

Interim unaudited financial statements for the 6-month period ended 30 June 2021



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Main activities (1 of 2)



Inčukalns UGS capacity auctions

As a result of Inčukalns UGS capacity auctions, system users were granted 13,9 TWh – 11.6 TWh for one year bundled capacity product of 2021/2022 storage cycle; 2 TWh for two year bundled capacity product of 2021/2023 storage cycle; and 0,26 TWh interruptible capacity product.



Dividend payout

Dividends were paid to shareholders from retained earnings in amount of 84 394 thousand EUR.



Covid-19

During emergency situation in relation to Covid-19, Conexus continues to provide safe and uninterrupted operations, risks are mitigated.



The first direct connection to the gas transmission system has been put into service

The connection was constructed in Priekuļi and project investments reached around 1 million EUR. Thanks to the installation of a direct connection, the gas producer of compressed natural gas SIA “GasOn” will have the possibility to receive gas from transmission system, which provides several benefits in the production process.



Results of the auction

Precizēt pēc 5.izsoles

In accordance with Regulation No. 312 “Procedures for the Supply of Energy Users and Sale of Heating Fuel During Declared Energy Crisis and in Case of Endangerment to the State” adopted by the Cabinet of Ministers, as a result of several auctions, at the beginning of August the total amount of active natural gas auctioned is 2 290 thousand MWh. The Company continues to organize auctions regarding the storage of active natural gas volume and ensuring its availability in the storage with the auctionable capacity at 870 thousand MWh.

Main activities (2 of 2)

The amount of natural gas withdrawn from Inčukalns UGS

At the end of the 2020/2021 withdrawal season of Inčukalns UGS, the amount of active natural gas withdrawn from the storage has reached 17.6 TWh, which is 56% more than in the previous storage season. At the beginning of the season, storage injected the largest volume of active natural gas in recent years - 13.6 TWh. In total, system users stored active natural gas of 21.3 TWh in the Inčukalns UGS.

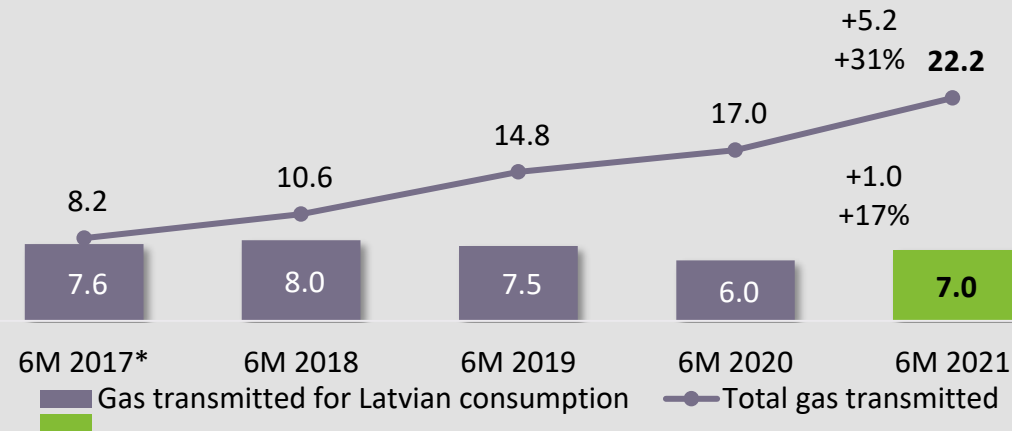
Research on input of hydrogen into gas infrastructure

By union of Latvian, Estonian, Finnish and Lithuanian gas transmission system operators, a Hydrogen Baltic Coordination group (H2BCG) has been set up, the first aim of which will be to carry out a joint study on the transport and input of hydrogen into the existing gas transmission system.

