



AS AUGSTSPRIEGUMA TĪKLS GROUP CONSOLIDATED SUSTAINABILITY REPORT, AS AUGSTSPRIEGUMA TĪKLS GROUP CONSOLIDATED AND AS AUGSTSPRIEGUMA TĪKLS SEPARATE ANNUAL REPORT

2025

Translation note: This version of AS "Augstsprieguma tīkls" group's consolidated Sustainability Report and AS "Augstsprieguma tīkls" group's and separate Financial Statements is a translation from the original, which was prepared in Latvian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of

AS "Augstsprieguma tīkls" group's consolidated Sustainability Report and AS "Augstsprieguma tīkls" group's and separate Financial Statements takes precedence over this translation. This is a translation in pdf format without the European Single Electronics Format (ESEF) markups of the digitally signed original which was prepared in Latvian and submitted in machine-readable xhtml format to the Nasdaq Riga exchange.

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INTRODUCTION



STATEMENT BY THE CHAIRMAN OF THE MANAGEMENT BOARD

THE YEAR THAT LATVIA'S ENERGY SYSTEM BECAME INDEPENDENT AND BROKE THROUGH TECHNOLOGICALLY

It is now over a year since the Baltic States secured their energy independence. In February 2025, the Baltic energy systems severed their historical energy ties with Russia irreversibly and joined the world's biggest energy system - continental Europe.

We synchronised our energy systems with those of Europe almost a year earlier than planned.

Not only did consumers not feel the transition, but the Baltic energy transmission grid is now more secure than ever before, in considerable part due to the vital role played in the process by the AS Augstsprieguma tīkls (AST) Group.

In 2025, with a combined value of over €90 million, all infrastructure projects related to synchronisation were completed, cybersecurity was reinforced, and five new and four existing connections to the transmission network were built and modernised for the integration of renewable resources in the amount of almost 500 MW. The battery management system that we jointly developed by in partnership with RTU was recognised by the Latvian Academy of Sciences as one of the most notable scientific achievements in 2025. Meanwhile, the joint work of the Baltic and Polish transmission system operators won global recognition: the synchronisation of the Baltic electricity grids won the project management "Oscar" in the form of the US Project Management Institute's prestigious Project of the Year award.

The transition to synchronous operations with Europe, along with the rapid development of renewable energy resources, has significantly expanded the responsibilities and responsibilities of AST in the planning, management, operation and development of electricity transmission system regimes. Despite, efficiently secured EU funding, redirection of congestion

management revenues and the streamlining of operations have enabled us to keep transmission tariffs stable for the next three years.

We have no intention of resting on our laurels. On the contrary, we have ambitious plans for the coming years, which we plan to implement by continuing to actively secure EU funding, including for infrastructure security and resilience projects, as well as for the development of new interconnections with Lithuania and Estonia.

Significant work has gone into in the integration of the Baltic power market and the development of balancing mechanisms: shortly before synchronization, the Baltic Balancing Capacity Market was launched, a market in which AST and its Baltic partners jointly buy the balancing capacity reserves required for the operation of the system. Thereafter, AST joined the European automatic frequency restoration reserve energy exchange platform PICASSO. In October, together with the rest of Europe, Latvia switched to a 15-minute interval for power trading, thus increasing trading accuracy and facilitating more efficient coordination of

cross-border electricity flows. The transition to modern balancing and market mechanisms led by AST ensures the integration of renewable energy, improves system flexibility and security, boosts market efficiency and transparency, and generates new business opportunities for market participants.

An essential resource for ensuring Baltic energy independence is the Inčukalna underground gas storage facility run by AST subsidiary Conexus Baltic Grid (Conexus). With the opening of the natural gas market and the development of the regional market, the role played by the storage facility has increased, as a result of which both the flexibility and security of gas supply in the region have improved. In 2025, with the objective of improving its functionality and reducing the environmental impact of the storage facility's technological processes, the reconstruction of the storage facility was nearing completion. Furthermore, last year, Conexus' first publicly available biomethane entry point at "Džūkste" entered service - a significant step towards expanding the capabilities of gas transmission infrastructure and facilitating the development of sustainable energy in Latvia. In the next few years, it is planned that at least two more such points will be built in Latvia.

I would like to take this opportunity to thank all the Group's employees, customers and cooperation partners for our joint achievements in 2025! The Group will continue to provide continuous, secure and sustainably efficient and competitively-priced energy transmission, continually improving our performance and thus fostering Latvia's competitiveness, sustainable development and long-term value generation.



ROLANDS IRKLIS

Chairman of the Board,
AS Augstsprieguma tīkls

SUSTAINABILITY REPORT

1

GENERAL INFORMATION

ESRS 2

INFORMATION ON THE STRUCTURE OF THE GROUP

The principal activity of the AS Augstsprieguma tīkls Group (hereinafter also referred to as "the Group") is to fulfil the functions of the electricity transmission system operator and to ensure the efficient management of energy supply system assets, natural gas transmission and storage.

As at 31 December 2025, the structure of the Augstsprieguma tīkls Group consisted of a group of commercial companies, in which the Parent Company AS Augstsprieguma tīkls (hereinafter also referred to as "AST" or "the Parent Company") has a decisive influence and which includes the Subsidiary AS Conexus Baltic Grid (hereinafter also referred to as "Conexus" or "the Subsidiary"). All shares of AS Augstsprieguma tīkls (100%) are owned by the Republic of Latvia.

The Parent Company's investment in the Subsidiary accounts for 68.46%. 29.06% of Conexus shares are owned by the Japanese company Marubeni Fund, MM Infrastructure Investments Europe Limited, and 2.48% by other shareholders.

SCOPE OF CONSOLIDATION

This is the consolidated sustainability report of the Augstsprieguma tīkls Group, which, like the consolidated financial report of the Augstsprieguma tīkls Group, covers the Parent Company and commercial companies in which the Parent Company has a decisive (more than 50%) influence. Based on the aforementioned principles, the consolidated sustainability report, like the financial report, covers AS Augstsprieguma tīkls and its Subsidiary AS Conexus Baltic Grid.

In line with the financial report of the Augstsprieguma tīkls Group, the reporting period of the consolidated sustainability report corresponds to the financial year from 1 January 2025 to 31 December 2025. The consolidated sustainability report is prepared once a year and published on the last working day of April of each year. The report for 2025 was published on the Group's website on 24 April 2026: www.ast.lv.

SCOPE OF DISCLOSURE OF INFORMATION ABOUT THE VALUE CHAIN

The Group’s operations are not only important for its own operations, but also for the upstream and downstream value chain, given that the Group’s companies are only part of the wider energy market.

The dual materiality assessment underlying the Sustainability Report captures and considers impacts, risks and opportunities that arise or could arise not only in the Group’s operations but also in its value chain. More detailed information is available in the section on "Identification and assessment of material impacts, risks and opportunities".

Data related to the value chain are discussed in the following sections in particular:

- Climate change – the calculation of indirect emissions mainly includes upstream value chain data, but in relation to the downstream value chain, the Group’s contribution to the transition of the Latvian energy supply system to the production and use of renewable resources, as well as ensuring the security, stability and reliability of energy supply, is detailed;
- Affected communities – this section provides information on the impact on indirect value chain participants (broader society or individual groups

thereof, which are also end users of the Group’s companies’ services), as well as measures taken by the Group to mitigate the negative impact on these groups and expand the positive impact;

- Business activities – this section provides information on cooperation with suppliers and other counterparties, mainly covering information related to the upstream value chain. Suppliers play a significant role in the implementation of the Group’s strategic projects. Therefore, the sustainability report reflects information on the upstream value chain, in particular describing procurement processes, sustainability criteria set for suppliers, and the impact of suppliers on achieving the Group’s goals.

Indirect aspects of the value chain are discussed in the sections on biodiversity and circular economy. In regard to the management of the working environment, the information provided mainly reflects the Group’s own operations.

The Group’s policies, activities and targets in the aforementioned areas are closely integrated with the value chain, and in accordance with the most significant aspects, this information is disclosed in conformity with the requirements of the thematic standards of the European Sustainability Reporting Standards (hereinafter also referred to as "ESRS"). Where necessary and possible, the indicators disclosed include data on the value chain. At the same time, the Group continues to improve data collection processes, gradually improving the accumulation and presentation of data related to the value chain in the future.

CONTACT INFORMATION FOR SUGGESTIONS AND QUERIES

The Group highly values stakeholder engagement and suggestions to improve our sustainability practices and the quality of the information provided. If you have any questions, suggestions or would like to share your feedback on the Sustainability Report, please contact:

Email address: ast@ast.lv
Address: AS Augstsprieguma tīkls, Dārzciema iela 86, Rīga, LV-1073, Latvia
Phone: +371 67728353

LIMITED ASSURANCE REVIEW

The independent auditor’s limited assurance report on the 2025 Sustainability Report has been provided by SIA KPMG Baltics, which is also the auditor of AS Augstsprieguma tīkls 2025 financial statements, as well as the auditor of the Subsidiary's financial statements. The independent auditor's limited assurance report is available on page 165. of this report.

INFORMATION RELATING TO SPECIAL CIRCUMSTANCES

In preparing the 2025 Sustainability Report, clarifications have been made to the comparative data of previous years on GHG emissions, the area of affected protection zones and in regard to the volumes of oils sent for processing, ensuring the comparability of these data with 2025 (the adjustments are explained in the relevant sections of the sustainability report). By expanding the calculation of greenhouse gas (hereinafter also referred to as "GHG") emissions and including scope 3 emissions, as well as expanding the EU Taxonomy Report and including Conexus financial indicators, no relevant recalculation has been made for the 2024 data. Thus, the aforementioned data are not directly comparable with the information included in the 2024 Sustainability Report.

The quality of information and data has been gradually improved in the 2025 Report, improving the structure of the report, the comprehensibility of the contents, the detailing of the information provided and the methodological approach to data acquisition, processing and presentation.

All indicators and information disclosed in the report have been prepared to ensure their accuracy and reliability. Comparative data is presented for a two-year period, i.e. 2024 and 2023. In certain data items,

data for 2023 is not available and will not be presented when preparing the 2025 sustainability report. Data comparability over a three-year period will be fully ensured from 2026.

The measurements of the quantitative indicators included in the report have not been confirmed other than courtesy of an independent auditor’s limited assurance report on the sustainability report as a whole. The Group’s GHG emissions calculation includes the Subsidiary’s indicators for natural gas from the Subsidiary’s GHG emissions report (emissions related only to natural gas storage), which is subject to annual external verification and approved by the State Environmental Service.

The reliability of the data is facilitated by the fact that AST has developed, implemented and maintains the company’s management system and processes in accordance with the standards ISO 9001:2015 (Quality Management Systems), ISO 14001:2015 (Environmental Management Systems), ISO 45001:2018 (Occupational Health and Safety Management Systems) and ISO 50001:2018 (Energy Management Systems). Conexus has developed, implemented and maintains an integrated management system for the company in accordance with ISO 14001:2015 (Environmental Management Systems), ISO 45001:2028 (Occupational Health and Safety Management Systems) and ISO 50001:2028 (Energy Management Systems).

Unless otherwise specified in the content of the report, the Group uses the time frames specified by the ESRS for the presentation of information and data:

- Short term – within 1 year;
- Medium term – 2-5 years;
- Long term – more than 5 years.

The contents of the report contain references to the Group’s Medium-Term Strategy, which covers a fixed five-year period (the Group’s Medium-Term Strategy for 2021-2025 applies to this report).

Quantitative information related to the value chain is mostly included in the sections on Climate change and Business activities. In both sections, the information used is available in the Group’s accounting systems and data on the volume, number of purchases, organised business trips, etc. Direct information from suppliers on the amount of GHG emissions from their products or services is not requested.

The Group’s Sustainability Report does not include classified, sensitive, specific knowledge and innovation-related information, the disclosure of which is either limited by the Group’s obligations in managing critical infrastructure or is classified as a trade secret. The non-inclusion of such information does not affect the compliance of the sustainability report content with ESRS requirements.

In preparing the 2025 Sustainability Report, the Group exercises the option not to disclose or only partially disclose financial impact indicators related to sustainability areas, as provided for in Commission Delegated Regulation (EU) 2025/1416 the specified exemption (the "quick fix" decision on the application of ESRS standards).

2

BUSINESS MODEL AND STRATEGY

ESRS SBM-1

The Group is one of the largest energy supply undertakings in the Baltics. Its core business is comprised of fulfilling the functions of the electricity transmission system operator and ensuring the efficient management of energy supply system assets, and the transmission and storage of natural gas.

As at 31 December 2025, the structure of the Group consisted of a group of commercial companies in which the Parent Company AS Augstsprieguma tīkls exercises decisive influence, and which includes the Subsidiary AS Conexus Baltic Grid. All (100%) shares of AS Augstsprieguma tīkls are owned by the State, and the shareholder is the Ministry of Climate and Energy of the Republic of Latvia.

In geographical terms, the Group operates within the territory of Latvia. The registered office of the Augstsprieguma tīkls Group is at 86 Dārzciema iela, Riga, LV-1073. Structural units of companies belonging

to the Group are located elsewhere in Riga and throughout Latvia.

The Parent Company is responsible for the backbone of Latvia’s electricity system — the transmission network, which consists of 330 kV and 110 kV electricity transmission lines and substations required for the further transmission of electricity to transmission system users, i.e. large individual consumers, producers and distribution network operators. The transmission network connects Latvia’s power plants to the energy systems of neighbouring countries and with distribution network companies, thereby ensuring that consumers receive the required volume of electricity in real time, as well as enabling producers to export and traders to import electricity from neighbouring countries.

Highest voltage (kV)	Number of substations	Number of auto-transformers and transformers	Installed capacity (MVA)	Overhead and cable EPL (km)
330 kV	17	29	4 025	1 727
110 kV	130	240	5 124	3 786
TOTAL	147	269	9 149	5 513

The Subsidiary’s gas transmission pipelines consist of regional gas pipelines, intended for supplying Latvia, and international gas pipelines, which ensure gas transit to neighbouring countries, as well as their branches. The total length of the gas transmission pipelines, including their branches, is 1,190 km. Latvia’s natural gas transmission system is directly connected to the natural gas transmission systems of Lithuania and Estonia, ensuring both the transmission of natural gas through pipelines within the territory of Latvia and interconnections with the natural gas transmission systems of neighbouring countries.

In 2025, the Baltic electricity systems regional coordination centre Baltic RCC OÜ (hereinafter also referred to as Baltic RCC), founded by AS Augstsprieguma tīkls together with the electricity transmission system operators of Estonia and Lithuania and registered in Estonia, continued on its operations.

The governance of the regional coordination centre is ensured in accordance with the principle of equality among all three Baltic States, i.e. each operator holds an equal number of shares in the new structure, with AS Augstsprieguma tīkls holding a 33.33% ownership stake. The main task of Baltic RCC is to coordinate the planning of the development of electricity systems and to align certain daily operational activities of the operators in order to guarantee the security of electricity supply. The activities of Baltic RCC are not included within the scope of the Consolidated Sustainability Report of the Augstsprieguma tīkls Group.

The Group’s core operations are divided into three segments: electricity transmission, natural gas transmission, and natural gas storage. This division is based on the Group’s internal organisational structure, which ensures effective monitoring and control of the operating results of the segments.

The overall strategic objective of the Augstsprieguma tīkls Group is to ensure the security of Latvia’s energy supply, provide continuous, high-quality and accessible energy transmission services, and ensure the sustainable management of energy supply assets that are strategically important to the state, while facilitating their integration into the European Union’s internal energy market.

The main strategic direction of the Augstsprieguma tīkls Group is focused on::

FINANCIAL STABILITY:
ensuring optimal return on public investment, financial risk management;

ENERGY SECURITY:
synchronisation with European transmission networks, including the electricity and ancillary services market;

QUALITY ENERGY SUPPLY:
Augstsprieguma tīkls innovation-oriented quality energy supply at the lowest possible tariff;

SOCIAL RESPONSIBILITY:
safe working environment, engaged employees and social responsibility towards society;

SUSTAINABLE AND EFFECTIVE GOVERNANCE:
continuous improvement of efficiency.

On 8 August 2025, the Letter of Expectations of the Group’s shareholder was received.

In the Letter of Expectations, the shareholder had defined the Group’s priority development directions,

which form a clear roadmap for ensuring Latvia’s energy independence, regional competitiveness and sustainable development.

Based on the defined priorities, the AST Group’s Medium-Term Strategy for 2026–2030 was drawn up. It provides for the activities of the Group and its companies in the following directions:

Priorities set by the shareholder (Ministry of Climate and Energy)	Priority directions derived by AST	Priority directions derived by Conexus
Energy security and energy independence	Electricity supply security and resilience	Efficient and safe maintenance of existing infrastructure
Sustainable energy development	Development of the electricity grid	Securing sustainable energy sources and reducing environmental impact
Integration into the European system and regional competitiveness	Market integration and development	New business opportunities (including in relation to the potential for hydrogen transmission and CO ₂ transport and storage)

SUSTAINABILITY REPORT

The driving force of the Group is development, and the key to its success is a team of more than 900 professional and responsible employees (as at 31 December 2025: 917 employees, as at 31 December 2024: 905 employees) who ensure the transmission of electricity and natural gas, as well as the continuity, safety and development of services.

By region	Number of employees as at 31 12.2025 In AST	Number of employees as at 31 12.2025 In the Group
Riga	411	774
Vidzeme	31	31
Kurzeme	52	52
Latgale	30	30
Zemgale	30	30
TOTAL	554	917

OPERATING SEGMENTS

ELECTRICITY
TRANSMISSION SEGMENT

In accordance with the issued Licence No. E13001 and Section 11, Paragraph one of the Electricity Market Law, the joint stock company Augstsprieguma tīkls is the sole electricity transmission system operator (hereinafter also referred to as "the TSO") in Latvia, and the area of operation of its licence covers the entire territory of Latvia. AS Augstsprieguma tīkls ensures continuous and high-quality electricity transmission services, carries out the sustainable and efficient management and development of energy supply assets, and facilitates integration into the European Union internal market. In accordance with Section 5 of the Energy Law, electricity transmission is a regulated sector.

The Parent Company carries out its activities within one main operating segment — electricity transmission.

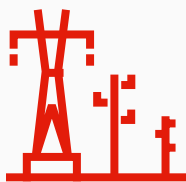
AST is responsible for the backbone of Latvia's electricity system — the transmission network, which includes interconnected networks and equipment, including cross-border interconnections, with a voltage of 110 kilovolts and above, and which are used for transmission to the respective distribution system or to users. The Parent Company ensures the operation, maintenance and repair of high-voltage electricity transmission lines (hereinafter also referred to as

"ETLs"), substations and switching points, as well as the development of the transmission network.

The AST is responsible for ensuring:

- SECURE AND STABLE ELECTRICITY SUPPLY;
- DEVELOPMENT OF THE TRANSMISSION NETWORK AND SECURE INTERCONNECTION WITH OTHER ENERGY SUPPLY SYSTEMS;
- MANAGEMENT AND CONTROL OF ELECTRICITY FLOWS WITHIN THE TRANSMISSION SYSTEM;
- MANAGEMENT AND CONTROL OF THE OPERATION OF ELECTRICITY GENERATION FACILITIES CONNECTED TO THE TRANSMISSION SYSTEM;
- NON-DISCRIMINATORY CONDITIONS FOR THE USE OF THE TRANSMISSION SYSTEM FOR ALL TRANSMISSION SYSTEM USERS.

Parent Company provides the following essential services:



ELECTRICITY
TRANSMISSION
SERVICES

Including the transmission of electricity and the maintenance and development of capacity. In the provision of these services, there is no competition, because in Latvia there is only one transmission system operator.

The operations of the Parent Company are focused on providing high-quality electricity transmission services at the lowest possible cost.



CONNECTIONS TO
THE ELECTRICITY
TRANSMISSION SYSTEM

Within the scope and during the period of validity of its licence, the system operator has an ongoing obligation to provide system participants with the connection to the transmission system they require, or to allow changes to be made to the permitted capacity of existing connections, in accordance with the system participant connection regulations issued by the Public Utilities Commission (hereinafter referred to as "PUC" or "the Regulator"), and for a connection fee set by the transmission system operator in accordance with the connection fee calculation methodology established by PUC, provided that the system participant complies with the technical requirements set by the transmission system operator



FOR ELECTRICITY
MARKET PARTICIPANTS

- Balancing service
- Regulation service
- Energy identification codes
- Access to electricity accounting data
- Electricity origin certification

In 2025, 5,798 gigawatt-hours (GWh) of electricity were generated in Latvia, which is 2% less than in 2024, when 5,906 GWh were produced. In 2025, electricity generation at solar power plants continued to increase, rising by 70% compared with the previous year to 678 GWh. As a result, the volume of electricity generated by solar power plants maintained the position attained in the previous year, ranking third after hydroelectric power plants (HPPs) and natural gas power plants, accounting for 11.7% of total electricity generation, an increase of 5 per cent compared with 2024. At the same time, the volume of electricity generated from other production sources decreased. The most significant decline was observed in wind power plants, where generation fell by 27%, while electricity produced at biogas plants declined by 24%. Electricity generation at natural gas and biomass power plants was 2% lower than in 2024, while generation at hydroelectric power plants fell by 8%. The decrease in electricity generation at HPPs is explained by the flood season—in the past year, there was no widespread flooding.

Electricity consumption in Latvia in 2025, compared with 2024, increased by 3%, from 6,980 GWh to 7,201 GWh. It should be noted that, considering the installation of solar generation equipment for self-consumption in households and businesses, the actual volume of electricity generated and consumed in Latvia in 2025 was higher, as part of the electricity produced is not supplied to the grid but used immediately for self-consumption.

In 2025, the average electricity price in Latvia decreased by 2% compared with 2024, reaching EUR 85.72 per megawatt-hour (EUR/MWh).

On 1 October 2025, the entire European electricity market transitioned to a 15-minute trading period in the day-ahead electricity market, enabling market participants to forecast and plan their production and consumption much more accurately and to leverage market opportunities to a greater extent.

In 2025, the Parent Company ensured the transmission of 6,118 GWh of electricity to users in Latvia, which is 1.7% more than in 2024 (6,015 GWh). With electricity transmission tariffs remaining stable, revenues from transmission services increased by 0.6% in 2025 compared with 2024 (EUR 94.2 million in 2025; EUR 93.7 million in 2024).

Detailed annual electricity market reviews are available on the AST website: www.ast.lv.

DEVELOPMENT

Synchronisation of the Baltic States with Continental Europe

At 2:05 PM on 9 February 2025, Estonia, Latvia, and Lithuania successfully synchronised their electricity systems with continental Europe. This is a significant historical step for the Baltic States and for Europe as a whole, strengthening the region’s energy resilience and independence.

Synchronisation enables the Baltic States, in close cooperation with other continental European countries, to manage their electricity networks, ensuring stable and

reliable frequency control, thereby significantly improving regional energy security. Previously, the Baltic States relied on Russia’s system for frequency management, but they have now joined the European network, which serves more than 400 million consumers. All interconnection lines with Russia and Belarus have been disconnected irreversibly.

This process is the result of several years of careful preparation and cooperation between the Baltic transmission system operators — AS Elering (Estonia), AS Augstsprieguma tīkls (AST, Latvia), and AS Litgrid (Lithuania) — and their partners in the European synchronous area. To achieve this result, significant investments were made in the development and reinforcement of infrastructure in the Baltic States and Poland.

In 2025, with financial support from the European Commission, and in addition to the investments made previously, AST continued and completed the implementation of significant synchronisation infrastructure and IT projects:

- Delivery and installation of three synchronous compensators at Grobiņa, Ventspils, and Līksna substations;
- Implementation of high-capacity electricity storage systems at Rēzekne and Tume substations;
- Implementation of active booking solutions for dispatch control systems;
- Arranging international commercial accounts, etc.

As the final step in establishing independent synchronous operation with the continental European electricity transmission system, at the end of 2025, the Synchronous Area Framework Agreement for Regional Group Continental Europe was concluded with the transmission system operators of the Regional Group Continental Europe and the European Network of Transmission System Operators for Electricity (ENTSO-E).

Development of the electricity transmission system

To ensure the efficient development of the transmission system and the secure provision of electricity transmission system services, each year AST prepares an electricity transmission system development plan for the next ten years (hereinafter also referred to as "the Development Plan"). In accordance with the "Regulations on the Electricity Transmission System Development Plan" approved by the Public Utilities Commission (hereinafter also referred to as "PUC"), the Development Plan prepared by AST is submitted for approval to PUC every two years.

Detailed information on the Development Plan for 2025–2034, approved by the PUC, (the PUC Council of 31 October 2024 Decision No. 79) is available on the AST website (see Development Plan). In 2026, it is planned to submit the Development Plan for 2027–2036 to PUC for approval.

The Development Plan for 2026–2035, approved by the AST Management Board, has been prepared in accordance with AST’s strategic objective of

strengthening Latvia’s energy security, ensuring compliance with the principles of security and cost efficiency. The Plan provides for the following measures:

- Protection of critical synchronisation infrastructure, which will require significant investments in the protection of the established infrastructure and the ability to quickly restore it;
- Moving towards the digitalisation of the electricity system, including the introduction of integrated balance management (BMS) and network model management (NMM) information systems, as well as cybersecurity and IT infrastructure system improvement solutions;
- Green transformation, including the transition from SF6 equipment to more environmentally friendly equipment, as well as the integration of new renewable energy producers into the electricity transmission system, by building more than ten new facilities for connecting such power plants;
- Maintenance and development of the operational capacity of the existing infrastructure, ensuring efficient and high-quality electricity transmission system services at the lowest possible service tariffs, including rebuilding 24 110kV substations, replacing seven autotransformers and 49 transformers, installing 575 new 330kV power transmission line supports and 2061 new 110kV power transmission line supports, and conducting other requisite measures.

The approved Development Plan for 2026–2035 defines the development of the transmission system and the required financial investments in transmission infrastructure for the next ten years, providing for EUR 908 million to be invested in the development of the electricity transmission system.

Strategically important interconnections

Alongside the projects for the renewal of the existing transmission network, AST continues to assess and develop strategically important interconnection projects, including the fourth Latvia–Estonia interconnection, a new interconnection with Lithuania (the 330 kV electricity transmission line Ventspils – Brocēni – Varduva), as well as the Latvia–Sweden LaSGo Link interconnection and the Baltic–Germany BalticHub interconnection, which could significantly influence the connectivity of Latvia’s electricity system and its regional role.

The implementation of these projects will increase the security and stability of Latvia’s electricity supply, strengthen the energy independence of the Baltic States, and enable the connection of a larger volume of renewable energy resources to the grid.

The advancement of these projects is closely linked to:

- Political and strategic decisions by several countries,
- Common European energy strategy and market readiness,
- Availability of EU support instruments.

On 2 April 2025, a call was made for energy infrastructure projects under the Connecting Europe Facility (CEF). Within this call, in September 2025, the Parent Company submitted two applications:

1. The Baltic synchronisation critical infrastructure project (CIP – Critical Infrastructure Protection), which is being prepared jointly with the Baltic and Polish transmission system operators (TSOs);
2. An application for the environmental impact assessment (EIA) and route study of the fourth Estonia–Latvia interconnection, which is being prepared jointly with the Estonian TSO AS Elering.

It is anticipated that these activities could receive European Union CEF co-financing of up to 50% of the eligible costs.

Renewable electricity generation – connections to the transmission system

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. In 2025, strong interest in electricity generation using renewable energy resources continued in Latvia.

Considering that the planned new capacities to be introduced had reached the technical limit of the electricity transmission system (6 GW), amendments to the Electricity Market Law were adopted in 2025, which:

- allow the introduction of a "flexible transmission

system service" — a transmission system service provided to an electricity producer with the possibility of limiting it for up to 876 hours within one calendar year. Accordingly, by combining such limitations with the alignment of electricity generation profiles, it has become possible to connect an additional 5.8 GW to the electricity transmission system;

- provide the possibility for projects whose implementation is not progressing as planned to withdraw from their implementation, thereby making room for other developers. This opportunity was taken up by 12 project developers, with a total planned capacity of 2 GW.

In 2025, 30 agreements were concluded for the establishment of new connections or for changes to the technical parameters of existing connections, providing for the connection of 2.9 GW of renewable energy capacity to the electricity transmission system: 0.6 GW of wind power plants (WPPs), 0.8 GW of solar power plants (SPPs), and 1.6 GW of power plants using various technologies.

Development of the Baltic electricity market and balancing mechanisms

Following the synchronisation of the Baltic electricity transmission systems with the European power system, together with AS Elering of Estonia and AS Litgrid of Lithuania (jointly "the Baltic transmission system operators"), AST has assumed a new responsibility — to ensure frequency regulation and the continuous balance between electricity consumption and generation in the Baltic region.

These changes, as well as the rapid increase in connections of wind and solar power plants, significantly increase the need for balancing reserves, which ensure the stable operation of the power system.

Creation of a regional balancing market

To ensure the secure and efficient operation of the system, AST is one of the main initiators and implementers of the Baltic balancing capacity market, which started operating on 4 February 2025.

The new market enables AST, together with its Baltic partners, to procure and coordinate the balancing capacity reserves required for system operations, in compliance with the European balancing guidelines, and by using a cross-border transmission capacity optimisation algorithm developed by the Baltic transmission system operators.

In 2025, the total demand for balancing capacity in the Baltics reaches approximately 1,500 MW, and AST forecasts that this volume will increase as the share of renewable energy grows and new generating consumers enter the market.

Participation in European balancing platforms

To strengthen the integration of the region into the European energy system, AST has introduced the automatic frequency restoration reserves market and, together with its Baltic partners, joined the European PICASSO platform (*Platform for the International Coordination of Automated Frequency Restoration and*

Stable System Operation) in April 2025.

Participation in the PICASSO platform opens up new opportunities for electricity producers, consumers, and large-scale battery operators in Latvia, enabling them to offer balancing services and earn additional revenues. At the same time, AST will gain broader access to balancing resources and the possibility to use imbalance netting, which will reduce the total volume of reserves to be activated and foster system efficiency.

Joining the PICASSO platform was the next step in the development of the Baltic balancing market, following the accession to MARI (*Manually Activated Reserves Initiative*) and the establishment of the Baltic balancing market. Accordingly, AST promotes the broader development of the balancing services market and facilitates new investments in reserve infrastructure.

Interest in participating in these markets continues to grow, confirming the importance of the initiatives promoted by AST in strengthening the resilience of the regional energy system.

Transition to a 15-minute market model

To ensure the broad development of renewable energy generation and introduce greater competition, both by expanding the market geographically and by introducing new types of services, for several years now, European transmission system operators and electricity exchanges have been working on improving the electricity market model.

Since the liberalisation of the electricity market, which began in Europe 30 years ago, electricity wholesale and retail trading, with prices linked to the variable exchange price, has taken place in 60-minute periods. To date electricity meters have also recorded consumption in 60-minute intervals, enabling consumers and producers to settle according to the prices set on the electricity exchange for each hour of the day.

In order to increase the precision and granularity of trading, a transition from 60-minute trading to 15-minute trading is being introduced both in electricity exchanges and balancing markets. As part of this process, the next step — the transition to a 15-minute trading period in the day-ahead electricity market across Europe — took place on 30 September 2025, with the first electricity delivery day under the new regime following on 1 October.

Along with the changes in the day-ahead electricity market, a 15-minute trading period is also being introduced in the Baltic balancing capacity market. This change will allow the Baltic transmission system operators to plan and procure balancing capacity reserves more accurately, as well as to reserve interconnection capacities required for balancing the electricity system.

For participants in the balancing capacity market, particularly those whose portfolios include renewable energy resources or highly flexible resources, this will provide the opportunity to offer capacity availability for shorter periods and to plan capacity provision periods more precisely.

The electricity market model is the main tool by which the transmission system operator coordinates the operation of the energy system. AST has played a leading role in the transition to a 15-minute trading and imbalance settlement period across the Baltics. The transition to 15-minute trading is an important step towards a single European energy market with more efficient coordination of cross-border electricity flows.

Strengthening competition and market openness

Together with partners, Baltic electricity transmission system operators (TSOs), including AST, have implemented a solution that allows multiple electricity exchanges to operate in the market (Multi NEMO Arrangement or MNA model). Competition between electricity exchanges will bring benefits to market participants, providing wider choice and better services.

From 25 November, a new operator, EPEX SPOT, started operating in the intraday market in Estonia, Latvia, and Lithuania. Until now, Nord Pool was the sole nominated electricity market operator in the Baltic electricity market.

The entry of the second exchange does not affect the general principles of connecting European markets – the determination of cross-border transmission capacity and the network congestion management process in the Baltic countries remain unchanged. Electricity market pricing principles also remain unchanged, with trading offers submitted on both electricity exchanges collected and used centrally.

In 2026, the Baltic TSOs and market operators will complete the implementation of the solution so that multiple exchanges can also operate in day-ahead and intraday auctions. The solution of parallel operation of competing power exchanges is implemented in accordance with the EU guidelines on capacity calculation and congestion management, which aim to foster competition between power exchanges in central European markets, moving towards a fully integrated and competitive European electricity market. Such solutions have already been implemented in several Central and Western European countries, as well as in the Nordic countries.

Harmonisation and future projects

AST participates in the development of a common European balancing capacity procurement algorithm, which envisages uniform, transparent and coordinated procurements across Europe.

In light of the accelerating development of solar and wind power plants, while their output depends on weather conditions and given that the accuracy of weather forecasts is higher in the short term, it is necessary to ensure that electricity can be bought and sold closer to the time of delivery in the electricity market. Therefore, as part of the continued development of the electricity market, the possibility to buy and sell electricity up to 30 minutes before delivery will be introduced across Europe. European transmission system operators will gradually implement this solution by 2029. The transmission system operators of Latvia and the other Baltic States will introduce this solution at the Latvia–Estonia border and the Latvia–Lithuania border in 2026.

These changes are part of a broader reform of the electricity market design, the aim of which is to make the market more efficient, more flexible and better adapted to changing production and consumption conditions across Europe. By shortening the intraday market gate closure time from 60 to 30 minutes before the start of electricity delivery, market participants are provided with the opportunity to respond closer to real time. This improves market flexibility and fosters more accurate price formation, with transactions reflect the current production and consumption situation more accurately.

These changes are particularly important for the integration of weather-dependent renewable energy sources — wind and solar electricity. The possibility to trade closer to the delivery time reduces forecasting errors, allowing producers and consumers to adjust their positions more accurately to actual conditions. As a result, there is a decrease in the need for balancing and the associated system costs, while at the same time the electricity system is rendered more efficient and secure.

To ensure the introduction of the 30-minute cross-zonal gate closure time, AST and other European transmission system operators have carried out significant improvements to their operational and control systems, working in close collaboration at cross-border level.

AST’s contribution to a sustainable energy future

All the aforementioned initiatives demonstrate AST’s strategic role in the transformation of the Baltic electricity market and the integration of the European energy system.

The transition to modern balancing and market mechanisms led by the Company:

- Fosters the integration of renewable energy,
- Improves system flexibility and security,
- Increases market efficiency and transparency,
- Creates new economic opportunities for market participants.

Thus, through its initiatives, AS Augstsprieguma tīkls is not only reinforcing the security of the Latvian and Baltic energy systems, but also fostering a sustainable and competitive electricity market at European level.

Innovation and research

To ensure the development of the Parent Company, and recognising the essential role of research and innovation in ensuring successful operations, AST actively conducts research necessary for the Latvian electricity system, including participation in the work of the System Development Committee and the Research, Development and Innovation Committee of the European Network of Transmission System Operators for Electricity (ENTSO-E).

Under the aegis of the ENTSO-E Research, Development and Innovation Committee, activities are carried out aimed at transforming the existing electricity systems across Europe in order to achieve the objectives set by the European Union, primarily in the areas of flexibility, digitalisation and the green transition. In the field of research and innovation, in 2025, several studies were conducted related to network modernisation, security and efficiency, as well as the

green transition (some of which will continue in 2026), including:

- Environmental impact assessment for the new 330 kV Ventspils–Brocēni–Varduva line, which is being carried out with RePowerEU European funding;
- In-depth research was jointly conducted with the Lithuanian TSO into the development opportunities and necessary projects of the Latvian–Lithuanian electricity transmission network, as well as into the possible use of innovations in modernisation projects;
- Research was initiated together with the Estonian TSO Elering to select the technological solution for the 4th Estonian–Latvian interconnection;
- Research work continues into the development of the Baltic–German project, performing calculations of the benefits of the interconnection.

NATURAL GAS TRANSMISSION AND STORAGE SEGMENTS

The Group’s Subsidiary is an independent combined natural gas transmission and storage system operator in Latvia, which manages one of the most modern natural gas storage facilities in Europe — the Inčukalns

Underground Gas Storage facility (hereinafter referred to as "Inčukalns UGS" or "the storage facility") and the main natural gas transmission system, which connects the Latvian natural gas market to Lithuania and Estonia.

NATURAL GAS TRANSMISSION SEGMENT

The Group’s Subsidiary ensures the maintenance of the natural gas transmission system, its safe and continuous operation, and interconnections with the natural gas transmission systems of other countries, enabling system users to utilise the natural gas transmission system for natural gas trading. Since the spring of 2024, biomethane produced in Latvia has also been injected into the Latvian gas supply system.

As the natural gas transmission system operator, the Subsidiary:

- ensures the stability of the transmission network and is responsible for technical balancing, thereby enabling continuous and secure natural gas supply to system users;
- ensures the continuity of natural gas transmission system services by maintaining the infrastructure in proper technical condition;
- in accordance with the conditions of the liberalised Latvian natural gas market, ensures non-discriminatory access for system users to the gas transmission system by offering transmission capacity products, enabling market participants to utilise

the capacity of the main transmission network for wholesale trading and the supply of natural gas to customers;

- together with the Estonian transmission system operator Elering, maintains a virtual trading point (VTP) within the unified Latvian–Estonian natural gas transmission system balancing zone, enabling system users to exchange gas within the system on a commercial basis;
- since spring 2024, domestically produced biomethane has also been injected into the Latvian natural gas supply system. Since 1 July 2023, biomethane producers have been able to obtain gas guarantees of origin.

In 2025, the total volume of natural gas transmitted reached 25.5 TWh, which represents an increase of 1% compared with the previous year (25.2 TWh). The volume of gas consumed for the needs of Latvian users (the volume of natural gas injected into the natural gas distribution system) decreased by approximately 1%, amounting to 8.7 TWh (8.8 TWh in 2024). In 2025, 0.17 TWh of biomethane, produced in Latvia, was injected into the Latvian gas supply system, approximately 143% more than in the previous year, when 0.07 TWh of biomethane was injected.

DEVELOPMENT

On 9 October 2025, the PUC approved the natural gas transmission system development plan for the period

2026–2035, prepared by the Subsidiary. The objective of the Conexus’ Development Plan is to ensure the sustainable and secure operation and development of infrastructure by investing in the renewal of the existing natural gas transmission system and the creation of new transmission system elements, as well as to promote the development of the renewable and low-carbon gas market. The Development Plan provides for investments of approximately EUR 138 million during the period from 2026 to 2035.

As part of the international project for the development of the Nordic–Baltic Hydrogen Corridor, during the reporting period, the European gas transmission system operators Conexus, Gasgrid vetyverkot (a Subsidiary of Gasgrid Finland, Finland), Elering(Estonia), Amber Grid (Lithuania), GAZ-SYSTEM (Poland) and ONTRAS (Germany) concluded a co-financing agreement with the European Climate, Infrastructure and Environment Executive Agency (CINEA) for a feasibility study of the Nordic–Baltic Hydrogen Corridor.

The study will enable the partners of the Nordic–Baltic Hydrogen Corridor project to carry out in-depth technical, economic, regulatory and environmental analyses, assessing the possibilities for developing a large-scale hydrogen pipeline network in the Baltic Sea region, which will play a decisive role in achieving the decarbonisation objectives of the European Union.

Considering the significant potential in the region for the production of renewable and low-carbon hydrogen, export potential to Central Europe by 2040 could reach approximately 2.7 million tonnes. The project is an important component of Europe’s transition to a

sustainable and decarbonised energy system.

Biomethane development

To foster biomethane production in Latvia, during the reporting period Conexus implemented the project "7.1.1.3.i Increasing the share of biomethane in final consumption" and commissioned the first publicly accessible biomethane injection point (BIP) at Džūkste — a solution that enables the injection of biomethane into the natural gas transmission system for producers whose existing or planned biomethane plants are located quite far from the existing natural gas transmission infrastructure.

The project was implemented with funding from the European Union Recovery and Resilience Facility. As a result of the project, biomethane transported in compressed form from production facilities to the BIP using container transport is injected into the natural gas transmission system. BIP Džūkste has the capacity to inject up to 10 million normal cubic metres (Nm³), or 100 GWh of biomethane per year.

The Natural Gas Transmission System Development Plan for 2026–2035 provides for the continued development of biomethane injection points (BIPs) in other locations across the territory of Latvia in order to ensure access to the transmission system in different regions of the country and to expand access opportunities for small and medium-sized biomethane producers. It is planned to develop such points in Rēzekne and Ragana, and potentially also at Skrunda.

Direct biomethane input connections to the transmission and distribution system

In 2025, nine technical specifications were issued for new direct connections: five connections to the gas transmission system and four connections to the gas distribution system.

A growing market interest can be observed specifically in the biomethane sector — potential clients are increasingly actively assessing opportunities to convert existing biogas plants into biomethane production facilities with a connection to the natural gas transmission or distribution system. This trend indicates a gradual transition towards the use of renewable gases, facilitating the integration of local resources and the implementation of decarbonisation objectives.

NATURAL GAS STORAGE SEGMENT

The Subsidiary’s structure includes the Inčukalns Underground Gas Storage facility (UGS), which ensures the injection, storage and withdrawal of natural gas, delivering it into the main gas pipelines.

The central area of the Inčukalns UGS and the equipment necessary for technological processes — three gas gathering points (hereinafter also referred to as "GGPs") and 180 gas storage wells (control, monitoring and 93 operational wells used for the injection and withdrawal of natural gas) — occupy an area of approximately 8,400 hectares. The geological structure (reservoir layer) of the Inčukalns UGS covers

an area of approximately 25 km² and is located within the municipalities of Sigulda, Saulkrasti and Ropaži. In accordance with the Cabinet Regulation No. 773 of 13 December 2016 "Regulations on the Designation of an Area of Subsoil of State Importance ‘Inčukalns Natural Gas Storage Facility’", the area of the subsoil site is 83.722 km².

According to the technological design of the Inčukalns UGS, the maximum possible volume of active natural gas storage is approximately 25 TWh.

The task of the gas storage facility is to ensure a continuous gas supply to consumers regardless of seasonal fluctuations in consumption, by injecting natural gas during the summer and withdrawing it during the winter. The Inčukalns UGS is the only operating underground gas storage facility in the Baltic States and has ensured stable regional gas supply since 1968.

With the opening of the natural gas market and the development of the regional market, the role of the Inčukalns UGS has increased, improving both supply flexibility and security of gas supply in the region. In the unified natural gas market, the Inčukalns UGS promotes competition among suppliers and contributes to the stabilisation of natural gas prices in the region.

Conexus, as the storage operator:

- ensures the continuous operation of the Inčukalns UGS by monitoring and controlling storage stability, inspecting the equipment, preventing damage to the infrastructure and investing in the development and safety of the storage facility;

- ensures fair and equal access to the Inčukalns UGS for system users, providing them with the opportunity to store natural gas in accordance with the Inčukalns UGS usage rules approved by the PUC.

The method for reserving storage capacity is an auction procedure with a uniform premium, which ensures transparency in storage capacity reservations in line with market conditions and equal access to storage services. In the 2025/2026 storage cycle, capacity of 17.4 TWh has been reserved, including 1.8 TWh of energy supply security reserves.

The Inčukalns UGS capacity auctions for the 2025/2026 storage cycle started on 11 February 2025 and continued until 25 September. As a result of the auctions, 9.4 TWh of capacity was reserved. In total, 24 market participants from the three Baltic States, Finland, Norway, Germany, Poland and Switzerland participated in the auctions and were allocated storage capacity.

DEVELOPMENT

On 23 January 2019, the European Commission approved 50% co-financing for the modernisation of the storage facility. The investments will significantly strengthen the role of the Inčukalns UGS as a modern and important natural gas infrastructure facility, not only in Latvia but also in the Baltic region and Finland.

The objective of the Inčukalns UGS development project is to improve the operation of the storage facility so that it can ensure functionality after an increase of pressure in the Baltic gas transmission system, reduce

the dependence of the storage facility’s performance on the volume of natural gas stored during the withdrawal season, and reduce the environmental impact of the storage facility’s technological processes.

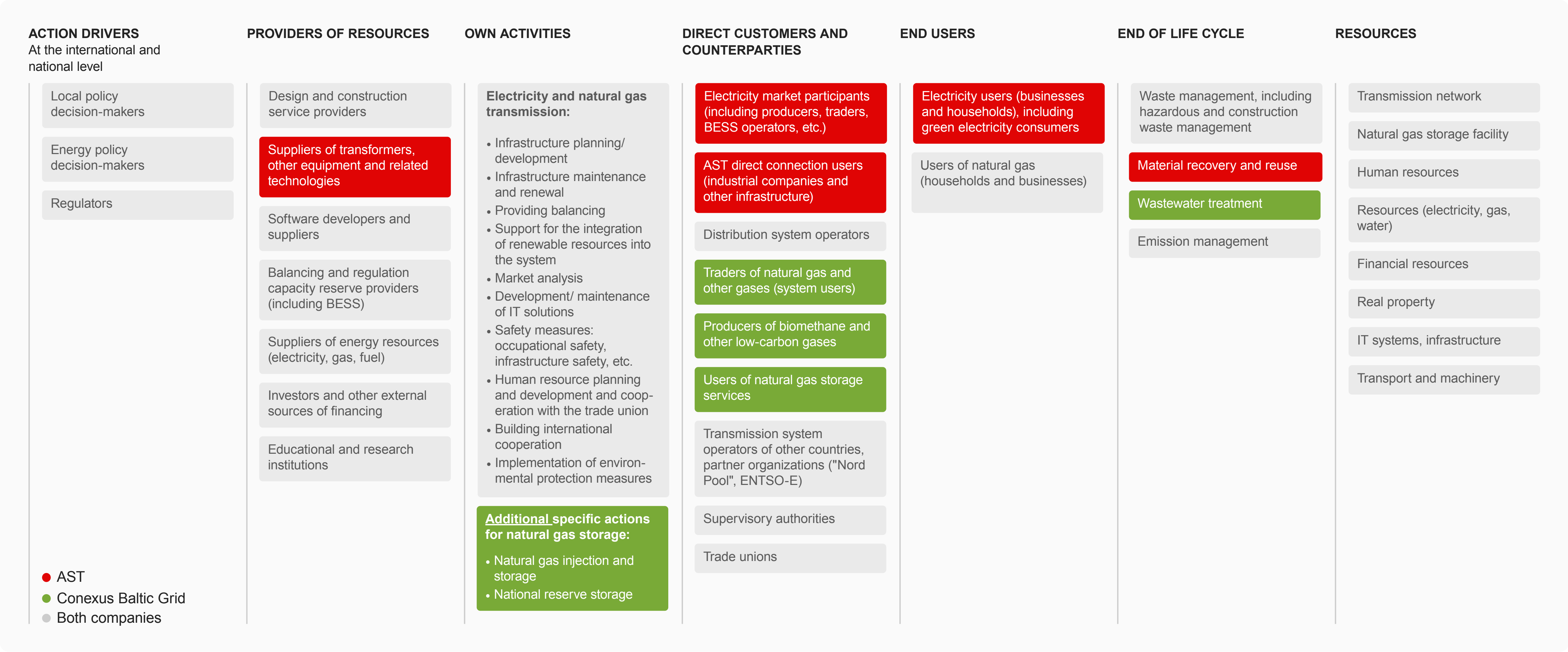
Under the aegis of the project, a new compressor will be installed, which will enable compression withdrawal from the storage facility, meaning that it will make it possible to ensure an outlet pressure of up to 50 bar at the Inčukalns UGS interconnection with the transmission system and maintain continuous gas flow even when the pressure in the storage reservoir is lower than the pressure in the transmission system.

To ensure that the wells and above-ground technological equipment operate with sufficient capacity under the new regime, certain upgrades are required, which form an integral part of the project. In addition, the project will reduce the storage facility’s environmental impact by lowering CO₂, NOx and other emissions.

The total cost of the project is EUR 99.5 million. The following activities are planned within the project until 2026:

- improvement of surface facilities (reconstruction of gas collection point No. 3) – EUR 30.5 million;
- renovation of 36 wells – EUR 25.5 million;
- modernisation of the existing five gas pumping units and installation of one additional new gas pumping unit – EUR 43.5 million.

THE GROUP’S VALUE CHAIN



Considering the specific nature of the Group's operations and its significant role in ensuring Latvia's energy supply, the Group's value chain is extensive and includes a wide range of stakeholders. The **upstream value chain** consists of:

- Entities determining the Group's activities, primarily policy-makers (e.g. the Ministry of Climate and Energy) and regulators (e.g. the Public Utilities Commission), who set the requirements and criteria for the development of energy supply, the provision of infrastructure, the involvement of other stakeholders, the integration of energy resources into the grid, and other related matters. This category also includes general policy-makers who determine the requirements for the governance of state-owned enterprises (e.g. the State Chancellery, the Ministr of Finance, etc.);
- Resource providers — including both suppliers of key goods and services and providers of balancing and regulation reserves that help to ensure the stability and continuity of the energy system's operation. In 2025, AST had active contracts with 1,170 counterparties. This category includes providers of financial resources (including investors in the Parent Company's Green Bonds — 36 investors), as well as educational and research institutions that provide the future workforce and intellectual resources necessary for the Group's operations. For example, the Group cooperates with Riga Technical University, Riga State Technical School, Riga Technical College, and regional technical schools, such as Kandava.

The Group's **own operations** consist of three core business areas — electricity transmission, natural gas transmission, and natural gas storage, as well as the related processes required to support development, infrastructure maintenance, and day-to-day operational activities, and to establish and maintain cooperation with participants in both the upstream and downstream value chains. Accordingly, the Group ensures the security of energy supply, stable delivery of energy resources, and access to them not only in Latvia, but throughout the Baltic Sea region.

Similarly to the upstream value chain, the Group's **downstream value chain** can also be divided into several subcategories:

- Direct clients and cooperation partners — considering that the Group's companies are infrastructure management companies, their direct clients are primarily other companies, including energy producers and traders in the Baltic Sea region (the Parent Company had more than 30 such clients in 2025), distribution system operators (in Latvia, AS Sadales tīkls for electricity and AS Gaso for natural gas), and certain large energy consumers that are provided with a direct connection to the transmission system. In 2025, the Parent Company had six such directly connected clients, all electricity users.

The category of counterparties also includes transmission system operators from other countries (given that the transmission systems of both Group companies are interconnected with the systems of neighbouring countries), the Nord Pool electricity

exchange, the European-level organisation of electricity transmission system operators ENTSO-E, as well as other cooperation partners. This category also includes important stakeholders in the form of various supervisory institutions that oversee and monitor the activities of the Group's companies, as well as trade unions, which represent the interests of employees working in the Group's companies and with which close dialogue is maintained. In the area of employee representation, the Group's cooperation partners include the independent units of the Latvian trade union Enerģija — the trade union organisations of the employees of AS Augstsprieguma tīkls and AS Conexus Baltic Grid;

- Indirectly, the end users of the energy system, i.e. households and businesses that consume electricity and natural gas or their alternatives, are also part of the Group companies' value chain. Although the Group companies do not have direct interaction with these users, their ability to access and use energy resources depends directly on the Group's activities in maintaining and developing infrastructure and coordinating system balancing;
- Finally, the downstream value chain also includes activities related to the end-of-life stage of the Group companies' operations — primarily such that are related to the management of generated waste and other end products of infrastructure operations (including emissions management, wastewater management, and others).

THE GROUP'S STRATEGY

The overall strategic objective of the Augstsprieguma tīkls Group, in accordance with Cabinet Order No. 309 of 27 May 2025, is:

To ensure the security of Latvia's energy supply, provide continuous, high-quality and accessible energy transmission services, as well as ensure the sustainable management of energy supply assets that are strategically important to the State and promote their integration into the European Union's internal energy market.

In order to achieve the Group's strategic objective — to build a sustainable, secure and future-oriented energy system in Latvia — the contribution of each company within the Group is essential. As owners and developers of nationally significant infrastructure, AST and Conexus perform distinct but complementary functions in the electricity and natural gas sectors. Each company has defined its mission, vision and values, which reflect its role in the energy system and strengthen the Group's overall direction towards achieving its strategic objective.

THE GROUP’S FOCUS IS ON CREATING LONG-TERM VALUE IN LATVIA

To promote the country’s economic growth

As a manager of energy infrastructure, the AST Group is one of the cornerstones of the national economy, ensuring the secure, efficient and sustainable transmission of electricity and natural gas, as well as gas storage. The transmission and storage infrastructure forms a stable foundation for economic growth, securing investments, and the transformation of the energy sector. The development of networks and the availability of capacity are essential for ensuring a competitive and export-oriented economy.

Facilitate the development of the energy sector and the transition to climate neutrality

The Group actively facilitates the integration of renewable energy sources (RES) into transmission networks and develops infrastructure for the use of biomethane and, in future, hydrogen. Accordingly, Latvia’s energy independence is strengthened, carbon emissions are reduced, and regional market integration is supported. The Group provides infrastructure that serves as a platform for innovation, new technologies, and sustainable business opportunities in the energy sector.

A stable and secure electricity and natural gas transmission system, as well as reliable storage

capacity, is a prerequisite for economic development and societal well-being. The AST Group continuously modernises its networks and storage infrastructure, introducing digital solutions, such as smart system management technologies and automation. This enables adaptation to changing conditions in energy production and consumption, strengthens the resilience of energy supply, and improves system efficiency.

These priorities reflect the Group’s role as a strategic partner in the development of Latvia’s energy sector — building secure, modern and climate-neutral energy infrastructure that supports economic growth and sustainability.

In 2021, the Medium-Term Operational Strategy of the Augstsprieguma tīkls Group for 2021–2025 (hereinafter also referred to as "the Strategy") was developed and approved. The Strategy defines the Group’s strategic direction and sets financial and non-financial objectives for the Parent Company and the Subsidiary for the following five years.

The defined objectives, projects already initiated, and directions of action also outline the framework for future objectives — moving towards a climate-neutral economy within the framework of the European Green Deal and achieving the objectives set out in the Latvia National Energy and Climate Plan for 2021–2030.

Recognising its role and contribution to sustainable development, the Group strives in its operations for processes, products and services that contribute to achieving the United Nations Sustainable Development Goals (hereinafter also referred to as "SDGs"). Three

SDGs have been identified as high-priority and aligned with the Group’s core activities, while through its activities, the Group also contributes to other SDGs.

HIGH-PRIORITY GOALS

United Nations Sustainable
Development Goals



The Group’s goals

- ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL**
- Continuous provision of highquality and affordable energy supply services
 - Sustainable management of energy supply assets
 - Promotion of development in the electricity market

- BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE, AND SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION**
- Maintenance and renovation of the power transmission network, creation of the most efficient network structure
 - Digitisation of the transmission network that promotes energy efficiency and reduction of costs
 - Involvement in international projects with the aim of developing future technologies
 - Synchronisation with the transmission networks of continental Europe

- TAKE URGENT ACTION TO FIGHT CLIMATE CHANGE AND ITS IMPACT**
- Reduction of the impact of energy supply assets on the environment
 - Development of the energy supply system, adapting it to the needs of climate-neutral energy producers
 - Reduction of energy losses

AST’s goals

- Synchronisation with continental European transmission networks
- Development and integration of the electricity and ancillary services market into European markets
- Safe and innovative working environment

- Electricity transmission with a focus on innovation and safe operation, including the development of "green" substations and wind energy infrastructure, while taking environmental considerations into account.
- Ensuring affordable and secure transmission and storage infrastructure, while exploring and promoting options for adapting systems to enable the introduction of alternative gaseous energy carriers

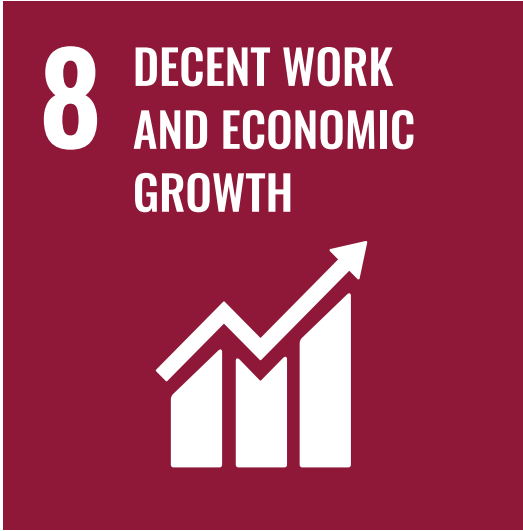
- Improving employee engagement
- Optimal capital structure, financial risk management, and dividend policy
- Social responsibility
- Focus on climate and environmental sustainability aspects
- Professional and development-oriented team
- Focus on organizational development and efficiency

Conexus’ goals

- Promoting the development and further integration of the gas market, also facilitating the development of the hydrogen and other gaseous energy carriers market

MEDIUM-PRIORITY GOALS

United Nations Sustainable
Development Goals



The Group’s goals

LIFE ON LAND

We strive to reduce the negative impact of the energy supply system on biodiversity, landscape, and land use.

We follow environmentally friendly practices.

DECENT WORK AND ECONOMIC GROWTH

We encourage responsible and sustainable business practices.

GENDER EQUALITY

We believe that inclusive culture and gender equality spur innovation and growth.

RESPONSIBLE CONSUMPTION

We ensure sustainable consumption and practices in our operations and strive to be an example to others. In our development projects, we mainly use existing power line rights-ofway. We recycle almost 100% of our waste.

PARTNERSHIPS FOR THE GOALS

We accumulate our competence and share experience with transmission system operators all over the world; we engage in research and development.

THE PARENT COMPANY’S STRATEGY

The central element of the Parent Company’s strategy remains the Digital and Green Transformation, aimed at improving operational efficiency, supporting development, and reducing environmental impact. These principles are integrated into all company processes, with particular attention paid to the assessment of environmental impacts and sustainable development.

A key priority for AST is the implementation of the largest energy development project in the Baltics — synchronisation with continental Europe. As a result, the energy independence of the Baltic States has been strengthened, and a competitive ancillary services market is emerging.

FINANCIAL GOALS	ENERGY SECURITY	QUALITY POWER SUPPLY	SUSTAINABLE AND EFFICIENT GOVERNANCE	RESPONSIBILITY TOWARDS EMPLOYEES AND SOCIETY
DIGITAL TRANSFORMATION		GREEN TRANSFORMATION		
↓↑ ACHIEVE AN OPTIMAL CAPITAL STRUCTURE. FINANCIAL RISK MANAGEMENT DIVIDEND POLICY Investment grade credit rating determined by an international credit rating agency	↓↑ SYNCHRONISED WITH CONTINENTAL EUROPEAN TRANSMISSION NETWORKS - Increasing the transmission capacity of connections with Estonia; - Disconnection of the power system from the BRELL network and synchronous connection to the Continental European electricity system. DEVELOPMENT AND INTEGRATION OF ELECTRICITY AND AUXILIARY SERVICES MARKETS IN EUROPEAN MARKETS - Development of an integrated balance management system; - Transition to the 15-minute control and imbalance payment period of the energy system; introduction of 15-minute product trading in the next-day and current-day market; - Compatibility of the market of electricity and auxiliary services information system (IS) with the IS necessary for synchronisation.	↓↑ POWER SUPPLY FOCUSED ON INNOVATION AND SAFE OPERATION - Completed digital substation pilot project and environmentally friendly (green) substation pilot project; - As part of the ELWIND project, a study was carried out of the options for connecting wind farms to the land power transmission network, with detailed surveys of lines at several substations in Latvia; - The environmental impact process was carried out for the ELWIND network infrastructure in the amounts planned for 2025 (assuming that the corresponding decisions of the Cabinet of Ministers are adopted).	↓↑ MODERNISATION OF GOVERNANCE COST OPTIMISATION - Digital transformation road map developed, with a corresponding expansion of the data and information system; - Processes were improved according to the digital transformation road maps.	↓↑ SAFE AND INNOVATIVE WORKING ENVIRONMENT - Construction of the AST main building complex; - Implementation of the AST cybersecurity operations centre (CSOC) technology platform; - drafting of CSOC rules and procedures, and training of CSOC staf IMPROVEMENTS IN EMPLOYEE COMMITMENT - Change of culture, improvements in employee competences. SOCIAL RESPONSIBILITY TOWARDS THE PUBLIC - Implementation of HR management and social responsibility activities in accordance with policies and the strategy.

THE SUBSIDIARY’S STRATEGY

In accordance with the main objective of the European Union’s Green Deal, climate neutrality, in the form of an economy with net-zero greenhouse gas emissions, must be achieved by 2050. All parts of society and economic sectors have a role to play, including the gas sector, whose objective is to gradually reduce the use of natural gas to an extent that does not endanger the region’s competitiveness, while ensuring maximum progress towards the decarbonisation of the gas market. The gas transmission system and the related infrastructure will be an important factor in achieving climate neutrality.

Russia’s invasion of Ukraine completely transformed the European natural gas sector, including in Latvia, which banned the import of Russian natural gas for national needs from 1 January 2023. These circumstances created new challenges related to sources of natural gas imports and business processes, with security of supply becoming the key dimension of the natural gas sector at both national and regional levels. The objectives to be achieved by Conexus derive both from the Group’s overall strategic objective, from energy policy planning documents, and from the Group’s medium-term operational strategy for 2021–2025.

In light of the significant developments in the natural gas sector, the Subsidiary updated its strategic directions and priorities in 2022. For the strategic planning period 2023–2027, Conexus has identified strategic objectives in three areas:

MARKET DEVELOPMENT:

Promote the development and further integration of the gas market, while fostering the growth of hydrogen and other gaseous energy carrier markets.

- Promote regional market integration.
- Foster cooperation with regional TSOs to develop a common position on the integration of biogas and hydrogen into transmission networks, and to support biomethane injection into the transmission system.
- Continue the development of Inčukalna UGS services, ensuring increased operational flexibility, including the possibility of compression removal.

SECURITY:

Ensuring the availability of safe infrastructure while simultaneously promoting options for adapting systems to enable gas injection

- Implement joint interest projects.
- Undertake R&D initiatives to assess technical feasibility and investment requirements for adapting existing infrastructure to accommodate natural gas/hydrogen blends or pure hydrogen, including the construction of dedicated hydrogen infrastructure.
- Asset management addressing future challenges

SUSTAINABILITY:

Focus on climate and environment sustainability aspects

- Focusing on sustainability, Conexus will pay main attention to the environmental aspects:
- **E** — Regional market integration that promotes the development of renewable gases through secure transmission and storage infrastructure, with a focus on reducing NOx and GHG (greenhouse gas) emissions.
 - **S** — A safety-focused culture, with a professional and development-oriented team.
 - **G** — Compliance with Latvian corporate governance standards.

In the strategic initiative indicators for 2025, the Subsidiary’s Supervisory Board has included hydrogen studies, the establishment of biomethane injection points, and other sustainability-related aspects, including those related to accounting and the reduction of greenhouse gas (GHG) emissions.

3

CORPORATE GOVERNANCE

ESRS GOV-1, GOV-2

THE GROUP’S STRUCTURE AND MANAGEMENT

The governance of the Group is carried out by the Parent Company, whose governing bodies — the Shareholders’ Meeting, the Audit Committee, the Supervisory Board, and the Management Board — operate based on the company’s Articles of Association, the regulations of the Supervisory Board and the Management Board, the medium-term operational strategy, as well as in accordance with the relevant laws and regulations of the Republic of Latvia, including the Law on the Governance of Capital Shares and Capital Companies of a Public Person and the Commercial Law.

The Group’s corporate governance model is developed in accordance with good governance practices, applicable laws and regulations, the Latvian Corporate Governance Code, as well as the recommendations of the European Union and the Organisation for Economic Co-operation and Development (OECD). These principles are reflected in the Group’s Corporate Governance Policy.

In accordance with the Corporate Governance Policy, the Parent Company’s investments in other capital companies are implemented based on good governance principles. In the governance of the Subsidiary, AST also complies with the rights and obligations of a shareholder stipulated in the Law on the Governance of Capital Shares and Capital Companies of a Public Person and the Commercial Law, including the appointment of the Supervisory Board of Conexus.

The corporate governance structure of the Subsidiary consists of its Shareholders’ Meeting, Supervisory Board and Management Board. As the Supervisory Board and Management Board perform governance duties in full, Conexus has not established separate committees. The main principles for effective and sustainable governance and operational transparency are defined in the Conexus Corporate Governance Policy.

The number of members of the AST Supervisory Board, Audit Committee and Management Board, as well as the nomination and appointment procedures, are determined by legal acts.^{1: 2} The composition of these bodies is formed in a way that ensures all necessary competencies, as well as a sufficiently critical and independent approach to the evaluation and adoption of decisions.

¹ Section 31, Paragraph 6, of the Law on Governance of Capital Shares of Public Persons and Capital Companies.

² Section 55.6, Paragraph 3 of the Financial Instruments Market Law.

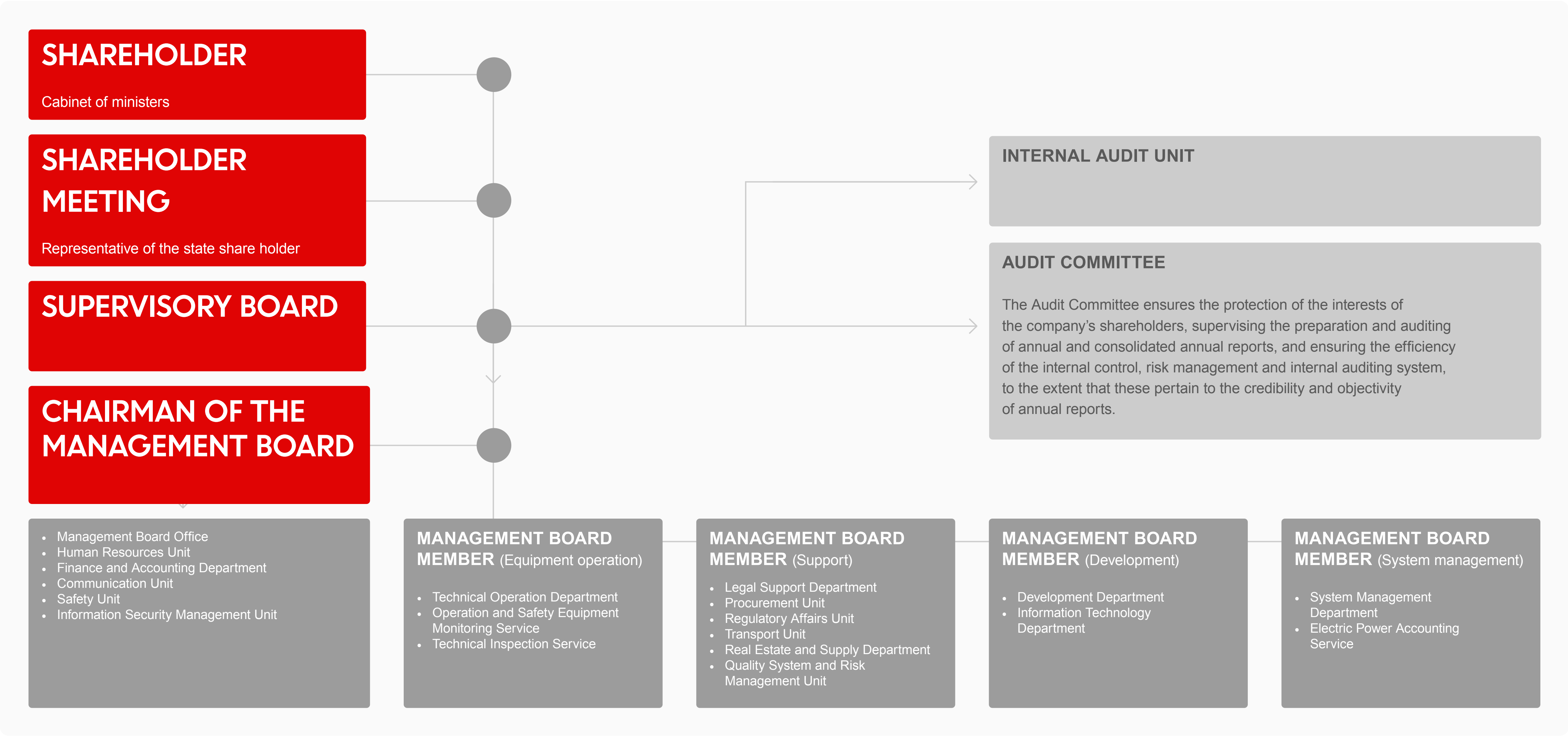
Newly elected members of the Supervisory Board and the Management Board participate in the "Board Member Education Programme" organised by the Baltic Institute of Corporate Governance (BICG). The programme is based on the corporate governance principles and recommendations of the International Finance Corporation (IFC) of the World Bank and the OECD.

In accordance with the requirements of the Financial Instruments Market Law, the Parent Company has prepared a Corporate Governance Report for 2025 (this report has not been verified or audited). The report is available in AS Augstsprieguma tīkls on the AST and Nasdaq Baltic websites.

In the Group's companies, information on gender representation at the highest management level is disclosed in accordance with the numerical and percentage distribution of genders represented in the respective company's Supervisory Board, Audit Committee and Management Board.

Share of represented genders at
the end of the 2025 reporting period on 31.12.2025

Company	Gender	Supervisory Board		Audit Committee		Management Board	
		No.	Percentage	No.	Percentage	No.	Percentage
AS AUGSTSPRIEGUMA TĪKLS	Women	2	100.0%	2	66.7%	1	20.0%
	Men	0	0%	1	33.3%	4	80.0%
AS CONEXUS BALTIC GRID	Women	1	14.3%	n/a	n/a	0	0%
	Men	6	85.7%	n/a	n/a	3	100.0%
GROUP	Women	3	33.3%	2	66.7%	1	12.5%
	Men	6	66.7%	1	33.3%	7	87.5%



SHAREHOLDERS’
MEETING

KEY ROLE

The interests of the shareholder are represented at the AST Shareholders’ Meeting by the State Secretary of the Ministry of Climate and Energy or another official of the ministry designated by order of the State Secretary, who has all the rights, obligations and responsibilities of a shareholder representative provided for in laws and regulations.

The AST Shareholders’ Meeting makes decisions within the scope of the competence specified in the Law on Governance of Capital Shares of Public Persons and Capital Companies.

Shareholders’ meetings are organised in accordance with the Law on Governance of Capital Shares of Public Persons and Capital Companies, as well as the Commercial Law, observing the competence and procedure specified for the general meeting of shareholders.

MAIN RESPONSIBILITIES

- Approve the annual report and decide on the application of the previous year’s profits;
- Approve the Articles of Association of AST and amendments to them;
- Decide on the increase or decrease of the share capital of AST;
- Elect and remove members of the Supervisory Board and the Audit Committee, determine their remuneration;
- Appoint an auditor and determine their remuneration.

