

**A RESPONSIBLE COMPANY, A COMPANY OF THE FUTURE!**



**PRELIMINARY FINANCIAL STATEMENTS FOR 2023 (UNAUDITED)**

**Prepared in accordance with IFRS - UE**



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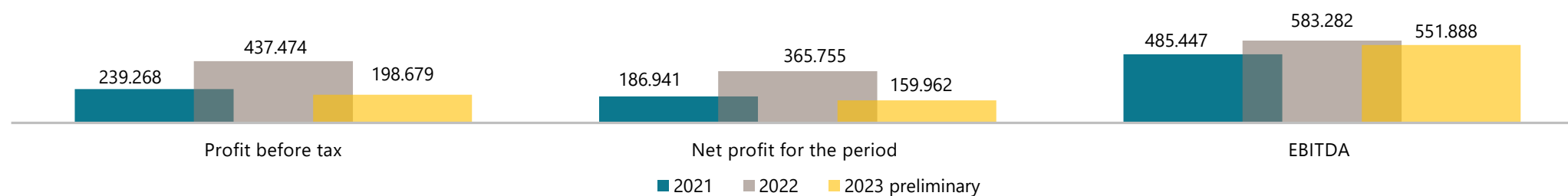
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# 1. Statement of individual comprehensive income as of 31.12.2023 (1)

## MAIN INDICATORS

THOUSAND LEI	2021	2022	2023 preliminary	CHANGES 2023/2022	
				Absolute	Relative
Operational revenue before the balancing and construction activity according to IFRIC12	1.364.511	1.575.186	1.712.546	137.360	9%
Revenue from the balancing activity	442.200	1.005.544	458.811	-546.733	-54%
Income from the construction activity according to IFRIC12	704.027	299.868	170.617	-129.251	-43%
Financial income	130.013	461.287	233.094	-228.193	-49%
Operational costs before the balancing and construction activity according to IFRIC12	1.230.118	1.415.554	1.617.855	202.301	14%
Costs from the balancing gas	442.200	1.005.544	458.811	-546.733	-54%
Cost of constructed assets according to IFRIC12	704.027	299.868	170.617	-129.251	-43%
Financial costs	25.138	183.446	129.106	-54.340	-30%
<b>Profit before tax</b>	<b>239.268</b>	<b>437.474</b>	<b>198.679</b>	<b>-238.795</b>	<b>-55%</b>
Profit tax expense	52.327	71.719	38.717	-33.002	-46%
<b>Net profit for the period</b>	<b>186.941</b>	<b>365.755</b>	<b>159.962</b>	<b>-205.793</b>	<b>-56%</b>
<b>EBITDA</b>	<b>485.447</b>	<b>583.282</b>	<b>551.888</b>	<b>-31.394</b>	<b>-5%</b>
<b>Turnover</b>	<b>1.683.775</b>	<b>2.436.802</b>	<b>2.033.122</b>	<b>-403.680</b>	<b>-17%</b>

