

Base Prospectus
Dated 30 October 2025



LATVENERGO AS

(incorporated in the Republic of Latvia as a public limited company with registration number 40003032949)

EUR 1,000,000,000

Euro Medium Term Note Programme

Under the up to EUR 1,000,000,000 Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), Latvenergo AS (the "**Issuer**" or "**Latvenergo**", and, together with its subsidiaries, the "**Group**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed EUR 1,000,000,000 (or the equivalent in other currencies).

This Base Prospectus has been drawn up in accordance with Article 8 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and approved by the Luxembourg Commission de Surveillance du Secteur Financier (the "**CSSF**") in its capacity as competent authority under the Prospectus Regulation. The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and gives no undertakings as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer in line with the provisions of article 6(4) of the Luxembourg law relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières et portant mise en oeuvre du règlement (UE) 2017/1129*) dated 16 July 2019 (the "**Luxembourg Prospectus Law**"). Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market "Bourse de Luxembourg". The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (as amended, "**MiFID II**"). However, Notes may be listed on any other stock exchange or may be unlisted as specified in the relevant Final Terms (as defined in "*Overview of the Programme – Method of Issue*"). Any information contained in this Base Prospectus which is particular to unlisted Notes has not been scrutinised or approved by the CSSF. This Base Prospectus and any supplement to this Base Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.luxse.com) and on the website of the Issuer (www.latvenergo.lv). In addition, the Issuer may make an application, after the Notes are issued, for the Notes to be admitted to trading on the official list of Akciju sabiedrība "Nasdaq Riga" ("**Nasdaq Riga**") by requesting the CSSF to notify the Bank of Latvia, as competent authority under the Prospectus Regulation in Latvia, of its approval of this Base Prospectus pursuant to Article 25 of the Prospectus Regulation. Nasdaq Riga is a regulated market for the purposes of MiFID II. However, there can be no assurance that such application will be made or that such admission will take place.

Each Series (as defined in "*Overview of the Programme – Method of Issue*") of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "**temporary Global Note**") or a permanent global note in bearer form (each a "**permanent Global Note**"). If the Global Notes are stated in the applicable Final Terms to be issued in new global note ("**NGN**") form, the Global Notes will be delivered on or prior to the issue date of the relevant Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Notes in registered form will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates ("**Global Certificates**"). If a Global Certificate is held under the New Safekeeping Structure (the "**NSS**") the Global Certificate will be delivered on or prior to the issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global notes which are not issued in NGN form ("**Classic Global Notes**" or "**CGNs**") and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depository**").

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "*Overview of Provisions Relating to the Notes while in Global Form*".

The Programme is expected to be rated as Baa2 by Moody's Deutschland GmbH ("**Moody's**"). As of the date of this Base Prospectus, the Issuer has a credit rating Baa2 by Moody's. In accordance with Moody's ratings definitions available as of the date of this Base Prospectus on <https://ratings.moody.com/rating-definitions>, an obligor rated "Baa" is judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. Tranches of Notes (as defined in "*Overview of the Programme – Method of Issue*") to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the applicable Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union (the "**EU**") and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the "**CRA Regulation**") will be disclosed in the applicable Final Terms.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any United States ("U.S.") state securities laws and, unless so registered, may not be offered or sold or (in the case of Notes in bearer form) delivered within the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable U.S. state securities laws.

This Base Prospectus (as supplemented from time to time) will be valid as a base prospectus under the Prospectus Regulation for 12 months from 30 October 2025. The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply following the expiry of that period.

Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Base Prospectus.

Arrangers and Dealers

BNP PARIBAS

J.P. MORGAN

Dealers

SEB

LUMINOR

IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of the Prospectus Regulation.

The Issuer (the "Responsible Person") accepts responsibility for the information contained in this Base Prospectus and the Final Terms. To the best of the knowledge of the Issuer, this Base Prospectus contains all information with respect to the Issuer, the Group and the Notes which, according to the particular nature of the Issuer and of the Notes, is necessary information which is material to an investor for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Group and of the rights attaching to the Notes and the reasons for its issuance and its impact on the Issuer and the Group. There are no other facts in relation to the Issuer or the Group or the Notes the omission of which made or makes any statements therein misleading in any material respect. Proper enquiries have been made by the Issuer to ascertain or verify the foregoing. This Base Prospectus does not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements herein, in the light of the circumstances under which they were made, not misleading.

This Base Prospectus is to be read in conjunction with any supplements hereto and all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*") and in relation to any Tranche of Notes must be read and construed together with the relevant Final Terms. This Base Prospectus shall be read and construed on the basis that those documents are incorporated into and form part of this Base Prospectus.

Except where such information has been incorporated by reference into this Base Prospectus (see "*Documents Incorporated by Reference*"), neither any website mentioned in this Base Prospectus nor any website directly or indirectly linked thereto has been verified and such websites do not form part of this Base Prospectus and investors should not rely on such information.

No person has been authorised to give any information or to make any representation not contained or not consistent with this Base Prospectus or approved for such purpose by the Issuer. If given or made, any information or representation not so contained or approved must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arrangers (as defined in "*Overview of the Programme*") or the Fiscal Agent, Paying Agents, Registrar, Transfer Agents or Calculation Agent.

Neither the delivery of this Base Prospectus or any Final Terms (as defined below), nor any offering or sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus or any Final Terms and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arrangers to inform themselves about and to observe any such restriction.

The Notes have not been and will not be registered under the Securities Act and may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States.

To the fullest extent permitted by law, none of the Dealers or the Arrangers accept any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by an Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement.

Neither this Base Prospectus, any Final Terms, nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arrangers or the Dealers that any recipient of this Base Prospectus, any Final Terms or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus or any Final Terms and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arrangers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arrangers.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of the investment in light of its own circumstances. In particular, each potential investor should (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Base Prospectus or any applicable supplement; (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio; (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency; (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

As described in "*Use of Proceeds*" below, the Issuer may use the proceeds from each Tranche of Notes, as indicated in the applicable Final Terms relating to that tranche of Notes, either (a) for its general corporate purposes or (b) to finance and/or refinance, in whole or in part (i) existing and/or future Eligible Green Projects (as defined below) in line with the International Capital Market Association ("**ICMA**") Green Bond Principles ("**GBP**") and the Programme Factsheet (as defined below) or (ii) where the Notes are designed as "European Green Bonds" or "EuGBs" (each as defined below), to finance or refinance the Eligible Green Projects described in the applicable Final Terms, in accordance with the Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the "**EU Green Bond Regulation**") and in line with the ICMA GBP and Programme Factsheet.

Prospective investors should have regard to the information in "*Use of Proceeds*" below regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in the Notes together with any other investigation such investor deems necessary.

In particular no assurance is given by the Issuer or any other member of the Group, the Dealers or the Arrangers that the use of such proceeds for any Eligible Green Projects or any project(s) described in the applicable Final Terms in respect of European Green Bonds (as defined below) will, in each case, satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the relevant projects).

Each prospective investor should have regard to the factors described in the Programme Factsheet and the relevant information contained in this Base Prospectus and seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Notes before deciding to invest.

None of the Issuer, the Dealers or the Arrangers makes any representation as to the suitability of any Notes issued as Green Notes (as defined below) or European Green Bonds, including the listing or admission to trading thereof on any dedicated "green", "environmental", "sustainable" or other equivalently labelled segment of any stock exchange or securities market, to fulfil any "environmental", "social", "sustainable", "governance" or "green" criteria or labels.

The Arrangers and the Dealers have not undertaken, nor are responsible for, any assessment of the eligibility criteria for selecting investments in the Eligible Green Projects, any verification of whether the Eligible Green Projects meet such eligibility criteria, the compliance of any issuance with the EU Green Bond Regulation or the monitoring of the use of proceeds. Investors should refer for information (as applicable) to the Issuer's website, the Programme Factsheet and the pre-issuance review report from Sustainable Fitch dated 13 October 2025 (the "**Pre-Issuance Review Report**"). As described in *Risk Factors*: "*In respect of any Notes issued as Green Notes or as European Green Bonds, there can be no assurance that the use of an amount equal to such proceeds will be suitable for the investment criteria of investors*" and "*Risks in connection with European Green Bonds issued under the Programme*" below, Sustainable Fitch (i) in relation to Notes identified as "Green Notes" in the applicable Final Terms, has issued a Pre-Issuance Review Report confirming that the Notes issued under the Programme are aligned with the four core components of the International Capital Market Association ("**ICMA**") Green Bond Principles ("**GBP**") and (ii) in relation to Notes identified as "**European Green Bonds**" or "**EuGB**" in the applicable Final Terms, such Notes are aligned with the EU Green Bond Regulation, the GBP and the EU Taxonomy Regulation (as defined below). An external reviewer will be requested to issue the Post-Issuance Review relating to an Allocation Report drawn up after the full allocation of the proceeds of such Notes identified as "European Green Bonds" or "**EuGB**" in the applicable Final Terms and may be requested to issue an Impact Report Review related to any Impact Report drawn up in relation to the Notes. No assurance or representation is given by the Issuer, any of the Dealers or the Arrangers or any other person as to the suitability or reliability for any purpose whatsoever of the Pre-Issuance Review Report related to the Programme Factsheet, any Post-Issuance Review related to an Allocation Report, any Impact Report Review related to an impact report or any other opinion, review, assessment or certification of any third party (whether or not solicited by the Issuer or any affiliate). Any such opinion, review, assessment or certification is not a recommendation by the Issuer, the Arrangers, the Dealers or any other person to buy, sell or hold any such Notes and is current only as of the date it was issued. None of the Pre-Issuance Review Report, the Programme Factsheet, any Post-Issuance Review nor any Impact Report Review is incorporated in, or forms part of, this Base Prospectus.

OFFER RESTRICTIONS

Neither this Base Prospectus nor any Final Terms constitute an offer of, or an invitation by or on behalf of the Issuer, the Arrangers or the Dealers to subscribe to or purchase any of the Notes. The distribution of this Base Prospectus or any Final Terms and the offering of the Notes in certain jurisdictions may be

restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer, the Arrangers and the Dealers to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of Notes and distribution of this Base Prospectus, see "*Subscription and Sale*" below.

MiFID II PRODUCT GOVERNANCE/ TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a

professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

SINGAPORE SFA PRODUCT CLASSIFICATION: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

STABILISATION

In connection with the issue of any Tranche (as defined in "*Overview of the Programme – Method of Issue*"), the Dealer or Dealers (if any) named as the stabilisation manager(s) (the "Stabilisation Manager(s)") (or any person acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

GENERAL AND CERTAIN DEFINITIONS

Amounts payable on Floating Rate Notes (as described in "*Terms and Conditions of the Notes – Interest on Floating Rate Notes*") may be calculated by reference to the Euro Interbank Offered Rate ("EURIBOR") as specified in the applicable Final Terms. As at the date of this Base Prospectus, European Money Markets Institute (as administrator of EURIBOR) appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "BMR").

Unless otherwise specified or the context requires, references to "USD" and "U.S.\$" are to United States dollars, references to "euro", "EUR" and "€" are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the functioning of the EU and "cents" and "cent" shall be construed accordingly.

Certain monetary amounts, percentages and other figures included in this Base Prospectus are subject to rounding adjustments. On occasion, therefore, amounts shown in tables may not be the arithmetic accumulation of the figures that precede them, and figures expressed as percentages in the text and in tables may not total 100 per-cent.

FORWARD-LOOKING STATEMENTS

This Base Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Base Prospectus and include, but are not limited to, statements regarding the Group's or the Issuer's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the financial position and results of operations of the Group, and the development of the markets and the industries in which members of the Group operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Base Prospectus. In addition, even if the Group's results of operations and financial position, and the development of the markets and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Base Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements. See "*Risk Factors*" below.

These forward-looking statements are made only as of the date of this Base Prospectus. Except to the extent required by law, the Issuer is not obliged to, and does not intend to, update or revise any forward-looking statements made in this Base Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the Issuer, or persons acting on the Issuer's behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Base Prospectus. As a result of these risks, uncertainties and assumptions, a prospective purchaser of the Notes should not place undue reliance on these forward-looking statements.

INFORMATION RELATING TO GREEN BONDS ISSUED UNDER THE PROGRAMME

The Issuer has published its Green Bond factsheet for the Programme entitled the "European Green Bond Factsheet" (the "**Programme Factsheet**") detailing the use of proceeds principles and eligibility criteria for both Green Notes and European Green Bonds. In connection with European Green Bonds, the Issuer has obtained the Pre-Issuance Review Report, and the Issuer may procure a Post-Issuance Review Report or Impact Report Review (in each case as defined below) to be prepared by an external reviewer. Any Post-Issuance Review, or Impact Report Review will be provided by an external reviewer, as applicable in compliance with the EU Green Bond Regulation.

The Programme Factsheet, Pre-Issuance Review Report, Post-Issuance Review Report, and Impact Report Review, if and when prepared, will be accessible through the Issuer's website at: <https://latvenergo.lv/en/investoriem/finansu-informacija>. However, any information on, or accessible through, the Issuer's website and the information in such reports, reviews or the Programme Factsheet Pre-Issuance Review Report, Post-Issuance Review Report or Impact Report Review is not part of this Base Prospectus and should not be relied upon in connection with making any investment decision with respect to any Notes to be issued under the Programme. In addition, no assurance or representation is given by the Issuer or any other member of the Group, the Arrangers or the Dealers as to the suitability or reliability for any purpose whatsoever of any opinion, report, review or certification of any third party in connection with the offering of any Green Notes or European Green Bonds under the Programme. Any such opinion, report, review or certification and any other document related thereto is

not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion, report, review or certification and any other document related thereto is only current as of the date that it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion, report or certification and any other document related thereto and/or the information contained therein and/or the provider of such opinion, report, review or certification for the purpose of any investment in the Notes.

PROSPECTUS SUPPLEMENT

If at any time the Issuer shall be required to prepare a prospectus supplement pursuant to Article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate amendment or supplement to this Base Prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or on another EEA regulated market, shall constitute a prospectus supplement as required by Article 23 of the Prospectus Regulation.

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GENERAL DESCRIPTION OF THE PROGRAMME

The following overview is qualified in its entirety by the more detailed information contained elsewhere in this Base Prospectus and, in relation to the terms and conditions of any particular Tranche, the applicable Final Terms.

This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980 (the Delegated Regulation).

Capitalised terms used herein and not otherwise defined have the respective meanings given to them in the Conditions.

Issuer:	Latvenergo AS (a Latvian public limited company with registration number 40003032949)
Legal Entity Identifier of the Issuer:	213800DJRB539Q1EMW75
Website of the Issuer:	www.latvenergo.lv
Description:	Euro Medium Term Note Programme
Size:	Up to EUR 1,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arrangers:	BNP PARIBAS J.P. Morgan SE
Dealers:	BNP PARIBAS J.P. Morgan SE Skandinaviska Enskilda Banken AB (publ) Luminor Bank AS, represented within the Republic of Lithuania by Luminor Bank AS Lithuanian branch
	The Issuer may, from time to time, terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to " Permanent Dealers " are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to " Dealers " are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Fiscal Agent:	Banque Internationale a Luxembourg S.A.
Registrar:	Banque Internationale a Luxembourg S.A.
Luxembourg Listing Agent:	Banque Internationale a Luxembourg S.A.

Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a " Series ") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a " Tranche ") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the " Final Terms ").
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Notes:	The Notes may be issued in bearer form (" Bearer Notes ") or in registered form (" Registered Notes ") as specified in the applicable Final Terms. Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in " <i>Selling Restrictions</i> " below) otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes for the relevant Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "Global Certificates".
Clearing Systems:	Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.
Initial Delivery of Notes:	On or before the issue date for each Tranche, if the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depository for Euroclear and Clearstream,

Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

Currencies:

Subject to compliance with all applicable legal and/or regulatory requirements, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.

Maturities:

Any maturity subject to compliance with all applicable legal and/or regulatory requirements.

Specified Denomination:

Notes will be in such denominations as may be specified in the applicable Final Terms save that the minimum specified denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum specified denomination of each Note admitted to trading on a regulated market within the EEA shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

Fixed Rate Notes:

Fixed interest will be payable in arrears on the date or dates in each year specified in the applicable Final Terms.

Floating Rate Notes:

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions or the 2021 ISDA Definitions (each as defined in the Conditions), as published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to EURIBOR (as specified in the applicable Final Terms),

as adjusted for any applicable margin agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes, and subject to the benchmark discontinuation provisions set out in Condition 5(j).

Interest periods will be specified in the applicable Final Terms.

Zero Coupon Notes:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the applicable Final Terms.
Redemption:	Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed on the relevant Maturity Date. The applicable Final Terms will specify the basis for calculating the redemption amounts payable.
Early Redemption for Taxation Reasons:	The Notes are subject to redemption at the option of the Issuer, in whole but not in part, at their Early Redemption Amount (as defined in the Conditions) together with accrued interest (if any), if the Issuer becomes obliged to pay additional amounts as a result of changes to the laws and regulations of the Relevant Jurisdiction and certain other conditions are satisfied, all as described under " <i>Terms and Conditions of the Notes — Redemption, Purchase and Options – Redemption for Taxation Reasons</i> ".
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Clean-Up Call Option:	If the applicable Final Terms states that the Clean-Up Call option applies, the Issuer may, if 80 per cent. or more in nominal amount of the Notes issued have been redeemed or purchased, redeem or purchase (or procure the purchase of) all but not some only of the remaining outstanding Notes at their Clean-Up Price together with accrued interest (if any).
Change of Control Put Option:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed before their stated maturity at the option of the Noteholders if a Change of Control Put Event (as defined in the Conditions) occurs at the Change of Control Redemption Amount specified in the applicable Final Terms together with accrued interest (if any).
Status of Notes:	The Notes will constitute direct, unconditional, (subject to the negative pledge in Condition 4) unsecured and

unguaranteed obligations of the Issuer, all as described in "*Terms and Conditions of the Notes – Status*".

Negative Pledge:

See "*Terms and Conditions of the Notes – Negative Pledge*".

Cross Default:

See "*Terms and Conditions of the Notes – Events of Default*".

Ratings:

The Programme is expected to be rated as Baa2 by Moody's. As of the date of this Base Prospectus, the Issuer has a credit rating Baa2 by Moody's. The outlook is stable.

Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the applicable Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Withholding Tax:

All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes imposed by the Republic of Latvia, unless the withholding is required by law. In such event, the Issuer shall, subject to customary exceptions, pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by it had no such withholding been required, all as described in "*Terms and Conditions of the Notes – Taxation*".

Governing Law:

The Agency Agreement, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

Listing and Admission to Trading:

Application has been made to list the Notes to be issued under the Programme on the official list of the Luxembourg Stock Exchange and to trading on the regulated market of the Luxembourg Stock Exchange or as otherwise specified in the applicable Final Terms and references to listing shall be construed accordingly. As specified in the applicable Final Terms, a Series of Notes may be unlisted.

Selling Restrictions:

The United States, Canada, the EEA, the UK, Switzerland, Singapore and Japan. See "*Subscription and Sale*".

The Issuer is Category 1 for the purposes of Regulation S.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") unless (i) the applicable Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or (ii) the Notes are issued other than in compliance with the TEFRA D Rules or the TEFRA C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the applicable Final Terms as a transaction to which TEFRA is not applicable.

Use of Proceeds:

The gross proceeds from each Tranche of Notes will be allocated by the Issuer, as indicated in the applicable Final Terms relating to that tranche of Notes, either: (i) for its agreed general corporate purposes or (ii) to finance and/or refinance, in whole or in part, existing and/or future Eligible Green Projects in line with the ICMA GBP or (iii) where the Notes are designed as "European Green Bonds" or "EuGBs", to finance or refinance, in whole or in part, the Eligible Green Projects described in the applicable Final Terms, in accordance with the EU Green Bond Regulation and in line with the ICMA GBP.

See "*Use of Proceeds*" below.

RISK FACTORS

Prospective investors are advised to carefully consider the risk factors and other information provided in this Base Prospectus. Investing in the Notes involves certain risks including but not limited to the risks described herein.

The Issuer believes that if one or more of the risk factors described herein emerges, it could have a negative effect on the Issuer's business, results of operations, financial conditions and/or prospects and, thereby, the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. If these risks were to lead to a decline in the market price of the Notes, prospective investors could lose all or part of their investment.

The risks and uncertainties described herein are the risks which the Issuer has deemed material; however, they are not the only factors affecting the Issuer's activities. Therefore, while the Issuer believes that the risk factors described below provide a sufficiently detailed overview of the material risks known at the time of approval of the base prospectus, additional risks may arise or circumstances may change. Also, other factors and uncertainties than those mentioned herein, which are currently unknown or deemed immaterial, could negatively affect the Issuer's business, results of operations, financial condition and/or prospects and, thereby, the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Most of these risk factors are contingencies which may or may not occur and the Issuer is not in a position to assess or express a view on the likelihood of any such contingency occurring.

The most material risk factors have been presented at the beginning in each category. The order of presentation of the remaining risk factors in each category in this Base Prospectus is not intended as an indication of the probability of their occurrence or of their potential effect on the Issuer's ability to fulfil its obligations under the Notes.

All investors should make their own evaluations of the risks associated with an investment in the Notes and should consult with their own professional advisers if they consider it necessary.

Words and expressions defined in "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus have the same meanings in this section.

RISKS RELATING TO THE GROUP AND ITS ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES

Risks related to strategy

Capital investment projects risk

The Group has a capital investment programme, aimed at expanding and diversifying the Group's generating portfolio, as well as upgrading its distribution system assets.

In 2024, EUR 530 million was invested in connection with this programme, which is 2.7 times more than in 2023. EUR 345 million of this investment was made in new wind and solar generation capacities. By the end of 2024, the new renewable energy sources ("**RES**") capacity of the Group in Latvia (the "**State**"), the Republic of Lithuania, and the Republic of Estonia (together, the "**Baltic States**") reached 122 MW, which increased to 179 MW by 30 June 2025. As of 30 June 2025, projects with a total capacity of 965 MW are under development, including 531 MW in solar power plants ("**SPPs**") and 434 MW in wind power plants ("**WPPs**") projects. Gradual commissioning of the solar and wind parks is expected in 2025–2027. As part of the capital investment programmes, the Group commenced upgrading 23 hydro units in the Kegums hydro power plant ("**HPP**"), the Plavinas HPP and the Riga HPP. By the end of 2024, a total of 20 hydropower units were commissioned, and as of the date of this Base Prospectus, the reconstruction of the remaining three hydropower units is ongoing.

Other than these generation capacity investments, the Group also invests in the distribution segment. EUR 122.3 million of the total investments referred to above was allocated to the distribution segment, with the main areas of investment in the distribution segment are restoration of power lines, reconstruction of transformer substations, installation of remote-controlled circuit breakers and fault location detectors.

The Group may also implement other capital-intensive investment, including mergers and acquisitions deals, and maintenance projects.

In respect of any of these capital investment activities, the Group may encounter cost overruns or project delays related to the execution of current or future capital investment projects. Any increased exposure to operational and/or financial risk, a negative impact on the Group's value or reputation or a delay and/or cost overrun in the execution of current or future capital investment projects of the Group could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Strategic decision and implementation risk

Strategic decisions risk may arise in connection with entering into new markets, launching new businesses and expanding the Group's product portfolio. In 2021, the Medium-Term Operation Strategy for 2022–2026 (the "**Strategy 2022 – 2026**") of the Group was drafted and in March 2022 approved by the Supervisory Board of the Issuer. See "*Information about the Group*".

The Group's strategic growth ambitions defined in the Strategy 2022 - 2026 may be influenced by a range of external and internal factors. These initiatives can involve regulatory and operational complexities that require careful navigation. Evolving competitive dynamics, including significant renewable energy development plans across the Baltic region, may also affect the Group's market position and strategic choices. Additionally, fluctuations in electricity market prices could influence revenue outcomes, while rising costs of key resources such as technology and construction may impact project feasibility. The Group remains attentive to potential external constraints, including environmental regulations, national defence considerations, public sentiment, and infrastructure availability, which may emerge over time and require adaptive responses to ensure successful strategy execution. These factors, individually or collectively, could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Alongside its operations in Latvia, the Group is active in the electricity markets in Estonia and Lithuania. There are risks and opportunities inherent to the further developments of these markets, such as an expected increase in the number of clients switching between electricity suppliers and possible changes in the legal environment, which could influence the Group's operations. As of 31 December 2024, the Group had an 8 per cent. market share in Estonia and a 15 per cent. market share in Lithuania. The Group's market share in the Baltic States was approximately 22 per cent. as of 31 December 2024. There is a risk that the market share of the Group could decrease or that the Group could be unable to attain its anticipated market share growth.

There is also a risk of exiting any of the current markets in which the Group operates, as well as suffering losses upon entering new markets should the Group enter other markets in the future.

The activity of various communities and associations against the construction of wind farms impacts public opinion, for example, at the municipal level, decisions unfavourable to the construction of wind farms are made, environmental impact assessments are appealed, and efforts are made to influence or delay the progress of projects. The combination of these conditions poses a significant risk to the implementation of wind farm construction projects by the Group and could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The abovementioned, as well as any failure to introduce new technologies and products in a timely manner or any other strategic or implementation failures may result in the failure of the Group to achieve

its Strategy 2022 – 2026, which could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Corporate governance risk

The sole shareholder of the Issuer is the Republic of Latvia ("**Latvia**") and the rights and duties of the shareholder are held by the Ministry of Economics of the Republic of Latvia. The Ministry of Economics of the Republic of Latvia is therefore empowered to make decisions, as shareholder of the Issuer, in respect of dividend policy, capital structure and other relevant issues.

The Law on Governance of Capital Shares of Public Entity and Management of Capital Companies Thereof (in Latvian - *Publiskas personas kapitāla daļu un kapitālsabiedrību pārvaldības likums*) stipulates formation of the Supervisory Board as a supervisory body in large state-owned companies. The Issuer and the Issuer's subsidiary Sadales tīkls AS qualify in this category. The Supervisory Board of the Issuer approves the Group's strategy, major investment decisions, development plans, and key policies and elects and recalls members of the Management Board. The Supervisory Board of the Issuer is elected by the Shareholders Meeting of the Issuer. The current Supervisory Board is composed of five independent members. Changes in the composition of the Supervisory Board may influence the Issuer's currently selected strategic direction, development plans, goals and policies thus adversely affecting the Group.

The management of the Group is conducted by the Issuer's Management Board, whose main duties include defining the Group's strategic development plans, goals and policies. The current Management Board of the Issuer consists of five Members of the Management Board, including the Chairman of the Management Board of the Issuer and two Members of the Management Board of the Issuer responsible for generation and commercial activities. Changes in the composition of the Issuer's Management Board could negatively influence the Issuer's strategic direction, development plans, goals and policies, thus adversely affecting the Group.

Any shareholder decisions taken by the Ministry of Economics of the Republic of Latvia which are not in line with the operating and management strategy of the Issuer, and by extension the Group, including Strategy 2022 – 2026 or any changes in the composition of the Issuer's Supervisory Board or Management Board which could delay the effective implementation of the Issuer's strategy could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Operational Risks

Damage to or failure of the Group's generation and storage assets

Most of the electricity and thermal energy produced by the Issuer comes from the three largest HPPs in Latvia (Plavinas HPP, Riga HPP and Kegums HPP) and the two combined heat and power plants ("**CHPPs**"), Latvenergo AS CHPP-1 and Latvenergo AS CHPP-2, respectively. Operating hydro facilities includes operational risks that can lead to physical damage, technical disruptions, third-party liabilities, environmental issues and other damage or loss events. In the case of a fire or explosion, there is a risk of losing either the entire CHPP or a single power unit. Similarly, the Group's WPPs, SPPs, and battery energy storage systems ("**BESS**") assets are exposed to operational and environmental risks, including mechanical failures and other technical disruptions.

Although the Group implements systematic operational risk mitigation measures, including regular inspections, monitoring and a capital investment programme, no assurance can be given that damage to any of or a failure in operation of any of the Group's generation and storage assets will not occur in the future. Any damage to or failure could result in these assets not being operational and/or not working at full capacity and therefore reduce the Group's ability to generate, store, and supply electricity and thermal energy to the markets as well as result in additional operating costs, which could have a material

adverse effect on the Group's business, results of operations, financial condition and/or prospects and on the Issuer's ability to fulfil its obligations under the Notes.

Risk of resource supply disruption

The Group's operations depend on consistent and commercially adequate supplies of natural gas required for the operation of the CHPPs to supply heat and electricity.

The European Union (the "EU") has adopted massive and unprecedented sanctions in response to Russia's war of aggression against Ukraine.

Since the beginning of the ongoing war the governments of Lithuania, Estonia and Latvia have entirely banned the purchase of Russian gas. To ensure secure gas supplies and to cope with the interruption of gas imports in the region, the Baltic States use the liquefied natural gas ("LNG") Terminal in Klaipeda (Lithuania) and LNG terminal in Inkoo (Finland). In addition, gas interconnection between Finland and Estonia (the Balticconnector) and gas interconnection between Poland–Lithuania (GIPL) have enhanced market integration and decreased dependence on Russian gas in a region historically reliant on a single supplier. Further security of supply is supported by the Inčukalns Underground Gas Storage.

The risk that required gas supplies might not be available in the region or might only be available for a high price, would affect the CHPPs operation regime and the Group's profitability. A limit on natural gas supplies might also lead to limited supplies, price fixings and restrictions in consumption imposed by the governments in the Baltic States, which could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects. New geopolitical threats might emerge and could cause interconnection disruptions conducted by third parties.

Current power cable infrastructure in the Baltics has been existing interconnectors Estlink 1 & 2, submarine cables between Estonia and Finland, NordBalt which connects Lithuania and Sweden and LitPol Link, an overland connection between Lithuania and Poland. On 9 February 2025 Estonia, Latvia, and Lithuania successfully synchronized their electricity grids with the Continental Europe Synchronous Area. The risk that the electricity interconnectors might not be available would affect the transmission system and power distribution networks. As the Baltic States are a net deficit region then limited import capacity would lead to restrictions in consumption or would constrain frequency and balance management of all three transmission systems. The mismatch of the Group's energy contracts and physical state of transmission and market operations could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

In addition to the above mentioned risks, there is the further potential risk of delays, shortages, or interruptions in the procurement of critical materials and components needed for the Group's energy generation and storage assets and distribution infrastructure. These risks arise due to the Group's dependence on specific raw materials, key components and equipment, and potential vulnerabilities in the supply chain. Such disruptions could have a material effect on the construction, maintenance, and reliable operation of the Group's assets, results of operations, the Group's financial condition and/or prospects.

