



# Unaudited Condensed Interim Financial Statements

FOR THE 9-MONTH PERIOD ENDED 30 SEPTEMBER 2024

Prepared in accordance with the International Accounting Standard  
No. 34 "Interim Financial reporting" as adopted by the European Union

Riga 2024

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

# CONTENTS

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

### 3 INFORMATION ON THE COMPANY

- 6 Shareholders
- 7 Supervisory Council
- 8 Management Board

### 9 MANAGEMENT REPORT

- 9 Main activities
- 13 Key financial indicators
- 14 Other events and further development

### 16 STATEMENT OF THE MANAGEMENT BOARD'S RESPONSIBILITY

### 17 FINANCIAL STATEMENTS

- 17 Income statement
- 18 Statement of comprehensive income
- 19 Statement of financial position
- 21 Statement of changes in equity
- 23 Statement of cash flows

### 25 NOTES TO THE FINANCIAL STATEMENTS





# INFORMATION ON THE COMPANY

Company	AS "Conexus Baltic Grid"
Registration number	40203041605
LEI code	485100YDVP9E8GT6PJ90
Date and place of registration	2 January 2017, Riga
Address	Stigu Street 14, Riga, LV-1021, Latvia <a href="http://www.conexus.lv">www.conexus.lv</a>
Major shareholders	AS „Augstsprieguma tīkls” (68.46 %) MM Infrastructure Investments Europe Limited (29.06 %)
Financial statements period	1 January 2024 – 30 September 2024

AS "Conexus Baltic Grid" (hereinafter "the Company", "Conexus") is an independent operator of a unified natural gas transmission and storage system in Latvia, managing one of the most advanced natural gas storage facilities in Europe, i.e., Inčukalns UGS (hereinafter referred to as "the Inčukalns UGS" or "the storage facility") and the main natural gas transmission system connecting the Latvian natural gas market with Lithuania and Estonia.

The customers of Conexus – users of the natural gas transmission and storage system – come from several countries of the Baltic Sea region (Finland, Estonia, Latvia, Lithuania and Poland), as well as from other European countries (Norway, the Czech Republic and Switzerland). The system users are both private and state-owned, local and international companies, and represent different business sectors: natural gas wholesalers and retailers, energy producers, heating operators and production companies.

The natural gas transmission system and storage system services are regulated by the Public Utilities Commission (hereinafter "PUC", "the Regulator").

Conexus ensures the sustainability and safety of the infrastructure and highest quality of service, which promotes the development of the market and provides economic benefits to customers and society as a whole.

Conexus is a socially responsible company that creates added economic value, provides for the overall development of the industry, the professional development of employees, sustainable employment, at the same time keeping the impact of technological processes on the environment to the minimum.

WHO DO WE WANT TO BE?

## Vision

Sustainable gas transmission and storage operator in regionally integrated energy market.

WHY DO WE EXIST?

## Mission

To ensure reliable operation of gas transmission and storage through promotion of energy sector decarbonization and market development.

WHAT IS IMPORTANT TO US?

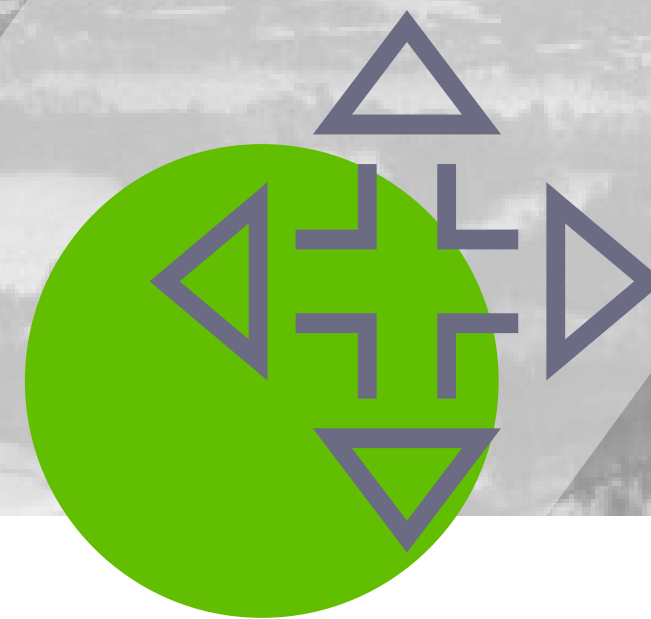
## Values

### Safety and security



It is important for us to have a secure and reliable gas transmission and storage.

### Competence



We value employees' competence, knowledge, professional experience, and orientation towards development.

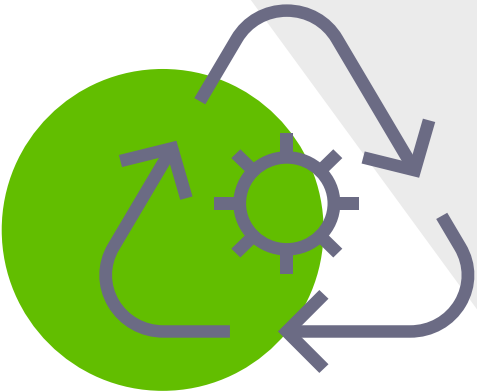
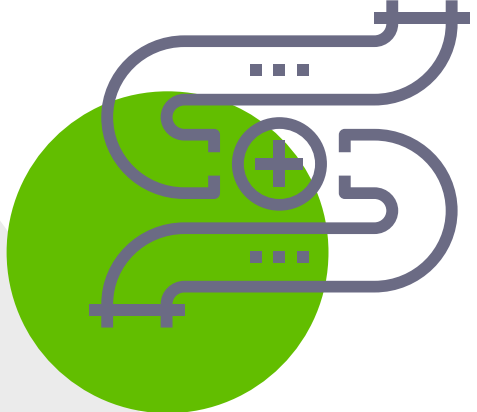

### Cooperation



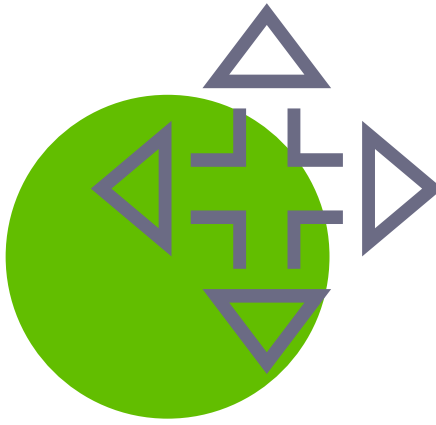


We support each other in decision making, we listen and search for common solutions both internally, and working with clients and current and potential partners.

# Goals of Conexus

Medium-term (2023-2027) key goals of Conexus are related to three areas: **market development, infrastructure safety and security of supply and sustainability**. The strategic goals of Conexus are set in accordance with Conexus' values, vision and mission.

<p><b>MARKET DEVELOPMENT</b></p> 	<p>Promote development and further integration of gas market, including promotion for growth of hydrogen and other gaseous energy carriers' markets</p>	<ul style="list-style-type: none"> <li>• Facilitate integration of the regional market</li> <li>• Promote cooperation with other regional transmission system operators (TSOs), to develop a unified position for the integration of biogas and hydrogen into the transmission networks, by supporting biomethane injection into the transmission system</li> <li>• Further development of Inčukalns UGS services by securing higher flexibility, including compression withdrawal option</li> </ul>
<p><b>INFRASTRUCTURE SAFETY AND SECURITY OF SUPPLY</b></p> 	<p>Ensure available and secure gas transmission and storage infrastructure, at the same time researching and promoting adaptation options for injection of other gaseous energy carriers</p>	<ul style="list-style-type: none"> <li>• Implement projects of common interest</li> <li>• Carry out research and development projects to identify technical options and necessary investments for repurposing of existing infrastructure for the blending or pure hydrogen usage, including by building a dedicated hydrogen infrastructure</li> <li>• Asset management based on future challenges</li> </ul>
<p><b>SUSTAINABILITY</b></p> 	<p>Focus on climate and environmental sustainability aspects</p>	<p>When focusing on sustainability, Conexus shall target its attention to environmental aspects:</p> <ul style="list-style-type: none"> <li>• <b>E</b> – regional market integration that promotes renewable gas development, secure transmission and storage infrastructure, while focusing on NOx and GHG (greenhouse gas) emission reduction</li> <li>• <b>S</b> – safety-oriented culture, professional and development-oriented team</li> <li>• <b>G</b> – compliance with the Corporate Governance Code</li> </ul>

Alongside strategic targets, Conexus has defined horizontal targets closely related to and enhancing the achievement of all planned medium-term activities.

	<p><b>Focus on organizational development and efficiency</b></p>	<p>Conexus will facilitate funding opportunities, as well as enhance operational efficiency.</p>
	<p><b>Digitalisation and cybersecurity</b></p>	<p>Conexus will continue digitalization projects focusing on operational technology, physical security, fire safety and cybersecurity.</p>
	<p><b>Professional and development-oriented team</b></p>	<p>Conexus' value is a professional team, therefore the Company will develop a program which will provide opportunity for employees to develop skills by creating individual development plans. Learning new skills will be promoted to adapt to renewable gas technologies, as well as transfer of skills and knowledge from experienced employees to new ones. To facilitate professional development of the team, Conexus will create a competitive and flexible remuneration system.</p>

# Shareholders

The main Company's management body is the Shareholders' meeting, which elects the Supervisory Council of Conexus.

Conexus is a closed joint-stock company with 100 % dematerialised shares. The total number of shares is 39 786 089, their nominal value is EUR 1, one share grants its holder one vote at the General Meeting of Shareholders. The total number of shareholders exceeds 4.8 thousand. 97.52 % of the total number of shares is owned by the two largest shareholders – AS Augstsprieguma tīkls (68.46 %) and MM Infrastructure Investments Europe Limited (29.06 %).

Company's shareholders register is maintained electronically, which is ensured by Nasdaq CSD SE in accordance with the concluded agreement.

## Shareholders as of 30 September 2024:

AS „AUGSTSPRIEGUMA TĪKLS”

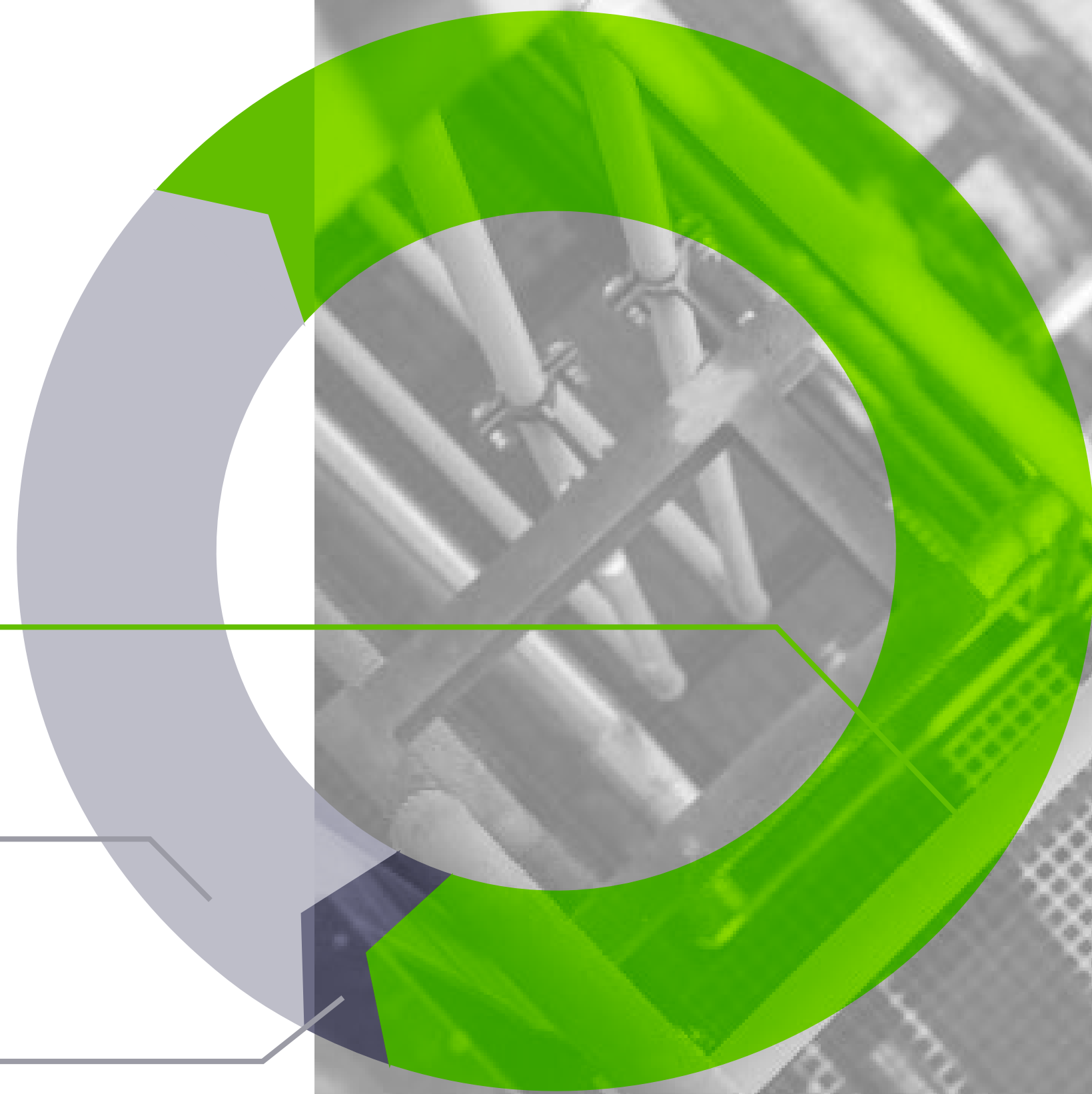
68.46 %

MM INFRASTRUCTURE  
INVESTMENTS EUROPE LIMITED

29.06 %

OTHER SHAREHOLDERS

2.48 %



# Supervisory Council

Term of office from 27 April 2023 until 26 April 2026



(From  
3 January  
2018)