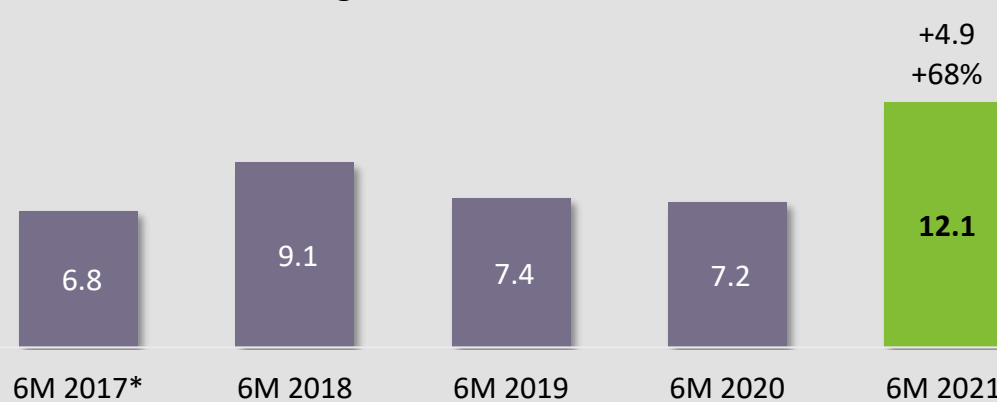
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Main facts

