



# Unaudited Condensed Interim Financial Statements

FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2024

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

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.

Riga 2024



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# 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 June 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.

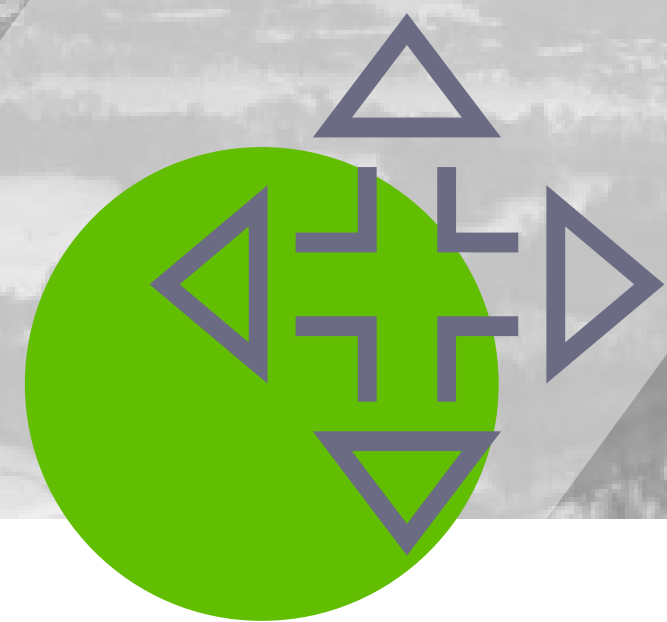
WHAT IS IMPORTANT TO US?

## Values

### Safety and security



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



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

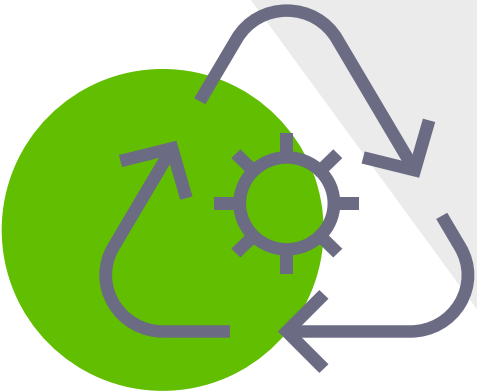
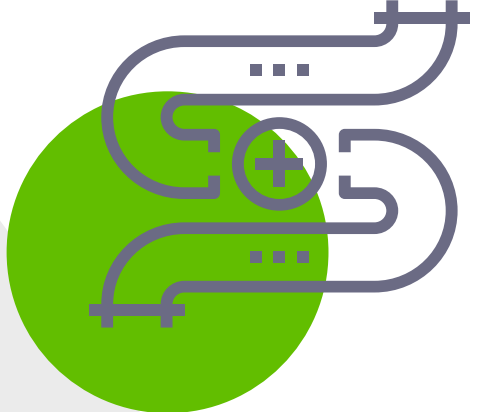

### Cooperation



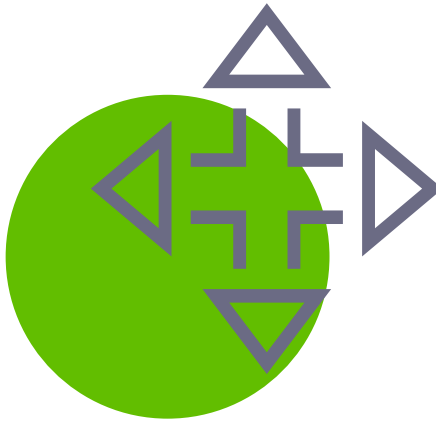


We support each other in decision making, we listen and search for common solutions both internally, and working with clients and current and potential partners.

# 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 June 2024:

**AS „AUGSTSPRIEGUMA TĪKLS”**

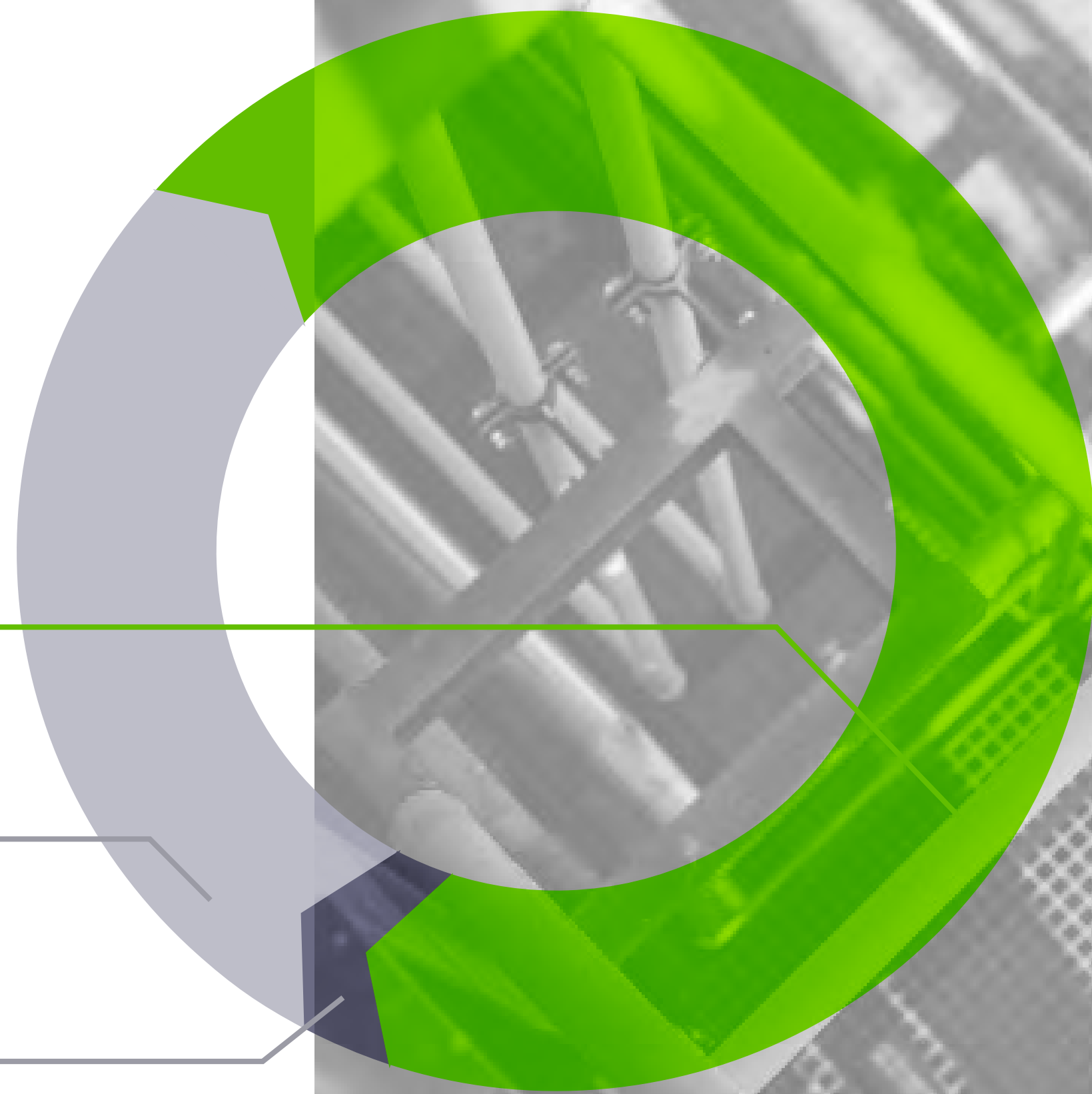
**68.46 %**

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:  
from 16 November 2023 until 15 November 2028



