



# AUGSTPRIEGUMA TĪKLS GROUP'S CONSOLIDATED AND AS "AUGSTPRIEGUMA TĪKLS" STAND-ALONE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE 3-MONTH PERIOD ENDED  
31 MARCH 2024

**Prepared in accordance with the International Financial Reporting Standard No. 34 adopted in the European Union**

Translation note: This version of Augstsprieguma tīkls group's consolidated and AS "Augstsprieguma tīkls" separate Interim Financial Statements for the 3-month period ended 31 March 2024 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 of Augstsprieguma tīkls group's consolidated and AS "Augstsprieguma tīkls" separate Interim Financial Statements for the 3-month period ended 31 March 2024 takes precedence over this translation.

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# TABLE OF CONTENTS

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<b>INFORMATION ABOUT THE GROUP AND THE COMPANY</b>	<b>3</b>
<b>KEY FINANCIAL AND OPERATIONAL INDICATORS</b>	<b>5</b>
<b>MANAGEMENT REPORT</b>	<b>7</b>
<b>STATEMENT OF THE BOARD'S RESPONSIBILITIES</b>	<b>18</b>
<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>	<b>20</b>
Statement of comprehensive income	22
Statement of financial position	23
Statement of changes in equity	25
Statement of cash flows	27
<b>NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>	<b>29</b>



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**INFORMATION  
ABOUT THE GROUP  
AND THE COMPANY**

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## INFORMATION ABOUT THE GROUP AND THE COMPANY

<b>NAME OF THE PARENT COMPANY</b>	AS "Augstsprieguma tīkls"
<b>LEGAL STATUS OF THE PARENT COMPANY</b>	Joint stock company
<b>NUMBER, PLACE AND DATE OF REGISTRATION OF THE PARENT COMPANY</b>	000357556 Riga, 28 December 2001 Re-registered in the Commercial Register on 13 November 2004 under the uniform registration number 40003575567
<b>LEI CODE</b>	64883LC3F1269OGATG87
<b>REGISTERED OFFICE</b>	Darziema iela 86, Riga, LV-1073, Latvia
<b>THE PARENT COMPANY'S OPERATING ACTIVITY</b>	Transmission of electricity, NACE code 35.12
<b>THE GROUP'S OPERATING ACTIVITY</b>	Transmission of electricity, NACE code 35.12; and Transport via pipeline, NACE code 49.50.
<b>THE PARENT COMPANY'S SHAREHOLDER</b>	The Republic of Latvia (100%)
<b>MEMBERS OF THE BOARD AND THEIR POSITIONS</b>	Rolands Irklis – Chairman of the Board Imants Zviedris – Member of the Board Gatis Junghāns – Member of the Board Arnis Daugulis – Member of the Board Ilze Znotiņa – Member of the Board (from 01.02.2024)
<b>MEMBERS OF THE COUNCIL AND THEIR POSITIONS</b>	Kaspars Āboliņš – Chairman of the Council Olga Bogdanova – Deputy Chairwoman of the Council Armands Eberhards – Member of the Council Aigars Ģērmanis – Member of the Council
<b>SHAREHOLDINGS IN OTHER COMPANIES</b>	AS "Conexus Baltic Grid" (68.46%)
<b>REPORTING PERIOD</b>	1 January 2024 – 31 March 2024

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**KEY FINANCIAL  
AND OPERATIONAL  
INDICATORS**

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## KEY FINANCIAL AND OPERATIONAL INDICATORS

	GROUP*		PARENT COMPANY	
	3 months of 2024	3 months of 2023	3 months of 2024	3 months of 2023
<b>FINANCIAL INDICATORS</b>				
Revenue, thous. EUR	70 591	44 916	40 862	29 178
EBITDA, thous. EUR	32 441	15 189	9 044	5 004
Profit, thous. EUR	19 111	1 303	805	(3 861)
Total assets, thous. EUR	1 372 524	1 313 164	1 035 370	991 470
Equity, thous. EUR	651 304	632 590	452 823	443 659
Borrowings, thous. EUR	175 837	178 688	100 024	99 997
Net cash flow from operating activity, thous. EUR	31 507	38 075	9 074	5 042
Cash and short-term deposits, thous. EUR**	52 774	127 622	25 474	112 489
<b>FINANCIAL RATIOS</b>				
Total liquidity ratio ( $\geq 1.2$ )*	1.5	1.6	1.8	2.1
EBITDA margin	46%	34%	22%	17%
Equity ratio ( $\geq 35\%$ )*	47%	48%	44%	45%
Net debt to equity ( $\leq 55\%$ )*	19%	8%	16%	-
<b>PERFORMANCE INDICATORS</b>				
Electricity transmitted to Latvian consumers, GWh	1 680	1 616	1 680	1616
Natural gas transmitted, TWh	7.3	7.8	-	-
Natural gas transmitted to consumers in Latvia, TWh	4.2	3.3	-	-
Average number of employees	900	891	542	530

**EBITDA** – earnings before interest, depreciation, amortisation and impairment, dividends received from the Subsidiary, finance income, finance expenses, corporate income tax.

**Total liquidity ratio** = current assets/current liabilities (excluding the refinanced portion of short-term borrowings)

**EBITDA margin** = EBITDA/revenue

**Equity ratio** = equity/total assets

**Net liabilities** = liabilities – cash – short-term deposits

**Net debt to equity** = net debt/(net debt + equity)

\* The Parent company's target indicators are indicated in brackets next to the financial indicator in brackets.

\*\* including short-term term deposits with a maturity of less than 3 months

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# MANAGEMENT REPORT

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## SIGNIFICANT FACTS AND DEVELOPMENTS

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### **It has become possible to apply a discount to new electricity transmission system users, which is a solution to entice production investments**

In April 2024, the Saeima supported the amendments to the Electricity Market Law prepared by the Ministry of Climate and Energy. As a result of these amendments, those electricity consumers who install high-capacity connections to the electricity transmission network will get a discount on the transmission service tariff. The discount will be applied for a period of up to five years from the date of entering into the network service contract. New connections of large-capacity consumers to the electric transmission network will result in more efficient use and utilisation of the network.

### **In March 2024, the lowest electricity price level and the highest production volume was reached since April 2023**

In March 2024, the average electricity price in the Latvian trading area fell to EUR 68.21 per megawatt hour (EUR/MWh), which was 9% less than in February and 22% less than in March 2023. Lower gas prices contributed to the fall in electricity prices, as did warmer weather conditions, which contributed to a fall in electricity consumption, and more intense flooding, which increased the amount of water in the rivers and thus electricity generation in hydropower plants.

### **The most powerful electricity storage battery systems in Europe are being installed to ensure the security of the energy system in Latvia.**

In February 2024, the Latvian transmission system operator AS "Augstsprieguma tīkls" ("AST" or "Parent

Company") and the German company Rolls-Royce Solutions GmbH ("Rolls-Royce") started cooperation in the construction of the battery energy storage system (BESS or Battery Energy Storage System), which is important for the safety of the Latvian energy system. Rolls-Royce will install a battery system with a total output of 80 MW and a capacity of 160 MWh at the AST substations in Rezekne and Tume, respectively, which is currently one of the most powerful and largest battery systems in the European Union. The installation of BESS is one of the key projects for the synchronisation of the common Baltic energy networks with the European systems. This is an important step towards the security and energy independence of Latvia and the Baltic countries so that we can keep our systems more independently and provide our consumers with a stable and secure energy supply. More than 85% of the co-financing from European funds was raised for the implementation of the project, without causing a material impact on the electricity transmission tariff.

### **AS "Augstsprieguma tīkls" donates vehicles to support Ukraine**

In continuing to support the reconstruction of Ukraine's energy supply and economy, AST has donated 22 vehicles this year – car towers, passenger cars, car trailers, all-terrain vehicles as well as other transport units. This donation has been the largest donation by any organization during the operation of the company "Agendum" (better known as "Twitter convoy") to date. This is already AST's second donation of vehicles to Ukraine. Equipment and fittings for the restoration of the Ukrainian power networks were donated in several previous shipments.

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## AN OUTLINE OF THE AUGSTSPRIEGUMA TĪKLS GROUP

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### **Overview of the business model**

The Augstsprieguma Tīkls Group is one of the largest energy utilities in the Baltics. The Group's principal business is the provision of electricity transmission system operator functions, efficient management of energy supply system assets, and transmission and storage of natural gas.

At 31 March 2024, the Augstsprieguma Tīkls Group consisted of a number of commercial companies on which the Parent company AS "Augstsprieguma tīkls" had a decisive influence and which included the

subsidiary AS "Conexus Baltic Grid". Geographically, the Group operates in Latvia. See Note 8 for information on the shareholding in the subsidiary and its location.

Together with the Estonian and Lithuanian electricity transmission system operators, AS "Augstsprieguma tīkls" has established the Baltic Regional Coordination Centre for Electricity Systems "Baltic RCC" OÜ, registered in Estonia. See Note 8 for information on the shareholding in the associate and its location.







All (100%) of the shares of AS "Augstsprieguma tīkls" are owned by the State and held by the Ministry of Climate and Energy of the Republic of Latvia.

In terms of its structure, the Augstsprieguma Tīkls Group is organised into three operating segments: electricity transmission, natural gas transmission, and natural gas storage. Segmentation is based on the Group's internal organizational structure, which is used to monitor and control segment performance. For more information on the operating segments as well as the Parent company, see "Operating segments".

The overall strategic objective of the Augstsprieguma Tīkls Group is to ensure the security of Latvia's energy supply, provide uninterrupted, high quality and affordable energy transmission services, and to implement sustainable management of strategic national energy assets that facilitate their integration into the internal energy market of the European Union.

Our mission is to ensure uninterrupted, secure, and sustainably efficient energy supply throughout Latvia.

## Our values

TRUST	DEVELOPMENT	SAFETY	TEAM
			
<b>HONEST</b>	<b>SMART</b>	<b>RESPONSIBLE</b>	<b>UNITED</b>
Independent, ethical and open behaviour towards anyone and everyone	Efficient. Forward-looking. Long-term thinking	Thoughtful action. High sense of responsibility towards people, work, and nature.	Joining forces to achieve more. Strong team that encourages and challenges.

## AN OUTLINE OF THE OPERATING ENVIRONMENT

### Electricity market

In March 2024, the average electricity price in Latvia fell to 68.21 EUR/MWh, the lowest level since April 2023, when the price was only slightly lower. A similar trend was also observed in the neighbouring countries: in Lithuania, the price level was identical to that in Latvia, but in Estonia, the monthly average price was slightly higher – 68.26 EUR/MWh. The fall in electricity prices was contributed to by lower gas prices, warmer weather, which contributed to a fall in electricity consumption, and more intense flooding, which increased the amount of water into the rivers and thus electricity generation in the hydropower plants.

The total amount of electricity produced in Latvia in March 2024 increased by 23% compared to the previous month, whereas electricity consumption fell by 2%. Compared to the same period of the previous year, the amount of electricity produced in Latvia in March 2024 increased by 11%, whereas consumption fell by 4%. A similar trend was observed in the other Baltic countries – in March 2024, the total amount of electricity produced in the Baltic countries increased by a total of 13% compared to the previous month, whereas consumption fell by 3%.

In March 2024, 695 gigawatt hours (GWh) or 73% of the total volume was produced in hydropower plants, which is the highest amount since April 2023. As the days are getting longer and the installed capacity of solar power plants is growing, in March 2024, solar power plants produced the largest amount of electricity to date – 23 GWh, which is 461% more than in February 2024 and 421% more than in March 2023.

A surplus of produced electricity has been observed in Latvia since the beginning of the year – in March 2024, 158% of the electricity required in the country was produced, and the surplus of produced electricity amounting to 350 GWh was exported to the neighbouring countries – Lithuania and Estonia.

### Natural gas market

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 (6.8 TWh, which is twice the amount compared to the previous 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 plants. Natural gas from the Russian Federation has not been supplied for consumption in Latvia.

## OPERATING SEGMENTS

### Electricity transmission segment

Under the issued licence No. E12001 and the provisions of Section 11, Paragraph 1 of the Electricity Market Law, the joint stock company AS "Augstsprieguma tīkls" is the sole electricity transmission system operator in Latvia, the scope of the license extends to the entire territory of Latvia. AS "Augstsprieguma tīkls" ensures continuous, reliable, and sustainably efficient electricity transmission throughout Latvia. Under Section 5 of the Energy Law, electricity transmission is a regulated sector.

AST is in charge of the backbone of the Latvian electricity system: the transmission network, which

comprises interconnected networks and equipment, including interconnectors, with a voltage of 110 kV or more, used for transmission to the relevant distribution system or users. The Parent company operates, maintains, and repairs high-voltage lines, substations, and distribution points, and develops the transmission network.

Electricity transmission is the primary business segment of the Parent company.

During the reporting period, the obligations imposed on the Transmission system operator were implemented through the following transmission network:

Highest voltage (kV)	Number of substations	Number of autotransformers and transformers	Installed power (MVA)	Overhead and cable ETL (km)
330 kV	17	26	3 725	1 720
110 kV	124	242	5 100	3 729
<b>TOTAL</b>	<b>141</b>	<b>268</b>	<b>8 825</b>	<b>5 449</b>

### Natural gas transmission and natural gas storage segments

Given the Parent company's investment in its subsidiary, the Latvian natural gas transmission and storage system operator AS "Conexus Baltic Grid", the sustainable management of energy assets of strategic national importance and their integration into the internal energy market of the European Union is a key activity direction of the Group's activities.

AS "Conexus Baltic Grid" is the single natural gas transmission and storage operator in Latvia, managing one of the most modern natural gas storage facilities in Europe – the Inčukalns Underground Gas Storage facility (hereinafter "Inčukalns UGS facility", "the storage facility") – and the trunk natural gas transmission network that

directly connects the Latvian natural gas market with Lithuania and Estonia.

Conexus provides natural gas transmission and storage services to its customers at the tariffs set by the Public Utilities Commission (hereinafter "PUC" or "the Regulator").

