



Unaudited Condensed Interim Financial Statements

FOR THE 6-MONTH PERIOD ENDED JUNE 30, 2025

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 2025

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INFORMATION ON THE COMPANY

Company	AS “Conexus Baltic Grid”	
Registration number	40203041605	
LEI code	485100YDVP9E8GT6PJ90	
Date and place of registration	January 2, 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	January 1, 2025 – June 30, 2025	

AS “Conexus Baltic Grid” (hereinafter “Conexus”, “the Company”), 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., Inčukalna UGS (hereinafter referred to as “the Inčukalna 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 – during reporting period transmission and storage facilities were used by companies from Finland, Estonia, Latvia, Lithuania and Poland, as well as from other European countries as Norway, Germany 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 manufacturing 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.

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

WHO DO WE WANT TO BE?

Vision

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

WHY DO WE EXIST?

Mission

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

WHAT IS IMPORTANT TO US?

Values

Safety and security



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

Competence



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

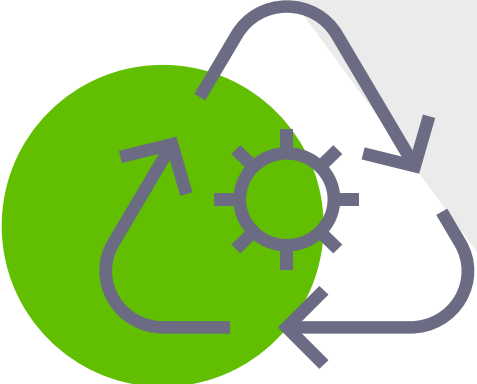
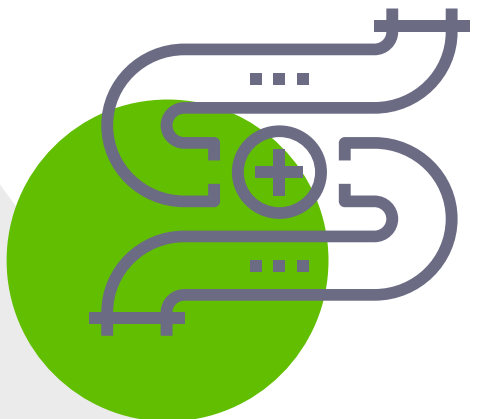

Cooperation



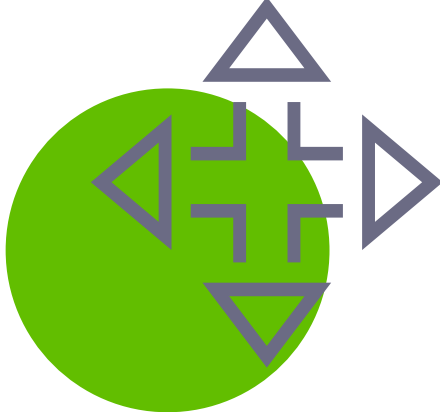


We support each other in decision making, we listen and search for common solutions both internally, and working with clients and current and potential partners.

Goals of Conexus

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

<div> MARKET DEVELOPMENT  </div>	<div> Promote development and further integration of gas market, including promotion for growth of hydrogen and other gaseous energy carriers’ markets </div>	<div> <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 </div>
<div> INFRASTRUCTURE SAFETY AND SECURITY OF SUPPLY  </div>	<div> 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 </div>	<div> <ul style="list-style-type: none"> Implement projects of common interest Carry out research and development projects for identifying technical possibilities and necessary investments for repurposing of the existing infrastructure for the blending or pure hydrogen usage, including by building infrastructure fit for hydrogen Asset management based on future challenges </div>
<div> SUSTAINABILITY  </div>	<div> Focus on climate and environmental sustainability aspects </div>	<div> <p>When focusing on sustainability, Conexus shall devote 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 </div>

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

<div>  </div>	<div> Focus on organizational development and efficiency </div>	<div> Conexus will facilitate funding opportunities, as well as enhance operational efficiency. </div>
<div>  </div>	<div> Digitalisation and cybersecurity </div>	<div> Conexus will continue digitalization projects focusing on operational technology, physical security, fire safety and cybersecurity. </div>
<div>  </div>	<div> Professional and development-oriented team </div>	<div> 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. Conexus will create a competitive and flexible remuneration system to facilitate professional development of the team. </div>

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 with nominal value of 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 June 30, 2025:



Supervisory Council

The Conexus Supervisory Council represents the interests of shareholders between Shareholders' Meetings and oversees the activities of the Board. The principles and main duties of the Council's activities are determined by the Statutes and the Council's regulations. The tasks and responsibilities of the Council are regulated by normative acts. The Council has not established separate committees. On April 2, 2025, a submission was received from the shareholder AS "Augstsprieguma tīkls" to withdraw the Supervisory Council members nominated by AS "Augstsprieguma tīkls" - Ilmārs Šņucins, Zane Āboliņa, Ivars Moisejs, and Normunds Šuksts - to comply

with the requirements of Section 7.2 of Article 7 of the Law "On Prevention of Conflict of Interest in Activities of Public Officials." According to the ninth part of Article 296 of the Commercial Law, if a supervisory council member leaves office or is recalled before the end of the supervisory council's term, new supervisory council member elections are held, in which the entire supervisory council is re-elected. At the Conexus Shareholders' Meeting on April 24, 2025, all Supervisory Council members were re-elected for a one-year interim term until April 23, 2026. The previous Supervisory Council's term of office was from April 27, 2023, to April 26, 2026.

Term of office from April 24, 2025 till April, 23 2026



(from
January 3,
2018)

ILMĀRS ŠŅUCINS

Chairman of the
Supervisory Council



(from
April 30,
2020)

TOMOHide GOTO

Vice-Chairman of the
Supervisory Council



(from
April 28,
2022)

IVARS MOISEJS

Member of the
Supervisory Council



(from
May 12,
2021)

VIKTORS SENTUHOVSKIS

Member of the
Supervisory Council



(from
April 30,
2020)

ZANE ĀBOLIŅA

Member of the
Supervisory Council



(from
April 27,
2023)

MASANOBU FURUYA

Member of the
Supervisory Council



(from
April 30,
2020)

NORMUNDS ŠUKSTS

Member of the
Supervisory Council

Management Board

The daily management of Conexus is ensured by its executive body – the Board. The activities of the Conexus Board are carried out by three board members. The Board members are elected by the Conexus Council for a five-year term, determining their main areas of competence: the Chairman of the Board (CEO), a board member (technical director), and a board member (financial director). The division of the main and other areas of competence of the board members is determined by the organizational structure of Conexus. The tasks and responsibilities of the board are regulated by normative acts. The principles of the Board's activities, as well as the main duties, are determined by the statutes and the Board's regulations. The board members jointly manage Conexus and are independent in decision-making. The right to represent Conexus is held jointly by two board members. The board members comply with the restrictions imposed on them by normative acts regarding transactions, holding positions, and participation in other commercial companies.

The Conexus Board organizes its work according to the functional principle: each member is responsible for a specific area of activity according to their professional knowledge, experience, and competencies in the respective area of responsibility:

- ♦ the Chairman of the Board (CEO) is responsible for general management, including strategic management, personnel and legal support issues, commercial matters, communications, and environmental and occupational safety issues.
- ♦ the board member (technical director) is responsible for the technical management of gas transmission and storage systems, as well as technical development and investment management issues.
- ♦ the board member (financial director) is responsible for financial, risk management, information technology (IT), economic support, and transport issues.