**ILMĀRS ŠŅUCINS**

Chairman of the  
Supervisory Council



(From  
30 April  
2020)

**TOMOHide GOTO**

Vice-Chairman of the  
Supervisory Council



(From  
28 April  
2022)

**IVARS MOISEJS**

Member of the  
Supervisory Council



(From  
12 May  
2021)

**VIKTORS SENTUHOVSKIS**

Member of the  
Supervisory Council



(From  
30 April  
2020)

**ZANE ĀBOLIŅA**

Member of the  
Supervisory Council



(From  
27 April  
2023)

**MASANOBU FURUYA**

Member of the  
Supervisory Council



(From  
30 April  
2020)

**NORMUNDS ŠUKSTS**

Member of the  
Supervisory Council

# Management Board



**ULDIS  
BARISS**

CHAIRMAN OF THE MANAGEMENT BOARD

Term of office: 16.11.2023 – 15.11.2028.



**RINALDS  
DIMIŅŠ**

MEMBER OF THE MANAGEMENT BOARD

Term of office: 01.01.2024 – 31.12.2028.



**MĀRTIŅŠ  
GODE**

MEMBER OF THE MANAGEMENT BOARD

Term of office: 01.01.2024 – 31.12.2028.



# MANAGEMENT REPORT

## Main activities

### Results of the storage capacity auctions

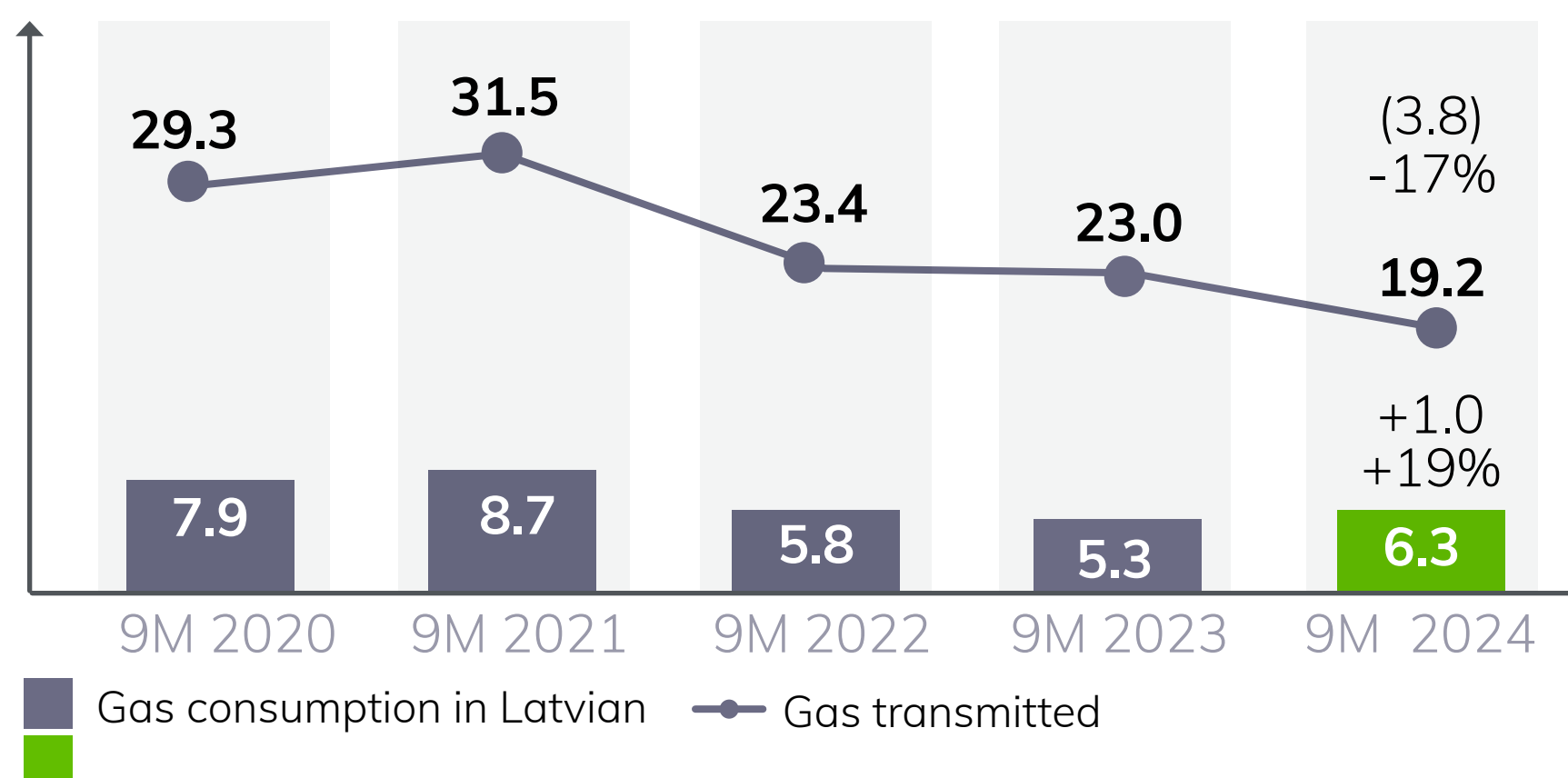
During the reporting period, several auctions of Inčukalns UGS capacity were held, in which system users were granted a total capacity of 12.2 TWh - 8.2 TWh of the one-year bundled capacity product for 2024/2025 storage cycle and 4 TWh of the two-year bundled capacity product for the 2024/2026 storage cycle. The storage capacity offered in the auctions was fully booked. Total requested amount of the storage capacity exceeded the available capacity almost 3 times.

The effective rate of the premiums applicable to the 2024/2025 storage cycle is 1.11 EUR/MWh (the total premium earned in auctions conducted in 2023 and 2024 applicable to 2024/2025 storage cycle against the booked capacity of 23 TWh). Storage cycle capacity auctions were completed with the auction held on 6 June 2024, in which the last available storage capacity was auctioned.

### Natural gas supply

During the first nine months of 2024, Conexus ensured uninterrupted supply of natural gas to users in Latvia, Lithuania, Estonia and Finland (the underwater gas pipeline connecting Finland and Estonia (the "Balticconnector") was shut down from 8 October 2023. Its operation

Transmitted natural gas, TWh



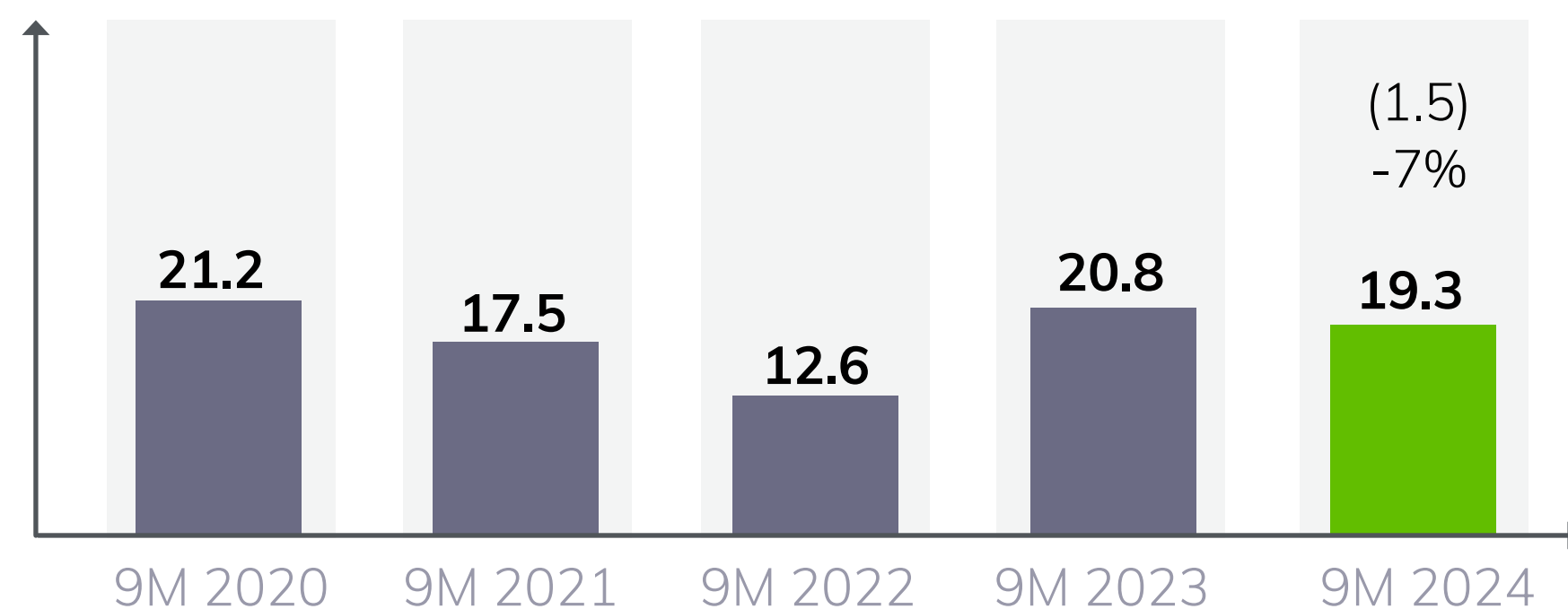
was restored on 22 April 2024). Deliveries of natural gas were made from Inčukalns UGS in amount of 7.1 TWh, which is 2.1 times more than in the previous year's nine months, the volume of natural gas transmitted from Finland reached 5.6 TWh, which is 1.4 times more than in the previous year's nine months, while the volume of natural gas transmitted from Lithuania reached 6.5 TWh, which is 2.3 times less than in the previous year's nine months. During the reporting period, 8.6 TWh of natural gas was injected into storage, which is 33 % less than during the same period last year. The total volume of gas transmitted in Latvia during the reporting period reached 19.2 TWh, which is 17 % less than in the previous year's respective period.

Natural gas supply for consumption in Latvia during the first nine months of 2024 reached 6.3 TWh, which is 19 % more than in the prior year's respective period. The increase in natural gas consumption was impacted by both climate conditions, which were more severe this winter than in 2023 and in turn led users to consume more natural gas for heating purposes, as well as a gradual decrease in the price of natural gas, which encouraged users to increase their consumption of natural gas. The increase in natural gas consumption was also impacted by the increase in electricity generation in the country's largest thermal power plants<sup>1</sup>. Natural gas from the Russian Federation has not been supplied for consumption in Latvia<sup>2</sup>.