**RINALDS  
DIMIŅŠ**

MEMBER OF THE MANAGEMENT BOARD

Term of office:  
from 1 January 2024 until 31 December 2028



**MĀRTIŅŠ  
GODE**

MEMBER OF THE MANAGEMENT BOARD

Term of office:  
from 1 January 2024 until 31 December 2028



# MANAGEMENT REPORT

## Main activities

### Results of the storage capacity auctions

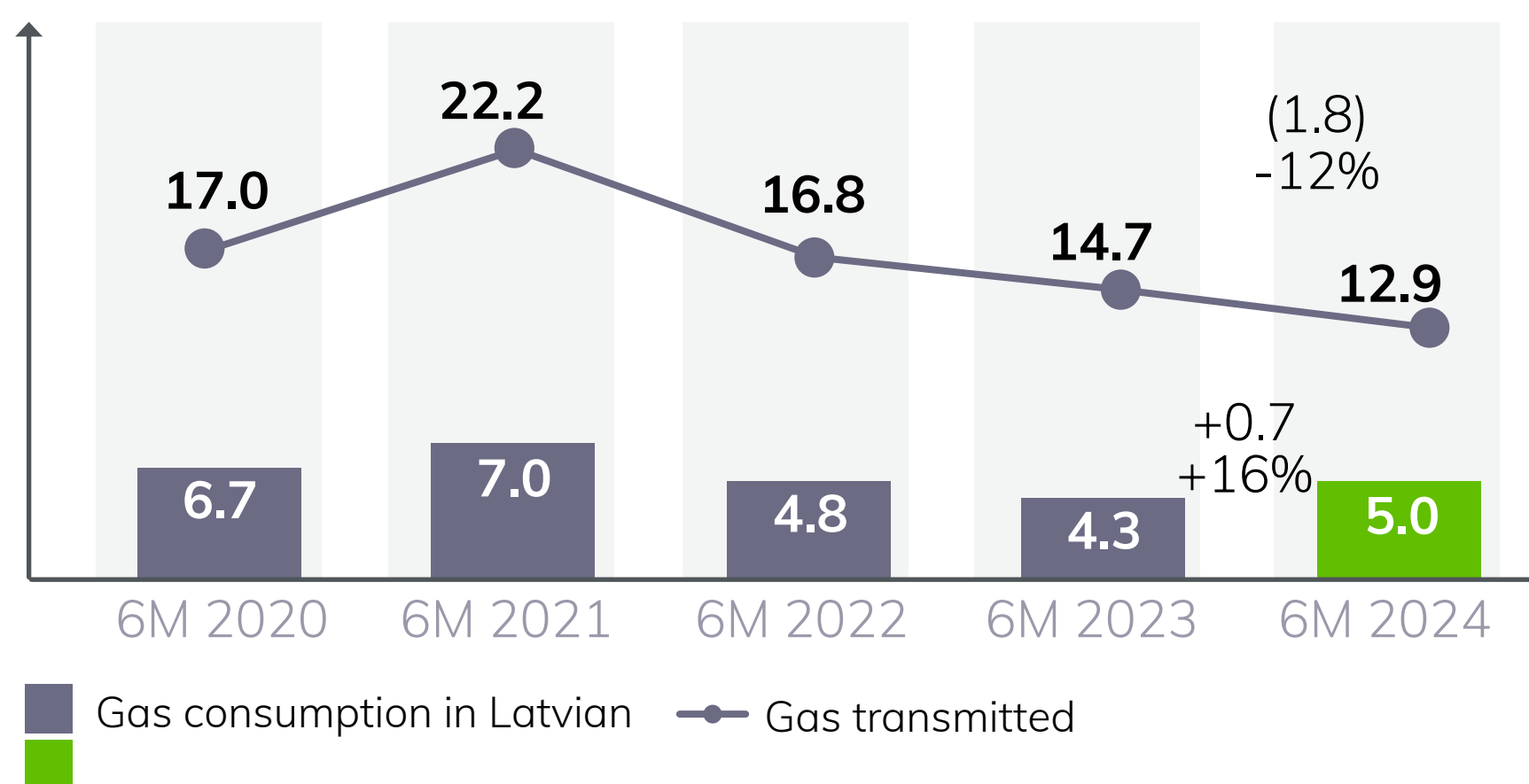
During the reporting period, several auctions of Inčukalns UGS capacity were held, in which system users were granted a total capacity of 12.2 TWh - 8.2 TWh of the one-year bundled capacity product for 2024/2025 storage cycle and 4 TWh of the two-year bundled capacity product for the 2024/2026 storage 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 six 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

Transmitted natural gas, TWh



operation 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 six months, the volume of natural gas transmitted from Finland reached 3.7 TWh, which is 1.7 times more than in the previous year's six months, while the volume of natural gas transmitted from Lithuania reached 2.1 TWh, which is 4,5 times less than in the previous year's six months. During the reporting period, 3.8 TWh of natural gas was injected into storage, which is 37 % less than during the same period last year. The total volume of gas transmitted in Latvia during the reporting period reached 12.9 TWh, which is 12 % less than in the previous year's respective period.

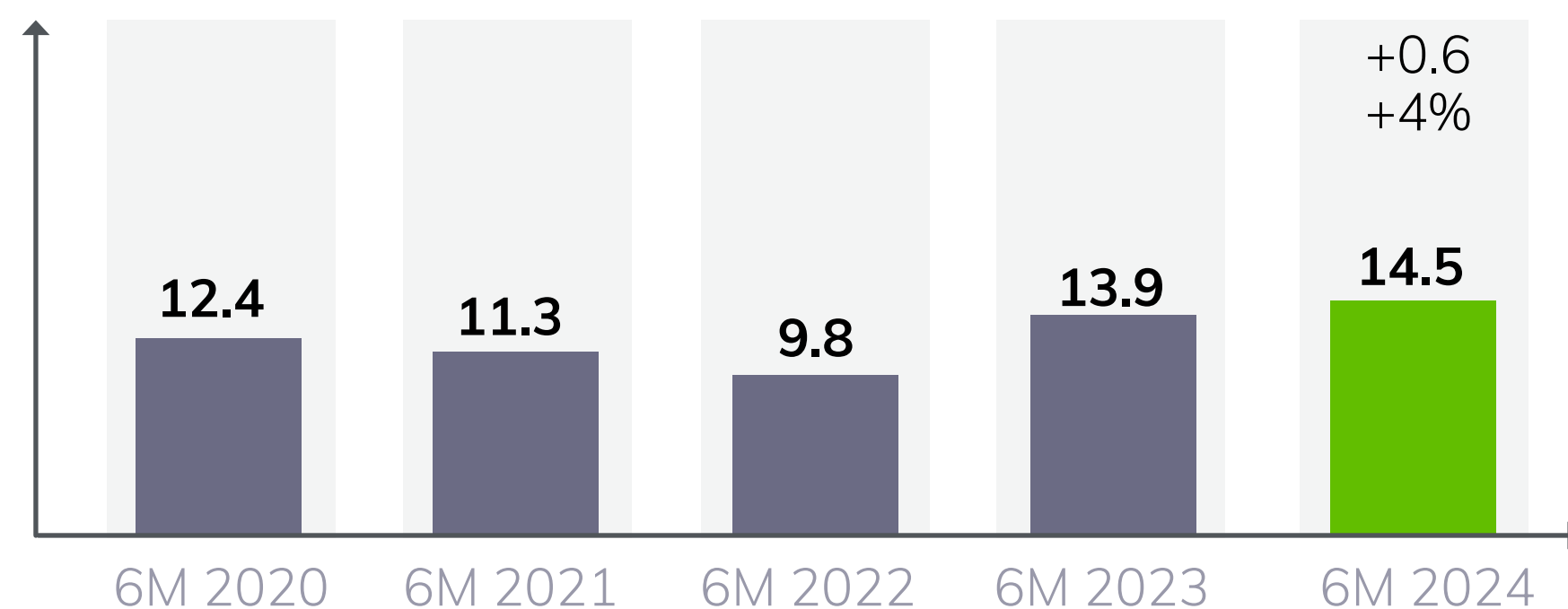


Natural gas supply for consumption in Latvia during the first six months of 2024 reached 5 TWh, which is 16 % more than in the prior year's respective period. The increase in natural gas consumption was impacted by both climate conditions, which were more severe this winter than in 2023 and in turn led 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