Conexus' customers – the users of the natural gas transport and storage system – come from several countries in the Baltic Sea region. i.e., Finland, Estonia, Latvia, Lithuania, and Poland – as well as from other European countries, such as Norway, Czechia, and Switzerland. Among the users are private local companies, state-owned companies, and international companies representing a variety of business sectors: wholesalers and retailers of natural gas, energy producers, heating operators, and production companies.

Conexus provides high quality services that promote market development and provide economic benefits to customers and society as a whole in addition to ensuring the sustainability and safety of the infrastructure.

As a socially responsible organization, Conexus ensures the overall development of the sector, the professional development of its employees, and the sustainability of employment, while minimising the impact of technological processes on the environment.

## Natural gas transmission segment

AS "Conexus Baltic Grid" is the only natural gas transmission and storage operator in Latvia that ensures the maintenance of the natural gas transmission network, its safe and continuous operation, and interconnections with transmission networks in other countries, enabling traders to use the natural gas transmission system to trade in natural gas.

The 1,190 km long natural gas transmission trunk network is directly connected to the natural gas transmission networks of Lithuania, Estonia, and Russia, providing both transmission of natural gas through regional pipelines within Latvia and interconnections with the natural gas transmission systems of neighbouring countries:

- International pipelines have a diameter of 720 mm and operating pressures ranging from 28 to 40 bar;
- Regional gas pipelines have a diameter of 400 mm to 530 mm and operating pressure of up to 30 bar;
- There are 40 gas regulating stations used to transport natural gas to the local distribution system in Latvia. To supply Latvian consumers with natural gas, all outlets for consumption on the territory of Latvia are combined into one exit point.

## Natural gas storage segment

The natural gas storage segment provides natural gas storage in the Inčukalns UGS facility for the heating season and other needs of system users.

The subsidiary manages the only operational natural gas storage facility in the Baltic States – the Inčukalns UGS facility, taking care of the stability of regional gas supply and energy security of the region. The subsidiary provides certified merchants with the possibility to store natural gas for trading in Latvia or other markets. The Inčukalns UGS facility can be used to store up to 2.3 billion cubic metres of active natural gas, which fully covers the region's requirements as energy demand grows during the heating season.

## FINANCIAL PERFORMANCE

In the reporting period, the net turnover of the Augstsprieguma tīkls Group was EUR 70,591 thousand, net profit was EUR 19,111 thousand.

### Electricity transmission segment

When assessing the segment's financial performance indicators and the performance of economic activity, it should be noted that electricity transmission is a regulated industry under Section 5 of the Energy Law and that the Council of the Public Utilities Commission ("PUC") determines the permitted profit by setting the rate of return on capital and approving the tariffs for the electricity transmission network.

The net revenue earned by the segment totalled EUR 40,862 thousand in the reporting period, including revenue for electricity transmission network services of EUR 24,260 thousand. The significant increase in revenue of EUR 11,684 thousand or 40% compared to the same period in 2023 was related mainly to the increase in revenue from transmission services (EUR +5,317 thousand) as a result of the changes to electricity transmission tariffs from 1 July

2023 and the increase in revenue from balancing and regulating electricity (EUR +4,826 thousand). The increase in revenue from the balancing and regulating electricity business corresponds to the increase in costs, meaning that the impact on the profit is neutral.

In the first 3 months of 2024, the Parent Company generated a profit of EUR 805 thousand. This profit was achieved by offsetting the costs of transmission network services with congestion management revenue in the amount of EUR 1,200 thousand. With the decision of 22 May 2023, the PUC approved new tariffs for electricity transmission network services and set their entry into force on 1 July 2023. At the same time, the aforementioned decision authorised the use of the cumulative congestion management revenue until the end of 2025 to cover the costs of transmission network services in the amount of EUR 62.1 million (see details in Annex 4).

### Natural gas transmission segment

Revenue in the natural gas transmission segment totalled EUR 14,718 thousand in the reporting period,



and EBITDA reached EUR 11,295 thousand, which accounted for nearly a half (48%) of Conexus' total EBITDA. The profit of the Transmission segment reached EUR 8,414 thousand, which is significantly higher than the profit of the previous year in the corresponding period (EUR +6,105 thousand).

The activity of Conexus is subject to regulation, and the regulatory periods differ from the financial reporting year. Under the Methodology for calculating the tariffs for the natural gas transport system service, there may be deviations in revenue and costs during the tariff period compared to the permitted volumes, which will affect the tariff values in subsequent tariff cycles. The Natural gas transmission segment generates revenue from the sale of capacity for both natural gas consumption in Latvia and international natural gas transport.

The tariffs for natural gas transmission valid from 1 December 2023 were approved by the 26 October 2023 decision No. 119 of the regulatory authority (see <https://likumi.lv/ta/id/346867>). According to the said decision, from 1 December 2023, the beginning of the regulatory period for the natural gas transmission service, an exit point fee for the supply

of Latvian users is charged, which is higher than the fee charged in the previous regulatory period. The increase in the fee is partly due to the fact that the revenue generated in the previous regulatory period did not cover all the costs of the service and partly due to the fact that the volume of natural gas consumption in Latvia has decreased.

## Natural gas storage segment

Revenue in the Natural gas storage segment totalled EUR 15,011 thousand in the reporting period and EBITDA reached EUR 12,101 thousand. Profit in the storage segment totalled EUR 9,893 thousand.

The Natural gas storage segment generates income from the reservation of storage capacity, which is allocated to network users in storage capacity auctions as part of the storage cycle. The storage cycle runs from 1 May to 30 April of the following year. The current tariffs for the natural gas storage service are effective until 30 April 2024 (see the website <https://www.conexus.lv/uzglabasana>.)

## INVESTMENTS

### Electricity transmission segment

Capital expenditure in the electricity transmission system is made in accordance with the Electricity Transmission System Development Plan approved by PUC, by implementing projects necessary for the provision of secure and high-quality electricity transmission system services. In order to minimise the impact of the planned investments on the electricity transmission tariff, investing in the reconstruction and renovation of existing assets is limited by the amount of depreciation, while EU co-financing, as well as accumulated grid-constraint management revenues, are actively used to finance projects aimed at network development.

The electricity transmission segment assets stood at EUR 901 million at the end of the reporting period. In the three months of 2024, investments in electricity transmission assets were carried out in the amount of EUR 13,693 thousand, including:

- Synchronisation with the European electricity transmission network (phases 1 and 2): Investments amounted to EUR 9,554 thousand have been made. EUR 237,324 thousand is planned to be invested in the Baltic countries' synchronisation with continental Europe projects in Phase 1 and Phase 2. The project aims to strengthen Latvia's energy security by synchronising the Latvian electricity transmission network with the continental

European network while adhering to the principles of safety and cost efficiency.

- EUR 3,039 thousand were invested in the remodelling and renovation of substations as part of projects to remodel and renovate substations, replacing installed equipment that is fully depreciated and equipment to protect network elements, installing digital and high-speed equipment with wide functionality. In addition, the modernisation of communication solutions as a whole will ensure that the rebuilt substation can be managed not only from the workplace in the substation, but also remotely from the central control centre. The dispatcher receives all the necessary information for decisions and measures directly, both in the normal operating mode of the system and in various emergency situations. These projects increase the controllability and observability of the electrical system and open up opportunities for the development and integration of renewable energy sources.

### Natural gas transmission segment

The transmission segment assets stood at EUR 258 million at the end of the reporting period, which accounted for 54% of the subsidiary's total assets. 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 segment

The segment's assets stood at EUR 224 million at the end of the reporting period, accounting for 46% of the subsidiary's total assets.

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 Inčukalns UGS";
- development of the SCADA storage control system – EUR 255 thousand.

## FINANCING AND LIQUIDITY

Investment projects are financed by both internal funds and external long-term finance, which is raised on the financial and capital markets regularly and in a timely manner. Timely borrowing is essential for the optimisation of risk management when refinancing loans and for the repayment of the loan amount within the binding term.

At 31 March 2024, the Parent company's total borrowings amounted to EUR 100,024 thousand (at 31 December 2023 – EUR 99,997 thousand), consisting of long-term loans from the green bonds issued in 2021 (see also Note 14). In order to secure the funds available to finance current assets, an overdraft facility agreement was arranged for with AS "Swedbank" on 9 December 2022 in the amount of up to EUR 10,000 thousand with "a term until 9 December 2024. AS "Augstsprieguma tīkls" did not receive any loans as part of overdraft facilities in the reporting period. At the end of the reporting period, 100% of the total volume of the Parent company's long-term loans had a fixed interest rate (at 31 December 2023: 100%). The weighted average interest rate of the Parent company's long-term

loans was unchanged at 0.5% at the end of the reporting period (at 31 December 2023: 0.5%).

At 31 March 2024, the total amount of the Group's bonds was EUR 175,837 thousand, including bonds issued in the amount of EUR 100,024 thousand and bank loans in the amount of EUR 75,813 thousand. The natural gas operator AS "Conexus Baltic Grid" finances itself with its own funds. At the end of the reporting period, 72% of the Group's total long-term loans had fixed interest rates (at 31 December 2023: 71%), meaning that the rise in interest rates on the financial market had no significant impact on the Group. The weighted average interest rate for the Group's long-term loans was 1.07% at the end of the reporting period (at 31 December 2023: 1.74%).

Attesting to the stability and financial reliability of the Augstsprieguma tīkls Group, the international credit rating agency "S&P Global Ratings" ("S&P") announced on 12 December 2023 that the Parent Company's credit rating has been sustained at a consistently high level of A- and that the future outlook has been heightened from stable to positive.

## FUTURE DEVELOPMENT OF THE GROUP

### Electricity transmission

Synchronisation of the power systems of the Baltic States and continental Europe

In the forthcoming years, the most important challenges will be related to the synchronisation of the power systems of the Baltic States with those of continental Europe.

On 22 May 2019, AST signed the Agreement on the conditions of the future interconnection of power system of Baltic States and power system of continental Europe. The annexes to the concluded Agreement for the interconnection to the power system of continental Europe set out the technical requirements to be met by the Baltic TSOs before starting the synchronisation and after it. These requirements relate to changes in settings in the transmission system, investments in infrastructure development, and the obligations of TSOs to maintain a certain amount of frequency, frequency restoration reserves and system inertia.

The synchronisation of the Baltic countries with continental Europe is planned for 2025 or earlier if necessary. Synchronisation will make the Baltic States transmission system part of the European system, which means independence from the combined (IPS/UPS) Russian system and a more reliable electricity supply.

### Development of the electricity transmission network

In order to ensure efficient development of the transmission system and secure electricity transmission service, each year by 30 June AST prepared an Electricity Transmission System Development Plan for the next 10 years (hereinafter "Development Plan") in accordance with the "Regulation for the Development Plan of the Electricity Transmission System" approved by PUC Decision No. 1/28 of 23 November 2011 and submitted to the PUC for approval.

The Development Plan for period from 2024 to 2033 was approved by the PUC Resolution No. 115 of 19 October 2023 "On the Electricity Transmission System Development Plan".

The Development Plan has been developed in line with AST's strategic goal of strengthening Latvia's energy security by synchronising the Latvian electricity transmission network with the continental European grid, while adhering to the principles of security and cost efficiency.

The approved Development Plan defines the development of the transmission network and the

necessary financial investments in transmission infrastructure for the next 10 years. It is expected that EUR 509 million will be invested in the development of the electricity transmission network. More about the approved Development Plan in detail at: <https://www.ast.lv/lv/content/elektroenerģijas-parvades-sistemas-attistibas-plans>

To minimise the impact of the planned investments on electricity transmission tariffs, AST has successfully attracted EU co-financing for projects of common European interest included in the Development Plan and has also -redirected cumulative revenues from congestion fee revenues to finance them, including:

- Project "Synchronisation of the electricity transmission grid of the Baltic countries with the European grid, phase 1" – EU co-financing up to 75% of eligible costs, i.e. EUR 57.7 million, while 24% is to be covered by the cumulative revenues from congestion management;
- Project "Synchronisation of the electricity transmission grid of the Baltic countries with the European network, Stage 2" – EU co-financing up to 75% of the eligible costs, i.e. EUR 92.6 million. EUR, with a further EUR 25 million to be covered by the cumulative grid-constraint management revenue;

As part of the support programme for the modernisation of the electricity transmission and distribution grids under the Recovery and Resilience Mechanism Plan approved by the Cabinet, the Parent Company will be able to obtain funding of EUR 38.1 million. With the support, AST plans to build a control and security data centre, implement the necessary information technology infrastructure to improve the cybersecurity of the information system and develop the digitalisation of grid management, which will enable the planning and management of the operating modes of renewable energy producers.

The investments in the electricity transmission grid, which are financed from EU co-financing and congestion charge revenue, are not included in the tariff calculation for electricity transmission grid services.

### Renewable electricity generation – connections to the transmission network

As part of the European Green Deal, there is also great interest in the generation of electricity from renewable energy sources in Latvia. The total installed capacity of wind farms and solar power plants of various outputs already exceeds Latvia's peak load many times over if all projects are realised.



AS "Augstsprieguma tīkls" is not only working on the installation of new electricity transmission network connections for these projects but is also taking the first steps to further connect the electricity transmission network with neighbouring electricity transmission networks – preliminary assessments are being carried out to increase the interconnection capacity with Lithuania and to install a new connection with Sweden.

The development of renewable energy power plants in Latvia is an important step towards addressing the current energy, security, and climate challenges in the Baltic region.

## Network management and electricity market development

In pursuit of the European Union's policy towards a single electricity market, the strategic orientation of AS "Augstsprieguma tīkls" is focussed on the development and integration of the markets for electricity services and ancillary services into the European markets.

In the coming years, work will be carried out to develop and improve the common EU day-ahead and intraday electricity market. This will open up new opportunities for players in the EU internal electricity market, including Latvian and Baltic market players.

