

Unaudited Condensed Interim Financial Statements

FOR THE 3-MONTH PERIOD ENDED 31 MARCH 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.

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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 www.conexus.lv
Major shareholders	AS „Augstsprieguma tīkls” (68.46 %) MM Infrastructure Investments Europe Limited (29.06 %)
Financial statements period	1 January 2024 – 31 March 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.

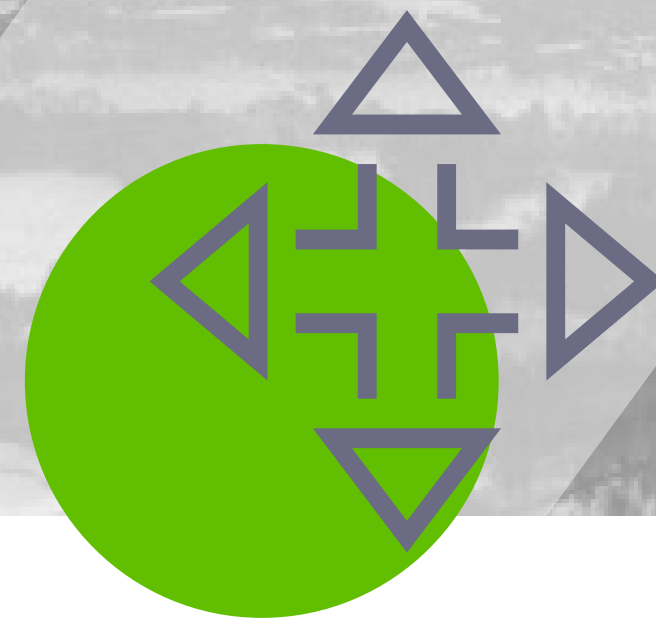
WHAT IS IMPORTANT TO US?

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.

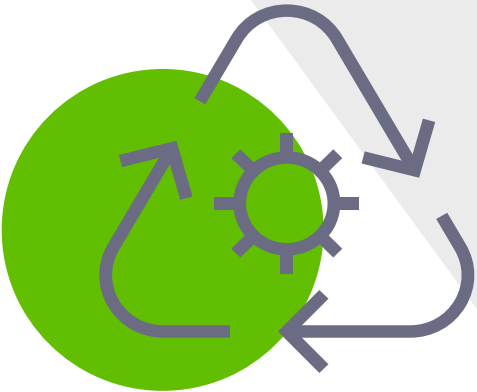
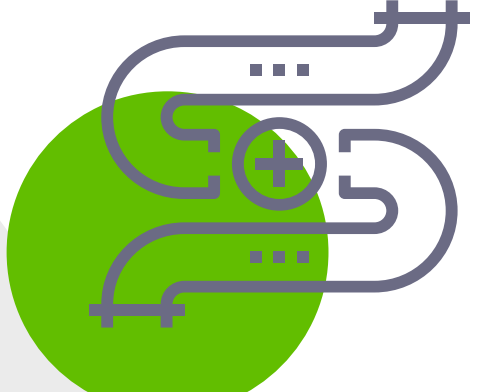

Cooperation



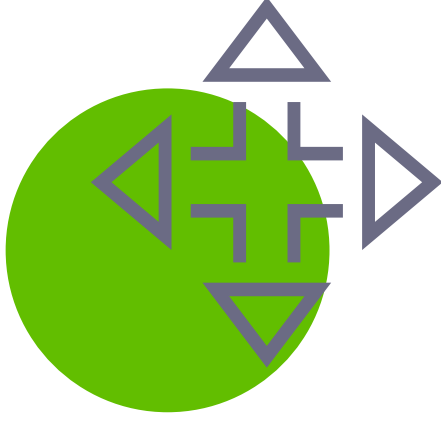


We support each other in decision making, we listen and search for common solutions both internally, and working with clients and current and potential partners.

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>MARKET DEVELOPMENT</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"> • Facilitate integration of the regional market • 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 • Further development of Inčukalns UGS services by securing higher flexibility, including compression withdrawal option
<p>INFRASTRUCTURE SAFETY AND SECURITY OF SUPPLY</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"> • Implement projects of common interests • Carry out research and development projects to identify technical options and necessary investments for repurposing of existing infrastructure for blending or pure hydrogen usage, including by building a dedicated hydrogen infrastructure • Asset management based on future challenges
<p>SUSTAINABILITY</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"> • E – regional market integration that promotes renewable gas development, secure transmission and storage infrastructure, while focusing on NOx and GHG (greenhouse gas) emission reduction • S – safety-oriented culture, professional and development-oriented team • G – compliance with the Corporate Governance Code

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

	<p>Focus on organizational development and efficiency</p>	<p>Conexus will facilitate funding opportunities, as well as enhance operational efficiency.</p>
	<p>Digitalisation and cybersecurity</p>	<p>Conexus will continue digitalization projects focusing on operational technology, physical security, fire safety and cybersecurity.</p>
	<p>Professional and development-oriented team</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 31 March 2024:

AS „AUGSTSPRIEGUMA TĪKLS”

