

Rīgas ūdens green bond offering

Opportunity to invest in sustainable infrastructure under the EU Green Bond Standard



About Rīgas ūdens

- Rīgas ūdens is the largest water utility company in Latvia, providing essential water supply and wastewater services to around 600,000 residents in Riga and its surrounding area.
- The Company was founded in 1991, with roots going back to 1620 when it first began supplying water to Riga's population.
- Rīgas ūdens employs 767 people, with an average tenure of 12.8 years, supported by an experienced management team that ensures stable operations and long-term institutional expertise.
- The Company operates an extensive infrastructure network of around 2,818 km across Riga and its nearby area.
- Annually, the Company processes around 36.6m m³ of drinking water and treats approximately 51.3m m³ of wastewater.
- Company is fully owned by the Riga City Municipality, which holds 100% of the company's capital shares.
- On June 2024 Rīgas ūdens received an A3 rating with a stable outlook from Moody's. The rating reflects the issuer's creditworthiness and its dependence on government support.

Business overview

- Rīgas ūdens delivers its services through four core divisions covering the entire water cycle: water production, water supply, wastewater collection, and wastewater treatment.
- These functions are fully regulated by the Public Utilities Commission (PUC), which sets tariff caps in accordance with Latvia's Law on Water Management Services.
- Water is produced from six intake sites, including surface water from the Daugava River and underground sources such as the Baltezers – Zaķumuiža water intake, with a combined daily capacity exceeding 210,000 m³.
- After treatment and storage, it is supplied to end-users across Riga and parts of the surrounding municipalities through a 1,536 km water pipeline network. The Company maintains this infrastructure proactively to ensure stable pressure and volume.
- Wastewater is collected via a 1,282 km centralized sewer network supported by 107 pumping stations. The system handles residential, industrial, and rainwater runoff, transporting it to treatment facilities.
- At the Daugavgrīva plant, the wastewater is treated using mechanical and biological processes, with by-products like sludge for biogas production. Treated water is safely discharged into the sea in full compliance with regulatory standards.
- The Company serves over 24,000 customer locations, including detached houses, apartment buildings, and non-residential properties such as businesses and public institutions.

Financial highlights

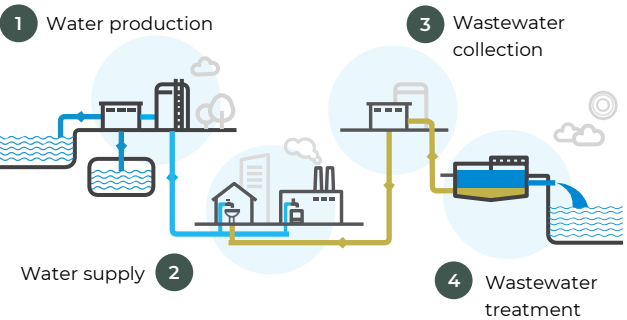
- In 2024, Rīgas ūdens generated revenue of EUR 76.3m, in line with the previous year. The income mix remained stable, with water supply services contributing 47% of total revenue, sewer services 49%, and other sources 4%.
- EBITDA increased from EUR 23.7m in 2023 to EUR 25.9m in 2024, supported by growth in other operating income and higher depreciation linked to prior investments. The EBITDA margin improved from 34% in 2024 to 43% in Q1 2025, with quarterly results indicating continued positive development.
- Net result for 2024 represented an 11% margin, with EUR 8.4m available for dividend distribution. Although an accounting loss of EUR 18.3m was recorded due to asset revaluation, it did not affect cash flow, obligations, or investment capacity. Total comprehensive income reached EUR 351.0m.
- Rīgas ūdens invests an average of EUR 30-35m annually in capital expenditure, primarily focused on renewing and expanding its water supply and sewerage infrastructure.
- At the end of 2024, the company completed its first revaluation of underground water management assets, resulting in a net increase of EUR 369.3m. This raised the value of fixed assets to EUR 688.4m as of 31 December 2024, though the uplift is not yet reflected in regulated tariff calculations.
- The Company maintained a strong financial profile in Q1 2025, with an interest coverage ratio of 16.6x, a net debt / EBITDA ratio of 2.0x and a robust equity ratio of 74%.