## Amount of natural gas stored in Inčukalns UGS

At the end of the reporting period, 19.3 TWh of natural gas is stored in Inčukalns UGS (including energy supply security reserves of 1.8 TWh), which is 7 % less than during the same time a year ago. On

**Inčukalns UGS filling at the end of reporting period, TWh**



15 October 2024, at the beginning of natural gas withdrawal season, 19.5 TWh of natural gas was stored in the Inčukalns underground gas storage, which accounts for almost 80 % of the total storage capacity.

During the natural gas injection season, 52.8 % of the total gas volume entering the Latvian and Estonian gas network was supplied from Finland, 46.9 % - from Lithuania, and 0.3 % - biomethane produced in Latvia. Biomethane production and injection into the network started in 2024 and 0.04 TWh of biomethane was produced in this season.

## Financial results

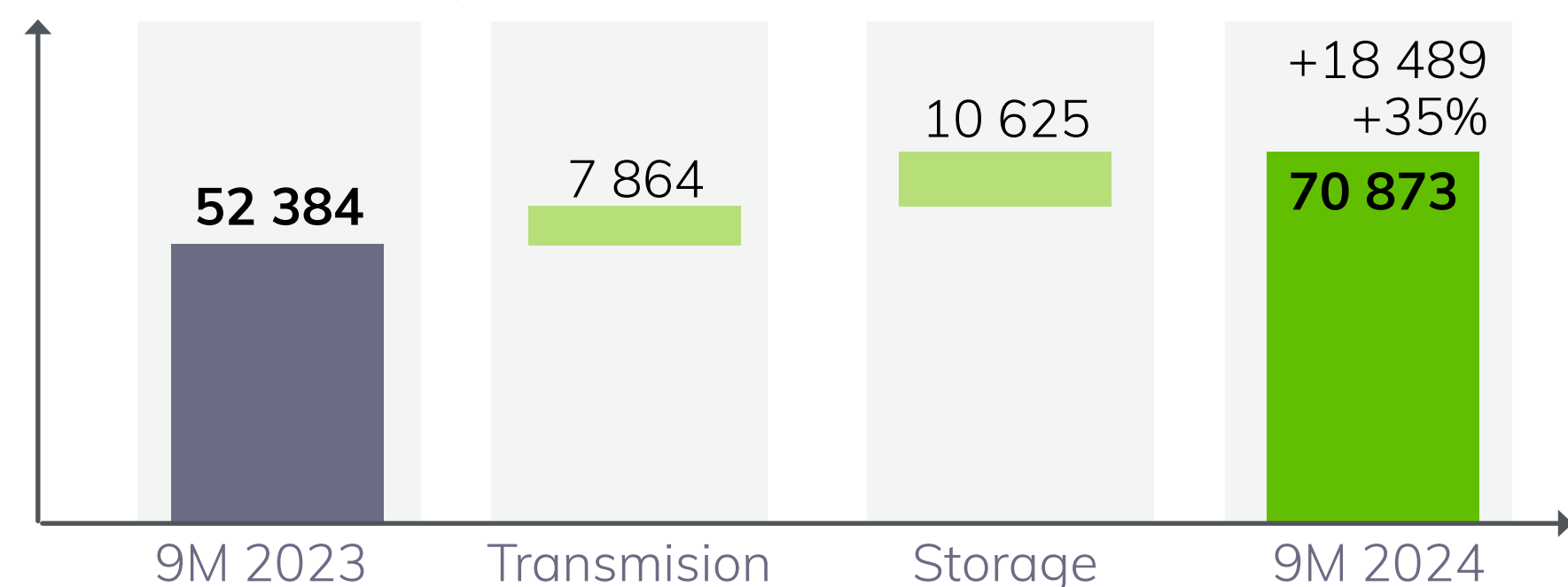
The revenue in the reporting period was 35 % higher than in the previous year's respective period reaching EUR 70 873 thousand. Reflecting the increase in revenue, EBITDA indicator increased by 1.5 times in comparison to the respective period of 2023 reaching EUR 51 645 thousand. The revenue and EBITDA were positively impacted by revenue increase from both transmission and storage services. During the reporting period, Conexus' net profit was EUR 33 564 thousand, which increased by 7.1 times compared to the respective period of the previous year. The increase in profit reflects the growth in the EBITDA indicator for the reporting period and the impairment of storage system service assets carried out at the end of September 2023, which is reflected in depreciation costs amounting to EUR 11 489 thousand.

Since 1 December 2023, when the regulatory period for the natural gas transmission system service began, the charge for the use of the exit point for supplying gas users in Latvia has been higher than in the previous regulatory period. The increase relates both to the fact the revenues generated in the prior regulatory period did not cover all the costs of the service and natural gas consumption in Latvia decreases.

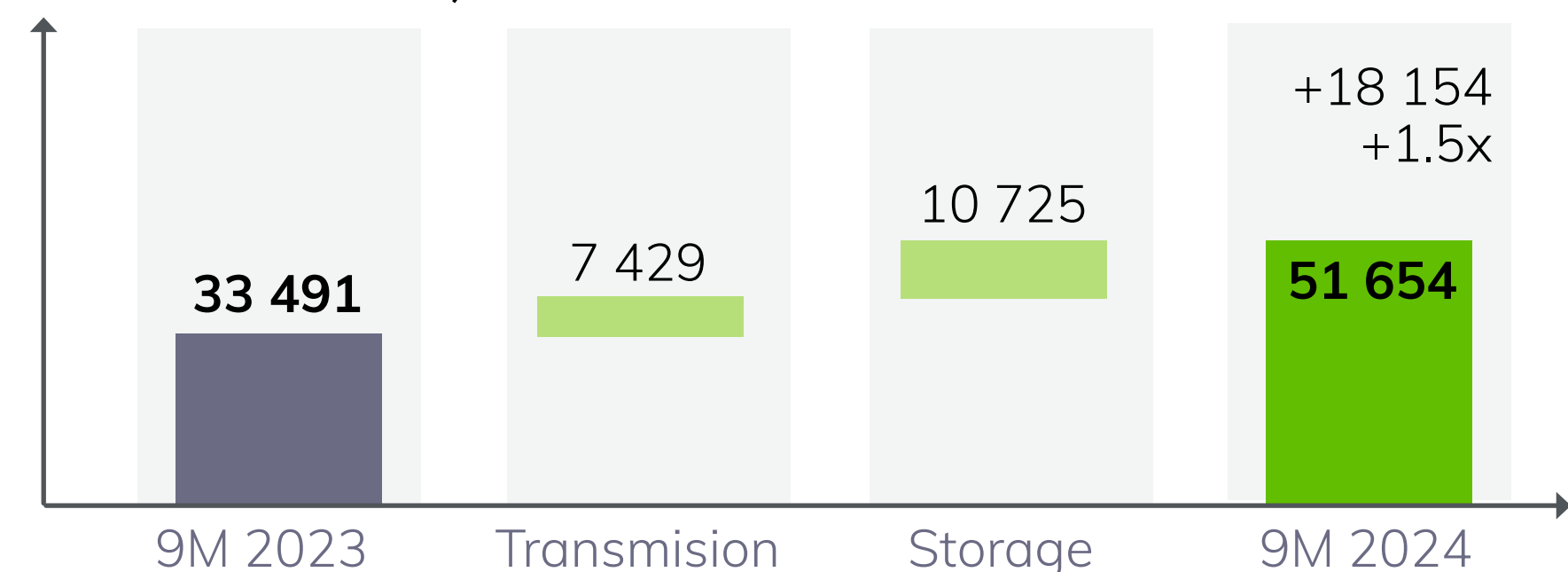
<sup>1</sup> <https://ast.lv/en/electricity-market-review>

<sup>2</sup> Energy law, Article 106.

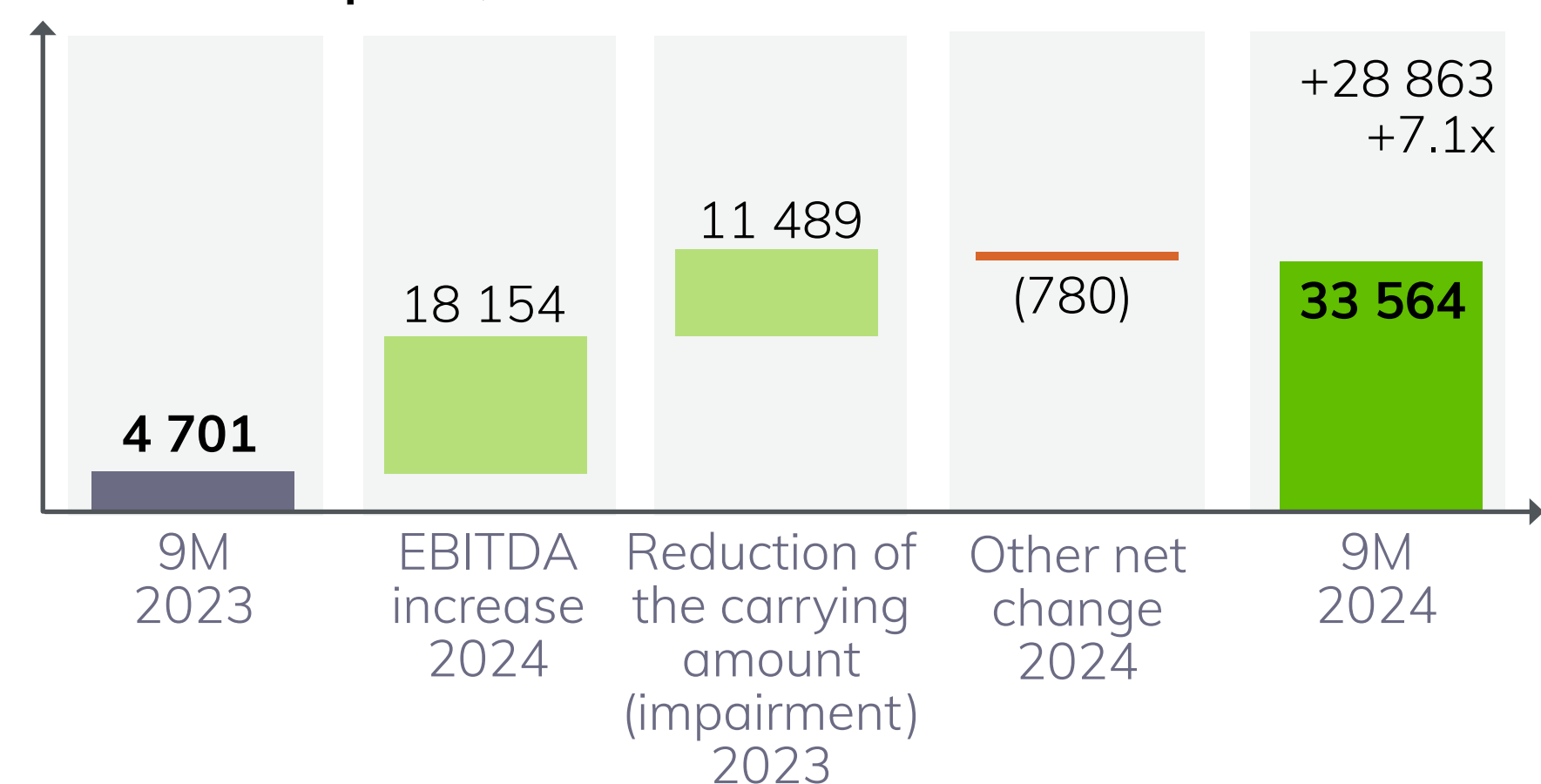
### Conexus revenue, '000 EUR



### Conexus EBITDA, '000 EUR



### Conexus net profit, '000 EUR



The storage cycle for the natural gas storage service lasted from 1 May 2023 to 30 April 2024. The service tariffs for main products were reduced by 14 % at the beginning of the storage cycle. For the storage cycle commenced on 1 May 2024, the service tariffs for main products remained unchanged. The results of storage capacity auctions conducted in 2023 and 2024 generated significantly higher revenues from applicable premiums in both storage cycles. In its Decision No. 162 of 28 December 2023, Public Utilities Commission decided to allocate 50 % of the regulatory account balance to finance assets of the storage system service that were in the current regulatory period. As a result of this decision, the value of assets created by investments in the storage system service will not be included in RAB value and will not provide a return, thus the regulatory carrying amount of Conexus' storage system service assets will be reduced by EUR 21 656 thousand. The regulatory carrying amount of the storage system service assets has been reduced by EUR 13 664 thousand in 2023, whereas in 2024 it is expected to be reduced by the remaining EUR 7 992 thousand.

