

The background image shows a complex industrial plant with multiple levels of metal walkways, railings, and large cylindrical tanks. A semi-transparent green geometric shape is overlaid on the right side of the image. The text is positioned on a dark grey triangular area on the left side of the image.

# Unaudited Condensed Interim Financial Statements

for the 6-month period ended 30 June 2024

## MAIN ACTIVITIES



### Results of 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. 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).



### Natural gas stored in Inčukalns UGS

The natural gas withdrawal season 2023/2024 ended on 30 April 2024, during which 12.6 TWh of active natural gas was withdrawn from the storage. At the end of the reporting period, 14.5 TWh of natural gas is stored in Inčukalns UGS (including energy supply security reserves of 1.8 TWh).



### The technical capacity of Inčukalns UGS for 2024/2025 cycle has been determined

According to measurements and calculations, the technical capacity for 2024/2025 storage cycle is 23.005 TWh. The daily injection capacity for storage cycle 2024/2025 is set to 128 GWh/day with the possibility to revise it during the injection season.





## MAIN ACTIVITIES



### **Natural gas supply**

During the reporting period, deliveries of natural gas were made from Inčukalns UGS in amount of 7.1 TWh, the volume of natural gas transmitted from Finland reached 3.7 TWh (operation of the underwater gas pipeline connecting Finland and Estonia (the “Balticconnector”) was restored on 22 April 2024), while the volume of natural gas transmitted from Lithuania reached 2.1 TWh. During the reporting period, 3.8 TWh of natural gas was injected into storage. The total volume of gas transmitted in Latvia during the reporting period reached 12.9 TWh.



### **The injection of biomethane into the interconnected gas system has begun**

In March 2024, a direct connection to natural gas distribution system was launched through which biomethane produced at the biomethane plant "Bovogas" is injected into the interconnected gas system. This is the first connection of such kind in Latvia.



### **The construction of a biomethane injection point (BIP) in Džūkste parish**

Conexus has signed a contract for the purchase of equipment for a 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. It is planned to construct four such BIPs, thus expanding the natural gas transmission system across other parts of Latvia.



## FURTHER DEVELOPMENT



### **Pre-feasibility study for the Nordic-Baltic Hydrogen Corridor has been completed**

Participating in the international project for the development of the Nordic-Baltic Hydrogen Corridor, Conexus, together with transmission system operators from Finland, Estonia, Lithuania, Poland and 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.