Risk of deterioration of equipment, generation units, and storage component

The continual operations of the Group's generation and storage assets, as well as natural processes such as erosion and corrosion, have an impact on the condition of the Group's power plants' equipment and components. The impact of such operations and processes tends to increase as the Group's power plants, especially HPPs and CHPPs, equipment and components, grow older. The Group implements a reconstruction programme for its HPPs as well as continually monitors and inspects its HPPs, CHPPs and other generation units and carries out maintenance on such assets, including investing in their renovation and/or replacement. However, there is still a risk that such maintenance and renovations programmes will not be successful in maintaining and repairing the Group's HPPs, CHPPs and other

generation units to full operational capacity, which could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Electricity distribution infrastructure damage risk

Major risks related to distribution infrastructure failures include mass failures in distribution infrastructure caused by atmospheric surges, branches or trees falling on power lines or power equipment, strong winds, ice, and rapid changes in air temperature. To minimise such risks, the Group has a long-term investment programme for electricity distribution infrastructure renovation and reconstruction. In addition, the Group also transfers risks to the insurance market, where such insurance is commercially available (see "*The Group's insurance coverage may not be adequate*"). If the risk of infrastructure damage materialises, it could result in additional operating costs to cover damages, which could have a material adverse effect on the Group's business and results of operations.

Energy market price fluctuation risk

The Group's business is influenced by electricity price trends in local and Nordic markets, commodities prices (including, but not limited to, natural gas and oil), consumer behaviour and electricity demand in the Baltic States.

In 2024, the Nord Pool (an exchange which facilitates the transparent and trading of electricity in day-ahead and intraday markets across numerous European countries) system electricity price decreased by 36 per cent. and the electricity price in Latvia decreased by 7 per cent., compared to 2023. These price decreases were driven by warmer weather in Europe and higher renewable energy generation, which reduced demand for coal and natural gas power plant generation. This, combined with stable coal and natural gas import supplies and high gas storage levels, contributed to the price decrease at fossil fuel-powered electricity stations. As the most liquid gas trading hub in Europe, Dutch natural gas virtual trading point TTF serves as a benchmark for natural gas prices. The average price of natural gas at the Dutch TTF (front month) reached 34 EUR/MWh, which is 30 per cent. lower than 2023. The decrease was mainly caused by the increase in renewable energy capacity in the EU and stable LNG supplies.

The Issuer operates a vertically integrated power portfolio, whereby electricity generated by the Group's assets - historically HPPs and CHPPs and starting from 2024 RES assets - is allocated to retail fixed-price contracts. These retail contracts serve as an internal hedge against market price fluctuations, aligning generation output with contracted sales volumes, and are predominantly with a price fixed for a one-year term. To further manage exposure, natural gas procurement and carbon emission costs are hedged forward, ensuring cost predictability and supporting the stability of the integrated business model. In 2024, 76 per cent. of the Group's electricity generation portfolio was used for covering retail segment fixed price contracts. The Group's generation portfolio does not fully cover the needs of its electricity supply portfolio due to deviations in production and retail consumption profiles. As a result in 2024, 20 per cent. of the Group's fixed-price electricity supply to the retail sector was exposed to fluctuations in market prices of purchased electricity.

The Group monitors its power portfolio's risk metrics and uses financial derivative contracts both for electricity and natural gas to partially mitigate electricity market price risk for the remaining part of its supply portfolio without generation asset coverage and for the fixing of natural gas procurement costs. However, as of the date of this Base Prospectus there is no active centralized futures exchange available for hedging instruments due to low liquidity (over the counter trade only) in the Baltic States. In recent years Nordic-Baltic-Poland market interconnectivity has been stagnant with no new transmission capacities being introduced. This limited market liquidity in the Baltic States may restrict the Group's ability to efficiently hedge price exposures. As of the date of this Base Prospectus, the pricing of natural gas physical deliveries is based on Dutch TTF Month ahead indices and Dutch TTF swap contracts are used for fixing the price for major part of the natural gas procurement.

As of 30 June 2025, 79 per cent. of the Group's business customers portfolio of 3.0 TWh and 80 per cent. of its mass segment customers portfolio of 2.0 TWh, which includes households and small

business customers in terms of volume, are with fixed price contracts. Contracts for most mass segment customers are open-ended with a clause in the contract that allows a change in the price not more often than twice a year with a requirement to notify the customer of such change 30 days before the change. The Group uses generation assets and derivative financial instruments to hedge the market price risk for sales with fixed price contracts. In 2024, the Group hedged the market price risk for about 80 per cent. of its fixed-price electricity sales portfolio.

Notwithstanding this, there is a risk that hedging will not provide the required financial protection against adverse movements in energy market prices. This could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group's insurance coverage may not be adequate

As part of the Group's systematic long-term investment programme to ensure the development of RES assets and to ensure the maintenance of its existing production assets, the Group transfers risks of loss or damage of production assets to the insurance market, where such insurance is commercially available. In certain circumstances adequate insurance coverage may not be available, as a result of either a lack of relevant insurance or excessive costs. Where such insurance coverage is in place, the insurance proceeds received may be inadequate to fully cover replacement costs for damaged assets, financial losses, liabilities to third parties, and similar costs and expenses associated with such asset damages. Shortfall in insurance coverage could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Regulated market risk

The Group's revenues from regulated market activities are highly dependent on tariffs approved by the Public Utilities Commission ("PUC") and/or regulated by legislative acts of Latvia. Electricity distribution system service and heat tariffs are reviewed or approved by the PUC based on their approved calculation methodology. In 2024, approximately 25 per cent. of EBITDA of the Group was generated from regulated activities (distribution, payment for the installed electrical capacity and generation of thermal energy at the Issuer's CHPPs, generation of thermal energy at the Liepaja generation facilities). See "*Information about Group's Business Operations*" and "*Regulation*". There is a risk that not all costs of the Group will be covered by such regulated tariffs due to an unduly low regulatory asset base (regulated assets base refers to the net value of property, plant, and equipment that are actively utilized in delivering distribution system services, after deducting any external financing received for their construction) or because the rate of return on capital included in the calculation of the price of the electricity distribution system service tariffs will not correspond to the market rate, which could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Risk of competition in the markets in which the Group operates

The energy markets in the countries in which the Group operates have been significantly liberalised in the previous several decades. As a result of this liberalisation, new competitors may enter many of the markets in the countries in which the Group operates. The Group competes in the retail market and the wholesale market for both electricity and natural gas. The Group cannot ensure that customers will choose the Group as their supplier of electricity and/or natural gas or that the Group's current customers will change their suppliers in the future.

If the Group's existing customer base, or potential new customers of the Group, purchase electricity or natural gas from other suppliers, the result would be a reduction in the Group's revenues and market share. This may also hinder the ability of the Group to develop new business and improve its financial results. As a result, any increase in competition in the markets in which the Group operates could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Risk connected to the seasonality of the Group's business and climate changes

The Group's core business operations, particularly electricity generation at the HPPs, the CHPPs and new SPPs and WPPs, are influenced by weather conditions.

The HPPs' ability to generate electricity is dependent on the water inflow in the Daugava River; accordingly total electricity generation volume fluctuates. Seasonality not only affects hydrology in the region but also affects wind and solar power production in the short-term. A decrease in the seasonal water inflow in the Daugava River below long-term average level and/or untypically mild weather conditions during autumn and winter months could result in a reduced volume of annual electricity generation at the Group's power plants.

Effective operation of the CHPPs is largely dependent on thermal energy demand. The newly acquired solar capacity fills additional production volumes when hydro is lower during summer season and the build-up of wind capacity is complementary to combined heat and power production during winter season, which is affected by weather conditions, i.e. external air temperature and duration of the heating season. The Group may need to compensate for a reduction in the availability of electricity generated by economical means by using other means with a higher generation cost or by being required to access the wholesale markets at higher prices.

Changes in long-term climate patterns and short-term weather conditions introduce demand volatility, potentially requiring increased electricity and natural gas supply during extreme weather events. While the Group's hedging strategy mitigates price risk, it remains exposed to volume risk if actual demand exceeds forecasted generation or contracted supply levels. This could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group may not be able to hire, train or retain a sufficient number of qualified staff

Experienced and capable personnel in the energy industry are in high demand, and the Group faces significant competition in its principal markets to recruit such personnel. Consequently, when experienced and key employees leave the Group's businesses or retire, the Group may have difficulty, and incur additional costs, replacing them. The Group's failure to hire, train or retain a sufficient number of experienced, capable and reliable personnel, especially senior and middle management with appropriate professional qualifications, or to recruit skilled professional and technical staff in pace with the growth of the Group, could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Information systems, communication network infrastructure and cyber-attack risks

An important element of the Group's operations is the Latvenergo Corporate Network which covers data and voice transmission services and consists of backbone cables, access cables, radio towers and radio masts, communication rooms, a data transmission channel, and other network related equipment. The main factors that could critically affect the Latvenergo Corporate Network are physical damage such as optical fibre and copper cable damage, technological failures including network equipment damage and software errors, power failures or interruptions or overvoltage effects to power supplies, fire, floods, human error, third party malicious actions, cyber-attacks and a distributed denial of service attack on the Issuer's Internet resources.

The Group has developed, procured and uses a variety of off-the-shelf and custom-made information systems ("IS") and web-based solutions in carrying out its everyday business operations and providing services to its customers. The main factors that could lead to total or partial loss of IS data are physical infrastructure damage to servers, backups or disk arrays, technological failures, software failures, power failures, including power outages or surges, fire, floods, natural disasters, extreme weather events caused by climate change, human error, third party failures to perform their duties such as supplying faulty software or hardware or failing to provide support or maintenance services, distributed denial of service attack, cyber-attacks, viruses, ransomware, and other forms of malware.

The Group is subject to increasing regulatory requirements related to cybersecurity and data protection, including the European Union NIS2 Cybersecurity Directive. Non-compliance with such regulations could result in significant financial penalties, reputational damage, and operational restrictions.

The Group relies on third-party vendors and service providers for certain information technology services, including cloud infrastructure. Any disruption, cybersecurity incident, or failure by these third parties could affect the Group's operations.

As the Group increasingly adopts artificial intelligence and automation technologies, new risks emerge. These risks require continuous monitoring and governance to ensure safe use of such technologies.

The Group applies contingency procedures to mitigate any risks to the Latvenergo Corporate Network, including maintaining IS infrastructure across multiple data centres, leveraging virtualisation technologies, performing regular backups, and conducting continuity tests. However, the continuity tests are not able to assess all possible scenarios, and there is a possibility of system unavailability or breakdown. Breakdowns and interruptions in the IS could jeopardise the Group's operations, causing errors in the execution of transactions, loss of customers, production breakdowns and other business interruptions.

The organisational complexity of the Group exposes the Group's assets to the risk of cyber-attack or threats of intentional disruption. The Group manages cyber security activities, which provide for the involvement of the relevant business areas, compliance with legal requirements and recommendations and monitoring critical controls, yet the Group could be subject to cyber-attack and other cybersecurity threats to its IS.

Any failure in the Group's IS, the Latvenergo Corporate Network or the impact of any cyber-attack or threats of intentional disruption could render the Group unable to continue conducting its business in an effective manner, or prevent it from responding promptly in order to correct any breakdowns or interruptions in its IS infrastructure, all of which could have a material adverse effect on the Group's business, results of operations and financial condition.

Environmental, health and safety risks

The Group's core business activities, being electricity generation and distribution, include operations with certain assets, mixtures, substances and processes that inherently have increased levels of risk, thus exposing the Group's personnel, third parties and the environment to potential damages or harm due to operational accidents or other sudden and unforeseen occurrences. Certain technological processes, including, but not limited to, the operation of the CHPPs and the HPPs, the operation of distribution system assets and other processes, involve materials, mixtures or substances that are potentially dangerous in uncontrolled chemical processes, such as fires, explosions, emissions, major accidents or failures of equipment or structures, which could also disrupt the Group's operations and cause financial or reputational losses. Furthermore, the introduction of new legislative initiatives aimed at minimising environmental impact could impose additional costs on the Group.

Given the context of the Group's core business activities, the Group's personnel, as well as the personnel of the Group's subcontractors are exposed to increased health and safety risks by operating certain assets of the Group. Notwithstanding that the Group has implemented a wide array of activities and procedures aimed at mitigation of occupational health and safety risks, third party claims or claims by the Group's personnel in relation to personal damage or harm caused at the workplace could incur substantial costs to the Group, as well as negative publicity.

The Group has made substantial investments into technologies and processes, conducts comprehensive risk assessments - including potential accident scenarios and materiality assessments - and implements mitigation measures aimed at minimising any negative impact on human health and the environment. Nevertheless, the consequences of an uncontrolled release of hazardous substances or other environmental risks, such as subsequent loss mitigation efforts, clean-up costs, fines, penalties, third-

party claims and other legal actions in accordance with applicable legislation, could have a material adverse effect on the Group's business operations, financial condition and results.

Legal and Regulatory Risks

Changes in legislation

The Group is subject to the legislation in the markets where it operates, as well as political and social decisions in these markets, and more widely, the EU.

The Issuer's operations and financial performance may be materially affected by changes in legislation, regulations, or policies associated with the European Green Deal and other EU sustainability initiatives. Such changes may include, but are not limited to, the expansion of emissions trading schemes, stricter requirements for renewable energy deployment, increased energy efficiency standards, changes to taxation or incentive structures, and new rules to prevent carbon leakage. Compliance with these evolving requirements may result in increased operating costs, capital expenditures, or restrictions on certain activities. Additionally, failure to comply with applicable laws and regulations could expose the Issuer to regulatory sanctions, reputational harm, or other consequences, which could have a material adverse effect on the Issuer's business, results of operations, and financial condition. As a state-owned company, the Issuer is subject to legislation requiring the distribution of profits as dividends to the State budget. In accordance with the law "On the State budget for 2025 and the budget framework for 2025, 2026 and 2027" (in Latvian – *Par valsts budžetu 2025. gadam un budžeta ietvaru 2025., 2026. un 2027. gadam*) Latvenergo is obligated to make dividend payments to the revenue of the State basic budget in the following amounts:

- in 2025 (for the reporting year 2024) a dividend payment of 70 per cent. of the 2024 annual profit, but not less than EUR 183,908,268. In 2025, this payment was executed in the amount of EUR 185.9 million
- in 2026 (for the reporting year 2025) a dividend payment of 70 per cent. of the 2025 annual profit, but not less than EUR 131,051,751; and
- in 2027 (for the reporting year 2026) a dividend payment of 70 per cent. of the 2026 annual profit, but not less than EUR 124,490,701

Corporate income tax shall be calculated and paid in accordance with the procedures laid down in the laws and regulations governing corporate income tax.

Following recent revisions to the Latvian Government's draft budget for the next three years, new decisions have been introduced regarding Latvenergo's dividend payments to the State basic budget. In the most recent government's draft budget, Latvenergo is expected to transfer dividend payments to the revenue of the State basic budget as follows:

- in 2026 (for the reporting year 2025) a dividend payment of EUR 141,000,000 shall be paid
- in 2027 (for the reporting year 2026) a dividend payment of EUR 144,000,000 shall be paid; and
- in 2028 (for the reporting year 2027) a dividend payment of EUR 122,000,000 shall be paid.

Changes to the applicable legislation may also have an adverse effect on the Group's business, results of operations, financial condition and/or prospects.

In March 2025, advocates launched a public initiative to bring a class action against what they believe to be unfair MP component payments. The aim of the initiative is to initiate a political process (before initiating collective legal proceedings) with the aim that the state returns these payments, which may result in higher dividend payments from Latvenergo whereas the authors of the initiative have also

referred to this as a possible source of financing, given that the Group's companies have benefitted from state support including the MP component.

The abovementioned and any future political or social decisions, changes in legislation in the markets where the Group operates, or requirements to implement EU-wide initiatives—such as the European Green Deal—may expose the Group to additional costs and obligations. These could have a material adverse effect on the Group's business, operational results, financial condition, and/or future prospects.

Sanction risk

The Group complies with the Law on International Sanctions and National Sanctions of the Republic of Latvia (in Latvian – *Starptautisko un Latvijas Republikas nacionālo sankciju likums*), covering sanctions imposed by the United Nations (the "UN") and the EU, and additionally observes sanctions imposed by the United States (the "US"). Russia's invasion of Ukraine has led to unprecedented EU and US government sanctions against Russian and Belarusian companies and individuals. Further sanctions could also lead to additional checks being required and performed by banks which may prolong the execution time of payments and jeopardise concluded contractual obligations. To mitigate this risk the Group has developed an internal control system, a package of measures including activities to be taken to ensure compliance with sanctions requirements. Failure to comply with Latvian national sanctions or international sanctions could have serious legal and reputational consequences for the Group, including exposure to fines as well as criminal and civil penalties and which could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The cancellation of mandatory procurement and capacity payment support scheme

Legislative acts of Latvia currently entitle the Issuer's subsidiary Enerģijas publiskais tirgotājs SIA to act as an agent in the mandatory procurement ("MP") administration process. On 1 May 2023, amendments to the Electricity Market Law (in Latvian – *Elektroenerģijas tirgus likums*) took effect. These amendments resulted in the abolishment of MP component payments for electricity end-users, with costs related to MP being covered instead by the state budget. A portion of the dividends of the Issuer are allocated to cover MP costs. Future amendments to the regulation of the MP resulting in changes to the MP administration process or in incurred MP costs not being recoverable to their full amount could have an adverse effect on the Group's business, results of operations and financial condition.

Regulatory actions and investigations risk

Several authorities (such as the PUC, the State Audit Office, the Competition Council, and the State Revenue Service) regularly perform investigations, examinations, inspections or audits of the Group's business, including, but not limited to, anti-money laundering ("AML"), payments, reporting and corporate governance. In addition, the Issuer is subject to disclosure obligations under the EU Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards, which form part of a rapidly evolving regulatory framework requiring enhanced sustainability-related data collection, reporting and due diligence. Any determination by the authorities that the Issuer or any Group entities have not acted in compliance with all the applicable laws and regulations, including Environmental, Social and Governance ("ESG") related disclosure requirements, could have serious legal, reputational and financial consequences for the Group, including exposure to fines, criminal and civil penalties and other damages, increased prudential requirements or even business disruption in the respective fields, all of which could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Disputes and litigation

The Group is subject to a variety of litigation and regulatory proceedings and the Group cannot give any assurances as to their outcome or the sufficiency of the Group's provisions.

In the ordinary course of the Group's business, it is subject to numerous civil and some administrative proceedings. The Group creates provisions for contingent liabilities relating to selected proceedings, calculated based on the advice of the Group's internal and/or external legal counsel. At this moment the Group is not engaged in disputes or litigations that could have a material adverse effect on the Group's business or financial condition. The Group can give no assurances that future disputes and litigation could have a material adverse effect on the Group's business, operational results, financial condition, and/or future prospects.

Money laundering and terrorist financing risk

The Group is exposed to money laundering and terrorist financing risk. For example, In June 2010, criminal proceedings were initiated against a number of executives of the Group suspected in corruption and money laundering, in which the Issuer has the status of a victim (see "*Information about the Group - Legal and arbitration proceedings - Incident of corruption*"). The Group's AML policy and procedures are clearly specified in writing, and communicated to all personnel. The procedures contain a clear description for employees of their obligations and instructions as well as guidance on how to keep the activity of the Group in compliance with regulations. There are internal procedures for detecting and reporting suspicious transactions. Failure in providing accounting and legal services, granting loans, or opening an account for the Group's companies as a result of non-compliance with AML requirements would most likely lead to serious financial, legal and reputational consequences for the Group, including exposure to fines, as well as criminal and civil penalties, could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

General Data Protection Regulation ("GDPR") risk

The Group's data protection processes and regulations are regularly revised to align with the requirements of the General Data Protection Regulation (EU) 2016/679". The Group has created data protection specialist positions, the objective of which is to monitor GDPR compliance and carry out reviews and controls of GDPR fulfilment. Failure in establishing and implementing appropriate technical and organisational measures to meet the data protection requirements of the GDPR could have serious financial, legal and reputational consequences for the Group, including exposure to fines and penalties, the result of which could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Fraud risk

Notwithstanding all the detection and prevention activities implemented within the Group with the aim to prevent any corruptive, fraudulent, coercive or collusive practices on the part of the Group's employees, directors and representatives, and with respect to any transaction the Group is involved in, there is a risk of such prohibited practices being performed. This could adversely affect the Group's reputation, business and financial position, as well as involve the Group in legal proceedings and disputes, including claims in relation to actions by regulatory and supervisory institutions, the result of which could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects. To reduce the risk the Group has developed policies and implemented internal processes where, among other provisions, it is established that the Group restricts gift-giving, regulates combining of positions to avoid conflicts of interest, requires conflict of interest declarations, and provides regular training on ethics, fraud prevention, and anti-corruption. Internal control procedures are reviewed regularly to ensure they are in line with best practice.

Competition risk

According to the Competition Law (in Latvian – *Konkurences likums*), the Group is the dominant player in the heat and electricity market. In addition, the Competition Law prohibits companies from violating the principles of equal competition and unjustifiably restricting the ability for private entrepreneurs to operate in the market. If the Competition Council found violations of the Competition Law, this could have serious legal, financial and reputational consequences for the Group, the result of which could

have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Risk related to the Regulation on Wholesale Energy Market Integrity and Transparency ("REMIT")

As the Group operates in the wholesale energy markets, the Group must comply with the requirements on information disclosure, prohibition on insider trading and market manipulation in accordance with the European Parliament and Council Regulation No 1227/2011 on Wholesale Energy Market Integrity and Transparency (REMIT). Breach of REMIT regulation could have serious legal, financial and reputational consequences for the Group, the result of which could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects. The Group mitigates REMIT regulation risk through robust compliance policies, staff training, monitoring and disclosure processes.

Information disclosure risk

The Issuer's outstanding debt securities are listed on the Nasdaq Riga Baltic Bond List, which imposes information disclosure requirements that the Issuer must follow on a continuing basis. These requirements stipulate when and how information should be disclosed to the market. In circumstances where the Issuer fails to comply with the information disclosure requirements, Latvijas Banka (the Bank of Latvia) or Nasdaq Riga may impose a fine for violation of these requirements, or in the worst-case scenario, the delisting of the Issuer's outstanding debt securities. In addition to the Issuer's outstanding debt securities are listed on the Nasdaq Riga Baltic Bond List, any Notes issued under the Programme may also be listed on the Bourse de Luxembourg and Nasdaq Riga Baltic Bond List, each of which are regulated markets for the purposes of MiFID II, and therefore the Issuer will be subject to the continuing obligations prescribed under Regulation (EU) No 596/2014.

The Group has developed internal guidance, the Inside Information Disclosure Rules, which, among other things, contain a list of potential events that would require disclosure to investors however, the development of the Inside Information Disclosure Rules does not eliminate the potential occurrence of a failure to disclose information to the market. The failure to make such disclosures, and the potential for any subsequent negative impact on the reputation of the Group, along with the risk of fines or delisting of the Issuer's debt securities, could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Risk in the failure to comply with the EU State aid rules or the capacity payment support criteria

The Treaty on the Functioning of the EU provides that member states of the EU are obliged to notify the European Commission ("EC") regarding any State aid scheme. There are certain criteria under which the State aid can be considered lawful and compatible with the EU internal market. The State aid implemented by Latvia has been declared compatible with the internal market by the EC, which means that the principle of support in the form of capacity payments to the CHPPs of the Issuer is lawful state aid. The operating aid for CHPPs of the Issuer was approved under the State aid scheme SA.43140 "Support to renewable energy and CHP in Latvia" and SA.56310 "Support to the TEC-2 CHP plant in Latvia" by the EC.

The CHPPs receive State aid for their installed capacity. To be eligible for the State aid, the following criteria must be met:

- the primary energy savings of each CHPP should be at least 10 per cent. per annum;
- the installed electrical capacity of the CHPPs must be used at least 1,200 hours per calendar year;
- each CHPP should be operational for at least 4,500 hours per year; and
- overall lifetime profitability should not exceed 9 per cent. of internal rate of return.

There is a risk of failure to comply with the State aid eligibility criteria due to incorrect forecasts, a fire or explosion in the CHPPs, loss of the heat market share in favour of other heat producers using biomass as fuel in the production process and other reasons. To manage such risk, the Group coordinates generation plans and continuously monitors actual developments at annual, monthly, next and current day levels. Should such risk materialise, it could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Financial Risks

Mandatory prepayment of the Group's debt portfolio

The Group's existing long-term loan agreements and bond documentation include certain financial covenants and other obligations and representations, the violation of which could lead to an event of default and acceleration of repayment of the loans and bonds issued. The Group has a policy for raising and managing borrowed funds to address the risk of mandatory prepayment of the Group's debt portfolio. The Group's policy is, among other things, to maintain a common list of covenants included in the loan agreements and bond documentation. Furthermore, financial covenants are considered in the business planning process.

While the Group has not breached such provisions in the past and has a policy for raising and managing borrowed funds to address the risk of mandatory prepayment of the Group's debt portfolio, its ability to comply with covenants and restrictions contained in the loan agreements and bond documentation may be affected by events beyond its control, including prevailing economic, financial, legal, and industry conditions. For example, high and volatile energy prices may have adverse effect on the Group's EBITDA, and the need to ensure gas reserves in the inventory may increase Group's net debt and therefore lead to a breach of the related covenants.

If these obligations were to be breached, the creditors involved would be able to declare an event of default pursuant to the relevant loan agreements and bond documentation and require prepayment of the entire outstanding loan amounts and redemption of the outstanding bonds. Due to the cross-default clauses in the loan agreements and bond documentation, the Group might need to refinance a substantial part of its outstanding debt. The ability to raise funding for the refinancing of bank and market debt or negotiate other terms with existing lenders might be limited, thus causing significant going concern risk for the Group which could in turn have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group's ability to access credit and bond markets and ability to raise additional financing is in part dependent on the Issuer's credit ratings

The Group's ability to access the capital markets and other forms of financing (or refinancing), and the costs connected with such activities, depend in part on the Issuer's credit ratings. The Issuer's current credit rating is Baa2 with a stable outlook (updated in March 2025) by Moody's. A downgrade of the Issuer's credit rating could increase the Group's costs of funding and/or reduce its access to funding and could require the Group to provide additional security for contracts, which could increase the costs of the transactions. In addition to a deterioration in the Issuer's own credit quality, the Issuer's credit rating might be downgraded if the credit rating of Latvia is downgraded due to weak macroeconomic conditions or any other reason or a change of the support assumptions provided by Latvia.

Following a rating downgrade, the Group may also not be able to raise additional indebtedness on terms similar to its existing indebtedness or at all, and the Group's ability to access credit and bond markets and other forms of financing (or refinancing) could be limited, which could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Financing and refinancing risk

The Group will need to raise further debt from time to time in order, among other things, to finance or refinance capital expenditures and to refinance debt. Therefore, the Group is exposed to financial and capital market risk resulting from mismatches between the Group's capital requirements and its access to capital.

The Group has a policy for raising and managing borrowed funds to address the funding issues and financing risk. The Group's policy is, among other things, to maintain centralised fundraising and to diversify funding sources. The Group has a Financial Risk Management Policy in place to address refinancing risk.

The Group's ability to raise funding may be influenced by, among other things, its own operating performance and general economic, financial, legal and industry conditions. If these conditions deteriorate, there could be an adverse effect on the Group's ability to finance or refinance capital expenditures and/or to refinance its existing debt as and when they are due which in turn could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Liquidity risk

The Group is exposed to liquidity risk arising from potential mismatches between available funds and the Group's capital requirements to meet its payment obligations as they fall due or to fund its capital investments. The Group's future capital requirements and level of costs will depend on numerous factors, including, weather conditions, the amount of cash generated from its operations and general industry and economic conditions. Market prices for gas and electricity can be volatile, which may impact the Group's cash flow and liquidity management. The Group has a Financial Risk Management Policy in place to address the liquidity risk. The Group's policy is, among other things, to maintain sufficient reserves of cash and cash equivalents and the availability of long-term and short-term funding through an adequate amount of committed credit facilities to meet its payment commitments according to its strategic plans and to balance fluctuations in the cash flows.

An inability to cover funding costs through revenue streams could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects and could impact the ability of the Issuer to meet its payment obligations under the Notes.

Interest rate risk

The Group's interest rate risk mainly arises from long-term borrowings at variable rates. This exposes the Group to the risk that borrowing costs might increase significantly in the event that the relevant benchmark market interest rates rise.

The Group has a Financial Risk Management Policy in place to address interest rate risk. The Group's policy is, among other things, to maintain a certain average duration and portion of fixed interest rate borrowings in its debt portfolio.

Any adverse interest rate fluctuations, if not hedged, could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects. The Group could also find itself over-hedged which could lead to loss of financial resources. Early termination of hedging agreements could also negatively impact the Group's financial results.

Foreign exchange risk

As of the date of this Base Prospectus the Group is not exposed to significant foreign exchange risk, but it could be exposed to foreign exchange risk if the significant part of the expenses of the Group, such as financial expenses, payments for imported natural gas or payments for capital expenditures is in a currency other than Euro, the Group's functional currency. The Group has a Financial Risk

Management Policy in place to address foreign exchange risk and which foresees the use of forward contracts to manage the Group's foreign exchange risk. However, any unfavourable fluctuations in the Euro exchange rate in the future could have an adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Risks related to geopolitical and macroeconomic conditions

Exposure of business results to geopolitical events

On 24 February 2022, Russia launched a military assault on Ukraine. This has led to significant volatility in the global credit markets and on the global economy. The Baltic States are former members of the Soviet Union and members of NATO and the EU. There is speculation that they may become targets of Russian military action, including sabotage activity, cyber attacks and hybrid actions. Latvia may be at particular risk given its large ethnic Russian minority (23.4 per cent. of the total population of Latvia as at the beginning of 2025, according to the government of Latvia's Central Statistical Bureau) and its borders with Russia and Belarus.

In addition, Russia's invasion of Ukraine has led to disruption, instability and volatility in global markets and industries, including in the wholesale markets for electricity and gas and on the related supply relationships. The US government and other governments across the rest of the world have imposed severe economic sanctions and export controls against Russia, Russian interests and Belarus. Several of Russia's largest banks have been removed from the SWIFT system, and additional sanctions continue to be imposed as the situation in Ukraine progresses.

As of the date of this Base Prospectus the restrictive measures imposed and which are described above have had no material impact on the Group's performance; no operations have been suspended and no significant direct losses related to the sanctions and other restrictive measures have been incurred (see however "*Risk of resource supply disruption*"). The Group has not entered into any significant agreement with companies in Russia, Belarus, or Ukraine, which could have a material negative impact on the Group's operations. However, if new sanctions are imposed that lead to the inclusion of the Group's existing partners or their shareholders in the sanctions list, there is still a risk that implementation of some contracts would be suspended.

