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# **AS "AUGSTSPRIEGUMA TĪKLS"**

## **AUDITED CONSOLIDATED FINANCIAL RESULTS**

### **FOR 2024**

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Presentation for investors in webinar format

Latvia, Riga

May 2025

# SPEAKERS

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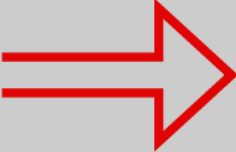
**Rolands Irklis, Chairman of the Management Board**



**Gatis Junghāns, Member of the Management Board**



# ABOUT AST GROUP

 <p>Ministry of Climate and Energy Republic of Latvia</p> <p>OWNED BY <b>MINISTRY OF CLIMATE AND ENERGY OF REPUBLIC OF LATVIA</b></p>	 <p>PUBLIC UTILITIES COMMISSION OF LATVIA</p> <p><b>REGULATED PUBLIC SERVICE PROVIDER</b> WACC 2.72% RAB 432.7mEUR</p>	<p><b>A-</b></p> <p><b>LONG-TERM CREDIT RATING</b> FROM S&amp;P GLOBAL RATINGS</p>
<p>€</p> <p><b>GREEN BOND 100m</b> <b>LOAN 80m (NOT USED)</b></p>	 <p><b>BALTIC RCC</b></p> <p><b>33.333%</b></p>  <p><b>conexus</b> BALTIC GRID</p> <p><b>68.46%</b></p>	 <p><b>SUSTAINABILITY INDEX PLATINUM AWARD</b></p> <p><b>ICT PLATINUM MOUSE AWARD</b></p>
 <p><b>2.3 Bcm</b> GAS STORAGE INČUKALNS</p>  <p><b>1 190 km</b> GAS TRANSMISSION SYSTEM</p>  <p><b>25.2 TWh</b> TRANSMITTED GAS 2024</p>	 <p><b>5 555 km</b> TRANSMISSION LINES</p>  <p><b>141</b> SUBSTATIONS</p>  <p><b>6 015 GWh</b> TRANSMITTED ELECTRICITY TO USERS IN 2024</p>	 <p><b>GROUP ASSETS</b> <b>1 529m EUR</b></p>

# THE MAIN PRIORITIES OF AST 2024

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## SAFE ELECTRICITY GRID OPERATIONS

Synchronization  
Readiness to emergencies  
Cybersecurity



## GREEN TRANSFORMATION

Renewable Capacity  
Connections including  
Onshore and Offshore  
Wind Parks  
Green Substations



## DIGITAL TRANSFORMATION

Change Management  
Process Improvements  
Operations IT Integration



## EMPLOYEE ENGAGEMENT AND DEVELOPMENT

Competencies and skills  
AST team

# **ACCOMPLISHED MILESTONES AND MAIN EVENTS IN 2024**

## **Synchronisation with Continental Europe**

The Valmiera – Tsirguliina EPP was put into operation

Construction of synchronous condenser (SK) at Grobiņa power plant completed, construction of SK stations in Ventspils and Līksna continues

Construction of electricity storage battery systems (BESS) has begun in Rēzekne and Tume

European operators confirm Baltic readiness for synchronisation



Valmiera-Tsirguliina line

# ACCOMPLISHED MILESTONES AND MAIN EVENTS IN 2024

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## EU Funding / Tariff

The Recovery Fund co-financing of 73.2 mEUR was attracted for the development of the electricity transmission network and the synchronisation of the Baltic states with Europe.

To promote the growth of electricity consumption in Latvia and more efficient use of the network, a solution has been found for a tariff discount for new connections.



Funded by  
the European Union  
NextGenerationEU



## Sustainability

Achieved the high Platinum rating in the Sustainability Index and received ICT Platinum Mouse award

The implementation of the green substation project continues

Renewable electricity connections to the transmission system - 20 contracts signed with renewable energy developers



ICT Platinum Mouse Award

# ACCOMPLISHED MILESTONES AND MAIN EVENTS IN 2024

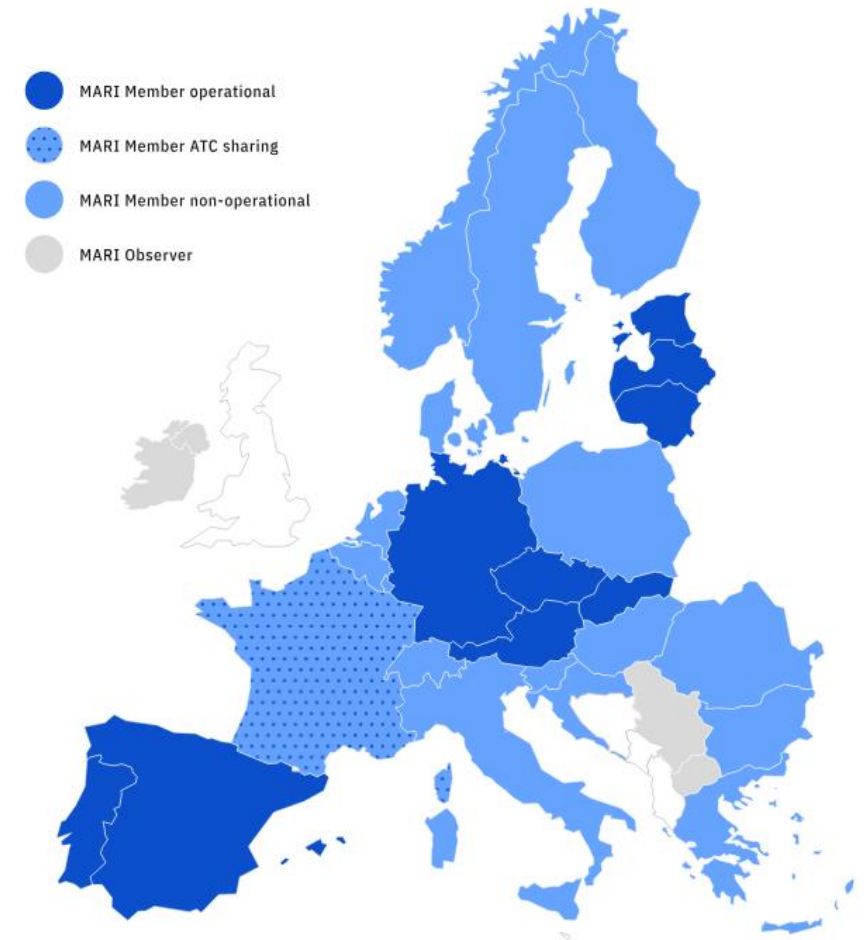
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## Electricity and balancing market