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. To ensure energy security and stable natural gas

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



reserves in the storage, Conexus continued to provide system users with physical injection of natural gas into the storage during the withdrawal cycle, thus ensuring natural gas storage for the needs of the region.

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), which is 4 % more than during the same time a year ago.

## Financial results

The revenue in the reporting period was 1.5 times higher than in the previous year's respective period reaching EUR 50 078 thousand. Reflecting the increase in revenue, EBITDA indicator increased by 1.9 times in comparison to the respective period of 2023 reaching EUR 37 567 thousand. The revenue and EBITDA were positively impacted by revenue increase from both transmission and storage services.

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.

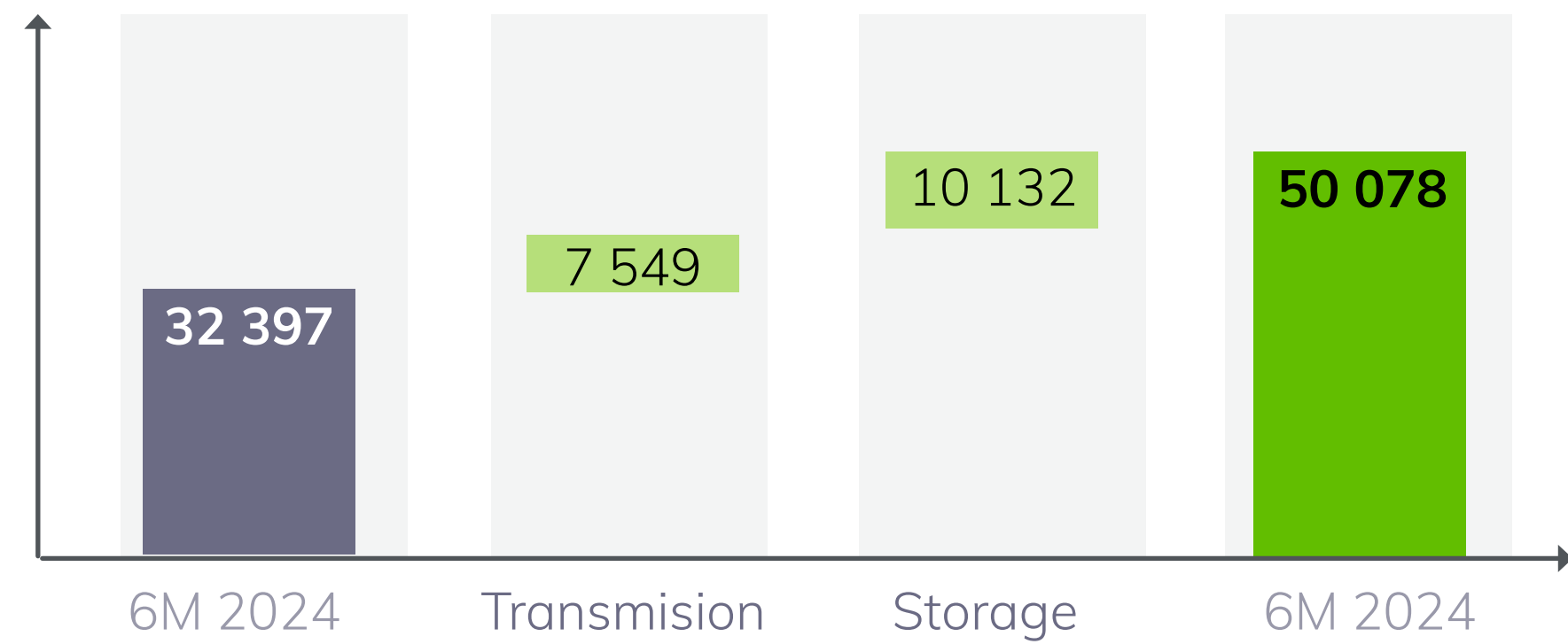
The storage cycle for the natural gas storage service lasted from 1 May 2023 to 30 April 2024. The service tariffs for main products were reduced by 14 % at the beginning of the storage cycle. For the storage cycle commenced on 1 May 2024, the service tariffs for main products remained unchanged. The results of storage capacity auctions conducted in 2023 and 2024 generated significantly higher

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

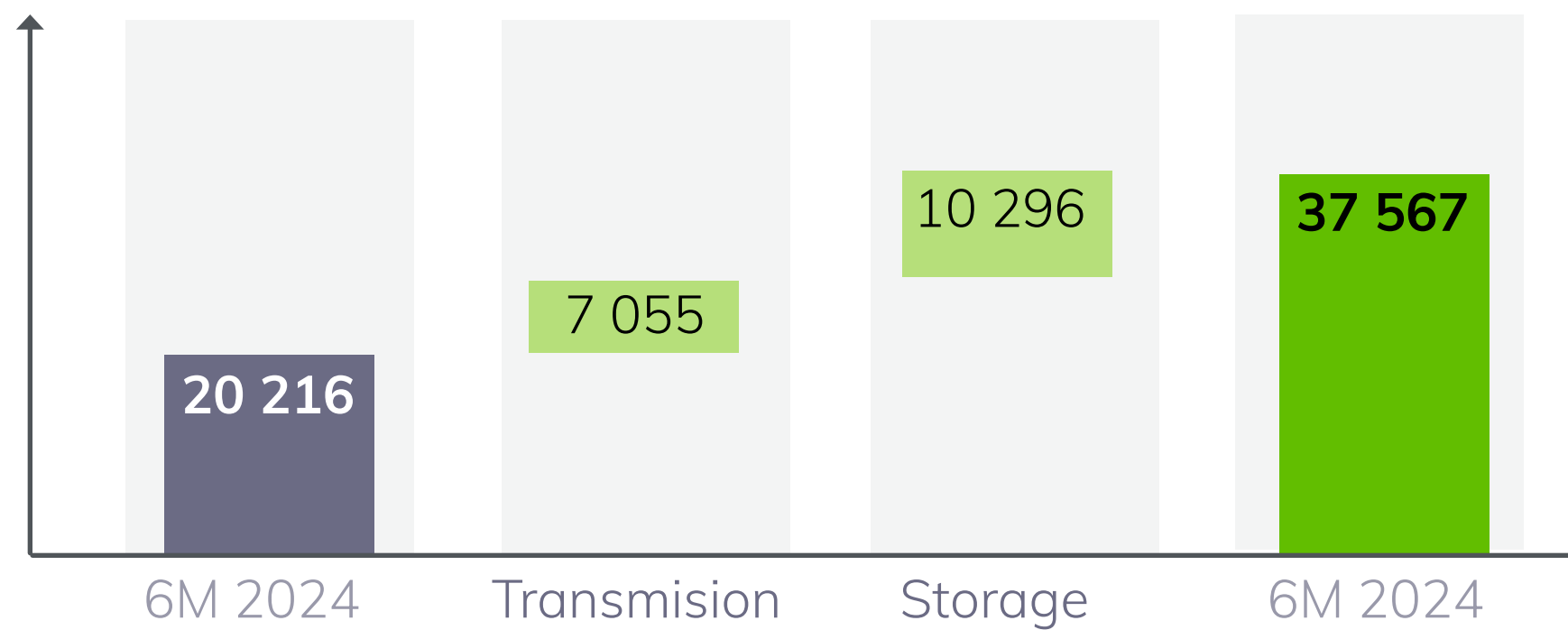
<sup>2</sup> Energy law, Article 106.