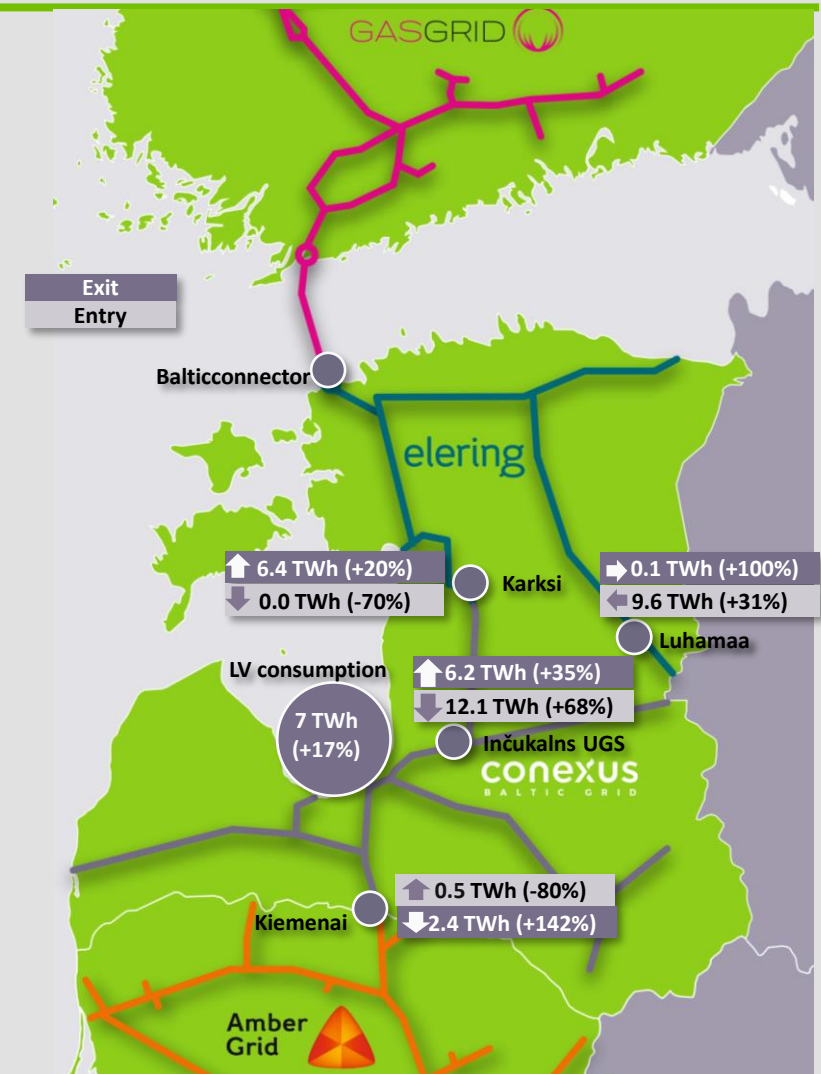
Transmitted gas, TWh



Volume of natural gas withdrawn from Inčukalns UGS, TWh



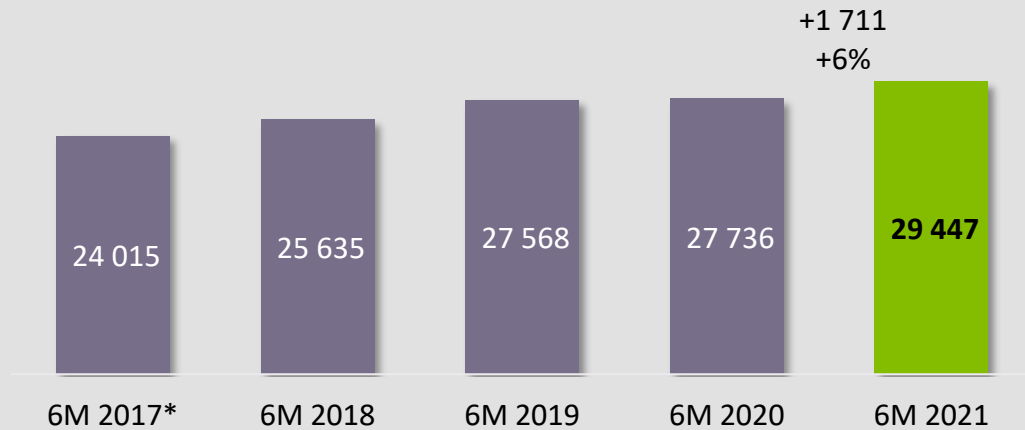
*04.01.2017-30.06.2017



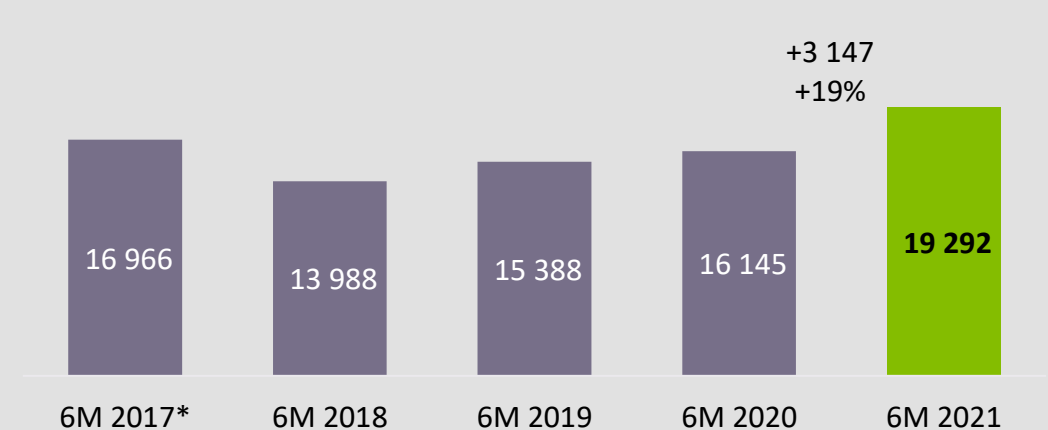
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Main financial indicators, `000 EUR