The Baltic countries have switched to 15-minute trading on the intraday market

Baltic transmission system operators joined the European trading platform MARI

Work on the creation of a Baltic Balancing Capacity Market Platform



MARI implementation project

# ACCOMPLISHED MILESTONES AND MAIN EVENTS IN 2024

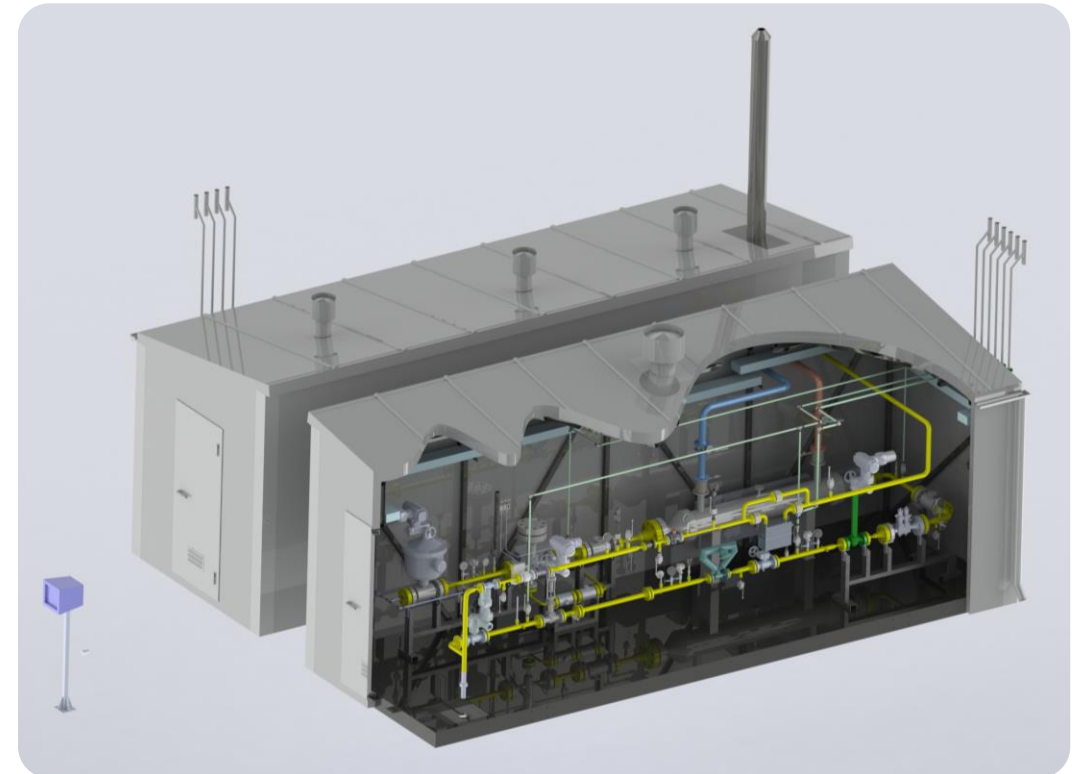
## CONEXUS

The injection of biomethane into the interconnected gas system has begun

The construction of a biomethane injection point (BIP) in Džūkste parish (Contract for equipment signed)

Amendments to the Energy Law entered into force

Amendments to the regulations of the use of Inčukalns UGS facility entered into force



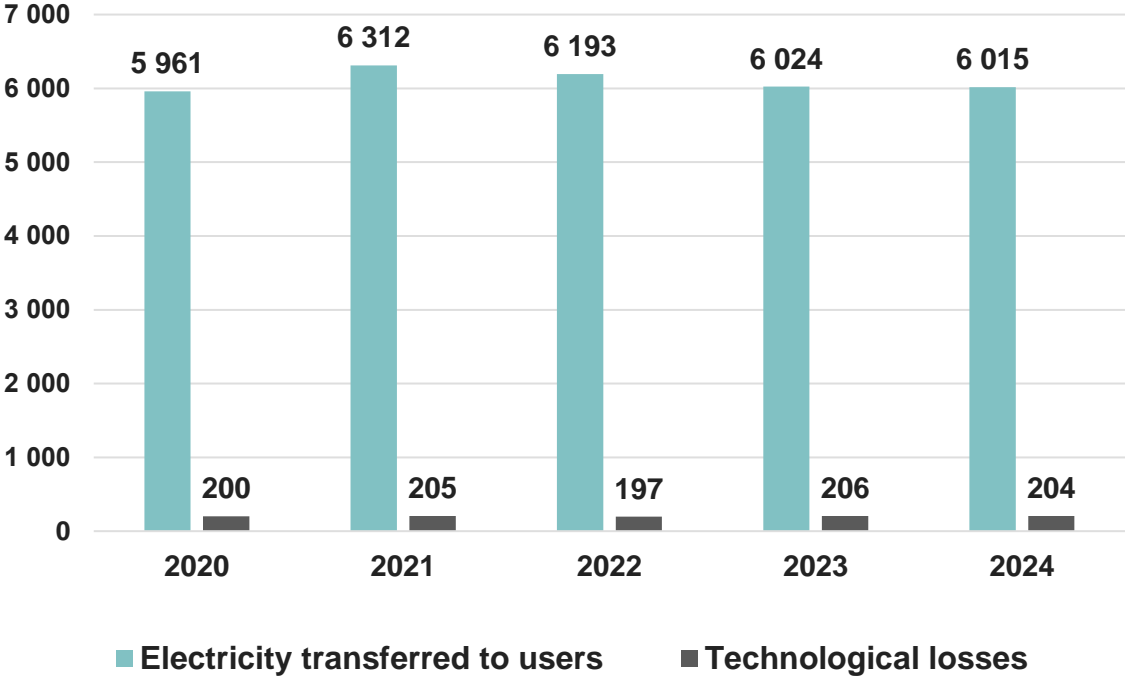
Visualisation of biomethane injection point

# ELECTRICITY TRANSMITTED TO USERS

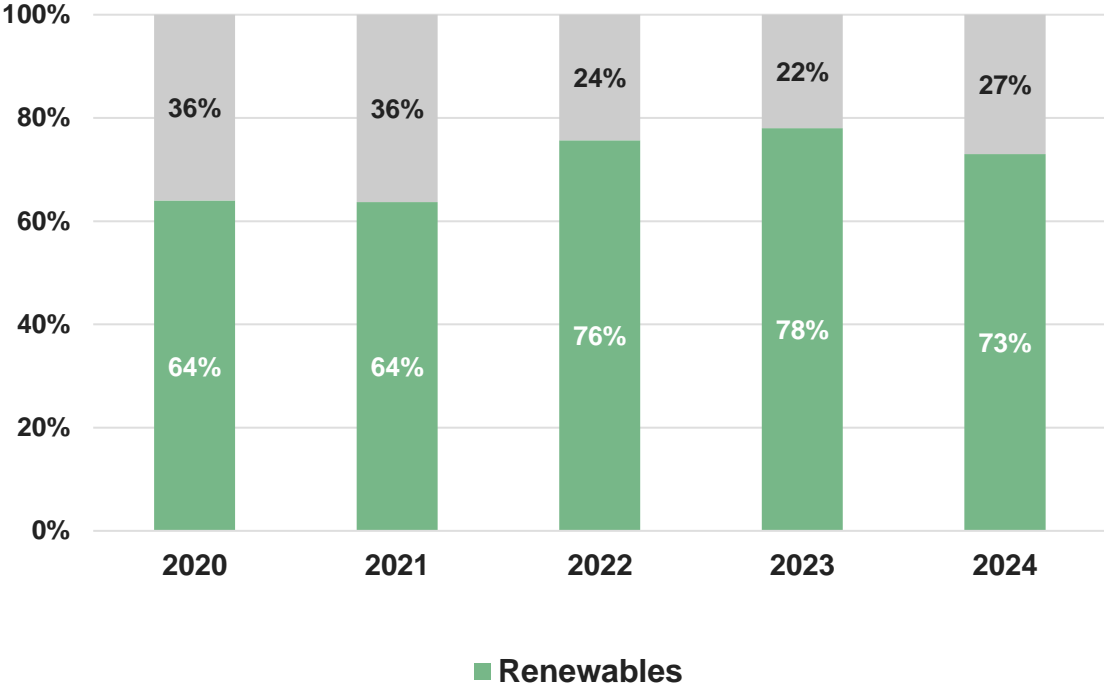
The amount of electricity transmitted to users has remained stable over the 5-year period