In addition to the ongoing Russia-Ukraine conflict, the conflict in the Middle East between Hamas and Israel, which commenced on 7 October 2023, may lead to further escalation in the Middle East along with a rise in oil and gas prices and general market volatility.

Although the length, impact and outcome of the ongoing conflict in the Middle East and the war in Ukraine is highly unpredictable, such conflicts (including, in respect of the war in Ukraine, the imposition of sanctions as well as Russian counter-sanctions) could lead to significant market disruption, including significant volatility in commodity and energy prices, international credit and capital markets and asset prices, supply chain interruption and deteriorating financing conditions. This may impact the Group in terms of access to, and cost of, funding. Any material increase in electricity or gas market prices may also result in new taxes or mandatory caps on energy prices being imposed on the Group in an effort to protect electricity and gas consumers.

The continuation of geopolitical tensions, sanctions and political uncertainty could negatively impact economic growth, business operations and energy markets. Economies across Europe and globally continue to experience high energy, commodity and fuel prices, which has resulted in sustained inflationary pressure. Although interest rates in Europe and globally have been maintained or decreased over the last year, inflationary pressures may continue in the medium term and interest rates may rise again as a result. High levels of inflation and increases in interest rates could adversely affect the markets in which the Group operates and the businesses and economic condition and prospects of the Group, directly or indirectly, in ways which are difficult to predict and may also negatively impact economic growth. The Group may not be able to adapt to a long-term economic recession or stagnation.

Additionally, following elections in the US and various international jurisdictions in the past year, there is considerable uncertainty regarding reforms of various aspects of existing laws, regulations, and enforcement priorities and strategies that could affect trade policies, labour matters, taxes, and technological advancements, among other areas. An increasing number of tariffs, sanctions, trade and investment restrictions have been imposed by the US, such as the range of U.S. tariffs which were announced on 2 April 2025, the scope and levels of which exceeded expectations. Any such tariffs, or similar further tariffs impacting trade with other trading partners, could have a material adverse impact on the global economy, for example, by increasing the costs of trading with the other trading partners of the US resulting in higher prices for goods and services and raw materials that may be subject to such tariffs, and additional inflation risk.

The impact of these conditions could be detrimental to the Group and could adversely affect its business, results of operations, financial condition and/or prospects; its solvency and the solvency of its counterparties; the value and liquidity of its assets and liabilities; the value and liquidity of the Notes and/or the ability of the Issuer to meet its obligations under the Notes and under its debt obligations more generally.

Exposure of business results to macroeconomic developments

The results of the Group's operations are dependent on Latvia's macroeconomic situation. In particular, the Group's operations are affected by such factors as the level of Latvia's GDP, the level of industrial production, the rate of inflation, fuel and gas prices, the unemployment rate, changes in consumer affluence levels, and the fiscal policy of Latvia. The Baltic region is a small open economy that is closely linked to the global economy and especially to the macroeconomic conditions in the Eurozone countries and global developments.

The Group's expansion into neighbouring energy markets creates growing exposure of its business and financial results to regional and international macroeconomic developments. Additionally, concern over geopolitical issues (including the rise of economic protectionism and trade wars) or other extraordinary events (such as large-scale natural disasters or global pandemics, such as the COVID-19 pandemic and related restrictions) may also contribute to prolonged market volatility and instability.

An unexpected downturn in the economy of Latvia, or in Lithuania and Estonia where the Group conducts its business activities, could have an impact on the Group's customers and negatively affect its growth and results of operations through reduced electricity consumption. Households' capability to pay amounts owed to the Group may deteriorate, which could lead to an increase in the Group's overdue portfolio. A broader economic slowdown may also result in insolvency of the Group's business partners.

Any materialisation of any of the above risks could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

RISK FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE NOTES

Risks Relating to a Particular Issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to such "benchmarks"

Interest rates and indices which are deemed to be 'benchmarks' (including the Euro Interbank Offered Rate ("EURIBOR")) are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be

implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a 'benchmark'.

Regulation (EU) 2016/1011 (the "**BMR**") was published in the Official Journal of the European Union on 29 June 2016 and, subject to certain conditions, applied from 1 January 2018. The BMR applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Similarly, Regulation (EU) No. 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the "**UK BMR**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the UK.

The BMR and the UK BMR could have a material impact on any Notes linked to or referencing a 'benchmark', in particular if the methodology or other terms of the 'benchmark' are changed in order to comply with the requirements of the BMR and/or the UK BMR. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant 'benchmark'.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of 'benchmarks', could increase the costs and risks of administering or otherwise participating in the setting of a 'benchmark' and complying with any such regulations or requirements.

It is not possible to predict with certainty whether, and to what extent, EURIBOR will continue to be supported going forwards. This may cause EURIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain 'benchmarks' (including EURIBOR,): (i) discouraging market participants from continuing to administer or contribute to such 'benchmark'; (ii) triggering changes in the rules or methodologies used in the 'benchmark', and/or (iii) leading to the disappearance of the 'benchmark'. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations could have a material adverse effect on the value of and return on any Notes linked to or referencing a 'benchmark'.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the BMR and/or the UK BMR or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Notes in making any investment decision with respect to any Notes linked to or referencing a 'benchmark'.

Benchmark rates are subject to reforms

The Conditions provide for certain fall-back arrangements in the event that a Benchmark Event occurs, including if an Original Reference Rate becomes unavailable, or if the Issuer, the Calculation Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the applicable Final Terms) is no longer permitted lawfully to calculate interest on any Notes by reference to such an Original Reference Rate under the BMR and the UK BMR or otherwise. Such fall-back arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Conditions), with the application of an Adjustment Spread and may include amendments to the Conditions to ensure the proper operation of the successor or alternative benchmark, all as determined by the Independent Adviser (acting in good faith and in a commercially reasonable manner). The use of a Successor Rate or Alternative Rate (with the application of an Adjustment Spread) will still result in any Notes linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Rate or (in either case) Adjustment Spread is determined, the ultimate fall-back for the purposes of calculation of the Rate of Interest for a particular Interest Accrual Period may result in the Rate of Interest for the last preceding Interest Accrual Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fall-back provisions may not operate as intended at the relevant time. Any such outcome could have a material adverse effect on the trading markets for such Notes, the liquidity of the Notes and/or the value and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the BMR and/or the UK BMR or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Notes in making any investment decision with respect to any Notes linked to or referencing a 'benchmark'.

Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed

The Notes may be redeemed at the option of the Issuer pursuant to Condition 6(c) (Redemption for Taxation Reasons), Condition 6(d) (Redemption at the Option of the Issuer (Call Option)), Condition 6(e) (Redemption at the Option of the Issuer (Issuer Maturity Par Call)) and Condition 6(f) (Redemption at the Option of the Issuer (Clean-Up Call)) of the Conditions. An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than prices for conventional interest bearing securities, and Notes may be issued at such a discount or premium. Usually, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. If Notes are issued at a substantial discount or premium to their nominal amount, they may be subject to significant price volatility and fluctuations (which may be more likely if such notes have a longer remaining term), and this could mean that the market value of the Notes is unpredictable and therefore could be lower than expected.

In respect of any Notes issued as Green Notes or as European Green Bonds, there can be no assurance that the use of an amount equal to such proceeds will be suitable for the investment criteria of investors

The Issuer may choose to apply an amount equal to the gross proceeds from the issue of any Notes specifically to finance and/or refinance in whole or in part (i) Eligible Green Projects (as defined under "Use of Proceeds" below) in accordance with prescribed eligibility criteria set out in the Programme Factsheet or (ii) any other project(s) described in the applicable Final Terms in accordance with the EU Green Bond Regulation and the Programme Factsheet. See also "Use of Proceeds" for further detail.

Regardless of whether any Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market, no assurance is given by the Issuer or any other member of the Group, the Arrangers or the Dealers that the use of an amount equal to of such gross proceeds for any Eligible Green Projects or for any projects in accordance with the EU Green Bond Regulation will, in each case, satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any such projects.

In addition, in the event that the Issuer for whatever reason does not apply the proceeds of any Green Notes or European Green Bonds, as the case may be, in accordance with the eligibility criteria set out in the Programme Factsheet or (in the case of European Green Bonds) in compliance with the EU Green Bond Regulation, such failure would not result in an Event of Default, cancellation, acceleration or early redemption event under the Notes.

Any failure to apply the gross proceeds of any issue of Green Notes or European Green Bonds in connection with Eligible Green Projects or European Green Bonds in compliance with the EU Green Bond Regulation, or the withdrawal of the Pre-Issuance Review Report, Post-Issuance Review or Impact Report Review, or in the event that any such Notes are no longer being listed or admitted to trading on any stock exchange or securities market, may have a material adverse effect on the value of such Notes and also potentially the value of any other Green Notes or European Green Bonds of the Issuer, as the case may be, or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. Prospective investors must determine for themselves whether the proposed Green Notes or European Green Bonds, as the case may be, meet their requisite investment criteria and conduct any other investigations they deem necessary to reach their own conclusions as to the merits of investing in any such Notes.

There is currently no market consensus as to what constitutes, a "green" or an equivalently-labelled project nor can any assurance be given that such a clear consensus will develop over time or that any prevailing market consensus will not significantly change. A basis for the determination of the definitions of "green" has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the "**EU Taxonomy Regulation**") on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy**"). The EU Taxonomy Regulation establishes a single EU-wide classification system, or "taxonomy", which provides companies and investors with a common language for determining which economic activities can be considered environmentally sustainable. The EU Taxonomy Regulation has been and remains subject to further development by way of the implementation by the European Commission, through delegated regulations, of technical screening criteria for the environmental objectives set out in the EU Taxonomy Regulation. Any further delegated act that is adopted by the European Commission in the implementation of the EU Taxonomy Regulation may evolve over time with changes to the scope of activities and other amendments to reflect technological progress, resulting in regular review to the relating screening criteria. Additionally, although the aforementioned technical screening criteria are generally prescriptive in nature, their application will involve the exercise of judgement and, in certain instances, the technical screening criteria also give broad discretion on the methodologies and assessments that should be undertaken. Different persons (including third-party data providers and other financial market participants) may interpret and apply these technical screening criteria differently, use internal methodologies (where permitted) and/or arrive at different conclusions regarding the extent of the EU Taxonomy alignment of a financial product.

None of the Issuer, the Arrangers or the Dealers can provide any assurance that any of the Eligible Green Projects will be aligned with EU Taxonomy, in light of such ongoing development and review of the technical screening criteria related to the EU Taxonomy Regulation.

In addition, the Issuer may make changes to the Programme Factsheet in the future so as to adapt it to updates to the EU Taxonomy or then relevant applicable standards or guidelines for green bonds or to include additional economic activities. Any such changes to the Programme Factsheet may have a negative impact on the market value and the liquidity of any Green Notes or European Green Bonds, as the case may be, issued prior to the implementation of such changes.

No assurance is or can be given by the Issuer or any other member of the Group, the Arrangers or the Dealers to investors in Green Notes or European Green Bonds, as the case may be, that any projects or uses the subject of, or related to, any Eligible Green Projects or in compliance with the EU Green Bond Regulation will meet any or all investor expectations regarding such "green" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Projects or in compliance with the EU Green Bond Regulation.

No assurance is given on the accuracy and reliability of EU Green Bond reports

In connection with the issue of European Green Bonds under the Programme, Sustainable Fitch has issued the Pre-Issuance Review Report related to the Programme Factsheet. An external reviewer (i) shall also issue a post-issuance review in relation to the allocation report drawn up after the full allocation of the proceeds of the European Green Bond as set out in Article 11 of the EU Green Bond Regulation (a "**Post-Issuance Review**") and (ii) may also issue a review in relation to any impact report as set out in Article 12 of the EU Green Bond Regulation (an "**Impact Report Review**").

The Pre-Issuance Review Report, Post-Issuance Review or Impact Report Review may not reflect the potential environmental impact of the issue of any Notes, nor the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of any Notes or the projects financed or refinanced. The Pre-Issuance Review Report, Post-Issuance Review or Impact Report Review does not constitute a recommendation by the Issuer, the Arrangers or the Dealers to buy, sell or hold securities and would only be current as of the date each is released and each may be updated, suspended or withdrawn by the relevant provider(s) at any time. A withdrawal of the Pre-Issuance Review Report, Post-Issuance Review or Impact Report Review may affect the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets. None of the Programme Factsheet, any Pre-Issuance Review Report, any Post-Issuance Review nor any Impact Report Review is incorporated in, or forms part of, this Base Prospectus.

As at the date of this Base Prospectus, not all providers of green evaluations are subject to any specific regulatory regime or other regime or oversight, while providers of a Pre-Issuance Review Report, Post-Issuance Review or Impact Report Review must be registered and comply with the requirements of the EU Green Bond Regulation. Prospective investors must determine for themselves the relevance of the Pre-Issuance Review Report, Post-Issuance Review or Impact Report Review for the purpose of any investment in the Notes. In particular, no assurance or representation is made or given that the Pre-Issuance Review Report, Post-Issuance Review or Impact Report Review reflects any present or future requirements, investment criteria or guidelines which may apply to any investor or its investments.

Risks in connection with European Green Bonds issued under the Programme

Further, the EU Green Bond Regulation has applied from 21 December 2024 and introduces a voluntary label (the "**EU Green Bond Standard**") for issuers of "green" use of proceeds bonds where the proceeds will be invested in economic activities aligned with the EU Taxonomy. Where indicated in the applicable Final Terms, Notes issued under this Programme will be issued as European Green Bonds in accordance with the EU Green Bond Regulation.

Any Notes issued under the Programme which are not expressly identified as "European Green Bonds" in the applicable Final Terms do not constitute European Green Bonds as defined in the EU Green Bond Regulation. It is not clear at this stage the impact which the European Green Bond Standard may have

on investor demand for, and pricing of, green use of proceeds bonds (such as any Green Notes issued by the Issuer) that do not meet such standard. It could therefore reduce demand and liquidity for any Green Notes issued by the Issuer which are not European Green Bonds and adversely affect their price.

In order to be able to issue a European Green Bond, the Issuer must fulfil the requirements of the EU Green Bond Standard. Noteholders should note that the technical screening criteria applicable to economic activities under the EU Taxonomy Regulation may be amended from time to time. The EU Green Bond Regulation includes grandfathering provisions applicable to such changes to technical screening criteria in relation to European Green Bonds in issue. Nevertheless, such grandfathering provisions may not be adequate and changes to the technical screening criteria may impact the ability of the Issuer to comply with the EU Green Bond Regulation.

In order to ensure compliance with the requirements under the EU Green Bond Regulation, the national competent authority is responsible for supervision of compliance with the EU Green Bond Regulation and in this capacity shall have certain supervisory powers, including the power to impose administrative sanctions and take other administrative measures in relation to failure to comply with applicable provisions of the EU Green Bond Regulation. Noteholders should therefore note that the competent authority may, under Article 45 of the EU Green Bond Regulation, among other things, order the temporary suspension or prohibition of an offer or admission of European Green Bonds to trading on a regulated market or prohibit an issuer from issuing European Green Bonds if such issuer violates the requirements of the EU Green Bond Regulation. The relevant competent authority may also have the power to publicise the fact that the relevant issuer does not comply with the EU Green Bond Regulation. If any of these interventions were to occur in respect of the Issuer and/or European Green Bonds issued under the Programme, such measures may have a negative impact on the market value of the European Green Bonds and the Issuer's reputation.

In addition, in accordance with the EU Green Bond Regulation, an external reviewer should be appointed in relation to any European Green Bonds issued under the Programme. Pursuant to Recital 55 and Article 69 of the EU Green Bond Regulation, in order to facilitate the provision of services by external reviewers while ensuring that ESMA has the appropriate time to develop the framework for registration and supervision of external reviewers, a transitional period will apply to external reviewers providing services according with the EU Green Bond Regulation until 21 June 2026. External reviewers providing services during this transitional period shall provide such services only after notifying ESMA to that effect and providing the required information. During the transitional period external reviewers will be required to use 'best efforts' to comply with relevant provisions of the EU Green Bond Regulation.

Holders of European Green Bonds should also note that the EU Green Bond Regulation does not provide for any direct rights that Noteholders could assert with regard to any enforcement of the European Green Bond Standard in law. In particular, this entails the risk that in the event of non-compliance with the requirements (including, a non-taxonomy-compliant use of proceeds or a failure to meet post-issuance reporting obligations), the relevant Noteholder will not be granted any rights to demand the acceleration, cancellation or early repayment of a European Green Bond. This also applies in the event of any administrative or sanctioning measures which may be taken by the competent authority.

Risks relating to the Notes generally

Set out below is a description of material risks relating to the Notes generally:

Modification, waivers and substitution

The Conditions contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions

permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Issuer may, without the consent of Noteholders, agree to (i) substitute for itself as principal debtor under the Notes, the Coupons and the Talons, any company subject to certain conditions set out in Condition 11(c) and (ii) modifications, waivers or authorisations of breaches or proposed breaches of or any failure to comply with, the Agency Agreement, provided that to do so could not reasonably be expected to be materially prejudicial to the interests of the Noteholders.

The effect of the above provisions is that a Noteholder may be unable to prevent certain modifications, waivers and substitutions that might be disadvantageous to that Noteholder from being made in respect of the relevant Notes in accordance with the Conditions.

Change of law

The Conditions are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law and administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Other parties

The Issuer may be a party to contracts with a number of other third parties that have agreed to perform services in relation to the Notes. For example, a paying agent has agreed to provide payment and calculation services in connection with the Notes and Euroclear and Clearstream, Luxembourg have agreed, *inter alia*, to maintain records of their respective portion of the issue outstanding amount and, upon the Issuer's request, to produce a statement for the Issuer's use showing the total nominal amount of its customer holding for the Notes as of a specified date. Noteholders will be required to rely on the services provided by such third parties with which the Issuer has contracted.

Noteholders' credit risk

The Noteholders' claims for repayment of principal and regular interest payments will be direct, unsecured and unsubordinated claims on the Issuer. The principal of any Notes is not guaranteed by any third party. In the event that the Issuer is declared bankrupt or becomes insolvent, investors therefore risk losing all or part of the principal as well as any due and unpaid future interest payments.

Furthermore, to the extent that the Issuer has granted security over its assets and such security becomes enforceable, the assets securing such obligations will be used to satisfy such secured obligations before the Issuer can make payments on the Notes. In the absence of sufficient collateral to satisfy any secured obligations, the remaining amounts on the secured obligations would share equally with all unsubordinated unsecured indebtedness.

Claims cannot be enforced against the Issuer's key assets

The Issuer holds a number of assets which under applicable laws of the Republic of Latvia can be owned only by the Issuer, the Issuer's wholly owned subsidiaries or the companies that are wholly owned by the state. As a consequence, such assets are not transferable to any other party except for the Issuer, its subsidiaries or the companies that are wholly owned by the state. Section 20.1 (2) of the Energy Law (in Latvian - *Enerģētikas likums*) lists the following non-transferable assets: (i) Plavinas, Kegums and Riga HPPs on the Daugava River; (ii) CHPP-1 and CHPP-2; and (iii) electricity distribution network, telecommunication network and equipment owned by the Issuer. Because of their non-transferable nature, no claims, either on the ground of the Notes or otherwise, can be enforced against these assets. Furthermore, in case of the Issuer's insolvency these assets will not be used for settling the creditors' claims.

Tax risk

Prospective investors should be aware that tax may be imposed on them on any return on an investment in any Notes. Prospective investors should seek independent advice relating to tax risks.

Risks relating to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in

the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes on the date of issue, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances. Such general restriction will also apply in the case of credit ratings issued by third-country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances. The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the CRA Regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of any rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference in this Base Prospectus:

1. the audited consolidated and standalone financial statements of the Issuer for the financial year ended 31 December 2023, together with the audit report thereon, which appear in the Issuer's annual report and accounts for the year ended 31 December 2023 (the "**2023 Financial Statements**") and which are available at https://latvenergo.lv/storage/app/media/parskati/Sustainability%20and%20Annual%20report_2023_ENG.pdf:
 - (a) Statement of profit or loss Set out on numbered page 132 of the 2023 Financial Statements.
 - (b) Statement of comprehensive income Set out on numbered page 132 of the 2023 Financial Statements.
 - (c) Statement of financial position Set out on numbered page 133 of the 2023 Financial Statements.
 - (d) Statement of changes in equity Set out on numbered page 134 of the 2023 Financial Statements.
 - (e) Statement of cash flows Set out on numbered page 135 of the 2023 Financial Statements.
 - (f) Notes to the financial statements Set out on numbered pages 136 to 181 of the 2023 Financial Statements.
 - (g) Independent auditor's report covering year ending 31 December 2023 Set out on numbered pages 182 to 191 of the 2023 Financial Statements.
2. the audited consolidated and standalone financial statements of the Issuer for the financial year ended 31 December 2024, together with the audit report thereon, which appear in the Issuer's annual report and accounts for the year ended 31 December 2024 (the "**2024 Financial Statements**") and which are available at https://latvenergo.lv/storage/app/media/parskati/2024/Latvenergo_Annual_Report_2024.pdf:
 - (a) Statement of profit or loss Set out on numbered page 186 of the 2024 Financial Statements.
 - (b) Statement of comprehensive income Set out on numbered page 186 of the 2024 Financial Statements.
 - (c) Statement of financial position Set out on numbered page 187 of the 2024 Financial Statements.
 - (d) Statement of changes in equity Set out on numbered page 188 of the 2024 Financial Statements.
 - (e) Statement of cash flows Set out on numbered page 189 of the 2024 Financial Statements.

- (f) Notes to the financial statements Set out on numbered pages 190 to 237 of the 2024 Financial Statements.
 - (g) Independent auditor's report covering year ending 31 December 2024 Set out on numbered pages 239 to 247 of the 2024 Financial Statements.
3. the unaudited and unreviewed interim financial statements of the Issuer in respect of the six months ended 30 June 2025 (the "**2025 Interim Financial Statements**") and which are available at https://latvenergo.lv/storage/app/media/uploaded-files/1_Latvenergo%20Interim%206M%202025_ENG.pdf:
- (a) Other information Set out on numbered page 27 of the 2025 Interim Financial Statements.
 - (b) Statement of profit or loss Set out on numbered page 29 of the 2025 Interim Financial Statements.
 - (c) Statement of comprehensive income Set out on numbered page 29 of the 2025 Interim Financial Statements.
 - (d) Statement of financial position Set out on numbered page 30 of the 2025 Interim Financial Statements.
 - (e) Statement of changes in equity Set out on numbered page 31 of the 2025 Interim Financial Statements.
 - (f) Statement of cash flows Set out on numbered page 32 of the 2025 Interim Financial Statements.
 - (g) Notes to the financial statements Set out on numbered pages 33 to 54 of the 2025 Interim Financial Statements.

Further, any future audited consolidated financial statements or unaudited consolidated interim financial statements of the Issuer, including the notes thereto and the audit report thereon (if any) (the "**Future Financial Statements**"), in each case as and when published on the Issuer's website (available at www.latvenergo.lv) during the 12-month period of validity of this Base Prospectus shall be deemed to be incorporated by reference in, and form part of, this Base Prospectus from the date of their publication.

The documents incorporated by reference or deemed to be incorporated by reference in this Base Prospectus shall collectively be defined as the "**Documents Incorporated by Reference**". This Base Prospectus should be read and construed in conjunction with the Documents Incorporated by Reference.

The Documents Incorporated by Reference have been previously published or will be published and have been or will be approved by the Commission de Surveillance du Secteur Financier or filed with it, in each case prior to or simultaneously with incorporation by reference into this Base Prospectus. The Documents Incorporated by Reference shall be incorporated in and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Those parts of the documents incorporated by reference in this Base Prospectus which are not specifically incorporated by reference in this Base Prospectus are either not relevant for prospective investors in the Notes or the relevant information is covered elsewhere in this Base Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained (without charge) from the Issuer's website at www.latvenergo.lv and the website of the Luxembourg Stock Exchange (www.luxse.com).

Prospective investors should consult their own professional advisers to gain an understanding of the financial information incorporated by reference in this Base Prospectus.

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from the audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2023 and 31 December 2024 prepared in accordance with the applicable IFRS and the unaudited and unreviewed consolidated financial statements of the Issuer as at and for the six months ended 30 June 2025. The Issuer has also presented certain alternative performance measures for additional analysis. See "*Alternative Performance Measures*".

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the applicable Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) (where applicable) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes or be deemed to be incorporated by reference in. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the applicable Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued pursuant to an Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated on or around 30 October 2025 between the Issuer, Banque Internationale à Luxembourg S.A. as fiscal agent and the other agents named in the Agency Agreement and with the benefit of a Deed of Covenant (as amended or supplemented as at the Issue Date, the "**Deed of Covenant**") dated on or around 30 October 2025 executed by the Issuer in relation to the Notes. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registrar**", the "**Transfer Agents**", and the "**Calculation Agent(s)**". The Noteholders (as defined below), the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") are deemed to have notice of all of the provisions of the Agency Agreement applicable to them. Electronic copies of the Agency Agreement and the Deed of Covenant are available upon request to the Paying Agents, the Registrar and the Transfer Agents.

As used in these terms and conditions (the "**Conditions**"), "**Tranche**" means Notes which are identical in all respects, including as to Issue Date.

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**").

The Notes are issued in the Specified Denomination(s) shown in the applicable Final Terms.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis as specified in the applicable Final Terms.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept

by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them in these Conditions, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(g)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be

made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 30 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d) or Condition 6(e), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date.

3 Status

The Notes and the Coupons constitute direct, unconditional, (subject to Condition 4) unsecured and unguaranteed obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons shall subject to Condition 4 at all times rank at least equally with all its other unsecured, unguaranteed and unsubordinated obligations from time to time outstanding, save for such exceptions as may be provided by applicable legislation.

4 Negative Pledge

Negative Pledge: So long as any Note or Coupon remains outstanding (as defined in the Agency Agreement), the Issuer shall not, and shall procure that none of its Principal Subsidiaries shall, create or permit to subsist any Security other than a Permitted Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

In these Conditions:

- (i) "**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:
 - (A) amounts raised by acceptance under any acceptance credit facility;
 - (B) amounts raised under any note purchase facility;
 - (C) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

- (D) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
 - (E) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (ii) **"Permitted Security Interest"** means any Security on the undertaking or assets of any Person existing at the time such Person or undertaking or assets of such Person is acquired by the Issuer, provided such Security:
- (i) was not created in contemplation of the acquisition of such asset; and
 - (ii) the principal amount secured has not been increased in contemplation of or since such acquisition;
- (iii) **"Person"** means an individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;
- (iv) **"Relevant Indebtedness"** means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is intended by the Issuer to be listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market; and
- (v) **"Security"** means a mortgage, charge, pledge, lien or other security interest securing any Indebtedness.

5 Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f).
- (b) **Interest on Floating Rate Notes:**
- (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f). Such Interest Payment Date(s) is/are either as specified in the applicable Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period specified in the applicable Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
 - (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day

Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day, (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day or (E) No Adjustment, such date shall not be adjusted with any Business Day Convention.

- (iii) *Rate of Interest:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the applicable Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the applicable Final Terms.

(A) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate, provided that in any circumstances where under the ISDA Definitions the Calculation Agent would be required to exercise any discretion, including the selection of any reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:
- 1) the Floating Rate Option (as defined in the relevant ISDA Definitions) is as specified in the applicable Final Terms;
 - 2) the Designated Maturity (as defined in the relevant ISDA Definitions), if applicable, is a period specified in the applicable Final Terms;
 - 3) the relevant Reset Date (as defined in the relevant ISDA Definitions) is as specified in the applicable Final Terms;

- 4) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the relevant ISDA Definitions), Compounding is specified to be applicable in the applicable Final Terms and:
- (I) Compounding with Lookback is specified as the Compounding Method in the applicable Final Terms, (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Final Terms;
 - (II) Compounding with Observation Period Shift is specified as the Compounding Method in the applicable Final Terms, (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method (b) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Final Terms and (c) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions), if applicable, are the days specified in the applicable Final Terms; or
 - (III) Compounding with Lockout is specified as the Compounding Method in the applicable Final Terms, (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days (as defined in the relevant ISDA Definitions) specified in the Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the applicable Final Terms; and
- 5) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the relevant ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Final Terms and (b) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions) are the days, if applicable, specified in the applicable Final Terms);

- 6) references in the relevant ISDA Definitions to:
 - (I) "**Calculation Period**" shall be deemed to be references to the relevant Interest Accrual Period;
 - (II) "**Confirmation**" shall be deemed to be references to the applicable Final Terms;
 - (III) "**Effective Date**" shall be deemed to be references to the Interest Commencement Date; and
 - (IV) "**Termination Date**" shall be deemed to be references to the Maturity Date; and
- (y) if the Final Terms specify "2021 ISDA Definitions" as the applicable ISDA Definitions:
 - 1) Administrator/Benchmark Event shall be disapplied; and
 - 2) if the Temporary Non-Publication Fallback for any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

(B) Screen Rate Determination

- (x) Subject to Condition 5(j), where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:
 - 1) the offered quotation; or
 - 2) arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate as specified as applicable in the relevant Final Terms which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of

determining the arithmetic mean (rounded as provided below) of such offered quotations.

- (y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period.

(C) Linear Interpolation

Where Linear Interpolation is specified in the applicable Final Terms in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified in the applicable Final Terms), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Issuer (acting in good faith and in a commercially reasonable manner, and in consultation with an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer) shall determine such rate at such time and by reference to such sources as it determines appropriate.

"Applicable Maturity" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of

such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).
- (e) **Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding:**
 - (i) If any Margin is specified in the applicable Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
 - (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the applicable Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
 - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a five or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (f) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the applicable Final Terms, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Change of Control Redemption Amounts:** The Calculation Agent

shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Change of Control Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Change of Control Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed and/or admitted to trading on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (h) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Business Day" means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which T2 is operating (a **"TARGET Business Day"**); and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the **"Calculation Period"**):

- (i) if **"Actual/Actual"** or **"Actual/Actual -ISDA"** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by

365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) (iii) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (vii) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

- (viii) if "**Actual/Actual-ICMA**" is specified in the applicable Final Terms,
- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

- (b) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;

where:

"Determination Date" means the date(s) specified as such in the applicable Final Terms or, if none is so specified, the Interest Payment Date(s).

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

"Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date (or, if the Notes are redeemed on any earlier date, the relevant redemption date).

"Interest Amount" means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the applicable Final Terms, shall mean the Fixed Coupon Amount or Broken Amount specified in the applicable Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the applicable Final Terms.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the applicable Final Terms or, if none is so specified (i) the first day of such Interest Accrual Period if the Specified Currency is sterling or (ii) the day falling two TARGET Business

Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date (or, if the Notes are redeemed on any earlier date, the relevant redemption date) unless otherwise specified in the applicable Final Terms.