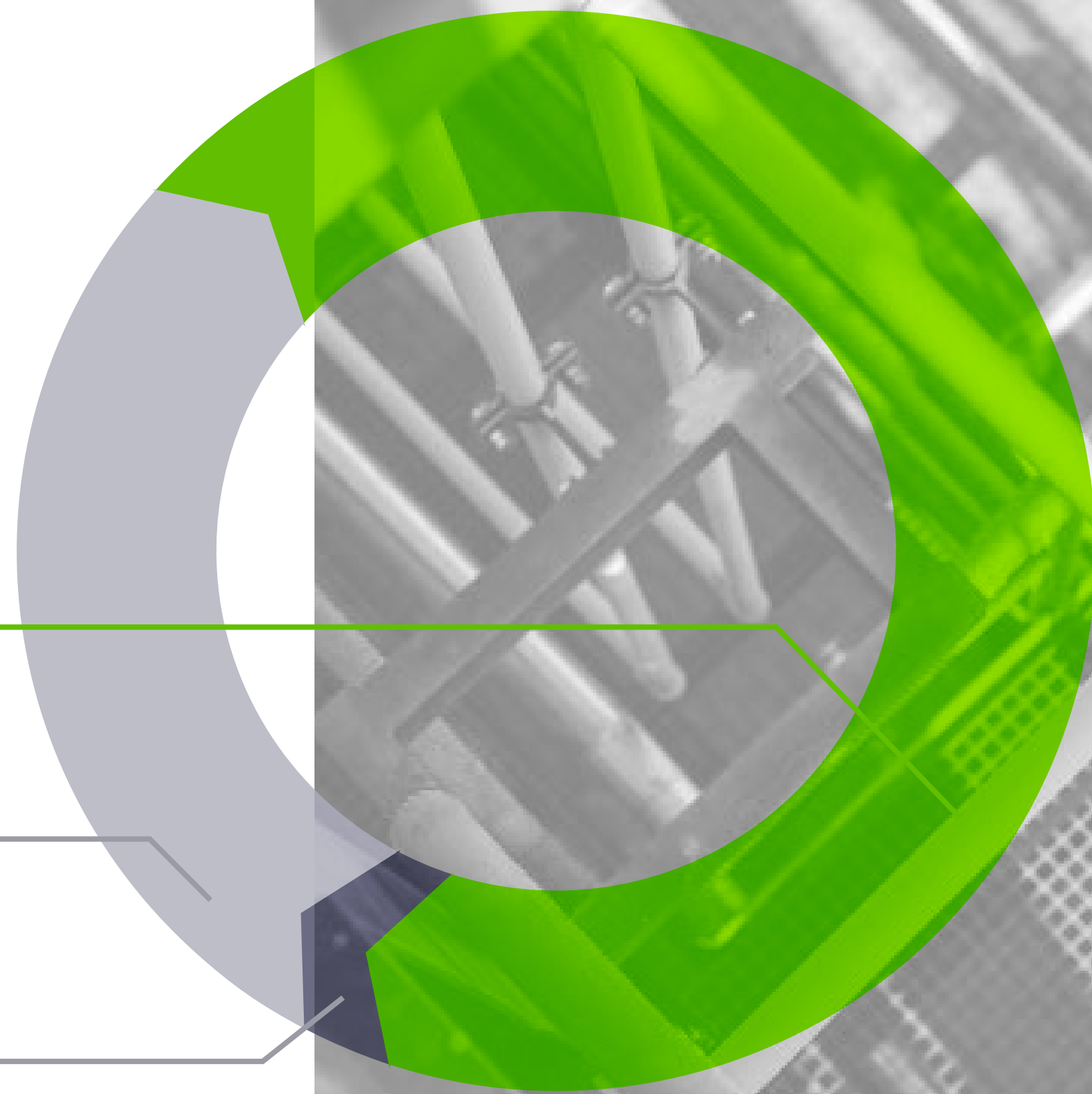
68.46 %

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

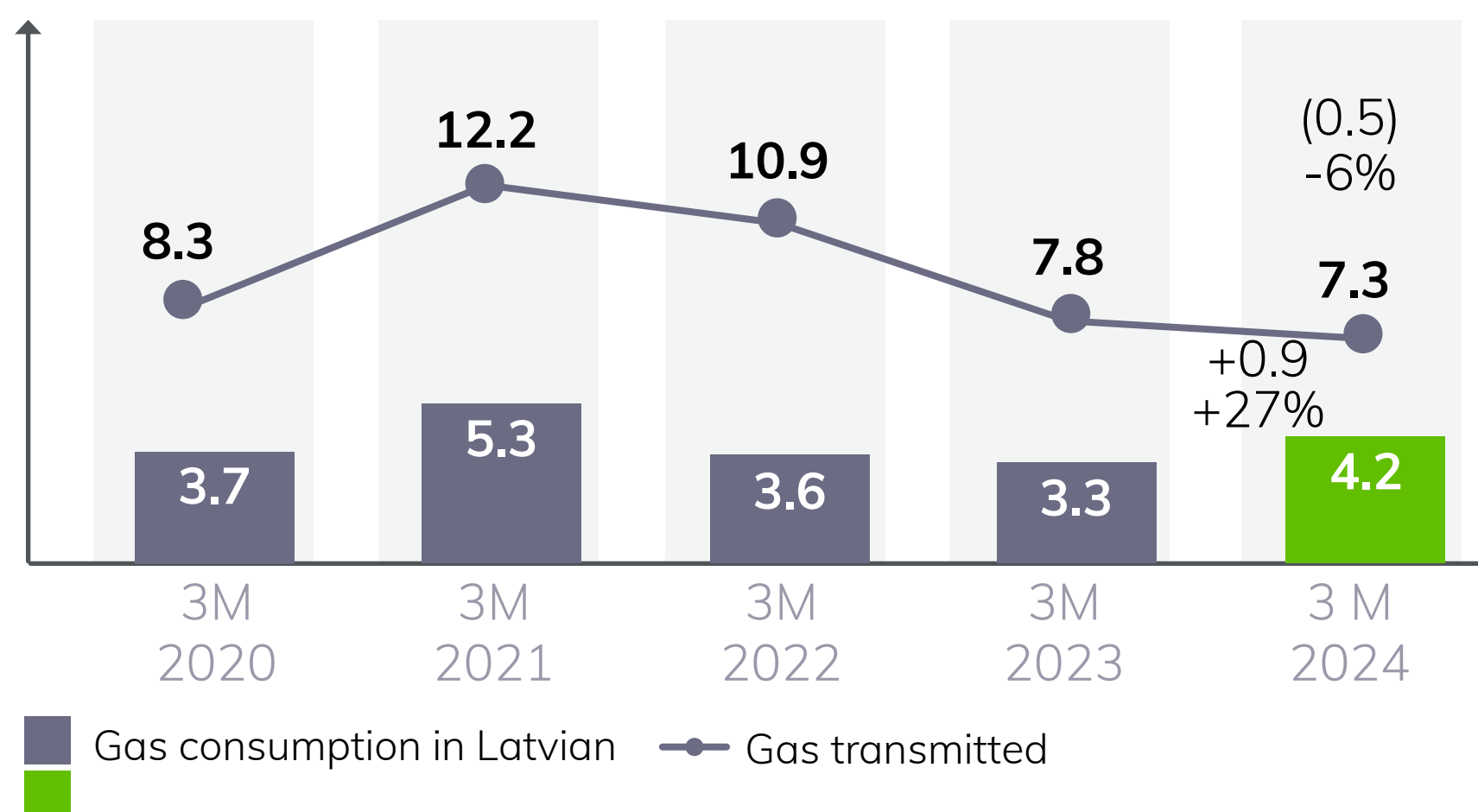
Several auctions of Inčukalns UGS capacity were held during the period from 13 February 2024 to 9 May 2024, in which system users were granted a total capacity of 12.2 TWh – 8.2 TWh of the one-year bundled capacity product for 2024/2025 storage cycle and 4 TWh of the two-year bundled capacity product 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 held in 2023 and 2024 applicable to 2024/2025 storage cycle against the booked capacity of 22.9 TWh).

Natural gas supply

During the first three months of 2024, Conexus ensured uninterrupted supply of natural gas to users in Latvia, Lithuania, and Estonia. Deliveries of natural gas were made from Inčukalns UGS in amount of 6.8 TWh, which is twice the amount compared to the previous