MAIN FINANCIAL INDICATORS	9M 2024 or 30.09.2024	9M 2023 or 30.09.2023	+/-	%/x
	EUR'000	EUR'000		
<b>Revenue</b>	<b>70 873</b>	<b>52 384</b>	<b>18 489</b>	<b>35 %</b>
EBITDA	51 645	33 491	18 154	1.5 x
<b>Net profit</b>	<b>33 564</b>	<b>4 701</b>	<b>28 863</b>	<b>7.1 x</b>
Total assets	498 711	446 846	51 865	12 %
Investments	39 026	27 045	11 981	44 %

## Financing and liquidity

The financial assets held by Conexus are sufficient to meet its financing needs. At the end of the reporting period, the total amount of borrowings is EUR 69 336 thousand; overdrafts have not been used. The amount of overdrafts available at the end of the reporting period reaches EUR 65 000 thousand, which provides significant liquidity reserve. The duration of agreements for the overdraft facilities is less than 1 year. At the end of the reporting period, Conexus holds committed loans amounting to EUR 45 000 thousand.

Weighted average interest rate of borrowings at the end of the reporting period is 3.06 % (31.12.2023: 3.30 %). At the end of the reporting period, 38 % of the received and unpaid borrowings have a fixed interest rate (31.12.2023: 35 %).

All financial covenants set in loan agreements have been complied with during the reporting period.

<b>FINANCIAL COVENANTS</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
Shareholders' equity ratio (>50%)	70 %	70 %
Net debt to EBITDA ratio (<5)	0.7	1.3
Debt-Service Coverage Ratio (DSCR) (>1.2)	4.3	3.3

## Legal events

On 28 September 2020, Conexus filed an application to the Administrative District Court regarding annulment of the PUC Council's decision No. 109 dated 20 August 2020 "Regarding the Capital Return Rate for the Calculation of the Draft Tariff for Natural Gas Transmission System, Natural Gas Distribution System, and Natural Gas Storage Services". By decision of 3 January 2024, the Court decided to refer to the Court of Justice of the European Union concerning the interpretation of the provisions of European Union law applicable to the case. Pending the opinion of the Court of Justice of the European Union, the proceedings in the present case have been suspended.

# Key financial indicators

		9M 2020 or 30.09.2020	9M 2021 or 30.09.2021	9M 2022 or 30.09.2022	9M 2023 or 30.09.2023	9M 2024 or 30.09.2024	Δ	Δ %/x	
Operating indicators	Transmitted natural gas	TWh	29.3	31.5	23.4	23.0	19.2	(3.8)	-17 %
	Volume of natural gas consumed in Latvia*	TWh	7.9	8.7	5.8	5.3	6.3	1.0	19 %
	Inčukalns UGS filling at the end of reporting period**	TWh	21.2	17.5	12.6	20.8	19.3	(1.5)	-7 %
	Volume of natural gas withdrawn from Inčukalns UGS	TWh	7.2	12.4	7.4	3.4	7.1	3.7	2.1 x
Financial indicators	Revenue***	`000 EUR	40 451	41 313	39 322	52 384	70 873	18 489	35 %
	EBITDA	`000 EUR	22 584	25 239	23 033	33 491	51 645	18 154	1.5 x
	Net profit	`000 EUR	9 897	9 541	6 861	4 701	33 564	28 863	7.1 x
	Total assets	`000 EUR	445 918	444 639	449 810	446 846	498 711	51 865	12 %
	Investments	`000 EUR	10 391	18 993	12 552	27 045	39 026	11 981	44 %
	Depreciation and amortisation	`000 EUR	12 557	13 244	13 472	25 053	13 576	(11 477)	-46 %
Financial coefficients	EBITDA profitability	%	56 %	61 %	59 %	64 %	73 %	9 ppt	
	Net profit margin	%	24 %	23 %	17 %	9 %	47 %	38 ppt	
	Return on Equity ratio (ROE)	%	2.7 %	2.5 %	2.1 %	1.4 %	9.7 %	8.3 ppt	
	Shareholders' equity ratio****	%	90 %	74 %	73 %	73 %	70 %	(3 ppt)	
	Net debt to EBITDA ratio (Net debt / EBITDA)*****	coef.	0.7	3.0	2.9	2.0	0.7	(1.3)	-65 %
	Debt-service Coverage Ratio (DSCR)*****	coef.	8.9	4.9	2.6	2.9	4.3	1.4	48 %
Average number of employees	number	329	336	310	363	359	(4)	-1 %	

\* Volume of natural gas injected into the distribution system

\*\* Including energy supply security reserve

\*\*\* Comparative figures (2020-2022) reclassified to be comparable with 2023 and 2024 figures

Financial covenants:

\*\*\*\* Shareholders' equity ratio > 50%

\*\*\*\*\* Net debt to EBITDA ratio < 5

\*\*\*\*\* Debt-Service Coverage Ratio (DSCR) > 1.2

# Other events and further development

◆ Participating in the international project for the development of the Nordic-Baltic Hydrogen Corridor, European gas transmission system operators Conexus, Gasgrid Finland (Finland), Elering (Estonia), Amber Grid (Lithuania), GAZ-SYSTEM (Poland) and ONTRAS (Germany) completed feasibility study during the reporting period. The study covered technical, legal, organizational, and economic aspects necessary for the implementation of the project, which in turn will be crucial for achieving the European Union's decarbonization goals. Given the region's significant potential for the production of green and low-carbon hydrogen, the export potential to Central Europe could reach approximately 27 million tons by 2040. The project is an important component in Europe's transition to a sustainable and decarbonized energy system.

◆ Active work continues on the Inčukalns UGS modernisation project where the technical infrastructure and equipment safety is to be significantly improved by 2025 to maintain the functionality of Inčukalns UGS after increase of pressure within the national transmission network. In 2024, an investment of EUR 33.5 million is planned for the improvement of the storage infrastructure, including the first phase of construction of gas collection point No. 3, restoration of 6 wells, and installation of a new gas compression unit. The total project investment amounts to EUR 99.5 million, of which EUR 44 million is covered by funding from the Connecting Europe Facility (CEF).

◆ In March and July 2024, direct connections to natural gas distribution system were launched through which biomethane produced at the biomethane plants is injected into the interconnected gas system.

These are the first connections of such kind in Latvia.

◆ In order to promote biomethane production in Latvia, Conexus is developing a solution that will enable biomethane to be injected into the natural gas transmission system for producers whose existing or planned biomethane production plants are relatively far from the current natural gas transmission infrastructure. Conexus has signed a contract for the purchase of equipment for a biomethane injection point (BIP) in Džūkste parish and is currently working on the design of the gas connection node, which will be followed by its production and construction, as well as the development of the BIP management and data exchange solution. Compressed biomethane will be transported by container from production sites to the BIP, where it will be injected into the natural gas transmission system. Development plan of the natural gas transmission system for 2024-2033 includes construction of four such BIPs, thus expanding the natural gas transmission system across other parts of Latvia.

◆ Conexus has decided to no longer determine the credit rating that is assigned by the international credit rating agency S&P Global Ratings (S&P) based on the company's ability to continue its development without additional external loans. With this decision, Conexus' "BBB+" long-term credit rating has been withdrawn. By withdrawing the credit rating, Conexus is demonstrating its confidence in the stability of the company. Conexus has high liquidity, which reduces the need to borrow from the financial capital markets. At the same time, the decision not to determine the credit rating allows Conexus to reduce expenses and focus resources on the most important development and growth objectives. Due to the cash build up from storage service revenues from 2021 onwards, Conexus has sufficient resources to support the company's growth and amortise its debt, thus eliminating the need to issue bonds.

🌱 On 1 October 2024, amendments to the Energy Law entered into force. These amendments determine the obligation of Conexus to provide a share of Inčukalns UGS capacity up to 4 TWh for the gas supply security needs of Finland, Estonia, and Lithuania. Additionally, the amendments specify that, (1) starting from 1 May 2026, Regulator will no longer set tariffs for natural gas storage service, and (2) at the end of the regulatory period on 30 April 2026 the remaining balance of the regulatory account will be included in Conexus reserves aiming to fund the storage assets.

🌱 On 30 October 2024, amendments to the regulations of the use of Inčukalns UGS facility came into effect, which stipulate that (1) the two-year bundled capacity product will no longer be offered, (2) a five-year bundled capacity product will be introduced, (3) a fee will be implemented for storing gas reserves without a capacity product, and (4) the costs of CO<sub>2</sub> quotas related to fuel gas will be covered by the system user.

## ABBREVIATIONS AND FORMULAS

MWh	megawatt-hours
TWh	terawatt-hours
EUR/MWh/d/g	euro for megawatt-hour per day / per year
EBITDA	earnings before interest, taxation, depreciation & amortisation
Net debt	loans including overdrafts minus cash and cash equivalents
EBITDA profitability	EBITDA / income
Net profit margin	net profit / income
Return on equity ratio (ROE)	net profit / equity average value (over the reporting period)
Shareholders' equity	equity / total assets
Net debt to EBITDA ratio	net debt / EBITDA (over 12 months period)
Debt-Service Coverage Ratio (DSCR)	EBITDA (over 12 months period) / debt payments

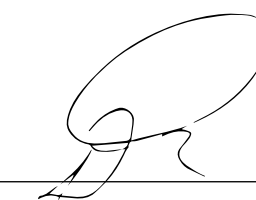
# STATEMENT OF THE MANAGEMENT BOARD'S RESPONSIBILITY

The Management Board of Conexus is responsible for preparing the financial statements.

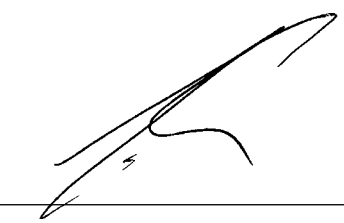
The unaudited condensed interim financial statements for the 9 months period ending 30 September 2024 have been prepared in accordance with the International Accounting Standard (IAS) No. 34 "Interim Financial reporting" as adopted by the European Union, and in all material aspects present a true and fair view of the assets, liabilities, financial position, profit and loss and respective cash flows of AS "Conexus Baltic Grid". Information provided in the Management Report is accurate.



**ULDIS BARISS**  
Chairman of the  
Management Board



**RINALDS DIMIŅŠ**  
Member of the  
Management Board



**MĀRTIŅŠ GODE**  
Member of the  
Management Board

\* THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME-STAMP



# FINANCIAL STATEMENTS

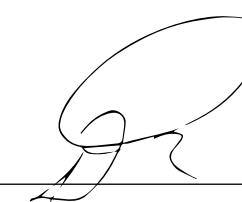
## INCOME STATEMENT

	Note	01.07.2024- 30.09.2024	01.07.2023- 30.09.2023	01.01.2024- 30.09.2024	01.01.2023- 30.09.2023
		EUR	EUR	EUR	EUR
Revenue	5	20 794 809	19 986 392	70 873 301	52 383 631
Other income	6	357 674	218 612	938 865	694 663
Maintenance and operating costs	7	(2 126 315)	(1 969 285)	(6 048 484)	(5 546 050)
Personnel expenses	8	(4 311 208)	(4 106 998)	(12 414 570)	(11 842 055)
Other operating costs	9	(636 663)	(853 969)	(1 703 949)	(2 199 568)
Depreciation, amortisation, and PPE impairment	11, 12	(4 560 443)	(16 026 779)	(13 575 690)	(25 052 635)
<b>Operating profit</b>		<b>9 517 854</b>	<b>(2 752 027)</b>	<b>38 069 473</b>	<b>8 437 986</b>
Financial costs, net	10	(485 527)	(619 963)	(1 521 712)	(1 648 309)
<b>Profit before tax</b>		<b>9 032 327</b>	<b>(3 371 990)</b>	<b>36 547 761</b>	<b>6 789 677</b>
Corporate income tax		-	-	(2 983 957)	(2 088 770)
<b>Profit for the period</b>		<b>9 032 327</b>	<b>(3 371 990)</b>	<b>33 563 804</b>	<b>4 700 907</b>

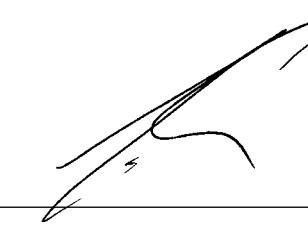
Notes on pages 25 to 38 form an integral part of these financial statements.



