



AUGSTSPRIEGUMA TĪKLS GROUP'S
CONSOLIDATED AND AS "AUGSTSPRIEGUMA
TĪKLS" STAND-ALONE

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE 6-MONTH PERIOD
ENDED 30 JUNE 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" stand-alone Interim Financial Statements for the 6-month period ended 30 June 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" stand-alone Interim Financial Statements for the 6-month period ended 30 June 2024 takes precedence over this translation.

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INFORMATION ABOUT THE GROUP AND THE COMPANY



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NAME OF THE PARENT COMPANY	AS "Augstsprieguma tīkls"
LEGAL STATUS OF THE PARENT COMPANY	Joint stock company
NUMBER, PLACE AND DATE OF REGISTRATION OF THE PARENT COMPANY	000357556 Riga, 28 December 2001 Re-registered in the Commercial Register on 13 November 2004 under the Uniform Registration Number 40003575567
LEI CODE	64883LC3F12690GATG87
REGISTERED OFFICE	Dārzciema iela 86, Riga, LV-1073, Latvia
THE PARENT COMPANY'S OPERATING ACTIVITY	Transmission of electricity, NACE code 35.12
THE GROUP'S OPERATING ACTIVITY	Transmission of electricity, NACE code 35.12; and Transport via pipeline, NACE code 49.50.
THE PARENT COMPANY'S SHAREHOLDER	The Republic of Latvia (100%)
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 Council Armands Eberhards – Member of the Council Aigars Ģermanis – Member of the Council
SHAREHOLDINGS IN OTHER COMPANIES	AS "Conexus Baltic Grid" (68,46%)
REPORTING PERIOD	1 January 2024 – 30 June 2024

KEY FINANCIAL AND OPERATIONAL INDICATORS



KEY FINANCIAL AND OPERATIONAL INDICATORS

	GROUP*		PARENT COMPANY	
	6 months of 2024	6 months of 2023	6 months of 2024	6 months of 2023
FINANCIAL INDICATORS				
Revenue, thous. EUR	127 261	105 117	77 183	72 720
EBITDA, thous. EUR	58 569	38 143	21 002	17 927
Profit, thous. EUR	29 019	8 409	12 659	6 056
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Total assets, thous. EUR	1 419 665	1 314 795	1 082 828	999 617
Equity, thous. EUR	647 331	630 028	454 559	446 542
Borrowings, thous. EUR	173 244	176 105	100 155	100 128
Net cash flow from operating activity, thous. EUR	73 999	48 886	38 965	29 341
Cash and short-term deposits, thous. EUR**	69 200	67 915	56 299	65 146
FINANCIAL RATIOS				
Total liquidity ratio (≥ 1.2)*	1.1	1.5	1.3	2
EBITDA margin	46%	36%	27%	25%
Equity ratio ($\geq 35\%$)*	46%	48%	42%	45%
Net debt to equity ($\leq 55\%$)*	16%	15%	10%	7%
PERFORMANCE INDICATORS				
Electricity transmitted to Latvian consumers, GWh	3 005	2 976	3 005	2 976
Natural gas transmitted, TWh	12.9	14.7	-	-
Natural gas transmitted to consumers in Latvia, TWh	5.0	4.3	-	-
Average number of employees	879	881	541	533

* 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.

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 ratio = net borrowings/(net borrowings + equity)

MANAGEMENT REPORT



SIGNIFICANT FACTS AND DEVELOPMENTS

The transmission system operators of the Baltic States have notified Russia of the disconnection from the electricity grid controlled by the latter as of February next year

In July 2024, the electricity transmission system operators of the Baltic States, i.e., Estonian “Elering”, Latvian AS “Augstsprieguma tīkls” (hereinafter also “AST” or “the Parent Company”) and Lithuanian “Litgrid”, sent a notification of non-renewal of the BRELL agreement to the Russian and Belarusian transmission system operators. Consequently, the agreement will be terminated in February 2025, when the Baltic countries disconnect from the Russian-controlled energy system and start operating synchronously with the continental European electricity grid.

Since the Russian invasion of Ukraine, Latvia has completely ceased importing and exporting electricity from Russia and Belarus. Synchronous operation with the electricity system of continental Europe will ensure independent and safe control of the system frequency and increased energy security for the electricity systems of the Baltic States.

Synchronisation will ensure better European Union transmission system interconnection and market integration, allowing the Baltic electricity system to operate according to uniform and transparent European rules, which will benefit all consumers. It will also contribute to the development of renewable energy in the Baltic States and Poland, as new and rebuilt power lines, substations and synchronous compensators will increase the transmission system’s ability to provide a greater share of renewable sources in overall electricity generation.

Over the next decade, EUR 445 million would be invested in the electricity transmission system

AST has developed and submitted, in June 2024, the Electricity Transmission Network Development Plan for the period from 2025 to 2034 to the Public Utilities Commission (“PUC”) for approval. According to the Development Plan, EUR 445 million will be invested in the electricity transmission system over the next decade, of which EUR 82 million will be co-financed by European Union funds. The transmission system infrastructure and control technologies are undergoing fundamental changes so that the Latvian transmission system is fully prepared for synchronous operation with continental Europe. The disconnection of the Latvian electricity supply system from the system controlled by Russia and Belarus is a basic condition for ensuring Latvia’s energy independence. In addition, connecting large-scale renewable power plants to the transmission system will be an AST priority in the coming years. The development of renewable energy power plants is an important contribution to the achievement of Latvia’s energy and climate goals.

The reconstructed 330 kV power line “Valmiera – Tsirguliina” has been launched

In June 2024, the reconstructed 330 kV power line “Valmiera – Tsirguliina” was launched. The reconstruction of the Valmiera – Tsirguliina line is one of the key preconditions for the synchronisation of the Baltic electricity networks with Europe. The synchronisation of the Baltic networks with continental Europe will increase the security of electricity supply in the region, while contributing to the development of the European internal energy market and creating new business opportunities. Similarly, investments in equipment and technologies made as part of the project are one of the preconditions for the reliable connection of large-scale renewable energy sources to the transmission network and the achievement of the goals of the European Green Deal. EUR 14 million were invested in the implementation of the project, of which 75% were co-financed by European Union funds.

AN OUTLINE OF THE AUGSTSPRIEGUMA TĪKLS GROUP

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 30 June 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.

CORE VALUES

TRUST



HONEST

Independent, ethical and open behaviour towards anyone and everyone

DEVELOPMENT



SMART

Efficient. Forward-looking. Long-term thinking

SAFETY



RESPONSIBLE

Thoughtful action. High sense of responsibility towards people, work, and nature.

TEAM



UNITED

Joining forces to achieve more. Strong team that encourages and challenges.

AN OUTLINE OF THE OPERATING ENVIRONMENT

Electricity market

Following the drop in the electricity price in the first quarter of 2024, in June 2024, the average price of electricity in Latvia, like in the other Baltic States, reached 91.73 EUR/MWh, 21% higher than the average electricity price in May 2024. At the same time, the electricity price in Latvia in June 2024 was 7% lower than in the corresponding period of the previous year. The increase in the electricity price in June 2024 was caused by a decrease in electricity production, as well as restrictions in cross-border transmission capacities as a result of Estlink-2 repair works.

The total amount of electricity produced in Latvia in June 2024, compared to the previous month, decreased by 52%, whereas electricity consumption fell by 5%. Compared to the corresponding period of the previous year, in June 2024, the amount of electricity produced in Latvia increased by 13%, while consumption increased by 0.2%. In the other Baltic States, a similar trend was observed – in June 2024, compared to the previous month, the amount of electricity produced in Lithuania and Estonia, decreased by 7% and 4%, respectively.

Due to a significant decrease in electricity production in Latvia, only 47% of the electricity consumed in the country was produced in June, which is the lowest figure since August last year, and the shortage of 269 GWh was imported from neighbouring countries. The biggest drop in production was observed in hydroelectric power plants, which produced only 124 GWh in June, which was 67% less than in May and 48% more than a year ago. At the same time, the contribution of solar power plants continued to grow in June, reaching 64 GWh, which accounts for just over a quarter (27%) of the total amount of electricity produced in Latvia.

Natural gas market

In the first six months of 2024, Conexus ensured a continuous supply of natural gas to Latvia, Lithuania, Estonia, and Finland. The supply of natural gas was carried out from the Inčukalns Underground Gas Storage facility (hereinafter also “Inčukalns UGS”) in the amount of 7.1 TWh, which was 2.1 times more than during the first six months of the previous year, the amount of natural gas received from Estonia reached 3.7 TWh, which was 1.7 times more than during the corresponding period of the previous year, while the amount of natural gas received from Lithuania reached 2.1 TWh, which is 4.5 times less than during the relevant period of the previous year. The Balticconnector underwater gas pipeline connecting Finland and Estonia had been closed since 8 October 2023. Its operation was renewed on 22 April 2024. The total volume of natural gas transported in Latvia during the reporting period reached 12.9 TWh, which was 12% less than in the corresponding period of the previous year.