**ULDIS
BARISS**

CHAIRMAN OF THE MANAGEMENT BOARD

Term of office: November 16, 2023 – November 15, 2028



**RINALDS
DIMIŅŠ**

MEMBER OF THE MANAGEMENT BOARD

Term of office: January 1, 2024 – December 31, 2028



**MĀRTIŅŠ
GODE**

MEMBER OF THE MANAGEMENT BOARD

Term of office: January 1, 2024 – December 31, 2028

MANAGEMENT REPORT

Main activities

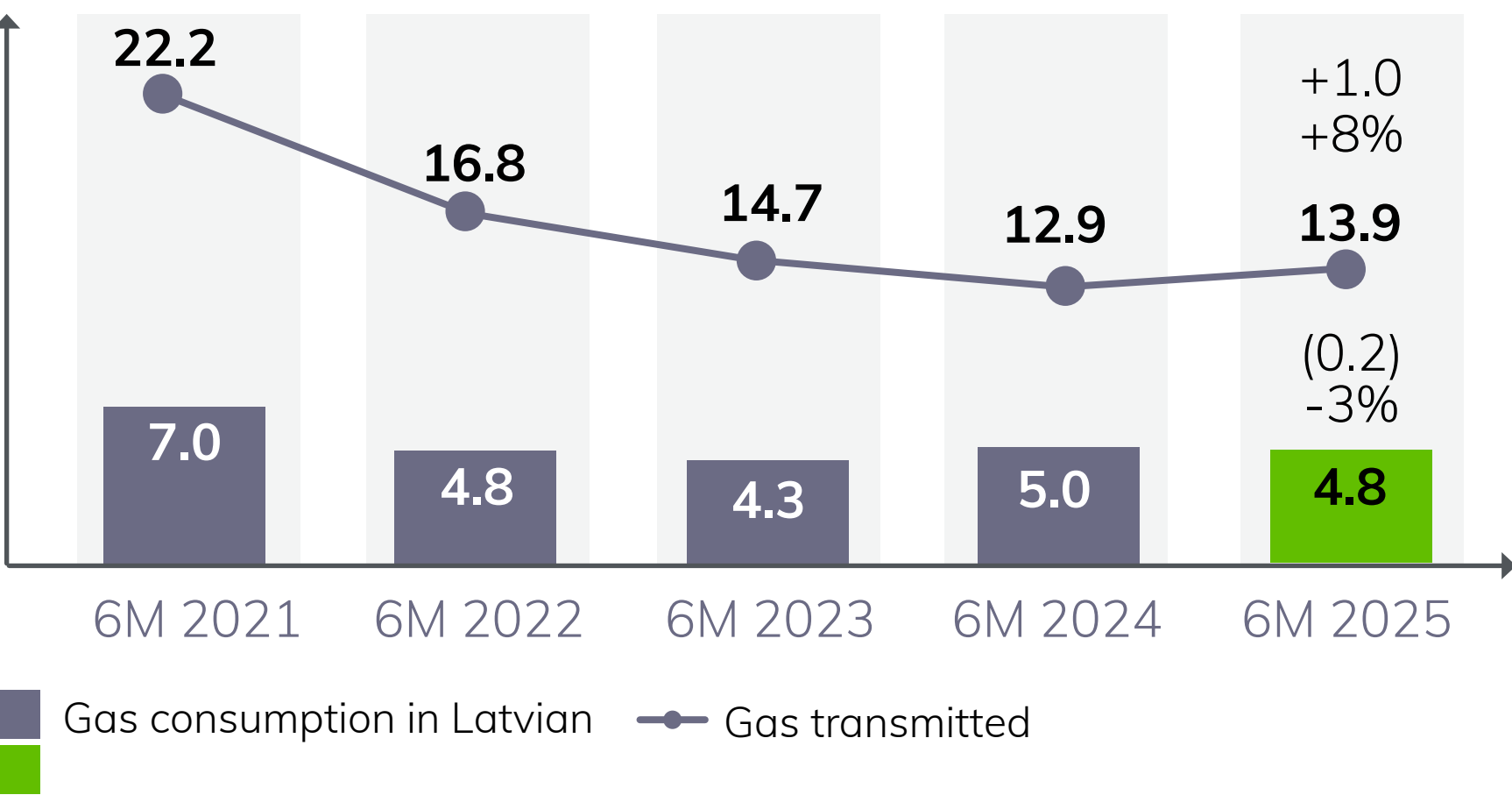
Results of the storage capacity auctions

In the 2025/2026 storage cycle, a total storage capacity of 17.6 TWh has been reserved, including a 1.8 TWh security of supply reserve. Starting in 2025, five-year bundled capacity product is offered through auctions. During the reporting period, auctions for the five-year bundled capacity product were held and concluded, in which system users collectively reserved a capacity of 7.4 TWh at an effective fee of 2.05 EUR/MWh per storage cycle. Additionally, during the reporting period, also auctions for the bundled capacity product concluded with a total reserved capacity of 1.9 TWh.

Natural gas supply

During the reporting period, Conexus ensured uninterrupted natural gas supply for the needs of Latvia, Lithuania, Estonia, and Finland. Natural gas deliveries were made from the Inčukalns UGS – totalling 8.1 TWh, which is 13% more than in the first half of the previous year – and from Lithuania – totalling 5 TWh, which is 2.4 times more than in the corresponding period of the previous

Transmitted natural gas, TWh



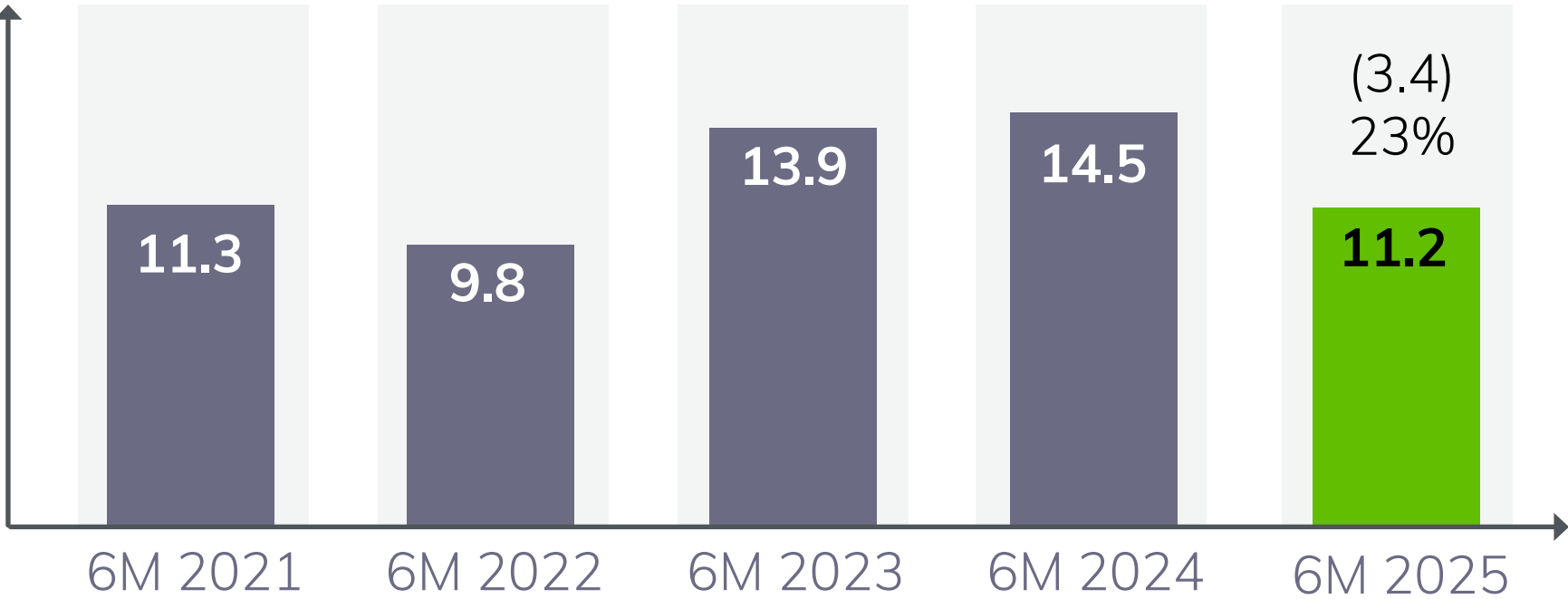
year. The total volume of transported natural gas in Latvia during the reporting period reached 13.9 TWh, which is 8% more than in the corresponding period of the previous year. Natural gas consumption for Latvian users in the first half of 2025 amounted to 4.8 TWh, which is 3% less than in the corresponding period of the previous year.

Amount of natural gas stored in Inčukalns UGS

On April 30, 2025, the 2025/2026 natural gas withdrawal season concluded, during which 14.4 TWh of active natural gas was withdrawn — an increase of 1.82 TWh or 14% compared to the previous season. The highest monthly withdrawal volume occurred in February, reaching 3.5 TWh. This increase was primarily driven by natural gas transportation to Finland, due to the availability of the Balticconnector pipeline. During the withdrawal cycle, injection of natural gas was continued, with a total of 3.3 TWh of natural gas injected during the 2025/2026 storage withdrawal cycle.