**ULDIS BARISS**  
Chairman of the  
Management Board



**RINALDS DIMIŅŠ**  
Member of the  
Management Board



**MĀRTIŅŠ GODE**  
Member of the  
Management Board

\* THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME-STAMP


## STATEMENT OF COMPREHENSIVE INCOME

	01.07.2024- 30.09.2024	01.07.2023- 30.09.2023	01.01.2024- 30.09.2024	01.01.2023- 30.09.2023
	EUR	EUR	EUR	EUR
<b>Profit for the period</b>	9 032 327	(3 371 990)	33 563 804	4 700 907
<b>Other comprehensive income / (loss)</b>				
PPE revaluation	-	-	-	-
Revaluations of post - employment benefits as a result of changes in actuarial assumptions	-	-	-	-
<b>Total other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods</b>	-	-	-	-
<b>Total comprehensive income</b>	<b>9 032 327</b>	<b>(3 371 990)</b>	<b>33 563 804</b>	<b>4 700 907</b>

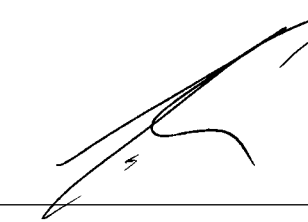
Notes on pages 25 to 38 form an integral part of these financial statements.



**ULDIS BARISS**  
Chairman of the  
Management Board



**RINALDS DIMIŅŠ**  
Member of the  
Management Board



**MĀRTIŅŠ GODE**  
Member of the  
Management Board

\* THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME-STAMP

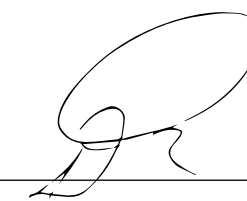
## STATEMENT OF FINANCIAL POSITION

	Note	30.09.2024	30.09.2023	31.12.2023
ASSETS		EUR	EUR	EUR
<b>Long-term investments</b>				
Intangible assets	11	18 377 737	1 839 323	17 990 579
Advances for intangible assets		83 953	-	40 700
Property, plant and equipment	12	443 297 681	424 648 565	418 229 727
Advances for property, plant and equipment		458 772	2 662 082	2 483 546
Long-term deferred expenses	13	-	932 275	-
Right-of-use assets		438 500	451 644	448 358
<b>Total long-term investments</b>		<b>462 656 643</b>	<b>430 533 889</b>	<b>439 192 910</b>
<b>Current assets</b>				
Inventories		6 259 434	4 543 700	4 677 609
Receivables from contracts with customers		9 220 959	8 083 853	11 555 119
Other receivables		705 346	1 689 501	265 160
Deferred expenses		687 793	862 956	640 226
Cash and cash equivalents		19 180 779	1 131 689	12 953 450
<b>Total current assets</b>		<b>36 054 311</b>	<b>16 311 699</b>	<b>30 091 564</b>
<b>TOTAL ASSETS</b>		<b>498 710 954</b>	<b>446 845 588</b>	<b>469 284 474</b>

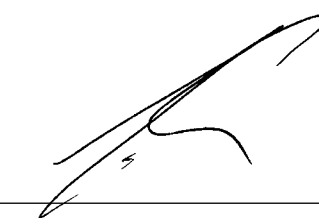
Notes on pages 25 to 38 form an integral part of these financial statements.



**ULDIS BARISS**  
Chairman of the  
Management Board



**RINALDS DIMIŅŠ**  
Member of the  
Management Board



**MĀRTIŅŠ GODE**  
Member of the  
Management Board

\* THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME-STAMP

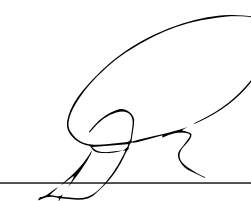
## STATEMENT OF FINANCIAL POSITION (continued)

	Note	30.09.2024	30.09.2023	31.12.2023
<b>EQUITY AND LIABILITIES</b>		<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>Equity</b>				
Share capital		39 786 089	39 786 089	39 786 089
Own shares		(22 281)	(23 352)	(23 352)
Reserves		183 678 573	198 127 243	188 650 930
Retained earnings		127 103 375	87 284 010	100 503 041
<b>Total equity</b>		<b>350 545 756</b>	<b>325 173 990</b>	<b>328 916 708</b>
<b>Non-current liabilities</b>				
Borrowings from credit institutions	14	48 026 882	59 309 848	65 568 897
Deferred income		41 520 502	25 470 604	26 070 874
Employee benefit obligations		1 331 477	1 351 768	1 331 477
Non-current lease liabilities		441 233	447 856	450 798
<b>Total non-current liabilities</b>		<b>91 320 094</b>	<b>86 580 076</b>	<b>93 422 046</b>
<b>Current liabilities</b>				
Borrowings from credit institutions	14	21 308 703	12 944 826	13 974 779
Trade payables		6 358 610	7 211 945	5 781 591
Other liabilities		2 390 360	2 176 222	2 373 934
Accrued liabilities		17 873 316	4 125 819	17 696 397
Deferred income from contracts with customers		3 974	7 830	4 475
Deferred income, other		1 004 798	974 784	974 483
Advances from customers		7 878 139	7 622 892	6 112 857
Current lease liabilities		27 204	27 204	27 204
<b>Total current liabilities</b>		<b>56 845 104</b>	<b>35 091 522</b>	<b>46 945 720</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>498 710 954</b>	<b>446 845 588</b>	<b>469 284 474</b>

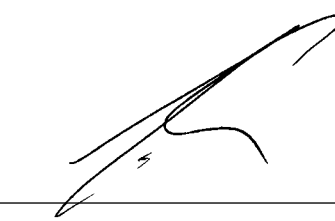
Notes on pages 25 to 38 form an integral part of these financial statements.



**ULDIS BARISS**  
Chairman of the  
Management Board



**RINALDS DIMIŅŠ**  
Member of the  
Management Board



**MĀRTIŅŠ GODE**  
Member of the  
Management Board

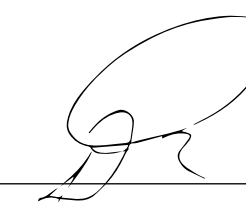
## STATEMENT OF CHANGES IN EQUITY

Note	Share capital	Retained earnings	Own shares	Reorganisation reserve	PPE revaluation reserve	Revaluation reserve for post-employment benefits	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Opening balance at 01.01.2023</b>	<b>39 786 089</b>	<b>85 638 003</b>	<b>(24 270)</b>	<b>24 647 260</b>	<b>183 254 683</b>	<b>58 899</b>	<b>333 360 664</b>
Profit for the period 01.01.2023-30.09.2023	-	4 700 907	-	-	-	-	4 700 907
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>4 700 907</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 700 907</b>
Dividends	-	(8 355 078)	918	-	-	-	(8 354 160)
Decrease in PPE revaluation reserve	-	5 300 178	-	-	(9 833 599)	-	(4 533 421)
<b>Total transactions with shareholders and other changes in equity</b>	<b>-</b>	<b>(3 054 900)</b>	<b>918</b>	<b>-</b>	<b>(9 833 599)</b>	<b>-</b>	<b>(12 887 581)</b>
<b>At 30 September 2023</b>	<b>39 786 089</b>	<b>87 284 010</b>	<b>(23 352)</b>	<b>24 647 260</b>	<b>173 421 084</b>	<b>58 899</b>	<b>325 173 990</b>
Profit for the period 01.10.2023-31.12.2023	-	11 470 858	-	-	-	-	11 470 858
Other comprehensive income for the reporting period	-	-	-	-	(12 291 041)	29 480	(12 261 561)
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>11 470 858</b>	<b>-</b>	<b>-</b>	<b>(12 291 041)</b>	<b>29 480</b>	<b>(790 703)</b>
Decrease in PPE revaluation reserve	-	1 748 173	-	-	2 785 248	-	4 533 421
<b>Total transactions with shareholders and other changes in equity</b>	<b>-</b>	<b>1 748 173</b>	<b>-</b>	<b>-</b>	<b>2 785 248</b>	<b>-</b>	<b>4 533 421</b>
<b>At 31 December 2023</b>	<b>39 786 089</b>	<b>100 503 041</b>	<b>(23 352)</b>	<b>24 647 260</b>	<b>163 915 291</b>	<b>88 379</b>	<b>328 916 708</b>

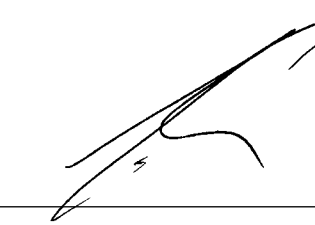
Notes on pages 25 to 38 form an integral part of these financial statements.



**ULDIS BARISS**  
Chairman of the  
Management Board



**RINALDS DIMIŅŠ**  
Member of the  
Management Board



**MĀRTIŅŠ GODE**  
Member of the  
Management Board

\* THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME-STAMP

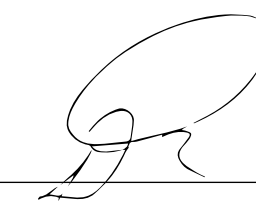
## STATEMENT OF CHANGES IN EQUITY (continued)

	Note	Share capital	Retained earnings	Own shares	Reorganisation reserve	PPE revaluation reserve	Revaluation reserve for post-employment benefits	Total
		EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Opening balance at 01.01.2024</b>		39 786 089	100 503 041	(23 352)	24 647 260	163 915 291	88 379	328 916 708
Profit for the reporting period		-	33 563 804	-	-	-	-	33 563 804
<b>Total comprehensive income for the reporting period</b>		-	33 563 804	-	-	-	-	33 563 804
Dividends		-	(11 935 827)	1 071	-	-	-	(11 934 756)
Decrease in PPE revaluation reserve		-	4 972 357	-	-	(4 972 357)	-	-
<b>Total transactions with shareholders and other changes in equity</b>		-	(6 963 470)	1 071	-	(4 972 357)	-	(11 934 756)
<b>At 30 September 2024</b>		39 786 089	127 103 375	(22 281)	24 647 260	158 942 934	88 379	350 545 756

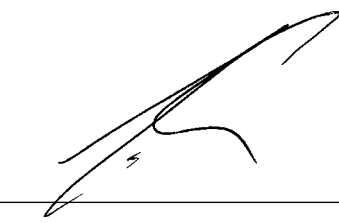
Notes on pages 25 to 38 form an integral part of these financial statements.



**ULDIS BARISS**  
Chairman of the  
Management Board



**RINALDS DIMIŅŠ**  
Member of the  
Management Board



**MĀRTIŅŠ GODE**  
Member of the  
Management Board

\* THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME-STAMP

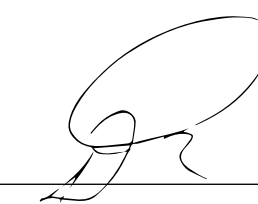
## STATEMENT OF CASH FLOWS

	Note	01.07.2024- 30.09.2024	01.07.2023- 30.09.2023	01.01.2024- 30.09.2024	01.01.2023- 30.09.2023
<b>Cash flow from operating activity</b>		EUR	EUR	EUR	EUR
<b>Profit before corporate income tax</b>		9 032 327	(3 371 990)	36 547 761	6 789 677
Adjustments:					
- depreciation and impairment of property, plant and equipment	12	4 362 817	15 838 117	12 961 525	24 479 808
- depreciation of the right-of-use assets		3 286	3 286	9 858	9 858
- amortisation of intangible assets	11	194 340	185 376	604 307	562 968
- loss on disposal of PPEs		(25 912)	150 615	(24 673)	150 888
- changes in provisions		192 000	150 000	636 000	690 000
- recognised EU co-financing		(260 527)	(209 924)	(747 270)	(584 441)
- interest expense		633 577	619 938	2 073 039	1 672 557
- interest income		(148 001)	-	(551 606)	(24 253)
Changes in the working capital:					
- (increase) / decrease of receivables from contracts with customers, other receivables and deferred expenses		(1 789 769)	330 787	1 846 406	2 613 142
- increase in inventories		(253 268)	(539 382)	(1 581 824)	(852 766)
- increase / (decrease) of lease liabilities, trade payables, accrued liabilities, advances from customers and other liabilities		2 591 522	(876 728)	2 269 485	(2 538 392)
Corporate income tax paid		-	(2 088 773)	(2 983 957)	(2 088 770)
<b>Net cash flow from operating activity</b>		<b>14 532 392</b>	<b>10 191 322</b>	<b>51 059 051</b>	<b>30 880 276</b>
<b>Cash flow from investing activity</b>					
Acquisition of property, plant and equipment		(12 037 379)	(7 317 476)	(34 889 745)	(21 368 038)
Acquisition of intangible assets		(357 704)	(90 773)	(962 070)	(304 553)
Proceeds from the sale of property, plant and equipment items		26 208	743	26 506	2 103
Received EU co-financing		8 557 285	-	15 317 903	1 304 747
<b>Net cash flow from investing activities</b>		<b>(3 811 590)</b>	<b>(7 407 506)</b>	<b>(20 507 406)</b>	<b>(20 365 741)</b>

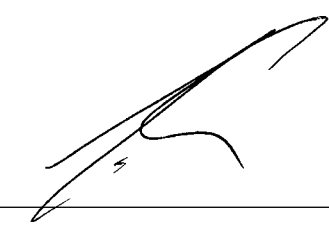
Notes on pages 25 to 38 form an integral part of these financial statements.