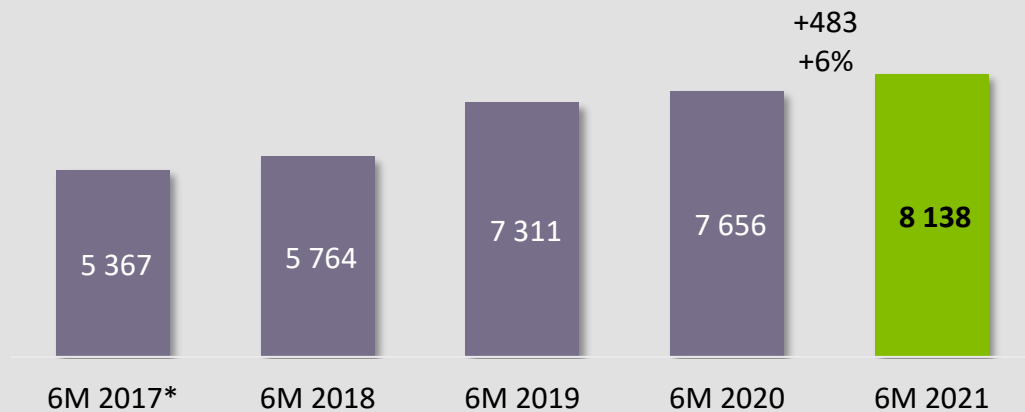
Revenue



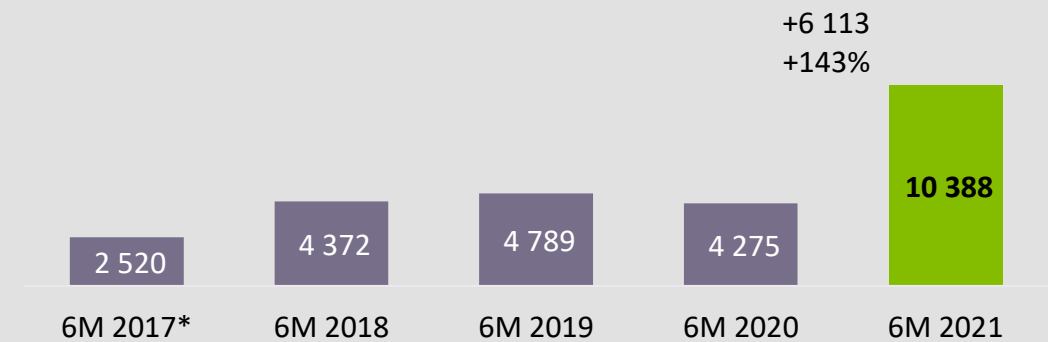
EBITDA



Net Profit



Capital Investments

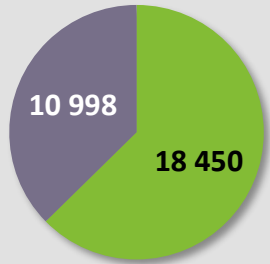


*04.01.2017-30.06.2017

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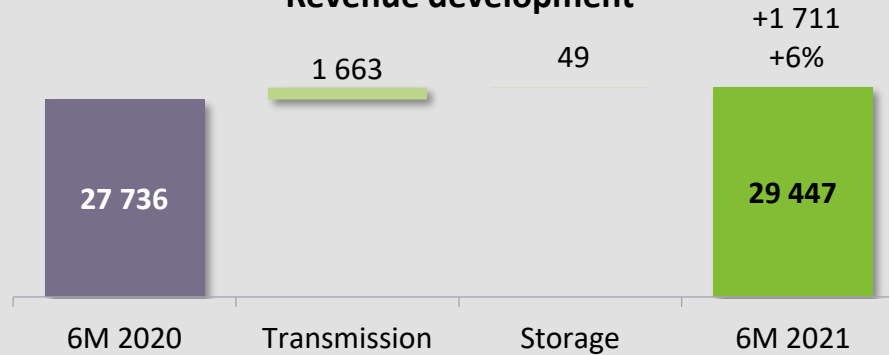
EBITDA and segment split, `000 EUR