KEY DECISIONS IN THE
2025 REPORTING YEAR

- Election of members of the AST Audit Committee;
- Approval of the consolidated and AST annual reports for 2024;
- Decision on the application of profits for 2024;
- Approval of the AST 2024 work plan and objectives;

- Election of an auditor for the audit of the AST 2026 annual report, consolidated report and sustainability report;
- Approval of the Letter of Expectation of the AST shareholder, which sets out the priority development directions of the group, which form a roadmap for ensuring Latvia’s energy independence, regional competitiveness and sustainable development;
- The composition of the AST Supervisory Board was examined;
- Increase in the share capital of AST, reduction in the number of Management Board Members, and approval of related amendments to the statutes;
- Acceptance of the AST 2026 budget financial management plan, work plan and objectives for information.

In 2025, several strategic meetings were held between the shareholders, the Management Board and the Supervisory Board to discuss and agree on the goals to be set in the AST Medium-Term Operating Strategy for the future period, including in the field of sustainability. The draft of the AST Group’s medium-term operating strategy for 2026-2030 includes such issues as reliable governance and sustainable operations, the Group’s value chain, AST’s strategic goals, which provide for sustainable management and sustainable energy development.

SUPERVISORY BOARD

In accordance with laws and regulations and the provisions set out in the AST Articles of Association, the AST Supervisory Board consists of three members, each serving a five-year term of office.

Each year, the Supervisory Board approves the work plan and objectives, as well as the individual key performance indicators (KPIs) to be achieved by each member of the Management Board in the following year. The implementation of the work plan and objectives is evaluated once a year, simultaneous to the approval of the annual report.

In accordance with AST Management Board regulations, the Supervisory Board receives a quarterly report on the results of economic activities and the progress in achieving the set objectives. In addition, once a month, the AST Management Board informs the Supervisory Board about major developments, including sustainability-related matters.

KEY ROLE

Represents the interests of the shareholder in between shareholder meetings, supervises the activities of the Management Board, engages in the strategic development of AST, and monitors the effectiveness of

the financial and risk management system.

The main duties and functions of the Supervisory Board are set out in the company's articles of association, the Supervisory Board's regulations, and in laws and regulations.

MAIN RESPONSIBILITIES

- Approval of the medium-term business strategy, monitor its implementation;
- Approval of the budget and monitor its execution;
- Determination of the strategic direction, goals, and policies of the capital company;
- Constantly monitoring the activities of the Board, electing and recalling members of the Management Board, the Chair of the Management Board, and determining their remuneration;
- Monitoring the effectiveness of the internal control and risk management system;
- Monitoring that the capital company operates in accordance with the laws, the Articles of Association, and decisions of the Shareholders' Meeting.

KEY DECISIONS IN THE 2025 REPORTING YEAR

- Monitoring the progress of the development of the Group's medium-term operational strategy for 2026–2030, including in sustainability aspects, determination of strategic priorities, objectives and achievable performance indicators;
- Monitoring the readiness of the energy system synchronisation with continental Europe;
- Decisions regarding the application of the Cabinet of Ministers' exception in the context of the AST 2025 budget;
- Issues that are within the competence of the shareholders' meeting were previously reviewed, and opinions were provided in regard to them;
- The new version of the AST Collective Bargaining Agreement was reviewed;
- AST's strategic financial goals and dividend policy were evaluated;
- Plans for 2026 were evaluated, including procurement, capital investment and work plans and objectives;
- Approval of the 2026 budget;

- Monitoring of the implementation of the capital investment plan in the transmission system assets;
- Reviewed the reports prepared by the Audit Committee;
- Assessment of the effectiveness of the internal control system;
- Assessment of the effectiveness of fraud, corruption and conflict of interest risk management;
- Review of internal audit reports, monitoring the progress of implementing audit recommendations;
- Approval the AST Corporate Governance Policy;
- Determination of individual performance indicators (KPIs) of Management Board Members for 2025 and assessed the performance of indicators for 2024;
- Decisions on support for the donation for the restoration of the Ukrainian energy system and the Ukrainian society;
- Tasks for the Board to optimise the operating costs of the capital company and improve its efficiency;
- Decision on changes in the composition of the Audit Committee;
- Decision on changes in the composition of the AST Management Board.

Given that the term of office of the members of the previous Supervisory Board expired on 30 December 2024, and in order to ensure the continuity of knowledge and experience in the energy sector as well as the succession of the existing strategic oversight, by its decision of 27 December 2024, the Extraordinary Shareholders’ Meeting of AST re-elected Olga Bogdanova to the AST Supervisory Board for a new term of office, in accordance with the regulations in force at the time of the election. At the same time, Līga Rozentāle was elected as a member of the Supervisory Board, with the term of office set from 31 December 2024 until the date when candidates for the AST Supervisory Board are nominated and elected in accordance with the procedure stipulated in the Law on Governance of Capital Shares and Capital Companies of a Public Person.

Due to the fact that the statutory term during which a temporary Supervisory Board Member may serve expired for the temporary member Līga Rozentāle on 31 December 2025, by its decision of 30 December 2025, the Extraordinary Shareholders’ Meeting of AST removed Līga Rozentāle from office and elected Juris Zīvarts as a temporary member of the Supervisory Board as of 1 January 2026.

An open competition will be organised for the vacant positions of Supervisory Board Members.

Currently, there are no independent members on the AST Supervisory Board.

Information about the current composition of the Subsidiary's Supervisory Board is available on the [Subsidiary’s website](#).

In 2025, the Parent Company’s Supervisory Board (including information on the previous experience of Supervisory Board Members in comparable public administration positions) is composed as follows:

³ As part of the continued improvement of AST’s operational efficiency, its shareholder – the Ministry of Climate and Energy – decided on 27 December 2024 to further reduce the number of AST Council members from five to three.



OLGA BOGDANOVA

Chair of the Supervisory Board

TERM OF OFFICE:

31.12.2024.–30.12.2029.

EDUCATION:

2007–2012 Riga Technical University, doctoral degree in Economics at the International Business and Customs Institute of the Faculty of Engineering Economics and Management. Awarded the Siemens Excellence Award for the doctoral thesis: "Models of Latvia’s Development in the European Union Internal Market."

2003–2006 Riga Technical University, master’s degree in Management Science, Management of International Economics (with honours)

2004–2005 Pforzheim Fachhochschule, Germany, International Management Programme, advanced vocational training diploma

2003–2006 Riga Technical University, Institute of Humanities, additional studies in Teaching Science, with a speciality in teaching engineering subjects

2000–2003 Riga Technical University, bachelor’s degree in Management Science, Management of International Economics (with honours)

PROFESSIONAL EXPERIENCE:

2025– present AS Augstsprieguma tīkls, Chair of the Supervisory Board

2024– present Ministry of Climate and Energy, deputy State Secretary for International and Climate Policy Affairs

2019–2024 AS Augstsprieguma tīkls, Deputy Chair of the Supervisory Board

2023– present Association "Latvian National Committee of the World Energy Council", President

2023–2024 Ministry of Finance of the Republic of Latvia, deputy State Secretary on tax administration policy and shadow economy issues

2018–2022 Participant of the Future Energy Leadership Program FEL100

2021–2023 World Energy Council, Chairperson of the Management Team of the Future Energy Leaders Programme in Latvia

2018–2023 Ministry of Finance of the Republic of Latvia, head of the Tax Administration and Public Interest Policy Department

2017–2025 Latvian Science Council, expert

2021– present: University of Latvia, Associate Professor at Faculty of Business, Management and Economics

2016–2019 AS Augstsprieguma tīkls, Member of the Supervisory Board

2016–2018 Ministry of Economics of the Republic of Latvia, head of the Energy Market and Infrastructure Department

2016–2022 Riga Technical University, lecturer at the International Business and Customs Institute of the Faculty of Engineering Economics and Management

2016 Ministry of Economics of the Republic of Latvia, acting deputy state secretary in energy affairs

From 2005 to 2016, held various positions at the Ministry of Economics of the Republic of Latvia



LĪGA ROZENTĀLE

Deputy Chair of the Supervisory Board

TERM OF OFFICE:

From 31.12.2024 until the day when candidates for work on the AST Supervisory Board have been nominated and elected in accordance with the procedure established by the Law on Governance of Capital Shares of Public Persons and Capital Companies. (The term expires on 30.12.2025.)

EDUCATION:

2025– present AS Augstsprieguma tīkls, Deputy Chair of the Supervisory Board

2018–2022 Doctoral degree in Environmental Engineering, Riga Technical University

2016–2018 Double Master's degree in Environmental Engineering, Riga Technical University / Vilnius Gediminas Technical University

2013–2014 Master's degree in European Studies, University of Leuven (Belgium)

2009–2013 Bachelor's degree in Organisation and Management of International Economic Relations, Riga Technical University

PROFESSIONAL EXPERIENCE:

2025–2025: AS Augstsprieguma tīkls, Deputy Chair of the Supervisory Board

2023– present: Deputy State Secretary for Energy Policy at the Ministry of Climate and Energy

2024– present: Latvian Representative on the Board of the International Energy Agency

2023– present Member of the Latvian National Committee of the World Energy Council

2023– present Deputy Chair of the Advisory Council of the Public Utilities Commission

2022– present Member of the Supervisory Board of Advisors of Riga Technical University

2022– present Associate Professor, Riga Technical University

2022–2023 Director of the Energy Market and Infrastructure Department of the Ministry of Economics

2018–2022: Deputy Director of the Energy Market and Infrastructure Department of the Ministry of Economics

2017–2018: Deputy Head of the Electricity Market and Infrastructure Division of the Ministry of Economics

2016–2017: Senior Expert, Energy Market and Infrastructure Department, Ministry of Economics

2014–2016: Senior Rapporteur, EU Affairs Department, Ministry of Economics

2012: Assistant to a Member of the European Parliament



JURIS ZĪVARTS

Deputy Chair of the Supervisory Board

TERM OF OFFICE:

01.01.2026.–01.01.2027.

EDUCATION:

2011– present Rīga Stradiņš University,
Doctoral Degree Candidate (Law)

2008–2009 Turība University,
Professional Master’s Degree in Law

2004–2008 Baltic International Academy,
Professional Bachelor’s Degree in Law

PROFESSIONAL EXPERIENCE:

2026– present AS Augstsprieguma tīkls,
Deputy Chair of the Supervisory Board

2024– present Ministry of Agriculture of the Republic of
Latvia, Deputy State Secretary for Strategy, Education
and Food Safety

2024 Ministry of Education and Science of the Republic
of Latvia, Acting Director of the National Centre for
Education

2024 Ministry of Education and Science of the Republic
of Latvia,

2024 Ministry of Education and Science of the Republic
of Latvia, Representative of the Holder of Capital Shares
in the Latvian Olympic Unit

2024 Ministry of Education and Science of the Republic
of Latvia, Acting Director of the Sports Department

2014–2024 State Education Quality Service,
Director of the Supervision Department

2021– present Apartment Owners’ Association
"Saimnieknams 6", Member of the Management Board

2011– present Rīga Stradiņš University,
Lecturer, Head of Continuing Education Area

AUDIT COMMITTEE

The AST Audit Committee was established in 2021 in accordance with the legal requirements applicable to capital companies that issue securities. The Audit Committee consists of three members and includes two independent Audit Committee members selected through an open competition, as well as one member of the AST Supervisory Board. The objectives and tasks of the Committee, its operating principles, rights, and responsibilities are defined in the AST Audit Committee Regulations, which were approved by a decision of the AST Shareholders’ Meeting.

An authorisation agreement is concluded with the members of the Audit Committee regarding the performance of their duties as members of the Audit Committee. Remuneration is paid to the members of the Audit Committee, with the exception of the Supervisory Board Member elected to the Committee, with the remuneration amount determined by the Shareholders’ Meeting of the Parent Company.

KEY ROLE

To ensure the protection of the interests of the shareholder and the Shareholders’ Meeting, especially with regard to the preparation of the annual report, its audit, the effectiveness of the internal control, risk

management and internal audit system, to guarantee the reliability and objectivity of the report.

MAIN RESPONSIBILITIES

- Monitoring the process of preparing financial statements;
- Monitoring the effectiveness of the internal controls and risk management system insofar as this relates to ensuring the integrity and completeness of the annual report and consolidated annual report;
- Checking and monitoring compliance with the independence and objectivity requirements set for the auditor of the annual report.

Given that the term of office of the previous composition of the AST Supervisory Board expired on 30 December 2024, and that Supervisory Board Member Aigars Ģērmanis also performed the duties of a member of the AST Audit Committee, in order to ensure the appropriate number of members of the Committee, the AST Audit Committee was re-elected in a new composition by a decision of the Extraordinary Shareholders’ Meeting of AST on 31 March 2025:

- Independent Chair of the Audit Committee Roberts Ikaunieks, term of office until 31 March 2028 (inclusive);

- Independent Member of the Audit Committee Inga Liepa, term of office until 31 March 2028 (inclusive);
- Member of the Audit Committee, dependent on the AST Supervisory Board, Olga Bogdanova, term of office until 31 March 2028 (inclusive), but not longer than until the end of the term of office of the AST Supervisory Board Member.

In 2025, the AST Audit Committee consisted of two independent members (66.67%) and one non-independent member (33.33%).

Information on the experience of the members of the Audit Committee is available on the Parent Company’s website ([see Audit Committee](#)).

MANAGEMENT BOARD

In 2025, the AST Management Board consisted of five members, elected by the AST Supervisory Board for a five-year term of office, in accordance with applicable laws and regulations and following an assessment of the competence and experience of the candidates. The Management Board operates according to the functional principle, and each member is responsible for a specific area of activity. Organisational units are subordinated to the members of the Management Board and have their own regulations defining their objectives, structure, and tasks.

All AST Management Board Members are independent in their activities and do not hold ownership interests in the capital of cooperation partners or related companies. The Chair and members of the AST Management Board receive remuneration, bonuses, and severance compensation in accordance with the Law on the Governance of Capital Shares and Capital Companies of a Public Person.

Once a month, the Management Board receives a report on the results of economic activities, as well as on the progress of capital investment implementation. In addition, a report is provided on indicators characterising the quality and performance of electricity transmission services, which includes various data, including safety indicators such as occupational accidents and aspects of occupational safety and the working environment. Once a quarter, the Management Board reviews the AST report on the management of significant risks, as

well as the report on financial results and progress in achieving targets, including sustainability targets. The management of sustainability aspects in AST is ensured by several organisational units in accordance with the distribution of their respective competencies.

KEY ROLE

To ensure the management of capital shares in daily operations, jointly managing and representing AST. The activities of the Management Board are regulated by regulatory enactments, its tasks and responsibilities are set out in the Parent Company's Articles of Association and the Management Board's regulations.

MAIN RESPONSIBILITIES

- Manage and represent the company;
- Be responsible for the company's operations, as well as for the compliance of accounting with legal acts;
- Manage the company's assets;
- Implement the company's strategic direction, development plans, goals and policies.

KEY DECISIONS IN THE 2025 REPORTING YEAR

- Developed the Medium-Term Operating Strategy of the High Voltage Network Group for 2026-2030;
- Developed the AST Human Resources Management Strategy;
- Reviewed the new edition of the AST Corporate Governance Policy;
- The Group's material sustainability aspects were reconfirmed ;
- Monitored the progress of the implementation of AST Internal Audit recommendations (quarterly), reviewed the Internal Audit Activity Report for 2024, and the General Opinion on the effectiveness of AST's internal control and risk management systems in 2024;
- Approved the report on AST's environmental and energy management in 2024;
- Changes were made to AST's organisational structure;
- Evaluation of the report on fraud, corruption, and conflict of interest risk management in 2024;
- Reports on AST's significant risk management were reviewed (quarterly);

- Issues that provide for measures to improve and improve the efficiency of AST's operations were reviewed;
- The Electricity Transmission System Development Plan for the next decade was approved;
- The Integrated Management System Review Report for 2024 was approved;
- A number of decisions were made to ensure the implementation of capital investment projects in accordance with the development plan, including decisions on the establishment of new connections for electricity producers from renewable energy sources.

COMPOSITION OF THE PARENT COMPANY'S BOARD IN 2025

Including information on the equivalent previous experience of the Management Board Members.



ROLANDS IRKLIS

Chair of the Management Board

TERM OF OFFICE:

06.12.2028.

AREAS OF RESPONSIBILITY:

General management, including strategic management, financial and personnel matters, security matters, including information security

EDUCATION:

2017–2020 EMBA programme, Riga Business School

1999–2005 Legal qualification (5-year programme, equivalent to a Master's degree), University of Latvia

PROFESSIONAL EXPERIENCE

2023– present AS Augstsprieguma tīkls, Chair of the Management Board

2022– present: Organisation for Economic Co-operation and Development (OECD), Member of the Audit Committee (Expert)

2021–2023 State Audit Office, Auditor General

2018–2022 Energy Regulators Regional Association (ERRA), Course Instructor

2019–2021 Council of European Energy Regulators (CEER), Vice-President

2019–2021 Agency for the Cooperation of European Energy Regulators (ACER), Vice-Chair

2011–2021 Public Utilities Regulatory Commission, Chair (2016–2021), Council Member (2011–2016)

2015–2016 Energy Community Secretariat, Consultant

2010–2011 Sworn attorney

2007–2010 Bank of Latvia, Legal Advisor

2003–2007 "Ecovis Convents Law Office", Lawyer

COMPETENCIES IN SUSTAINABILITY MATTERS:

Sustainability strategy and sustainability management, Corporate culture, employees, work environment



GATIS JUNGHĀNS

Member of the Management Board

TERM OF OFFICE:

24.04.2026.

AREAS OF RESPONSIBILITY:

Dispatching of the electricity transmission system, management and development of ancillary system services, as well as development of the electricity market

EDUCATION:

2012–2018 Lawyer’s qualification (5-year programme, equivalent to a master's degree), University of Latvia

2008–2010 Master's degree in Business Administration, Riga School of Economics

2003–2008 PhD of Engineering, Riga Technical University

2001–2003 Master of Engineering, Riga Technical University

PROFESSIONAL EXPERIENCE:

2016– present AS Augstsprieguma tīkls, Member of the Management Board

2022– present: Baltic RCC OÜ, Chair of the Supervisory Board

2024– present: Riga Technical University, Professor

2017–2023 Riga Technical University, Associate Professor

2015–2016 Elektrum Lietuva UAB (Lithuania), Member of the Supervisory Board

2008–2015 Elektrum Lietuva UAB (Lithuania), Chair of the Management Board and CEO, Member of the Management Board

2015–2016 Elektrum Eesti OÜ (Estonia), Member of the Supervisory Board

2007–2015 Elektrum Eesti OÜ (Estonia), Member of the Management Board

2006–2014 AS Nordic Energy Link (Estonia), Member of the Supervisory Board

2007–2016 AS Latvenergo, Sales Manager

2005–2007 AS Latvenergo, Project Manager

2003–2005 AS Augstsprieguma tīkls, Electrical Engineer

2000–2003 AS Latvenergo structural unit Riga Electricity Network, Electrical Engineer

COMPETENCIES IN SUSTAINABILITY MATTERS:

Energy, sustainably efficient electricity transmission



ILZE ZNOTIŅA

Member of the Management Board

TERM OF OFFICE:

31.01.2029
(According to the decision of the AST Supervisory Board of 12.11.2025, the term of office ended on 31.12.2025)

AREAS OF RESPONSIBILITY:

Legal, risk management and compliance, as well as financial and transport issues

EDUCATION

2004–2010 Doctoral studies,
University of Latvia

2000–2001 Master's degree in law,
Riga Graduate School of Law

1995–2000 Bachelor's degree in law,
University of Latvia

PROFESSIONAL EXPERIENCE

2024–2025 AS Augstsprieguma tīkls,
Member of the Management Board

2024– present: Internal Security Academy, Master's degree programme "Management of Law Enforcement, Criminal Punishment and Rescue Services", implemented by the Faculty of Business, Management and Economics of the University of Latvia, lecturer

2023–2024 International Monetary Fund, expert

2023–2024 SOFRECO, Expert

2023–2024 European Commission, Expert

2023–2024 Sworn Lawyer

2018–2022 Financial Intelligence Unit, Chief

2018–2022 MONEYVAL Latvian delegation, Head

2010–2017 Deloitte Legal, Partner,
Head of Legal and Fraud Prevention Department

2008–2010 AB Znotiņa&Rubene, partner

2005–2008 AB Sorainen, Lawyer

2001–2007 Riga Stradins University, Lecturer

2002–2004 ZAB Broks un partneri,
Lawyer/Lawyer's Assistant

1997–2003 Attorney at Law M. Šadurs Office,
Lawyer

COMPETENCIES IN SUSTAINABILITY MATTERS

Compliance, sustainable procurement, business ethics, supplier relations, transparency and openness, climate change mitigation



ARNIS DAUGULIS

Member of the Management Board

TERM OF OFFICE:

14.07.2026.

AREAS OF RESPONSIBILITY:

Electricity transmission system development, system investment management, as well as information technology management

EDUCATION:

1995-1998 Bachelor of Engineering, Royal Institute of Technology, Stockholm (Kungl Tekniska Hogskolan, KTH), Sweden

1990–1995 Master's degree in Electrical Engineering, Riga Technical University

PROFESSIONAL EXPERIENCE:

2021– present AS Augstsprieguma tīkls, Member of the Management Board

2016–2021 AS Augstsprieguma tīkls, Head of Information Technology Department

2015–2016 State Chancellery, Consultant in the Department of Public Administration Policy

2012–2015 Ministry of Environmental Protection and Regional Development, Deputy State Secretary for Information and Communication Technologies

2011 AS Latvenergo, Management Board Consultant

2006–2011 AS Latvenergo, Member of the Management Board (Information Technology and Telecommunications)

2000–2006 AS Latvenergo, Head of Information Technology Department

COMPETENCIES IN SUSTAINABILITY MATTERS

Energy, fundraising, land-related community impact



IMANTS ZVIEDRIS

Member of the Management Board

TERM OF OFFICE

17.12.2029.

AREAS OF RESPONSIBILITY

Electricity transmission system development, system investment management, as well as information technology management

EDUCATION

1993–1996 Electrical supply, electrical engineer, Riga Technical University

1986–1990 ESM (electrical computing machine) equipment and devices, technician - electrician, Riga Industrial Polytechnic

PROFESSIONAL EXPERIENCE

2015– present AS Augstsprieguma tīkls, Member of the Management Board

25.01.2024– present: Association "Latvian Association of Electrical Engineers and Energy Engineers"

2017–2018 AS Conexus Baltic Grid, Member of the Supervisory Board

2014–2015 AS Latvijas elektriskie tīkli, Technical Director

2011–2015 AS Latvijas elektriskie tīkli, Member of the Management Board

2011–2011 AS Latvijas elektriskie tīkli, Chair of the Management Board

2005–2011 AS Augstsprieguma tīkls, Chair of the Management Board

2000–2005 AS Latvenergo Branch Augstsprieguma tīkls, Technical Director

1998–2000 PVAS Latvenergo branch Augstsprieguma tīkls, Head of the Operation and Safety Equipment Supervision Service

1996–1998 VAS Latvenergo Branch Augstsprieguma tīkls, Dispatcher Service Energy Network Dispatcher

1995–1996 VAS Latvenergo Branch Augstsprieguma tīkls, Dispatch Service Technician

COMPETENCIES IN SUSTAINABILITY MATTERS

Energy, uninterrupted and secure electricity transmission, employee health and safety, safe employment

Continuing to improve the efficiency of AST management, by the decision of the AST Extraordinary Shareholders' Meeting of 12 November 2025, amendments were made to the Articles of Association, which provide for a reduction in the number of members of the company's Management Board from five to four from 1 January 2026. In accordance with the above, by the decision of the AST Supervisory Board of November 12, 2025, Ilze Znotiņa was removed from the position of a member of the AST Management Board.

Information on the current composition of the Subsidiary's Management Board is available on the [Subsidiary's website](#).



SUSTAINABILITY GOVERNANCE

ESRS GOV-1, GOV-2, GOV-3, GOV-4, GOV-5

The Group has not developed a comprehensive sustainability management policy. In 2023, AST approved the Sustainability Governance Framework and established the Sustainability Governance Committee. The Committee includes representatives of organisational units responsible for capital investment planning, implementation and supervision, financial resource planning, human resource management, organisation of procurement processes, corporate governance matters, as well as data collection and disclosure.

The Sustainability Governance Committee is chaired by the Chair of the AST Management Board and is responsible for the management of sustainability processes and the coordination of sustainability objectives and their implementation. In accordance with the Sustainability Governance Framework, the Committee prepares a quarterly report for the AST Management Board and Supervisory Board on the implementation of the work plan and sustainability objectives, analysing the progress in achieving the set objectives, identifying risks and proposing solutions for further progress.

As part of the ongoing improvement of the sustainability governance process, in 2025, the Parent Company reviewed the existing Sustainability Governance Process Framework and defined the distribution of duties and responsibilities within the Group, including those related to ensuring data reliability and quality. In 2025, the Sustainability Committee, in cooperation with the consultant SIA Futurcene, actively worked on improving the sustainability governance process — including the development and approval of the Taxonomy Reporting

Guidelines, GHG emissions calculation methodology, as well as the review of the double materiality assessment carried out at the end of 2024, with a decision made to continue using it for the preparation of the 2025 Sustainability Report.

In addition, the Corporate Governance Policy was reviewed and approved in 2025. The Corporate Social Responsibility Policy was also reviewed in 2025, and its new version is planned to be approved in 2026.

The Corporate Governance Policy provides that in cases where AST policies must be specified in the context of the Subsidiary's operations, or where AST has not developed a policy in a particular area important to the Subsidiary, Conexus will develop its own policy. Accordingly, during 2025, Conexus reviewed its Metrology Policy, Cybersecurity Policy, and Internal Audit Policy.

In addition, to ensure compliance with the requirements of the AST Green Bond Framework (ICMA Green Bond Framework), AST has established a Green Committee, which identifies and approves projects in accordance with the Green Bond Framework and assesses the compliance of investments implemented in the transmission system with the requirements of the EU Taxonomy (for details see the section on "Compliance with EU Taxonomy Requirements").

DEVELOPMENT OF COMPETENCIES AND SKILLS IN THE AREA OF SUSTAINABILITY

The competences and professional experience required of candidates for the Supervisory Board are determined by the holder of the capital shares, while the requirements for candidates for the Management Board are determined by the Supervisory Board. Although no selection procedures took place during the reporting period, it is planned that sustainability knowledge criteria will be included in the evaluation of candidates in the future. To deepen their understanding of sustainability governance issues, members of the Group’s Supervisory Board and Management Board participated in various seminars and conferences addressing sustainability-related matters during the reporting period.

The Parent Company has joined the Swedbank Business Sustainability Council, where leaders of Latvian-origin companies from different sectors exchange knowledge, deepen their understanding of sustainability, and jointly promote a more sustainable business environment in Latvia. Within the Business Sustainability Council, AST is represented by the Chair of the Management Board, while other Group specialists participate in meetings depending on the topics discussed.

In 2025, the workshops of the Business Sustainability Council focused on the disclosure requirements regarding corporate value chains set out in the European Sustainability Reporting Standards (ESRS), considering that value chain analysis remains one of the most complex tasks in practical implementation. For example, on 21 August 2025, AST participated in the workshop "Value Chain ABC: Key Elements, Risks and Opportunities", on 25 September in "Responsible and Forward-Looking Supplier Management", and on 16 October in "Disclosure Obligations Regarding the Value Chain."

Each year, AST prepares a training plan and defines the competences and skills to be developed, including individual training plans for managers. In addition, lectures are organised for all company employees, which are also available online on the internal platform Viszinis. Both AST and Conexus have joined the Family-Friendly Workplace initiative, while AST also participates in the Diversity is Strength movement and the Mission Zero occupational health and safety initiative. Under these initiatives, the company not only assesses its current performance, but also participates in educational activities and discussions with experts.

The implementation of new regulatory requirements requires substantial capacity for the development of competencies and the acquisition of information.

Therefore, in 2024, following a procurement procedure, consultants SIA Sustinere Latvija were engaged to work with the company to define the value chain map of AST and the Group, including the identification and assessment of impacts, risks and opportunities, and to

conduct a double materiality assessment (impact and financial).

Under the aegis of this cooperation, existing procedures were evaluated, guidelines for necessary changes were drawn up, and consultations were provided regarding sustainability governance processes and reporting requirements. The cooperation also included regular meetings with the AST working group and members of the Management Board, during which the consultants shared information about the requirements of the directive regarding sustainability reporting and its implementation, as well as best practices in sustainability governance.

Continuing to improve sustainability governance, cooperation with SIA Futurcene was initiated in 2025. Futurcene is a Latvia-based consulting firm with professional experience in sustainability governance, including climate risk assessment, supply chain analysis, the implementation of sustainable reporting practices, and the development of financial instruments. Its team consists of experienced experts who rely on data analysis and strategic advisory services for clients.

In March 2025, SIA Futurcene conducted training sessions for the Group’s management and specialists on current developments in corporate governance and sustainable corporate management. The training focused on integrating corporate governance and sustainability principles into company operations. Topics covered included ESG (Environmental, Social, Governance) management systems and current developments, responsible decision-making and risk management, linking sustainability objectives with the

company’s strategic goals, as well as transparency, ethics and management accountability in corporate governance.

In addition, SIA Futurcene provided consulting services on improving sustainability governance processes within the Group. This included an evaluation of the 2024 Sustainability Report and recommendations for improving its contents. In the area of the value chain, value chain mapping and improvement were carried out, incorporating all key operational stages and related companies.

Furthermore, in the area of process implementation, a sustainability reporting framework was developed and implemented, responsibilities and data flows were defined, and training on sustainability management methodology was provided.

SUSTAINABILITY
ISSUES CONSIDERED BY
GOVERNANCE BODIES

At the Group level, sustainability governance is ensured by the parent company’s governance structures.

The AST Shareholders’ Meeting approves the Letter of Expectations, which defines the development directions of the Group, strategic objectives, and financial and non-financial targets, including those related to sustainability. The AST Supervisory Board, in turn, approves the medium-term operational strategy, integrating the objectives defined in the Letter of Expectations, and supervises the implementation of the strategy.

By a decision of the Extraordinary Shareholders’ Meeting of AST on 1 August 2025, the Letter of Expectations of the holder of the capital shares of AST was approved, setting out expectations regarding the operational directions and priorities of the Augstsprieguma tīkls Group, as well as strategic financial and non-financial objectives, including sustainable governance and the development of sustainable energy.

During the reporting year, with the involvement of the representative of the holder of capital shares, the Supervisory Board, and the Management Board, a draft of the AST Group’s medium-term operational strategy for 2026–2030 was drawn up, which also includes

strategic sustainability-related objectives.

Once a year, the AST Shareholders’ Meeting is informed about sustainability matters, when approving the consolidated annual report of the Augstsprieguma tīkls Group and the annual report of AS Augstsprieguma tīkls, which includes the sustainability report as part of the management report. Once a year, the AST Supervisory Board reviews and provides its opinion on the annual report before it is submitted to the Shareholders’ Meeting.

Once a quarter, the AST Management Board and Supervisory Board are informed about progress in achieving AST's sustainability objectives, which are included in the report on the implementation of the work plan and objectives. Parallel to this, once a quarter the Management Board reviews a report on indicators characterising the operation of the electricity transmission system, including safety indicators, such as occupational accidents, registered environmental incidents, and unauthorised or unlawful activities at infrastructure facilities.

In addition, every month the AST Supervisory Board is informed about AST's major developments, including sustainability-related matters, e.g. electricity generation from renewable energy sources and the construction of environmentally friendly green substations.

In 2025, the Supervisory Board of the Parent Company approved the following decisions on the following significant sustainability-related matters:

- approval of the medium-term operational strategy of the AST Group for 2026-2030;
- approval of the new version of the AST Corporate Governance Policy;
- evaluation of the AST Human Resources Strategy;
- as part of the Parent Company’s annual objectives and the Management Board’s key performance indicators (KPIs), AST sustainability targets for 2025 have been approved (for more detailed information, see the section "Inclusion of sustainability-related performance in incentive schemes").

In addition to the strategic objectives set out in the section "The Subsidiary’s Strategy", Conexus has not established any other, more detailed sustainability targets.

Both the AST Management Board and Supervisory Board participate in determining the material sustainability aspects relevant to the Group’s operations. The material sustainability aspects of the Group are assessed and approved by the AST Management Board. The sustainability report, which is included in the management report of the annual report, is reviewed by the Management Board and the Supervisory Board and approved by the Shareholders’ Meeting.

The material sustainability aspects of the Group were

approved on 16 October 2024, and on 21 October 2025, they were reviewed by the Sustainability Committee, which decided to retain them unchanged for the 2025 Sustainability Report.

To ensure the management of sustainability objectives within the Group, the Conexus Supervisory Board provides a monthly report to the Management Board of the Parent Company on significant developments and the progress in achieving sustainability objectives. In 2025, the Subsidiary’s Supervisory Board reviewed several sustainability-related matters, including hydrogen and biomethane development issues (the Nordic–Baltic Hydrogen Corridor, the construction of biomethane injection points, GHG emissions accounting and reduction, etc.).

INFORMATION PROVIDED TO THE GROUP’S GOVERNANCE STRUCTURE

Governance structure	Regularity	Key matters	Deliverables
Shareholders’ Meeting	Annually	Approval of the annual report and sustainability report	Strategic decisions Welcome letter
Supervisory Board	Quarterly	Achieving sustainability goals	Monitoring, recommendations
Management Board	As needed	Fulfilment of sustainability goals Management of significant risks, including sustainability risks Indicators characterising the operation of the electricity transmission system, including occupational safety indicators	Supervision and decision-making, recommendations
Sustainability Committee	Frequency	Preparation of proposals for sustainability goals and achievable indicators, summarisation of progress in fulfilling sustainability goals	Strategy, sustainability report, progress reports on achieving sustainability goals

RISK MANAGEMENT
PRINCIPLES AND
MECHANISMS

The principles of AST’s risk management are defined in the company’s Risk Management Policy, which clearly sets out the roles and responsibilities of the Supervisory Board, the Audit Committee, the Internal Audit Department, the Management Board, Management Board Members, the Quality System and Risk Management Department, as well as heads of organisational units and employees in risk management. The policy includes not only requirements regarding reporting deadlines, decision-making processes and risk monitoring, but also the requirement to regularly assess the effectiveness of the risk management system itself.

Additional regulation is set out in the Risk Management Concept, which defines risk appetite criteria and establishes the process for planning the necessary actions to mitigate risks. Detailed risk management provisions are included in regulations developed for specific risk areas, such as the Financial Risk Management Regulations, which identify specific risk indicators, and the Fraud, Corruption and Conflict of Interest Risk Management Regulations, which establish zero tolerance for any violations.

Within the strategic planning process, AST systematically assesses risks, opportunities and potential impacts arising from internal and external

environmental factors in order to ensure the achievement of the set objectives. The flow of risk management information is ensured through quarterly reports on the most significant risks, as well as through in-depth reviews of each risk area, which are conducted at least once every 1–3 years, depending on the specific nature of the area concerned. Such regular risk analysis enables the Management Board to make informed and timely decisions.

In 2025, the most significant risks for the Group were related to the accelerated synchronisation with continental Europe in February 2025, cybersecurity threats, physical security risks, fraud risks, and the impact of Russia’s military aggression. At the same time, opportunities were also identified, including the broader use of renewable energy resources and the implementation of advanced technological solutions, such as remote control systems for managing the microclimate of substations.

The prioritisation of risk management measures is based on risk appetite criteria and assessments of investment efficiency, ensuring the effective allocation of resources. To mitigate the potential impact of risks, several measures have been implemented, including employee training, scenario simulations, the strengthening of technical resources, and the introduction of new solutions. This approach ensures not only the identification and mitigation of risks, but also contributes to AST’s long-term security and sustainability.

The fundamental principles of risk management at Conexus are defined in the Company’s Risk

Management Policy, which sets out the roles and responsibilities of the Supervisory Board, the Internal Audit Unit, the Management Board, the Risk Management Manager, as well as those of department managers and employees in risk management.

The risk management process at Conexus is carried out in accordance with the risk management procedures approved by the Company’s Management Board, which establish uniform risk management principles across all risk areas and define risk appetite criteria. Information on risk management, changes in the most significant risks, and their compliance with risk appetite criteria is provided through semi-annual reports to the Company’s Management Board and annual reports to the Company’s Supervisory Board.

RISK MANAGEMENT AND
INTERNAL CONTROL
OVER SUSTAINABILITY
REPORTING

GOV-5

Within the Group, an internal control system (including internal audit) and a risk management system have been established and are continually improved. The Supervisory Board ensures oversight of the

effectiveness of the internal control, risk management and compliance systems, as well as the activities of the Internal Audit Department.

The Audit Committee provides oversight insofar as it relates to ensuring the reliability and objectivity of the annual report and the consolidated annual report. The implementation of the internal control, risk management and compliance systems is ensured by the Management Board, while their independent and objective assessment is carried out by the Internal Audit Department.

The internal control processes related to the preparation of the sustainability report, ensuring the reliability and accuracy of the data included therein, are defined in the AST Sustainability Governance Process Framework:

- Organisational units that collect and provide data for sustainability reporting purposes are responsible for the reliability of the data and provide the data in an unaltered form.;
- The Sustainability Governance Committee ensures the correct representation of the received data in the AST sustainability report and in reports on the achievement of AST sustainability objectives;
- In the preparation of the sustainability report, the organisational unit responsible for the respective sustainability aspect implements internal control processes, ensuring the reliability of the data;
- The assessment of the compliance of the report may be carried out in cooperation with an external

consultant to ensure an independent evaluation and additional assurance.

Pursuant to the AST Sustainability Management Process Procedure, for the purposes of sustainability report preparation, by 31 May each year a coordinator responsible for the preparation of the report and a list of employees responsible for specific sections of the report are prepared and approved by an order of a member of the Management Board.

In 2025, amendments were made to the Sustainability Governance Process Framework, integrating the responsibilities of both companies of the Group, defining the approach to determining the scope (materiality) of information, the responsibilities for the collection and provision of information, as well as the coordinating function for the collection of sustainability report information.

The internal audit function performs audits of organisational units and processes (including in 2025 the Sustainability Governance Process, the Human Resources Management Process and the Transmission Asset Maintenance Process), within which assurance is obtained regarding the compliance of the processes managed by the organisational unit, which in turn affects the reliability of the data. Upon completion of the internal audit, the Management Board and Supervisory Board of the Parent Company are informed about the results and findings. Once a quarter, the Management Board and Supervisory Board of the Parent Company are informed about progress in implementing internal audit recommendations.

Any incidents, including those that may relate to sustainability matters, are recorded in the relevant registers maintained by the responsible organisational units. The information is included both in quarterly reports on significant risks to the Management Board and Supervisory Board and in separate reports in the respective areas. No significant findings were registered in 2025.

To ensure that the information provided by the Group is accurate and complete, integrated information systems are being developed, and data quality monitoring is carried out. The Group's financial information is prepared in accordance with International Financial Reporting Standards, and its financial statements are audited by an international audit firm with relevant experience in the energy sector. The Group's management regularly informs employees about long-term and short-term plans and operational results, including by organising online meetings with employees.

INCLUSION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

ESRS GOV-3

The remuneration of the Supervisory Board and Management Board of the Parent Company is determined by the Law on the Governance of Capital Shares and Capital Companies of a Public Person and the Cabinet regulations issued on the basis thereof. The legal acts establish a uniform framework for the remuneration of supervisory board and management board members of capital companies owned by a public person.

The remuneration and compensation of the members of the Management Board of the Subsidiary are determined by the Conexus Supervisory Board, taking into account the Remuneration Policy for the Management Board and Supervisory Board Members of Conexus, the principles set out in the Law on the Governance of Capital Shares and Capital Companies of a Public Person, as well as the maximum amounts specified in the Cabinet regulations issued on the basis of this law, aligning the level of remuneration with the scope of the duties of the Management Board Members. The remuneration of the Supervisory Board Members of the Group companies is determined by their

shareholders by adopting a commensurate decision and taking into account the aforementioned internal and external regulatory acts. All decisions of the Shareholders' Meeting are publicly available on the websites of the Parent Company and the Subsidiary. Information on the remuneration of the Management Board and Supervisory Board of the Parent Company and the Subsidiary is published in their respective annual reports.

Authorisation agreements are concluded with the Chair and members of the Supervisory Board of the Parent Company, and the provisions of the AST collective labour agreement do not apply to them. The monthly remuneration of the Chair of the Supervisory Board and the Chair of the Management Board of the Parent Company is linked to the average monthly gross salary of employees in the country for the previous year, as published by the Central Statistical Bureau of Latvia, to which a coefficient is applied in accordance with indicators characterising the size of the capital company (turnover, assets and number of employees). No bonuses are paid to the Chair and members of the AST Supervisory Board, and they do not receive severance pay or any other type of compensation.

The performance evaluation of the Management Board and Supervisory Board of the Group companies is carried out in accordance with Cabinet regulations and the guidelines developed by the Coordination Centre, ensuring a transparent and structured approach.

The individual performance evaluation of Management Board Members of the Group companies is based on the achievement of objectives linked to the overall

performance of the company, while the performance of Supervisory Board Members is assessed on the basis of an annual self-assessment. The annual self-assessments, which are submitted to the Shareholders' Meeting, reflect the contribution of the Supervisory Board and the Management Board to strengthening sustainability governance and achieving the company's strategic objectives.

In addition, the Audit Committee provides an annual report on the quality of the internal control and risk management systems and the preparation of sustainability reports.

Based on the sustainable development objectives defined in the company's strategy, each year the Supervisory Board, along with the approval of the budget for the following year, approves both financial and non-financial targets, as well as the individual target indicators (Key Performance Indicators – KPI) for each Management Board Member, which influence the variable part of their remuneration.

Once a year, following the approval of the annual report, the Supervisory Board may decide on the payment of bonuses to the Management Board Members. When determining the bonus, three main criteria are taken into account: the company's performance results in the previous reporting year (budget execution); implementation of the medium-term operational strategy and the company's performance in accordance with the defined objectives, including sustainability objectives; and the individual performance results of the Management Board Member and the achievement of their individual objectives.

Bonuses for Management Board Members may not exceed two monthly salaries of a Management Board Member, while, in accordance with legal requirements, Supervisory Board Members are not paid bonuses and the remuneration of Supervisory Board Members is not linked to sustainability governance.

The annual objectives of the Management Board Members of the Parent Company include the organisation's sustainable development objectives, depending on the area of responsibility of the respective Management Board Member. Sustainability objectives accounted for 20% of the total objectives of the Parent Company in 2025. The Parent Company regularly monitors the achievement of the set objectives by reviewing a report on their progress once a quarter.

In 2025, the following key sustainability objectives were set in the individual targets of the Management Board Members of the Parent Company:

- Reduction of AST's emissions, aiming to achieve the EU climate neutrality targets for 2030 (45% reduction) and for 2050 (climate neutrality);
- Development of the network to connect electricity producers from renewable energy sources;
- Implementation of the innovative project Green Substation Carnikava, reducing CO₂ emissions.

The defined sustainability objectives are further integrated into the objectives of the companies' organisational units and into the individual objectives of employees, forming part of the broader employee

motivation system.

In 2025, strategic initiatives of the Subsidiary with sustainability aspects — hydrogen studies, biomethane and others — accounted for 15% of the Subsidiary's overall performance indicators.

In the coming periods, as the management of sustainability-related matters continues to be improved, it is planned that the involvement of the Management Board and Supervisory Board in sustainability governance will be further developed.

STATEMENT ON DUE DILIGENCE

ESRS GOV-4

Compliance with the due diligence principle in sustainability governance ensures:

- Timely identification of potential negative impacts on the environment or society (particularly affected communities);
- Ensuring a consultation process (as proactively as possible) with affected communities or other stakeholders regarding potential or actual negative impacts on the environment or society;

- Determining appropriate measures to mitigate or prevent negative impacts;
- Evaluation of the effectiveness of the measures implemented;
- Ensuring feedback to affected communities and other stakeholders so that they have the opportunity to express their concerns, complaints or proposals;
- Organising learning processes within the organisation to prevent the recurrence or occurrence of similar negative impacts or to identify the potential for similar adverse impact in a timely manner.

The due diligence principle within the Group is applied both in relation to its own operations and in the selection and management of cooperation partners, bearing in mind that the actions of cooperation partners may also result in adverse impacts to the environment or society.

The negative impacts identified in the operations of the AST Group (in accordance with the double materiality assessment) may be related to:

- Increased greenhouse gas (GHG) emissions generated by the Group and its value chain, which have a negative impact on the environment, contribute to climate change and thereby gradually affect the living environment and well-being of society;
- Loss of biodiversity that may be caused by the construction and maintenance activities of the Group's infrastructure throughout the territory of Latvia,

affecting both the surrounding environment and, consequently, the living environment and resources of society;

- Use of primary raw materials and materials, which may still be associated with the use of environmentally harmful substances (e.g. SF6);
- Occupational health and safety risks, particularly when working at heights, with hazardous electrical equipment and natural gas transmission equipment, or when participating in construction works. These activities may involve both Group employees and subcontractors and their employees;
- Employee involvement in responding to emergency situations, which are often unpredictable and require immediate mobilisation regardless of the time of day, as well as increased vigilance and prolonged concentration when working in atypical and potentially hazardous conditions. The likelihood of such work increases as climate risks and their frequency increase;
- Restrictions on land use resulting from the maintenance of infrastructure managed by the Group's companies, for example, applicable to farmers whose land is crossed by high-voltage lines or where other significant energy transmission infrastructure is located.

Restrictions on land use, as well as possible changes to the landscape, may also result from the implementation of infrastructure development works, particularly the construction of new infrastructure facilities. In such

cases, impacts may be created both on the environment and on surrounding communities, whose usual environment is altered — both temporarily (e.g. transport restrictions or changes to traffic organisation during construction) and in the long term (significant changes to the surrounding landscape and living environment).

In addition to the factors identified in the double materiality assessment process, there is a possibility that the activities of the Group's companies may also result in other types of negative impacts on the environment or society that are currently not identified or that have not previously been deemed to be sufficiently material.

AST has developed an interactive process map that integrates management, core business and support processes and ensures the connection of the control systems related to process management. Responsible managers and a support team have been assigned to the processes.

PROCESS MANAGEMENT GUIDELINES

MANAGEMENT PROCESSES	CORE OPERATIONAL PROCESSES	SUPPORT PROCESSES
Sustainability Management Procedure K-6/1/4-236 Risk Management KON-1-1 Occupational Safety Management K-5-230 Physical Security Management K-5/1-231	Power System Operation K-5/1-8 Maintenance of Transmission Assets K-5/1-255 Development of the Transmission System K-5/1-6 Regulation on the Organization of Metrological Work NP-53-64	Documentation and Information Management Process NOP-1-001 Procurement Process K-5/1-10 Contract Monitoring Process K-5-227 Innovation Development Process K-5-230 Transport and Special Equipment Provision Process K-5/1-263 Communication Process K-5/1-266 Legal Process K-5/1-273 Underlying Rules for Procurement Procedures

While processes are reviewed as necessary, their relevance is assessed at least once every three years. In 2025, the Electricity System Management process was fully reviewed and updated, mainly in connection with the desynchronisation from the BRELL ring (Belarus, Russia, Estonia, Latvia and Lithuania) and synchronisation with the European electricity grid. As part of the plan for improving the interactive process map in 2025, the Transport and Special Equipment Provision process, as well as the Communication and Legal process, were developed and approved.

The Conexus process list, which integrates management, core business and support processes, was last updated in 2023, with the next review planned for 2026. For each process at Conexus, a responsible person is designated, along with the process objective, the main tasks of the process, the related internal regulations, the key risks and their control measures.

In accordance with the defined processes, to ensure compliance with the due diligence principle, the Group carries out the following activities:

- In the case of the implementation of new projects, particularly large construction projects, an environmental impact assessment is carried out (if required in accordance with the Law on Environmental Impact Assessment), and public consultations are organised in order to inform the public in a timely manner and identify their concerns or needs. Where necessary and justified, changes to the project are made as a result of the public consultation process;

- Assessment of the environmental impact of its operations and monitoring of changes to it (GHG emissions, use of various raw materials and materials);
- Evaluation of the use of more environmentally friendly alternatives in areas where this is necessary (e.g. availability of SF6 alternatives, possibilities of use, costs and other factors);
- Conducting internal audits, environmental monitoring and energy monitoring in environmental matters. Compliance with regulatory requirements is monitored regularly. After the implementation of audits and action plans, reports are prepared, the relevant involved and responsible parties are informed, and corrective and/or preventive actions are developed and implemented where necessary;
- Consulting with the trade union on matters related to working conditions that affect employee well-being and safety both under normal working conditions and in emergency situations;
- An Idea Register has been established to enable employee engagement, where proposals for improvements can be submitted, including anonymously. Entries in the Idea Register are evaluated by the responsible organisational units and, if a proposal cannot be fully implemented, responses are published. Submitted proposals remain anonymous unless the submitter has indicated their name;

- Ensuring the functioning of the occupational safety system within the Group's companies and setting strict requirements for subcontractors, including the application of sanctions for violations of occupational safety rules, thereby ensuring that subcontractor employees are also properly informed of the requirements and that their compliance is monitored;
- Conducting workplace risk assessments, organising monthly technical training sessions, occupational safety days, inspections of compliance with occupational safety requirements, conducting unannounced inspections of work teams at workplaces and evaluates the operation of equipment. The results of inspections are documented and discussed with staff and responsible specialists. Where necessary, corrective and/or preventive actions are implemented;
- Establishing requirements for employees of the Group's companies and subcontractors performing infrastructure maintenance work, for example, regarding the observance of bird nesting periods, coordination of works with landowners, compliance with mowing periods and other aspects that ensure more environmentally and community-friendly operations;
- Evaluating suppliers during the procurement process. More detailed information on this is provided in the section on "Management of relationships with suppliers";
- Engaging experts as necessary (e.g. ornithologists) to identify the most appropriate solutions for reducing

- negative environmental impacts, and implementing joint projects with these experts to ensure that the necessary measures are carried out in accordance with best practice;
- Complying with requirements for the preservation of cultural and historical heritage and with expert recommendations in this field, including incorporating these requirements, where necessary, into design tasks and other requirements for subcontractors;
 - Providing opportunities for affected communities and other stakeholders to submit personal or anonymous suggestions, proposals, complaints or concerns regarding the activities of the Group's companies that create or could create negative impacts on the environment or society;
 - Evaluating the effectiveness of the measures implemented (e.g. the number of complaints has decreased in recent years, indicating that the measures implemented have been effective and that the Group is increasingly respecting the interests of surrounding communities).

UNDERLYING ELEMENTS OF DUE DILIGENCE
IN A SUSTAINABILITY REPORT

Sustainability report section	Report page
Incorporating due diligence into governance, strategy and business model	
Supervisory Board	Page 33.
Management Board	Page 39.
Strategy	Page 21.
Business Information	Page 126.
Engaging affected stakeholders in all key stages of the due diligence process	
Stakeholder Engagement	Page 58.
Group Employees	Page 102.
Affected Communities	Page 119.
Identification and assessment of adverse impacts	
Impact, Risk and Opportunity Management	Page 56.
Affected Communities	Page 119.
Business Information	Page 126.
Measures to prevent the aforementioned adverse impact	
Environmental Information	Page 77.
Group Employees	Page 102.
Affected Communities	Page 119.
Business Information	Page 126.
Monitoring and reporting on the effectiveness of these efforts	
Environmental Information	Page 77.
Group Employees	Page 102.
Business Information	Page 126.

5

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

ESRS IRO-1, SBM-2, SBM-3

PROCESS FOR IDENTIFYING AND ASSESSING MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

In accordance with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), in 2024 the Group began implementing a systematic approach to identifying and assessing material impacts, risks and opportunities based on the principle of double materiality. The objective of the assessment was to identify and evaluate the Group's impacts, risks and opportunities both in its own operations and in its value chain. Issues related to the rights of indigenous peoples were excluded from the assessment, as they are not applicable to the operations of AST and the Group within the territory of Latvia.

The assessment process was based on several steps implemented by the management and specialists of the Parent Company in cooperation with external consultants and involving representatives of Conexus, in order to ensure that all material impacts, risks and opportunities of the Group were identified and properly assessed.

At the beginning of the assessment, the Group's value

chain was identified and, by evaluating the Group's main areas of activity, resources and "hotspots" within the value chain, such as electricity generation and gas extraction (see the section "Business model and strategy"), agreement was reached apropos the scope of the assessment. Based on this and on the list of sustainability topics provided in the ESRS, an initial identification of the Group's impacts was carried out in its own operations as well as in the upstream and downstream value chain. This helped to establish the foundation for the next stage of the process, in which external consultants together with the Group's specialists identified both positive and negative impacts and assessed them by analysing:

- **Gravity of impact:** its scale, scope (the number of people affected and the geographical area), and remediability (assessed on a four-point scale);
- **Probability:** the likelihood that the specific potential impact will occur in the short, medium or long term, using the time frames specified in the ESRS for the assessment (assessed on a five-point scale).

The severity and likelihood parameters were summed, and a threshold score of 7 was set for determining the materiality of a specific impact (i.e., all impacts with an aggregate score of 7 or above are deemed material).

The process relied not only on the company's internal documents and available information regarding stakeholders' views and concerns, but also on industry standards and reports issued by international organisations. In addition, several stakeholders, such as employees and suppliers, were involved in interviews in

order to validate the initial assessments and refine them where necessary.

In the financial materiality assessment, the Group’s specialists identified risks and opportunities that could affect the company’s financial position, cash flows, access to capital or cost of capital.

Each risk and opportunity was assessed on a five-point scale based on its likelihood and potential financial impact on the company. The likelihood and financial impact scores were multiplied, and a threshold score of 10 was established for determining the materiality of a given risk or opportunity (i.e., all risks or opportunities with a combined score of 10 or above are deemed material).

In this process, consideration was given to the company’s dependence on critical resources and suppliers, as well as the potential impact of negative consequences on financial indicators. Particular attention was paid to the value chain, including risks related to supply chain disruptions or the actions of business partners, as well as potential changes in the regulatory framework and their impact on the company’s financial performance.

The Parent Company and the Subsidiary identified risks and opportunities separately and later assessed the potential scale of financial impact, likelihood and time horizon (short, medium or long term) according to a unified approach. In this process, the Group’s companies largely relied on the existing approach to risk management, which is organised based on the principles set out in ISO 31000. In 2024, financial

impacts were assessed using a qualitative approach, but starting from 2026 it is planned to gradually introduce a quantitative assessment scale for evaluating risks and opportunities.

In 2025, the materiality assessment conducted previously was reviewed and re-approved at a meeting of the Sustainability Committee.

STAKEHOLDER
ENGAGEMENT

The Group’s stakeholder engagement aims to improve the company’s performance in relation to all stakeholders and society as a whole.

AST’s stakeholders are mapped according to their level of influence and interest, determining the methods and intensity of engagement. AST’s assessment is reviewed annually, and the forms of engagement and frequency of communication are adjusted accordingly. Conexus last reviewed its stakeholder mapping in 2023. As there have been no significant changes in the company’s operations that would affect the stakeholder mapping, it has subsequently remained unchanged.

The Group uses various methods to engage stakeholders in the development of regulatory proposals, strategy formation, and other processes, including the previously described process for determining material sustainability topics. These methods include the company website, publications, individual meetings, public consultations, surveys, participation in commissions, and visits to the underground gas storage facility, etc.

The Group organises public meetings with customers, suppliers, and cooperation partners regularly to inform them about developments in the sector and company updates (events include the Electricity Market Forum, meetings with organisations involved in design work,

and meetings with construction and maintenance contractors). Before approving draft regulations related to sector activities, public consultations are regularly organised, along with public hearings on development projects and other stakeholder engagement activities.

The Group operates in a sector with high safety risks, and its facilities are located not only on land owned by the company but also on land owned by other parties. Therefore, cooperation with local communities and landowners is particularly important. Before implementing significant development projects, the Parent Company organises public consultations in local municipalities, listening to the views of local communities. Annually, the Subsidiary sends informational materials to local municipalities where its facilities are located, explaining legal and regulatory requirements. In addition, the Subsidiary, in cooperation with the State Fire and Rescue Service, organises civil protection exercises during which the alarm and notification system is activated, emergency vehicles move along local and national roads, people are evacuated, and temporary traffic restrictions may occur.

In addition to cooperation with stakeholders, the Group places strong emphasis on public communication and media relations, informing the public about important decisions, development projects, and investments. Alongside traditional communication channels, the Group and its Subsidiary communicate via social media platforms such as Facebook and LinkedIn. To assess communication effectiveness, the Group’s companies conduct daily media monitoring to track the circulation of published information in the media space. In 2025, Latvian media continued to pay increased attention to

the energy sector, and therefore all information released by the Group was widely covered in the Latvian media environment.

Media interviews are conducted on a regular basis—both in response to media interest generated by information released by the Group and at the initiative of the Group’s companies. Photo and video materials prepared by the Group are regularly used in media publications.

To inform the media about the synchronisation of the Baltic electricity grids with continental Europe and related project developments—one of AST’s most significant priorities in recent years—the Parent Company organised several media events in 2025, including a joint press conference with the Ministry of Climate and Energy on the planned synchronisation of the electricity grids, the opening of synchronous compensator stations in Grobiņa and Līksna, the opening of an electricity storage battery station in Rēzekne, and interviews with management representatives in Latvian and international media.

Social media activity, including reposting of information and comments from stakeholders, is actively monitored. The Group always responds to questions or remarks raised on social media.

SUSTAINABILITY REPORT

Stakeholders	Essential topics	Type of engagement	Regularity of engagement	Engagement objectives	Outcome	Responsible governance body
Shareholder	All topics	Shareholder's Meeting	Regular	To inform shareholders about significant events, including sustainability events, to ensure the Group's operations	Ensured adoption and execution of shareholder meeting decisions, operation of the Management Board, Supervisory Board in accordance with the Shareholder's Meeting decisions	AST: Management Board, Supervisory Board
Banks, financiers	• Climate change mitigation • Energy • Incoming resources • Corporate culture	Forums, meetings, live seminars, reports and statements, participation in infrastructure project closing events, exhibitions	Regular	Securing financing and fulfilling financing covenants; the possibility of securing financing repeatedly; ensuring awareness of industry news for predicting the appropriate amount of financing for developers	Successfully attracted financing for investments in the transmission system, including investments in the field of sustainability. In September 2025, 2 EU co-financing applications were submitted within the framework of the CEF call. The high investment-grade credit rating was maintained.	
Environmental organisations	• Climate change mitigation • Energy • Biodiversity and ecosystems • Incoming resources	Involvement in environmental impact assessment, letters, consultations, opinions	As needed	To receive consultations and positive opinions on the activities carried out	Adoption of good practices, improvement of environmental performance.	Conexus: Management Board, Supervisory Board

SUSTAINABILITY REPORT

Stakeholders	Essential topics	Type of engagement	Regularity of engagement	Engagement objectives	Outcome	Responsible governance body
Employees	• Climate change mitigation • Biodiversity and ecosystems • Employee health and safety • Secure employment • Corporate culture	Involvement through employee representatives – trade union.	Once a month and more often	Obtaining feedback, employee satisfaction and awareness, employee safety, improvements to company processes	A company job card was developed, salary ranges were determined for each job category. A personnel strategy was approved and achievable KPI indicators were determined.	AST: Management Board,
Electricity, gas end-users – households	• Energy • Corporate culture	Direct involvement – meetings (in person in Riga and in the regions and remotely), management visits, forums, assemblies, educational events, feedback – surveys, suggestions	Once a year, regularly, at least once a month	Obtaining feedback to improve processes and communication, Ensure end-user awareness Educational activities on synchronisation, synchronous compensator tests	Improved communication activities, feedback obtained, revised Corporate Social Responsibility Policy (planned to be approved in 2026)	AST: Management Board, Communications Division Conexus: Management Board, Communications Division, Commercial Division
Educational and scientific institutions (1 / 2)	• Energy • Biodiversity and ecosystems • Incoming Resources	Consultations, research, cooperation in projects and development of students’ final theses, participation in exhibitions, lectures at educational institutions, excursions to the Group’s companies	As needed	Obtain the research and knowledge necessary for the company’s work, create an attractive employer image, and attract new specialists	Joint development of standards LVS EN 50341-2-XX Overhead power lines for alternating voltage exceeding 1 kV. Part 2-XX: National regulatory aspects (NNA) for Latvia (based on EN 50341-1:2012) is underway In the student assessment, AST is included in the TOP 20 list of employers as a company where students would like to work. In cooperation with RTU scientists, a BESS management system has been developed	AST: Management Board, Development and Research Service, Personnel Department, Technical Operation Department, Strategy and Innovation Management Department Conexus: Management Board, Personnel Department, Technical Development Department

SUSTAINABILITY REPORT

Stakeholders	Essential topics	Type of engagement	Regularity	of engagement	Engagement objectives	Outcome	Responsible governance body
Educational and scientific institutions	(2 / 2)					Internship places have been provided for students and interns, and new employees have been recruited. Participation in the summer employment project for students organised by the State Employment Agency (SEA) has been ensured.	
						Various educational institutions have been visited and students from various educational institutions have been recruited to inform students and students about internship and job opportunities at AST.	
						In cooperation with the BUTS training centre, and the NVA AST employees participated in the electrician exam acceptance process as observers with the opportunity to address potential employees.	
						Participation in "Shadow Days".	
						Participation in Riga Technical University (RTU) Career Days, NVA vacancy fair	

SUSTAINABILITY REPORT

Stakeholders	Essential topics	Type of engagement	Regularity of engagement	Engagement objectives	Outcome	Responsible governance body
Corporate clients – electricity producers, traders and balancing service providers, natural gas traders, biomethane producers	• Energy • Incoming resources	Forums, meetings, seminars, public consultations, individual consultations, project meetings, press releases, and social networks, website	1–2 times a month	Get feedback, improve collaboration, make changes to documents, successful implementation of projects	Based on the results of public consultations, opinions have been taken into account when developing procedures, regulations, policies, and initiatives. The programme and format of the annual forum have been improved, and the number of participants has increased. In cooperation with the Green and Smart Technology Cluster (GreenTech Cluster), forums have been organised on energy system innovations and market development as a business opportunity for companies and on the growing potential of the balancing market and cooperation opportunities between power plant and battery operators and trading service providers.	AST: Management Board, System Support Services, System Connection and Development, Project Management Conexus: Management Board and relevant departments
Media	• Energy • Corporate culture	Providing information to the public and obtaining feedback in the form of publications.	At least 2-4 times a month	Public information and education	Communication activities for 2025 have been improved. Activities on synchronisation have been implemented, daily communication activities have been maintained	AST: Management Board, Communications Division Conexus: Management Board, Communications Division

SUSTAINABILITY REPORT

Stakeholders	Essential topics	Type of engagement	Regularity of engagement	Engagement objectives	Outcome	Responsible governance body
Local government (1 / 2)	Land-related impacts on the community	Public consultations, informing about the work to be done (meetings, emails), consultations on the implementation of development projects, Letter of intent	According to the implementation of specific projects	Coordinate construction, taking into account the interests of the municipality	Three public consultations have been held in cooperation with municipalities, project working group meetings have been held, and information about the projects has been posted on municipal communication channels, consultations have been carried out Participation of municipal representatives in AST events (Grobina and Līksna synchronous compensator opening events, BESS opening event). Selection of the location of the Latvia-Estonia 4th interconnection and other development projects in Ventspils and Liepāja.	AST: Management Board, Development Department, Line Service, System Connection, and Development Service Conexus: Management Board, Inčukalns UGS, Economic Security Department
Suppliers	- Safety - Fair competition - Sustainable supply chain and "green procurement" - Ethical cooperation - Employee health and safety, respect for human rights	- Surveys of counterparties and suppliers, interviews, - Discussions with suppliers and procurement procedures	- Regularly – twice a year - When conducting public procurement	- Ensure an efficient, transparent and sustainable procurement system - Facilitate the quality of cooperation and fair competition - Identify suppliers' opinions on improving cooperation	- Improved procurement procedures, proportionate requirements for suppliers and contract terms - Ensured an open and fair procurement process, equal treatment, adherence to the principles of "green procurement" and efficient use of funds	AST: Management Board, Quality Systems and Risk Management Division, Procurement Division Conexus: Management Board, Procurement Division

SUSTAINABILITY REPORT

Stakeholders	Essential topics	Type of engagement	Regularity of engagement	Engagement objectives	Outcome	Responsible governance body
Polymakers	- Climate change mitigation - Energy - Occupational health and safety - Biodiversity and ecosystem - Incoming Resources - Secure employment - Land-related community impact - Corporate culture	Letters, meetings, involvement in the development of legislation, information reports, provision of opinions, participation in committee meetings	Regularly	Provide feedback and call for legislative initiatives in line with the interests of the transmission system operator	When developing draft documents, providing opinions, informative reports, 11 formal opinions were provided on the TAP portal, 36 letters were sent to policymakers. Public Utilities Commission, continuous cooperation with the Ministry of Climate and Energy and the Public Utilities Regulatory Commission, improving draft legal acts.	AST: Management Board, Regulatory Affairs Division, Legal Division Conexus: Management Board, Legal Department, Business Development Division
Professional associations (1 / 3)	- Energy - Incoming resources	Participation of group representatives in the work of associations (member meetings), information and opinion gathering – meetings, forums, seminars	Regularly	To provide the Group’s opinion on Latvian and European legislative initiatives and participate in the development of initiatives, to inform about the Group’s plans and projects, to learn the opinions of other industry players, while improving draft regulations.	Involvement in the development of a roadmap for managing and integrating sustainability (ESG) factors into daily work, developed within the Business Sustainability Council (not yet published by the end of 2025).	AST: Board and its delegated representatives, Development Department, Development and Research Service, Legal Department, System Management Department

SUSTAINABILITY REPORT

Stakeholders	Essential topics	Type of engagement	Regularity	of engagement	Engagement objectives	Outcome	Responsible governance body
Professional associations (2 / 3)						Two issues of the Energy magazine for energy professionals have been jointly published with the association Latvian National Committee of the World Energy Council. Within the framework of ENTSO-e, AST employees have participated in regular meetings of the following groups: System Development Committee (Baltic Sea Region Network Modelling Working Group, Baltic Sea Region Market Modelling Working Group, Data and Models Working Group, Regional Baltic Grid Code Implementation and Monitoring Working Group); System Steering Committee (System Operation Steering Committee, Incident Classification Working Group, Critical System Protection Working Group, IT/T Steering Groups, ITC (Inter TSO Compensation) Working Group, TPC (Transparency Platform Coordinators) Working Group,	Conexus: Management Board, Business Development Division Participation in industry research conducted by professional associations

SUSTAINABILITY REPORT

Stakeholders	Essential topics	Type of engagement	Regularity of engagement	Engagement objectives	Outcome	Responsible governance body
Professional associations (3 / 3)					Network Models and Forecasting Tools Working Group, etc.); Market Committee; Research, Development and Innovation Committee; Legal and Regulatory Group; Digital Committee. Participation in the Business Efficiency Association’s news and general meetings. From 2025, AST is a member of the Latvian Employers’ Confederation. AST is also a member of the Latvian Electrical Engineers and Energy Builders Association, AST employees are involved in personnel certification issues, participating in meetings of the SpecSC personnel certification scheme committee.	
Regulator	• Energy • Occupational Health and safety • Incoming Resources • Secure Employment	Letters, meetings, involvement in the development of legislation, receiving opinions, participation in forums and infrastructure project closing/ opening events	Regularly	Provide feedback and call for legislative initiatives in line with the interests of the transmission system operator	Draft electricity transmission tariffs prepared and submitted for approval,	AST: Management Board, Regulatory Affairs Division and, Finance and Accounting Department Conexus: Management Board, Planning and Analysis Division, Regulatory Affairs Legal Support Division, Business Development Division

SUSTAINABILITY REPORT

Stakeholders	Essential topics	Type of engagement	Regularity of engagement	Engagement objectives	Outcome	Responsible governance body
State supervisory and control authorities	• Climate change mitigation • Energy • Occupational health and safety • Biodiversity and ecosystem • Incoming resources • Secure employment	Letters, meetings, involvement in the development of legislation, receipt of opinions, participation of representatives of supervisory and control authorities in the closing/ opening events of infrastructure projects	As needed	Perform the functions assigned to the TSO	PUC has evaluated AST's operations in 2024 and recognised AST's compliance with certification requirements	AST: Management Board Conexus: Management Board
Value chain employees	• Energy • Occupational health and safety • Incoming resources • Employment security • Corporate culture	Instruction on occupational safety at the Group's facilities, obligation of suppliers to familiarise themselves with and sign the AST supplier declaration	Regularly	Safe working environment, compliance with safety techniques, fair pay	PUC has issued AST with a new license valid until 07.06.2045.	AST: Management Board, Operation and Safety Engineering Supervision Service, Procurement Department Conexus: Management Board, Legal Department, Environmental and Occupational Safety Department
Non-governmental organisations (1 / 2)	• Occupational health and safety • Safe employment • Corporate culture	Meetings, discussions, consultations, obtaining opinions, receiving opinions	As needed	Receive opinions, involve in processes, learn opinions	Participation in discussions on issues of importance to the public at the LAMPA Conversation Festival: "Will renewable energy transform the future of the economy?" and "Secure energy, strong economy: Europe's path to security and resilience"	AST: Management Board, Human Resources, Quality Systems and Risk Management Conexus: Management Board

SUSTAINABILITY REPORT

Stakeholders	Essential topics	Type of engagement	Regularity of engagement	Engagement objectives	Outcome	Responsible governance body
Non-governmental organisations					Donations to Ukraine	
(2 / 2)					In cooperation with the Green and Smart Technology Cluster (GreenTech Cluster), forums were organised on energy system innovations and market development as a business opportunity for companies and on the growing potential of the balancing market and cooperation opportunities between power plant and battery operators and trading service providers.	
Representatives of local communities, adjacent territories	Land-related impacts on the community	Informing about the work to be done, coordination, involvement in finding a mutually acceptable solution – public consultations, letters, meetings, information materials	Regularly	Ensure local community support for planned activities and awareness of how it will impact local communities	3 public consultations and 2 working group meetings on the Ventspils–Varduva project have been held.	AST: Management Board, Operations Department, Development Department
					Updated Corporate Social Responsibility Policy, taking into account focus group interviews with local communities	Conexus: Management Board, Environmental Safety Department, Financial Assurance Department

MATERIAL IMPACTS,
RISKS AND
OPPORTUNITIES
OF THE GROUP

The results of the materiality assessment carried out in 2024 (and subsequently deemed as still being relevant in 2025) were summarised in a materiality matrix, which later served as the basis for the AST Management Board’s decision on determining the materiality threshold. The AST Management Board decided to classify as material those topics for which both the impact and financial materiality assessments, in line with the Group’s materiality assessment methodology, were rated as "critical" or "significant."

As a result, the following topics were identified as material for the Group:

IMPACT MATERIALITY					
Critical				Mitigating climate change Energy sector Occupational health and safety	
Significant				Biodiversity and eco systems* Incoming resources Safe employment Working hours* Community impact related to land use Corporate culture*	
Important					
Informative					
FINANCIAL MATERIALITY	N/A	Informative	Important	Signifcant	Critical

Environmental topics

Social – Workplace topics

Social – Value chain topics

Governance topics

ESRS (sub-)subtopics marked with an asterisk (*) have been consolidated with similar ESRS (sub-)subtopics.

The Group's material impacts, risks, and opportunities arise from its operations in the energy sector, particularly in relation to climate change mitigation, energy security, and ecosystem preservation. At the same time, the Group's strategy is closely linked to the development of sustainable energy and the achievement of sustainability objectives, including promoting energy transition and the integration of renewable energy sources.