**ULDIS BARISS**  
Chairman of the  
Management Board



**RINALDS DIMIŅŠ**  
Member of the  
Management Board



**MĀRTIŅŠ GODE**  
Member of the  
Management Board

\* THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME-STAMP

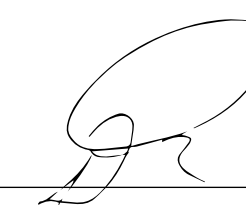
## STATEMENT OF CASH FLOWS (continued)

Note	01.07.2024- 30.09.2024	01.07.2023- 30.09.2023	01.01.2024- 30.09.2024	01.01.2023- 30.09.2023
<b>Cash flow from financing activities</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Interest paid	(717 927)	(699 412)	(2 201 032)	(1 844 842)
Borrowings repaid	(3 708 691)	(3 708 692)	(10 158 334)	(10 158 335)
Lease payments	(11 368)	(11 369)	(24 971)	(24 970)
Dividends paid	(3 635)	(2 473)	(11 939 979)	(8 321 815)
<b>Net cash flow from financing activity</b>	<b>(4 441 621)</b>	<b>(4 421 946)</b>	<b>(24 324 316)</b>	<b>(20 349 962)</b>
<b>Net cash flow</b>	<b>6 279 181</b>	<b>(1 638 130)</b>	<b>6 227 329</b>	<b>(9 835 427)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>12 901 598</b>	<b>2 769 819</b>	<b>12 953 450</b>	<b>10 967 116</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>19 180 779</b>	<b>1 131 689</b>	<b>19 180 779</b>	<b>1 131 689</b>

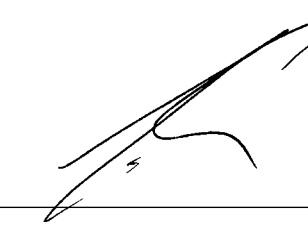
Notes on pages 25 to 38 form an integral part of these financial statements.



**ULDIS BARISS**  
Chairman of the  
Management Board



**RINALDS DIMIŅŠ**  
Member of the  
Management Board



**MĀRTIŅŠ GODE**  
Member of the  
Management Board

\* THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME-STAMP



# NOTES TO THE FINANCIAL STATEMENTS

## 1. INFORMATION ON THE COMPANY

The legal address of AS “Conexus Baltic Grid” is Stigu street 14, Riga, LV-1021, Latvia. The Company is registered in Commercial Register of Latvia with common registration number 40203041605. The Company’s largest shareholders are its parent company AS “Augstsprieguma tīkls” (68.46 % of share capital) and MM Infrastructure Investments Europe Limited (29.06 % of share capital).

Conexus is a unified natural gas transmission and storage operator in Latvia that manages one of the most modern natural gas storage facilities in Europe, the Inčukalns Underground Storage Facility, and the main natural gas transmission system, which directly connects Latvia’s natural gas market to Lithuania and Estonia.

## 2. ACCOUNTING POLICIES

### BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) No. 34 “Interim Financial reporting” as adopted by the European Union, on a going concern basis. The general accounting principles set out in this section have been applied consistently throughout the reporting period.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by Conexus during the interim reporting period.

The period of these condensed interim financial statements is 9 months, from 1 January to 30 September 2024.

Assets and liabilities are measured at amortised cost in the financial statements. Some groups of fixed assets are recognised at revalued value. The statement of cash flows has been prepared in accordance with the indirect method.

While preparing Conexus’ financial statements in conformity with IFRS, financial statement line items are valued as accurately as possible based on the management information about current events and actions, as well as based on estimates and assumptions. The areas involving a higher degree of judgement or complexity are disclosed in the notes.

### SIGNIFICANT ESTIMATES AND JUDGMENTS

Preparation of the financial statements of Conexus in conformity with IFRS, requires using significant estimates and assumptions that affect the value of the assets and liabilities within financial statements and the presentation of contingent assets and liabilities, as well as the revenue and expenses of the reporting year. While such estimates are based on the most reliable information available to Conexus’ management on the relevant events and activities, actual results may differ from these estimates and assumptions about the outcome of future events.

## CURRENCY AND REVALUATION OF FOREIGN CURRENCIES

Items presented in the financial statements are denominated in EUR, which is the functional currency of Conexus' business environment and the official currency of the Republic of Latvia.

All foreign currency transactions are translated into EUR using the exchange rate of the European Central Bank ruling on the date of the relevant transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling on the balance sheet date. Foreign currency gains and losses are recognised in the income statement for the respective period.

## 3. FINANCIAL RISK MANAGEMENT AND FAIR VALUE

The principles and guidelines for general management of financial risks are set out in the Company's financial risk management policy. There is no change in the risk management policies since the end year end.

### Fair value

Conexus classifies its assets and liabilities based on the technique used for determining fair value into the following categories:

#### Quoted market prices – Level 1

Level 1 valuation techniques use unadjusted quoted prices in an active market for identical assets or liabilities when quoted prices are readily available and the price represents the actual market circumstances for transactions under fair competitive circumstances.

#### Valuation techniques using market data – Level 2

In the models used in the Level 2 valuation technique, all significant inputs are directly or indirectly observable on the asset or liability side. The market data used in the model is not quoted in Level 1 but is observable directly (i.e., price) or indirectly (i.e., derived from price).

#### Valuation techniques using market data that are not based on observable market data – Level 3

Valuation techniques that use market data that is not based on observable market data (unobservable market data) are classified within Level 3. Unobservable market data is data that is not readily available in an active market due to the complexity of an illiquid market or financial instrument. Level 3 inputs are generally determined based on observable market data of a similar nature, historical observations, or analytical approaches.

Classification of financial assets and liabilities at the levels of the fair value hierarchy:

	Level	30.09.2024	30.09.2023	31.12.2023
	EUR	EUR	EUR	EUR
<b>Assets:</b>				
Trade receivables	3.	9 220 959	8 083 853	11 555 119
Other receivables	3.	573 458	2 132	20 400
Cash and cash equivalents	2.	19 180 779	1 131 689	12 953 450
<b>Liabilities:</b>				
Borrowings from credit institutions	3.	69 335 584	72 254 674	79 543 677
Trade payables	3.	6 358 610	7 211 945	5 781 591
Other liabilities and accrued liabilities	3.	15 985 347	2 328 695	16 010 238
Lease liabilities	3.	468 437	475 060	478 002

### Assets and liabilities measured at fair value

The carrying amounts of liquid and short-term (with a maturity of fewer than three months) financial instruments, such as cash and cash equivalents, short-term receivables from contracts with customers and current trade payables, approximate their fair values.

The fair value of borrowings from banks is determined by discounting future cash flows at market interest rates. As the interest rates (incl. a fixed loan rate) applied to borrowings from banks largely do not differ significantly from market rates and the risk premium applied by Conexus has not changed significantly, the fair value of non-current liabilities approximates their carrying amount.

## 4. SEGMENT INFORMATION

### Description of segments

Conexus is operating in two segments: natural gas transmission and natural gas storage. Conexus derives all of its revenue from regulated services applying the tariffs set by the regulatory authority. The split of information included into operating segments corresponds to the split of regulated services. This split is defined in the internal management accounting system and is applied both in the appraisal of results and in the decision-making. Segment information (segment profit or loss statements and investments made) is regularly submitted to Management Board and Supervisory Council.

#### Natural gas transmission

Conexus is the single natural gas transmission and storage operator in Latvia, which ensures maintenance as well as safe and continuous operation of the natural gas transmission system, and the interconnections with the transmission systems of other countries, enabling system users to use the natural gas transmission system for the trading of natural gas.

The natural gas transmission segment generates revenue from capacity trading both for natural gas consumption in Latvia as well as

international transmission of natural gas.

The natural gas transmission system service tariffs<sup>3</sup> effective from 1 December 2023, have been approved with the Regulator's decision No. 119<sup>4</sup> dated 26 October 2023.

The largest investments of the transmission system service in the reporting period:

- ✦ repairs of transmission gas pipeline sections and their anticorrosion insulation were made in the amount of EUR 3 130 thousand;
- ✦ replacement of insulation for gas pipeline Izborsk-Inčukalns UGS in the amount of EUR 1 559 thousand.

#### Natural gas storage

Inčukalns UGS provides storage of natural gas in the underground gas storage facility for consumption during the heating season and for other needs of the system users.

The storage segment generates revenue from the booking of storage capacity, which is granted to system users within the storage cycle by the way of capacity auctions. The storage cycle lasts from May 1 to April 30 of the following year.

As of 1 May 2024, new tariffs<sup>5</sup> of natural gas storage system service came into force (the Public Utilities Commission decision<sup>6</sup> of 18 January 2024). For main products, such as the one-year bundled capacity product and the two-year bundled capacity product, tariffs remain unchanged. The tariff for the stock transfer product increases from 1.3581 EUR/MWh/storage cycle to 3.2260 EUR/MWh/storage cycle. The tariff for stock transfer product is determined by auction results for the two-year bundled capacity product of the previous season, which in turn is determined by the market demand.

<sup>3</sup> <https://www.conexus.lv/transmission>

<sup>4</sup> <https://likumi.lv/ta/id/346867>

<sup>5</sup> <https://www.conexus.lv/storage>

<sup>6</sup> <https://www.sprk.gov.lv/events/apstiprinatas-conexus-baltic-grid-dabasgazes-uzglabanas-sistemas-pakalpojuma-tarifu>

The largest investments of the storage system service in the reporting period:

- reconstruction of wells, installation of the new gas compression unit, and reconstruction of gas collection point No. 3 for EUR 28 444 thousand, implemented within the framework of the European project of common interest PCI 8.2.4 "Enhancement of Inčukalns UGS";
- development of the SCADA storage control system – EUR 1 025 thousand.

### Reconciliation of segment financial information to Conexus financial information

Segment income statements for the period 01.01.2024-30.09.2024:

	Transmission	Storage	Conexus total	Difference between segments total and Conexus total
	EUR	EUR	EUR	EUR
Revenue	25 017 023	45 856 278	70 873 301	-
Other income	227 509	711 356	938 865	-
Maintenance and service costs	(2 421 097)	(3 627 387)	(6 048 484)	-
Personnel expenses	(7 055 523)	(5 359 047)	(12 414 570)	-
Other operating costs	(1 093 336)	(610 613)	(1 703 949)	-
Depreciation, amortisation, and impairment of property, plant and equipment	(7 676 529)	(5 899 161)	(13 575 690)	-
Finance costs	(896 125)	(625 587)	(1 521 712)	-
Corporate income tax	(180 330)	(2 803 627)	(2 983 957)	-
<b>Profit for the reporting period</b>	<b>5 921 592</b>	<b>27 642 212</b>	<b>33 563 804</b>	<b>-</b>

Segment income statements for the period 01.01.2023-30.09.2023:

	Transmission	Storage	Conexus total	Difference between segments total and Conexus total
	EUR	EUR	EUR	EUR
Revenue	17 152 701	35 230 930	52 383 631	-
Other income	142 267	552 396	694 663	-
Maintenance and service costs	(2 003 209)	(3 542 841)	(5 546 050)	-
Personnel expenses	(6 710 406)	(5 131 649)	(11 842 055)	-
Other operating costs	(1 335 669)	(863 899)	(2 199 568)	-
Depreciation, amortisation, and impairment of property, plant and equipment	(7 470 086)	(17 582 549)	(25 052 635)	-
Finance costs	(970 767)	(677 542)	(1 648 309)	-
Corporate income tax	(195 219)	(1 893 551)	(2 088 770)	-
<b>Profit for the reporting period</b>	<b>(1 390 388)</b>	<b>6 091 295</b>	<b>4 700 907</b>	<b>-</b>

Total assets by segments as at 30.09.2024 and investments during the period 01.01.2024-30.09.2024:

	Transmission	Storage	Conexus total	Difference between segments total and Conexus total
	EUR	EUR	EUR	EUR
Segment assets	253 762 540	244 948 414	498 710 954	-
Investments in property, plant and equipment and intangible assets	7 171 337	31 854 189	39 025 526	-

Total assets by segments as at 30.09.2023 and investments during the period 01.01.2023-30.09.2023:

	Transmission	Storage	Conexus total	Difference between segments total and Conexus total
	EUR	EUR	EUR	EUR
Segment assets	228 098 371	218 747 217	446 845 588	-
Investments in property, plant and equipment and intangible assets	8 118 868	18 925 995	27 044 863	-

## Geographical information

All operating activities are held in Latvia.