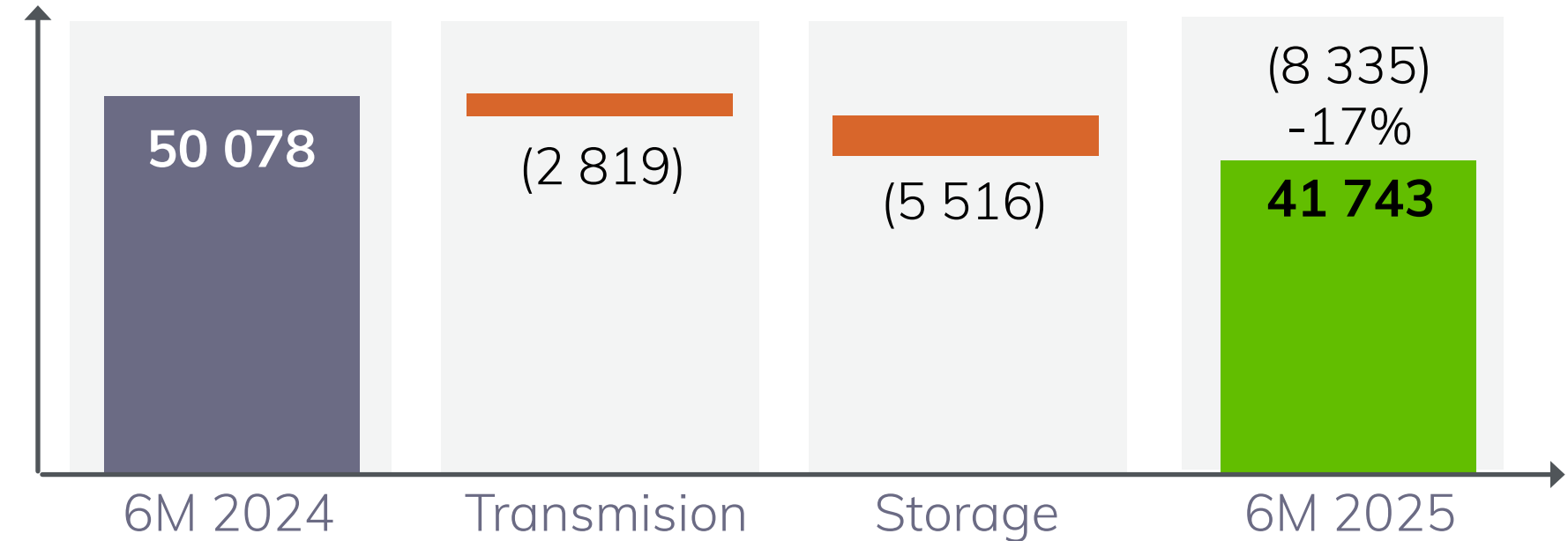
At the end of the reporting period, the Inčukalns UGS contained 11.2 TWh of natural gas, which is 23% less than at the same time last year. Conexus has set the maximum storable amount of natural gas in the Inčukalns UGS for the 2025/2026 storage cycle at 24.8 TWh.