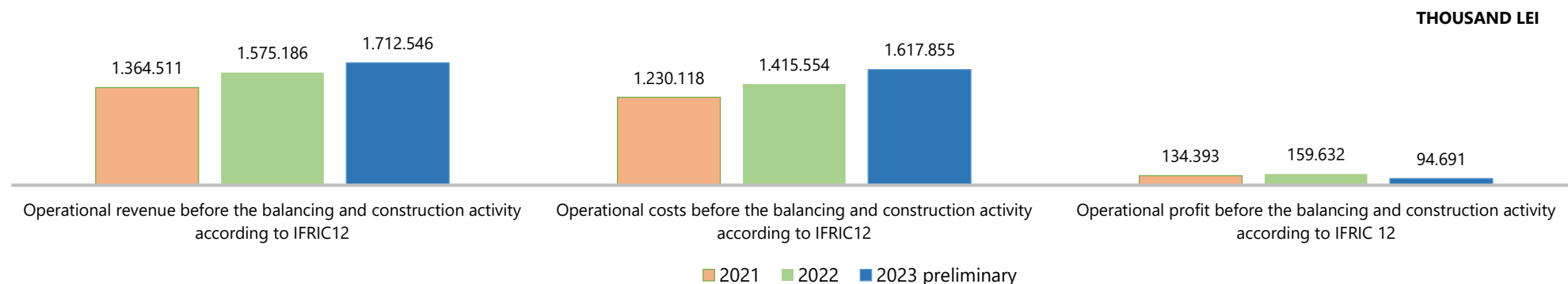
THOUSAND LEI



# 1. Statement of individual comprehensive income as of 31.12.2023 (2)

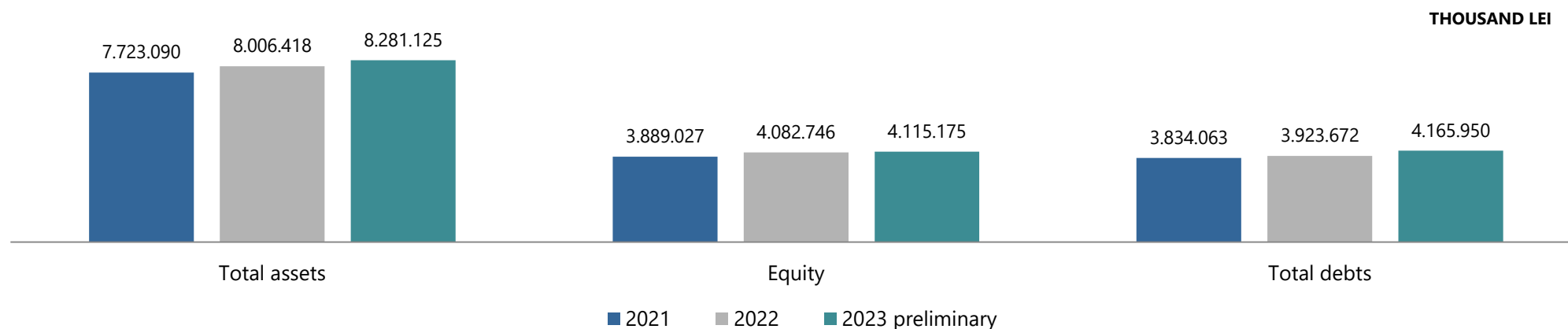
## MAIN INDICATORS

THOUSAND LEI	2021	2022	2023 preliminary	CHANGES 2023/2022	
				Absolute	Relative
Revenues from domestic gas transmission activity	1.164.419	1.351.931	1.451.982	100.051	7%
Revenues from the international gas transmission activity	72.037	73.927	116.306	42.379	57%
Other revenues	128.055	149.329	144.258	-5.071	-3%
<b>Operational revenue before the balancing and construction activity according to IFRIC12</b>	<b>1.364.511</b>	<b>1.575.186</b>	<b>1.712.546</b>	<b>137.360</b>	<b>9%</b>
Employees costs	464.596	491.588	567.557	75.969	15%
Technological consumption, materials and consumables used	112.818	180.268	148.201	-32.067	-18%
Expenses with royalties	4.946	5.703	55.285	49.582	869%
Maintenance and transport	32.769	36.914	40.780	3.866	10%
Taxes and other amounts owed to the State	86.201	86.782	87.507	725	1%
Revenues/ Expenses with provision for risks and expenses	-7.308	18.088	22.841	4.753	26%
Other operating costs	185.042	172.561	238.487	65.926	38%
Depreciation	351.054	423.650	457.197	33.547	8%
<b>Operational costs before the balancing and construction activity according to IFRIC12</b>	<b>1.230.118</b>	<b>1.415.554</b>	<b>1.617.855</b>	<b>202.301</b>	<b>14%</b>
<b>Operational profit before the balancing and construction activity according to IFRIC12</b>	<b>134.393</b>	<b>159.632</b>	<b>94.691</b>	<b>-64.941</b>	<b>-41%</b>



