 reaches 38,6%, which is sufficient and with a margin for servicing liabilities and realizing planned investments.

## Development of EBITDA and EBITDA margin by year(1)



## Key financial indicators

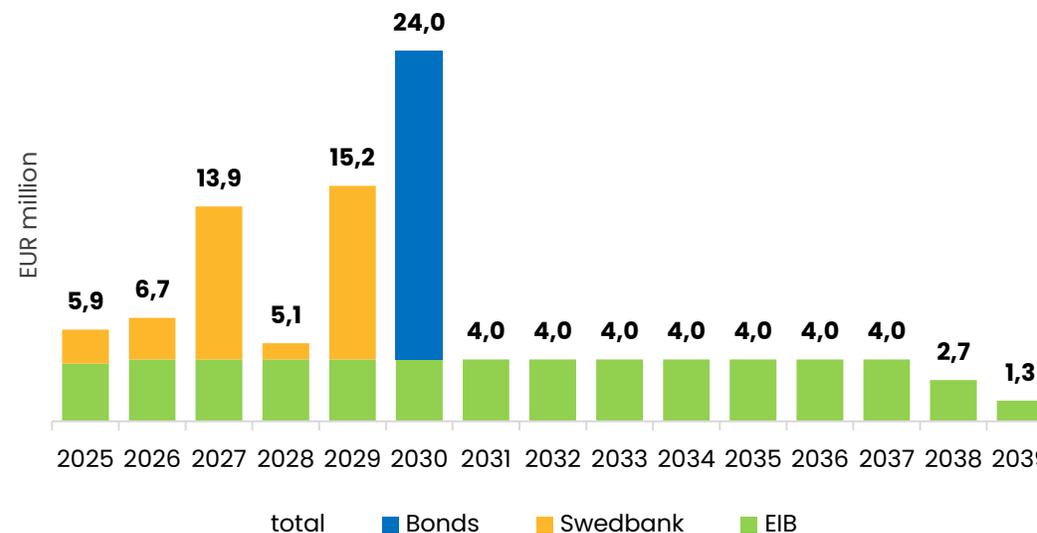
### Long-term financing

Investment projects are financed by "Rīgas ūdens" from its own funds and borrowed long-term financing.

Unused available credit facilities:

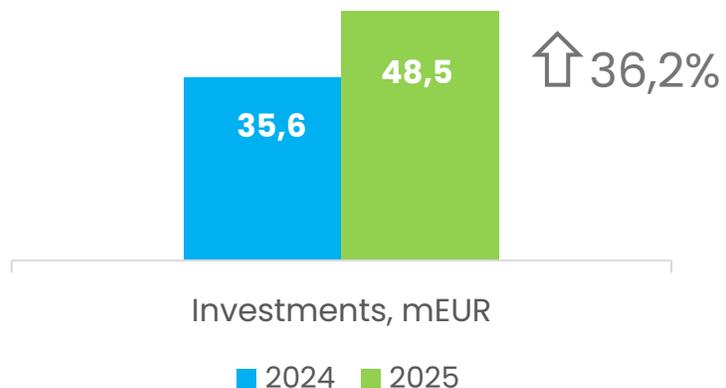
- EIB long-term financing: EUR 70 000 000
- Bonds: EUR 7 212 194
- Balance of long-term and short-term liabilities: EUR 97 568 350

### Repayment schedule of long-term liabilities



1) Definitions and calculation of financial indicators are given on page 16

# Investments



The increase compared to the corresponding period of 2024 is mainly due to investments in wastewater treatment programme projects.

## Investments

### Main areas of investment in 2025:

- 24 km of water supply and sewerage pipelines have been restored,
- Reconstruction of primary and secondary clarifiers at the Daugavgrīva Wastewater Treatment Plant.
- Reconstruction of the sewer collector in Uzvaras Park has been completed.
- Design and construction works for the anaerobic digester have commenced.

### During the reporting period, the use of bonds is EUR 12,79 million. EUR. Major projects:

- Restoration of sewerage networks under the cycle path Rīga-Ķekava 3,46 mEUR.
- Anaerobic digester design and construction works – 2,77 mEUR.
- Expansion of water supply and sewerage networks Slēpotāju, Krosa, Tramlīna, Silciema, Biatlona streets 0,95 mEUR,
- Reconstruction of the sewer collector in Uzvaras park 0,99 mEUR.