Transmitted natural gas, TWh



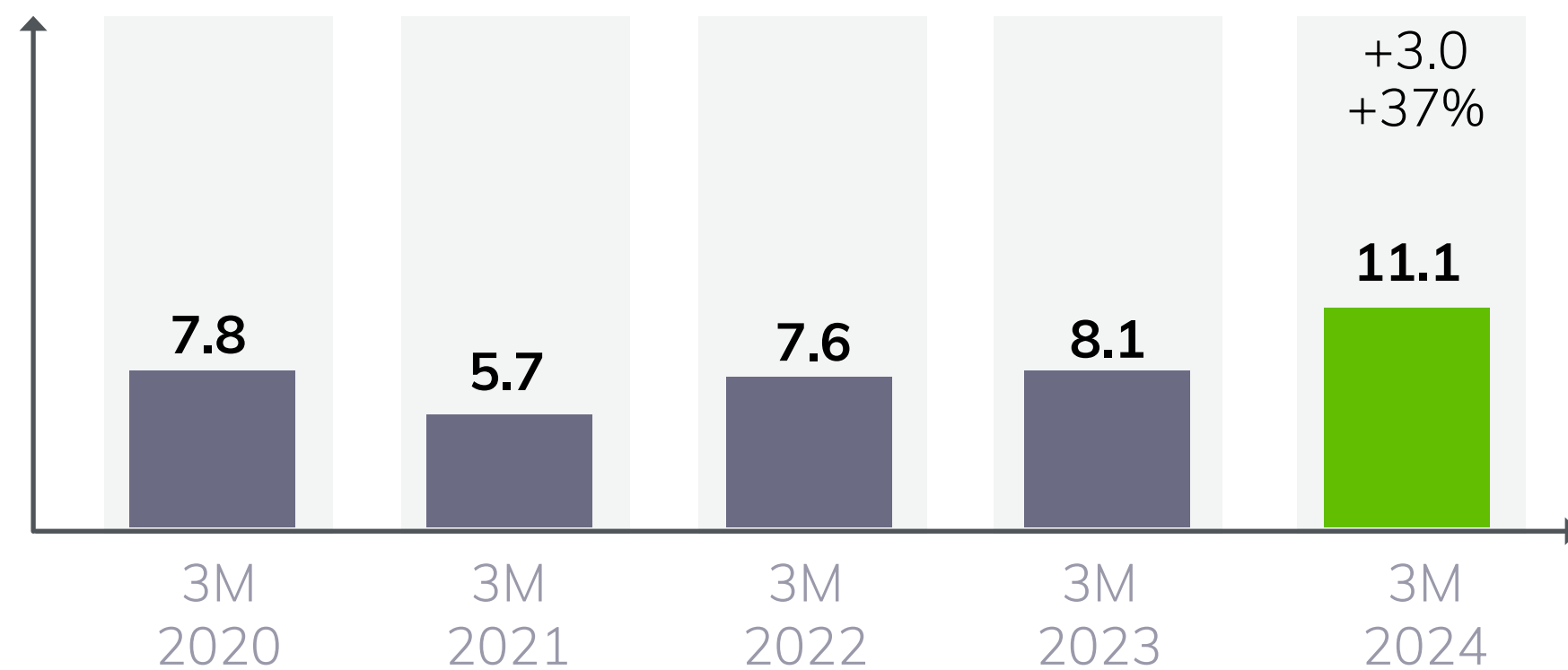
year's three months, while the volume of natural gas transmitted from Lithuania reached 0.5 TWh, which is 9 times less than in the previous year's three months. Conexus did not participate in supplying Finnish consumers since the underwater gas pipeline connecting Finland and Estonia (the "Balticconnector") was shut down from 8 October 2023. Its operation was restored on 22 April 2024. The total volume of gas transmitted in Latvia during the reporting period reached 7.3 TWh, which is 6 % less than in the previous year's respective period.

Natural gas supply for consumption in Latvia during the first three months of 2024 reached 4.2 TWh, which is 27 % more than in the prior year's respective period. The increase in natural gas consumption was influenced 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 plants¹. Natural gas from the Russian Federation has not been supplied for consumption in Latvia².

Amount of natural gas stored in Inčukalns UGS

At the end of the reporting period, 11.1 TWh of natural gas is stored in Inčukalns UGS (including energy supply security reserves of 1.8 TWh), which is 37 % more than during the same time a year ago.

Inčukalns UGS filling at the end of reporting period, TWh



Financial results

The revenue in the reporting period was 1.9 times higher than in the previous year's respective period reaching EUR 29 730 thousand. Reflecting the increase in revenue, EBITDA indicator increased by 2.3 times in comparison to the respective period of 2023 reaching EUR 23 397 thousand. The revenue and EBITDA were positively impacted by revenue increase from both transmission and storage services.

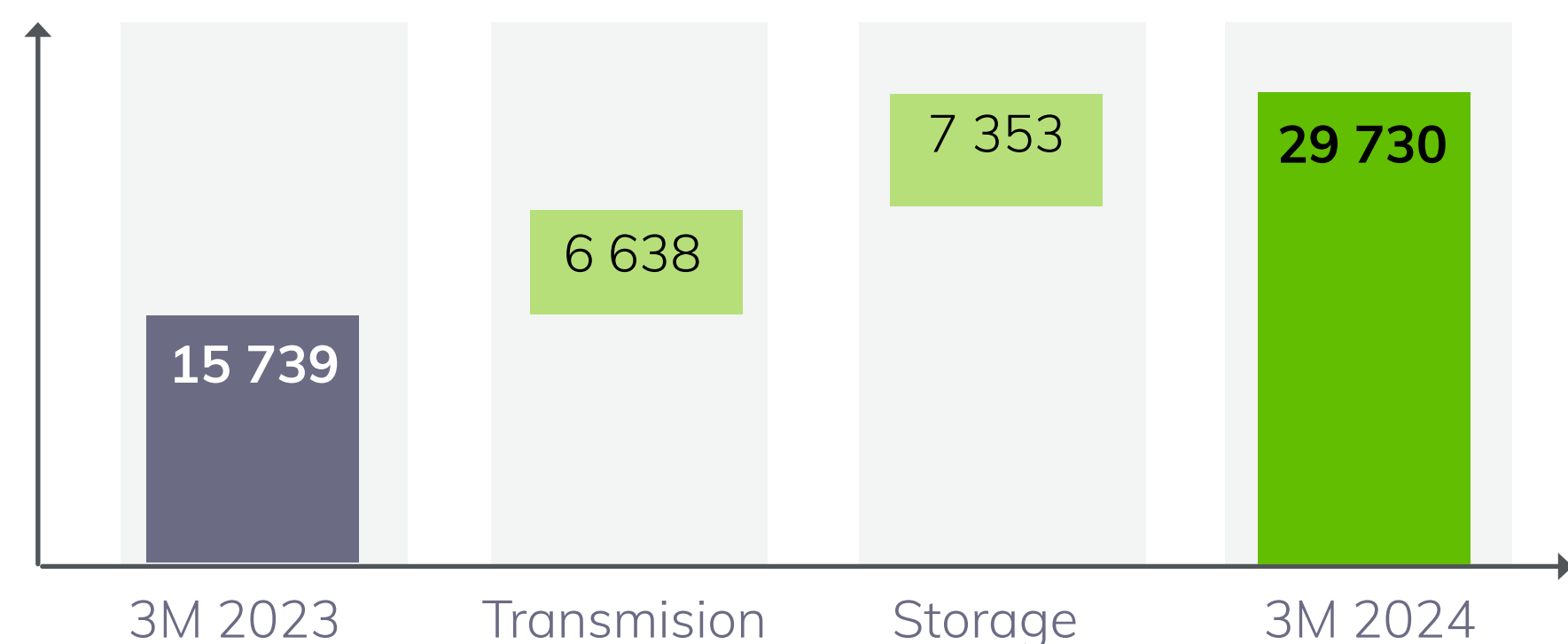
Since 1 December 2023, when the regulatory period for the natural gas transmission system service began, the charge for the use of the exit point for supplying gas users in Latvia has been higher than in the previous regulatory period. The increase relates both to the fact the revenues generated in the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