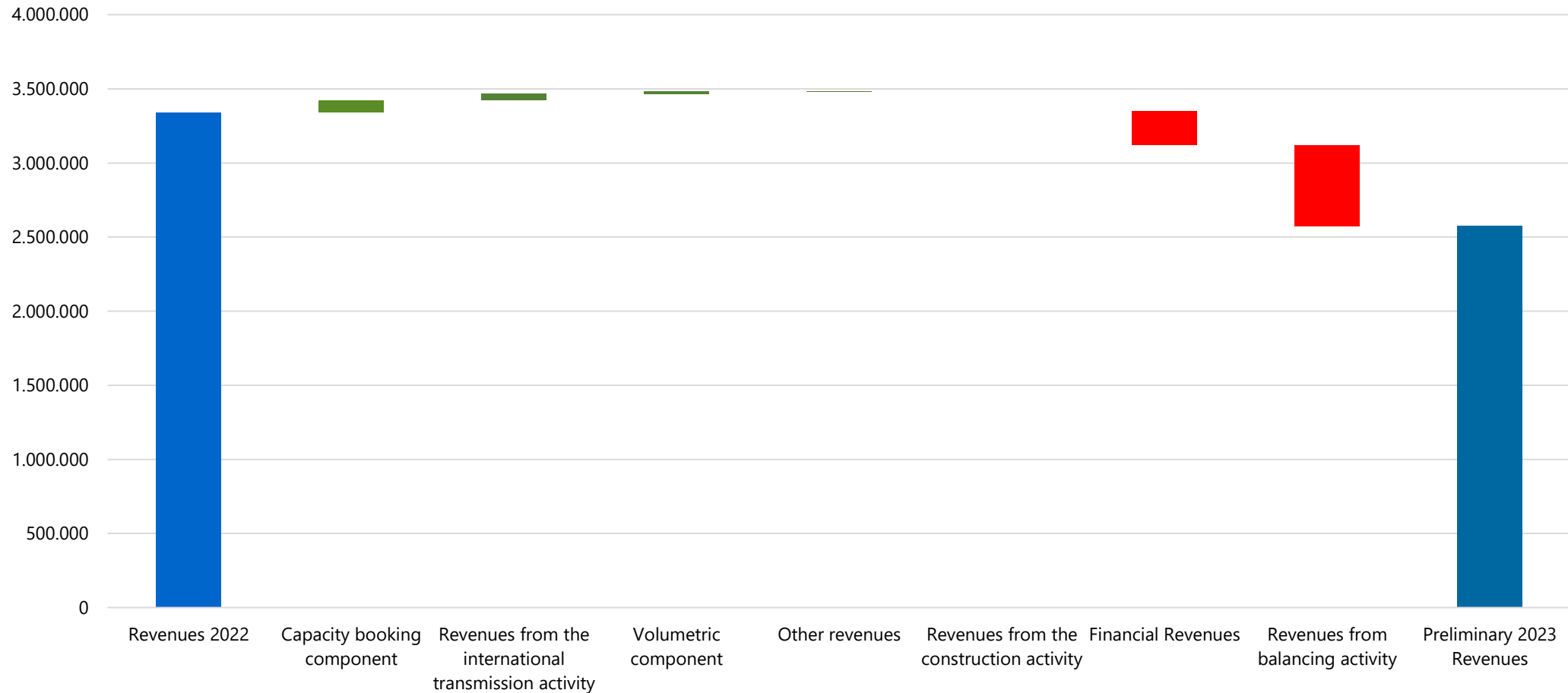
## 2. Statement of individual financial position as of 31.12.2023