Projects have been launched that will enable market participants to participate in the day-ahead and intraday market with a time resolution of 15 minutes and to operate energy and capacity products on the intraday market in a similar way to the day-ahead market. Work is underway to develop and harmonise the timetable for the implementation of the 15-minute resolution at the Baltic Sea region level. AST would be charged with the task of preparing to complement the balance management system that AST is developing with a solution for intraday market auctions, and preparations are being made for tests with the centralised European intraday market auction system.

Work is also underway to create a single European mFRR trading platform and for the Baltic TSOs to join this platform, which will enable the Baltic balancing service providers to participate in the common European reserve market.

Joining this platform requires changes in the functioning of the common Baltic balancing model. The most important of these is ensuring the transition to a 15-minute balancing market period, which will allow electricity market participants to plan their activities more accurately and control system imbalances more efficiently.

## Innovations and research

As a part of its commitment to the development of the parent company and understanding the critical role innovation plays in the success of its operations, representatives of the parent company actively participate in ENTSO-E's Research, Development, and Innovation Committee.

As part of the ENTSO-E Research, Development, and Innovation Committee, activities are being carried out aiming to achieve the transformation of the existing electrical systems to meet the objectives set by the European Union.

There are six directions in which innovation and research are focused:

- Modernisation;
- Safety and stability;
- Flexibility;
- Cost-effectiveness and efficiency;
- Digitisation;
- Green transformation.

The Parent Company participates in the European Union's Horizon 2020 research and innovation support programme OneNet. OneNet addresses the challenges of the future of the energy system arising from the objectives set by the European Union under the European Green Deal and the Clean Energy Package by developing innovative solutions to help electricity system operators maintain stable system operation with a high share of renewable energy.

At the beginning of 2024, a study on the development of consumption in the Baltic and Nordic countries was completed in collaboration with AS "KPMG Baltic". The study analysed possible consumption trends in five segments – industry, public and commercial sector, households, transport, and energy – and assessed them based on eight factors that may change the demand for electricity: demographic trends, changes in energy efficiency, the extent of microgeneration, the level of prosperity, electric mobility, heating solutions, and the development of technologies that enable the conversion of electricity into fuel. Funds provided by the European Union through RePowerEU covered 100% of the study's costs.

## Natural gas transmission and storage

The Subsidiary will actively work 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 reached an agreement with the Estonian natural gas transmission system operator "Elering" AS regarding changes to the gas quality standards at Latvia-Estonia interconnection point, including increase of oxygen concentration in the gas up to 0.5 mol%. The increase of permitted concentrations of oxygen and hydrogen at the Latvia-Estonia interconnection point will not impact the operation of end-users' equipment. The agreement will ensure harmonised gas quality standards across all Baltic countries promoting the

international trade of renewable gases, especially biomethane.

The implementation of climate-friendly and sustainable energy solutions is one of the subsidiary's strategic directions. 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

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## MANAGING FINANCIAL RISKS

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The Augstsprieguma Tīkls Group manages its financial risks in accordance with its financial risk management policy and its subordinate financial risk management rules.

The Group's subsidiaries develop and approve their own financial risk management guidelines, which are based on the principles of the Group's policy.

The aim of financial resource management is to ensure the funding and financial stability of business activities through conservative financial risk management. As part of financial risk management, the Group and the Parent company apply financial risk controls and hedging measures to reduce the risk of open positions.

### a) Liquidity risk

Liquidity risk relates to the ability of the Group and the Parent company to meet their obligations as they fall due. The Group and the Parent company maintain a reserve in the form of cash or committed and irrevocably available credit facilities for the next 24 months to hedge the operational risk that leads to unpredictable cash flow fluctuations and to minimise the short-term liquidity risk.

The Group and the Parent company operate a prudent liquidity risk management policy to ensure that they have sufficient financial resources to meet their liabilities as they fall due.

Management believes that the Augstsprieguma tīkls Group will not have liquidity problems and will be able to pay its creditors when payments become due. Management believes that the Augstsprieguma

tīkls Group will have sufficient cash resources to ensure that its liquidity is not jeopardised.

### b) Interest rate risk

The interest rate risk arises mainly from floating-rate borrowings, whereby there is a risk of a significant increase in financing costs due to rising interest rates. In order to limit the risk, the financial risk management policy of the Group and the Parent company stipulates that the proportion of fixed or capped interest rates in the loan portfolio may not be less than 35%. At the same time, the financial risk management rules stipulate that deviations from this indicator are permitted in the restructuring of liabilities assumed as part of the reorganisation of ownership of the transmission assets.

### c) Credit risk

The financial assets that potentially expose the Group and the Parent company to a certain degree of risk concentration are mainly cash and receivables from contracts with customers. Credit risk can relate to financial counterparty risk and counterparty risk.

As part of their business activities, the Group and the Parent company work with domestic and foreign financial institutions. This results in a counterparty risk – the Group and the Parent company may suffer losses in the event of the insolvency or cessation of operations of a counterparty. In the case of external financing, the risk remains until the loan is utilised and transferred to one of the Group or the Parent company's partner banks.

The credit risk arising from the current account balances of the Group and the Parent company is managed in accordance with the Group's financial risk management principles and the financial risk management rules, whereby the allocation of financial resources is balanced.

Under the Financial risk management policy, when working with banks and financial institutions, counterparties are accepted whose creditworthiness has been rated at least "investment grade" by an international rating agency, either their own or that of the parent company.

The Group and the Parent Company work with local and foreign companies as part of their business activities. This results in a counterparty or debtor risk – the Group or the Parent Company may suffer losses in the event of the insolvency or cessation of business activities of counterparties. The Law on International and National Sanctions of the Republic of Latvia imposes financial and civil law restrictions on companies included in the sanctions list, including the freezing of financial assets. In view of this, cooperation with a sanctioned company harbours contractual, legal and reputational risks for the Group or the Parent Company. The Parent company has developed internal procedures that threaten risk management, including the monitoring of business partners, as well as the right provided for in procurement contracts to unilaterally withdraw from the performance of the contract, if the contract cannot be fulfilled, due to the international or national sanctions applied to the business partner, or significant financial markets interests. affecting

sanctions imposed by the European Union or the North Atlantic Treaty Organization.

Although the Group and the Parent company have a significant concentration of receivables risk in relation to a single counterparty or a group of similar counterparties, this risk is considered limited as the main counterparty is a state-owned trading company, the joint-stock company "Latvenergo" and its group companies, with a high credit rating of Baa2 (investment grade) and a stable future outlook assigned to the Latvenergo Group by Moody's. The credit risk associated with receivables is considered to be limited.

The credit risk associated with receivables is managed in accordance with the risk management measures set out in the financial risk management rules by analysing receivables on a monthly and at least quarterly basis.

#### **d) Capital risk management**

The Parent company is wholly owned by the Republic of Latvia. The objective of capital risk management is to ensure the sustainable operation and development of the Group and the Parent company, the financing required for the implementation of the development plan in the transmission facilities and the fulfilment of the restrictive covenants stipulated in the loan agreements. The restrictive covenants in the loan agreements were not breached. To ensure that the restrictive covenants in the loan agreements are complied with, the equity ratio is analysed regularly.

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## **CIRCUMSTANCES AND EVENTS AFTER THE END OF THE REPORTING PERIOD**

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In the period from the last day of the reporting period to the date of signing the unaudited condensed interim financial statements, there were no other significant events that would have a material

impact on the Augstsprieguma Tīkls Group and the unaudited condensed interim financial statements of AS "Augstsprieguma tīkls" for the three-month period ending 31 March 2024.

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Member of the Board

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Member of the Board

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Member of the Board

**Ilze Znotiņa,**  
Member of the Board

Riga, 15 May 2024

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**STATEMENT OF  
THE BOARD'S  
RESPONSIBILITIES**

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## STATEMENT ON THE BOARD'S RESPONSIBILITIES

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The Board of AS Augstsprieguma tīkls is responsible for the preparation of the financial statements of the Augstsprieguma tīkls group and AS Augstsprieguma tīkls.

Based on the information available to the Board of AS "Augstsprieguma tīkls", the unaudited condensed interim financial statements of Augstsprieguma tīkls group and AS "Augstsprieguma tīkls" for the

three-month period ended 31 March 2024 have been prepared in accordance with International Accounting Standard No. .34 "Presentation of Interim financial Statements" in all relevant aspects and give a true and fair view of the net assets, financial position, and results of operations of the Augstsprieguma tīkls group and AS "Augstsprieguma tīkls" and their cash flows. The information contained in the management report is true and fair.

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Rīga, 15 May 2024

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**CONSOLIDATED  
AND SEPARATE  
FINANCIAL  
STATEMENTS**

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## STATEMENT OF PROFIT OR LOSS

	Notes	PARENT COMPANY		GROUP	
		3 months of 2024		3 months of 2024	3 months of 2023
		EUR	EUR	EUR	EUR
Revenue	4	40 861 513	29 177 621	70 590 957	44 916 403
Other revenue		2 759 635	1 373 929	3 014 185	1 570 632
Raw materials and consumables used	5	(23 244 084)	(14 711 201)	(25 028 465)	(15 902 080)
Personnel costs		(6 038 145)	(5 383 579)	(9 998 589)	(9 117 047)
Other operating expenses		(5 294 616)	(5 452 411)	(6 137 255)	(6 279 385)
<b>EBITDA*</b>		<b>9 044 303</b>	<b>5 004 359</b>	<b>32 440 833</b>	<b>15 188 523</b>
Depreciation and amortisation	7.4	(9 081 885)	(8 965 553)	(13 593 489)	(13 470 560)
<b>OPERATING PROFIT/(LOSS)</b>		<b>(37 582)</b>	<b>(3 961 194)</b>	<b>18 847 344</b>	<b>1 717 963</b>
Finance income	6a	990 628	252 910	1 157 052	253 426
Finance expenses	6b	(148 492)	(152 496)	(892 903)	(668 478)
<b>PROFIT BEFORE TAX</b>		<b>804 554</b>	<b>(3 860 780)</b>	<b>19 111 493</b>	<b>1 302 911</b>
Corporate income tax		-	-	-	-
<b>PROFIT FOR THE REPORTING PERIOD</b>		<b>804 554</b>	<b>(3 860 780)</b>	<b>19 111 493</b>	<b>1 302 911</b>
Profit attributed to:					
Parent company's shareholders		804 554	(3 860 780)	13 337 484	(325 717)
Non-controlling interests		-	-	5 774 009	1 628 628

\* See Note 2 for an explanation on the addition of a non-IFRS indicator.

The Notes on pages 30 to 52 form an integral part of these financial statements.

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**Māra Grava,**  
Head of Finance and Accounting  
Department

15 May 2024

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## STATEMENT OF COMPREHENSIVE INCOME

	Notes	PARENT COMPANY		GROUP	
		3 months of 2024	3 months of 2023	3 months of 2024	3 months of 2023
		EUR	EUR	EUR	EUR
<b>PROFIT FOR THE REPORTING PERIOD</b>		<b>804 554</b>	<b>(3 860 780)</b>	<b>19 111 493</b>	<b>1 302 911</b>
Other comprehensive income/ (loss) not reclassified to profit or loss in subsequent periods					
Revaluation of property, plant and equipment (decrease)/increase		-	-	-	-
Result of the re-measurement of post-employment benefits		-	-	-	-
<b>Total other comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL comprehensive income for the reporting year</b>		<b>804 554</b>	<b>(3 860 780)</b>	<b>19 111 493</b>	<b>1 302 911</b>
Comprehensive income attributable to:					
Parent company's shareholders		804 554	(3 860 780)	13 337 484	(325 717)
Non-controlling interests		-	-	5 774 009	1 628 628

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## STATEMENT OF FINANCIAL POSITION

	Notes	PARENT COMPANY		GROUP	
		31.03.2024	31.12.2023	31.03.2024	31.12.2023
		EUR	EUR	EUR	EUR
<b>ASSETS</b>					
Non-current assets					
Intangible assets	7.1	3 054 712	3 270 461	21 244 216	21 261 040
Advance payments for intangible assets		-	-	1 682	40 700
Property, plant, and equipment	7.2	704 086 412	699 082 116	1 110 417 627	1 106 603 680
Advance payments for property, plant and equipment		-	-	2 679 180	2 483 546
Right-of-use assets	7.3	14 168 921	14 398 940	14 613 993	14 847 298
Long-term financial investments	8	134 449 726	134 449 726	54 755	54 755
Long-term prepayments		1 007 313	674 022	1 007 313	674 022
<b>Total non-current assets</b>		<b>856 767 084</b>	<b>851 875 265</b>	<b>1 150 018 766</b>	<b>1 145 965 041</b>
Current assets					
Inventories		398 746	385 559	5 855 829	5 063 168
Receivables from contracts with customers	9	17 975 939	18 858 315	28 316 409	30 413 434
Other short-term receivables	10	48 315 753	38 924 866	49 119 247	39 830 252
Bank deposits	10	86 438 997	80 767 903	86 438 997	80 767 903
Cash and cash equivalents	11	25 473 788	31 946 690	52 774 473	44 900 140
<b>Total current assets</b>		<b>178 603 223</b>	<b>170 883 333</b>	<b>222 504 955</b>	<b>200 974 897</b>
<b>TOTAL ASSETS</b>		<b>1 035 370 307</b>	<b>1 022 758 598</b>	<b>1 372 523 721</b>	<b>1 346 939 938</b>

The Notes on pages 30 to 52 form an integral part of these financial statements.