The storage cycle for the natural gas storage service lasts from 1 May 2023 to 30 April 2024. Although the service tariffs for main products were reduced by 14 % at the beginning of the storage cycle, the results of storage capacity auctions held in 2023 created significantly higher revenues from applicable premiums. 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 set up in the current regulatory period. As a result of this decision, the value of assets set up 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

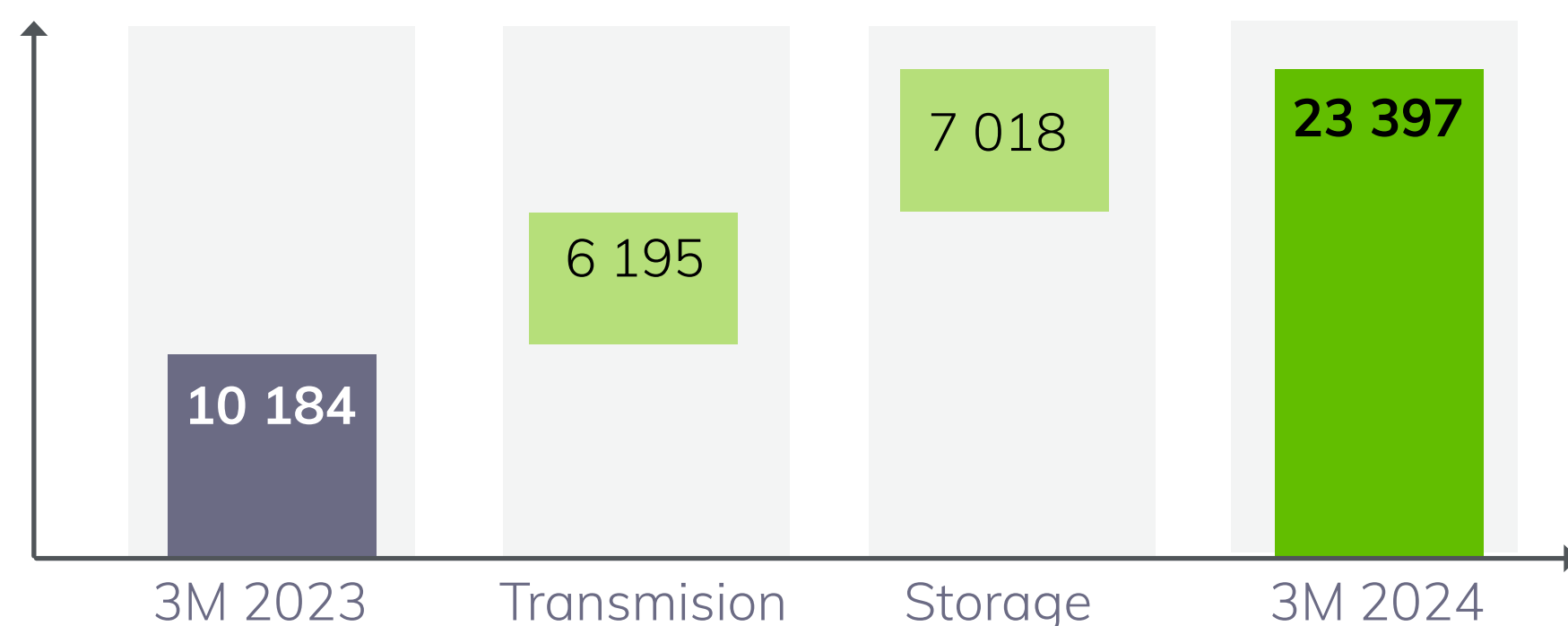
¹ <https://ast.lv/lv/electricity-market-review>

² Energy law, Article 106.

Conexus revenue, '000 EUR



Conexus EBITDA, '000 EUR



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 18 307 thousand, which increased by 3.5 times compared to the respective period of the previous year.

MAIN FINANCIAL INDICATORS	3M 2024 or 31.03.2024	3M 2023 or 31.03.2023	+/-	%
	EUR'000	EUR'000		
Revenue	29 730	15 739	13 991	89 %
EBITDA	23 397	10 184	13 213	130 %
Net profit	18 307	5 164	13 143	255 %
Total assets	482 509	466 798	15 711	3 %
Investments	3 518	5 961	(2 443)	-41 %

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 75 813 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 3.29 % (31.12.2023: 3.30 %). At the end of the reporting period, 36 % 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.

FINANCIAL COVENANTS	31.03.2024	31.12.2023
Shareholders' equity ratio (>50%)	72 %	70 %
Net debt to EBITDA ratio (<5)	0.8	1.3
Debt-Service Coverage Ratio (DSCR) (>1.2)	4.1	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 to the Department of Administrative Cases of the Senate of the Supreme

Court and the cassation proceedings were initiated. The date of the hearing has not been set at this time.

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.

On 13 September 2023, Conexus filed an application to the Administrative District Court regarding annulment of the PUC Council's decision No. 83 dated 10 August 2023 "On the rate of return on capital for the calculation of the tariff project for natural gas transmission system, natural gas distribution system and natural gas storage services". This decision sets an unreasonable low rate of return on capital (1.48 %) to be applied in the calculation of the new tariff for the transmission service in case of submission of new transmission tariff. Considering there is no plan to submit a new tariff proposal that would take effect in 2024, Conexus has withdrawn its application, as continuing the litigation is not considered worthwhile.

Key financial indicators

		3M 2020 or 31.03.2020	3M 2021 or 31.03.2021	3M 2022 or 31.03.2022	3M 2023 or 31.03.2023	3M 2024 or 31.03.2024	Δ	Δ %	
Operating indicators	Transmitted natural gas	TWh	8.3	12.2	10.9	7.8	7.3	(0.5)	-6 %
	Volume of natural gas consumed in Latvia*	TWh	3.7	5.3	3.6	3.3	4.2	0.9	27 %
	Inčukalns UGS filling at the end of reporting period**	TWh	7.8	5.7	7.6	8.1	11.1	3.0	37 %
	Volume of natural gas withdrawn from Inčukalns UGS	TWh	7.1	11.5	6.8	3.3	6.8	3.5	106 %
Financial indicators	Revenue***	`000 EUR	16 307	18 675	15 780	15 739	29 730	13 991	89 %
	EBITDA	`000 EUR	9 324	13 232	9 978	10 184	23 397	13 213	130 %
	Net profit	`000 EUR	5 096	8 796	5 434	5 164	18 307	13 143	255 %
	Total assets	`000 EUR	362 574	484 214	449 741	466 798	482 509	15 711	3 %
	Investments	`000 EUR	1 791	3 911	3 134	5 961	3 518	(2 443)	-41 %
	Depreciation and amortisation	`000 EUR	4 189	4 391	4 449	4 505	4 512	7	0 %
Financial coefficients	EBITDA profitability	%	57 %	71 %	63 %	65 %	79 %	14 ppt	
	Net profit margin	%	31 %	47 %	34 %	33 %	62 %	29 ppt	
	Return on Equity ratio (ROE)	%	1.6 %	2.1 %	1.6 %	1.5 %	5.4 %	4 ppt	
	Shareholders' equity ratio****	%	88 %	85 %	75 %	73 %	72 %	(1 ppt)	
	Net debt to EBITDA ratio (Net debt / EBITDA)*****	coef.	0.5	0.4	2.9	2.5	0.8	(1.7)	-68 %
	Debt-service Coverage Ratio (DSCR)*****	coef.	9.1	8.9	2.7	2.6	4.1	1.5	58 %
Average number of employees	number	330	335	353	363	358	(5)	-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) conduct feasibility study during the reporting period to ascertain the potential of production and consumption of green and low carbon hydrogen in the region. Experts will provide recommendations on project scope, pipeline routing, capacities, financing and risk management. The feasibility study is expected to continue until mid-2024.