Inčukalns UGS filling at the end of reporting period, TWh

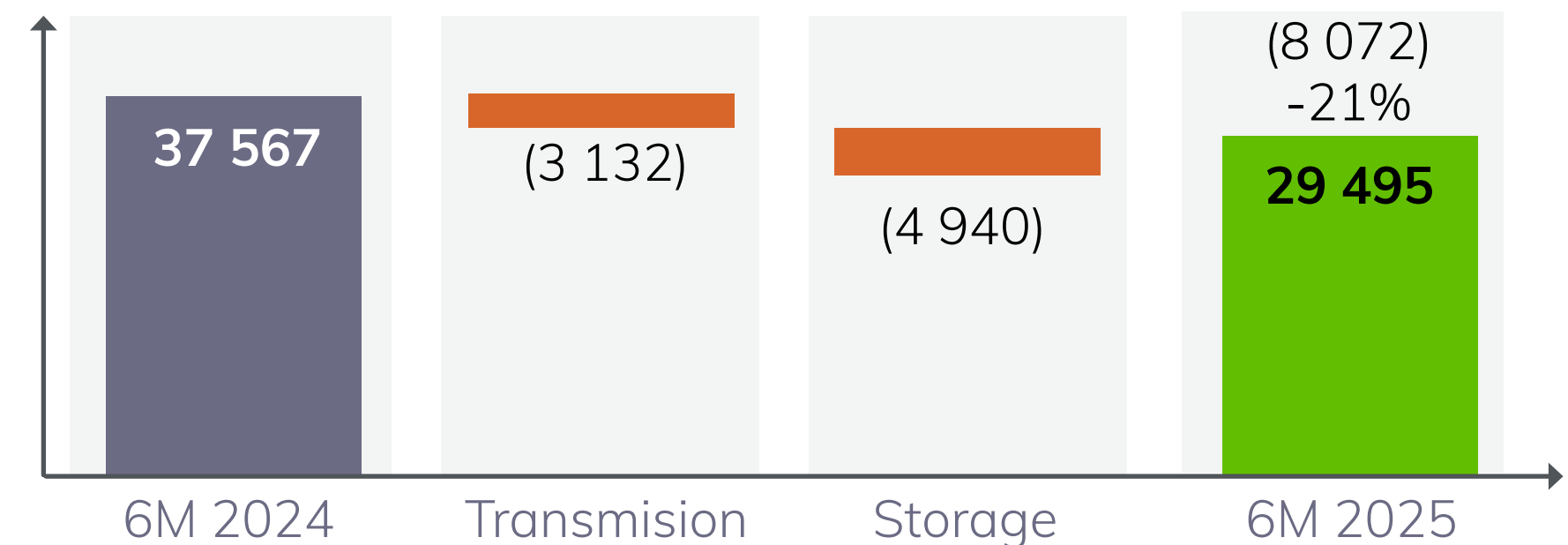


Financial results

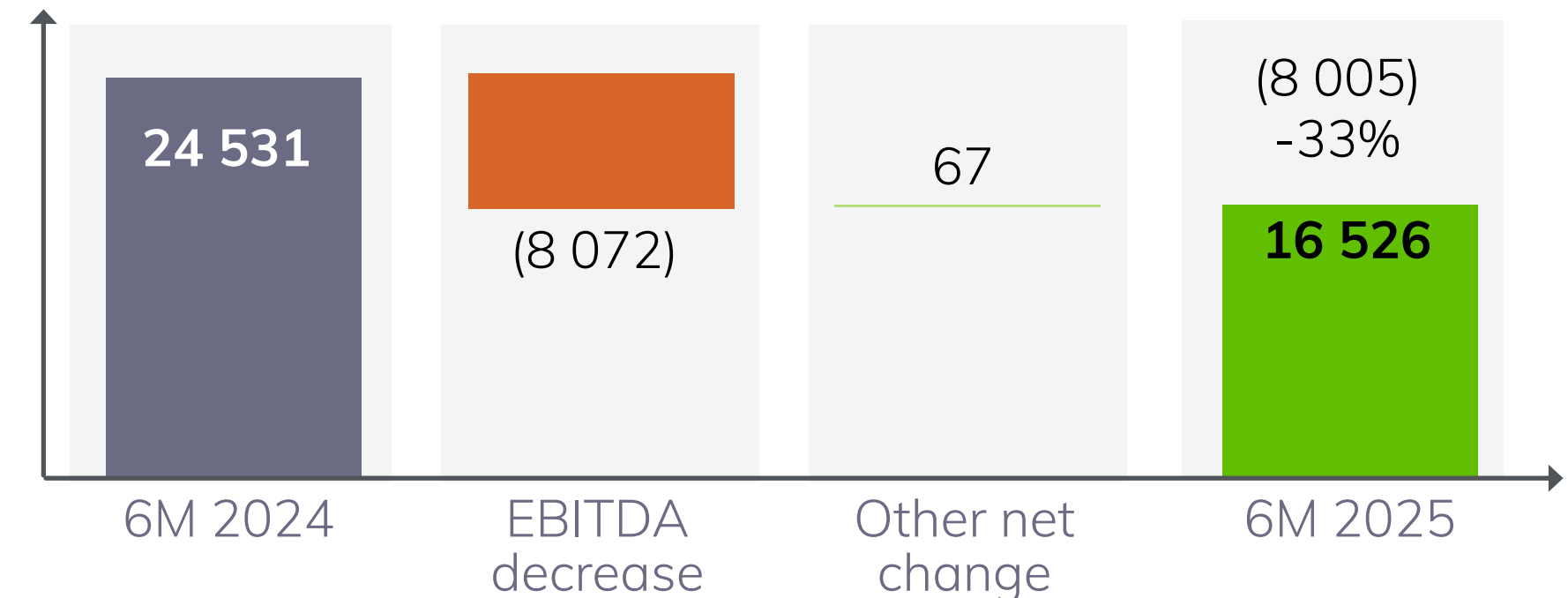
Revenue, `000 EUR



EBITDA, `000 EUR



Net profit, `000 EUR



During the reporting period, Conexus revenue was 17% lower than in the corresponding period of the previous year, amounting to EUR 41 743 thousand. Reflecting the revenue decline, EBITDA for the reporting period decreased by 21% compared to the first half of 2024, reaching EUR 29 495 thousand. The decrease in revenue and EBITDA was influenced by a 14% drop in revenue from natural gas transmission services and an 18% drop in revenue from natural gas storage services compared to the same period last year. The decline in transmission service revenue reflects a decrease in the volume of booked entry and exit transmission capacity, while the decline in storage service revenue is related to a reduction in reserved storage capacity. During the reporting period, Conexus recorded a net profit of EUR 16 526 thousand, which is a 33% decrease compared to the corresponding period of the previous year. The profit decline is equally attributed to the decrease in revenues from both natural gas transmission and storage services. Conexus made investments totalling EUR 12 563 thousand during the reporting period, which is 47% less than in the corresponding period of the previous year.

MAIN FINANCIAL INDICATORS	6M 2025 or 30.06.2025	6M 2024 or 30.06.2024	+/-	%/x
	EUR'000	EUR'000		
Revenue	41 743	50 078	(8 335)	-17 %
EBITDA	29 495	37 567	(8 072)	-21%
Net profit	16 526	24 531	(8 005)	-33%
Total assets	462 280	481 940	(19 660)	-4%
Investments	12 563	23 649	(11 086)	-47%

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 65 163 thousand. At the end of the reporting period, Conexus holds committed loans amounting to EUR 40 000 thousand.

Weighted average interest rate of borrowings at the end of the reporting period is 2.16% (December 31, 2024: 2.38%). At the end of the reporting period, 39% of the received and outstanding borrowings have a fixed interest rate (December 31, 2024: 39%).

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

FINANCIAL COVENANTS	30.06.2025	31.12.2024
Shareholders' equity ratio (>50%)	72%	69%
Net debt to EBITDA ratio (<5)	1.0	0.6
Debt-Service Coverage Ratio (DSCR) (>1.2)	4.0	4.3

Legal events

On September 28, 2020, Conexus filed an application to the Administrative District Court regarding annulment of the PUC Council's decision No. 109 dated August 20, 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 the decision of January 3, 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. The Court of Justice of the European Union examined the case in person on January 15, 2025. The European Commission also expressed its opinion in court, and the opinion of the Advocate General was received on April 3, 2025. It is expected that the Court of Justice of the European Union will prepare a judgment in September 2025. Until the opinion of the Court of Justice of the European Union is received, the proceedings in this case are suspended.

Key financial indicators

			6M 2021 or 30.06.2021	6M 2022 or 30.06.2022	6M 2023 or 30.06.2023	6M 2024 or 30.06.2024	6M 2025 or 30.06.2025	Δ	Δ %/x
Operating indicators	Transmitted natural gas	TWh	22.2	16.8	14.7	12.9	13.9	1.0	8%
	Volume of natural gas consumed in Latvia*	TWh	7.0	4.8	4.3	5.0	4.8	(0.2)	-3%
	Inčukalns UGS filling at the end of reporting period**	TWh	11.3	9.8	13.9	14.5	11.2	(3.3)	-23%
	Volume of natural gas withdrawn from Inčukalns UGS	TWh	12.1	7.2	3.3	7.1	8.1	1.0	14%
Financial indicators	Revenue***	`000 EUR	29 686	27 677	32 397	50 078	41 743	(8 335)	-17%
	EBITDA	`000 EUR	19 292	16 903	20 216	37 567	29 495	(8 072)	-21%
	Net profit	`000 EUR	8 138	5 397	8 073	24 531	16 526	(8 005)	-33%
	Total assets	`000 EUR	442 277	443 869	460 282	481 940	462 280	(19 660)	-4%
	Investments	`000 EUR	10 388	5 887	15 630	23 649	12 563	(11 086)	-47%
	Depreciation and amortisation	`000 EUR	8 783	8 928	9 026	9 015	8 649	(366)	-4%
Financial coefficients	EBITDA profitability	%	65%	61%	62%	75%	71%	(4 ppt)	
	Net profit margin	%	27%	19%	25%	49%	40%	(9 ppt)	
	Return on Equity ratio (ROE)	%	2.0%	1.6%	2.4%	7.1%	4.9%	(2.2 ppt)	
	Shareholders' equity ratio****	%	74%	74%	72%	71%	72%	1 ppt	
	Net debt to EBITDA ratio (Net debt / EBITDA)*****	coef.	2.9	2.9	2.5	0.9	1.0	0.1	11%
	Debt-service Coverage Ratio (DSCR)*****	coef.	7.8	2.4	2.8	4.3	4.0	(0.3)	-7%
	Average number of employees	count	351	357	365	359	366	7	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 - 2025 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

- ◆ The implementers of the Northern-Baltic Hydrogen Corridor project—European gas transmission system operators “Conexus Baltic Grid” (Latvia), “GasgridVetyverkotOy” (Finland), “Elering” (Estonia), “AmberGrid” (Lithuania), “GAZ-SYSTEM” (Poland), “ONTRAS” (Germany), and the European Climate, Infrastructure and Environment Executive Agency (CINEA)—have signed a grant agreement worth EUR 6.8 million for financial support from the European Union (EU) for the Northern-Baltic Hydrogen Corridor project. The allocated funding will enable in-depth technical, economic, regulatory, and environmental studies to assess the feasibility of establishing a large-scale hydrogen pipeline network in the Baltic Sea region. The completion of the study phase is scheduled for the first quarter of 2027, and its results will serve as a basis for future investment decisions in the project’s implementation. As the study phase begins, and to ensure the project meets local needs, environmental standards, and long-term strategic goals, stakeholders from both the public and private sectors will be involved in the process.
- ◆ To ensure continuous and safe gas transmission, Conexus will invest EUR 5.7 million in the development and maintenance of the gas transmission network in 2025. Planned activities include internal diagnostics of the Riga-Inčukalns UGS transmission pipeline lines I and II, as well as diagnostics of transmission pipeline sections using magnetic tomography over a distance of 200 km. Additionally, repair works will be carried out, including the restoration of anti-corrosion insulation over more than 7 km, as well as various section repairs on the Riga-Panevėžys, Vireši-Tallinn, and Iecava-Liepāja transmission pipelines. Continuing the development of gas transmission infrastructure, interconnections will be constructed on the Pskov-Riga and Izborsk-Inčukalns UGS transmission pipelines, as well as the reconstruction of the heating system of the Riga-1 gas regulation station and the reconstruction of the anode grounding of transmission pipelines. Several sections of the Izborsk-Inčukalns UGS transmission pipeline will also be restored, and the construction project for the Lodes station-Jaunrauna-