Proportion of renewable generated electricity in Latvia remains high

### Transmitted Electricity by AST, GWh

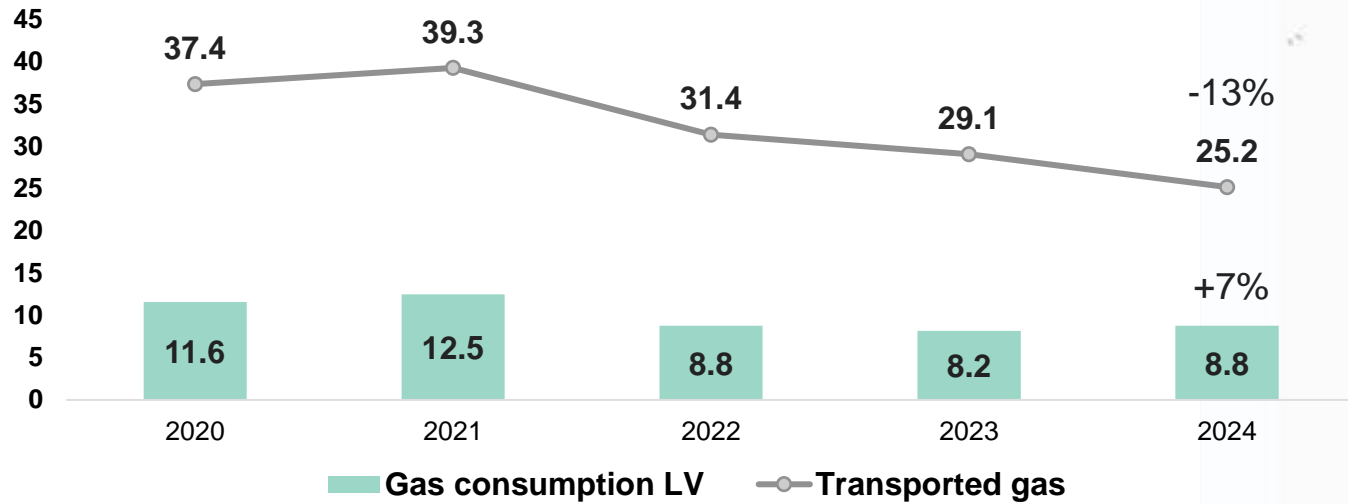


### Electricity generated in Latvia by their type

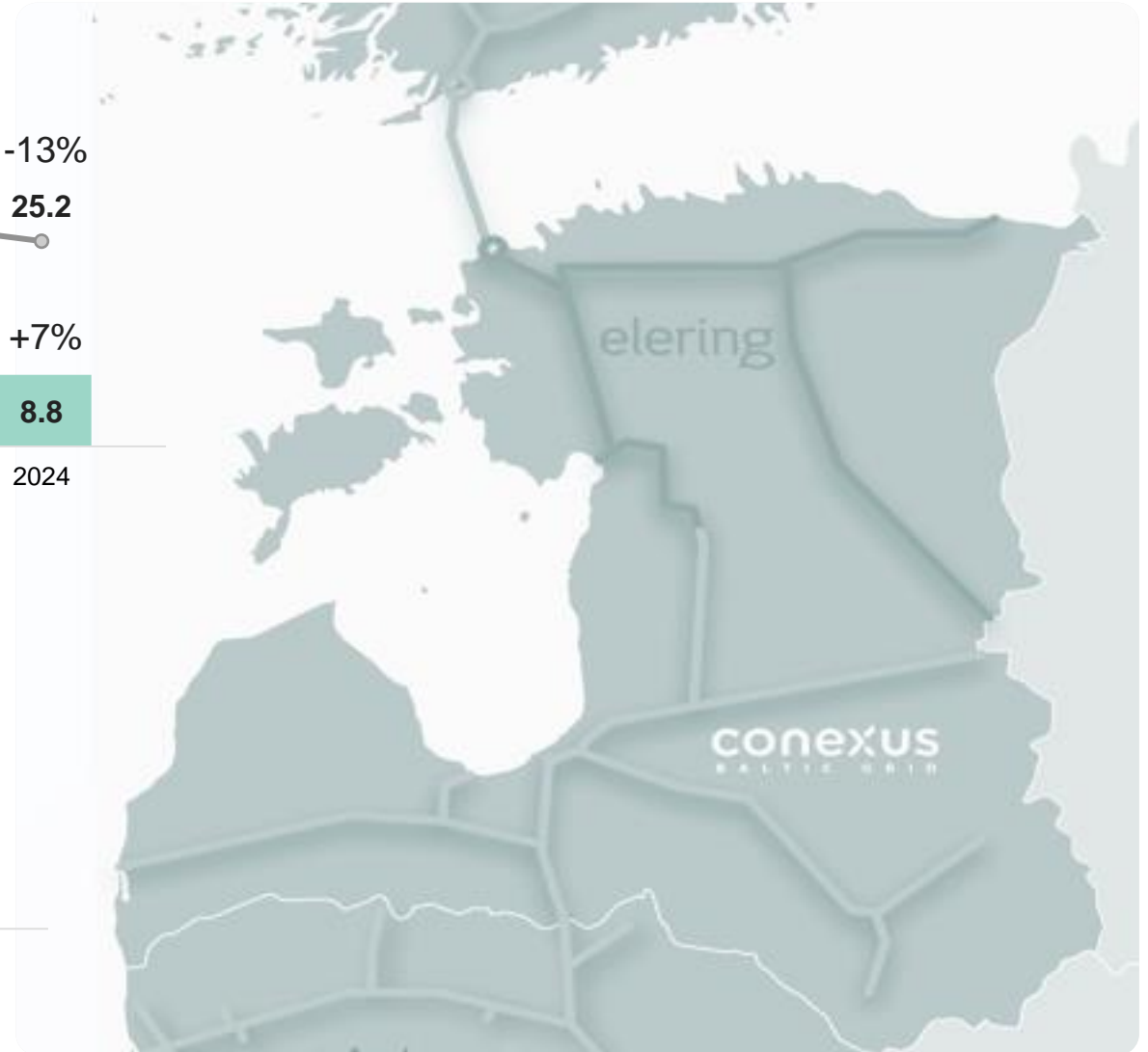
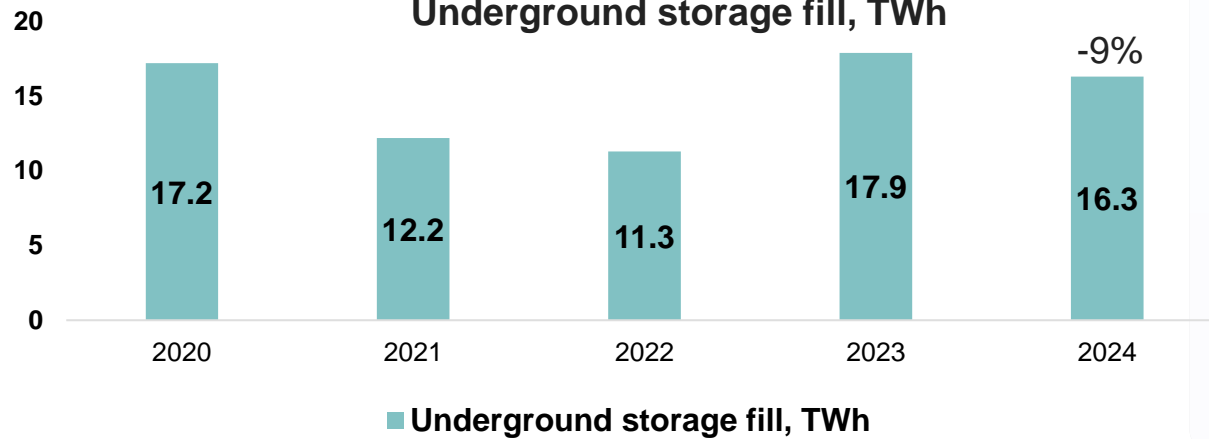