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 active natural gas to be stored in the storage, 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 22.9 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.

During the reporting period, a direct connection to gas distribution system was established 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.

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

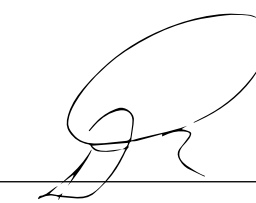
STATEMENT OF THE MANAGEMENT BOARD'S RESPONSIBILITY

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

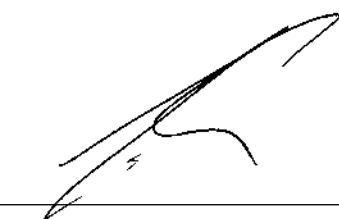
The unaudited condensed interim financial statements for the 3 months period ending 31 March 2024 have been prepared in accordance with the International Accounting Standard (IAS) No. 34 "Interim Financial reporting" as adopted by the European Union, and in all material aspects present a true and fair 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

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FINANCIAL STATEMENTS

INCOME STATEMENT

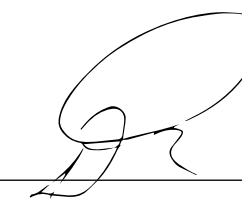
	Note	01.01.2024- 31.03.2024	01.01.2023- 31.03.2023
		EUR	EUR
Revenue	5	29 729 634	15 738 782
Other income	6	254 550	196 904
Maintenance and operating costs	7	(2 119 044)	(1 468 504)
Personnel expenses	8	(3 960 444)	(3 733 468)
Other operating costs	9	(508 166)	(549 550)
Depreciation, amortisation, and PPE impairment	11, 12	(4 511 604)	(4 505 007)
Operating profit		18 884 926	5 679 157
Financial costs, net	10	(577 987)	(515 466)
Profit before tax		18 306 939	5 163 691
Corporate income tax		-	-
Profit for the period		18 306 939	5 163 691

Notes on pages 23 to 35 form an integral part of these financial statements.



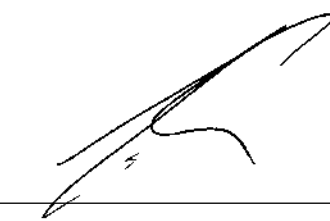
ULDIS BARISS

Chairman of the
Management Board



RINALDS DIMIŅŠ

Member of the
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Member of the
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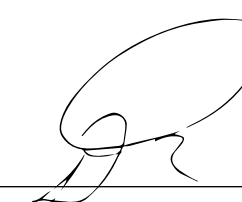
STATEMENT OF COMPREHENSIVE INCOME

	01.01.2024- 31.03.2024	01.01.2023- 31.03.2023
	EUR	EUR
Profit for the period	18 306 939	5 163 691
Other comprehensive income / (loss)		
PPE revaluation	-	-
Revaluations of post - employment benefits as a result of changes in actuarial assumptions	-	-
Total other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods	-	-
Total comprehensive income	18 306 939	5 163 691

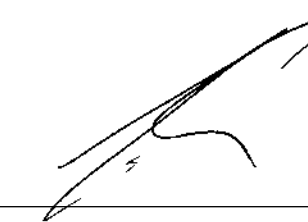
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ULDIS BARISS
Chairman of the
Management Board



RINALDS DIMIŅŠ
Member of the
Management Board



MĀRTIŅŠ GODE
Member of the
Management Board

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STATEMENT OF FINANCIAL POSITION

	Note	31.03.2024	31.03.2023	31.12.2023
ASSETS		EUR	EUR	EUR
Long-term investments				
Intangible assets	11	18 189 504	1 981 928	17 990 579
Advances for intangible assets		1 682	-	40 700
Property, plant and equipment	12	417 039 378	428 662 214	418 229 727
Advances for property, plant and equipment		2 679 180	5 312 183	2 483 546
Long-term deferred expenses	13	-	982 668	-
Right-of-use assets		445 072	458 217	448 358
Total long-term investments		438 354 816	437 397 210	439 192 910
Current assets				
Inventories		5 709 083	4 118 622	4 677 609
Receivables from contracts with customers		10 282 765	7 412 999	11 555 119
Deferred income		57 800	-	-
Other receivables		228 949	2 183 300	265 160
Deferred expenses		574 545	553 139	640 226
Cash and cash equivalents		27 300 685	15 132 410	12 953 450
Total current assets		44 153 827	29 400 470	30 091 564
TOTAL ASSETS		482 508 643	466 797 680	469 284 474

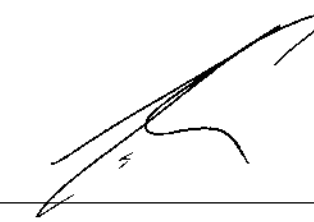
Notes on pages 23 to 35 form an integral part of these financial statements.



ULDIS BARISS
Chairman of the
Management Board



RINALDS DIMIŅŠ
Member of the
Management Board



MĀRTIŅŠ GODE
Member of the
Management Board

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STATEMENT OF FINANCIAL POSITION (continued)

	Note	31.03.2024	31.03.2023	31.12.2023
EQUITY AND LIABILITIES		EUR	EUR	EUR
Equity				
Share capital		39 786 089	39 786 089	39 786 089
Own shares		(23 352)	(24 270)	(23 352)
Reserves		186 994 656	206 193 626	188 650 930
Retained earnings		120 466 254	92 568 910	100 503 041
Total equity		347 223 647	338 524 355	328 916 708
Non-current liabilities				
Borrowings from credit institutions	14	61 110 205	65 759 491	65 568 897
Deferred income		25 829 319	25 929 344	26 070 874
Employee benefit obligations		1 331 477	1 351 768	1 331 477
Non-current lease liabilities		444 578	451 066	450 798
Total non-current liabilities		88 715 579	93 491 669	93 422 046
Current liabilities				
Borrowings from credit institutions	14	14 702 510	12 931 940	13 974 779
Trade payables		4 854 391	9 310 335	5 781 591
Other liabilities		2 530 098	2 285 898	2 373 934
Accrued liabilities		17 114 397	2 750 091	17 696 397
Deferred income from contracts with customers		1 119	-	4 475
Deferred income, other		974 292	776 623	974 483
Advances from customers		6 365 406	6 699 565	6 112 857
Current lease liabilities		27 204	27 204	27 204
Total current liabilities		46 569 417	34 781 656	46 945 720
TOTAL EQUITY AND LIABILITIES		482 508 643	466 797 680	469 284 474