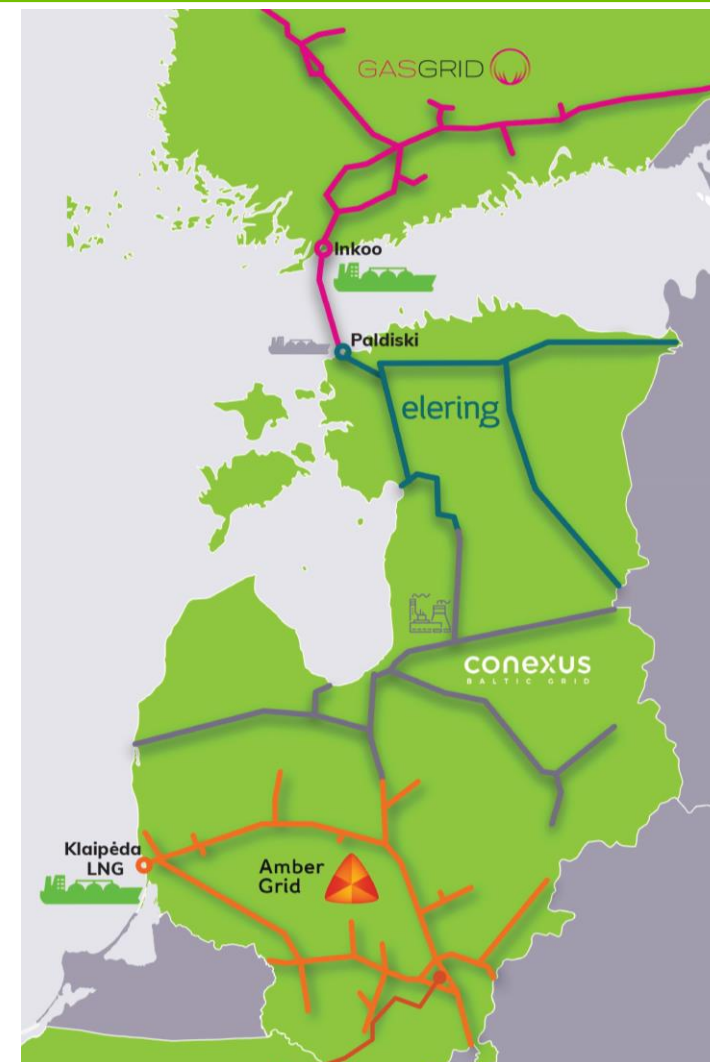
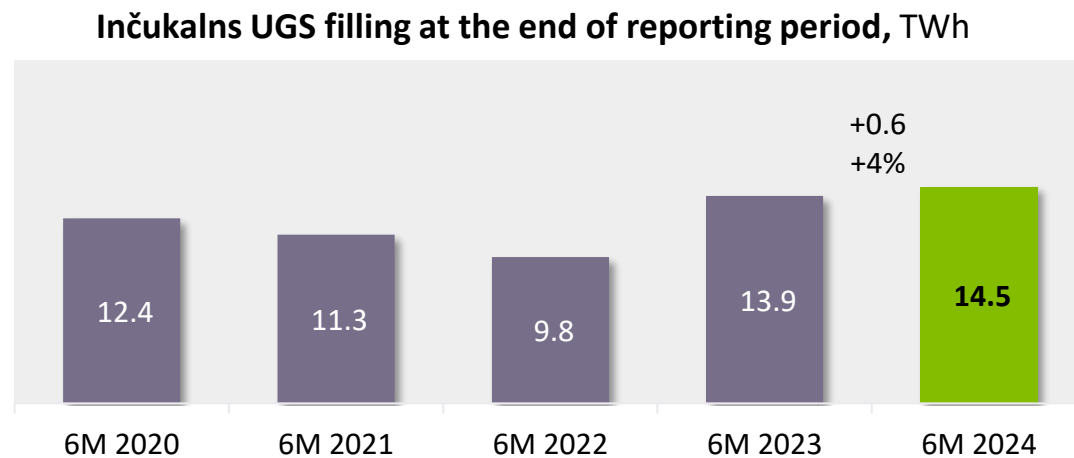
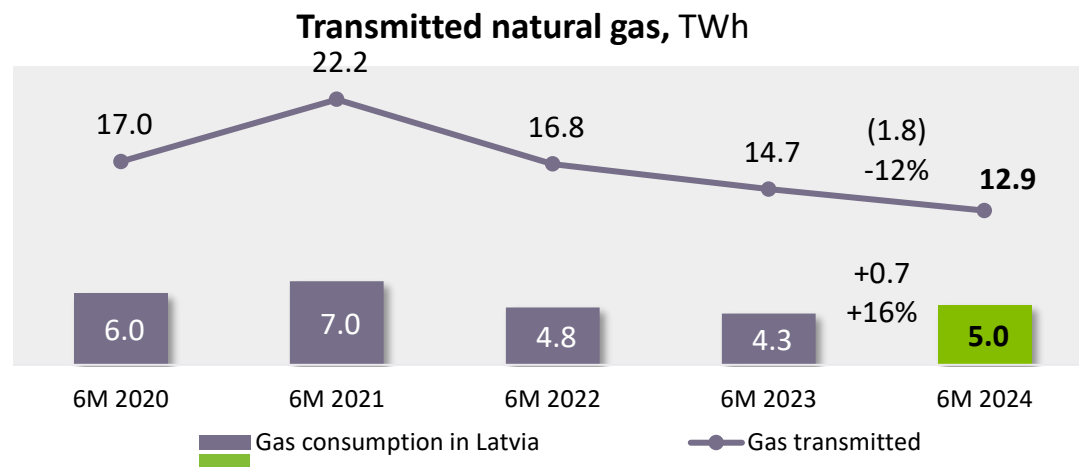


### **Conexus will invest EUR 33.5 million in the modernization of Inčukalns UGS this year**

Active work continues on the Inčukalns UGS modernization 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).