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## STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	PARENT COMPANY		GROUP	
		31.03.2024	31.12.2023	31.03.2024	31.12.2023
		EUR	EUR	EUR	EUR
<b>EQUITY AND LIABILITIES</b>					
Equity					
Share capital	12a	395 555 050	391 598 534	395 555 050	391 598 534
Reserves	12b	35 739 650	36 237 699	36 343 901	36 841 950
Retained earnings		21 527 891	24 181 804	110 639 915	100 760 898
<b>Equity attributable to equity holders of the parent</b>		<b>452 822 591</b>	<b>452 018 037</b>	<b>542 538 866</b>	<b>529 201 382</b>
Non-controlling interests	12c	-	-	108 765 591	102 991 582
<b>Total equity</b>		<b>452 822 591</b>	<b>452 018 037</b>	<b>651 304 457</b>	<b>632 192 964</b>
Non-current liabilities					
Employee benefits		3 261 894	3 261 894	4 593 371	4 593 371
Lease liabilities	14	13 824 154	14 036 873	14 268 732	14 487 671
Borrowings	14	100 024 116	100 393 137	161 134 321	165 962 034
Deferred income from contracts with customers	13a	37 009 701	37 477 190	37 009 701	37 477 190
Other deferred income	13a	328 336 387	321 491 137	354 165 706	347 562 011
<b>Total non-current liabilities</b>		<b>482 456 252</b>	<b>476 660 231</b>	<b>571 171 831</b>	<b>570 082 277</b>
Current liabilities					
Borrowings	14	-	-	14 702 510	13 974 779
Lease liabilities	14	846 626	843 802	873 830	871 006
Deferred income from contracts with customers	13b	4 167 764	4 117 311	4 168 883	4 121 786
Other deferred income	13b	40 578 693	39 115 919	41 552 985	40 090 402
Trade payables	15	20 592 329	24 772 634	25 446 625	30 554 225
Deferred tax liability		-	-	3 638 647	3 638 647
Other liabilities	15	33 906 052	25 230 664	59 663 953	51 413 852
<b>Total current liabilities</b>		<b>100 091 464</b>	<b>94 080 330</b>	<b>150 047 433</b>	<b>144 664 697</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 035 370 307</b>	<b>1 022 758 598</b>	<b>1 372 523 721</b>	<b>1 346 939 938</b>

The Notes on pages 30 to 52 form an integral part of these financial statements.

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15 May 2024

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## STATEMENT OF CHANGES IN EQUITY

	Notes	PARENT COMPANY						TOTAL
		Share capital	Retained earnings	Other reserves	Revaluation reserve for property, plant and equipment	Reserve of the remeasurement of post-employment benefits	Reorganization reserve	
		EUR	EUR	EUR	EUR	EUR	EUR	
<b>At 31 December 2022</b>		<b>391 598 534</b>	<b>19 336 624</b>	<b>2 680 615</b>	<b>61 496 142</b>	<b>(255 243)</b>	<b>(27 336 704)</b>	<b>447 519 968</b>
Profit for the year		-	11 222 316	-	-	-	-	11 222 316
Other comprehensive income for the reporting year		-	-	-	-	309 558	-	309 558
<b>Total comprehensive income for the year</b>		-	<b>11 222 316</b>	-	-	<b>309 558</b>	-	<b>11 531 874</b>
Dividends paid	12a	-	(7 033 805)	-	-	-	-	(7 033 805)
Write-down of revaluation reserve for property, plant and equipment		-	656 669	-	(656 669)	-	-	-
<b>Total transactions with shareholders and other changes in equity</b>		-	<b>(6 377 136)</b>	-	<b>(656 669)</b>	-	-	<b>(7 033 805)</b>
<b>At 31 December 2023</b>		<b>391 598 534</b>	<b>24 181 804</b>	<b>2 680 615</b>	<b>60 839 473</b>	<b>54 315</b>	<b>(27 336 704)</b>	<b>452 018 037</b>
Profit for the reporting period		-	804 554	-	-	-	-	804 554
<b>Total comprehensive income for the reporting period</b>		-	<b>804 554</b>	-	-	-	-	<b>804 554</b>
Write-down of revaluation reserve for property, plant and equipment		-	498 049	-	(498 049)	-	-	-
Share capital increase		3 956 516	(3 956 516)	-	-	-	-	-
<b>Total transactions with shareholders and other changes in equity</b>		<b>3 956 516</b>	<b>(3 458 467)</b>	-	<b>(498 049)</b>	-	-	-
<b>At 31 March 2024</b>		<b>395 555 050</b>	<b>21 527 891</b>	<b>2 680 615</b>	<b>60 341 424</b>	<b>54 315</b>	<b>(27 336 704)</b>	<b>452 822 591</b>

The Notes on pages 30 to 52 form an integral part of these financial statements.

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15 May 2024

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## STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Notes	GROUP								TOTAL
		Attributable to the shareholder of the Parent Company						Non-controlling interests	TOTAL	
		Share capital	Retained earnings	Other reserves	Revaluation reserve for property, plant and equipment	Reserve of the remeasurement of post-employment benefits	Reorganization reserve			
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR		
<b>At 31 December 2022</b>		<b>391 598 534</b>	<b>102 272 149</b>	<b>2 680 615</b>	<b>60 709 279</b>	<b>(472 472)</b>	<b>(25 748 543)</b>	<b>531 039 562</b>	<b>100 247 555</b>	<b>631 287 117</b>
Profit for the year		-	4 865 885	-	-	-	-	4 865 885	5 369 212	10 235 097
Other comprehensive income for the reporting year		-	-	-	-	329 740	-	329 740	9 298	339 038
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>4 865 885</b>	<b>-</b>	<b>-</b>	<b>329 740</b>	<b>-</b>	<b>5 195 625</b>	<b>5 378 510</b>	<b>10 574 135</b>
Dividends paid	12a	-	(7 033 805)	-	-	-	-	(7 033 805)	(2 634 483)	(9 668 288)
Write-down of revaluation reserve for property, plant and equipment		-	656 669	-	(656 669)	-	-	-	-	-
<b>Total transactions with shareholders and other changes in equity</b>		<b>-</b>	<b>(6 377 136)</b>	<b>-</b>	<b>(656 669)</b>	<b>-</b>	<b>-</b>	<b>(7 033 805)</b>	<b>(2 634 483)</b>	<b>(9 668 288)</b>
<b>At 31 December 2023</b>		<b>391 598 534</b>	<b>100 760 898</b>	<b>2 680 615</b>	<b>60 052 610</b>	<b>(142 732)</b>	<b>(25 748 543)</b>	<b>529 201 382</b>	<b>102 991 582</b>	<b>632 192 964</b>
Profit for the reporting period		-	13 337 484	-	-	-	-	13 337 484	5 774 009	19 111 493
<b>Total comprehensive income for the reporting period</b>		<b>-</b>	<b>13 337 484</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 337 484</b>	<b>5 774 009</b>	<b>19 111 493</b>
Write-down of revaluation reserve for property, plant and equipment		-	498 049	-	(498 049)	-	-	-	-	-
Share capital increase		3 956 516	(3 956 516)	-	-	-	-	-	-	-
<b>Total transactions with shareholders and other changes in equity</b>		<b>3 956 516</b>	<b>(3 458 467)</b>	<b>-</b>	<b>(498 049)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 March 2024</b>		<b>395 555 050</b>	<b>110 639 915</b>	<b>2 680 615</b>	<b>59 554 561</b>	<b>(142 732)</b>	<b>(25 748 543)</b>	<b>542 538 866</b>	<b>108 765 591</b>	<b>651 304 457</b>

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15 May 2024

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## STATEMENT OF CASH FLOWS

	Notes	PARENT COMPANY		GROUP	
		2024 3 months EUR	2023 3 months EUR	2024 3 months EUR	2023 3 months EUR
<b>I. CASH FLOW FROM OPERATING ACTIVITY</b>					
<b>Profit before tax</b>		<b>804 554</b>	<b>(3 860 780)</b>	<b>19 111 493</b>	<b>1 302 911</b>
<b>Adjustments:</b>					
Amortization of intangible assets and property, depreciation of plant and equipment and impairment	7.4	8 851 866	8 774 353	13 360 184	13 276 075
Depreciation of right-of-use assets	7.4	230 019	191 200	233 305	194 485
Losses on disposals of intangible assets and property, plant and equipment	7.4	52 174	18 137	53 436	19 093
(Decrease) / increase in provisions		-	(12 655)	-	287 345
Interest expense		196 787	184 936	962 957	700 482
Interest income		(990 628)	(252 899)	(1 156 915)	(252 899)
<b>Operating profit before changes in working capital</b>		<b>9 144 772</b>	<b>5 042 292</b>	<b>32 564 460</b>	<b>15 527 492</b>
<b>Adjustments:</b>					
(Increase) /decrease in amounts due from contracts with customers, deposits and other short-term receivables		(8 841 802)	(3 454 214)	(7 691 549)	(404 837)
Decrease / (increase) in inventories		(13 187)	13 693	(792 661)	(413 994)
Increase / (decrease) in trade payables and amounts due to other creditors		9 030 165	27 516 259	8 321 374	25 155 905
<b>Gross cash flow from operating activity</b>		<b>9 319 948</b>	<b>29 118 030</b>	<b>32 401 624</b>	<b>39 864 566</b>
Interest paid		(9 958)	-	(793 248)	(586 138)
Lease interest paid		(55 850)	(55 082)	(61 000)	(60 299)
Interest received		319 534	-	459 234	-
Expense on issued debt securities (bonds)	14	(500 000)	(500 000)	(500 000)	(500 000)
<b>Net cash flow from operating activity</b>		<b>9 073 674</b>	<b>28 562 948</b>	<b>31 506 610</b>	<b>38 718 129</b>

The Notes on pages 30 to 52 form an integral part of these financial statements.

**Rolands Irklis,**  
Chairman of the Board

**Arnis Daugulis,**  
Member of the Board

**Imants Zviedris,**  
Member of the Board

**Gatis Junghāns,**  
Member of the Board

**Ilze Znotiņa,**  
Member of the Board

**Māra Grava,**  
Head of Finance and Accounting  
Department

15 May 2024

This document is signed electronically with a secure electronic signature and contains a time stamp.

## STATEMENT OF CASH FLOWS (CONTINUED)

	Notes	PARENT COMPANY		GROUP	
		2024 3 months EUR	2023 3 months EUR	2024 3 months EUR	2023 3 months EUR
<b>II. CASH FLOW FROM INVESTING ACTIVITY</b>					
Acquisition and establishment of property, plant and equipment and intangible assets		(14 063 731)	(15 378 149)	(18 433 624)	(18 817 091)
Proceeds from sale of property, plant and equipment	7.2	-	202 858	275	203 194
EU funding received	13	-	(28 289)	-	1 136 771
Congestion charges received	13	3 727 050	7 257 837	3 727 050	7 257 837
Placed deposits		(15 000 000)	-	(15 000 000)	-
Repayment of deposits		10 000 000	-	10 000 000	-
<b>Net cash flow from investing activity</b>		<b>(15 336 681)</b>	<b>(7 945 743)</b>	<b>(19 706 299)</b>	<b>(10 219 289)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITY</b>					
Lease payments	14	(209 895)	(170 427)	(216 115)	(176 579)
Repayment of borrowings to credit institutions	14	-	-	(3 708 691)	(3 708 692)
Dividends paid		-	-	(1 172)	(1 497)
<b>Net cash flow from financing activity</b>		<b>(209 895)</b>	<b>(170 427)</b>	<b>(3 925 978)</b>	<b>(3 886 768)</b>
<b>Net increase in cash during the reporting period</b>		<b>(6 472 902)</b>	<b>20 446 778</b>	<b>7 874 333</b>	<b>24 612 072</b>
Cash at the beginning of the reporting period		31 946 690	92 042 624	44 900 140	103 009 740
<b>Cash at the end of the reporting period</b>		<b>25 473 788</b>	<b>112 489 402</b>	<b>52 774 473</b>	<b>127 621 812</b>

The Notes on pages 30 to 52 form an integral part of these financial statements.

**Rolands Irklis,**  
Chairman of the Board

**Arnis Daugulis,**  
Member of the Board

**Imants Zviedris,**  
Member of the Board

**Gatis Junghāns,**  
Member of the Board

**Ilze Znotiņa,**  
Member of the Board

**Māra Grava,**  
Head of Finance and Accounting  
Department

15 May 2024

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**NOTES TO THE  
CONSOLIDATED  
AND SEPARATE  
FINANCIAL  
STATEMENTS**

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## 1. GENERAL INFORMATION ABOUT THE GROUP

The principal business of Augstsprieguma tīkls Group is the provision of electricity transmission system operator functions, efficient management of energy supply system assets, natural gas transmission and storage.

Augstsprieguma tīkls Group comprises the parent company AS "Augstsprieguma tīkls", the subsidiary AS "Conexus Baltic Grid", and the associated company "Baltic RCC" OÜ. All shares in AS "Augstsprieguma tīkls" are owned by the State and held by the Ministry of Climate and Energy (Ministry of Finance of the Republic of Latvia, till 14 February 2023), the holder of the State shares is the. The Parent company's registered office is at Dārziema iela 86, Rīga, LV-1073, Latvia. The Board and Council of Augstsprieguma tīkls Group:

### Members of the Board and their positions

Rolands Irklis – Chairman of the Board (from 07.12.2023)

Imants Zviedris – Member of the Board

Gatis Junghāns – Member of the Board

Arnis Daugulis – Member of the Board

Ilze Znotiņa – Member of the Board (from 01.02.2024.)

### Members of the Council and their positions

Kaspars Āboliņš – Chairman of the Council

Olga Bogdanova – Deputy Chairwoman of the Board

Armands Eberhards – Member of the Council

Aigars Ģērmanis – Member of the Council

AS "Augstsprieguma tīkls" is a transmission system operator which, under the licence No. E12001 issued

by the Public Utilities Commission, ensures the operation of the transmission network and security of supply of the Latvian electricity system, provides transmission services on the basis of published transmission tariffs and ensures the availability of transmission system services at all times. AS "Augstsprieguma tīkls" performs operational management of the transmission system and ensures secure and stable electricity transmission. AS "Conexus Baltic Grid", the Group's subsidiary, is an independent operator of the natural gas transmission and storage system in Latvia. It manages one of the most modern natural gas storage facilities in Europe – the Inčukalns Underground Gas Storage facility – and the natural gas transmission network connecting the Latvian natural gas market with Lithuania, Estonia and Russia. Conexus is committed to the sustainability and safety of the infrastructure, a high quality of service that promotes market development and brings economic benefits to customers and society as a whole. Conexus' natural gas transmission and storage services are regulated by the Public Utilities Commission. The associated company of the Group is "Baltic RCC" OÜ. It is the Baltic Regional Coordination Centre in Tallinn, whose main task is to coordinate the development planning of the electricity systems as well as to coordinate the daily activities of the individual operators in order to ensure the security of electricity supply.