The Group's value chain, particularly in relation to the use of biomass and natural gas, contributes to climate change. However, strategic investments in renewable energy support climate change mitigation by promoting sustainable energy production and use. Energy stability and security have a significant positive impact on direct users by ensuring uninterrupted electricity and natural gas supply. The Group focuses on infrastructure development that enables integration with the European grid and helps to strengthen the region's energy independence. The implementation of projects such as synchronisation with continental Europe creates opportunities to improve energy security across the Baltic region.

The construction and maintenance of transmission networks affect land use, may contribute to habitat fragmentation, and can create risks for the protection of species. Mindful that such impacts may have negative consequences for local ecosystems, the Group actively works to mitigate them. Sustainable planning and compensation mechanisms help to reduce negative effects on residents and the natural environment. The Group's strategy also includes close cooperation with affected communities and national supervisory

authorities to ensure that the company's operations comply with environmental protection regulations and minimise any potential harm.

Financial impacts largely arise from the need to adapt to climate and sustainability requirements, which include significant investments in the implementation of new technologies and processes. The Group's strategy is focused on sustainable growth, concentrating on the development of low-emission technologies, the reduction of greenhouse gas emissions, and increased use of renewable resources. This is an important step towards ensuring the company's future competitiveness and alignment with the EU Green Deal.

To effectively manage the identified impacts and risks, the Group actively adapts its strategy, focusing on innovation, long-term investment plans, and the transformation of its business model. The Group continuously monitors and adjusts its operations in line with changing regulations, market conditions, and new technological challenges. More information about the Group's strategy can be found in the "Business Model and Strategy" section.

In accordance with the materiality assessment conducted and the sustainability topics consequently identified as material, impact, risk, and opportunity factors have been defined. These are summarised in a table indicating the type of manifestation (particularly for impacts—actual or potential, positive or negative), the location of manifestation (own operations and/or the value chain), and the time horizon of manifestation in accordance with the time periods defined by ESRS

SUSTAINABILITY REPORT

IMPACTS, RISKS AND OPPORTUNITIES	TYPE	SOURCE	TIME PERIOD OF IMPACT	RELATED SUSTAINABILITY TOPIC (ESRS)
Investments in new solutions to increase the use of renewable sources	Actual positive impact	Own operations, upstream and downstream value chain	Short term	Climate change
Modernisation of primary equipment	Opportunity	Own operations	Short term	Climate change
High GHG intensity of the company and value chain	Actual negative impact	Own operations, upstream value chain	Short term, medium term, long term	Climate change
Transition risks related to changes in regulation, technology and market requirements	Risk	Own operations, upstream and downstream value chain	Medium term	Climate change
Energy stability and security, construction of connections to receive renewable energy resources into the grid	Actual positive impact	Own operations	Short term, medium term, long term	Related sustainability topic (EURS)
Potential spills and emissions during track cleaning that may affect biodiversity	Risk	Own operations, upstream and downstream value chain	Short term	Biodiversity and ecosystems
Biodiversity loss	Potential negative impact	Own operations, downstream value chain	Long term	Biodiversity and ecosystems
Use of primary raw materials and materials	Potential negative impact	Own operations, upstream value chain	Short term, medium term, long term	Circular economy
Reuse of resources	Opportunity	Own operations	Short term	Circular economy
Employee health and safety	Potential negative impact	Own operations	Short term, medium term, long term	Working conditions
Difficulties in recruiting and retaining employees	Risk	Own operations	Medium term, long term	Working conditions
Stable employment and a sense of security for employees	Actual positive impact	Own operations	Short term, medium term	Working Conditions
Ensuring business continuity and involving employees in preventing emergencies	Potential negative impact	Own operations	Medium term, long term	Working Conditions

SUSTAINABILITY REPORT

IMPACTS, RISKS AND OPPORTUNITIES	TYPE	SOURCE	TIME PERIOD OF IMPACT	RELATED SUSTAINABILITY TOPIC (ESRS)
Land use restrictions, changes in the landscape	Potential negative impact	Own operations, downstream value chain	Medium term, long term	Affected Communities
Disagreements with landowners	Risk	Own operations, downstream value chain	Medium term, long term	Affected Communities
Involvement in the development of legal regulations with a positive impact on the environment, people and the company	Opportunity	Own operations, upstream and downstream value chain	Short term, medium term, long term	Business
Corporate culture practices (responsibility, transparency, ethical principles, etc.), whistleblower protection	Actual positive impact	Own operations	Medium term, long term	Business
Adjustments in the received EU co-financing in case of non-compliance with project implementation	Risk	Own operations, upstream value chain	Short term, medium term	Business

In accordance with the identified material sustainability topics and the related impact, risk, and opportunity factors, the subsequent content of this report is structured to reflect the Group’s approach to their management.

6

ESRS DISCLOSURE REQUIREMENTS INCLUDED IN THE SUSTAINABILITY REPORT

The table below provides a list of the disclosure requirements included in the Group’s 2025 Sustainability Report. More information on how the information to be included in the Sustainability Report was determined can be found in the section on double materiality assessment on page 58.

SUSTAINABILITY REPORT

ESRS standard	Disclosure requirement	Page(s) in the sustainability declaration
GENERAL INFORMATION		
ESRS2	BP-1 General framework for preparing a sustainability statement	Page 7.
ESRS2	BP-2 Disclosures in relation to specific circumstances	Page 8.
ESRS2	GOV-1 Functions of the administrative, management and supervisory bodies	Page 28. Page 45.
ESRS2	GOV-2 Information provided to the administrative, management and supervisory bodies of the company and sustainability issues considered by them	Page 28. Page 47.
ESRS2	GOV-3 Inclusion of sustainability-related performance in incentive schemes	Page 50.
ESRS2	GOV-4 Due diligence statement	Page 51.
ESRS2	GOV-5 Risk management and internal control over sustainability reporting	Page 49.
ESRS2	SBM-1 Strategy, business model and value chain	Page 10.
ESRS2	SBM-2 Stakeholder interests and views*	Page 58.
ESRS2	SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model	Page 56. Page 69.
ESRS2	IRO-1 Description of the processes for identifying and assessing material impacts, risks and opportunities	Page 56.
ESRS2	IRO-2 Disclosure requirements in the ESRS to which the company's sustainability statement applies	Page 73.

ESRS standard	Disclosure requirement	Page(s) in the sustainability declaration
ENVIRONMENTAL INFORMATION		
ESRS E1	ESRS 2, GOV-3 Inclusion of sustainability-related performance in incentive schemes	Page 50.
ESRS E1	ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	Page 69. Page 83.
ESRS E1	E1-1 Transition plan dedicated to climate change mitigation	Page 77.
ESRS E1	ESRS 2, IRO-1 Description of processes for identifying and assessing material climate-related impacts, risks and opportunities	Page 56. Page 79.
ESRS E1	E1-2 Policies related to climate change mitigation and adaptation	Page 83.
ESRS E1	E1-3 Activities and resources related to climate change policies	Page 84.
ESRS E1	E1-4 Targets related to climate change mitigation and adaptation	Page 86.
ESRS E1	E1-5 Energy consumption and energy mix	Page 87.
ESRS E1	E1-6 Gross GHG emissions of scope 1, 2 and total GHG emissions	Page 92.
ESRS E1	E1-7 GHG removals and reductions financed by carbon credits	Page 97.
ESRS E1	E1-8 Internal carbon pricing	Page 97.
ESRS E1	E1-9 Estimated financial impact of significant physical and transition risks and potential climate change-related opportunities	Page 83.
ESRS E4	E4-1 Transition plan and mainstreaming biodiversity and ecosystems into strategy and business model	Page 98.
ESRS E4	E4-2 Biodiversity and ecosystem-related policies	Page 98.

SUSTAINABILITY REPORT

ESRS standard	Disclosure requirement	Page(s) in the sustainability declaration
ESRS E4	E4-3 Biodiversity and ecosystem-related activities and resources	Page 98.
ESRS E4	E4-4 Biodiversity and ecosystem-related targets	Page 100.
ESRS E4	E4-5 Impact indicators related to biodiversity and ecosystem change	Page 98.
ESRS E4	E4-6 Estimated financial impact of significant impacts, risks and opportunities related to biodiversity and ecosystems	Page 100.
ESRS E5	ESRS 2, IRO-1 Description of processes for identifying and assessing significant impacts, risks and opportunities related to resource use and the circular economy	Page 56. Page 100.
ESRS E5	E5-1 Policies related to resource use and the circular economy	Page 102.
ESRS E5	E5-2 Activities and resources related to resource use and the circular economy	Page 100.
ESRS E5	E5-3 Targets for resource use and the circular economy	Page 100.
ESRS E5	E5-4 Inputs	Page 100.
ESRS E5	E5-5 Outputs	Page 100.
ESRS E5	E5-6 Estimated financial impact of significant impacts, risks and opportunities related to resource use and the circular economy	Page 101.

ESRS standard	Disclosure requirement	Page(s) in the sustainability declaration
SOCIAL INFORMATION		
ESRS S1	ESRS 2, SBM–2 Stakeholder interests and views	Page 58. Page 104.
ESRS S1	ESRS 2, SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	Page 69. Page 102.
ESRS S1	S1-1 Policy for own personnel	Page 104.
ESRS S1	S1-2 Processes for involving own personnel and employee representatives in impacts	Page 105.
ESRS S1	S1-3 Processes for remediating negative impacts and channels for raising concerns by own personnel	Page 102.
ESRS S1	S1-4 Actions related to material impacts on own personnel and approaches for managing material risks and exploiting material opportunities related to own personnel, and the effectiveness of these actions	Page 102.
ESRS S1	S1-5 Targets related to managing material negative impacts, promoting positive impacts and managing material risks and opportunities	Page 110.
ESRS S1	S1-6 Characteristics of the company’s employees	Page 111.
ESRS S1	S1-7 Characteristics of the company’s own freelance employees	Page 102.
ESRS S1	S1-8 Coverage of collective bargaining and social dialogue	Page 115.
ESRS S1	S1-9 Diversity indicators	Page 115.
ESRS S1	S1-10 Adequate wages	Page 116.

SUSTAINABILITY REPORT

ESRS standard	Disclosure requirement	Page(s) in the sustainability declaration
ESRS S1	S1-11 Social protection	Page 116.
ESRS S1	S1-12 Persons with disabilities	Page 116.
ESRS S1	S1-13 Training and skills development indicators	Page 116.
ESRS S1	S1-14 Occupational health and safety indicators	Page 117.
ESRS S1	S1-15 Work-life balance indicators	Page 117.
ESRS S1	S1-16 Remuneration indicators (pay gap and total remuneration)	Page 118.
ESRS S1	S1-17 Incidents, complaints and significant human rights impacts	Page 103.
ESRS S3	ESRS 2, SBM–2 Stakeholder interests and views	Page 58. Page 120.
ESRS S3	ESRS 2, SBM-3 Significant impacts, risks and opportunities and their interaction with strategy and business model	Page 70. Page 119.
ESRS S3	S3-1 Policy on affected communities	Page 121.
ESRS S3	S3-2 Processes for engaging affected communities on impacts	Page 122.
ESRS S3	S3-3 Processes for remediating adverse impacts and channels for affected communities to raise concerns	Page 123.
ESRS S3	S3-4 Actions related to significant impacts on affected communities and approaches for managing significant risks and opportunities related to affected communities, and the effectiveness of such actions	Page 124.
ESRS S3	S3-5 Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities	Page 125.

ESRS standard	Disclosure requirement	Page(s) in the sustainability declaration
INFORMATION ON BUSINESS		
ESRS G1	ESRS 2, GOV-1 Functions of administrative, management and supervisory bodies	Page 33. Page 128.
ESRS G1	ESRS 2, IRO-1 Description of processes for identifying and assessing significant business-related impacts, risks and opportunities	Page 58.
ESRS G1	G1-1 Business policies and corporate culture	Page 126. Page 143.
ESRS G1	G1-2 Management of relationships with suppliers	Page 144.
ESRS G1	G1-3 Prevention and detection of corruption and bribery	Page 141.
ESRS G1	G1-4 Incidents of corruption or bribery	Page 141.
ESRS G1	G1-5 Political influence and lobbying	Page 138.
ESRS G1	G1-6 Payment practices	Page 147.

* As the European Commission has not yet adopted the delegated act with the official ESRS sector list, the Group does not currently report on the information required under ESRS 2.40(b)–(c) and AR14(d).



ENVIRONMENTAL INFORMATION

CLIMATE CHANGES

ESRS E1-1

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

The energy sector plays an important role in society’s transition towards a sustainable and carbon-neutral future. In light of the European Green Deal, changes in EU and national policies, plans and regulations, the importance of climate-friendly and sustainable energy solutions, along with stakeholder expectations have increased significantly.

In 2025, the Group initiated the development of a Group's transition plan. By the end of the year, a draft of the plan had been prepared and reviewed at a meeting of the AST Management Board. However, the final version of the plan will be further refined in 2026. At the same time, climate change mitigation has been defined as one of the three high-priority Sustainable Development Goals in the Group's Medium-Term Operational Strategy for 2021–2025. The Group’s sustainability objectives and corresponding investments for both the Parent Company and the Subsidiary derive from the goals defined in the Strategy.

Among other initiatives, in the context of climate change

mitigation the Parent Company is implementing a project involving construction of a new dispatch control and data centre, one of the objectives of which is to ensure energy-efficient operations. Interconnections are also being developed, including with neighbouring countries (in 2025, the development of an interconnection with Estonia was particularly relevant). The purpose of these interconnections is both to ensure the security and continuity of energy supply and to facilitate the integration of renewable resources across the regional energy network. Resources are also being allocated to the development of new connections with renewable energy producers, thereby contributing to the overall decarbonisation of the electricity supply sector.

The Group’s Medium-Term Operational Strategy for the period 2026–2030, drawn up in 2025 and submitted to the State Chancellery for coordination, also defines sustainable energy development, including the promotion of renewable energy availability, as one of its overarching objectives. In line with the Group’s objectives, the Parent Company’s strategy for the new period sets two goals related to the transition in response to climate change:

1. Energy supply security and resilience, which includes climate risk management, ensuring service continuity or the fastest possible restoration even after the impact of extreme weather events, restoration of the energy system, including the gradual replacement of solutions with more environmentally and climate-friendly alternatives;
2. Electricity grid development, which includes connecting renewable energy generation to the

common grid while ensuring efficient grid utilisation and balancing, challenges for which are created by these same resources.

The implementation of the aforementioned measures will help in particular to reduce greenhouse gas emissions across the entire energy supply network. With regard to reducing the Group's own emissions, the Group is working on defining detailed targets and measures, which will be compiled in the transition plan and examined in more detail in future Group sustainability reports.

Until the transition plan for climate change mitigation is approved, the Parent Company is implementing the climate change mitigation-related objectives defined within the Strategy referred to above. The investments required to achieve these objectives are included in the 10-year electricity transmission network development plan approved by the Public Utilities Commission (PUC). Detailed information on the measures implemented by the Parent Company and the Subsidiary can be found in the "Implemented and Planned Activities" section. Information on the proportion of capital expenditure, operating expenditure, and turnover of the Parent Company and the Subsidiary in the 2025 reporting year that complies with the climate change mitigation objective of the EU Taxonomy Regulation is provided in the "Compliance with EU Taxonomy Requirements" section.

The subsidiary's transition plan defines high-level climate change mitigation objectives, which are integrated into its its Medium-Term Operational Strategy for 2023–2027, which defines sustainability as a

strategic objective from which related objectives and corresponding investments derive, aimed at facilitating the decarbonisation of the Subsidiary's operations. At the same time, when assessing the Subsidiary's impact, it can be concluded that although natural gas consumption has gradually decreased over the past decade due to improvements in energy efficiency and the transition to renewable energy sources in electricity and heat generation, natural gas still occupies an important place in Latvia's primary energy consumption structure. Consumption is closely linked to fluctuations in air temperature, natural gas prices on the market, and the competitiveness of electricity generated from natural gas in the Baltic and Nordic electricity markets. In 2025, as part of its decarbonisation activities, the Subsidiary established one metering, quality control and odourisation unit at the connection point of a biomethane production facility, as well as overseeing the entry into service of the first public biomethane injection point in Džūkste. Total investments reached EUR 1.6 million, of which EUR 1.5 million was financed through the European Union's Recovery and Resilience Facility. In the Subsidiary's near-term development plans, at least two additional centralised biomethane injection points are planned in Rēzekne and Ragana. These points will become part of a sustainable and scalable infrastructure network that will promote the involvement of renewable energy producers and facilitate the integration of biomethane into the national gas transmission system.

Together with gas transmission system operators from Finland, Estonia, Lithuania, Poland and Germany, in 2025 the Subsidiary launched an in-depth study of the Nordic–Baltic Hydrogen Corridor project to assess the

feasibility of its implementation, with financial support secured from the European Union. This cooperation reflects a shared commitment to building a resilient and sustainable energy future in the Baltic Sea region. The corridor aims to support the development of the renewable hydrogen market and integrate it into Europe's future energy system.

Methane is a powerful greenhouse gas with a global warming potential 28 times higher over 100 years compared with carbon dioxide. Recognising the environmental impact of the Subsidiary's operations and the need for continuous improvement in reducing this impact, methane emission reduction plans are actively being implemented. By reducing methane emissions, it is possible to slow climate change, improve air quality, and conserve the non-renewable natural resource — natural gas.

The Group's companies are not excluded from the EU Paris Agreement.

ESRS IRO-1

ASSESSMENT OF CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

Climate change is not only an area influenced by the company through its operations and the emissions directly or indirectly resulting from them, but also one whose resultant processes could affect the company's activities. In other words, climate change creates new risks for business operations—both directly and indirectly.

Companies may be directly affected by so-called physical risks (primarily comprised of impacts related to changes in weather patterns or extreme weather events affecting operations, assets, human resources, etc.). These include both physical acute and physical chronic risks. Indirectly, companies may be affected by transition risks—risks associated with political, technological and other changes arising from climate change.

For example, changes in technologies or the introduction of new regulatory requirements in the area of emission reduction may create a need for additional investments, operational restructuring, or other previously unplanned actions.

To determine how such risks affect the operations of the AST Group, a climate risk assessment was carried out in 2025, identifying potential risk factors and their impact on the operations of both AST and Conexus. The

assessment was conducted taking into account climate change projections developed at the global level by the Intergovernmental Panel on Climate Change (IPCC), at the European level by the European Environment Agency, and at national level by the State Limited Liability Company Latvian Environment, Geology and Meteorology Centre (LVGMC). The identification and assessment of the Group's climate risks considered SSP2-4.5 and SSP3-7.0 climate change scenarios (according to the IPCC classification, these scenarios are considered to be plausible and project moderate to significant climate change).

Given that the infrastructure managed by the AST Group is developed and maintained for long-term use, the climate risk assessment analysed potential changes for at least the period from 2040 to 2070, i.e. the middle of this century, while also considering the possible dynamics of further changes towards the end of the century.

According to these projections, weather conditions in Latvia are expected to become warmer over the course of the century and, unlike in some other European regions, wetter. Gradual increases in average and maximum air temperatures are projected, as well as an increase in the frequency and duration of heatwaves and so-called tropical nights. At the same time, total annual precipitation is not expected to increase significantly. Nevertheless, the number of days with heavy precipitation is expected to rise, often occurring simultaneously with strong wind gusts or storms. An increase is also projected in the frequency of so-called "compound" weather events, where extreme precipitation, winds, floods and other events occur





Conexus gas transmission and storage infrastructure

simultaneously, potentially threatening infrastructure operations and condition.

In assessing the climate risks of the AST Group, it was taken into account that the infrastructure of both AST and Conexus is located across a wide area of Latvia (with AST’s coverage being broader). In assessing climate risks, the types of climate hazards specified in Regulation (EU) 2020/852 (the EU Taxonomy Regulation) and its delegated acts were taken into account, evaluating the impacts of those hazards that are characteristic of Latvia and its neighbouring countries.

Potential climate risks and their impacts were assessed at the locations of the Group’s most significant assets (primarily in Riga, where the central offices of both companies are located; in Krimulda Parish of Sigulda Municipality, where the Inčukalns UGS facility is located; as well as in the largest cities that serve as regional energy supply hubs). Climate risk identification was carried out for the following areas and fields of operation:

- Electricity transmission;
- Transmission of natural gas and its alternatives (e.g., biomethane);
- Storage of natural gas and its alternatives;
- Support functions required to ensure the aforementioned areas of operation—for example, management of real estate, vehicle fleet, internal energy supply and other processes, occupational health and safety, IT infrastructure, and other areas.

The risks identified were assessed in accordance with

the Group’s climate risk assessment methodology, which is based on AST’s general risk management methodology. Each risk is evaluated on a 5-point scale, assessing its probability, as well as the vulnerability of the Group or individual companies within the Group and their assets (i.e. how significant the consequences may be if the risk materializes—including how it may affect the availability and security of energy supply services, the processes and employees of the Group’s companies, and whether, and to what extent, financial losses may result from the occurrence of the risk).

In addition, those involved in the climate risk assessment were asked to evaluate the scope of each risk, i.e. how broadly the risk may affect the operations of the company or the Group. If this indicator is higher than vulnerability, the significance (value) of such a risk may potentially increase in the future. Unlike traditional business risks, the probability of climate risks is assessed over a longer time horizon—the assessment scale covers a period of up to five years or more. It should also be noted that at the level of individual companies, the climate risk assessment may differ (AST and Conexus use different assessment parameters for various areas of operation). However, for the purposes of the sustainability report, climate risk assessments have been consolidated using a unified assessment scale adapted to the risk management approach applied by AST.

In total, 42 potential risks were assessed. Based on the views of the Group’s management and specialists, the climate risks that were assessed as critical, high, or medium at the level of individual Group companies or the Group as a whole, are summarised below.

SUSTAINABILITY REPORT

TYPE OF THREAT	TYPE OF RISK*	AST	CONEXUS	GROUP-WIDE (i.e. common to both group companies)
Storm, strong winds	FA	Infrastructure damage Widespread power outages	Power outages at stations, impact on energy supply required for operations	Access disruptions to infrastructure (including to prevent damage caused by storms)
Floods	FA	-	Construction work delays, relocation to other periods	Access disruptions to infrastructure (including to prevent damage caused by floods)
	FA	-	-	Flood-induced erosion, including damage to foundations, pipelines, etc.
Lightning strikes	FA	Infrastructure damage, automatic disconnections	Shocks to compressors, which can cause them to temporarily stop working	-
Extreme weather in other countries	FA, FH	Electricity market / flow changes	-	-
Wind/solar fluctuations, heat, drought	FA, FH	Potentially increasing electricity balancing needs	-	-
Prolonged drought	FA, FH	Decline in HPP generation, changes in market flows	-	-
Extreme heat, heat waves	FA, FH	-	Increase in cooling load of equipment and energy consumption required for cooling	Rescheduling work, moving it to cooler periods (including within the day)
Warmer winters	FH	-	Reduced demand for gas for heating	-
Increased demand for electrification	P	Rapid network development demand, investment needs	Reduced demand for gas	-
Fluctuations in energy prices (due to climate factors)	P	Potential revenue fluctuations	Potential fluctuations in gas demand and, consequently, revenues	-

SUSTAINABILITY REPORT

TYPE OF THREAT	TYPE OF RISK*	AST	CONEXUS	GROUP-WIDE (i.e. common to both group companies)
Regulatory changes	P	-	Cost increases (e.g. regarding the integration of biomethane or hydrogen into the grid, stricter control of gas leaks, etc.)	-
Increasing CO ₂ costs	P	-	Higher market price, pressure on tariffs	-
Financing restrictions for less climate-friendly activities	P	-	Difficulties in maintaining natural gas infrastructure	-
Increasing insurance prices	P	-	-	Increase in the cost of insurance policies for weather-related damage to infrastructure, assets
Rising raw material prices, supply disruptions	P	-	-	Possible increases in the cost of raw materials and/or delays in their delivery due to climate-related conditions and/or regulatory changes

* Physical acute risk – FA, physical chronic risk – FH, reformation risk – P

It can be concluded that the most significant risks in AST’s operations are physical risks that may cause damage or disruptions to infrastructure operations and/or hinder access to infrastructure. In contrast, in Conexus’s operations—given its role in the natural gas segment—transition risks are considered to be more significant, as they could create substantial challenges related to natural gas demand, pricing, and infrastructure maintenance costs.

To mitigate the impact of these risks, the Group’s companies already apply solutions adapted to various weather conditions (e.g. purchasing equipment capable of operating efficiently at outdoor temperatures ranging from –40 to +40 degrees Celsius), plan grid balancing measures adjusted to the increasing share of renewable energy sources (particularly in the electricity sector), and adapt infrastructure to enable the integration of renewable energy sources into the system (e.g. by developing biomethane injection points connected to the overall gas transmission infrastructure). At the same time, it should be noted that broader adaptation of the natural gas infrastructure managed by the Subsidiary (e.g. for hydrogen transmission) would require significant investments, and such investments currently carry a high level of risk. Decisions on the development of hydrogen as an energy resource in Latvia must be taken at national level, considering the substantial investments and risks associated with hydrogen infrastructure development. Meanwhile, despite climate-related challenges, the stability and security of natural gas supply currently have a positive effect on energy market stability by ensuring reliable and uninterrupted energy supply.

The Parent Company’s transition risks are more closely related to the availability of financial resources and their impact on tariffs in order to implement the climate neutrality plans set by the EU and Latvia, as well as to new technological solutions and the predictability of their lifecycles. When planning capital investments in electricity transmission lines or buildings, construction climatology standards are taken into account; new equipment is selected in accordance with IEC standards, and transformers are designed with the possibility of adding additional cooling systems.

During flood periods, AST introduces a special operational regime that ensures enhanced monitoring and the ability to carry out emergency work. When planning capital investments, the location of electricity transmission infrastructure is selected with the aim of minimising the adverse impacts of climate risks.

Opportunities arising from climate change are mainly related to the modernisation of substations (including the replacement of technologies with more environmentally friendly alternatives, such as more energy-efficient transformers, more energy-efficient buildings, the gradual replacement of insulation gas with alternatives with lower emission factors, and biodegradable insulating oils), the integration and use of renewable energy sources in the grid, and improvements in energy efficiency.

ESRS E1-2

POLICY ON CLIMATE-RELATED IMPACTS

The Parent Company has developed an Environmental and Energy Management Policy that describes the Parent Company’s policy and core principles regarding climate change mitigation and climate change adaptation. The Parent Company’s objective in the field of environmental and energy management is to continually improve AST’s environmental and energy performance by implementing the most optimal technical methods and technologies, reducing resource losses and the amount of waste generated, emissions of pollutants into the environment, as well as negative impacts on climate change and biodiversity. The principles set out in the policy must also be observed by AST’s contractual partners when providing services or delivering supplies to AST—contractual partners are appropriately informed or instructed (particularly when they are required to perform work at AST facilities).

Detailed information about AST’s policies is available in the "Business Conduct Policy and Corporate Culture" section, which provides information about policies and other internal regulatory documents through which AS Augstsprieguma tīkls manages material sustainability areas. Additional information on stakeholder engagement can be found in the section on "Stakeholder Engagement".

Based on the Environmental and Energy Management Policy, the AST integrated process map includes a separate Environmental Protection Process, under the auspices of which monthly monitoring of energy consumption is carried out, the dynamics of heat energy and natural gas consumption are measured, and performance indicators are evaluated—such as electricity transmission system losses and the level of CO₂ equivalent emissions. Changes in these indicators are reflected in the Environmental and Energy Management Report of the respective year.

In addition, in accordance with the policy, an Environmental Protection and Energy Efficiency Action Plan is prepared each year. This plan includes measures aimed at reducing energy consumption, replacing used resources with more environmentally and climate-friendly alternatives, and improving energy efficiency. The action plan identifies the planned reduction in energy consumption (lifecycle savings in MWh).

The Subsidiary has developed an Occupational Health, Safety and Environmental Management Policy, the objective of which is to establish an effective framework for the preventive identification and management of potential risks that may affect the health and safety of the Subsidiary’s employees, the integrity of infrastructure, the surrounding environment and society. This includes the implementation of appropriate environmental and energy management practices that contribute to climate change mitigation. The internal implementation of the policy by the Subsidiary is the responsibility of the Subsidiary’s Management Board.

The Subsidiary’s occupational health, safety and environmental management policy does not specifically address climate change adaptation or the promotion of renewable energy use, and stakeholders were not involved in the policy development process. All Conexus employees are introduced to the occupational health, safety and environmental management policy, and contractors working at the Subsidiary’s facilities are also informed about its core principles. This introduction takes place during annual briefings or during initial induction training. Conexus implements, maintains and continually improves its management system in accordance with the guidelines specified in international standards: LVS ISO 45001:2018 "Occupational health and safety management systems. Requirements with guidance for use", LVS EN ISO 14001:2017 "Environmental management systems. Requirements with guidance for use (ISO 14001:2015)", and LVS EN ISO 50001:2018 "Energy management systems. Requirements with guidance for use (ISO 50001:2018)".

The Subsidiary has also approved an Asset Management Policy, under which a Methane Emissions Reduction Plan has been developed. This plan is directly related to the reduction of greenhouse gas emissions characteristic of the natural gas system.

Detailed information about AST’s policies is available in the section on "Business Conduct Policy and Corporate Culture", which provides information on policies and other internal regulatory documents through which AS Augstsprieguma tīkls manages material sustainability areas. Additional information on stakeholder engagement can be found in the "Stakeholder Engagement" section.

ESRS E1-3

IMPLEMENTED AND PLANNED ACTIVITIES

The Parent Company’s core activities focus on ensuring the availability of electricity by investing in the maintenance and development of the electricity transmission system, including connecting renewable energy sources to the grid. At the same time, the company ensures that its operations in all day-to-day processes comply with sustainability principles, including contributing to the achievement of environmental sustainability objectives.

Medium- and long-term activities of the Parent Company are implemented in accordance with the Development Plan, within the framework of which the following activities are carried out:

- System interconnections are improved, increasing system transmission capacity and thereby enabling electricity producers from renewable energy sources to connect to the grid;
- Connections to the transmission electricity network are constructed for electricity producers from renewable energy sources, with requirements set for the use of green electrical equipment (instrument transformers and power circuit breakers) in the construction of these connections;
- Existing 110 kV substations are reconstructed in order

to ensure resilient and secure electricity transmission services, while moving towards the use of more environmentally friendly equipment in substations;

- Power transformers and autotransformers are replaced, thereby significantly reducing electricity transmission losses.

The Parent Company’s annual environmental and energy efficiency activities are compiled into a single Environmental Protection and Energy Efficiency Action Plan, which includes the replacement of power transformers, energy efficiency improvements in buildings and engineering networks (including lighting), and the resulting energy savings both annually and over the lifecycle of the measures. To reduce pollution risks and adverse environmental impacts, systems for the collection and drainage of oil from defects and accidents are renewed and improved. Implementation reports are prepared on the execution of the action plans, also identifying financial sources, including AST’s own funding, co-financing from EU funds, and financing from renewable energy developers. Detailed information on sustainable financial instruments used—green bonds—is provided in the section "Overview of Green Projects". Additional information can be found in the section "Compliance with EU Taxonomy Requirements".

The Parent Company’s most significant activities in 2025 are as follows:

- Digital⁴ substation Kuldīga, total projected investments EUR 5.8 million, including EUR 1.9 million invested in 2025. EU co-financing has been attracted to the project within the framework of the Recovery and

Resilience Mechanism. Construction of the substation completed in 2025;

- Green⁵ substation Carnikava, total projected investments EUR 2.7 million, including EUR 0.9 million invested in 2025. EU co-financing has been attracted to the project within the framework of the Recovery and Resilience Mechanism. Construction of the substation completed in 2025;
- Replacement of autotransformers at substations TEC-1 and Imanta, total estimated investments EUR 10.1 million, including EUR 0.1 million in 2025. The projects are planned to be completed in 2026;
- Reconstruction of AST office and production premises and construction of a data centre at Dārziema iela 86, Riga. Total estimated investments of EUR 47.6 million, including EUR 15.9 million invested in 2025. The project has attracted EU co-financing within the framework of the Recovery and Resilience Mechanism. It is expected that as a result of the project implementation, the average annual energy consumption in buildings will decrease by 27.64%, including the total possible energy reduction, taking into account the energy produced by solar panels, will decrease by 53.55%. The project is due to be completed in 2027;
- Environmental impact assessment for the construction of a new 330 kV PTL from Ventspils–Brocēni–Varduva. The total environmental impact assessment costs are planned to be up to EUR 0.9 million, with EUR 0.5 million invested in 2025. The assessment is planned to be completed in 2026.

The environmental impact assessment is being carried out with the financial support of the European Union RePowerEU. In addition to its own projects, AST also provides connections for renewable energy producers, integrating their generation capacity into the overall electricity transmission network. Accordingly, AST indirectly contributes to the decarbonisation efforts of the entire energy supply sector and its resource users. In 2025, six such connections were established, and two existing connections were modified, enabling the connection of 505.8 MWh of capacity to the transmission network. Another indirectly related measure is the study on rainwater use and the development of a standard project. At the end of 2024, a study on the use of rainwater at substations and the development of a standard project was initiated. As a result of the study, it is planned to identify solutions for using rainwater in substation water supply systems. The collection and use of rainwater provides an opportunity to conserve water resources, thereby supporting sustainable development goals. In the initial phase of the project, EUR 71 thousand have been allocated for investment in the study and the development of the standard project. The implementation of such a solution would reduce the consumption of water resources and the resources required for their supply.	In 2026, the Parent Company plans to continue the activities implemented in 2025, as well as to begin reconstruction works at Līvāni substation, installing environmentally friendly equipment. In addition, activities related to the environmental impact assessment for the construction of a new 330 kV Estonia–Latvia fourth interconnection in the sea are planned to begin in 2026. To support its own operations, the company also plans to purchase new vehicles, including electric vehicles and hybrid vehicles. Medium- and long-term activities of the Subsidiary: • Work on enabling the injection of biogas into the transmission system; • Work on exploring possibilities for hydrogen transmission and storage; • Work on exploring possibilities for CO₂ transmission and storage. The Subsidiary’s most significant activities in 2025 are as follows: • Progress towards the objectives of the methane emissions reduction plan developed in 2024, aiming to reduce total methane emissions by 30% from the 2020 level by 2028, including:	• Reduced direct methane emissions by 70% from 2020 levels by 2028; • Progress towards the greenhouse gas (GHG) emissions reduction target developed by the Company in 2024, aiming to reduce GHG emissions by 30% by 2028 compared to the base year level, including: • Reduction of the Company’s total methane emissions by 50% by 2028 compared to the base year level; • Reduction of the Company’s total carbon dioxide emissions by 4% by 2028 compared to the base year level; • Progress towards a 20 % reduction in total GHG emissions at the Inčukalns UGS facility by 2028 compared to the base year level; • Progress towards a 60 % reduction in total GHG emissions from gas transmission by 2028 compared to the base year level; • Continuation of the reconstruction of operational wells / objective – reduction of CH₄ emissions / investment for the project in 2025 – EUR 426 thousand;	• Replacement of heating boilers at GRS (in 2025 – GRS Rīga, total project duration 2023–2025) / objective – reduction of CO₂ emissions and natural gas consumption / total investment in the project – EUR 92 thousand; • Completion of the reconstruction of the KS-2 GPA start system at the Inčukalns UGS facility (2025) / objective – reduction of CH₄ emissions / total investment in the project – EUR 703.179 thousand; • Completion of the installation of the solar battery generation system at the Inčukalns UGS facility (2025) / objective – reduction of Scope 2 GHG emissions / total investment in the project – EUR 1,089.4 thousand.
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⁴ In the digital substation pilot project, AST integrates solutions (including monitoring sensors) that allow for remote control of necessary maintenance, renovation, and replacement work, thus ensuring more efficient equipment maintenance, consuming less energy resources for unnecessary trips to sites, reducing material consumption, and saving human resources time.	⁵ In the Green Substation Pilot Project, AST is replacing existing equipment with more environmentally friendly alternatives, which use other insulation materials instead of SF₆, or SF gas, which has a high global warming potential, thus creating a lower climate impact.
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The Subsidiary’s most significant activities planned for 2026:

- Continuation of the reconstruction of operational wells (2019–2026) / objective – reduction of CH₄ emissions / total planned investment for the project – EUR 4,000 thousand;
- Establishment of a pressure reduction system in the transmission system (mobile compressor) / objective – reduction of CH₄ emissions / total planned investment for the project – EUR 1,100 thousand;
- Establishment of a pressure reduction system in the storage system (mobile compressor) / objective – reduction of CH₄ emissions / total initially planned investment for the project – EUR 946 thousand.

ESRS E1-4

CLIMATE-RELATED
TARGET INDICATORS

Climate-related targets in the Group’s operations are measured against 2020, which is the first year for which Scope 1 and Scope 2 emissions data are available for both Group companies. In 2025, the first calculations for Scope 3 were carried out; therefore, 2025 will be set as the base year for Scope 3 emissions reduction targets.

The Parent Company had previously set a target to achieve an average annual reduction of total GHG emissions of 3% compared to the 2020 level, primarily through environmental and energy efficiency improvement measures. However, at the time this target was set, AST had not yet completed comprehensive calculations of GHG emissions, nor fully assessed the detailed impact caused by the increase in electricity transmission losses, including those related to the desynchronisation from BRELL and synchronisation with the European electricity grid. Taking this into account, AST has prepared a draft emissions reduction plan containing a detailed assessment of the current situation, the measures to be implemented, and target indicators for the coming years. It is expected that the plan will be approved in the first half of 2026 and will serve as the basis for future progress reporting.

The Subsidiary has set a target to achieve a 30% reduction in GHG emissions (t CO₂ eq.) by 2028 compared to the 2020 baseline level. The scope of this

target covers Scope 1 emissions, which the Subsidiary currently calculates, i.e. CO₂ and CH₄ emissions from combustion equipment and technological processes (expressed together as CO₂ eq.). The Subsidiary calculates the emissions volume annually (t CO₂ eq.), and the GHG emissions reduction target is expressed as a percentage, taking into account the Subsidiary’s segmentation, emission source intensity and the type of GHG emissions (CO₂ and CH₄).

In 2024, the Subsidiary concluded that the target for GHG emissions reduction by 2028 is –30%. Interim targets are identified annually; however, they may change from year to year until 2028 and are therefore not specified individually. For example, the target for 2024 was set at –6%, but calculations carried out in 2025 showed that between the baseline year 2020 and 2024 a reduction of –11% in GHG emissions (t CO₂ eq.) had already been achieved.

The reduction of CO₂ emissions depends on natural gas consumption and the technological operation of equipment, which in turn depends on the preferences and needs of stakeholders – transmission and storage users. Storage users are informed about the natural gas consumption coefficient, and this information is publicly available. The reduction of CH₄ emissions can be achieved through specific improvements to technological processes and is calculated in detail depending on the Subsidiary’s segmentation and the operational intensity of emission sources. The targets are set in accordance with the European Green Deal and the Regulation on the reduction of methane emissions in the energy sector.

In order to plan GHG emission reductions, possible technologies for reducing methane emissions have been assessed for each source, and potential emission reductions have been calculated for both gas transmission and for the Inčukalns UGS facility. Measures to reduce carbon dioxide emissions have been implemented until 2024, while methane emission reduction measures have been implemented since 2021. The measures assessed as having the most significant potential for reducing GHG emissions in order to achieve the 30% reduction by 2028 include:

- Replacement of cylinder seals of the gas pumping units at Compressor Station No.2 of the Inčukalns UGS facility with low-emission seals (by 2024) to reduce methane emissions;
- Procurement of a mobile gas pumping unit for the Inčukalns UGS facility (by 2026) to reduce methane emissions;
- Procurement of a mobile gas pumping unit for gas transmission (by 2026) to reduce methane emissions
- Reconstruction of the start systems of the gas pumping units at Compressor Station No. 2 of the Inčukalns UGS facility (by 2027) to reduce methane emissions.

In 2026, upon approval of the Group’s climate transition plan, new or revised targets will be established. Information on the targets and the progress towards achieving them will be reported in future sustainability reports.

ESRS E1-5
ENERGY CONSUMPTION AND ENERGY RESOURCE STRUCTURE

All operational segments of the Group are classified
as operating in climate-impact-intensive sectors

Energy consumption and energy resource structure	2025	2024	Adjustment	2024 (adjusted)	2023	Adjustment	2023 (adjusted)	Baseline year 2020	Adjustment	2020 (adjusted)
FOSSIL ENERGY CONSUMPTION										
Fuel consumption from natural gas, including Conexus consumption for technological purposes (MWh):										
Parent Company	165	115	0	115	127	0	127	12	0	12
Group	76 902	105 421	0	105 421	158 981	0	158 981	152 912	0	152 912
Fossil energy consumption from fuel consumption for transport (MWh):										
Parent Company	4 023	3 859	0	3 859	3 757	0	3 757	4 104	0	4 104
Group	6 578	6 543	-103	6 440*1	6 205	-118	6 087*1	6 632	-174	6 458*1
Consumption of purchased or obtained fossil energy resources for electricity, heat, steam and cooling (MWh):										
Parent Company	2 016	2 169	0	2 169	2 062	0	2 062	2 274	0	2 274
Group	6 196	7 486	0	7 486	8 265	0	8 265	8 165	0	8 165
Total fossil energy consumption, excluding Parent Company's electricity losses and self-consumption and excluding Conexus' natural gas losses (MWh)										
Parent Company	6 204	6 143	0	6 143	5 946	0	5 946	6 390	0	6 390
Group	89 676	119 450	-103	119 347	173 451	-118	173 333	167 709	-174	167 535

ESRS E1-5
ENERGY CONSUMPTION AND ENERGY RESOURCE STRUCTURE
(CONTINUED)

All operational segments of the Group are classified
as operating in climate-impact-intensive sectors

Energy consumption and energy resource structure	2025	2024	Adjustment	2024 (adjusted)	2023	Adjustment	2023 (adjusted)	Baseline year 2020	Adjustment	2020 (adjusted)
TECHNOLOGICAL AND OPERATIONAL ELECTRICITY CONSUMPTION RELATED TO THE ELECTRICITY GRID*2										
Total 0.4kV technological own consumption of electricity from fossil energy resources (MWh):										
Parent Company *	6 143	5 855	0	5 855	5 783	0	5 783	5 027	0	5 027
Group	6 143	5 855	0	5 855	5 783	0	5 783	5 027	0	5 027
Total 0.4kV technological own consumption of electricity from nuclear energy sources (MWh):										
Parent Company *	1 178	734	0	734	725	0	725	1 359	0	1 359
Group	1 178	734	0	734	725	0	725	1 359	0	1 359
Total 0.4kV technological own consumption of electricity from renewable energy sources (MWh):										
Parent Company *	773	926	0	926	914	0	914	1 143	0	1 143
Group	773	926	0	926	914	0	914	1 143	0	1 143
Total economic own consumption of electricity from fossil energy resources (MWh):										
Parent Company *	1 693	1 895	0	1 895	1 851	0	1 851	1 461	0	1 461
Group	1 693	1 895	0	1 895	1 851	0	1 851	1 461	0	1 461
Total economic own consumption of electricity from nuclear energy sources (MWh):										
Parent Company *	325	238	0	238	232	0	232	395	0	395
Group	325	238	0	238	232	0	232	395	0	395
Total economic own consumption of electricity from renewable energy sources (MWh):										
Parent Company *	213	300	0	300	293	0	293	332	0	332
Group	213	300	0	300	293	0	293	332	0	332
Total technological and operational consumption related to the electricity grid (MWh)										
Parent Company	10 325	9 948	0	9 948	9 798	0	9 798	9 717	0	9 717
Group	10 325	9 948	0	9 948	9 798	0	9 798	9 717	0	9 717

ESRS E1-5
ENERGY CONSUMPTION AND ENERGY RESOURCE STRUCTURE
(CONTINUED)

All operational segments of the Group are classified
as operating in climate-impact-intensive sectors

Energy consumption and energy resource structure	2025	2024	Adjustment	2024 (adjusted)	2023	Adjustment	2023 (adjusted)	Baseline year 2020	Adjustment	2020 (adjusted)
CONSUMPTION OF SELF-GENERATED RENEWABLE ENERGY (MWh)										
Parent Company	156	0,006	0	0,006	13,117	0	13,117	0	0	0
Group	818	0,006	0	0,006	13,177	0	13,177	0	0	0
ENERGY LOSSES (MWh)										
Parent Company	193 540	195 870	0	195 870	196 761	0	196 761	190 633	0	190 633
Group	201 315* ³	195 870	+ 6 249	202 119* ³	196 761* ⁴	0	196 761* ³	190 633* ³	0	190 633* ³
TOTAL ENERGY CONSUMPTION (MWh)										
Parent Company	210 225	211 961	0	211 961	212 518	0	212 518	206 740	0	206 740
Group	300 608	325 268	+6 146	331 414	380 023	-118	379 905	368 059	-174	367 885

Data for the energy resources mix are used in accordance with the type of energy use, while quantitative energy consumption data are obtained from billing documents and internal data recording registers.

* Electricity volumes have been calculated taking into account the unverified electricity origin mix for 2024. Latvia's unverified electricity origin mix and environmental indicators for 2025 will be published by 30 July 2026. Accordingly, the calculation of the unverified electricity origin mix is based on the 2024 unverified electricity origin mix. The parent company's own consumption and transmission losses are estimated based on the proportion of the total transmitted electricity origin in the previous year (2024).

www.ast.lv/lv/content/elektroenergijas-izcelsmes-apliecinajumi

*¹ Conexus data have been refined by aligning the calculations with the AST methodology and by including direct transport fuel consumption (fuel consumption of small machinery is not included).

*² Applicable only to AST operations. Conexus natural gas technological consumption is included in the first section of the table.

*³ In 2025, the Group's energy losses comprised 193,540 MWh of AST electricity losses and 7,775 MWh of Conexus natural gas losses; in 2024, Conexus natural gas losses were not reported, however, an adjustment has been made, and accordingly the Group's energy losses amounted to 195,870 MWh of AST electricity losses and 6,249 MWh of Conexus natural gas losses.

*⁴ At the time of preparing the report, comparable data on Conexus natural gas losses for 2023 and the base year 2020 are not available.

SUSTAINABILITY REPORT

The Group’s energy intensity and its changes in the period since the previous reporting year have been calculated based on energy consumption volumes:

Energy intensity on net revenue*	2025	2024 (was not reported in the 2024 sustainability report)	2025/2024, %
Parent Company	0.79	1.38	-43
Group	0.85	1.29	-34

* Energy intensity is calculated by dividing total energy consumption by total net revenue (data on net revenue are available in Note 4 of the financial statement).).

AMOUNT OF ENERGY TRANSMITTED

Amount of energy transmitted (MWh)	2025	2024	2023	Baseline year 2020
Total consumption of energy transmitted from fossil energy resources (MWh):				
Parent Company	6 686 632*	7 310 545	7 394 129	5 808 456
Group	32 162 990**	32 526 444	36 513 776	43 249 354
Total amount of electricity transmitted from nuclear energy sources (MWh):				
Parent Company	1 281 825*	916 327	926 805	926 008
Group	1 281 825*	916 327	926 805	926 008
Total amount of electricity transmitted from renewable energy sources (MWh):				
Parent Company	841 335*	1 155 965	1 155 984	1 155 716
Group	841 335*	1 155 965	1 155 984	1 155 716
Total amount of energy transmitted (MWh):				
Parent Company *	8 809 792	9 382 838	9 476 918	7 890 180
Group	34 286 150	34 598 736	38 596 565	45 331 078

The volume of transmitted energy was calculated using an engineering calculation method.

*Electricity volumes have been calculated taking into account the unverified electricity origin mix for 2024, as data for 2025 will be published on 30 June 2026.

** The Group's total consumption of transmitted energy from fossil energy sources includes natural gas transmission by the Subsidiary

ESRS E1-6
GROSS SCOPE 1, 2 AND 3 GHG EMISSIONS AND TOTAL GHG EMISSIONS

	Retrospectively						Reference points and target year*4		
	2025	2025/2024, %	2025/2020, %	2024 (adjusted data*1)	2024/2020,% (adjusted data*1)	Baseline year*4 2020 (adjusted data*1)	2030	(2050)	Annual target indicator (%) / Baseline year
Scope 1 GHG emissions									
Scope 1 gross GHG emissions (t CO ₂ ekv.):									
Parent Company	155	-32,46	23,33	230	83	126	-	-	-
Group*	32 038	-9,79	-46,93	35 514	-41	60 373	-	-	-
Percentage of Scope 1 GHG emissions from regulated emissions trading systems (%):									
Parent Company	0	0	0	0	0	0	-	-	-
Group	40	-22	-8	52	19	44	-	-	-
Scope 2 GHG emissions									
Gross Scope 2 GHG emissions based on location (t CO ₂ eq.):									
Parent Company	11 239	-1,26	-24,37	11 382	-231	14 859	-	-	-
Group	11 464	-1,74	-25,03	11 667	-24	15 291	-	-	-
Gross market-based Scope 2 GHG emissions (t CO ₂ eq.):									
Parent Company	103 084	-0,98	22	104 107	23	84 633	-	-	-
Group	105 196	-1,49	21	106 787	23	87 115	-	-	-
Total GHG emissions (Scopes 1 and 2)									
Total Scope 1 and 2 GHG emissions (based on location) (t CO ₂ eq.):									
Parent Company	11 394	-1,87	-23,97	11 612	-23	14 985	-	-	-
Group	43 502	-7,80	-42,51	47 181	-38	75 663	-	-	-
Total Scope 1 and 2 GHG emissions (market-based) (t CO ₂ eq.):									
Parent Company	103 239	-1,05	21,80	104 337	23	84 759	-	-	-
Group	137 235	-3,56	-6,95	142 302	-4	147 488	-	-	-

ESRS E1-6
GROSS SCOPE 1, 2 AND 3 GHG EMISSIONS AND TOTAL GHG EMISSIONS
(CONTINUED)

	Retrospectively						Reference points and target year*4		
	2025	2025/2024, %	2025/2020, %	2024 (adjusted data*1)	2024/2020,% (adjusted data*1)	Baseline year*4 2020 (adjusted data*1)	2030	(2050)	Annual target indicator (%) / Baseline year
Gross Scope 3 GHG emissions (t CO ₂ eq.)*3:									
Parent Company	70 853					70 853*4	-	-	-
Group	95 680					95 680 *4	-	-	-
Total GHG emissions (Scope 1, 2 and 3)									
Total GHG emissions (based on location) (t CO ₂ eq.):									
Parent Company	82 247						-	-	-
Group	139 182						-	-	-
Total GHG emissions (market-based) (t CO ₂ eq.):									
Parent Company	174 092						-	-	-
Group	232 915						-	-	-

*1 See the following table.

*2 As indicated in this report, separate targets have been set for the Group companies (see section E1-4). In 2026, it is planned that they will be harmonised at Group level and the approach to measuring progress will be standardised.

*3 In 2025, the Group has performed a Tier 3 emissions calculation for the first time. This has not been done retrospectively and is therefore not comparable with previous years.

*4 The base year for Scope 3 emissions is set as 2025.

ADJUSTMENTS TO PREVIOUS YEARS' GHG EMISSIONS DATA
(APPLICABLE TO SCOPE 2 EMISSIONS)*

	2024 (as reported previously)	Adjustment	2024 (adjusted)	2024/2020, % (as reported previously)	Adjustment	2024/2020, % (adjusted)	Baseline year 2020 (as reported previously)	Adjustment	Baseline year 2020 (adjusted)
Gross Scope 2 GHG emissions based on location (t CO ₂ ekv.):									
Parent Company	1 976	+9 406	11 382	12	-8,11	-23	2 242	+ 12 617	14 859
Group	2 556	+9 111	11 667	-11	-13	-24	2 884	+ 12 407	15 291
Gross Scope 2 GHG emissions, market-based (t CO2 ekv.):									
Parent Company	was not reported		104 107	was not reported		23	was not reported		84 633
Group	was not reported		106 787	was not reported		23	was not reported		87 115
Total GHG emissions (Scope 1 and 2)									
Total Scope 1 and 2 GHG emissions (based on location) (t CO ₂ ekv.):									
Parent Company	2 206	+9 406	11 612	-7	+13	-23	2 368	+ 12 617	14 985
Group	38 070	+9 111	47 181	-40	+6	-34	62 617	+ 13 046	75 663
Total Scope 1 and 2 GHG emissions (market-based) (t CO2 ekv.):									
Parent Company	was not reported		104 337	was not reported		23	was not reported		84 759
Group	was not reported		142 302	was not reported		-4	was not reported		147 488

* Adjustments were made by aligning the factor application approach at the Group level for electricity and district heating, and by refining the factors for AST electricity losses, as well as by disclosing market-based emissions (which had not been calculated previously). Location-based factors were refined in accordance with Cabinet of Ministers Regulation No. 42 of 23 January 2018, "Methodology for the Calculation of Greenhouse Gas Emissions", and electricity market factors were refined in line with the current emission factors of the Association of Issuing Bodies (AIB). AST changed the calculation method for losses by applying the AIB emission factor to them

GHG emissions were calculated in accordance with the methodological guidelines of the GHG Protocol, as well as the Group's internal methodological guidelines for calculating all three emission scopes, which were drawn up in 2025.

A financial control approach was used in the emissions calculations, i.e. accounting for emissions related to the operations of both companies consolidated in the annual report. Emissions accounting covers the same period as other information included in this report – from 1 January to 31 December 2025.

Quantitative data are obtained from billing documents and internal data registers. In order to ensure accurate emissions calculations based on actual data, emission factors obtained from reliable sources are used in the calculations. These include emission factor databases, national regulations and developed methodologies – Cabinet Regulation No. 42 of 23 January 2018 "Methodology for Calculating Greenhouse Gas Emissions", the methodology of the State Limited Liability Company Latvian Environment, Geology and Meteorology Centre, the Group's internal methodology, as well as DEFRA and IPCC sources. References to the specific sources used are included in the calculations. When selecting factors, the specific characteristics of the Group companies are taken into account. For example, Conexus's methane emissions are calculated using internally developed methodologies for technological losses of natural gas, as well as through direct emission measurements and calculations using specific emission factors. However, for emission categories common to both companies (e.g. electricity consumption, heat consumption, transport emissions,

and indirect Scope 3 emissions), a unified approach to the selection of emission factors and calculation methods was developed in 2025.

AST Scope 1 emissions consist of transport emissions, emissions from heating equipment and diesel generators, emissions from refrigerant leakage, and, specific to transmission system components, emissions from SF₆ gas and its mixtures due to leakage. Under normal conditions, leakage of SF₆ gas from electrical equipment does not occur. Nevertheless, like any other equipment, electrical equipment may have defects that create a risk of leakage. Due to the high emission factor of SF₆, even small leaks can result in a significant amount of CO₂ equivalent emissions. In 2025, no SF₆ or SF₆ mixture leaks were recorded.

Conexus's main Scope 1 emissions (CO₂, CH₄ and refrigerant emissions) are related to natural gas storage and natural gas transmission. These include direct methane emissions that occur during repair works and daily operations of natural gas transmission and storage systems, carbon dioxide and incomplete combustion emissions from combustion equipment at gas regulation stations, combustion equipment including compressors used to ensure UGS processes, and combustion equipment used for heating purposes.

The Group's Scope 1 GHG emissions include the Subsidiary's proportional share of emissions from regulated emission trading systems (%).

The Group's Scope 2 emissions consist of electricity consumption and heat supply from district heating networks, as well as the Parent Company's electricity

transmission losses, which represent the most significant source of Scope 2 emissions. Although emissions have generally tended to decrease, the operation of synchronisation equipment is expected to increase transmission losses and, consequently, emissions.

In 2025, in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard, which supplements the Greenhouse Gas Protocol (GHGP), the Group initiated the calculation of Scope 3 GHG emissions, including the following Scope 3 categories:

- Category 1 - Purchased goods and services;
- Category 2 - Capital goods (fixed assets);
- Category 3 - Activities related to fuel and energy use (not included in scope 1 and 2 GHG emissions);
- Category 5 - Waste generated as a result of operations;
- Category 6 - Business trips;
- Category 7 - Employee travel to/from work.

Data for emissions calculations in the categories above are obtained from the procurement databases of both Group companies, financial records, waste management records, energy consumption data and human resources management systems. For the calculation of Category 7, an estimate of activity data was carried out, namely an employee survey was conducted to determine their daily mobility patterns for commuting

to and from work, the actual survey results obtained from respondents were applied to the total employee population.

Assessing the materiality of the categories, the potential volume of emissions, and their relevance to the Group's areas of activity, the following Scope 3 categories deemed immaterial by the Group or not applicable to its operations have not been included in the GHG emissions calculations:

- Category 4 – Upstream transportation and distribution. The costs of delivering purchased goods are included in Categories 1 and 2, as delivery costs are incorporated into procurement prices; separate contracts with logistics companies are not concluded;
- Category 8 – Leased assets. The volume is not material, and the emissions are already accounted for and included in the Scope 1 and Scope 2 GHG emissions calculations (e.g. emissions resulting from the use of leased office premises);
- Category 9 – Downstream transportation and distribution. The AST Group is a service provider that delivers services using infrastructure rather than distributing physical products through traditional logistics. According to the GHG Protocol, Category 9 relates to the transportation of physical products to customers. In the AST Group's business model, electricity and natural gas are transmitted through transmission networks, which are already reflected in Scope 1 and Scope 2 emissions, and "downstream logistics" outside the transmission infrastructure does not exist. Considering the specifics of the sector,

- Scope 3 Category 9 is not applicable to the AST Group;
- Downstream value chain emissions related to product processing, use and end-of-life treatment (Categories 10–12) are not accounted for and are not applicable to the Group’s operations, because neither AST nor Conexus produces or sells finished products;
 - Category 13 (Leased assets) – Electricity consumption related to assets leased by AST is included in Scope 2 emissions, whereas other leased assets are either not associated with energy consumption or such consumption is immaterial, taking into account the nature of the leased assets;
 - Category 14 (Franchises), Category 15 (Investments) – these categories are not applicable because the Group does not carry out such activities.

Given the current level of data quality and availability, most of the AST Group’s Scope 3 calculations are based on secondary data (i.e. data not obtained directly from suppliers or partners, but estimated based on activity volumes and/or costs and the corresponding emission factors from internationally recognised databases applied to those volumes). The transition to the primary data method will be gradual, initially focusing on positions with a significant volume of emissions (estimated based on the secondary data method approach).

A mixed methodology is applied for the calculation of Scope 3 emissions, with an expenditure-based approach used for Categories 1 and 2, and an activity-based approach applied to Categories 3, 5, 6, and 7. In order to ensure accurate emissions calculations based

on actual and estimated data, Scope 3 calculations use emission factors obtained from reliable sources, including emission factor databases such as DEFRA, Open CEDA by Watershed or other data sources.

In calculating Scope 3 emissions, the Group applied a significant assumption. Specifically, for AST purchases of construction in progress—which represent 74% of Scope 3, Category 2 emissions and 59% of total Scope 3 emissions—a single conservative emission factor of 0.32 kg CO₂e per EUR 1 was applied. This approach was used without conducting an individual assessment of the underlying cost components of construction in progress.

In accordance with the IPCC and GHG Protocol guidelines, the analysis conducted by Climatiq, as well as studies on the potential margin of error of measurement instruments and other public sources, the overall uncertainty of Scope 3 GHG emissions calculations in the reporting year is estimated within the range of ±30–35%, considering the use of secondary emission factors and data limitations in certain categories. In contrast, the uncertainty of Scope 1 and Scope 2 emissions is assessed at a lower level – approximately ±10–15% – as the calculations are often based on actual consumption data, while emission factors are applied from sectoral or national databases rather than supplier-specific factors.

The uncertainty assessment performed confirms that the uncertainty identified does not significantly change the overall emissions structure and is suitable for representing emission volumes and setting climate targets.

Structure of Scope 3 emissions by category:

SUMMARY: SCOPE 3 EMISSIONS (T CO₂EKV.)

Category	Parent Company	Group
Category 1 - Purchased goods and services	6 274,76	9 203,12
Category 2 - Capital goods (Fixed assets)	57 465,48	76 212,45
Category 3 - Fuel and energy-related activities	6 817,26	9 700,60
Category 5 - Waste	41,51	69,85
Category 6 - Employee business trips	77,14	163,93
Category 7 - Employee travel to/from work	176,61	330,33
Total	70 852,76	95 680,27

SUSTAINABILITY REPORT

Based on the calculated volume of emissions, the Group has calculated the intensity of GHG emissions:

GHG intensity on net revenue*	2025	2024	2025/2024, %
Total GHG emissions (based on location method Scope 1 and 2) per unit of net revenue (t CO ₂ eq./thousand EUR):			
Parent Company	0,04	0,08	-50
Group	0,12	0,18	-33
Total GHG emissions (market-based method Scope 1 and 2) per unit of net revenue (t CO ₂ eq./thousand EUR):			
Parent Company	0,39	0,68	-43
Group	0,39	0,55	-29
Total GHG emissions (based on location method Scope 1, 2 and 3) per unit of net revenue (t CO ₂ eq./thousand EUR):			
Parent Company	0,31	-	-
Group	0,39	-	-
Total GHG emissions (market-based approach Scope 1, 2 and 3) per unit of net revenue (t CO ₂ eq./thousand EUR):			
Parent Company	0,65	-	-
Group	0,66	-	-
*GHG intensity is calculated by dividing total GHG emissions by total net revenue (data on net revenue are available in Note 4 of the financial statements).			

Net revenue used for calculating GHG intensity, thousand EUR:	2025	2024
Parent Company	266 008	154 011
Group	355 824	258 607

In 2025, the Group did not use carbon credits to finance GHG removal and mitigation projects.

ESRS E4

CARE FOR BIODIVERSITY AND ECOSYSTEMS

Within the framework of the Environmental Protection process, when assessing environmental aspects, the Parent Company has identified several medium-level risks affecting flora and fauna (within the meaning of the ESRS standards, these risks are treated as the existing or potential impact of AST on biodiversity). These include:

- Restrictions on biodiversity during the clearing of power transmission line corridors, including risks to birds and their nests. The impact on biodiversity is most often associated with emergency works, the timing of which cannot be planned in advance. In cases where works can be planned in advance, natural processes are taken into account to as great an extent as possible (e.g. avoiding intensive works during the active bird nesting period
- The potential negative impact of electric and magnetic fields on the surrounding environment, including birds, bats and other living organisms. However, this impact is largely theoretical, as electromagnetic field measurements indicate that radiation levels within power line protection zones are several times lower than the permissible limits. Even in the immediate vicinity of high-voltage power lines, magnetic field radiation is usually within the range of 25 to 30 microtesla (µT), while at the boundary

of the protection zone it approaches zero, whereas the permitted level in Latvia and globally is 100 microtesla (µT), which is 3–4 times higher than the levels typically measured on AST lines. Moreover, the impact of electromagnetic fields on biodiversity has not been sufficiently studied worldwide to determine whether this factor affects flora and fauna, and if so, to what extent.

The impact on biodiversity may also occur when birds come into contact with high-voltage lines. In accordance with the conditions of the permit issued by the authority, AST reports annually to the Nature Conservation Agency on cases where birds have died for this reason. The Group's operations do not contribute to land degradation, desertification or soil compaction, given that its activities mainly take place within the territories of already existing infrastructure and do not alter the condition or composition of the soil in a way that would create an impact on biodiversity. Therefore, more detailed information on this aspect is not included in the report.

The Group has not developed a comprehensive policy on biodiversity, as this area only affects the Group's operations to a limited extent. However, in 2025, AST developed a procedure that sets out actions in cases involving the removal of nests of specially protected bird species or the disturbance of individuals. This procedure has been coordinated with the Nature Conservation Agency and defines permissible actions in the vicinity of nests of the white stork, osprey and other bird species, including restrictions on planned repair works (not applicable to emergency repairs that cannot be planned in advance, such as those following storms or other

emergency situations). It also establishes procedures in cases where birds have built nests on 330 kV or 110 kV power transmission lines or electrical installations, where a hazardous situation has arisen that poses a risk to the bird's life.

In addition, in 2025, AST approved amendments to the Standard Instruction for the Operation of 110–330 kV Overhead Power Lines, stipulating that when planning and carrying out line maintenance works, the company and its subcontractors must assess the potential impact on the environment and the local community and, where possible, plan works so as to avoid or minimise such impacts. This includes taking natural processes into account (e.g. nesting periods), as well as considering the possibility of carrying out works using specialised equipment that causes less disturbance or using manual tools.

During the planning of capital investment projects, the Parent Company carries out an environmental impact assessment or an initial environmental screening (hereinafter – EIA) in accordance with regulatory requirements. If the initial screening identifies a potentially significant environmental impact, a full EIA is carried out. For example, the initial public consultation for the project "Construction of the 330 kV power transmission line Ventspils – Brocēni – Varduva in the territory of Latvia" took place in November 2024, while repeated meetings were held in March 2025 in the municipalities of Saldus, Kuldīga and Ventspils. In addition, any member of the local community may ask questions, express concerns and request information outside the EIA process.

The Subsidiary's infrastructure, which has been in operation since the 1960s, including the Inčukalns UGS facility and gas pipelines with a total length of 1,190 km, crosses both Natura 2000 sites and areas sensitive in terms of biodiversity. As the Subsidiary does not construct or expand new infrastructure in such areas, no negative impact has been identified. Operational protection zones are established for infrastructure facilities, which border these territories, but no physical impact on these areas has been identified. In practice, all maintenance and servicing activities take place only within the boundaries of the protection zones. However, the Subsidiary has not yet compiled detailed information on the exact locations where the protection zones of the Inčukalns UGS infrastructure border protected natural areas.

Since 2024, the Subsidiary has also informed the Nature Conservation Agency about planned works in the protection zones of its infrastructure that border areas of particular importance for biodiversity and ecosystems. The recommendations of the Nature Conservation Agency are taken into account whenever possible. For example, maintenance works are not carried out during the bird nesting period in order to avoid exposing birds to the negative effects of noise. In 2025, one letter was received from the Nature Conservation Agency granting permission to carry out the planned works and specifying conditions and recommendations on how they should be performed to minimise impacts on natural values such as: "To reduce the impact on birds nesting in forests, the Agency invites compliance with a quiet period from 1 April to 30 June throughout the planned activity area with respect to works associated with increased noise levels."

Despite the impacts described above, in some cases the Subsidiary’s infrastructure contributes to the preservation of biodiversity. The results of the Nature Census project (2017–2019) indicate that infrastructure facilities are often located in areas that have been designated as biodiversity-sensitive territories. This can be explained by the fact that activities around critical infrastructure are restricted or even prohibited if they could disturb the development of biodiversity. As a result, a favourable environment is created for various species to live and reproduce. For example, according to the information available in the OZOLS database, in 2018 an EU-protected grassland habitat – Floodplain meadows (habitat code 6450) – was recorded in a territory managed by Conexus.

	2025		2024	
	No. of crossing points in the operational protection zone of infrastructure facilities*	Area (hectares)**	No. of crossing points in the operational protection zone of infrastructure facilities*	Area (hectares)**
	Group		Group	
Natura 2,000 sites	63	1 789.383	64	1 814.265
Large trees	59	2.898	56	2.750
Specially protected areas	93	3 685.714	92	3 506.154
Micro-reserves	49	16.557	51	17.995
Micro-reserve buffer zones	58	45.408	61	47.711
Biotopes	2 736	817.842	2 686	746.273
	Parent Company***		Parent Company	
Natura 2000 sites	41	1 789.383	42	1 814.265
Large trees	54	2.898	51	2.750
Specially protected areas	63	3 685.714	62	3 506.154
Micro-reserves	34	16.557	36	17.995
Micro-reserve buffer zones	40	45.408	43	47.711
Biotopes	2 165	817.842	2 115	746.273

* Several territories may also overlap, for example, a habitat is also located in the *Natura 2000* territory, and the inventory was carried out for each separately.

** Data on the total area is not available for the Subsidiary, data is provided onl for the Parent Company.

*** Differences between the 2024 and 2025 data arose due to the revision and improvement of the methodology for calculating protective zones in the Parent Company, as a result of which the coverage volume changed in 2025.

MEASURES IMPLEMENTED IN 2025

AST has long implemented measures to reduce negative impacts, particularly with regard to bird species. In previous years, using drones 580 bird diverters have been installed on 330 kV power transmission lines. These devices improve the visibility of the lines and help birds to notice them in time.

In 2025, a price inquiry was conducted with the aim of procuring special "propeller" structures designed to prevent birds from landing on power line elements. This was done in order to reduce the likelihood of disturbances and, at the same time, the need to disturb birds during their natural lifecycle if they choose these locations to settle and start building nests. A similar price inquiry was also conducted for the installation of metal caps on overhead line towers. Such measures are implemented to induce birds to choose safer locations for themselves and their offspring in advance, where they are not exposed to electric shocks or the need to relocate nests due to repair works or other technical requirements.

In 2025, the environmental impact assessment continued for the 330 kV overhead power transmission line from Ventspils–Brocēni–Varduva.

Meanwhile, pilot projects launched in 2024 aimed at developing natural meadows at Bišuciems and Stīpnieki substations also continued. The objective

of these projects is to promote the conservation and development of biodiversity across an area of 1,800 square metres in Riga and Mārupe.

The Subsidiary has not implemented specific measures in this area, as its operations are mainly related to underground gas pipelines and the extent of activities above ground that could disturb bird, animal or plant species is limited.

OTHER INFORMATION

Currently, the Group has not defined specific targets related to biodiversity. After the development of the climate transition plan by the end of 2026, it will be clarified whether such targets will be established.

The financial impact that may arise from biodiversity-related risks and opportunities has not been assessed as material in the double materiality assessment. Therefore, this information is not included in the annual report.

In accordance with amendments to European Union legislation adopted in 2025, the Group may also present the information required in this section in a simplified form (phase-in approach) for 2025 and 2026, and this report applies such an approach.

CIRCULAR ECONOMY

ESRS E5

According to the double materiality assessment, the Group's material subtopic in the Circular Economy section is incoming resources rather than waste. The Parent Company focuses on the efficient use of resources, particularly in the maintenance and development of electricity transmission network infrastructure. The main resources used are electricity, heat energy, fuel, and natural gas (energy resource consumption is discussed in more detail in the section on climate change), as well as electrical equipment, operational materials and IT equipment.

The Parent Company integrates circular economy principles into its quality management systems, complying with the ISO 9001, ISO 14001 and ISO 50001 standards. These standards define the company's approach to efficient resource use and waste management. Information is compiled annually in the Integrated Environmental and Energy Efficiency Report, which reflects the measures implemented by AST in managing resource consumption and generated waste. The Parent Company also applies green procurement principles that promote sustainable resource consumption. More information on the procurement policy can be found in the table included in the section of the report focusing on "Business conduct policy and corporate culture", while information on procurement criteria and green procurement can be found in the section on "Management of relationships

with suppliers". External stakeholders are not involved in the development of these systems and documents, as the focus is primarily on AST's own operational opportunities and directions in the context of the circular economy. Parallel to this, information that may be required by external stakeholders, such as suppliers, is published on the AST website.

The Group currently has no defined targets regarding waste management and the volume of recoverable resources. However, the Parent company has established procedures for the management and reuse of frequently recoverable materials. In particular, a procedure for the acquisition and sale of ferrous and non-ferrous metal scrap and residues has been approved. This procedure stipulates that all metal scrap and residues generated in AST's operations (e.g. during the dismantling of equipment, facilities, etc.) are handed over to an appropriate buyer who manages and sells these materials further. According to international studies, metal waste can be used practically indefinitely; however, AST does not monitor whether and where the metal scrap handed over by the company is subsequently used.