# CONEXUS KEY FACTS

## Transported gas, TWh



## Underground storage fill, TWh

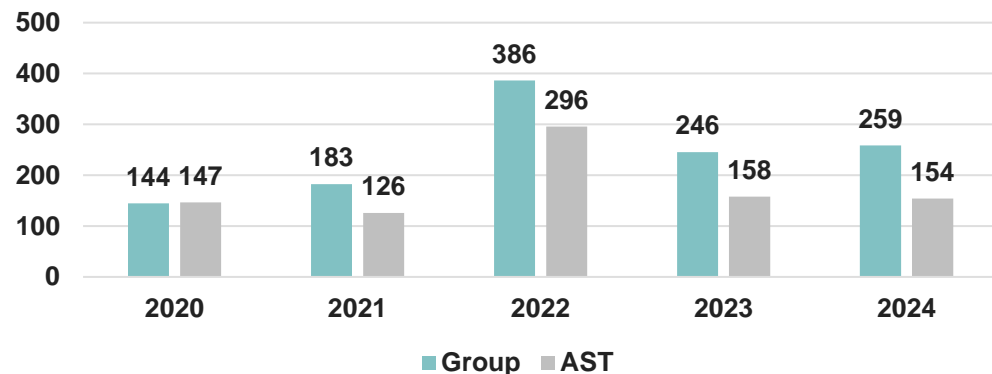


# GROUP'S FINANCIAL HIGHLIGHTS

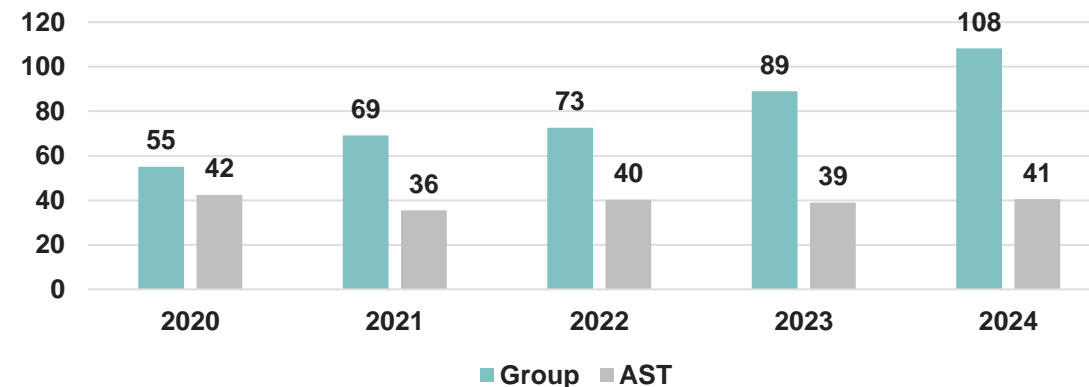
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# AST AND GROUP'S KEY FINANCIAL FIGURES

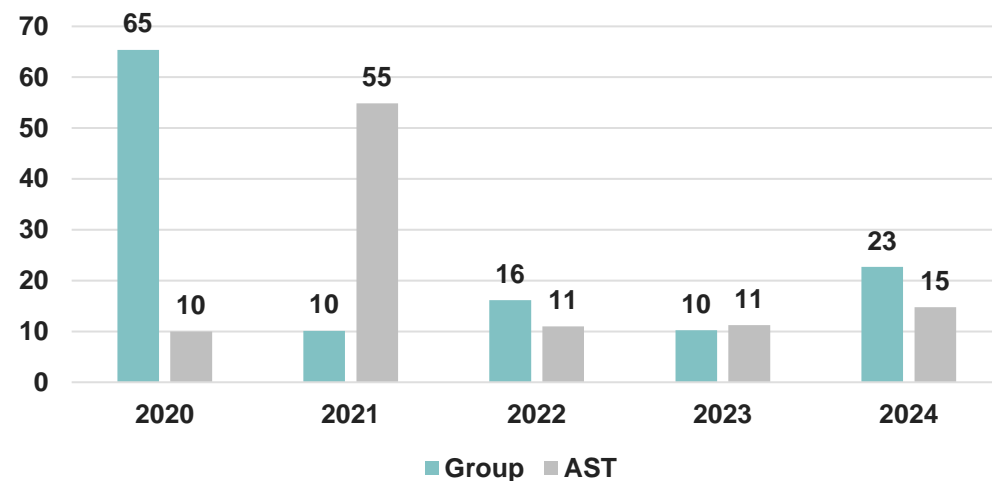
## Revenue, mEUR



## EBITDA, mEUR



## Profit after Tax, mEUR



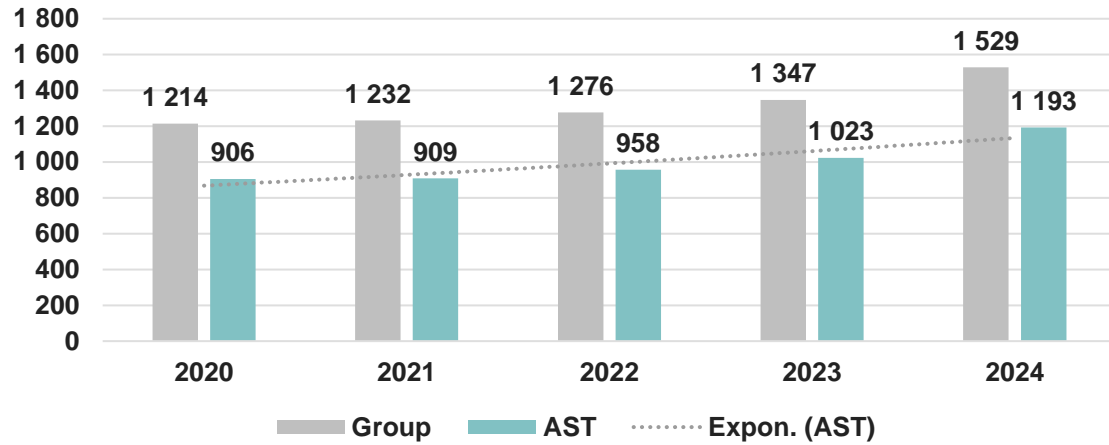
Reduction in Revenue for AST mainly due to the reduction in Congestion Revenue usage to cover operative expenses - AST used 4.5 mEUR of Congestion Revenue in 2024 (14.1 mEUR in 2023)

Group's Revenue and EBITDA has increased to 259 mEUR and 108 mEUR in 2024 from 246 mEUR and 89 mEUR year ago, thanks to successful year in gas transmission and storage segment.

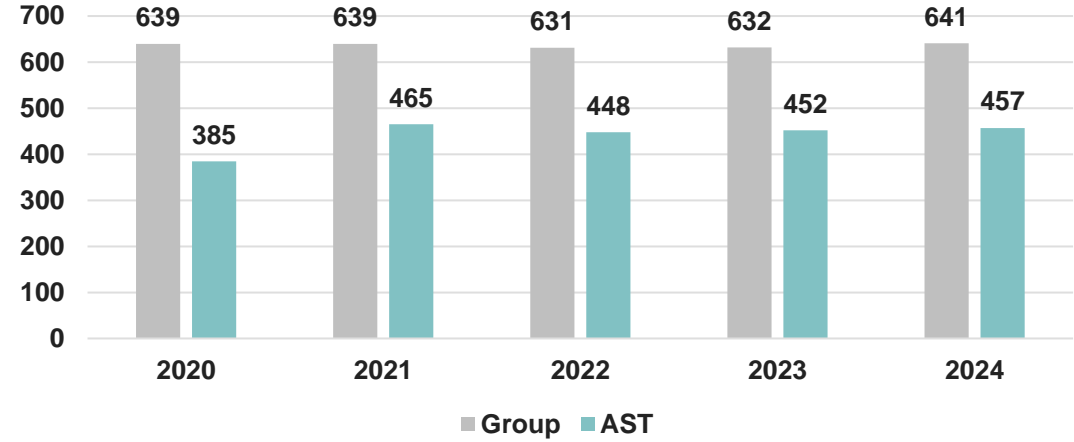
Group's Profit has increased to 22.7 mEUR from 10.2 mEUR year ago, while AST's Profit has increased to 14.8 mEUR from 11.2 mEUR year ago.