"Interest Period Date" means each Interest Payment Date unless otherwise specified in the applicable Final Terms.

"ISDA Definitions" means (i) if "2006 ISDA Definitions" is specified in the applicable Final Terms, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), as amended supplemented and updated as at the Issue Date of the first Tranche of the Notes; or (ii) if "2021 ISDA Definitions" is specified in the applicable Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including any Matrices (and any successor Matrices) referred to therein, as published by ISDA as at the Issue Date of the first Tranche of the Notes.

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the applicable Final Terms.

"Reference Rate" means the rate specified as such in the applicable Final Terms.

"Relevant Financial Centre" means the financial centre specified as such in the applicable Final Terms.

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service).

"Specified Currency" means the currency specified as such in the applicable Final Terms or, if none is specified, the currency in which the Notes are denominated.

"Specified Time" means the time specified as such in the applicable Final Terms or, if no such time is so specified 11.00 a.m. (Brussels time) if the Reference Rate is EURIBOR.

"T2" means the real time gross settlement system operated by the Eurosystem or any successor system.

- (i) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the applicable Final Terms and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the

Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Change of Control Redemption Amount as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(j) **Benchmark Discontinuation:**

(i) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(j)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5(j)(iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5(j) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 5(j).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate and/or (in either case) an Adjustment Spread in accordance with this Condition 5(j)(i) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5(j)(i).

(ii) Successor Rate or Alternative Rate

If the Independent Adviser, determines that:

- (a) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original

Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(j) in the event of a further Benchmark Event affecting the Successor Rate); or

- (b) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(j) in the event of a further Benchmark Event affecting the Alternative Rate).

(iii) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(j) and the Independent Adviser, determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent (or the person specified in the relevant Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 5(j)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice. For the avoidance of doubt, the Fiscal Agent, the Paying Agents and any other agents party to the Agency Agreement shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to these Conditions and/or the Agency Agreement as may be required in order to give effect to the application of this Condition 5(j).

Notwithstanding any other provision of this Condition 5(j), the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 5(j) to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 5(j)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(j) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Fiscal Agent, the Calculation Agent and the Paying Agents a certificate signed by authorised signatories of the Issuer:

- (a) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(j); and
- (b) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Fiscal Agent shall display such certificate at its offices, for inspection by the Noteholders at all reasonable times during normal business hours.

Each of the Fiscal Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Fiscal Agent's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 5(j), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5(j), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 5(j)(i), (ii), (iii) and (iv), the Original Reference Rate and the fall-back provisions provided for in Condition 5(b)(B) will continue to apply unless and until a Benchmark Event has occurred.

(vii) Definitions

As used in this Condition 5(j):

"Adjustment Spread" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (b) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser determines, is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (c) (if Independent Adviser determines that no such spread is customarily applied) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (d) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

"Alternative Rate" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(j)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate period and in the same Specified Currency as the Notes.

"Benchmark Amendments" has the meaning given to it in Condition 5(j)(iv).

"Benchmark Event" means:

- (a) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (b) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely or that it will cease to do so (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences either generally, or in respect of the Notes; or
- (e) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, (i) the Original Reference Rate is or will be, by a specified future date, no longer representative of its relevant underlying market or (ii) the methodology to calculate the Original Reference Rate has materially changed; or
- (f) it has or will prior to the next Interest Determination Date become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

provided that the Benchmark Event shall be deemed to occur (i) in the case of sub-paragraphs (b) and (c) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (ii) in the case of sub-paragraph (d) above, on the date of the prohibition of use of the Original Reference Rate and (iii) in the case of sub-paragraph (e) above, on the date which is specified in the relevant public statement from the supervisor of the administrator of the Original Reference Rate that (a) the Original Reference Rate is or will be, by a specified future date, no longer representative of its relevant underlying market or (b) the methodology to calculate such Reference Rate has materially changed, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Fiscal Agent, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Fiscal Agent, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

"business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Calculation Agent.

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(j)(i).

"Original Reference Rate" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable):

- (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof.

"Successor Rate" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

6 Redemption, Purchase and Options

(a) Final Redemption:

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the applicable Final Terms at its Final Redemption Amount (which, unless otherwise provided in the applicable Final Terms, is its nominal amount).

(b) Early Redemption:

(i) *Zero Coupon Notes:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(c), Condition 6(d), or Condition 6(f) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the applicable Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified in the applicable Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the

issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c), Condition 6(d), Condition 6(e), Condition 6(f), Condition 6(g) or Condition 6(h) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the applicable Final Terms.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c), Condition 6(d), Condition 6(e), Condition 6(f), Condition 6(g) or Condition 6(h) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified in the applicable Final Terms.
- (c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other notice period as may be specified in the applicable Final Terms (which notice shall be irrevocable and shall specify the date fixed for redemption) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued (if any) to (but excluding) to the date fixed for redemption, if:
- (i) the Issuer has or will on the occasion of the next payment due under the Notes become obliged to pay additional amounts as described under Condition 8 as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the last Tranche of the Notes, and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than: (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before

the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

All Notes in respect of which any notice of redemption is given under this Condition 6(c) shall be redeemed on the date specified in such notice in accordance with this Condition 6(c).

Any Notes which are the subject of Exercise Notices or Change of Control Put Exercise Notices, as the case may be, which have been validly delivered pursuant to Condition 6(g) or 6(h), as the case may be, before the date on which notice is provided by the Issuer as referred to above shall be redeemed as provided in Condition 6(g) or 6(h), as the case may be, and not as provided in this Condition 6(c). Any notice of redemption given under Condition 6(d), Condition 6(e) or Condition 6(f) will override any notice of redemption given (whether previously, on the same date or subsequently) under this Condition 6(c).

(d) **Redemption at the Option of the Issuer (Call Option):**

- (i) If the Call Option is specified in the applicable Final Terms, the Issuer may, on giving not less than 30 but not more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the applicable Final Terms) redeem all or, if so provided, some of the Notes on any Optional Redemption Date (as specified in the applicable Final Terms) (provided that if the Issuer Maturity Par Call is specified in the applicable Final Terms, such Optional Redemption Date falls before the Par Call Period Commencement Date). Any such redemption of Notes shall be at their Optional Redemption Amount specified in the applicable Final Terms (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued (if any) to (but excluding) the relevant Optional Redemption Date.
- (ii) If Make-Whole Amount is specified in the applicable Final Terms as the Optional Redemption Amount, the "**Make-Whole Amount**" per Note shall be equal to the higher of:
 - (A) 100 per cent. of the nominal amount of the Note; and
 - (B) the sum of the then present values (as determined by the Determination Agent) of the remaining scheduled payments of principal and Remaining Term Interest (exclusive of any interest accrued to the date of redemption and assuming for this purpose the Notes are to be redeemed at their nominal amount on the Make-Whole Reference Date), in each case discounted to the relevant Maturity Date or, if applicable, any earlier Optional Redemption Date (in which case the last remaining scheduled payments of principal and interest shall be treated as falling due on such Optional Redemption Date) at the sum of the Reference Bond Rate plus any applicable Redemption Margin specified in the applicable Final Terms, all as determined by the Determination Agent, less an amount equal to any accrued but unpaid

interest on the Notes to, but excluding, the Optional Redemption Date *provided however* that, in the case of either (A) or (B) above, if the Issuer Maturity Par Call is specified in the applicable Final Terms and the Optional Redemption Date occurs on or after the Par Call Period Commencement Date, the Make Whole Amount will be equal to 100 per cent. of the nominal amount of the Note.

Any Notes which are the subject of Exercise Notices or Change of Control Put Exercise Notices, as the case may be, which have been validly delivered pursuant to Condition 6(g) or Condition 6(h), as applicable, before the date on which notice is provided by the Issuer as referred to in the preceding paragraph shall be redeemed as provided in Condition 6(g) or Condition 6(h), as applicable, and not as provided in this Condition 6(d).

Any notice of redemption given under this Condition 6(d) will override any notice of redemption given (whether previously, or on the same date or subsequently) under Condition 6(c), Condition 6(e) and/or Condition 6(f).

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In this Condition:

"DA Selected Bond" means the government security or securities selected by the Determination Agent as having the nearest actual or interpolated maturity comparable with the Remaining Term Interest of the relevant Notes to be redeemed and that would be utilised, at the time of selection and in accordance with customary financial practice, in determining the redemption price of corporate debt securities denominated in the Specified Currency and with a comparable remaining maturity to the Remaining Term Interest; *provided however*, that, if the Remaining Term Interest of the Notes to be redeemed is less than one year, a fixed maturity of one year shall be used.

"Determination Agent" means an investment banking, accountancy, appraisal or financial advisory firm with international standing that has (in the reasonable opinion of the Issuer) appropriate expertise relevant to the determination required to be made under this Condition 6(d) selected by the Issuer.

"Make-Whole Reference Date" means the earliest of (i) the Maturity Date, (ii) the Par Call Period Commencement Date (if applicable) and (iii) any other date specified in the applicable Final Terms.

"Quotation Time" has the meaning given in the applicable Final Terms.

"Redemption Margin" means the figure specified in the applicable Final Terms.

"Reference Bond" means the bond specified in the applicable Final Terms or, if not so specified or to the extent that such Reference Bond specified in the applicable Final Terms is no longer outstanding on the relevant Reference Date, the DA Selected Bond.

"Reference Bond Price" means, with respect to any Reference Bond and any Reference Date, (i) if at least five Reference Government Bond Dealer Quotations are received, the arithmetic average of the Reference Government

Bond Dealer Quotations for such Reference Date, after excluding the highest (or in the event of equality, one of the highest) and lowest (or in the event of equality, one of the lowest) such Reference Government Bond Dealer Quotations, or (ii) if fewer than five such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations.

"Reference Bond Rate" means, with respect to any Reference Bond and any Reference Date, the rate per annum equal to the annual or semi-annual yield to maturity (as the case may be) or interpolated yield to maturity (on the relevant day count basis, as determined by the Determination Agent) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date.

"Reference Date" means the date falling three Business Days prior to the Optional Redemption Date.

"Reference Government Bond Dealer" means each of five banks selected by the Issuer (following, where practicable, consultation with the Determination Agent, if one is appointed), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues.

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and any Reference Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount): (a) which appear on the Relevant Make Whole Screen Page as at the Quotation Time on the Reference Date; or (b) to the extent that in the case of (a) above either such bid and offered prices do not appear on that page, fewer than two such bid and offered prices appear on that page, or if the Relevant Make Whole Screen Page is unavailable, then as quoted in writing to the Determination Agent by such Reference Government Bond Dealer.

"Relevant Make Whole Screen Page" means the page, section or other part of a particular information service (or any successor or replacement page, section or other part of a particular information service, including, without limitation, Bloomberg) specified as the Relevant Make Whole Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Determination Agent for the purpose of displaying comparable relevant bid and offered prices for the Reference Bond.

"Remaining Term Interest" means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term to the Make-Whole Reference Date determined on the basis of the rate of interest applicable to such Note from and including the relevant Optional Redemption Date.

- (e) **Redemption at the Option of the Issuer (Issuer Maturity Par Call):** If Issuer Maturity Par Call is specified in the applicable Final Terms, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the applicable Final Terms), redeem all or, if so provided, some of the Notes at any time during the period commencing on (and including) the Par Call Period Commencement Date specified in the applicable Final

Terms to (but excluding) the Maturity Date, at the Final Redemption Amount specified in the applicable Final Terms together with interest accrued (if any) to (but excluding) the date fixed for redemption.

Any Notes which are the subject of Exercise Notices or Change of Control Put Exercise Notices, as the case may be, which have been validly delivered pursuant to Condition 6(g) or Condition 6(h), as applicable, before the date on which notice is provided by the Issuer as referred to in the preceding paragraph shall be redeemed as provided in Condition 6(g) or Condition 6(h), as applicable, and not as provided in this Condition 6(e).

Any notice of redemption given under this Condition 6(e) will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 6(c). Any notice of redemption given under Condition 6(d) or Condition 6(f) will override any notice of redemption given (whether previously, on the same date or subsequently) under this Condition 6(e).

- (f) **Redemption at the Option of the Issuer (Clean-Up Call):** If a Clean-Up Call is specified in the applicable Final Terms, the Issuer may at any time, if 80 per cent. or more in nominal amount of the Notes issued have been redeemed or purchased, on giving not less than 15 nor more than 30 days' irrevocable notice to Noteholders (or such other notice period as may be specified in the applicable Final Terms), redeem or purchase (or procure the purchase of) all but not some only of the remaining outstanding Notes at their Clean-Up Price together with interest accrued (if any) to (but excluding) the date fixed for such redemption or purchase on any date (or, if this Note is a Floating Rate Note, on any Interest Payment Date).

"**Clean-Up Price**" means, in respect of any Note, such amount as may be specified as the Clean-Up Price in the applicable Final Terms (which may be the Early Redemption Amount as described in Condition 6(b) above) or (if no such price is so specified in the applicable Final Terms) the principal amount of such Note; provided that where the Issuer exercises the Clean-Up Call following or as a result of redemption of some of the Notes pursuant to Condition 6(d)(ii) at the Make-Whole Amount, the Clean-Up Price shall be equal to the Make-Whole Amount calculated by reference to the date fixed for redemption or, as the case may be, purchase of the Notes pursuant to exercise of the Clean-Up Call by the Issuer.

If the Issuer exercises the Clean-Up Call in circumstances (as specified in the definition of "Clean-Up Price" above) where the Clean-Up Price is the Make-Whole Amount, the Make-Whole Amount and any accrued interest on the Notes to (but excluding) the relevant redemption or purchase date, if any, will be notified (promptly following the determination thereof but in any event no later than two business days prior to the relevant redemption or purchase date) by the Issuer to the Fiscal Agent and to Noteholders in accordance with Condition 14.

Any Notes which are the subject of Exercise Notices or Change of Control Put Exercise Notices, as the case may be, which have been validly delivered pursuant to Condition 6(g) or Condition 6(h), as applicable, before the date on which notice is provided by the Issuer as referred to in the preceding paragraph shall be redeemed as provided in Condition 6(g) or Condition 6(h), as applicable, and not as provided in this Condition 6(f).

Any notice of redemption given under this Condition 6(f) will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 6(c) or Condition 6(e). Any notice of redemption given under Condition 6(d)

will override any notice of redemption given (whether previously, on the same date or subsequently) under this Condition 6(f).

- (g) **Redemption at the Option of Noteholders (Put Option):** If Put Option is specified in the applicable Final Terms (unless prior to the giving of the relevant Exercise Notice (as defined below) the Issuer has given notice of redemption under Condition 6(c), Condition 6(d), Condition 6(e) or Condition 6(f) above), the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 30 nor more than 60 days' notice to the Issuer (or such other notice period as may be specified in the applicable Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified in the applicable Final Terms (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to (but excluding) the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (h) **Redemption at the Option of Noteholders (Change of Control Put Option):** If Change of Control Put Option is specified in the applicable Final Terms and if at any time while any Note remains outstanding a Change of Control Put Event occurs, the holder of any such Note will have the option (a "**Change of Control Put Option**") (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 6(c), Condition 6(d), Condition 6(e) or Condition 6(f) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Change of Control Put Date (as defined below) at the Change of Control Redemption Amount specified in the applicable Final Terms together with (or, where purchased, together with an amount equal to) interest accrued (if any) to (but excluding) the Change of Control Put Date.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred the Issuer shall give notice (a "**Change of Control Put Event Notice**") to the Noteholders in accordance with Condition 14 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly signed and completed notice of exercise (a "**Change of Control Put Exercise Notice**") in the form (for the time being current) obtainable from the specified office of any Paying Agent within the period (the "**Change of Control Put Period**") of 45 days after a Change of Control Put Event Notice is given. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

Payment in respect of any Note so delivered will be made on the date which is the fifth business day (as defined in Condition 7(i)) after the expiration of the Change of Control Put Period (the "**Change of Control Put Date**") by transfer to the bank account

specified in the Change of Control Exercise Notice. A Change of Control Put Exercise Notice, once given, shall be irrevocable. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes in respect of which the Change of Control Put Exercise Notice has been validly exercised as provided above, and subject to (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) or (in the case of Registered Notes) the Certificate representing such Note(s) being deposited with any Paying Agent, the Registrar or Transfer Agent (as applicable), on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which any holder may incur as a result of or in connection with such holder's exercise or purported exercise of, or otherwise in connection with, any Change of Control Put Exercise Notice (whether as a result of any purchase or redemption arising therefrom or otherwise).

If the ratings designations employed by any of Moody's, S&P or any other Rating Agency are changed from those which are described in the definition of "Investment Grade Rating" below, the Issuer shall determine the rating designations of Moody's, S&P or such other Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's, S&P or such other Rating Agency and this Condition 6(h) shall be construed accordingly.

In this Condition 6(h):

"Change of Control" means the Republic of Latvia ceases to own, directly or indirectly, more than fifty per cent. of the issued share capital of the Issuer or ceases to have the power, directly or indirectly, to cast, or control the casting of, more than fifty per cent. of the maximum number of votes that might be cast at a shareholders' meeting of the Issuer;

"Change of Control Period" means the period beginning on the date of the first public announcement by or on behalf of the Issuer by any bidder or any designated advisor, of the relevant Change of Control and ending 90 days after completion of the relevant Change of Control;

"Change of Control Put Event" will be deemed to occur if a Change of Control occurs and a Negative Rating Event shall have occurred within the Change of Control Period in respect of that Change of Control, and such Change of Control and Rating Event have not been cured prior to the expiry of the Change of Control Period;

"Investment Grade Rating" means a rating of at least BBB- (or equivalent thereof) in case of S&P or a rating of at least Baa3 (or equivalent thereof) in the case of Moody's or the equivalent rating in the case of any other Rating Agency;

"Negative Rating Event" means if, within the Change of Control Period, either:

- (i) (A) the rating previously assigned to the Issuer by any Rating Agency solicited by (or with the consent of) the Issuer is (x) withdrawn or (y) changed from an investment grade rating (Baa3/BBB- or its equivalent for the time being, or better) to a non-Investment Grade Rating or (z) (if the rating previously assigned to the Issuer by any Rating Agency solicited by (or with the consent of) the Issuer was below an Investment Grade Rating, lowered by at least one full rating notch (for example, from Ba1 to Ba2, or their respective equivalents) and (B) such rating is not subsequently upgraded (in the case of a downgrade)

or reinstated (in the case of a withdrawal) within the Change of Control Period either to an investment grade credit rating (in the case of (x) and (y)) or to its earlier credit rating or better (in the case of (z)) by such Rating Agency; or

- (ii) the Issuer has not been previously assigned a credit rating solicited by (or with the consent of) the Issuer, and no Rating Agency assigns the Issuer an investment grade rating solicited by the Issuer on or before the last day of the Change of Control Period,

provided that the Rating Agency making the reduction in rating or deciding not to assign an investment grade rating announces or publicly confirms or, having been so requested by the Issuer, informs the Issuer in writing that the lowering or failure to assign an investment grade rating was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Negative Rating Event); and

"Rating Agency" means Moody's Deutschland GmbH or any of its successors or any other rating agency of equivalent international standing specified from time to time by the Issuer and notified to Noteholders by the Issuer pursuant to Condition 14.

- (i) **Purchase:** The Issuer and its Subsidiaries may at any time purchase Notes in the open market or otherwise at any price (provided that, if they should be cancelled under Condition 6(j) below, they are purchased together with all unmatured Coupons and unexchanged Talons relating to them). The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders (or to sign any Written Resolution (as defined in the Agency Agreement) or participate in any Electronic Consent (as defined in the Agency Agreement)) and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or otherwise for the purposes of Condition 11(a).

In these Conditions, **"Subsidiary"** means an entity from time to time:

- i. which is fully consolidated in the consolidated balance sheet of the Issuer; or
 - ii. of which the Issuer directly or through or together with another Subsidiary owns more than fifty per cent. of the equity share capital (or equivalent right of ownership).
- (j) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all other payments of principal and, in the case of interest, as

specified in Condition 7(g)) or Coupons (in the case of interest, save as specified in Condition 7(g)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency (or, if that currency is euro, any other account to which euro may be credited or transferred) with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to T2.

(b) **Registered Notes:**

- (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register at the opening of business on the relevant Record Date. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank (or, if that currency is euro, any other account to which euro may be credited or transferred).

(c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments subject to Laws:** Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or the Couponholders in respect of such payments.

(e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or

terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, and (v) such other agents as may be required by any other stock exchange on which the Notes may be listed and/or admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) Unmatured Coupons and unexchanged Talons:

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, such Notes should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Change of Control Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note that provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).
- (h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" in the applicable Final Terms and:
- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by a Relevant Jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

- (a) presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of such holder having some connection with the Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- (b) presented or surrendered (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting or surrendering it for payment on the thirtieth day.

As used in these Conditions,

"**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if the full amount of the money payable has not been duly paid on or prior to such due date) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment in full will be made, provided that payment is in fact made upon such presentation; and

"Relevant Jurisdiction" means the Republic of Latvia or any political subdivision or any authority thereof or therein having power to tax, or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it on the Notes.

References in these Conditions to (i) **"principal"** shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Change of Control Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) **"interest"** shall be deemed to include all Interest Amounts and all other amounts in the nature of interest payable pursuant to Condition 5 or any amendment or supplement to it and (iii) **"principal"** and/or **"interest"** shall be deemed to include any additional amounts that may be payable under this Condition or any similar undertaking given in addition to or in substitution for it.

9 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

The following events or circumstances (each an **"Event of Default"**) shall be events of default in relation to the Notes:

- (a) **Non-Payment:** the Issuer defaults in the payment of any principal of or interest or other amount on any of the Notes when due and such default continues for 14 days in relation to payment of any principal, or 21 days in relation to payment of any interest (each as defined in Condition 7(i)); or
- (b) **Breach of Other Obligations:** the Issuer defaults in the performance or observance of any of its obligations under the Notes and such failure to comply continues unremedied for 30 days after written notice of such non-compliance or default shall have been given to the Fiscal Agent at its specified office by any Noteholder; or
- (c) **Cross-default:** (A) any Indebtedness of the Issuer or a Principal Subsidiary is not paid when due or (as the case may be) within any originally applicable grace period, after any applicable grace periods (however described) or (B) any such Indebtedness of the Issuer or a Principal Subsidiary becomes due and payable prior to its stated maturity by reason of an event of default (however described) of the Issuer or a Principal Subsidiary (as applicable) *provided that* no Event of Default will occur under this Condition 10(c) if:
 - (i) such claims are being legitimately contested by the Issuer or any Principal Subsidiary; or
 - (ii) the aggregate amount of Indebtedness is less than €50,000,000 (or its equivalent in any other currency or currencies on the basis of the middle spot rate for the relevant currency against the Euro as quoted by any leading bank on the day on which this Condition 10(c) operates).

- (d) **Insolvency and cessation of business:** except as provided below, any of the following occurs in respect of the Issuer or any of its Principal Subsidiaries:
- (i) it is declared insolvent or bankrupt by a competent court;
 - (ii) it admits in writing its inability to pay its debts as they fall due;
 - (iii) a moratorium is duly declared in respect of all or any class of its indebtedness;
 - (iv) any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver or similar officer is duly appointed in respect of it;
 - (v) it enters into any arrangement with the majority of its creditors by value in relation to restructuring its debts or any meeting is convened to consider a proposal for such arrangement;
 - (vi) an application to initiate insolvency, restructuring (including proceedings such as legal protection proceedings and out-of-court protection proceedings) or administration of the Issuer or any of its Principal Subsidiaries or any other proceedings for the settlement of the debt of the Issuer or any of its Principal Subsidiaries is submitted to the court by the Issuer or any of its Principal Subsidiaries; or
 - (vii) it shall cease or threaten to cease to carry on its business, otherwise than:
 - (aa) pursuant to a sale, transfer, disposal, demerger, reconstruction, reorganisation, restructuring or amalgamation to the Issuer or another Subsidiary; or
 - (bb) in connection with or in pursuance of a winding up for the purpose of a reconstruction, reorganisation, restructuring or amalgamation; or
 - (cc) in the case only of a Principal Subsidiary, by way of voluntary winding up where the surplus assets attributable to the Issuer or any Subsidiaries are distributed to the Issuer or those Subsidiaries; or
 - (dd) in relation to a Principal Subsidiary, if the cessation of the respective business (or substantial part thereof) of the Principal Subsidiary is required by any specific EU regulations or laws of the Republic of Latvia or decisions of any regulatory authority in relation to the operation of the electricity markets, and it does not materially affect the Issuer's ability to fulfil its obligations with regard to the Notes; or
 - (ee) for the purposes of, or pursuant to, any terms previously approved by an Extraordinary Resolution of the Noteholders,

provided that no Event of Default will occur under this Condition 10(d) in respect of any frivolous or vexatious proceedings presented by a creditor or other third party which is being contested in good faith and with due diligence.

For the purpose of this Condition,

"Principal Subsidiary" means any (directly or indirectly) wholly owned Subsidiary the gross assets of which represent more than 10 per cent. of the consolidated gross assets of the Issuer

and the Subsidiaries (taken as a whole) as determined from the latest consolidated financial report (audited consolidated balance sheet and profit and loss account, as applicable).

If any Event of Default shall occur in relation to any Series of Notes, then any such Note may, by notice in writing to the Issuer by the holder, be declared immediately due and payable whereupon it shall become immediately due and payable without further formality at its Early Redemption Amount (determined in accordance with Condition 6(b) (*Early Redemption*)) together (if applicable) with accrued interest (if any) to the date of payment.

11 Meetings of Noteholders, Modification, Waiver and Substitution

- (a) **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders (including by way of conference call or by use of videoconference platform) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting will be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing more than half in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals (i) to (viii) (together "**Reserved Matters**"), (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum or a Maximum Rate of Interest or Redemption Amount is specified in the applicable Final Terms, to reduce any such Minimum or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount, the Make-Whole Amount or the Change of Control Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (viii) to amend the definition of Reserved Matters, in which case the necessary quorum shall be one or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders. The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) **Modification:**

The Fiscal Agent and Issuer may agree, without the consent of the Noteholders, or Couponholders, to:

- (i) any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with the Agency Agreement which is not materially prejudicial to the interests of the Noteholders in the reasonable opinion of the Issuer;
- (ii) any Benchmark Amendments; and/or
- (iii) any modification of the Notes, the Coupons, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law in each case in the reasonable opinion of the Issuer.

Any such modification, waiver or authorisation shall be binding on the Noteholders and the Couponholders and any such modification, waiver or authorisation shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

- (c) **Substitution:** The Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes, the Coupons and the Talons, any company (the "**Substitute**"), provided that no payment in respect of the Notes or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the "**Deed Poll**"), to be substantially in the form scheduled to the Agency Agreement as Schedule 9, and may take place only if (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Coupon, Talon or the Deed of Covenant and that would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (ii) the obligations of the Substitute under the Deed Poll, the Notes, Coupons, Talons and Deed of Covenant shall be unconditionally guaranteed by the Issuer by means of the Deed Poll, (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Coupons, Talons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute, and in the case of the Deed Poll of the Issuer, have been taken, fulfilled and done and are in full force and effect, (iv) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it, (v) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this paragraph (iii) and the other matters specified in the Deed Poll and (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents. References in Condition 10 to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and, where the Deed Poll contains a guarantee, the events listed in Condition 10

shall be deemed to include that guarantee not being (or being claimed by the guarantor not to be) in full force and effect.

12 Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

13 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with an outstanding Series. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. For the avoidance of doubt, this Condition 13 shall not limit the Issuer's right to issue any other notes.

14 Notices

Notices required to be given to the holders of Registered Notes pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

Notices required to be given to the holders of Bearer Notes pursuant to the Conditions shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*).

So long as the Notes are listed and/or admitted to trading, notices required to be given to the holders of the Notes pursuant to the Conditions shall also be published (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are listed or admitted to trading.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Fiscal Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes).

Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Fiscal Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Fiscal Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15 **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

16 **Governing Law and Jurisdiction**

- (a) **Governing Law:** The Agency Agreement, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The courts of England are to have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes (respectively, "**Proceedings**" and "**Disputes**") that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons may be brought in such courts. The Issuer has in the Agency Agreement irrevocably submitted to the jurisdiction of such courts and has waived any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum. These submissions have been made for the benefit of each of the Noteholders and the Couponholders and shall not limit the right of any of them to take Proceedings in any competent court of a European Union member state in accordance with the Brussels Ia Regulation or a state that is party to the Lugano II Convention nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction specified in this Condition (whether concurrently or not).

For the purpose of this Condition:

"**Brussels Ia Regulation**" means Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, as amended; and

"**Lugano II Convention**" means the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, signed on 30 October 2007, as amended.

- (c) **Service of Process:** The Issuer irrevocably appoints TMF Global Services (UK) Limited, 13th Floor, One Angel Court, London, EC2R 7HJ, United Kingdom as its agent in England to receive service of process in any Proceedings in England based on any of the Notes or the Coupons. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

If the Global Notes or the Global Certificates are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

If the Global Note is a CGN, upon the initial deposit of a Global Note with the Common Depository or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time. Global Notes may also be deposited initially with other clearing systems which must be outside the United States and its possessions.

Notes that are initially deposited with the Common Depository or delivered to the Common Safekeeper may also be credited to the accounts of subscribers with (if indicated in the applicable Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Clearing System Accountholders

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other permitted clearing system ("**Alternative Clearing System**") as being entitled to an interest in a Global Note or a Global Certificate (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Certificate and in relation to all other rights arising under such Global Note or Global Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). For so long as the relevant Notes are represented by a Global Note or Global Certificate, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Certificate.

Exchange

- (a). **Temporary Global Notes:** Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:
- i. if the applicable Final Terms indicates that such Global Note is issued in compliance with the TEFRA C Rules or in a transaction to which TEFRA is not applicable (as to which, see "*Overview of the Programme – Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and
 - ii. otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the applicable Final Terms, for Definitive Notes.
- (b). **Permanent Global Notes:** Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph (d) below, in part for Definitive Notes:
- i. if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
 - ii. if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

- (c). **Global Certificates:** If the Final Terms states that the Notes in registered form are to be represented by a Global Note on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Note pursuant to Condition 2(b) may only be made in part:

- i. if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- ii. if principal in respect of any Notes is not paid when due; or
- iii. with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (c)(i) or (c)(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

- (d). **Partial Exchange of Permanent Global Notes:** For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if principal in respect of any Notes is not paid when due.
- (e). **Delivery of Notes:** If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Base Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.
- (f). **Exchange Date:** "**Exchange Date**" means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

Conditions applicable to Global Notes

Each Global Note and Global Certificate will contain provisions which modify the Conditions as they apply to the Global Note or Global Certificate. The following is an overview of certain of those provisions:

- (a) **Payments:** No payment falling due after the Exchange Date will be made on any Temporary Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the TEFRA D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that

Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under a Global Note will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 7(i) (*Non-Business Days*).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

So long as the Notes are represented by a Global Note or Global Certificate and the Global Note or Global Certificate is held on behalf of a clearing system, the Issuer has undertaken, *inter alia*, to pay interest in respect of such Notes from the Interest Commencement Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Notes represented by the Global Note or Global Certificate.