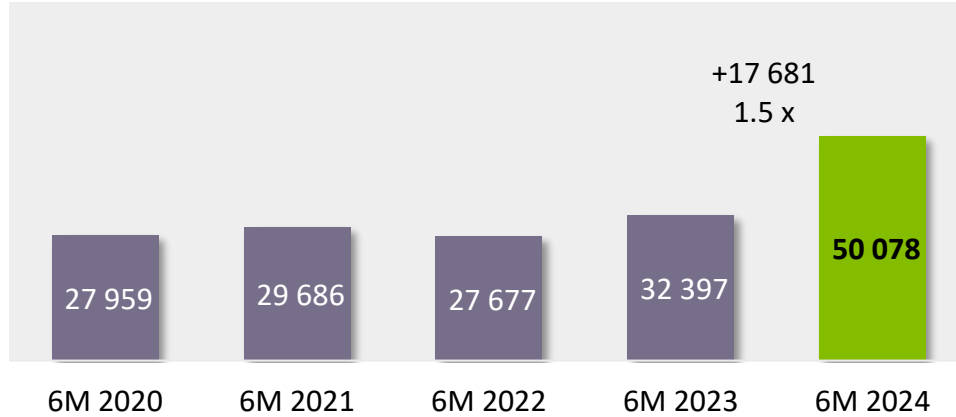


## KEY FACTS

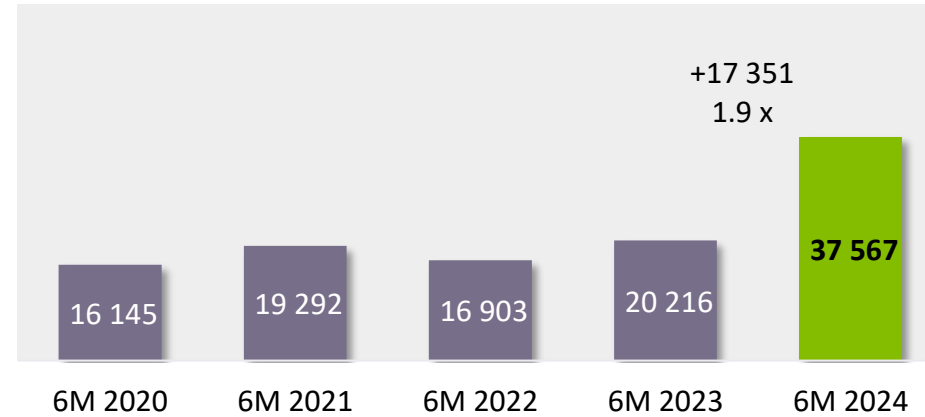


## MAIN FINANCIAL INDICATORS, `000 EUR

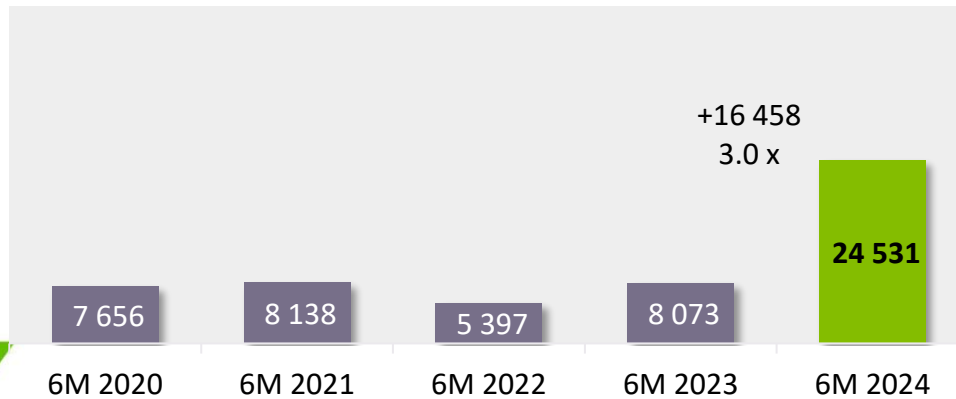
Revenue



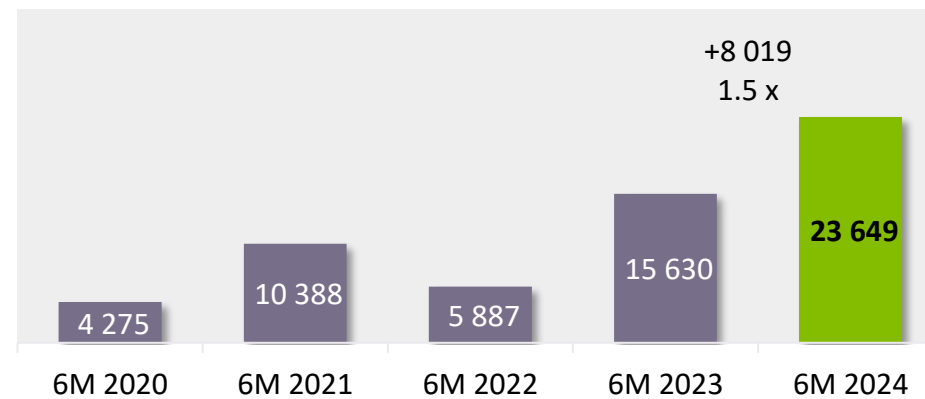
EBITDA



Net profit

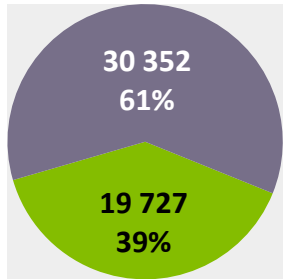


Capital investments



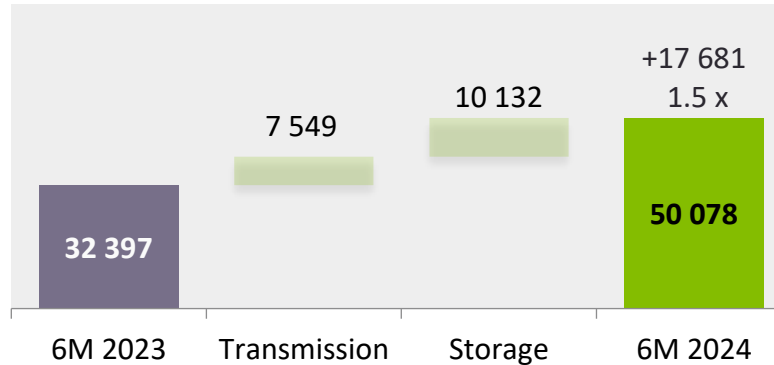
## SEGMENT SPLIT, `000 EUR

Revenue by segments

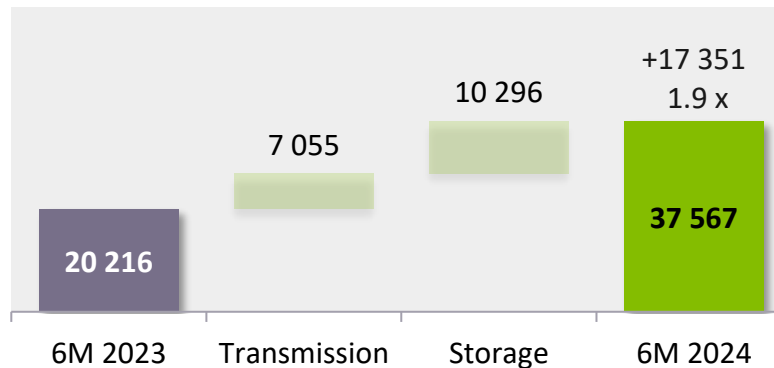


■ Transmission ■ Storage

Revenue



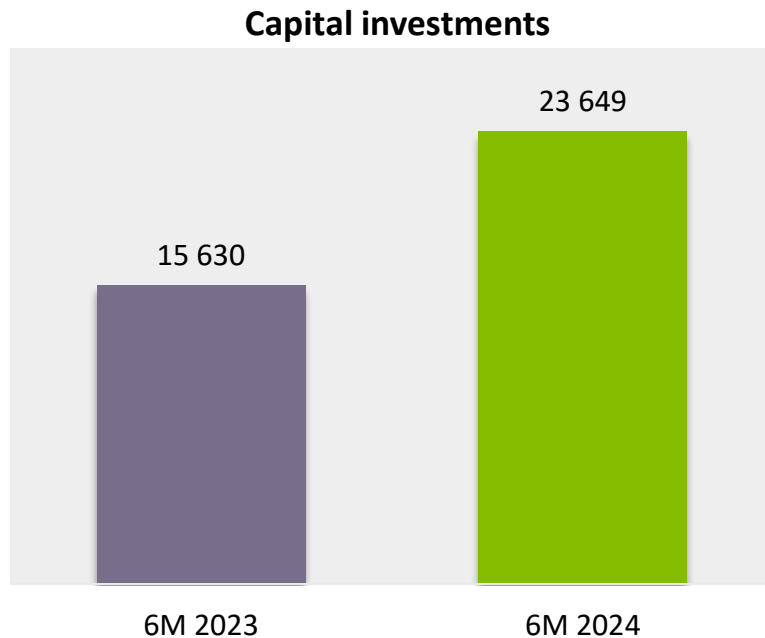
EBITDA



- Revenue is 1.5 times higher than in the previous year's respective period;
- EBITDA indicator increased by 1.9 times during the reporting period, reaching EUR 37.6 million;
- Revenue and EBITDA were positively impacted by revenue increase from both transmission and storage services;
- Net profit reached EUR 24.5 million, which increased by 3 times compared to the respective period of the previous year.