- Veselava road will be completed, possibly starting construction already in 2025.
- ◆ Active work continues on the Inčukalns UGS modernization project, which aims to significantly improve the storage facility’s operations. The goal is to ensure functionality after increasing the pressure in the Baltic gas transmission system, reduce the storage facility’s operational dependence on the amount of natural gas reserves during the withdrawal season, and minimize the environmental impact of the storage facility’s technological processes. As part of the project, a “Solar Turbines Titan 130” gas pumping unit was installed on the foundations, which will enhance the storage facility’s efficiency and safety, allowing for the withdrawal of compression with a capacity of up to 15 million m³ of natural gas per day. The total investment volume for the Inčukalns UGS modernization project is EUR 99.5 million, of which EUR 44 million is covered by funding from the Connecting Europe Facility (CEF) funds.
 - ◆ To promote biomethane production in Latvia, Conexus is developing solutions that will offer publicly accessible biomethane injection into the natural gas transmission system for producers whose existing or planned biomethane plants are located relatively far from the current natural gas transmission infrastructure. In July 28, 2025, a biomethane injection point was opened in Džūkste parish. It is estimated that up to 10 million normal cubic meters (Nm³) or 100 GWh of biomethane could be injected annually at the Džūkste point. As part of the project, an investment of EUR 10.6 million is planned in 2025. The total investment in the project amounts to EUR 1.7 million, of which EUR 1.5 million is co-financed by the European Union’s Recovery and Resilience Facility.
 - ◆ According to the measurements and calculations carried out, the technical capacity of the Inčukalns UGS for the 2025/2026 storage cycle has been set at 24.8 TWh. The daily technical injection capacity for the 2025/2026 storage cycle has been set at 129 GWh/day, with the possibility of revision during the injection season if necessary.

ABBREVIATIONS AND FORMULAS

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

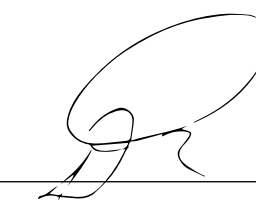
STATEMENT OF THE MANAGEMENT BOARD'S RESPONSIBILITY

The management board is responsible for the preparation of the financial statements.

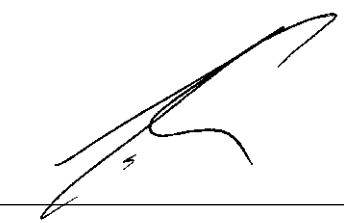
The unaudited interim condensed financial statements for the 6-month period ended June 30, 2025, have been prepared in accordance with International Accounting Standard (IAS) No. 34 "Interim Financial Reporting" as approved by the European Union and provide a true and fair view of the assets, liabilities, financial position, profit or loss, and cash flows of AS "Conexus Baltic Grid." The 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

PROFIT OR LOSS STATMENT

	Note	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024
		EUR	EUR	EUR	EUR
Revenue - natural gas transmission and storage	5	15 095 019	19 993 398	41 087 709	49 377 209
Revenue - balancing activities	5	344 371	355 459	655 499	701 282
Other income	6	342 011	327 903	648 331	582 430
Maintenance and operating costs	7	(1 562 966)	(1 803 125)	(3 438 697)	(3 922 169)
Personnel expenses	8	(4 323 126)	(4 142 918)	(8 330 991)	(8 103 362)
Other operating costs	9	(622 709)	(560 381)	(1 126 855)	(1 068 524)
Depreciation, amortisation, and PPE impairment	11, 12	(4 329 832)	(4 503 643)	(8 649 024)	(9 015 247)
Operating profit		4 942 768	9 666 693	20 845 972	28 551 619
Financial costs, net	10	(206 839)	(458 198)	(441 239)	(1 036 185)
Profit before tax		4 735 929	9 208 495	20 404 733	27 515 434
Corporate income tax		(3 879 144)	(2 983 957)	(3 879 144)	(2 983 957)
Profit for the year		856 785	6 224 538	16 525 589	24 531 477

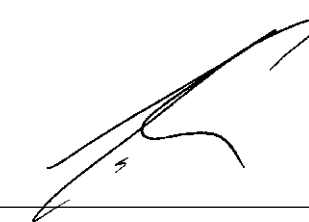
Notes on pages 22 to 35 form an integral part of these financial statements.



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 COMPREHENSIVE INCOME

	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024
	EUR	EUR	EUR	EUR
Profit for the year	856 785	6 224 538	16 525 589	24 531 477
Other comprehensive income / (loss):				
Revaluations of post – employment benefits as a result of changes in actuarial assumptions	-	-	-	-
Revaluation reserves decrease in property, plant and equipment	-	-	-	-
Total other comprehensive loss not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Total comprehensive income	856 785	6 224 538	16 525 589	24 531 477

Notes on pages 22 to 35 form an integral part of these financial statements.


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STATEMENT OF FINANCIAL POSITION

	Note	30.06.2025	30.06.2024	31.12.2024
ASSETS		EUR	EUR	EUR
Long-term investments				
Intangible assets	11	2 016 789	2 422 554	2 387 409
Intangible assets under development	11	16 831 604	15 797 752	16 793 159
Advances for intangible assets		69 841	102 750	69 841
Property, plant and equipment	12	350 115 074	380 749 143	354 907 161
Assets under construction	12	72 421 545	51 889 696	63 377 881
Advances for property, plant and equipment		294 213	2 804 209	922 015
Long-term deferred expenses		288 426	-	288 426
Right-of-use assets		428 642	441 786	435 214
Total long-term investments		442 466 134	454 207 890	439 181 106
Current assets				
Inventories		5 844 144	6 006 166	5 115 935
Receivables from contracts with customers		5 436 616	7 840 110	11 375 813
Deferred income		-	-	-
Other receivables		119 340	204 211	244 680
Short-term deferred expenses		755 572	780 009	757 217
Cash and cash equivalents		7 658 545	12 901 598	24 451 154
Total current assets		19 814 217	27 732 094	41 944 799
TOTAL ASSETS		462 280 351	481 939 984	481 125 905

Notes on pages 22 to 35 form an integral part of these financial statements.


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STATEMENT OF FINANCIAL POSITION (continued)

	Note	30.06.2025	30.06.2024	31.12.2024
EQUITY AND LIABILITIES		EUR	EUR	EUR
Equity:				
Share capital		39 786 089	39 786 089	39 786 089
Own shares		(20 890)	(22 281)	(22 281)
Reserves		156 630 357	185 341 572	159 374 000
Retained earnings		137 316 299	116 408 049	133 563 642
Total equity		333 711 855	341 513 429	332 701 450
Non-current liabilities				
Borrowings from credit institutions	13	59 719 968	47 494 624	46 776 882
Deferred income		41 081 157	32 712 299	41 290 320
Employee benefit obligations		1 424 367	1 331 477	1 424 367
Non-current lease liabilities		440 664	447 495	444 106
Total non-current liabilities		102 666 156	81 985 895	89 935 675
Current liabilities				
Borrowings from credit institutions	13	5 443 472	25 594 554	19 841 888
Trade payables		5 672 353	5 819 961	9 415 946
Other liabilities		2 280 159	2 081 719	2 292 186
Accrued liabilities		3 390 082	17 256 944	18 555 238
Deferred income from contracts with customers		-	5 676	2 271
Deferred income, other		973 144	987 106	986 721
Advances from customers		8 115 926	6 667 496	7 367 326
Current lease liabilities		27 204	27 204	27 204
Total current liabilities		25 902 340	58 440 660	58 488 780
TOTAL EQUITY AND LIABILITIES		462 280 351	481 939 984	481 125 905

Notes on pages 22 to 35 form an integral part of these financial statements.