The amount of natural gas consumed for the needs of Latvian users totalled 5 TWh in the first six months of 2024, which was 16% more than in the corresponding period of the previous year. The increase in natural gas consumption was due to both climatic conditions, which were more severe in the winter months than in 2023, as a result of which users' need for natural gas for heating was higher than in the previous year, and a gradual decrease in the price of natural gas, which allowed users to increase the consumption of natural gas. The increase in natural gas consumption was also due to the increase in electricity production in the country's largest thermal power plants. Natural gas from the Russian Federation has not been supplied for consumption by Latvian users.

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, while 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	1 742
110 kV	124	242	5 100	3 813
TOTAL	141	268	8 825	5 555

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 – 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, the Czech Republic, 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 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

During the reporting period, the net turnover of the Augstsprieguma Tīkls Group was EUR 127,261 thousand, and the net profit was EUR 29,019.

Electricity transmission segment

Having assessed the financial performance indicators and business performance of the segment, it should be noted that under Section 5 of the Energy Law, the transmission of electricity is a regulated sector; the PUC determines the allowed profit by determining the rate of return on capital by approving the tariffs for electricity transmission networks services.

The segment's net turnover during the reporting period totalled EUR 77,183 thousand, including revenue of EUR 46,848 thousand for electricity transmission system services. A revenue increase of EUR 4,463 thousand or 6% compared to the corresponding period of 2023 was mainly related to the increase in balancing and regulatory electricity revenues (up by EUR 6,853 thousand), as well as an increase in revenue from transmission services (up by EUR 9,568 thousand) as a result of changes in electricity transmission tariffs from 1 July 2023. At the same time, the amount of congestion management revenue allocated to cover the costs of the transmission network services has significantly decreased over the reporting period (by EUR 9,077 thousand). The increase in balancing and regulating electricity revenues was in line with the increase in costs, thus their impact on profit is neutral.

In the first six months of 2024, the Parent Company earned a profit of EUR 12,659 thousand, including EUR 8,171 thousand in dividends from the Subsidiary. This level of profit has been achieved by using congestion management revenues of EUR 3,461 thousand. Under the Public Utilities Commission (hereinafter also "PUC") Council's decision of 22 May 2023, new tariffs for electricity transmission system services were approved, becoming effective 1 July 2023. At the same time, in accordance with the aforementioned decision, permission was granted to use the accumulated congestion management revenues until the end of 2025 to cover the costs of the transmission system services totalling up to EUR 62.1 million (see Annex 4 for details).

Natural gas transmission segment

The revenue of the natural gas transmission segment during the reporting period totalled EUR 19,727 thousand, and EBITDA totalled EUR 12,936 thousand, making up 34% of Conexus' total EBITDA. The profit of the transmission segment totalled EUR 7,066 thousand, which significantly exceeded the profit indicators for the corresponding period of the previous year. Conexus is regulated and regulatory periods are different from the financial year. Under the Methodology for calculating the tariffs of the natural gas transmission system, revenue and cost deviations from the permitted volumes may occur during the tariff period, which will affect the tariff values in the next tariff cycles. The natural gas transmission segment derives its revenue from the sale of capacity for both natural gas consumption in Latvia and international natural gas transportation.

From 1 December 2023, the valid tariffs for the natural gas transmission system service have been approved by the Regulator's Decision No. 119 of 26 October 2023 (see <https://likumi.lv/ta/id/346867>). In accordance with the aforementioned decision, from 1 December 2023, when the regulatory period of the natural gas transmission network service began, a fee for the point of departure for the supply of Latvian users is applied, which is higher than that applied in the previous regulatory period. The increase in the fee is due to the fact that the revenue received in the previous regulatory period has not covered all the costs of the service, and because the volume of natural gas consumption in Latvia has decreased.

Natural gas storage segment

In the reporting year, the revenue of the natural gas storage segment totalled EUR 30,352 thousand, and EBITDA totalled EUR 24,631 thousand. The profit of the storage segment totalled EUR 17,466 thousand.

The natural gas storage segment earns revenue from the booking of storage capacity, which is allocated to system users during the storage cycle through auctions of storage capacity. The storage cycle lasts from 1 May 1 to 30 April of the following year. From 1 May 2024, new tariffs for the natural gas storage system service are in force (see Decision of

the PUC). For basic commodities, which are a one-year bundled capacity commodity and a two-year bundled capacity commodity, the tariffs remain unchanged. The tariff of the inventory transfer commodity has risen from 1.3581 EUR/MWh/storage cycle to 3.2260

EUR/MWh/storage cycle. The tariff of the stock transfer commodity is determined by the results of the previous season's two-year bundled capacity commodity auctions, which in turn are determined by market demand.

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 948 million at the end of the reporting period. In the first six months of 2024, investments in electricity transmission assets were carried out in the amount of EUR 50,413 thousand, including:

- Synchronisation with the European electricity transmission network (phases 1 and 2): Investments amounted to EUR 31,711 thousand have been made. EUR 238,772 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 7,324 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

At the end of the reporting period, the assets of the transmission segment totalled EUR 247 million, making up 51% of the total assets of the Subsidiary. During the reporting period, investments worth EUR 3,482 thousand were made, of which the most significant were:

- Gas pipeline insulation replacement at Izborsk – Inčukalns UGS facility in the amount of EUR 1,073 thousand;
- Repairs of the sections of the transmission gas pipelines and their anti-corrosion insulation were carried out, worth EUR 677 thousand;
- Development of SCADA transmission control system totalled EUR 676 thousand.

Natural gas storage segment

At the end of the reporting period, the assets of the segment totalled EUR 235 million, making up 49% of the total assets of the Subsidiary. During the reporting period, investments worth EUR 20,167 thousand were made, of which the most significant were:

- Reconstruction of wells, compressors, and gas collection point No. 3 and installation of a new gas collection point for a total of EUR 18,822 thousand, the aforementioned reconstruction was implemented as part of the ambitious project of common interest of the European Union PCI 8.2.4 "Enhancement of Inčukalns Underground Gas Storage";
- Solar power production plant – EUR 403 thousand;
- Development of SCADA storage control system – EUR 376 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.

As at 30 June 2024, the Parent Company's total borrowings amounted to EUR 100,155 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%).

As at 30 June 2024, the total amount of the Group's bonds was EUR 173,244 thousand, including bonds issued in the amount of EUR 100,155 thousand and bank loans in the amount of EUR 73,089 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 prepares 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 planned 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, 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 this 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 will 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 the work of the ENTSO-E's Research, Development, and Innovation Committee.

Under the auspices 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 Company will actively continue its work on the Inčukalns UGS facility modernization project, which is expected to significantly improve the technical infrastructure and equipment operation safety by 2025 so that the storage can maintain its functionality after increasing the pressure in the Baltic transmission system. In 2024, it is planned to invest EUR 33.5 million in the improvement of the storage facility infrastructure, which includes gas collection point No. 3 first stage of construction, renovation of six wells, as well as installation of a new gas transfer unit. The total investment volume of the project is EUR 99.5 million, of which EUR 44 million is to be covered from Connecting Europe Facility (CEF) funds.

To promote the production of biomethane in Latvia, Conexus is developing a solution that will offer the injection of biomethane into the natural gas transmission system to those manufacturers whose existing or future biomethane plants are relatively far from the existing natural gas transmission infrastructure. Conexus has signed an agreement for the purchase of equipment for the biomethane injection point (hereinafter "BIP") at the Džūkste parish, and currently the design works of the gas connection node are underway to be followed by its production and construction, as well as the development of the BIP management and data exchange solution. Biomethane will be transported in a compressed form from the plants to the BIP by container transport, where it will be injected into the natural gas transmission system. Under the Natural Gas Transmission System Development Plan for 2024-2033, it is planned to build four BIPs of this type, thus developing the natural gas transmission network elsewhere in Latvia.

The implementation of climate-friendly and sustainable energy solutions is one of the strategic directions of the Subsidiary. As part of the international project on the creation of the Nordic-Baltic hydrogen corridor, the European gas transmission system operators Conexus, Gasgrid Finland (Finland), Elering (Estonia), Amber Grid (Lithuania), GAZ-SYSTEM (Poland) and ONTRAS (Germany) completed a feasibility study during the reporting period. The study covered the technical, legal, organizational, and economic aspects that are necessary for the implementation of the project, which, in turn, will be decisive for the achievement of the European Union's decarbonisation goals. Given the region's significant green and low-carbon hydrogen production potential, the export potential to Central Europe could reach around 27 million tonnes in 2040. The project is an important part of Europe's transition to a sustainable and decarbonised energy system.

