

**THE NATIONAL GAS TRANSMISSION COMPANY
TRANSGAZ S.A.**

**PRELIMINARY UNAUDITED INDIVIDUAL FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

**PREPARED IN ACCORDANCE WITH
THE INTERNATIONAL FINANCIAL REPORTING STANDARDS
ADOPTED BY THE EUROPEAN UNION**

This version of the interim financial statements is a translation from the original, which was prepared in Romanian. 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 our report takes precedence over this translation.

PRELIMINARY CASH FLOW STATEMENT
(expressed in lei, unless otherwise stated)



	31 December 2023	31 December 2022
	(unaudited)	
ASSET		
Fixed assets		
Tangible Assets	377.609.917	418.131.904
Rights of use of the leased assets	14.500.703	16.934.813
Intangible Assets	3.631.006.197	3.909.577.432
Financial assets	177.619.145	191.122.702
Trade receivables and other receivables	2.423.669.228	2.141.205.427
Deferred tax	<u>9.868.530</u>	<u>-</u>
	6.634.273.720	6.676.972.278
Current assets		
Inventories	577.080.618	609.876.837
Trade receivables and other receivables	392.434.334	335.331.267
Cash and cash equivalent	<u>677.336.356</u>	<u>384.237.135</u>
	1.646.851.308	1.329.445.239
Total asset	8.281.125.028	8.006.417.517
Equity		
Share capital	1.883.815.040	1.883.815.040
Hyperinflation adjustment of share capital	441.418.396	441.418.396
Share premium	247.478.865	247.478.865
Other reserves	1.265.796.861	1.265.796.861
Retained earnings	<u>276.665.369</u>	<u>244.236.598</u>
	4.115.174.531	4.082.745.760
Long-term debts		
Long-term loans	1.865.388.334	1.871.382.547
Provision for employee benefits	114.807.183	110.895.341
Deferred revenue	849.564.612	969.150.112
Deferred tax	-	1.206.204
Commercial debt and other debts	<u>12.208.966</u>	<u>14.178.481</u>
	2.841.969.095	2.966.812.685
Current debts		
Commercial debts and other debts	668.647.505	631.538.978
Deferred revenue	113.993.591	107.439.092
Provision for risks and charges	92.889.057	81.197.994
Short-term loans	432.316.032	132.098.774
Provision for employee benefits	<u>16.135.217</u>	<u>4.584.234</u>
	1.323.981.402	956.859.072
Total debts	4.165.950.497	3.923.671.757
Total equity and debts	8.281.125.028	8.006.417.517

Director – General
 Ion Sterian

Chief Financial Officer
 Marius Lupean

PRELIMINARY CASH FLOW STATEMENT
(expressed in lei, unless otherwise stated)



	The year ended 31 December 2023 (unaudited)	The year ended 31 December 2022
Revenue from the domestic transmission activity	1.451.982.194	1.351.930.670
Revenue from the international transmission activity and assimilated	116.305.612	73.926.517
Other revenue	<u>144.258.238</u>	<u>149.328.948</u>
Operational revenue before the balancing and construction activity according to IFRIC12	1.712.546.044	1.575.186.135
Depreciation	(457.196.923)	(423.649.671)
Employees costs	(567.556.752)	(491.588.137)
NTS gas consumption, materials and consumables used	(148.201.016)	(180.267.951)
Cost of royalty	(55.285.137)	(5.703.430)
Maintenance and transport	(40.779.817)	(36.913.734)
Taxes and other state duties	(87.506.609)	(86.781.521)
Revenue/ (Expenses) with provisions for risks and charges	(22.841.375)	(18.088.348)
Other operating cost	<u>(238.486.930)</u>	<u>(172.561.046)</u>
Operational profit before the balancing and construction activity according to IFRIC12	94.691.485	159.632.297
Revenue from the balancing activity	458.810.505	1.005.543.977
Cost of balancing gas	(458.810.505)	(1.005.543.977)
Revenue from the construction activity according to IFRIC12	170.617.135	299.868.442
Cost of assets constructed according to IFRIC12	<u>(170.617.135)</u>	<u>(299.868.442)</u>
Operational profit	94.691.485	159.632.297
Financial revenue	233.093.910	461.287.140
Financial cost	<u>(129.106.401)</u>	<u>(183.445.916)</u>
Financial revenue, net	<u>103.987.509</u>	<u>277.841.224</u>
Profit before tax	198.678.994	437.473.521
Profit tax expense	<u>(38.717.220)</u>	<u>(71.718.653)</u>
Net profit for the period	<u>159.961.774</u>	<u>365.754.868</u>
Number of shares	188.381.504	188.381.504
Basic and diluted earnings per share (expressed in lei per share)	0,85	1,94
Other elements of the comprehensive result	4.334.050	2.452.222
Total comprehensive income for the period	<u>164.295.824</u>	<u>368.207.090</u>

Director - General
Ion Sterian

Chief Financial Officer
Marius Lupean

PRELIMINARY CASH FLOW STATEMENT
(expressed in lei, unless otherwise stated)