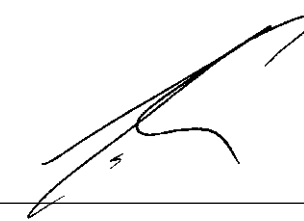
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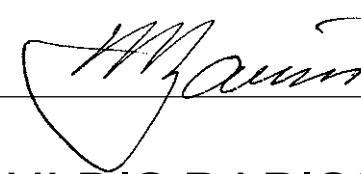
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STATEMENT OF CHANGES IN EQUITY

	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 01.01.2024	39 786 089	100 503 041	(23 352)	24 647 260	163 915 291	88 379	328 916 708
Profit for the period 01.01.2024-30.06.2024	-	24 531 477	-	-	-	-	24 531 477
Revaluation reserves decrease in property, plant and equipment	-	3 309 358	-	-	(3 309 358)	-	-
Total comprehensive income for the year	-	27 840 835	-	-	-	-	24 531 477
Dividends	-	(11 935 827)	1 071	-	-	-	(11 934 756)
Total transactions with shareholders and other changes in equity	-	(11 935 827)	1 071	-	-	-	(11 934 756)
As of June 30, 2024	39 786 089	116 408 049	(22 281)	24 647 260	160 605 933	88 379	341 513 429
Profit for the period 01.07.2024-31.12.2024	-	15 668 804	-	-	-	-	20 057 856
Other comprehensive income for the reporting year	-	-	-	-	(22 624 715)	(20 583)	(22 645 298)
Revaluation reserves decrease in property, plant and equipment	-	6 631 632	-	-	(6 631 632)	-	-
Total comprehensive income for the year	-	25 033 214	-	-	(27 600 073)	(20 583)	(2 587 442)
Dividends	-	(11 935 826)	1 071	-	-	-	(11 934 755)
Total transactions with shareholders and other changes in equity	-	(11 935 826)	1 071	-	-	-	(11 934 755)
As of December 31, 2024	39 786 089	133 563 642	(22 281)	24 647 260	134 658 944	67 796	332 701 450
Profit for the reporting period	-	16 525 589	-	-	-	-	16 525 589
Other comprehensive income for the reporting year	-	-	-	-	-	-	-
Revaluation reserves decrease in property, plant and equipment	-	2 743 643	-	-	(2 743 643)	-	-
Total comprehensive income for the year	-	19 269 232	-	-	(2 743 643)	-	16 525 589
Dividends	-	(15 516 575)	1 391	-	-	-	(15 515 184)
Total transactions with shareholders and other changes in equity	-	(15 516 575)	1 391	-	-	-	-
As of June 30, 2025	39 786 089	137 316 299	(20 890)	24 647 260	131 915 301	67 796	333 711 855

Notes on pages 22 to 35 form an integral part of these financial statements.


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STATEMENT OF CASH FLOWS

	Note	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024
Cash flow from operating activity		EUR	EUR	EUR	EUR
Profit before corporate income tax		4 735 929	9 208 495	20 404 733	27 515 434
Adjustments:					
- depreciation and impairment of property, plant and equipment	11	4 105 676	4 300 580	8 205 382	8 598 709
- depreciation of the right-of-use assets		3 286	3 286	6 572	6 572
- amortisation of intangible assets	12	220 870	199 776	437 070	409 966
- (profit) / loss on disposal of PPEs	6, 9	(705)	(23)	(15 696)	1 239
- changes in provisions		174 000	192 000	348 000	444 000
- amortisation of the EU co-financing	6	(242 514)	(244 997)	(475 275)	(486 743)
- interest expense		399 344	722 379	837 226	1 488 549
- interest income		(151 815)	(237 318)	(316 179)	(403 605)
Changes in the working capital:					
- (increase) / decrease of receivables from contracts with customers, other receivables and deferred expenses		4 934 797	2 319 730	6 066 182	3 636 175
- decrease in inventories		(996 089)	(297 083)	(728 210)	(1 328 557)
- increase / (decrease) of lease liabilities, trade payables, accrued liabilities, advances from customers and other liabilities		3 616 199	(147 078)	(2 708 297)	(752 954)
Corporate income tax paid		(3 879 144)	(2 983 957)	(3 879 144)	(2 983 957)
Net cash flow from operating activity		12 919 834	13 035 790	28 182 364	36 144 828
Cash flow from investing activity					
Acquisition of property, plant and equipment		(6 285 018)	(18 938 449)	(12 105 369)	(22 852 366)
Acquisition of intangible assets		(15 494 382)	(148 390)	(16 067 511)	(604 366)
Proceeds from the sale of property, plant and equipment items		772	23	16 471	298
Received interest		180 822	269 492	349 700	381 831
Received EU co-financing		632 709	6 760 618	632 709	6 760 618
Net cash flow from investing activities		(20 965 097)	(12 056 706)	(27 174 000)	(16 313 985)

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STATEMENT OF CASH FLOWS (continued)

	Note	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024
Cash flow from financing activities		EUR	EUR	EUR	EUR
Interest paid		(371 853)	(699 815)	(832 752)	(1 483 105)
Borrowings received		-	-	5 000 000	-
Borrowings repaid		(2 740 951)	(2 740 951)	(6 449 643)	(6 449 643)
Lease payments		(2 233)	(2 233)	(2 233)	(13 603)
Dividends paid		(15 515 939)	(11 935 172)	(15 516 345)	(11 936 344)
Net cash flow from financing activity		(18 630 976)	(15 378 171)	(17 800 973)	(19 882 695)
Net cash flow		(26 676 239)	(14 399 087)	(16 792 609)	(51 852)
Cash and cash equivalents at the beginning of the reporting year		34 334 784	27 300 685	24 451 154	12 953 450
Cash and cash equivalents at the end of the reporting year		7 658 545	12 901 598	7 658 545	12 901 598

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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 2024 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 2025.

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.

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.

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.

Management has identified the following areas as subject to a higher degree of judgement or complexity or areas for which the assumptions and estimates applied are material in the context of the financial statements.

As part of long-term deferred income for future periods, in accordance with IAS 20, Conexus initially recognizes European Union funding related to assets for the creation of Conexus's long-term investments. The funding is recognized as income in the profit or loss statement gradually over the useful life of the acquired fixed assets.

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 previous 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	30.06.2025	30.06.2024	31.12.2024
	EUR	EUR	EUR	EUR
Assets:				
Trade receivables	3.	5 436 616	7 840 110	11 375 813
Other receivables	3.	15 883	30 112	127 413
Cash and cash equivalents	2.	7 658 545	12 901 598	24 451 154
Liabilities:				
Borrowings from credit institutions	3.	65 163 440	73 089 177	66 618 770
Trade payables	3.	5 672 353	5 819 961	9 415 946
Other liabilities and accrued liabilities	3.	1 713 951	15 525 745	16 116 082
Lease liabilities	3.	467 868	474 699	471 310

Management has determined that cash, receivables from customers and clients, other assets, payables to suppliers and contractors, and other short-term liabilities are equal to their carrying amounts mainly due to the short-term nature of these instruments. The Company has no net gains or losses on financial instruments to report.

4. SEGMENT INFORMATION

Description of segments

Conexus is operating in two segments: natural gas transmission and natural gas storage. Conexus derives all 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 regulatory (tariff) periods for the natural gas transmission system service differ from the financial reporting year. According to the methodology for calculating tariffs for the natural gas transmission system service, revenue and cost deviations from the allowed amounts may occur during the tariff period, which will affect tariff values in subsequent tariff

periods. The first tariff period of the current regulatory period lasts from December 1, 2023, to September 30, 2025.

The natural gas transmission system service tariffs¹ effective from December 1, 2023, have been approved with the Regulator's decision No. 119² dated October 26, 2023. On July 31, 2025, Conexus announced that the transmission system service fee for the use of the exit point for supplying Latvian users will be increased by 21%, and this fee will take effect on October 1, 2025.

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

- 🌿 repair of transmission gas pipelines – EUR 2.6 million;
- 🌿 biomethane injection point in “Džūkste” – EUR 1 million. On July 28, 2025, a biomethane injection point was opened in Džūkste parish, with a total project value of EUR 1.7 million, of which EUR 1.5 million was provided by the European Union's Recovery and Resilience Facility.

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 via capacity auctions. The storage cycle lasts from May 1 to April 30 of the following year.

The regulatory (tariff) periods for the natural gas storage system service differ from both the financial reporting year and the natural gas transmission regulatory periods. According to the methodology for calculating tariffs for the natural gas storage system service, revenue and cost deviations from the allowed amounts may occur during the tariff period, which will affect the allowed revenues for the storage system service in the next tariff cycle. In the storage segment, such deviations are accumulated in the regulatory account.

As of May 1, 2025, new tariffs for the natural gas storage system service are in effect³ (Public Utilities Commission decision of January 9, 2025)⁴. For basic products, which are the one-year grouped capacity product and the two-year grouped capacity product, the tariffs remain unchanged. For the Stock Transfer product, the tariff will increase from EUR 3.226/MWh per storage cycle to EUR 4.1246/MWh

¹ <https://www.conexus.lv/transmission>

² <https://likumi.lv/ta/id/346867>

³ <https://www.conexus.lv/storage>

⁴ <https://www.sprk.gov.lv/events/sprk-atzist-par-atbilstosiem-conexus-baltic-grid-noteiktos-dabasgazes-uzglabasanas-sistemas>

per storage cycle. The tariff for the Stock Transfer product is determined by the auction results of the two-year grouped capacity product from the previous season, which in turn is determined by market demand.