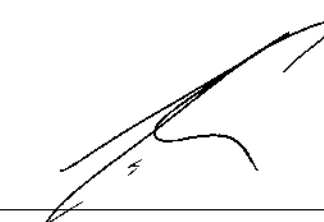
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STATEMENT OF CHANGES IN EQUITY

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
Opening balance at 01.01.2023	39 786 089	85 638 003	(24 270)	24 647 260	183 254 683	58 899	333 360 664
Profit for the period 01.01.2023-31.03.2023	-	5 163 691	-	-	-	-	5 163 691
Decrease in PPE revaluation reserve	-	1 767 216	-	-	(1 767 216)	-	-
At 31 March 2023	39 786 089	92 568 910	(24 270)	24 647 260	181 487 467	58 899	338 524 355
Profit for the period 01.04.2023-31.12.2023	-	11 008 074	-	-	-	-	11 008 074
Other comprehensive income for the reporting period	-	-	-	-	(12 291 041)	29 480	(12 261 561)
Total comprehensive income for the reporting period	-	11 008 074	-	-	(12 291 041)	29 480	(1 253 487)
Dividends	-	(8 355 078)	918	-	-	-	(8 354 160)
Decrease in PPE revaluation reserve	-	5 281 135	-	-	(5 281 135)	-	-
Total transactions with shareholders and other changes in equity	-	(3 073 943)	918	-	(5 281 135)	-	(8 354 160)
At 31 December 2023	39 786 089	100 503 041	(23 352)	24 647 260	163 915 291	88 379	328 916 708
Profit for the reporting period	-	18 306 939	-	-	-	-	18 306 939
Decrease in PPE revaluation reserve	-	1 656 274	-	-	(1 656 274)	-	-
At 31 March 2024	39 786 089	120 466 254	(23 352)	24 647 260	162 259 017	88 379	347 223 647

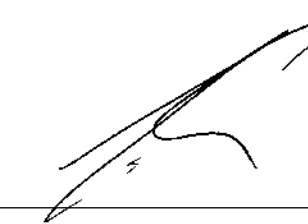
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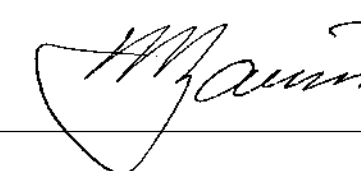
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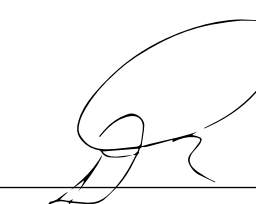
STATEMENT OF CASH FLOWS

	Note	01.01.2024- 31.03.2024	01.01.2023- 31.03.2023
Cash flow from operating activity		EUR	EUR
Profit before corporate income tax		18 306 939	5 163 691
Adjustments:			
- depreciation and impairment of property, plant and equipment	12	4 298 128	4 313 825
- depreciation of the right-of-use assets		3 286	3 286
- amortisation of intangible assets	11	210 190	187 896
- loss on disposal of PPEs		1 262	956
- changes in provisions		252 000	300 000
- recognised EU co-financing		(241 746)	(184 176)
- interest expense		743 815	515 546
- interest income		(166 287)	-
Changes in the working capital:			
- decrease of receivables from contracts with customers, other receivables and deferred expenses		1 316 445	3 049 620
- increase in inventories		(1 031 474)	(427 687)
- decrease of lease liabilities, trade payables, accrued liabilities, advances from customers and other liabilities		(471 181)	(2 176 421)
Corporate income tax paid		-	-
Net cash flow from operating activity		23 221 377	10 746 536
Cash flow from investing activity			
Acquisition of property, plant and equipment		(3 913 917)	(3 384 306)
Acquisition of intangible assets		(455 976)	(54 636)
Proceeds from the sale of property, plant and equipment items		275	336
Received EU co-financing		-	1 165 060
Net cash flow from investing activities		(4 369 618)	(2 273 546)

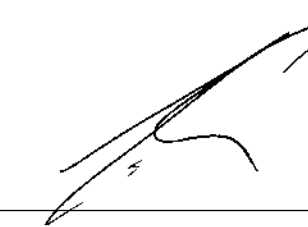
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STATEMENT OF CASH FLOWS (continued)

	01.01.2024- 31.03.2024	01.01.2023- 31.03.2023
Cash flow from financing activities	EUR	EUR
Interest paid	(783 290)	(586 138)
Borrowings received	(3 708 692)	(3 708 692)
Borrowings repaid	(11 370)	(11 369)
Lease payments	(1 172)	(1 497)
Dividends paid	(4 504 524)	(4 307 696)
Net cash flow from financing activity	14 347 235	4 165 294
Net cash flow	12 953 450	10 967 116
Cash and cash equivalents at the beginning of the reporting period	27 300 685	15 132 410

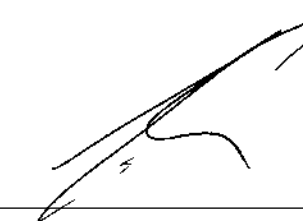
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NOTES TO THE FINANCIAL STATEMENTS

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 3 months, from 1 January to 31 March 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	31.03.2024	31.03.2023	31.12.2023
	EUR	EUR	EUR	EUR
Assets:				
Trade receivables	3.	10 340 565	7 412 999	11 555 119
Other receivables	3.	62 127	2 474	20 400
Cash and cash equivalents	2.	27 300 685	15 132 140	12 953 450
Liabilities:				
Borrowings from credit institutions	3.	75 812 715	78 691 431	79 543 677
Trade payables	3.	4 854 391	9 310 335	5 781 591
Other liabilities and accrued liabilities	3.	15 298 488	983 938	16 010 238
Lease liabilities	3.	471 782	478 269	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 the 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 tariffs³ effective from 1 December 2023, have been approved with the Regulator's decision No. 119⁴ dated 26 October 2023.

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

- 🔦 replacement of insulation for gas pipeline Izborsk-Inčukalns UGS in the amount of EUR 516 thousand;
- 🔦 development of the SCADA transmission control system – EUR 191 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.

The current tariffs⁵ of natural gas storage system service are effective until 30 April 2024. On 18 January 2024, the Public Utilities Commission adopted a decision⁶ on tariffs for the natural gas storage system service, which will come into force on 1 May 2024. For main products, such as the one-year bundled capacity product and the two-year bundled capacity product, tariffs for the next storage cycle will stay unchanged. The tariff for the stock transfer product will increase 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.

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

⁴ <https://likumi.lv/ta/id/346867>

⁵ <https://www.conexus.lv/storage>

⁶ <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 gas collection point No. 3 for EUR 1 890 thousand, implemented within the framework of the European project of common interest PCI 8.2.4 “Enhancement of Inčukalna UGS”;
- development of the SCADA storage control system – EUR 255 thousand.