- (b) **Prescription:** Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).
- (c) **Meetings:** The holder of a Permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)
- (d) **Cancellation:** Cancellation of any Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Permanent Global Note.
- (e) **Purchase:** Notes represented by a Permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest thereon.
- (f) **Issuer's Option:** Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any

option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion or any other Alternative Clearing System, as the case may be).

- (g) **Noteholders' Options:** Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the Permanent Global Note is a CGN, presenting the Permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.
- (h) **NGN nominal amount:** Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.
- (i) **Events of Default:** Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of a Deed of Covenant executed as a deed by the Issuer on or around 30 October 2025 (as amended or supplemented from time to time) to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.
- (j) **Notices:** So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

- (k) **Electronic Consent and Written Resolution:** While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:
- (i) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which enhanced quorum requirements were satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and
 - (ii) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note or Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or Alternative Clearing System (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or EasyWay or Clearstream, Luxembourg's CreationOnline or Xact Web Portal system) in accordance with its usual procedures and in which the accountholder of a particular nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Clearing systems

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

USE OF PROCEEDS

The proceeds from each Tranche of Notes will be allocated by the Issuer, as indicated in the applicable Final Terms relating to that tranche of Notes, either:

- (a) for its general corporate purposes; or
- (b) to finance and/or refinance, in whole or in part:
 - (i) existing and/or future Eligible Green Projects in line with the ICMA GBP; or
 - (ii) where the Notes are designed as "European Green Bonds" or "EuGBs", to finance or refinance the Eligible Green Projects described in the applicable Final Terms, in accordance with the EU Green Bond Regulation and in line with the ICMA GBP.

Where an amount equal to the gross proceeds of the issue of the relevant Tranche of Notes will be used in accordance with sub-paragraph (b)(i) above, the relevant Notes will be identified as "**Green Notes**" in the applicable Final Terms.

Where an amount equal to the gross proceeds of the issue of the relevant Tranche of Notes will be used in accordance with sub-paragraph (b)(ii) above, the relevant Notes will be identified as "**European Green Bonds**" or "**EuGB**" in the title of the Notes in the applicable Final Terms.

Programme Factsheet and external review

The Programme Factsheet details the use of proceeds principles for both Green Notes and European Green Bonds.

In the Pre-Issuance Review Report, Sustainable Fitch has confirmed that (i) in relation to Green Notes, such Green Notes are aligned with the ICMA GBP and (ii) in relation to European Green Bonds or EuGBs, such European Green Bonds or EuGBs are aligned with the EU Green Bond Regulation, the GBP and the EU Taxonomy Regulation.

The Programme Factsheet has been prepared by the Issuer in accordance with Annex 1 of the EU Green Bond Regulation and the Issuer has obtained the Pre-Issuance Review Report related to the Programme Factsheet, both as referred to in Article 10 of the EU Green Bond Regulation. As of the date of this Base Prospectus, both the Programme Factsheet and Pre-Issuance Review Report are available on the following website: <https://latvenergo.lv/en/investoriem/finansu-informacija#obligacijas>.

Eligible Green Projects

An amount equal to the gross proceeds from the issue of any Green Notes and European Green Bonds may be allocated towards projects which are aimed at the below listed EU Taxonomy economic activities, such projects being "**Eligible Green Projects**", in furtherance of the Group's financing and refinancing of EU Taxonomy aligned capital and operational expenditures. The target environmental objective of both Green Notes and European Green Bonds is climate change mitigation, in accordance with Article 9 of the EU Taxonomy.

EU Taxonomy activity	Description of example Eligible Green Projects
Electricity generation using solar photovoltaic technology	

Electricity generation from wind power	Construction, operation, installation, maintenance and repair activities to generate electricity using: <ul style="list-style-type: none"> • Solar photovoltaic technology • Wind • Hydropower
Electricity generation from hydropower	
Transmission and distribution of electricity	Construction, operation, installation, maintenance and repair activities dedicated to distribution infrastructure or equipment in an electricity system that is the interconnected European system.
Storage of electricity	Construction and operation of facilities that store electricity and return it at a later time in the form of electricity.
Infrastructure enabling low-carbon road transport and public transport	Construction, modernisation, maintenance and operation of infrastructure that is required for zero tailpipe CO2 operation of zero-emissions road transport, as well as infrastructure dedicated to transshipment, and infrastructure required for operating urban transport. The infrastructure is not dedicated to the transport or storage of fossil fuels.

Capital expenditures qualify for refinancing with no lookback period as long as the corresponding assets to which the capital expenditure is applied remain in operational use, follow the relevant eligibility criteria at the time of issuance, and are still assessed as making a meaningful impact. Operational expenditures qualify for refinancing with a three-year lookback period. The Issuer annually publishes information on the proportion and amount of capital and operational expenditures associated with EU Taxonomy aligned economic activities in its annual reports, which may include information on Eligible Green Projects.

The proceeds from the Issuer's Green Notes and European Green Bonds will not be directly allocated to:

- transitional activities under the EU Taxonomy;
- EU Taxonomy aligned activities related to nuclear energy and fossil fuels; or
- any activities not aligned with the technical screening criteria of the EU Taxonomy.

Eligible Green Project evaluation and selection

The Environmental Management department, in conjunction with the Treasury department of the Issuer are responsible for overseeing the governance of Green Notes and European Green Bonds, which includes the evaluation and selection process for Eligible Green Projects to ensure that the amount equivalent to the gross proceeds from Green Notes or European Green Bonds is allocated to Eligible

Green Projects in accordance with the Programme Factsheet. These departments may consult with other representatives of the Group as required.

Eligible Green Projects are required to comply with the EU Taxonomy Regulation and relevant criteria of Commission Delegated Regulation (EU) 2021/2139 and (EU) 2023/2485 (Climate Delegated Act). The process of evaluating and selecting Eligible Green Projects as well as the allocation of Green Note or European Green Bond proceeds to Eligible Green Projects involves analyses by the Issuer's Environmental Management and Treasury departments of the Group's projects on a quarterly basis to identify Eligible Green Projects. A list of Eligible Green Projects is then maintained by these departments, with the Issuer's treasurer responsible for keeping this list up to date.

Monitoring of gross proceeds in respect of Eligible Green Projects

The Issuer will use a register to track the allocation of an amount equivalent to the gross proceeds from Green Notes or European Green Bonds to Eligible Green Projects. The Issuer aims, on a best effort basis, to allocate an amount equal to the gross proceeds from the issue of any Green Notes and European Green Bonds to Eligible Green Projects within 24 months of the issuance date of the relevant Green Notes or European Green Bonds. If any projects are no longer classified as Eligible Green Projects, the Issuer will, on a best effort basis, substitute such projects as soon as practicable with an Eligible Green Project. The balance of unallocated gross proceeds from Green Notes or European Green Bonds which cannot be immediately allocated towards Eligible Green Projects will be held in the Issuer's liquidity reserves and managed at the discretion of the Issuer, in accordance with the Issuer's liquidity management policy.

Reporting in respect of both Green Notes and European Green Bonds

Impact Report

Following the full allocation of an amount equal to the proceeds of each Green Note or European Green Bond, and at least once during the lifetime of a Green Note or European Green Bond, the Issuer shall publish and make available on their website an impact report (the "**Impact Report**") and, if an impact report review from an independent external party is requested by the Issuer, any such impact report review (the "**Impact Report Review**"). The independent external party's review will be made available on the Issuer's website.

Allocation Report

The Issuer will publish and make available on their website an allocation report in accordance with Article 11(1) of the EU Green Bond Regulation within 270 days after the last day of the calendar year of issuance of the relevant Green Note or European Green Bond (the "**Allocation Report**"). The Allocation Report will include economic activity-level information on amounts allocated and the associated environmental impacts, where feasible. In the case of any material changes and the post-issuance review in respect of any published Allocation Report, an external reviewer may also publish a post-issuance review report (the "**Post-Issuance Review Report**"). The independent external party's review will be made available on the Issuer's website.

Any Pre-Issuance Review Report, Allocation Report, Post-Issuance Review Report, Impact Report or Impact Report Review will be prepared by the Issuer or provided by an external reviewer, as applicable in compliance with the European Green Bond Regulation.

None of the Programme Factsheet, Pre-Issuance Review Report, Allocation Report, Post-Issuance Review Report, Impact Report or Impact Report Review nor any other document related thereto are incorporated in, or form part of, this Base Prospectus.

For the avoidance of doubt, none of the Programme Factsheet, any progress reports any pre-issuance verification reports, any post-issuance limited assurance statements or any related opinions are, nor shall they be deemed to be, incorporated in, and/or form part of, this Base Prospectus.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table is an overview of the Group's consolidated financial performance and key performance indicators for the two financial years ending 31 December 2023 and 31 December 2024 and the six-months ended 30 June 2025. The information set out in the table below has been extracted (without any material adjustment) from, and should be read in conjunction with, the 2023 Financial Statements, the 2024 Financial Statements and the 2025 Interim Financial Statements, each of which is incorporated by reference into this Base Prospectus and forms an integral part of this Base Prospectus. The 2023 Financial Statements, the 2024 Financial Statements and the 2025 Interim Financial Statements are prepared according to International Financial Reporting Standards (IFRS).

		30 June	31 December	
		2025	2024	2023
Key Financial data (the Group)				
Revenue	€ million	847.1	1,703.6	2,034.4
EBITDA	€ million	271.7	588.4	601.8
Operating profit	€ million	183.0	337.6	404.6
Profit	€ million	135.3	273.7	350.9
Total assets*	€ million	4,471.3	4,438.1	4,174.2
Total equity	€ million	2,969.5	3,006.9	2,963.1
Adjusted funds from operations (FFO) ¹⁾	€ million	177.7	509.1	520.8
Net Debt	€ million	843.1	656.9	511.2
Adjusted FFO to net debt	per cent	57	87	82
Capital expenditure	€ million	391.8	530.2	193.3
Return on equity (ROE)	per cent	5.2	9.2	13.2
Adjusted ROE excluding distribution ²⁾	per cent	8.7	12.3	19.9
Net debt to equity	per cent	28	22	17
Net debt to EBITDA	times	1.5	1.0	1.1
Net Cash-flow (the Group)				
- from operating activities	€ million	379.4	540.6	575.7
- (used in) financing activities	€ million	(26.2)	(77.7)	(387.6)
- (used in) investing activities	€ million	(390.8)	(494.9)	(182.4)

¹⁾ Comparative figures recalculated, presenting the provisions for CO₂ emission quotas at gross value, separately from the purchased emission quotas in short-term intangible investments

²⁾ The profitability of the regulated services provided by the Group is determined by the Public Utilities Commission. The most significant share in the Group's regulated services is the distribution service. When evaluating the fulfilment of the ROE target, the Group's return indicator will be assessed, excluding the regulated return on the distribution service – ROE excluding distribution.

The Group's main operating figures as of 30 June 2025 and 31 December 2024 and 2023 are set out in the table below.

		30 June	31 December	
		2025	2024	2023
<i>Operating Figures (the Group)</i>				
Total electricity supply, incl.:	GWh	4,522	8,552	8,658
Retail ³⁾	GWh	3,182	6,140	6,208
Wholesale ⁴⁾	GWh	1,340	2,412	2,450
Total natural gas supply, incl.:	GWh	1,283	2,559	1,554
Retail	GWh	889	1,190	896
Wholesale	GWh	394	1,369	658
Electricity generated	GWh	2,603	4,842	5,136
Thermal energy generated	GWh	916	1,665	1,698

³⁾ Including operating consumption

⁴⁾ Including sale of energy purchased within mandatory procurement on the Nord Pool

ALTERNATIVE PERFORMANCE MEASURES

This Base Prospectus includes measures which might be viewed as alternative performance measures (or "APMs") as defined in the European Securities and Markets Authority Guidelines on Alternative Performance Measures (the "ESMA Guidelines") published on 5 October 2015 by the European Securities and Markets Authority and which came into force on 3 July 2016. The APMs used by the Issuer are not defined in accordance with the International Financial Reporting Standards as adopted by the EU (the "IFRS") or in the Accounting Law (in Latvian - *Grāmatvedības likums*) of the Republic of Latvia and should be viewed as a supplement to, or as complementing, disclosures that have been prepared in accordance with other applicable regulations such as IFRS and should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS.

APMs are used by the Issuer within its financial publications to supplement disclosures prepared in accordance with other regulations. The Issuer considers that these measures provide valuable supplementary information to enhance the understanding of its financial performance. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to other regulatory measures, including IFRS.

An explanation of the components and calculation methods for EBITDA, funds from operations and capital expenditure can be found at page 137 of the 2023 Financial Statements, pages 191 to 192 of the 2024 Financial Statements and page 27 of the 2025 Interim Financial Statements.

The following tables present the selected APMs of the Group for the indicated periods or as of the indicated dates:

		30 June	31 December	
		2025	2024	2023
EBITDA	€ million	271.7	588.4	601.8
Adjusted funds from operations (FFO)	€ million	177.7	509.1	520.8
Net debt	€ million	843.1	656.9	511.2
Adjusted FFO to net debt	per cent	57	87	82
Return on equity (ROE)	per cent	5.2	9.2	13.2
Adjusted ROE excluding distribution	per cent	8.7	12.3	19.9
Net debt to equity	per cent	28	22	17
Net debt to EBITDA	times	1.5	1.0	1.1

EBITDA, adjusted funds from operations ("FFO"), adjusted FFO to net debt, return on equity ("ROE"), adjusted ROE excluding distribution, net debt to equity and net debt to EBITDA measures should not be used instead of, or considered as alternatives to, the Group's consolidated historical financial results based on IFRS. The non-IFRS measures relate to the reporting periods and are not meant to be predictive of future results. Management of the Group uses the aforementioned measures, as these metrics are commonly applied by lenders, investors, and analysts to assess financial performance, operating efficiency, and capital structure. These measures are presented to provide investors with a more comprehensive understanding of the Group's financial performance and position, as such measures are also utilised by the Group's management in monitoring and managing the business.

EBITDA

EBITDA should not be considered as alternative to profit before tax as defined by IFRS or to cash flows from operating activities (or any other performance measure determined in accordance with IFRS) or as an indicator of operating performance or as a measure of the Group's liquidity. In particular, EBITDA

should not be considered as a measure of discretionary cash available to the Group to invest in the growth of the Group's businesses.

EBITDA has certain limitations as an analytical tool, and should not be considered in isolation, or as a substitute for financial information as reported under IFRS. Investors should not place undue reliance on this data. EBITDA in this Base Prospectus is presented, for each period, as: earnings before interest, corporate income tax, share of profit or loss of associates, depreciation and amortisation, and impairment of intangible and fixed assets.

No statement in this Base Prospectus is intended as a profit/EBITDA forecast and no statement in this Base Prospectus should be interpreted to mean that the earnings of the Group for the current or future years would necessarily match or exceed the historical published earnings of the Group.

The table below presents reconciliation of EBITDA to the net profit:

		30 June	31 December	
		2025	2024	2023
Net profit	€ million	135.3	273.7	350.9
Income tax	€ million	(43.6)	(55.9)	(37.6)
Finance costs, net	€ million	(4.2)	(8.0)	(16.1)
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment (PPE) and right-of-use assets	€ million	(88.6)	(250.8)	(197.2)
EBITDA	€ million	271.7	588.4	601.8

Adjusted FFO

Adjusted FFO is net cash flows from operating activities before working capital adjustments, which is adjusted by deducting compensation from the state for the installed capacity of CHPPs.

The following table illustrates the methodology the Group uses to determine its adjusted FFO:

		30 June	31 December	
		2025	2024	2023
Cash flows from operating activities	€ million	379.4	540.6	575.7
Decrease in current assets	€ million	28.0	84.2	170.7
Increase / (decrease) in trade and other liabilities	€ million	(48.3)	(6.6)	0.2
Decrease / (increase) in other current financial investments	€ million	210.0	(70.0)	(140.0)
Less compensation from the state for the installed capacity of CHPPs	€ million	12.0	24.0	24.0
Adjusted funds from operations (FFO)	€ million	177.7	509.1	520.8

Net Debt

Net Debt is borrowings at the end of the period minus cash and cash equivalents at the end of the period.

The following table illustrates the methodology the Group uses to determine its net debt:

		30 June	31 December	
		2025	2024	2023
Borrowings	€ million	892.1	743.4	629.7
Less Cash and cash equivalents	€ million	49.0	86.6	118.5
Net debt	€ million	843.1	656.9	511.2

Adjusted FFO to net debt

Adjusted FFO to net debt is the ratio of adjusted FFO at the end of the reporting period (12-month rolling) to the average value of net debt at the beginning and the end of the reporting period (12-month rolling). This indicator shows the Group's ability to repay loans using cash generated from its operating activities.

ROE

ROE is the ratio of net profit for the reporting period (12-month rolling) to the average value of total equity at the beginning and the end of the reporting period (12-month rolling). ROE is a measure of profitability of the equity. It is a measure of efficiency of equity usage in profit generation of the Group.

Adjusted ROE excluding distribution

The level of profitability of the regulated services provided by the Group is determined by the PUC. The most significant share in the Group's regulated services is the distribution service. When evaluating the fulfilment of the ROE target for the year 2026, the Group's return indicator will be assessed, excluding the return on the regulated distribution service. Adjusted ROE excluding distribution is the ratio of (Group's profit for the reporting period minus Sadales tīkls AS profit for the reporting period (12-month rolling)) / average value of equity excluding Sadales tīkls AS equity ((Group's equity at the beginning of the 12-month period minus Sadales tīkls AS equity at the beginning of the 12-month period plus Group's equity at the end of the 12-month period minus Sadales tīkls AS equity at the end of the 12-month period) / 2).

Net Debt to Equity (adjusted)

Net debt to equity is the ratio of net debt at the end of the reporting period to equity at the end of the reporting period and is used as a measure of both indebtedness and borrowing capacity.

Net Debt to EBITDA (adjusted)

Net debt to EBITDA is the ratio of the average value of net debt at the beginning and the end of the 12-month period divided by 12-month rolling EBITDA and is used as a measure of financial leverage and the Group's ability to pay off its debt. Essentially, the net debt to EBITDA ratio gives an indication as to how long the Group's would need to operate at its current level to pay off all its debt.

For information on rounding adjustments that may affect the totals and comparative figures presented in this sub-section, see the section "General And Certain Definitions"

INFORMATION ABOUT THE GROUP

General information

The legal and commercial name of the Issuer is Latvenergo AS. The Issuer is the parent company of the Latvenergo Group and is a public limited company (in Latvian – *akciju sabiedrība*) incorporated pursuant to the laws of the Republic of Latvia on 8 October 1991. The Issuer is registered with the Commercial Register of the Republic of Latvia and operates according to the legislation of the Republic of Latvia.

Latvenergo Group is one of the largest energy supply service providers in the Baltics, engaged in electricity and thermal energy generation and trade, natural gas trade, the sale of products and services related to electricity consumption and energy efficiency, as well as in providing electric vehicle charging network services and electricity distribution. See "*Information about the Group's Business Operations*".

Basic information

Registration number:	40003032949
Legal Entity Identifier (LEI):	213800DJRB539Q1EMW75
Registered address:	Pulkveža Brieža 12, Riga, LV-1230, Latvia
Website:	www.latvenergo.lv
Telephone number:	+371 67 728 222
E-mail:	info@latvenergo.lv

Shareholder

All shares of the Issuer are owned by the Republic of Latvia. The holder of the Issuer's shares is the Ministry of Economics of the Republic of Latvia ("**Shareholder**"), whose representative – the State Secretary of the Ministry of Economics or another authorised person appointed by the State Secretary of the Ministry of Economics, represents the Shareholder interests at Shareholder Meetings.

The Law on Governance of Capital Shares of Public Entity and Management of Capital Companies Thereof (in Latvian – *Publiskas personas kapitāla daļu un kapitālsabiedrību pārvaldības likums*) provides that the Cabinet of Ministers of the Republic of Latvia has the right to appoint a specially established institution as the holder of the shares in state owned entities.

Pursuant to the Energy Law (in Latvian – *Enerģētikas likums*), the Issuer's business is deemed to be of national importance and, therefore, the Issuer's shares cannot be subject to privatisation or alienation.

The Shareholder, in accordance with applicable governance regulations, is required to prepare and submit to the Issuer a Shareholder's Letter of Expectations outlining the strategic objectives pursued by the Shareholder and its expectations regarding the performance of the Latvenergo Group in a certain period. By decision of the Shareholder Meeting held on 17 September 2025, the Letter of Expectations for the period 2027–2031 was approved and issued to the Issuer. This document sets forth the Shareholder's expectations in relation to strategic direction, core activities, operational efficiency, corporate responsibility, accountability, and value alignment. The strategic priorities for the Latvenergo Group during the 2027–2031 period include:

- promoting the competitiveness and growth of a climate-neutral Latvian economy through sustainable and economically justified development of energy services and infrastructure;

- expanding the renewable energy generation portfolio as a priority, while ensuring the stable and efficient long-term operation of CHPPs;
- investing in energy storage technologies, electromobility, venture capital funds, and digital transformation initiatives;
- strengthen Elektrum's (the Issuer and its subsidiaries Elektrum Eesti OÜ and Elektrum Lietuva UAB, together "**Elektrum**") position as a provider of economically justified products and services, with a strong focus on customer needs;
- maintaining high-quality, secure, and smart electricity distribution services via continued participation in Sadales tīkls AS; and
- operating as a socially responsible enterprise, including annual donations in accordance with the Latvenergo Donation Strategy, targeting education, science, youth sports, culture, and social assistance.

The Shareholder has set financial performance targets for the Group, including a return on equity (ROE) exceeding 7 per cent. (adjusted to exclude regulated distribution returns in accordance with the methodology set by the Public Utilities Commission), a minimum dividend payout ratio of 35 per cent. of annual net profit, and the maintenance of an investment-grade credit rating not lower than Baa3 or BBB level (Moody's or another internationally recognised credit rating). Latvenergo AS, as the parent company, is responsible for securing funding for Group development projects. Should new financing instruments be required to support accelerated growth, the Shareholder expects a comprehensive market analysis and economic justification to precede any such decision. No non-financial objectives requiring direct public funding have been established for Latvenergo AS that cannot be financed through commercial means.

Share Capital

As of 31 December 2024, the share capital of the Issuer was EUR 790,368,000 composed of 790,368,000 shares. As of 30 June 2025, the share capital increased to EUR 1,076,324,000, consisting of 1,076,324,000 shares. All shares are fully paid up. All shares are registered shares and they are dematerialised. The nominal value of a share is EUR 1.

In accordance with the Energy Law (in Latvian - *Enerģētikas likums*), all shares of the Issuer are the property of the Republic of Latvia and they are not subject to privatisation or alienation.

History and development of the Group

In October 1939, the first hydroelectric unit of Kegums HPP, the first HPP on the Daugava River, commenced operations.

On 22 December 1939, the National Electricity Company Kegums was founded, which is the historical starting point of the Group. Between 1939 and 1946, the entity underwent several changes in designation. In 1946, it came to be identified by its present name, Latvenergo, and at that time, it was part of the Latvian Power Sector Authority. In 1989, Latvenergo Production company was created. In the second half of the 20th century, a power system in the territory of Latvia was developed and the electrification of Latvia was undertaken. The main power plants were constructed and gradually put into operation, including Plavinas HPP (1965) and Riga HPP (1974) on the Daugava River, Latvenergo AS CHPP- 1 (1955) and Latvenergo AS CHPP-2 (1973). The transmission and distribution systems were established during the respective time period.

From 1990-2014, reconstruction and renovation work was carried out on the power stations and transmission and distributions systems in order to improve capacity, efficiency and safety. The reconstruction of the HPPs increased capacity (e.g., Plavīnu HPP from 825 MW to 908 MW), improved

efficiency, reduced specific water consumption per kWh, and extended their operational lifetimes by more than 40 years. CHPP-1 was fully reconstructed in 2005 with the commissioning of a completely new plant on the same site (installed electrical capacity of 158 MW and thermal capacity of 493 MW) and the closure of the old plant. The reconstruction of CHPP-2 (2006–2013) included two new combined-cycle gas turbine units, increasing capacity to 832 MW in cogeneration mode (881 MW in condensation mode) and 1,124 MW of thermal capacity (including water boilers). In 2001, the electric power transmission segment was separated from the operations of the Issuer and the wholly owned subsidiary Augstsprieguma tīkls AS was established. In 2005, Augstsprieguma tīkls AS started to function as a legally independent transmission system operator.

In 2005, a 51 per cent. controlling share in Liepājas Enerģija SIA (which focuses on the generation, transmission, distribution, and trade of thermal energy in the city of Liepāja (Latvia) as well as the generation of electricity) was acquired.

In 2006, the electric power distribution segment was separated from the operations of the Issuer and the wholly owned subsidiary Sadales tīkls AS was established for these purposes. In 2007, Sadales tīkls AS started to function as a legally independent distribution system operator.

In 2007-2008, the Group expanded its business abroad. The Issuer's wholly owned subsidiaries Latvenergo Kaubandus OÜ (in Estonia) and Latvenergo Prekyba UAB (in Lithuania) were established in the respective countries. In 2012, the Estonian and Lithuanian subsidiaries were rebranded as *Elektrum* and registered as Elektrum Eesti OÜ (in Estonia) and Elektrum Lietuva, UAB (in Lithuania).

In 2014, a new wholly-owned subsidiary of the Issuer – Enerģijas publiskais tirgotājs AS – was established. In compliance with the Energy Law (in Latvian – *Enerģētikas likums*), the subsidiary administers the mandatory procurement of electricity and performs the functions of a public trader in Latvia.

In 2021, the largest heat storage system in the Baltics, with a capacity of 17,800 m³, was commissioned at CHPP-2.

In 2021, Elektrum Eesti OÜ acquired shares in three micronetwork service companies in Estonia: Energiaturu Vörguehitus OÜ, SNL Energia 1 OÜ and Baltic Energy System OÜ. The latter two were merged with Energiaturu Vörguehitus OÜ in 2022. In 2023 Elektrum Eesti OÜ acquired a renewable energy company HN põld ja mets 1 OÜ and in 2024 another, Solarpark Kuusalu OÜ. In 2022, the Issuer established a joint venture, Latvijas vēja parki SIA, holding 80 per cent. of the shares in the joint venture, with the aim of developing wind power projects. In 2024, the Issuer acquired the remaining 20 per cent. of the shares, and Latvijas vēja parki SIA became a wholly owned subsidiary of the Issuer.

In 2023 Elektrum Lietuva, UAB acquired 50 per cent. of shares of Geniva UAB and Vėjo miestas UAB (acquiring the remaining 50 per cent. of the shares in both companies in August 2025) and 100 per cent. of the shares of Klaipėda unlimited sun UAB. In 2024 Elektrum Lietuva, UAB acquired 100 per cent. of the shares of Secundus Navitas UAB. The principal activity of all acquired subsidiaries is electricity generation from RES.

In 2024, the Issuer acquired ten renewable energy projects: Telšių vėjo parkas UAB (124 MW), Laflora Energy SIA (109 MW), DSE Aizpute Solar SIA (265 MW) and seven smaller solar projects, six of which merged and established Elektrum Next SIA (the seventh was added to Elektrum Next SIA in 2025). Currently all are wholly owned subsidiaries of the Issuer.

As of the date of this Base Prospectus, five BESS projects are under development (procurement and construction) in the Baltics with a total capacity of 48 MW and a nameplate capacity of 108 MWh.

The Group celebrated its 85th anniversary in 2024.

Recent developments

In June 2025, the Issuer acquired Pienava wind SIA (WPP project (147 MW), which are anticipated to start generation in the first half of 2027) and established Elektrum Next LT UAB. Both Elektrum Next SIA and Elektrum Next LT UAB focus on consolidating the Group's renewable energy assets and advancing new green energy projects in the Baltic States and the region.

In July 2025, Latvenergo AS and Latvijas Valsts radio un televīzijas centrs VAS ("LVRTC") entered into a Memorandum of Understanding with Telia Company AB, which provides for the commencement of the purchase of the shares of Tet SIA and Latvijas Mobilais Telefons SIA belonging to Telia Company. Latvenergo AS and LVRTC engage in transactions on a commercial basis, by assessing both synergies and economic benefits. Subject to negotiations and due diligence, the transaction may be implemented in the first half of 2026.

In October 2025, the Issuer's subsidiary Elektrum Lietuva UAB commissioned three SPPs in Lithuania's Klaipėda region, with a total installed capacity of 176 MW, thereby increasing the Group's new RES generation portfolio in the Baltic States to 374 MW.

In October 2025, the Group made a final investment decision in respect of an additional BESS project with a capacity of 100 MW and a nameplate capacity of 221 MWh.

Organisational structure

As of the date of this Base Prospectus, the Group comprises the parent company Latvenergo AS and its twelve subsidiaries, eleven of which are wholly-owned by the Issuer. Each of the Group's subsidiaries may have its own subsidiaries, contributing to the broader operational structure. The organisational structure of the Latvenergo Group, including direct and indirect subsidiaries, is presented below:

Company Name	Country of incorporation	Business activity	Proportion of ownership
<i>Subsidiaries:</i>			
Sadales tīkls AS	Latvia	Electricity distribution	100 per cent.
Enerģijas publiskais tirgotājs SIA	Latvia	Administration of electricity mandatory procurement process	100 per cent.
Elektrum Eesti OÜ	Estonia	Electricity and natural gas trade	100 per cent.
Elektrum Latvija SIA	Estonia	Electricity trade	100 per cent.
Enerģiaturu Vērguehitis OÜ	Estonia	Electricity microgrid services	100 per cent.
HN põld ja mets 1 OÜ	Estonia	Electricity generation from RES	100 per cent.
Solarpark Kuusalu OÜ	Estonia	Electricity generation from RES	100 per cent.
Elektrum Lietuva UAB	Lithuania	Electricity and natural gas trade	100 per cent.
Geniva UAB	Lithuania	Electricity generation from RES	100 per cent.
Klaipėda unlimited sun UAB	Lithuania	Electricity generation from RES	100 per cent.
Secundus Navitas UAB	Lithuania	Electricity generation from RES	100 per cent.
Vėjo miestas UAB	Lithuania	Electricity generation from RES	100 per cent.
Latvijas vēja parki SIA	Latvia	Electricity generation from RES	100 per cent.
Telšių vējo parkas UAB	Lithuania	Electricity generation from RES	100 per cent.
Laflora Energy SIA	Latvia	Electricity generation from RES	100 per cent.
DSE Aizpute Solar SIA	Latvia	Electricity generation from RES	100 per cent.
Elektrum Next SIA	Latvia	Electricity generation from RES	100 per cent.
Elektrum Next LT UAB	Lithuania	Electricity generation from RES	100 per cent.
Pienava wind SIA	Latvia	Electricity generation from RES	100 per cent.
Liepājas enerģija SIA	Latvia	Thermal energy generation and trade, electricity generation	51 per cent.