### Conexus revenue, '000 EUR



### Conexus EBITDA, '000 EUR



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.

During the reporting period, Conexus' net profit was EUR 24 531 thousand, which increased by 3 times compared to the respective period of the previous year.

MAIN FINANCIAL INDICATORS	6M 2024 or 30.06.2024	6M 2023 or 30.06.2023	+/-	% / x
	EUR'000	EUR'000		
<b>Revenue</b>	<b>50 078</b>	<b>32 397</b>	<b>17 681</b>	<b>1.5 x</b>
EBITDA	37 567	20 216	17 351	1.9 x
<b>Net profit</b>	<b>24 531</b>	<b>8 073</b>	<b>16 458</b>	<b>3.0 x</b>
Total assets	481 940	460 282	21 658	5 %
Investments	23 649	15 630	8 019	1.5 x



## 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 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.

Weighted average interest rate of borrowings at the end of the reporting period is 3.07 % (31.12.2023: 3.30 %). At the end of the reporting period, 37 % 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>30.06.2024</b>	<b>31.12.2023</b>
Shareholders' equity ratio (>50%)	71 %	70 %
Net debt to EBITDA ratio (<5)	0.9	1.3
Debt-Service Coverage Ratio (DSCR) (>1.2)	4.3	3.3

## Legal events

On 13 May 2020, Conexus filed an application to the Administrative District Court regarding annulment of the PUC Council's decision No. 30 dated 9 April 2020 "On the request for an extension of certification conditions fulfilment deadline by AS "Conexus Baltic Grid"" and decision No. 31 dated 9 April 2020 "On the imposition of an obligation and a warning to the AS "Conexus Baltic Grid"". With the decision of the Administrative District Court dated 15 January 2021, the application was upheld, declaring Decision No. 30 unlawful from the time of its adoption and annulling paragraph 2 of Decision No. 31. PUC submitted a cassation complaint, and the judgment of the Administrative District Court was annulled by the decision of the Department of Administrative Cases of the Senate of the Supreme Court on 28 June 2024 and the case was sent back to the Administrative District Court for a new hearing. Considering that Conexus has fulfilled the requirements set by the PUC, as well as the time limit for the warning has expired, Conexus has withdrawn the submitted application, as continuing the legal proceedings is no longer useful.

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

		6M 2020 or 30.06.2020	6M 2021 or 30.06.2021	6M 2022 or 30.06.2022	6M2023 or 30.06.2023	6M 2024 or 30.06.2024	Δ	Δ %/x	
Operating indicators	Transmitted natural gas	TWh	17.0	22.2	16.8	14.7	12.9	(1.8)	-12 %
	Volume of natural gas consumed in Latvia*	TWh	6.0	7.0	4.8	4.3	5.0	0.7	16 %
	Inčukalns UGS filling at the end of reporting period**	TWh	12.4	11.3	9.8	13.9	14.5	0.6	4 %
	Volume of natural gas withdrawn from Inčukalns UGS	TWh	7.2	12.1	7.2	3.3	7.1	3.8	2.2 x
Financial indicators	Revenue***	`000 EUR	27 959	29 686	27 677	32 397	50 078	17 681	1.5 x
	EBITDA	`000 EUR	16 145	19 292	16 903	20 216	37 567	17 351	1.9 x
	Net profit	`000 EUR	7 656	8 138	5 397	8 073	24 531	16 458	3.0 x
	Total assets	`000 EUR	443 453	442 277	443 869	460 282	481 940	21 658	5 %
	Investments	`000 EUR	4 275	10 388	5 887	15 630	23 649	8 019	1.5 x
	Depreciation and amortisation	`000 EUR	8 401	8 783	8 928	9 026	9 015	(11)	0 %
Financial coefficients	EBITDA profitability	%	58 %	65 %	61 %	62 %	75 %	13 ppt	
	Net profit margin	%	27 %	27 %	19 %	25 %	49 %	24 ppt	
	Return on Equity ratio (ROE)	%	2.2 %	2.0 %	1.6 %	2.4 %	7.1 %	4.7 ppt	
	Shareholders' equity ratio****	%	90 %	74 %	74 %	72 %	71 %	(1 ppt)	
	Net debt to EBITDA ratio (Net debt / EBITDA)*****	coef.	0.7	2.9	2.9	2.5	0.9	(1.6)	-64 %
	Debt-service Coverage Ratio (DSCR)*****	coef.	9.5	7.8	2.4	2.8	4.3	1.5	54 %
Average number of employees	number	339	351	357	365	359	(6)	-2 %	

\* 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.

Nine gas transmission system operators (TSOs) from the Baltic Sea region countries have signed a Memorandum of Understanding (MoU) which aims to coordinate and facilitate hydrogen infrastructure as well as foster the development of the hydrogen market in the Baltic Sea region. The MoU outlines cooperation among the TSOs and has been signed by Conexus, Poland's GAZ-SYSTEM, Estonia's Elering, Denmark's Energinet, Finland's Gasgrid Vetyverkot, Lithuania's Amber Grid, Sweden's Nordion Energi, Germany's GASCADE Gastransport, and Germany's ONTRAS Gastransport. The aim of the cooperation is to coordinate the collaborators' activities for development of the hydrogen economy in the Baltic Sea region. To support positive hydrogen development the companies will

coordinate the development of hydrogen transmission and storage infrastructure projects in the region. Additionally, the partners will exchange information on the development of the hydrogen market and projects related to renewable hydrogen production and demand. The companies will closely cooperate with the Baltic Energy Market Interconnection Plan (BEMIP) group.

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).

Conexus has determined the capacity of Inčukalns UGS to provide the maximum amount of natural gas to be stored in the storage, which Conexus can offer to system users during the storage cycle, i.e., the technical capacity of the storage for the storage cycle 2024/2025. 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.

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.



🌱 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.