THOUSAND LEI	2021	2022	2023 preliminary	CHANGES 2023/2022	
				Absolute	Relative
Fixed assets	6.557.294	6.676.972	6.634.274	-42.698	-1%
Current assets	1.165.797	1.329.445	1.646.851	317.406	24%
<b>Total assets</b>	<b>7.723.090</b>	<b>8.006.418</b>	<b>8.281.125</b>	<b>274.707</b>	<b>3%</b>
<b>Equity</b>	<b>3.889.027</b>	<b>4.082.746</b>	<b>4.115.175</b>	<b>32.429</b>	<b>1%</b>
Long term debts	2.904.357	2.966.813	2.841.969	-124.844	-4%
Current debts	929.707	956.859	1.323.981	367.122	38%
<b>Total debts</b>	<b>3.834.063</b>	<b>3.923.672</b>	<b>4.165.950</b>	<b>242.278</b>	<b>6%</b>
<b>Total equity and debts</b>	<b>7.723.090</b>	<b>8.006.418</b>	<b>8.281.125</b>	<b>274.707</b>	<b>3%</b>



### 3. Main revenue drivers (1)

**Preliminary Revenues 2023 vs. Revenues 2022 (thousand lei)**



### 3. Main revenue drivers (2)

2023 preliminary vs. 2022

**Operating revenue before the balancing and construction activity, according to IFRIC12** increased by 9% compared to the one achieved at 31 December 2022, which is higher by lei 137.360 thousand.

This revenue was obtained under the conditions of the prorogation for the period 1 October 2022 - 30 September 2023 of the tariffs approved by Order 32/26.05.2021 of ANRE President.

By the Order 68/30.05.2023 of the ANRE President the corrected regulated revenue for 1 October 2022 - 30 September 2023 was approved, amounting to lei 1.363.977,17 thousand, 30,97% higher than the revenue approved by ANRE Order 32/2021, amounting to lei 1.041.465,61 thousand. Neither the revenue approved by ANRE Order 68/2023 nor the related transmission tariffs were applied in 1 October 2022 - 30 September 2023 due to the unchanged transmission tariffs for 1 October 2021 - 30 September 2023.

From 1 October 2023, the natural gas transmission tariffs approved by the Order 68 of 30.05.2023 of the ANRE President are applicable. The approved regulated revenue for natural gas transmission for 1 October 2023 - 30 September 2024 is lei 1.647.347.820.

Information on the regulated income approved for Transgaz and the regulated income approved for VMTG can be accessed at the following addresses:

- [TSO's allowed revenue for the period 01.10.2023-30.09.2024 and the annual changes in the TSO's revenues](#)
- [H ANRE 625 din 27.10.2023.pdf \(vmtg.md\)](#)

#### The revenue was influenced mainly by the following factors:

- **revenue from capacity booking** higher by **lei 80.564 thousand** due to:
  - *capacity booking tariff* higher by lei cu 0,344/MWh, with a positive influence of lei 123.343 thousand;
  - *booked capacity* higher by 2.489.350 MWh, with a positive influence of lei 6.220 thousand;
  - *capacity overrun revenue* higher by lei 45.459 thousand. Capacity overrun revenue at 31 December 2022 amounted to lei 75.737 thousand, and at 31 December 2023 to lei 121.196 thousand;
  - *revenue from the auction premium* lower by lei 94.458 thousand following the capacity booking auctions performed according to the CAM-NC by interconnection points; revenue from the auction premium at 31 December 2022 amounted to lei 227.801 thousand, and at 31 December 2023 to lei 133.343 thousand.