The Issuer, as the parent company of the Group, is responsible for coordinating the Group's activities and ensuring its transparent management. Its objectives include enhancing operational efficiency to deliver competitive services to customers and generating sustainable, long-term value for its shareholder in a socially responsible manner. The Issuer monitors the Group's overall performance, sets operational guidelines and policies, and provides certain centralized support functions.

The Issuer is a shareholder in an associated company, Pirmais Slēgtais Pensiju Fonds AS (Latvia), engaged in the management of retirement contributions on behalf of the Group's employees (the Issuer's and the Group's shareholding is 46.3 per cent. and 48.15 per cent. respectively). In addition, the Group has a financial investment in Rīgas siltums AS (0.0051 per cent.), which is engaged in supply of thermal energy in Riga.

The Group's strategy

The overall strategic goal of the Issuer, approved by the Cabinet of Ministers of the Republic of Latvia, is to promote the competitiveness and growth of climate-neutral Latvia and increase the value of the Group in the domestic market in the Baltics and beyond through developing and providing goods and services in the energy and related business value chains in a sustainable, innovative and economically sound manner, as well as through the effective management of resources and infrastructure that are strategically important for the country's development and security.

The Medium-Term Operational Strategy of the Group for 2022–2026 (the "**Strategy 2022 – 2026**") sets operational and financial targets with the overarching aim to grow the renewable energy generation portfolio by significantly complementing existing generation capacity with solar and wind power plants.

The following operational objectives have been defined to meet the Group's overall strategic goals:

- *Generation*: to make a decisive contribution to achieving the goals of the European Green Deal by expanding and diversifying its generation portfolio with green technologies, reducing Latvia's energy dependence, and moving towards climate neutrality in 2050. The objective has the following subgoals: 1) to ensure stable, efficient, and economically viable operation of CHPPs in the long term; 2) to increase the HPP's asset value, guaranteeing their safe operation in the long term; 3) to grow the RES generation portfolio by developing new capacities of 600 MW by 2026 and 2,300 MW from 2030 onwards, focusing on wind and solar generation plants. The Group also plans to invest in battery energy storage system technologies, installing 250 MW of capacity with 500 MWh of storage by 2030.
- *Trade*: to strengthen the position of the Issuer and its subsidiaries Elektrum Eesti OÜ and Elektrum Lietuva UAB (together "**Elektrum**") as the most valuable energy trader in the Baltics, focusing on portfolio growth in strategic customer segments, revenue diversification and development of customer-friendly, innovative and sustainable products and services in the energy field and related value chains. This objective has the following subgoals: 1) to increase the number of electricity customers by 15 per cent. by 2026 compared to 2020; 2) to develop new products and services that complement the traditional ones and promote synergy with the current business lines and customer base. The goal also envisages excellence in the Group's trade operations and cost efficiency. The Group is one of the largest energy service providers in the Baltics, operating in electricity and thermal energy generation and trade, natural gas trade, as well as in energy-related products and services.
- *Electromobility*: to promote sustainable and smart mobility for all by developing electrification in the transport sector. The achievable result indicator is to develop 1,200 -1,500 electric charging public ports in the Baltics by 2026, and about 3,000 charging ports from 2030 onwards, including both stations owned by the Group and those installed in cooperation with partners. The Group continues to strengthen its position in the field of electromobility, particularly via its electric car charging services, Elektrum Drive, which is the largest electric car charging network in Latvia, according to statistics on charging network ports provided by Latvian State Roads.

- *Distribution*: provision of a sustainable and economically sound service through efficient management of resources and improvement of security and quality of electricity supply, which is important for economic competitiveness and growth, while promoting climate neutrality. The objective has the following subgoals: 1) systematic and cost-effective improvement of electricity supply quality and security (reduced system average interruption duration index ("SAIDI") (total) to 164 min and system average interruption frequency index ("SAIFI") (total) to 1.92 times by 2026); 2) establishment of a two-way network in accordance with the development trends of microgeneration; 3) digital transformation and efficiency.
- *Sustainability*: in its operations, the Group develops innovative products, services and processes that contribute to the implementation of the UN Sustainable Development Goals, with a special focus on the 7th, 9th and 13th sustainability goals. The Strategy 2022–2026 is complemented by a more detailed action plan in the areas of environmental, social, governance, and sustainable finance. In the field of climate neutrality, key climate targets include a medium-term goal to reduce direct greenhouse gas emissions by 47 per cent. by 2030 (compared to 2021) while increasing the share of RES capacity in the generation portfolio to 80 per cent. In the long term, the Group is taking steps in the direction to achieve climate neutrality in electricity generation by 2040. The Group has also set a target to ensure that at least 80 per cent. of its investments are aligned with the EU Taxonomy. In addition, to foster innovation and long-term value creation, the Group's Sustainability Strategy commits to allocating a minimum of 0.5 per cent. of its average turnover over the past five years to innovation, research, and development. This approach supports the development of new technologies, products, services and processes, while reinforcing the Group's contribution to sustainable growth.

The following financial objectives have been set to meet the Group's overall strategic goals:

- *profitability*: return on equity (ROE) excluding distribution of greater than 7 per cent.;
- *capital structure/leverage*: ratio between adjusted funds from the operation and net debt (FFO/Net Debt) of greater than 25 per cent.;
- *dividend policy*: dividend payout ratio of greater than 64 per cent.; and
- *credit rating*: an investment-grade credit rating.

In 2025, the Issuer initiated the development process of a new strategy for the period 2027–2031.

There have not been any recent material events that would be relevant for assessing solvency of the Issuer and the Group.

Employees

As of 31 December 2024, the Group had 3,436 employees of whom 68 per cent. were men and 32 per cent. women. The average age of the employees was 42 years. In 2024, the Group's employee turnover was 9 per cent. As of 30 June 2025, the workforce numbered 3,399, with a stable gender distribution, an average age of 42 years, and an employee turnover of 6.5 per cent. for the first half of the year.

The opinions of the Group's employees on issues pertaining to the collective bargaining agreement dated effective from 1 May 2024 to 31 December 2029 (the "**Collective Bargaining Agreement**"), are represented by trade union "Energija" in Latvia. In 2024 the Collective Bargaining Agreement was applicable to 90 per cent. of the Group's employees, and in 2025 this percentage has not changed significantly. The Group notifies trade union "Energija" of, among other things, planned changes in the organisation of the Group and its subsidiaries or in remuneration. "Energija" is involved in discussions regarding benefit programs, pension plan management and other issues that affect most employees. Any significant changes in the above-mentioned issues are implemented only after approval of "Energija". The Group reports on the execution of the Collective Bargaining Agreement and on the fulfilment of

occupational health and safety requirements. Furthermore, "Energija" agrees on terminations of employment of members of trade union "Energija", if any.

Legal and arbitration proceedings

Incident of corruption

In June 2010, criminal proceedings were initiated against a number of executives of the Group suspected of corruption and money laundering. No charges have been brought against the Issuer or the subsidiaries of the Issuer. The Issuer has the status of a victim in the proceedings and has submitted an application for compensation in the total amount of EUR 25,249,048.80. As of January 2018, the case is being heard by the court of first instance.

The Group has reviewed internal processes for the purpose of bringing its internal control procedures in line with best practice, with the aim of reducing the risks of corruption, illegal activity or fraud within the Group.

INFORMATION ABOUT THE GROUP'S BUSINESS OPERATIONS

The operations of the Group are organised along two operating segments:(i) generation and trade; and (ii) distribution.

The generation and trade segment of the Group comprises the generation of electricity and thermal energy by the Issuer and its subsidiaries; the trading of electricity and natural gas; and providing electric vehicle charging network services in the Baltics carried out by the Issuer and its subsidiaries Elektrum Eesti OÜ and Elektrum Lietuva UAB. It also covers the trading of products and services related to electricity consumption and energy efficiency, while administration of the mandatory electricity procurement process in Latvia is handled by the Issuer's subsidiary Enerģijas publiskais tirgotājs SIA.

The distribution segment provides electricity distribution services in Latvia. The services are provided by the Issuer's subsidiary Sadales tīkls AS, which is the largest distribution system operator in Latvia.

The information set out in the table below has been extracted (without any material adjustment) from and is qualified by reference to and should be read in conjunction with, the 2023 Financial Statements, the 2024 Financial Statements and the 2025 Interim Financial Statements. The Group has reported financial results in respect of each operating segment since 2011.

	30 June	31 December	
	2025	2024	2023
Key financial data divided in the operating segments:	<i>€ million</i>		
Revenue			
Generation and trade	674.9	1,368.7	1,724.7
Distribution	188.6	371.3	343.3
Corporate functions	21.8	74.9	63.5
Adjustments and eliminations	(38.2)	(111.3)	(97.1)
Total revenue	847.1	1,703.6	2,034.4
EBITDA			
Generation and trade	191.4	443.8	480.2
Distribution	70.6	133.2	111.9
Corporate functions	9.6	11.4	9.7
Total EBITDA	271.6	588.4	601.8
Assets			
Generation and trade	2,432.3	2,178.9	1,986.9
Distribution	1,870.5	1,841.6	1,800.4
Corporate functions	116.8	118.7	127.6
—Adjustments and eliminations	51.7	298.8	259.3
Total assets	4,471.3	4,438.0	4,174.2

Generation and trade

Generation and trade was the largest business segment of the Group by revenue and EBITDA in 2024, as well as for the first six months of 2025. The Group's revenue and EBITDA decreased in 2024 compared to 2023, primarily due to lower energy sales prices and reduced Daugava HPPs generation resulting from lower water inflow. Activities within this segment include electricity and thermal energy generation operations, electricity and natural gas trade in the Baltics, administration of MP in Latvia and the trading of products and services related to electricity consumption and energy efficiency.

The majority of generation and trade segment revenues are unregulated, while the tariff-regulated operational revenues comprise revenues from payment for installed electricity capacity and generation of thermal energy at the CHPPs; and generation thermal energy at the Liepaja plants.

In 2024, 92 per cent. of the revenue of this segment was comprised of trade of energy (electricity and natural gas) and related supply services revenue. Thermal energy revenue accounted for 8 per cent.

Generation

The Group's generation business is subdivided according to generation types: HPPs, CHPPs, WPPs, SPPs and the Liepaja plants operated by Liepājas enerģija SIA.

As of the end of 2024, the Group has a balanced energy generation portfolio, consisting mostly of the HPPs and CHPPs. Most of the electricity and thermal energy is generated by the three HPPs and two CHPPs. Energy is also generated by Liepājas enerģija SIA, Aiviekste HPP and Ainazi WPP, as well as 122 MW of new solar and wind generation capacity which were launched in the Baltic States in 2024, which increased to 179 MW by 30 June 2025.

As of 31 December 2024, the total installed electrical capacity of the Group's plants was 2,728 MW, of which 57 per cent. was installed at the HPPs, 38 per cent. at the CHPPs and 5 per cent. at the SPPs, WPPs and Liepaja plants. The total installed thermal energy capacity of the Group was 1,800 MW.

The Group's installed electrical capacity as of 30 June 2025 and 31 December 2024 is set out in the table below.

	30 June	31 December
	2025	2024
	<i>MW</i>	
HPPs	1,560	1,560
CHPPs*	1,039	1,039
SPPs and WPPs	179	123
Liepaja plants	6	6
Total	2,784	2,728

*installed capacity when CHPP-2 is in condensation mode

The Group's thermal energy capacity of installed generation facilities as of 30 June 2025 and 31 December 2024 is set out in the table below.

	30 June	31 December
	2025	2024
	<i>MW</i>	
CHPPs	1,617	1,617
Liepaja plants	183	183
Total	1,800	1,800

Generation at the HPPs

The Group's three largest HPPs (the Plavinas, Kegums and Riga plants) are located on the Daugava River. These are the biggest HPPs in the country, providing a large share of renewable energy not only in the Group, but also in Latvia. The Daugava River hydropower reservoirs allow for controlled water storage, enabling electricity generation to be optimised according to demand, thereby increasing the value of the energy produced.

In 2024, the HPPs on the Daugava River generated 3.1 TWh of electricity, which constituted 65 per cent of the Group's total electricity output and around 57 per cent. of Latvia's total electricity production (5.4 TWh, according to Latvia's transmission system operator's, Augstsprieguma tīkls AS, data) in 2024. The output of the HPPs on the Daugava River was 16 per cent. lower than in 2023 due lower water inflow into the Daugava River. However, it was 10 per cent. higher than the long-term average value for the period 1992-2024.

The Plavinas HPP is the largest HPP in the Baltic States and one of the largest in the European Union in terms of installed capacity. It plays an important role in ensuring the stability of the Baltic power system in the event of unplanned outages or accidents at baseload power plants. It started operations in 1965 with ten hydropower units with a total capacity of 825 MW. Following a reconstruction of the hydropower units, the plant's installed capacity was increased, resulting in a total capacity of 908 MW as of 31 December 2024. Currently, reconstruction of the plant's last hydropower unit is in progress. The reconstruction of the hydropower units has resulted not only in increased capacities and efficiency ratios, but also in an increased share of energy produced from renewable sources.

The Kegums HPP is the oldest HPP on the Daugava River, built from 1936-1939 and restored from 1945- 1947 and has seven hydropower units with a total capacity of 248 MW. Of the seven hydropower units, reconstruction of the remaining two units is currently in progress, while the other five units have already been reconstructed.

The Riga HPP entered into service in 1974 and has six hydropower units with a total capacity of 402 MW. The reconstruction of hydropower units of the plant was fully completed in 2022.

As part of the capital investment programmes, the Group commenced upgrading all twenty-three hydropower units installed across the Kegums HPP, Plavinas HPP and Riga HPP. Reconstruction on this scale ensures the operation of the HPPs for more than 40 years. By the end of 2024, a total of twenty hydropower units were commissioned. In 2024, EUR 18.7 million was invested in the assets of the HPPs, of which EUR 7.3 million was invested in the reconstruction programme of the hydropower units. As of the date of this Base Prospectus, the reconstruction of the remaining three hydropower units is ongoing. Activities for the reconstruction of the remaining three hydropower units were also carried out as replacement of outdated hydro turbines increases the capacity and efficiency of the HPPs and reduces the specific water consumption per 1 kWh. More efficient use of water resources increases renewable electricity output from existing HPPs, which in turn contributes to climate change mitigation by reducing reliance on fossil fuel generation.

Since the Baltic Balancing Capacity Market began operating in February 2025, the Daugava HPPs have been qualified to participate and actively offer frequency containment reserve, automatic frequency restoration reserve, and manual frequency restoration reserve services.

Generation at the CHPPs

The CHPPs are mostly operated in an efficient cogeneration (cogeneration of heat and electricity in one energy installation; significantly reduces fuel consumption compared to separate heat and electricity generation) mode in accordance with thermal energy demand, and their operating modes are adjusted flexibly to the electricity market conditions. In 2024, the CHPPs generated 1.6 TWh of electricity and 1.4 TWh of thermal energy.

The CHPPs comprise a guarantee of electricity base-load capacity and can cover almost all of Latvian electricity consumption in circumstances where due to certain factors electricity import from foreign countries is limited.

The CHPPs are also qualified to participate in the Baltic balancing capacity market, which began operations in February 2025, and actively offer reserve services.

The CHPPs receive electricity capacity payments from the Latvian state. The support period ends in 2028. In 2024, the Issuer received EUR 24 million as the annual electrical capacity payments for the CHPPs.

The thermal energy generated at the CHPPs is sold to Rīgas siltums AS at regulated tariffs. The Group competes with other thermal energy producers in the thermal energy market of Riga.

Latvenergo AS CHPP-1 began operations in 1955 and was fully reconstructed in 2005. The installed electrical capacity and thermal capacity at Latvenergo AS CHPP-1 is 158 MW and 493 MW respectively.

Latvenergo AS CHPP-2 was launched in 1973. The reconstruction of Latvenergo AS CHPP-2 was commenced in 2006. The construction of the first power unit was completed in 2008, and the second unit was commissioned at the end of 2013. With the commissioning of the second power unit, the electrical capacity of Latvenergo AS CHPP-2 in cogeneration mode reached 832 MW (881 MW in condensation mode). The total thermal energy capacity of Latvenergo AS CHPP-2, including water boilers, is 1,124 MW. In 2021, the largest heat storage system in the Baltics, with a capacity of 17,800 m³, was commissioned at CHPP-2, enabling the storage of cogenerated heat and the dynamic adjustment of the plant's operating modes to market conditions and peak demand, promoting efficient energy consumption. This contributed, in 2024, to a reduction of 6.2 thousand tonnes of CO₂ emissions.

Other generation units

By the end of 2024, the Group had a total of 14 established SPPs with an installed capacity of 102.2 MW. The expansion of the solar generation portfolio continued in 2025, with installed capacity increasing to 158 MW as of 30 June 2025, and further to 353 MW as of the date of this Base Prospectus. In addition, in 2024, a WPP with a capacity of 19.6 MW in Lithuania's Akmene district began electricity generation.

The Issuer holds a 51 per cent. equity stake in Liepājas enerģija SIA. This company primarily provides generation and supply of thermal energy to Liepāja, a city in Latvia. The total installed thermal energy capacity of the Liepāja plants as of 31 December 2024 was 183 MW. Installed electrical capacity totalled 6 MW.

Generation facilities within the energy system of the Group also include two small power plants: the Ainazi WPP with a capacity of 1.2 MW and the Aiviekste HPP with a capacity of 1.5 MW.

Generation - operational and renewable targets

The Group is actively working on expanding generation capacity from RES, focussing on developing WPPs and SPPs, in order to meet its operational target for the generation segment to expand and diversify its generation portfolio with green technologies. This forms part of the Group's Strategy 2022 – 2026. The ratio of renewable electricity to non-renewable electricity in the generation portfolio of the Group in 2024 reached 66 per cent. and remained constant in the first half of 2025. By the end of 2024, total new RES capacity (available and under project/construction) was 1,000 MW, and as of 30 June 2025 it reached 1,144 MW. This 1,144 MW of new RES capacity is expected to generate an additional 2.2 TWh of electricity by 2027.

In 2024, the Issuer completed an acquisition-for-construction of 100 per cent. of the shares of DSE Aizpute Solar SIA to build a 265 MW SPP by the end of 2025. As of the date of this Base Prospectus, there are three solar parks under construction in the Baltics by the Group with a total capacity of 336 MW.

The Issuer carried out various acquisitions and projects in developing its WPPs during 2024. These included the acquisition of the 124 MW Telšiai wind farm in Lithuania which will allow wind power generation to begin as early as in 2026 and the acquisition of 100 per cent. of the shares of Laflora

Energy SIA in order to build a wind power plant with a total capacity of 109 MW in Kaigu Bog, Līvberze Rural Territory, which is expected to commence electricity generation in 2026. A wind turbine reconstruction project was also carried out in Ainaži, which was completed in February 2025, and which has led to the refurbishment of two wind turbines with a total installed capacity of 1.2 MW. In June 2025, the Issuer acquired the WPP project Pienava Wind SIA (147 MW), which will start wind power generation as early as in the first half of 2027. As of the date of this Base Prospectus, six wind parks are under construction by the Group in the Baltics with a total capacity of 434 MW and five BESS projects are under development in the Baltics with a total capacity of 48 MW and a nameplate capacity of 108 MWh. The Group also has plans to invest in BESS technologies with the aim of installing 250 MW of capacity with 500 MWh of storage by 2030.

In November 2024, the Issuer established Elektrum Next SIA, followed by Elektrum Next LT UAB in June 2025, both focused on gradual consolidation of renewable energy assets developed within the Group in recent years and advancing new green energy projects in the Baltic States and the region. See "*Information about the Group*".

Trade

		Six-months ended 30 June	Year ended 31 December	
		2025	2024	2023
Electricity customers	thsd.	911	896	845
Retail electricity supply ¹⁾	GWh	3,182	6,140	6,208
Natural gas customers	thsd.	70	65	50
Retail natural gas supply	GWh	889	1,190	896

¹⁾Including operating consumption

The Group trades electricity and natural gas, as well as services related to electricity consumption and energy efficiency, in the Baltic States under the Elektrum brand, namely via the Issuer and its wholly owned subsidiaries Elektrum Eesti OÜ and Elektrum Lietuva, UAB. The Group is one of the leading energy traders in the Baltic States. In 2024, its market share accounted for about 22 per cent. of the Baltic electricity market, increasing to 23 per cent. as of 30 June 2025.

In 2024, electricity generation in the Baltic States totalled 17.9 TWh, while electricity consumption amounted to approximately 27.5 TWh, resulting in a generation deficit of roughly 35 per cent. of total consumption (with the deficit estimated at around 20 per cent. in the first half of 2025). The largest market is in Lithuania, with 12.4 TWh in 2024 and 5.8 TWh as of 30 June 2025, followed by the Estonian market with 8.1 TWh and 4.2 TWh, and the Latvian market with 7 TWh and 3.5 TWh, respectively. The Lithuanian market is also the largest Baltic market in terms of number of customers. The Estonian electricity market is the largest among the three Baltic countries measured by per capita electricity consumption. The relatively higher electricity consumption level in Estonia is explained by the country's substantial level of industrialisation and a relatively higher number of homes heated with electricity.

The Group is the electricity trade market leader in Latvia, holding 51 per cent. market share in 2024 (46 per cent. as of 30 June 2025). The Group's market share in Lithuania was 15 per cent. (14 per cent. as of June 2025) and in Estonia 8 per cent. in 2024 (17 per cent. as of 30 June 2025). The total number of electricity customers increased by 6 per cent. compared to the previous year, mainly due to the growth in the Lithuanian household market, as well as the overall increase in customer numbers in Estonia. Compared to the first half of 2024, the number of customers in the first half of 2025 rose by 3 per cent. The Group's main competitor in the Baltic market is Enefit AS, the market leader in Estonia. The market is more fragmented in Lithuania, where the Group is among the largest market players.

The amount of electricity supplied by the Group in the Baltics was 6,140 GWh in 2024, and 3,182 GWh in the first six months of 2025. The overall amount of retail electricity trade outside Latvia accounted

for about 42 per cent. of the total, reaching 2,579 GWh in 2024. In the first six months of 2025, retail electricity trade outside Latvia accounted for about half of the total, amounting to 1,540 GWh.

By directly managing its gas supply, the Issuer ensures the reliable and efficient operation of its CHPPs and natural gas retail portfolio in the Baltics. Until 2032, the Issuer has secured the rights to make regular natural gas deliveries to the KN Energies LNG terminal at a volume of 6 TWh per year. The Group has acquired seven LNG cargoes in 2024 and 5 LNG cargoes in the first half of 2025. In addition, a portion of the procured natural gas has been sold across the Baltic region and in Finland, thus, providing additional revenue streams and enhancing the Group's competitive position in the regional energy market. In 2024, natural gas retail sales of the Group amounted to 1,190, while in the first six months of 2025 they totalled 889 GWh. The increase in natural gas sales can be observed in all of the Baltic States, driven mainly by an increase in the number of customers, with household customers accounting for 96 per cent. of the total.

As of the date of this Base Prospectus, the Group's primary focus in the retail portfolio has been on the household and micro-business segments, which are characterised by comparatively lower customer churn.

In line with the Group's Strategy 2022–2026, the operational target for the trade segment is to strengthen Elektrum's position as the most valuable energy trader in the Baltics by focusing on portfolio growth, revenue diversification and the development of innovative, sustainable products and services. To support this target, the Group has developed the following retail products and services for its customers in the Baltic States:

- The Elektrum Drive charging network provides electric car charging services. At the end of 2024, the network had over 750 charging ports in the Baltic States, 545 of which were built by Elektrum itself and 212 by Elektrum's cooperation partners connected to the Elektrum Drive network. With the Elektrum Drive app, charging can also be carried out in the e-mobi network, the national fast-charging network providing electric vehicle mobility across Latvia, as well as at LIDL charging stations in Lithuania and Estonia, bringing the total number of accessible ports to 974 as at the end of 2024, and 1,126 by 30 June 2025.
- In 2024, the Group also established the *Safety & Comfort* product group, which includes insurance products in the Baltic States, as well as a service product line in Latvia, offering various subscription services namely chimney cleaning and gas boiler maintenance. Elektrum Insured services, which at the end of December 2024 had a total number of customers in excess of 145,000, increased to 159,600 customers by 30 June 2025.

Mandatory procurement

Electricity MP is a state-regulated support mechanism for electricity generators in Latvia. It is implemented as electricity procurement or guaranteed payments for the capacity installed at power plants. In compliance with the Electricity Market Law (in Latvian – *Elektroenerģijas tirgus likums*), the functions of public trader in Latvia (administration of MP) are performed by the Issuer's subsidiary Enerģijas publiskais tirgotājs SIA.

Until 2012, the right to sell electricity to the public trader or receive guaranteed capacity payments was granted by the Ministry of Economics of the Republic of Latvia. The payments could be obtained by generators which generate electricity in efficient cogeneration or from renewable energy sources. Cogeneration plants with installed capacity above 4 MW were eligible for the guaranteed capacity payments. The provisions for electricity generation, the MP pricing and the amount of guaranteed capacity payments are governed by regulations of the Cabinet of Ministers of the Republic of Latvia. The amount of the MP support depends on the type of energy source used (wind, water, biomass, biogas or natural gas), installed capacity, and other parameters. The MP regulatory framework has been frequently modified to strengthen beneficiary oversight, justify support provided and reduce total MP costs.

On 1 May 2023, amendments to the Electricity Market Law (in Latvian – *Elektroenerģijas tirgus likums*) took effect, abolishing the MP component of payments for electricity by end-users, with costs related to MP being covered by the Latvian state budget. A portion of the dividends of the Issuer are allocated to cover MP costs (26 per cent. in 2024: subsidy received from state budget to cover MP costs in 2024 was EUR 54.2 million covering costs for 2023 and partly for 2024; Latvenergo dividends in 2024 – EUR 212.2 million).

In 2024, 62 GWh of electricity was purchased under the MP. At the end of 2024, there were nine power plants in Latvia that are exercising the right to sell the electricity they produce under the MP or to receive guaranteed capacity payments. Total MP costs above market price in 2024 have been maintained at the same level as the previous year and amounted to EUR 32 million.

Wholesale

The Group trades all its produced electricity on the Nord Pool power exchange (an exchange which facilitates the transparent and trading of electricity in day-ahead and intraday markets across numerous European countries) in Latvian, Lithuanian and Estonian trading areas and procures electricity to supply the Group's customer portfolio. The generation capacity of the Group also participates on the Baltic balancing capacity market.

The electricity wholesale process is targeted at cost optimisation. Generation volumes of the CHPPs and the HPPs and new solar and wind power plants are linked to economically equivalent volumes of customer portfolios, achieving cost effectiveness while excluding internal price risks between sale and purchase transactions. The Group's customer portfolio can be made larger than its generation volumes by making use of the flexibility of the Group's generation assets, switching between electricity supply sources (the power exchange and the Group's own power plants). This approach allows the Group to maximize profits from its own electricity generation while also taking advantage of opportunities to lower the cost of purchasing electricity for its customers.

Natural gas wholesale

The Group conducts natural gas wholesale trading in accordance with the applicable market framework and regulatory requirements within the Baltic-Finnish region. Until 2025, the Group's natural gas trading activities were carried out via the regional natural gas exchange GET Baltic, which facilitated wholesale gas trading across the Baltic-Finnish market. As of 9 September 2025, GET Baltic has been fully integrated into the European Energy Exchange ("**EEX**") trading platform, consolidating regional gas trading under the EEX framework. This integration expands the EEX gas offering to additional markets and strengthens its role as the central European gas trading platform. It also enables closer connectivity with other European gas markets already available on EEX.

Baltic balancing capacity market

In 2025, the Baltic States successfully completed the synchronization of their electricity systems with the Continental European Synchronous Area, representing a major step toward deeper integration into the European energy market and greater regional energy security. Following the disconnection of the Baltic electricity systems from the BRELL network — the synchronous electricity system historically linking Belarus, Russia, Estonia, Latvia and Lithuania — the transmission system operators of Latvia, Augstsprieguma tīkls AS, Lithuania, Litgrid AB, and Estonia, Elering AS, jointly established the Baltic balancing capacity market to ensure reliable system operation and efficient use of balancing resources. The balancing market plays a crucial role in maintaining the real-time balance between electricity generation and consumption, with the transmission system operators activating balancing energy offers from market participants to stabilise the network when deviations occur from forecasted schedules. It consists of several balancing products, including the frequency containment reserve (FCR), the automatic frequency restoration reserve (aFRR), and the manual frequency restoration reserve (mFRR). These products are procured through daily auctions to secure the necessary balancing capacity and energy for the following day. The establishment of a common Baltic balancing market and

synchronisation with the Continental Europe Synchronous Area provide new opportunities for the Group to participate more actively in balancing services, improve the utilisation of flexible generation assets, and contribute to regional energy system stability and efficiency.

Distribution

The Group provides distribution services to customers in Latvia at regulated tariffs, with approximately 798,000 customers in 2024 and 780,000 customers as of 30 June 2025, covering 99 per cent. of the territory of the Republic of Latvia with its service. Smart electricity meters installed for the customers of the Issuer's subsidiary Sadales tīkls AS comprised more than 1.1 million, or 99 per cent. of all electricity meters in Latvia.

The distribution system service is provided by the Issuer's subsidiary Sadales tīkls AS, the largest distribution system operator in Latvia. The distribution system operator ensures equal access to electricity distribution networks, which delivers electricity from the electricity transmission network and electricity generators to electricity consumers. The total length of electricity distribution lines at the end of 2024 was 92,322 km, with 30,298 transformers and 28,894 transformer substations with a total installed capacity of 6,001 MVA. The total volume of distributed electricity by Sadales tīkls AS in 2024 was 6,116 GWh, and electricity losses were 3.62 per cent. In the first six months of 2025, 3,104 GWh of electricity were distributed, with electricity losses at 3.70 per cent. The reliability of electricity supply is assessed using international indicators that measure both the average duration and frequency of interruptions (SAIDI and SAIFI). In 2024, the SAIDI was 214.7 minutes and the SAIFI was 2.17 times, while in the first half of 2025 – 60.6 minutes and 0.7 times, respectively. These figures include mass damage caused by storms and other forces of nature.