MANAGING FINANCIAL RISKS

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.

CIRCUMSTANCES AND EVENTS AFTER THE END OF THE REPORTING PERIOD

During the period from the last day of the reporting period to the date of signing the unaudited condensed interim financial statements, no other significant events occurred that would have a material impact on the Augstsprieguma Tīkls Group and the unaudited

condensed interim financial statements of AS “Augstsprieguma tīkls” for the six-month period ending 30 June 2024.

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

Rīga, 14 August 2024

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STATEMENT OF THE BOARD'S RESPONSIBILITY



STATEMENT OF THE BOARD'S RESPONSIBILITY

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 six-month period ended 30 June 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.

Rolands Irklis,
Chairman of the Board

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Member of the Board

Imants Zviedris,
Member of the Board

Gatis Junghāns,
Member of the Board

Ilze Znotiņa,
Member of the Board

Māra Grava,
Finanšu un grāmatvedības
departamenta vadītāja

Rīga, 14 August 2024

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CONSOLIDATED AND STAND- ALONE FINANCIAL STATEMENTS



STATEMENT OF PROFIT OR LOSS

	Notes	PARENT COMPANY		GROUP	
		6 months of 2024	6 months of 2023	6 months of 2024	6 months of 2023
		EUR	EUR	EUR	EUR
Revenue	4	77 183 042	72 720 252	127 261 343	105 117 492
Other revenue		5 594 800	2 311 211	6 177 230	2 787 061
Raw materials and consumables used	5	(39 309 130)	(31 943 300)	(42 547 736)	(34 963 279)
Personnel costs		(11 765 198)	(10 828 029)	(19 868 560)	(18 563 086)
Other operating expenses		(10 701 394)	(14 333 142)	(12 453 291)	(16 235 326)
EBITDA*		21 002 120	17 926 992	58 568 986	38 142 862
Depreciation and amortisation	7.4	(18 071 346)	(17 750 933)	(27 086 593)	(26 776 789)
OPERATING PROFIT/(LOSS)		2 930 774	176 059	31 482 393	11 366 073
Share of profit of an associate		20 000	-	20 000	-
Dividends received from the Subsidiary		8 170 968	5 719 677	-	-
Finance income	6a	1 814 710	458 728	2 218 989	483 532
Finance expenses	6b	(277 870)	(298 500)	(1 718 334)	(1 351 650)
PROFIT BEFORE TAX		12 658 582	6 055 964	32 003 048	10 497 955
Corporate income tax		-	-	(2 983 957)	(2 088 770)
PROFIT FOR THE REPORTING PERIOD		12 658 582	6 055 964	29 019 091	8 409 185
Profit attributed to:					
Parent Company's shareholders		12 658 582	6 055 964	21 281 863	5 862 993
Non-controlling interests		-	-	7 737 228	2 546 192

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

The Notes on pages 30 to 48 form an integral part of these financial statements.

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Māra Grava,
Head of Finance and
Accounting Department

Rīga, 14 August 2024

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STATEMENT OF COMPREHENSIVE INCOME

	Notes	PARENT COMPANY		GROUP	
		6 months of 2024	6 months of 2023	6 months of 2024	6 months of 2023
		EUR	EUR	EUR	EUR
PROFIT FOR THE REPORTING PERIOD		12 658 582	6 055 964	29 019 091	8 409 185
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		-	-	-	-
Total other comprehensive income for the reporting period		-	-	-	-
TOTAL comprehensive income for the reporting period		12 658 582	6 055 964	29 019 091	8 409 185
Comprehensive income attributable to:					
Parent Company's shareholders		12 658 582	6 055 964	21 281 863	5 862 993
Non-controlling interests		-	-	7 737 228	2 546 192

The Notes on pages 30 to 48 form an integral part of these financial statements.

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Riga, 14 August 2024

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STATEMENT OF FINANCIAL POSITION

	Notes	PARENT COMPANY		GROUP	
		30.06.2024	31.12.2023	30.06.2024	31.12.2023
		EUR	EUR	EUR	EUR
ASSETS					
Non-current assets					
Intangible assets	7.1	4 212 589	3 270 461	22 432 895	21 261 040
Advance payments for intangible assets		–	–	102 750	40 700
Property, plant, and equipment	7.2	730 872 083	699 082 116	1 152 802 759	1 106 603 680
Advance payments for property, plant and equipment		16 676 617	–	19 480 826	2 483 546
Right-of-use assets	7.3	13 984 628	14 398 940	14 426 414	14 847 298
Long-term financial investments	8	134 469 726	134 449 726	74 755	54 755
Long-term prepayments		917 936	674 022	917 936	674 022
Total non-current assets		901 133 579	851 875 265	1 210 238 335	1 145 965 041
Current assets					
Inventories		398 194	385 559	6 404 360	5 063 168
Receivables from contracts with customers	9	20 880 295	18 858 315	28 720 405	30 413 434
Other short-term receivables	10	63 295 505	38 924 866	64 279 725	39 830 252
Bank deposits	10	40 822 076	80 767 903	40 822 076	80 767 903
Cash and cash equivalents	11	56 298 553	31 946 690	69 200 151	44 900 140
Total current assets		181 694 623	170 883 333	209 426 717	200 974 897
TOTAL ASSETS		1 082 828 202	1 022 758 598	1 419 665 052	1 346 939 938

The Notes on pages 30 to 48 form an integral part of these financial statements.

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Riga, 14 August 2024

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STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	PARENT COMPANY		GROUP	
		30.06.2024	31.12.2023	30.06.2024	31.12.2023
		EUR	EUR	EUR	EUR
EQUITY AND LIABILITIES					
Equity					
Share capital	12a	395 555 050	391 598 534	395 555 050	391 598 534
Reserves	12b	35 721 764	36 237 699	36 326 015	36 841 950
Retained earnings		23 282 685	24 181 804	108 485 060	100 760 898
Equity attributable to equity holders of the parent		454 559 499	452 018 037	540 366 125	529 201 382
Non-controlling interests	12c	-	-	106 965 022	102 991 582
Total equity		454 559 499	452 018 037	647 331 147	632 192 964
Non-current liabilities					
Employee benefits		3 261 894	3 261 894	4 593 371	4 593 371
Lease liabilities	14	13 656 279	14 036 873	14 103 774	14 487 671
Borrowings	14	100 155 025	100 393 137	147 649 649	165 962 034
Deferred income from contracts with customers	13a	37 423 846	37 477 190	37 423 846	37 477 190
Other deferred income	13a	338 484 472	321 491 137	371 196 771	347 562 011
Total non-current liabilities		492 981 516	476 660 231	574 967 411	570 082 277
Current liabilities					
Borrowings	14	-	-	25 594 554	13 974 779
Lease liabilities	14	849 700	843 802	876 904	871 006
Deferred income from contracts with customers	13b	4 165 956	4 117 311	4 171 632	4 121 786
Other deferred income	13b	54 052 047	39 115 919	55 039 153	40 090 402
Trade payables	15	39 772 846	24 772 634	45 592 807	30 554 225
Deferred tax liability		-	-	3 638 647	3 638 647
Other liabilities	15	36 446 638	25 230 664	62 452 797	51 413 852
Total current liabilities		135 287 187	94 080 330	197 366 494	144 664 697
TOTAL EQUITY AND LIABILITIES		1 082 828 202	1 022 758 598	1 419 665 052	1 346 939 938

The Notes on pages 34 to 63 form an integral part of these financial statements.