In order to reduce the consumption of its own resources, the company also ensures the treatment and reuse of insulation oils used in various equipment, thereby reducing the volume that must be disposed of as final waste, as well as the volume that would otherwise need to be newly procured or replaced with alternative insulating materials. In accordance with the AST Oil Management Procedure, all oils used in electrical equipment are recorded and, after the end of their useful lifecycle, assessed and, depending on the possibilities

SUSTAINABILITY REPORT

for reuse, treated and reused for AST’s needs, transferred for recycling to a qualified third party, or sent for final disposal.

Other incoming or reusable resources are not specifically recorded or purposefully managed in the context of the circular economy within AST.

The volumes of recoverable resources (metal scrap and residues, waste electrical and electronic equipment, insulation oils) are recorded based on delivery notes and invoices from contractual partners. In accordance with the regulatory framework of Latvia, a waste transport registration card – delivery note (hereinafter also referred to as a delivery note) – is additionally prepared.

Depending on their assessment, insulation oils are regenerated (oil quality indicators are restored) in the oil management facility and reused in electrical equipment or transferred to a contractual partner for the production of other products and materials. The volumes of oil circulation vary from year to year, which is explained by differences in the amount of oil obtained from dismantled equipment, the demand for operational needs in a particular year, and oil surpluses that are sold to a contractual partner.

Indicators*	2025	2024 (as report- ed previ- ously)	Adjust-ment**	2024 (adjusted)**	2023	Adjust-ment**	2023 (adjust-ed)**
Insulating oil,reused, t	38,3	42,3	-3,9	38,4	31,2	+13,7	44,9
Insulating oil, sold, t	119,8	84,6	-	84,6	80,5	-	80,5
Scrap metal, t	638,7	540,0	-	540,0	1 735,0	-	1 735,0
* The indicators presented in the table are applicable solely to the parent company, as only the parent company has defined procedures for the management and reuse of commonly recoverable materials. For the subsidiary, as noted below, such an approach has not been established and is not systematically implemented.				** In 2025, an error was identified in the data summary, the report indicated the entire amount of oil received for processing, not the amount actually filled into electrical equipment. The data is available and traceable in oil reports, and adjusted accordingly.			

The aforementioned measures are implemented on an ongoing basis, without a defined implementation period or specific progress indicators.

At present, the Parent Company’s approach to resource use applies only to its own operational activities and does not span the supply chain.

The Subsidiary currently has not developed separate policies or guidelines regulating resource use or the transition to the use of secondary resources or the sustainable management of renewable resources. AST has not carried out detailed financial impact calculations regarding the application of circular

economy principles. At present, this has only been assessed within the framework of the double materiality assessment. In accordance with ESRS, in the first years of preparing its sustainability statement, the company may omit the information specified in ESRS E5-6.

In the coming years, including in the context of reassessing double materiality, the Group will evaluate the possibility of providing more detailed disclosure on circular economy topics in its sustainability reports.

In accordance with amendments to European Union legislation adopted in 2025, the Group may also present the information required in this section in a simplified

form (phase-in approach) for 2025 and 2026, and this approach is applied in this report.

SOCIAL INFORMATION

ESRS IRO-2

GROUP EMPLOYEES

ESRS 2 SBM-2, SBM-3, S1-1,
S1-2, S1-3, S1-4

Considering the dynamic development of the Group, the processes related to integration into the EU internal electricity market, synchronisation with European electricity transmission networks and digital transformation, the achievement of the Group’s sustainability and strategic objectives would not be possible without engaged and professional employees. Employees are the Group’s most important strategic resource.

Employee composition and specifics of operations

All Group employees are permanently or temporarily employed staff. In 2025, the Group does not permanently employ self-employed persons or freelancers.

AST employs 554 employees, who are mainly highly qualified engineering and technical staff with long-term practical experience in the energy sector. Employees are characterised by a high level of professionalism, precision and responsibility for critical infrastructure. Specialists and managers continually improve their knowledge and competencies in order to ensure the safe, stable and efficient operation of the electricity system.

The Group promote a safe and non-discriminatory working environment, with equal employment conditions and treatment for all employees. Employees form a team that ensures motivated, flexible, loyal and professional work in the interests of AST. They are professionals in their respective fields who continuously develop their professional skills and competencies and help new colleagues integrate into the team by sharing their professional experience and practice. Employees are open to change and take responsibility for the high-quality performance of delegated duties in order to ensure the achievement of AST’s objectives and maintain a positive corporate reputation and image in interactions with representatives of stakeholders. Mutual relations are based on general ethical principles, honesty and mutual respect, and conflicts of interest are not tolerated.

Conexus employs 363 employees, who are mainly highly qualified engineering and technical staff with long-term practical experience in the gas transmission and storage sector. Managers of operational areas and specialists possess in-depth knowledge in the design, operation and safety management of gas infrastructure, enabling the company to implement complex technological processes efficiently and safely in accordance with international standards and industry best practices.

Respect for human rights

The Group needs to ensure that employees are provided with a working environment in which they feel free to communicate, express their opinions, ideas and proposals, and provide feedback. The Group supports the protection of internationally recognised human rights principles, including the *Universal Declaration of Human Rights*, the *International Labour Organisation Declaration on Fundamental Principles and Rights at Work*, the *United Nations Convention against Corruption*, and the *Ten Principles of the United Nations Global Compact*.

The activities of the Group’s companies, including their status as state-owned or partially state-controlled enterprises, as well as the labour legislation in force in the country, do not allow the use of human trafficking, forced labour or child labour, nor the possibility of such practices in any area of the Group’s operations. During the reporting period, no cases of human rights violations related to labour were identified in the Group’s operations.

Employee engagement and satisfaction

Employees and managers of the Group are professionals in their respective fields who build both internal relationships and relationships with stakeholders involved in the core operations with fidelity to the values of each company.

The Group’s management recognises that employees with diverse competences and backgrounds represent a value that enables the company to develop and

achieve new objectives. For a long time, initiatives reflecting the Group’s core values and the principle of equal treatment have been implemented and supported, fostering a diverse and inclusive working environment for all employees. These activities are carried out within the existing budget and work plan. Each year, AST organises various training programmes to strengthen the development and growth of employees’ competencies, as well as informal events such as sports games for employees with the participation of their family members.

An employee engagement and satisfaction survey is also organised every year, within which the management of both Group companies identifies both positively assessed and less favourable aspects of the working environment and implements improvements in company operations accordingly.

In AST’s annual employee engagement survey in 2025, a record-high response rate of 90% was achieved, indicating that employees feel safe to express their opinions and be involved.

Safety in the working environment and business continuity

Group employees are affected by both positive and negative factors. Positive influences include ergonomic working conditions, training opportunities, possibilities for professional development, and various benefits provided under the collective agreement. In the case of the Parent Company, these include, for example, the review of the monthly base salary, which is calculated according to a defined formula that takes into account

the average value between the previous year’s inflation rate and the percentage increase in the average monthly salary in the energy sector.

By offering open-ended employment contracts, benefits for various life situations, and by not planning reductions in the number of employees, the Group not only ensures the protection of employee rights, but also enhances employees’ long-term sense of security.

In the Conexus annual employee engagement survey, a question on employees’ sense of safety while performing their duties is also included. In this survey, 92% of respondents indicated that they feel safe. Given that the Group provides strategically important services, ensuring their continuity is essential. Therefore, Group employees—especially those responsible for the operation of energy supply equipment and service continuity (such as electrical technicians, electricians, and similar roles)—are often involved in tackling the consequences of various weather-related events. The Group must also ensure a high level of employee availability and readiness to maintain service continuity.

The Group complies with the requirements of the Labour Law, ensuring appropriate working and rest periods, paying overtime, and providing additional benefits in accordance with the Collective Agreement. To support employee well-being, the Group provides accommodation close to work sites for employees whose job duties involve travelling to nearby or distant operational locations. However, due to the nature of such work, employees’ interests may be negatively affected, because flexible working arrangements are

not available to many employees, which may influence work–life balance.

The Group has also developed and approved a list of critical personnel—both to ensure operational continuity in the event of a potential national threat (critical personnel are not subject to mobilisation, continue working, and are prohibited from terminating their employment contracts during such periods), as well as in order to ensure succession planning.

During regular evaluation processes, critical positions are identified, the absence of which could significantly affect the continuity of the company’s operations. At AST, in the evaluation questionnaire the employee’s manager marks whether a successor has been designated for the position. Succession planning is also included in the evaluation questionnaire for colleagues who have indicated plans to retire, which helps to ensure operational continuity and preserve critical competencies.

Conexus has also developed and approved a succession plan for employees. Succession planning not only covers the development of department managers to build the next generation of leaders, but also the succession of other positions that have a significant impact on ensuring uninterrupted operations. The assessment of whether and what kind of impact on employees may arise from transition plans aimed at reducing negative environmental impacts and ensuring greener, climate-neutral operations is linked to the further development of the Group’s climate transition plan project prepared in 2025 and the final decision on the measures to be implemented. Overall, the developed

draft and the potential emission-reduction measures included in it do not indicate a significant impact on employees or their working environment. Detailed information on whether the approval and implementation of the climate transition plan will have any impact on employees will be disclosed in the Group's 2026 sustainability report.

PERSONNEL-RELATED POLICIES

The Group's policies regarding employees are based on the following core values:

- fair, just and equal treatment of all employees;
- a diversity-inclusive work environment, ensuring equal opportunities;
- sustainability – developing employee competencies, transferring knowledge, sharing experience and ensuring the continuity of relevant activities;
- social dialogue with employee representative organisations.

The Group's companies have developed **Codes of Ethics**, the purpose of which is to create a unified set of norms for ethical conduct and to strengthen the internal culture, business practice and reputation of the Group's companies by establishing ethical principles and internal organisational measures reflecting the Group's core values.

The Codes stipulate that the Group's companies ensure equal treatment of all employees, without promoting discrimination regardless of the employee's age, gender, race, ethnic origin, religious beliefs, sexual orientation, political views, family status or other circumstances, as well as that employees treat one another equally and with respect.

At the same time, the Codes of Ethics also stipulate that employees should maintain a positive company reputation and brand, which is important both in relation to cooperation partners and clients and to society as a whole. Mutual relations are built on general ethical principles, honesty and mutual respect, and situations involving conflicts of interest are not permitted.

The Codes of Ethics of the Parent Company are publicly available on the websites of the companies.

Violations of the Codes of Ethics or other violations are identified by Employees by informing their direct manager, a member of the management board or by submitting a whistleblower report. The identifying information of an employee who has reported a violation of the Code of Ethics or another breach must not be disclosed and is protected as restricted-access information, available only to persons involved in the evaluation of the violation of the Code of Ethics or another breach.

The Group does not apply any sanctions or other adverse consequences against an employee who has reported a violation of the Code of Ethics or another violation, except in cases where false information has been knowingly provided.

Recognising the importance of raising issues related to unethical conduct, the Group and the Parent Company have established a whistleblowing system, an ethics committee and a labour dispute commission. In the Parent Company, a **Human resources management strategy for 2025–2027** was drawn up and approved in 2025. It has been developed based on the objectives and tasks defined in the Group's medium-term operational strategy for 2021–2025 and will be implemented during the new medium-term strategy period. The strategy ensures the development, attraction and retention of employees in order to achieve the company's overall objectives, including ensuring the continuity, quality and safety of the energy supply transmission service, which is strategically important for national security. It provides a structured approach to the development of employee competences, the creation of an effective working environment and the strengthening of the company's internal culture. The strategic areas and objectives form the basis for sustainable and effective human resources management, contributing to the positioning of AST as an attractive and competitive employer, the attraction of personnel and the long-term growth of the organisation.

The strategy includes the most important human resources management processes and defines the main tasks and target indicators for each year, taking into account the assessment of AST's current situation, the sustainability material aspects in the field of human resources management approved by the AST management board, as well as the results of the employee engagement survey and the AST employee development discussion process.

The AST strategy includes the following areas of human resources management: workforce planning, recruitment and onboarding, performance management and development, the remuneration system, employer branding and internal communication.

The main basic principles are based on the following values:

- Compliance with laws and regulations;
- Acceptance and observance of AST's mission, values and ethical principles;
- AST priorities and objectives;
- Honest, fair and equal treatment of all employees;
- An inclusive work environment embracing diversity, ensuring equal opportunities;
- Sustainability – developing employee competences, transferring knowledge, sharing experience and ensuring appropriate succession of activities;
- Development and maintenance of AST traditions;
- Social dialogue with employee representative organisations.

Detailed information on AST's policies is available in the section on "Business conduct policy and corporate culture", which provides information about policies and other internal regulatory documents.

The aim of the **Conexus Personnel and Remuneration Policy** is to ensure effective practices for addressing human resources management issues within the Company, in order to implement sustainable management of internal resource operations, ensuring competitive and motivating remuneration, as well as employee succession and competence development. The main guidelines for human resources management at Conexus are as follows:

- Professionalism – employees are competent in their respective fields and are oriented towards acquiring new skills and abilities, as well as exchanging knowledge and experience at both national and international level;
- Quality – employees ensure the performance of assigned tasks at a high level of quality through precise, prompt and professional execution of their duties and a conscientious attitude;
- Development – Conexus supports employees’ professional growth and purposefulness, providing them, where possible, with appropriate training and career development opportunities both horizontally and vertically;
- Stability – Conexus’s operations are stable and oriented towards long-term development. Conexus cares for its employees and strengthens their sense of security regarding stable employment, appropriate remuneration and social guarantees;
- Prohibition of discrimination – Conexus recognises the equal role of every person in the development

of the Company regardless of race, skin colour, gender, religious, political or other beliefs, national or social origin, property or family status, or other circumstances. Equal rights are ensured for all employees.

Selection and evaluation criteria in the recruitment process in both Group companies are applied equally, regardless of the candidates’ gender. Candidates are assessed according to their experience and skills, and identical selection test tasks are provided to all candidates. When organising various events, **employees’ different interests**, age groups and family status are taken into account – the programme of the event is adapted for both children and for older people. Events are organised from the perspective of an inclusive working environment, ensuring accessibility for employees both in Riga and in the regions. In 2025, various events involving employees were organised, including sports games, a Midsummer celebration event, New Employee Day, participation in the Riga Rimi Marathon, and a fishing event.

To ensure the **representation of employees’ interests**, the Latvian trade union Enerģija operates in the Group’s companies. Collective labour agreements have been concluded, prepared in accordance with the requirements of the Labour Law and other regulatory enactments, which include the duties, rights and guarantees of the Parent Company and the Subsidiary and their employees. In cases of remediation, various support measures are provided in accordance with the provisions of the collective agreement and the available health insurance and accident insurance policies. Additional information is provided in the "Stakeholder

engagement" section. Internal documents for occupational safety management have also been developed in the Group’s companies in order to preventively identify and manage potential risks that could affect the health and safety of employees of the Group’s companies.

The Group pays continual attention to employees’ opinions both regarding workplace safety (work environment risk assessments involving employees; employee surveys on related issues) and other important aspects related to the working environment that promote employee engagement with the company and contribute to their dedication. More detailed information on the formats of employee engagement and the main issues discussed can be found in the "Stakeholder engagement" table.

The Subsidiary has developed an occupational health, safety and environmental management policy, the aim of which is to establish an effective framework for the preventive identification and management of potential risks that may affect employee health and safety, the integrity of infrastructure, the surrounding environment and society. For its implementation, the following objectives and basic principles have been defined:

- Compliance of processes with international standards;
- Compliance with and development of regulatory enactments;
- Ensuring the successful operation of the management system;

- Determination of effective operational objectives and measures;
- Maintaining management competences at a high level;
- High readiness to respond to emergency situations;
- Mutual cooperation and communication;
- Preventive action;
- Continuous compliance and suitability of the management system;
- Continual improvement of the management system;
- Receipt of goods and services in accordance with the criteria established by occupational health, safety and environmental management.

EMPLOYEE ENGAGEMENT

An internal culture and direct communication with all employees are fostered in the Group’s companies, providing employees with an understanding of shared values, objectives and team unity. This section reviews ongoing activities that the Group’s companies have introduced to promote employee engagement.

The management boards of the Group’s companies since 2025 regularly organise online meetings with all employees on current issues, where employees have

the opportunity to participate in open discussions and ask questions. Employees of the Group's companies also have access to internal websites where information relevant to employees is published on a regular basis.

In 2025, AST approved a regulation that provides for the annual recognition of employees and teams who make a professional contribution to the company's development and act in accordance with the company's values. In the Employee of the Year award nominations, the employee's performance is evaluated in accordance with AST's values – together, responsibly, intelligently and honestly. For the Team of the Year awards, a description of the team's performance is assessed according to defined criteria – project or team effectiveness and results, innovations or improvements in processes, and the impact on company culture and cooperation. It is planned to present such awards on an annual basis.

In order to promote understanding and a sense of belonging to the company, the management of the Parent Company organises regional meetings with employees during which employees are informed about the company's strategy, objectives and planned activities, and their opinions are heard and questions answered, thereby fostering mutual dialogue. In 2025, in addition to meetings with the Management Board, the Head of the Human Resources Department held meetings with each regional structural unit to discuss current issues related both to remuneration and the working environment and to hear employees' suggestions. In addition, meetings of the Human Resources Department with AST structural units were organised during the year, where the results of the

engagement survey and its data in each structural unit were discussed, including both aspects evaluated positively and areas with room for improvement. It is planned to continue organising such meetings in the future.

In order to promote open communication and strengthen employee engagement, based on the results of the engagement survey, a new initiative – "Coffee with added value" – was launched in 2025. This initiative has been created with the aim of strengthening internal communication, promoting employee engagement and a sense of belonging to the company, creating an opportunity in a direct and open format for employees to learn about current developments, ask questions and share ideas, build closer connections between colleagues and management, and ensure transparent and two-way information flow. These meetings take place at least once per quarter and are attended by both the company's management and employees.

With a view to facilitating everyday communication, ensure a unified approach to information, including regulatory enactments and company updates, learn employees' opinions and receive feedback, the Parent Company uses the internal communication channel ASTe. In addition, the most important updates related to employees' daily work, well-being or company procedures are communicated via company email or by organising joint Microsoft Teams online meetings.

At the end of 2024, AST began, continued in 2025, and plans to continue implementing in the future as a highly valuable engagement activity, conducting probation period interviews with new employees – one conducted

in the middle of the probation period followed by another shortly before the end of the probation period – as well as surveys to evaluate the adaptation process. Survey data show that AST's new colleagues are most satisfied with the support from their manager, the team and the information provided (average survey rating 4.9 out of 5). In questions related to the working environment and culture, the opportunity to learn and receive help when necessary, as well as the direct manager's support, information and availability, received the highest evaluation (average score 4.8 out of 5 for both factors). The results of the probation period surveys indicate a high level of satisfaction among new employees with the working environment and the integration process. Average ratings in all main categories exceed 4.5 points on a five-point scale. The survey data confirm that the company has a cooperation-based and respectful culture, with new employees feeling welcome, supported and already involved in their first weeks of work. Almost all respondents indicated open communication, responsive colleagues and a safe environment for asking questions, which are important prerequisites for an inclusive working environment. Within the framework of the new employee integration programme, a similar approach is also implemented at Conexus.

Conexus employee meetings with the management board regarding current issues take place once every three weeks. During these meetings, the management board informs employees about the most important aspects of Conexus operations and current events. The meeting content is supplemented with information relevant to the workforce about internal processes, technological development issues, presentations or discussions. In 2025, particular attention was paid to

security issues in the areas of civil protection, public information and disinformation analysis, as well as threat risks in the virtual environment.

In the Group's companies, an employee satisfaction survey is conducted once a year, providing all employees with the opportunity to express their evaluation and opinion. Accordingly, employees' views are taken into account both in the implementation of further improvements to the working environment and other aspects of company development, while valuable information on the effectiveness and value of previous improvements or changes is also provided from the employees' perspective. The survey is conducted annually, and it is planned to continue its implementation in the coming years.

The Parent Company organises an annual employee engagement survey using the *TRI*M Employee Commitment* methodology tool. The purpose of the survey is to obtain an overall overview of the employee engagement indicator as well as changes in the evaluation of organisational performance, identifying strengths and areas for improvement and determining the main priorities for the company's further development and management. In 2025, 90% of all AST employees contacted participated in the engagement survey (84% in 2024). The TRIM index remained at the level of the previous year. In the evaluation of additional aspects, compared with the previous period, positive dynamics can be observed in relation to employee engagement, loyalty, a sense of belonging to the company and the improvements implemented by the company. Over the past three years, ratings have slightly increased in all aspects related to the circulation

of internal information and communication (timeliness, availability of information necessary for work, distribution of responsibilities within the company, etc.). Ratings are also gradually improving in areas where a need to improve company practices in engagement and communication had previously been identified (including ensuring understanding of the company’s strategy). The next employee engagement survey is planned for February 2026.

It is important that after the completion of the annual employee survey, its results are presented to the company’s Management Board, the Supervisory Board and all employees. Subsequently, discussions are organised with the heads of structural units to review the obtained data and employee comments and, based on them, agree on the necessary improvements, which are then presented to the management board. For example, in 2025, one significant comment from an employee concerned the need to improve feedback and communication between direct managers and employees. Therefore, in 2025, special training was organised for managers to develop these skills. As a result of the employee survey, remuneration has also been reviewed, the provision of work clothing has been expanded, new internal communication solutions have been introduced (e.g. see above regarding "Coffee with added value"), and remote meetings on various current topics have been organised, etc. When starting a new survey cycle, employees are provided with summarised information about the improvements and innovations introduced in the previous period based on their evaluations and comments.

In the Subsidiary’s 2025 employee satisfaction and

engagement survey, 310 employees participated, representing 87% of all Conexus employees contacted (65% in 2024). Compared with previous years, the survey methodology was changed – in 2025 the survey was conducted similarly to that of the Parent Company, using the internationally recognised and widely applied TRIM™ Employee Commitment method. The survey used a quantitative approach complemented by qualitative analysis in order to obtain a deeper understanding of employees’ opinions and experiences.

The survey results continue to demonstrate high employee engagement, loyalty and motivation, and the Subsidiary maintains a stable situation with consistently high employee satisfaction indicators. As in the previous year, employees highly evaluate the organisation of work and internal communication, while further positive growth in ratings has been observed in the areas of leadership and planning. The culture of the Subsidiary is also rated slightly higher than before. All suggestions expressed in the survey are evaluated and taken into account in planning further improvements to processes and the working environment.

EMPLOYEE DEVELOPMENT

The Group is proud of its professional, highly qualified, competent and motivated team of employees, which contributes to the company’s development and the achievement of strategic objectives. At the same time, the Group’s companies also foster the development of their employees by providing diverse opportunities for growth.

The following section reviews ongoing activities introduced by the Group’s companies to promote employee development.

One of the important instruments used by the Parent Company to promote employees’ career development and sustainability is internal competitions. In 2025, several structural changes took place in the company, as a result of which both closed and open internal competitions were organised. Closed competitions were held in newly established structural units that required very specific knowledge and experience – competencies possessed only by a particular team (e.g. in the Electricity Accounting Group and the Market Development Group). Closed competitions were organised four times, resulting in career advancement for three men who had started working in the company between 2000 and 2018, and one woman who has been working at AST since 2022. In the open internal competitions, four men (according to Horizon data – they started working in the company between 2012 and 2018) and three women (according to Horizon data – they started working in the company between 1994 and 2001) participated and were selected for the respective positions. This distribution demonstrates that career development opportunities through participation in internal competitions are not limited to experienced or long-serving employees – opportunities are available both to long-standing and new employees. This highlights AST’s inclusive approach and its interest in developing employees at all levels of experience. Internal competitions not only provide employees with vertical but also horizontal professional growth opportunities, allowing them to move to other structural units. Growth opportunities are provided at

various levels, and in 2025, four of the eleven internal competitions were for management-level positions. Employees have also increasingly chosen to participate in AST’s external competitions, winning four of them.

Vacant position competitions at Conexus are initially available only to employees, thereby motivating their development. The average length of service in the company is 14 years.

In 2025, AST’s position map was approved. At the beginning of 2026, it is planned that AST’s remuneration policy will be approved, establishing salary ranges for each job group. This process ensures a unified and clear approach to the remuneration system. Bonuses are granted based on the completion of work tasks in accordance with the specified deadlines, quality and quantity. In addition, communication, cooperation skills, initiative, responsiveness, development of knowledge and skills, as well as compliance with ethical standards and ensuring the confidentiality of information is evaluated.

In 2025, AST participated in the employer image survey in the Baltic States organised by Kantar, where AST was recognised by students as one of the TOP 20 employers. It also ranked among the TOP 50 employers in the TOP Employer survey organised by Alma Career CV-Online. In addition, in 2025, the employer branding agency Instar, a member of the European Association of Employer Branding Agencies (EAEB), conducted a Baltic-wide survey on employee expectations and employer reputation, collecting nearly 9,000 responses. In Latvia, where the survey was conducted for the first time in 2025, 783 employees and students participated,

whose evaluation ranks AST among the TOP 10 most attractive employers in the private sector (according to the employer classification used by the study’s authors).

Conexus implements a New Employee Integration Programme. The integration programme is comprised of a set of activities aimed at supporting a new employee in order to enable them to integrate into the team as quickly as possible and acquire the knowledge and skills necessary for the effective performance of work duties. During the programme, under the supervision of a mentor appointed by the manager, the new employee becomes acquainted with the Company’s culture, values and objectives, job responsibilities, colleagues and the working environment, as well as the tools and information necessary for work. In 2025, through the implementation of the New Employee Integration Programme, 25 new employees were successfully integrated into work.

At AST, every new employee is provided with a first working day programme and a New Employee Day, where new colleagues are introduced to the work of the Management Board, areas of responsibility, structural units and the specifics of the company’s operations. This activity was launched in 2025, and it is planned to be continued in the future.

In order to attract and retain employees, employees of the Group’s companies are provided with a benefits package, regular salary reviews, performance evaluations resulting in quarterly, semi-annual or annual bonuses (premiums), and employee development is promoted through training and succession planning. As in the previous year, in 2025 the Group continued

its development direction regarding the development of employee competences and the availability of training, in order to ensure both the future transfer of knowledge to new specialists and succession processes, taking into account the objective of supporting education and science and promoting innovation-oriented employee development.

In implementing the annual employee evaluation for 2024, during the reporting year 99% of the Parent Company’s employees received career development feedback (96% in 2023). Each year the evaluation process becomes more significant and is strengthened by introducing regular discussions between colleagues and managers. The evaluation for 2025 will begin at the beginning of 2026.

Based on the results of the previous year’s development discussions and achievement of objectives, the Parent Company developed a personnel training plan for 2025, which included training focused on improving individual competences. This training mainly focused on the development of digital skills, improvement of general skills and competences, and the provision of professional training for employees. The Parent Company carefully monitors and ensures that the skills of technical personnel comply with the required qualification requirements, as well as the integration of new working methods and the acquisition of innovative technologies in modern, competitive and high-quality adult professional training. Professional education improvement programmes were tailored taking into account the Parent Company’s strategic objectives and the individual objectives and tasks of structural units and employees. The training and qualification improvement

system is oriented towards the application of safe working methods in everyday work while maintaining the highest standards of professionalism. Competence development was carried out with the involvement of internal and external trainers.

Taking the specifics of their work and the company’s field of activity into account, AST personnel are subject to defined criteria regarding employee education, qualifications and competences. Electrical engineers and AST electrical system engineers equivalent to them are included in the list of regulated professions in the energy sector, which establishes special requirements regarding the education of the professional practitioner, documents confirming professional qualifications or the use of the professional title. The education and qualifications of personnel working in these professions must comply with the education and qualification requirements stipulated in the Law "On Regulated Professions and the Recognition of Professional Qualifications". In total, AST employs 77 representatives of regulated professions.

In the Parent Company, one of the priorities is digital transformation and the improvement of employees’ digital skills, as well as the development of management competencies. In 2025, AST continued training aimed at improving digital skills, expanding the range of topics and providing employees with the opportunity to learn new tools and solutions for more efficient daily work. At the same time, the AST Viszinis platform was augmented with training materials that can be learned through self-study, providing each colleague with the opportunity to independently improve their knowledge at a convenient time. Conexus, in turn, has established the

Conexus Academy platform, which is used for similar purposes.

At the same time, systematic training for managers continued, strengthening their competences in setting objectives, providing feedback, team management and personnel development.

Such training forms a unified approach to management culture within the company, promoting both employee development and the overall development of the organisation.

In order to expand professional development opportunities for all employees, AST has purchased subscriptions to online learning platforms that provide access to lectures, courses and video content in various fields. These subscriptions allow employees to choose topics of interest and learn at a time convenient for them, thereby promoting a broader outlook and individual development.

The company is goal-oriented in taking care of the professional development and long-term employment of its employees by actively following the co-financing opportunities for education and professional development offered by state institutions. AST not only informs employees about these opportunities but also motivates and supports them in obtaining higher and professional education using the state co-financing available. In order to expand employees’ opportunities to learn and develop, the Parent Company has concluded an agreement on receiving co-financing to support employee education. This will ensure broader and more accessible learning opportunities, providing employees

with the possibility to acquire new knowledge, improve professional skills and develop labour market-relevant competences with partial coverage of costs from external financial sources.

Based on the results of employee evaluations and observations, training in defining objectives and providing feedback was implemented. This training will help managers and employees develop a common understanding of the principles of setting objectives, effective communication and the importance of regular feedback in daily work. As a result of this training, the next evaluation phase will ensure a more qualitative and meaningful dialogue between managers and employees, clearer and measurable objectives, as well as greater engagement and responsibility for achieving individual and team results.

In 2025, cooperation with a certified supervisor was ensured – supervision consultations help employees and managers to improve cooperation, communication and work quality. This provides emotional support, promotes professional development and helps to prevent burnout. For managers, supervision enables more effective team management and the maintenance of a favourable working environment. Cooperation with a supervisor will also be ensured in 2026.

Reflecting the company’s commitment to promoting awareness of a healthy lifestyle, lectures on maintaining balance between work and private life have been organised. Such initiatives help to reduce stress, improve well-being and promote productivity in everyday work.

According to the Parent Company’s estimates, the average number of training hours per employee in the Parent Company in 2025 was 50.5 hours, while in the Subsidiary it was 30.8 hours.

HEALTH, SAFETY AND WELL-BEING OF EMPLOYEES

In the Group, special attention is paid to creating a safe working environment. Accordingly, the Group provides employees with workplaces suited to their needs, personal protective equipment and technical resources, and also provides employee training on occupational safety issues and safe working methods. The Group’s activities in the field of safety have been highly appreciated by third parties.

This section outlines ongoing activities that the Group companies have implemented to promote occupational health and safety.

An occupational health and safety management system has been implemented within the Group that complies with ISO 45001 requirements and enables the company to systematically reduce occupational health and safety risks.

The occupational health and safety system applies to all areas of the Group’s activities and all employees. The system ensures internal monitoring of the working environment, employee awareness of hazards and risks in daily work, and prompt response in emergency situations. An employee or witnesses to an accident

immediately report the incident to their direct manager, and the injured person is provided with immediate first aid and medical assistance. It is the manager’s responsibility to inform the company’s management and the occupational safety specialist. Once a quarter, the management board is informed about accidents, incidents and near-miss events. After an accident, workplace risks are reassessed taking into account the causes of the accident.

Workplace accidents and occupational diseases can only be completely prevented if a safe working environment is ensured; therefore every employee must comply with all occupational safety requirements. In 2025, there were two work-related accidents without serious consequences within the Group and no fatalities. In the Parent Company, accidents are recorded and investigated in accordance with the regulatory enactments of the Republic of Latvia and the company’s internal procedure "Procedure for the Investigation, Recording and Reporting of Accidents and Workplace Incidents".

The frequency of recordable work-related injuries in the Parent Company in 2025 was 1.85 (per 1 million working hours), compared to 1.08 (per 1 million working hours) in 2024; at the Group level, the corresponding figures were 1.17 and 2.68, respectively. To calculate the frequency of accidents per 1 million working hours, the Parent Company and the Group uses the following calculation methodology:

1. Number of accidents: how many accidents occurred during a given period of time (e.g. a year).

2. Number of hours worked: how many hours were worked in total during that period.

3. The number of accidents is divided by the total number of hours worked, yielding the accident rate per hour worked.

4. The result is multiplied by 1,000,000. This allows us to calculate the accident rate per million hours worked.

The Group regularly assesses work environment risks in accordance with the methodology, also taking into account the accidents that have occurred, and measures are taken to reduce work environment risks, continuously improving employee safety at work as well as the work environment.

In the Group, work environment assessment is carried out by labour protection specialists, involving heads of structural units and responsible employees, trusted persons, as well as those employees who work in specific premises/workplaces or perform relevant work. If necessary, competent institutions are outsourced. In the Subsidiary, a competent institution is involved in the assessment of work environment risks and explosion risks.

In the Group, work environment assessments are carried out by occupational safety specialists, involving heads of structural units and responsible employees, trusted representatives, as well as those employees who work in the specific premises/workplaces or perform the relevant work. Where necessary, competent institutions are engaged through outsourcing. In the Subsidiary, a competent institution has been engaged to assess work

environment risks and explosion risks.

In the context of remote work, the assessment of work environment risks is carried out in cooperation with remote employees. In the process of work environment risk assessment, all workplaces and all types of work are identified.

In both Group companies, the results of the work environment risk assessment are compiled once a year and an occupational health and safety measures plan is prepared to eliminate or reduce work environment risks. In accordance with the scope provided for in the work environment risk assessment, employees are regularly trained, briefings are held, and regular knowledge tests are conducted for employees who perform work in electrical installations or technical maintenance work on the gas storage and transmission system, as well as work with hazardous equipment. The need for training, the scope of briefings and the need for knowledge testing are determined by assessing the work environment risks of the specific employee. Training is mostly provided in cooperation with training institutions that comply with the requirements of regulatory enactments, is free of charge, and mainly takes place during working hours.

Employees regularly undergo mandatory health checks, as well as the necessary vaccination in accordance with the requirements of regulatory enactments.

All costs associated with the above-mentioned measures related to employee social protection, satisfaction, engagement, and development are planned and ensured within the annual budget, including

required collective agreement costs (inter alia, various allowances and compensations provided for in the collective agreement), employee training, health insurance, employee events, additional benefits, and other related costs.

TARGET INDICATORS

Targets are set annually, approving the company’s goals and the Management Board’s KPIs, including taking the results of the engagement study into account. When developing a strategy for the next period, it is planned to refine the targets, creating a unified approach with the ESRS, as well as involving stakeholders, which has not been done so far.

At least once every six months, an informative report is prepared for the Management Board on the progress of the implementation of the work performance indicators to be achieved by the AST structural units. In determining the annual work performance indicators to be achieved by the structural units, not only the heads of the structural units, but also employees are involved.

The AST targets for 2025 are:

- Employee turnover ≤ 7.4 %;
- Serious accidents = 0;
- Employee engagement rate - 61 engagement index points.

As at 31 December 2025, all set targets have been met. Employee turnover is 6.9%. Serious accidents - 0, employee engagement coefficient - 61 engagement index points.

No such target indicators have been established at Conexus. As of 31 December 2025, employee turnover at Conexus was 7.4%, and the employer recommendation score (eNPS) stood at 15 points.

QUANTITATIVE INDICATORS

The employee and work environment indicators disclosed in this report are obtained from the Group’s internal information systems. This data has not been verified or validated by an independent external party.

S1-6

GROUP EMPLOYEE
CHARACTERISTICS

NUMBER OF EMPLOYEES BY GENDER*

Gender	Number of employees			
	Parent Company 31.12.2025.	Parent Company 31.12.2024.	Group 31.12.2025.	Group 31.12.2024.
Men	468	448	766	748
Women	86	92	151	157
Other	-	-	-	-
No data provided	-	-	-	-
Total number of employees	554	540	917	905

* Data as per Note 7 to the financial statements.

EMPLOYEES BY TYPE OF CONTRACT AND GENDER*

Parent Company as at 31.12.2025.

Women	Men	Other**	Not disclosed	Total
Number of employees (number)				
86	468	-	-	554
Permanent employees (number)				
79	461	-	-	540
Temporary employees (number)				
7	7	-	-	14
Employees without guaranteed working hours (number)				
-	-	-	-	-
Full-time employees (number)				
84	468	-	-	552
Part-time employees (number)				
2	-	-	-	2

* Data according to Note 7 to the financial statements.

** Gender as self-reported by employees.

Parent Company as at 31.12.2024.

Women	Men	Other**	Not disclosed	Total
Number of employees (number)				
92	448	-	-	540
Permanent employees (number)				
85	440	-	-	525
Temporary employees (number)				
7	8	-	-	15
Employees without guaranteed working hours (number)				
-	-	-	-	-
Full-time employees (number)				
92	448	-	-	540
Part-time employees (number)				
-	-	-	-	-

* Data according to Note 7 to the financial statements.

** Gender as self-reported by employees.

EMPLOYEES BY TYPE OF CONTRACT AND GENDER*

Group as at 31.12.2025.

Women	Men	Other**	Not disclosed	Total
Employees (number)				
151	766	-	-	917
Permanent employees (number)				
141	758	-	-	899
Temporary employees (number)				
10	8	-	-	18
Employees without guaranteed working hours (number)				
-	-	-	-	-
Full-time employees (number)				
144	763	-	-	907
Part-time employees (number)				
7	3	-	-	10

* Data as per Note 7 to the financial statements.

** Gender as self-reported by employees.

Group as at 31.12.2024.

Women	Men	Other**	Not disclosed	Total
Employees (number)				
157	748	-	-	905
Permanent employees (number)				
148	729	-	-	877
Temporary employees (number)				
9	19	-	-	28
Employees without guaranteed working hours (number)				
-	-	-	-	-
Full-time employees (number)				
156	745	-	-	901
Part-time employees (number)				
1	3	-	-	4

* Data as per Note 7 to the financial statements.

** Gender as self-reported by employees.

EMPLOYEES BY CONTRACT TYPE AND COUNTRY*

Latvia	Parent Company 31.12.2025.	Parent Company 31.12.2024.	Group 31.12.2025.	Group 31.12.2024.
Number of employees (number)	554	540	917	905
Permanent employees (number)	540	525	899	877
Temporary employees (number)	14	15	18	28
Employees with no guaranteed hours (number)	-	-	-	-
Full-time employees (number)	552	540	907	901
Part-time employees (number)	2	-	10	4

* Data as per Note 7 to the financial statements.

LABOUR TURNOVER*

Rādītāji	Parent Company 2025	Parent Company target indicator 2025	Parent Company 2024	Group 2025	Group 2024
Employees who left the company during the reporting period	38	-	55	65	80
Employee turnover**	6,9 %	≤ 7 %	10,2 %	7,1 %	8,8 %

* Data as at 31 December.

** (Number of employees who left the company during the reporting period/average number of employees, taking into account the number of employees at the beginning and end of the year)*100

S1-8

SCOPE OF THE COLLECTIVE BARGAINING AGREEMENT AND SOCIAL DIALOGUE

The Collective Bargaining Agreement applies to all employees (100%) in both the Parent Company and the Subsidiary. Data on the development of social dialogue are calculated based on the situation as of 31 December 2025, determining how many employees out of the total number of employees are represented in the trade union.

Data on the number of union members obtained from accounting data on withheld trade union member dues.

	Scope of collective bargaining agreement		Employee representation in trade unions	
	Parent Company 31.12.2025.	Group 31.12.2025.	Parent Company 31.12.2025.	Group 31.12.2025.
Share of scope	100 %	100 %	66 %	48 %

	Scope of collective bargaining agreement		Employee representation in trade unions	
	Parent Company 31.12.2024.	Group 31.12.2024.	Parent Company 31.12.2024.	Group 31.12.2024.
Share of scope	100 %	100 %	67 %	48 %

S1-9

DIVERSITY INDICATORS

Indicators	Parent company 31.12.2025.	Parent company 31.12.2024.	Group 31.12.2025.	Group 31.12.2024.
Gender representation of employees				
Number of men	468	448	766	748
Share of men	84 %	83 %	84 %	83 %
Number of women	86	92	151	157
Share of women	16 %	17 %	16 %	17 %
Employees by age group				
Number of employees under 30 years of age	68	48	99	82
Share of employees under 30 years of age	12 %	8 %	11 %	9 %
Number of employees aged 30 to 50 years of age	297	296	474	485
Share of employees aged 30 to 50 years of age	54 %	55 %	52 %	54 %
Number of employees over 50 years of age	189	196	344	338
Share of employees over 50 years of age	34 %	37 %	38 %	37 %

Data according to Note 7 of the financial statements.

ESRS S1-10, S1-11

ADEQUATE WAGES AND SOCIAL PROTECTION

Every year, the Group participates in a general remuneration study provided by Figure Baltic Advisory and compares its remuneration data with market data. All positions in the Group are assessed and divided into job groups. When reviewing remuneration, both the general remuneration study data compared to the current remuneration amount, as well as the position assessment groups and individual performance, in light of the results of the annual assessment, are taken into account. The amount of remuneration is determined according to the duties of the position to be performed, and not by the employee’s gender.

In addition, it should be noted that all Group employees are protected from loss of income in the event of parental leave, illness, unemployment, work-related injuries, disability or retirement in accordance with the labour law regulations in force in the Republic of Latvia.

S1-12 PERSONS WITH DISABILITIES

Indicators	Parent Company 31.12.2025.	Parent Company 31.12.2024.	Group 31.12.2025.	Group 31.12.2024.
Number of employees with disabilities, including	3 %	3 %	3 %	2 %
Men	15	15	21	18
Women	2	-	3	2

Data are calculated based on information provided by employees in the EDS.

S1-13 TRAINING AND SKILLS DEVELOPMENT INDICATORS

Indicators	Parent Company 31.12.2025.	Parent Company 31.12.2024.	Group 31.12.2025.	Group 31.12.2024.
Proportion of employees who have participated in regular performance improvement and career development evaluation activities	98.5 %*	94.3 %*	99 %*	93.5 %
Men	468	432	766	710
Women	86	77	151	136
Average number of training hours per employee	50.5**	58.3	43.27**	47.5
Men	51.3	-	-	-
Women	51.4	-	-	-

The Group’s training and skills development indicators are not reported by employee level or function.

* Data for the previous year obtained from questionnaires approved in the assessment system in the reporting year (i.e., in 2025 an assessment was conducted for 2024 performance, while in 2024 an assessment was conducted for 2023 performance).

** The data were calculated by dividing the total number of training hours by the number of employees.

S1-14
WORK SAFETY INDICATORS

Rādītāji	2025 Parent Company	2024 Parent Company	2025 Group	2024 Group
Percentage of employees covered by the company’s occupational health and safety management system	100 %	100 %	100 %	100 %
Number of deaths due to work-related injuries and work-related diseases	0	0	0	0
Number of recordable work-related accidents*	2	1	2	2
Frequency of recordable work-related accidents	1.85	1.08	1.17	2.68
Number of recordable work-related diseases	2	2	6	8
Number of days lost due to work-related injuries and accidents and work-related diseases and deaths due to such diseases**	147	68	225	260

* Accidents involving the risk of infection are not taken into account, the risk of infection is related to tick bites during the management of energy supply networks.

** The number of days lost due to work-related illness and death due to such illness is not counted.

S1-15
WORK-LIFE BALANCE INDICATORS

Indicators	Parent Company 31.12.2025.		Group 31.12.2025.	
	Women	Men	Women	Men
Number of employees entitled to take family leave	86	468	151	766
Share of employees entitled to take family leave	100 %	100 %	100 %	100 %
Number of employees who took family leave	28	99	53	184
Share of employees who took family leave	33 %	21 %	35 %	24 %

Indicators	Parent Company 31.12.2024.		Group 31.12.2024.	
	Women	Men	Women	Men
Number of employees entitled to take family leave	92	448	157	748
Share of employees entitled to take family leave	100 %	100 %	100 %	100 %
Number of employees who took family leave	14	68	18	80
Share of employees who took family leave	15 %	15 %	11 %	11 %

S1-16
REMUNERATION INDICATORS

The wage gap and total remuneration gap Indicators are calculated in accordance with the formulas specified by ESRS. The calculation of the wage gap between men and women uses gross hourly remuneration. The total remuneration gap is determined by comparing the total annual remuneration of the highest paid employee in the Parent Company or the Group (including bonuses, allowances, etc.) with the average median of total remuneration. The total remuneration gap does not include the remuneration of the members of the Management Board, Supervisory Board and Audit Committee of the Group’s companies, because these officials are not employees of the company within the meaning of the Labour Law, but act on the basis of authorisation, and the remuneration Indicators of the said officials are already publicly available in the declarations of officials and in the documents published by the companies. Comparable data for 2024 are not provided, as the indicator in question was not calculated within the Group in 2024.

The calculation of the gender pay gap and total remuneration gap indicators includes remuneration paid to employees engaged under employment contracts,

including base salary, bonuses, supplements for overtime and night work, as well as other statutory supplements in accordance with the Labour Law (such as paid leave, sickness benefits, etc.) and paid days off in accordance with the Collective Agreement.

The calculation does not include employer contributions to pension funds, health insurance, or additional leave allowances provided under the Collective Agreement. The Group considers the impact of excluding these cost components from the calculation to be immaterial, as such costs are proportionate to employee remuneration and/or (in the case of health insurance) uniform for all employees. Consequently, these exclusions do not materially affect median remuneration indicators or the results of the pay gap (ratio) calculations.

In the calculation of medians at Conexus, the remuneration of 22 employees who were not employed for the full year 2025 was excluded. Management considers the impact of excluding these employees on the pay gap indicators to be immaterial.

The methodology for calculating the pay gap indicator will be further aligned with ESRS requirements in 2026, by incorporating the currently omitted remuneration-related elements.

AST has an equal approach to employees with equivalent duties, competencies and levels of responsibility, observing a non-discriminatory approach. The monthly basic salary for employees is determined in accordance with the assessment of the specific position, labour market assessment, the amount of work to be performed and the employee’s competence. The variable part of the salary is directly related to the employee’s individual work results, competencies and achieved individual and/or company goals.

Different job groups have different salaries, which result from the aforementioned principles that determine employee remuneration. Job groups are not evenly represented between genders. Based on the ESRS methodology, the salary gap is calculated only by comparing genders, without taking into account differences between job functions and levels.

Indicators	2025 Parent Company	2025 Group
Gender pay gap	–4 %	–6 %
Total pay gap	3.76	3.92

AFFECTED COMMUNITIES

ESRS S3

As the operator of the electricity and natural gas transmission system, the Augstsprieguma tīkls Group has infrastructure that covers the entire territory of Latvia. In the implementation of the Group’s strategic development projects and in the process of infrastructure maintenance, interaction occurs with residents whose properties are crossed by, or located near, the Group’s infrastructure. The Group takes public interests into account and, where possible, plans works in a way that minimises its negative impact, for example by aligning works with the agricultural work calendar, seasonality and weather conditions so that the use of machinery is considerate of local roads, and by carrying out planned works in compliance with environmental noise limits.

When assessing the types of communities affected, it should be taken into account that these communities may be located directly next to transmission lines or gas pipelines, but the impact may also extend to communities that are economically connected to these projects. This includes communities that provide materials, services or other resources, such as guest houses and catering services, as well as communities whose business activities may be disrupted, such as farmers or tourism operators.

The Group’s operations are significantly influenced by the interests, opinions and rights of affected

communities, including the observance of human rights. The Group’s strategy and operating model are designed to take the needs of society into account, and to find a balance between economic development, environmental protection and social responsibility.

As transmission system operators, AST and Conexus are responsible for the security and continuity of energy supply throughout the country; however, their infrastructure projects often affect local communities, their quality of life and the environment. Therefore, the Group’s strategy places great importance on open and inclusive communication with all stakeholders. To this end, the Group engages in dialogue with residents, businesses and non-governmental organisations to ensure that their views are heard and taken into account in the decision-making process. Additional information is available in the section on "Stakeholder engagement".

Public participation is an important element in the Group’s activities. Before the construction of new transmission lines (e.g. the construction of the new Ventspils–Brocēni–Varduva line) or the modernisation of existing infrastructure, public consultations and discussions are organised. In this process, the objectives of the project, possible benefits and impacts are explained, along with solutions that best correspond to the interests of the community are sought. In recent years, public interest in participating in consultations has increased. The Augstsprieguma tīkls Group relies on transparency and trust, ensuring that all actions taken are justified and comply with legal regulations.

Particular attention is paid to the observance of human rights, especially with regard to property rights and the

impact on the living conditions of local residents. During the reporting period, no cases of human rights violations related to affected communities were identified, neither in connection with the Group’s own activities nor within its value chain.

Augstsprieguma tīkls adheres to the principles of fair compensation when projects affect private property and seeks to offer solutions that reduce potential inconvenience and long-term consequences for the local community. The company also carefully evaluates environmental impacts in order to ensure that its activities promote sustainable development and minimise negative impacts on biodiversity and the landscape.

As AST considers that an informed society is better able to adapt to changes in the energy sector and actively participate in overall energy development, the company regularly informs the public about transmission system development plans and electricity market trends.

Overall, the interests and rights of affected communities are an integral part of the activities of Augstsprieguma tīkls. The company is committed to operating responsibly, observing the highest standards of ethics and social responsibility in order to ensure long-term benefits for both society and for the energy sector as a whole.

LINKING TO THE STRATEGY AND BUSINESS MODEL

Both the strategy and business model reflect the need to minimise negative impacts on communities and to address potential issues in a timely manner. For example, based on studies conducted on the need to strengthen the transmission network in Kurzeme, in 2025 AST organised public consultations in the Ventspils, Kuldīga and Saldus municipalities regarding the planned project "Construction of the 330 kV power transmission line from Ventspils–Brocēni–Varduva" (see additional information in the section on "Implemented and planned activities").

Information about the public consultations is also published by the municipalities involved in order to reach a wide range of interested parties. The owners of real estate properties whose properties border the territory of the planned activity are informed individually. Subsequently, an environmental impact assessment is carried out, and repeated public consultations are organised in order to present the environmental impact assessment report.

This approach is important to promote public support and ensure the successful implementation of projects. In addition, the necessary funding is planned for compensation and support measures for affected communities.

In accordance with Section 24 of the Energy Law and points 1 and 6 of Cabinet Regulation No. 603 of 25 July 2006 "Procedure for Calculating and Paying Compensation for the Restriction of the Right to

Use Land Property Necessary for the Installation or Reconstruction of an Energy Supply Facility", the procedure is stipulated as to how an energy supply merchant compensates a real estate owner for losses directly related to the installation of new facilities or to ensuring the operation and repair of existing facilities.

When assessing the impact on local communities, the company recognises the need to adapt its operating model in order to reduce negative impacts. These changes may include modifications to reconstruction plans, the use of new technologies that reduce environmental impact factors (e.g. noise and vibrations), and additional support mechanisms for society. For example, noise barriers have been installed in the Tume and Rēzekne battery projects to improve the well-being of nearby residents, while in areas with historical heritage (e.g. in Kuldīga and within the boundaries of the historic centre of Riga, among others) solutions are sought to successfully integrate infrastructure structures into the overall landscape.

SIGNIFICANT IMPACT ON COMMUNITIES

The activities of the Group’s companies have the potential to create adverse impacts on local communities. This impact may be related both to actual and potential negative effects on the environment, the economy and society, particularly in relation to the construction of infrastructure, its maintenance and possible losses that may arise in connection with land use and the living conditions of residents.

Both companies implement projects that require the construction or reconstruction of new transmission lines, gas pipelines, substations or overhead lines, which may affect landowners. In some cases, this may create a need to use agricultural, forestry or residential land plots, which may conflict with the interests of the respective landowners. At the same time, it is conceivable that residents who live or work near electricity or gas lines may also face issues related to noise, visual aesthetics or environmental pollution.

In some cases, this impact may be widespread, for example, if a project requires large areas of land or if the affected areas include several communities. However, the specific impacts may depend on the local situation and the public response to the particular project. Negative impacts may also be associated with individual events in the energy system, such as temporary disruptions to the operation of local infrastructure or during the construction of transmission lines.

AS Augstsprieguma tīkls services all 330 kV and 110 kV electricity transmission lines located in the territory of Latvia in order to ensure their efficient operation, maintenance and repair. In accordance with the Protection Zones Law, special protection zones have been established, the main purpose of which is to ensure the safe and efficient operation of electricity infrastructure. As a result, landowners must be prepared for regular inspections of power lines and planned repair works, about which they are informed in advance, as well as emergency repair works of which owners may not be informed in advance. After the works have been completed, AS Augstsprieguma tīkls is responsible for ensuring that the land areas are restored and can

again be used for their original purposes. In addition, appropriate compensation must be provided to landowners or users if damage has been caused during the course of the works, and such compensation is provided in accordance with the procedures established by law or by mutual agreement.

AST is also responsible for felling hazardous trees if they threaten the safety of power transmission lines, as well as for clearing vegetation from line corridors that may interfere with their operation. Farmers are prohibited from growing trees and shrubs within the protection zones of power transmission lines, particularly on forest land, while outside forest land it is possible to grow plants only with prior written agreement with AST, the owner of the transmission network. Within the protection zones of overhead power lines that cross forest areas, regular forest management is carried out — including clearing and tree trimming — in order to prevent potential threats to the power lines. These measures are particularly important to ensure the safety of the network, prevent accidents and maintain the operational quality of transmission lines.

All necessary information on these matters is provided on the AST website, where landowners and other interested parties can familiarise themselves with all rules and procedures applicable to their properties and rights.

At both national and European Union level, maximum permissible limits for electromagnetic fields (EMF) have been established in order to ensure the protection of public health. In Latvia, the electricity network operates at a frequency of 50 Hz, and the permissible EMF limits

for electric field intensity (maximum 5000 V/m) and magnetic flux density (maximum 100 µT) at this frequency are determined by the European Union recommendation for the protection of the public from exposure to electromagnetic fields — Council Recommendation of 12 July 1999 on the limitation of exposure of the general public to electromagnetic fields (0 Hz to 300 GHz) (1999/519/EC). These requirements are also incorporated into Latvian regulatory enactments, i.e. Cabinet Regulation No. 637 (16 October 2018).

The intensity of the magnetic field in the immediate vicinity of high-voltage power transmission lines is usually within the range of 25 to 30 µT, while at the boundary of the protection zone it practically reaches zero. These values are 3–4 times lower than the maximum limit permitted in Latvia and internationally — 100 µT — thus ensuring the safety of residents.

When designing and reconstructing power transmission lines and substations, AST complies with all relevant regulatory requirements related to environmental protection and health safety, strictly observing the established EMF limit values.

AST Technical Expertise Service (hereinafter also referred to as AST TED) is accredited to carry out electromagnetic field measurements (LATAK registration No. LATAK–I–166). However, AST TED does not assess the impact of EMF on human health and does not provide recommendations regarding the construction of houses near power transmission lines.

AST carries out noise measurements near substations and, based on received complaints, assesses the noise level in accordance with the applicable Cabinet regulations.

For safety purposes, protection zones where Conexus infrastructure is located are subject to restrictions on use by other parties, as set out in Sections 56 and 58.2 of the Protection Zones Law. These restrictions include prohibitions on carrying out construction works, growing trees and shrubs, placing highly flammable objects, conducting earthworks, land improvement or geodetic works, organising public events, and other restrictive activities.

The positive impact created by projects implemented by transmission system operators improves the quality and availability of electricity supply in regions that previously depended on unstable energy supply systems. Moreover, for residents who live or work near electricity or gas transmission networks, such systems provide long-term stability and development. New projects can also create jobs and promote regional development opportunities, thus conferring positive impacts to communities. The Sustainability Report describes in detail the positive impact of synchronisation and other projects on the Latvian public.

RISKS AND OPPORTUNITIES

Residents’ objections to projects represent one of the main risks, particularly in relation to compensation for damages and possible objections. This risk is associated with legal and financial issues, as well as the company’s reputation. The cost risk is related to the need to compensate for losses of property rights or temporary impacts on the living conditions of communities. Therefore, it is important to continuously monitor public reaction and adjust activities in order to minimise this risk to as great an extent as possible. On the other hand, successful community engagement and the effective implementation of public dialogue can reveal opportunities for building long-term relationships with local communities, which may also be beneficial for future projects. Reducing environmental impacts and promoting public well-being can improve the company’s image.

S3-1

POLICY FOR AFFECTED COMMUNITIES

AST’s operations are based on two development planning documents:

- The European Community 10-year development plan, prepared by ENTSO-E and including regional projects, ensuring a coordinated approach to the development of electricity transmission systems across Europe,
- The Latvian National 10-year development plan, which, in addition to the regional projects included in the ENTSO-E plan, allows for the planning and implementation of projects of national importance, effectively developing the Latvian electricity transmission infrastructure.

The plans cover all areas of AST’s operations, including the maintenance, development and modernisation of electricity transmission networks, ensuring a secure and uninterrupted electricity supply to all end users, i.e. electricity consumers, producers and distribution system operators. The highest level of management – the AST Management Board – is responsible for the implementation of the plans, ensuring that all aspects are integrated into the organisation’s strategic priorities and operational processes.

A similar 10-year development plan is also in place for Conexus, which determines the development of the natural gas transmission system, future functional development directions and specific capital investment projects for their implementation.

The plans cover all areas of AST’s activities, including the maintenance, development and modernisation of the electricity transmission network, ensuring safe and uninterrupted electricity supply to all direct users, i.e. electricity consumers, producers and distribution

system operators. The implementation of the plans is the responsibility of the highest management level – the AST Management Board – which ensures that all aspects are integrated into the organisation’s strategic priorities and operational processes.

The Group recognises its responsibility for respecting human rights, and its policy with regard to affected communities is aligned with the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

These commitments are included in the AST Code of Ethics, which is publicly available on the AST website.

With regard to affected communities, AST strives to:

- respect the right of communities to self-determination, culture and traditions;
- ensure that AST activities do not restrict communities’ access to resources and services essential to their survival and well-being;
- promote open dialogue and engagement with affected communities in order to understand their needs and concerns, and involve them in decision-making processes.

In addition, AST carries out impact assessments regularly and proactively, including impacts on communities, in order to identify potential risks and implement preventive measures in a timely manner. In 2025, AST approved amendments to the Standard Instruction for the operation of 110–330 kV overhead

power lines, stipulating that when planning and carrying out line maintenance works, the company and its engaged subcontractors must assess the potential impact on the environment and local communities and, as far as possible, plan works in a way that avoids impacts or minimises impacts on these areas. This includes, where possible, taking agricultural processes into account – for example, the timing of sowing or harvesting and other factors.

AST has also introduced a policy to protect persons who report potential violations or express concerns about the company’s activities from any form of retaliation. This policy includes ensuring confidentiality and other measures that ensure individuals can freely and safely express their concerns. This policy is publicly available on the AST website.

AST regularly reports to management on its sustainability indicators, which also include information on human rights issues. In 2025, no reports of human rights violations were received.

Detailed information on AST’s policies is available in the section on "Business conduct policy and corporate culture", which provides information on policies and other internal regulatory documents through which AS Augstsprieguma tīkls manages significant sustainability areas. This information is available on the AST website.

S3-2

PROCESSES FOR
ENGAGEMENT OF
AFFECTED COMMUNITIES

The Group communicates with affected communities using multiple channels and processes to ensure transparent and effective information exchange.

- Direct communication: open meetings, public hearings and surveys to obtain direct feedback;
- Communication with community representatives: working with NGOs, local authorities and industry experts to ensure effective and structured communication;
- Communication on social media, websites and email distribution lists, as well as providing information to the media to regularly inform the community about current events.

The Group’s approach and processes to prevent negative impacts on affected communities are based on proactive engagement, regular communication and transparent accountability. Impact assessments are carried out and collaboration is established with local communities in order to develop preventive and mitigating measures.

AST regularly conducts:

- Surveys and interviews with affected communities;
- Independent audits and reviews;
- Analysis based on community feedback and recommendations.

Information campaigns are conducted and educational sessions are organised.

In the Parent Company, direct communication with affected communities is the responsibility of the Operations Division (maintenance of power lines) and the Development Division (development of new projects), while public communication is the responsibility of the Communications Department, which coordinates all communication activities and cooperates with other departments.

In order to improve cooperation with affected communities, in 2025, the Group is reviewing the Corporate Social Responsibility policy, which includes identifying the views of local communities and, once approved, will serve as the basis for improving cooperation and awareness in the coming years.

The Subsidiary is engaged in the maintenance of existing infrastructure, which requires communication with landowners whose territories contain protection zones. Communication with landowners takes place in cases where protection zone clearing from trees and shrubs is carried out or when works on Conexus infrastructure are performed. Cabinet Regulation No. 982 of 5 December 2006 "Methodology for Determining Protection Zones of Energy Infrastructure Objects"

defines the scope and procedures according to which protection zones are cleared of trees and shrubs. Conexus sends informational warning letters by post or electronically regarding protection zone clearing works from trees and shrubs or the performance of repair works. The requirement to send such warnings derives from Section 35, Paragraph 2 of the Protection Zones Law, which stipulates that at facilities where a protection zone has been established, the owner or possessor of the facility is permitted to carry out works within the protection zone that are necessary for the operation, repair, restoration or reconstruction of the respective facility. The landowner or lawful possessor must be notified in writing at least two weeks before the start of the works, except in the case of emergency repairs or the elimination of their consequences, which may be carried out at any time without prior notice.

S3-3

PROCESSES FOR REMEDIALISATION OF NEGATIVE IMPACTS AND CHANNELS FOR AFFECTED COMMUNITIES TO EXPRESS CONCERNS

Several communication channels have been established within the Group's companies through which representatives of affected communities can express their concerns or ask questions, as well as report potential violations, including in the field of human rights. Complaints can also be submitted through the whistleblowing systems of the Group's companies (see the sections on "Channels for raising concerns" and "Whistleblower protection").

Whistleblower reports are examined in accordance with the established Whistleblowing Procedure, whereas in the case of other complaints, the information is received by the Document Management Department, which forwards the specific issue to the structural unit whose activities are most closely related to it. Complaints are processed in accordance with the requirements of external regulatory enactments and, if necessary, corrective measures are taken to eliminate violations and compensate affected persons.

AST's communication approach provides for informing affected communities about the available communication channels and complaint-handling processes. This approach includes informational materials, public meetings and regular communication with community representatives.

Signs displaying the contact telephone number of the Group's companies are placed in the immediate vicinity of the Group's infrastructure facilities. Informational materials sent to residents contain contact information for obtaining additional information and for reporting emergency situations.

In the event that complaints are received from real estate owners regarding potential damage to their property caused by the Group's companies during the performance of works (repair, restoration or reconstruction of infrastructure facilities), the respective real estate is inspected after the completion of works, and the Group's companies agree with the property owner on the elimination of the damage caused. AST has established an internal monitoring system to track and supervise issues that have been raised and need to be addressed in relation to affected communities. This system includes regular meetings with responsible employees, as well as data analysis and record-keeping regarding the progress and the results of complaint handling. Information on each recorded case is compiled in a table, creating a unified register and archive of complaints. In 2025, 22 claims were received; after reviewing and assessing the situation, eight claims were found to be unfounded, ten were recognised as justified due to the fault of contractors, and four submissions or calls were found

to be requests for information that were not related to claims or complaints. An assessment of the submissions received shows that during the last three years, no justified claims have been received that were related to the actions of AST personnel.

Regular reviews and meetings with stakeholders are developed in order to monitor progress in resolving complaints and ensure continuous improvement. In order to assess whether communities are aware of and trust these structures and processes, AST regularly conducts surveys and interviews, as well as analyses the number and nature of complaints received. Where it is found that communities are not sufficiently informed or do not trust the available mechanisms, AST takes additional measures to improve communication and foster trust, but this improvement process is not formalised. However, AST's main goal is to ensure the best possible awareness of communities. Accordingly, when necessary, not only digital channels and media are used, but also letters are sent, individual calls are made or face-to-face meetings are organised. A structured approach to ascertaining the views of local communities is envisaged in the Corporate Social Responsibility Project, which is planned to be submitted for approval in 2026.

If the Group's companies determine that their activities have caused or contributed to a significant negative impact on the affected communities, they shall ensure or facilitate appropriate legal protection. This includes the payment of compensation, rehabilitation measures or other support that is proportionate to the specific situation.

Conexus pays for damage caused to agricultural crops during repair work, in the event that the repair work cannot be postponed to the period when the crop has been harvested. The consideration of the issue of compensation for losses is carried out on the basis of the application received. In the application, the landowner is required to indicate the name of the damaged crop (wheat, barley, rapeseed or other), the volume (area) and attach an estimate of the loss. The estimate shall be checked and compared with the current grain market prices. In case of doubt, Conexus cooperates with the Latvian Rural Consulting and Education Centre. In order to ensure fair assessment of the damage caused and compensation in relation to damaged crops, Conexus has concluded a cooperation agreement with the Latvian Rural Consulting and Education Centre (LLKIC). The amount of damage caused by damaged crops is calculated in accordance with the calculation made by LLKIC. To determine the amount of other types of damage caused, Conexus and the owner of the real estate reach a mutually agreement, taking into account the nature, amount of damage, damage caused and the market value of the relevant thing, if such can be determined.

Conexus compensates losses if the land property is encumbered with new engineering communications, which have protective zones, thereby imposing new encumbrances on the land owner. Compensation is carried out in accordance with the procedure specified in Section 23 of the Energy Law.

AST has incorporated procedures in relation to possible damage, including representatives of surrounding communities, into contracts with contractors who

perform work in power line separation zones or other work on behalf of AST. At the end of the work, contractors are obliged to submit a certificate confirming the absence of third-party claims. In turn, if community representatives address complaints to AST and they are related to the activities of contractors, AST directs them to the relevant contractor, who is obliged to resolve the situation and, if necessary, compensate the victim for losses.

In the case of new projects, if they are related to the repurchase of real estate or the determination of encumbrances, the external legal framework is observed and the applicable amount of compensation is decided by a decision of the company's Management Board.

AST actively engages in dialogue with various stakeholders, including state institutions, municipalities and non-governmental organisations, in order to promote and support the availability of effective communication channels and adapt them to the audience to be reached. The Parent Company has established cooperation with municipalities and, where necessary, engages consultants (e.g. to organize public consultations), which helps to ensure that affected communities have access to reliable and effective ways to express their concerns and needs. Regular reports are prepared and meetings with stakeholders are organised in order to monitor the progress of complaint resolution and ensure continuous improvements.

S3-4

ACTION IN RELATION TO
SIGNIFICANT IMPACTS ON
AFFECTED COMMUNITIES

In order to prevent, mitigate or correct significant negative impacts on affected communities, the Group implements measures such as environmental impact assessments, public consultations and cooperation with local communities. For example, during construction projects, AST makes every effort to minimise noise and dust pollution, as well as providing compensation for reasonable losses.

In order to make a positive impact on affected communities, the Group implements various additional initiatives, in particular focusing on public education activities – for example, organising educational classes in schools and field trips to universities (which also serve the purpose of recruiting new employees), as well as for several years discussing energy security topics at the LAMPA Conversation Festival.

The Group regularly conducts internal audits and external assessments, including in community-related areas, in order to track and evaluate the effectiveness of its activities and initiatives. The company uses various indicators to measure its progress and ensure that its operations meet its sustainability goals. For example, the dynamics of the number of complaints, the results of surveys, the amount of compensation paid, the

number of participants in public consultations and other activities, and the level of satisfaction with cooperation, etc.

AST's approach is based on proactive engagement, regular communication and transparent accountability. The company strives to identify potential risks in advance and take preventive measures to prevent or mitigate negative impacts. Existing procedures are regularly reviewed and improved to ensure their effectiveness.

AST takes preventive actions to identify possible dependencies on the external manifestations of affected communities by conducting surveys, monitoring media and social networks, and, if necessary, engages in resolving the situation so that the identified dependencies on the external manifestations of affected communities do not become risks.

Conexus, in implementing the requirements of the Cabinet Regulation No. 982 "Methodology for Determining Protective Zones of Energy Infrastructure Facilities" of 5 December, provide information on actions to be taken in the event of a possible transmission gas pipeline accident and protective measures to be taken. Since the impact on communities may also be related to safety aspects, the Subsidiary maintains a Safety Report. The new version includes information on modernisation projects carried out and initiated in recent years, as well as a reassessment of the risk of industrial accidents at the Inčukalns UGS facility using a new version of the quantitative risk assessment programme, which, among other things, serves to protect the surrounding community from unwanted impacts.

Conexus, in accordance with the Cabinet Regulation No. 131 "Procedure for Risk Assessment of Industrial Accidents and Risk Reduction Measures" of 1 March 2016, regularly informs residents living in the vicinity of the Inčukalns UGS Facility and companies located nearby about the possible threat and necessary actions to be taken in the event of accidents at the Inčukalns UGS Facility, as well as about planned protective measures.

In accordance with Cabinet Regulation No. 563, emergency drills are conducted every three years at the Inčukalns UGS with the aim of testing the effectiveness of response and consequence elimination measures in emergency situations in cooperation with the State Fire and Rescue Service (SFS), as well as other institutions in disaster management cases. Residents are informed about the drills, possible inconveniences and the movement of emergency service vehicles. The drills provide an opportunity to practically test the cooperation between the Inčukalns UGS, SFS, the municipality and residents. Such drills were most recently conducted on 6 November 2025.

All costs associated with the above-mentioned activities and processes related to affected communities are planned and ensured within the annual budget.

ESRS S3-5

TARGET INDICATORS

The Group does not formally set quantitative targets for affected communities. Activities are carried out in accordance with legal requirements and internal procedures that ensure that the rights and interests of affected communities are taken into account.

Qualitative targets for affected communities are included in the Group’s sustainability initiatives and internal procedures. These include:

- Mitigating adverse impacts: The Group strives to minimise its impact on the environment and society by adhering to the highest standards and using the best available technologies;
- Promoting positive impacts: The Group promotes knowledge and understanding of local communities about energy supply and energy security by engaging in public education activities;
- Risk and opportunity management: The Group identifies and manages risks and opportunities related to affected communities to ensure sustainable development.

The Group regularly engages in dialogue with affected communities to understand their needs and concerns. This dialogue takes place in various formats, such as public consultations, meetings with local residents and cooperation with NGOs. The company takes into

account the opinions of the communities when making decisions and planning its activities. Accordingly, affected communities indirectly participate in setting goals, tracking performance, and identifying lessons and improvements, because their opinions are heard and taken into account in the company’s decision-making process.

9

INFORMATION ON BUSINESS

BUSINESS POLICY AND CORPORATE CULTURE

ESRS GOV-1, G1-1, G1-3

THE GROUP’S VALUES AND FOCUS

OVERALL STRATEGIC OBJECTIVE

Ensure the security of Latvia’s energy supply, provide continuous, high-quality and affordable energy transmission service, ensure the sustainable management of strategically important national energy assets, and promote their integration into the internal energy market of the European Union.

MISIJA & VĪZIJA



Ensuring continuous, secure and sustainably effective transmission of electricity across Latvia

A secure and innovative electricity transmission system that serves the national interest and supports the transition to a sustainable and competitive operations.



Ensure reliable gas transmission and storage operations while contributing to the decarbonisation of the energy sector and market development.

A sustainable gas transmission and storage operator in a regionally integrated energy market.