Reconciliation of segment financial information to Conexus financial information

Segment income statements for the period 01.01.2024-31.03.2024:

	Transmission	Storage	Conexus total	Difference between segments total and Conexus total
	EUR	EUR	EUR	EUR
Revenue	14 718 228	15 011 406	29 729 634	-
Other income	36 711	217 839	254 550	-
Maintenance and service costs	(853 311)	(1 265 733)	(2 119 044)	-
Personnel expenses	(2 271 799)	(1 688 645)	(3 960 444)	-
Other operating costs	(334 546)	(173 620)	(508 166)	-
Depreciation, amortisation, and impairment of property, plant and equipment	(2 540 554)	(1 971 050)	(4 511 604)	-
Finance costs	(340 357)	(237 630)	(577 987)	-
Corporate income tax	-	-	-	-
Profit for the reporting period	8 414 372	9 892 567	18 306 939	-

Segment income statements for the period 01.01.2023-31.03.2023:

	Transmission	Storage	Conexus total	Difference between segments total and Conexus total
	EUR	EUR	EUR	EUR
Revenue	8 079 841	7 658 941	15 738 782	-
Other income	35 478	161 426	196 904	-
Maintenance and service costs	(554 431)	(914 073)	(1 468 504)	-
Personnel expenses	(2 102 750)	(1 630 718)	(3 733 468)	-
Other operating costs	(358 476)	(191 074)	(549 550)	-
Depreciation, amortisation, and impairment of property, plant and equipment	(2 486 906)	(2 018 101)	(4 505 007)	-
Finance costs	(303 681)	(211 785)	(515 466)	-
Corporate income tax	-	-	-	-
Profit for the reporting period	2 309 075	2 854 616	5 163 691	-

Total assets by segments as at 31.03.2024 and investments during the period 01.01.2024-31.03.2024:

	Transmission	Storage	Conexus total	Difference between segments total and Conexus total
	EUR	EUR	EUR	EUR
Segment assets	258 241 908	224 266 735	482 508 643	-
Investments in property, plant and equipment and intangible assets	1 107 509	2 410 924	3 518 433	-

Total assets by segments as at 31.03.2023 and investments during the period 01.01.2023-31.03.2023:

	Transmission	Storage	Conexus total	Difference between segments total and Conexus total
	EUR	EUR	EUR	EUR
Segment assets	236 271 632	230 526 048	466 797 680	-
Investments in property, plant and equipment and intangible assets	1 045 500	4 915 647	5 961 147	-

Geographical information

All operating activities are held in Latvia.

Major customers

Revenue generated during the period 01.01.2024-31.03.2024 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	10 932 887	4 345 081	15 277 968

Revenue generated during the period 01.01.2023-31.03.2023 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	8 113 333	4 624 128	12 737 461

5. REVENUE

Revenue from contracts with customers recognised over time	01.01.2024-31.03.2024	01.01.2023-31.03.2023
	EUR	EUR
Revenue from transmission services	14 372 406	7 840 874
Balancing income, net	345 823	238 967
Revenue from transmission services	14 718 229	8 079 841
Revenue from storage services	15 011 405	7 658 941
Revenue from storage services	15 011 405	7 658 941
Total	29 729 634	15 738 782

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:

	01.01.2024-31.03.2024	01.01.2023-31.03.2023
	EUR	EUR
Income from balancing activities	2 307 837	5 118 725
Cost of balancing activities	(1 962 014)	(4 879 758)
	345 823	238 967

6. OTHER INCOME

	01.01.2024-31.03.2024	01.01.2023-31.03.2023
	EUR	EUR
Income from EU co-financing	241 746	184 176
Other income	12 804	12 392
Net income from the disposal of PPEs	-	336
	254 550	196 904

7. MAINTENANCE AND SERVICES COSTS

	01.01.2024-31.03.2024	01.01.2023-31.03.2023
	EUR	EUR
Transmission and storage system maintenance services	733 619	602 190
Cost of materials	318 283	199 201
Cost of natural gas	732 668	389 689
Maintenance of IT infrastructure	265 064	198 482
Maintenance of vehicles and machinery	69 410	78 942
	2 119 044	1 468 504

8. PERSONNEL EXPENSES

	01.01.2024-31.03.2024	01.01.2023-31.03.2023
	EUR	EUR
Salaries	3 042 452	2 876 442
State social insurance contributions	715 060	676 194
Life, health, and pension insurance	201 291	177 443
Other personnel costs	1 641	3 389
	3 960 444	3 733 468

9. OTHER OPERATING COSTS

	01.01.2024-31.03.2024	01.01.2023-31.03.2023
	EUR	EUR
Taxes and duties*	181 053	183 971
Office and other administrative expenses	325 851	365 579
Net loss on disposal of PPE	1 262	-
	508 166	549 550

*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

	01.01.2024-31.03.2024	01.01.2023-31.03.2023
	EUR	EUR
Interest paid	738 665	510 329
Lease interest expense	5 150	5 217
Gain from deposit interest and exchange rate fluctuations	(165 828)	(80)
	577 987	515 466

11. INTANGIBLE ASSETS

	Patents, software, licences	Co-financed assets	Intangible assets under development	TOTAL
	EUR	EUR	EUR	EUR
Historical cost				
31.12.2022	8 791 501	-	48 995	8 840 496
Additions	-	-	61 816	61 816
Transfers	12 380	-	(12 380)	-
Disposals	(2 250)	-	-	(2 250)
31.03.2023	8 801 631	-	98 431	8 900 062
Additions	-	-	15 543 208	15 543 208
Transfers	461 457	-	(461 457)	-
Disposals	(1 522 775)	-	-	(1 522 775)
Transfers	-	1 007 865	-	1 007 865
31.12.2023	7 740 313	1 007 865	15 180 182	23 928 360
Amortisation				
31.12.2022	6 732 487	-	-	6 732 487
Amortisation charge	187 897	-	-	187 897
Disposals	(2 250)	-	-	(2 250)
31.03.2023	6 918 134	-	-	6 918 134
Amortisation charge	542 422	-	-	542 422
Disposals	(1 522 775)	-	-	(1 522 775)
31.12.2023.	5 937 781	-	-	5 937 781
Net book value 31.12.2022	2 059 014	-	48 995	2 108 009
Net book value 31.03.2023	1 883 497	-	98 431	1 981 928
Net book value 31.12.2023	1 802 532	1 007 865	15 180 182	17 990 579

	Patents, software, licences	Co-financed assets	Intangible assets under development	TOTAL
	EUR	EUR	EUR	EUR
Historical cost				
31.12.2023	7 740 313	1 007 865	15 180 182	23 928 360
Additions	-	-	409 115	409 115
Transfers	11 913	-	(11 913)	-
Disposals	(454 895)	-	-	(454 895)
31.03.2024	7 297 331	1 007 865	15 577 384	23 882 580
Amortisation				
31.12.2023	5 937 781	-	-	5 937 781
Amortisation charge	184 994	25 196	-	210 190
Disposals	(454 895)	-	-	(454 895)
31.03.2024	5 667 880	25 196	-	5 693 076
Net book value 31.12.2023	1 802 532	1 007 865	15 180 182	17 990 579
Net book value 31.03.2024	1 629 451	982 669	15 577 384	18 189 504