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Riga, 14 August 2024

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STATEMENT OF CHANGES IN EQUITY

	Notes	PARENT COMPANY						TOTAL EUR
		Share capital	Retained earnings	Other reserves	Revaluation reserve for property, plant and equipment	Reserve of the remeasurement of postemployment benefits	Reorganization reserve	
		EUR	EUR	EUR	EUR	EUR	EUR	
At 31 December 2022		391 598 534	19 336 624	2 680 615	61 496 142	(255 243)	(27 336 704)	447 519 968
Profit for the year		-	11 222 316	-	-	-	-	11 222 316
Other comprehensive income for the reporting year		-	-	-	-	309 558	-	309 558
Total comprehensive income for the year		-	11 222 316	-	-	309 558	-	11 531 874
Dividends paid	12a	-	(7 033 805)	-	-	-	-	(7 033 805)
Write-down of revaluation reserve for property, plant and equipment		-	656 669	-	(656 669)	-	-	-
Total transactions with shareholders and other changes in equity		-	(6 377 136)	-	(656 669)	-	-	(7 033 805)
At 31 December 2023		391 598 534	24 181 804	2 680 615	60 839 473	54 315	(27 336 704)	452 018 037
Profit for the reporting period		-	12 658 582	-	-	-	-	12 658 582
Total comprehensive income for the reporting period		-	12 658 582	-	-	-	-	12 658 582
Dividends paid	12a	-	(10 117 120)	-	-	-	-	(10 117 120)
Write-down of revaluation reserve for property, plant and equipment		-	515 935	-	(515 935)	-	-	-
Share capital increase		3 956 516	(3 956 516)	-	-	-	-	-
Total transactions with shareholders and other changes in equity		3 956 516	(13 557 701)	-	(515 935)	-	-	(10 117 120)
At 30 June 2024		395 555 050	23 282 685	2 680 615	60 323 538	54 315	(27 336 704)	454 559 499

The Notes on pages 30 to 48 form an integral part of these financial statements.

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Riga, 14 August 2024

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STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Notes	GROUP								
		Attributable to the shareholder of the Parent Company							Non-control- ling interests līdzdalība	Total
		Share capital	Retained earnings	Other reserves	Revaluation reserve for property, plant and equipment	Reserve of the re-measurement of post-employ- ment benefit	Reorganization reserve	Total		
		EUR	EUR	EUR	EUR	EUR	EUR	EUR		
At 31 December 2022		391 598 534	102 272 149	2 680 615	60 709 279	(472 472)	(25 748 543)	531 039 562	100 247 555	631 287 117
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
Total comprehensive income for the year		-	4 865 885	-	-	329 740	-	5 195 625	5 378 510	10 574 135
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)	-	-	-	-	-
Total transactions with shareholders and other changes in equity		-	(6 377 136)	-	(656 669)	-	-	(7 033 805)	(2 634 483)	(9 668 288)
At 31 December 2023		391 598 534	100 760 898	2 680 615	60 052 610	(142 732)	(25 748 543)	529 201 382	102 991 582	632 192 964
Profit for the reporting period		-	21 281 863	-	-	-	-	21 281 863	7 737 228	29 019 091
Total comprehensive income for the reporting period		-	21 281 863	-	-	-	-	21 281 863	7 737 228	29 019 091
Dividends paid	12a		(10 117 120)					(10 117 120)	(3 763 788)	(13 880 908)
Write-down of revaluation reserve for property, plant and equipment		-	515 935	-	(515 935)	-	-	-	-	-
Share capital increase		3 956 516	(3 956 516)	-	-	-	-	-	-	-
Total transactions with shareholders and other changes in equity		3 956 516	(13 557 701)	-	(515 935)	-	-	(10 117 120)	(3 763 788)	(13 880 908)
At 30 June 2024		395 555 050	108 485 060	2 680 615	59 536 675	(142 732)	(25 748 543)	540 366 125	106 965 022	647 331 147

The Notes on pages 30 to 48 form an integral part of these financial statements.

AUGSTSPRIEGUMA TĪKLS GROUP CONSOLIDATED AND AS AUGSTSPRIEGUMA TĪKLS
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR 6-MONTH PERIOD ENDING 30 JUNE 2024.

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

Riga, 14 August 2024

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STATEMENT OF CASH FLOWS

	Notes	PARENT COMPANY		GROUP	
		6 months of 2024 EUR	6 months of 2023 EUR (pārklasificēts*)	6 months of 2024 EUR	6 months of 2023 EUR (pārklasificēts*)
I. CASH FLOW FROM OPERATING ACTIVITY					
Profit before tax		12 658 582	6 055 964	32 003 048	10 497 955
Adjustments:					
Amortization of intangible assets and property, depreciation of plant and equipment and impairment	7.4	17 611 166	17 368 533	26 619 841	26 387 818
Depreciation of right-of-use assets	7.4	460 180	382 400	466 752	388 971
Losses on disposals of intangible assets and property, plant and equipment		59 977	394 466	61 216	396 099
(Decrease)/increase in provisions		-	(46 386)	-	493 614
Interest expense		391 965	371 267	1 880 515	371 267
Interest income		(1 814 710)	(454 138)	(2 218 314)	(454 138)
Dividends from subsidiaries		(8 170 968)	(5 719 677)	-	-
Share of profit of an associate		(20 000)	-	(20 000)	-
Operating profit before changes in working capital		21 176 192	18 352 429	58 793 058	38 081 586
Adjustments:					
(Increase)/decrease in amounts due from contracts with customers, deposits and other short-term receivables		(26 381 622)	(9 635 359)	(23 154 867)	(7 353 247)
Decrease/(increase) in inventories		(12 635)	15 965	(897 192)	(297 419)
Increase/(decrease) in trade payables and amounts due to other creditors		43 307 999	21 108 213	42 477 732	19 072 275
Gross cash flow from operating activity		38 089 934	29 841 248	77 218 731	49 503 195
Interest paid		(18 902)	-	(1 502 007)	(117 064)
Lease interest paid		(111 175)	-	(121 475)	-
Interest received		1 505 626	-	1 887 445	-
Expense on issued debt securities (bonds)	14	(500 000)	(500 000)	(500 000)	(500 000)
Income tax paid		-	-	(2 983 957)	-
Net cash flow from operating activity		38 965 483	29 341 248	73 998 737	48 886 131

* See Note 18

The Notes on pages 30 to 48 form an integral part of these financial statements.

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Chairman of the Board

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Gatis Junghāns,
Member of the Board

Ilze Znotiņa,
Member of the Board

Māra Grava,
Head of Finance and
Accounting Department

Riga, 14 August 2024

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STATEMENT OF CASH FLOWS (CONTINUED)

	Notes	PARENT COMPANY		GROUP	
		6 months of 2024 EUR	6 months of 2023 EUR (pārklasificēts*)	6 months of 2024 EUR	6 months of 2023 EUR (pārklasificēts*)
II. CASH FLOW FROM INVESTING ACTIVITY					
Acquisition and establishment of property, plant and equipment and intangible assets		(67 460 343)	(23 865 029)	(90 917 075)	(38 129 370)
Proceeds from sale of property, plant and equipment	7.2	9 344	202 858	9 642	202 858
EU funding received	13	8 696 967	18 008 538	15 457 585	19 313 285
Congestion charges received	13	6 507 128	1 180 452	6 507 128	1 180 452
Placed deposits		(25 000 000)	(71 265 905)	(25 000 000)	(71 265 905)
Repayment of deposits		65 000 000	-	65 000 000	-
Dividends received from subsidiaries		8 170 968	5 719 677	-	-
Net cash flow from investing activity		(4 075 936)	(70 019 409)	(28 942 720)	(88 698 680)
III. CASH FLOW FROM FINANCING ACTIVITY					
Lease payments	14	(420 564)	(451 018)	(423 867)	(464 619)
Repayment of borrowings to credit institutions	14	-	-	(6 449 643)	(6 449 643)
Dividends paid		(10 117 120)	(7 033 805)	(13 882 496)	(9 633 470)
Net cash flow from financing activity		(10 537 684)	(7 484 823)	(20 756 006)	(16 547 732)
Net increase in cash during the reporting period		24 351 863	(48 162 984)	24 300 011	(56 360 281)
Cash at the beginning of the reporting period		31 946 690	92 042 624	44 900 140	103 009 740
Cash at the end of the reporting period		56 298 553	43 879 640	69 200 151	46 649 459

* See Note 18

The Notes on pages 30 to 48 form an integral part of these financial statements.