## Major customers

Revenue generated during the period 01.01.2024-30.09.2024 from the largest customers, each individually representing at least 10 % of the total revenue of Conexus:

	Transmission	Storage	Conexus total
	EUR	EUR	EUR
Revenue from major customers	15 763 252	17 828 815	33 592 067

Revenue generated during the period 01.01.2023-30.09.2023 from the largest customers, each individually representing at least 10 % of the total revenue of Conexus:

	Transmission	Storage	Conexus total
	EUR	EUR	EUR
Revenue from major customers	13 743 892	20 632 991	34 376 883

## 5. REVENUE

Revenue from contracts with customers recognised over time	01.07.2024-30.09.2024	01.07.2023-30.09.2023	01.01.2024-30.09.2024	01.01.2023-30.09.2023
	EUR	EUR	EUR	EUR
Revenue from transmission services	4 942 728	4 766 852	23 968 381	16 482 409
Balancing income, net	347 360	208 135	1 048 643	670 292
<b>Revenue from transmission services</b>	<b>5 290 088</b>	<b>4 974 987</b>	<b>25 017 024</b>	<b>17 152 701</b>
Revenue from storage services	15 504 721	15 011 405	45 856 277	35 230 930
<b>Revenue from storage services</b>	<b>15 504 721</b>	<b>15 011 405</b>	<b>45 856 277</b>	<b>35 230 930</b>
<b>Total</b>	<b>20 794 809</b>	<b>19 986 392</b>	<b>70 873 301</b>	<b>52 383 631</b>

Conexus generated all of its revenue in the territory of Latvia.

Gross income and cost from balancing activities by applying agent accounting principle recognized in financial statements in net amount:

	01.07.2024-30.09.2024	01.07.2023-30.09.2023	01.01.2024-30.09.2024	01.01.2023-30.09.2023
	EUR	EUR	EUR	EUR
Income from balancing activities	1 995 752	1 794 681	6 771 237	8 939 319
Cost of balancing activities	(1 648 392)	(1 586 546)	(5 722 594)	(8 269 027)
	<b>347 360</b>	<b>208 135</b>	<b>1 048 643</b>	<b>670 292</b>

## 6. OTHER INCOME

	01.07.2024- 30.09.2024	01.07.2023- 30.09.2023	01.01.2024- 30.09.2024	01.01.2023- 30.09.2023
	EUR	EUR	EUR	EUR
Income from EU co-financing	260 527	209 924	747 270	584 441
Other income	71 235	8 688	166 922	110 222
Net income from the disposal of PPE's	25 912	-	24 673	-
	<b>357 674</b>	<b>218 612</b>	<b>938 865</b>	<b>694 663</b>

## 7. MAINTENANCE AND SERVICES COSTS

	01.07.2024- 30.09.2024	01.07.2023- 30.09.2023	01.01.2024- 30.09.2024	01.01.2023- 30.09.2023
	EUR	EUR	EUR	EUR
Transmission and storage system maintenance services	1 085 980	1 123 697	2 611 885	2 982 647
Cost of materials	397 102	273 795	1 021 986	755 723
Cost of natural gas	300 577	214 410	1 388 584	893 711
Maintenance of IT infrastructure	274 818	283 012	824 733	713 138
Maintenance of vehicles and machinery	67 838	74 371	201 296	200 831
	<b>2 126 315</b>	<b>1 969 285</b>	<b>6 048 484</b>	<b>5 546 050</b>

## 8. PERSONNEL EXPENSES

	01.07.2024- 30.09.2024	01.07.2023- 30.09.2023	01.01.2024- 30.09.2024	01.01.2023- 30.09.2023
	EUR	EUR	EUR	EUR
Salaries	3 345 861	3 164 459	9 563 669	9 132 806
State social insurance mandatory contributions	785 119	742 385	2 245 946	2 140 135
Life, health, and pension insurance	218 468	197 274	646 309	560 221
Other personnel costs	4 209	2 880	9 715	8 893
Capitalised personnel expenses	(42 449)	-	(51 069)	-
	<b>4 311 208</b>	<b>4 106 998</b>	<b>12 414 570</b>	<b>11 842 055</b>

## 9. OTHER OPERATING COSTS

	01.07.2024- 30.09.2024	01.07.2023- 30.09.2023	01.01.2024- 30.09.2024	01.01.2023- 30.09.2023
	EUR	EUR	EUR	EUR
Taxes and duties*	260 892	299 387	682 369	756 571
Office and other administrative costs	375 771	403 967	1 021 580	1 292 110
Net loss on disposals of PPE	-	150 615	-	150 887
	<b>636 663</b>	<b>853 969</b>	<b>1 703 949</b>	<b>2 199 568</b>

\*Real estate tax, Natural resource tax, Public Utilities Commission fee, State and municipal fees, corporate income tax from deemed profit distribution.

## 10. FINANCE COSTS, NET

	01.07.2024- 30.09.2024	01.07.2023- 30.09.2023	01.01.2024- 30.09.2024	01.01.2023- 30.09.2023
	EUR	EUR	EUR	EUR
Interest paid	628 470	614 763	2 057 633	1 656 949
Lease interest expense	5 106	5 175	15 406	15 608
(Gain) / losses from deposit interest and exchange rate fluctuations	(148 049)	25	(551 327)	(24 248)
	<b>485 527</b>	<b>619 963</b>	<b>1 521 712</b>	<b>1 648 309</b>



## 11. INTANGIBLE ASSETS

	Patents, software, licences	Co-financed assets	Intangible assets under development	TOTAL
	EUR	EUR	EUR	EUR
<b>Historical cost</b>				
<b>31.12.2022</b>	<b>8 791 501</b>	-	<b>48 995</b>	<b>8 840 496</b>
Additions	-	-	294 283	294 283
Transfers	91 823	-	(91 823)	-
Disposals	(1 525 025)	-	-	(1 525 025)
<b>30.09.2023</b>	<b>7 358 299</b>	-	<b>251 455</b>	<b>7 609 754</b>
Additions	-	-	15 310 741	15 310 741
Transfers	382 014	-	(382 014)	-
Disposals	-	-	-	-
Transfers	-	1 007 865	-	1 007 865
<b>31.12.2023</b>	<b>7 740 313</b>	<b>1 007 865</b>	<b>15 180 182</b>	<b>23 928 360</b>
<b>Amortisation</b>				
<b>31.12.2022</b>	<b>6 732 487</b>	-	-	<b>6 732 487</b>
Amortisation charge	562 969	-	-	562 969
Disposals	(1 525 025)	-	-	(1 525 025)
<b>30.09.2023</b>	<b>5 770 431</b>	-	-	<b>5 770 431</b>
Amortisation charge	167 350	-	-	167 350
Disposals	-	-	-	-
<b>31.12.2023</b>	<b>5 937 781</b>	-	-	<b>5 937 781</b>
<b>Net book value 31.12.2022</b>	<b>2 059 014</b>	-	<b>48 995</b>	<b>2 108 009</b>
<b>Net book value 30.09.2023</b>	<b>1 587 868</b>	-	<b>251 455</b>	<b>1 839 323</b>
<b>Net book value 31.12.2023</b>	<b>1 802 532</b>	<b>1 007 865</b>	<b>15 180 182</b>	<b>17 990 579</b>

	Patents, software, licences	Co-financed assets	Intangible assets under development	TOTAL
	EUR	EUR	EUR	EUR
<b>Historical cost</b>				
<b>31.12.2023</b>	<b>7 740 313</b>	<b>1 007 865</b>	<b>15 180 182</b>	<b>23 928 360</b>
Additions	-	-	991 465	991 465
Transfers	61 103	-	(61 103)	-
Disposals	(454 895)	-	-	(454 895)
<b>30.09.2024</b>	<b>7 346 521</b>	<b>1 007 865</b>	<b>16 110 544</b>	<b>24 464 930</b>
<b>Amortisation</b>				
<b>31.12.2023.</b>	<b>5 937 781</b>	-	-	<b>5 937 781</b>
Amortisation charge	528 717	75 590	-	604 307
Disposals	(454 895)	-	-	(454 895)
<b>30.09.2024</b>	<b>6 011 603</b>	<b>75 590</b>	-	<b>6 087 193</b>
<b>Net book value 31.12.2023</b>	<b>1 802 532</b>	<b>1 007 865</b>	<b>15 180 182</b>	<b>17 990 579</b>
<b>Net book value 30.09.2024</b>	<b>1 334 918</b>	<b>932 275</b>	<b>16 110 544</b>	<b>18 377 737</b>