# AST AND GROUP'S CAPITAL STRUCTURE

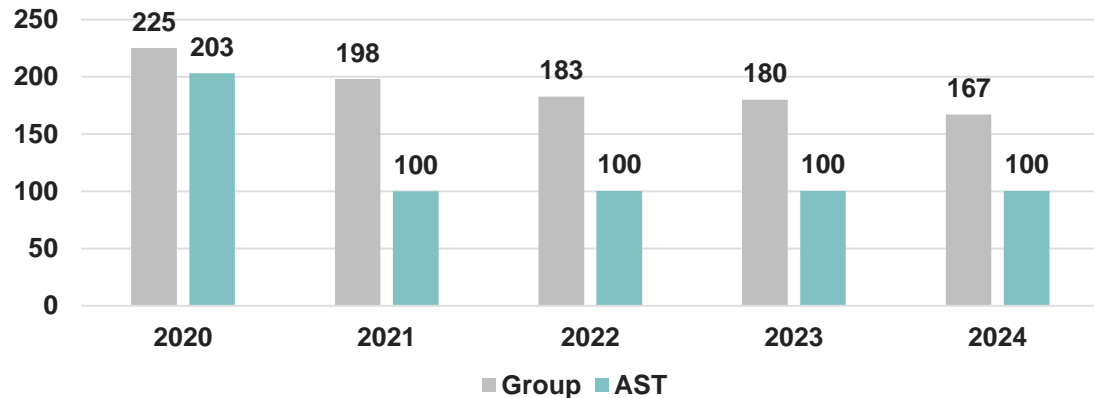
### Assets, mEUR



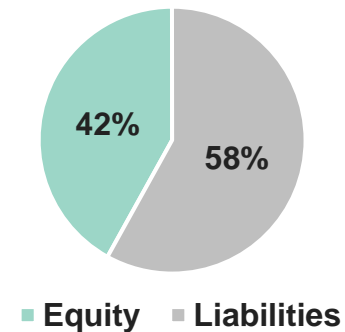
### Equity, mEUR



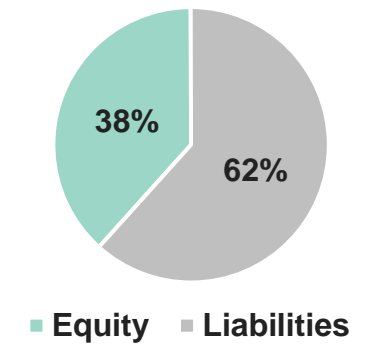
### Borrowings, mEUR



### Capital structure - Group



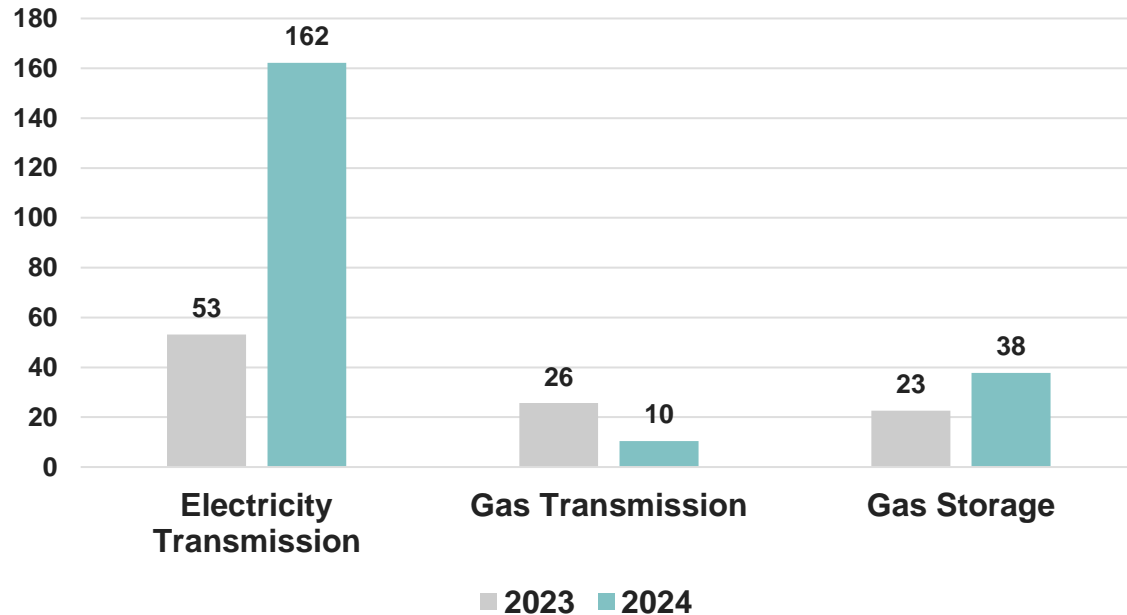
### Capital structure - AST



# CAPITAL INVESTMENTS PER SEGMENT

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INVESTMENTS PER SEGMENT, mEUR



## The largest projects in the Electricity Transmission segment:

Synchronisation projects:

- Completed 330 kV Valmiera – Tsirguliina line
- Started installation of synchronisation equipment
- Started construction of BESS

Existing substation and transmission line reconstructions

Customer requests for connections for renewables

## The largest projects in the Gas Transmission segment:

Infrastructure maintenance, anti-corrosion treatment, isolation material renewals

SCADA transmission control system upgrades

## The largest project in the Gas Storage segment:

Underground storage modernisation projects, gas well maintenance, new equipment for gas compression

SCADA storage control system upgrades

# FINANCIAL RATIOS AND BORROWINGS

RATIOS	AST	GROUP	
<b>Borrowings, mEUR</b>	100	167	<b>AST</b> GREEN BOND - 100 mEUR 01/2027 OVERDRAFT - 20 mEUR (NOT USED) LOAN – 80 mEUR (NOT USED)
<b>Cash and short-term deposits, mEUR</b>	68	93	
<b>Net borrowings, mEUR</b>	32	74	
<b>Equity, (≥ 35%)</b>	38 %	42 %	<b>CONEXUS</b> LOANS - 67 mEUR COMMITTED LOAN - 45 mEUR
<b>Net borrowings / EBITDA, (≤ 5.0)</b>	0.8	0.7	
<b>Total Liquidity (≥ 1.2)</b>	1.0	0.9	
<b>Fixed rate borrowings</b>	100 %	76 %	

All financial conditions included in the commitment agreements are fulfilled

Available credit line to ensure liquidity

# **NON - FINANCIAL REPORT**

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# AST STRATEGY 2021-2025

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**FINANCIAL  
GOALS**



**ENERGY  
SECURITY**



**QUALITY  
POWER SUPPLY**



**SUSTAINABLE  
AND EFFICIENT  
GOVERNANCE**



**RESPONSIBILITY  
TOWARDS EMPLOYEES  
AND SOCIETY**

**DIGITAL TRANSFORMATION**

**GREEN TRANSFORMATION**



Achieve an optimal capital structure. Financial risk management dividend policy



Synchronised with continental European transmission networks

Development and integration of electricity and auxiliary services markets in European markets