Financial highlights

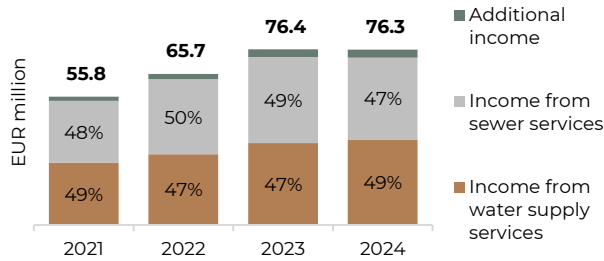
EUR million	2023 (audited)	2024 ¹ (audited)	Q1 2024 (operating)	Q1 2025 (operating)
Revenue	76.4	76.3	18.2	19.9
EBITDA	23.7	25.9	6.0	8.6
EBITDA margin	31%	34%	33%	43%
Net result	7.5	8.4	1.4	1.1
Total assets	359.8	717.3	354.4	720.9
Fixed assets	324.6	688.4	327.4	686.2
Cash	18.9	12.7	12.0	17.5
Total equity	183.7	534.0	185.2	535.1
Debt	54.7	68.4	54.7	75.2
Net debt	35.8	55.7	42.8	57.7
ICR ²	18.3x	14.2x	12.5x	16.6x
Equity ratio	51%	75%	52%	74%
Net debt/EBITDA	1.5x	2.2x	1.9x	2.0x

¹ 2024 financials include fixed asset revaluation and reclassification
² Interest Coverage Ratio

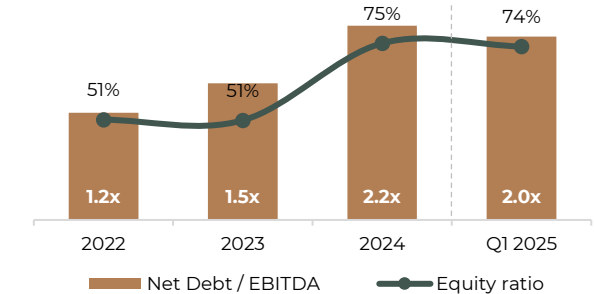
Four divisions of Rīgas ūdens business



Revenue split by segment



Key financial ratio development



Source: Company's financial reports and presentations

Notes: ¹ For detailed information, please refer to the audited annual report of SIA Rīgas ūdens for the year ended 31 December 2024.

Rīgas ūdens green bond offering



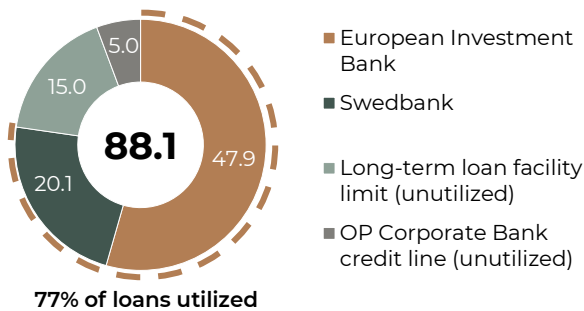
Term Sheet

Issuer	SIA Rīgas ūdens (Latvia)
Issuer rating	A3 by Moody's (stable outlook)
Issue rating	Not rated
Format	Unsecured, Unguaranteed, European Green Bonds
Programme	up to EUR 60,000,000
First tranche	up to EUR 20,000,000
ISIN	LV0000104487
Coupon	4.0% per annum, fixed, paid quarterly
Tenor	5 years
Principal repayment	Maturity date, bullet
Early redemption	Not applicable
Key undertakings	Change of Control, Negative Pledge, Cross Default
Listing	Nasdaq Riga Regulated Market within 3 months from the Issue Date
Nominal value	EUR 100
Offer type	Public offering in Latvia, Lithuania and Estonia with minimum subscription of EUR 100
Arranger and Dealer	Signet Bank AS
Legal counsel	ZAB COBALT
Use of proceeds	Financing of eligible projects under the EU Green Bond Regulation
Issuer rating	A3 by Moody's (stable outlook)

Most extensive investments 2025 - 2028

Segment and related programme	EUR m
Wastewater treatment Sustainable wastewater management programme	76.2
Wastewater collection Programme for the rehabilitation of sewerage networks	57.2
Water & wastewater projects Rehabilitation of water distribution & sewerage network	26.4
Water distribution Rehabilitation of water distribution network	43.4

Funding structure (EURm, 31.12.2024)



Key investment highlights

- Essential service provider:** serving around 600,000 residents with critical water and wastewater services
- Strong infrastructure:** a comprehensive line network over 2,818 km, supported by modern facilities and upgrades
- Moody's A3 stable credit rating** reflects operational excellence and robust governance
- Stable revenue stream** underpinned by the supportive regulatory framework
- Strong financial foundation:** low leverage and a stable capital base provide resilience with equity ratio of 74% and leverage ratio of 2.0x
- Experienced and committed team:** 767 skilled employees, led by capable management, with an impressive average tenure of 12.8 years

Funding profile and the bond issue

- As part of its sustainable finance strategy and 2040 sustainability goals, Rīgas ūdens is launching a EUR 60m green bond programme under the EU Green Bond Standard, with the first EUR 20m tranche offered publicly and carrying a 5-year maturity.
- The bonds will be listed on the Nasdaq Riga Regulated Market.
- Proceeds will finance fully taxonomy-aligned projects, including sustainable wastewater management, water supply efficiency, renewable energy production, and energy efficiency upgrades.
- The green bond factsheet was externally reviewed by Sustainable Fitch, ensuring transparency and credibility.
- Rīgas ūdens maintains a well-diversified funding structure, combining equity, long-term loans from the European Investment Bank (EIB), OP Corporate Bank and Swedbank. As of 2024, 45% of loans had fixed interest rates.
- In parallel, Rīgas ūdens continues to successfully leverage EU Cohesion Fund support, attracting over EUR 100m in co-financing for infrastructure projects since 2004.