## 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



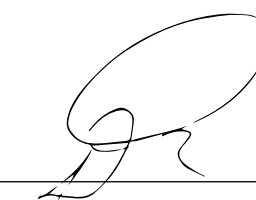
# STATEMENT OF THE MANAGEMENT BOARD'S RESPONSIBILITY

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

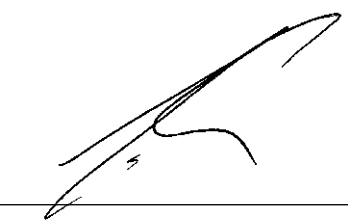
The unaudited condensed interim financial statements for the 6 months period ending 30 June 2024 have been prepared in accordance with the International Accounting Standard (IAS) No. 34 "Interim Financial reporting" as adopted by the European Union, and in all material aspects present a true and fair 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

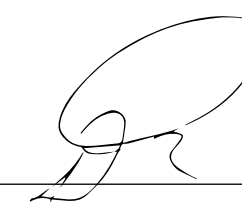
## INCOME STATEMENT

	Note	01.04.2024- 30.06.2024	01.04.2023- 30.06.2023	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
		EUR	EUR	EUR	EUR
Revenue	5	20 348 857	16 658 457	50 078 491	32 397 240
Other income	6	327 903	280 165	582 430	476 051
Maintenance and operating costs	7	(1 803 125)	(2 108 261)	(3 922 169)	(3 576 765)
Personnel expenses	8	(4 142 918)	(4 001 588)	(8 103 362)	(7 735 057)
Other operating costs	9	(560 381)	(797 066)	(1 068 524)	(1 345 599)
Depreciation, amortisation, and PPE impairment	11, 12	(4 503 643)	(4 520 849)	(9 015 247)	(9 025 856)
<b>Operating profit</b>		<b>9 666 693</b>	<b>5 510 858</b>	<b>28 551 619</b>	<b>11 190 014</b>
Financial costs, net	10	(458 198)	(512 880)	(1 036 185)	(1 028 346)
<b>Profit before tax</b>		<b>9 208 495</b>	<b>4 997 978</b>	<b>27 515 434</b>	<b>10 161 668</b>
Corporate income tax		(2 983 957)	(2 088 770)	(2 983 957)	(2 088 770)
<b>Profit for the period</b>		<b>6 224 538</b>	<b>2 909 208</b>	<b>24 531 477</b>	<b>8 072 898</b>

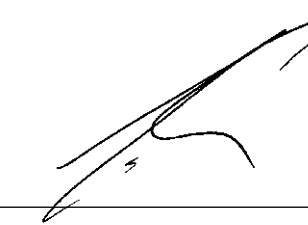
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## STATEMENT OF COMPREHENSIVE INCOME

	01.04.2024- 30.06.2024	01.04.2023- 30.06.2023	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
	EUR	EUR	EUR	EUR
<b>Profit for the period</b>	<b>6 224 538</b>	<b>2 909 208</b>	<b>24 531 477</b>	<b>8 072 898</b>
<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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>6 224 538</b>	<b>2 909 208</b>	<b>24 531 477</b>	<b>8 072 898</b>

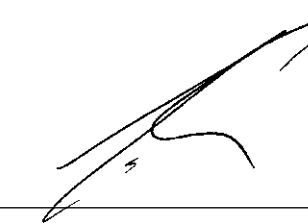
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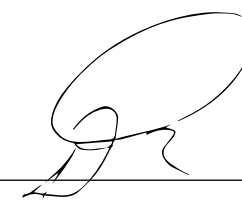
## STATEMENT OF FINANCIAL POSITION

	Note	30.06.2024	30.06.2023	31.12.2023
ASSETS		EUR	EUR	EUR
<b>Long-term investments</b>				
Intangible assets	11	18 220 306	1 905 042	17 990 579
Advances for intangible assets		102 750	-	40 700
Property, plant and equipment	12	432 638 839	433 890 298	418 229 727
Advances for property, plant and equipment		2 804 209	5 358 180	2 483 546
Long-term deferred expenses	13	-	957 472	-
Right-of-use assets		441 786	454 930	448 358
<b>Total long-term investments</b>		<b>454 207 890</b>	<b>442 565 922</b>	<b>439 192 910</b>
<b>Current assets</b>				
Inventories		6 006 166	4 004 319	4 677 609
Receivables from contracts with customers		7 840 110	7 994 299	11 555 119
Other receivables		204 211	2 232 042	265 160
Deferred expenses		780 009	715 559	640 226
Cash and cash equivalents		12 901 598	2 769 819	12 953 450
<b>Total current assets</b>		<b>27 732 094</b>	<b>17 716 038</b>	<b>30 091 564</b>
<b>TOTAL ASSETS</b>		<b>481 939 984</b>	<b>460 281 960</b>	<b>469 284 474</b>

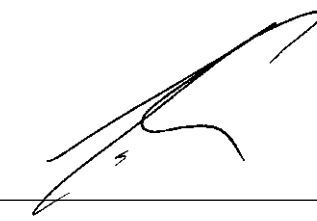
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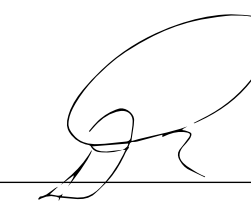
## STATEMENT OF FINANCIAL POSITION (continued)

	Note	30.06.2024	30.06.2023	31.12.2023
<b>SEQUIY 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		185 341 572	204 435 446	188 650 930
Retained earnings		116 408 049	88 881 219	100 503 041
<b>Total equity</b>		<b>341 513 429</b>	<b>333 079 402</b>	<b>328 916 708</b>
<b>Non-current liabilities</b>				
Borrowings from credit institutions	14	47 494 624	63 018 540	65 568 897
Deferred income		32 712 299	25 878 690	26 070 874
Employee benefit obligations		1 331 477	1 351 768	1 331 477
Non-current lease liabilities		447 495	454 050	450 798
<b>Total non-current liabilities</b>		<b>81 985 895</b>	<b>90 703 048</b>	<b>93 422 046</b>
<b>Current liabilities</b>				
Borrowings from credit institutions	14	25 594 554	12 958 221	13 974 779
Trade payables		5 819 961	8 228 414	5 781 591
Other liabilities		2 081 719	4 232 262	2 373 934
Accrued liabilities		17 256 944	2 676 235	17 696 397
Deferred income from contracts with customers		5 676	11 186	4 475
Deferred income, other		987 106	776 623	974 483
Advances from customers		6 667 496	7 589 365	6 112 857
Current lease liabilities		27 204	27 204	27 204
<b>Total current liabilities</b>		<b>58 440 660</b>	<b>36 499 510</b>	<b>46 945 720</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>481 939 984</b>	<b>460 281 960</b>	<b>469 284 474</b>

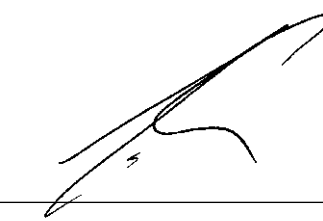
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## STATEMENT OF CHANGES IN EQUITY

Note	Share capital	Retained earning	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 01.01.2023-30.06.2023	-	8 072 898	-	-	-	-	8 072 898
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>8 072 898</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 072 898</b>
Dividends	-	(8 355 078)	918	-	-	-	(8 354 160)
Decrease in PPE revaluation reserve	-	3 525 396	-	-	(3 525 396)	-	-
<b>Total transactions with shareholders and other changes in equity</b>	<b>-</b>	<b>(4 829 682)</b>	<b>918</b>	<b>-</b>	<b>(3 525 396)</b>	<b>-</b>	<b>(8 354 160)</b>
<b>At 30 June 2023</b>	<b>39 786 089</b>	<b>88 881 219</b>	<b>(23 352)</b>	<b>24 647 260</b>	<b>179 729 287</b>	<b>58 899</b>	<b>333 079 402</b>
Profit for the period 01.07.2023-31.12.2023	-	8 098 867	-	-	-	-	8 098 867
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>8 098 867</b>	<b>-</b>	<b>-</b>	<b>(12 291 041)</b>	<b>29 480</b>	<b>(4 162 694)</b>
Decrease in PPE revaluation reserve	-	3 522 955	-	-	(3 522 955)	-	-
<b>Total transactions with shareholders and other changes in equity</b>	<b>-</b>	<b>3 522 955</b>	<b>-</b>	<b>-</b>	<b>(3 522 955)</b>	<b>-</b>	<b>-</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>