Power supply focused on innovation and safe operation



Modernisation of governance cost optimisation



Safe and innovative working environment

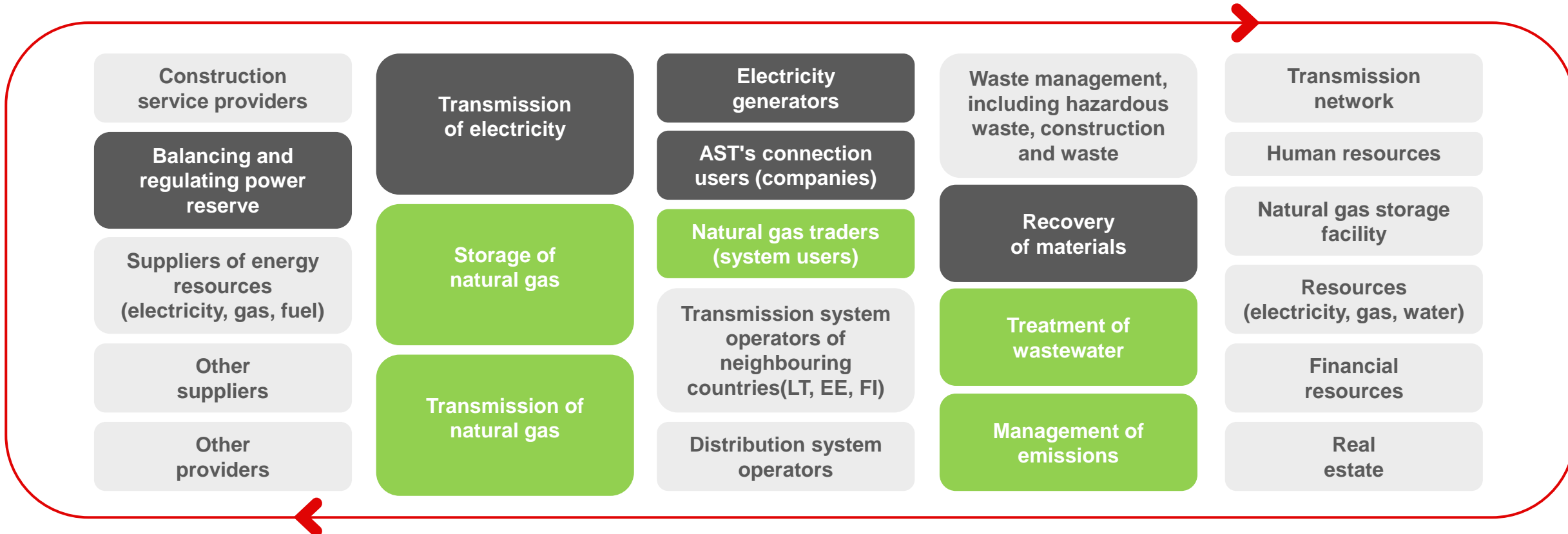
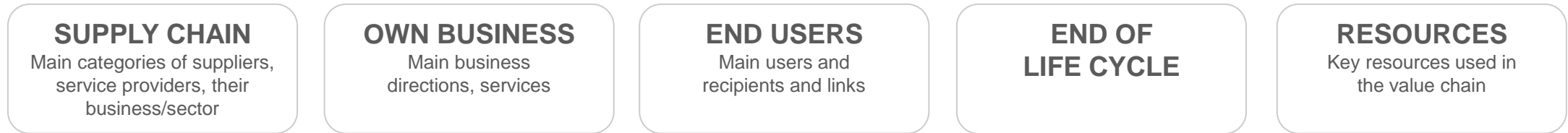
Improvements in employee commitment

Social responsibility towards the public

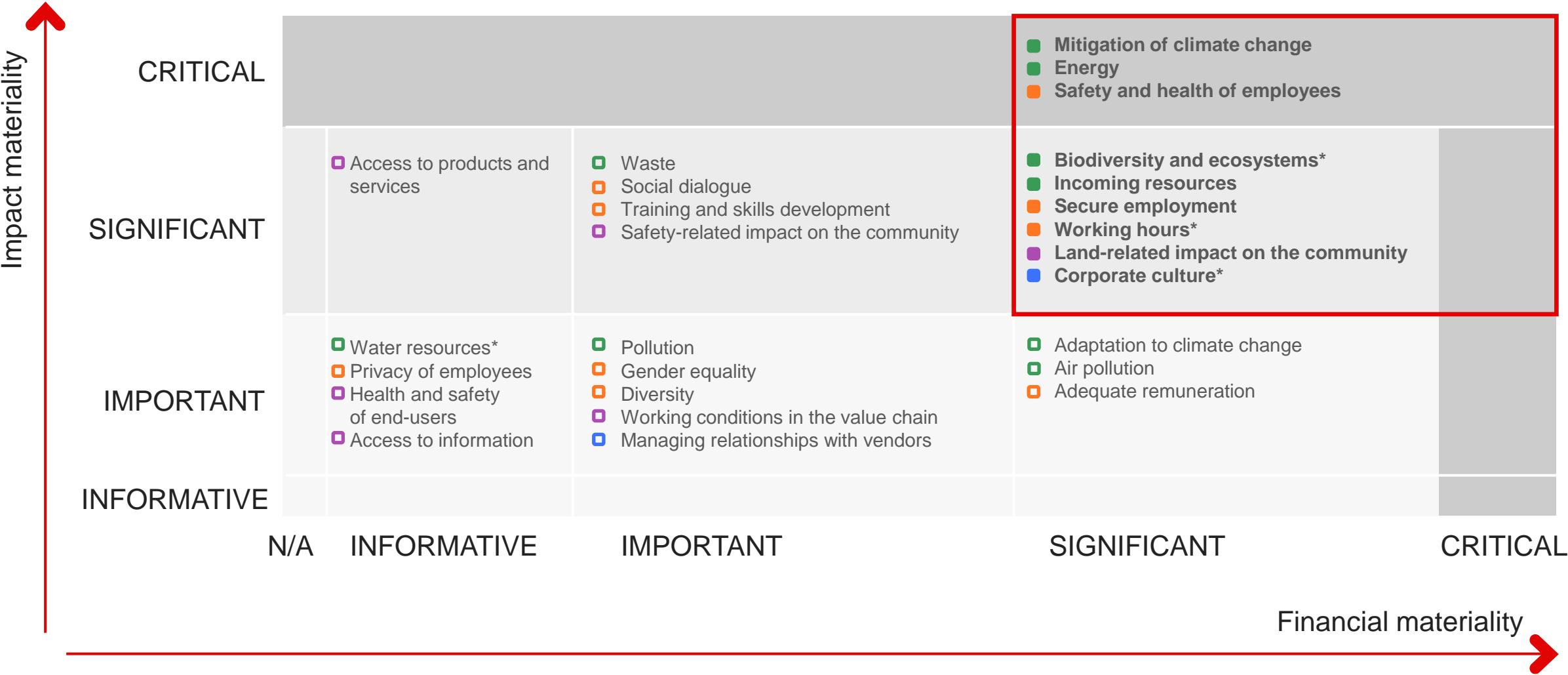
# VALUE CHAIN



Both companies



# KEY ASPECTS/DOUBLE MATERIALITY



■ Environmental topics   
 ■ Social – working environment topics   
 ■ Social - value chain topics   
 ■ Governance topics

The ESRS (sub) sub-topics marked with an asterisk (\*) combined with similar ESRS (sub) sub-topics

# NON-FINANCIAL GROUP'S STRATEGY 2021-2025 GOALS

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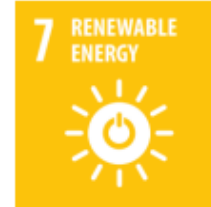
## Green transformation:

Environmentally friendly "green" substation

System readiness for green electricity energy

Efficient dispatch centre construction.