The Unaudited Condensed Interim Financial Statements were approved by the Board of the Parent company on 15 May 2024 consisting of the following members: Rolands Irklis (Chairman of the Board), Imants Zviedris (Member of the Board), Gatis Junghāns (Member of the Board), Arnis Daugulis (Member of the Board), Ilze Znotiņa (Member of the Board).

## 2. MATERIAL ACCOUNTING POLICIES

These consolidated financial statements of Augstsprieguma Tīkls Group and the Unaudited Condensed Interim Financial Statements of AS "Augstsprieguma tīkls" have been prepared in accordance with IFRS accounting standards (IFRS) as adopted by the European Union, applying the same accounting policies or policies as used in the preparation of the consolidated statements of Augstsprieguma Tīkls Group and the financial statements of AS "Augstsprieguma tīkls" for 2023. These policies have been consistently applied to all the periods included, unless otherwise stated. Where necessary, prior period comparatives have been reclassified.

The Group's consolidated financial statements and the Unaudited Condensed Interim Financial Statements of AS "Augstsprieguma tīkls" have been prepared under the historical cost convention, as modified, except for certain classes of property, plant and equipment that have been stated at revalued amounts, as disclosed in the accounting policies of the consolidated financial statements of the Augstsprieguma tīkls Group and the 2023 financial statements of AS "Augstsprieguma tīkls".

The consolidated unaudited condensed interim financial statements of the Group include the financial results of the subsidiary AS "Conexus BalticGrid" since its acquisition, using the same accounting policies or methods as for the preparation of the consolidated financial statements of Augstsprieguma Tīkls Group and AS "Augstsprieguma tīkls" for 2023. All transactions between Group companies, intra-Group balances

and unrealised gains from transactions between Group companies are excluded. Unrealised losses are also excluded, but are considered an indicator of impairment of the transferred asset. Where necessary, the accounting policies of the Group's Subsidiary have been changed to ensure consistency with the Group's accounting policies. Minority interests in the equity and income statement of fully consolidated subsidiaries for the reporting year are determined. Investments in the share capital of fully consolidated subsidiaries are recognised in the separate financial statements of the Parent company at historical cost less any impairment losses. An impairment loss is recognised when the carrying amount of the investment in the subsidiary exceeds its recoverable value. The recoverable amount is the higher of the fair value less costs to sell and the value in use. Previously recognised impairment losses of subsidiaries (if any) are reviewed for possible reversal at each reporting date.

The unaudited condensed interim financial statements have been prepared in euros (EUR).

The non-IFRS key figure EBITDA is presented in the income statement. Such a presentation is common in the industry and ensures better comparability with other companies in the sector. EBITDA is calculated in these unaudited, condensed interim financial statements as earnings before depreciation and amortisation, dividends received from subsidiaries, finance income, finance expenses and corporate income tax. It is possible that other companies calculate EBITDA differently in their financial statements.

### 3. OPERATING SEGMENTS

Segmentation is based on the Group's internal organisational structure, which forms the basis for monitoring and managing segment performance by the operating segment decision maker, the Group's management, which operates in each of the segments. The Parent company's Board reviews the financial results of the operating segments.

The profit monitored by the Chief Operating Decision Maker is mainly EBITDA, but operating profit is monitored, too. Operating profit excludes dividend income and interest income from subsidiaries in the Unaudited Condensed Interim Financial Statements. The Group divides its activities into three segments: electricity transmission, natural gas storage and natural gas transmission. The Parent

company divides its activities into one main business segment – electricity transmission. The Group operates geographically only in Latvia.

The following table provides information on the Group's segment revenue, financial performance and profit, as well as assets and liabilities of the Group's and the Parent company's operating segments. Inter-segment revenue is eliminated at the time of consolidation and is shown in the column "Adjustments and eliminations". All inter-segment transactions are conducted on the basis of regulated tariffs, if any, or at arm's length. Segment information is presented for the Group only, as the Parent company is treated as a single operating segment, i.e., the power transmission segment.

	GROUP					
	Electricity transmission	Natural gas transmission	Natural gas storage	Total segments	Adjustments and eliminations	Total Group
	EUR	EUR	EUR	EUR	EUR	EUR
<b>3 MONTHS OF 2024</b>						
External customers	40 861 323	14 718 229	15 011 405	70 590 957	–	70 590 957
<b>Revenue</b>	<b>40 861 323</b>	<b>14 718 229</b>	<b>15 011 405</b>	<b>70 590 957</b>	–	<b>70 590 957</b>
<b>EBITDA</b>	<b>9 044 303</b>	<b>11 295 283</b>	<b>12 101 247</b>	<b>32 440 833</b>	–	<b>32 440 833</b>
Depreciation and amortization	( 9 081 885)	( 2 540 554)	( 1 971 050)	( 13 593 489)	–	( 13 593 489)
<b>Segment profit before tax</b>	<b>804 554</b>	<b>8 414 372</b>	<b>9 892 567</b>	<b>19 111 493</b>	–	<b>19 111 493</b>
Segment assets at the end of the reporting period	900 920 581	258 241 908	224 014 735	1 383 177 224	( 10 708 258)	1 372 468 966
Capital expenditure	13 692 587	1 107 508	2 410 923	17 211 018	–	17 211 018
<b>3 MONTHS OF 2023</b>						
External customers	29 177 621	8 079 841	7 658 941	44 916 403	–	44 916 403
<b>Revenue</b>	<b>29 177 621</b>	<b>8 079 841</b>	<b>7 658 941</b>	<b>44 916 403</b>	–	<b>44 916 403</b>
<b>EBITDA</b>	<b>5 004 359</b>	<b>5 099 662</b>	<b>5 084 502</b>	<b>15 188 523</b>	–	<b>15 188 523</b>
Depreciation and amortization	( 8 965 553)	( 2 486 906)	( 2 018 101)	( 13 470 560)	–	( 13 470 560)
<b>Segment (loss)/profit before tax</b>	<b>( 3 860 780)</b>	<b>2 309 075</b>	<b>2 854 616</b>	<b>1 302 911</b>	–	<b>1 302 911</b>
Segment assets at the end of the reporting period	857 028 259	236 271 632	230 526 048	1 323 825 939	( 10 708 406)	1 313 117 533
Capital expenditure	15 378 149	1 045 500	4 915 647	21 339 296	–	21 339 296

#### Adjustments and eliminations

Deferred tax is not attributed to individual segments as the underlying instruments are managed within the Group. Taxes and certain financial assets and liabilities are not attributed to these segments as they are also managed at the Group level.

Capital expenditure consists of additions to PPE and intangible assets.

## RECONCILIATION OF PROFIT BEFORE TAX

	PARENT COMPANY		GROUP	
	3 months of 2024 EUR	3 months of 2023 EUR	3 months of 2024 EUR	3 months of 2023 EUR
<b>EBITDA</b>	<b>9 044 303</b>	<b>5 004 359</b>	<b>32 440 833</b>	<b>15 188 523</b>
Depreciation and amortisation	(9 081 885)	(8 965 553)	(13 593 489)	(13 470 560)
<b>Segment profit/(loss) before tax and finance costs</b>	<b>(37 582)</b>	<b>(3 961 194)</b>	<b>18 847 344</b>	<b>1 717 963</b>
Finance income	990 628	252 910	1 157 052	253 426
Finance expenses	(148 492)	(152 496)	(892 903)	(668 478)
<b>Segment profit/(loss) before tax</b>	<b>804 554</b>	<b>(3 860 780)</b>	<b>19 111 493</b>	<b>1 302 911</b>
<b>Profit before tax</b>	<b>804 554</b>	<b>(3 860 780)</b>	<b>19 111 493</b>	<b>1 302 911</b>

## RECONCILIATION OF ASSETS

	PARENT COMPANY		KONCERNS	
	31.03.2024 EUR	31.03.2023 EUR	31.03.2024 EUR	31.03.2023 EUR
Segment assets	900 920 581	857 028 259	1 383 177 224	1 323 825 939
Long-term financial investments	134 449 726	134 441 393	54 755	46 422
Property, plant, equipment*	-	-	(10 708 163)	(10 708 163)
Receivables from contracts with customers	-	-	(95)	(243)
<b>Total assets</b>	<b>1 035 370 307</b>	<b>991 469 652</b>	<b>1 372 523 721</b>	<b>1 313 163 955</b>

\* The property, plant, equipment value adjustment relates to the buffer gas in the gas pipelines owned by AS "Conexus Baltic Grid". The value of the buffer gas was reduced by the valuation of individual PPEs of AS "Conexus Baltic Grid" at the time of purchase price allocation.

Operating revenue from major customers, each representing at least 10% of the total operating revenue of the Parent company and the Group.

## REVENUE FROM MAJOR CUSTOMERS

	PARENT COMPANY		KONCERNS	
	3 months of 2024 EUR	3 months of 2023 EUR	3 months of 2024 EUR	3 months of 2023 EUR
Electricity transmission	29 325 422	26 561 128	29 325 422	26 561 128
Natural gas transmission	-	-	10 932 887	8 113 333
Natural gas storage	-	-	4 345 081	4 624 128
<b>Total revenue from major customers</b>	<b>29 325 422</b>	<b>26 561 128</b>	<b>44 603 390</b>	<b>39 298 589</b>



## 4. REVENUE

	Applicable IFRS	PARENT COMPANY		GROUP	
		3 months of 2024 EUR	3 months of 2023 EUR	3 months of 2024 EUR	3 months of 2023 EUR
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS RECOGNISED OVER TIME</b>					
Electricity transmission system service	IFRS 15	24 259 995	18 943 227	24 259 995	8 943 227
Balancing and regulatory electricity sales	IFRS 15	12 926 689	8 100 284	926 689	8 100 284
Revenue from natural gas transmission	IFRS 15	–	–	14 372 406	7 658 941
Revenue from natural gas storage	IFRS 15	–	–	15 011 405	7 840 874
Revenue from connection charges	IFRS 15	1 025 671	899 416	1 025 671	899 416
Electricity transit service	IFRS 15	451 000	–	451 000	–
Reactive electricity revenues	IFRS 15	116 995	92 855	116 995	92 855
Revenue from natural gas balancing, net*	IFRS 15	–	–	345 823	238 967
Other services	IFRS 15	172 636	186 636	172 446	186 636
<b>TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		<b>38 952 986</b>	<b>28 222 418</b>	<b>68 682 430</b>	<b>43 961 200</b>
<b>Other revenue</b>					
Congestion management revenue to cover the costs of transmission losses**	IAS 20	1 200 000	–	1 200 000	–
Electric power congestion elimination	IAS 20	281 715	524 801	281 715	524 801
Asset leases	IFRS 16	426 812	430 402	426 812	430 402
<b>TOTAL OTHER REVENUE</b>		<b>1 908 527</b>	<b>955 203</b>	<b>1 908 527</b>	<b>955 203</b>
<b>TOTAL REVENUE</b>		<b>40 861 513</b>	<b>29 177 621</b>	<b>70 590 957</b>	<b>44 916 403</b>

\* Revenue and expenses from balancing are recognized applying the agency principle and are disclosed on a net basis within income statement as part of operating income.

\*\* In accordance with the decision No.64 of the PUC Council of 22 May 2023 "On tariffs for electricity transmission system services of joint stock company "Augstsprieguma tīkls", AST is authorised to use the accumulated congestion revenues in the amount of EUR 62,070.1 thousand within period until 31 December 2025 to cover the costs of electricity transmission network services. In the first 3 months of 2024, congestion charge revenues of EUR 1 200 thousand were used to cover the costs of electricity transmission network services. The exact amount of accumulated congestion revenues required for each of the reporting years 2023-2025 to cover the costs of electricity transmission network services will be determined within the scope of the audited annual financial statements, while ensuring that the total revenue amount determined by PUC does not exceed determined EUR 62,070.1 thousand.