VĒRTĪBAS



With integrity



Wisely



Responsibly



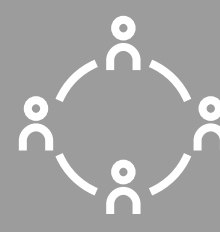
Together



Safety and security



Competence



Cooperation

FOKUSS

1

Contribute to the country's economic growth

2

Promote the development of the energy sector and the transition to climate neutrality

3

Ensure the safety and development of transmission and storage infrastructure

The Group's management promotes business operations based on fair and honest principles, compliance with ethical norms, and takes the necessary actions to prevent fraud and corruption risks and ensure the improvement of the control environment. The Group has established absolute zero tolerance for any kind of abusive, improper or illegal behaviour of employees and officials for personal gain and has established zero tolerance for the risk of corruption and fraud.

The Group sets corporate values, as well as high standards of professional conduct and ethics, ensuring that they are directed against corruption, preventing conflicts of interest in everyday operations, unlawful use of inside information and any other illegal and unethical behaviour.

AST's corporate values are defined in the Corporate Social Responsibility Policy:

- 1. With integrity - Independent, ethical and open action towards everyone and everyone;
- 2. Smartly – effectively. With an eye on the future. Long-term thinking;
- 3. Responsibly - Thoughtful action. With a high level of responsibility towards work, people and nature;
- 4. Together - Joining forces to achieve more. A strong team that encourages and challenges.

Conexus promotes corporate values such as high professional and responsible conduct and ethical standards, ensuring that they are directed against

corruption, preventing conflicts of interest in everyday operations, unlawful use of inside information and any other illegal and unethical behaviour. The Company promotes corporate social activities that are consistent with the Company's strategic goals (safety, professionalism, sustainability, openness) and involve the Company's employees and the public in their implementation.

Both the Parent Company and the Subsidiary have developed and apply Codes of Ethics. The purpose of each Code is to create a single set of ethical norms of behaviour in the respective company and to strengthen the company's internal culture, business practices, and reputation by defining basic ethical principles and internal organisational measures based on the company's core values, as well as promoting a safe and inclusive work environment.

The Code is binding on all employees and elected officials, and it, among other things, provides for:

- prohibition of engaging in corrupt or fraudulent activities;
- principles for managing conflicts of interest;
- ethical requirements in cooperation with employees, customers, and partners;
- rules for accepting and giving gifts.

In accordance with the AST Code, employees are introduced to the aforementioned document by the Personnel Department upon commencement of

employment, as well as within 30 days of the Code or its amendments coming into force, which is ensured by the Personnel Department or the head of the relevant structural unit.

Upon commencement of employment at Conexus, the new employee is introduced to the Code of Ethics and undergoes an ethics training course at the Conexus Academy, which is mandatory for all employees of the company.

In accordance with the Conexus Code, employees are encouraged to receive consultations on ethical issues, as well as to be socially responsible and to react if non-compliance with the Code or other violation is ascertained, informing their immediate manager, a member of the Management Board or submitting a whistleblower report in accordance with the procedures specified in the internal whistleblowing regulations. Detailed information on the implemented whistleblowing mechanism and communication channels is available on the Conexus website. Employees are informed about this possibility during mandatory ethics training, and the whistleblowing rules are available to all employees electronically, in addition to which information on submitting reports in paper form was posted on information boards when the system was implemented.

The Group's basic ethical principles are observed in all procurement procedures organised by the Group, including when signing the Supplier Declaration, as well as when concluding contracts with cooperation partners, as well as throughout the entire period of cooperation. In 2025, AST developed a draft anti-corruption and bribery policy, which is aligned with the UN Convention

against Corruption, and in 2026, it is planned to continue work on the development and improvement of the policy.

AST employees are informed of the requirements of the AST fraud, corruption and conflict of interest risk management framework. Suppliers and other interested parties can access key information on AST's policies related to responsible business conduct through the AST website. Here detailed information is available on AST's actions aimed at ensuring responsible business conduct, which, in addition to the Code of Ethics and information on whistleblowing, includes information on fraud, corruption and conflict of interest risk management, procurement policy, supplier declaration, privacy policy, real estate leasing/leasing and valuation of property investment. AST suppliers, through the Supplier Declaration, confirm their commitment to comply with the principles of fair competition, laws and contractual provisions, confidentiality, preventing conflicts of interest, fraud and corruption, preventing discrimination, ensuring sustainable development, observing social responsibility and keeping transaction and financial records.

The policies and other internal regulations of AST and Conexus specify those persons responsible for implementing and monitoring policies, as well as a deadline for updating policies. The Management Board is generally responsible for implementing policies in the relevant company, while the Supervisory Board oversees the implementation of policies.

During the reporting period, stakeholders were not directly involved in the development and/or updating of the Group's policies.

Considering that policies determine only the main principles of AST or Conexus management or implementation of operations and the creation of specific systems, internal regulatory documents are issued for their implementation: regulations, procedures, instructions, including internal regulatory documents applicable in business relations with external partners, e.g. internal regulations governing the organisation of procurement. The Group has implemented and is continually improving integrated control measures – policies and related documents, regulations of structural units, distribution of employee duties and responsibilities, etc.

Heads of structural units are responsible for the implementation of the internal control system within the framework of the duties and functions delegated to them (including the implementation of policies and other regulatory acts in their field of activity). Parallel to this, the management of the internal control system is carried out by the Management Board, supervision is carried out by the Supervisory Board, while the effectiveness of the system is monitored by the structural unit responsible for internal audit.

Internal audit function annually provides a general opinion on the effectiveness of the internal control and risk management systems and proposals for their improvement.

After a new policy or other internal regulatory act comes into force, the responsible employee ensures that employees to whom the regulatory document applies are informed of their obligations and rights arising from the regulatory document. If necessary,

training is organised, including assessing the need for organising training, its format (face-to-face, online, e-learning platforms), and regularity. The need for and effectiveness of training can be assessed by whether and how often non-compliances are detected in the application of internal regulatory documents. AST and Conexus have not set specific targets for the effectiveness of the policies, however, each year the Company’s target indicators are set, for the implementation of which the AST or Conexus Management Board is generally responsible (for detailed information, see chapter "GOV-3 Inclusion of sustainability-related performance results in incentive schemes").

The following table summarises the policies and other internal regulatory documents in accordance with which the Group manages the material areas of sustainability.

SUSTAINABILITY REPORT

Internal regulatory document	Document content	Scope of the document	Responsibility for implementation control	Addresses human rights issues	Relation to regulation, standards	Document availability	Relevant area management policy or equivalent document Conexus
Corporate governance policy	To establish common principles according to which AST implements corporate governance, promoting ethical, responsible and transparent corporate governance practices.	AS Augstsprieguma tīkls	Board Office	Yes	Law on Governance of Capital Shares of Public Persons and Capital Companies Commercial Law Recommendations of the Organisation for Economic Cooperation and Development for the Corporate Governance of Capital Companies, Latvian Corporate Governance Code Regulations of the Cabinet No.175 on Corporate Governance Recommendations Applicable to Public Persons and Public-Private Capital Companies	Electronic Document Management System (EDMS) Lietvaris, available to AST employees AST website	Corporate Governance Policy.
		AS Conexus Baltic Grid – the implementation of the principles contained in the policy is ensured to the extent provided by the volume of voting rights.	Implementation supervision: Management Board				Available at Conexus website .
Code of ethics	Establishes a common set of ethical conduct norms and strengthens AST’s internal culture, business practices and reputation by defining basic ethical principles and internal organisational measures based on AST’s core values, as well as promoting a safe and inclusive work environment, preventing direct or indirect discrimination.	AS Augstsprieguma tīkls	HR Department Implementation supervision: Management Board	Yes	Universal Declaration of Human Rights, International Labour Organisation Declaration on Fundamental Principles and Rights at Work United Nations Convention against Corruption and Ten Principles of the United Nations Global Compact Labour Law	Electronic Document Management System (EDMS) Lietvaris, available to AST employees AST website	Code of Ethics. Available at Conexus website .

SUSTAINABILITY REPORT

Internal regulatory document	Document content	Scope of the document	Responsibility for implementation control	Addresses human rights issues	Relation to regulation, standards	Document availability	Relevant area management policy or equivalent document Conexus
Procedure for raising concerns	Establishes an internal whistleblowing system for AST, determines the procedure for the whistleblower to act in the event that he/she wishes to report possible violations, measures to ensure the anonymity and protection of the whistleblower, as well as the procedure for reviewing the report submitted by AST.	AS Augstsprieguma tīkls	Legal Department	Yes	Whistleblowing Law Directive (EU) of the European Parliament and of the Supervisory Board of 23 October 2019 <u>2019/1937</u> on the protection of persons reporting on breaches of Union law Council of Europe Convention for the Protection of Human Rights and Fundamental Freedoms Charter of Fundamental Rights of the European Union	Electronic Document Management System (EDMS) Lietvaris, available to AST employees <u>AST website</u>	Whistleblowing rules at Conexus.
		Stakeholders	HR Department Implementation monitoring: Management Board and Supervisory Board				Information about the rules is available at <u>Conexus website</u> .
Fraud, corruption and conflict of interest risk management rules	Establishes a framework for managing the risks of fraud, corruption and conflicts of interest, focused on proactively identifying, monitoring and preventing risks.	AS Augstsprieguma tīkls	Quality Systems and Risk Management Division Implementation Supervision: Management Board		Law On Prevention of Conflict of Interest in the Activities of Public Officials <u>Cabinet Regulation No. 630</u> "Regulations on the Basic Requirements of the Internal Control System for Preventing the Risk of Corruption and Conflict of Interest in a Public Institution" of 17 October 2017	DVES Lietvaris, available to AST employees	Code of Ethics, Conexus Supervisory Board Regulations, Conexus Board Regulations, Corporate Governance Policy, Procurement Policy, Financial Risk Management Policy. All the above documents, except for the Financial Risk Management Policy, are published on <u>Conexus website</u> . Conexus All internal regulations are available to employees in the Conexus SharePoint Internal Regulations Library.

SUSTAINABILITY REPORT

Internal regulatory document	Document content	Scope of the document	Responsibility for implementation control	Addresses human rights issues	Relation to regulation, standards	Document availability	Relevant area management policy or equivalent document Conexus
Financial risk management policy	Describes the guidelines for financial risk management set by AST. It includes the basic principles of financial risk management, key activities in the field of financial risk management, promoting sustainable development of AST.	AS Augstsprieguma tīkls	Finance and Accounting Department Implementation Supervision: Management Board		Law on Governance of Public Person Shares and Capital Companies Corporate Governance Code Financial Instruments Market Law	DVES Lietvaris, available to AST employees	Financial Risk Management Policy. Available to Conexus employees in the Conexus SharePoint Internal Regulatory Acts Library.
Corporate Social Responsibility Policy	Defines the most appropriate activities and basic principles for AST in the field of corporate social responsibility to promote the implementation of AST's strategy and sustainable development.	AS Augstsprieguma tīkls	Communication Section Implementation Supervision: Management Board	Yes	United Nations Global Compact and the 10 Fundamental Principles of Corporate Social Responsibility Law on the Prevention of Waste of Public Person's Financial Resources and Property Law on the Management of Public Person's Capital Shares and Capital Companies Corporate Governance Code	Electronic Document Management System (EDMS) Lietvaris, available to AST employees AST website	Corporate Governance Policy. Available at Conexus website .

SUSTAINABILITY REPORT

Internal regulatory document	Document content	Scope of the document	Responsibility for implementation control	Addresses human rights issues	Relation to regulation, standards	Document availability	Relevant area management policy or equivalent document Conexus
Procurement policy	Establishes uniform basic principles for how AST carries out the procurement of goods, services or works.	AS Augstsprieguma tīkls	Procurement Division	Yes	Public Service Provider Procurement Law	Procurement policy available to AST employees in DVS Lietvaris, and in the <u>AST website</u>	Procurement Policy.
		Supply chain	Implementation Supervision: Management Board		Law on Governance of Public Entity Shares and Capital Companies		Available at <u>Conexus website</u> .
					Corporate Governance Code	AST General Rules for Procurement Procedures are available to AST employees DVS Lietvaris	
Remuneration policy	Maintains a competitive and motivating remuneration system, establishing uniform and fair principles for the monetary remuneration of employees, rationally using financial resources.	AS Augstsprieguma tīkls	Staff section	Yes	Labour Law	DVES Lietvaris, available to AST employees	Remuneration policy for members of the Management Board and Supervisory Board, as well as Personnel and remuneration policy.
			Implementation supervision: Management Board		International Labour Organisation Convention on Equal Remuneration		
					Law on Governance of Public Person Shares and Capital Companies		Documents (summary thereof) available at <u>Conexus website</u> .
					Corporate Governance Code		

SUSTAINABILITY REPORT

Internal regulatory document	Document content	Scope of the document	Responsibility for implementation control	Addresses human rights issues	Relation to regulation, standards	Document availability	Relevant area management policy or equivalent document Conexus
Risk management policy	Provides unified risk management principles to timely identify and manage the most significant factors negatively affecting AST's operations, ensuring the achievement of strategic goals, successful development and reducing potential losses and/or reputational damage.	AS Augstsprieguma tīkls	Quality Systems and Risk Management Division Implementation Supervision: Management Board		Law on Governance of Public Person Shares and Capital Companies Corporate Governance Code LVS EN ISO 9001 LVS EN ISO 31000	DVES Lietvaris, available to AST employees	Risk Management Policy. Available to Conexus employees in the Conexus SharePoint Internal Regulatory Acts Library.
Risk management concept	Establishes uniform risk management principles across all risk areas in which AST carries out active risk management.	AS Augstsprieguma tīkls	Quality Systems and Risk Management Division Implementation Supervision: Management Board		Law on Governance of Public Person Shares and Capital Companies Corporate Management Code LVS EN ISO 9001 LVS EN ISO 31000	DVES Lietvaris, available to AST employees	Risk Management Policy. Available to Conexus employees in the Conexus SharePoint Internal Regulatory Acts Library.

SUSTAINABILITY REPORT

Internal regulatory document	Document content	Scope of the document	Responsibility for implementation control	Addresses human rights issues	Relation to regulation, standards	Document availability	Relevant area management policy or equivalent document Conexus
Quality policy	The quality policy is focused on the implementation of AST's mission (to ensure continuous, safe and sustainable electricity transmission throughout Latvia), operational efficiency and sustainable development. The goal is to continually improve AST's performance by fulfilling the requirements of legal acts and regulations, maintaining and developing our values (trust, safety, development, team) and actions (honest, responsible, smart, together), managing risks and using improvement and development opportunities.	AS Augstsprieguma tīkls Supply chain	Quality Systems and Risk Management Division Implementation Supervision: Management Board		Law on Governance of Public Person Shares and Capital Companies Corporate Management Code LVS EN ISO 9001 LVS EN ISO/IEC 17020 LVS EN ISO/IEC 17025	DVES Lietvaris, available to AST employees Information about the quality system and policy principles is available in the AST website .	Asset Management Policy. Available to Conexus employees in the Conexus SharePoint Internal Regulatory Acts Library.

SUSTAINABILITY REPORT

Internal regulatory document	Document content	Scope of the document	Responsibility for implementation control	Addresses human rights issues	Relation to regulation, standards	Document availability	Relevant area management policy or equivalent document Conexus
Occupational safety policy	Regulates the operation of the occupational health and safety system at AST, its aim is to guarantee safe and healthy working conditions and constantly improve the working environment of AS Augstsprieguma tīkls.	AS Augstsprieguma tīkls	Implementation monitoring: Management Board	Yes	United Nations Universal Declaration of Human Rights International Labour Organisation Convention No. 155 Convention concerning Health and safety at Work and the Working Environment Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the health and safety of employees at work Labour Law Labour Protection Law Law on the Management of Shares of Public Persons and Capital Companies Corporate Governance Code Latvian Electrotechnical Commission Energy Standards ISO 45001	DVES Lietvaris, available to AST	Safety and environmental management policy. Available to Conexus employees in the Conexus SharePoint Internal Regulatory Acts Library

SUSTAINABILITY REPORT

Internal regulatory document	Document content	Scope of the document	Responsibility for implementation control	Addresses human rights issues	Relation to regulation, standards	Document availability	Relevant area management policy or equivalent document Conexus
Environmental and energy management policy	Describes AST's attitude towards the environment and energy management. It includes the basic principles of environmental and energy management, promoting sustainable AST operations and development. The policy aims to continually improve AST's environmental and energy performance by implementing the most optimal technical methods and technologies, reducing resource losses and the amount of waste generated, emissions of pollutants into the environment, and the impact on climate change and biodiversity.	AS Augstsprieguma tīkls	Quality Systems and Risk Management Division	Yes	Law on Governance of Capital Shares of Public Persons and Capital Companies	DVES Lietvaris, available to AST employees Information on policy principles available in the AST website	Occupational Health, Safety and Environmental Management Policy. Available to Conexus employees in the Conexus SharePoint Internal Regulatory Acts Library.
		Value chain	Implementation Supervision: Management Board		Corporate Governance Code		
					Legislation of the European Union and the Republic of Latvia in the Field of		
					Environment and Energy Efficiency		
					LVS EN ISO 14001 LVS EN ISO 50001		

INTEREST
REPRESENTATION

ESRS G1-5

At national level, the Group cooperates with the Ministry of Climate and Energy as a policy maker in the climate and energy sector, participating in the development of regulatory frameworks that are relevant to the Group. At European Union level, the Group's interests are represented through involvement in non-governmental and professional organisations. The Group's main topics of interest are included in the agendas of such organisations:

- **ENTSO-E (European Network of Transmission System Operators for Electricity)** – registered in the Transparency Register of the European Union (25805148045-87), participates in the development of current regulatory framework of the European Union for the industry and the Parent Company;
- **ENTSOG (European Network of Transmission System Operators for Gas)** – registered in the European Union Transparency Register (565032821273-72), where the Subsidiary participates in working groups on market development, investments, system transparency and coordinated cooperation and long-term secure system operation throughout the European Union;

- **GIE (Gas Infrastructure Europe)** – registered in the European Union Transparency Register (7613099207-15), ensuring participation of the industry and the Subsidiary in the development of current European Union regulatory frameworks on issues such as security of gas supply, internal gas market, network codes, hydrogen issues.

In 2025, AST actively participated in the following ENTSO-E working groups and committees: System Development Committee, System Management Committee, Market Committee, Research, Development and Innovation Committee, Legal and Regulatory Group, Digital Committee.

The most important processes in which AST is involved:

- Synchronisation of the Baltic States' electricity systems with the Continental European Synchronous Zone;
- 15-minute products in the day-ahead market;
- Work on the review of the draft amendments to the CACM Regulation;
- Participation in the development of the European Resource Adequacy Assessment for 2025.

In 2025, ENTSOG not only strengthened its regulatory role, but also expanded its strategic function - integrating the implementation of the Network Code, infrastructure planning, security of supply and energy transition into a single operation. Conexus actively follows the progress of issues in a total of 15 working groups directly

related to transmission and storage infrastructure, interconnections, tariffs, gas quality and system efficiency assessment.

1. ENTSOG monitors and improves the gas network codes in 2025 to ensure a unified and efficient operation of the European transmission market. Conexus actively follows the changes in these regulations that affect the Latvian transmission and storage system.

2. Work continues on the preparation of the ten-year development plan, emphasizing the assessment of new projects, including hydrogen infrastructure. Conexus is involved in the development processes of regional infrastructure and interconnections.

3. ENTSOG performs EU-wide security of supply analyses and coordinates emergency preparedness. Conexus actively follows the security of gas supply situation across Europe.

4. Conexus follows developments on the wider integration of renewable gases (biomethane, hydrogen) and the development of CO₂ infrastructure.

5. ENTSOG promotes innovation, data exchange and digitalisation in the transmission sector. Conexus uses these initiatives and knowledge to improve the stable and efficient operation of the system.

Reflecting the fact that the Group's interest representation process is carried out in accordance with the Interest Representation Law, as well as ENTSO-E and ENTSOG, which were established to promote the implementation of the European Union's energy policy

and the achievement of its goals, no political cash or in-kind investments are made, therefore the amount of such investments in 2025 was EUR 0.

The Group's participation in industry associations and organisations ensures access to information about current events in the energy and related sectors, as well as representation of interests in the development of national and international policy documents, laws and regulations, and standards.



Membership in the Latvian Association of Electrical Engineers and Energy Engineers (LEEAA) provides an opportunity to participate in the evaluation and improvement of regulatory enactments, policy documents and standards in the field of electric power and power engineering, in the organisation of personnel certification and training programmes, in the conduct of scientific research related to electric power and in the organisation of scientific and technical events, as well as to cooperate with educational institutions in the field of electric power. AST representatives regularly participate in LEEAA meetings to ensure an exchange of views on current events in the energy sector, including energy security.



AST is a member of the Association of Issuing Bodies of European Guarantees of Origin. The circulation and trade of guarantees of origin for electricity in Europe is made possible thanks to the Association of Issuing Bodies (AIB).



AST has been a member of the World Energy Council Latvian National Committee (WEC LNC) since 2016. Membership in WEC LNC provides information on the exploration, extraction, transport, conversion and efficient use of energy resources both nationally and internationally.



In 2021, AST joined the Business Sustainability Council initiated by Swedbank to exchange knowledge, deepen understanding of sustainability, and work with other companies to create a more sustainable business environment in Latvia.

Image: blog.swedbank.lv/biznesa-ilgtspejas-padome-bip



AST joined the Employers' Confederation of Latvia in 2025, thus providing an opportunity to influence important processes not only at the company level, but also on a national and international scale – to participate in social dialogue, influence policy planning and document development processes, as well as to achieve significant changes in regulatory enactments, thus promoting the development of the company and the represented industry, relations with the state, employees and society as a whole.



AST has been a member of the association "Baltic Institute of Corporate Governance" (BICG) since 2022.

Being a member of BICG means joining a progressive and engaged community of active individuals and companies that highly value good corporate governance practices and implement them in their daily business activities. At the same time, it is a contribution to the development of corporate governance practices throughout the Baltics, an opportunity for AST to be involved and actively participate in the latest trends in the field of corporate governance by participating in events organised by BICG.

AST and Conexus do not have procedures or defined responsibilities for monitoring political influence and lobbying activities.

PREVENTION AND
DETECTION OF
CORRUPTION AND
BRIBERY

ESRS G1-3, G1-4

In the Parent Company, prevention and detection of corruption and bribery is ensured through the Code of Ethics and NOP-1-024 "Rules for the Management of Risks of Fraud, Corruption and Conflicts of Interest". Certain requirements that determine the application of risk-mitigating measures such as the "4-eyes principle" are incorporated into AST processes.

In the Parent Company, risks of fraud, corruption and conflicts of interest are assessed for all structural units of the company (100%), and for all positions. Risks are grouped by position groups if the potential risks are comparable.

In total, AST has identified 41 unique risks related to fraud, corruption and conflicts of interest. Each position is assessed separately with the risks associated with the specific position. The most significant risks are associated with procurement, contract monitoring, electricity purchase on the exchange, control of the accounting of electricity transmitted and cooperation with third parties.

The scope of fraud, corruption and conflict of interest risk monitoring measures includes AST employees' conflict of interest declarations for the relevant year, monitoring of AST employees' data in Lursoft databases, monitoring of internal and external environment. All these measures together indicate whether AST employees comply in practice with AST's requirements in the field of fraud, corruption and conflict of interest risk management.

During the reporting period, no significant financial investments were made in the field of prevention and detection of corruption and bribery, as the necessary mechanisms, including controls, have been established in previous periods. Currently, these mechanisms are being maintained and employee awareness is being strengthened.

GROUP CORRUPTION OR BRIBERY INCIDENTS

Indicators	2025	2024	2023
Total number of confirmed cases of corruption or bribery	0	0	0
Number of confirmed incidents where the company's own employees were dismissed or disciplined	0	0	0
Number of confirmed incidents related to contracts with business partners that were terminated or not renewed due to corruption or bribery-related violations	0	0	0

Internal procedures provide for a procedure by which the Management Board is informed at least once a year about all fraud risk events and reports received during the reporting period, as well as about decisions taken and risk and/or impact mitigation measures. The Supervisory Board is also immediately informed of fraud risk events that may cause significant damage to the Group's reputation or cause losses. No significant risk events or complaints were identified during the reporting period that would require immediate notification to the Supervisory Board.

Once a week, heads of structural units inform the Management Board about the progress of achieving goals and the most significant events, including if problems are identified in the implementation of internal regulatory enactments. Regular meetings of managers with the Management Board are also held,

where significant issues and the progress of work are discussed. Issues that apply to all employees are also discussed in online meetings of the Management Board with employees. In addition, in assessing employee performance, one of the evaluation criteria is compliance with internal regulatory documents at work.

AST's additional corruption and conflict of interest risk measures in the activities of the Management Board and Supervisory Board are included in the bylaws of the Management Board and Supervisory Board, respectively, including the obligation for a Management Board or Supervisory Board Member not to participate in making a decision or to perform other actions related to the performance of official duties that affect or may affect the personal or material interests of the relevant official, his or her family members or relatives, or business partners.

In accordance with the Conexus Code, the Supervisory Board manages those conflict of interest situations involving members of the Management Board and Supervisory Board or persons related to them. The Management Board manages those conflict of interest situations involving company employees, as well as monitors the company’s transactions with former board and Supervisory Board Members, as well as persons related to them. In the event that a conflict of interest is discovered in relation to a Management Board or Supervisory Board Member, this information is provided to the Supervisory Board or board, respectively. If a conflict of interest situation is discovered in relation to an employee, the information is disclosed to the head of the structural unit and/or the responsible Management Board Member.

Potential cases of corruption and bribery are investigated when specific reports of possible violations are received or when information indicating potential violations is identified during the checks carried out by the internal control system. In cases of potential violations, the investigation function is provided by employees who are separated from the management chain involved in the specific case, ensuring the independence and objectivity of the investigators.

AST procedures stipulate that if suspicions of potential violations are prima facie justified and can be treated as an offence, the materials obtained during the investigation are transferred to the Corruption Prevention and Combating Bureau (KNAB) as the competent investigative authority, ensuring full cooperation from the AST. Penalties for detected violations are adopted in accordance with applicable laws and regulations.

The Parent Company regularly provides training on actions in conflict of interest situations for persons subject to the obligation in order to prevent conflicts of interest. Training material and a test for knowledge testing are sent electronically once a year, but face-to-face training with the involvement of KNAB specialists is provided no less than once every three years. The last such training, involving a KNAB specialist, was organised on February 1, 2024. The next such training is due to be organised in 2027.

In 2025, employee training with a knowledge test on fraud, corruption and conflict of interest issues was implemented in the AST internal training system Viszinis, which was mandatory for all employees who had at least one medium risk identified. The training was implemented using IT solutions that allowed employees to familiarize themselves with the training materials remotely. The training materials are available to all AST employees. All Conexus employees are informed about the Conexus anti-corruption regulation and procedures and have completed ethics training, which also covered conflict of interest and corruption prevention issues. All Conexus cooperation partners are informed about the Conexus anti-corruption regulation and procedures, because when participating in procurements organised by Conexus, all suppliers are obliged to certify compliance with the aforementioned basic ethical principles, while other suppliers have the opportunity to familiarize themselves with them on the Conexus website. The Code of Ethics determines the mechanism for preventing and controlling conflicts of interest – the Management Board approves the list of positions for which a declaration must be submitted in which the employee confirms the absence of a conflict

of interest, as well as the content of the declaration of conflict of interest. The list may include heads of structural units, auditors, senior specialists, project managers, procurement specialists and other employees who participate in making or preparing decisions that significantly affect the activities of Conexus or who are constantly provided with restricted access information or information containing commercial secrets for the

performance of their duties.

Both the Code and the regulatory enactments containing regulations regarding the prevention of corruption and conflicts of interest comply with the best anti-corruption principles and regulatory enactments, including the United Nations Convention against Corruption.

Parent Company’s training to prevent corruption and bribery

2025	Employees exposed to risk	Managers	Other employees
Scope of training			
Total number	220	44	334
Number of training participants	212	42	5
Training participants to total number, %	96 %	95 %	1%
Teaching methods and duration			
In-person training	Previous in-person training took place in 2024, next scheduled for 2027		
Computerised training	212	42	5
Regularity			
Regularity of training	Once a year – computerised; Once in three years – on-site training	Once a year – computerised; Once in three years – on-site training	Once a year – computerised
Training topics			
Definition of corruption	x	x	x
Policy	x	x	x

CHANNELS FOR RAISING CONCERNS

ESRS G1-1

According to the provisions of the AST Code, every employee must take action to prevent unethical behaviour in the event that a violation of the Code requirements is detected or should a suspicion of such a violation arise. Every employee has the right to file a complaint with the Human Resources Department regarding violations of the Code. Questions and/or information related to the Code or its violations can be submitted via the AST website or e-mail: etika@ast.lv, by contacting your direct manager, head of department or Human Resources Department.

A whistleblowing system has been implemented in the Group to detect and prevent fraud and corruption, as well as other types of violations or dishonest actions. The reporting or whistleblowing channels established in the Group can also be used by customers and other interested parties to file any type of complaint regarding the Group's activities or violated personal interests. Received reports are directed within the Group according to responsibility. Complaints regarding fraud, corruption and conflict of interest cases are handled in accordance with the procedure set out in the Fraud, Corruption and Conflict of Interest Risk Management Regulations.

Detailed information on the implemented whistleblowing mechanism and communication channels is available on the AST and Conexus websites.

Before submitting a whistleblowing report, if you have any questions or doubts, it is possible to receive advice (also anonymously) from AST, which is provided by AST's contact person for whistleblowing issues – Head of Legal Affairs, via [AST website](#) specified communication channels. Similar to AST, it is possible to receive advice (also anonymously) from Conexus, provided by the Head of the Internal Audit Department, via [Conexus website](#) specified communication channels. The information received by the contact person during the consultation is confidential. The personnel department informs each intern or employee about the availability of the whistleblowing procedure simultaneously upon the commencement of the internship or employment relationship with AST.

Conexus employees are informed about the possibility of whistleblowing during mandatory ethics training, in addition to which the whistleblowing rules are sent to all employees electronically, and information about submitting reports in paper form was posted on information boards when the system was implemented. In the event of unethical behaviour, an employee may be held disciplinarily liable in accordance with the Conexus rules of procedure.

In order to ensure fair and objective consideration of disputes arising from the Code, the Chair of the Management Board of AST shall establish an Ethics Commission consisting of five members by order to resolve a specific dispute, one of whom is an employee

representative (a representative of the trade union organisation of the independent unit Augstsprieguma tīkls of the Latvian Trade Union Enerģija).

After clarifying all the circumstances and evaluating the employee's explanation, the Ethics Commission prepares a proposal for the AST Board to make a decision. If the employee disagrees with the decision made by the Management Board, he or she shall write a submission addressed to the Chair of the Management Board, indicating detailed objections.

In the event that a complaint is filed regarding a possible violation of the Code by a member of the Management Board, the issue is considered by the AST Supervisory Board. If the complaint is filed as a whistleblower report, it shall be considered in accordance with the AST's effective whistleblower procedure, as well as in accordance with the Conexus' effective whistleblower regulations.

In a Subsidiary, upon receipt of a whistleblower report or other information about a corrupt act/attempt, it shall be investigated by a commission consisting of employees who have appropriate knowledge of the matter under consideration and who do not have a conflict of interest, informing the Management Board of the results, and in the case of employee violations, a decision may be made to impose disciplinary sanctions.

WHISTLEBLOWER PROTECTION

ESRS G1-1

The Group provides whistleblower protection by guaranteeing that reporting violations will not result in adverse consequences for the whistleblower, their relatives or other related persons.

According to the AST Whistleblower Procedure, the whistleblower may not suffer any adverse consequences in connection with the report submitted, including to:

- Discipline or other forms of punishment;
- Dismissal from work or position, including without extending the employment contract or without appointing to a position for an indefinite period, if there was reason to believe that this would be done;
- Transfer to another job or position;
- Denial of promotion, professional training or qualification improvement;
- Changes to job or positional duties, working hours and place or remuneration;
- Provision of a negative assessment of the duties of the job or position;

- Offending honour, dignity and reputation;
- Cancellation of licenses and permits;
- Unilateral withdrawal from the contract for the supply, purchase or provision of a service or to terminate it;
- Request a medical report;
- Otherwise directly or indirectly causing adverse consequences, including by violating the principle of equal treatment.

AST may only disclose the identity of the whistleblower in accordance with the procedures specified in regulatory enactments. The whistleblower shall be informed of the disclosure of the identity, except in cases where the information would prejudice the consideration of the whistleblower’s report or the case of a violation initiated on its basis.

In accordance with the provisions of the Conexus Code and the Whistleblower Procedure, the Subsidiary shall not apply any sanctions or other adverse consequences to an employee who has informed about a provision of the Code or another violation, except in cases where false information has been knowingly provided. In order to protect the whistleblower from negative consequences (repression, retaliation and other possible consequences), whistleblower applications are received by the Head of the Internal Audit Department, who only retains personal data in the original whistleblower report and pseudonymises them.

MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

ESRS G1-2, G1-6

The Group’s procurement objective is to ensure uniform, transparent and responsible procurement principles that promote efficient use of resources and fair competition. Procurements conducted by the Group’s companies are carried out in compliance with Public Service Provider Procurement Law, requirements stipulated in Cabinet regulations and other applicable regulatory enactments, as well as the explanations of the European Commission and guidelines of competent institutions, including the Procurement Monitoring Bureau "Procurement guidelines for public service providers".

The Parent Company purchases goods and services through centralised purchasing, for example, using the Electronic procurement system’s e-order sub-system, where the procurement procedures have been carried out by the State Digital Development Agency. These procurements are mainly related to the maintenance, development and security of information technology infrastructure: maintenance and development of licenses and software; data security and cybersecurity solutions; maintenance and modernisation of server and data centre infrastructure; computer equipment, printing equipment, etc. The aforementioned procurements contribute to digital security, system stability and

efficient use of resources, ensuring a reliable and sustainable IT environment for business continuity.

In certain cases, the Group implements centralised procurements, in which the Parent Company cooperates with several public service providers from other European Union Member States, jointly awarding the contract. For example, the procurement "Technical and economic study service for the fourth electricity interconnection between Estonia and Latvia" (ID. No. AST2025/75) was also carried out for the needs of the Estonian transmission system operator AS Elering. In turn, the procurement "Maintenance and development of the Baltic Transparency Information System" (ID. No. AST2025/84) was implemented for the joint needs of AS Elering and AB Litgrid (Republic of Lithuania). Such an approach promotes regional cooperation, more efficient use of resources, and a unified approach to the development of electricity transmission networks in the Baltic region.

The Parent Company’s low-threshold procurement procedures are carried out in accordance with a specific procedure that ensures transparency, competition and efficient use of resources. Depending on the estimated value of the contract, different procedures are applied:

- price survey (EUR 4,000–10,000);
- simplified procurement (EUR 10,000–42,000);
- procurement procedures above EUR 42,000 – organised by the procurement commission, applying the appropriate type of procedure:

- open tenders, where all interested parties can submit offers;
- open negotiated procedures, which allow for the specification of offers and contract terms through negotiation;
- restricted tenders or restricted negotiated procedures, where selected suppliers are invited.

The Parent Company’s 2025 procurement plan provides for procurement procedures, including procurement procedures applying the Law on Procurement of Public Service Providers, as well as purchases made in the e-orders section of the Electronic Procurement System. In 2025, 167 procurement procedures were actually carried out. At the end of 2025, the Parent Company approved the 2026 procurement plan, which provides for 221 procurement procedures.

Conexus sub-threshold procurement procedures are conducted in accordance with established procedures that ensure transparency, fair competition, and the efficient use of resources.

Depending on the estimated contract value, different procedures are applied: price survey (EUR 3,000–50,000); procurement procedures above EUR 50,000 up to the applicable threshold – organised by the Procurement Commission, applying the appropriate procedure type: open negotiated procedure, which allows for the clarification of tenders and contractual terms through negotiations; restricted negotiated procedure, in which selected suppliers are invited; price survey, if the Head of the Procurement Department

determines that its application is the most efficient approach.

The Conexus procurement plan for 2025 envisaged procurement procedures, including those conducted in accordance with the Public Utilities Procurement Law. The procurement framework provides for the possibility of carrying out purchases via the e-ordering module of the Electronic Procurement System. In 2025, a total of 259 procurement procedures were carried out. The Company’s procurement plan for 2026 provides for 186 procurement procedures.

In order to ensure free and direct access to procurement documents and prevent the risk of corruption, the Group’s announced procurements are published in the Electronic Procurement System (www.eis.gov.lv) in the e-tendering subsystem, Procurement Monitoring Bureau [Publication Management System](#), in the Official Journal of the European Union (where applicable), and on the relevant websites of the Parent Company and the Subsidiary.

Public procurement is carried out to purchase services, goods and works, but it is also a tool for achieving strategic objectives. Strategic public procurement is understood as public procurement that can achieve one of the objectives in the social, environmental or innovation fields. The Group also implements sustainable procurement, as a result of which the purchased services, goods and works have a positive impact on the environment, society and the economy throughout their lifecycle, while reducing potential negative impacts.

GREEN PUBLIC PROCUREMENT

Green Public Procurement (GPP) promotes environmentally friendly solutions by including requirements that reduce negative environmental impacts, such as the selection of energy-efficient equipment and vehicles. In accordance with the Cabinet regulations, the Group applies GPP requirements in its procurement. Such an approach helps to reduce emissions, promotes the efficient use of resources and supports sustainable procurement practices.

For example, in 2025, AST procurement includes the provision of an environmental impact assessment service for a new power transmission line (ID. No. AST2024/146-ES), the purchase of hybrid and electric vehicles (ID. No. AST2025/123), the use of environmentally friendly cleaning products and cleaning services (ID. No. AST2025/47), hazardous waste management, maintenance and repair of a sand-oil separator, maintenance and repair of biological wastewater treatment plants (ID. No. AST2025/33).

Similarly, the AST qualification requirements for energy supply facility construction contractors stipulate that the construction company must have implemented and maintained a quality management system that meets the requirements of the international standard ISO 9001 or equivalent, as well as an environmental management system that meets the criteria of ISO 14001, EMAS or equivalent. Such requirements ensure

that high standards of quality, safety and environmental management are adhered to in the execution of construction works, promoting the implementation of sustainable and responsible projects in the energy sector.

SOCIALLY RESPONSIBLE PUBLIC PROCUREMENT

The AST qualification requirements for energy supply facility construction employees provide that the construction company’s employees are provided with fair and honest remuneration that corresponds to the industry average. The average hourly rate of the applicant’s employees in all occupational groups in the first three quarters of the year and in the last four quarters up to the date of submission of the offer must not be less than 80% of the national average hourly rate in the relevant occupational group or at least reach the national minimum hourly rate. This requirement promotes social responsibility, labour market sustainability and fair competition, while at the same time mitigating the risks associated with unfair employment practices and the shadow economy in the construction industry.

INNOVATION PROCUREMENT

The Parent Company’s innovation procurements are implemented with the aim of developing and implementing new or significantly improved solutions, especially in the field of information and communication technologies, where there are no ready-made products or services on the market that meet the needs of the Parent Company.

The innovative procurements implemented in 2025 contributed to the implementation of digital transformation and security solutions in the electricity transmission and storage sector. They included the development and implementation of new IT and data management systems, data security and market modelling solutions, as well as modern video wall and network protection infrastructure for dispatcher efficiency and system stability. This approach enables the Parent Company to improve operational processes, strengthen network and data security, improve digital infrastructure and automate decision-making and management systems. Innovation procurements promote cooperation with research institutions and technology companies, thus facilitating knowledge transfer and commercialisation of new technologies. These procurements ensure more efficient use of resources and strengthen the sustainability and competitiveness of the Latvian energy sector in the long term.

CONDITIONS FOR EXCLUSION OF CANDIDATES

Group procurement excludes candidates and tenderers if the grounds for exclusion set out in Article 48 of the Law on Procurement of Public Service Providers apply, including criminal offences, non-fulfilment of tax obligations, violations of environmental, social or labour law, competition offences, insolvency, as well as provision of misleading or false information. The contracting authority also assesses conflicts of interest, undue influence on decisions and lack of professional integrity of tenderers, ensuring transparency and equal treatment. Checks are carried out using the registers of competent authorities and requesting evidence of compliance. The law also provides for the possibility of "re-establishing credibility" if the tenderer demonstrates prevention of damage and implementation of internal control measures, and in certain cases applies time limits (e.g. three years). This approach strengthens a sustainable and ethical supply chain, thereby reducing the risks of corruption, fraud and human rights violations.

In low-threshold procurement procedures, simplified exclusion rules are applied to ensure a legal, transparent and secure procurement environment. The procurer checks whether the tenderer and the persons on whose capabilities it relies are not in the State Revenue Service debtors' register with a tax debt of over EUR 150, as

well as whether insolvency proceedings have been declared, economic activities have been suspended or liquidation has been initiated in the Enterprise Register or the Lursoft system. This approach ensures that the contract is awarded only to tenderers who do not have legal, financial or security restrictions that could jeopardise the performance of the contract or public safety.

If the procurement is related to critical infrastructure, additional security and cybersecurity requirements are applied, as well as an assessment of the reliability of the persons by the state security authorities.

In accordance with the requirements of the Law on International and National Sanctions of the Republic of Latvia, the Group excludes a bidder from the procurement if international or national sanctions have been imposed on the bidder itself or its Management Board/Supervisory Board Members, beneficial owners, authorised representatives, procurators or branch representatives, as well as sanctions of an EU or NATO member state affecting significant financial market interests, which impede the execution of the contract. Checks are carried out using data from competent authorities and public registers. The Group has the right to unilaterally withdraw from the execution of the contract if the execution of the contract cannot be objectively ensured due to the application of sanctions.

Each AST supplier, when submitting an application for participation in the AST procurement, signs the Supplier Declaration (available at: <https://www.ast.lv/lv/content/atbildiga-uznemejdarbiba>), Committed to the following principles:

- fair competition,
- compliance with laws and contracts,
- prevention of conflict of interest,
- prohibition of fraud and corruption,
- prohibition of discrimination,
- sustainable development,
- social responsibility.

PAYMENT PRACTICE

The Parent Company’s standard payment terms are set out in the internal regulations "Basic Rules for Procurement Procedures", which provide for payment within 30 days after receipt of the goods or services, performance of construction works and receipt of the invoice. In individual cases, other payment terms are also possible if they are justified by the specifics of the procurement. The Parent Company applies equal payment procedures to all cooperation partners, regardless of their scale.

In 2025, the Parent Company paid 96% (in 2024 - 96%) of all received invoices within 30 days after receipt of the invoice, 4% (in 2024 - 4%) of invoices are paid within longer than 30 days. In 2025, the average invoice payment time was 21 days (in 2024 - 22 days). The information provided is based on the actual invoice payment data in the Parent Company’s financial accounting system.

As a result of the implementation of the international sanctions regulation, the Parent Company has 1 (one) pending legal proceedings related to late payment. Legal proceedings were initiated in the Stockholm International Arbitration against the Baltic Transmission System Operators, including AS Augstsprieguma tīkls, the consideration of which is currently temporarily suspended. The legal proceedings are related to the fact that, in compliance with the international sanctions regulation, the operators have not made settlements. In accordance with the rules of the Stockholm International

Arbitration, more detailed information is currently considered confidential. The Subsidiary has no legal proceedings related to late payments.

In 2025, the Subsidiary paid 96% of all received invoices within 30 days of receipt of the invoice, 4% of invoices are paid within more than 30 days. In 2025, the average invoice payment period was 14 days. The information provided is based on the actual invoice payment data in the Subsidiary’s financial accounting system.

The Subsidiary does not have a separate policy to prevent late payments and target Indicators, but in practice a standard payment term is used, which is 1-3 days before the due date specified in the invoice or contract. The same payment terms are applied to all suppliers and service providers.

According to the Subsidiary’s internal procedure "Order of circulation of received invoices", if an invoice does not specify a payment term and no contract has been concluded with the partner, the invoice payment term is set within 30 days from the later date – either from the date of issuing the invoice or its receipt. The order of circulation of received invoices sets out the principles of invoice processing in cases where the payment term specified in the received invoice is shorter than seven days.

INFORMATION ABOUT GREEN PROJECTS

The Parent Company is the first electricity transmission system operator in the Baltics to issue green bonds. The first green bond issuance in 2021 was a significant step in the development of AST, implementing ambitious capital investment projects and ensuring progress towards the synchronisation of the Latvian and Baltic electricity transmission networks with European networks.

The bond issuance programme was launched in October 2021 with the issuance of green bonds in the amount of EUR 100 million. The bonds of AS Augstsprieguma tīkls are included in the Baltic debt securities list and are listed on the AS Nasdaq Riga exchange. No further bond issuances have been made within the framework of the programme. At the end of the reporting period, the amount of outstanding bonds is EUR 100 million, which constitutes 100% of the Parent Company’s total borrowings.

In accordance with the Parent Company’s goal – to ensure continuous, safe and sustainably efficient electricity transmission throughout Latvia – AST developed a green bond framework, which aims to ensure the use of raised funds in environmentally friendly projects, as well as their management procedures and monitoring.

The green bond framework sets guidelines for the use of proceeds from bond issuance for sustainable development, the selection and selection process of green projects, and the management and reporting of proceeds from bond issuance.

When evaluating the AST green bond framework, an

opinion was received from an independent expert, Standard & Poor’s Financial Services LLC, on its compliance with the 2021 Green Bond Principles of the International Capital Markets Association.

In accordance with the Green Bond Framework, projects are divided into three groups:

- renewable energy;
- energy efficiency;
- quality, security and resilience of electricity transmission infrastructure.

The funds raised within the framework of the bond issue in the amount of EUR 100 million were fully utilised by 31 December 2022 (the funds were utilised, while project implementation continued in 2025), detailed information is provided in the AST 2022 Sustainability Report ([see www.ast.lv](http://www.ast.lv)).

When determining the eligible projects, the Parent Company was guided by the Green Bond Framework.

Transformer Replacement projects are implemented in compliance with the eco-design requirements for power transformers (in accordance with Directive 2009/125/EC of the European Parliament and of the Council) and lifecycle costing. Accordingly, a balance is achieved between the price of the transformer, the level of losses in the lifecycle and the costs of losses (transformers are efficient and are not overcapitalised).

Within the framework of the substation reconstruction projects implemented by AST, the equipment installed in it that has served its time is completely replaced - circuit

breakers, disconnectors, transformers, etc., as well as the protection equipment of network elements are replaced, replacing the existing electromechanical relays with digital and high-speed equipment with much wider functionality. In addition, by modernising communication solutions, it is ensured that the reconstructed substation can be controlled not only from the workplace in the substation itself, but also remotely from the central dispatch centre, with the dispatcher directly receiving all the necessary information for decision-making and action both in the normal operating mode of the system and in various emergency situations.

In addition to the aforementioned activities, as a result of the substation reconstruction, a new energy-efficient control building is being constructed, which houses the new relay protection and dispatcher control systems, as well as updated facility security and fire protection solutions.

In addition to the above, it can be concluded that the reconstruction and renovation of substations reduces CO₂ emissions during the lifecycle. By replacing outdated circuit breakers, disconnectors, relay protection and automation, and dispatcher control equipment, maintenance and renewal repairs of these equipment need to be carried out less frequently, i.e. the CO₂ eq. t emissions released during repairs are lower.

GREEN BOND PROGRAMME
ELIGIBLE PROJECT

ELIGIBLE GREEN PROJECTS	PROJECT CATEGORY ACCORDING TO THE GREEN BOND FRAMEWORK	GOALS AND BENEFITS	ALLOCATED COSTS, THOUSAND EUR	BENEFITS FROM PROJECT IMPLEMENTATION	PROJECT EXECUTION STATUS
330 kV EPL Kurzemes loks	Renewable energy	The infrastructure created as a result of the project implementation provides opportunities to accept electricity generated from renewable energy sources into the transmission network	60 493.8	Available capacity for green energy in 2021, 95.5% of total EL capacity	Project completed by 1 January 2025
	Renewable energy Uninterrupted, secure and sustainably efficient transmission of electricity	Reduction of power outage times, security and continuity of power supply through synchronisation with the continental European network		Average duration of electricity supply interruption per substation, CAIDI (h)	
The third 330 kV interconnection between Estonia and Latvia	Renewable energy	The infrastructure created as a result of the project implementation provides opportunities to accept electricity generated from renewable energy sources into the transmission network.	3 137.3	Capacity available for green energy, 77.1% of EPL's total capacity	Project completed by 1 January 2025
	Uninterrupted, safe And sustainably efficient Transmission of electricity	Reduction of power outage times, security and continuity of power supply by synchronizing with the continental European grid		Average duration of power supply interruption to substation, CAIDI (h)	

SUSTAINABILITY REPORT

ELIGIBLE GREEN PROJECTS	PROJECT CATEGORY ACCORDING TO THE GREEN BOND FRAMEWORK	GOALS AND BENEFITS	ALLOCATED COSTS, THOUSAND EUR	BENEFITS FROM PROJECT IMPLEMENTATION	PROJECT EXECUTION STATUS
330 kV power line Riga TEC-2 – Riga HPP	Renewable energy	The infrastructure created as a result of the project implementation provides opportunities to accept electricity generated from renewable energy sources into the transmission network.	96.4	Capacity available for green energy, 95.3% of EPL's total capacity	Project completed by 1 January 2025
	Uninterrupted, safe and sustainably efficient power transmission	Reduction of power outage times, security and continuity of power supply through synchronisation with the continental European network		Average duration of power supply interruption to substation, CAIDI (h)	
Replacement of transformers	Energy efficiency	Energy gain, MWh CO ₂ saved	12 022.8	Energy gain, MWh CO ₂ saved (see indicators in the table below)	Transformer Replacement Projects on Green Project List fully completed by 1 January 2025
Reconstruction and renovation of substations*	Renewable energy	The infrastructure created as a result of the project implementation provides opportunities to increase the controllability and observability of the electricity system, as well as opens up opportunities to develop and integrate renewable energy resources	24 249.6	Capacity available for green energy	Of the 15 projects included in the Green Projects List, while 11 have been fully completed, 4 projects are in progress.
	Uninterrupted, secure and sustainably efficient electricity transmission	Reduction in power outage time, security and continuity of power supply		Average duration of power supply interruption to substation, CAIDI (h)	
			100 000.0		

	2017	2018	2019	2020	2021	2022	2023	2024	2025
One year's energy gain in MWh for transformers replaced in the given year	-	3 217	2 451	1 978	2 464	3 610	744	1 258	324
Energy gain in MWh over the lifecycle of transformers replaced in the given year	-	38 600	122 636	198 333	83 093	201 583	22 295	45 699	16 196
Emissions in tonnes of CO ₂ equivalent saved over the lifecycle of the replaced transformers	-	3 539	2 696	2 176	2 710	221 741	24 524	39 664	8 166

Investments made by parent companies in substations and power lines improve the quality of service, while these improvements help to reduce the impact of external influences and prevent consumers from disconnecting from electricity supply in adverse external environmental conditions.

When evaluating the CAIDI indicator, it should be noted that weather conditions have a significant impact. After the severe storms in September and November 2024,

which resulted in a power outage at several substations, in 2025 the CAIDI index returns to the 2022 level, continuing the downward trend.

	2017	2018	2019	2020	2021	2022	2023	2024	2025
CAIDI, h	0,83	0,74	0,47	0,54	0,22	0,39	0,78	2,83	0,33
ASAI, %	99,76	99,85	99,94	99,74	100,00	99,99	99,99	99,95	99,996

CAIDI – Average duration of electricity supply interruption to a substation.

ASAI – Average transmission service availability index.

COMPLIANCE WITH EU TAXONOMY REQUIREMENTS

Disclosures on the proportion of capital investment, operating expenses and turnover in the 2025 reporting year that meet the requirements of the EU Taxonomy Regulation

The European Green Deal is Europe's new strategy for sustainable and efficient growth. To achieve the EU's climate and energy targets, it is essential that investments are directed towards sustainable projects and activities.

The EU Taxonomy is one of the cornerstones of the European Green Deal, which aims to facilitate the redirection of capital flows towards more sustainable activities. The taxonomy is a unified system for classifying sustainable economic activities, which for each sector defines the set of economic activities that are considered sustainable and make a significant contribution to one or more of six environmental protection objectives – climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and restoration and protection of biodiversity and ecosystems.

In accordance with Article 10(2) of the EU Delegated Regulation 2021/2178, the Group discloses quantitative information on the proportion of Taxonomy aligned and non-aligned economic activities for each of the three identified Indicators (KPIs) — turnover, capital expenditure (CapEx), operating expenses (OpEx). In order to identify which activities of the Group are eligible to and aligned with the Taxonomy, the Group's

methodological guidelines were developed in 2025. The proportion of taxonomy-eligible and taxonomy-aligned activities is determined based on the breakdown of operating segments (see detailed information in Annex 3 to the financial statements). Based on these guidelines, two eligible economic activities have been identified within the Group:

- 4.9. Transmission and distribution of electricity (covers the majority of AST's activities);
- 4.14. Transmission and distribution networks for renewable and low-carbon gases (applicable to a relatively small part of the current Conexus activity related to the injection of biomethane into the common gas transmission system; in the future, as biomethane injection and/or hydrogen transmission capabilities are developed, a larger part could be eligible).

The Group has assessed alignment of the above activities with the criteria set out in the Taxonomy, including both the technical screening criteriaas well as "Do No Significant Harm" and minimum social safeguards criteria. The parent company of the Augstsprieguma tīkls Group, JSC "Augstsprieguma tīkls", operates within a single primary operating segment—electricity transmission. In accordance with the criteria set out in Section 4.9 of Commission Delegated Regulation (EU) 2021/2178, and considering that the parent company's economic activity—electricity transmission—is carried out through a single electricity transmission network forming part of the interconnected European power system, the Group's management has assessed all economic activities and reported the

corresponding key performance indicators (KPIs)—turnover, capital expenditure (CapEx), and operating expenditure (OpEx)—as taxonomy-eligible and taxonomy-aligned activities within a single economic activity category (code 4.9). This assessment and conclusion by the Group’s management constitute a significant judgment in the evaluation of EU Taxonomy eligibility and, consequently, alignment. This judgment will be applied consistently in the reporting period and in subsequent periods.

In the case of Conexus, only those activities related to the injection of biomethane into the common gas transmission system and its possible storage (code 4.14) can be considered taxonomy-eligible and taxonomy-aligned. Conexus has made capital investments in the creation of new biomethane entry points or in the acquisition of already established injection points from private operators, and according to the assessment carried out, these capital investments deemed to be aligned with the EU Taxonomy. Accordingly, in the case of revenues, only those revenues generated from the injection of biomethane can be considered to be aligned with the Taxonomy, indicating the revenues from specific biomethane entry points in absolute figures, but in 2025, such revenues have not yet been generated. In the case of operating expenses, only expenses related to the maintenance of the biomethane entry point and related infrastructure can be considered as Taxonomy-aligned, and the company calculates them proportionally by determining the maintenance costs per gas station, which also corresponds to the functionality of the biomethane entry point. All other capital investments, revenues and expenses related to Conexus’s operations in the

natural gas segment are considered non-eligible to the Taxonomy.

For all of the abovementioned activities, the Group has carried out a detailed assessment, primarily evaluating compliance with the technical screening criteria (significant contribution criteria), including the following:

- **With regard to activity code 4.9** – as noted above, the infrastructure operated by AST forms part of the interconnected European electricity transmission system and comprises 110 kV and 330 kV transmission lines and related infrastructure, including interconnections with the Estonian and Lithuanian transmission systems, which are further interconnected with the transmission systems of other European countries. Accordingly, alignment with the relevant technical screening criteria is ensured at the system level. The parent company does not conduct assessment of the technical screening criteria (including "Do No Significant Harm" criteria) individually for each CapEx project, all new projects correspond to activities considered taxonomyaligned, including, inter alia, the construction of new interconnections or the expansion of existing interconnections, the installation of transmission transformers, and the deployment of equipment and infrastructure aimed at increasing the use of renewable electricity, enhancing system controllability, and achieving other related objectives;
- In addition, it is taken into account that transmission infrastructure developed to establish or expand connections between substations or with power generation facilities whose greenhouse gas (GHG)

emission intensity exceeds 100 g CO₂e/kWh cannot be considered taxonomy-aligned. Given that in recent years AST has established all direct connections solely for the purpose of connecting new renewable energy capacities to the grid, this criterion is met; namely, no new connections or expansions of existing connections are developed in areas where renewable energy sources are not used;

- Furthermore, compliance with the criterion concerning smart metering systems in accordance with the requirements of Directive (EU) 2019/944 is ensured—all smart electricity metering solutions installed by AST within the transmission network comply with the provisions of this Directive;
- **With regard to activity code 4.14** – activities related to the establishment, maintenance, and operation of biomethane injection points are aligned with the EU Taxonomy criterion "Retrofitting of gas transmission and distribution networks to enable the integration of hydrogen and other low-carbon gases into the network," which includes, inter alia, any activities that enable an increase in the blending of such gases—in this case, biomethane, which qualifies as a low-carbon gas—into the overall gas system;
- In addition, the company ensures that biomethane injection point construction projects include requirements for the implementation of gas leak detection and control mechanisms in order to prevent or reduce potential methane leaks. These include, inter alia, the installation of chromatographs, automated flow control systems, backflow safety valves, leak detectors, and other relevant equipment,

thereby ensuring alignment with the EU Taxonomy technical screening criterion on the provision of leak control measures.

The Group has also carried out an assessment of compliance with the "Do No Significant Harm" (DNSH) criteria, including the following:

- **With regard to activity codes 4.9 and 4.14**, the Group conducted a climate risk assessment of its operations in 2025, thereby meeting the criterion related to climate change adaptation (for more detailed information on the climate risk assessment, please refer to the Climate Change section of the sustainability report);
- **With regard to activity code 4.9**, AST meets the transition to a circular economy criteria by implementing measures defined within the company’s environmental protection processes for material recovery, the return of resources to the economic cycle, and the management of waste (including hazardous waste), as well as by incorporating waste management-related requirements into contracts with construction project contractors;
- In the area of pollution prevention and control, AST has not implemented a dedicated process specifically for the application of the IFC (International Finance Corporation) General Environmental, Health and Safety Guidelines in the implementation of construction projects, as required by the EU Taxonomy. However, AST carries out its operations in accordance with ISO 9001, ISO 14001, ISO 50001, and ISO 45001 standards, which, inter alia, ensure

compliance with the requirements set out in the IFC guidelines in the fields of environmental protection, occupational health and safety, and other related areas. In the autumn of 2025, a detailed assessment/ mapping of the IFC guidelines against AST's existing processes was conducted, and no compliance gaps were identified; • In the course of its day-to-day operations, the company implements measures, in line with the requirements of the EU Taxonomy, to conduct electromagnetic field measurements and to ensure appropriate planning and control of work execution, so as to prevent the company's own employees and subcontractors from being exposed to electromagnetic fields beyond permissible levels. In this context, aspects related to electromagnetic fields and the relevant safety requirements are incorporated into instructions applicable both to the company's employees and to contractors performing work at the company's facilities; • The EU Taxonomy provides that polychlorinated biphenyls (PCBs) are not to be used in electricity transmission activities. AST discontinued the use of such substances in its operations as early as 2005, when—while still operating as part of the Latvenergo Group—it participated in a project aimed at removing from circulation equipment and assets containing such substances; • With regard to the protection of biodiversity – in cases where an environmental impact assessment (EIA) is required for the implementation of new projects by AST, such assessments are carried out	in compliance with all applicable recommendations, including those related to biodiversity. In 2025, the only AST development project subject to an EIA under the Law on Environmental Impact Assessment is the construction of the Ventspils–Brocēni–Vurdava (Lithuania) transmission line. As of early 2026, the EIA process has not yet been completed. • For the purposes of day-to-day operational planning, the company has carried out mapping of protected areas and identified crossing points where interfaces occur between AST-operated infrastructure and protected areas, and takes these into account when planning its activities. The company has also established procedures defining actions to be taken in cases involving the removal of nests of specially protected bird species or disturbance of individual birds. Furthermore, AST has obtained permits from the Nature Conservation Agency for activities affecting two bird species—the white stork and the lesser spotted eagle. In order to mitigate the impact of its activities on bird species, AST has entered into a cooperation agreement with the Ornithological Society and jointly implements the necessary measures; • With regard to activity code 4.14 – measures for the protection of water resources in day-to-day operations are ensured within the framework of an ISO 14001-certified environmental management system. The majority of Conexus's activities are carried out within the boundaries of existing infrastructure; therefore, no new environmental impact assessments (EIAs) are required. At one site—the Inčukalns Underground Gas Storage facility—the	company holds a Category A polluting activity permit, which, inter alia, establishes specific obligations in relation to water resources, including monitoring, data reporting, limitations, and other requirements; • In order to mitigate and prevent potential pollution caused by equipment (such as fans, compressors, pumps, etc.) in accordance with the EU Taxonomy criteria, the company requires CE energy labelling for purchased equipment; • With regard to biodiversity conservation, all development projects are implemented within the scope of Conexus's existing infrastructure and therefore do not require an Environmental Impact Assessment (EIA). For the planning of day-to-day operations, the company has carried out mapping of protected areas and identified crossings where points of contact arise between the infrastructure managed by Conexus and protected areas, and this is taken into account when planning its activities. The company's operations in these areas are accordingly supervised by the Nature Conservation Agency. The Group has also assessed the implementation of minimum social safeguards in accordance with the requirements of the EU Taxonomy, which it ensures through the following measures: • AST and Conexus Codes of Ethics (sets out the basic principles of conduct for employees, including regarding a safe and inclusive work environment, non-discrimination in the field of direct or indirect discrimination, etc.);	• Whistleblowing procedures developed by AST and Conexus (availability of mechanisms for reporting violations of labour law and other issues, which provide the necessary protection for the whistleblower and a clear process for reviewing the report); • AST Fraud, corruption and conflict of interest risk management rules (sets out the framework and measures for managing the aforementioned risks both in the company's own operations and in relations with external partners, ensuring active risk identification, monitoring and prevention at all stages and areas of operation) and Conexus internal regulatory documents governing specific measures and the company's conduct in the relevant areas (including the Code of Ethics, the Corporate Governance Policy, and others); • AST Remuneration Policy and Conexus Personnel Policy (sets out fair principles for determining and ensuring employee remuneration, including preventing discrimination in the field of remuneration). The AST Personnel Strategy defines measures aimed at promoting a diverse and inclusive working environment. The Conexus Code of Ethics sets out the fundamental principles for a non-discriminatory and inclusive working environment; • AST and Conexus Occupational Health and Safety Policy (sets out measures for ensuring and implementing a safe and healthy work environment, as well as ensuring continuous monitoring); • Supplier Declaration – a statement included in AST contracts with suppliers, in which they confirm
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responsible behaviour in the areas of fair competition, conflict of interest management, prohibition of fraud and corruption, prohibition of discrimination, sustainable development, social responsibility (including fair remuneration) and other areas. Similarly, Conexus has integrated the Supplier Code of Ethics into its Procurement Policy and requires adherence to these principles both in its own activities and in its cooperation with suppliers;

- Work instructions for contractors hired by AS Augstsprieguma tīkls and AS Conexus Baltic Grid, introductory labour protection training instructions for contractor personnel (especially for those companies performing work at AST/Conexus facilities), which set out requirements in the areas of labour protection, fire safety, environment and energy management, as well as conditions for action in emergency situations. AST contracts with contractors provide for sanctions in case of violations of the requirements specified in the instructions.

The abovementioned assessment of the alignment (including "Do No Significant Harm" assessment) in the Group has been conducted and documented in 2025. According to the management of the Group, the assessment is also applicable to the information disclosed in this report for 2024, thus providing the reasoning behind alignment of the AST economic activities with the EU Taxonomy criteria.

The following considerations have been considered when reporting financial data related to Taxonomy:

- **Turnover.** Includes all AST and Conexus revenues from external customers, generated in accordance with the electricity or natural gas transmission or natural gas storage tariff, and allocated according to the Taxonomy eligibility and alignment requirements. Detailed information on the accounting policy for revenue recognition in accordance with International Financial Reporting Standards is provided in the financial statements, Note 2.9;
- **Operating costs.** Includes all direct costs related to the maintenance of AST and Conexus infrastructure and the provision of services, and allocated according to the Taxonomy eligibility and alignment requirements. Does not include costs related to depreciation and amortisation and financial expenses (e.g., interest payments). Detailed information on the accounting policy for revenue recognition in accordance with International Financial Reporting Standards is provided in the financial statements, Note 2.;
- **Capital expenditures.** All capital investments made in 2025 by the Group companies to renew, modernise or build new infrastructure or necessary for its operation are included, and are classified according to the Taxonomy eligibility and alignment requirements. Detailed information on the investments made by the Group is provided in the financial statements, Notes 2. and 10. Pursuant to the EU Taxonomy Regulation, additions to leased assets are required to be included in capital expenditure accounting. However, the

changes in leased assets recorded in the Group's financial accounts in 2025 were solely attributable to amendments to lease agreements; accordingly, these financial indicators are not included in the capital expenditure table presented below.

SUSTAINABILITY REPORT

Information on projects implemented in 2025, with appropriate capital investments, is provided in detail in the following table.

Project	Investments in 2025, thousand, EUR	Investments in 2024, thousand EUR*
Parent Company		
Taxonomy aligned projects	182 848	162 245
Synchronisation of the Baltic States with continental Europe	90 838	97 477
Establishment of RES connections	51 066	16 272
Renovation of 330/110 kV overhead power lines	2 966	13 771
New construction, renovation and reconstruction of 110 kV substations	10 230	13 112
Replacement of 330/110 transformers	3 506	75
Construction of a dispatching and data centre	15 883	9 075
EIA study Ventspils – Brocēni - Varduva	520	-
Other projects	7 839	12 463
Non-eligible	-	-
Total investments	182 848	162 245
Subsidiary		
Taxonomy aligned projects	2 013	
Biomethane entry point	2 013	
Non-eligible	24 427	
Total investment	26 440	

No specific approach has been developed for taxonomy data consolidation, as there are practically no mutual transactions between the Group’s companies. The consolidation principles are aligned with the principles applied in the financial statements.

A detailed breakdown of the proportions is provided in the EU Taxonomy tables included below.

TURNOVER – SHARE OF PRODUCTS OR SERVICES
 RELATED TO ECONOMIC ACTIVITIES IN ACCORDANCE
 WITH THE TAXONOMY IN 2025

Turnover													
Financial year (2025)					Environmental objective of Taxonomy-aligned activities								
Economic Activities (1)	Code (i) (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover (3)	Taxonomy aligned KPI (monetary value of Turnover (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Bio-diversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14) "
		%	milj. EUR	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Transmission and distribution of electricity	CCM 4.9.	75%	266.008	75%	75%	0%	0%	0%	0%	0%	E		100%
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14.	0%	0.000	0%	0%	0%	0%	0%	0%	0%			0%
Sum of alignment per objective					75%	0%	0%	0%	0%	0%			
Total Turnover		75%	266.008	75%	75%	0%	0%	0%	0%	0%	75%	%	100%

OPERATING EXPENSES – SHARE OF PRODUCTS OR SERVICES
RELATED TO ECONOMIC ACTIVITIES IN ACCORDANCE
WITH THE TAXONOMY IN 2025

OpEx													
Financial year (2025)					Environmental objective of Taxonomy-aligned activities								
Economic Activities (1)	Code (i) (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible OpEx (3)	Taxonomy aligned KPI (monetary value of OpEx (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned OpEx (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Bio-diversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
		%	milj. EUR	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Transmission and distribution of electricity	CCM 4.9.	84%	232.446	84%	84%	0%	0%	0%	0%	0%	E		100%
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14.	0%	0.001	0%	0%	0%	0%	0%	0%	0%			0%
Sum of alignment per objective					84%	0%	0%	0%	0%	0%			
Total OpEx		84%	232.447	84%	84%	0%	0%	0%	0%	0%	84%	%	100%

CAPITAL EXPENDITURES – SHARE OF PRODUCTS OR SERVICES
RELATED TO ECONOMIC ACTIVITIES IN ACCORDANCE WITH
THE TAXONOMY IN 2025

CapEx													
Financial year (2025)					Environmental objective of Taxonomy-aligned activities								
Economic Activities (1)	Code (i) (2)	"Taxonomy eligible KPI (Proportion of Taxonomy eligible CapEx (3)	"Taxonomy aligned KPI (monetary value of CapEx (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned CapEx (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Bio-diversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14) "
		%	milj. EUR	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Transmission and distribution of electricity	CCM 4.9.	87%	182.848	87%	87%	0%	0%	0%	0%	0%	E		100%
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14.	1%	2.013	1%	1%	0%	0%	0%	0%	0%			100%
Sum of alignment per objective					88%	0%	0%	0%	0%	0%			
Total CapEx		88%	184.861	88%	88%	0%	0%	0%	0%	0%	87%	%	100%

SUMMARY OF TAXONOMY COMPLIANCE IN 2025

Financial year (2025)					Breakdown by environmental objectives of Taxonomy-aligned activities										
KPI (1)	Total (2)	Proportion of Taxonomy eligible activities (3)	Taxonomy aligned activities (4)	Proportion of Taxonomy aligned activities (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Proportion of enabling activities (12)	Proportion of transitional activities (13)	Not assessed activities considered non-material (14)	Taxonomy aligned activities in previous financial year (2024) (15)*	Proportion of Taxonomy aligned activities in previous financial year (2024) (16)*
	milj. EUR	%	milj. EUR	%	%	%	%	%	%	%	%	%	%	milj. EUR	%
Turnover	355.824	75%	266.008	75%	75%	0%	0%	0%	0%	0%	75%	0%	0%	154.011	100%
CapEx	209.288	88%	184.861	88%	88%	0%	0%	0%	0%	0%	87%	0%	0%	162.245	100%
OpEx	276.316	84%	232.447	84%	84%	0%	0%	0%	0%	0%	84%	0%	0%	125.495	100%

* The 2024 annual report includes the Taxonomy assessment only for AST’s economic activities, therefore, the data is not directly comparable with columns 4 and 5 of this table, where Conexus Indicators are alsoincluded in 2025.

At the same time, it should be noted that in the case of Conexus, only a small amount of activity is subject to and relevant to the Taxonomy, and in 2025, to a minimal extent (1% of the group’s indicator), it was attributable only to capital investments (investments in biomethane input points).

For the purpose of ensuring comparability, the Taxonomy indicator tables from the 2024 Sustainability Report are also included below. Their content and structure differ from the 2025 tables because, first, Conexus indicators were not included in 2024, and second, the preparation of the 2024 report was based

on the Taxonomy reporting requirements that were in force in the previous year (Commission Delegated Regulation (EU) 2021/2178). The 2025 report is based on the requirements of Commission Delegated Regulation (EU) 2026/73.

TURNOVER - PROPORTION FROM PRODUCTS OR SERVICES ASSOCIATED
WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES, DISCLOSURE
COVERING YEAR 2024

				Substantial contribution criteria						Does Not Significantly Harm (DNSH criteria)										
Economic activities	Taxonomy Code	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover 2024	Taxonomy-aligned proportion of turnover 2023	Category (enabling activity)	Category (transitional activity)
		EUR, thous.	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy- eligible activities				100 %																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Transmission of electricity	4.9.	154,011	100%	100%	0%	0%	0%	0%	0%	Y	Y	N/A	Y	Y	Y	Y	100%		E	
A.2. Taxonomy-eligible-but-not-aligned activities	4.9.	0	0%																	
Total (A.1. + A.2)	4.9.	154,011	100%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		0	0%																	
Total (A+B)		154,011	100%																	

In 2024, the Taxonomy Summary Table, as prepared for 2025, was not prepared in accordance with Delegated Regulation (EU) 2021/2178.