Rolands Irklis,
Chairman of the Board

Arnīs 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

Rīga, 14 August 2024

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**NOTES TO THE
CONSOLIDATED
AND STAND-
ALONE FINANCIAL
STATEMENTS**



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 Parent Company’s registered office is at Dārziema iela 86, Rīga, LV-1073, Latvia. The Board and Council of Augstsprieguma Tīkls Group are comprised of the following persons:

Members of the Board and their positions	Members of the Council and their positions
Rolands Irklis – Chairman of the Board (from 07.12.2023)	Kaspars Āboliņš – Chairman of the Council
Imants Zviedris – Member of the Board	Olga Bogdanova – Deputy Chairwoman of the Board
Gatis Junghāns – Member of the Board	Armands Eberhards – Member of the Council
Arnīs Daugulis – Member of the Board	Aigars Ģermanis – Member of the Council
Ilze Znotiņa – Member of the Board (from 01.02.2024)	

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 14 August 2024 consisting of the following members: Rolands Irklis (Chairman of the Board), Imants Zviedris (Member of the Board), Gatis Junghāns (Member of the Board), Arnīs Daugulis (Member of the Board) and 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 the 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. Geographically, the Group operates 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 EUR	Natural gas transmission EUR	Natural gas storage EUR	Total segments EUR	Adjustments and eliminations EUR	Total Group EUR
6 MONTHS OF 2024						
External customers	77 182 852	19 726 935	30 351 556	127 261 343	–	127 261 343
Revenue	77 182 852	19 726 935	30 351 556	127 261 343	–	127 261 343
EBITDA	21 002 120	12 935 697	24 631 169	58 568 986	–	58 568 986
Depreciation and amortization	(18 071 346)	(5 079 347)	(3 935 900)	(27 086 593)	–	(27 086 593)
Segment profit before tax	4 487 614	7 246 144	20 269 290	32 003 048	–	32 003 048
Segment assets at the end of the reporting period	948 358 476	247 213 854	234 726 130	1 430 298 460	(10 708 163)	1 419 590 297
Capital expenditure	50 412 581	3 481 558	20 167 493	74 061 632	–	74 061 632
6 MONTHS OF 2023						
External customers	72 720 252	12 177 715	20 219 525	105 117 492	–	105 117 492
Revenue	72 720 252	12 177 715	20 219 525	105 117 492	–	105 117 492
EBITDA	17 926 992	5 876 978	14 338 892	38 142 862	–	38 142 862
Depreciation and amortization	(17 750 933)	(4 978 314)	(4 047 542)	(26 776 789)	–	(26 776 789)
Segment (loss)/profit before tax	336 287	292 946	9 868 722	10 497 955	–	10 497 955
Segment assets at the end of the reporting period	865 175 476	227 990 735	232 291 225	1 325 457 436	(10 708 406)	1 314 749 030
Capital expenditure	23 865 030	4 402 514	11 227 737	39 495 281	–	39 495 281

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 Group level.

Capital expenditure consists of additions to PPE and intangible assets.

RECONCILIATION OF PROFIT BEFORE TAX

	PARENT COMPANY		GROUP	
	6 months of 2024 EUR	6 months of 2023 EUR	6 months of 2024 EUR	6 months of 2023 EUR
EBITDA	21 002 120	17 926 992	58 568 986	38 142 862
Depreciation and amortisation	(18 071 346)	(17 750 933)	(27 086 593)	(26 776 789)
Segment profit/(loss) before tax and finance costs	2 930 774	176 059	31 482 393	11 366 073
Finance income	1 814 710	458 728	2 218 989	458 728
Finance expenses	(277 870)	(298 500)	(1 718 334)	(1 326 846)
Segment profit/(loss) before tax	4 467 614	336 287	31 983 048	10 497 955
Dividends received	8 170 968	5 719 677	-	-
Share of profit of an associate	20 000	-	20 000	-
Profit before tax	12 658 582	6 055 964	32 003 048	10 497 955

RECONCILIATION OF ASSETS

	PARENT COMPANY		GROUP	
	30.06.2024 EUR	30.06.2023 EUR	30.06.2024 EUR	30.06.2023 EUR
Segment assets	948 358 476	865 175 476	1 430 298 460	1 325 457 436
Long-term financial investments	134 469 726	134 441 393	74 755	46 422
Property, plant, equipment*	-	-	(10 708 163)	(10 708 163)
Receivables from contracts with customers	-	-	-	(243)
Total assets	1 082 828 202	999 616 869	1 419 665 052	1 314 795 452

* 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		GROUP	
	6 months of 2024 EUR	6 months of 2023 EUR	6 months of 2024 EUR	6 months of 2023 EUR
Electricity transmission	60 667 044	52 586 962	60 667 044	52 586 962
Natural gas transmission	-	-	13 940 874	9 350 134
Natural gas storage	-	-	14 197 338	9 839 541
Total revenue from major customers	60 667 044	52 586 962	88 805 256	71 776 637

4. REVENUE

	Applicable IFRS	PARENT COMPANY		GROUP	
		6 months of 2024	6 months of 2023	6 months of 2024	6 months of 2023
		EUR	EUR	EUR	EUR
REVENUE FROM CONTRACTS WITH CUSTOMERS RECOGNISED OVER TIME					
Electricity transmission system service	15. SFPS	46 847 676	37 279 736	46 847 676	37 279 736
Balancing and regulatory electricity sales	15. SFPS	22 334 281	15 481 231	22 334 281	15 481 231
Revenue from natural gas transmission	15. SFPS	-	-	19 025 653	20 219 525
Revenue from natural gas storage	15. SFPS	-	-	30 351 556	11 715 558
Revenue from connection charges	15. SFPS	1 963 318	1 798 832	1 963 318	1 798 832
Electricity transit service	15. SFPS	956 617	50 000	956 617	50 000
Reactive electricity revenues	15. SFPS	230 537	221 703	230 537	221 703
Revenue from natural gas balancing, net*	15. SFPS	-	-	701 282	462 157
Other services	15. SFPS	373 685	377 493	373 495	377 493
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS		72 706 114	55 208 995	122 784 415	87 606 235
Another revenue					
Congestion management revenue to cover the costs of transmission losses**	20. SGS	3 461 195	12 537 879	3 461 195	12 537 879
Electric power congestion elimination	20. SGS	161 532	1 526 278	161 532	1 526 278
Asset leases	16. SFPS	854 201	3 447 100	854 201	3 447 100
TOTAL OTHER REVENUE		4 476 928	17 511 257	4 476 928	17 511 257
TOTAL REVENUE		77 183 042	72 720 252	127 261 343	105 117 492

* 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 six months of 2024, congestion charge revenues of EUR 3,461 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	
	6 months of 2024 EUR	6 months of 2023 EUR	6 months of 2024 EUR	6 months of 2023 EUR
Revenue from natural gas balancing activities	-	-	4 775 486	7 144 638
Expenditure from natural gas balancing activities	-	-	(4 074 204)	(6 682 481)
Natural gas balancing, net	-	-	701 282	462 157

5. RAW MATERIALS AND CONSUMABLES USED

	PARENT COMPANY		GROUP	
	6 months of 2024 EUR	6 months of 2023 EUR	6 months of 2024 EUR	6 months of 2023 EUR
Purchase of balancing electricity	18 471 061	13 953 643	18 471 061	13 953 643
Electricity transmission losses and technological consumption	14 328 597	10 539 024	14 328 597	10 539 024
Purchase of regulatory electricity	3 815 756	1 527 902	3 815 756	1 527 902
Natural gas transmission and storage system maintenance services	-	-	1 525 905	1 858 951
Electricity transit losses	2 118 465	4 616 264	2 118 465	4 616 264
Cost of materials used and repair works	311 527	1 113 731	936 221	1 595 458
Natural gas costs	-	-	1 088 007	679 301
Electricity for self-consumption	263 724	192 736	263 724	192 736
TOTAL RAW MATERIALS AND CONSUMABLES USED	39 309 130	31 943 300	42 547 736	34 963 279

6. FINANCE INCOME AND EXPENSES

	MĀTESSABIEDRĪBA		KONCERNS	
	6 months of 2024 EUR	6 months of 2023 EUR	6 months of 2024 EUR	6 months of 2023 EUR
a) Finance income				
Interest income on bank deposits	1 814 710	454 138	2 218 314	478 391
Other finance income	-	4 590	675	5 141
Total finance income	1 814 710	458 728	2 218 989	483 532
b) Finance expenses				
Interest expense on borrowings	(18 902)	-	(1 497 152)	(1 042 186)
Interest expenses on coupon of debt securities issued (Note 14)	(261 888)	(261 103)	(261 888)	(261 103)
Capitalized interest expenses of borrowings	115 096	76 031	164 183	76 031
Interest expense on leased assets (Note 14)	(111 175)	(110 165)	(121 475)	(120 598)
Other finance expenses	(1 001)	(3 263)	(2 002)	(3 795)
Total finance expenses	(277 870)	(298 500)	(1 718 334)	(1 351 650)
Finance income/(expenses), net	1 536 840	160 228	500 655	(868 118)

7. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

7.1. INTANGIBLE ASSETS

	PARENT COMPANY			
	Computer software and licenses EUR	Transmission right-of-use assets EUR	Intangible assets under construction EUR	Total EUR
At 31 December 2022				
Historical cost	3 993 948	1 892	914 746	4 910 586
Accumulated amortization	(1 854 265)	(1 025)	-	(1 855 290)
NBV at 31 December 2022	2 139 683	867	914 746	3 055 296
For 2023				
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)
NBV at 31 December 2023	3 269 689	772	-	3 270 461
At 31 December 2023				
Historical cost	5 831 454	1 892	-	5 833 346
Accumulated amortization	(2 561 765)	(1 120)	-	(2 562 885)
NBV at 31 December 2023	3 269 689	772	-	3 270 461
For 2024				
Additions	1 575 453	-	2 655	1 578 108
Amortization charge	(635 934)	(47)	-	(635 981)
NBV at 30 June 2024	4 209 208	725	2 655	4 212 588
At 31 December 2023				
Historical cost	7 406 906	1 892	2 655	7 411 453
Accumulated amortization	(3 197 698)	(1 167)	-	(3 198 865)
NBV at 30 June 2024	4 209 208	725	2 655	4 212 588