Implementation of measures to reduce the carbon footprint



ENSURE ACCESS TO AFFORDABLE,  
RELIABLE, SUSTAINABLE AND MODERN  
ENERGY FOR ALL



BUILD RESILIENT INFRASTRUCTURE,  
PROMOTE INCLUSIVE, AND  
SUSTAINABLE INDUSTRIALISATION  
AND FOSTER INNOVATION

## Social responsibility towards employees and society:

Employee satisfaction and engagement

Occupational safety, excluding serious accidents due to employer's fault



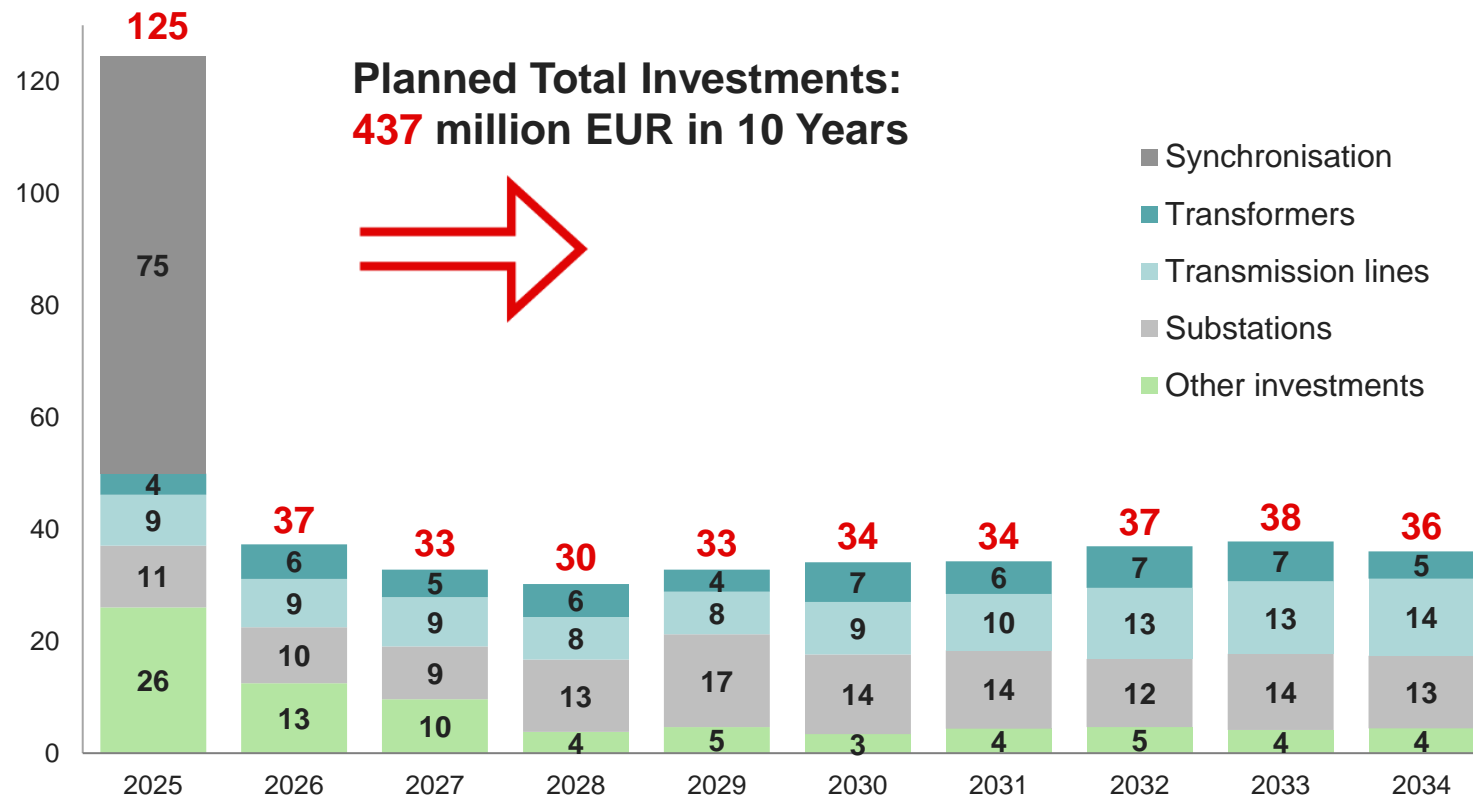
TAKE URGENT ACTION TO FIGHT  
CLIMATE CHANGE AND ITS IMPACT

# DEVELOPMENT PLANS

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# INVESTMENTS AS PER 10-YEAR DEVELOPMENT PLAN

## CAPITAL INVESTMENTS IN ELECTRICITY TRANSMISSION SYSTEM, mEUR



### Synchronisation Phase 1 and Phase 2:

3 Synchronous compensators – in Ventspils, Grobiņa, Līksna

Frequency regulation equipment (Battery Energy Storage System – BESS) in Tume, Rēzekne

Additional equipment for the technical requirements set by ENTSO-E

Estimated to be completed by the end of 2025

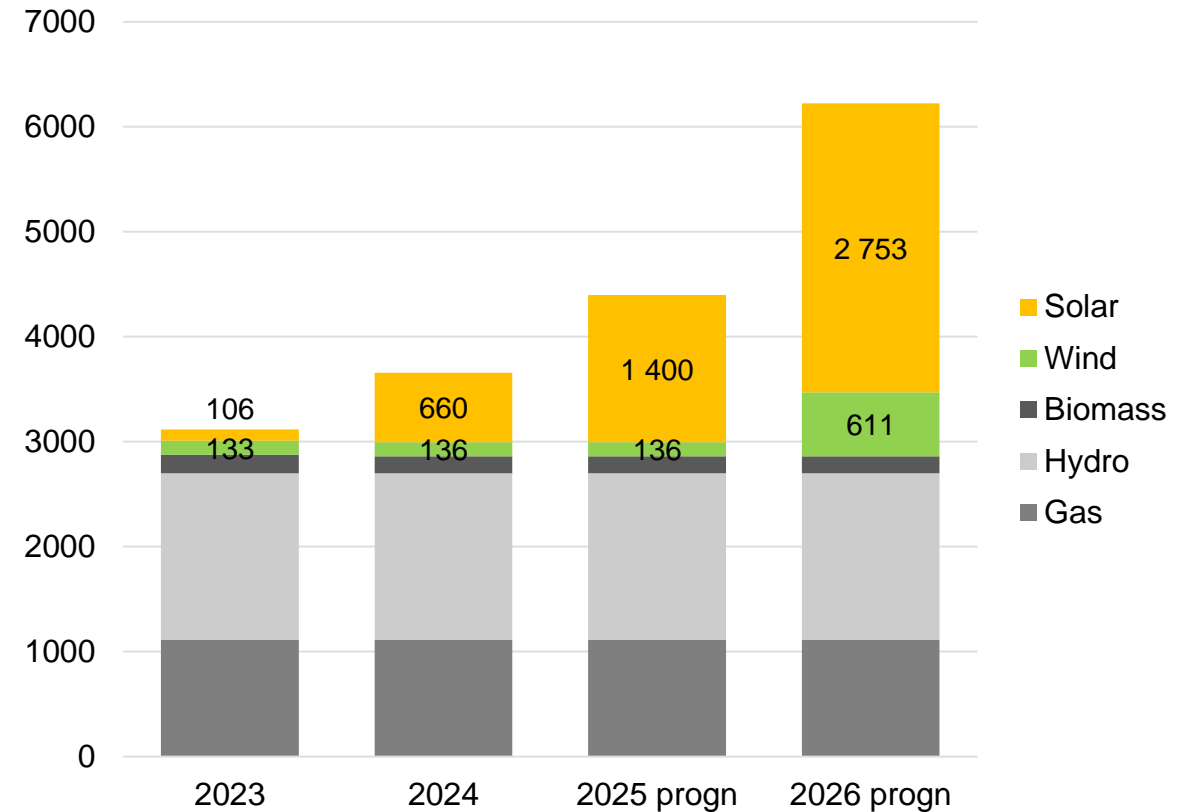
# STRONG GROWTH OF WIND AND SOLAR GENERATION

~4 GW generation connection reservations;

23 new generation connection construction agreements total ~2 GW;

This June AST will start accepting applications for flexible generation connection reservations for up to 5 GW as well as for BESS connections.