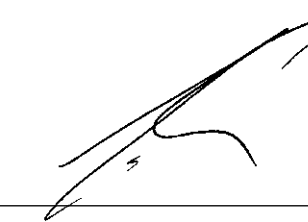
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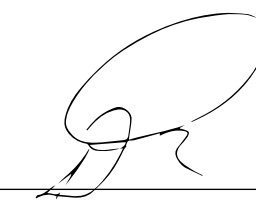
## STATEMENT OF CHANGES IN EQUITY (continued)

Note	Share capital	Retained earning	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>	<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>
Profit for the reporting period	-	24 531 477	-	-	-	-	24 531 477
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>24 531 477</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24 531 477</b>
Dividends	-	(11 935 827)	1 071	-	-	-	(11 934 756)
Decrease in PPE revaluation reserve	-	3 309 358	-	-	(3 309 358)	-	-
<b>Total transactions with shareholders and other changes in equity</b>	<b>-</b>	<b>(8 626 469)</b>	<b>1 071</b>	<b>-</b>	<b>(3 309 358)</b>	<b>-</b>	<b>(11 934 756)</b>
<b>At 30 June 2024</b>	<b>39 786 089</b>	<b>116 408 049</b>	<b>(22 281)</b>	<b>24 647 260</b>	<b>160 605 933</b>	<b>88 379</b>	<b>341 513 429</b>

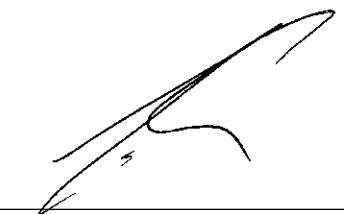
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## STATEMENT OF CASH FLOWS

	Note	01.04.2024- 30.06.2024	01.04.2023- 30.06.2023	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
<b>Cash flow from operating activity</b>		EUR	EUR	EUR	EUR
<b>Profit before corporate income tax</b>		9 208 495	4 997 978	27 515 434	10 161 668
Adjustments:					
- depreciation and impairment of property, plant and equipment	12	4 300 580	4 327 867	8 598 709	8 641 691
- depreciation of the right-of-use assets		3 286	3 286	6 572	6 572
- amortisation of intangible assets	11	199 776	189 697	409 966	377 593
- loss on disposal of PPEs		(23)	(683)	1 239	273
- changes in provisions		192 000	240 000	444 000	540 000
- recognised EU co-financing		(244 997)	(190 341)	(486 743)	(374 517)
- interest expense		695 648	537 074	1 439 462	1 052 619
- interest income		(237 318)	(24 253)	(403 605)	(24 253)
Changes in the working capital:					
- decrease / (increase) of receivables from contracts with customers, other receivables and deferred expenses		2 319 730	(767 265)	3 636 175	2 282 355
- decrease / (increase) in inventories		(297 083)	114 302	(1 328 557)	(313 384)
- increase / (decrease) of lease liabilities, trade payables, accrued liabilities, advances from customers and other liabilities		149 145	514 755	(322 036)	(1 661 664)
Corporate income tax paid		(2 983 957)	-	(2 983 957)	-
<b>Net cash flow from operating activity</b>		<b>13 305 282</b>	<b>9 942 417</b>	<b>36 526 659</b>	<b>20 688 953</b>
<b>Cash flow from investing activity</b>					
Acquisition of property, plant and equipment		(18 938 449)	(10 666 256)	(22 852 366)	(14 050 562)
Acquisition of intangible assets		(148 390)	(159 143)	(604 366)	(213 779)
Proceeds from the sale of property, plant and equipment items		23	1 024	298	1 360
Received EU co-financing		6 760 618	139 687	6 760 618	1 304 747
<b>Net cash flow from investing activities</b>		<b>(12 326 198)</b>	<b>(10 684 688)</b>	<b>(16 695 816)</b>	<b>(12 958 234)</b>

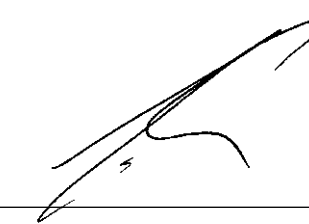
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## STATEMENT OF CASH FLOWS (continued)

Note	01.04.2024- 30.06.2024	01.04.2023- 30.06.2023	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
<b>Cash flow from financing activities</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Interest paid	(699 815)	(559 292)	(1 483 105)	(1 145 430)
Borrowings repaid	(2 740 951)	(2 740 951)	(6 449 643)	(6 449 643)
Lease payments	(2 233)	(2 232)	(13 603)	(13 601)
Dividends paid	(11 935 172)	(8 317 845)	(11 936 344)	(8 319 342)
<b>Net cash flow from financing activity</b>	<b>(15 378 171)</b>	<b>(11 620 320)</b>	<b>(19 882 695)</b>	<b>(15 928 016)</b>
<b>Net cash flow</b>	<b>(14 399 087)</b>	<b>(12 362 591)</b>	<b>(51 852)</b>	<b>(8 197 297)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>27 300 685</b>	<b>15 132 410</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>12 901 598</b>	<b>2 769 819</b>	<b>12 901 598</b>	<b>2 769 819</b>

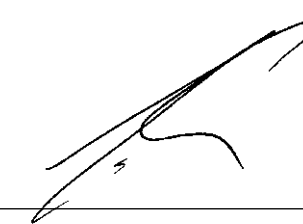
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# NOTES TO THE FINANCIAL STATEMENTS

## 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 6 months, from 1 January to 30 June 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	30.06.2024	30.06.2023	31.12.2023
	EUR	EUR	EUR	EUR
<b>Assets:</b>				
Trade receivables	3.	7 840 110	7 994 299	11 555 119
Other receivables	3.	30 112	2 586	20 400
Cash and cash equivalents	2.	12 901 598	2 769 819	12 953 450
<b>Liabilities:</b>				
Borrowings from credit institutions	3.	73 089 177	75 976 761	79 543 677
Trade payables	3.	5 819 961	8 228 414	5 781 591
Other liabilities and accrued liabilities	3.	15 525 745	942 473	16 010 238
Lease liabilities	3.	474 699	481 254	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:

- 🔥 replacement of insulation for gas pipeline Izborsk-Inčukalna 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 the SCADA transmission control system – EUR 676 thousand.

#### Natural gas storage

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 18 822 thousand, implemented within the framework of the European project of common interest PCI 8.2.4 “Enhancement of Inčukalns UGS”;
- 🌱 solar electricity production plant - EUR 403 thousand;
- 🌱 development of the SCADA storage control system – EUR 376 thousand.