	GROUP				
	Computer software and licenses	Transmission right-of-use assets	Service Concession Arrangements	Intangible assets under construction	Total
	EUR	EUR	EUR	EUR	EUR
At 31 December 2022					
Historical cost	12 785 449	1 892	-	963 741	13 751 082
Accumulated amortization	(8 586 752)	(1 025)	-	-	(8 587 777)
NBV at 31 December 2022	4 198 697	867	-	963 741	5 163 305
For 2023					
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)
NBV at 31 December 2023	5 072 221	772	1 007 865	15 180 182	21 261 040
At 31 December 2023					
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)
NBV at 31 December 2022	5 072 221	772	1 007 865	15 180 182	21 261 040
For 2024					
Additions	1 575 453	-	-	642 348	2 217 801
Transferred	22 123	-	-	(22 123)	-
Amortization charge	(995 507)	(47)	(50 393)	-	(1 045 947)
NBV at 30 June 2024	5 674 290	725	957 472	15 800 407	22 432 894
At 30 June 2024					
Historical cost	14 714 447	1 892	1 007 865	15 800 407	31 524 611
Accumulated amortization	(9 040 157)	(1 167)	(50 393)	-	(9 091 717)
NBV at 30 June 2024	5 674 290	725	957 472	15 800 407	22 432 894

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
At 31 December 2022							
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)
NBV	37 115 461	4 415 621	599 317 409	2 065 428	6 662 041	31 878 269	681 454 229
2023							
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)
NBV at 31 December 2023	38 924 192	4 050 206	601 298 921	2 837 899	4 772 123	47 198 775	699 082 116
At 31 December 2023							
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)
NBV	38 924 192	4 050 206	601 298 921	2 837 899	4 772 123	47 198 775	699 082 116
2024							
Additions	-	-	-	384	127 517	48 706 572	48 834 473
Transferred	40 970	9 363	6 899 423	663 404	3 491 719	(11 104 879)	-
Sold	-	-	-	-	-	(9 344)	(9 344)
Disposals	(444)	(472)	(58 879)	-	(182)	-	(59 977)
Depreciation	(705 545)	(261 955)	(14 088 651)	(473 829)	(1 445 205)	-	(16 975 185)
NBV at 30 June 2024	38 259 173	3 797 142	594 050 814	3 027 858	6 945 972	84 791 124	730 872 083
At 30 June 2024							
Historical cost or revalued amount	46 209 430	8 663 957	1 200 373 131	12 304 118	24 701 901	84 791 124	1 377 043 661
Accumulated depreciation and impairment	(7 950 257)	(4 866 815)	(606 322 317)	(9 276 260)	(17 755 929)	-	(646 171 578)
NBV	38 259 173	3 797 142	594 050 814	3 027 858	6 945 972	84 791 124	730 872 083

* PPE class is carried at revalued amount

	GROUP										
	Land, buildings	Electricity transmis-sion enginee-ring structures*	Natural gas transmission buildings and structures*	Wells*	Transmission lines, technological equipment*	Other electricity transmis-sion 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
At 31 December 2022											
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)
NBV	38 207 935	4 415 621	214 672 784	112 881 588	651 562 911	2 065 428	21 329 294	8 724 322	1 825 384	42 138 797	1 097 824 064
2023											
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)
NBV at 31 December 2023	40 028 703	4 050 206	210 291 727	94 454 805	650 464 189	2 837 899	18 502 057	7 095 791	1 959 708	76 918 595	1 106 603 680
At 31 December 2023											
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)
NBV	40 028 703	4 050 206	210 291 727	94 454 805	650 464 189	2 837 899	18 502 057	7 095 791	1 959 708	76 918 595	1 106 603 680
2024											
Additions	-	-	-	-	542 845	384	16 479	273 288	-	71 010 835	71 843 831
Transferred	40 970	9 363	9 614	18 695	6 892 071	663 404	62 758	3 542 389	-	(11 239 264)	-
Sold	-	-	-	-	-	-	-	-	-	(9 344)	(9 344)
Disposals	(444)	(472)	-	-	(58 879)	-	-	(1 719)	-	-	(61 514)
Depreciation charge	(705 545)	(261 955)	(4 469 839)	(1 195 198)	(16 042 232)	(473 829)	(653 586)	(1 771 710)	-	-	(25 573 894)
NBV at 30 June 2024	39 363 684	3 797 142	205 831 502	93 278 302	641 797 994	3 027 858	17 927 708	9 138 039	1 959 708	136 680 822	1 152 802 759
At 30 June 2024											
Historical cost or revalued amount	47 313 941	8 663 957	629 603 707	138 792 066	1 297 451 111	12 304 118	37 957 464	31 426 694	1 959 708	136 680 822	2 342 153 588
Accumulated depreciation and impairment	(7 950 257)	(4 866 815)	(423 772 205)	(45 513 764)	(655 653 117)	(9 276 260)	(20 029 756)	(22 288 655)	-	-	(1 189 350 829)
NBV	39 363 684	3 797 142	205 831 502	93 278 302	641 797 994	3 027 858	17 927 708	9 138 039	1 959 708	136 680 822	1 152 802 759

* 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	GROUP Buildings and land EUR
At 31 December 2022		
Historical cost	19 766 531	20 270 161
Accumulated depreciation	(5 295 142)	(5 337 269)
NBV	14 471 389	14 932 892
For 2023		
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)
NBV at 31 December 2023	14 398 940	14 847 298
At 31 December 2023		
Historical cost	20 609 163	21 112 793
Accumulated depreciation	(6 210 223)	(6 265 495)
NBV	14 398 940	14 847 298
For 2024		
Changes to lease agreements recognised	45 868	45 868
Depreciation charge	(460 180)	(466 752)
NBV at 30 June 2024	13 984 628	14 426 414
At 30 June 2024		
Historical cost	20 654 592	21 158 222
Accumulated depreciation	(6 669 964)	(6 731 808)
NBV	13 984 628	14 426 414

7.4. DEPRECIATION AND AMORTISATION

	PARENT COMPANY		GROUP	
	6 months of 2024 EUR	6 months of 2023 EUR	6 months of 2024 EUR	6 months of 2023 EUR
Depreciation of property, plant and equipment	(16 975 185)	(16 942 105)	(25 573 894)	(25 583 796)
Amortisation of intangible assets	(635 981)	(426 428)	(1 045 947)	(804 022)
Depreciation of right-of use assets	(460 180)	(382 400)	(466 752)	(388 971)
Depreciation and amortisation	(18 071 346)	(17 750 933)	(27 086 593)	(26 776 789)
Write-offs and other adjustments	(59 977)	(18 137)	(61 514)	(19 428)
Total PPE and intangible asset write-off and adjustments	(59 977)	(18 137)	(61 514)	(19 428)
TOTAL Depreciation and amortisation excluding write-offs	(18 071 346)	(17 750 933)	(27 086 593)	(26 776 789)

8. OTHER LONG-TERM FINANCIAL INVESTMENTS

	PARENT COMPANY		GROUP	
	30.06.2024 EUR	31.12.2023 EUR	30.06.2024 EUR	31.12.2023 EUR
Shareholding in the share capital of the Subsidiary, including:	134 394 971	134 394 971	-	-
AS "Conexus Baltic Grid"	134 394 971	134 394 971	-	-
Shareholding in the share capital of associates, including:	73 333	53 333	73 333	53 333
"Baltic RCC" OÜ	73 333	53 333	73 333	53 333
Shareholding in the share capital of other companies, including	1 422	1 422	1 422	1 422
AS "Pirmais Slēgtais Pensiju Fonds"	1 422	1 422	1 422	1 422
NBV at the end of the reporting period	134 469 726	134 449 726	74 755	54 755

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%

AUGSTSPRIEGUMA TĪKLS GROUP CONSOLIDATED AND AS AUGSTSPRIEGUMA TĪKLS
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR 6-MONTH PERIOD ENDING 30 JUNE 2024.