# Definitions and methodology for the calculation of financial indicators

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For the assessment of the financial situation of SIA "Rīgas ūdens", certain financial indicators and coefficients are used, which are calculated on the basis of the information of the financial statements. Below are the definitions and calculation formulas for these indicators:

**Investments** = gross investment in fixed assets, intangible assets and infrastructure projects; differences from cash flow in CAPEX due to delays, advances, VAT and EU funds projects.

**EBITDA** = operating profit before depreciation, depreciation, impairment, financial items and corporate income,

**Net debt** = (Long-term loans + short-term loans) - (Cash + Cash equivalents)

**Net debt/EBITDA** = ((Long-term loans + short-term loans) - (Cash + Cash equivalents)) / EBITDA

**Equity ratio** = (equity/assets) x 100%

**EBITDA margin** = (EBITDA/operating revenue) x 100%

Those indicators are financial indicators calculated by management that are not directly defined in the applicable accounting standards and are used to provide additional explanation of the company's performance, financial condition and cash flow. They do not replace the financial indicators specified in regulatory enactments and are used in addition to audited or unaudited financial statements.

# Management report

## Circumstances and events after the end of the reporting period

On 12 February 2026, the company entered into an agreement with the Nordic Investment Bank on the possibility of using the loan limit of up to EUR 50 million. According to the terms of the contract, the Company is not obliged to raise funds – an "uncommitted" agreement. At the same time, the existence of such an agreement ensures diversification and liquidity of borrowed funds.

At the same time, the Company started the process of extending the bond program, continuing to work on ensuring diversified access to financing in order to successfully implement EUR 235 million investment programme for the development of wastewater treatment and drinking water infrastructure in Riga. Given that the bond program for a total amount of up to 60 million will expire in May this year, and the interest of potential investors, the company has now begun extending the bond program by 12 months in order to use the bond program in full.

The aim of the investment program of SIA "Rīgas ūdens" for 2025–2028 is to improve the safety and quality of the services provided by the company, as well as to reduce the amount of water losses. The total cost of the programme for the development of wastewater treatment and drinking water infrastructure is EUR 235 million. They include the construction and replacement of drinking water and wastewater pipelines, the modernisation and capacity increase of wastewater treatment plants, as well as the digitalisation of water management systems by improving accounting, management and long-term planning.

Understanding the difficult situation regarding the increase in household utility bills due to cold weather, the Board of the Company in January 2026 made a decision to suspend the calculation for late payments of water management services until 30 April 2026. The decision applies to residents of Riga – residents of apartment buildings and private houses – for the water management services provided, starting from January 1 of this year. The decision will not have a significant impact on financial results.

During the period since the last day of the financial year, there have been no other events that would materially affect the financial position of the Company as of 31 December 2025 or that should be further explained in the annexes to the financial statement.

# Management report

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## Statement on the responsibility of the management board

The Management Board of the Company is responsible for the preparation of the Company's reports. Based on the information available to the Management Board, the unaudited condensed financial statements for the 12-month period ended 31 December 2025 present, in all material respects, a true and fair view of the Company's assets, liabilities, financial position, profit or loss, and cash flows. The information provided in the Management Report is true.

**Krišjānis Krūmiņš**  
Chairman of the  
management board

**Agnese Ozolkāja**  
Member of the  
management board

**Normunds Zvaunis**  
Member of the  
management board

Riga, 18 February 2026

UNAUDITED  
CONDENSED  
FINANCIAL  
STATEMENTS FOR  
2025



# Comprehensive income statement

|   | Attachments | EUR<br>01.01.-31.12.2025. | EUR<br>01.01.-31.12.2024. |
|---|-------------|---------------------------|---------------------------|
| Operating revenue   | 1           | 80 320 805                | 76 336 396                |
| Other operating revenue   |             | 4 077 371                 | 6 425 565                 |
| Raw materials and supplies  |             | (24 976 655)              | (29 202 748)              |
| Personnel expenses  |             | (24 654 302)              | (25 194 580)              |
| Other operating expenses  |             | (3 773 927)               | (2 514 567)               |
| <b>EBITDA</b>   |             | <b>30 993 292</b>         | <b>25 850 066</b>         |
| Depreciation and amortization of non-current assets   | 2           | (28 105 129)              | (42 489 471)              |
| <b>Operating profit</b>   |             | <b>2 888 164</b>          | <b>(16 639 405)</b>       |
| Financial income  |             | 267 884                   | 239 364                   |
| Financial costs*  |             | (2 565 529)               | (1 874 528)               |
| <b>Profit before tax</b>  |             | <b>590 519</b>            | <b>(18 274 569)</b>       |
| <b>Profit (loss) for the financial year**</b>   |             | <b>590 519</b>            | <b>(18 274 569)</b>       |
| income from revaluation of non-current assets   |             | -                         | 451 296 418               |
| impairment of revalued assets   |             | -                         | (82 000 000)              |
| <b>Net other comprehensive income that does not need to be reclassified to profit or loss in subsequent periods</b> |             | -                         | <b>369 296 418</b>        |
| <b>Total comprehensive income recognised in the reporting year</b>  |             | <b>590 519</b>            | <b>351 021 849</b>        |
| - included in the revaluation reserve for non-current assets  | 3           | (14 649 965)              | 342 630 489               |
| <b>- included in retained earnings</b>  |             | <b>15 240 483</b>         | <b>8 391 360</b>          |