CAPITAL EXPENDITURE - PROPORTION FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES, DISCLOSURE COVERING YEAR 2024

				Substantial contribution criteria						Does Not Significantly Harm (DNSH criteria)											
Economic activities	Taxonomy Code	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx 2024	Taxonomy-aligned proportion of CapEx 2023	Category (enabling activity)	Category (transitional activity)	
		EUR, thous.	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy- eligible activities				100 %																	
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Transmission of electricity	4.9.	162,245	100%	100%	0%	0%	0%	0%	0%	Y	Y	N/A	Y	Y	Y	Y	100%	100%	E		
A.2. Taxonomy-eligible-but-not-aligned activities	4.9.	0	0%																		
Total (A.1. + A.2)	4.9.	162,245	100%																		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy non-eligible activities		0	0%																		
Total (A+B)		162,245	100%																		

In 2024, the Taxonomy Summary Table, as prepared for 2025, was not prepared in accordance with Delegated Regulation (EU) 2021/2178.

OPERATING EXPENSES - PROPORTION FROM PRODUCTS OR SERVICES
ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES,
DISCLOSURE COVERING YEAR 2024

				Substantial contribution criteria						Does Not Significantly Harm (DNSH criteria)												
Economic activities	Taxonomy Code	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine re-sources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of Opex 2024	Taxonomy-aligned proportion of Opex 2023	Category (enabling activity)	Category (transitional activity)		
		EUR, thous.	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T	
A. Taxonomy- eligible activities				100 %																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						
Transmission of electricity	4.9.	125,495	100%	100%	0%	0%	0%	0%	0%	Y	Y	N/A	Y	Y	Y	Y	100%		E			
A.2. Taxonomy-eligible-but-not-aligned activities	4.9.	0	0%																			
Total (A.1. + A.2)	4.9.	125,495	100%																			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																						
Turnover of Taxonomy-non-eligible activities		0	0%																			
Total (A+B)		125,495	100%																			

In 2024, the Taxonomy Summary Table, as prepared for 2025, was not prepared in accordance with Delegated Regulation (EU) 2021/2178.



INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY REPORT

LIMITED ASSURANCE REPORT ON AS "AUGSTSPRIEGUMA TĪKLS" CONSOLIDATED SUSTAINABILITY STATEMENT

TO THE SHAREHOLDER OF AS "AUGSTSPRIEGUMA TĪKLS"

LIMITED ASSURANCE CONCLUSION

We have performed a limited assurance engagement on whether the consolidated Sustainability Statement, of AS "Augstsprieguma tīkls" (the "Company") and its subsidiary AS "Conexus Baltic Grid" (the "Group") included in section Sustainability Report (pages 7 to 164) (the "Sustainability Statement") of the accompanying Group Consolidated Sustainability Report and Group Consolidated and AS "Augstsprieguma tīkls" Separate Annual Report as of and for the year ended 31 December 2025 has been prepared in accordance with the Article 7 of the Sustainability Disclosure Law of the Republic of Latvia implementing Article 29(a) of EU Directive 2013/34/EU.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Sustainability Statement of the

Group as of and for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with the Article 7 of the Sustainability Disclosure Law of the Republic of Latvia implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in section *Process for Identifying and Assessing Material Impacts, Risks and Opportunities* of the Sustainability Statement; and
- compliance of the disclosures in the section *Compliance with EU Taxonomy requirements* of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Our conclusion on the Sustainability Statement does not extend to any other information that accompanies or contains the Sustainability Statement and our report.

BASIS FOR CONCLUSION

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), together with the ethical requirements that are relevant to our assurance engagement on the Sustainability Statement in Latvia.

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

OTHER MATTER

The comparative information included in the Sustainability Statement of the Group for periods prior to the year ended 31 December 2024 was not subject to limited assurance.

Our conclusion is not modified in respect of this matter.

RESPONSIBILITIES FOR THE SUSTAINABILITY STATEMENT

Management of the Group is responsible for designing and implementing and maintaining a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this process in section *Material impact, sustainability risks and opportunities assessment approach* of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group’s activities and business relationships take place and developing an understanding of its affected stakeholders;
- identifying the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group’s financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- assessing the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- developing methodologies and making assumptions that are reasonable in the circumstances.

Management of the Group is further responsible for the preparation of the Sustainability Statement, in accordance with the Article 7 of the Sustainability Disclosure Law of the Republic of Latvia implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in section *Compliance with EU Taxonomy Requirements* of the Sustainability Statement, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");
- designing, implementing and maintaining such

- internal controls that management determines are necessary to enable the preparation of the Sustainability Statement such that it is free from material misstatement, whether due to fraud or error; and
- selecting and applying appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the reporting process for the Group’s Sustainability Statement.

INHERENT LIMITATIONS IN PREPARING THE SUSTAINABILITY STATEMENT

In reporting forward-looking information in accordance with ESRS, management of the Group is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Statement, management of the Group interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

OUR RESPONSIBILITIES

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error,

and reporting our limited assurance conclusion to the shareholders of AS "Augstsprieguma tīkls". Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

Our responsibilities in relation to the Process for reporting the Sustainability Statement, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group’s description of its Process, as disclosed in section *Process for Identifying and Assessing Material Impacts, Risks and Opportunities* of the Sustainability Statement.

Our other responsibilities in respect of the Sustainability Statement include:

- Obtaining an understanding of the Group’s control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements

are likely to arise, whether due to fraud or error; and

- Designing and performing procedures focused on disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work we performed as the basis for our conclusion

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. We designed and performed our procedures to obtain evidence about the Sustainability Statement that is sufficient and appropriate to provide a basis for our conclusion. The nature, timing and extent of our procedures depended on our understanding of the Sustainability Statement and other engagement circumstances, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement. We exercised professional judgment and maintained professional scepticism throughout the engagement.

In conducting our limited assurance engagement, with respect to the Process, the procedures we performed included:

- Obtaining an understanding of the Process by:

- performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
- reviewing the Group’s internal documentation of its Process; and
- Evaluating whether the evidence obtained from our procedures about the Process was consistent with the description of the Process set out in section *Process for Identifying and Assessing Material Impacts, Risks and Opportunities* of the Sustainability Statement.

In conducting our limited assurance engagement with respect to the Sustainability Statement, the procedures we performed included:

- Obtaining an understanding of the Group’s reporting processes relevant to the preparation of its Sustainability Statement by:
 - performing inquiries to understand the sources of the information used by management;
 - reviewing the relevant Group’s internal documentation.
- Evaluating whether material information identified by the Process is included in the Sustainability Statement;
- Evaluating whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;

Performing inquiries of relevant personnel and analytical procedures on selected disclosures in the Sustainability Statement;	on a sample basis on selected disclosures on taxonomy-eligible and taxonomy-aligned economic activities in the Sustainability Statement.
Performing substantive limited assurance procedures on a sample basis on selected disclosures in the Sustainability Statement;	The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
Obtaining evidence on the methods, assumptions and data for developing material estimates and forward-looking information and on how these methods were applied;	
Obtaining an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.	
Performing inquiries of relevant personnel, analytical and substantive limited assurance procedures based	

KPMG Baltics SIA
Licence No. 55

Armine Movsisjana
Member of the Board
Latvian Sworn Auditor
Certificate No. 178

Rīga, Latvija
2026. gada 24. aprīlī

This report is an English translation of the original Latvian. In the event of discrepancies between the two reports, the Latvian version prevails.

AS "AUGSTSPRIEGUMA TĪKLS" GROUP CONSOLIDATED
AND AS "AUGSTSPRIEGUMA TĪKLS" SEPARATE

ANNUAL REPORT

For the year ended 31 December 2025

Prepared in accordance with IFRS Accounting Standards
as adopted by the European Union

1

INFORMATION ON THE GROUP AND THE PARENT COMPANY

Name of the parent company	AS "AUGSTSPRIEGUMA TĪKLS"
Legal status	JOINT STOCK COMPANY
Number, place, and date of registration of the parent company	40003575567 RIGA, 28 DECEMBER 2001 RE-REGISTERED IN THE COMMERCIAL REGISTER ON 13 NOVEMBER 2004
Registered office	DĀRZCIEMA STREET 86, RIGA, LV-1073, LATVIA
Principal activity of the parent company	ELECTRICITY TRANSMISSION (NACE CODE 35.13)
Principal activity of the group	ELECTRICITY TRANSMISSION (NACE CODE 35.13) AND TRANSPORT THROUGH PIPELINES (NACE CODE 49.50)
Shareholder of the parent company	REPUBLIC OF LATVIA, REPRESENTED BY THE MINISTRY OF CLIMATE AND ENERGY (100 %)

ANNUAL REPORT

Management board members and their positions	ROLANDS IRKLIS – Chairman of the Management Board	Name and registered office of the auditor	SIA "KPMG BALTICS" COMMERCIAL COMPANY LICENCE NO. 55 ROBERTA HRIŠA STREET 1, RIGA, LV-1045, LATVIA
	IMANTS ZVIEDRIS – a member of the Management Board		
	GATIS JUNGHĀNS – a member of the Management Board	Responsible sworn auditor	ARMINE MOVSISJANA, CERTIFICATE NO. 178
	ARNIS DAUGULIS – a member of the Management Board		
	ILZE ZNOTIŅA – a member of the Management Board (until 31.12.2025)		
Council members and their positions	OLGA BOGDANOVA – Chairwoman of the Council		
	LĪGA ROZENTĀLE – Deputy Chairwoman of the Council (until 31.12.2025)		
	JURIS ZĪVARTS – a member of the Council (from 01.01.2026)		
Shareholdings in other companies	AS "CONEXUS BALTIC GRID" (68,46%)		
Reporting period	1 JANUARY 2025 – 31 DECEMBER 2025		

KEY FINANCIAL AND PERFORMANCE INDICATORS

1 / 2	GROUP			PARENT COMPANY		
	2025	2024	2023	2025	2024	2023
FINANCIAL INDICATORS						
Revenue, thousand EUR	355,824	258,607	245,573	266,008	154,011	158,012
EBITDA, thousand EUR	92,516	108,272	88,972	45,283	40,549	39,018
Profit, thousand EUR	29,252	22,672	10,235	19,496	14,764	11,222
	31.12.2025	31.12.2024	31.12.2023	31.12.2025	31.12.2024	31.12.2023
Total assets, thousand EUR	1 588,020	1,529,000	1,346,940	1,265,037	1,192,977	1,022,759
Equity, thousand EUR	653,432	641,084	632,193	465,666	456,785	452,018
Borrowings, thousand EUR	186,896	167,038	179,937	120,435	100,420	100,393
Net cash flow from operating activity, thousand EUR	65,159	130,588	81,620	23,756	66,927	41,083
Cash and short-term deposits, thousand EUR	66,883	92,845	44,900	62,301	68,394	31,947
FINANCIAL RATIOS						
Total liquidity ratio (≥1.1)*	1.1	0.9	1.4	1.2	1.0	1.6
EBITDA margin	26 %	42 %	36 %	17 %	26 %	25 %
Equity ratio (≥35%)*	41 %	42 %	47 %	37 %	38 %	44 %
Net borrowing to EBITDA (≤5.0)*	1.3	0.7	1.5	1.3	0.8	1.8

KEY FINANCIAL AND PERFORMANCE INDICATORS

2 / 2	GROUP			PARENT COMPANY		
	2025	2024	2023	2025	2024	2023
PERFORMANCE INDICATORS						
Electricity transmitted to users in Latvia, GWh	6,118	6,015	6,024	6,118	6,015	6,024
Natural gas transmitted, TWh	25.5	25.2	29.1	-	-	-
Natural gas transmitted for consumption in Latvia, TWh	8.7	8.8	8.2	-	-	-
Average number of employees	915	905	891	550	544	530

EBITDA = Earnings before interest, taxes, depreciation, amortisation, and impairment of intangible assets and PPE, dividends received from the Subsidiary, finance income, financial costs, and corporate income tax
Total liquidity ratio = Current assets/current liabilities

EBITDA profitability = EBITDA/revenue
Equity ratio = equity/ balance sheet total
Net borrowing = borrowings – cash – short-term deposits with a maturity of up to three months

*The target indicators set by the Parent Company are indicated in brackets next to the financial indicators.

The total liquidity ratio of the Parent Company and the Group is negatively affected by the deferred income included in the current liabilities of EUR 40,865 thousand (in 2024: EUR 83,943 thousand), including, inter alia, received congestion fee of amount EUR 12,000 thousand (in 2024: EUR 43,450.5 thousand), that, in accordance with the decision of the PUC, is allowed to be used to cover the costs of transmission system services in 2026 (see also Note 4).

MANAGEMENT REPORT

SIGNIFICANT FACTS AND EVENTS

The Baltic States successfully joined the European energy network

Estonia, Latvia, and Lithuania successfully synchronised their electricity systems with continental Europe on 9 February 2025. This was a significant historic step for the Baltic States and Europe as a whole, strengthening the energy resilience and independence of the region. Synchronisation allows the Baltic States to manage their electricity networks in close cooperation with other continental European countries, ensuring stable and reliable frequency control, thereby significantly improving regional energy security.

This process was the result of several years of careful preparation and cooperation between the Baltic transmission system operators and their partners in the European Synchronous Area.

To achieve this result, significant investments have been made in the development and strengthening of infrastructure in the Baltic States and Poland. In 2025, with the financial support of the European Commission, AST, in addition to the previously made investments, continued and completed the delivery and installation of synchronous compensators at the substations "Grobina", "Ventspils", and "Liksna", as well as the implementation of high-capacity electricity storage facilities at the substations "Rezekne" and "Tume".

As the final step towards establishing independent synchronous operation with the Continental European electricity transmission system, at the end of 2025, the Synchronous Area Framework Agreement for Regional Group Continental Europe was concluded with the transmission system operators of the Continental European Regional Group and the European Network of Transmission System Operators for Electricity (ENTSO-E).

The Baltic balancing capacity market has launched successfully

In February 2025, the Baltic balancing capacity market, formed by the Estonian, Latvian, and Lithuanian transmission system operators AS "Elering", AS "Augstsprieguma tīkls", and AS "Litgrid", began operating. The new market ensures the necessary capacity reserve for system balancing and frequency control after the disconnection of the Baltic power systems from the Russian-controlled IPS/UPS system and synchronisation with continental Europe. In the future, as the share of renewable energy in the common market increases, the capacity market will also be an important tool for market participants, allowing them to obtain additional revenues.

AST joined the European balancing energy exchange platform PICASSO

On 10 April 2025, Latvian electricity transmission system operator AST successfully joined the European frequency restoration reserves with automatic activation (aFRR) energy exchange platform PICASSO. This platform not only provides market functions and access to the single regional market, but also allows for the optimisation of the quantity of reserves used, thereby reducing balancing costs.

The electricity market in Latvia and across Europe switched to a 15-minute trading interval

In order to ensure the broad development of renewable energy production and introduce wider competition, both by expanding the market geographically and by introducing new types of services, European transmission system operators, including AS "Augstsprieguma tīkls", and electricity exchanges have been working on improving the electricity market model for several years. As a result of the aforementioned work, from 1 October 2025, the day-ahead trading interval on electricity exchanges across Europe was changed from 60 minutes previously to 15 minutes. Along with the changes in the day-ahead electricity market, a 15-minute trading period has also been introduced in the Baltic balancing capacity market. This change will allow Baltic transmission system operators to more accurately plan and purchase balancing capacity reserves, as well as to book the inter-system capacities necessary for balancing the electricity system. This

will provide balancing capacity market participants, especially those whose portfolio includes renewable energy resources or resources with high flexibility, with the opportunity to offer capacity maintenance for shorter periods and plan capacity provision periods more accurately.

The electricity transmission service tariff has been approved, ensuring its stability for the next three years

The Public Utilities Commission (hereinafter referred to as "PUC") approved the electricity transmission tariffs of the Latvian transmission system operator AST for the next three years, setting them to come into force on 1 January 2026. AST ensured the competitiveness of tariffs in the Baltics and long-term stability.

AST managed to maintain the stability of electricity transmission tariffs despite the challenges within the regulatory period, as well as the ambitious development plans for the security of the energy system and the strengthening of the network in the coming years.

A unique system for efficient battery management has been developed

In order to ensure the efficient operation of battery storage systems (hereinafter referred to as BESS) and to fully utilise their capacity, AS "Augstsprieguma tīkls" together with scientists from Riga Technical University (RTU) developed a unique battery management system. The IT solution developed in cooperation between AST and RTU will allow batteries to be managed according to a certain algorithm and the situation in the network,

charging or discharging electricity into the network. The modern battery system will provide the necessary high-speed and automatically activated frequency regulation reserves for the synchronisation mode, in which the electricity transmission systems of the Baltic States operate synchronously with the power grids of continental Europe. The battery system will be able to provide the necessary reserves more economically than most conventional stations.

Innovative solutions to increase throughput are being tested in Latvia’s electricity transmission network

In order to increase the capacity of the existing electricity transmission network and reduce the possibility of network overload and the need to limit renewable energy generation in the future, AST implemented a pilot project, within which dynamic capacity determination solutions (DLR "Dynamic Line Rating") are being tested on the 110 kV high-voltage overhead line between Iecava and Jelgava. The aforementioned solution will increase the maximum use of the existing electricity network and promote greater integration of renewable energy into the transmission network, using the existing transmission network without immediate significant network reconstruction.

The second electricity exchange in the Baltic States has launched operations

The Baltic electricity transmission system operators, together with their partners, have implemented a solution that allows multiple electricity exchanges to operate in the market. Competition between electricity exchanges

will benefit market participants by providing wider choice and better services.

In November 2025, a new operator – EPEX SPOT – started operating in the intraday market in Estonia, Latvia, and Lithuania. Until then, the only nominated electricity market operator in the Baltic electricity market was Nord Pool.

BUSINESS MODEL
DESCRIPTION

Our mission is to ensure a continuous, secure, and sustainably efficient energy supply throughout Latvia. Detailed information on the Group’s business model, overall strategic objectives, and medium-term operating strategy is provided in the Sustainability Report section "Business Model and Strategy". Information on the Group’s ownership interests in its Subsidiary and the

associate, Baltic RCC, and their location is disclosed in Note 11 to the financial statements.

The Group’s structure is organised into three operating segments: electricity transmission, natural gas transmission, and natural gas storage. This division is based on the Group’s internal organisational structure, which serves as the basis for monitoring and controlling segment performance. Further information on the operating segments and the Parent Company, the characteristics of the operating environment, and the development of the operating segments is provided in the Sustainability Report section "Operating Segments".



TRUST

Independent, ethical, and transparent action towards anyone and everyone.



DEVELOPMENT

Effectively. Looking forward. Long-term thinking.



SAFETY

Deliberate action. With high responsibility towards people, work, and nature.



TEAM

We join forces to achieve more. Strong team that encourages and challenges.

FINANCIAL
PERFORMANCE

During the reporting period, the Group’s net turnover reached EUR 355,824 thousand (in 2024: EUR 258,607 thousand), net profit – EUR 29,252 thousand (in 2024: EUR 22,672 thousand). The increase in the Group’s net turnover by 38% compared to 2024 is mainly related to the revenues received for balancing capacity, as well as the allocation of received congestion fee to cover the costs of electricity transmission services.

ELECTRICITY
TRANSMISSION SEGMENT

When evaluating the segment’s financial performance indicators and economic performance, it should be taken into account that, under Section 5 of the Energy Law, electricity transmission is a regulated industry, the PUC determines the allowed profit by determining the rate of return on capital, approving the tariffs for electricity transmission system services.

The segment’s net turnover in the reporting period was EUR 266,008 thousand, including revenue from electricity transmission network services of EUR 94,194 thousand. The significant increase in revenue by EUR

111,997 thousand or 73%, compared to 2024, is related to the increase in congestion revenue allocated to cover the costs of electricity transmission services, as well as the increase in revenue from balancing electricity.

In 2025, the Parent company's profit was EUR 19,496 thousand, including profit from electricity transmission services EUR 6,150 thousand and dividends from the Subsidiary of EUR 13,346 thousand. The increase in profit by EUR 4,732 thousand, compared to 2024, is related to both the increase in dividends received from the Subsidiary and the congestion fee revenues allocated to cover costs. By the decision of the PUC Council of 22 May 2023, new electricity transmission system service tariffs were approved, setting their entry into force from 1 July 2023. At the same time, the aforementioned decision provides permission to use accumulated congestion management revenues to cover transmission system service costs until the end of 2025 in the total amount of up to EUR 62.1 million, of which EUR 45,450 thousand were used to cover costs in 2025 and recognised in revenue (see Note 4 for details).

NATURAL GAS
TRANSMISSION SEGMENT

The revenue of the natural gas transmission segment in 2025 was EUR 48,246 thousand, and profit before corporate income tax reached EUR 6,622 thousand, which is 66% more than in the previous year. The

increase in profit in 2025, compared to the previous year, was mainly due to the revaluation of assets carried out in 2024, as a result of which an impairment of the value of property, plant and equipment was recognised in the income statement position "Depreciation, amortisation" in 2024.

At the same time, natural gas transmission service revenue in 2025 decreased by 6% compared to 2024, which reflects a decrease in the volume of incoming and outgoing transmission capacity reservations.

Conexus’s operations are regulated, and the regulatory periods differ from the financial reporting year. According to the methodology for calculating tariffs for the Natural Gas Transmission System service, deviations in revenue and costs from the permitted volumes may occur during the tariff period, which will affect the tariff values in the following tariff cycles. Such deviations may occur in the transmission segment, since the actual natural gas consumption may differ from the planned one in the tariffs, creating a revenue adjustment.

NATURAL GAS STORAGE SEGMENT

The revenue of the natural gas storage segment in the reporting period was EUR 41,570 thousand, and profit before corporate income tax reached EUR 21,761 thousand, which is 42% less than in the previous year.

The decrease in profit is mainly due to a 31% decrease in revenue from natural gas storage services compared to the previous year. The decrease in revenue from storage services is due to a decrease in storage capacity reservations, associated with a reduction in auction premiums and a decrease in demand for storage.

The natural gas storage segment generates revenue from storage capacity reservations, which are allocated to system users in storage capacity auctions within the storage cycle. The storage cycle lasts from May 1 to April 30 of the following year. According to the methodology for calculating the tariffs for the natural gas storage system service, deviations in revenue and costs from the permitted volumes may occur during the tariff period, which will affect the permitted revenues for the storage system service in the next tariff cycle.

INVESTMENTS
ELECTRICITY
TRANSMISSION SEGMENT

Capital investments in the electricity transmission system are made in accordance with the Electricity Transmission System Development Plan approved by the PUC, implementing projects necessary for the provision of a safe and high-quality electricity transmission system service. In order to minimise the

impact of the planned investments on the electricity transmission tariff, the Parent Company has actively raised EU co-financing, raised EU co-financing in the amount of more than 400 million EUR over the past 12 years. Similarly, accumulated congestion fee is directed to financing capital investments, by the end of 2025, congestion fee in the amount of EUR 92 million have been directed to financing capital investments. The part of the asset value financed from EU co-financing or congestion fees, as well as depreciation, is not included in the calculation of transmission system service tariffs.

The assets of the electricity transmission segment at the end of the reporting period were EUR 1,131 million. In 2025, investments in electricity transmission assets amounted to EUR 182,848 thousand, including:

- Synchronisation with the European electricity transmission network (phases 1 and 2) EUR 90,838 thousand invested – the project’s goal is to strengthen Latvia’s energy security by synchronising the Latvian electricity transmission network with the continental European network, taking into account the principles of safety and cost-effectiveness.
- EUR 16,702 thousand invested in the reconstruction and renovation of substations and power transmission lines – within the framework of the reconstruction and renovation projects of the substation, the equipment installed in it that has served its time is completely replaced, as well as the protection equipment of network elements is replaced, installing digital and high-speed equipment with wide functionality. In addition, by modernizing communication solutions, the total amount ensures that the reconstructed

substation can be controlled not only from the workplace in the substation, but also remotely from the central dispatch centre, in addition, the dispatcher directly receives all the necessary information for decision-making and action both in the normal operating mode of the system and in various emergency situations. The aforementioned projects increase the controllability and observability of the electricity system, as well as open up opportunities to develop and integrate renewable energy resources.

- EUR 51,066 thousand has been invested in ensuring connections for producers of renewable energy resources. The costs of the aforementioned connections are covered by the connection applicants and do not have a negative impact on the electricity transmission system service tariffs.

NATURAL GAS
TRANSMISSION SEGMENT

The assets of the natural gas transmission segment at the end of the reporting period were EUR 223 million, which constituted 48% of the total assets of the Subsidiary. Investments made during the reporting period amounted to EUR 11,829 thousand. The largest of them:

- Renovation of transmission gas pipelines – EUR 6.1 million;

- Biomethane input point "Džūkste" – EUR 1.5 million. On 28 July 2025, a biomethane input point was opened in Džūkste parish, and its total value reached EUR 1.6 million, of which EUR 1.5 million was provided by the European Union Recovery and Resilience Mechanism.

NATURAL GAS STORAGE SEGMENT

The segment’s assets at the end of the reporting period totalled EUR 245 million, which constituted 52% of the total assets of the Subsidiary. Investments made during the reporting period amounted to EUR 14,611 thousand, including the most significant:

- reconstruction of wells, installation of a new gas pumping unit, and reconstruction of gas collection point No. 3 – EUR 10.5 million, implemented within the framework of the ambitious European project of common interest PCI 8.2.4 "Improvement of the operation of the Inčukalns underground gas storage facility";
- renovation of the interconnection between compressor station I and compressor station II – EUR 705 thousand;

creation of a SCADA storage control system – EUR 639 thousand.

FUTURE DEVELOPMENT OF THE GROUP

Electricity transmission

In order to ensure efficient development of the transmission system and reliable electricity transmission system service, AST annually develops an electricity transmission system development plan for the next ten years.

The Development Plan for 2026-2035 approved by the AST Management Board envisages investing EUR 908 million in the transmission system over the next 10 years, within the framework of which investments are foreseen in the development of interconnections, as well as in the protection of critical synchronisation infrastructure and in the maintenance and development of the operational capacity of the existing infrastructure, ensuring efficient and high-quality electricity transmission system service at the lowest possible service tariffs.

In addition, in the coming years, AST will also prioritise the connection of large-scale renewable energy power plants to the transmission network. The development of renewable energy power plants makes a significant contribution to achieving Latvia’s energy and climate goals.

In order to ensure the smallest possible impact of the planned capital investments on electricity transmission

tariffs, AST plans to attract EU co-financing for projects of common European interest included in the Development Plan. Detailed information on the further development of the electricity transmission system, as well as system management and market development, innovations, and research is provided in the Sustainability Report section "Operating segments".

Natural gas transmission and storage

The Subsidiary’s further development is focused on the implementation of climate-friendly and sustainable energy solutions. In order to promote biomethane production in Latvia, Conexus is developing a solution that will offer biomethane injection into the natural gas transmission system to those producers whose existing or planned future biomethane stations are located relatively far from the existing natural gas transmission infrastructure. The Natural Gas Transmission System Development Plan for 2026–2035 envisages continuing to develop the construction of biomethane injection points in the territory of Latvia in order to ensure access to the transmission system in various regions of Latvia and expand access opportunities for small and medium-sized biomethane producers. The Subsidiary is also participating in an international project on the creation of the Nordic-Baltic Hydrogen Corridor. The aforementioned project is an important component of Europe’s transition to a sustainable and decarbonised energy system. Detailed information on the further development of the natural gas transmission and storage segments is provided in the Sustainability Report section "Operating segments".

FINANCING AND LIQUIDITY

The Group finances capital investment projects from its own funds and external long-term borrowed financing, which is regularly and timely raised in the financial and capital markets. Timely planned raising of borrowed financing is essential for ensuring optimal risk management of loan refinancing, as well as for repaying loan principal amounts within the binding term. As of 31 December 2025, the total amount of borrowings of the Parent Company was EUR 120,435 thousand (31 December 2024: EUR 100,420 thousand), which consisted of borrowings from green bonds issued in 2021 in the amount of EUR 100,446 thousand, as well as a loan for financing capital investment projects from AS "Luminor Bank" in the amount of EUR 19,989 thousand (see also Note 20). In order to ensure available resources for financing current assets, the Parent Company has concluded two overdraft agreements with AS "SEB banka" for an amount of up to EUR 10,000 thousand each and maturing on 10 January 2027 and 10 December 2027. In addition to the liquidity reserve, taking into account the green bond repayment date of 20 January 2027, the Parent Company has concluded an overdraft agreement with AS "SEB banka" for an amount of up to EUR 90,000 thousand and maturing on 10 March 2027. During the reporting period, AS "Augstsprieguma tīkls" did not receive any loans under overdraft agreements. At the end of the reporting period, 83% of the Parent Company’s total long-term loans had a fixed loan interest rate (31 December 2024:

100%). At the end of the reporting period, the weighted average interest rate of the Parent Company's long-term borrowings was 0.9% (31 December 2024: 0.5%).

The Group's total borrowings as of 31 December 2025 were EUR 186,895 thousand, including bonds issued by the Parent Company of EUR 100,446 thousand, loans from credit institutions of EUR 86,449 thousand. The natural gas operator AS "Conexus Baltic Grid" attracts external financing with its own resources. At the end of the reporting period, 67% of the Group's total long-term borrowings had a fixed loan interest rate (31 December 2024: 76%), thus the increase in interest rates in the financial market does not have a significant impact on the Group. The Group's weighted average interest rate of long-term borrowings at the end of the reporting period was 1.34% (31 December 2024: 1.50%). All of the Group's borrowings are denominated in euros and unsecured.

In 2025, the credit rating of AS "Augstsprieguma tīkls" has been maintained at the high investment grade credit rating level of A- with a stable future outlook.

CORPORATE GOVERNANCE

Simultaneously with the Group's financial results, the Corporate Governance Report of AS "Augstsprieguma tīkls" for 2025 has also been published. The Corporate

Governance Report has been prepared in accordance with the Latvian Corporate Governance Code 2025 "Good Corporate Governance Recommendations for Companies in Latvia", in accordance with the Law on Governance of Capital Shares and Capital Companies of a Public Person and the Cabinet Regulations No. 175 of 15 March 2022 "Regulations on Corporate Governance Recommendations for Capital Companies of Public Persons and Public-Private Capital Companies".

Having assessed both the capital company's governance system and compliance with the principles in 2025, the Management Board believes that AS "Augstsprieguma tīkls" has complied, in material aspects, with all the principles set out in the Code. Detailed information is available in the Corporate Governance Report of AS "Augstsprieguma tīkls" for 2025, published on the Parent Company's website: www.ast.lv/lv/content/korporativas-parvaldibas-modelis.

NON-FINANCIAL STATEMENT

The Group's Non-Financial Statement (Sustainability Report) has been prepared in accordance with the requirements of the Sustainability Information Disclosure Law and Section 56 of the Financial Instruments Market Law. The consolidated Non-Financial Statement

(Sustainability Report) of the Augstsprieguma tīkls Group and the separate non-financial statement (Sustainability Report) of AS "Augstsprieguma tīkls" have been prepared in accordance with the requirements of the thematic standards of the European Sustainability Reporting Standards (hereinafter also "ESRS") and are published together with the management report as a component of the consolidated annual report.

The aforementioned report is publicly available on the Parent Company's website: www.ast.lv/lv/content/ilgtspejas-parskati and included in this Group's annual report.

FINANCIAL RISK MANAGEMENT

The financial risk management of the High Voltage Network Group is implemented in accordance with the Financial Risk Management Policy and its subordinate Financial Risk Management Regulations.

The Group's Subsidiary develops and approves its own Financial Risk Management Policies, which are consistent with the basic principles included in the Group's policy.

Financial resource management is aimed at ensuring the financing of economic activities and financial stability by implementing conservative financial risk management.

Within the framework of financial risk management, the Group and the Parent Company use financial risk controls and take risk mitigation measures, reducing the risk in open positions.

LIQUIDITY RISK

Liquidity risk is related to the ability of the Group and the Parent Company to meet its obligations within the specified deadlines. In order to mitigate short-term liquidity risk and to mitigate unpredictable cash flow fluctuations caused by operational risk, the Group and the Parent Company ensure a reserve in the form of cash or signed and irrevocably available credit facilities for the next 24 months.

The Group and the Parent Company observe prudent liquidity risk management, ensuring that it has access to adequate financial resources to settle its obligations within the specified deadlines. By providing the necessary financial resources to cover its obligations, the Parent Company had an overdraft of EUR 110,000 thousand available as of 31 December 2025. In turn, the Subsidiary had available long-term loan agreements of EUR 36,000 thousand at the end of the reporting period. The management believes that it will not have any liquidity problems and the Augstsprieguma tīkla Group will be able to settle its creditors within the specified deadlines.

The management believes that the Augstsprieguma tīkla Group will have sufficient cash resources so that its liquidity is not threatened.

INTEREST RATE RISK

Interest rate risk arises mainly from borrowings with a variable interest rate, creating the risk that financial costs will increase significantly due to an increase in interest rates. To mitigate this risk, the Group and the Parent Company’s Financial Risk Management Regulations stipulate that the proportion of fixed rates or rates with limited increases in the borrowing portfolio may not be less than 35%. At the end of the reporting period, 83% of the Parent Company’s and 67% of the Group’s long-term borrowings had a fixed interest rate.

CREDIT RISK

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 may be related to financial counterparty risk and counterparty risk.

In carrying out economic activities, the Group and the Parent Company cooperate with local and

foreign financial institutions. Consequently, financial counterparty risk arises - in the event of insolvency or suspension of operations of cooperation partners, the Group and the Parent Company may suffer losses. In the case of external financing, the risk exists until the loan is drawn down and transferred to one of the Group’s or the Parent Company’s partner banks.

Credit risk arising from the Group's and the Parent Company's cash funds in current accounts is managed in accordance with the Group’s Financial Risk Management Policy and Financial Risk Management Regulations, balancing the allocation of financial assets.

In accordance with the Financial Risk Management Policy, in cooperation with banks and financial institutions, business partners with a minimum credit rating of at least investment grade, set by the parent bank or an international credit rating agency, are accepted.

When carrying out economic activities, the Group and the Parent Company cooperate with local and foreign merchants. Consequently, there is a risk of business partners or debtors - in the event of insolvency or suspension of operations of cooperation partners, the Group or the Parent Company may suffer losses. The Law on International and National Sanctions of the Republic of Latvia establishes financial and civil law restrictions for entities included in the sanctions list, including the freezing of financial assets. Taking into account the above, in addition to legal and reputational risks, cooperation with an entity included in the sanctions list creates a risk of non-fulfillment of contractual obligations for the Group

or the Parent Company.

The Parent Company has developed internal procedures for managing the aforementioned risks, including ensuring monitoring of cooperation partners, as well as providing in procurement contracts the right to unilaterally withdraw from the contract performance if the contract cannot be performed due to the fact that international or national sanctions have been applied to the counterparty or sanctions imposed by a member state of the European Union or the North Atlantic Treaty Organisation affecting significant financial market interests.

Although the Group and the Parent Company have a significant concentration of debtor risk in relation to one counterparty or a group of similar counterparties, this risk is assessed as limited, taking into account that the most significant counterparty is a state-owned commercial company - joint-stock company "Latvenergo", as well as its group companies, with a high credit rating of Baa2 (investment grade rating) and a stable future outlook, which Moody’s has assigned to the AS "Latvenergo" group. The credit risk associated with receivables is managed in accordance with the risk management measures set out in the Financial Risk Management Regulations, monthly, but not less than quarterly, by performing an analysis of receivables.

CAPITAL RISK MANAGEMENT

The shareholder of the Parent Company is the Republic of Latvia (100%). The objective of capital risk management is to ensure the sustainable operation and development of the Group and the Parent Company, the financing necessary for the implementation of the development plan in transmission assets, and the fulfilment of the restrictive conditions set out in the loan agreements. The restrictive conditions set out in the loan agreements have not been violated. In order to ensure the fulfilment of the restrictive conditions set out in the loan agreements, a regular analysis of the equity ratio is performed.

CIRCUMSTANCES AND EVENTS AFTER THE END OF THE REPORTING PERIOD

In accordance with the decision of the shareholders’ meeting of AS "Augstsprieguma tīkls", an investment in the share capital of the Parent Company in the amount of EUR 4,373,411 has been made, capitalizing the retained earnings. The decision of the Enterprise Register on the registration of the changes came into effect on 5 January 2026.

There have been no other events in the period from the last day of the reporting period to the date of signing these financial statements that would significantly affect the financial statements of AS "Augstsprieguma tīkls" Group and AS "Augstsprieguma tīkls".

Although the development of geopolitical events is unclear and uncertainty is increasing, at present no circumstances have been identified that would threaten the continuity of the Group's operations and the performance of its legally prescribed functions. nepārtrauktību un likumiski noteikto funkciju izpildi.

PROPOSAL ON PROFIT DISTRIBUTION

The Shareholders’ Meeting of AS "Augstsprieguma tīkls" has decided on the distribution of profit for 2025. The Company’s profit for 2025 amounted to EUR 19,496 thousand.

Rolands Irklis, Chairman of the Management Board	Arnis Daugulis, Member of the Management Board	Imants Zviedris, Member of the Management Board	Gatis Junghāns, Member of the Management Board
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Riga, 24 April 2026
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STATEMENT ON THE RESPONSIBILITY OF THE MANAGEMENT BOARD

The Management 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 at the disposal of the Management Board of AS "Augstsprieguma tīkls", the 2025 annual financial statements of the Augstsprieguma tīkls Group and AS "Augstsprieguma tīkls", prepared under IFRS Accounting Standards adopted in the European Union, provide a true and fair view of the assets, liabilities, financial position and profit or loss and their cash flows of the Augstsprieguma tīkls Group and AS "Augstsprieguma tīkls" in all the material aspects. The information provided in the Management report is true.

Rolands Irklis,
Chairman of
the Management Board

Arnis Daugulis,
Member of
the Management Board

Imants Zviedris,
Member of
the Management Board

Gatis Junghāns,
Member of
the Management Board

Riga, 24 April 2026

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CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS

	NOTES	PARENT COMPANY		GROUP	
		2025 EUR	2024 EUR	2025 EUR	2024 EUR
Revenue	4	266,007,616	154,010,651	355,823,559	258,607,128
Other revenue	5	11,721,776	12,033,125	13,007,549	14,020,475
Raw materials and consumables used	6	(174,178,550)	(77,334,682)	(196,209,315)	(94,873,293)
Personnel costs	7	(26,069,106)	(23,469,152)	(43,616,643)	(40,799,189)
Other operating expenses	8	(32,198,603)	(24,691,284)	(36,489,224)	(28,682,732)
EBITDA*		45,283,133	40,548,658	92,515,926	108,272,389
Depreciation, amortisation and impairment	10.4	(39,281,725)	(36,207,837)	(57,035,832)	(83,319,835)
Operating profit		6,001,408	4,340,821	35,480,094	24,952,554
Income from investments in the capital of associated undertakings		39,667	20,000	39,667	20,000
Dividends received from the Subsidiary	11.1	13,345,914	8,170,968	-	-
Financial income	9a	628,252	2,645,574	979,548	3,350,090
Financial costs	9b	(518,903)	(412,912)	(1,967,504)	(3,005,124)
Profit before tax		19,496,338	14,764,451	34,531,805	25,317,520
Corporate income tax	15	-	-	(5,280,226)	(2,645,051)
Profit for the year		19,496,338	14,764,451	29,251,579	22,672,469
Attributable to:					
Parent Company's shareholder		19,496,338	14,764,451	21,965,475	17,601,157
Non-controlling interests		-	-	7,286,104	5,071,312

** An explanation of the inclusion of an additional non-IFRS measure is provided in Note 2.
The Notes on pages 194 to 284 are an integral part of these financial statements.

Rolands Irklis,
Chairman of the Management Board

Arnīs Daugulis,
Member of the Management Board

Imants Zviedris,
Member of the Management Board

Gatis Junghāns,
Member of the Management Board

Māra Grava,
Head of Finance and Accounting Department

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STATEMENT OF COMPREHENSIVE INCOME

	NOTES	PARENT COMPANY		GROUP	
		2025 EUR	2024 EUR	2025 EUR	2024 EUR
PROFIT FOR THE YEAR		19,496,338	14,764,451	29,251,579	22,672,469
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Outcome of the assessment of post-employment benefits	18	(224,898)	119,989	(365,902)	99,406
Total other comprehensive income for the reporting year		(224,898)	119,989	(365,902)	99,406
TOTAL comprehensive income for the year		19,271,440	14,884,440	28,885,677	22,771,875
Comprehensive income attributable to:					
Parent Company’s shareholder		19,271,440	14,884,440	21,644,046	17,707,055
Non-controlling interests		-	-	7,241,631	5,064,820

The Notes on pages 194 to 284 are an integral part of these financial statements.

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Member of the Management Board

Māra Grava,
Head of Finance and Accounting Department

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STATEMENT OF FINANCIAL POSITION

1 / 3

	NOTES	PARENT COMPANY		GROUP	
		2025 EUR	2024 EUR	2025 EUR	2024 EUR
ASSETS					
Non-current assets					
Intangible assets	10.1	7,165,291	5,069,863	25,593,210	24,250,431
Advance payments for intangible assets		-	-	52,089	69,841
Property, plant and equipment	10.2	965,126,112	823,997,734	1,382,174,146	1,231,574,613
Advance payments for property, plant and equipment	10.2	2,422,147	36,245,632	2,543,977	37,167,647
Right-of-use assets	10.3	12,964,347	13,524,306	13,386,417	13,959,520
Non-current financial investments	11	134,456,353	134,469,726	61,382	74,755
Non-current prepayments		675,016	750,392	868,637	1,038,818
Total non-current assets		1,122,809,266	1,014,057,653	1,424,679,858	1,308,135,625
Current assets					
Inventories	12	855,934	429,253	6,554,983	5,545,188
Receivables from contracts with customers	13	37,088,117	25,630,172	46,674,306	37,005,834
Other current receivables	14	41,982,860	84,466,247	43,226,949	85,468,144
Cash and cash equivalents	16	62,301,216	68,393,991	66,883,415	92,845,145
Total current assets		142,228,127	178,919,663	163,339,653	220,864,311
TOTAL ASSETS		1,265,037,393	1,192,977,316	1,588,019,511	1,528,999,936

The Notes on pages 194 to 284 are an integral part of these financial statements.

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Head of Finance and Accounting Department

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STATEMENT OF FINANCIAL POSITION (CONTINUED)

2 / 3

	NOTES	PARENT COMPANY		GROUP	
		2025 EUR	2024 EUR	2025 EUR	2024 EUR
EQUITY AND LIABILITIES					
Equity					
Share capital	17a	396,660,246	395,555,050	396,660,246	395,555,050
Reserves	17b	34,901,035	35,628,701	102,347,693	36,218,861
Retained earnings		34,104,476	25,601,606	52,912,978	108,894,000
Equity attributable to equity holders of the parent		465,665,757	456,785,357	551,920,917	540,667,911
Non-controlling interests	17c	-	-	101,510,766	100,416,021
Total equity		465,665,757	456,785,357	653,431,683	641,083,932
Non-current liabilities					
Employee benefits	18	3,435,814	3,155,209	4,998,624	4,579,576
Lease liabilities	20	12,755,538	13,227,219	13,192,670	13,671,325
Borrowings	20	118,188,536	100,419,719	177,958,862	147,196,601
Deferred income from contracts with customers	19a	98,996,788	50,442,317	98,996,788	50,442,317
Other deferred income	19a	443,439,333	380,810,246	484,936,409	422,100,566
Deferred tax liabilities	15	-	-	3,706,171	3,299,741
Total non-current liabilities		676,816,009	548,054,710	783,789,524	641,290,126

The Notes on pages 194 to 284 are an integral part of these financial statements.

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STATEMENT OF FINANCIAL POSITION (CONTINUED)

3 / 3	NOTES	PARENT COMPANY		GROUP	
		2025 EUR	2024 EUR	2025 EUR	2024 EUR
Current liabilities					
Borrowings	20	2,246,140	-	8,936,685	19,841,888
Lease liabilities	20	834,973	855,303	862,177	882,507
Deferred income from contracts with customers	19b	5,384,102	4,440,398	5,384,102	4,442,669
Other deferred income	19b	40,865,110	83,943,327	42,077,626	84,930,048
Trade payables	21	35,993,315	50,692,048	41,744,038	60,107,843
Other liabilities	21	37,231,987	48,206,173	51,793,676	76,420,923
Total current liabilities		122,555,627	188,137,249	150,798,304	246,625,878
TOTAL EQUITY AND LIABILITIES		1 265,037,393	1,192,977,316	1,588,019,511	1,528,999,936

The Notes on pages 194 to 284 are an integral part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY

1 / 2	PARENT COMPANY							
	Notes	Share capital EUR	Retained earnings EUR	Other reserves EUR	PPE revaluation reserve EUR	Postemployment benefit valuation reserve EUR	Reorganisation reserve EUR	Total EUR
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 year		-	14,764,451	-	-	-	-	14,764,451
Other comprehensive income for the year		-	-	-	-	119,989	-	119,989
Total comprehensive income for the year		-	14,764,451	-	-	119,989	-	14,884,440
Dividends paid	17a	-	(10,117,120)	-	-	-	-	(10,117,120)
Share capital increase	17a	3,956,516	(3,956,516)	-	-	-	-	-
Write-down of PPE revaluation reserve		-	728,987	-	(728,987)	-	-	-
Total transactions with the shareholder and other changes in equity		3,956,516	(13,344,649)	-	(728,987)	-	-	(10,117,120)
At 31 December 2024		395,555,050	25,601,606	2,680,615	60,110,486	174,304	(27,336,704)	456,785,357
Profit for the year		-	19,496,338	-	-	-	-	19,496,338
Other comprehensive income for the year		-	-	-	-	(224,898)	-	(224,898)
Total comprehensive income for the year		-	19,496,338	-	-	(224,898)	-	19,271,440
Dividends paid	17a	-	(10,391,040)	-	-	-	-	(10,391,040)
Share capital increase	17a	1,105,196	(1,105,196)	-	-	-	-	-
Write-down of PPE revaluation reserve		-	502,768	-	(502,768)	-	-	-
Total transactions with the shareholder and other changes in equity		1,105,196	(10,993,468)	-	(502,768)	-	-	(10,391,040)
At 31 December 2025		396,660,246	34,104,476	2,680,615	59,607,718	(50,594)	(27,336,704)	465,665,757

The Notes on pages 194 to 284 are an integral part of these financial statements.

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Head of Finance and Accounting Department

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	GROUP									
	Attributable to the shareholder of the Parent Company									
	Pielikums	Share capital EUR	Retained earnings EUR	Other reserves EUR	PPE revaluation reserve EUR	Post-employ- ment benefit valuation reserve EUR	Reorganisa- tion reserve EUR	Total EUR	Non- controlling interests EUR	Total EUR
At 31 December 2023		391,598,534	104,637,492	2,680,615	60,052,610	(142,732)	(25,748,543)	533,077,976	99,114,988	632,192,964
Profit for the year		-	17,601,157	-	-	-	-	17,601,157	5,071,312	22,672,469
Other comprehensive income for the year		-	-	-	-	105,898	-	105,898	(6,492)	99,406
Total comprehensive income for the year		-	17,601,157	-	-	105,898	-	17,707,055	5,064,820	22,771,875
Dividends paid	17a	-	(10,117,120)	-	-	-	-	(10,117,120)	(3,763,787)	(13,880,907)
Share capital increase	17a	3,956,516	(3,956,516)	-	-	-	-	-	-	-
Write-down of PPE revaluation reserve		-	728,987	-	(728,987)	-	-	-	-	-
Total transactions with the shareholder and other changes in equity		3,956,516	(13,344,649)	-	(728,987)	-	-	(10,117,120)	(3,763,787)	(13,880,907)
At 31 December 2024		395,555,050	108,894,000	2,680,615	59,323,623	(36,834)	(25,748,543)	540,667,911	100,416,021	641,083,932
Profit for the year		-	21,965,475	-	-	-	-	21,965,475	7,286,104	29,251,579
Other comprehensive income for the reporting year		-	-	-	-	(321,429)	-	(321,429)	(44,473)	(365,902)
Total comprehensive income for the year		-	21,965,475	-	-	(321,429)	-	21,644,046	7,241,631	28,885,677
Dividends paid	17a	-	(10,391,040)	-	-	-	-	(10,391,040)	(6,146,886)	(16,537,926)
Share capital increase	17a	1,105,196	(1,105,196)	-	-	-	-	-	-	-
Reserves created to finance storage assets		-	(66,953,029)	66,953,029	-	-	-	-	-	-
Write-down of PPE revaluation reserve		-	502,768	-	(502,768)	-	-	-	-	-
Total transactions with the shareholder and other changes in equity		1,105,196	(77,946,497)	66,953,029	(502,768)	-	-	(10,391,040)	(6,146,886)	(16,537,926)
At 31 December 2025		396,660,246	52,912,978	69,633,644	58,820,855	(358,263)	(25,748,543)	551,920,917	101,510,766	653,431,683

The Notes on pages 194 to 284 are an integral part of these financial statements.

Rolands Irklis,
Chairman of the Management Board

Arnis Daugulis,
Member of the Management Board

Imants Zviedris,
Member of the Management Board

Gatis Junghāns,
Member of the Management Board

Māra Grava,
Head of Finance and Accounting Department

Rīga, 2026. gada 24. aprīlis. This document has been electronically signed with a secure electronic signature and contains a time stamp.

STATEMENT OF CASH FLOWS

1 / 3

	NOTES	PARENT COMPANY		GROUP	
		2025 EUR	2024 EUR	2025 EUR	2024 EUR
I. Cash flows from operating activities					
Profit before tax		19,496,338	14,764,451	34,531,805	25,317,520
Adjustments:					
Amortisation of intangible assets, depreciation, and impairment of property, plant and equipment	10	38,358,272	35,287,335	56,099,235	82,386,189
Depreciation of right-of-use assets	10	923,453	920,502	936,597	933,646
Disposal of intangible assets and property, plant and equipment	10	601,352	225,756	599,810	182,105
Increase in provisions		55,707	13,304	194,150	106,194
Interest expense	9	1,037,204	782,984	2,680,991	3,518,245
Interest income	9	(627,813)	(2,641,080)	(977,679)	(3,345,596)
Dividends from the Subsidiary	11.1	(13,345,914)	(8,170,968)	-	-
Income from investments in associates		(39,667)	(20,000)	(39,667)	(20,000)
Operating profit before changes in working capital		46,458,932	41,162,284	94,025,242	109,078,303
Adjustments:					
Increase in contracts from customers, deposits, and other short-term receivables		(6,835,904)	(3,266,122)	(5,193,668)	(3,471,602)
Decrease in inventories		(53,559)	(43,694)	(636,672)	(482,020)
Increase / (decrease) in trade and other payables		(15,463,872)	26,440,163	(17,545,485)	27,908,657
Gross cash flows from operating activities		24,105,597	64,292,631	70,649,417	133,033,338

The Notes on pages 194 to 284 are an integral part of these financial statements.

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ANNUAL REPORT

2 / 3	NOTES	PARENT COMPANY		GROUP	
		2025 EUR	2024 EUR	2025 EUR	2024 EUR
Interest paid		(266,858)	(36,694)	(1,899,027)	(2,777,064)
Lease interest paid	20	(215,389)	(219,708)	(233,661)	(240,220)
Interest received		632,245	3,391,095	1 020,954	4,055,846
Expenditure on debt securities issued	20	(500,000)	(500,000)	(500,000)	(500,000)
Corporate income tax paid	15	-	-	(3,879,144)	(2,983,957)
Net cash flow from operating activities		23,755,595	66,927,324	65,158,539	130,587,943
II. Cash flows from investing activities					
Acquisition of property, plant and equipment and intangible assets		(166,590,015)	(174,740,720)	(209,889,538)	(218,416,667)
Sale of property, plant and equipment		291,401	64,843	311,217	125,094
EU funding received	19	99,248,859	55,881,228	100,912,020	72,203,423
Congestion fees received	19	15,048,551	11,104,799	15,048,551	11,104,799
Bank deposits (net)		-	80,000,000	-	80,000,000
Dividends received	11	13,398,954	8,170,968	53,040	-
Net cash flows from investing activities		(38,602,250)	(19,518,882)	(93,564,710)	(54,983,351)

The Notes on pages 194 to 284 are an integral part of these financial statements.

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ANNUAL REPORT

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	NOTES	PARENT COMPANY		GROUP	
		2025 EUR	2024 EUR	2025 EUR	2024 EUR
III. Cash flow from financing activities					
Lease payments	20	(855,080)	(844,021)	(864,012)	(871,225)
Borrowings from credit institutions received	20	20,000,000	-	29,000,000	-
Repayment of borrowings from credit institutions	20	-	-	(9,149,288)	(12,899,286)
Dividends paid	17	(10,391,040)	(10,117,120)	(16,542,259)	(13,889,076)
Net cash flows from financing activities		8,753,880	(10,961,141)	2,444,441	(27,659,587)
Net cash increase during the reporting period		(6,092,775)	36,447,301	(25,961,730)	47,945,005
Cash balance at the beginning of the reporting year		68,393,991	31,946,690	92,845,145	44,900,140
Cash balance at the end of the reporting year		62,301,216	68,393,991	66,883,415	92,845,145

The Notes on pages 194 to 284 are an integral part of these financial statements.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1. GENERAL INFORMATION ABOUT THE GROUP

The main activity of the AS "Augstsprieguma tīkls" Group is ensuring the functions of electricity transmission system operator, efficient management of energy supply system assets, transmission and storage of natural gas.

The Group includes the Parent Company AS "Augstsprieguma tīkls", the Subsidiary AS "Conexus Baltic Grid", and the associated company "Baltic RCC" OÜ.

All shares of AS "Augstsprieguma tīkls" are owned by the State, and their holder is the Ministry of Climate and Energy of the Republic of Latvia. The registered office of the parent company is Dārziema street 86, Riga, LV-1073, Latvia.

THE GROUP’S MANAGEMENT BOARD AND COUNCIL

Management Board members and their positions

Rolands Irklis – Chairman of the Management Board
Imants Zviedris – a member of the Management Board
Gatis Junghāns – a member of the Management Board
Arnis Daugulis – a member of the Management Board
Ilze Znotiņa – a member of the Management Board (until 31.12.2025)

Council members and their positions

Olga Bogdanova – Chairwoman of the Council
Līga Rozentāle – deputy Chairwoman of the Council (until 31.12.2025)
Juris Zīvarts – a member of the Council (from 01.01.2026)

AS "Augstsprieguma tīkls" is a transmission system operator, which, operates in accordance with the license No. E13001 issued by the Public Utilities Commission, ensures the reliability of the transmission network operations and the electricity supply of the Latvian electricity system, provides transmission services based on published transmission service tariffs, and constantly ensures the availability of transmission system services. AS "Augstsprieguma tīkls" performs operational management of the transmission system and ensures safe, stable electricity transmission. The Group's subsidiary AS "Conexus Baltic Grid" is an independent unified natural gas transmission and storage system operator in Latvia, which manages one of the most modern natural gas storage facilities in Europe - the Inčukalns underground gas storage facility - and the main natural gas transmission system that connects the Latvian natural gas market with the transmission systems of other countries. Conexus takes care of the sustainability and safety of the infrastructure, high-quality of services, which promotes market development and provides economic value for customers and the entire society. Conexus natural gas transmission and storage services are regulated by the Public Utilities Regulatory Commission. The Group's associated company "Baltic RCC" OÜ is the Baltic Regional Coordination Centre in Tallinn, whose main task is to coordinate the development planning of electricity systems, as well as to coordinate the daily activities of individual operators to guarantee the security of electricity supply.

The financial statements were approved on 24 April 2026 by the Parent Company's Management Board consisting of the following members: Rolands Irklis (Chairman of the Management Board), Imants Zviedris (a member of the Management Board), Gatis Junghāns (a member of the Management Board), Arnis Daugulis (a member of the Management Board). The decision on the approval of the financial statements will be made by the shareholders' meeting.

The auditor of the Parent Company and the Group is the auditing company SIA "KPMG Baltics", and the auditor in charge is Armine Movsisjana.

2. 2. MATERIAL ACCOUNTING POLICIES

This section sets out material accounting policies applied in the preparation of the financial statements. These principles have been applied consistently throughout the period presented. The accounting and measurement principles set out in this section have been applied consistently throughout the period presented, unless otherwise stated.

The consolidated and separate financial statements have been prepared in accordance with IFRS accounting standards as adopted by the European Union (hereinafter referred to as "IFRS Accountant Standards").

The consolidated and separate financial statements have been prepared under the historical cost bases, with exception for certain groups of property, plant and equipment that are carried at revalued amounts (see Notes 2.3 and 10.2). The income statement is classified by type of expense. Cash flow from operating activities has been prepared using the indirect method. Cash flows from investing activities and cash flows from financing activities have been prepared using the direct method.

The non-IFRS indicator EBITDA is presented in the income statement. Such a presentation is typical of the industry practice and provides better comparability with other companies operating in this sector. EBITDA within the framework of these financial statements is calculated as profit before depreciation and amortisation, dividends received, financial income, financial expenses and corporate income tax. EBITDA maybe calculated differently in the financial statements of other companies.

Financial indicators in the financial statements are presented in the official currency of the Republic of Latvia, the euro (hereinafter "EUR").

The financial statements observe the comparability of indicators. In cases where the presentation of financial statement information is changed during the reporting year, comparative indicators are reclassified to ensure their comparability.

The financial statements cover the period from 1 January to 31 December 2025.

The consolidated financial statements of the Group include the financial results of the subsidiary AS "Conexus Baltic Grid" from the date of acquisition of the Subsidiary.

As of 31 December 2025 and 31 December 2024, the Parent Company of the Group had investments in the following subsidiaries:

Subsidiary	Country	Type of business	Foundation / acquisition date	Shareholding
AS "Conexus Baltic Grid"	Latvia	Natural gas transmission and storage	21.07.2020.	68.46 %
		Pipeline transport (NACE code 49.50)		

Standards and interpretations applicable during the reporting year

The following standards, amendments to them or new guidance included in interpretations issued by the International Accounting Standards Board (IASB) and endorsed by the EU have entered into force during the reporting year and have been applied in the preparation of these financial statements.

The application of these new amendments to existing standards and interpretations did not have a significant impact on the financial statements of the Parent Company and the Group.

Effective date	New or updated standards
1 January 2025	Insufficient interchangeability – amendments to IAS 21

Standards or interpretations that will first become effective for reporting periods beginning at or after 1 January 2026

At the date of approval of the financial statements, the following new standards, amendments to existing standards and interpretations have been issued by the IASB but are not yet effective:

Effective date	New or amended standards	EU approved
1 January 2026	Classification and measurement of financial instruments – Amendments to IFRS 9 and IFRS 7	28 May 2025 (Commission Regulation (EU) 2025/1047)
1 January 2026	Contracts Referencing Nature-Dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 July 2025 (Commission Regulation (EU) 2025/1266)
1 January 2026	Annual Improvements to IFRS Accounting Standards – 11th Edition	10 July 2025 (Commission Regulation (EU) 2025/1331)
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements	13 February 2026 (Commission Regulation (EU) 2026/338)
1 January 2027	IFRS 19 Subsidiaries without Public Accountability: Disclosures	Not yet approved
Will be decided*	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Not yet approved

* The effective date of these amendments has been postponed indefinitely. Early adoption is still permitted.

IFRS 18, Presentation and Disclosure in Financial Statements, endorsed by the EU in February 2026, replaces International Financial Reporting Standard (IFRS) 1 from 1 January 2027 and will result in significant changes in IFRS accounting standards, including IAS 8, Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors), as well as specific amendments to IAS 7, Cash Flow Statement. Although IFRS 18 will not affect the recognition and measurement of items in the parent company’s separate or group consolidated financial statements, it is expected to have a significant impact on the presentation of certain items and disclosures in the notes. These changes primarily affect classification and subtotals in the income statement, the aggregation, disaggregation and naming of items, and the disclosure of performance measures defined by management in the notes to the financial statements. The parent company and the group are working on an IFRS 18 implementation plan.

The Parent Company and the Group expect that, except IFRS 18, the adoption of these standards and amendments to existing standards will not have a material impact on the financial statements in the period of initial application. Although early adoption of certain standards is permitted, the Parent Company and the Group have not early adopted the new or amended standards in preparing these consolidated financial statements.

CONSOLIDATION

A) Subsidiariess

A Subsidiary is an entity controlled by a Parent Company. The Parent Company controls another entity if it receives, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to govern the activities of the subsidiary (IFRS 10 *Consolidated Financial Statements*).

The financial statements of a Subsidiary are consolidated from the date on which the Parent Company obtains control of the Subsidiary and are discontinued when that control ceases.

All intercompany transactions , balances and unrealised profits on intercompany transactions are eliminated. Unrealised losses are also eliminated but are considered an indicator of impairment of the transferred asset. Where necessary, the accounting and valuation methods of the Group’s subsidiaries have been changed to ensure consistency with the accounting and measurement methods used within the Group. Investments in equity of Subsidiaries are stated in the Parent Company’s separate financial statements at historical cost, less any impairment losses. Impairment losses are recognised as the amount by which the carrying amount of an investment in a Subsidiary exceeds its recoverable amount. The recoverable amount is the higher of the asset’s fair value less costs to sell or value in use. Previous impairment losses of Subsidiaries (if any) are reviewed to determine whether there is any possibility of reversal at each reporting date.

B) Transactions with non-controlling interests and shareholders

The Group’s transactions with non-controlling interests are treated as transactions with the shareholders of the entity. Changes in the Parent Company’s interest in a Subsidiary that are not reflected in the Parent Company’s share of the Subsidiary’s share when it loses control of the Subsidiary are equity transactions (i.e., transactions that are treated as transactions with shareholders). Gains or losses arising from transactions with non-controlling interests are recognised in the Group’s equity.

C) Associates

Investments in associates are investments in an entity in which the Group has significant influence (directly or indirectly), which usually means ownership rights that guarantee 20 to 50 per cent of the voting rights. Investments in associates are accounted for in the Group’s financial statements using the equity method.

The Group ceases to use the equity method from the date when the investment ceases to be an associate. The Group/Parent Company loses significant influence when it loses the right to participate in the financial or operating affairs of the entity. The loss of significant influence may occur simultaneously with or without a change in the absolute or relative shareholding.

Investments in associates are carried in the Parent Company’s separate financial statements at cost, less impairment losses, if any.

2.1. FINANCIAL INSTRUMENTS

Financial instruments consist of financial assets at amortised cost (trade receivables and deposits), and financial liabilities at amortised cost (trade payables and loans).

Financial instruments are initially recognised at their fair value, plus transaction costs for all financial instruments not designated at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a specified period of time, determined by specific market conditions or agreements (regular trading transactions), are recognised at the time of purchase/sale, i.e., on the date when the Group and the Parent Company are committed to purchase or sell the asset.

FINANCIAL ASSETS

The Group and the Parent Company classify their financial assets in accordance with IFRS 9 into the following measurement categories:

- Those that are subsequently measured at fair value (through other comprehensive income or profit or loss), and
- Those that are to be measured at amortised cost.

Classification of financial assets

The classification of debt instruments depends on the business model applied by the Group and the Parent Company to manage financial assets, as well as on whether the contractual cash flows meet the SPPI (solely payments of principal and interest) criterion. If a debt instrument is held to collect cash flows, it may be carried at amortised cost, if it meets the requirements of SPPI. Financial assets whose cash flows do not meet the requirements of SPPI should be measured at fair value through profit or loss (FVTPL), for example, derivative financial instruments. Embedded derivatives are not separated from financial assets, but are assessed for SPPI requirements when they are included un financial assets.

Equity instruments are always measured at fair value. However, management has the irrevocable election to present changes in fair value in other comprehensive income if the instrument is not held for trading. If an equity instrument is held for trading, changes in fair value should be recognised in the profit or loss statement.

Debt instruments

The subsequent measurement of debt instruments depends on the asset management and cash flow characteristics of the Group’s and the Parent Company’s business model. The Group and the Parent Company classify all of their debt instruments (including deposits with credit institutions) at amortised cost: assets held to collect contractual cash flows, if those cash flows are solely payments of principal and interest, are

measured at amortised cost. Any gain or loss arising from derecognition is recognised directly in profit or loss. Impairment is presented as a separate line item in the profit or loss statement.

Cash

Cash and cash equivalents consist of cash balances in bank current accounts and demand deposits with initial maturity of up to three months.

Bank deposits

Mank deposits are financial assets with an original maturity of more than three months.

Allowances for credit losses of financial assets

Allowances for credit losses of financial assets is recognised in accordance with the expected credit loss (ECL) model. The model has a three-step approach based on changes in the credit quality of the financial asset compared to initial recognition. The model includes operational simplifications for debts from contracts with customers. At the time of initial recognition of the financial asset, the Group and the Parent company recognise immediate loss equal to the 12-month ECL, even if the financial asset has no impairment indicators (debts from contracts with customers are recognised by their lifetime ECL). In the event of a significant increase in credit risk, ECL is measured using the lifetime ECL of the asset rather than a 12-month ECL.

For individually rated financial assets, a material

increase in credit risk is defined as a downgrade below investment grade or a change in the composition of the participants that may adversely affect the external credit rating. For financial assets rated at the portfolio level, material increases in credit risk is defined as default and insolvency of the debtor.

The Group and Parent Company have applied operational simplification granted by IFRS 9 in respect of the valuation of debts from contracts with customers — receivables shall be grouped according to their credit quality and the days past due, applying the expected credit loss interest to each Group Grouped. ECL rates have been estimated considering the last three years of payment history and adjusted to consider information on the present and future projections.

Related party debts, as well as loans issued to related parties, are allocated to a separate group, which ECL is calculated taking into account not only past experience, but also the credit rating and future development forecasts of their ultimate owner – the Republic of Latvia. Although cash and deposits with an original maturity less than three months are also subject to the requirements for calculating ECL under IFRS 9. For the purposes of IFRS, the estimated value of expected credit losses is immaterial given that, in general, all cash and deposits with an initial maturity of less than three months are held in financial institutions that themselves or their parent banks hold an investment grade credit rating (predominantly A level credit rating).

Expected credit losses are included in a separate credit loss account, and losses are recognised in the profit or loss statement. If, in the subsequent period after

ECL is recognition, the amount of loss decreases and this decrease may be objectively related to an event after recognition of impairment (for example, the credit rating of the debtor improves), reversal of previously recognised impairment loss is recognised in the profit or loss statement.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or a group of similar financial assets) is derecognised when:

- The contractual rights to the cash flows from the financial asset expire,
- The Group and the Parent Company transfer the contractual rights to the cash flows from the financial asset or undertake to transfer the cash received in full to third parties without significant delay in accordance with a pass-through arrangement; or if (a) the Group and the Parent Company have transferred substantially all the risks and rewards of the financial asset and if (b) the Group and the Parent Company have neither transferred nor retained substantially all the risks and rewards of the financial asset, but have transferred control of the financial asset.

FINANCIAL LIABILITIES

Except for derivative financial instruments, financial liabilities are measured at amortised cost or fair value through profit or loss. All financial liabilities of the Group

and the Parent Company are financial liabilities at amortised cost.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised at fair value. In subsequent periods, financial liabilities at amortised cost are recognised at amortised cost using the effective interest rate. Financial liabilities at amortised cost are classified as current liabilities if their maturity is one year or less. If their maturity exceeds one year, they are presented as non-current liabilities.

Derecognition of financial liabilities

The Group and the Parent Company derecognise financial liabilities when their contractual obligations are fulfilled, cancelled or expired. The Group and the Parent Company also derecognise financial liabilities when the terms are modified and the cash flows of the modified liability are materially different. In such cases, a new financial liability based on new contract terms is recognised at fair value. If the modification is not material, the difference in the amortised cost of the financial liability is recognised in profit or loss. Transaction costs related to the modification are included in the calculation of the effective interest rate of the modified financial liability. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2.2. TRANSACTIONS IN FOREIGN CURRENCIES

FUNCTIONAL AND PRESENTATION CURRENCY

The Group’s financial statements are measured in the currency of the economic environment in which the Group operates (the functional currency). The financial statements are prepared, and all items are presented in euro (EUR), which is the functional and presentation currency of the Group and the Parent Company.

All transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the last day of the reporting period. The resulting gains or losses are included in the profit or loss statement for the period. Non-monetary items measured at historical cost in a foreign currency are translated at the exchange rates ruling at the dates of the original transactions.

2.3. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Computer software licenses, computer software and costs related to their implementation are included in intangible assets, and their amortisation is calculated using the straight-line method over the useful life of these assets. The useful life of intangible assets is 5 to 20 years.

The property, plant and equipment (PPE) of the Parent Company and the Group are initially recognised at cost. After initial recognition, PPE are measured at acquisition cost or the revaluation model applied to certain PPE classes, less accumulated depreciation and impairment losses. The acquisition cost includes expenses that are directly related to the acquisition of PPE. Land is not depreciated. Depreciation of PPE is calculated using the straight-line method to allocate the value of PPE to their estimated useful life (taking into account the residual value of the PPE).

If the components (components) of the PPE item have different useful lives and the acquisition values of these components (components) are significant in relation to the value of the PPE, then they are accounted for by the components (components) of the PPE.

Property, plant and equipment category	Useful life, in years
Buildings and structures	10–150
Engineering structures	15–65
Transmission lines:	
High-voltage electricity transmission lines	50
Other transmission lines	20–30
Technological equipment:	
Transformers	30–40
Substation technological equipment, 110 kV-330 kV	20–40
Other technological equipment	10–30
Gas regulation equipment	35
Gas pumping equipment	25–30
Vehicles and mechanisms, cathodic protection equipment	5–20
Other property, plant and equipment	2–20

Subsequent costs are included in the carrying amount of an asset or recognised as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group or the Parent Company and the cost of the item can be measured reliably. Such costs are amortised over the remaining useful life of the PPE.

The costs of routine repairs and maintenance of PPE are included in the profit or loss of the period in which they are incurred.

Assets under construction are recognised at cost and reflects the cost of constructing the PPE and the unfinished construction objects. The initial costs of assets under construction includes the costs of setting up PPE, which consist mainly of the costs of equipment and materials, construction, personnel, designing and other service costs. Depreciation is not calculated for assets under construction until the relevant assets are ready for use.

Gains or losses on disposals of PPE are calculated as the difference between the carrying amount of the PPE and the proceeds from the sale and are included in the income statement of the period in which they arise. When revalued property, plant and equipment are sold, the amount of the revaluation reserve attributable to the specific property, plant and equipment is transferred to retained earnings.

If the carrying amount of an intangible asset or PPE is higher than its recoverable amount, the relevant intangible asset or PPE is written down to its recoverable amount. The recoverable amount is the higher of the

fair value less costs of sell and the value in use of the intangible asset or PPE (see also Note 10).

PROPERTY, PLANT AND EQUIPMENT AT REVALUED AMOUNT

Revaluations are carried out with sufficient regularity to ensure that the carrying amount of these assets is not materially different from that which would be determined using fair value at the end of the reporting period.

The following classes of PPE are revalued regularly, but not less frequently than once every five (5) years:

For the Parent Company:

- Electricity transmission structures,
- Transmission lines and technological equipment,
- Other electricity transmission equipment.

For the Group:

- Natural gas transmission buildings and structures,
- Wells,
- Transmission lines and technological equipment,
- Natural gas pumping and automatic control equipment,
- Electricity transmission structures,
- Other electricity transmission equipment.