**REVENUE AND EXPENSES FROM BALANCING NATURAL GAS ON AN AGENCY BASIS ARE DISCLOSED IN THE ACCOUNTS ON A NET BASIS:**

	PARENT COMPANY		GROUP	
	3 months of 2024 EUR	3 months of 2023 EUR	3 months of 2024 EUR	3 months of 2023 EUR
Revenue from natural gas balancing activities	-	-	2 307 837	5 118 725
Expenditure from natural gas balancing activities	-	-	(1 962 014)	(4 879 758)
<b>Natural gas balancing, net</b>	-	-	<b>345 823</b>	<b>238 967</b>

## 5. RAW MATERIALS AND CONSUMABLES USED

	PARENT COMPANY		GROUP	
	3 months of 2024 EUR	3 months of 2023 EUR	3 months of 2024 EUR	3 months of 2023 EUR
Purchase of balancing electricity	11 925 607	7 902 067	11 925 607	7 902 067
Electricity transmission losses and technological consumption	8 325 793	4 252 080	8 325 793	4 252 080
Purchase of regulatory electricity	965 133	198 531	965 133	198 531
Natural gas transmission and storage system maintenance services	-	-	733 620	602 190
Electricity transit losses	1 765 660	1 615 696	1 765 660	1 615 696
Cost of materials used and repair works	80 520	624 369	398 613	823 369
Natural gas costs	-	-	732 668	389 689
Electricity for self-consumption	181 371	118 458	181 371	118 458
<b>TOTAL RAW MATERIALS AND CONSUMABLES USED</b>	<b>23 244 084</b>	<b>14 711 201</b>	<b>25 028 465</b>	<b>15 902 080</b>

## 6. FINANCE INCOME AND EXPENSES

	PARENT COMPANY		GROUP	
	3 months of 2024 EUR	3 months of 2023 EUR	3 months of 2024 EUR	3 months of 2023 EUR
<b>a) Finance income</b>				
Interest income on bank deposits	990 628	252 899	1 156 915	252 899
Other finance income	-	11	137	527
<b>Total finance income</b>	<b>990 628</b>	<b>252 910</b>	<b>1 157 052</b>	<b>253 426</b>
<b>b) Finance expenses</b>				
Interest expense on borrowings	(9 958)	-	(770 978)	(510 329)
Interest expenses on coupon of debt securities issued (Note 14)	(130 979)	(129 854)	(130 979)	(129 854)
Capitalized interest expenses of borrowings	48 316	33 422	70 671	33 422
Interest expense on leased assets (Note 14)	(55 850)	(55 082)	(61 000)	(60 299)
Other finance expenses	(21)	(982)	(617)	(1 419)
<b>Total finance expenses</b>	<b>(148 492)</b>	<b>(152 496)</b>	<b>(892 903)</b>	<b>(668 478)</b>

## 7. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

### 7.1. INTANGIBLE ASSETS

	PARENT COMPANY			
	Computer software and licenses	Transmission right-of-use assets	Intangible assets under construction	Total
	EUR	EUR	EUR	EUR
<b>At 31 December 2022</b>				
Historical cost	3 993 948	1 892	914 746	4 910 586
Accumulated amortization	(1 854 265)	(1 025)	-	(1 855 290)
<b>NBV at 31 December 2022</b>	<b>2 139 683</b>	<b>867</b>	<b>914 746</b>	<b>3 055 296</b>
<b>For 2023</b>				
Additions	514 455	-	579 929	1 094 384
Transferred	1 494 675	-	(1 494 675)	-
Disposals	(27 139)	-	-	(27 139)
Amortization charge	(851 985)	(95)	-	(852 080)
<b>NBV at 31 December 2023</b>	<b>3 269 689</b>	<b>772</b>	<b>-</b>	<b>3 270 461</b>
<b>At 31 December 2023</b>				
Historical cost	5 831 454	1 892	-	5 833 346
Accumulated amortization	(2 561 765)	(1 120)	-	(2 562 885)
<b>NBV at 31 December 2023</b>	<b>3 269 689</b>	<b>772</b>	<b>-</b>	<b>3 270 461</b>
<b>For 2024</b>				
Additions	95 330	-	-	95 330
Amortization charge	(311 056)	(23)	-	(311 079)
<b>NBV at 31 March 2024</b>	<b>3 053 963</b>	<b>749</b>	<b>-</b>	<b>3 054 712</b>
<b>At 31 December 2023</b>				
Historical cost	5 926 782	1 892	-	5 928 674
Accumulated amortization	(2 872 819)	(1 143)	-	(2 873 962)
<b>NBV at 31 March 2024</b>	<b>3 053 963</b>	<b>749</b>	<b>-</b>	<b>3 054 712</b>



	GROUP				
	Computer software and licenses	Transmission right-of-use assets	Service Concession Arrangements	Intangible assets under construction	Total
	EUR	EUR	EUR	EUR	EUR
<b>At 31 December 2022</b>					
Historical cost	12 785 449	1 892	-	963 741	13 751 082
Accumulated amortization	(8 586 752)	(1 025)	-	-	(8 587 777)
<b>NBV at 31 December 2022</b>	<b>4 198 697</b>	<b>867</b>	<b>-</b>	<b>963 741</b>	<b>5 163 305</b>
<b>For 2023</b>					
Additions	514 455	-	-	16 184 953	16 699 408
Transferred	1 968 512	-	1 007 865	(1 968 512)	1 007 865
Disposals	(27 139)	-	-	-	(27 139)
Amortization charge	(1 582 304)	(95)	-	-	(1 582 399)
<b>NBV at 31 December 2023</b>	<b>5 072 221</b>	<b>772</b>	<b>1 007 865</b>	<b>15 180 182</b>	<b>21 261 040</b>
<b>At 31 December 2023</b>					
Historical cost	13 571 767	1 892	1 007 865	15 180 182	29 761 706
Accumulated amortization	(8 499 546)	(1 120)	-	-	(8 500 666)
<b>NBV at 31 December 2022</b>	<b>5 072 221</b>	<b>772</b>	<b>1 007 865</b>	<b>15 180 182</b>	<b>21 261 040</b>
<b>For 2024</b>					
Additions	95 330	-	-	409 115	504 445
Transferred	11 913	-	-	(11 913)	-
Amortization charge	(496 050)	(23)	(25 196)	-	(521 269)
<b>NBV at 31 March 2024</b>	<b>4 683 414</b>	<b>749</b>	<b>982 669</b>	<b>15 577 384</b>	<b>21 244 216</b>
<b>At 31 March 2024</b>					
Historical cost	13 224 113	1 892	1 007 865	15 577 384	29 811 254
Accumulated amortization	(8 540 699)	(1 143)	(25 196)	-	(8 567 038)
<b>NBV at 31 March 2024</b>	<b>4 683 414</b>	<b>749</b>	<b>982 669</b>	<b>15 577 384</b>	<b>21 244 216</b>

## 7.2. PROPERTY, PLANT AND EQUIPEMNT

	PARENT COMPANY						
	Land, buildings	Electricity transmission structures*	Transmission lines, technological equipment*	Other electricity transmission equipment*	Other PPE	PPE under construction	TOTAL
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>At 31 December 2022</b>							
Historical cost or revalued amount	43 145 635	8 617 617	1 180 904 761	10 418 763	19 966 927	31 878 269	1 294 931 972
Accumulated depreciation and impairment	(6 030 174)	(4 201 996)	(581 587 352)	(8 353 335)	(13 304 886)	-	(613 477 743)
<b>NBV</b>	<b>37 115 461</b>	<b>4 415 621</b>	<b>599 317 409</b>	<b>2 065 428</b>	<b>6 662 041</b>	<b>31 878 269</b>	<b>681 454 229</b>
<b>2023</b>							
Additions	5 965	-	2 891	3 246	1 345 377	50 674 338	52 031 817
Transferred	3 161 160	158 906	30 174 608	1 378 330	107 556	(34 980 560)	-
Sold	-	-	-	-	-	(373 272)	(373 272)
Disposals	-	(4)	(443 023)	(6)	(293)	-	(443 326)
Depreciation	(1 358 394)	(524 317)	(27 752 964)	(609 099)	(3 342 558)	-	(33 587 332)
<b>NBV at 31 December 2023</b>	<b>38 924 192</b>	<b>4 050 206</b>	<b>601 298 921</b>	<b>2 837 899</b>	<b>4 772 123</b>	<b>47 198 775</b>	<b>699 082 116</b>
<b>At 31 December 2023</b>							
Historical cost or revalued amount	46 311 360	8 661 999	1 200 434 390	11 640 674	21 305 280	47 198 775	1 335 552 478
Accumulated depreciation and impairment	(7 387 168)	(4 611 793)	(599 135 469)	(8 802 775)	(16 533 157)	-	(636 470 362)
<b>NBV</b>	<b>38 924 192</b>	<b>4 050 206</b>	<b>601 298 921</b>	<b>2 837 899</b>	<b>4 772 123</b>	<b>47 198 775</b>	<b>699 082 116</b>
<b>2024</b>							
Additions	-	-	-	-	5 177	13 592 080	13 597 257
Transferred	-	-	6 097 776	357 327	4 001	(6 459 104)	-
Disposals	-	(22)	(51 969)	-	(183)	-	(52 174)
Depreciation	(352 533)	(130 897)	(7 030 399)	(227 413)	(799 545)	-	(8 540 787)
<b>NBV at 31 March 2024</b>	<b>38 571 659</b>	<b>3 919 287</b>	<b>600 314 329</b>	<b>2 967 813</b>	<b>3 981 573</b>	<b>54 331 751</b>	<b>704 086 412</b>
<b>At 31 March 2024</b>							
Historical cost or revalued amount	46 311 260	8 659 988	1 200 086 719	11 997 659	21 110 102	54 331 751	1 342 497 479
Accumulated depreciation and impairment	(7 739 601)	(4 740 701)	(599 772 390)	(9 029 846)	(17 128 529)	-	(638 411 067)
<b>NBV</b>	<b>38 571 659</b>	<b>3 919 287</b>	<b>600 314 329</b>	<b>2 967 813</b>	<b>3 981 573</b>	<b>54 331 751</b>	<b>704 086 412</b>

\* PPE class is carried at revalued amount

	GROUP										
	Land, buildings	Electricity transmission engineering structures*	Natural gas transmission buildings and structures*	Wells*	Transmission lines, technological equipment*	Other electricity transmission equipment*	Natural gas pumping and automatic control equipment*	Other PPE	Emergency reserve	PPE under construction	TOTAL
	EUR	EUR	EUR			EUR	EUR	EUR	EUR	EUR	EUR
<b>At 31 December 2022</b>											
Historical cost or revalued amount	44 238 109	8 617 617	625 920 309	159 765 510	1 277 385 870	10 418 763	44 469 967	26 190 378	1 825 384	42 138 797	2 240 970 704
Accumulated depreciation and impairment	(6 030 174)	(4 201 996)	(411 247 525)	(46 883 922)	(625 822 959)	(8 353 335)	(23 140 673)	(17 466 056)	-	-	(1 143 146 640)
<b>NBV</b>	<b>38 207 935</b>	<b>4 415 621</b>	<b>214 672 784</b>	<b>112 881 588</b>	<b>651 562 911</b>	<b>2 065 428</b>	<b>21 329 294</b>	<b>8 724 322</b>	<b>1 825 384</b>	<b>42 138 797</b>	<b>1 097 824 064</b>
<b>2023</b>											
Additions	5 965	-	7 250	-	318 437	3 246	27 024	1 951 613	-	82 381 712	84 695 247
Transferred	3 173 197	158 906	4 551 947	489 140	30 593 742	1 378 330	6 463 828	322 157	146 719	(47 131 247)	146 719
Sold	-	-	-	-	-	-	-	-	-	(373 272)	(373 272)
Disposals	-	(4)	(114 646)	(2 548)	(463 698)	(6)	(472 330)	(1 310)	(12 395)	(97 395)	(1 164 332)
Depreciation charge	(1 358 394)	(524 317)	(8 825 608)	(2 732 666)	(31 547 203)	(609 099)	(1 538 624)	(3 900 991)	-	-	(51 036 902)
Impairment charge**	-	-	-	(16 180 709)	-	-	(7 307 135)	-	-	-	(23 487 844)
<b>NBV at 31 December 2023</b>	<b>40 028 703</b>	<b>4 050 206</b>	<b>210 291 727</b>	<b>94 454 805</b>	<b>650 464 189</b>	<b>2 837 899</b>	<b>18 502 057</b>	<b>7 095 791</b>	<b>1 959 708</b>	<b>76 918 595</b>	<b>1 106 603 680</b>
<b>At 31 December 2023</b>											
Historical cost or revalued amount	47 415 871	8 661 999	629 594 092	138 773 371	1 296 985 314	11 640 674	38 000 336	27 872 587	1 959 708	76 918 595	2 277 822 547
Accumulated depreciation and impairment	(7 387 168)	(4 611 793)	(419 302 365)	(44 318 566)	(646 521 125)	(8 802 775)	(19 498 279)	(20 776 796)	-	-	(1 171 218 867)
<b>NBV</b>	<b>40 028 703</b>	<b>4 050 206</b>	<b>210 291 727</b>	<b>94 454 805</b>	<b>650 464 189</b>	<b>2 837 899</b>	<b>18 502 057</b>	<b>7 095 791</b>	<b>1 959 708</b>	<b>76 918 595</b>	<b>1 106 603 680</b>
<b>2024</b>											
Additions	-	-	-	-	159 674	-	4 982	93 701	-	16 448 216	16 706 573
Transferred	-	-	4 996	-	6 090 424	357 327	70 278	30 162	-	(6 553 187)	-
Disposals	-	(22)	-	-	(51 969)	-	-	(1 720)	-	-	(53 711)
Depreciation charge	(352 533)	(130 897)	(2 235 540)	(597 665)	(8 007 008)	(227 413)	(326 283)	(961 576)	-	-	(12 838 915)
<b>NBV at 31 March 2024</b>	<b>39 676 170</b>	<b>3 919 287</b>	<b>208 061 183</b>	<b>93 857 140</b>	<b>648 655 310</b>	<b>2 967 813</b>	<b>18 251 034</b>	<b>6 256 358</b>	<b>1 959 708</b>	<b>86 813 624</b>	<b>1 110 417 627</b>
<b>At 31 March 2024</b>											
Historical cost or revalued amount	47 415 771	8 659 988	629 599 088	138 773 371	1 296 781 529	11 997 659	37 953 487	27 755 823	1 959 708	86 813 624	2 287 710 048
Accumulated depreciation and impairment	(7 739 601)	(4 740 701)	(421 537 905)	(44 916 231)	(648 126 219)	(9 029 846)	(19 702 453)	(21 499 465)	-	-	(1 177 292 421)
<b>NBV</b>	<b>39 676 170</b>	<b>3 919 287</b>	<b>208 061 183</b>	<b>93 857 140</b>	<b>648 655 310</b>	<b>2 967 813</b>	<b>18 251 034</b>	<b>6 256 358</b>	<b>1 959 708</b>	<b>86 813 624</b>	<b>1 110 417 627</b>

\* PPE class is carried at revalued amount

\*\* The Group in 2023 has reviewed the fair values of natural gas wells, gas pumping equipment and automatic plant control stems to ensure that their carrying amounts are not materially different from their fair values at the reporting date. The carrying amount of these classes of property, plant and equipment (wells, gas pumping equipment and automatic control systems) was reduced by EUR 23,487,844. The decrease of EUR 23,487,844 is recognised in the Group's Statement of profit and loss under "Depreciation, amortisation and impairment of property, plant and equipment".