Revenue by segments



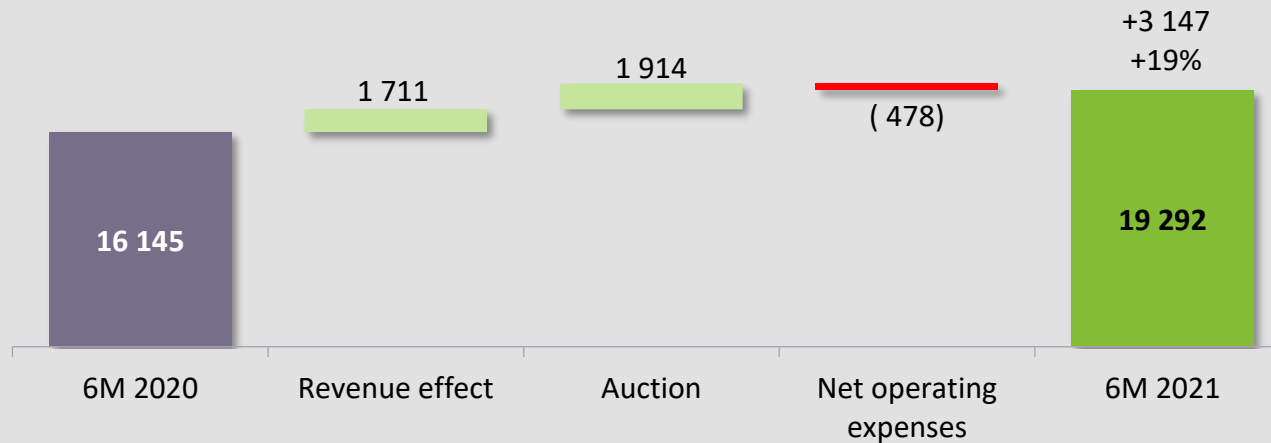
■ Transmission ■ Storage

Revenue development



- EBITDA increased by 19%, reached 19.3 mio EUR;
- Main positive effect – higher transmission revenue, as well as lower Auction expenses;
- Net profit 483 kEUR (6%) higher.

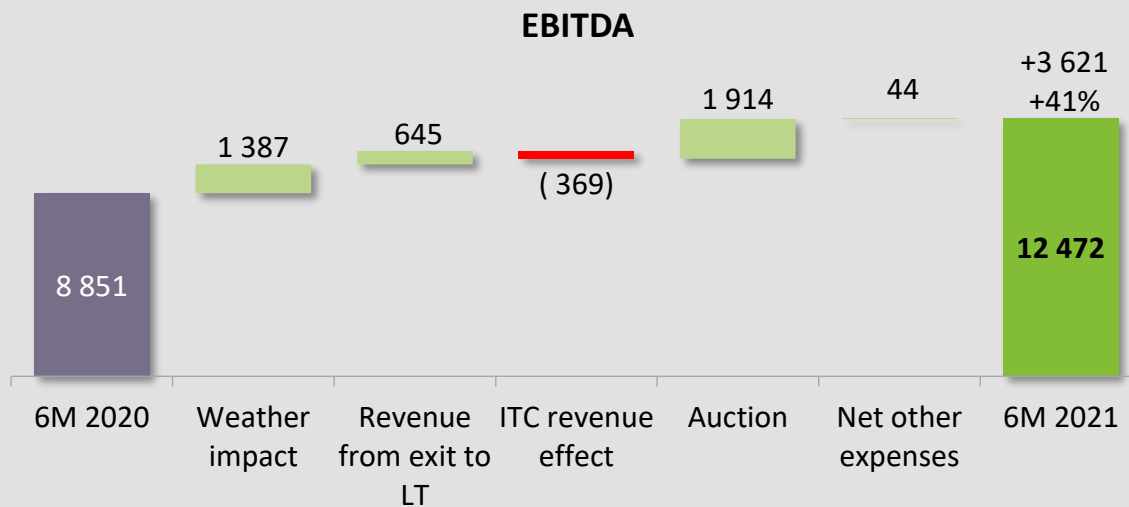
EBITDA



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Transmission, `000 EUR

	6M 2021	6M 2020	+/-	%
Net sales	18 450	16 787	1 663	10%
EBITDA	12 472	8 851	3 621	41%
Segment Net Profit	6 008	3 924	2 084	53%
Segment assets	229 723	230 910	(1 188)	-1%
Depreciation and amortisation	5 068	4 871	198	4%
Investments made	2 686	2 686	(0)	0%
Regulated asset base	171 820	171 820	-	0%