The Public Utilities Commission develops the methodology and approves tariffs for distribution system operators. The tariff regulation methodology provides elements of a revenue cap approach, which includes adjustments for efficiency and uncontrollable cost factors, and a five-year regulatory period. The methodology encourages efficiency by reducing service costs, while ensuring that justified expenses are recovered. This provides revenue stability and predictability.

On 1 July 2023, new tariffs for the distribution service came into force. In November 2023, Sadales tīkls AS published changes to the electricity distribution differentiated tariffs, which include cost reductions compared to the original draft tariffs, which came into effect on 1 January 2024. In the 2024, no significant changes were identified compared to the tariff and revised forecasts (based on regulatory account). The tariff values will remain unchanged in 2025.

For the current regulatory period (2023-2027), the pre-tax real weighted average cost of capital ("WACC") applied in tariff calculation by the Public Utilities Commission is 2.72 per cent. In mid-2022, the regulatory framework was revised through the Capital Cost Accounting and Calculation Methodology, which introduced the use of nominal WACC (includes inflation) and discontinued revaluation of the regulated asset base, which refers to the net value of property, plant and equipment ("PPE") that are actively utilised in delivering distribution system services, after deducing any external financing received for their construction, from 31 December 2021. For regulatory periods commencing in 2026, the Public Utilities Commission has approved a nominal WACC of 5.82 per cent. This adjustment provides clarity on the cost of capital applied to regulated revenues, enhancing transparency for long-term financial planning. For the next regulatory period starting in 2028 the nominal WACC rates will be calculated and published in 2027.

Investments

The Group's operations are capital intensive and require significant investment. The following table summarises the total investments of the Group for the period 2023-2024. The information set out in the table below has been extracted (without any material adjustment) from, and is qualified by reference to and should be read in conjunction with the 2023 Financial Statements, the 2024 Financial Statements and the 2025 Interim Financial Statements.

	30 June	31 December	
	2025	2024	2023
	<i>€ million</i>		
Generation & Trade	311	395	77
<i>Incl Growth investments (WPPs, SPPs, EV charging, BESS)</i>	303	360	42
Distribution	73	122	100
<i>Incl Growth investments (new connections)</i>	21	39	33
Other	8	13	18
Adjustments and eliminations	(0)	(0)	(1)
Total	392	530	193

With the continued development of renewable energy generation capacities in the Baltic States, the volume of investments by the Group increased significantly. In 2024, about two thirds of investment or EUR 345 million was made in respect of new wind and solar generation capacities, with EUR 184 million in wind generation capacities and EUR 161 million in solar park projects. Additionally, reconstruction work and procurement procedures continued for the reconstruction of the last three hydro units of the Daugava HPPs. In total, almost EUR 19 million was invested in the Daugava HPPs in 2024. In 2024, about a quarter of the Group's total investments were made in distribution assets. EU funding under the Recovery and Resilience Facility and REPowerEU, part of NextGenerationEU (the EU's main instrument to promote sustainable and resilient economies, green and digital transitions, and accelerate energy efficiency, renewable deployment, and the reduction of fossil fuel dependence) is also being used to modernise the energy distribution system. The total approved public funding for the electricity distribution network modernisation project amounts to nearly EUR 102 million.

On-going investments (committed capital expenditures) as of 31 December 2024

The table below provides information as of 31 December 2024 on contractually committed capital investments of the Group.

	31 December 2024	Investment costs allocated to 2025	Investment costs for later years
	<i>€ million</i>		
Generation & Trade	452	379	73
<i>Incl WPPs construction</i>	259	201	58
Distribution	78	73	5
Other	38	27	11
Total	568	479	89

The Group has several major on-going committed investment projects. These include the construction costs of the Telšiai wind farm which are expected to be approximately EUR 200 million, the construction of the Laflora wind farm in the Līvberze municipality, with expected construction costs of EUR 185 million and the construction of the DSE Aizpute Solar SPP with expected construction costs of EUR 135 million. In June 2025, Latvenergo AS acquired the WPP project Pienava Wind (147 MW), which is anticipated to start wind power generation in the first half of 2027. The construction costs of the wind park are expected to be approximately EUR 215 million. In 2024, reconstruction work and procurement procedures continued for the reconstruction of the last three hydro units of the HPPs. In December 2024, the Public Utilities Commission approved the development plan of Sadales tīkls AS for the next 10 years. In 2025–2034, Sadales tīkls AS will continue the reconstruction and upgrading of the distribution system in line with industry trends and consumer demand, aiming to increase the reliability of the electricity grid. Other commitments comprise regular maintenance and replacements.

Financing

In order to finance committed capital investments, the Group uses cash flow from operating activities and borrowed funds. External funding consists of bilateral bank loans, bonds and loans from state development finance institutions. The Group has established long-standing funding relationships with international financial institutions and commercial banks. The Group has diversified borrowing sources by issuing bonds during preceding years. The outstanding principal amount of bonds issued is EUR 200 million (which all are green bonds), representing 27 per cent. of the total of the Group debt as of 31 December 2024.

In December 2024, the Issuer signed a long-term loan with the Nordic Investment Bank for a total amount of EUR 230 million with a 15-year maturity. In March 2025, the Issuer signed a long-term loan with the European Investment Bank for a total amount of EUR 200 million with a 15-year maturity. Taking into account the latest concluded long-term loan agreements, the total amount of committed undisbursed long-term borrowings for the Group reached EUR 280 million as of 30 June 2025.

The Group's total long-term borrowings (including accrued interest) as of 30 June 2025 were EUR 832.3 million with the following debt maturity schedule:

	2025	2026	2027	2028	2029	2030	2031-2039	Total
	<i>€ million</i>							
Debt repayment	67.0	67.9	187.9	116.5	111.9	67.0	214.2	832.3

The table below provides information about the Group's total borrowings by lender category as of 31 December 2024 and 30 June 2025.

	30 June	31 December
	2025	2024
	<i>€ million</i>	
International financial institutions	326.7	192.4
Commercial banks	364.1	347.2
Issued bonds	201.2	203.8
Total	892.1	743.4

As of 31 December 2024, the total amount of committed short-term credit facilities was EUR 100 million of which available to the Group was EUR 28.3 million. As of 30 June 2025, the total amount of committed short-term credit facilities reached EUR 400 million, of which the amount available to the Group was EUR 290.4 million.

All of the Group's borrowings are denominated in euros. As of 31 December 2024, the weighted average repayment period was 3.8 years. With interest rate swaps, 37 per cent. of the Group's borrowings had a fixed interest rate with an average duration of 1.4 years. The effective weighted average interest rate (with interest rate swaps) of the Group's outstanding borrowings was 3.3 per cent.

The total financing available for the Group as of 30 June 2025 was EUR 619.4 million, including EUR 290.4 million short-term credit facilities, EUR 280.0 million long-term borrowings and EUR 49.0 million of cash and cash equivalents.

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

In accordance with the Commercial Law (in Latvian – *Komerclikums*), the Law on Governance of Capital Shares of Public Entity and Management of Capital Companies Thereof (in Latvian – *Publiskas personas kapitāla daļu un kapitālsabiedrību pārvaldības likums*) and the Financial Instruments Market Law (in Latvian – *Finanšu instrumentu tirgus likums*), the Issuer has the following corporate governance structure:

- Shareholder;
- Supervisory Board;
- Audit Committee;
- Human Resources Committee; and
- Management Board.

Shareholder

100 per cent. of the shares of the Issuer are owned by the State and held by the Ministry of Economics of the Republic of Latvia. The interests of the shareholder are represented at the Shareholder Meeting by the State Secretary of the Ministry of Economics or his/her authorised delegate. Shareholder Meetings are convened in accordance with the requirements and timelines stipulated by the Law on Governance of Capital Shares of Public Entity and Management of Capital Companies Thereof (in Latvian – *Publiskas personas kapitāla daļu un kapitālsabiedrību pārvaldības likums*).

The Shareholder Meeting is the forum for the exercise of the shareholders' interests, rights and obligations. The State Secretary of the Ministry of Economics of the Republic of Latvia or his/her authorised representative is the sole shareholder representative at the Shareholder Meetings.

Supervisory Board

The principal duties of the Supervisory Board of the Issuer include:

- approval of the medium-term operational strategy and the current year's budget and monitoring their implementation;
- continuous supervision of the activities of the Issuer's Management Board activities;
- election and dismissal of the members of the Issuer's Management Board, approval of their remuneration;
- monitoring the compliance of the Issuer's operations with legislation, its Articles of Association and the decisions of the Shareholder Meeting;
- overseeing risk management;
- approving the essential corporate governance policies of the Group;
- participating in the identification of sustainability issues that are relevant to the operations of the Group and engagement in strategic sustainability discussions; and
- reviewing the annual sustainability statement.

The Supervisory Board of the Issuer is elected by the Shareholder Meeting of the Issuer. The current Supervisory Board is composed of five independent members.

As of the date of this Base Prospectus the members of the Supervisory Board of the Issuer are:

- Mr. Aigars Laizāns – Chairman of the Supervisory Board
- Mr. Kaspars Rokens – Deputy Chairman of the Supervisory Board
- Mr. Toms Siliņš – Member of the Supervisory Board
- Mr. Gundars Ruža – Member of the Supervisory Board
- Mr. Rodžers Jānis Grigulis – Member of the Supervisory Board

The business address of each member of the Issuer's Supervisory Board is Pulkveža Brieža 12, Riga, LV- 1230, Latvia.

The activities of the Management Board of the Issuer's subsidiary Enerģijas publiskais tirgotājs SIA are supervised by the Shareholder Meeting of this subsidiary, where the interests of the Issuer are represented by the Issuer's Management Board.

The supervisory body of the Issuer's subsidiary Sadales tīkls AS, as well as Issuer's subsidiaries Elektrum Eesti OÜ and Elektrum Lietuva, UAB, which operate outside the territory of Latvia, is their Supervisory Board.

The Supervisory Board of Sadales tīkls AS is elected by the Shareholder Meeting based on candidates selected through a competitive process and consists of four members, two of whom are independent members.

The supervisory functions at Elektrum Eesti OÜ are ensured by five Supervisory Board members, three of whom are Management Board members of the Issuer and two employees, who are responsible for the relevant areas of operation at the Issuer.

The supervisory functions at Elektrum Lietuva, UAB are ensured by five Supervisory Board members, three of whom are Management Board members of the Issuer and two are employees, who are responsible for the relevant areas of operation at the Issuer.

The Management Boards of Latvijas vēja parki SIA, Laflora energy SIA, Telšiņu vējo parkas UAB (Lithuania), DSE Aizpute Solar SIA, Elektrum Next SIA and Elektrum Next LT UAB (Lithuania) are supervised by their Shareholder Meetings, where two members of the Management Board of the Issuer are authorised to represent the interests of the Issuer.

The supervisory functions at Liepājas enerģija SIA, where the equity share of the Issuer is 51 per cent., are carried out by the Supervisory Board of six members, half of whom are representatives of the Issuer.

Audit Committee

The Audit Committee operates under the Commercial Law (in Latvian – *Komerclikums*), the Financial Instruments Market Law (in Latvian – *Finanšu instrument tirgus likums*) and the Regulations of the Audit Committee approved by the Shareholder.

The principal duties of the Audit Committee include:

- monitoring the process of drafting financial statements and the sustainability statement, reporting to the Supervisory Board on proposals and improvements;
- supervising the effectiveness of the internal control and risk management systems;
- supervising the work of the internal audit and the external auditor; and

- supervising the implementation of the Group's Fraud Risk Management Plan.

The Audit Committee consists of five members elected by the Shareholder Meeting, of whom at least one shall be a member of the Supervisory Board of the Issuer. The Audit Committee is chaired by its chairperson, elected by the members of the Audit Committee from amongst themselves.

No restrictions have been imposed on the Audit Committee's actions, and the representatives of the Issuer ensure the availability of all necessary information to the Audit Committee.

As of the date of this Base Prospectus the Audit Committee consists of five independent members:

- Mr. Svens Dinsdorfs – Chairman of the Audit Committee
- Mr. Torben Pedersen – Member of the Audit Committee
- Mrs. Ilvija Grūba – Member of the Audit Committee
- Mr. Toms Siliņš – Member of the Audit Committee (also Member of the Supervisory Board)
- Mr. Gundars Ruža – Member of the Audit Committee (also Member of the Supervisory Board)

The business address of each member of the Issuer's Audit Committee is Pulkveža Brieža 12, Riga, LV-1230, Latvia.

Human Resources Committee

The Human Resources Committee operates under the Regulations of the Human Resources Committee approved by The Supervisory Board.

The principal duties of the Human Resources Committee include:

- ensuring the selection of the Management Board, the Audit Committee and the Internal Audit Director; and
- evaluating the remuneration, performance and combining of positions of the Management Board and the Internal Audit Director.

The Human Resources Committee consists of four members elected by the Supervisory Board from among its members. The Supervisory Board elects the Chairman of the Human Resources Committee when approving its composition.

As of the date of this Base Prospectus the Human Resources Committee consists of five independent members:

- Mr. Kaspars Rokens – Chairman of the Human Resources Committee
- Mr. Aigars Laizāns – Member of the Human Resources Committee
- Mr. Toms Siliņš – Member of the Human Resources Committee
- Mr. Gundars Ruža – Member of the Human Resources Committee

The business address of each member of the Issuer's Human Resources Committee is Pulkveža Brieža 12, Riga, LV- 1230, Latvia.

Management Board

All Management Board members are executive directors of the Issuer, and are involved in the daily operations of the Issuer. Their principal duties include:

- management and representation of the Issuer;
- responsibility for the commercial activities of the Issuer and for compliance with accounting legislation;
- management of the Issuer's property;
- implementing the strategic direction of the Group, its development plans, goals and policies;
- overseeing the implementation of the Sustainability Strategy of the Group; and
- identifying sustainability aspects relevant to the operations of the Group and progress monitoring on sustainability issues.

The Management Board and the Supervisory Board are jointly liable for compliance with all binding laws and regulations, execution of the decisions of the Shareholder Meeting and the Supervisory Board, and the financial performance of the Group.

As per the Articles of Association of the Issuer, the Issuer's Management Board consists of five members, elected by the Supervisory Board for a term of five years based on an evaluation of necessary competences, experience and expected field of responsibility. The Supervisory Board of the Issuer also appoints one of the members of the Management Board as a Chairman of the Management Board.

As of the date of this Base Prospectus the Management Board of the Issuer consists of five Members of the Management Board:

- Mr. Mārtiņš Čakste – Chairman of the Management Board and Chief Executive Officer, responsible for corporate strategy, communication, corporate management support, human resource management, compliance control, security, research and innovation, regulatory affairs, business growth, real estate management and maintenance, legal affairs, procurement and logistics, transport services.
- Mr. Guntars Baļčūns – Chief Financial Officer, responsible for business planning and controlling, wholesale energy trading, treasury, accounting, risk management and insurance, sustainability matter management. Mr. Baļčūns is also a member of the supervisory boards of the Issuer's subsidiaries Elektrum Eesti OÜ and Elektrum Lietuva, UAB.
- Mrs. Ilvija Boreiko – Chief Development Officer, responsible for development of electric vehicle charging network, wind and solar parks development, technical services, environmental management. Mrs. Boreiko is also a member of the supervisory boards of the Issuer's subsidiaries Elektrum Eesti OÜ and Elektrum Lietuva, UAB.
- Mr. Dmitrijs Juskovecs – Chief Commercial Officer, responsible for sales, marketing, customer service, billing and monitoring, IT&T. Mr. Juskovecs is also a member of the supervisory boards of the Issuer's subsidiaries Elektrum Eesti OÜ and Elektrum Lietuva, UAB.
- Mr. Harijs Teteris – Chief Operating Officer, responsible for HPPs, CHPPs management, generation projects, technical inspection and occupational safety.

The business address of each member of the Issuer's Management Board is Pulkveža Brieža 12, Riga, LV-1230, Latvia.

Conflict of interest

In accordance with the Law on Prevention of Conflict of Interest in the Activities of Public Officials (in Latvian – *Likums "Par interešu konflikta novēršanu valsts amatpersonu darbībā"*), all members of the management boards, supervisory boards and audit committees of state-owned companies have the status of state officials. Accordingly, all Management Board, Supervisory Board and Audit Committee

members of the Issuer and its wholly owned subsidiaries in Latvia are state officials and subject to the requirements of law. Latvian law permits them to combine their office of public official only with activities which are indicated by the law as compatible (e.g., offices in a trade union, association or similar organisation, teaching, scientific and creative work) in order to prevent personal or material interest in their activity as a state official. In accordance with the law, all state officials are obliged to submit an annual declaration of interest.

The Issuer is not aware of any conflicts of interest between the Issuer duties of the members of the Management Board, Supervisory Board and Audit Committee and their private interests and/or their other duties.

Internal Control System and Risk Management

Internal control system

The Group maintains an internal control system designed in accordance with the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), supporting the achievement of strategic objectives and ensuring operational effectiveness, reliability of reporting, and compliance with applicable laws and regulations. Operational effectiveness is supported through cascading performance targets across the Group, with regular measurement and evaluation. Reporting credibility is ensured via integrated systems and clearly defined responsibilities for internal and external disclosures. Compliance is maintained through dedicated regulatory monitoring and staff training.

The system is structured around five core components: control environment, risk assessment, control activities, information and communication, and monitoring. The control environment promotes ethical conduct and anti-corruption measures, with responsibilities assigned across all levels. Risk assessment is embedded in governance processes and continuously adapted to market developments. Control activities include policies, procedures, and role assignments to support strategic execution. Information systems ensure data accuracy and completeness, with financial reporting aligned to IFRS and financial statements audited by an international Issuer. Monitoring is conducted by the Supervisory Board, Audit Committee, and Internal Audit, with annual self-assessments performed to identify and implement improvements.

Risk Management

The Group applies a structured risk management framework aimed at identifying and managing significant risks to support the achievement of strategic objectives and minimise potential financial, operational, or reputational impact. Risk management is embedded in both strategic planning and day-to-day operations and is governed by the Group's Risk Management Policy, which defines the responsibilities of management and employees across all levels. The Management Boards of Group companies are responsible for managing risks within their entities, while the Management Board of the Issuer reports annually to the Supervisory Board, which oversees the effectiveness of the Group's risk management system.

Risks are assessed through internal working groups and the Risk Management Committee, which operates at the Management Board level. Each risk is evaluated based on probability and impact, with mitigation measures developed and monitored. Risk insights are integrated into internal audit planning, and monthly updates on risk appetite, key indicators, and material incidents are provided to the Supervisory Board.

In 2024, the Group enhanced its framework to include sustainability risks—environmental, social, and governance—within its risk register. Climate-related physical risks were assessed in line with the TCFD guidelines. The Group also began linking sustainability opportunities to strategic objectives.

REGULATION

The Group operates under a comprehensive framework of laws and regulations in the Republic of Latvia, which is the Group's principal market. Following Latvia's accession to the European Union on 1 May 2004, and in line with the EU membership of Lithuania and Estonia, the Group's operations are also subject to relevant EU legislation. This section provides a brief, non-exhaustive overview of the key national and EU regulatory provisions applicable to the Group's business activities across the Baltic States. The overview reflects the legal environment as of the date of this Prospectus and should be read in conjunction with other sections of this document and any documents incorporated by reference.

Regulated Tariffs

Provision of distribution system services in Latvia and heat supplies in Latvia are subject to price regulation. General price regulation principles have been set in Energy Law (in Latvian – *Enerģētikas likums*), Electricity Market Law (in Latvian – *Elektroenerģijas tirgus likums*) and law "On Regulators of Public Utilities" (in Latvian – *Par sabiedrisko pakalpojumu regulatoriem*), but detailed rules and methodologies on calculation of tariffs are set by the PUC. The general objective of tariff regulation is to ensure that public services in sectors where a natural monopoly exists or the market has not ensured sufficient competition, tariffs ensure economically justified prices, while covering the reasonable costs of providing the services, including return on capital employed appropriate to the level of business risks. The PUC sets different rates of return on capital for different sectors, and these depend on the sector's risk profile and the size of the company.

Distribution tariffs

Distribution tariffs are set using price cap principles for a fixed period of two to five years. In November 2022, the PUC amended the tariff calculation methodology for electricity distribution system services to address the financial stability of system operators affected by global energy price developments. Changes were made regarding the regulation of the regulatory account and tariff period, determination of the cost efficiency ratio for distribution system operators, and reconciliation of the regulatory account. On 22 May 2023, the PUC approved new electricity distribution tariffs applicable from 1 July 2023.

For the current regulatory period (2023–2027), the pre-tax real WACC applied in tariff calculations by the PUC is 2.72 per cent. In mid-2022, the regulatory framework was revised through the Capital Cost Accounting and Calculation Methodology, which introduced the use of a nominal WACC (including inflation) and discontinued the revaluation of the regulated asset base from 31 December 2021. For regulatory periods commencing in 2026, the PUC has approved a nominal WACC of 5.82 per cent. This adjustment enhances transparency regarding the cost of capital applied to regulated revenues, facilitating long-term financial planning. For the next regulatory period starting in 2028, nominal WACC rates will be calculated and published in 2027.

Heat tariffs

Heat tariffs, set by the PUC, are typically set for a one year period, taking into account actual deviations in previous periods and adjusting the allowed revenues accordingly. The rate of return on capital for heat production and supply, as determined by the PUC, is up to 12 per cent.

Security of Supply

The Energy Law (in Latvian – *Enerģētikas likums*) of Latvia establishes the general principles, administrative procedures in the energy sector, the organization of the activities of energy supply merchants, and regulates energy supply issues, including crisis situations and security reserves. The Energy Law (in Latvian – *Enerģētikas likums*) stipulates that the Cabinet of Ministers of the Republic of Latvia shall determine the procedure by which energy users are supplied with energy during a

declared energy crisis, providing for consumption restrictions and priorities for specific groups of users. Group companies and activities in the field of heat and electricity production in Latvia may be subject to gas supply reduction in the event of a scarcity of energy resources. Considering that the Group's CHPPs located in Latvia are essential for ensuring the continuity of electricity supply in the event of a gas supply disruption, Latvia has established and determined a priority approach to the state's strategic gas reserves, which are stored in an underground gas storage facility located in the territory of Latvia.

The security of supply regulations do not have a significant impact on the Group's operations outside Latvia.

Electricity Market Regulation

The Group operates in a free electricity market where prices for generation and sales are not subject to price regulation, except distribution segments in Latvia and country-specific products for household consumers in Latvia and Lithuania.

In Lithuania, the Group is subject to specific regulations governing net metering system customers, under which such customers are entitled to receive compensation for the solar energy they produce at the agreed retail selling price.

In Latvia the Group is subject to provide specific market-based retail contracts, including but not limited to dynamic 15 minutes pricing products, fixed price and fixed period contracts with and without termination fees, dynamic net-billing products. All of these contracts are market-based.

Since 2013, when Latvia joined the Nord Pool power exchange, the country's electricity wholesale market has been fully integrated with the Nordic and Baltic systems, ensuring transparent price formation and efficient cross-border trading in accordance with Regulation (EU) 2019/943 on the internal market for electricity and Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management. Latvia's electricity market functions under a fully unbundled structure in line with the Electricity Market Law (in Latvian – *Elektroenerģijas tirgus likums*), which transposes the requirements of Directive (EU) 2019/944 on common rules for the internal market for electricity. Generation and supply activities are competitive and market-based, with the Issuer and other independent producers and suppliers participating in wholesale and retail markets. Transmission services are provided by the certified independent transmission system operator, Augstsprieguma tīkls AS, while distribution is primarily managed by Sadales tīkls AS alongside several smaller regional distribution system operators. The PUC acts as the national regulatory authority, supervising market participants, approving tariffs, and ensuring compliance with both EU and national legislation. This regulatory framework promotes competition, transparency, consumer protection, and security of supply, in line with the objectives of the European internal electricity market.

Baltic balancing capacity market

In line with EU legislation and the 2025 synchronization of the Baltic States with the Continental European Synchronous Area, Latvia's transmission system operator, Augstsprieguma tīkls AS, together with Elering AS and Litgrid AB, has implemented the common Baltic balancing capacity market. The framework operates in accordance with Regulation (EU) 2019/943 on the internal market for electricity, Commission Regulation (EU) 2017/2195 establishing a guideline on electricity balancing, and related the European Network of Transmission System Operators for Electricity network codes governing system operation and market integration. These regulations define harmonised principles for balancing energy procurement, cost recovery, and cross-border exchange of balancing services. The Baltic balancing capacity market ensures transparent, market-based procurement of balancing capacity products — including the Frequency Containment Reserve, automatic Frequency Restoration Reserve, and manual Frequency Restoration Reserve — through coordinated daily auctions.

Support for Energy Producers in Latvia

Mandatory procurement

The MP mechanism in Latvia is a state aid instrument established under the Electricity Market Law (in Latvian – *Elektroenerģijas tirgus likums*) and related Regulations of the Cabinet of Ministers of the Republic of Latvia to promote the generation of electricity from renewable energy sources and high-efficiency cogeneration. Under the Electricity Market Law, the PUC is responsible for regulating the electricity market, including the approval of tariffs and the oversight of the MP process. In compliance with the Electricity Market Law, the functions of public trader in Latvia (administration of MP) are performed by the Issuer's subsidiary Enerģijas publiskais tirgotājs SIA.

Historically, the costs of mandatory procurement were passed on to electricity end-users via the Mandatory Procurement Component ("MPC") included in electricity bills. However, following government decisions in 2022, the MPC rate was reduced to 0 EUR/MWh for all users, with the associated costs covered from state resources, including dividend income from Latvenergo.

Payment for the installed electrical capacity

The Group's cogeneration power plant CHPP-2 is eligible to receive state aid for efficient cogeneration plants in the form of capacity payments. This support has been approved by the EC, under the State aid schemes SA.43140 "Support to renewable energy and CHP in Latvia" and SA.56310 "Support to the TEC-2 CHP plant in Latvia" and is available until September 2028. In order to ensure the plant's compliance with the high-efficiency criteria, the plant must achieve the following criteria every year - primary energy savings reach at least 10 per cent., electricity production exceeds 900 full capacity hours, and the plant is available to the market with full installed capacity for at least 4,500 hours per year.

In October 2017, the Issuer applied for a one-off compensation from the state, at the same time opting out of the receipt of 75 per cent. of the annual electrical capacity payments for cogeneration power plants CHPP-1 and CHPP-2. The Cabinet of Ministers of the Republic of Latvia approved a one-off compensation of EUR 454.4 million.

Gas Market Regulation

The Group operates in a free gas wholesale and retail market where prices are not subject to price regulation. In Latvia the Group is subject to provide specific market-based retail contracts.

Latvia's natural gas wholesale market operates within a liberalised and EU-compliant regulatory framework designed to ensure transparent access, competition, and security of supply. The sector is governed by the Energy Law (in Latvian – *Enerģētikas likums*), related Cabinet Regulations, and EU legislation including the Gas Directive (2009/73/EC) and Gas Regulation (715/2009). The market was fully liberalised in 2017, with the unbundling of transmission and storage operations from supply and trading in line with EU requirements. Conexus Baltic Grid AS, the certified independent transmission system operator, manages Latvia's high-pressure transmission network and the Inčukalns Underground Gas Storage facility, a key regional asset supporting system balancing and cross-border flexibility within the Baltic-Finnish gas market. Until 2025, Latvia participated in the regional natural gas exchange GET Baltic, which facilitated wholesale gas trading across the Baltic-Finnish market; however, as of 9 September 2025, GET Baltic has been fully integrated into the European Energy Exchange ("EEX") trading platform, consolidating regional gas trading under the EEX framework. Gas distribution is primarily provided by Gaso AS, the main distribution system operator, which operates separately from supply activities under regulatory supervision to ensure non-discriminatory third-party access. The PUC oversees market regulation, tariff setting, and compliance monitoring, ensuring that the Latvian gas market functions transparently and in alignment with European gas market principles.

Regulation on Wholesale Energy Market Integrity and Transparency

The Group's operations in the wholesale electricity and natural gas markets are governed by Regulation (EU) No 1227/2011 on Wholesale Energy Market Integrity and Transparency, as amended by Regulation (EU) 2024/1106 of the European Parliament and of the Council of 11 April 2024, which strengthens the European Union's protection against market manipulation and enhances the enforcement framework. Together with Commission Implementing Regulation (EU) No 1348/2014 on data reporting, these instruments establish a harmonised EU regime to prevent insider trading, market manipulation, and other abusive practices in wholesale energy markets. REMIT and its amendments are directly applicable in Latvia and supervised by the PUC in coordination with the Agency for the Cooperation of Energy Regulators. In compliance with these regulations, the Group ensures timely, accurate, and non-discriminatory disclosure of inside information related to its generation, trading, and capacity availability through approved Inside Information Platforms and public communication channels. These requirements reinforce transparency, enhance regulatory oversight, and ensure full alignment with the evolving EU framework for market integrity and investor confidence.

Environmental and Climate Regulation

At the EU level, the climate regulatory framework is primarily driven by the European Climate Law (Regulation (EU) 2021/1119), which establishes binding targets for climate neutrality by 2050 and intermediate greenhouse gas ("**GHG**") reduction goals for 2030. The legislative package known as "Fit for 55" introduces amendments to key directives and regulations, including the EU Emissions Trading System ("**ETS**"), the Renewable Energy Directive (RED III), and the Energy Efficiency Directive, all of which have direct implications for Latvenergo's operations and investment planning.

At the national level, Latvenergo is subject to the regulatory framework established by the National Energy and Climate Plan of Latvia for 2021–2030, which outlines the country's strategy for achieving EU climate targets, including increased renewable energy capacity and improved energy efficiency. The forthcoming Climate Law (draft approved by the Cabinet of Ministers of the Republic of Latvia in October 2024) is expected to consolidate Latvia's climate governance and introduce binding national targets. Additional relevant legislation includes the Law on Pollution (in Latvian - *Likums par piesārņojumu*), which governs emissions and environmental permitting, and the Energy Law (in Latvian - *Enerģētikas likums*), which regulates energy market operations, infrastructure development, and the integration of renewable energy sources.

EU Emission Trading System

The Group's fossil fuel-based electricity generation installations are subject to the EU ETS established by Directive 2003/87/EC. Under the EU ETS the Group must obtain and surrender EU allowances ("**EUAs**") equal to its independently verified CO₂ emissions for the prior calendar year; failure to comply would expose the Group to statutory penalties and reputational risk. The EU ETS operates under a cap-and-trade system, with total emissions capped and allowances allocated via auction or limited free allocation under specific conditions. While Directive 2003/87/EC provides for an optional transitional derogation under Article 10(c), Latvia has not applied this derogation. Consequently, Latvenergo does not receive free allocations under Article 10(c) and fulfils its compliance obligations primarily through purchased EUAs. Free allocation remains available only for certain eligible activities, such as district heating or combined heat and power generation, under general ETS benchmarking rules. The quantity of such free allocations declines annually under the EU ETS linear reduction factor set at 2.2 per cent. annually since 2021 and further tightened under the 2023 "Fit for 55" package, which accelerates reductions from 2024 onward. The Market Stability Reserve is a mechanism in the EU ETS that automatically adjusts EUAs supply to enhance market stability and support carbon price predictability.