### 3. Main revenue drivers (3)

- **commodity revenue** higher by **lei 19.488 thousand** due to:

- *the commodity transmission tariff* higher by lei 0,14 lei/MWh, with a positive influence of lei 19.985 thousand;
- *the gas transmitted capacities* lower by 448.256 MWh as compared to 31 December 2022, with a negative influence of lei 498 thousand, detailed by categories of consumers as follows:

**2023 preliminary vs. 2022**

		2023	2022	Differences		2023	2022
<b>Quantity transmitted for direct consumers</b>	MWh	71.894.881	68.472.756	3.422.125	Revenues from the domestic transmission activity, due to:	1.451.982	1.351.931
	thousand m <sup>3</sup>	6.548.241	6.185.284	362.957			
<b>Quantity transmitted for distribution</b>	MWh	69.624.750	73.495.131	-3.870.381			
	thousand m <sup>3</sup>	6.507.679	6.846.782	-339.103	- Capacity booking component	1.274.910	1.194.346
<b>Total</b>	MWh	141.519.631	141.967.887	-448.256			
	thousand m <sup>3</sup>	13.055.920	13.032.066	23.854			

- **international gas transmission revenue and similar** higher by **lei 42.379 thousand**; according to the Agreement for the termination of the legacy Contract between SNTGN Transgaz SA and GPE, the remaining amounts will be paid over a period of maximum three years and the transmission revenue is regulated according to ANRE Order 41/2019 and ANRE Order 34/2014, based on the points where capacity is booked, the monthly difference being classified as similar income.
- **other operating revenue** lower by **lei 5.071 thousand**.

**The revenue from the balancing activity** was lower by **lei 546.733 thousand** based on the following factors:

- trading price lower by lei 301,86/MWh, with a negative influence of lei 602.597 thousand;
- quantity higher by 105.068 MWh with a positive influence of lei 55.863 thousand;

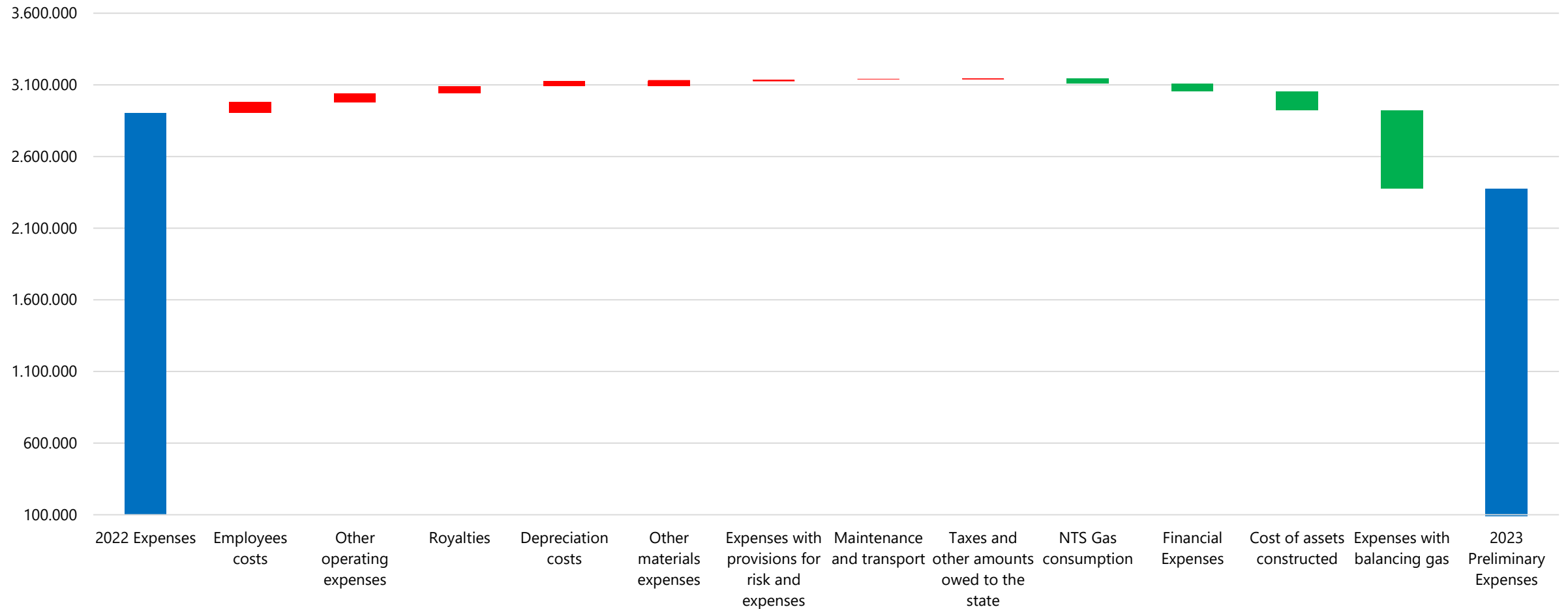
**The revenue from the construction activity** lower by **lei 129.251 thousand**, registered in line with IFRIC 12, according to which revenue and costs related to the construction activity or the improvement of the transmission network, in exchange of which the intangible asset is registered, must be acknowledged in line with IAS 11, Construction Contracts;