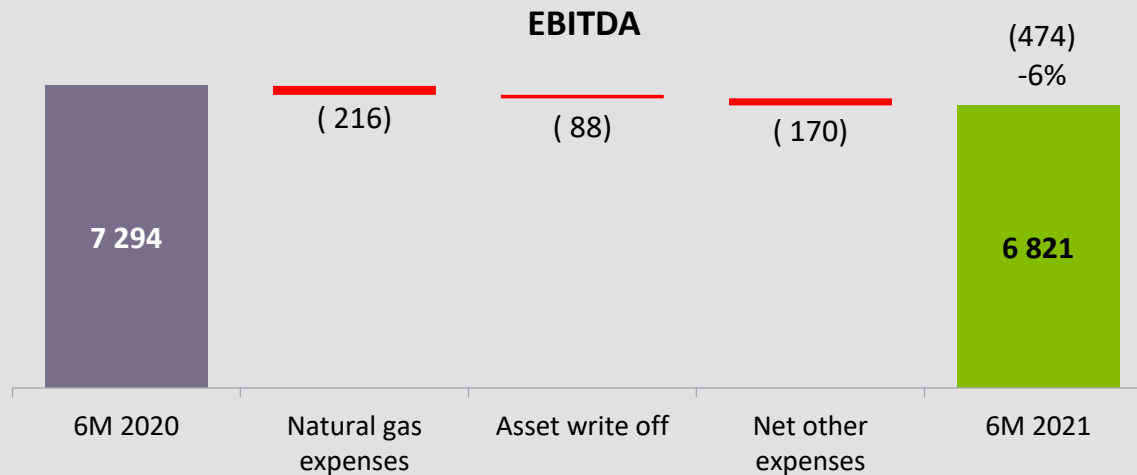
- Total gas transmitted increased by 31% and natural gas for consumption in Latvia increased by 17% due to colder weather in comparison to first half of 2020. Transmitted gas to Lithuania increased by 142%.
- Actual transmission revenue reached 18.5 mio EUR, 10% or 1.7 mio EUR more than in the respective period of prior year, due to the following factors:
 - Natural gas for consumption in Latvia increased by 1 TWh (17%) due to colder weather (avg. -2.3 °C) in comparison to January - March 2020 (avg. +2.7 °C); this increased revenue by 1.4 mio EUR;
 - Revenue from exit points increased by 645 kEUR (higher volume of natural gas transmitted to Lithuania by 1.4 TWh);
 - ITC revenue decreased by 369 kEUR due to lower share of regional revenue.

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Storage, `000 EUR

	6M 2021	6M 2020	+/-	%
Net sales	10 998	10 949	49	0%
EBITDA	6 821	7 294	(474)	-6%
Segment Net Profit	2 130	3 732	(1 602)	-43%
Segment assets	210 149	198 710	11 439	6%
Depreciation and amortisation	3 715	3 530	185	5%
Investments made	7 702	1 589	6 113	385%
Regulated asset base	185 426	150 624	34 802	23%