### 7.3. RIGHT-OF-USE ASSETS

	PARENT COMPANY Buildings and land EUR	KONCERNS Buildings and land EUR
<b>At 31 December 2022</b>		
Historical cost	19 766 531	20 270 161
Accumulated depreciation	(5 295 142)	(5 337 269)
<b>NBV</b>	<b>14 471 389</b>	<b>14 932 892</b>
<b>For 2023</b>		
Changes to lease agreements recognised	629 464	629 464
Increase in right-of-use assets	218 494	218 494
Depreciation charge	(920 407)	(933 552)
<b>NBV at 31 December 2023</b>	<b>14 398 940</b>	<b>14 847 298</b>
<b>At 31 December 2023</b>		
Historical cost	20 609 163	21 112 793
Accumulated depreciation	(6 210 223)	(6 265 495)
<b>NBV</b>	<b>14 398 940</b>	<b>14 847 298</b>
<b>For 2024</b>		
Depreciation charge	(230 019)	(233 305)
<b>NBV at 31 March 2024</b>	<b>14 168 921</b>	<b>14 613 993</b>
<b>At 31 March 2024</b>		
Historical cost	20 609 163	21 112 793
Accumulated depreciation	(6 440 242)	(6 498 800)
<b>NBV</b>	<b>14 168 921</b>	<b>14 613 993</b>

### 7.4. DEPRECIATION AND AMORTISATION

	PARENT COMPANY		GROUP	
	3 months of 2024 EUR	3 months of 2023 EUR	3 months of 2024 EUR	3 months of 2023 EUR
Depreciation of property, plant and equipment	(8 540 787)	(8 575 501)	(12 838 915)	(12 889 326)
Amortisation of intangible assets	(311 079)	(198 852)	(521 269)	(386 749)
Depreciation of right-of use assets	(230 019)	(191 200)	(233 305)	(194 485)
<b>Depreciation and amortisation</b>	<b>(9 081 885)</b>	<b>(8 965 553)</b>	<b>(13 593 489)</b>	<b>(13 470 560)</b>
Write-offs and other adjustments	(52 174)	(18 137)	(53 711)	(19 428)
<b>Total PPE and intangible asset write-off and adjustments</b>	<b>(52 174)</b>	<b>(18 137)</b>	<b>(53 711)</b>	<b>(19 428)</b>
<b>TOTAL Depreciation and amortisation excluding write-offs</b>	<b>(9 081 885)</b>	<b>(8 965 553)</b>	<b>(13 593 489)</b>	<b>(13 470 560)</b>

## 8. OTHER LONG-TERM FINANCIAL INVESTMENTS

	PARENT COMPANY		GROUP	
	31.03.2024	31.12.2023	31.03.2024	31.12.2023
	EUR	EUR	EUR	EUR
<b>Shareholding in the share capital of the Subsidiary, including:</b>	<b>134 394 971</b>	<b>134 394 971</b>	-	-
AS "Conexus Baltic Grid"	134 394 971	134 394 971	-	-
<b>Shareholding in the share capital of associates, including:</b>	<b>53 333</b>	<b>53 333</b>	<b>53 333</b>	<b>53 333</b>
"Baltic RCC" OÜ	53 333	53 333	53 333	53 333
<b>Shareholding in the share capital of other companies, including</b>	<b>1 422</b>	<b>1 422</b>	<b>1 422</b>	<b>1 422</b>
AS "Pirmais slēgtais pensiju fonds"	1 422	1 422	1 422	1 422
<b>NBV at the end of the reporting period</b>	<b>134 449 726</b>	<b>134 449 726</b>	<b>54 755</b>	<b>54 755</b>

The parent company owns 1.9% of the capital of AS "Pirmais slēgtais pensiju fonds". The Parent company is a nominee shareholder, since all risks

and rewards arising from the operation of the Fund are borne or acquired by the Parent company's employees, the members of the pension plan.

Company	Country	Type of business	Shareholding
AS "Conexus Baltic Grid"	Latvia	Natural gas transmission and storage operator in Latvia	68.46%
"Baltic RCC" OÜ	Estonia	Baltic Regional Coordination Centre for Electricity Transmission Systems	33.33%
AS "Pirmais slēgtais pensiju fonds"	Latvia	Managing pension plans	1.9%

## 9. RECEIVABLES FROM CONTRACTS WITH CUSTOMERS

	PARENT COMPANY		GROUP	
	31.03.2024	31.12.2023	31.03.2024	31.12.2023
	EUR	EUR	EUR	EUR
<b>Receivables from contracts with customers</b>				
Receivables for electricity transmission service	11 447 327	13 670 798	11 447 327	13 670 798
Natural gas transmission and storage service debts	-	-	10 340 565	11 555 119
Other trade receivables	6 534 819	5 192 972	6 534 724	5 192 972
<b>Total receivables from contracts with customers</b>	<b>17 982 146</b>	<b>18 863 770</b>	<b>28 322 616</b>	<b>30 418 889</b>
Expected credit losses				
Other trade receivables	(6 207)	(5 455)	(6 207)	(5 455)
<b>Total expected credit losses</b>	<b>(6 207)</b>	<b>(5 455)</b>	<b>(6 207)</b>	<b>(5 455)</b>
<b>Receivables from contracts with customers, net</b>				
Receivables for electricity transmission service	11 447 327	13 670 798	11 447 327	13 670 798
Natural gas transmission and storage service debts	-	-	10 340 565	11 555 119
Other trade receivables	6 528 612	5 187 517	6 528 517	5 187 517
<b>RECEIVABLES FROM CONTRACTS WITH CUSTOMERS, NET</b>	<b>17 975 939</b>	<b>18 858 315</b>	<b>28 316 409</b>	<b>30 413 434</b>

Expected credit losses of receivables from contracts with customers*	PARENT COMPANY		GROUP	
	31.03.2024	31.12.2023	31.03.2024	31.12.2023
	EUR	EUR	EUR	EUR
At the beginning of the reporting year	5 455	5 495	5 455	5 495
Recognised in the income statement	752	(40)	752	(40)
<b>At the end of the reporting year</b>	<b>6 207</b>	<b>5 455</b>	<b>6 207</b>	<b>5 455</b>



## 10. OTHER RECEIVABLES

	PARENT COMPANY		GROUP	
	31.03.2024 EUR	31.12.2023 EUR	31.03.2024 EUR	31.12.2023 EUR
Deposits	86 438 997	80 767 903	86 438 997	80 767 903
Expected European Union advance funding	32 558 328	26 383 283	32 558 328	26 383 283
Receivables related to the fraudulent transaction*	172 850	172 850	172 850	172 850
Provision for the fraudulent transaction*	(172 850)	(172 850)	(172 850)	(172 850)
<b>Other financial assets</b>	<b>118 997 325</b>	<b>107 151 186</b>	<b>118 997 325</b>	<b>107 151 186</b>
Prepayments	1 780 067	631 277	2 354 612	1 271 503
Other receivables	13 977 358	11 910 306	14 206 307	12 175 466
<b>Other non-financial assets</b>	<b>15 757 425</b>	<b>12 541 583</b>	<b>16 560 919</b>	<b>13 446 969</b>
<b>TOTAL OTHER RECEIVABLES</b>	<b>134 754 750</b>	<b>119 692 769</b>	<b>135 558 244</b>	<b>120 598 155</b>

\* \*The Parent company has made a provision of EUR 172,850 in 2022 in relation to the fraudulent transaction. Criminal proceedings have been initiated against the fraud.

## 11. CASH AND CASH EQUIVALENTS

	PARENT COMPANY		GROUP	
	31.03.2024 EUR	31.12.2023 EUR	31.03.2024 EUR	31.12.2023 EUR
Cash in the bank	22 252 897	28 735 057	29 851 554	41 453 794
Demand deposits	3 220 891	3 211 633	22 922 919	3 446 346
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>25 473 788</b>	<b>31 946 690</b>	<b>52 774 473</b>	<b>44 900 140</b>

## 12. EQUITY

### a) Share capital

An overview of the changes in the Parent company's equity is presented in the table below:

	Number of shares	Registered share capital, EUR
At 31 December 2022	391 598 534	391 598 534
At 31 December 2023	391 598 534	391 598 534
New share issue	3 956 516	3 956 516
<b>At 31 March 2024</b>	<b>395 555 050</b>	<b>395 555 050</b>

The Group's share capital consists of ordinary shares of the Parent company. The share capital is fully paid up.

In accordance with the decision of the extraordinary Shareholders' Meeting of AS "Augstsprieguma tīkls" of 15 December 2023, a contribution of EUR 3 956 516 has been made to the share capital of the Parent company by capitalising retained earnings.

The Parent company has made payments to the State budget for the use of State capital (dividends) from the previous year's profits:

EUR 7,033,805 or EUR 0.01796 per share in 2023.

### b) Reserves

The reserves of the Parent company consist of a revaluation reserve, reserves for postemployment benefits and retained earnings, which are allocated to other reserves at the discretion of the shareholder for development purposes. The Group's reserves consist of the revaluation reserve for property, plant and equipment, the reserves required by the Articles of Association of the Subsidiary, the revaluation reserve for postemployment benefits, retained earnings allocated to other reserves for development purposes at the shareholder's discretion.

### c) Non-controlling interests

Information on non-controlling interests is presented in Note 8. Except for dividends, there have been no transactions with non-controlling interests.

## 13. DEFERRED REVENUE

	PARENT COMPANY		GROUP	
	31.03.2024	31.12.2023	31.03.2024	31.12.2023
	EUR	EUR	EUR	EUR
<b>(a) Non-current deferred revenue</b>				
- from connection charges	37 009 701	37 477 190	37 009 701	37 477 190
<b>Non-current deferred revenue from contracts with customers</b>	<b>37 009 701</b>	<b>37 477 190</b>	<b>37 009 701</b>	<b>37 477 190</b>
- from European Union funding	139 781 390	142 366 370	165 610 709	168 437 244
- from the expected European Union advance funding	32 558 328	26 383 283	32 558 328	26 383 283
- from advances received from European Union funding	18 562 500	18 562 500	18 562 500	18 562 500
- from congestion charge revenue	137 434 169	134 178 984	137 434 169	134 178 984
<b>Other non-current deferred revenue</b>	<b>328 336 387</b>	<b>321 491 137</b>	<b>354 165 706</b>	<b>347 562 011</b>
<b>TOTAL Non-current deferred revenue</b>	<b>365 346 088</b>	<b>358 968 327</b>	<b>391 175 407</b>	<b>385 039 201</b>

	PARENT COMPANY		GROUP	
	31.03.2024	31.12.2023	31.03.2024	31.12.2023
	EUR	EUR	EUR	EUR
<b>(b) Current deferred revenue</b>				
- from connection charges	4 162 340	4 117 311	4 162 340	4 117 311
- other contractual obligations recognised	5 424	-	6 543	4 475
<b>Short-term deferred revenue from contracts with customers</b>	<b>4 167 764</b>	<b>4 117 311</b>	<b>4 168 883</b>	<b>4 121 786</b>
- Unfinished EU co-funded projects, including:	16 531 253	16 531 253	16 531 253	16 531 253
<i>Project "Synchronisation of the Baltic power system with the European power system, Phase 2"</i>	2 650 549	2 650 549	2 650 549	2 650 549
<i>Synchronisation of the Baltic States with Continental Europe, Phase 1</i>	6 620 186	6 620 186	6 620 186	6 620 186
<i>Modernisation of the electricity distribution system</i>	7 239 338	7 239 338	7 239 338	7 239 338
<i>Project "System for TSO-SSO-end-user interconnection, INTERFACE"</i>	21 180	21 180	21 180	21 180
- completed EU-funded projects	4 891 309	3 570 603	5 865 601	4 540 432
- from congestion charge	19 156 131	19 014 063	19 156 131	19 014 063
- from connection to the natural gas transmission system	-	-	-	4 654
<b>Other current deferred revenue</b>	<b>40 578 693</b>	<b>39 115 919</b>	<b>41 552 985</b>	<b>40 090 402</b>
<b>TOTAL current deferred revenue</b>	<b>44 746 457</b>	<b>43 233 230</b>	<b>45 721 868</b>	<b>44 212 188</b>

Movement in deferred revenue from contracts with customers (non-current and current):

	PARENT COMPANY		GROUP	
	31.03.2024 EUR	31.12.2023 EUR	31.03.2024 EUR	31.12.2023 EUR
<b>At the beginning of the reporting year</b>	<b>41 594 501</b>	<b>41 742 974</b>	<b>41 598 976</b>	<b>41 742 974</b>
Connection charges recognized in income statement	(1 025 671)	(3 612 980)	(1 029 027)	(3 620 810)
Connection charges received from customer contributions	608 635	3 464 507	608 635	3 476 812
<b>At the end of the reporting year</b>	<b>41 177 465</b>	<b>41 594 501</b>	<b>41 178 584</b>	<b>41 598 976</b>

Movement in other deferred revenue (non-current and current):

	PARENT COMPANY		GROUP	
	31.03.2024 EUR	31.12.2023 EUR	31.03.2024 EUR	31.12.2023 EUR
<b>At the beginning of the reporting year</b>	<b>360 607 056</b>	<b>313 602 263</b>	<b>387 652 413</b>	<b>339 327 346</b>
EU co-financing received*	7 171 825	26 383 283	7 171 825	28 524 447
Accumulated EU co-financing received from previous periods	(996 780)	(8 318 710)	(996 780)	(8 318 710)
Deferred revenue received from EU co-financing	-	7 065 258	-	7 065 258
EU co-financing advance received	-	15 099 296	-	15 099 296
Congestion charge revenue received	3 727 050	11 656 486	3 727 050	11 656 486
Congestion charge revenue recognized in the income statement	(329 798)	(1 205 248)	(329 798)	(1 205 248)
EU co-financing recognized in the income statement	(1 264 274)	(3 675 572)	(1 506 020)	(4 496 462)
<b>At the end of the reporting year</b>	<b>368 915 080</b>	<b>360 607 056</b>	<b>395 718 691</b>	<b>387 652 413</b>
<b>TOTAL at the end of the reporting year</b>	<b>410 092 545</b>	<b>402 201 557</b>	<b>436 897 275</b>	<b>429 251 389</b>

\* Funding received from the European Union (related to assets) is recognized when the Group and the Parent company have complied with the conditions attached to the receipt of the funding and have an unconditional right to receive the funding. The conditions attached to the financing are: The Parent company and the Group shall ensure the management, internal control and accounting of the projects co-financed by the European Union in accordance with the European Union guidelines and the requirements of the legislation of the Republic of Latvia. A separate account is maintained for each transaction related to the accounting of the projects co-financed by the EU. The Parent company and the Group keep separate accounts for the relevant income, expenditure, long-term investments and VAT of the co-financed projects. If the funds have not been received by the end of the reporting period, they are recognized as receivable under the balance sheet item "Other receivables".