## 12. PROPERTY, PLANT, AND MACHINERY (PPE)

	Land	Buildings, structures	Plant and equipment	Other property and equipment	Wells	Gas compression units	Automatic equipment control systems	Emergency spare parts	Cushion gas	Assets under construction	TOTAL
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Historical cost or revalued amount</b>											
<b>31.12.2022</b>	<b>1 092 474</b>	<b>625 920 310</b>	<b>96 481 109</b>	<b>6 223 451</b>	<b>159 765 510</b>	<b>37 214 062</b>	<b>7 255 905</b>	<b>1 825 384</b>	<b>10 708 163</b>	<b>10 260 528</b>	<b>956 746 896</b>
Additions	-	7 250	131 451	431 332	-	7 165	18 187	-	-	26 155 196	26 750 581
Reclassified	5 617	1 848 210	115 931	(31 024)	109 752	2 356 475	3 035 068	-	-	(7 440 029)	-
Disposals	-	(545 859)	(513 681)	(401 555)	(13 000)	(1 166 220)	(1 688)	(12 395)	-	(97 395)	(2 751 793)
Recognized impairment*	-	-	-	-	(10 036 946)	(2 962 835)	(3 312 299)	-	-	-	(16 312 080)
<b>30.09.2023</b>	<b>1 098 091</b>	<b>627 229 911</b>	<b>96 214 810</b>	<b>6 222 204</b>	<b>149 825 316</b>	<b>35 448 647</b>	<b>6 995 173</b>	<b>1 812 989</b>	<b>10 708 163</b>	<b>28 878 300</b>	<b>964 433 604</b>
Additions	-	-	184 095	174 904	-	1 672	-	-	-	5 552 178	5 912 849
Reclassified	6 420	2 745 246	299 919	211 402	379 388	24 187	1 044 096	-	-	(4 710 658)	-
Disposals	-	(381 064)	(147 900)	(41 204)	-	-	-	-	-	-	(570 168)
Recognized impairment*	-	-	-	-	(11 431 333)	(5 098 416)	(415 023)	-	-	-	(16 944 772)
Transfers**	-	-	-	-	-	-	-	146 719	-	-	146 719
<b>31.12.2023</b>	<b>1 104 511</b>	<b>629 594 093</b>	<b>96 550 924</b>	<b>6 567 306</b>	<b>138 773 371</b>	<b>30 376 090</b>	<b>7 624 246</b>	<b>1 959 708</b>	<b>10 708 163</b>	<b>29 719 820</b>	<b>952 978 232</b>
<b>Accumulated depreciation</b>											
<b>31.12.2022</b>	<b>-</b>	<b>411 247 525</b>	<b>44 235 607</b>	<b>4 161 171</b>	<b>46 883 922</b>	<b>20 490 313</b>	<b>2 650 360</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>529 668 898</b>
Calculated	-	6 597 584	2 856 583	410 561	2 051 313	654 479	420 208	-	-	-	12 990 728
Disposals	-	(471 459)	(493 006)	(400 700)	(10 452)	(693 891)	(1 688)	-	-	-	(2 071 196)
Excluded as a result of revaluation*	-	-	-	-	(301 415)	(182 907)	(319 069)	-	-	-	(803 391)
Reclassified	-	-	38 225	(34 223)	-	-	(4 002)	-	-	-	-
<b>30.09.2023</b>	<b>-</b>	<b>417 373 650</b>	<b>46 637 409</b>	<b>4 136 809</b>	<b>48 623 368</b>	<b>20 267 994</b>	<b>2 745 809</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>539 785 039</b>
Calculated	-	2 228 024	937 657	147 872	681 353	259 860	204 077	-	-	-	4 458 843
Disposals	-	(340 819)	(147 900)	(41 041)	-	-	-	-	-	-	(529 760)
Excluded as a result of revaluation*	-	-	-	-	(4 986 155)	(3 906 970)	(72 492)	-	-	-	(8 965 617)
Reclassified	-	41 509	(41 509)	-	-	-	-	-	-	-	-
<b>31.12.2023</b>	<b>-</b>	<b>419 302 364</b>	<b>47 385 657</b>	<b>4 243 640</b>	<b>44 318 566</b>	<b>16 620 884</b>	<b>2 877 394</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>534 748 505</b>
<b>Net book value 31.12.2022</b>	<b>1 092 474</b>	<b>214 672 785</b>	<b>52 245 502</b>	<b>2 062 280</b>	<b>112 881 588</b>	<b>16 723 749</b>	<b>4 605 545</b>	<b>1 825 384</b>	<b>10 708 163</b>	<b>10 260 528</b>	<b>427 077 998</b>
<b>Net book value 30.09.2023</b>	<b>1 098 091</b>	<b>209 856 261</b>	<b>49 577 401</b>	<b>2 085 395</b>	<b>101 201 948</b>	<b>15 180 653</b>	<b>4 249 364</b>	<b>1 812 989</b>	<b>10 708 163</b>	<b>28 878 300</b>	<b>424 648 565</b>
<b>Net book value 31.12.2023</b>	<b>1 104 511</b>	<b>210 291 729</b>	<b>49 165 267</b>	<b>2 323 666</b>	<b>94 454 805</b>	<b>13 755 206</b>	<b>4 746 852</b>	<b>1 959 708</b>	<b>10 708 163</b>	<b>29 719 820</b>	<b>418 229 727</b>

\* In 2023, the Company has revised the carrying amount of property, wells, gas compression units and automatic equipment control systems, determining their value at fair value. The carrying amount of property, plant and equipment reduced by EUR 23 487 844. The reduction in the carrying amount of property, wells, gas compression units and automatic equipment control systems of EUR 11 742 677 is recognised in the reduction of the revaluation reserve.

\*\* In 2023, Inventories of materials in warehouses in the amount of EUR 146 719 were transferred to the Emergency spare parts.

## PROPERTY, PLANT, AND MACHINERY (PPE) (continued)

	Zeme	Ēkas, būves	Tehnoloģiskās iekārtas un ierīces	Pārējie pamatlīdzekļi	Urbumi	Gāzes pārsūkņēšanas iekārtas	Iekārtu automātiskās vadības sistēmas	Avārijas rezerves daļas	Bufergāze	Nepabeigto celtniecības objektu izmaksas	KOPĀ
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Historical cost or revalued amount</b>											
<b>31.12.2023</b>	<b>1 104 511</b>	<b>629 594 093</b>	<b>96 550 924</b>	<b>6 567 306</b>	<b>138 773 371</b>	<b>30 376 090</b>	<b>7 624 246</b>	<b>1 959 708</b>	<b>10 708 163</b>	<b>29 719 820</b>	<b>952 978 232</b>
Additions	-	-	684 545	586 087	-	-	82 654	-	-	36 680 776	38 034 062
Reclassified	-	5 323 646	255 919	79 178	18 695	57 776	4 982	-	-	(5 740 196)	-
Disposals	-	(68 700)	(166 700)	(56 751)	-	-	(122 109)	-	-	-	(414 260)
Transfers	-	-	-	388	-	-	(388)	-	-	-	-
<b>30.09.2024</b>	<b>1 104 511</b>	<b>634 849 039</b>	<b>97 324 688</b>	<b>7 176 208</b>	<b>138 792 066</b>	<b>30 433 866</b>	<b>7 589 385</b>	<b>1 959 708</b>	<b>10 708 163</b>	<b>60 660 400</b>	<b>990 598 034</b>
<b>Accumulated depreciation</b>											
<b>31.12.2023</b>	<b>-</b>	<b>419 302 364</b>	<b>47 385 657</b>	<b>4 243 640</b>	<b>44 318 566</b>	<b>16 620 884</b>	<b>2 877 394</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>534 748 505</b>
Calculated	-	6 750 388	2 944 160	495 614	1 786 975	570 364	414 024	-	-	-	12 961 525
Disposals	-	(68 700)	(163 950)	(54 918)	-	-	(122 109)	-	-	-	(409 677)
Reclassified	-	-	(7 037)	7 173	-	-	(136)	-	-	-	-
<b>30.09.2024</b>	<b>-</b>	<b>425 984 052</b>	<b>50 158 830</b>	<b>4 691 509</b>	<b>46 105 541</b>	<b>17 191 248</b>	<b>3 169 173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>547 300 353</b>
<b>Net book value 31.12.2023</b>	<b>1 104 511</b>	<b>210 291 729</b>	<b>49 165 267</b>	<b>2 323 666</b>	<b>94 454 805</b>	<b>13 755 206</b>	<b>4 746 852</b>	<b>1 959 708</b>	<b>10 708 163</b>	<b>29 719 820</b>	<b>418 229 727</b>
<b>Net book value 30.09.2024</b>	<b>1 104 511</b>	<b>208 864 987</b>	<b>47 165 858</b>	<b>2 484 699</b>	<b>92 686 525</b>	<b>13 242 618</b>	<b>4 420 212</b>	<b>1 959 708</b>	<b>10 708 163</b>	<b>60 660 400</b>	<b>443 297 681</b>

## 13. CO-FINANCED PROJECTS

### Increase of Capacity of Klaipeda-Kiemenai Pipeline in Lithuania

	30.09.2024	30.09.2023	31.12.2023
	EUR	EUR	EUR
<b>Opening balance</b>	-	<b>1 108 652</b>	<b>1 108 652</b>
Recognised during the reporting period	-	(75 590)	(100 786)
Reclassified to intangible assets	-	-	(1 007 866)
<b>Carried forward to future periods</b>	-	<b>1 033 062</b>	-
including short-term portion	-	100 786	-
long-term portion	-	932 275	-

On 31 December 2023 in the financial accounting, co-financing of the project “Increase of Capacity of Klaipeda-Kiemenai Pipeline in Lithuania” for the remaining amount of EUR 1 007 865 has been reclassified from the deferred expenses to intangible assets.

## 14. BORROWINGS FROM CREDIT INSTITUTIONS

	30.09.2024	30.09.2023	31.12.2023
	EUR	EUR	EUR
Non-current borrowings from credit institutions	48 026 882	59 309 848	65 568 897
Current borrowings from credit institutions	21 282 966	12 899 286	13 899 286
Accrued interest on borrowings from credit institutions	25 737	45 540	75 493
	<b>69 335 585</b>	<b>72 254 674</b>	<b>79 543 676</b>

Conexus has borrowings both from local and international credit institutions. At the end of the reporting period, available overdrafts amounting to EUR 65 000 thousand (31.12.2023: EUR 65 000 thousand) have not been used. The duration of agreements for the overdraft facilities is less than 1 year. Weighted average interest rate of borrowings at the end of the reporting period is 3.06 % (31.12.2023: 3.30 %). At the end of the reporting period, 38 % of received and unpaid borrowings have a fixed interest rate (31.12.2023: 35 %). All borrowings are denominated in euros and are unsecured. At the end of the reporting period, Conexus holds committed loan agreements amounting to EUR 45 000 thousand.

## 15. RELATED PARTY TRANSACTIONS

Related parties include Conexus’ shareholders, members of the Supervisory Council and Management Board, their close family members, and companies in which they exercise control or significant influence; Parent company AS “Augstsprieguma tīkls”, its members of the Supervisory Council and Management Board, Audit Committee Officers, their close family members, and companies in which they exercise control or significant influence. As all shares of the Parent company are 100% owned by the Republic of Latvia, state-controlled companies are also considered related parties.

Conexus has no service transactions with the Government of Latvia, including ministries and state agencies, as well as no transactions with state-controlled companies, which are considered as other related parties, except for AS “Augstsprieguma tīkls” (Parent company) and AS “Latvenergo” (Other related parties).

Transactions with AS “Latvenergo”, according to the principle of fair competition, include storage and transmission services, but do not include individually significant transactions.

<b>Related party transactions</b>	<b>01.07.2024- 30.09.2024 or 30.09.2024</b>	<b>01.07.2023- 30.09.2023 or 30.09.2023</b>	<b>01.01.2024- 30.09.2024 or 30.09.2024</b>	<b>01.01.2023- 30.09.2023 or 30.09.2023</b>
	EUR	EUR	EUR	EUR
<b>Revenue from related parties:</b>				
AS “Latvenergo”	8 405 403	5 374 403	27 121 668	16 880 834
<b>Purchases of goods and services from related parties:</b>				
AS “Latvenergo”	309 279	1 098 235	1 606 113	2 869 745
AS “Augstsprieguma tīkls”	112	230	303	431
<b>Balances at the end of the year arising from sales/ purchases of goods and services:</b>				
<b>Receivables from contracts with customers</b>				
AS “Latvenergo”	3 659 321	2 535 778	3 659 321	2 535 778
<b>Trade payables</b>				
AS “Latvenergo”	144 749	441 390	144 749	441 390
AS “Augstsprieguma tīkls”	-	145	-	145

In 2024, the amount of dividends declared to Conexus shareholders was EUR 11 935 827 or EUR 0.30 per share from profit of the year 2023.

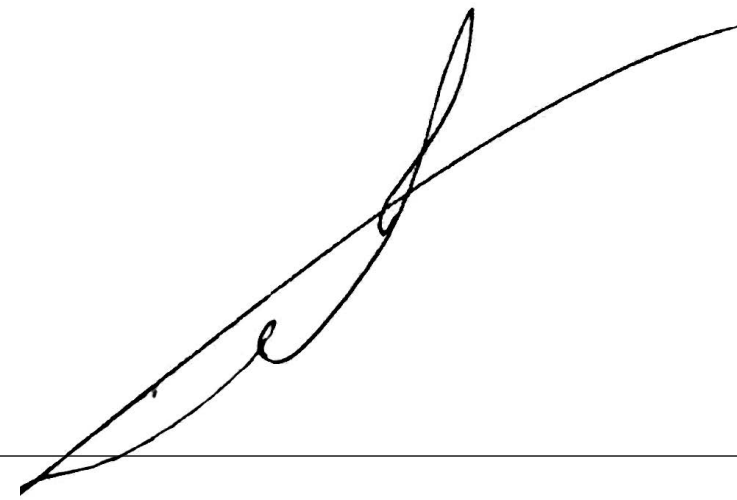
## 16. COMMITMENTS AND CONTINGENCIES

As of 30 September 2024, long-term investment agreements contracted for, but not yet delivered amounted EUR 14 579 939 (31.12.2022.: EUR 42 611 272).

## 17. SUBSEQUENT EVENTS

According to management's assessment, there are no subsequent events since the last date of the reporting year, which would have a significant effect on Conexus condensed interim statements for the period from 1 January 2024 to 30 September 2024.

The financial statements have been prepared by:

A handwritten signature in black ink, appearing to read 'Laura Zvirbule', is written over a horizontal line.

**LAURA ZVIRBULE**  
Head of Financial Accounting Division

\* THIS DOCUMENT HAS BEEN SIGNED WITH SECURE ELECTRONIC SIGNATURE AND BEARS A TIME STAMP