**The financial revenue** has a negative influence of **lei 228.193 thousand** mainly due to the recording of the updating of the regulated assets value with the inflation rate of 6,61% at 31 December 2023 compared to 16,37% at 31 December 2022 (lei 144.616 thousand at 31 December 2023 as compared to lei 286.877 thousand at 31 December 2022). In 2022 Transgaz record revenue from shareholdings following the reduction of Eurotransgaz's share capital by EUR 13,15 million and in 2023 the share capital of Eurotransgaz was diminished by lei 13.504 thousand, amount received in August 2023.



## 4. Main costs drivers (1)

### 2023 Preliminary Expenses vs. 2022 Expenses (thousand lei)



## 4. Main costs drivers (2)

**Operating costs before the balancing and construction activity according to IFRIC12** increased by **14%** as compared to 31 December 2022, which is higher by **lei 202.301 thousand**.

**The company made savings of lei 38.497 thousand** to the following cost elements:

- **transmission system gas consumption** of lei 36.049 thousand due to:
  - the quantity of natural gas for NTS gas consumption lower by 126.518 MWh as compared to 31 December 2022, with a positive influence of lei 25.588 thousand;
  - the average purchase price achieved lower by lei 16,68/MWh as compared to the one achieved at 31 December 2022, with a positive influence of lei 10.461 thousand;

		31.12.2023	31.12.2022	Differences
Transmission system gas consumption (quantities)	MWh	627.163	753.681	-126.518
	Thousand m <sup>3</sup>	57.690	70.739	-13.049
	Thousand lei	116.381	152.430	-36.049
	lei/MWh	185,57	202,25	-16,68
Share of quantities of natural gas consumption in NTS in total circulated gas	%	0,45%	0,54%	x

- **cost of licensing fee**: lei 2.448 thousand.

**A surplus amounting to lei 240.798 thousand** was recorded to the following cost elements:

- **employee costs**: lei 75.969 thousand;
- **cost of provision for risks and charges**: lei 4.753 thousand;
- **cost of royalty**: lei 49.582 thousand; By Law 296/2023 on some fiscal-budgetary measures to ensure Romania's long-term financial sustainability, the provisions of Article 103(2) of the Electricity and Gas Law 123/2012 were repealed. As of 30 October 2023, the royalty rate was changed from 0,4% to 11,5% of the value of the gross revenue from transmission and transit operations through the national transmission systems, according to Article 49(2)(b) of Petroleum Law 238/2004;

## 4. Main costs drivers (3)

- **cost of depreciation:** lei 33.547 thousand, based on the completion and commissioning of investments projects;
- **cost of auxiliary materials:** lei 9.231 thousand;
- **cost of maintenance and transmission:** lei 3.866 thousand;
- **cost of monopoly tax:** lei 2.522 thousand;
- **other operating costs:** lei 60.677 thousand. In 2023 the company recorded costs with the depreciation of trade receivables in the amount of lei 108.175 thousand, higher by lei 52.800 thousand compared to 2022. The amount of depreciation of trade receivables was mainly determined by the non-collection of receivables from Gazprom Export LLC (lei 120.908 thousand) decreased by the collection of receivables from Electrocentrale Constanta (lei 20.546 thousand) and Mehedinți Gaz SA (lei 3.214 thousand). As at 31 December 2023, the Company capitalized the amount of lei 10.113 thousand (lei 3.345 thousand as of 31 December 2022), representing the difference between the costs of technological consumption realized over the one approved in the transmission tariff, in accordance with GEO 27/2022;
- **other costs:** lei 651 thousand.