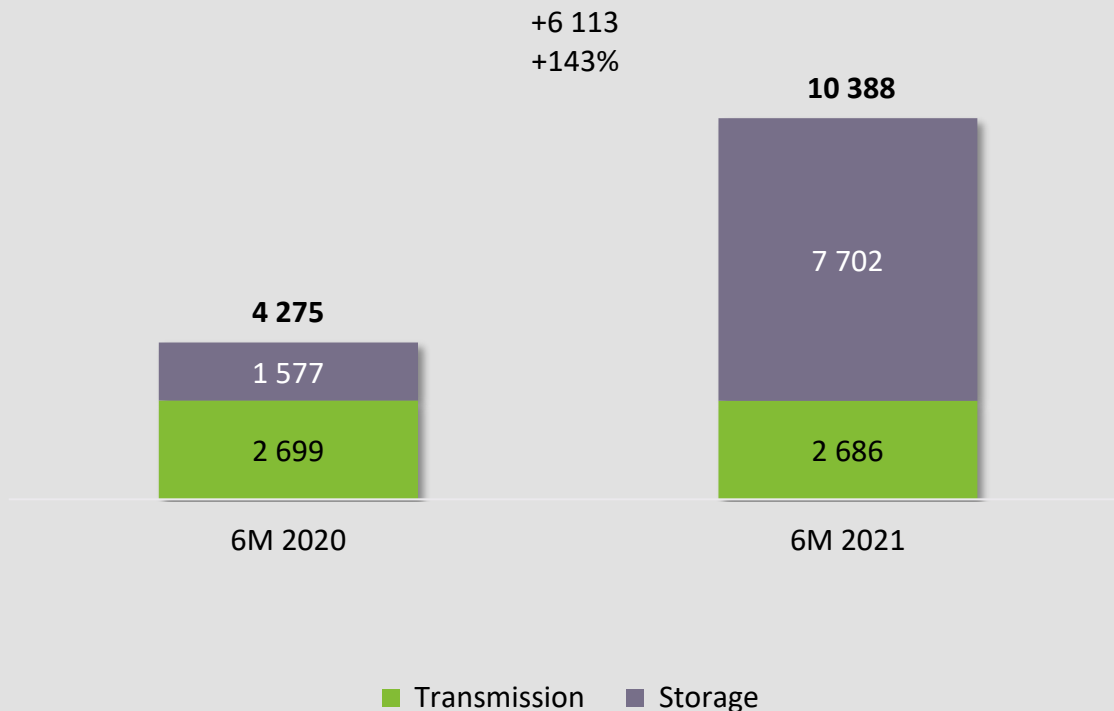
- Total amount of reserved capacity at Inčukalns UGS has decreased from 21.5 TWh in 2020/2021 storage cycle to 18.6 TWh in 2021/2022 storage cycle;
- Different products have been reserved by the users, while revenue remained at the prior year level.



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Capital investments, `000 EUR

Investments by segments



➤ Storage segment largest project:

- "8.2.4. Enhancement of Inčukalns UGS" - total investments 88 mio EUR for the modernization of the storage facility (50% of which co-financed by the EU). Implementation years 2018 – 2025. Total project fulfilment increased from 17% by the end of 2020 to 25% by the end of the first half of 2021. In the first half year investments made in amount of 6.7 mio EUR.

➤ Transmission segment largest projects:

- "8.2.1. Enhancement of Latvia-Lithuania interconnection" (ELLI) – total investments of 5.5 mio EUR are to be made by Conexus (50% of which co-financed by the EU). Implementation years 2019 – 2023. Total project fulfilment increased from 35% by the end of 2020 to 41% by the end of the first half of 2021. In the first half year investments made in amount of 330 kEUR.
- Transmission gas pipelines insulation repairs - investments made in amount of 1 033 kEUR.

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Available funds and borrowings, `000 EUR

Available funds	30.06.2021	31.12.2020
Cash	(2 080)	15 164
Overdraft	4 486	-
Total	2 405	15 164

Balance	30.06.2021	31.12.2020
Long term loans	66 694	-
Short term loans	12 823	21 875
Overdraft	4 486	-
Total	84 003	21 875

Financial covenants	30.06.2021	31.12.2020
Shareholders' equity ratio > 50%	74%	89%
Net Debt to EBITDA ratio < 5	2.94	0.76
Debt-Service Coverage Ratio (DSCR) > 1.2x	7.78	8.26

- During the reporting period Company has received loans from banks:
 - Nordic Investment Bank;
 - AS «SEB banka»;
 - AS «Swedbank».
- The repayment term of the loan from OP Corporate Bank plc Latvia has also been extended
- All financial covenants set in the Company's loan agreements have been complied with during the reporting period.

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Thank you!