- Financial costs include interest costs on borrowings and leasing obligations (IFRS 16), as well as other financing-related costs, including bank commissions and exchange rate differences.
- \*\* Losses for the financial year in 2024 relate to the impact of asset revaluation reflected in accordance with IFRS.



# REPORT ON FINANCIAL POSITION

|  |             | EUR                | EUR                |
|--|-------------|--------------------|--------------------|
| <b>ASSETS</b>  | Attachments | <b>31.12.2025.</b> | <b>31.12.2024.</b> |
| Intangible assets  |             | 838 003            | 754 354            |
| Fixed assets   | 4           | 710 179 058        | 688 379 459        |
| Rights of use assets   |             | 1 246 503          | 775 716            |
| <b>Long-term investments in total:</b>                               |             | <b>712 263 564</b> | <b>689 909 529</b> |
| Stocks   |             | 2 920 540          | 2 628 389          |
| Debts from contracts with customers                                  |             | 11 423 751         | 9 738 373          |
| Other receivables  |             | 1 203 453          | 1 202 281          |
| Prepaid expenses   |             | 714 475            | 517 488            |
| Deposits   | 5           | 8 213 810          | 8 787 275          |
| Cash at bank   | 5           | 15 406 709         | 3 938 190          |
| <b>Total current assets before non-current assets held for sale:</b> |             | <b>39 882 738</b>  | <b>26 811 996</b>  |
| Non-current assets held for sale                                     |             | -                  | 531 245            |
| <b>Current assets total</b>  |             | <b>39 882 738</b>  | <b>27 343 241</b>  |
| <b>Total assets</b>  |             | <b>752 146 302</b> | <b>717 252 770</b> |

# REPORT ON FINANCIAL POSITION

|  | Attachments | EUR<br>31.12.2025. | EUR<br>31.12.2024. |
|--|-------------|--------------------|--------------------|
| <b>LIABILITIES</b>                             |             |                    |                    |
| Share capital (equity capital)                 |             | 127 686 123        | 127 686 123        |
| Revaluation reserve for long-term investments  | 3           | 327 980 524        | 342 630 489        |
| Retained earnings                              |             | 76 430 102         | 63 707 026         |
| <b>Total equity:</b>                           |             | <b>532 096 749</b> | <b>534 023 638</b> |
| Borrowing from credit institutions             | 6           | 70 389 249         | 62 442 922         |
| Bonds  | 7           | 20 000 000         | -                  |
| Lease obligations                              |             | 1 045 347          | 622 943            |
| Advances received                              |             | 2 246 635          | -                  |
| Debts to suppliers and contractors             |             | 2 178 666          | 1 841 889          |
| Provisions                                     |             | 1 403 415          | 1 291 130          |
| Revenue for future periods                     | 8           | 88 233 620         | 85 648 327         |
| <b>Total long-term creditors:</b>              |             | <b>185 496 932</b> | <b>151 847 211</b> |
| Borrowing from credit institutions             | 6           | 7 179 101          | 5 933 945          |
| Lease obligations                              |             | 257 387            | 195 868            |
| Advances received from buyers                  |             | 1 611 955          | 3 180 404          |
| Debts to suppliers and contractors             |             | 4 626 987          | 4 560 494          |
| Taxes and state social insurance contributions |             | 2 063 572          | 2 082 613          |
| Other creditors                                |             | 1 174 313          | 1 181 313          |
| Deferred income                                | 8           | 2 495 976          | 3 711 722          |
| Accrued liabilities                            |             | 13 545 881         | 8 785 469          |
| Provisions                                     |             | 1 597 449          | 1 750 093          |
| <b>Total short-term creditors :</b>            |             | <b>34 552 621</b>  | <b>31 381 921</b>  |
| <b>Total creditors :</b>                       |             | <b>220 049 553</b> | <b>183 229 132</b> |
| <b>Total liabilities</b>                       |             | <b>752 146 302</b> | <b>717 252 770</b> |