## 14. BORROWINGS AND LEASE LIABILITIES

### BORROWINGS

	PARENT COMPANY		GROUP	
	31.03.2024 EUR	31.12.2023 EUR	31.03.2024 EUR	31.12.2023 EUR
Non-current borrowings from credit institutions	-	-	61 110 205	65 568 897
Non-current portion of bonds issued	99 925 756	99 919 164	99 925 756	99 919 164
Current borrowings from credit institutions	-	-	14 649 286	13 899 286
<b>Borrowings</b>	<b>99 925 756</b>	<b>99 919 164</b>	<b>175 685 247</b>	<b>179 387 347</b>
Non-current accrued liability for interest on bonds issued	98 360	473 973	98 360	473 973
Current accrued liabilities for interest on borrowings from credit institutions	-	-	53 224	75 493
<b>TOTAL borrowings</b>	<b>100 024 116</b>	<b>100 393 137</b>	<b>175 836 831</b>	<b>179 936 813</b>
Including:				
Non-current borrowings	100 024 116	100 393 137	161 134 321	165 962 034
Current borrowings	-	-	14 702 510	13 974 779

### LEASE LIABILITIES

	PARENT COMPANY		GROUP	
	31.03.2024 EUR	31.12.2023 EUR	31.03.2024 EUR	31.12.2023 EUR
<b>TOTAL lease liabilities</b>	<b>14 670 780</b>	<b>14 880 675</b>	<b>15 142 562</b>	<b>15 358 677</b>
Including:				
Non-current	13 824 154	14 036 873	14 268 732	14 487 671
Current	846 626	843 802	873 830	871 006

### MOVEMENT OF BORROWINGS AND LEASE LIABILITIES

	PARENT COMPANY		
	Lease liabilities EUR	Other borrowings EUR	TOTAL EUR
<b>At 31 December 2022</b>	<b>14 865 954</b>	<b>100 366 699</b>	<b>115 232 653</b>
Recognised changes to lease agreements	629 297	-	629 297
New contracts	218 494	-	218 494
Repayments, excluding interest	(833 070)	-	(833 070)
Interest payments	(230 114)	(500 000)	(730 114)
Calculated interest	230 114	526 438	756 552
<b>At 31 December 2023</b>	<b>14 880 675</b>	<b>100 393 137</b>	<b>115 273 812</b>
Repayments, excluding interest	(209 895)	-	(209 895)
Interest payments	(55 850)	(500 000)	(555 850)
Calculated interest	55 850	130 979	186 829
<b>At 31 March 2024</b>	<b>14 670 780</b>	<b>100 024 116</b>	<b>114 694 896</b>



	GROUP			
	Lease liabilities	Borrowings from credit institutions	Other borrowings	TOTAL
	EUR	EUR	EUR	EUR
<b>At 31 December 2022</b>	<b>15 350 376</b>	<b>82 429 949</b>	<b>100 366 699</b>	<b>198 147 024</b>
Recognised changes to lease agreements	629 297	-	-	629 297
New contracts	218 494	10 000 000	-	10 218 494
Repayments, excluding interest	(839 490)	(12 899 286)	-	(13 738 776)
Interest payments	(250 897)	(2 568 496)	(500 000)	(3 319 393)
Calculated interest	250 897	2 581 509	526 438	3 358 844
<b>At 31 December 2023</b>	<b>15 358 677</b>	<b>79 543 676</b>	<b>100 393 137</b>	<b>195 295 490</b>
Repayments, excluding interest	(216 115)	(3 708 691)	-	(3 924 806)
Interest payments	(61 000)	(783 290)	(500 000)	(1 344 290)
Calculated interest	61 000	761 020	130 979	952 999
<b>At 31 March 2024</b>	<b>15 142 562</b>	<b>75 812 715</b>	<b>100 024 116</b>	<b>190 979 393</b>

## 15. PAYABLES TO SUPPLIERS AND OTHER CREDITORS

	PARENT COMPANY		GROUP	
	31.03.2024	31.12.2023	31.03.2024	31.12.2023
	EUR	EUR	EUR	EUR
<b>Financial liabilities:</b>				
Payables for electricity and natural gas	11 229 122	16 697 580	11 229 122	16 697 580
Payables for materials and services	9 363 207	8 075 054	14 217 503	13 856 645
Accrued liabilities	259 291	59 320	2 673 688	815 112
Other current financial liabilities	11 993 899	7 677 092	27 247 172	22 931 538
<b>TOTAL financial liabilities</b>	<b>32 845 519</b>	<b>32 509 046</b>	<b>55 367 485</b>	<b>54 300 875</b>
<b>Non-financial liabilities:</b>				
National social insurance mandatory contributions and other taxes	2 286 442	1 352 511	3 299 084	2 464 382
Advances received for connection charges	3 445 807	795 572	3 445 807	795 572
Advances received for capacity reservation	12 036 879	12 036 879	12 036 879	12 036 879
Advances received	-	-	6 365 406	6 112 856
Other current non-financial liabilities	3 883 734	3 309 290	4 595 917	6 257 513
<b>TOTAL non-financial liabilities</b>	<b>21 652 862</b>	<b>17 494 252</b>	<b>29 743 093</b>	<b>27 667 202</b>
<b>TOTAL payables to suppliers and other creditors, including:</b>	<b>54 498 381</b>	<b>50 003 298</b>	<b>85 110 578</b>	<b>81 968 077</b>
TOTAL payables to suppliers	20 592 329	24 772 634	25 446 625	30 554 225
TOTAL payables to other creditors	33 906 052	25 230 664	59 663 953	51 413 852

## 16. FAIR VALUE CONSIDERATIONS

There were no reclassifications of assets between Level 1, Level 2 and Level 3 during the reporting period.

	PARENT COMPANY			
	NBV EUR	Level 1, EUR	Level 2, EUR	Level 3, EUR
<b>At 31.03.2024.</b>				
<b>Assets that are measured at fair value:</b>				
Revalued property, plant and equipment (Note 7.2)	607 201 429	-	-	607 201 429
<b>Assets for which fair value is reported:</b>				
Cash (Note 11)	25 473 788	-	25 473 788	-
Receivables from contracts with customers (Note 9)	17 975 939	-	-	17 975 939
Other non-current financial investments (Note 8)	54 755	-	-	54 755
Term deposits	86 438 997	-	86 438 997	-
Other receivables (Note 10)	32 558 328	-	-	32 558 328
<b>Liabilities at fair value:</b>				
Borrowings (Note 14)	100 024 116	-	92 216 271	-
Lease liabilities (Note 14)	14 670 780	-	-	14 670 780
Payables to suppliers and other payables (Note 15)	32 845 519	-	-	32 845 519
<b>At 31.12.2023.</b>				
<b>Assets that are measured at fair value:</b>				
Revalued property, plant and equipment (Note 7.2)	608 187 026	-	-	608 187 026
<b>Assets for which fair value is reported:</b>				
Cash (Note 11)	31 946 690	-	31 946 690	-
Receivables from contracts with customers (Note 9)	18 858 315	-	-	18 858 315
Other non-current financial investments (Note 8)	54 755	-	-	54 755
Term deposits	80 767 903	-	80 767 903	-
Other receivables (Note 10)	26 383 283	-	-	26 383 283
<b>Liabilities at fair value:</b>				
Borrowings (Note 14)	100 393 137	-	88 353 553	-
Lease liabilities (Note 14)	14 880 675	-	-	14 880 675
Payables to suppliers and other payables (Note 15)	32 509 046	-	-	32 509 046

	GROUP			
	NBV EUR	Level 1, EUR	Level 2, EUR	Level 3, EUR
<b>At 31.12.2023.</b>				
<b>Assets that are measured at fair value:</b>				
Revalued property, plant and equipment (Note 7.2)	975 711 767	-	-	975 711 767
<b>Assets for which fair value is reported:</b>				
Cash (Note 11)	52 774 473	-	52 774 473	-
Receivables from contracts with customers (Note 9)	28 316 409	-	-	28 316 409
Other non-current financial investments (Note 8)	54 755	-	-	54 755
Term deposits	86 438 997		86 438 997	
Other receivables (Note 10)	32 558 328	-	-	32 558 328
<b>Liabilities at fair value:</b>				
Other borrowings (Note 14)	100 024 116	-	92 216 271	-
Borrowings from credit institutions (Note 14)	75 812 715			75 812 715
Lease liabilities (Note 14)	15 142 562	-	-	15 142 562
Payables to suppliers and other payables (Note 15)	55 367 485	-	-	55 367 485
<b>At 31.12.2022.</b>				
<b>Assets that are measured at fair value:</b>				
Revalued property, plant and equipment (Note 7.2)	980 600 883	-	-	980 600 883
<b>Assets for which fair value is reported:</b>				
Cash (Note 11)	44 900 140	-	44 900 140	-
Receivables from contracts with customers (Note 9)	30 413 434	-	-	30 413 434
Other non-current financial investments (Note 8)	54 755	-	-	54 755
Term deposits	80 767 903		80 767 903	
Other receivables (Note 10)	26 383 283	-	-	26 383 283
<b>Liabilities at fair value:</b>				
Other borrowings (Note 14)	100 393 137	-	88 353 553	
Borrowings from credit institutions (Note 14)	79 543 676			79 543 676
Lease liabilities (Note 14)	15 358 677	-	-	15 358 677
Payables to suppliers and other payables (Note 15)	54 300 875	-	-	54 300 875

## 17. RELATED PARTY TRANSACTIONS

### INCOME AND EXPENSES FROM RELATED PARTY TRANSACTIONS (OTHER PUBLIC CAPITAL COMPANIES)

	PARENT COMPANY		GROUP	
	3 months of 2024 EUR	3 months of 2023 EUR	3 months of 2024 EUR	3 months of 2023 EUR
<b>Revenue</b>				
Electricity transmission system service	23 854 152	18 635 964	23 854 152	18 635 964
Balancing electricity	5 024 962	2 237 176	5 024 962	2 237 176
Regulating electricity	(60 458)	26 677	(60 458)	26 677
Reactive energy revenues	109 797	86 729	109 797	86 729
Gas storage and transmission	-	-	12 626 267	7 044 012
Revenue from other services	511 569	522 406	511 569	522 406
<b>Total revenue from transactions with related companies</b>	<b>29 440 022</b>	<b>21 508 952</b>	<b>42 066 289</b>	<b>28 552 964</b>
<b>Costs</b>				
Purchase of balancing electricity	1 301 232	1 215 522	1 301 232	1 215 522
Purchase of regulatory electricity	965 133	198 531	965 133	198 531
Electricity for losses and technological consumption	8 325 793	-	8 325 793	-
Electricity for transit losses	1 440 660	-	1 440 660	-
Electricity for business use	175 406	19 752	175 406	19 752
Capacity reserve for electricity system security	2 150 610	2 115 470	2 150 610	2 115 470
Use of synchronous compensators	237 886	103 710	237 886	103 710
Communication expenses	920 673	915 174	920 673	915 174
Lease of PPE and land	210 959	187 888	210 959	187 888
Gas storage and transmission	-	-	907 346	914 485
Other costs	27 359	26 694	27 359	26 694
<b>Total cost of transactions with related companies</b>	<b>15 755 711</b>	<b>4 782 741</b>	<b>16 663 057</b>	<b>5 697 226</b>

### BALANCES AT THE END OF THE REPORTING YEAR FROM RELATED-PARTY TRANSACTIONS (OTHER PUBLIC CAPITAL COMPANIES)

	PARENT COMPANY		GROUP	
	31.03.2024 EUR	31.03.2023 EUR	31.03.2024 EUR	31.03.2023 EUR
<b>Receivables:</b>				
State-controlled capital companies	8 731 594	7 353 857	12 780 472	10 103 896
<b>Payables:</b>				
State-controlled capital companies	7 189 314	3 344 260	7 468 054	3 733 008
Settlements for security deposits *	7 549 223	975 158	7 549 128	975 158

\* Settlements for security deposits are included in Statement of financial position Other liabilities.

## INCOME AND EXPENSES FROM/IN TRANSACTIONS WITH ASSOCIATED ENTITIES

Associated entities*	PARENT COMPANY		GROUP	
	3 months of 2024 EUR	3 months of 2023 EUR	3 months of 2024 EUR	3 months of 2023 EUR
<b>Revenue</b>				
Revenue from other services	5 159	4 788	5 159	4 788
<b>Total:</b>	<b>5 159</b>	<b>4 788</b>	<b>5 159</b>	<b>4 788</b>
<b>Cost</b>				
Electricity market coupling costs	126 861	119 387	126 861	119 387
<b>Total:</b>	<b>126 861</b>	<b>119 387</b>	<b>126 861</b>	<b>119 387</b>

\* Associated entity OU "Baltic RCC" or permanent establishments of OU "Baltic RCC" in Latvia

	PARENT COMPANY		GROUP	
	31.03.2024 EUR	31.03.2023 EUR	31.03.2024 EUR	31.03.2023 EUR
<b>Assets:</b>				
Accrued revenues	857	870	857	870
Prepaid expenses	126 861	119 388	126 861	119 388
<b>Total:</b>	<b>127 718</b>	<b>120 258</b>	<b>127 718</b>	<b>120 258</b>

## 18. EVENTS AFTER THE END OF THE REPORTING YEAR

There have been no other material events that occurred between the last day of the reporting period and the date of signing these Unaudited Condensed Interim Financial Statements that

would have a material effect on the Unaudited Condensed Interim Financial statements for 3 month period ending on 31 March 2024 of the Group and AS "Augstsprieguma tīkls".

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