In addition, under Directive (EU) 2023/959, the EU Emission Trading System 2 ("**ETS2**") will apply from 2027, introducing carbon pricing for the buildings and road transport sectors, including natural

gas suppliers. During the transitional period (2025–2026), member states of the EU and market participants are required to prepare monitoring, reporting and verification ("MRV") systems and collect emissions data without compliance obligations. The first compliance year, requiring the surrender of ETS2 allowances, will begin in 2027. All allowances will be auctioned, with no free allocation, and the overall emissions cap will decline annually to align with the EU's 2030 climate goals. Revenues will support the Social Climate Fund to mitigate social impacts. For the Group, as a natural gas trader, ETS2 introduces new compliance and financial exposure starting in 2027, requiring active preparation during the transitional phase to ensure full readiness for MRV and allowance management.

Compliance with EU ETS regulations ensures alignment with EU climate objectives and mitigates legal and financial risks.

Renewable Energy Regulations

Latvenergo's renewable energy operations are governed by EU directives and national legislation aimed at promoting sustainable electricity generation. At the EU level, the Renewable Energy Directive (RED III) establishes binding targets for renewable energy deployment, promotes energy system decarbonisation, and provides a framework for integrating renewable generation into the electricity market. At the national level, the Energy Law (in Latvian – *Enerģētikas likums*) and related Cabinet Regulations, including Cabinet Regulation No. 262/2010 on renewable electricity generation and mandatory procurement, implement these EU requirements and establish the legal framework for licensing, operation, and state support of renewable energy facilities. These regulations define eligibility criteria for mandatory procurement and feed-in tariffs, set procedures for monitoring production volumes, and provide mechanisms for recovering state support in cases of non-compliance. Compliance with this regulatory framework ensures that the Group's hydro, wind, biomass, and solar generation facilities operate within permitted parameters and contribute to achieving Latvia's national renewable energy targets under the National Energy and Climate Plan 2021–2030.

Energy Efficiency

The Energy Efficiency Directive (EU) 2023/1791 establishes binding energy efficiency targets across the EU, requiring member states of the EU collectively to reduce energy consumption by 11.7 per cent. by 2030 compared to 2020 projections. The Directive sets cumulative annual energy savings obligations of at least 1.3 per cent. in 2024–2025, 1.5 per cent. in 2026–2027, and 1.9 per cent. in 2028–2030. It also strengthens measures to address energy poverty by requiring member states of the EU to raise consumer awareness, provide information on energy efficiency, and prioritise support for vulnerable consumers. In Latvia, the implementation of these requirements is governed by the Energy Efficiency Law (in Latvian – *Energoefektivitātes likums*) and Cabinet Regulation No. 226 of 25 April 2017 "Regulations Regarding the Energy Efficiency Obligation Scheme". Under this framework, retail electricity traders and other obligated parties must undertake measures to improve end-user energy efficiency in accordance with the Energy Efficiency Obligations Scheme, contributing to the achievement of national and EU-level efficiency targets.

EU Taxonomy

The EU Taxonomy Regulation establishes a unified classification system for environmentally sustainable economic activities, aiming to enhance transparency and support the transition to a low-carbon economy. The Group assesses its investment projects against the technical screening criteria defined under the EU Taxonomy to determine their eligibility as environmentally sustainable. This assessment informs the Group's strategic planning and is particularly relevant in the context of sustainable finance instruments, including green bonds, ensuring alignment with EU climate and environmental objectives.

Environmental Regulations

In the area of environment, the Group's activities are regulated under a framework that includes directives on industrial emissions, environmental impact assessments, accident prevention, and water resource management.

Latvenergo's CHPPs are regulated under Directive 2010/75/EU on Industrial Emissions, transposed into Latvian Law on Pollution (in Latvian – *Likums par piesārņojumu*) and Cabinet Regulation No. 1082. These installations are classified as Category A polluting activities and must operate under integrated environmental permits issued by the State Environmental Service. The Issuer is required to apply Best Available Techniques ("**BAT**") - referring to the most effective and advanced methods for minimizing environmental impact, as defined in the BAT Reference Documents (BREFs) published by the European Integrated Pollution Prevention and Control Bureau under the EU Industrial Emissions Directive - as well as to conduct continuous emissions monitoring, and submit periodic compliance reports.

In accordance with Directive (EU) 2016/2284 on National Emission Ceilings, implemented through Latvia's Environmental Protection Law (in Latvian – *Vides aizsardzības likums*) and the National Emission Reduction Plan, Latvenergo contributes to the reduction of emissions of sulphur dioxide (SO₂), nitrogen oxides (NO_x), non-methane volatile organic compounds, and fine particulate matter (PM_{2.5}). These obligations are fulfilled through emission limits set in A category permits.

The Group's WPPs investment projects are subject to Directive 2011/92/EU on Environmental Impact Assessment ("**EIA**"), as amended by Directive 2014/52/EU. The directive is transposed into Latvian law through the Law "On Environmental Impact Assessment" (in Latvian – *Par ietekmes uz vidi novērtējumu*) and Cabinet Regulation No. 686. For applicable projects, the company must undergo EIA or screening procedures, prepare a comprehensive Environmental Impact Report - a document that identifies, describes and evaluates the potential significant effects of a proposed project on the environment and outlines measures to prevent or mitigate adverse impacts - engage in public consultation, assess impacts on biodiversity, air, water, soil, landscape, and human health, and implement post-project monitoring measures.

Latvenergo is also subject to Directive 2012/18/EU on the control of major-accident hazards involving dangerous substances (Seveso III Directive), transposed into Latvian law through the Law on Pollution (in Latvian – *Likums par piesārņojumu*) and Cabinet Regulation No. 131. The mentioned regulation is applicable to Latvenergo CHPPs. The company is required to notify competent authorities, develop a Major Accident Prevention Policy - a corporate policy outlining objectives and measures to prevent major accidents - implement a Safety Management System - a structured framework of processes and responsibilities to manage safety risks - prepare internal and external emergency response plans, and assess potential domino effects. Compliance is monitored through inspections conducted by the State Environmental Service of Latvia.

In relation to water resource management, the Issuer's HPPs on the Daugava River are subject to Directive 2000/60/EC, the Water Framework Directive ("**WFD**"), which is transposed into Latvian law through the Law on Water Management (in Latvian – *Ūdens apsaimniekošanas likums*) and the River Basin Management Plans coordinated by the Ministry of Environmental Protection and Regional Development of Latvia. The WFD requires that all water bodies achieve "good ecological status," and hydropower operations must be assessed for their hydromorphological impacts, including flow regulation, sediment transport, and fish migration. The Issuer is required to implement mitigation measures such as ecological flow regimes, fish passes, and sediment management strategies to minimize adverse effects on aquatic ecosystems. The Issuer's refurbishment and modernisation projects for its HPPs are aligned with these requirements and are subject to review under the third River Basin Management Plan.

TAXATION

The Republic of Latvia

This overview is based on the laws of Latvia as in force on the date of this Base Prospectus and is subject to any change in law that may take effect after such date, provided that such changes could apply also retroactively.

Latvia has entered into a number of tax conventions on elimination of the double taxation, which may provide more favourable taxation regime. Therefore, if there is a valid tax convention with the country of a non-resident prospective investor, it should be also examined. The procedures for application of tax conventions are provided in the Republic of Latvia Cabinet of Ministers' Regulations No. 178 "Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion" of 30 April 2001.

Taxation of Noteholders -Individuals

Resident individuals

An individual will be considered as a resident of Latvia for taxation purposes:

- if the individual's declared place of residence is in the Republic of Latvia; or
- if the individual stays in the Republic of Latvia 183 days or more within any 12-month period, starting or ending in the taxation year; or
- if the individual is a citizen of the Republic of Latvia employed abroad by the government of the Republic of Latvia.

In accordance with the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*) the interest income (i.e. difference between the principal amount and the amount paid out) from the Notes for resident individuals will be subject to 25.5 per cent. withholding tax, deductible by the Issuer before the payment. The income from the alienation of the Notes will be subject to 25.5 per cent. tax, but the tax would be payable by the individual him/herself.

If an individual uses an investment account that qualifies as such under the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*) for investments (including acquisition of the Notes), 25.5 per cent. personal income tax is applied to the difference between the amount paid into the investment account and the amount paid out from the investment account (except exempt income and income taxed at source).

Should the total taxable income (including dividends, interest income, capital gains, income from investment account) as defined under the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*) of an individual resident of Latvia exceed EUR 200,000 in a year, additional tax rate of 3 per cent. will be applicable to the portion of income exceeding EUR 200,000. This additional tax is payable by individuals themselves.

Non-resident individuals

In accordance with the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*) the interest income from the Notes being circulated publicly (which, for these purposes, means admitted to trading on a regulated market within the meaning of MiFID II) as well as income from the alienation of the publicly circulated Notes will not be subject to tax in Latvia.

According to the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*), interest and interest equivalent income from notes that are not publicly circulated and

received by a non-resident individual are subject to taxation in Latvia. Generally, the applicable personal income tax rate is 25.5 per cent. The Issuer paying out such income is required to withhold tax at the source.

According to the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*), interest income and interest equivalent income from the Notes for non-resident individuals is subject to 5 per cent. withholding tax, deductible by the Issuer at the time of disbursement if (i) the individual receiving such income is a resident of a European Union member state or European Economic Zone state and is not an economic operator; (ii) the Notes are not publicly traded; (iii) payment is made via the investment service provider including the central securities depository; and (iv) the issue of the Notes is organised by an investment service provider supervised by a competent authority overseeing financial markets and their participants.

In this case, the tax residence status will be determined based on the information received by the Issuer from the respective investment service provider or central securities depository. To evidence that an individual is not registered as an economic operator, the individual should provide the Issuer with a respective statement issued by the tax authority of their home country. These documents should be provided to the Issuer before the respective income is payable by the Issuer.

As set out above, non-resident individuals may benefit from more favourable tax treatment, or even exemption, from certain taxes imposed by Latvia, under the Double Taxation Treaty between Latvia and the non-resident's country. However, in order to benefit from the provisions of such Double Taxation Treaties, that individual must satisfy certain formalities. Briefly, the individual must provide the Issuer with one of the following:

- a completed Resident's Certificate-Application for Tax Relieves (pursuant to Clause 3 of the Cabinet of Ministers' Regulations No. 178, "Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion", of 30 April 2001 (the "**Tax Convention Regulations**")); or
- Sections I, II, III, and IV of the Resident's Certificate-Application for Tax Relieves completed, along with a tax residence certificate issued by the competent authority of the non-Latvian resident's state of residence (pursuant to Clause 9¹ of the Tax Convention Regulations).

If the aggregate amount paid to a non-resident individual by the Issuer does not exceed EUR 5,000 in a taxable year, then it is sufficient for that individual to provide the Issuer with a tax residence certificate issued by the individual's state of residence as long as it is in English or Latvian (or provided with a certified translation) and includes (i) the name and personal identity number of the individual; (ii) confirmation from the competent authority that the individual is a resident of the relevant state in accordance with the appropriate Double Tax Treaty on which the individual seeks to rely and is entitled to use the requested tax relief; and (iii) the taxation year (period) to which the confirmation applies.

Taxation of Noteholders – Entities

Resident entities

Interest payments on the Notes and proceeds from the disposal of the Notes received by Latvian resident entities will not be subject to withholding tax in Latvia. Under the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) retained earnings of legal entities other than credit institutions and consumer credit service providers are exempt from corporate income tax and only distributions are taxed. Corporate income tax rate on gross profit distribution is 20 per cent. Corporate income tax on the net amount of profit distribution is determined by dividing net amount with a coefficient of 0.8 (i.e., the effective tax rate on net distributed profit is 25 per cent.). Profits of credit institutions and consumer credit service providers derived in the previous financial year are subject to corporate income tax regardless of whether they are distributed or not.

Non-resident entities

In accordance with the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) the interest income and income from the alienation of the Notes for non-resident entities will not be taxable in Latvia.

Low-Income Non-Residents

In general, payments (including interest payments) to non-residents located, registered or incorporated in a no-tax or low-tax country or territory as defined in the Regulations of the Cabinet of Ministers No.333 "List of No Tax or Low-Tax Countries and Territories", adopted on 27 June 2023; effective as of 1 July 2023 ("**Low-Tax Non-Latvian Residents**") are subject to withholding tax of 20 per cent. if the payer is a Latvian legal entity or 25.5 per cent. if the payer is a Latvian individual resident having obligation to withhold tax. However, pursuant to Article 5(6) of the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) payments by Latvian legal entities to Low-Tax Non-Latvian Residents for securities publicly circulated in the EU or EEA are exempt from withholding tax if made at the market price. The State Revenue Service of the Republic of Latvia in a legally non-binding explanation to the Issuer has confirmed that pursuant to Article 5(6) of the of the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) there is no withholding tax also on the interest payments made by the Issuer to the holders of the notes publicly circulated in the EU or EEA who are Low-Tax Non-Latvian Residents, provided that the payments are made at the market price.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the Republic of Latvia) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Moreover, Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional notes (as described under "*Terms and Conditions of the Notes—Further Issues*") that are not distinguishable from previously issued Notes of the same Series are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes of the relevant Series, including Notes issued on the Issue Date prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

Overview of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated on or around 30 October 2025 (as amended, supplemented or replaced from time to time, the "**Dealer Agreement**") between the Issuer, the Permanent Dealers and the Arrangers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers for certain of its expenses properly incurred in connection with the establishment and maintenance of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the applicable Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act and Bearer Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered or sold within the United States. Each of the Dealers has agreed that, except as permitted by the Dealer Agreement, it will offer, sell or in the case of Bearer Notes deliver the Notes outside the United States pursuant to offshore transactions complying with Rule 903 or Rule 904 of Regulation S. In addition, until 40 days after the commencement of any offering, an offer or sale of Notes from that offering within the United States by any dealer whether or not participating in the offering may violate the registration requirements of the Securities Act.

Canada

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

Other regulatory restrictions in the UK

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Switzerland

Each Dealer has represented and agreed and each further Dealer appointed under the Dealer Agreement will be required to represent and agree that:

- (i) the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Federal Financial Services Act of 15 June 2018 (as amended) (the "**FinSA**") and will not be admitted to trading on the SIX Swiss Exchange or any other trading venue (exchange or multilateral trading facility) in Switzerland;
- (ii) neither this Base Prospectus nor any Final Terms nor any other offering or marketing material relating to the Notes (i) constitutes a prospectus as such term is understood pursuant to the FinSA or (ii) has been or will be filed with or approved by the Swiss Review Body (or any other review body pursuant to article 52 of the FinSA); and
- (iii) neither this Base Prospectus nor any Final Terms nor other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge and belief in all material respects, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms in all cases at its own expense.

FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as It forms part of UK domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the [European Union (Withdrawal) Act 2018, as amended]/[EUWA] ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any [person subsequently offering, selling or recommending the Notes (a "distributor")][distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking

its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[SINGAPORE SFA PRODUCT CLASSIFICATION: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time) (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.)

Final Terms dated [●]

Latvenergo AS

Legal entity identifier (LEI): 213800DJRB539Q1EMW75

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the EUR 1,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 30 October 2025 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on [[the website of the Luxembourg Stock Exchange (www.luxse.com)] [and] [on the website of the Issuer (www.latvenergo.lv)].

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

- | | | | |
|---|-------|--|---|
| 1 | (i) | Series Number: | [●] |
| | (ii) | Tranche Number: | [●] |
| | (iii) | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the Series] on [insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [24] below [which is expected to occur on or about [insert date]]].] |
| 2 | | Specified Currency or Currencies: | [●] |
| 3 | | Aggregate Nominal Amount: | [●] |

	(i) Series:	[●]
	(ii) Tranche:	[●]
4	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]
5	(i) Specified Denominations:	[●] [[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]] <i>(N.B. Notes must have a minimum denomination of €100,000 (or equivalent in another currency))</i>
	(ii) Calculation Amount:	[●] <i>[If there is more than one Specified Denomination, insert the highest common factor of those Specified Denominations (note: there must be a common factor of two or more Specified Denominations)]</i>
6	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[[●]/Issue Date/Not Applicable]
7	Maturity Date:	[●]/[Interest Payment Date falling in or nearest to [●]]
8	Interest Basis:	[[●] per cent. Fixed Rate]] [[●] month [EURIBOR] +/- [●] per cent. Floating Rate]] [Zero Coupon] (See paragraph [13/14/15] below)
9	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [[●]/[100]] per cent. of their nominal amount.
10	Change of Interest Basis:	[For the period from (and including) the Interest Commencement Date up to (but excluding) [date], paragraph [13/14] applies, and for the period from (and including) [date] up to (and including) the Maturity Date, paragraph [13/14] applies]/[Not Applicable].
11	Put/Call Options:	[Investor Put] [Change of Control Put Option]

[Issuer Call]

[Issuer Maturity Par Call]

[Clean-Up Call]

[Not Applicable]

See paragraph [16/17/18/19/20] below)]

- 12 [Date [Board] approval for issuance of [●] [and [●], respectively]]
Notes obtained:

(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13 **Fixed Rate Note Provisions**

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrears on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year commencing on [●], up to and including the Maturity Date
- (iii) Fixed Coupon Amount[(s)]: [Not Applicable]/[●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●] in respect of the period from and including [●] to but excluding [●]/[Not Applicable]
- (v) Day Count Fraction: [Actual/Actual / Actual/Actual-ISDA / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / Actual/Actual-ICMA]
- (vi) [Determination Dates: [●] in each year/[Not Applicable]

(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))

14 **Floating Rate Note Provisions**

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Interest Period(s): [[●] [, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
- (ii) Specified Interest Payment Dates: [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (iii) Interest Period Date: [Not Applicable]/ [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (iv) First Interest Payment Date: [●]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/Not Adjusted]/[Not Applicable]
- (vi) Business Centre(s): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Calculation Agent (*being the party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s)*): [●]/[Not Applicable]
- (ix) Screen Rate Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining items of this subparagraph)*
- Reference Rate: [[●]month [EURIBOR/[●]]]
 - Relevant Financial Centre: [London]/[●]
 - Specified Time: [●] in the Relevant Financial Centre
 - Interest Determination Date(s): [*If EURIBOR insert: The second day on which T2 is open prior to the start of each Interest Period*]
- [●]

- Relevant Screen Page: [●]
- (x) ISDA Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining items of this subparagraph)*
- ISDA Definitions: [2006 ISDA Definitions]/[2021 ISDA Definitions]
 - Floating Rate Option: [[●]/EUR-EURIBOR-Reuters *(if 2006 ISDA Definitions apply)*/EUR-EURIBOR *(if 2021 ISDA Definitions apply)*/EUR-EuroSTR/EUR-EuroSTR Compounded Index/GBP-SONIA/GBP-SONIA Compounded Index/USD-SOFR/USD-SOFR Compounded Index]
 - Designated Maturity: [●]/[Not Applicable]
- (A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate)*
- Reset Date: [●]
 - Compounding: [Applicable/Not Applicable]
- (If not applicable, delete the remaining items of this subparagraph)*
- [Compounding Method: [Compounding with Lookback
 - Lookback: [●] Applicable Business Days]
 [Compounding with Observation Period Shift
 - Observation Period Shift: [●] Observation Period Shift Business Days
 - Observation Period Shift Additional Business Days: [●]/[Not Applicable]]
 [Compounding with Lockout
 - Lockout: [●] Lockout Period Business Days
 - Lockout Period Business Days: [●]/[Applicable Business Days]]
- Index Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining items of this subparagraph)*

- [Index Method: Compounded Index Method with Observation Period Shift
Observation Period Shift: [●] Observation Period Shift Business Days
Observation Period Shift Additional Business Days: [●]/[Not Applicable]]
 - (xi) [Linear Interpolation: [Not Applicable][Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]]
 - (xii) Margin(s): [+/-][●] per cent. per annum
 - (xiii) Minimum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
 - (xiv) Maximum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
 - (xv) Day Count Fraction: [Actual/Actual / Actual/Actual-ISDA / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / Actual/Actual-ICMA / include any other option from the Conditions]
- 15 **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Amortisation Yield: [●] per cent. per annum
 - (ii) Day Count Fraction in relation to Early Redemption Amounts: [Actual/Actual / Actual/Actual-ISDA / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / Actual/Actual-ICMA] [*Include any other option from the Conditions*]]

PROVISIONS RELATING TO REDEMPTION

- 16 **Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s) of each Note: [[●] per Calculation Amount / Condition 6(b) applies/Make-Whole Amount]

(If Make-Whole Amount is selected, include items (A) to (E) below)

- [(A) Reference Bond: [Insert applicable Reference Bond]
- [(B) Quotation Time: [●]]
- [(C) Redemption Margin: [[●] per cent.]]
- [(D) Make-Whole Reference Date: [Maturity Date/Par Call Period Commencement Date/[●]]
- [(E) Relevant Make Whole Screen Page: [●]]
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [●] per Calculation Amount
 - (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period *(if other than as set out in the Conditions)*: Minimum period: [●] days
Maximum period: [●] days
- 18 **Issuer Maturity Par Call** [Applicable/Not Applicable]
 - (i) Notice period *(if other than as set out in the Conditions)*: Minimum period: [●] days
Maximum period: [●] days
 - (ii) Par Call Period Commencement Date: [●]
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [●] per Calculation Amount
 - (b) Maximum Redemption Amount: [●] per Calculation Amount
- 19 **Clean-Up Call** [Applicable/Not Applicable]
 - (i) Notice period *(if other than as set out in the Conditions)*: Minimum period: [●] days
Maximum period: [●] days
 - (ii) Clean-Up Price: [●]
- 20 **Put Option** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

 - (i) Optional Redemption Date(s): [●]

- (ii) Optional Redemption Amount(s) of each Note: [[●] per Calculation Amount / Condition 6(b) applies]
- (iii) Notice period (*if other than as set out in the Conditions*): Minimum period: [●] days
Maximum period: [●] days
- 21 **Change of Control Put Option** [Applicable/Not Applicable]
- (i) Change of Control Redemption Amount(s) of each Note: [●] per Calculation Amount
- 22 **Final Redemption Amount of each Note** [Par] / [●] per Calculation Amount
- 23 **Early Redemption Amount**
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [Par] / [●] per Calculation Amount
- Notice period on redemption for tax reasons (if different from Condition [6I] (Redemption for taxation reasons)): Not less than [●] nor more than [●] days] / [Not Applicable - in line with Conditions]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 24 **Form of Notes:**
- Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- Registered Notes:**
- [Global Note registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]
- 25 New Global Note/held under New Safekeeping Structure: [Yes] [No]
- 26 Financial Centre(s): [Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 14(vi) relates]

27 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [No/Yes. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made.]

THIRD PARTY INFORMATION

[(*Relevant third party information*) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Latvenergo AS

By:
Duly authorised

By:
Duly authorised

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes [to be admitted to the Official List of the Luxembourg Stock Exchange and to trading on the regulated market of the Luxembourg Stock Exchange [on or about the Issue Date] with effect from [●].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

Ratings: [[The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:

[Moody's: [●]]

[[Other]: [●]]

[Need to include (i) a brief explanation of the meaning of the ratings if this has previously been published by the rating provider; and (ii) disclosure of the status of registration of the relevant rating agency under the CRA Regulation and the UK CRA Regulation]

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]

4 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

[Green Notes	[Yes]/[No]]
European Green Bonds or EuGBs	[Yes]/[No]
Reasons for the offer:	[•] [See ["Use of Proceeds"] in Base Prospectus/Give details] <i>(See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from what is disclosed in the Base Prospectus, give details here.)</i> [The Notes are Green Notes and an amount equal to the gross proceeds of the issuance of Notes will be applied by the Issuer to finance or refinance, in whole or in part, Eligible Green Projects, as set forth in "Use of Proceeds" in the Base Prospectus and as further specified on the Issuer's website.] <i>(Applicable only in case of notes to be classified as European Green Bonds or EuGBs. If not applicable, delete this paragraph.)</i> / [The Notes are European Green Bonds or EuGBs and an amount equal to the gross proceeds of the issuance of Notes will be applied by the Issuer [to] [finance] [or] [refinance] the project(s) described below: [•]. The Notes are issued in accordance with the EU Green Bond Regulation and, (i) the completed Programme Factsheet and (ii) the Pre-Issuance Review Report related to the Programme Factsheet by Sustainable Fitch as external reviewer,

both referred to in Article 10 of the EU Green Bond Regulation, are available on the Issuer's website.]]

Estimated net proceeds: [●]

5 **[Fixed Rate Notes only – YIELD]**

Indication of yield: [●]/[Not Applicable]

6 **OPERATIONAL INFORMATION**

ISIN: [●]

Common Code: [●]

FISN: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]

CFI Code: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [●]

[Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] *[include this text for registered notes]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended

in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) [*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

Clearing system(s) [Euroclear and Clearstream, Luxembourg]

7 **DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated:
 - (A) Names of Managers: [Not Applicable/*give names*]
 - (B) Stabilisation Manager(s) (if any): [Not Applicable/*give names*]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/*give names*]
- (iv) U.S. Selling Restrictions: [Reg. S Compliance Category 1; TEFRA C Rules/ TEFRA D Rules/ TEFRA not applicable]

INDEPENDENT AUDITORS OF THE ISSUER

The Issuer's independent auditors are elected at the Issuer's annual ordinary general meeting of shareholders for a three year term (the current mandate 2024-2026) based on the results of public tender procedure. Since 2021, Ernst & Young Baltic SIA ("EY"), Muižas iela 1A, Rīga, LV-1010, Latvia, has served as the Issuer's independent auditors. EY is included in the register of audit firms maintained by the Latvian Association of Certified Auditors and holds audit company license No.17.

The consolidated financial statements of Latvenergo AS as of and for the years ended 31 December 2024 and 31 December 2023, incorporated by reference in this Base Prospectus, have been audited by EY, independent auditors, as stated in their reports incorporated by reference herein.

GENERAL INFORMATION

- (1) The listing of the Notes on the Official List of the Luxembourg Stock Exchange will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that each Tranche of the Notes which is to be admitted to the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a temporary or permanent Global Note (or one or more Certificates) in respect of each Tranche. The listing of the Programme in respect of the Notes is expected to be granted on or before 30 October 2025. Transactions will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted Notes may be issued pursuant to the Programme.

This Base Prospectus has been approved by the CSSF as a base prospectus. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to trading on the regulated market of the Luxembourg Stock Exchange. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of MiFID II.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

In particular, the Issuer may make an application, after the Notes are issued, for the Notes to be admitted to trading on the official list of Nasdaq Riga by requesting the CSSF to notify the Bank of Latvia, as competent authority under the Prospectus Regulation in Latvia, of its approval of the Base Prospectus pursuant to Article 25 of the Prospectus Regulation. However, there can be no assurance that such application will be made or that such admission will take place. Nasdaq Riga is a regulated market for the purposes of MiFID II.

- (2) The Issuer has obtained all necessary consents, approvals and authorisations in the Republic of Latvia in connection with the establishment of the Programme. The establishment of the Programme was authorised by a resolution of the shareholders of the Issuer passed on 23 May 2025 and by the resolution of the Management Board passed on 30 October 2025.
- (3) There has been no significant change in the financial performance or financial position of the Group since the end of the last financial period for which audited annual or unaudited interim consolidated financial information has been published.
- (4) There has been no material adverse change in the prospects of the Issuer or of the Group since the date of its last published audited consolidated financial information.
- (5) Save as disclosed in the Base Prospectus, neither the Issuer nor any of its subsidiaries is nor has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.
- (6) Each Bearer Note having a maturity of more than one year and where the TEFRA D Rules are specified in the applicable Final Terms, and any Coupon and Talon relating to such Note, will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

- (7) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the applicable Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

- (8) There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to noteholders in respect of the Notes being issued.
- (9) The Legal Entity Identifier code of the Issuer is 213800DJRB539Q1EMW75.
- (10) The website of the Issuer is www.latvenergo.lv. The information on www.latvenergo.lv does not form part of this Base Prospectus, except where that information has been incorporated by reference into this Base Prospectus.
- (11) Banque Internationale à Luxembourg S.A. is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of the Luxembourg Stock Exchange or to trading on the regulated market of the Luxembourg Stock Exchange for the purposes of the Prospectus Regulation.
- (12) Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.
- (13) The issue price and the amount of the relevant Notes will be determined, before filing of the applicable Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.
- (14) For a period of 12 months following the publication of this Base Prospectus, the following documents will be available at www.latvenergo.lv:
- (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);
 - (ii) the Deed of Covenant;
 - (iii) the 2024 Financial Statements, the 2023 Financial Statements and the 2025 Interim Financial Statements;
 - (iv) each Final Terms (save that Final Terms relating to unlisted Notes will only be available for inspection by a holder of such Note and such holder must first produce evidence satisfactory to the Issuer or the Fiscal Agent as to its holding of the Notes and identity);
 - (v) a copy of this Base Prospectus together with any supplement to this Base Prospectus;
 - (vi) copies of the latest annual consolidated financial statements of the Issuer and the latest interim consolidated financial statements of the Issuer and any other documents

incorporated by reference in this Base Prospectus or any Supplement to this Base Prospectus; and

- (vii) the Articles of Association of the Issuer.

This Base Prospectus is, and the Final Terms for Notes that are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange will be published on the website of Luxembourg Stock Exchange at www.luxse.com. In addition, if the Issuer makes an application, after the Notes are issued, for the Notes to be admitted to trading on the official list of Nasdaq Riga by requesting the CSSF to notify the Bank of Latvia, as competent authority under the Prospectus Regulation in Latvia, of its approval of the Base Prospectus pursuant to Article 25 of the Prospectus Regulation, this Base Prospectus and the Final Terms for Notes that are listed on the official list of Nasdaq Riga and admitted to trading on the regulated market of Nasdaq Riga will be published on the website of Nasdaq Riga at www.nasdaqbaltic.com.

- (15) The Issuer's audited consolidated financial statements for the years ended 31 December 2023 and 31 December 2024 and the unaudited and unreviewed consolidated financial statements of the Issuer for the six months ended 30 June 2025 have been prepared in accordance with IFRS as adopted by the EU.
- (16) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and/or its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates routinely hedge their credit exposures to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.
- (17) The language of this Base Prospectus is English.

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