	<u>Share Capital</u>	<u>Share capital adjustments</u>	<u>Share premium</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance on 1 January 2022	<u>117.738.440</u>	<u>441.418.396</u>	<u>247.478.865</u>	<u>1.265.796.861</u>	<u>1.816.594.475</u>	<u>3.889.027.037</u>
<i>Elements of the comprehensive result</i>						
Net profit for the period	-	-	-	-	365.754.868	365.754.868
Actuarial gain / loss for the period	-	-	-	-	<u>2.452.222</u>	<u>2.452.222</u>
	-	-	-	-	368.207.090	368.207.090
Establishing profit reserves	-	-	-	-	(21.873.676)	(21.873.676)
Legal reserve increase	-	-	-	-	21.873.676	21.873.676
Increase of share capital by incorporation of reserves	<u>1.766.076.600</u>	-	-	-	<u>(1.766.076.600)</u>	-
<i>Transactions with shareholders:</i>						
Dividends related to 2021	-	-	-	-	<u>(174.488.367)</u>	<u>(174.488.367)</u>
	1.766.076.600				(1.940.564.967)	(174.488.367)
Balance on 31 December 2022	<u>1.883.815.040</u>	<u>441.418.396</u>	<u>247.478.865</u>	<u>1.265.796.861</u>	<u>244.236.598</u>	<u>4.082.745.760</u>
<i>Elements of the comprehensive result</i>						
Net profit for the period	-	-	-	-	159.961.774	159.961.774
Actuarial gain / loss for the period	-	-	-	-	<u>4.334.050</u>	<u>4.334.050</u>
					164.295.824	164.295.824
<i>Transactions with shareholders:</i>						
Dividends related to 2022	-	-	-	-	<u>(131.867.053)</u>	<u>(131.867.053)</u>
Balance on 31 December 2023	<u>1.883.815.040</u>	<u>441.418.396</u>	<u>247.478.865</u>	<u>1.265.796.861</u>	<u>276.665.369</u>	<u>4.115.174.531</u>

Director - General
Ion Sterian

Chief Financial Officer
Marius Lupean

INTERIM CASH FLOW STATEMENT
(expressed in lei, unless otherwise stated)

	The year ended 31 December 2023 (unaudited)	The year ended 31 December 2022
Profit before tax	198.678.994	437.473.521
<i>Adjustments for:</i>		
Depreciation	457.196.923	423.649.671
Gain/(loss) on transfer of fixed assets	(123.138)	(451.748)
Provisions for risks and charges	11.691.064	13.751.630
Adjustments for impairment of inventories	8.499.713	13.249.122
Revenue from connection fees, grants and goods taken free of charge	(113.957.081)	(107.066.896)
Provisions for employee benefits	12.567.497	2.341.979
The effect of updating the provision for employee benefits	7.229.379	5.541.410
Sundry debtors and receivable loss	126.282	1.695.530
Adjustments for the receivable's impairment	108.175.204	42.126.151
Interest revenue	(59.679.235)	(50.732.498)
Interest expenses	90.701.784	51.913.796
Adjustment of the Claim regarding the Concession Agreement	(147.131.305)	(286.877.258)
Effect of exchange rate fluctuation on other items than from operation	5.297.914	(124.977)
Other expenses and revenue	(330.242)	(834.770)
Operating profit before the changes in working capital	578.943.753	545.654.663
(Increase)/decrease in trade and other receivables	22.101.324	45.563.916
(Increase)/decrease in inventories	23.533.328	(320.447.461)
Increase/(decrease) in trade payables and other debts	<u>153.941.808</u>	<u>343.602.258</u>
Cash generated from operations	778.520.213	614.373.376
Interest received	4.317.150	1.277.835
Interest paid	(119.820.194)	(66.822.526)
Paid profit tax	<u>(93.897.261)</u>	<u>(77.532.781)</u>
Net cash inflow from operation activities	569.119.908	471.295.904
Cash flow from investment activities		
Payments to acquire intangible assets	(441.119.974)	(596.593.415)
Payments to acquire tangible assets	(5.087.811)	(18.801.250)
Financial investment/shares	13.503.557	105.453.468
Receipts from the disposal of tangible assets	263.918	479.363
Cash flow from connection fees and grants	<u>4.477.340</u>	<u>133.208.997</u>
Net cash used in investment activities	(427.962.970)	(376.252.837)

INTERIM CASH FLOW STATEMENT
 (expressed in lei, unless otherwise stated)

	The year ended 31 December 2023 (unaudited)	The year ended 31 December 2022
Cash flow from financing activities		
Long-term loan withdrawals	246.610.000	-
Long term loans repayments	(132.098.774)	(143.485.273)
Credit withdrawals/repayments for working capital	175.431.456	291.740.052
Leasing payments (IFRS 16)	(5.601.391)	(5.157.454)
Dividends paid	<u>(132.399.008)</u>	<u>(175.088.518)</u>
Net cash used in financing activities	151.942.283	(31.991.193)
Net change in cash and cash equivalents	<u>293.099.221</u>	<u>63.051.874</u>
Cash and cash equivalent as at the beginning of the year	<u>384.237.135</u>	<u>321.185.261</u>
Cash and cash equivalent as at the end of the period	<u>677.336.356</u>	<u>384.237.135</u>

Director – General
 Ion Sterian

Chief Financial Officer
 Marius Lup