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

Segment income statements for the period 01.01.2024-30.06.2024:

	Transmission	Storage	Conexus total	Difference between segments total and Conexus total
	EUR	EUR	EUR	EUR
Revenue	19 726 935	30 351 556	50 078 491	-
Other income	117 359	465 071	582 430	-
Maintenance and service costs	(1 599 806)	(2 322 363)	(3 922 169)	-
Personnel expenses	(4 614 867)	(3 488 495)	(8 103 362)	-
Other operating costs	(693 924)	(374 600)	(1 068 524)	-
Depreciation, amortisation, and impairment of property, plant and equipment	(5 079 347)	(3 935 900)	(9 015 247)	-
Finance costs	(610 206)	(425 979)	(1 036 185)	-
Corporate income tax	(180 330)	(2 803 627)	(2 983 957)	-
<b>Profit for the reporting period</b>	<b>7 065 814</b>	<b>17 465 663</b>	<b>24 531 477</b>	<b>-</b>

Segment income statements for the period 01.01.2023-30.06.2023:

	Transmission	Storage	Conexus total	Difference between segments total and Conexus total
	EUR	EUR	EUR	EUR
Revenue	12 177 715	20 219 525	32 397 240	-
Other income	108 115	367 936	476 051	-
Maintenance and service costs	(1 258 465)	(2 318 300)	(3 576 765)	-
Personnel expenses	(4 398 513)	(3 336 544)	(7 735 057)	-
Other operating costs	(751 874)	(593 725)	(1 345 599)	-
Depreciation, amortisation, and impairment of property, plant and equipment	(4 978 314)	(4 047 542)	(9 025 856)	-
Finance costs	(605 718)	(422 628)	(1 028 346)	-
Corporate income tax	(195 219)	(1 893 551)	(2 088 770)	-
<b>Profit for the reporting period</b>	<b>97 727</b>	<b>7 975 171</b>	<b>8 072 898</b>	<b>-</b>

Total assets by segments as at 30.06.2024 and investments during the period 01.01.2024-30.06.2024:

	Transmission	Storage	Conexus total	Difference between segments total and Conexus total
	EUR	EUR	EUR	EUR
Segment assets	247 213 854	234 726 130	481 939 984	-
Investments in property, plant and equipment and intangible assets	3 481 559	20 167 493	23 649 052	-

Total assets by segments as at 30.06.2023 and investments during the period 01.01.2023-30.06.2023:

	Transmission	Storage	Conexus total	Difference between segments total and Conexus total
	EUR	EUR	EUR	EUR
Segment assets	227 990 735	232 291 225	460 281 960	-
Investments in property, plant and equipment and intangible assets	4 402 514	11 227 737	15 630 251	-

## Geographical information

All operating activities are held in Latvia.

## Major customers

Revenue generated during the period 01.01.2024-30.06.2024 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	13 940 874	14 197 338	28 138 212

Revenue generated during the period 01.01.2023-30.06.2023 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	9 350 134	9 839 541	19 189 675



## 5. REVENUE

Revenue from contracts with customers recognised over time	01.04.2024-30.06.2024	01.04.2023-30.06.2023	01.01.2024-30.06.2024	01.01.2023-30.06.2023
	EUR	EUR	EUR	EUR
Revenue from transmission services	4 653 247	3 874 684	19 025 653	11 715 558
Balancing income, net	355 459	223 189	701 282	462 157
<b>Revenue from transmission services</b>	<b>5 008 706</b>	<b>4 097 873</b>	<b>19 726 935</b>	<b>12 177 715</b>
Revenue from storage services	15 340 151	12 560 584	30 351 556	20 219 525
<b>Revenue from storage services</b>	<b>15 340 151</b>	<b>12 560 584</b>	<b>30 351 556</b>	<b>20 219 525</b>
<b>Total</b>	<b>20 348 857</b>	<b>16 658 457</b>	<b>50 078 491</b>	<b>32 397 240</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:

	01.04.2024-30.06.2024	01.04.2023-30.06.2023	01.01.2024-30.06.2024	01.01.2023-30.06.2023
	EUR	EUR	EUR	EUR
Income from balancing activities	2 467 648	2 025 912	4 775 486	7 144 638
Cost of balancing activities	(2 112 189)	(1 802 723)	(4 074 204)	(6 682 481)
	<b>355 459</b>	<b>223 189</b>	<b>701 282</b>	<b>462 157</b>

## 6. OTHER INCOME

	01.04.2024- 30.06.2024	01.04.2023- 30.06.2023	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
	EUR	EUR	EUR	EUR
Income from EU co-financing	244 997	190 342	486 742	374 518
Other income	82 883	89 141	95 688	101 533
Net income from the disposal of PPE's	23	682	-	-
	<b>327 903</b>	<b>280 165</b>	<b>582 430</b>	<b>476 051</b>

## 7. MAINTENANCE AND SERVICES COSTS

	01.04.2024- 30.06.2024	01.04.2023- 30.06.2023	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
	EUR	EUR	EUR	EUR
Transmission and storage system maintenance services	792 287	1 256 760	1 525 905	1 858 951
Cost of materials	306 601	282 727	624 884	481 928
Cost of natural gas	355 338	289 612	1 088 007	679 301
Maintenance of IT infrastructure	284 851	231 644	549 915	430 126
Maintenance of vehicles and machinery	64 048	47 518	133 458	126 459
	<b>1 803 125</b>	<b>2 108 261</b>	<b>3 922 169</b>	<b>3 576 765</b>

## 8. PERSONNEL EXPENSES

	01.04.2024- 30.06.2024	01.04.2023- 30.06.2023	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
	EUR	EUR	EUR	EUR
Salaries	3 175 355	3 091 904	6 217 807	5 968 346
State social insurance mandatory contributions	745 767	721 557	1 460 828	1 397 751
Life, health, and pension insurance	226 551	185 503	427 841	362 947
Other personnel costs	3 865	2 624	5 506	6 013
Capitalised personnel expenses	(8 620)	-	(8 620)	-
	<b>4 142 918</b>	<b>4 001 588</b>	<b>8 103 362</b>	<b>7 735 057</b>



## 9. OTHER OPERATING COSTS

	01.04.2024- 30.06.2024	01.04.2023- 30.06.2023	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
	EUR	EUR	EUR	EUR
Taxes and duties*	240 425	273 213	421 477	457 184
Office and other administrative costs	319 956	523 853	645 808	888 142
Net loss on disposals of PPE	-	-	1 239	273
	<b>560 381</b>	<b>797 066</b>	<b>1 068 524</b>	<b>1 345 599</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