# Statement of changes in equity

|   | Share capital      | Reserves            | Retained earnings | Equity             |
|---|--------------------|---------------------|-------------------|--------------------|
|   | EUR                | EUR                 | EUR               | EUR                |
| <b>31.12.2023.</b>  | <b>127 588 333</b> | -                   | <b>56 068 997</b> | <b>183 657 330</b> |
| Contribution  | 97 790             | -                   | -                 | 97 790             |
| Dividends   | -                  | -                   | (753 331)         | (753 331)          |
| <b>Total transactions with the participant and other changes recognised in equity</b> | <b>97 790</b>      | -                   | (753 331)         | (655 541)          |
| Profit or loss for the financial year   | -                  | -                   | (18 274 569)      | (18 274 569)       |
| Revaluation of non-current assets   | -                  | 451 296 418         | -                 | 451 296 418        |
| Impairment of revalued assets   | -                  | (82 000 000)        | -                 | (82 000 000)       |
| Exclusion of the revaluation reserve  | -                  | (5 054)             | 5 054             | -                  |
| Decrease in revaluation reserve of non-current assets                                 | -                  | (26 660 875)        | 26 660 875        | -                  |
| <b>Total comprehensive income</b>   | -                  | <b>342 630 489</b>  | <b>8 391 360</b>  | <b>351 021 849</b> |
|   | <b>127 686 123</b> | <b>342 630 489</b>  | <b>63 707 026</b> | <b>534 023 638</b> |
| Dividends   | -                  | -                   | (2 517 408)       | (2 517 408)        |
| <b>Total transactions with the participant and other changes recognised in equity</b> | -                  | -                   | (2 517 408)       | (2 517 408)        |
| Profit or loss for the financial year   | -                  | -                   | 590 519           | 590 519            |
| Revaluation of non-current assets   | -                  | -                   | -                 | -                  |
| Impairment of revalued assets   | -                  | -                   | -                 | -                  |
| Exclusion of the revaluation reserve  | -                  | (406 903)           | 406 903           | -                  |
| Decrease in revaluation reserve of non-current assets                                 | -                  | (14 243 062)        | 14 243 062        | -                  |
| <b>Total comprehensive income</b>   | -                  | <b>(14 649 965)</b> | <b>15 240 483</b> | <b>590 519</b>     |
| <b>31.12.2025</b>   | <b>127 686 123</b> | <b>327 980 525</b>  | <b>76 430 102</b> | <b>532 096 749</b> |



# Cash flow statement

Cash flow

## 1. Profit before corporate income tax

Corrections:

- a) Depreciation and impairment of fixed assets and intangible assets
- b) Depreciation and impairment of right-of-use assets
- c) Amortisation of fixed asset co-financing
- f) Changes in provisions
- g) Other interest income and similar income
- h) Interest payments and similar costs

## 2. Profit before adjustments for changes in short-term assets and liabilities

- a) (Increase)/decrease in accounts receivable
- b) stock balance (increase) or decrease
- c) Increase or (decrease) in payables to suppliers, contractors and other creditors

