

Statement of Profit or Loss and Statement of Financial Position

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

Appendix

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

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

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



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

5. Revaluation reserve of long-term investments

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

3. Fixed assets

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

4. Cash and cash equivalents

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

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

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

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

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

6. Loans from credit institutions

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

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

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

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

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

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

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

7.9.Green bonds and dividends

7. Green bonds

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

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

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

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

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

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

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

9. Dividends paid

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

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

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

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

8. Deferred income

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

* Information on received Cohesion Fund financing:

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

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

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

Cohesion Fund Co-financing – 4th pahse:

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

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

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

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

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

10. Related party transactions

Related parties: municipal companies and institutions of Riga State City

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

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

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

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

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