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

- 🌱 reconstruction of wells, installation of a new gas pumping unit, and reconstruction of gas collection point No. 3 – EUR 5.8 million , implemented within the framework of the large-scale European Project of Common Interest PCI 8.2.4 “Improvement of the Inčukalns Underground Gas Storage operation”;
- 🌱 restoration of the interconnection between Compressor Station I and Compressor Station II – EUR 688 thousand;
- 🌱 reconstruction of the compressed air system at Compressor Station II – EUR 326 thousand.

Reconciliation of segment financial information to Conexus financial information

Segment income statements for the period 01.01.2025.-30.06.2025.:

	Transmission	Storage	Conexus total	Difference between segments total and Conexus total
	EUR	EUR	EUR	EUR
Revenue	16 908 298	24 834 910	41 743 208	-
Other income	128 439	519 892	648 331	-
Maintenance and service costs	(1 618 487)	(1 820 210)	(3 438 697)	-
Personnel expenses	(4 859 637)	(3 471 354)	(8 330 991)	-
Other operating costs	(754 805)	(372 050)	(1 126 855)	-
Depreciation, amortisation, and impairment of property, plant and equipment	(4 851 525)	(3 797 499)	(8 649 024)	-
Finance costs	(260 018)	(181 221)	(441 239)	-
Corporate income tax	(385 632)	(3 493 512)	(3 879 144)	-
Profit for the reporting period	4 306 633	12 218 956	16 525 589	-

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)	-
Profit for the reporting period	7 065 814	17 465 663	24 531 477	-

Total assets by segments as at 30.06.2025 and investments during period 01.01.2025-30.06.2025:

	Transmission	Storage	Conexus total	Difference between segments total and Conexus total
	EUR	EUR	EUR	EUR
Segment assets	220 109 348	242 171 003	462 280 351	-
Investments in property, plant and equipment and intangible assets	4 916 604	7 646 025	12 562 629	-

Total assets by segments as at 30.06.2024 and investments during 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	-

Geographical information

All operating activities take place in Latvia.

Major customers

Revenue generated during period 01.01.2025-30.06.2025 from major customers, each of whom individually represent at least 10% of Conexus' total revenue:

	Transmission	Storage	Conexus total
	EUR	EUR	EUR
Revenue from major customers	12 303 839	14 503 828	26 807 667

Revenue generated during period 01.01.2024-30.06.2024 from major customers, each of whom individually represent at least 10% of Conexus' total revenue:

	Transmission	Storage	Conexus total
	EUR	EUR	EUR
Revenue from major customers	13 940 874	14 197 338	28 138 212

5. REVENUE

Revenue from contracts with customers recognised over time	IFRS applied	01.04.2025-30.06.2025	01.04.2024-30.06.2024	01.01.2025-30.06.2025	01.01.2024-30.06.2024
	EUR	EUR	EUR	EUR	EUR
Revenue from transmission services	15.SFPS	4 637 086	4 653 247	16 252 800	19 025 653
Balancing income, net	15.SFPS	344 371	355 459	655 499	701 282
Revenue from transmission services		4 981 457	5 008 706	16 908 299	19 726 935
Revenue from storage services*	15.SFPS	10 457 933	15 340 151	24 834 909	30 351 556
Revenue from storage		10 457 933	15 340 151	24 834 909	30 351 556
Total		15 439 390	20 348 857	41 743 208	50 078 491

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

Gross income and cost from balancing activities recognized in net amount:

	01.04.2025-30.06.2025	01.04.2024-30.06.2024	01.01.2025-30.06.2025	01.01.2024-30.06.2024
	EUR	EUR	EUR	EUR
Income from balancing activities	2 731 415	2 467 648	9 703 892	4 775 486
Cost of balancing activities	(2 387 044)	(2 112 189)	(9 048 393)	(4 074 204)
	344 371	355 459	655 499	701 282

6. OTHER INCOME

	01.04.2025-30.06.2025	01.04.2024-30.06.2024	01.01.2025-30.06.2025	01.01.2024-30.06.2024
	EUR	EUR	EUR	EUR
Revenue from EU co-financing	242 514	244 997	475 275	486 742
Other income	98 792	82 883	157 360	95 688
Net income from the disposal of PPE's	705	23	15 696	-
	342 011	327 903	648 331	582 430

7. MAINTENANCE AND OPERATING COSTS

	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024
	EUR	EUR	EUR	EUR
Transmission and storage system maintenance services	636 597	792 287	1 386 830	1 525 905
Cost of materials	197 653	306 601	350 335	624 884
Cost of natural gas	304 446	355 338	847 593	1 088 007
Maintenance of IT infrastructure	355 338	284 851	719 472	549 915
Maintenance of vehicles and machinery	68 932	64 048	134 467	133 458
	1 562 966	1 803 125	3 438 697	3 922 169

8. PERSONNEL EXPENSES

	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024
	EUR	EUR	EUR	EUR
Salaries	3 447 368	3 175 355	6 601 718	6 217 807
State social insurance mandatory contributions	809 854	745 767	1 546 776	1 460 828
Life, health, and pension insurance	222 683	226 551	428 418	427 841
Other personnel costs	1 608	3 865	3 070	5 506
Accrued personnel expenses for PPE creation	(158 387)	(8 620)	(248 991)	(8 620)
	622 709	4 142 918	8 330 991	8 103 362

9. OTHER OPERATING EXPENSES

	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024
	EUR	EUR	EUR	EUR
Taxes and duties*	214 764	240 425	398 718	421 477
Office and other administrative costs	407 945	319 956	728 137	645 808
Net loss on disposal of property, plant and equipment	-	-	-	1 239
	622 709	560 381	1 126 855	1 068 524

* Real estate tax, Natural resources tax, PUC fee, State and municipal fees, Corporate income tax from deemed profit distribution

10. FINANCIAL EXPENSES, NET

	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024
	EUR	EUR	EUR	EUR
Interest paid	394 263	717 229	827 066	1 478 249
Accrued loan expense costs	(39 135)	(26 731)	(78 292)	(49 086)
Lease interest expense	5 080	5 150	10 160	10 300
Gain of interest on bank account balances, deposits	(151 815)	(237 318)	(316 179)	(403 605)
Losses / (gain) from exchange rate fluctuations	(1 554)	(132)	(1 516)	327
	206 839	458 198	441 239	1 036 185

11. INTANGIBLE ASSETS

	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	-	-	639 693	639 693
Transfers	22 123	-	(22 123)	-
Disposals	(454 895)	-	-	(454 895)
Transfers	-	-	-	-
30.06.2024	7 307 541	1 007 865	15 797 752	24 113 158
Additions	-	-	1 381 197	1 381 197
Transfers	385 790	-	(385 790)	-
Disposals	(40 650)	-	-	(40 650)
Transfers	-	-	-	-
31.12.2024	7 652 681	1 007 865	16 793 159	25 453 705
Amortisation				
31.12.2023	5 937 781	-	-	5 937 781
Amortisation charge	359 573	50 393	-	409 966
Disposals	(454 895)	-	-	(454 895)
30.06.2024	5 842 459	50 393	-	5 892 852
Amortisation charge	370 541	50 394	-	420 935
Disposals	(40 650)	-	-	(40 650)
31.12.2024	6 172 350	100 787	-	6 273 137
Net book value 31.12.2023	1 802 532	1 007 865	15 180 182	17 990 579
Net book value 30.06.2024	1 465 082	957 472	15 797 752	18 220 306
Net book value 31.12.2024	1 480 331	907 078	16 793 159	19 180 568

	Patents, software, licences	Co-financed assets	Intangible assets under development	TOTAL
	EUR	EUR	EUR	EUR
Historical cost				
31.12.2024	7 652 681	1 007 865	16 793 159	25 453 705
Additions	-	-	104 895	104 895
Transfers	66 450	-	(66 450)	-
Disposals	-	-	-	-
30.06.2025.	7 719 131	1 007 865	16 831 604	25 558 600
Amortisation				
31.12.2024	6 172 350	100 787	-	6 273 137
Amortisation charge	386 677	50 393	-	437 070
Disposals	-	-	-	-
30.06.2025	6 559 027	151 180	-	6 710 207
Net book value 31.12.2024	1 480 331	907 078	16 793 159	19 180 568
Net book value 30.06.2025	1 160 104	856 685	16 831 604	18 848 393