Generation capacity in Latvia, MW



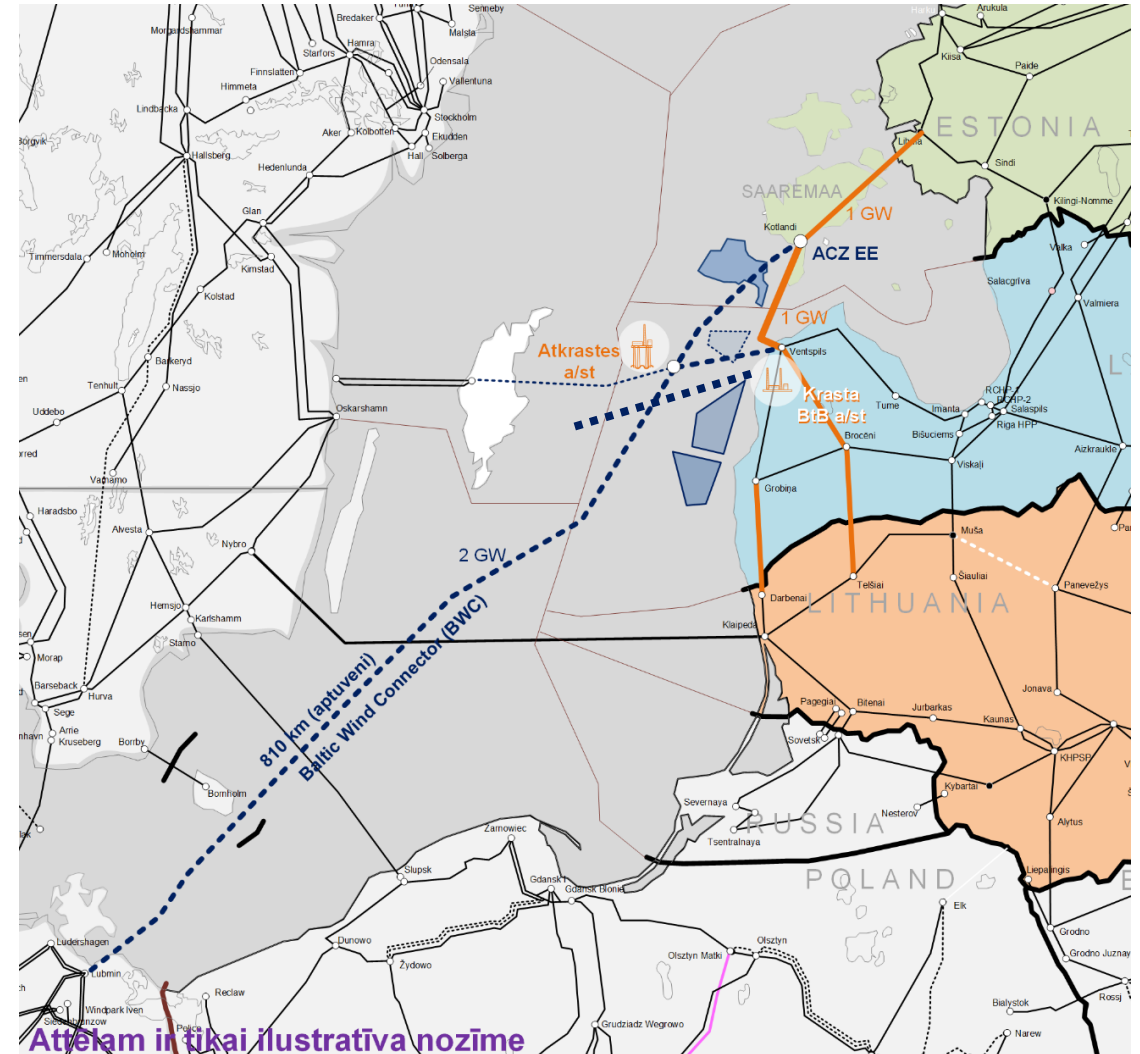
# 4TH ESTONIA – LATVIA INTERCONNECTION

1 GW HVAC, 220 kV interconnection between Sarema island and Ventspils;

AST and Elering will make a common analysis of possible technical and technological solutions by the end of 2025;

AST and Elering plan to start environmental impact assessment in 2026;

Expected commissioning in 2033.



# VENTSPILS-BROCĒNI-VARDUVA (LITHUANIA)

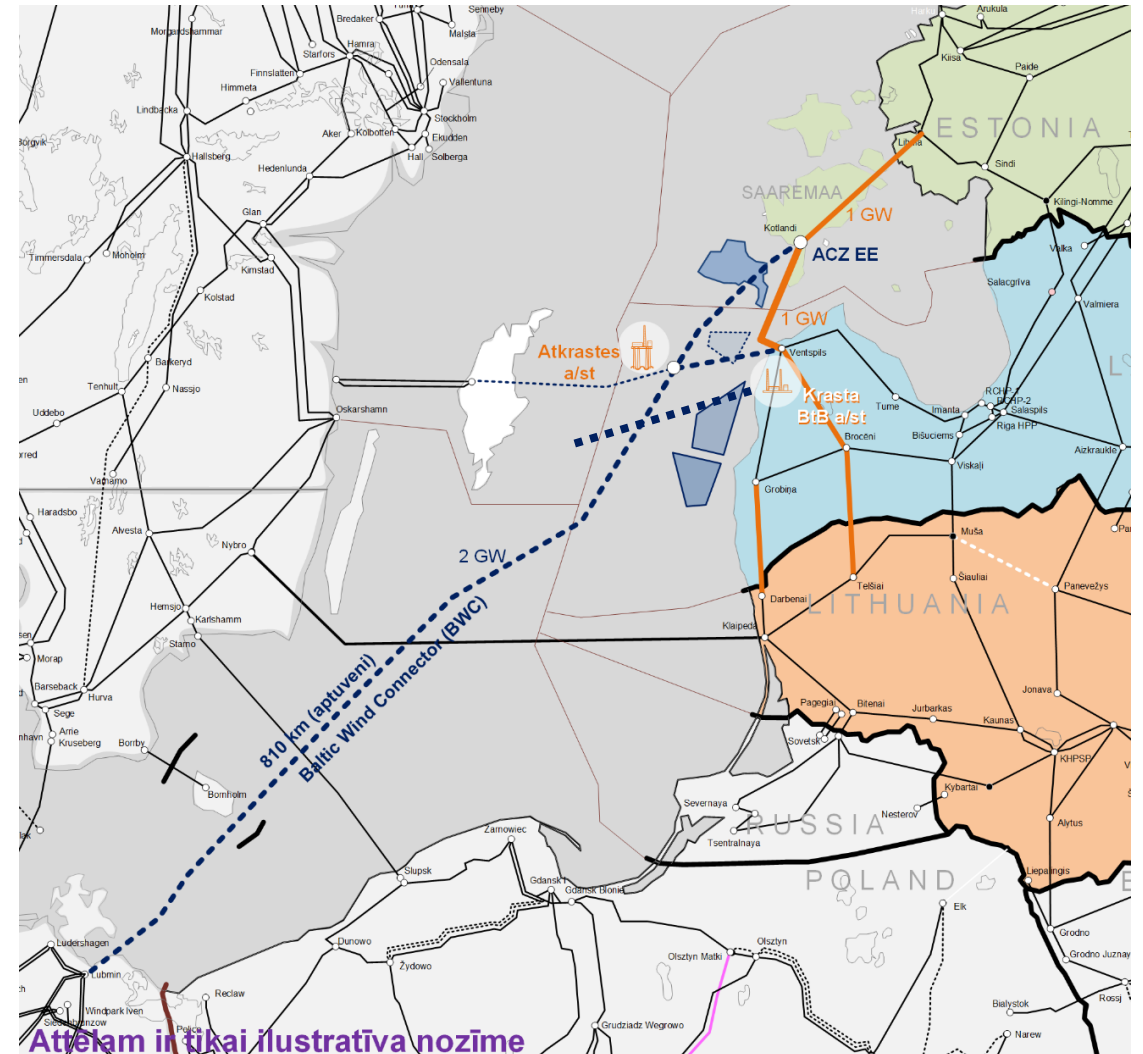
New 330 kV line from Ventspils to Brocēni and to Varduva (LT);

The new 330 kV line is necessary both in connection with the 4th LV-EE interconnection and the planned Latvia-Sweden interconnection;

The project will enable connecting a larger amount of RES to the transmission grid in the western part of Latvia;

Will increase the security and stability of Latvia's electricity supply;

Environmental impact assessment by 2026. Construction and commissioning by 2030.



# QUESTIONS & ANSWERS

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# CONTACTS

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