## 3. Gross operating cash flow

Expenses for CIT payments

Interest paid

Bank commissions paid and similar payments

### Operating net cash flow

Acquisition of property, plant and equipment and intangible assets

Proceeds from the sale of fixed assets and intangible assets

Interest received

### Net cash flow of investing activities

ERDF co-financing received

Co-financing from the Cohesion Fund received

Loan received

Bonds

Costs of obtaining financing

Expenditure on repayment of loans

Lease payments

Dividends paid

### Net cash flow of financing operations

## IV Net cash flow for the reporting year

V Cash and cash equivalents at the beginning of the year

VI Cash balance and cash equivalents at the end of the financial year

| Attachments | 01.01.-31.12.2025.  | 01.01.-31.12.2024.  |
|-------------|---------------------|---------------------|
|             | EUR                 | EUR                 |
|             | <b>590 519</b>      | <b>(18 274 569)</b> |
|             | 28 865 965          | 42 102 446          |
|             | 207 961             | 316 312             |
|             | (2 684 339)         | (3 693 483)         |
|             | (40 359)            | (595 995)           |
|             | (267 884)           | (239 364)           |
|             | 2 565 529           | 1 874 528           |
|             | <b>29 237 391</b>   | <b>21 489 875</b>   |
|             | (1 883 537)         | (1 127 682)         |
|             | (292 151)           | 469 585             |
|             | 3 544 748           | (4 763 182)         |
|             | <b>30 606 451</b>   | <b>16 068 596</b>   |
|             | 21 520              |                     |
|             | (2 583 358)         | (2 151 963)         |
|             | (45 690)            | (44 690)            |
|             | <b>27 998 923</b>   | <b>13 871 943</b>   |
|             | (45 961 363)        | (34 355 261)        |
|             | 114 933             | 394 444             |
|             | 267 884             | 239 364             |
|             | <b>(45 578 546)</b> | <b>(33 721 453)</b> |
|             | 2 246 635           | -                   |
|             | -                   | 1 199 816           |
| 6           | 15 067 750          | 18 000 000          |
| 7           | 20 000 000          | -                   |
|             | (150 097)           | (6 839)             |
|             | (5 976 219)         | (4 464 299)         |
|             | (195 985)           | (324 811)           |
| 9           | (2 517 408)         | (753 331)           |
|             | <b>28 474 676</b>   | <b>13 657 375</b>   |
|             | <b>10 895 054</b>   | <b>(6 198 974)</b>  |
|             | <b>12 725 465</b>   | <b>18 924 439</b>   |
|             | <b>23 620 519</b>   | <b>12 725 465</b>   |



# ANNEXES



## 1. Operating revenue

|   | 01.01.2025. –<br>31.12.2025.<br>EUR | 01.01.2024. –<br>31.12.2024.<br>EUR |
|---|-------------------------------------|-------------------------------------|
| Revenue from water supply services          | 39 093 391                          | 37 087 843                          |
| revenue from sewerage services              | 38 440 668                          | 35 827 139                          |
| Revenue from construction services          | 648 444                             | 1 642 516                           |
| Other revenue from contracts with customers | 2 138 301                           | 1 778 898                           |
|   | <b>80 320 805</b>                   | <b>76 336 396</b>                   |

## 2. Depreciation and amortisation of non-current assets

|                                     | 01.01.2025. –<br>31.12.2025.<br>EUR | 01.01.2024. –<br>31.12.2024.<br>EUR |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Depreciation and amortisation       | (27 905 864)                        | (42 302 654)                        |
| Depreciation of right-of-use assets | (199 265)                           | (186 816)                           |

**(28 105 129) (42 489 471)**

The decrease in depreciation expenses of property, plant and equipment (PPE) in 2025 is related to the revaluation of assets performed in the 2024 reporting period. In 2024, depreciation and impairment were recognised for depreciated networks and assets whose useful lives had expired or were close to expiring. These PPE items were written down to their estimated scrap value, resulting in a one-off increase in expenses of EUR 7,88 million in 2024. Following the recoverable amount test, the carrying amount of PPE was reduced, which consequently decreased the depreciation base for subsequent periods by approximately EUR 3,45 million per year.

## 3. Revaluation reserve of non-current assets

|  | 01.01.2025. –<br>31.12.2025.<br>EUR | 01.01.2024. –<br>31.12.2024.<br>EUR |
|--|-------------------------------------|-------------------------------------|
| Revaluation reserve of non-current assets at the beginning of the year | <b>342 630 489</b>                  | -                                   |
| Revaluation of non-current assets                                      | -                                   | 451 296 418                         |
| Impairment of revalued assets  | -                                   | (82 000 000)                        |
| Exclusion of the revaluation reserve                                   | (406 903)                           | (5 054)                             |
| Reduction of the revaluation reserve                                   | (14 243 062)                        | (26 660 875)                        |
| Revaluation reserve of non-current assets at the end of the year       | <b>327 980 524</b>                  | <b>342 630 489</b>                  |

The revaluation reserve is a non-cash reserve established to reflect the revalued amount of an asset, bringing it closer to its fair value. The revaluation reserve of non-current assets represents the difference between the asset's revalued amount and its carrying amount. The revaluation reserve may not be distributed as dividends, contributed to share capital, used to cover losses, transferred to other reserves, or applied for any other purposes.