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
Historical cost or revalued amount											
31.12.2022	1 092 474	625 920 310	96 481 109	6 223 451	159 765 510	37 214 062	7 255 905	1 825 384	10 708 163	10 260 528	956 746 896
Additions	-	-	100 504	179 230	-	1 398	-	-	-	5 618 200	5 899 332
Reclassified	-	22 111	1 980	-	-	149 840	209 653	-	-	(383 584)	-
Disposals	-	-	-	(17 378)	-	(10 020)	-	-	-	-	(27 398)
31.03.2023	1 092 474	625 942 421	96 583 593	6 385 303	159 765 510	37 355 280	7 465 558	1 825 384	10 708 163	15 495 144	962 618 830
Additions	-	7 250	215 042	427 006	-	7 439	18 187	-	-	26 089 174	26 764 098
Reclassified	12 037	4 571 345	413 870	180 378	489 140	2 230 822	3 869 511	-	-	(11 767 103)	-
Disposals	-	(926 923)	(661 581)	(425 381)	(13 000)	(1 156 200)	(1 688)	(12 395)	-	(97 395)	(3 294 563)
Recognized impairment	-	-	-	-	(21 468 279)	(8 061 251)	(3 727 322)	-	-	-	(33 256 852)
Transfers	-	-	-	-	-	-	-	146 719	-	-	146 719
31.12.2023	1 104 511	629 594 093	96 550 924	6 567 306	138 773 371	30 376 090	7 624 246	1 959 708	10 708 163	29 719 820	952 978 232
Accumulated depreciation											
31.12.2022	-	411 247 525	44 235 607	4 161 171	46 883 922	20 490 313	2 650 360	-	-	-	529 668 898
Calculated	-	2 195 527	957 658	134 143	683 841	214 784	127 872	-	-	-	4 313 825
Disposals	-	-	-	(17 378)	-	(8 729)	-	-	-	-	(26 107)
31.03.2023	-	413 443 052	45 193 265	4 277 936	47 567 763	20 696 368	2 778 232	-	-	-	533 956 616
Calculated	-	6 630 081	2 836 582	424 290	2 048 825	699 555	496 413	-	-	-	13 135 746
Disposals	-	(812 278)	(640 906)	(424 363)	(10 452)	(685 162)	(1 688)	-	-	-	(2 574 849)
Excluded as a result of revaluation	-	-	-	-	(5 287 570)	(4 089 877)	(391 561)	-	-	-	(9 769 008)
Reclassified	-	41 509	(3 284)	(34 223)	-	-	(4 002)	-	-	-	-
31.12.2023	-	419 302 364	47 385 657	4 243 640	44 318 566	16 620 884	2 877 394	-	-	-	534 748 505
Net book value 31.12.2022	1 092 474	214 672 785	52 245 502	2 062 280	112 881 588	16 723 749	4 605 545	1 825 384	10 708 163	10 260 528	427 077 998
Net book value 31.03.2023	1 092 474	212 499 369	51 390 328	2 107 367	112 197 747	16 658 912	4 687 326	1 825 384	10 708 163	15 495 144	428 662 214
Net book value 31.12.2023	1 104 511	210 291 729	49 165 267	2 323 666	94 454 805	13 755 206	4 746 852	1 959 708	10 708 163	29 719 820	418 229 727

* 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
Historical cost or revalued amount											
31.12.2023	1 104 511	629 594 093	96 550 924	6 567 306	138 773 371	30 376 090	7 624 246	1 959 708	10 708 163	29 719 820	952 978 232
Additions	-	-	159 674	88 524	-	-	4 982	-	-	2 856 136	3 109 316
Reclassified	-	4 996	(14 389)	33 198	-	54 874	15 404	-	-	(94 083)	-
Disposals	-	-	(1 400)	(43 308)	-	-	(122 109)	-	-	-	(166 817)
31.03.2024	1 104 511	629 599 089	96 694 809	6 645 720	138 773 371	30 430 964	7 522 523	1 959 708	10 708 163	32 481 873	955 920 731
Accumulated depreciation											
31.12.2023	-	419 302 364	47 385 657	4 243 640	44 318 566	16 620 884	2 877 394	-	-	-	534 748 505
Calculated	-	2 235 540	976 609	162 031	597 665	188 899	137 384	-	-	-	4 298 128
Disposals	-	-	(1 400)	(41 771)	-	-	(122 109)	-	-	-	(165 280)
Reclassified	-	-	(7 037)	7 037	-	-	-	-	-	-	-
31.03.2024	-	421 537 904	48 353 829	4 370 937	44 916 231	16 809 783	2 892 669	-	-	-	538 881 353
Net book value 31.12.2023	1 104 511	210 291 729	49 165 267	2 323 666	94 454 805	13 755 206	4 746 852	1 959 708	10 708 163	29 719 820	418 229 727
Net book value 31.03.2024	1 104 511	208 061 185	48 340 980	2 274 783	93 857 140	13 621 181	4 629 854	1 959 708	10 708 163	32 481 873	417 039 378

13. CO-FINANCED PROJECTS

Increase of Capacity of Klaipeda-Kiemenu Pipeline in Lithuania

	31.03.2024	31.03.2023	31.12.2023
	EUR	EUR	EUR
Opening balance	-	1 108 652	1 108 652
Recognised during the reporting period	-	(25 197)	(100 786)
Reclassified to intangible assets	-	-	(1 007 866)
Carried forward to future periods	-	1 083 455	-
including short-term portion	-	100 786	-
long-term portion	-	982 668	-

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

	31.03.2024	31.03.2023	31.12.2023
	EUR	EUR	EUR
Non-current borrowings from credit institutions	61 110 205	65 759 491	65 568 897
Current borrowings from credit institutions	14 649 286	12 899 286	13 899 286
Accrued interest on borrowings from credit institutions	53 224	32 654	75 493
	75 812 715	78 691 431	79 543 676

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 3.29 % (31.12.2023: 3.30 %). At the end of the reporting period, 36 % 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.

Related party transactions	01.01.2024-31.03.2024 or 31.03.2024	01.01.2023-31.03.2023 or 31.03.2023
	EUR	EUR
Revenue from related parties:		
AS “Latvenergo”	12 626 267	7 044 012
Purchases of goods and services from related parties:		
AS “Latvenergo”	907 346	914 485
AS “Augstsprieguma tīkls”	190	201
Balances at the end of the year arising from sales/ purchases of goods and services:		
Receivables from contracts with customers		
AS “Latvenergo”	4 048 878	2 750 039
Trade payables		
AS “Latvenergo”	278 740	388 748
AS “Augstsprieguma tīkls”	95	117

16. COMMITMENTS AND CONTINGENCIES

As of 31 March 2024, long-term investment agreements contracted for, but not yet delivered amounted EUR 43 335 131 (31.12.2022.: EUR 42 611 272) In addition, according to signed inter-operator agreement for GIPL project cost sharing, investments amounting EUR 14 700 thousand are planned.

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 31 March 2024.

The financial statements have been prepared by:



LAURA ZVIRBULE
Head of Financial Accounting Division

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