12. PROPERTY, PLANT AND EQUIPMENT (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											
31.12.2023	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	-	-	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)
30.06.2024	1 104 511	629 603 707	97 077 980	6 724 792	138 792 066	30 433 866	7 523 598	1 959 708	10 708 163	51 889 698	975 818 089
Additions	-	-	275 052	472 480	-	2 120	175 088	-	-	22 339 880	23 264 620
Reclassified	-	8 341 668	592 943	363 077	232 460	-	1 321 549	-	-	(10 851 697)	-
Disposals	-	(1 532 740)	(1 376 741)	(305 761)	(109 591)	(16 550)	(71 113)	-	-	-	(3 412 496)
Recognized impairment*	-	(94 336 921)	(5 140 127)	-	(47 292)	(46 819)	(144 593)	-	-	-	(99 715 752)
Transfers**	-	-	-	388	-	-	(388)	68 641	-	-	68 641
31.12.2024	1 104 511	542 075 714	91 429 107	7 254 976	138 867 643	30 372 617	8 804 141	2 028 349	10 708 163	63 377 881	896 023 102
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	-	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	-	-	-	-	-	-	-
30.06.2024	-	423 722 204	49 330 800	4 532 727	45 513 764	16 999 183	3 030 572	-	-	-	543 179 250
Calculated	-	4 573 033	1 979 277	342 834	1 179 886	385 011	283 330	-	-	-	8 743 371
Disposals	-	(1 531 220)	(1 363 204)	(305 310)	(109 591)	(16 550)	(68 807)	-	-	-	(3 394 682)
Excluded as a result of revaluation*	-	(68 537 516)	(2 281 054)	-	59 725	(24 665)	(6 369)	-	-	-	(70 789 879)
Reclassified	-	-	-	136	-	-	(136)	-	-	-	-
31.12.2024	-	358 276 501	47 665 819	4 570 387	46 643 784	17 342 979	3 238 590	-	-	-	477 738 060
Net balance 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 balance value 30.06.2024	1 104 511	205 831 503	47 747 180	2 192 065	93 278 302	13 434 683	4 493 026	1 959 708	10 708 163	51 889 698	432 638 839
Net balance value 31.12.2024	1 104 511	183 799 213	43 763 288	2 684 589	92 223 859	13 029 638	5 565 551	2 028 349	10 708 163	63 377 881	418 285 042

* 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 EUR 11 742 677 is recognised in the reduction of the revaluation reserve and included in the statement of “Comprehensive income” in position of “Revaluation reserves decrease in property, plant and equipment”, EUR 11 745 167 recognised in the “Income statement” under the position “Depreciation, amortisation, and PPE impairment”.

** inventories of materials in warehouses in the amount of EUR 146 719 were transferred to the Emergency spare parts.

PROPERTY, PLANT AND EQUIPMENT (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											
31.12.2024	1 104 511	542 075 714	91 429 107	7 254 976	138 867 643	30 372 617	8 804 141	2 028 349	10 708 163	63 377 881	896 023 102
Additions	-	-	188 616	499 536	52 816	-	5 014	-	-	11 711 752	12 457 734
Reclassified	-	2 097 646	(63 000)	293 544	1 007	331 046	7 844	-	-	(2 668 087)	-
Disposals	-	-	(163 300)	(284 418)	-	-	-	-	-	-	(447 718)
30.06.2025	1 104 511	544 173 360	91 391 423	7 763 638	138 921 466	30 705 663	8 816 999	2 028 349	10 708 163	72 421 546	908 033 118
Accumulated depreciation											
31.12.2024	-	358 276 501	47 665 819	4 570 387	46 643 784	17 342 979	3 238 590	-	-	-	477 738 060
Calculated	-	4 133 141	1 808 578	369 540	1 158 634	389 758	345 731	-	-	-	8 205 382
Disposals	-	-	(163 300)	(283 643)	-	-	-	-	-	-	(446 943)
Reclassified	-	-	(17 320)	17 320	-	-	-	-	-	-	-
30.06.2025	-	362 409 642	49 293 777	4 673 604	47 802 418	17 732 737	3 584 321	-	-	-	485 496 499
Net balance value 31.12.2024	1 104 511	183 799 123	43 763 288	2 684 589	92 223 859	13 029 638	5 565 551	2 028 349	10 708 163	63 377 881	418 285 042
Net balance value 30.06.2025	1 104 511	181 763 718	42 097 646	3 090 034	91 119 048	12 970 926	5 232 678	2 028 349	10 708 163	72 421 546	422 536 619

13. BORROWINGS

	30.06.2025	30.06.2024	31.12.2024
	EUR	EUR	EUR
Non-current borrowings from credit institutions	59 719 968	47 494 624	46 776 882
Current borrowings from credit institutions	5 399 286	25 523 917	19 792 016
Accrued interest on borrowings from credit institutions	44 186	70 637	49 872
	65 163 440	73 089 178	66 618 770

Conexus has borrowings both from local and international credit institutions. The weighted average interest rate is 2.16% at the end of reporting period (31.12.2024: 2.38%). At the end of the reporting year, 39% of borrowings outstanding have a fixed loan interest rate (31.12.2024: 39%). All borrowings of Conexus are denominated in euros and are unsecured.

At the end of the reporting period, committed long-term loan agreements in the amount of EUR 40 000 thousand are available to Conexus.

14. 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 ordinary 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.

Related party transactions	01.04.2025- 30.06.2025 or 30.06.2025	01.04.2024- 30.06.2024 or 30.04.2024	01.01.2025- 30.06.2025 or 30.06.2025	01.01.2024- 30.06.2024 or 30.06.2024
	EUR	EUR	EUR	EUR
Income from related parties:				
AS “Latvenergo”	6 205 622	6 089 997	18 305 152	18 716 264
Purchases of goods and services from related parties:				
AS “Latvenergo”	857 084	417 196	1 155 341	1 391 309
AS “Augstsprieguma tīkls”	79	-	189	190
Receivables from contracts with customers				
AS “Latvenergo”	2 067 406	2 199 349	2 067 406	2 199 349
Trade payables				
AS “Latvenergo”	85 029	250 206	85 029	250 206

In 2025, the amount of dividends declared to Conexus shareholders was EUR 15 516 575 or EUR 0.39 per share from profit of the year 2024.

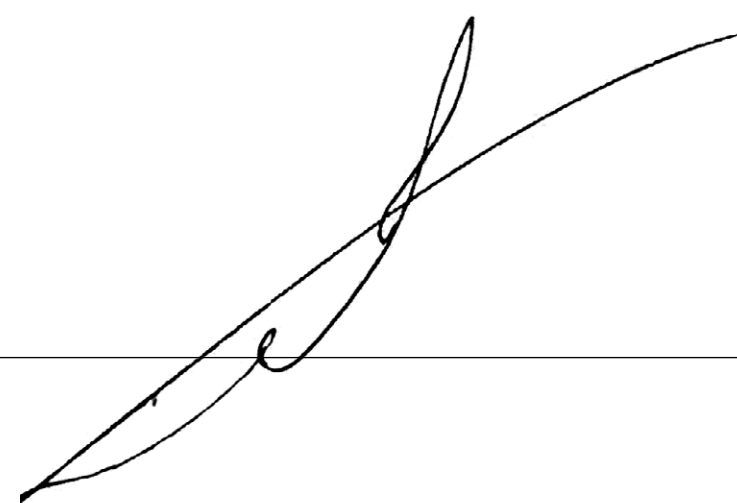
15. COMMITMENTS AND CONTINGENCIES

As of June 30, 2025, Conexus has concluded, but not yet completed long-term asset construction contracts amounted EUR 13 199 634 (at December 31, 2024: EUR 18 349 893)

16. SUBSEQUENT EVENTS

According to management's assessment, there are no subsequent circumstances or events since the last date of the reporting year until the signing of this report, which would have a significant effect on the financial position of Conexus as at June 30, 2025.

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