## 4. Fixed assets

## Annexes

| EUR<br>2025.g.   | Intangible<br>assets | Land              | Buildings and<br>structures | Civil<br>engineering<br>structures<br>(underground<br>networks) | Investments in<br>leased fixed<br>assets | Technological<br>equipment | Other fixed<br>assets and<br>inventory | Construction in<br>progress /<br>Assets under<br>construction | Advance<br>payments<br>for fixed<br>assets | Total                  |
|--|----------------------|-------------------|-----------------------------|---|--|----------------------------|--|---|--|------------------------|
| <b>Initial value</b>   |                      |                   |                             |   |  |                            |  |   |  |                        |
| <b>31.12.2024</b>  | <b>4 574 219</b>     | <b>17 641 451</b> | <b>144 775 120</b>          | <b>693 517 582</b>  | <b>1 114 082</b>                         | <b>51 100 007</b>          | <b>17 225 214</b>                      | <b>18 181 794</b>   | <b>1 340 589</b>                           | <b>949 470 058</b>     |
| Purchased  | 298 516              | -                 | 893 202                     | 6 630 798   | 3 150                                    | 2 194 741                  | 706 957                                | 37 475 588  | 1 725 731                                  | 49 928 683             |
| Capitalized loans %<br>excluded  | -                    | -                 | (1 805 424)                 | (750 452)   | -  | (2 290 662)                | (741 021)                              | 256 402<br>(37 146)   | -  | 256 402<br>(5 624 705) |
| Reclassified from construction in<br>progress  | 3 996                | -                 | 3 364 520                   | 10 336 952  | -  | 279 037                    | -                                      | (13 984 505)  | -  | -                      |
| Reclassified from advance payments   | -                    | -                 | 118 284                     | -   | -  | 48 305                     | -                                      | 1 896 179   | (2 062 768)                                | -                      |
| Reclassified from/to Civil Engineering<br>(underground networks) - capitalized<br>depreciation | -                    | -                 | -                           | 524 209   | -  | -                          | -                                      | -   | -  | 524 209                |
| Reclassified from/to Fixed assets for sale   | -                    | 530 731           | 205 570                     | -   | -  | -                          | -                                      | -   | -  | 736 301                |
| Reclassified from/to Civil Engineering<br>(underground networks)                               | -                    | -                 | 775 576                     | (775 576)   | -  | -                          | -                                      | -   | -  | -0                     |
| <b>31.12.2025</b>  | <b>4 876 731</b>     | <b>18 172 182</b> | <b>148 326 848</b>          | <b>709 483 513</b>  | <b>1 117 232</b>                         | <b>51 331 428</b>          | <b>17 191 150</b>                      | <b>43 788 312</b>   | <b>1 003 552</b>                           | <b>995 290 948</b>     |
| <b>Depreciation</b>  |                      |                   |                             |   |  |                            |  |   |  |                        |
| <b>31.12.2024</b>  | <b>3 819 865</b>     | <b>396 908</b>    | <b>95 579 756</b>           | <b>113 353 685</b>  | <b>970 431</b>                           | <b>35 367 349</b>          | <b>10 798 190</b>                      | <b>50 061</b>   | <b>-</b>                                   | <b>260 336 245</b>     |
| Calculated depreciation  | 218 863              | -                 | 2 758 999                   | 21 087 278  | 24 325                                   | 2 893 604                  | 933 415                                | -   | -  | 27 916 484             |
| Depreciation of excluded fixed assets  | -                    | -                 | (1 689 633)                 | (114 658)   | -  | (2 243 393)                | (612 396)                              | -   | -  | (4 660 080)            |
| Reclassified from/to Civil engineering<br>(underground networks) -                             | -                    | -                 | 23 427                      | (23 427)  | -  | -                          | -                                      | -   | -  | 0                      |
| Reclassified from/to Civil Engineering<br>(underground networks) - capitalized<br>depreciation | -                    | -                 | -                           | -   | -  | -                          | 524 209                                | -   | -  | 524 209                |
| Reclassified from/to Fixed assets for sale   | -                    | -                 | 69 888                      | -   | -  | -                          | -                                      | -   | -  | 69 888                 |
| Impairment (provisions)  | -                    | 131 338           | 92 576                      | -   | -  | -                          | (89 911)                               | (46 861)  | -  | 87 142                 |
| <b>31.12.2025</b>  | <b>4 038 728</b>     | <b>528 246</b>    | <b>96 835 013</b>           | <b>134 302 878</b>  | <b>994 756</b>                           | <b>36 017 560</b>          | <b>11 553 507</b>                      | <b>3 200</b>  | <b>-</b>                                   | <b>284 273 888</b>     |
| <i>including:</i>  | -                    | -                 | -                           | -   | -  | -                          | -                                      | -   | -  | -                      |
| <i>Accumulated depreciation</i>  | 4 038 728            | -                 | 96 670 819                  | 134 302 878   | 994 756                                  | 36 017 560                 | 11 521 256                             | -   | -  | 283 545 997            |
| <i>Impairment</i>  | -                    | 528 246           | 164 194                     | -   | -  | -                          | 32 251                                 | 3 200   | -  | 727 891                |
| <b>Balance sheet value 31.12.2024</b>  | <b>754 354</b>       | <b>17 244 543</b> | <b>49 195 364</b>           | <b>580 163 897</b>  | <b>143 651</b>                           | <b>15 732 658</b>          | <b>6 427 024</b>                       | <b>18 131 733</b>   | <b>1 340 589</b>                           | <b>689 133 813</b>     |
| <b>Balance sheet value 31.12.2025</b>  | <b>838 003</b>       | <b>17 643 936</b> | <b>51 491 835</b>           | <b>575 180 635</b>  | <b>122 476</b>                           | <b>15 313 868</b>          | <b>5 637 643</b>                       | <b>43 785 112</b>   | <b>1 003 552</b>                           | <b>711 017 060</b>     |