**The financial cost** is lower by **lei 54.340 thousand**, due to the decrease in the share capital of EUROTRANSGAZ Chisinau of the Republic of Moldova. In 2022 Transgaz recorded expenses from shareholdings following the reduction of Eurotransgaz's share capital by EUR 13,15 million and in 2023 the share capital of Eurotransgaz was reduced by lei 13.504 thousand, amount received in August 2023.

**Compared to 31 December 2022 the preliminary gross profit at 31 December 2023 decreased by 55%, which is lower by lei 238.795 thousand, and the net profit is decreased by 56%, which is lower by lei 205.793 thousand.**

## 5. Statement of consolidated comprehensive income as of 31.12.2023

### MAIN INDICATORS

THOUSAND LEI	2021	2022	2023 preliminary	CHANGES 2023/2022	
				Absolute	Relative
Operating revenue before the balancing and construction activity according to IFRIC12	1.364.950	1.579.284	1.784.935	205.651	13%
Revenue from the balancing activity	442.200	1.005.544	458.811	-546.733	-54%
Revenue from the construction activity according to IFRIC12	704.027	299.868	170.617	-129.251	-43%
Financial revenue	152.208	498.370	260.962	-237.408	-48%
Operating costs before the balancing and construction activity according to IFRIC12	1.244.239	1.432.967	1.672.517	239.550	17%
Costs from the balancing activity	442.200	1.005.544	458.811	-546.733	-54%
Cost of assets constructed according to IFRIC12	704.027	299.868	170.617	-129.251	-43%
Financial costs	42.669	225.110	161.568	-63.542	-28%
<b>Profit before tax</b>	<b>230.250</b>	<b>419.576</b>	<b>211.812</b>	<b>-207.764</b>	<b>-50%</b>
Income tax	53.445	72.507	39.425	-33.082	-46%
<b>Net profit for the period</b>	<b>176.805</b>	<b>347.068</b>	<b>172.387</b>	<b>-174.681</b>	<b>-50%</b>
<b>EBITDA</b>	<b>482.253</b>	<b>581.726</b>	<b>595.122</b>	<b>13.396</b>	<b>2%</b>
<b>Turnover</b>	<b>1.683.775</b>	<b>2.440.916</b>	<b>2.100.562</b>	<b>-340.354</b>	<b>-14%</b>

The establishment of the company EUROTRANSGAZ SRL on the territory of the Republic of Moldova was approved by Extraordinary General Meeting of the Shareholders Resolution no. 10/12.12.2017 for enabling participation in the privatization procedure of the State Enterprise VESTMOLDTRANSGAZ.

Transgaz is the sole shareholder of EUROTRANSGAZ SRL.

Since 2018, following the procurement of VESTMOLDTRANSGAZ SRL of the Republic of Moldova by EUROTRANSGAZ SRL, Transgaz, as a parent company, prepares consolidated group financial statements.