The increase in value resulting from the revaluation is recognised in the Statement of comprehensive income as a change under "Long-term asset revaluation

reserve". If an impairment loss has been incurred as a result of revaluation, it is first written off against the increase in value recognised in comprehensive income in previous years; if the impairment loss exceeds the revaluation reserve, the excess is recognised in the Statement of profit or loss for the year.

At the date of revaluation, the initial carrying amount and accumulated depreciation are increased or decreased in proportion to the change in the carrying amount of the asset so that the carrying amount of the asset after revaluation is equal to its revalued value. The non-current asset revaluation reserve is reduced and transferred to retained earnings of previous years at the time when the revalued property, plant and equipment is written off or disposed of.

The revaluation reserve may not be distributed as dividends, invested in share capital, used to cover losses, transferred to other reserves, or used for other purposes. See also Notes 2.12 and 10.

2.4. LEASES

At inception, the Group and the Parent Company assess whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identifiable asset for a fixed period in exchange for consideration.

THE GROUP AND THE PARENT COMPANY AS A LESSEE

At inception, the Group and the Parent Company assess whether a contract is, or contains, a lease. The Group and the Parent Company recognise a right-of-use asset and a corresponding lease liability for all leases in which they are the lessee, except for short-term leases (with a lease term of 12 months or less) and leases of low-value assets (such as tablets, personal computers, office equipment, small items of equipment and telephones).

At initial recognition, the Group and the Parent Company measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group and the Parent Company use their comparable borrowing rate.

Lease payments included in the lease liability include:

- fixed lease payments (including lease payments that are in substance fixed), less lease incentive payments receivable,
- variable lease payments that depend on an index or rate and were initially measured using the index or rate at the date of initial recognition,
- amounts that the lessee would have to pay as NBV guarantees,
- the exercise price of a call option, if there are reasonable grounds to believe that the lessee will

exercise that option,

- lease termination penalties if the lease term reflects the lessee exercising an option to terminate the lease.

Lease liabilities are presented as a separate line item in the statement of financial position.

Lease liabilities are subsequently measured at amortised cost using the effective interest rate method, reducing carrying amount to reflect lease payments made.

The Group and the Parent Company reassess lease liability (and adjust the related right-of-use asset accordingly) whenever:

- the lease term has changed or there is a significant event or change in circumstances that results in a change in the valuation of the purchase option, in which case the lease liability is revalued by discounting the revised lease payments using the revised discount rate;
- the lease payments change due to a change in an index or rate or the expected payments change due to a guaranteed residual value; in such cases the lease liability is remeasured by discounting the revised lease payments using the discount rate originally applied (unless the change in the lease payments arises from a change in a variable interest rate, in which case the revised discount rate is used), the lease is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the term of the modified lease, discounting the revised lease

payments using the revised discount rate at the effective date of the modification.

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made on or before the commencement date, net of lease discounts received and any initial direct costs. It is subsequently measured at cost less accumulated depreciation and impairment losses.

The right-of-use asset is amortised over the term of the lease. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted to reflect the measurement of the lease liability. No impairment was identified at the end of the reporting period for the Right-of-use assets.

THE GROUP AND THE PARENT COMPANY AS LESSOR

The Group and the Parent Company have only operating leases as lessors. Lease income is recognised based on the amount of the lease payment, which is determined in accordance with the fixed fee for each lease and is recognised on a straight-line basis over the lease term.

2.5. INVENTORIES

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost is calculated using the weighted average method, except for natural gas, which is accounted for using the FIFO method. Inventories are recognised as an expense in the statement of profit or loss in the reporting period when they are consumed.

The cost of purchasing inventories includes the purchase price, import duties and other taxes and duties, transportation and related costs, as well as other costs directly attributable to the delivery of materials and goods. When determining the value of inventories, trade discounts, rebates and similar discounts are deducted.

The volume of inventories is verified at the end of the year by taking an inventory.

2.6. DEFERRED INCOME

Deferred income consists of grants, congestion fees and transmission connection charges.

GRANTS

Grants are recognised when there is reasonable assurance that the grant will be received and all related conditions will be met. A description of the conditions is provided in Note 19. Grants are recognised as income in the period necessary to systematically match them with the related costs for which they are intended to compensate. Advance payments of grants are presented in future periods' income from the moment the advance is received in the current account until the moment the costs related to the use of the advances received are approved.

ASSET-RELATED GRANTS

Grants related to the acquisition of PPE are recognised as deferred income and credited to the profit or loss using the straight-line method over the expected useful life of the related assets.

GRANTS RELATED TO EXPENDITURE ITEMS

If a grant relates to an expense item and is subject to a number of conditions, it is initially recognised at fair value as deferred income. The conditions attached to these grants are that the grant must be used only to cover the related expenses, only for the intended purpose, the amount used must be identifiable and must be separately accounted for (by providing separate accounting records). Grants are systematically recognised in income in the periods in which the related costs that are intended to be compensated are included in expenses.

A grant that is received as compensation for expenses or losses that have already been incurred or with the aim of providing immediate financial support to the enterprise without further costs is recognised in profit or loss in the period in which it becomes receivable.

CROSS-BORDER CONGESTION MANAGEMENT (AUCTIONS) AND ELIMINATION OF TRANSMISSION CAPACITY OVERLOADS

Under Section 13, Paragraph 4 and Section 13¹, Part 6 of the Electricity Market Law AS "Augstsprieguma tīkls" implements congestion and overload management of the transmission system, as well as receives a fee for the auction of cross-sectional limited capacity in accordance with the mutual compensation mechanism of transmission system operators and concluded contracts.

In situations where market participants request more cross-border electricity capacity than is technically possible, cross-border electricity capacity rights are sold to participants in special auctions. In accordance with the principle used in these auctions and specified in legislative acts, 50% of the auction income is allocated to the transmission system operator of each participating country. Types of auctions:

- 1. The revenues of the intraday market auction are generated from the difference between the Latvian and the neighbouring Nord Pool electricity exchange price areas' intraday exchange prices. The electricity exchange receives the price difference and passes it on to the TSOs Grouped.
- 2. Long-term transmission capacity auction, which aims to reduce inter-regional price risk arising from transmission capacity shortages. Latvian and Estonian system operators AS "Augstsprieguma tīkls" and AS "Elering" offer transmission rights auctions (FTR) on an annual, quarterly and monthly basis. Market participants who have purchased FTR capacity are entitled to the same amount of day-ahead market auction revenue. The auctions are organised, and the revenues are distributed by the Single Allocation Platform (SAP) of European transmission system operators (TSOs), operated by the Joint Allocation Office (JAO), which acts as an agent. The JAO concludes contracts between the auction parties and collects the revenues, which are paid by energy traders and distributed between system operators based on flow volumes. Revenue is recognised when the transmission service is actually provided.

Pursuant to Article 16 of Regulation (EC) No 714/2009 of the European Parliament and of the Council on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003 (the "Regulation"), all revenues resulting from the allocation of interconnection capacity shall be used for one or more of the following purposes:

- a) ensuring the effective availability of the allocated capacity and/or
- b) maintaining or improving interconnection capacity through investments in the network, in particular in new interconnections
- c) where revenues cannot be effectively used for the abovementioned purposes, they may, subject to the approval of the regulatory authorities of the Member States concerned, be used as revenues to be taken into account by the national regulatory authorities when approving the methodology for calculating network tariffs and/or setting network tariffs.

Taking into account industry practice, as well as the fact that the revenue from auctions is received from third parties (auction organisers), who are not customers within the meaning of IFRS 15, and without a direct counter-performance obligation, the Group and the Parent Company account for this revenue by applying IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* by analogy.

In compliance with the provisions of the Regulation, revenue from congestion management that is not used to prevent congestion and congestion in the

transmission network during the reporting year is reflected in the balance sheet as deferred income. After these amounts are used to finance a specific long-term investment project determined by the Public Utilities Regulatory Commission, the deferred income is amortised, gradually recognising it in the current year's profit or loss (item "Other revenue") in accordance with the depreciation/amortisation period of the long-term investment created.

In accordance with the matching principle, revenues from congestion management used to prevent congestion in the transmission network are recognised in profit or loss on a gross basis in the same period as the related costs of congestion management and prevention.

In accordance with the methodology for calculating tariffs for electricity transmission system services and the permission granted by the Public Utilities Commission, in 2025, congestion fee revenues in the amount of EUR 45,450 thousand (in 2024: EUR 4,492 thousand) are allocated to cover the costs of electricity transmission system services. The related congestion fee revenues are recognised in profit or loss under "Revenue" (see Note 4).

2.7. EMPLOYEE BENEFITS

A) DEFINED CONTRIBUTION PLANS

The Group and the Parent Company make monthly contributions to a closed defined contribution pension plan on behalf of employees. The plan is managed by the joint-stock company AS "Pirmais Slēgtais Pensiju Fonds", in which the Parent Company has a holding. The Group and the Parent Company, when making contributions to the defined contribution pension plan, do not have any additional legal or constructive obligations to make additional payments if the plan does not have sufficient funds to pay out all employee benefits for the services provided by the employee in the current or previous periods. Contributions are made in the amount of 6% (in 2024: 6%) of the salary of each pension plan participant. Pension contributions are recognised as expenses on an accrual basis and included in Personnel costs.

B) DEFINED BENEFIT PLANS

In addition to the above pension plan, the Group and the Parent Company provide certain post-employment benefits to eligible employees in accordance with the Collective Bargaining Agreement, payable upon termination of employment and for the remainder of their lives. The benefit obligation is calculated annually, taking into account the current salary level and the number of employees who are due to receive payments, the number of historical terminations of employment, as

well as actuarial assumptions. Independent actuaries recalculate the defined benefit obligation annually. The present value of the benefit obligation is determined by discounting estimated future cash flows using government bond market rates. Net interest costs are calculated by applying a discount rate to the net balance of the defined benefit obligation. These costs are recognised in employee benefit expenses in the profit or loss.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise. They are recognised in equity under a separate reserve, "Post-employment benefit plan remeasurement reserve", and are not reclassified to profit or loss.

Subsequently, these amounts are included in retained earnings through the statement of changes in equity and presented in the statement of financial position. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

C) ACCRUALS OF UNUSED ANNUAL LEAVE

The accruals of unused annual leave are calculated for each employee by multiplying the number of unused leave days at the end of the reporting year by the average daily wage in the last six months of the

reporting year and adding the employer’s share of the mandatory state social insurance contributions.

2.8. CORPORATE INCOME TAX

CORPORATE INCOME TAX

The corporate income tax included in the income statement is the amount of tax that is paid on distributed profit in accordance with the Corporate Income Tax Law of the Republic of Latvia. Within the Group, the Parent Company applies the dividend pass-through exemption, which allows for the non-application of tax to distributed profit received from the Subsidiary for which the Subsidiary has paid Corporate Income Tax by paying dividends.

Distributed profit is subject to a tax rate of 20% of its gross amount or 20/80 of net expenses.

Corporate income tax on dividends is recognised in the profit or loss statement as an expense in the reporting period when the relevant dividends are declared.

Corporate income tax is not applied to undistributed profit.

DEFERRED CORPORATE INCOME TAX

Deferred corporate income tax liabilities are recognised in the consolidated financial statements for the Parent Company’s subsidiaries’ undistributed profits, which will be taxed when distributed in the foreseeable future. No other deferred tax assets or liabilities arise, as there is no difference between the carrying amounts of assets and liabilities and their tax bases.

2.9. INCOME RECOGNITION

Revenue from contracts with customers within the scope of IFRS 15 represents the consideration received for goods sold and services rendered in the ordinary course of business. The Group and the Parent Company account for a contract with a customer only when all the criteria set out in IFRS 15 are met. In assessing whether it is probable that the Group and the Parent Company will collect the consideration, only the customer’s ability and intention to pay that consideration when it is due are considered.

A performance obligation is a promise in a contract with a customer to transfer to the customer either a distinct good or service, or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer.

The promised goods or services are separate performance obligations if the good or service is distinct. A promised good or service is considered distinct if the customer can obtain the benefit of the good or service separately or with other readily available resources (i.e., individually distinct) and the good or service is separately separable from other contractual promises (i.e., distinct within the contract). Both of the above criteria must be met for a good or service to be distinct. All revenue is recognised over time as the continuous delivery of those goods and services occurs over the term of the relevant contracts. For such contracts, revenue from completed performance obligations is recognised over time if one of the following criteria is met:

- The customer receives and consumes benefits at the same time
- The customer controls the asset at the time the asset is created or improved
- The activities of the Group and the Parent Company do not constitute an asset with alternative uses but are entitled to payment for a timely completed activity.

Revenue from the realisation of performance obligations is recognised based on the determined transaction price (net of value-added tax and discounts). The transaction price represents the amount to which the Group and the Parent Company are entitled under the current contract. It is allocated to the different performance obligations based on the stand-alone prices of the goods or services promised in the contract. The Group and the Parent Company allocate the transaction price to the

different performance obligations in proportion to their observable stand-alone prices and recognise revenue when the performance obligations are satisfied.

Payment terms, in accordance with the terms of the contracts for goods or services transferred to customers, are 20 to 45 days after the services are rendered or the goods are sold.

A) Electricity transmission system service (IFRS 15)

Revenue from transmission system services is based on tariffs approved by the Public Utilities Commission and is recognised in accordance with IFRS 15. The Parent Company is entitled to reimbursement from the customer for an amount that directly corresponds to the value that the customer obtains from the Parent Company’s timely completed activities.

The Parent Company’s revenue from transmission system services provided is recognised at the end of each month based on automatically read meter readings.

B) Revenue from electricity sales (balancing electricity, balancing capacity and regulating electricity) (IFRS 15)

Under Section 11, Paragraph Two of the Electricity Market Law, a transmission system operator may participate in electricity trading if the purchase and sale of electricity or capacity is necessary for system balancing, purchase of ancillary services, covering electricity transmission losses, the transmission system operator’s own consumption or if there is a deviation

from the normal operating mode or an accident in the system.

When participating in electricity trading, the transmission system operator shall act in accordance with open, non-discriminatory and market-based procedures, except in cases where there is a deviation from the normal operating mode or an accident in the system. In cases where there is a deviation from the normal operating mode or an accident in the system, the transmission system operator shall act in accordance with the provisions of the Network Code.

Revenue from the sale of electricity/capacity is recognised based on acceptance-transfer deeds and invoices issued each month for the electricity/capacity delivered in the relevant month in accordance with mutually concluded contracts. The Parent Company believes that it acts as a principal when selling electricity within the framework of the balancing service, as the Parent Company is responsible for balancing the electricity transmission system.

C) Connection fee to the electricity transmission system (IFRS 15)

AS "Augstsprieguma tīkls" provides system participants with the necessary connection to the transmission system or an increase in the permitted load of existing connections in accordance with the system participants' connection rules issued by the Public Utilities Commission.

The connection fee to the transmission system is a non-refundable advance payment that customers pay for a

secure connection to the transmission network; such fees are not separate operating obligations, as they are closely related to the transmission system services.

The connection fee partially compensates the costs of the infrastructure to be built, which is necessary for the connection of the relevant customer to the network. The connection fee to the transmission system is calculated in accordance with the methodology established by the Public Utilities Commission.

Transmission system connection fees are recognised in the statement of financial position as deferred income, classified as current and non-current liabilities, depending on the expected timing of recognition in profit or loss. These fees are amortised on a straight-line basis over the estimated period of the commercial relationship with the customer (i.e. 20 years) and recognised in profit or loss over that period.

D) Revenue from natural gas transmission (IFRS 15)

The natural gas transmission service is considered a single performance obligation under IFRS 15. Trading of natural gas transmission capacity products is a regulated service that the Group provides to transmission system users at approved tariffs. Short-term (quarterly, monthly, daily and intraday capacity) and long-term (annual capacity) natural gas transmission capacity products are offered. Revenue from transmission capacity trading products, which by their nature involve the provision of transmission infrastructure and do not change over time for each capacity unit according to the selected product, is recognised in the income statement for each reporting month in proportion to the period of the relevant transmission capacity product reserved by the user.

E) Revenue from natural gas storage (IFRS 15)

The natural gas storage service is considered a single performance obligation under IFRS 15. The Group provides the Inčukalns underground gas storage capacity trading service at approved tariffs to storage users who have reserved natural gas storage capacity during the storage season. Revenue from the trading of storage capacity, which by its nature means the provision of the Inčukalns underground gas storage infrastructure and does not change over the course of the storage season, is recognised for each reporting month in accordance with the storage tariff and in proportion to the remaining months until the end of the storage season.

F) Revenue from natural gas balancing (IFRS 15)

The Group maintains information on the amount of natural gas injected into and withdrawn from the transmission system by transmission system users and calculates the imbalance. The daily imbalance is the difference between the input and output. If the amount of natural gas withdrawn, based on accounting data, is greater than the amount of natural gas traded, the Group sells natural gas to cover the missing amount of natural gas in the system. In the financial statements, the income from balancing is presented in the item "Revenue" in gross value, taking into account that the Subsidiary considers itself to be the principal. The natural gas transmission service is considered a single performance obligation under IFRS 15. Trading of natural gas transmission capacity products is a regulated service that the Group provides to transmission system

users at approved tariffs. Short-term (quarterly, monthly, daily and intraday capacity) and long-term (annual capacity) natural gas transmission capacity products are offered. Revenue from transmission capacity trading products, which by their nature involve the provision of transmission infrastructure and do not change over time for each capacity unit according to the selected product, is recognised in the income statement for each reporting month in proportion to the period of the relevant transmission capacity product reserved by the user.

In order to comply with the principle of profit neutrality, the Group calculates a neutrality fee. The neutrality fee is a fee that the transmission system operator pays to or receives from transmission system users in connection with the balancing of the transmission system. This fee is the difference between the transmission system operator's costs and revenues from balancing. The neutrality fee can be both positive and negative. In the case of a negative neutrality fee, the transmission system operator pays the neutrality fee to the transmission system users. In the case of a positive neutrality fee, the transmission system operator collects the neutrality fee from the transmission system users. The Regulations issued by the PUC on the Harmonisation of the Balancing Rules of the Unified Natural Gas Transmission Entry-Exit System stipulate that the financial neutrality of the transmission system operator is ensured by a neutrality fee.

G) Electricity transit revenue (IFRS 15)

A compensation mechanism (inter - transmission system operator compensation mechanism (ITC)) has been established between transmission system operators

(TSOs) in accordance with the requirements of Regulation (EU) 838/2010 of 23 September 2010, which provides for the establishment of a single compensation mechanism for TSOs. The ITC mechanism provides for uniform compensation principles for ensuring the flow of transit electricity and ensuring the availability of infrastructure necessary for transit flows. On the basis of the ITC mechanism, the perimeter fee is paid to the ITC Member State through which trade with a third country takes place. In addition, revenue is generated from ensuring the availability of infrastructure necessary for the transit of electricity through the network owned by the Parent Company. Revenue is recognised ad gross value in the period, when Parent company has performance obligation is satisfied and the right to receive payment is formed.

H) Reactive electricity revenue (IFRS 15)

In addition to transmission services, a fee is charged for the transfer of reactive power to the network. The fee for the transfer of reactive power is calculated in accordance with the Cabinet Regulation of the Republic of Latvia No. 635 Regulations on the Trade and Use of Electricity. The amount of reactive power transferred to the network is determined based on meter readings. The fee is charged on a monthly basis and is calculated by applying the tariff of EUR 0.013 per kVArh to the volume of reactive power transferred to the network.

I) Other services (IFRS 15)

Revenue from Other Services includes services provided by a technical laboratory, equipment maintenance services, and similar services. Payments

for the services provided are made monthly in accordance with mutual agreements.

FINANCING COMPONENT

The Parent Company and the Group do not enter into contracts under which the period between the agreed delivery time of goods and services and the customer’s payment is longer than a year, respectively, the financing component is not included in the transactions.

2.10. BORROWINGS AND LOANS

Borrowings and loans are classified as current liabilities unless there is an unconditional right to defer settlement of the obligation for at least 12 months after the balance sheet date.

General and specific borrowing costs that are directly attributable to the acquisition or construction of the underlying asset, i.e. assets that are expected to be used or sold for a substantial period of time, are added to the cost of constructing or acquiring the asset until the asset is ready for its intended use.

2.11. RELATED PARTIES

Parties are considered related if one party has the ability to control the other or has significant influence over the other party in making financial and operating decisions. Related parties of the Group and the Parent Company are the shareholder who controls the company in making economic decisions, members of the management boards of the Group companies, members of the supervisory board of the Parent Company, members of the supervisory board of the Parent Company - the Audit Committee - and close family members of any of the above-mentioned persons, as well as companies over which these persons have control or significant influence.

Since all shares of AS "Augstsprieguma tīkls" are 100% owned by the Republic of Latvia, state-controlled capital companies are also considered as related parties.

2.12. USE OF SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements following IFRS accounting standards, the management of the Group and Parent company must make calculations and assumptions that affect the valuation of the assets and liabilities presented in the financial statements at the date on which the financial statements are drawn up, as well as the revenue and expenditure reported during the reporting period. The following assessments of the management of the Group and Parent Company have a significant impact on the results of the financial statements:

POST-EMPLOYMENT BENEFIT OBLIGATIONS

Based on statistical and analytical information, as well as estimates made by specialists, the Group and the Parent Company make estimates and assumptions about post-employment benefit obligations, as described in Note 2.7.

For the calculation of the valuation of post-employment benefits of **AS Augstsprieguma tīkls** in the reporting year, the discount rate used to discount the post-employment benefit obligation has been set at 3.585%

(in 2024: 3.044%). The discount rate is determined in accordance with the requirements of IFRS accounting standards, according to which the discount rate should be determined based on the market yield of high-quality government bonds at the balance sheet date; moreover, the discount rate should reflect the time value of money, and not actuarial or investment risk. In accordance with the provisions of the Collective Bargaining Agreement, which provides for annual indexation of employees' wages in the amount of inflation in the previous year, when calculating post-employment benefit accruals, the planned indexation of wages in 2025 of 5%, in 2026 of 0.2%, in 2027 and thereafter 3% has been taken into account.

SENSITIVITY ANALYSIS FOR THE TOTAL VALUE OF POST-EMPLOYMENT BENEFITS AT 31 DECEMBER 2025, EUR

	Increase	Decrease
Discount rate (+/-1 percentage point)	272,297	(231,181)
	8%	-7%
Monthly pay rise (+/- 1 percentage point)	292,823	(253,876)
	9%	-7%
Employee turnover rate (+/- 1 percentage point)	315,459	(268,301)
	9%	-8%

SENSITIVITY ANALYSIS FOR THE TOTAL VALUE OF POST-EMPLOYMENT BENEFITS AT 31 DECEMBER 2024, EUR

	Increase	Decrease
Discount rate (+/-1 percentage point)	249,586	(211,610)
	8 %	-7 %
Monthly pay rise (+/- 1 percentage point)	267,579	(231,604)
	8 %	-7 %
Employee turnover rate (+/- 1 percentage point)	286,126	(243,219)
	9 %	-7 %

AS Conexus Baltic Grid for the calculation of the post-employment benefits assessment in the reporting year, the discount rate at which the post-employment benefits obligation is discounted is set at 3.56%(in 2024: 3.1805%). The discount rate is determined in accordance with the requirements of IFRS accounting standards, according to which the discount rate must correspond to the expected payment term of the obligation, which is 18.5 years, allowing the use of one average weighted discount rate.

The estimate of the increase in the monthly salary of employees was determined by applying the expected salary growth dynamics to the time structure of the Company’s expected post-employment benefits payments - for the next three years according to the forecast published by the Bank of Latvia, respectively 8.0% in 2026, 7.6% in 2027, 7.9% in 2028 and in the subsequent period assuming a gradual decrease to long-term growth of 3%, obtaining an indicator of 4.705% (2024: 4.23%).

SENSITIVITY ANALYSIS FOR THE TOTAL VALUE OF POST-EMPLOYMENT BENEFITS AT 31 DECEMBER 2025, EUR	Increase	Decrease
Discount rate (-/+ 1 percentage point)	141,774	(119,254)
	9%	-8%
Employee turnover rate (-/+ 1 percentage point)	162,388	(137,033)
	10%	-9%
Monthly salary increase (+/- 1 percentage point)	128,266	(109,234)
	8%	-7%

SENSITIVITY ANALYSIS FOR THE TOTAL VALUE OF POST-EMPLOYMENT BENEFITS AT 31 DECEMBER 2024, EUR	Increase	Decrease
Discount rate (-/+ 1 percentage point)	128,812	(108,556)
	9 %	-8 %
Employee turnover rate (-/+ 1 percentage point)	146,904	(124,246)
	10 %	-9 %
Monthly salary increase (+/- 1 percentage point)	114,987	(98,082)
	8 %	-7 %

ASSESSMENT ON THE AMOUNT OF CONGESTION MANAGEMENT REVENUE TO BE RECOGNIZED TO COVER TRANSMISSION COSTS, AS WELL AS THE PRESENTATION OF NET CONGESTION CHARGE INCOME RECEIVED IN CASH FLOW

According the decision of the PUC No. 64 of 22 May 2023 "On tariffs for electricity transmission system services of the joint-stock company "Augstsprieguma tīkls", AS "Augstsprieguma tīkls" is permitted to use previously obtained congestion fee income in the amount of up to EUR 62,070,100 to cover the costs related to the provision of electricity transmission system services in 2023-2025. In accordance with he decision of the State Electricity Regulatory Commission No. 116 of 27 November 2025 "On tariffs for electricity transmission system services of the AS "Augstsprieguma tīkls", it is permitted to divert previously obtained congestion income in the amount of up to EUR 44,411 thousand in 2026-2028 to cover the costs related to the provision of electricity transmission system services. The amount of congestion fee revenue to be recognized in a particular year is determined based on the costs approved in the current electricity transmission system service tariff project, as well as the permitted revenues. Also, taking into account the fact that the received congestion fee is accounted for analogy to the grants received and will be mainly used for investment activities, they are reflected in the cash flow under investment activities.

CARRYING AMOUNTS OF INTANGIBLE ASSETS AND PPE, RIGHT-OF-USE ASSETS

Impairment of assets:

The management of the Group and the Parent Company assess the carrying amount of intangible assets, PPE and right-of-use assets and assesses whether there is any indication that the recoverable amount of the assets is lower than the carrying amount. The management of the Group and the Parent Company calculate and recognise impairment losses for intangible assets, property, plant and equipment and right-of-use assets based on estimates of their future use, disposal or sale.

In assessing impairment, management uses various cash flow estimates that arise from the use of assets, sales, maintenance and repairs of property, plant and equipment, as well as inflation and interest rate increases.

The estimates are based on forecasts of the general economic environment, consumption and electricity sales prices. If the actual situation changes in the future, an additional impairment loss would be recognised, or the recognised impairment loss could be partially or completely reduced. Impairment costs are recognised in the relevant reporting period. Impairment losses on assets carried at revalued amount are recognised as comprehensive income within the revaluation reserve for non-current assets, but impairment losses on assets carried at cost less depreciation and impairment, or on assets carried at revalued amount if the impairment loss exceeds the previously recognised residual revalued amount, are recognised in the income statement within

the depreciation of PPE, amortisation of intangible assets and impairment of assets.

For more detailed information, see Note 10.2.

Revaluation of property, plant and equipment:

For the property, plant and equipment classes that are carried in revalued amounts revaluation is performed by independent, external and certified valuation experts using the income approach with the discounted cash flow method. The valuation is performed based on the current use of the PPE, which is assessed as the most efficient and best use of these assets.

The Group’s management assesses annually whether the carrying amount of the revalued PPE differs significantly from their fair value at the balance sheet date.

More detailed information on the revaluation of PPE is provided in Note 10.2.

Depreciation and amortisation:

In accordance with the Group’s accounting policy, the Group’s companies make estimates of the useful lives and residual values of PPE. These estimates are based on experience and industry practice and are reviewed at the end of each reporting year. Historical experience has shown that the actual useful lives sometimes have been longer than the estimates. The values of fully depreciated intangible assets and property, plant and equipment are presented in Notes 10.1 and 10.2. Quantifying the impact of possible changes in the useful

lives is considered impracticable, therefore, a sensitivity analysis is not disclosed.

The Group and the Parent Company do not calculate depreciation on emergency spare parts. The rationale is based on experience that the possible depreciation charge for such items would not be material in the context of the financial statements. In addition, where necessary, an impairment loss is recognised for damaged goods, thus considering changes in the recoverable amounts of spare parts.

3. OPERATING SEGMENTS

Determination of segments is based on the Group’s internal organisational structure, which forms the basis for monitoring and controlling the operating results of the segments, which is carried out by the decision maker of the operating segment - the management of the Group company operating in each of the segments. The Parent Company’s board reviews the financial results of the operating segments.

The segments to be presented in the report are operating segments or groups of segments that meet certain criteria. An operating segment is a component of the Group that is engaged in economic activities from which it can earn revenues and cover expenses (including income and expenses related to transactions with other components of the Group), the results of which are regularly reviewed by the chief operating

decision maker in order to make decisions about the resources allocated to the segment, assess its operating results and for which separate financial information is available.

The profit indicator monitored by the chief operating decision maker is mainly EBITDA, but it also monitors operating profit. In separate financial statements, operating profit excludes dividend income and interest income from Subsidiaries.

The Group divides its operations into three segments: electricity transmission, natural gas storage and natural gas transmission. The Parent Company divides its operations into one main operating segment – electricity transmission. The Group operates geographically only in the territory of Latvia.

ELECTRICITY TRANSMISSION

The electricity transmission segment provides electricity transmission system services and ensures balancing and stability in the transmission network.

The electricity transmission network consists of interconnected networks and facilities, including cross-border connections with a voltage of 110 kV and above, used to transmit electricity from electricity producers to the relevant distribution network or end users.

NATURAL GAS TRANSMISSION

Conexus is the only natural gas transmission and storage operator in Latvia, which ensures the maintenance of the natural gas transmission system, its safe and continuous operation, and interconnections with the transmission systems of other countries, enabling system users to use the natural gas transmission system for natural gas trading.

The natural gas transmission segment generates revenue from the trading of capacity for both natural gas consumption in Latvia and international natural gas transportation.

NATURAL GAS STORAGE

The natural gas storage segment provides storage of natural gas required for the heating season and other needs of system users at the Inčukalna UGS.

The task of the gas storage is to ensure a constant supply of gas to consumers regardless of seasonal changes in consumption, by pumping natural gas in the summer and withdrawing it in the winter. Inčukalna UGS is the only functioning underground gas storage facility in the Baltic States, ensuring the stability of gas supply in the region since 1968.

The natural gas storage segment generates revenue from the reservation of storage capacities, which are allocated to system users in storage capacity auctions within the framework of the storage cycle. The storage

cycle lasts from 1 May to 30 April of the following year.

The table below presents information on the revenue, results and profit of the Group’s operating segments, as well as the assets and liabilities of the Group and the Parent Company. Inter-segment revenues are eliminated on consolidation and are presented in the "Adjustments and eliminations" column. Transactions between segments are carried out at regulated tariffs, where applicable, or on an arm’s length basis.

Segment information is provided only for the Group, as the Parent Company is considered to be a single operating segment – the electricity transmission segment.

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	GROUP					
	Electricity transmission, EUR	Natural gas transmission, EUR	Natural gas storage, EUR	Total segments, EUR	Adjustments and eliminations, EUR	Total Group, EUR
2025						
Revenue*	266,006,898	48,246,142	41,570,519	355,823,559	-	355,823,559
Raw materials and consumables used	(174,178,550)	(18,187,622)	(3,843,861)	(196,210,033)	718	(196,209,315)
Personnel costs	(26,069,106)	(9,971,663)	(7,575,874)	(43,616,643)	-	(43,616,643)
Other operating expenses	(32,198,603)	(2,999,514)	(1,289,047)	(36,487,164)	(2,060)	(36,489,224)
EBITDA	45,283,133	17,349,045	29,885,808	92,517,986	(2,060)	92,515,926
Depreciation and amortisation	(39,281,725)	(10,080,243)	(7,673,864)	(57,035,832)	-	(57,035,832)
Segment profit before tax	6,150,424	6,622,353	21,761,088	34,533,865	(2,060)	34,531,805
Segment assets at the end of the reporting period	1,130,581,040	222,927,012	245,158,240	1,598,666,292	(10,708,163)	1,587,958,129
Segment liabilities at the end of the reporting period	799,371,636	57,574,439	73 ,935,582	930,881,657	3,706,171	934,587,828
Capital expenditures	182,847,953	11,829,365	14,610,613	209,287,931	-	209,287,931
2024						
Revenue*	154,009,958	44,363,917	60,233,253	258,607,128	-	258,607,128
Raw materials and consumables used	(77,334,682)	(13,027,618)	(4,511,686)	(94,873,986)	693	(94,873,293)
Personnel costs	(23,469,152)	(9,890,644)	(7,439,393)	(40,799,189)	-	(40,799,189)
Other operating expenses	(24,691,284)	(2,164,998)	(1,826,450)	(28,682,732)	-	(28,682,732)
EBITDA	40,548,658	20,244,135	47,479,596	108,272,389	-	108,272,389
Depreciation and amortisation**	(36,207,837)	(15,138,218)	(9,349,065)	(60,695,120)	(22,624,715)	(83,319,835)
Segment profit before tax	6,593,483	3,994,237	37,354,515	47,942,235	(22,624,715)	25,317,520
Segment assets at the end of the reporting period	1,058,507,590	234,146,907	246,978,998	1,539,633,495	(10,708,314)	1,528,925,181
Segment liabilities at the end of the reporting period	736,191,959	72,568,657	75,855,798	884,616,414	3,299,590	887,916,004
Capital expenditure	162,244,771	10,482,020	37,812,848	210,539,639	-	210,539,639

* All revenue is generated from external customers.

** In 2024, the Subsidiary carried out a revaluation of property, plant and equipment, which reduced the Subsidiary's property, plant and equipment reserve by EUR 22,624,715.
As part of the consolidation, the reduction in the reserve was included in the Group's profit or loss.

ADJUSTMENTS AND ELIMINATIONS

The decrease in the revaluation reserve for property, plant and equipment that were initially recognised at fair value is presented in adjustments, as it is attributed to the Group’s expenses. Deferred taxes are not attributed to individual segments, as the underlying instrument (investment in a Subsidiary) is managed within the Group. Taxes and certain financial assets and liabilities are not attributed to these segments, as they are also managed at the Group level.

Capital expenditures consist of additions to property, plant and equipment, intangible assets.

* The adjustment to the value of PPE applies to buffer gas in gas pipelines owned by AS "Conexus Baltic Grid". The value of the buffer gas was reduced by valuing individual PPE of AS "Conexus Baltic Grid" at the time of allocation of the purchase price.

RECONCILIATION OF PROFIT BEFORE TAX

	PARENT COMPANY		GROUP	
	2025 EUR	2024 EUR	2025 EUR	2024 EUR
EBITDA	45,283,133	40,548,658	92,515,926	108,272,389
Depreciation and amortisation	(39,281,725)	(36,207,837)	(57,035,832)	(83,319,835)
Income from equity interests in associate	39,667	20,000	39,667	20,000
Segment profit before tax and financial costs	6,041,075	4,360,821	35,519,761	24,972,554
Finance income	628,252	2,645,574	979,548	3,350,090
Finance costs	(518,903)	(412,912)	(1,967,504)	(3,005,124)
Segment profit before tax	6,150,424	6,593,483	34,531,805	25,317,520
Dividends received from the Subsidiary	13,345,914	8,170,968	-	-
Profit before tax	19,496,338	14,764,451	34,531,805	25,317,520

ASSET RECONCILIATION

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
Segment assets	1,130,581,040	1,058,507,590	1,598,666,292	1,539,633,495
Long-term financial investments	134,456,353	134,469,726	61,382	74,755
Property, plant and equipment*	-	-	(10,708,163)	(10,708,163)
Receivables from contracts with customers	-	-	-	(151)
Total assets	1,265,037,393	1,192,977,316	1,588,019,511	1,528,999,936

RECONCILIATION OF LIABILITIES

	PARENT COMPANY		KONCERNS	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
Segment liabilities	799,371,636	736,191,959	930,881,657	884,616,414
Deferred tax liabilities	-	-	3,706,171	3,299,741
Trade payables	-	-	-	(151)
Total liabilities	799,371,636	736,191,959	934,587,828	887,916,004

REVENUE FROM MAJOR CUSTOMERS

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

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
Electricity transmission	169,612,667	106,611,183	169,612,667	106,611,183
Natural gas transmission	-	-	22,927,195	25,202,911
Natural gas storage	-	-	26,630,266	29,889,861
Total revenue from major customers	169,612,667	106,611,183	219,170,128	161,703,955

4. REVENUE

	Applicable IFRS	PARENT COMPANY		GROUP	
		2025 EUR	2024 EUR	2025 EUR	2024 EUR
Revenue from contracts with customers recognised over time					
Electricity transmission system service	IFRS 15	94,193,923	93,657,576	94,193,923	93,657,576
Sale of balancing and regulating electricity	IFRS 15	78,677,465	43,606,981	78,677,465	43,606,981
Balancing capacity maintenance revenue*	IFRS 15	22,357,985	-	22,357,985	-
Revenue from natural gas transmission	IFRS 15	-	-	31,326,621	33,156,737
Revenue from natural gas storage	IFRS 15	-	-	41,570,519	60,233,253
Connection fee revenue	IFRS 15	3,998,492	3,842,801	3,998,492	3,842,801
Electricity transit service	IFRS 15	1,601,461	2,490,312	1,601,461	2,490,312
Reactive electricity revenue	IFRS 15	564,937	586,344	564,937	586,344
Revenue from natural gas balancing	IFRS 15	-	-	16,919,521	11,207,180
Other services	IFRS 15	1,033,233	724,558	1,032,515	723,865
TOTAL revenue from contracts with customers		202,427,496	144,908,572	292,243,439	249,505 049
Other income					
Congestion fees to cover costs transmission losses**	IAS 20	45,450,491	4,491,942	45,450,491	4,491 942
Electric power congestion elimination**	IAS 20	16,343,677	2,904,846	16,343,677	2,904 846
Asset leases	IFRS 16	1,785,952	1,705,291	1,785,952	1,705 291
TOTAL OTHER INCOME		63,580,120	9,102,079	63,580,120	9,102 079
TOTAL REVENUE		266,007,616	154,010,651	355,823,559	258,607 128

*After the synchronisation of the power system with continental Europe, the Baltic balancing capacity market began its work. Until 1 July 2025, the costs of balancing capacity were covered by the transmission system operator. From July 1, 2025, the costs of maintaining balancing capacity are covered by the balancing service recipient.

**The total revenue received from congestion charges and electricity capacity congestion liquidation in 2025 was EUR 31,392,229 (IN 2024: EUR 14,009,645), of which EUR 16,343,677 (IN 2024: EUR 2,904,846) was recognised in the income statement to cover congestion prevention costs. In 2025, congestion fee of EUR 45,450,491 (in 2024: EUR 4,491,942) has been recognised in revenue to cover the costs of electricity transmission system services. The remaining EUR 15,048,551 (in 2024: EUR 11,104,799) has been transferred to deferred revenue.

4.1. CONTRACT BALANCES

The Group’s contract assets arise from the recognition of estimated revenue from fulfilled contractual obligations, including transit losses under the ITC mechanism (see note 2.12). Contract liabilities arise from connection fees related to property, plant and equipment construction, as the cumulative payments received from customers at each balance sheet date do not match the amount of revenue recognised in the contracts (see note 2.9 (c)).

PARENT COMPANY	Contract assets		Contract liabilities	
	2025 EUR	2024 EUR	2025 EUR	2024 EUR
At the beginning of the reporting year	1,395,350	2,575,865	83,690,502	54,426,952
Transfer in the period from the contract asset to trade receivables	(1,395,350)	(2,575,865)	-	-
Amounts included in contract liabilities that was recognised as revenue during the period	-	-	(4,654,726)	(4,261,180)
Cash received in advance of performance and not recognised as revenue during the period	-	-	51,240,362	33,524,730
Advance payments refunded during the reporting period before the performance obligations of the contract were fulfilled	-	-	(4,849,383)	-
Excess of revenue recognised over cash and receivables	606,494	1,395,350	-	-
At the end of the reporting year	606,494	1,395,350	125,426,755	83,690,502

GROUP	Contract assets		Contract liabilities	
	2025 EUR	2024 EUR	2025 EUR	2024 EUR
At the beginning of the reporting year	1 395,350	2,575,865	84,283,967	54,431,427
Transfer in the period from the contract asset to trade receivables	(1,395,350)	(2,575,865)	-	-
Amounts included in contract liabilities that was recognised as revenue during the period	-	-	(5,248,191)	(4,265,655)
Cash received in advance of performance and not recognised as revenue during the period	-	-	51,240,362	34,118,195
Advance payments refunded during the reporting period before the performance obligations of the contract were fulfilled	-	-	(4,849,383)	-
Excess of revenue recognised over cash and receivables	606,494	1,395,350	-	-
At the end of the reporting year	606,494	1,395,350	125,426,755	84,283,967

4.2. CONTRACT PERFORMANCE OBLIGATIONS

The majority of the Group’s contracts are for the delivery of goods and services within the next 12 months, which are subject to the practical expediency referred to in paragraph 121(a) of IFRS 15. For capacity reservation and connection contracts, the initial contract term exceeds 12 months. As a result, the Group’s right to consideration does not correspond directly to its performance. The amount of revenue expected to be recognised in future periods as the remaining performance obligations are fulfilled is analysed as follows:

PERFORMANCE OBLIGATIONS AS OF 31.12.2025:

PARENT COMPANY	2026 EUR	2027 EUR	2028–2030 EUR	2031–... (EUR)	Total EUR
Deferred income from connection fees	5,102,919	4,653,723	11,969,126	82,373,939	104,099,707
Received customer contributions for the reconstruction of PPE	11,169,762	4,621,033	2,163,000	-	17,953,795
Received advances for capacity reservation fees	2,410,447	-	-	-	2,410,447
GROUP	2026 EUR	2027 EUR	2028–2030 EUR	2031–... EUR	Total EUR
Deferred income from connection fees	5,102,919	4,653,723	11,969,126	82,373,939	104,099,707
Received customer contributions for the reconstruction of PPE	11,169,762	4,621,033	2,163,000	-	17,953,795
Received advances for capacity reservation fees	2,410,447	-	-	-	2,410,447

PERFORMANCE OBLIGATIONS AS OF 31.12.2024:

PARENT COMPANY	2025 EUR	2026 EUR	2027–2029 EUR	2030–... EUR	Total EUR
Deferred income from connection fees	3,784,233	3,763,546	10,233,413	36,445,288	54,226,480
Received customer payments for the reconstruction of PPE	17,301,734	4,980,498	410,970	-	22,693,202
Received advances for capacity reservation fees*	4,817,001	1,297,584	-	-	6,114,585
GROUP	2025 EUR	2026 EUR	2027–2029 EUR	2030–... EUR	Total EUR
Deferred income from connection fees	3,803,242	3,782,555	10,290,440	36,730,416	54,606,653
Received customer payments for the reconstruction of PPE	17,301,734	4,980,498	410,970	-	22,693,202
Received advances for capacity reservation fees*	4,819,272	1,297,584	-	-	6,116,856

* The Parent Company has received advances for the capacity reservation fee of EUR 2,410,447 (in 2024: EUR 6,114,585) and bank guarantees for the capacity reservation fee of EUR 11,069,153 (in 2024: EUR 38,020,133).

5. OTHER REVENUE

	PARENT COMPANY		GROUP	
	2025 EUR	2024 EUR	2025 EUR	2024 EUR
Revenue from EU co-financing	9,248,105	6,088,883	10,268,389	7,559,568
Recognised deferred income from congestion charges allocated to capital investments	2,116,614	1,343,013	2,116,614	1,343,013
Revenue from sale, disposal of current assets and property, plant and equipment, net	12,087	2,783	15,689	46,434
State aid within the framework of electricity price reduction measures*	-	4,477,080	-	4,477,080
Other revenue	344,970	121,366	606,857	594,380
TOTAL OTHER REVENUE	11,721,776	12,033,125	13,007,549	14,020,475

* In accordance with the informative report of the Ministry of Climate and Energy "On the review of the draft tariffs of the system service of AS "Augstsprieguma tīkls" and AS "Sadales tīkls", the Cabinet's protocol decision No. 4 of 24 January 2023, § 53, Section 49 of the annotation to the law "On the State Budget for 2023 and the Budget Framework for 2023, 2024 and 2025" provides for an appropriation for the Ministry of Climate and Energy, by which AS "Augstsprieguma tīkls" was granted state aid for the protection service (capacity reserve maintenance service) in 2024, compensating for the difference between EUR 4.65 per MW hour and the actual price of the service, which is above this threshold.

6. RAW MATERIALS AND MATERIALS CONSUMED

	PARENT COMPANY		GROUP	
	2025 EUR	2024 EUR	2025 EUR	2024 EUR
Purchase of balancing electricity and gas*	47,401,877	33,493,337	63,021,246	43,316,124
Electricity transmission losses and technological consumption**	17,559,940	26,488,654	17,559,940	26,488,654
Regulating electricity purchase*	29,269,161	10,049,783	29,269,161	10,049,783
Balancing and regulation capacity purchase***	72,758,419	-	72,758,419	-
Natural gas transmission and storage system maintenance services	-	-	4,179,867	4,316,897
Electricity transit losses	3,398,664	5,366,772	3,398,664	5,366,772
Costs of used materials and repair works	3,466,116	1,477,937	4,225,898	2,782,177
Natural gas costs	-	-	1,471,747	2,094,687
Electricity for self-consumption	324,373	458,199	324,373	458,199
TOTAL RAW MATERIALS AND MATERIALS USED, REPAIR COSTS	174,178,550	77,334,682	196,209,315	94,873,293

* From 1 January 2025, 15-minute settlement is used for imbalance settlements (previously 60 minutes), as well as the volume of solar power plants has significantly increased.

** Starting from 2025, the item includes the electricity consumption and transmission losses necessary to ensure the operation of the electricity storage battery systems BESS. Decrease of costs are related with price decrease of purchased electricity in 2025.

*** Since 9 February 2025, when synchronisation with the continental European electricity transmission network took place, the amount of balancing capacity reserves necessary for the safe operation of the system has significantly increased. The transmission system operators of Latvia, Lithuania and Estonia, AS "Augstsprieguma tīkls", AS "Litgird" and AS "Elering", purchase the balancing capacity necessary for the security of the energy system in the single Baltic balancing capacity market.

7. PERSONNEL COSTS

	PARENT COMPANY		GROUP	
	2025 EUR	2024 EUR	2025 EUR	2024 EUR
Remuneration for work*	19,721,059	17,748,774	33,210,368	31,008,384
National social insurance mandatory contributions*	4,621,996	4,157,972	7,783,952	7,275,216
Contributions to a pension plan (defined contribution plan)	1,005,604	942,159	1,887,258	1,866,612
Other benefits under collective employment agreement (defined benefit plans)	713,032	620,247	713,032	620,247
Other personnel costs	7,415	-	22,033	28,730
TOTAL PERSONNEL COSTS	26,069,106	23,469,152	43,616,643	40,799,189
including remuneration to the management of the Parent Company (Management Board, Council):				
Remuneration for work	820,859	812,300	820,859	812,300
National social insurance mandatory contributions	193,602	191,622	193,602	191,622
TOTAL REMUNERATION FOR THE MANAGEMENT OF THE PARENT COMPANY	1,014,461	1,003,922	1,014,461	1,003,922
Number of employees at the end of the reporting period	554	540	917	905
Average number of employees during the reporting period	550	544	915	905

* Capitalised wages deductions of EUR 904,929 (in 2024: EUR 850,096) included.

8. OTHER OPERATING EXPENSES

	PARENT COMPANY		GROUP	
	2025 EUR	2024 EUR	2025 EUR	2024 EUR
Elimination of electric power congestion *	16,136,077	2,656,770	16,136,077	2,656,770
Electric power reserve for the security of the electricity system**	844,128	8,632,721	844,128	8,632,721
Transport costs	1,214,905	1,038,395	1,496,468	1,295,588
IT and telecommunications system maintenance costs	5,869,102	5,248,389	7,369,524	6,440,517
Premises and territory maintenance costs	1,328,072	1,243,621	1,328,072	1,243,621
Synchronous compensators for power system reliability	1,605,069	1,514,759	1,605,069	1,514,759
Electricity market coupling and auction administration costs	1,038,037	1,133,844	1,038,037	1,133,844
Occupational health, safety and insurance expenses	602,715	513,677	602,715	513,677
Taxes and duties	268,516	260,108	1,060,639	1,153,866
Other costs	3,291,982	2,449,000	5,008,495	4,097,369
TOTAL OTHER OPERATING EXPENSES	32,198,603	24,691,284	36,489,224	28,682,732

* In 2025, compared to 2024, the differences in electricity prices on the Nord Pool exchange between the Latvian and Estonian trading areas increased, resulting in increased costs within the scope of FTR – options.

** Starting from 2025, the costs of maintaining balancing capacity are covered by the recipient of balancing services, and the costs related to the balancing capacity maintenance service are presented in the Profit and Loss Statement position Raw materials and materials used.

9. FINANCE INCOME AND FINANCE COSTS

	PARENT COMPANY		GROUP	
	2025 EUR	2024 EUR	2025 EUR	2024 EUR
a) Finance income				
Interest income from deposits	627,813	2,641,080	977,679	3,345,596
Other finance income	439	4,494	1,869	4,494
Total finance income	628,252	2,645,574	979,548	3,350,090
b) Finance costs				
Interest expenses on borrowings	(295,448)	(36,694)	(1,919,005)	(2,751,443)
Coupon interest cost on debt securities issued (Note 20)	(526,367)	(526,582)	(526,367)	(526,582)
Capitalised interest costs of borrowings	518,301	371,783	713,487	515,462
Interest expenses on asset leases (Note 20)	(215,389)	(219,708)	(235,619)	(240,220)
Other finance costs	-	(1,711)	-	(2,341)
Total finance costs	(518 903)	(412 912)	(1 967 504)	(3 005 124)

10. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

10.1. INTANGIBLE ASSETS

1 / 4	PARENT COMPANY			
	Computer software and licences	Transmission usage rights	Intangible assets under construction	Total
	EUR	EUR	EUR	EUR
At 31 December 2023				
Historical cost	5,831,454	1,892	-	5,833,346
Accumulated amortisation	(2,561,765)	(1,120)	-	(2,562,885)
NBV	3,269,689	772	-	3,270,461
2024				
Additions	2,760,858	-	407,047	3,167,905
Transferred	14,655	-	(14,655)	-
Amortisation charge	(1,368,409)	(94)	-	(1,368,503)
NBV at 31 December 2024	4,676,793	678	392,392	5,069,863
At 31 December 2024				
Historical cost	8,602,512	1,892	392,392	8,996,796
Accumulated amortisation	(3,925,719)	(1,214)	-	(3,926,933)
NBV	4,676,793	678	392,392	5,069,863

	PARENT COMPANY			
	Computer software and licences	Transmission usage rights	Intangible assets under construction	Total
	EUR	EUR	EUR	EUR
2025				
Additions	2,167,434	-	449,589	2,617,023
Transferred to PPE and other groups if Intangible assets	1,881,035	-	(765,573)	1,115,462
Amortisation charge	(1,636,962)	(95)	-	(1,637,057)
NBV at 31 December 2025	7,088,300	583	76,408	7,165,291
At 31 December 2025				
Historical cost	12,650,722	1,892	76,408	12,729,022
Accumulated amortisation	(5,562,422)	(1,309)	-	(5,563,731)
NBV	7,088,300	583	76,408	7,165,291

3 / 4	GROUP				
	Computer software and licences	Transmission usage rights	Interconnection usage rights	Intangible assets under construction	Total
	EUR	EUR	EUR	EUR	EUR
At 31 December 2023					
Historical cost	13,571,767	1,892	1,007,865	15,180,182	29,761,706
Accumulated amortisation	(8,499,546)	(1,120)	-	-	(8,500,666)
NBV	5,072,221	772	1,007,865	15,180,182	21,261,040
2024					
Additions	2,760,858	-	-	2,427,937	5,188,795
Transferred	422,568	-	-	(422,568)	-
Amortisation charge	(2,098,523)	(94)	(100,787)	-	(2,199,404)
NBV at 31 December 2024	6,157,124	678	907,078	17,185,551	24,250,431
At 31 December 2024					
Historical cost	16,255,193	1,892	1,007,865	17,185,551	34,450,501
Accumulated amortisation	(10,098,069)	(1,214)	(100,787)	-	(10,200,070)
NBV	6,157,124	678	907,078	17,185,551	24,250,431

4 / 4	GROUP				
	Computer software and licences	Transmission usage rights	Interconnection usage rights	Intangible assets under construction	Total
	EUR	EUR	EUR	EUR	EUR
2025					
Additions	2,167,434	-	-	947,597	3,115,031
Transferred	2,088,966	-	15,398,311	(16,371,815)	1,115,462
Amortisation charge	(2,401,876)	(95)	(485,743)	-	(2,887,714)
NBV at 31 December 2025	8,011,648	583	15,819,646	1,761,333	25,593,210
At 31 December 2025					
Historical cost	20,511,334	1,892	16,406,176	1,761,333	38,680,735
Accumulated amortisation	(12,499,686)	(1,309)	(586,530)	-	(13,087,525)
NBV	8,011,648	583	15,819,646	1,761,333	25,593,210

Based on the ACER (Agency for the Cooperation of Energy Regulators) decision of 11 August 2014 "On the investment request for the project of common interest No. 8.5. Poland-Lithuania gas interconnection, including cross-border cost sharing" and the inter-operator agreement of 11 May 2018 on covering the costs of the project "Gas Interconnection Poland – Lithuania" (GIPL) with GAZ-System A.S., Amber Grid AB and Elering AS, the co-financing of AS "Conexus Baltic Grid" in the construction of the interconnection was set at 14.7 million EUR. In accordance with the agreement,

a recalculation was made on 31 December 2024, and the total cost amount is 15.4 million EUR.

The Gas Interconnection Poland–Lithuania (GIPL) interconnection project has been completed in 2025, AS Conexus Baltic Grid has made final settlements and recognised the interconnection as an intangible asset with an estimated payback period of June 2045.

10.2. PROPERTY, PLANT AND EQUIPMENT

1 / 4	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		
At 31 December 2023							
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 losses	(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	799	-	-	17,245	2,159,552	156,899,270	159,076,866
Transferred	109,128	9,363	32,197,832	1,406,730	4,934,953	(38,658,006)	-
Sold	-	-	-	-	-	(48,183)	(48,183)
Disposals	(6,746)	(821)	(185,959)	(77)	(630)	-	(194,233)
Depreciation charge	(1,393,134)	(519,665)	(28,111,652)	(971,199)	(2,923,182)	-	(33,918,832)
NBV at 31 December 2024	37,634,239	3,539,083	605,199,142	3,290,598	8,942,816	165,391,856	823,997,734
At 31 December 2024							
Cost or revalued amount	46,047,187	8,492,718	1,216,528,318	12,965,650	28,037,858	165,391,856	1,477,463,587
Accumulated depreciation and impairment losses	(8,412,948)	(4,953,635)	(611,329,176)	(9,675,052)	(19,095,042)	-	(653,465,853)
NBV	37,634,239	3,539,083	605,199,142	3,290,598	8,942,816	165,391,856	823,997,734

	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		
2025							
Additions	1,538	-	-	24,541	2,794,302	177,410,549	180,230,930
Transferred	31,964,659	419,621	204,417,826	13,471,805	1,800,400	(253,189,773)	(1,115,462)
Sold	-	-	(150,307)	(2,058)	-	(31,893)	(184,258)
Disposals	(318,197)	(1,633)	(386,849)	(277)	(1,539)	(373,122)	(1,081,617)
Depreciation charge	(1,947,071)	(500,570)	(30,048,598)	(1,822,450)	(2,402,526)	-	(36,721,215)
NBV at 31 December 2025	67,335,168	3,456,501	779,031,214	14,962,159	11,133,453	89,207,617	965,126,112
At 31 December 2025							
Cost or revalued amount	76,675,584	8,768,347	1,412,076,168	26,248,855	31,851,970	89,207,617	1,644,828,541
Accumulated depreciation and impairment losses	(9,340,416)	(5,311,846)	(633,044,954)	(11,286,696)	(20,718,517)	-	(679,702,429)
NBV	67,335,168	3,456,501	779,031,214	14,962,159	11,133,453	89,207,617	965,126,112

*A class of property, plant and equipment is revalued

3 / 4	GROUP										
	Land, buildings	Electricity transmission structures*	Natural gas transmission buildings and structures*	Wells*	Transmission lines, technological equipment*	Other electric-ity transmis-sion equip-ment*	Natural gas pumping and automatic control equipment*	Other PPE	Emergency reserve	PPE under construction	TOTAL
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
At 31 December 2023											
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 losses	(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	799	-	-	-	817,897	17,245	193,687	2,777,803	-	201,543,413	205,350,844
Transferred	109,128	9,363	8,351,282	251,155	32,783,423	1.406,730	1,384,443	5,348,952	68,641	(49,644,088)	69,029
Sold	-	-	-	-	-	-	-	-	-	(48,183)	(48,183)
Disposals	(6,746)	(821)	(1,518)	-	(199,497)	(77)	(2,694)	(2,619)	-	-	(213,972)
Depreciation charge	(1,393,134)	(519,665)	(9,042,873)	(2,375,084)	(32,044,509)	(971,199)	(1,321,927)	(3,592,521)	-	-	(51,260,912)
Impairment**	-	-	(25,799,405)	(107,017)	(2,859,073)	-	(160,378)	-	-	-	(28,925,873)
NBV at 31 December 2024	38,738,750	3,539,083	183,799,213	92,223,859	648,962,430	3.290,598	18,595,188	11,627,406	2,028,349	228,769,737	1,231,574,613
At 31 December 2024											
Historical cost or revalued amount	47,151,698	8,492,718	542,075,714	138,867,643	1,307,957,425	12.965,650	39,176,758	35,292,834	2,028,349	228,769,737	2,362,778,526
Accumulated depreciation and impairment losses	(8,412,948)	(4,953,635)	(358,276,501)	(46,643,784)	(658,994,995)	(9.675,052)	(20,581,570)	(23,665,428)	-	-	(1,131,203,913)
NBV	38,738,750	3,539,083	183,799,213	92,223,859	648,962,430	3.290,598	18,595,188	11,627,406	2,028,349	228,769,737	1,231,574,613

4 / 4	GROUP										
	Land, buildings	Electricity transmission structures*	Natural gas transmission buildings and structures*	Wells*	Transmission lines, technological equipment*	Other electric-ity transmis-sion equip-ment*	Natural gas pumping and automatic con-trol equipment*	Other PPE	Emergency reserve	PPE under construction	TOTAL
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
2025											
Additions	1,538	-	33,981	52,816	358,029	24,541	5,993	3,734,132	-	201,961,870	206,172,900
Transferred	32,077,024	419,621	12,655,746	4,703,743	208,903,979	13,471,805	2,383,282	2,118,533	191,652	(277,849,195)	(923,810)
Sold	-	-	-	-	(150,307)	(2,058)	-	-	-	(31,893)	(184,258)
Disposals	(318,197)	(1,633)	(165,771)	-	(388,931)	(277)	(1,962)	(3,885)	-	(373,122)	(1,253,778)
Depreciation charge	(1,947,071)	(500,570)	(8,258,259)	(2,333,109)	(33,660,672)	(1,822,450)	(1,488,001)	(3,201,389)	-	-	(53,211,521)
NBV at 31 December 2025	68,552,044	3,456,501	188, 064,910	94,647,309	824,024,528	14,962,159	19,494,500	14,274,797	2,220,001	152,477,397	1 382,174,146
At 31 December 2025											
Historical cost or revalued amount	77,892,460	8,768,347	554,409,178	143,624,202	1,508,134,812	26,248,855	41,544,728	40,036,114	2,220,001	152,477,397	2,555,356,094
Accumulated depreciation or impairment	(9,340,416)	(5,311,846)	(366,344,268)	(48,976,893)	(684,110,284)	(11,286,696)	(22,050,228)	(25,761,317)	-	-	(1,173,181,948)
NBV	68,552,044	3,456,501	188,064,910	94,647,309	824,024,528	14,962,159	19,494,500	14,274,797	2,220,001	152,477,397	1,382,174,146

*A class of property, plant and equipment is revalued

** In 2024, the Group has reviewed the fair value of wells, gas pumping equipment and automatic equipment control systems to ensure that their carrying amount does not differ materially from their fair value at the reporting date. The carrying amount of property, plant and equipment (wells, gas pumping equipment and automatic equipment control systems) was reduced by EUR 28,925,873 in 2024.

The aforementioned decrease in the amount of EUR 28,925,873 was recognised in the Group's Profit or loss Statement item "Depreciation, amortisation and impairment of property, plant and equipment". The reasons for the revaluation and the main assumptions are described in the section property, plant and equipment of the Natural Gas Transmission and Natural Gas Storage segments.

At 31 December 2025, the Group’s property, plant and equipment include fully depreciated property, plant and equipment with an historical costs of EUR 105,013,004 (31 December 2024: EUR 53,746,934), while the Parent Company’s property, plant and equipment include fully depreciated property, plant and equipment with an historical costs of EUR 78,818,725 (31 December 2024: EUR 36,141,790). In 2025, the Parent Company capitalised borrowing costs in the amount of EUR 518,301 (2024: EUR 371,783), the Group capitalised borrowing costs of EUR 713,487 (in 2024: EUR 515,462) (Note 9b).

At the end of the reporting period, the Group’s PPE under construction balance of EUR 152,477,397 (in 2024: EUR 228,769,737) consists of the following material projects:

	Estimate project completion date	31.12.2025. EUR	31.12.2024. EUR
Improvement of the operation of the Inčukalns underground gas storage facility	31.03.2026.	58,120,180	54,917,452
Reconstruction of the 110 kV switchgear of the "Carnikava" substation	31.03.2026.	1,832,948	-
Reconstruction of the 330 kV electricity transmission line LNr.322	31.12.2026.	12,149,978	9,966,099
Purchase and installation of system synchronisation and inertia equipment at the "Grobina" substation	28.02.2025.	-	37,706,454
Purchase and installation of system synchronisation and inertia equipment at the "Ventspils" substation	31.06.2025.	-	37,752,414
Purchase and installation of system synchronisation and inertia equipment at the "Līksna" substation	31.10.2025.	-	22,343,410
Replacement of insulation at the Izborska-Inčukalns underground gas storage facility	31.12.2025.	-	3,218,675
Reconstruction of the 110/10/6 kV substation "Vairogs" 110 kV switchgear	31.03.2026.	3,697,975	2,985,895
Substation "Andrejsala" reconstruction	31.10.2028.	3,205,801	-
330/110/20 kV substation No. 20 "Krustpils" 110 kV distribution facility reconstruction	31.10.2025.	-	414,855
Construction of dispatcher control and data centre, reconstruction of production base territory and building complex	31.12.2026.	10,578,813	10,202,079
Construction of 110/10/6kV substation "Kuldīga" 110kV distribution unit	31.05.2026.	2,483,454	3,842,321
Battery electric energy storage system substation "Rēzekne"	30.11.2025.	-	8,194,039
Battery electric energy storage system substation "Tume"	30.11.2025.	-	2,547,818
110kV substation "Launkalne-2"	30.06.2026.	1,263,535	-
Reconstruction of 110 kV substation "Zaļā birzs" ĀSI and LNr.161, LNr.162 branch to substation "Zaļā birzs"	31.03.2026.	1,145,852	-
SCADA modernisation	30.06.2026	1,671,753	-
Construction of renewable energy power plant connections	2026.–2027.	46,648,090	16,848,693
Other projects	2026.–2027.	9,679,018	17,829,533

At the end of the reporting period, a significant part of the balance of advances paid for PPE and construction in progress is made up of EU co-financed projects.
Breakdown of the balance of advances paid by projects:

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
Electricity storage battery system construction projects	-	35,248,219	-	35,248,219
Cross-border commercial accounting projects	-	402,616	-	402,616
Inčukalns UGS projects	-	-	-	194,211
Gas transmission projects	-	-	-	727,804
EU co-financed projects	-	35,650,835	-	36,572,850
Other projects	2,422,147	594,797	2,543,977	594,797
Total	2,422,147	36,245,632	2,543,977	37,167,647

The table below summarises the carrying amounts of the Group’s revalued asset groups, assuming that the assets are carried at cost:

	NBV if no revaluation	NBV
	31.12.2025. EUR	31.12.2025. EUR
Electricity transmission structures	3,248,306	3,456,501
Gas transmission buildings and structures	188,064,910	188,064,910
Wells	94,647,309	94,647,309
Transmission lines, technological equipment	795,693,445	824,024,528
Gas pumping and automatic control equipment	19,494,500	19,494,500
Other electricity transmission equipment	14,144,989	14,962,159
TOTAL	1,115,293,459	1,144,649,907

	NBV if no revaluation	NBV
	31.12.2024. EUR	31.12.2024. EUR
Electricity transmission structures	3,168,136	3,539,083
Gas transmission buildings and structures	183,799,213	183,799,213
Wells	92,223,859	92,223,859
Transmission lines, technological equipment	619,610,293	648,962,430
Gas pumping and automatic control equipment	18,595,188	18,595,188
Other electricity transmission equipment	2,748,147	3,290,598
TOTAL	920,144,836	950,410,371

PROPERTY, PLANT AND EQUIPMENT OF THE ELECTRICITY TRANSMISSION SEGMENT

The following groups of property, plant and equipment of the electricity transmission segment are revalued regularly, but not less than once every five years, and are presented as:

- electricity transmission structures;
- transmission lines, technological equipment;
- other electricity transmission equipment.

The above classes of property, plant and equipment were revalued in 2025 at their fair value as of 1 September 2025. The revaluation was performed by an independent external certified appraiser using the income approach discounted cash flow method, which was considered the most appropriate valuation technique for the Group. Due to the specific nature and use of the assets, Level 3 inputs were applied in the valuation, as the inputs are not directly observable in the market for the relevant type of asset.

The valuation was performed in accordance with IFRS Accounting Standards and reflects the current use of the property, plant and equipment, which is considered as the best and the most effective use. As part of the valuation, the discounted cash flows of each asset were determined using the rate of return on capital approved by the Public Utilities Commission: 2.72% for 2025, 5.82% for 2026–2028 and 5.72% for subsequent periods, that represent the weighted average cost of capital (WACC) and was discounted with discount rate of 5.72% (WACC). The results of the valuation indicate

that the fair value of property, plant and equipment does not differ significantly from their carrying amount.

If the WACC were 6.72%, the carrying amount of property, plant and equipment for revalued class would decrease by EUR 8,784 thousand. If the WACC were 4.72%, the carrying amount of property, plant and equipment for revalued class would increase by

EUR 10,809 thousand.

The tables below summarise the carrying amounts of the revalued asset groups, assuming that the assets are carried at cost.:

	Historical cost if no revaluation	Accumulated depreciation if no revaluation	NBV if no revaluation	NBV
	31.12.2025. EUR	31.12.2025. EUR	31.12.2025. EUR	31.12.2025. EUR
Electricity transmission structures	8,807,851	5,559,545	3,248,306	3,456,501
Transmission lines, technological equipment	1,358,875,963	608,175,832	750,700,131	779,031,214
Other electricity transmission equipment	26,043,503	11,898,514	14,144,989	14,962,159
TOTAL	1,393,727,317	625,633,891	768,093,426	797,449,874

	Historical cost if no revaluation	Accumulated depreciation if no revaluation	NBV no revaluation	NBV
	31.12.2024. EUR	31.12.2024. EUR	31.12.2024. EUR	31.12.2024. EUR
Electricity transmission structures	8,533,268	5,365,132	3,168,136	3,539,083
Transmission lines, technological equipment	1,161,595,894	585,748,889	575,847,005	605,199,142
Other electricity transmission equipment	12,758,562	10,010,415	2,748,147	3,290,598
TOTAL	1,182,887,724	601,124,436	581,763,288	612,028,823

PROPERTY, PLANT AND EQUIPMENT OF THE NATURAL GAS TRANSMISSION AND NATURAL GAS STORAGE SEGMENTS

The following groups of property, plant and equipment of the electricity transmission segment are revalued regularly, but not less than once every five years, and are presented as:

- Buildings and civil engineering structures
- Technological equipment and devices
- Wells
- Gas pumping and automatic control equipment

In 2024, a regular revaluation of property, plant and equipment was performed. The valuation was based on the income approach (discounted cash flow method). The Company determined the fair value as at 31 December 2024 based on management’s estimates of forecast economic activity over a 10-year period. The discount rate applied in the valuation was 7.10%. A decrease in the discount rate to 6.10% would result in a lower reduction in the carrying amount of property, plant and equipment, amounting to EUR 15,999 thousand. Conversely, an increase in the discount rate to 8.10% would result in a greater reduction in the carrying amount of property, plant and equipment, amounting to EUR 40,762 thousand. Due to the specific nature and use of these assets, Level 3 inputs have been used in the revaluation, as the inputs are not readily observable in the market for the relevant type of asset.

In the consolidated financial statements, no revaluation reserve had previously been recognised in respect of these assets, as the Subsidiary’s property, plant and

equipment were initially recognised at fair value in the consolidated statement of financial position upon the establishment of the Group. Accordingly, any impairment is recognised in profit or loss.

The table below summarises the carrying amounts of the revalued asset classes, assuming that the assets were measured at cost:

	Historical cost if no revaluation	Accumulated depreciation if no revaluation	NBV if no revaluation	NBV
	31.12.2025. EUR	31.12.2025. EUR	31.12.2025. EUR	31.12.2025. EUR
Buildings and civil engineering structures	554,409,178	366,344,268	188,064,910	188,064,910
Technological equipment and devices	96,058,644	51,065,330	44,993,314	44,993,314
Wells	143,624,202	48,976,893	94,647,309	94,647,309
Gas pumping and automatic control equipment	41,544,728	22,050,228	19,494,500	19,494,500
TOTAL	835,636,752	488,436,719	347,200,033	347,200,033

	Historical cost if no revaluation	Accumulated depreciation if no revaluation	NBV if no revaluation	NBV
	31.12.2024. EUR	31.12.2024. EUR	31.12.2024. EUR	31.12.2024. EUR
Buildings and civil engineering structures	542,075,714	358,276,501	183,799,213	183,799,213
Technological equipment and devices	91,429,107	47,665,819	43,763,288	43,763,288
Wells	138,867,643	46,643,784	92,223,859	92,223,859
Gas pumping and automatic control equipment	39,176,758	20,581,569	18,595,189	18,595,189
TOTAL	811,549,222	473,167,673	338,381,549	338,381,549

The assets of the subsidiary consist of two cash-generating units: natural gas transmission and natural gas storage. When determining the cash-generating units, it is assumed that the infrastructure elements that make up the natural gas transmission and storage system are separable and generate largely independent cash flows.

The calculation of the recoverable amount of the assets is based on the value in use of the cash-generating units, which is determined by discounting the expected future cash flows that will arise from the continued use of the cash-generating units. The cash flows are based on the planned results of the cash-generating units and management's forecasts for the development of the cash-generating units' operations.

Considering the forecasted business volumes and the potential market value of the assets, the Group's management believes that no significant adjustments to the value of intangible assets and property, plant and equipment are necessary as of 31 December 2025.