## CAPITAL INVESTMENTS, `000 EUR



- The largest projects in storage segment:
  - European project of common interest PCI 8.2.4 "Enhancement of Inčukalns UGS" - total investments EUR 99.5 million for the modernization of the storage facility (of which EUR 44 million is co-financed by the EU). Implementation years 2018 – 2025. During the reporting period, investments were made in amount of EUR 18.8 million;
  - solar electricity production plant - EUR 403 thousand;
  - development of SCADA storage control system – EUR 376 thousand.
- The largest projects in transmission segment:
  - replacement of insulation for gas pipeline Izborsk-Inčukalns UGS in the amount of EUR 1 073 thousand;
  - repairs of transmission gas pipeline sections and their anticorrosion insulation were made in the amount of EUR 677 thousand;
  - development of SCADA transmission control system – EUR 676 thousand.



## FINANCIAL COVENANTS AND FINANCIAL ASSETS

Financial covenants	30.06.2024	31.12.2023
Shareholders' equity ratio > 50 %	71 %	70 %
Net Debt to EBITDA ratio < 5	0.9	1.3
Debt-Service Coverage Ratio (DSCR) > 1.2x	4.3	3.3

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

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 73 089 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.

A photograph of an industrial facility, possibly a refinery or chemical plant, featuring multiple levels of metal walkways with yellow railings, pipes, and large cylindrical tanks. A large, semi-transparent green graphic overlay, consisting of several overlapping geometric shapes, is positioned on the right side of the image. On the left side, a dark grey triangular shape contains the text 'Thank you!' in a bright green, sans-serif font.

**Thank you!**