## 5. Cash and cash equivalents

|                            | 31.12.2025.       | 31.12.2024.       |
|----------------------------|-------------------|-------------------|
|                            | EUR               | EUR               |
| Cash and cash equivalents: |                   |                   |
| Overnight deposits         | 8 213 810         | 8 787 275         |
| Cash in bank accounts      | 15 406 709        | 3 938 190         |
|                            | <b>23 620 519</b> | <b>12 725 465</b> |

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

|                | 31.12.2025.       | 31.12.2024.       |
|----------------|-------------------|-------------------|
|                | EUR               | EUR               |
| Credit rating: |                   |                   |
| A2             | 3 785 289         | 1 021 045         |
| Aa2            | 8 213 810         | -                 |
| Aa3            | 11 076 542        | 10 826 884        |
| Baa1           | 544 878           | 877 536           |
|                | <b>23 620 519</b> | <b>12 725 465</b> |

## 6. Borrowing from credit institutions

|   | 31.12.2025        | 31.12.2024        |
|---|-------------------|-------------------|
|   | EUR               | EUR               |
| Loan from the EIB with a maturity of 2-5 years*               | 16 055 084        | 13 769 370        |
| Loan from the EIB with a maturity of 5 years*                 | 32 117 064        | 30 702 266        |
| Loan from AS Swedbank with a repayment term of 2 – 5 years ** | 22 217 101        | 17 971 286        |
| <b>Long-term</b>  | <b>70 389 249</b> | <b>62 442 922</b> |
| Borrowing from the EIB – short-term part *                    | 4 013 770         | 3 442 342         |
| Loan from AS Swedbank – short-term part **                    | 2 712 017         | 2 205 993         |
| ALTUM   | 67 750            | -                 |
| Accrued interest  | 385 564           | 285 610           |
| <b>Short-term</b>   | <b>7 179 101</b>  | <b>5 933 945</b>  |
|   | <b>77 568 350</b> | <b>68 376 867</b> |

On 16 June 2022, the Company concluded a long-term loan agreement with the European Investment Bank (EIB) for a EUR 60 million loan. At the end of the reporting period, the outstanding loan principal amounted to EUR 52,19 million.

On 6 April 2022, the Company entered into a loan agreement with AS Swedbank with a maturity date of 6 April 2027 for EUR 15 million. In accordance with the repayment schedule, the outstanding remaining amount is repayable on the final loan repayment date in April 2027. The loan balance at the end of the reporting period was EUR 11,39 million.

On 27 September 2024, the Company entered into an agreement with AS Swedbank for the arrangement of a long-term loan in the amount of EUR 15 million, of which EUR 7 million was drawn during the reporting period. The loan repayment schedule is based on a 15-year amortisation method, and the outstanding remaining amount is repayable on the final loan repayment date in September 2029. The loan balance at the end of the reporting period was EUR 7,69 million.

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

## 7. Bonds

By implementing its first public offering of European green bonds to investors in the Baltics, the Company successfully raised EUR 20 million. Investor demand reached 228% of the bond issuance target, with total subscriptions amounting to EUR 45,5 million, significantly exceeding the planned EUR 20 million.