	01.04.2024- 30.06.2024	01.04.2023- 30.06.2023	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
	EUR	EUR	EUR	EUR
Interest paid	690 498	531 857	1 429 164	1 042 186
Lease interest expense	5 150	5 217	10 300	10 433
Gain from deposit interest and exchange rate fluctuations	(237 450)	(24 194)	(403 279)	(24 273)
	<b>458 198</b>	<b>512 880</b>	<b>1 036 185</b>	<b>1 028 346</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	-	-	174 627	174 627
Transfers	54 928	-	(54 928)	-
Disposals	(2 250)	-	-	(2 250)
<b>30.06.2023</b>	<b>8 844 179</b>	-	<b>168 694</b>	<b>9 012 873</b>
Additions	-	-	15 430 397	15 430 397
Transfers	418 909	-	(418 909)	-
Disposals	(1 522 775)	-	-	(1 522 775)
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	377 594	-	-	377 594
Disposals	(2 250)	-	-	(2 250)
<b>30.06.2023</b>	<b>7 107 831</b>	-	-	<b>7 107 831</b>
Amortisation charge	352 725	-	-	352 725
Disposals	(1 522 775)	-	-	(1 522 775)
<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 30.06.2023</b>	<b>1 736 348</b>	-	<b>168 694</b>	<b>1 905 042</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	-	-	639 693	639 693
Transfers	22 123	-	(22 123)	-
Disposals	(454 895)	-	-	(454 895)
<b>30.06.2024</b>	<b>7 307 541</b>	<b>1 007 865</b>	<b>15 797 752</b>	<b>24 113 158</b>
<b>Amortisation</b>				
<b>31.12.2023</b>	<b>5 937 781</b>	-	-	<b>5 937 781</b>
Amortisation charge	359 573	50 393	-	409 966
Disposals	(454 895)	-	-	(454 895)
<b>30.06.2024</b>	<b>5 842 459</b>	<b>50 393</b>	-	<b>5 892 852</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 30.06.2024</b>	<b>1 465 082</b>	<b>957 472</b>	<b>15 797 752</b>	<b>18 220 306</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	101 580	349 032	-	1 398	18 187	-	-	14 978 177	15 455 624
Reclassified	-	524 303	43 357	(37 888)	-	149 840	338 070	-	-	(1 017 682)	-
Disposals	-	-	-	(26 060)	-	(10 020)	-	-	-	-	(36 080)
<b>30.06.2023</b>	<b>1 092 474</b>	<b>626 451 863</b>	<b>96 626 046</b>	<b>6 508 535</b>	<b>159 765 510</b>	<b>37 355 280</b>	<b>7 612 162</b>	<b>1 825 384</b>	<b>10 708 163</b>	<b>24 221 023</b>	<b>972 166 440</b>
Additions	-	-	213 966	257 204	-	7 439	-	-	-	16 729 197	17 207 806
Reclassified	12 037	4 069 153	372 493	218 266	489 140	2 230 822	3 741 094	-	-	(11 133 005)	-
Disposals	-	(926 923)	(661 581)	(416 699)	(13 000)	(1 156 200)	(1 688)	(12 395)	-	(97 395)	(3 285 881)
Recognized impairment*	-	-	-	-	(21 468 279)	(8 061 251)	(3 727 322)	-	-	-	(33 256 852)
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	-	4 393 333	1 912 131	274 810	1 367 862	430 828	262 727	-	-	-	8 641 691
Disposals	-	-	-	(25 718)	-	(8 729)	-	-	-	-	(34 447)
Reclassified	-	-	38 225	(38 225)	-	-	-	-	-	-	-
<b>30.06.2023</b>	<b>-</b>	<b>415 640 858</b>	<b>46 185 963</b>	<b>4 372 038</b>	<b>48 251 784</b>	<b>20 912 412</b>	<b>2 913 087</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>538 276 142</b>
Calculated	-	4 432 275	1 882 109	283 622	1 364 804	483 511	361 558	-	-	-	8 807 879
Disposals	-	(812 278)	(640 906)	(416 022)	(10 452)	(685 162)	(1 688)	-	-	-	(2 566 508)
Excluded as a result of revaluation*	-	-	-	-	(5 287 570)	(4 089 877)	(391 561)	-	-	-	(9 769 008)
Reclassified	-	41 509	(41 509)	4 002	-	-	(4 002)	-	-	-	-
<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 30.06.2023</b>	<b>1 092 474</b>	<b>210 811 005</b>	<b>50 440 083</b>	<b>2 136 497</b>	<b>111 513 726</b>	<b>16 442 868</b>	<b>4 699 075</b>	<b>1 825 384</b>	<b>10 708 163</b>	<b>24 221 023</b>	<b>433 890 298</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)

	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>31.12.2023</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	-	-	542 845	145 771	-	-	16 479	-	-	22 304 263	23 009 358
Reclassified	-	9 614	(14 389)	57 707	18 695	57 776	4 982	-	-	(134 385)	-
Disposals	-	-	(1 400)	(45 992)	-	-	(122 109)	-	-	-	(169 501)
<b>30.06.2024</b>	<b>1 104 511</b>	<b>629 603 707</b>	<b>97 077 980</b>	<b>6 724 792</b>	<b>138 792 066</b>	<b>30 433 866</b>	<b>7 523 598</b>	<b>1 959 708</b>	<b>10 708 163</b>	<b>51 889 698</b>	<b>975 818 089</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	-	4 469 840	1 953 580	326 505	1 195 198	378 299	275 287	-	-	-	8 598 709
Disposals	-	-	(1 400)	(44 455)	-	-	(122 109)	-	-	-	(167 964)
Reclassified	-	-	(7 037)	7 037	-	-	-	-	-	-	-
<b>30.06.2024</b>	<b>-</b>	<b>423 772 204</b>	<b>49 330 800</b>	<b>4 532 727</b>	<b>45 513 764</b>	<b>16 999 183</b>	<b>3 030 572</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>543 179 250</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 30.06.2024</b>	<b>1 104 511</b>	<b>205 831 503</b>	<b>47 747 180</b>	<b>2 192 065</b>	<b>93 278 302</b>	<b>13 434 683</b>	<b>4 493 026</b>	<b>1 959 708</b>	<b>10 708 163</b>	<b>51 889 698</b>	<b>432 638 839</b>



## 13. CO-FINANCED PROJECTS

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

	30.06.2024	30.06.2023	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	-	(50 393)	(100 786)
Reclassified to intangible assets	-	-	(1 007 866)
<b>Carried forward to future periods</b>	-	<b>1 058 259</b>	-
including short-term portion	-	100 786	-
long-term portion	-	957 472	-

On 31 December 2023 in the financial accounting, co-financing of the project “Increase of Capacity of Klaipeda-Kiemenui 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

	30.06.2024	30.06.2023	31.12.2023
	EUR	EUR	EUR
Non-current borrowings from credit institutions	47 494 624	63 018 540	65 568 897
Current borrowings from credit institutions	25 523 917	12 899 286	13 899 286
Accrued interest on borrowings from credit institutions	70 637	58 935	75 493
	<b>73 089 178</b>	<b>75 976 761</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 3.07 % (31.12.2023: 3.30 %). At the end of the reporting period, 37 % 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>01.04.2024- 30.06.2024 or 30.06.2024</b>	<b>01.04.2023- 30.06.2023 or 30.06.2023</b>	<b>01.01.2024- 30.06.2024 or 30.06.2024</b>	<b>01.01.2023- 30.06.2023 or 30.06.2023</b>
	EUR	EUR	EUR	EUR
<b>Revenue from related parties:</b>				
AS “Latvenergo”	6 089 997	4 452 127	18 716 264	11 496 139
<b>Purchases of goods and services from related parties:</b>				
AS “Latvenergo”	417 196	857 025	1 391 309	1 771 510
AS “Augstsprieguma tīkls”	-	-	190	201
<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”	2 199 349	2 092 969	2 199 349	2 092 969
<b>Trade payables</b>				
AS “Latvenergo”	250 206	754 308	250 206	754 308

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

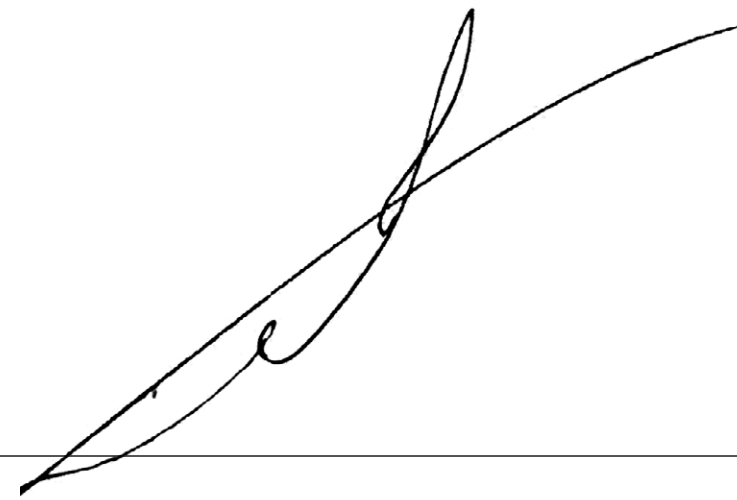
As of 30 June 2024, long-term investment agreements contracted for, but not yet delivered amounted EUR 24 194 510 (31.12.2022.: EUR 42 611 272).



## 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 June 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