10.3. RIGHT-OF-USE ASSETS

	PARENT COMPANY	GROUP
	Buildings and land EUR	Buildings and land EUR
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
2024		
Recognised modification of lease contracts	45,868	45,868
Depreciation charge	(920,502)	(933,646)
NBV at 31 December 2024	13,524,306	13,959,520
At 31 December 2024		
Historical cost	20,654,592	21,158,222
Accumulated depreciation	(7,130,286)	(7,198,702)
NBV	13,524,306	13,959,520
2025		
Recognised modification of lease contracts	363,494	363,494
Depreciation charge	(923,453)	(936,597)
NBV at 31 December 2025	12,964,347	13,386,417
At 31 December 2025		
Cost	20,963,582	21,467,212
Accumulated depreciation	(7,999,235)	(8,080,795)
NBV	12,964,347	13,386,417

10.4. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

	PARENT COMPANY		GROUP	
	2025 EUR	2024 EUR	2025 EUR	2024 EUR
Depreciation of property, plant and equipment	(36,721,215)	(33,918,832)	(53,211,521)	(51,260,912)
Amortisation of intangible assets	(1,637,057)	(1,368,503)	(2,887,714)	(2,199,404)
Depreciation of right-of-use assets	(923,453)	(920,502)	(936,597)	(933,646)
Total depreciation and amortisation	(39,281,725)	(36,207,837)	(57,035,832)	(54,393,962)
Decrease in value of PPE due to revaluation	-	-	-	(28,925,873)
Total decrease in value of non-current assets due to revaluation	-	-	-	(28,925,873)
Write-offs and other adjustments	(1,081,617)	(194,233)	(1,253,778)	(213,972)
Total write-offs and other adjustments	(1,081,617)	(194,233)	(1,253,778)	(213,972)
TOTAL depreciation and amortisation, impairment, excluding write-offs and other adjustments	(39,281,725)	(36,207,837)	(57,035,832)	(83,319,835)

11. OTHER LONG-TERM FINANCIAL INVESTMENTS

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
Investment in the Subsidiary, including:	134,394,971	134,394,971	-	-
AS "Conexus Baltic Grid"	134,394,971	134,394,971	-	-
Investments in associates, including:	59,960	73,333	59,960	73,333
"Baltic RCC" OU	59,960	73,333	59,960	73,333
Investments in the equity 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	134,456,353	134,469,726	61,382	74,755

The Parent Company holds 1.9% of the share capital of AS "Pirmais Slēgtais Pensiju Fonds". The Parent Company acts as a nominal shareholder, as all risks and rewards arising from the fund’s operations are borne by the Parent Company’s employees, who are the members of the pension plan.

Company	Location	Type of business	Shareholding
AS "Conexus Baltic Grid"	Latvia	Natural gas transmission and storage operator in Latvia	68.46%
"Baltic RCC" OÜ	Estonia	Regional coordination centre for electricity transmission systems of the Baltic States	33.33%
AS "Pirmais Slēgtais Pensiju Fonds"	Latvia	Pension plan management	1.9%

11.1. SUMMARY OF THE FINANCIAL INDICATORS OF THE SUBSIDIARY

Summarised information on the
Subsidiary’s Profit and Loss Statement:

	2025 EUR	2024 EUR
Revenue	89,816,661	104,597,170
Profit for the year	23,103,215	38,703,701
Consolidation adjustments to the Subsidiary’s profit	(2,060)	(22,624,715)
Adjusted profit for the year	23,101,155	16,078,986
Profit for the year attributed to the owners of the parent	15,815,051	11,007,674
Profit for the year attributable to non-controlling interests	7,286,104	5,071,312
Total adjusted comprehensive income for the year	22,960,151	16,058,403
Attributable to the owners of the parent	15,718,520	10,993,583
Attributable to non-controlling interests	7,241,631	5,064,820
Dividends paid to minority shareholders (from retained earnings)	6,146,886	3,763,787

In 2025, dividends received from the Subsidiary
amounted to EUR 13,345,914 (in 2024: EUR 8,170,968).

Summarised information on the Subsidiary’s financial position:

	2025 EUR	2024 EUR
Non-current assets	446,973,726	439,181,106
Current assets	21,111,526	41,944,799
Non-current liabilities	103,267,344	89,935,675
Current liabilities	28,242,677	58,488,780
Equity	336,575,231	332,701,450
Related to:		
Equity holders of the parent	235,064,465	232,285,429
Non-controlling interests	101,510,766	100,416,021

Summarised financial information on the Subsidiary’s cash flows:

	2025 EUR	2024 EUR
Cash flows from operating activities	41,402,944	63,660,619
Cash flows from investing activities	(41,616,546)	(27,293,501)
Net cash flow from financing activities	(19,655,353)	(24,869,414)
Net increase in cash and cash equivalents	(19,868,955)	11,497,704

12. INVENTORIES

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
Materials and spare parts	482,218	429,253	5,783,272	3,729,526
Natural gas	-	-	508,111	1,939,902
Prepayments for inventories	594	-	8,957	5,385
Provisions for slow-moving inventories	-	-	(118,479)	(129,625)
Assets held for sale	373,122	-	373,122	-
TOTAL INVENTORIES	855,934	429,253	6,554,983	5,545,188

13. RECEIVABLES FROM CONTRACTS WITH CUSTOMERS

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
Receivables from contracts with customers				
Receivables from electricity transmission services	27,012,425	15,305,882	27,012,425	15,305,882
Receivables from natural gas transmission and storage services	-	-	9,586,189	11,169,898
Other trade receivables	10,090,010	10,396,783	10,090,010	10,602,547
Total receivables from contracts with customers	37,102,435	25,702,665	46,688,624	37,078,327
Expected credit losses				
On trade receivables	(14,319)	(72,493)	(14,319)	(72,493)
Total expected credit losses	(14,319)	(72,493)	(14,319)	(72,493)
Receivables from contracts with customers, net				
Electricity transmission service receivables	27,012,425	15,305,882	27,012,425	15,305,882
Trade receivables from gas transmission and storage services	-	-	9,586,189	11,169,898
Other trade receivables	10,075,692	10,324,290	10,075,692	10,530,054
RECEIVABLES FROM CONTRACTS WITH CUSTOMERS, NET	37,088,117	25,630,172	46,674,306	37,005,834

Expected credit losses of receivables from contracts with customers	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
At the beginning of the reporting year	72,493	5,455	72,493	5,455
Recognised in profit or loss	(58,174)	67,038	(58,174)	67,038
At the end of the reporting year	14,319	72,493	14,319	72,493

* More information on expected credit loss calculation is provided in Note 23.

14. OTHER RECEIVABLES

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
Other current financial receivables	-	-	384,550	127,413
Other financial assets	-	-	384,550	127,413
Receivables from EU funding*	37,556,501	75,488,791	37,556,501	75,488,791
Prepaid expenses	1,718,306	1,323,805	2,477,457	2,081,022
Advances paid for services	186,997	1,321,606	186,997	1,321,606
Value-added tax on advances received**	2,324,522	6,167,413	2,324,522	6,247,979
Other receivables	196,534	164,632	296,922	201,333
Other non-financial assets	41,982,860	84,466,247	42,842,399	85,340,731
OTHER RECEIVABLES TOTAL	41,982,860	84,466,247	43,226,949	85,468,144

* In 2025, the Parent Company continued to implement the EU co-financed projects "Synchronisation with Continental Europe, Phase 1" and "Synchronisation with Continental Europe, Phase 2", and projects under the Recovery and Resilience Facility investment plan "Modernisation of Electricity Transmission and Distribution Networks". As a result, construction activities were carried out and equipment was purchased for which EU funding is expected (see also the Sustainability Report section "Operating segments").

**Value-added tax on advances received mainly arises from system capacity reservation payments for planned electricity producer connections.

15. CORPORATE INCOME TAX

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
Corporate income tax	-	-	(4,873,796)	(2,983,957)
Deferred tax	-	-	(406,430)	338,906
TOTAL corporate income tax	-	-	(5,280,226)	(2,645,051)

In accordance with the laws and regulations of the Republic of Latvia, the profit for the reporting year is not subject to income tax. Corporate income tax applies to the Group's Subsidiary for distributed dividends during the year, for what income tax is calculated. For more information on income tax rates, see Note 2.8.

In 2025, the Subsidiary distributed EUR 19,495,184 in dividends (EUR 11,935,826 in 2024), for which EUR 4,873,796 (EUR 2,983,957 in 2024) income tax at a tax rate of 20/80 percent was calculated. Corporate income tax was not calculated for the parent company's distributed profit in dividends of EUR 10,391,040 in 2025 and EUR 10,117,120 in 2024, as the pass-through dividend exemption was applied. As of 31.12.2025, the Group has EUR 75,997,958 (31.12.2024: EUR 133,563,642) of retained earnings, which could theoretically be distributed in dividends and as a result, Corporate Income Tax would be payable in the amount of EUR 18,999,490 (EUR 28,048,365 in 2024). There are no potential income tax consequences for 2025 and 2024 that are practically undetermined

DEFERRED TAX

Deferred tax of the Group is recognised as the future corporate income tax payable on the Subsidiary’s retained earnings that are expected to be distributed to the Parent Company as dividends. The calculation is based on the dividend policy set out in the Subsidiary’s

strategy, which provides for the distribution of 90% of the Subsidiary’s profit, as well as a one-year look-back period. The portion of deferred tax attributable to dividends payable to non-controlling interests is recognised as part of non-controlling interests in equity.

	2025 EUR	2024 EUR
Deferred tax liabilities at the beginning of the year	3,299,741	3,638,647
Increase (decrease) in deferred tax liabilities	406,430	(338,906)
Deferred tax liabilities at the end of the year	3,706,171	3,299,741

16. CASH AND CASH EQUIVALENTS

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
Cash in bank	59,161,355	62,524,638	63,514,521	67,149,603
Demand deposits	3,139,861	5,869,353	3,368,894	25,695,542
Total cash and cash equivalents	62,301,216	68,393,991	66,883,415	92,845,145

*In connection with the increase in interest rates offered by commercial banks on cash balances in current accounts, overnight deposit agreements with variable interest rates have been concluded with partner banks, where the deposit amount varies depending on the Group's immediate cash requirements.

17. EQUITY

A) SHARE CAPITAL

An overview of changes in the Parent Company’s equity is provided in the table below:

	Number of shares	Registered share capital, EUR
At 31 December 2023	391,598,534	391,598,534
New issue of shares	3,956,516	3,956,516
At 31 December 2024	395,555,050	395,555,050
New issue of shares	1,105,196	1,105,196
At 31 December 2025	396,660,246	396,660,246

The share capital of the Group consists of ordinary shares of the Parent Company and is fully paid.

In accordance with the decision of the extraordinary shareholders’ meeting of AS "Augstsprieguma tīkls" on 27 December 2024, the share capital of the Parent Company was increased by EUR 1,105,196 through the capitalisation of retained earnings. The changes were registered with the Register of Enterprises on 2 January 2025.

The Parent Company has made payments to the state budget for the use of state capital (dividends) from the profit of the previous year:

- In 2024, EUR 10,117,120 or EUR 0.02558 per share.
- In 2025, EUR 10,391,040 or EUR 0.02620 per share.

B) RESERVES

The Parent Company reserves consist of revaluation reserve, reserves for post-employment benefits, retained earnings, which by the owner’s decision were transferred to other reserves for development.

Group reserves consist of PPE revaluation reserve, reserves specified in the articles of association of the Subsidiary, revaluation reserve for post-employment benefits. In 2025, retained earnings in the amount of EUR 66,953,029 were transferred to other reserves - a reserve for financing storage assets in accordance with the owner’s decision and the transitional provisions of the Energy Law. Reserve can not be distributed in dividends.

C) NON-CONTROLLING INTEREST

Information on non-controlling interests is provided in Note 11. Except for dividends, there were no other transactions with non-controlling interests.

18. EMPLOYEE BENEFIT OBLIGATIONS

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
At the beginning of the reporting year	3,155,209	3,261,894	4,579,576	4,593,371
Recognised in the Statement of Comprehensive Income	224,898	(119,989)	365,902	(99,406)
Recognised in the Statement of Profit or Loss	55,707	13,304	53,146	85,611
At the end of the reporting year	3,435,814	3,155,209	4,998,624	4,579,576

Detailed information on the assumptions used in the calculations, as well as the sensitivity analysis, is provided in Note 2.12.

19. DEFERRED INCOME

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
a) Non-current deferred income				
– from connection fees	98,996,788	50,442,317	98,996,788	50,442,317
Total non-current deferred income from contracts with customers	98,996,788	50,442,317	98,996,788	50,442,317
– from European Union funding	280,093,592	191,817,723	321,590,668	233,108,043
– from expected European Union funding	37,556,501	75,488,792	37,556,501	75,488,792
- from advances received from European Union funding for financing non-current assets	15,109,556	-	15,109,556	-
– from congestion fees	110,679,684	113,503,731	110,679,684	113,503,731
Other non-current deferred income	443,439,333	380,810,246	484,936,409	422,100,566
Total non-current deferred income	542,436,121	431,252,563	583,933,197	472,542,883

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	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
b) Current deferred income				
– from connection fees	5,102,919	3,784,163	5,102,919	3,784,163
– other contractual liabilities recognised	281,183	656,235	281,183	658,506
Current deferred income from contracts with customers	5,384,102	4,440,398	5,384,102	4,442,669
– from advances of unfinished EU co-financed projects, including:	8,270,315	32,100,355	8,270,315	32,100,355
<i>Project "Synchronisation of the Baltic States Electricity Transmission System with the European Network, Phase 2"</i>	3,452,944	18,562,500	3,452,944	18,562,500
<i>Baltic States Synchronisation with Continental Europe, Phase 1</i>	-	8,710,326	-	8,710,326
<i>In the modernisation of the electricity transmission system</i>	2,888,357	4,827,529	2,888,357	4,827,529
<i>"Modernisation and synchronisation of the electricity transmission system", within the framework of RePower financing</i>	1,929,014	-	1,929,014	-
- from completed EU co-financed projects	17,330,142	6,883,813	18,538,004	7,852,875
- from congestion fees*	15,264,653	44,959,159	15,264,653	44,959,159
- from financing of other projects	-	-	4,654	17,659
Other current deferred income	40,865,110	83,943,327	42,077,626	84,930,048
TOTAL current deferred income	46,249,212	88,383,725	47,461,728	89,372,717

* Based on the Parent Company’s approved budget for 2026, it is planned to recognise accumulated congestion fee revenue to cover the costs of electricity transmission system services in the amount of EUR 12,000,000 in 2026 (in 2025 it was planned to recognise EUR 43,450,491). The amount of congestion fee revenue planned and actually recognised in revenue may differ according to the actual costs related to transmission services. It is also planned to recognise congestion fee revenue to compensate for depreciation of PPE in the amount of EUR 3,264,653 in 2026 (in 2025: EUR 1,508,668).

MOVEMENT OF DEFERRED INCOME FROM CONTRACTS WITH CUSTOMERS
(NON-CURRENT AND CURRENT)

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
At the beginning of the reporting year	54,882,715	41,594,501	54,884,986	41,598,976
Connection fee and capacity reservation fee recognised in the income statement	(3,998,492)	(3,842,801)	(4,000,763)	(3,845,005)
Connection fee and capacity reservation fee received from customer contributions	53,496,667	17,131,015	53,496,667	17,131,015
At the end of the reporting year	104,380,890	54,882,715	104,380,890	54,884,986

MOVEMENT OF OTHER DEFERRED INCOME (NON-CURRENT AND CURRENT)

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
At the beginning of the reporting period	464,753,573	360,607,056	507,030,614	387,652,413
Movement in receivable EU co-financing*	(37,932,289)	49,105,508	(37,762,441)	65,507,733
Movement in received EU co-financing	107,982,701	56,181,716	109,645,861	56,181,716
Movement in received EU co-financing advances**	(8,733,843)	(321,668)	(8,733,843)	(321,668)
Congestion fee income received	15,048,551	11,104,799	15,048,551	11,104,799
Free of charge PPE received in a co-financed project (Biomethane input point connection)	-	-	(380,173)	380,173
Congestion fee recognised in the profit or loss statement***	(47,567,105)	(5,834,955)	(47,567,105)	(5,834,955)
EU co-financing included in the profit or loss statement	(9,247,145)	(6,088,883)	(10,267,429)	(7,639,597)
At the end of the reporting year	484,304,443	464,753,573	527,014,035	507,030,614
TOTAL non-current and current movement at the end of the reporting year	588,685,333	519,636,288	631,394,925	561,915,600

*Funding received from the European Union relating to assets is recognised as deferred income under "Other deferred income" when the Group and the Parent Company have fulfilled the conditions attached to the funding and have an unconditional right to receive it. The conditions for receiving the funding include ensuring the management, internal control and accounting of EU co-financed projects in accordance with European Union guidelines and the legislative requirements of the Republic of Latvia. Each transaction related to such projects is recorded in separate accounting records, and the Group and the Parent Company maintain separate accounting for the related income, expenses, property, plant and equipment and value-added tax. If the funding has not been received by the end of the reporting period, it is recognised as a receivable under "Other receivables".

**Taking into account the significant investments in the EU co-financing projects of common interest "Synchronisation with Continental Europe, Phase 1" and "Synchronisation with Continental Europe, Phase 2", as well as investments in the projects "Modernisation of Electricity Transmission and Distribution Networks" of the Recovery and Resilience Mechanism Plan (see also the Sustainability Report chapter "Operating segments"), an advance payment has been received for the implementation of the projects within the framework of the concluded grant agreements.

***Income of EUR 45,450,491 (in 2024, EUR 4,491,942) was recognised from deferred income to cover costs of the costs of the electricity transmission grid services, as well as EUR 2,116,614 (in 2024, EUR 1,343,013 revenue has been recognised to offset depreciation of PPE.

BREAKDOWN OF DEFERRED INCOME BY PERIOD

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
Deferred income from the European Union financing				
1 year or less	25,600,457	38,984,168	26,812,973	39,970,889
1-5 years	67,701,509	20,757,529	72,551,573	25,691,134
Over 5 years	265,058,140	246,548,986	301,705,152	282,905,701
Deferred income from congestion fees				
1 year or less	15,264,653	44,959,159	15,264,653	44,959,159
1-5 years	11,995,566	5,494,688	11,995,566	5,494,688
Over 5 years	98,684,118	108,009,043	98,684,118	108,009,043
Deferred income from connection fees				
1 year or less	5,102,919	3,784,163	5,102,919	3,784,163
1-5 years	16,622,849	13,996,959	16,622,849	13,996,959
Over 5 years	82,373,939	36,445,358	82,373,939	36,445,358
Deferred income from connection to the natural gas transmission system				
1 year or less	-	-	-	2,271
Deferred income from other customer contracts				
1 year or less	281,183	656,235	281,183	656,235
TOTAL deferred income	588,685,333	519,636,288	631,394,925	561,915,600

20. BORROWINGS AND LEASE LIABILITIES

In October 2021, the Parent Company issued bonds with a nominal value of EUR 100,000 thousand. The bonds are listed on Nasdaq Riga, have a fixed coupon rate of 0.5% per annum, and mature on 20 January 2027. The Parent Company has the option to redeem the bonds in full, but not in part, within three months prior to maturity at their nominal value together with accrued interest. In addition to events of default, the bond terms include a cross-default clause, which is triggered if overdue payments of the Parent Company and its Subsidiary, individually or in aggregate, exceed EUR 20,000 thousand.

To finance electricity transmission network infrastructure projects, AS "Augstsprieguma tīkls" entered into a loan agreement with Luminor Bank AS on 20 December 2024. Under this agreement, the Parent Company had access to financing of up to EUR 80,000 thousand, of which EUR 20,000 thousand was drawn in 2025, with a maturity date of 15 December 2029. In order to optimise the management of financial resources, on 7 November 2025, the Parent Company irrevocably waived the undrawn portion of the loan amounting to EUR 60,000 thousand under the agreement.

In order to finance working capital and ensure a liquidity reserve for the next 24 months, on 10 January 2025, a credit line agreement was concluded between AS "Augstsprieguma tīkls" and AS "SEB banka" with a limit

of up to 10,000 thousand EUR, with maturity 10 January 2027 and a base interest rate of 3-month EURIBOR and an added interest rate of 0.59%. Additionally, on December 11, 2025, a credit line agreement was concluded between AS "Augstsprieguma tīkls" and AS "SEB banka" with a limit of up to EUR 10,000 thousand, with maturity date December 10, 2027 and base interest rate of 3-month EURIBOR, and an added interest rate of 0.49%. In addition to the liquidity reserve, taking into account the existing green bond maturity date – 20 January 2027, on 11 December 2025, a credit line agreement was concluded between AS "Augstsprieguma tīkls" and AS "SEB banka" with a limit of up to EUR 90,000 thousand, with maturity date 10 March 2027 and base interest rate of 3-month EURIBOR and an added interest rate of 0.48%. AS "Augstsprieguma tīkls" has not received any loans under the aforementioned credit line agreements during the reporting period. The aforementioned credit line agreements are unsecured.

The financial resources at the disposal of the Parent Company are sufficient to meet its financial needs. The restrictions on financial covenants set out in the Parent company's existing loan agreements were complied during the reporting period and at the time the report was authorised.

Financial ratio restrictions

Equity ratio >25%

Net debt / EBITDA <6

31.12.2025.

37%

1.3

31.12.2024.

38%

0.8

At the end of the reporting period, the weighted average interest rate of the Parent Company's non-current borrowings were 0.9% (31 December 2024: 0.5%). 83% of the total non-current borrowings are at a fixed interest rate (31 December 2024: 100%).

The Parent Company's subsidiary natural gas operator AS "Conexus Baltic Grid" raises external financing itself. In the reporting year, AS "Conexus Baltic Grid" had borrowings from both local and foreign credit institutions. The weighted average interest rate of borrowings at the end of the reporting year was 2.18% (31.12.2024: 2.38%). 36% of the loans received but not yet repaid at the end of the reporting year were at a fixed interest rate (31.12.2024: 39%). All of Conexus' borrowings are denominated in euros and unsecured.

The financial assets at Conexus' disposal are sufficient to meet its financial needs. The total amount of borrowings at the end of the reporting period was EUR 66,461 thousand. At the end of the reporting year, Conexus had available financing under the concluded non-current borrowing agreements in the amount of EUR 36,000 thousand, as well as a bank overdraft in the amount of EUR 900 thousand. All of Conexus' borrowings are denominated in euros and unsecured.

The financial indicator restrictions set out in the subsidiary's existing borrowing agreements during the reporting period and at the time of approval of the report have been complied with:

Financial ratio restrictions

Equity Ratio >50%

Net Debt / EBITDA <5

Debt Service Coverage Ratio (DSCR) >1.2x

31.12.2025.

72%

1.3

4.4

31.12.2024.

69%

0.6

4.3

The Group’s weighted average non-current borrowings interest rate at the end of the reporting period was 1.33% (31 December 2024: 1.50%), the Group has no current borrowings at the end of 2024. 67% of the Group’s total non-current borrowings are at fixed interest rates (31 December 2024: 76%). All of the Group’s borrowings are denominated in euro and unsecured.

The Group and the Parent Company have entered into various land and real estate lease agreements, the most significant of which is a non-current agreement concluded in 2011 with a term of validity until 2044 with AS "Latvenergo" (which owns the property rights) for the lease of the electrical part of the combined optical cable (OPGW - optical ground wire with dual function), which is placed on transmission line supports and its metallic reinforcement also ensures protection of 330 kV and 110 kV electricity transmission lines against lightning surges.

BORROWINGS FROM CREDIT INSTITUTIONS

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
Non-current borrowings from credit institutions	17,742,450	-	77,512,776	46,776,882
Non-current portion of issued bonds	99,972,113	99,945,675	99,972,113	99,945,675
Current borrowings from credit institutions	2,246,140	-	8,895,426	19,792,016
Borrowings	119,960,703	99,945,675	186,380,315	166,514,573
Non-current accrued liabilities for interest payments on issued bonds	473,973	474,044	473,973	474,044
Current accrued liabilities for interest payments on borrowings from credit institutions	-	-	41,259	49,872
TOTAL borrowings	120,434,676	100,419,719	186,895,547	167,038,489
Including:				
Non-current borrowings	118,188,536	100,419,719	177,958,862	147,196,601
Current borrowings	2,246,140	-	8,936,685	19,841,888

LEASE LIABILITIES

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
TOTAL lease liabilities	13,590,511	14,082,522	14,054,847	14,553,832
Including:				
Non-current	12,755,538	13,227,219	13,192,670	13,671,325
Current	834,973	855,303	862,177	882,507

MOVEMENT IN BORROWINGS AND LEASE LIABILITIES

1 / 2	PARENT COMPANY			
	Lease liabilities EUR	Borrowings from credit institutions EUR	Other borrowings EUR	Total EUR
31 December 2023	14,880,675	-	100,393,137	115,273,812
Recognised changes in lease agreements	45,868	-	-	45,868
Repayment excluding interest payments	(844,021)	-	-	(844,021)
Interest payments	(219,708)	-	(500,000)	(719,708)
Calculated interest	219,708	-	526,582	746,290
At 31 December 2024	14,082,522	-	100,419,719	114,502,241
Recognised changes in lease agreements	363,069	-	-	363,069
New agreements	-	19,960,000	-	19,960,000
Repayment excluding interest payments	(855,080)	-	-	(855,080)
Interest payments	(215,389)	(231,470)	(500,000)	(946,859)
Calculated interest	215,389	260,060	526,367	1,001,816
At 31 December 2025	13,590,511	19,988,590	100,446,086	134,025,187

	GROUP			
	Lease liabilities EUR	Borrowings from credit institutions EUR	Other borrowings EUR	Total EUR
At 31 December 2023	15,358,677	79,543,676	100,393,137	195,295,490
Recognised changes in lease agreements	45,868	-	-	45,868
Repayment excluding interest payments	(850,713)	(12,899,286)	-	(13,749,999)
Interest payments	(240,220)	(2,740,370)	(500,000)	(3,480,590)
Calculated interest	240,220	2,714,750	526,582	3,481,552
At 31 December 2024	14,553,832	66,618,770	100,419,719	181,592,321
Recognised changes in lease agreements	363,069	-	-	363,069
New agreements	-	28,960,000	-	28,960,000
Repayment excluding interest payments	(864,012)	(9,149,287)	-	(10,013,299)
Interest payments	(233,661)	(1,863,639)	(500,000)	(2,597,300)
Calculated interest	235,619	1,883,617	526,367	2,645,603
At 31 December 2025	14,054,847	86,449,461	100,446,086	200,950,394

BORROWINGS BY MATURITY

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
Non-current and current borrowings with fixed interest rates:				
1 year or less (current portion of non-current borrowings)	473,973	474,044	2,409,457	2,409,528
1–5 years	99,972,113	99,945,675	107,714,048	107,687,610
Over 5 years	-	-	14,516,129	16,451,613
Total	100,446,086	100,419,719	124,639,634	126,548,751
Non-current and current borrowings with variable interest rates:				
1 year or less (current portion of non-current borrowings)	2,246,140	-	7,001,201	17,906,405
1–5 years	17,742,450	-	55,254,711	22,583,333
Total	19,988,590	-	62,255,912	40,489,738
Total borrowings	120,434,676	100,419,719	186,895,547	167,038,489

LEASE LIABILITIES BY MATURITY

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
1 year or less	834,973	855,303	862,177	882,507
1-5 years	2,495,084	2,762,977	2,603,900	2,871,793
Over 5 years	10,260,454	10,464,242	10,588,770	10,799,532
Total lease liabilities	13,590,511	14,082,522	14,054,847	14,553,832

21. TRADE AND OTHER PAYABLES

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
Financial liabilities:				
Payables for electricity and natural gas	14,909,162	15,476,161	14,909,162	15,476,161
Payables for materials and services	21,084,153	35,215,887	26,834,876	44,631,682
Other accrued liabilities	236,265	95,846	485,456	224,559
Other short-term financial liabilities	9,717,977	13,666,499	10,260,477	29,653,868
Total financial liabilities	45,947,557	64,454,393	52,489,971	89,986,270
Non-financial liabilities:				
State social security contributions and other taxes	3,322,923	1,929,230	5,736,692	2,855,290
Received connection fee advances	17,953,795	22,693,202	17,953,795	22,693,202
Received capacity reservation fee advances	2,410,447	6,114,585	2,410,447	6,116,856
Received advance payments	681,624	-	8,718,903	7,367,326
Other short-term non-financial liabilities	2,908,956	3,706,811	6,227,906	7,509,822
Total non-financial liabilities	27,277,745	34,443,828	41,047,743	46,542,496
TOTAL trade payables and other creditors, incl.	73,225,302	98,898,221	93,537,714	136,528,766
Trade payables	35,993,315	50,692,048	41,744,038	60,107,843
Other creditors	37,231,987	48,206,173	51,793,676	76,420,923

MOVEMENT OF RECEIVED CONNECTION AND CAPACITY
RESERVATION FEE ADVANCES

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
At the beginning of the reporting period	28,807,787	12,832,451	28,810,058	12,832,451
Advances received for connection and capacity reservation fees	6,129,273	21,864,511	6,127,002	21,866,782
Advances allocated to future periods' revenue after completion of connection construction	(14,572,818)	(5,889,175)	(14,572,818)	(5,889,175)
At the end of the reporting period	20,364,242	28,807,787	20,364,242	28,810,058

22. FAIR VALUE CONSIDERATIONS

IFRS 13 establishes a fair value hierarchy that categorises valuation techniques based on the inputs used, distinguishing between observable and unobservable inputs. Observable inputs are derived from independent sources. Where inputs are not observable, valuation techniques reflect the Group’s assumptions about the assumptions that market participants would use under current market conditions.

The fair value hierarchy prioritises the use of observable market data whenever available. In measuring fair value, the Group and the Parent Company maximise the use of relevant observable market data and minimise the use of unobservable market data.

The objective of fair value measurement, even where markets are not active, is to determine the price at which an orderly transaction would take place between market participants at the measurement date under current market conditions.

Fair value is determined using quoted prices or valuation techniques that incorporate observable inputs and, where necessary, unobservable inputs based on internal models. Based on the fair value hierarchy, valuation techniques are categorised into Level 1, Level 2 and Level 3.

The level of the fair value hierarchy of a financial instrument should be determined as the lowest level if a significant portion of its value is derived from inputs at lower level.

The classification of a financial instrument within a fair value hierarchy is a two-step process:

- 1. Classify the inputs at each level to determine the fair value hierarchy;
- 2. Classify the financial instrument itself based on the lowest level if a significant portion of its value is derived from lower-level inputs.

QUOTED MARKET PRICES – LEVEL 1

Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities that are readily available and represent actual market transactions at the measurement date.

INPUTS USING OBSERVABLE MARKET DATA – LEVEL 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including prices and inputs derived from observable market data.

INPUTS USING UNOBSERVABLE MARKET DATA – LEVEL 3

A valuation technique that uses market inputs that are not based on observable market data (unobservable market data) is classified as Level 3. Unobservable market data are data that are not readily available in an active market due to the illiquidity of the market or the complexity of the financial instrument. Level 3 inputs are generally determined based on observable market data of a similar nature, historical observations or using analytical approaches.

ASSETS AND LIABILITIES FOR WHICH FAIR VALUE IS REPORTED, AND ASSETS MEASURED AT FAIR VALUE

The fair value of borrowings from credit institutions is determined by discounting future cash flows at market interest rates. Since the interest rates applied to borrowings from credit institutions were recently determined and do not differ significantly from market interest rates (although some are fixed), the fair value of long-term liabilities approximates their carrying amount.

Although the bonds issued (included in the borrowings position) are quoted in the market, transactions in these securities occur infrequently and cannot be considered indicative of an active market. Therefore, bonds are not measured using Level 1 inputs. The fair value of the bonds is determined by discounting future cash flows using market interest rates. As the interest rates applied to the bonds were set in 2021, taking into account the

increase in interest rates in the market, the carrying value of the bonds issued by the Parent Company exceeds their market value. The risk premium applied to the Group and the Parent Company has not changed significantly.

Management assessed that cash and short-term deposits, accounts receivable, accounts payable, bank overdrafts, and other current liabilities approximate their carrying values, mainly due to the short maturity of these instruments

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1 / 2	PARENT COMPANY			
	NBV EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
At 31.12.2025				
Assets measured at fair value:				
Revalued PPE (Note 10.2)	797,449,874	-	-	797,449,874
Assets for which fair value is disclosed:				
Cash (Note 16)	62,301,216	-	62,301,216	-
Receivables from contracts with customers (Note 13)	37,088,117	-	-	37,088,117
Other non-current financial investments (Note 11)	61,382	-	-	61,382
Other receivables (Note 14)	37,556,501	-	-	37,556,501
Liabilities for which fair value is disclosed:				
Other Borrowings (Note 20)	100,446,086	-	97,496,487	-
Borrowings from credit institutions (Note 20)	19,988,590			19,988,590
Trade and other payables (Note 21)	45,947,557	-	-	45,947,557
31.12.2024				
Assets measured at fair value:				
Revalued PPE (Note 10.2)	612, 028,823	-	-	612,028,823
Assets for which fair value is disclosed:				
Cash (Note 16)	68,393,991	-	68,393,991	-
Receivables from contracts with customers (Note 13)	25,630,172	-	-	25,630,172
Other long-term financial investments (Note 11)	74,755	-	-	74,755
Bank deposits	75,488,791	-	-	75,488,791
Other receivables (Note 14)				
Liabilities for which fair value is disclosed:				
Other borrowings (Note 20)	100,419,719	-	95,642,603	-
Trade and other payables (Note 21)	64,454,393	-	-	64,454,393

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2 / 2	GROUP			
	NBV EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
31.12.2025				
Assets measured at fair value:				
Revalued PPE (Note 10.2)	1,144,649,907	-	-	1,144,649,907
Assets for which fair value is disclosed:				
Cash (Note 16)	66,883,415	-	66,883,415	-
Receivables from contracts with customers (Note 13)	46,674,306	-	-	46,674,306
Other long-term financial investments (Note 11)	61,382	-	-	61,382
Other receivables (Note 14)	37,941,051	-	-	37,941,051
Liabilities for which fair value is disclosed:				
Other borrowings (Note 20)	100,446,086	-	97,496,487	-
Borrowings from credit institutions (Note 20)	86,449,461	-	-	86,449,461
Trade and other payables (Note 21)	52,489,971	-	-	52,489,971
31.12.2024				
Assets measured at fair value:				
Revalued property, plant and equipment (Note 10.2)	950,410,371	-	-	950,410,371
Assets for which fair value is disclosed:				
Cash (Note 16)	92,845,145	-	92,845,145	-
Receivables from contracts with customers (Note 13)	37,005,834	-	-	37,005,834
Other long-term financial investments (Note 11)	74,755	-	-	74,755
Other receivables (Note 14)	75,488,791	-	-	75,488,791
Liabilities for which fair value is disclosed:				
Other borrowings (Note 20)	100,419,719	-	95,642,603	
Borrowings from credit institutions (Note 20)	66,618,770			66,618,770
Parādi piegādātājiem un pārējiem kreditoriem (21. pielikums)	89,986,270	-	-	89,986,270

23. FINANCIAL RISK MANAGEMENT

The Group manages financial risk in accordance with the Financial Risk Management Policy and its subordinate Financial Risk Management Regulations.

The Group’s Subsidiary AS "Conexus Baltic Grid" develops and approves its Financial Risk Management Policies, which are aligned with the basic principles included in the Group Policy.

Financial resource management is aimed at ensuring the financing of business activities and financial stability, implementing conservative financial risk management. Within the framework of financial risk management, the Group and the Parent Company use financial risk controls and take risk mitigation measures, reducing the risk in open positions.

LIQUIDITY RISK

Liquidity risk is related to the ability of the Group and the Parent Company to meet its obligations as they fall due. In order to mitigate short-term liquidity risk and to mitigate unpredictable cash flow fluctuations caused by operational risk, 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.

The Group and the Parent Company maintain prudent liquidity risk management by ensuring constant cash flow monitoring, forecasting short-term and long-term cash flows, and ensuring sufficient financial resources are available to meet obligations as they fall due.

The management of the Group and the Parent Company believes that the Group and the Parent Company will have sufficient cash resources to ensure that their liquidity is not threatened.

MATURITY ANALYSIS OF FINANCIAL LIABILITIES
BASED ON THEIR CONTRACTUAL CASH FLOWS,
INCLUDING INTEREST PAYMENTS, EUR

1 / 2	PARENT COMPANY							
	NBV	1-3 months of 2026	3 months of 2026-1 year	2027	2028	2029–2030	2031–...	Total
At 31.12.2025								
Lease liabilities	13,590,511	259,579	778,736	838,674	817,434	1,570,512	11,584,725	15,849,660
Issued bonds	100,446,086	500,000	-	100,501,370	-	-	-	101,001,370
Borrowings from credit institutions	19,988,590	687,677	2,042,073	2,670,309	2,612,075	13,664,260	-	21,676,394
Trade and other payables	45,947,557	45,947,557	-	-	-	-	-	45,947,557
Total	179,972,744	47,394,813	2,820,809	104,010,353	3,429,509	15,234,772	11,584,725	184,474,981
	NBV	1-3 months of 2025	3 months of 2025-1 year	2026	2027	2028–2029	2030–...	Total
At 31.12.2024								
Lease liabilities	14,082,522	265,994	797,832	1,055,417	851,060	1,570,512	11,849,808	16,390,623
Issued bonds	100,419,719	500,000	-	500,000	100,501,370	-	-	101,501,370
Trade and other payables	64,454,393	64,454,393	-	-	-	-	-	64,454,393
Total	178,956,634	65,220,387	797,832	1,555,417	101,352,430	1,570,512	11,849,808	182,346,386

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	GROUP							
	NBV	1-3 months of 2026	3 months of 2026-1 year	2027	2028	2029–2030	2031–...	Total
At 31.12.2025								
Lease liabilities	14,054,847	266,380	799,139	865,878	844,638	1,624,920	12,416,061	16,817,016
Issued bonds	100,446,086	500,000	-	100,501,370	-	-	-	101,001,370
Borrowings from credit institutions	86,449,461	2,940,152	8,356,308	22,839,687	10,353,936	36,128,964	16,359,800	96,978,847
Trade and other payables	52,489,971	52,489,971	-	-	-	-	-	52,489,971
Total	253,440,365	56,196,503	9,155,447	124,206,935	11,198,574	37,753,884	28,775,861	267,287,204

	NBV	1-3 months of 2025	3 months of 2025-1 year	2026	2027	2028–2029	2030–...	Total
At 31.12.2024								
Lease liabilities	14,553,832	272,795	818,235	1,082,621	878,264	1,624,920	12,708,348	17,385,183
Borrowings from credit institutions	66,618,769	4,169,590	16,894,214	7,995,882	17,875,639	7,747,694	18,569,115	73,252,134
Issued bonds	100,419,719	500,000	-	500,000	100,501,370	-	-	101,501,370
Trade and other payables	89,986,421	89,986,421	-	-	-	-	-	89,986,421
Total	271,578,741	94,928,806	17,712,449	9,578,503	119,255,273	9,372,614	31,277,463	282,125,108

INTEREST RATE RISK

Interest rate risk arises mainly from loans with a variable interest rate, creating the risk that financial costs will increase significantly due to an increase in interest rates. To limit the risk, the Group’s and Parent Company’s Financial Risk Management policy stipulates that the proportion of fixed rates or rates with limited increases in the loan portfolio may not be less than 35%. At the same time, the Financial Risk Management policy stipulates that deviations from this indicator are permitted in the restructuring process of liabilities taken over in the process of reorganisation of ownership rights of transmission assets.

The Parent Company’s loan portfolio as of 31 December 2025 consisted of bonds of EUR 99,972 thousand (loan

portfolio at 31.12.2024: EUR 99,946 thousand) (nominal value EUR 100,000 thousand) with a term of 5.25 years, a fixed annual interest rate (coupon) of 0.5% and a yield of 0.527% and a loan from Luminor Bank AS Latvian branch in the amount of 20,000 thousand EUR (at amortised cost at 31.12.2025: EUR 19,989 thousand) with maturity date of 15 December 2029. The share of long-term loans with a fixed rate in the total loan portfolio was 83% (100% in 2024).

In order to finance working capital and to ensure a liquidity reserve for the next 24 months, on 10 January 2025, a credit line agreement was concluded between AS "Augstsprieguma tīkls" and AS "SEB banka" with a limit of up to EUR 10,000 thousand with maturity 10 January 2027, with a base interest rate of 3-month EURIBOR and an added interest rate of 0.59%. In addition, on 11 December 2025, a credit line agreement was concluded between AS "Augstsprieguma tīkls"

and AS "SEB banka" with a limit of up to EUR 10,000 thousand, maturity date 10 December 2027, with a base interest rate of 3-month EURIBOR and an added interest rate of 0.49%. In order to comply with the liquidity requirements of the rating agency and to ensure the refinancing process of the existing bonds of AS "Augstsprieguma tīkls", on 11 December 2025, a credit line agreement was concluded between AS "Augstsprieguma tīkls" and AS "SEB banka" with a limit of up to EUR 90,000 thousand, with maturity 10 March 2027, with a base interest rate of 3-month EURIBOR and an added interest rate of 0.48%. During the reporting period, AS "Augstsprieguma tīkls" did not receive any loans within the framework of the aforementioned credit line agreements.

The Group’s borrowing portfolio as of 31 December 2025 consisted of borrowings of EUR 124,194 thousand (in 2024: EUR 126,549 thousand) with a fixed interest

rate and EUR 62,226 thousand (in 2024: EUR 40,490 thousand) with a variable interest rate. The proportion of non-current borrowings with a fixed rate in the total borrowing portfolio was 67% (31.12.2024: 76%).

The following table shows the sensitivity of the Group’s profit before tax to reasonably possible changes in interest rates at the end of each reporting period, if all other variables remain constant.

	GROUP			
	Rate changes (base points)	Impact on earnings before tax (EUR)	Rate changes (base points)	Impact on earnings before tax (EUR)
	2025		2024	
EURIBOR	(+50)	(311,130)	(+50)	(235,913)
	(-50)	311,130	(-50)	235,913

CREDIT RISK

Credit risk arises if the Group’s or Parent Company’s partner is unable to fulfil its contractual obligations, which results in losses for the Group or Parent Company. Credit risk arises from the Group’s and Parent Company’s cash, deposits in commercial banks and receivables. Credit risk may be related to financial counterparty risk and counterparty risk.

In the course of its operations, the Group and the Parent Company cooperate with local and foreign financial institutions. As a result, counterparty credit risk arises, whereby the Group and the Parent Company may incur losses in the event of insolvency or suspension of operations of their counterparties. In respect of external funding, this risk exists until the funds are drawn and transferred to one of the Group’s or the Parent Company’s partner banks.

Credit risk arising from the Group’s and Parent Company’s cash in current accounts is managed in accordance with the Group’s Financial Risk Management Policy and Financial Risk Management policy, balancing the allocation of financial resources. In accordance with the Financial Risk Management Policy, in cooperation with banks and financial institutions, business partners with a minimum credit rating of at least investment grade, set by the parent bank or an international credit rating agency, are accepted.

When carrying out economic activities, the Group and the Parent Company cooperate with local and foreign merchants. Consequently, there is a risk of business partners or customers - in the event of insolvency or suspension of operations of cooperation partners, the Group or the Parent Company may suffer losses. The International and National Sanctions Law of the Republic of Latvia determines financial and civil law restrictions for entities included in the sanctions list, including the freezing of financial assets. Taking into account the above, cooperation with an entity included in the sanctions list creates a risk of non-fulfilment of contractual obligations for the Group or the Parent Company, as well as legal and reputational risks.

Although the Group and the Parent Company have a significant concentration of debtor risk in relation to one counterparty or a group of similar counterparties, this risk is assessed as limited, taking into account that the most significant counterparty is a state-owned commercial company - joint-stock company "Latvenergo", as well as its group companies.

The credit risk associated with receivables is managed in accordance with the risk management measures specified in the Financial Risk Management Regulations, monthly, but not less than quarterly, by performing an analysis of receivables.

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Maximum exposure to credit risk	PARENT COMPANY	
	31.12.2025. EUR	31.12.2024. EUR
Cash and cash equivalents (Note 16)	62,301,216	68,393,991
Receivables from contracts with customers (gross) (Note 13)	37,102,435	25,702,665
Other financial receivables (gross) (Note 14)	37,556,501	75,488,791
TOTAL	136,960,152	169,585,447

Additionally, the following information is disclosed regarding credit risk (Excluding cash and cash equivalents):

	PARENT COMPANY	
	31.12.2025. EUR	31.12.2024. EUR
Receivables not past due:	74,613,559	100,217,797
Past due receivables:		
Up to 3 months	31,063	968,271
From 3 to 12 months	10,926	-
From 1 to 5 years	1,038	1,038
More than 5 years	2,350	4,350
TOTAL	74,658,936	101,191,456

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Maximum exposure to credit risk	GROUP	
	31.12.2025. EUR	31.12.2024. EUR
Cash and cash equivalents (Note 16)	66,883,415	92,845,145
Receivables from contracts with customers (gross) (Note 13)	46,688,624	37,078,478
Other financial receivables (gross) (Note 14)	37,941,051	75,488,791
TOTAL	151,513,090	205,412,414

In addition, the following information is disclosed regarding credit risk (Excluding cash and cash equivalents):

	GROUP	
	31.12.2025. EUR	31.12.2024. EUR
Receivables not past due:	84,584,298	111,593,610
Past due receivables:		
Up to 3 months	31,063	968,271
From 3 to 12 months	10,926	-
From 1 to 5 years	1,038	1,038
More than 5 years	2,350	4,350
TOTAL	84,629,675	112,567,269

QUALITY OF FINANCIAL ASSETS – CASH AND DEPOSITS

Balance sheet item	PARENT COMPANY			
	Bank	Credit rating (Moody's)	31.12.2025. EUR	31.12.2024. EUR
Cash and cash equivalents:				
Cash and cash equivalents:	SEB banka	Aa3	59,150,754	58,214,773
	Luminor Bank AS Latvijas filiāle	Baa2	3,620	4,302,828
	Citadele banka	Baa1	4,451	4,507
	Valsts Kase		2,530	2,530
Demand deposits	Swedbank	Aa3	3,139,861	5,869,353
Total cash and cash equivalents:			62,301,216	68,393,991

Balance sheet item	GROUP			
	Bank	Credit rating (Moody's)	31.12.2025. EUR	31.12.2024. EUR
Cash and cash equivalents:				
Cash on current accounts	SEB banka	Aa3	63,456,075	62,768,775
	Swedbank	Aa3	949	693
	OP Corporate Bank plc Latvijas filiāle	Aa3	39,448	66,935
	Citadele banka	Baa1	9,238	4,997
	Luminor Bank AS Latvijas filiāle	Baa2	6,281	4,305,673
	Valsts Kase		2,530	2,530
Demand deposits	Swedbank	Aa3	3,368,894	6,195,542
	Citadele banka	Baa1	-	11,800,000
	OP Corporate Bank plc Latvijas filiāle	Aa3	-	7,700,000
Total cash and cash equivalents:			66,883,415	92,845,145

The Group and the Parent Company continuously monitor the balances of receivables to minimise the possibility of uncollectible receivables. The Group continuously analyses the possible impairment of receivables from contracts with customers and other receivables. The Group has received security deposits of EUR 12,360,299 (in 2024: EUR 13,353,245) as collateral for receivables.

The Group and the Parent Company have not developed an internal credit rating system for assessing receivables.

There were no significant changes in the expected credit losses related to receivables in 2025. Receivables are written off only if their recovery is not expected.

Indicators indicating the impossibility of recovery include, among others, the debtor's inability to agree on a repayment schedule, accompanied by the debtor's insolvency, bankruptcy or liquidation. Although cash and deposits are also subject to the ECL requirements under IFRS 9, the amount of expected credit losses determined is immaterial, given that cash and term deposits are held in financial institutions that themselves or their parent banks have investment-grade credit ratings (predominantly A-level credit ratings).

Expected credit losses as of 31 December 2025:

Days past due (IFRS 9 ageing analysis)	PARENT COMPANY						
	Not past due	Up to 44 days past due	45–90 days past due	91–180 days past due	181–359 days past due	More than 360 days past due	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Expected credit loss rate	0.00%	0.02%	0.05%	100.00%	100.00%	100.00%	
Receivables from contracts with customers (gross) (Note 13)	37,057,058	31,063	-	10,926	-	3,388	37,102,435
Other receivables (gross) (Note 14)	37,556,501	-	-	-	-	-	37,556,501
Expected credit losses	-	5	-	10,926	-	3,388	14,319

Days past due (IFRS 9 ageing analysis)	GROUP						
	Not past due	Up to 44 days past due	45–90 days past due	91–180 days past due	181–359 days past due	More than 360 days past due	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Expected credit loss rate	0%	0% -0.02%	0.05%	100.00%	100.00%	100.00%	
Receivables from contracts with customers (gross) (Note 13)	46,643,247	31,063	-	10,926	-	3,388	46,688,624
Other receivables (gross) (Note 14)	37,941,051	-	-	-	-	-	37,941,051
Expected credit losses	-	5	-	10,926	-	3,388	14,319

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Expected credit losses as of 31 December 2024:

Days past due (IFRS 9 ageing analysis)	PARENT COMPANY						
	Not past due	Up to 44 days past due	45–90 days past due	91–180 days past due	181–359 days past due	More than 360 days past due	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Expected credit loss rate	0 %	2.33%	22.39%	32.81%	51.48%	100.00%	
Receivables from contracts with customers (gross) (Note 13)	24,729,006	24,377	943,894	-	-	5,388	25,702,665
Other receivables (gross) (Note 14)	75,488,791	-	-	-	-	-	75,488,791
Expected credit losses	-	8,170	7,584	51,351	-	5,388	72,493

Days past due (IFRS 9 ageing analysis)	GROUP						
	Not past due	Up to 44 days past due	45–90 days past due	91–180 days past due	181–359 days past due	More than 360 days past due	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Expected credit loss rate	0 %	2.33 %	22.39 %	32.81 %	51.48 %	100.00 %	
Receivables from contracts with customers (gross) (Note 13)	36,104,819	24,377	943,894	-	-	5,388	37,078,478
Other receivables (gross) (Note 14)	75,616,204	-	-	-	-	-	75,616,204
Expected credit losses	-	8,170	7,584	51,351	-	5,388	72,493

CAPITAL RISK MANAGEMENT

The shareholder of the Parent Company is the Republic of Latvia (100%) represented by the Ministry of Climate and Energy. The objective of capital risk management is to ensure the sustainable operation and development of the Group and the Parent Company, the financing necessary for the implementation of the development plan in transmission assets, and the fulfilment of the restrictive conditions set out in the loan agreements. The restrictive conditions set out in the loan agreements have not been violated. In order to ensure the fulfilment of the restrictive conditions set out in the loan agreements, a regular analysis of the equity ratio is performed. In accordance with the Financial Risk Management Policy of the Augstsprieguma tīkls Group, equity must be maintained at a level of at least 35%. At 31 December 2025, the equity ratio of AS "Augstsprieguma tīkls" in the balance sheet is 37%, and that of the Group is 41% (31 December 2024: 38% and 42%, respectively).

CURRENCY RISK

Business activities the Group and Parent Company are focused on transactions, assets and liabilities in the functional currency of Group and Parent company, which is the euro. The Group's and Parent Company's

currency risk is assessed as insignificant as they have no balances in foreign currencies.

24. RELATED PARTY TRANSACTIONS

Related parties are considered to be government-related entities that are controlled, jointly controlled or significantly influenced by the Latvian state.

Commercial transactions that occur in the ordinary course of business with the Latvian government, including its ministries and agencies, and transactions between government-controlled entities and public service providers are excluded from the scope of quantitative related party disclosures based on the provisions of paragraph 25 of IAS 24. The Group and the Parent Company enter into transactions with many of these entities on an arm's length prices. Transactions with government-related entities include taxes and other related services. Income taxes are disclosed in the Statement of Financial Position and the Statement of Profit or Loss as disclosed in Notes 14 and 15, social security contributions are disclosed in Note 7, and taxes payable are disclosed in Note 21. Significant transactions are carried out with the energy supply service provider AS "Latvenergo", the distribution system operator AS "Sadales tīkls" and the public electricity trader AS "Energijas publiskais tirgotājs".

The remuneration of the management of the Group "Augstsprieguma tīkls" includes remuneration for the members of the Management Board and the Council of the Group's companies. The remuneration of the Parent Company's management includes remuneration for the members of the Management Board and the Council of the Parent Company. Detailed information is disclosed in Note 7.

INCOME AND COSTS ARISING FROM TRANSACTIONS WITH RELATED PARTIES (OTHER GOVERNMENT-OWNED COMPANIES)

	PARENT COMPANY		GROUP	
	2025 EUR	2024 EUR	2025 EUR	2024 EUR
Services provided, goods sold				
Electricity transmission system service	90,351,792	91,491,330	90,351,792	91,491,330
Balancing electricity	29,155,443	11,375,103	29,155,443	11,375,103
Regulating electricity	(3,284,041)	(1,019,203)	(3,284,041)	(1,019,203)
Receipt of reactive energy	425,219	543,913	425,219	543,913
Gas storage and transmission	-	-	35,170,154	36,185,768
Revenue from other services	2,377,979	2,140,603	2,377,979	2,140,603
Connection constructions	20,000,302	279,539	20,000,302	279,539
Total incomes from transactions with related companies	139,026,694	104,811,285	174,196,848	140,997,053
Services received, purchased goods				
Purchase of balancing electricity	30,095,422	5,488,071	30,095,422	5,488,071
Purchase of regulating electricity	21,630,481	10,049,783	21,630,481	10,049,783
Electricity for losses and technological consumption	-	26,488,526	-	26,488,526
Electricity for transit losses	-	4,991,466	-	4,991,466
Electricity for economic needs	69,954	436,457	69,954	436,457
Capacity reserve for the security of the electricity system	844,128	8,632,721	844,128	8,632,721
Use of synchronous compensators	1,539,720	1,514,759	1,539,720	1,514,759
Communication expenses	3,706,045	3,681,968	3,706,045	3,681,968
Lease of property, plant and equipment and land	820,691	821,021	820,691	821,021
Gas storage and transmission	-	-	1,731,717	2,022,145
Other costs	239,294	72,838	239,294	72,838
Total costs for transactions with related companies	58,945,735	62,177,610	60,677,452	64,199,755

BALANCES AT THE END OF THE REPORTING YEAR
ARISING FROM RELATED-PARTY TRANSACTIONS
(OTHER GOVERNMENT-OWNED COMPANIES)

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
Receivables (Note 13):				
Government-controlled companies	12,589,391	8,860,437	16,700,938	12,519,608
Liabilities (Note 21):				
Government-controlled companies	4,723,411	9,497,213	4,723,411	9,641,867
Settlements for security deposits *	172,840	3,399,788	172,840	3,399,637
Received customer payments for the reconstruction of property, plant and equipment	3,928,742	2,674,375	3,928,742	2,674,224

*Security deposits are recognised in the balance sheet item Other liabilities

INCOME AND COSTS FROM TRANSACTIONS
WITH ASSOCIATES

Associates*	PARENT COMPANY		GROUP	
	2025 EUR	2024 EUR	2025 EUR	2024 EUR
Revenue				
Income from other services	-	10,069	-	10,069
Income from investment in associates	39,667	20,000	39,667	20,000
Total:	39,667	30,069	39,667	30,069
Costs				
Electricity market coupling costs	426,161	507,444	426,161	507,444
Total:	426,161	507,444	426,161	507,444

* The associated undertaking "Baltic RCC" OÜ

BALANCES AT THE END OF THE REPORTING
YEAR ARISING FROM TRANSACTIONS
WITH ASSOCIATED COMPANIES

	PARENT COMPANY		GROUP	
	31.12.2025. EUR	31.12.2024. EUR	31.12.2025. EUR	31.12.2024. EUR
Receivables:				
Other current receivables	103,214	-	103,214	-

Information on loans from related parties is provided in Note 20,
while information on dividends paid is provided in Note 17
and information on dividends received is provided in Note 11.

25. FUTURE LIABILITIES
AND CONTINGENT
LIABILITIES

As of 31 December 2025, the Group had future liabilities of EUR 91,411 thousand (31.12.2024: EUR 174,910 thousand) and the Parent Company had future commitments of EUR 85,802 thousand (31.12.2024: EUR 156,560 thousand) in relation to capital investments for which contracts have been concluded as of the balance sheet date, but the liabilities have not yet occurred.

By the decision of the AST Management Board of 18 June 2025 On the Development Plan for the Electricity Transmission System, the Development Plan for the Electricity Transmission System for the period from 2026 to 2035 was approved.

The approved Development Plan determines the development of the transmission system and the necessary financial investments in the transmission infrastructure for the next ten years, providing for an investment of EUR 908 million in the development of the electricity transmission system. Detailed information on the further development of the electricity transmission system, as well as system management and market development, innovations and research is provided in the Sustainability Report section "Operating segments".

At 31 December 2025, Conexus had concluded, but not yet completed, long-term asset creation agreements in

the amount of EUR 5,609 thousand (Parent31.12.2024: EUR 18,350 thousand).

In view of its participation in the Nord Pool electricity exchange, a guarantor service agreement has been concluded between the Parent Company and AS "SEB banka", at the end of the reporting period in the amount of 3,000 thousand EUR (31.12.2024: EUR 3,000 thousand).

As a result of the implementation of international sanctions, the Parent Company is involved in one legal proceeding relating to delayed payment. The Arbitration Institute of the Stockholm Chamber of Commerce (SCC) has initiated arbitration proceeding against Baltic transmission system operators, including AS "Augstsprieguma tīkls". The proceedings are currently temporarily suspended. The proceedings relate to the operators' non-payment of certain obligations in compliance with applicable international sanctions. In accordance with the rules of the SCC, detailed information on the proceedings is considered confidential. In the opinion of management, the recognised liabilities are adequate, and no additional provisions are required to cover expected losses.

26. REMUNERATION
FOR A COMMERCIAL
COMPANY OF SWORN
AUDITORS

According to the agreement between AS "Augstsprieguma tīkls" and SIA "KPMG Baltics" on the audit of the financial statement and consolidated financial statement, the fee for the audit of the Parent Company's financial statement and consolidated financial statements for the 2025 reporting year was EUR 53,045 (for the 2024 reporting year: EUR 49,500).

In addition to the above, the Parent Company has received the following services from SIA "KPMG Baltics" in 2025:

- audit services for projects co-financed by the European Union in the amount of EUR 11,000;
- consulting services for the further management of the Parent Company's investment in the Subsidiary in the amount of EUR 12,000;

ANNUAL REPORT

	PARENT COMPANY		GROUP	
	2025 EUR	2024 EUR	2025 EUR	2024 EUR
Sustainability and financial statement revision	63,045	39,500	93,430	69,000
Consulting and audit services	23,000	122,380	31,000	128,380
TOTAL FEE PAID TO THE SWORN AUDITORS COMPANY	86,045	161,880	124,430	197,380

27. CIRCUMSTANCES AND EVENTS AFTER THE END OF THE REPORTING PERIOD

In accordance with the decision of the Shareholders’ Meeting of AS "Augstsprieguma tīkls", the share capital of the Parent Company was increased by EUR 4,373,411 through the capitalisation of retained earnings. The decision of the Enterprise Register on the registration of changes came in force on January 5, 2026.

There have been no other events between the reporting date and the date of approval of these financial statements that would have a significant effect on the financial position or performance of AS "Augstsprieguma tīkls" Group and AS "Augstsprieguma tīkls".

Although the development of geopolitical events is unclear and uncertainty is increasing, no circumstances have been identified at present that would threaten the continuity of the Group's operations and the performance of its legally prescribed functions.



INDEPENDENT AUDITORS' REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TO THE SHAREHOLDER OF AS "AUGSTSPRIEGUMA TĪKLS"

OUR OPINION ON THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Augstsprieguma tīkls AS ("the Company") and its subsidiary ("the Group") and accompanying separate financial statements of the Company set out on pages 183 to 283 of the accompanying Group Consolidated Sustainability Report and Group and Company Annual Report, which comprise:

- the consolidated and separate statement of profit or loss for the year ended 31 December 2025,
- the consolidated and separate statement of comprehensive income for the year then ended,

- the consolidated and separate statement of financial position as at 31 December 2025,
- the consolidated and separate statement of changes in equity for the year then ended,
- the consolidated and separate statement of cash flows for the year then ended, and
- the notes to the consolidated and separate financial statements, which include a summary of material accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company, respectively, as at 31 December 2025, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

BASIS FOR OPINION

In accordance with the 'Law on Audit Services' of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibility for the Audit of the Consolidated and Separate Financial Statements* section of our report.

We are independent of the Group and the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) developed by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and the 'Law on Audit Services' of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

THE KEY AUDIT MATTERS	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Revaluation of electricity transmission segment property, plant and equipment in the consolidated and separate financial statements	
The Group and the Company measures property, plant and equipment at cost or revalued amount, less accumulated depreciation and accumulated impairment losses, if any. As disclosed in Note 10.2 Property, plant and equipment to the consolidated and separate financial statements, the carrying amount of the Group's and Company's electricity transmission segment property, plant and equipment as at 31 December 2025 was 797 449 874 EUR. The Group's management performed a revaluation of these items of property, plant and equipment as at 31 December 2025 and estimated fair values applying depreciated replacement cost method as well as income method. As a result, the carrying amount of property, plant and equipment (electricity transmission structures, transmission lines, technological equipment and other electricity transmission equipment) was not revised, as the fair value of property, plant and equipment determined using both methods did not materially differ from the carrying value.	Our audit procedures included, among others: Evaluating the Group's accounting policy for the fair value measurement of the property, plant and equipment against the requirements of IFRS Accounting Standards adopted by the European Union. Gaining an understanding of management's process for measuring the fair value of the specific fixed asset groups and assessing the methodology and the assumptions used by management in their internal assessment of the property, plant and equipment groups. Assisted by our own valuation specialists, assessing whether the income method used by management is appropriate to determine the fair values of the property, plant and equipment groups and challenging the reasonableness of the discount rate used to discount the future cash flows. Critically assessing the future cash flow projections for the electricity transmission segment property, plant and equipment groups, including the growth rates applied.

THE KEY AUDIT MATTERS

HOW THE MATTER WAS ADDRESSED
IN THE AUDIT

Revaluation of electricity transmission segment property, plant and equipment in the consolidated and separate financial statements

The revaluation of property, plant and equipment requires the use of significant assumptions and judgments by the management. These include: the selection of the most appropriate valuation approach (both depreciated replacement cost method as well as income method were selected). For income method input data are future cash flows, growth rate and discount rate. For depreciated replacement cost method input data is physical obsolescence adjustment, economic obsolescence adjustment, functional or technological obsolescence adjustment.

Considering the subjective nature of the fair value estimate and the fact that electricity transmission segment property, plant and equipment represents 50% of the total assets, the revaluation of electricity transmission segment property, plant and equipment is one of the key audit matters.

Also assisted by our own valuation specialists, assessing whether the depreciated replacement cost method used by management is appropriate to determine the fair values of the property, plant and equipment groups. Furthermore, specialists critically assessed the physical obsolescence adjustments, economic obsolescence adjustments, functional or technological obsolescence adjustments used for the electricity transmission segment property, plant and equipment groups.

Testing the mathematical accuracy of the models. Recalculating the sensitivity analysis of the key assumptions made by management and conducting our own independent sensitivity analysis by replacing the key assumptions with different scenarios.

Considering whether the Group's and the Company's disclosures regarding the fair value estimates of property, plant and equipment are in line with the applicable requirements of IFRS Accounting Standards adopted by the European Union.

THE KEY AUDIT MATTERS

HOW THE MATTER WAS ADDRESSED
IN THE AUDIT

Recognition of electrical energy congestion income in consolidated and separate financial statements

As disclosed in Note 19 to consolidated and separate financial statements, the Group and the Company have recognized congestion next period income of EUR 125 944 337 as at 31 December 2025 and, as disclosed in Note 4 and 5, congestion revenue and other income of EUR 61 794 168 and EUR 2 116 614, respectively, for the year ended 31 December 2025.

Public Utilities Commission defines the use of congestion income in Latvia following the provisions of EC Regulations as described in Note 2.6

Due to significant judgement used in selecting the accounting policy for congestion revenue recognition, as disclosed in Note 2.12, as well as the significance of next period congestion income, the recognition of congestion income is one of the key audit matters.

Our audit procedures included, among others: Evaluating the Group's and Company's accounting policy for the recognition of congestion income against the requirements of IFRS Accounting Standards adopted by the European Union and market practice.

Understanding the Group's and Company's congestion management process, including the recognition of income received from the auctions concluded and the allocation of deferred income to profit or loss.

Testing congestion income receipts through full confirmation of turnovers with auction operators.

For a sample of transactions, evaluating whether congestion revenue has been recognized in profit or loss in line with the costs associated with congestion management.

Considering whether the Group's and Company's disclosures regarding the congestion income recognition are in line with the applicable requirements of IFRS Accounting Standards adopted by the European Union.

REPORTING ON OTHER INFORMATION

The Group's and Company's management is responsible for the other information. The other information comprises:

- the statement by the Chairman of the Board, as set out on pages 4 to 5 of the accompanying Group Consolidated Sustainability Report and Group and Company Annual Report,
- Group consolidated Sustainability Report, as set out on pages 7 to 164 of the accompanying Group Consolidated Sustainability Report and Group and Company Annual Report,
- information about the Group and the Parent Company, as set out on pages 170 to 171 of the accompanying Group Consolidated Sustainability Report and Group and Company Annual Report,
- key financial and operational indicators, as set out on pages 172 and 173 of the accompanying Group Consolidated Sustainability Report and Group and Company Annual Report,
- the Management Report, as set out on pages 174 to 181 of the accompanying Group Consolidated Sustainability Report and Group and Company Annual Report,

- the Statement on Management Responsibility, as set out on page 182 of the accompanying Group Consolidated Sustainability Report and Group and Company Annual Report,
- the Statement of Corporate Governance, which is prepared as a separate report by the Company's management and which is available on the Company's website as of the date of the auditreport www.ast.lv/lv/content/korporativas-parvaldibas-modelis.

Our opinion on the consolidated and separate financial statements does not cover the other information included in the Group's Consolidated Sustainability Report and Group's and Company's Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia Related to Other Information* section of our report. We have performed an assurance engagement on the Group Consolidated Sustainability Report that forms part of the Other Information and provided a separate assurance practitioner's conclusion thereon that is set out on pages 165 to 168.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light

of the knowledge and understanding of the Group, Company and their environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OTHER REPORTING RESPONSIBILITIES IN ACCORDANCE WITH THE LEGISLATION OF THE REPUBLIC OF LATVIA RELATED TO OTHER INFORMATION

In addition, in accordance with the 'Law on Audit Services' of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion, in all material respects:

- the information given in the Management Report for the financial year for which the consolidated and separate financial statements are prepared is consistent with the consolidated and separate financial statements; and
- the Management Report has been prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

In accordance with the 'Law on Audit Services' of the Republic of Latvia with respect to the Statement of Corporate Governance, our responsibility is to consider whether the Statement of Corporate Governance includes the information required in section 56.², second paragraph, clause 5, and third paragraph of the 'Financial Instruments Market Law' of the Republic of Latvia and if it includes the information stipulated in section 56.² second paragraph, clauses 1, 2, 3, 4, 7 and 8 of the 'Financial Instruments Market Law' of the Republic of Latvia.

In our opinion, the Statement of Corporate Governance includes the information required in section 56.², second paragraph, clause 5, and third paragraph of the 'Financial Instruments Market Law' of the Republic of Latvia and if it includes the information stipulated in section 56.² second paragraph, clauses 1, 2, 3, 4, 7 and 8 of the 'Financial Instruments Market Law' of the Republic of Latvia.

Furthermore, in accordance with the ‘Law on Audit Services’ of the Republic of Latvia with respect to the Non-financial Statement our responsibility is to report whether the Group and Company have prepared the Sustainability report and whether the Sustainability report is included in the Management Report or prepared as a separate element of the Group Consolidated Sustainability Report and Group and Company Annual Report.

We report that the Group has prepared the Sustainability report and it is prepared as a separate element of the Group Consolidated Sustainability Report and Group and Company Annual Report.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Management is responsible for the preparation of the consolidated and separate financial statements that give

a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group’s and Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s and Company’s financial reporting process.

AUDITORS’ RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may

- cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
 - Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were

of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Other Reporting Responsibilities and Confirmations Required by the Legislation of the Republic of Latvia and the European Union when Providing Audit Services to Public Interest Entities

We were appointed by those charged with governance on 20 October 2025 to audit the consolidated and separate financial statements of Augstsprieguma tīkls AS for the year ended 31 December 2025. Our total uninterrupted period of engagement is two years, covering the years ending 31 December 2024 to 31 December 2025.

We confirm that:

- our audit opinion is consistent with the additional report presented to the Audit Committee of the Group and Company;
- we have not provided to the Group and Company the prohibited non-audit services (NASs) referred to in Article 5(1) of EU Regulation (EU) No 537/2014 and specified in paragraph 37.⁶ of the 'Law on Audit Services' of the Republic of Latvia. We also remained independent of the audited Group and Company in conducting the audit.

For the period to which our statutory audit relates, we have not provided any services to the Group and Company in addition to the audit, which have not been disclosed in the consolidated and separate financial statements of the Group and the Company.

REPORT ON THE AUDITORS' EXAMINATION OF THE EUROPEAN SINGLE ELECTRONIC FORMAT (ESEF) REPORT

In addition to our audit of the accompanying consolidated and separate financial statements, as included in the consolidated and separate Annual Report, we have also been engaged by the management of the Group to express an opinion on compliance of the consolidated and separate financial statements prepared in a format that enables uniform electronic reporting ("the ESEF Report") with the requirements of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "RTS on ESEF").

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE ESEF REPORT

Management is responsible for the preparation of the consolidated and separate financial statements in a format that enables uniform electronic reporting that complies with the RTS on ESEF. This responsibility includes:

- the preparation of the consolidated and separate financial statements in the applicable xHTML format;
- the selection and application of appropriate iXBRL tags, using judgment where necessary;
- ensuring consistency between digitised information and the consolidated financial statements presented in human-readable format; and
- the design, implementation and maintenance of internal control relevant to the application of the RTS on ESEF.

Those charged with governance are responsible for overseeing the financial reporting process.

AUDITORS’ RESPONSIBILITY FOR THE EXAMINATION OF THE ESEF REPORT

Our responsibility is to express an opinion on whether the ESEF report complies, in all material respects, with the RTS on ESEF, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the RTS on ESEF. The nature, timing and extent of procedures selected depend on the auditor’s judgment, including the assessment of the risks of material departures from the requirements of set out in the RTS on ESEF, whether due to fraud or error. Our procedures included, among other things:

- obtaining an understanding of the tagging process;
- tracing the tagged data to the consolidated financial statements of the Group presented in human-readable format;

- evaluating the completeness of the Group’s tagging of the consolidated financial statements;
- evaluating the appropriateness of the Group’s use of iXBRL elements selected from the ESEF taxonomy and creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- evaluating the use of anchoring in relation to the extension elements; and
- evaluating the appropriateness of the format of the consolidated and separate financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Baltics SIA
Licence No. 55

OPINION

In our opinion, the ESEF Report of the Group and Company as at and for the year ended 31 December 2025 has been prepared, in all material respects, in accordance with the requirements of the RTS on ESEF.

The responsible sworn auditor on the audit resulting in this independent auditors’ report is Armine Movsisjana.

Armine Movsisjana
Chairperson of the Board
Latvian Sworn Auditor
Certificate No. 178

Riga, Latvia
24 April 2026

This report is an English translation of the original Latvian. In the event of discrepancies between the two reports, the Latvian version prevails