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

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

The bonds are redeemed at their full nominal value on 4 June 2030.

Detailed information about the bond issue is available on the Company's website: <https://www.rigasudens.lv/lv/obligacijas>

## 8. Deferred income

|  | <b>Balance<br/>31.12.2025.</b> | <b>Received<br/>2025. gadā</b> | <b>Included in<br/>income<br/>In 2025<br/>(Annex 12)</b> | <b>Balance<br/>31.12.2024.</b> |
|--|--------------------------------|--------------------------------|--|--------------------------------|
| Co-financing from the Cohesion Funds*                                | 69 516 744                     | -                              | (2 065 637)  | 71 582 381                     |
| Value of fixed assets received from Latvian persons free of charge** | 7 360 563                      | 1 449 821                      | (152 222)  | 6 062 965                      |
| Citi deferred income***  | 13 852 289                     | 2 603 820                      | (466 235)  | 11 714 703                     |
|  | <b>90 729 596</b>              | <b>4 053 641</b>               | <b>(2 684 094)</b>                                       | <b>89360049</b>                |
| <b>Including:</b>  |                                |                                |  |                                |
| - short-term   | 2 495 976                      |                                |  | 3 711 722                      |
| - long-term  | 88 233 620                     |                                |  | 85 648 327                     |

EUR

For the 5th and 6th rounds of Cohesion Fund co-financing, a requirement has been set to ensure that the outcome indicator reaches at least 65% of the value planned in the project during the post-implementation monitoring period, but no later than 31 December 2028. The Company assesses that there are no risks of non-compliance with the agreements related to the funding received.

## 9. Dividends

According to Paragraph 2 of the Riga City Council Decision No. 691 of 16 June 2021, “On dividends in capital companies in which the Riga Municipality has a decisive influence”, the minimum forecasted share of profit to be distributed as dividends is 40% of the capital company’s profit for the reporting year, unless a separate decision of the Riga City Council establishes a different proportion of profit to be distributed as dividends.

On 29 January 2025, the Riga City Council adopted the decision “On a different proportion of profit to be distributed as dividends by SIA ‘Rīgas ūdens’ for the reporting years 2024–2030”, stipulating that 30% of the Company’s profit for 2024 shall be distributed as dividends. Of this amount, 20% of the 2024 profit distributed as dividends shall be allocated by the Riga State City Municipality to continue co-financing programmes for connecting real estate to the centralised water supply system or the centralised sewerage system.

Paragraph 3 of the decision stipulates that the representative of the holder of the Company’s capital shares shall ensure that the portion of profit not distributed as dividends for 2024 – amounting to 10% of the total annual profit – is allocated to the implementation of the wastewater management system development project in the Mangaļsala agglomeration. Furthermore, the portion of profit not distributed as dividends for the years 2025, 2026, 2027, 2028, 2029 and 2030 – amounting to 30% of each year’s total annual profit – shall be allocated to the development of the centralized water supply and sewerage systems in Dārziņi.

In accordance with the Riga City Council Decision No. 691 of 16 June 2021 “On dividends in capital companies in which the Riga Municipality has a decisive influence”, the Riga City Council Decision No. RD-25-4256-lē of 29 January 2025 “On a different proportion of profit to be distributed as dividends by SIA ‘Rīgas ūdens’ for the reporting years 2024–2030”, and the resolution of the Shareholders’ Meeting, the Company distributed and paid 30% of its profit for 2024 as dividends, amounting to EUR 2 517 408.

## 10. Transactions with related parties

### Riga State City Municipality Capital Companies and Institutions – Related Parties

In 2025, the Company issued invoices for services provided to other capital companies of the Riga State City Municipality as follows:

- to the residential housing management company – EUR 21,36 million (2024: EUR 20,71 million);
- to other capital companies and institutions – EUR 3,84 million (2024: EUR 3,67 million).

On 31 December 2025, the receivables from municipal capital companies and institutions amounted to EUR 4,40 million, including receivables from the residential housing management company of EUR 3,99 million (31 December 2024: EUR 4,02 million, including EUR 3,69 million from the residential housing management company).

In 2025, the Company paid invoices for services received from Riga State City Municipality companies and institutions in the total amount of EUR 1,56 million (including VAT) (2024: EUR 2,28 million).

On 31 December 2025, the Company's payables to municipal companies and institutions amounted to EUR 0,14 million (31 December 2024: EUR 0,11 million).





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Ūdens – dzīvība, veselība, tīrība