Daugavgrīva treatment plant



Source: Financial reports and information provided by the Management

This presentation (the Presentation) has been prepared by Signet Bank AS solely for use in connection with the contemplated offering of SIA Rīgas ūdens (the Issuer) bonds (the Notes) and may not be reproduced or redistributed in whole or in part to any third party.

This Presentation is for information purposes only. The Notes have their own particular terms and conditions that should be considered before making an investment decision. A prospective investor should not make an investment decision relying solely upon this Presentation. By attending a meeting where this Presentation is presented or by reading the Presentation you agree to be bound by the following terms, conditions, and limitations.

No liability

The information in this Presentation is based on the data provided by the Issuer and has not been independently verified and can be subject to updating, completion, revision, and further amendment. The Signet Bank AS undertakes no obligation to update this Presentation or to correct any inaccuracies that may become apparent. The facts, information, opinions and estimates contained in this Presentation have been obtained from sources believed to be reliable and in good faith, but no representation or warranty, expressed or implied, is made as to their accuracy, completeness, and reliability.

This Presentation contains forward-looking statements that are based on current expectations and assumptions of the Issuer and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by context, words such as “aims”, “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, “assumes”, “seeks”, and similar expressions are intended to identify such forward-looking statements. Opinions and any other contents in this Presentation are provided for personal use and for tentative reference only.

No advice

This Presentation shall not be treated as legal, financial or tax advice of any kind. The investors shall conduct their own investigation as to the potential legal risks and tax consequences related to the issue and investment into the Notes. Nothing in this Presentation shall be construed as giving of investment advice by the Signet Bank AS or any other person.

Each potential investor must determine the suitability of the investment in light of its own circumstances. In particular, you should have: (i) sufficient knowledge and experience, access to and knowledge of appropriate analytical tools to meaningfully evaluate and fully understand this investment opportunity alongside with its advantages and risks, as well as the impact of this investment on your overall investment portfolio; (ii) sufficient financial resources and liquidity to bear all of the risks associated with this investment. If you are in any doubt as to whether to invest in the Notes, you should consult a qualified independent adviser.

General restrictions and distribution

This Presentation does not constitute an offer to sell or a solicitation of an offer to purchase any securities in any jurisdiction in which such offer or solicitation is not authorized or any person to whom it is unlawful to make such offer or solicitation. Each violation of such restrictions may constitute violation of applicable securities laws of such countries. Investors are required to inform themselves of any such restrictions and return this Presentation to the Issuer should such restrictions exist. By accepting this Presentation, the recipient represents and warrants that it is a person to whom this presentation may be delivered or distributed without a violation of the laws of any relevant jurisdiction. This Presentation is not to be disclosed to any other person or used for any other purpose and any other person who receives this Presentation should not rely or act upon it.

Conflict of interest

Signet Bank AS may receive a fee from the Issuer. By presenting this material, Signet Bank AS has a conflict of interest situation. Information about the Markets in Financial Instruments Directive (MiFID) is available on the website: <https://www.signetbank.com/mifid/>.

The Issuer or its affiliates may, subject to applicable laws, purchase the Notes. It should be noted that under specific circumstances their interests may conflict with those of other noteholders.

Risk factors

When making an investment in bonds, investors undertake certain financial risks. The main risk factors that influence SIA Rīgas ūdens (the Issuer) are: macroeconomic risks, political risks, strategic planning and implementation risks, market risks, energy efficiency risks, risks related to extreme conditions, environmental pollution risks, technological process risks, information system and resource security risks, business process management risks, business continuity risks, risks of limitation of business operations by the Riga City Council, legislative risks, GDPR compliance risks, general compliance risks, litigation and dispute risks, credit rating risks, liquidity risks, bond-related risks, risks of forfeiting interest and principal, risks due to lack of guarantee or security, risks from absence of operational covenants, risks of unrestricted additional debt issuance, financial condition change risks, risks related to European Green Bonds, risks related to Environmentally Sustainable Bonds, and refinancing risks.

When investing funds in bonds, investors undertake the following risks related to debt securities: bond market price volatility risk, risk of no active market developing for the Bonds, exchange rate risk, legal and regulatory change risk, early redemption risk, lack of voting rights risk, bond amendment risk binding all bondholders, conflict of interest risks, and risks related to clearing and settlement in the Depository's book-entry system.

The risks indicated in this section may reduce SIA Rīgas ūdens ability to fulfil its obligations and cause its insolvency in the worst-case scenario. This section may not feature all the potential risks, which may affect SIA Rīgas ūdens.