9. RECEIVABLES FROM CONTRACTS WITH CUSTOMERS

	PARENT COMPANY		GROUP	
	30.06.2024 EUR	31.12.2023 EUR	30.06.2024 EUR	31.12.2023 EUR
Receivables from contracts with customers	-			
Receivables for electricity transmission service	14 888 926	13 670 798	14 888 926	13 670 798
Natural gas transmission and storage service debts	-	-	7 449 339	11 555 119
Other trade receivables	5 996 805	5 192 972	6 387 576	5 192 972
Total receivables from contracts with customers	20 885 731	18 863 770	28 725 841	30 418 889
Expected credit losses				
Other trade receivables	(5 436)	(5 455)	(5 436)	(5 455)
Total expected credit losses	(5 436)	(5 455)	(5 436)	(5 455)
Receivables from contracts with customers, net				
Receivables for electricity transmission service	14 888 926	13 670 798	14 888 926	13 670 798
Natural gas transmission and storage service debts	-	-	7 449 339	11 555 119
Other trade receivables	5 991 369	5 187 517	6 382 140	5 187 517
RECEIVABLES FROM CONTRACTS WITH CUSTOMERS, NET	20 880 295	18 858 315	28 720 405	30 413 434

Expected credit losses of receivables from contracts with customers*	PARENT COMPANY		GROUP	
	30.06.2024 EUR	31.12.2023 EUR	30.06.2024 EUR	31.12.2023 EUR
At the beginning of the reporting year	5 455	5 495	5 455	5 495
Recognised in the income statement	(19)	(40)	(19)	(40)
At the end of the reporting year	5 436	5 455	5 436	5 455

10. OTHER RECEIVABLES

	PARENT COMPANY		GROUP	
	30.06.2024 EUR	31.12.2023 EUR	30.06.2024 EUR	31.12.2023 EUR
Deposits	40 822 076	80 767 903	40 822 076	80 767 903
Expected European Union advance funding	49 812 509	26 383 283	49 812 509	26 383 283
Receivables related to a fraudulent transaction*	172 850	172 850	172 850	172 850
Provision for a fraudulent transaction*	(172 850)	(172 850)	(172 850)	(172 850)
Other financial assets	90 634 585	107 151 186	90 634 585	107 151 186
Prepayments	1 810 606	631 277	2 590 615	1 271 503
Other receivables	11 672 390	11 910 306	11 876 601	12 175 466
Other non-financial assets	13 482 996	12 541 583	14 467 216	13 446 969
TOTAL OTHER RECEIVABLES	104 117 581	119 692 769	105 101 801	120 598 155

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

11. CASH AND CASH EQUIVALENTS

	PARENT COMPANY		GROUP	
	30.06.2024 EUR	31.12.2023 EUR	30.06.2024 EUR	31.12.2023 EUR
Cash in the bank	48 067 766	28 735 057	54 705 995	41 453 794
Demand deposits	8 230 787	3 211 633	14 494 156	3 446 346
TOTAL CASH AND CASH EQUIVALENTS	56 298 553	31 946 690	69 200 151	44 900 140

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 EUR	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 shares issued	3 956 516	3 956 516
At 30 June 2024	395 555 050	395 555 050

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.
- EUR 10,117,120 or EUR 0.02558 per share in 2024.

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	
	30.06.2024 EUR	31.12.2023 EUR	30.06.2024 EUR	31.12.2023 EUR
(a) Non-current deferred revenue				
- from connection charges	37 423 846	37 477 190	37 423 846	37 477 190
Non-current deferred revenue from contracts with customers	37 423 846	37 477 190	37 423 846	37 477 190
- from European Union funding	144 378 393	142 366 370	177 090 692	168 437 244
- from the expected European Union advance funding	49 812 509	26 383 283	49 812 509	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	125 731 070	134 178 984	125 731 070	134 178 984
Other non-current deferred revenue	338 484 472	321 491 137	371 196 771	347 562 011
TOTAL Non-current deferred revenue	375 908 318	358 968 327	408 620 617	385 039 201

	PARENT COMPANY		GROUP	
	30.06.2024 EUR	31.12.2023 EUR	30.06.2024 EUR	31.12.2023 EUR
(b) Current deferred revenue				
- from connection charges	4 162 340	4 117 311	4 162 340	4 117 311
- other contractual obligations recognised	3 616	-	9 292	4 475
Short-term deferred revenue from contracts with customers	4 165 956	4 117 311	4 171 632	4 121 786
- Unfinished EU co-funded projects, including:	19 005 653	16 531 253	19 005 653	16 531 253
<i>Project "Synchronisation of the Baltic power system with the European power system, Phase 2"</i>	<i>2 650 549</i>	<i>2 650 549</i>	<i>2 650 549</i>	<i>2 650 549</i>
<i>Synchronisation of the Baltic States with Continental Europe, Phase 1</i>	<i>15 317 153</i>	<i>6 620 186</i>	<i>15 317 153</i>	<i>6 620 186</i>
<i>Modernisation of the electricity distribution system</i>	<i>1 016 771</i>	<i>7 239 338</i>	<i>1 016 771</i>	<i>7 239 338</i>
<i>Project "System for TSO-SSO-end-user interconnection, INTERFACE"</i>	<i>21 180</i>	<i>21 180</i>	<i>21 180</i>	<i>21 180</i>
- completed EU-funded projects	5 204 469	3 570 603	6 173 916	4 540 432
- from congestion charge	29 841 925	19 014 063	29 841 925	19 014 063
- from connection to the natural gas transmission system	-	-	17 659	4 654
Other current deferred revenue	54 052 047	39 115 919	55 039 153	40 090 402
TOTAL current deferred revenue	58 218 003	43 233 230	59 210 785	44 212 188

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

	PARENT COMPANY		GROUP	
	30.06.2024 EUR	31.12.2023 EUR	30.06.2024 EUR	31.12.2023 EUR
At the beginning of the reporting year	41 594 501	41 742 974	41 598 976	41 742 974
Connection charges recognized in income statement	(1 963 318)	(3 612 980)	(1 963 318)	(3 620 810)
Connection charges received from customer contributions	1 958 619	3 464 507	1 959 820	3 476 812
At the end of the reporting year	41 589 802	41 594 501	41 595 478	41 598 976

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

	PARENT COMPANY		GROUP	
	30.06.2024 EUR	31.12.2023 EUR	30.06.2024 EUR	31.12.2023 EUR
At the beginning of the reporting year	360 607 056	313 602 263	387 652 413	339 327 346
EU co-financing received*	24 426 006	26 383 283	31 186 624	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	6 222 567	7 065 258	6 222 567	7 065 258
EU co-financing advance received	2 474 400	15 099 296	2 474 400	15 099 296
Congestion charge revenue received	6 507 128	11 656 486	6 507 128	11 656 486
Congestion charge revenue recognized in the income statement	-	-	380 173	-
PPE received without compensation in a co-financed project (Biomethane input point connection)	(4 127 179)	(1 205 248)	(4 127 179)	(1 205 248)
EU co-financing recognized in the income statement	(2 576 679)	(3 675 572)	(3 063 422)	(4 496 462)
At the end of the reporting year	392 536 519	360 607 056	426 235 924	387 652 413
TOTAL at the end of the reporting year	434 126 321	402 201 557	467 831 402	429 251 389

* 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 a receivable under the balance sheet item "Other receivables".

14. BORROWINGS AND LEASE LIABILITIES

BORROWINGS:

	PARENT COMPANY		GROUP	
	30.06.2024 EUR	31.12.2023 EUR	30.06.2024 EUR	31.12.2023 EUR
Non-current borrowings from credit institutions	-	-	47 494 624	65 568 897
Non-current portion of bonds issued	99 932 347	99 919 164	99 932 347	99 919 164
Current borrowings from credit institutions	-	-	25 523 917	13 899 286
Borrowings	99 932 347	99 919 164	172 950 888	179 387 347
Non-current accrued liability for interest on bonds issued	222 678	473 973	222 678	473 973
Current accrued liabilities for interest on borrowings from credit institutions	-	-	70 637	75 493
TOTAL borrowings	100 155 025	100 393 137	173 244 203	179 936 813
Including:				
Non-current borrowings	100 155 025	100 393 137	147 649 649	165 962 034
Current borrowings	-	-	25 594 554	13 974 779

LEASE LIABILITIES:

	PARENT COMPANY		GROUP	
	30.06.2024 EUR	31.12.2023 EUR	30.06.2024 EUR	31.12.2023 EUR
TOTAL lease liabilities	14 505 979	14 880 675	14 980 678	15 358 677
Including:				
Non-current	13 656 279	14 036 873	14 103 774	14 487 671
Current	849 700	843 802	876 904	871 006

Movement of borrowings and lease liabilities:

	PARENT COMPANY		
	Lease liabilities	Other borrowings	Total
	EUR	EUR	EUR
At 31 December 2022	14 865 954	100 366 699	115 232 653
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
At 31 December 2023	14 880 675	100 393 137	115 273 812
Recognised changes to lease agreements	45 868	-	45 868
Repayments, excluding interest	(420 564)	-	(420 564)
Interest payments	(111 175)	(500 000)	(611 175)
Calculated interest	111 175	261 888	373 063
At 30 June 2024	14 505 979	100 155 025	114 661 004

	GROUP			
	Lease liabilities	Borrowings from credit institutions	Other borrowings	Total
	EUR	EUR	EUR	EUR
At 31 December 2022	15 350 376	82 429 949	100 366 699	198 147 024
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
At 31 December 2023	15 358 677	79 543 676	100 393 137	195 295 490
Recognised changes to lease agreements	45 868	-	-	45 868
Repayments, excluding interest	(423 867)	(6 449 643)	-	(6 873 510)
Interest payments	(121 475)	(1 483 105)	(500 000)	(2 104 580)
Calculated interest	121 475	1 478 250	261 888	1 861 613
At 30 June 2024	14 980 678	73 089 178	100 155 025	188 224 881

15. PAYABLES TO SUPPLIERS AND OTHER CREDITORS

	PARENT COMPANY		GROUP	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	EUR	EUR	EUR	EUR
Financial liabilities:				
Payables for electricity and natural gas	14 446 183	16 697 580	14 446 183	16 697 580
Payables for materials and services	25 326 663	8 075 054	31 146 624	13 856 645
Accrued liabilities	37 192	59 320	310 079	815 112
Other current financial liabilities	13 495 067	7 677 092	28 747 925	22 931 538
TOTAL financial liabilities	53 305 105	32 509 046	74 650 811	54 300 875
Non-financial liabilities:				
National social insurance mandatory contributions and other taxes	1 149 957	1 352 511	2 025 601	2 464 382
Advances received for connection charges	7 088 053	795 572	7 088 053	795 572
Advances received for capacity reservation	11 997 620	12 036 879	11 997 620	12 036 879
Advances received	-	-	6 667 496	6 112 856
Other current non-financial liabilities	2 678 749	3 309 290	5 616 023	6 257 513
TOTAL non-financial liabilities	22 914 379	17 494 252	33 394 793	27 667 202
TOTAL payables to suppliers and other creditors, including:	76 219 484	50 003 298	108 045 604	81 968 077
TOTAL payables to suppliers	39 772 846	24 772 634	45 592 807	30 554 225
TOTAL payables to other creditors	36 446 638	25 230 664	62 452 797	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
At 30.06.2024				
Assets that are measured at fair value:				
Revalued property, plant and equipment (Note 7.2)	600 875 814	-	-	600 875 814
Assets for which fair value is reported:				
Cash (Note 11)	56 298 553	-	56 298 553	-
Receivables from contracts with customers (Note 9)	20 880 295	-	-	20 880 295
Other non-current financial investments (Note 8)	74 755	-	-	74 755
Term deposits	40 822 076	-	40 822 076	-
Other receivables (Note 10)	49 812 509	-	-	49 812 509
Liabilities at fair value:				
Borrowings (Note 14)	100 155 025	-	92 216 271	-
Lease liabilities (Note 14)	14 505 979	-	-	14 505 979
Payables to suppliers and other payables (Note 15)	53 305 105	-	-	53 305 105
At 31.12.2023				
Assets that are measured at fair value:				
Revalued property, plant and equipment (Note 7.2)	608 187 026	-	-	608 187 026
Assets for which fair value is reported:				
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
Liabilities at fair value:				
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
At 30.06.2024				
Assets that are measured at fair value:				
Revalued property, plant and equipment (Note 7.2)	965 660 506	-	-	965 660 506
Assets for which fair value is reported:				
Cash (Note 11)	69 200 151	-	69 200 151	-
Receivables from contracts with customers (Note 9)	28 720 405	-	-	28 720 405
Other non-current financial investments (Note 8)	74 755	-	-	74 755
Term deposits	40 822 076	-	40 822 076	-
Other receivables (Note 10)	49 812 509	-	-	49 812 509
Liabilities at fair value:				
Other borrowings (Note 14)	100 155 025	-	92 216 271	-
Borrowings from credit institutions (Note 14)	73 089 178	-	-	73 089 178
Lease liabilities (Note 14)	14 980 678	-	-	14 980 678
Payables to suppliers and other payables (Note 15)	74 650 811	-	-	74 650 811
At 31.12.2023				
Assets that are measured at fair value:				
Revalued property, plant and equipment (Note 7.2)	980 600 883	-	-	980 600 883
Assets for which fair value is reported:				
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
Liabilities at fair value:				
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	
	6 months of 2024 EUR	6 months of 2023 EUR	6 months of 2024 EUR	6 months of 2023 EUR
Revenue				
Electricity transmission system service	45 968 748	36 667 034	45 968 748	36 667 034
Balancing electricity	3 255 211	3 723 413	3 255 211	3 723 413
Regulating electricity	(443 180)	(192 411)	(443 180)	(192 411)
Reactive energy revenues	212 070	200 163	212 070	200 163
Gas storage and transmission	-	-	18 716 264	11 496 139
Revenue from other services	1 051 059	1 064 500	1 051 059	1 064 500
Total revenue from transactions with related companies	50 043 908	41 462 699	68 760 172	52 958 838
Costs				
Purchase of balancing electricity	3 084 852	2 389 393	3 084 852	2 389 393
Purchase of regulatory electricity	3 815 756	1 527 902	3 815 756	1 527 902
Electricity for losses and technological consumption	14 328 597	6 286 944	14 328 597	6 286 944
Electricity for transit losses	2 295 608	885 569	2 295 608	885 569
Electricity for business use	252 789	89 238	252 789	89 238
Capacity reserve for electricity system security	4 290 923	4 233 950	4 290 923	4 233 950
Use of synchronous compensators	620 032	532 491	620 032	532 491
Communication expenses	1 841 560	1 821 793	1 841 560	1 821 793
Lease of PPE and land	414 313	406 537	414 313	406 537
Gas storage and transmission	-	-	1 391 119	1 771 510
Other costs	40 476	38 900	40 476	38 900
Total cost of transactions with related companies	30 984 906	18 212 717	32 376 025	19 984 227

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

	PARENT COMPANY		GROUP	
	30.06.2024 EUR	30.06.2023 EUR	30.06.2024 EUR	30.06.2023 EUR
Receivables:				
State-controlled capital companies	7 820 047	7 121 008	10 019 396	9 213 977
Payables:				
State-controlled capital companies	10 362 323	9 859 898	10 612 434	10 614 206
Settlements for security deposits *	7 549 223	1 034 003	7 549 128	1 034 003

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

INCOME AND EXPENSES FROM/IN TRANSACTIONS WITH ASSOCIATED ENTITIES

	PARENT COMPANY		GROUP	
	6 months of 2024 EUR	6 months of 2023 EUR	6 months of 2024 EUR	6 months of 2023 EUR
ASSOCIATED ENTITY*				
Revenue				
Revenue from other services	7 663	7 306	7 663	7 306
Share of profit of an associate	20 000	-	20 000	-
Total:	27 663	7 306	27 663	7 306
Cost				
Electricity market coupling costs	253 722	238 775	253 722	238 775
Total:	253 722	238 775	253 722	238 775

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

	PARENT COMPANY		GROUP	
	30.06.2024 EUR	30.06.2023 EUR	30.06.2024 EUR	30.06.2023 EUR
Assets:				
Accrued revenues	1 835	1 844	1 835	1 844
Prepaid expenses	-	238 775	-	238 775
Total:	1 835	240 619	1 835	240 619

18. ADJUSTMENTS TO CORRECT OR RECLASSIFY PRIOR PERIOD ERRORS

The Parent Company's and Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The accounting and measurement policies set out in this section have been consistently applied to all periods covered by the financial statements.

In the Statement of cash flows of the unaudited condensed interim financial statements of the AS Augstsprieguma Tīkls Group for the six months ending on 30 June 2024, an adjustment has been made, as a result of which the item Increase/decrease in trade and other payables in the Cash flow from the operating activity has been reduced by EUR 18,036,827 and the item "Financing received from European" was increased accordingly in the Cash flow from investment activity.

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19. EVENTS AFTER THE END OF THE REPORTING YEAR

No other material events have 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 of the Group and AS "Augstsprieguma tīkls". Although uncertainty about the future impact of events on the Group's and the Parent Company's operations has remained, no such circumstances have been identified, which would threaten the continuity of operations and the fulfilment of statutory functions.

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