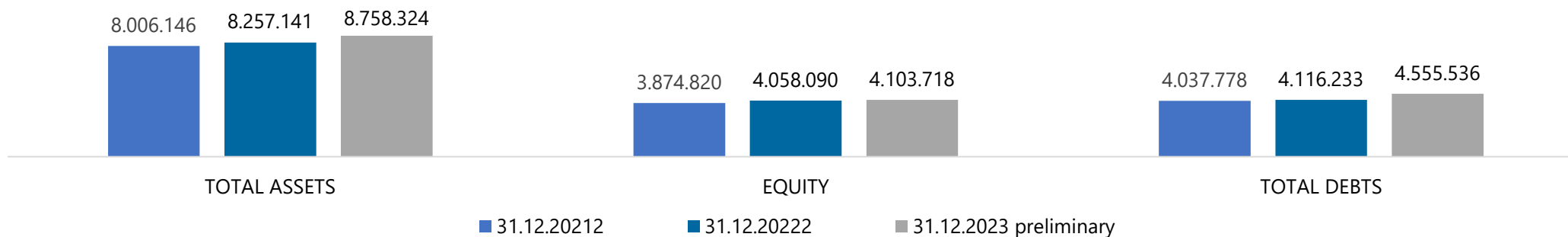
As at 25.08.2021 the European Bank for Reconstruction and Development (EBRD) became a shareholder, holding a 25% stake in the share capital of the natural gas transmission company VESTMOLDTRANSGAZ SRL, a subsidiary of TRANSGAZ in the Republic of Moldova, which owns and operates the Ungheni-Chisinau gas transmission pipeline.

Consolidated companies in the Transgaz group:

		Share (%)
SNTGN Transgaz SA	Parent company	
EUROTRANSGAZ SRL	Company held by SNTGN Transgaz SA	100%
VESTMOLDTRANSGAZ SRL	Company held by EUROTRANSGAZ SRL	75%

## 6. Statement of consolidated financial position as of 31.12.2023

THOUSAND LEI	2021	2022	2023 preliminary	CHANGES 2023/2022	
				Absolute	Relative
FIXED ASSETS	6.667.476	6.878.493	7.026.629	148.136	2%
CURRENT ASSETS	1.338.671	1.378.648	1.731.694	353.046	26%
<b>TOTAL ASSETS</b>	<b>8.006.146</b>	<b>8.257.141</b>	<b>8.758.324</b>	<b>501.183</b>	<b>6%</b>
<b>EQUITY</b>	<b>3.874.820</b>	<b>4.058.090</b>	<b>4.103.718</b>	<b>45.628</b>	<b>1%</b>
NON-CONTROLLING INTERESTS	93.549	82.818	99.070	16.252	20%
LONG TERM DEBTS	3.091.747	3.151.524	3.145.055	-6.469	0%
CURRENT DEBTS	946.030	964.708	1.410.481	445.773	46%
<b>TOTAL DEBTS</b>	<b>4.037.778</b>	<b>4.116.233</b>	<b>4.555.536</b>	<b>439.303</b>	<b>11%</b>
<b>TOTAL EQUITY AND DEBTS</b>	<b>8.006.146</b>	<b>8.257.141</b>	<b>8.758.324</b>	<b>501.183</b>	<b>6%</b>



The variation of the preliminary consolidated economic and financial indicators at 31 December 2023, compared to the indicators achieved in 2022 is mainly determined by the variation of the individual economic-financial indicators recorded by SNTGN Transgaz SA at 31 December 2023 compared to the indicators achieved in 2022.

In 2023 Vestmoldtransgaz SRL of the Republic of Moldova provided natural gas delivery services amounting to lei 67.440 thousand.

## 7. Analysis of the preliminary revenue and expense at 31 December 2023 compared to the REB approved by OGMS Resolution 2/16 February 2023 (1)



				*thousand lei*	
No.	Indicator	REB 2023	Preliminary 2023	Increase	
1.	Operating revenue before the balancing and construction activity, according to IFRIC12	1.669.099	1.712.546	3%	
2.	Revenue from the balancing activity	1.280.455	458.811	-64%	
3.	Revenue from the construction activity, according to IFRIC12	954.064	170.617	-82%	
4.	Financial revenue	267.074	233.094	-13%	
5.	Operating costs before the balancing and construction activity, according to IFRIC12	1.734.349	1.617.855	-7%	
6.	Costs from the balancing activity	1.280.455	458.811	-64%	
7.	Cost of constructed assets according to IFRIC12	954.064	170.617	-82%	
8.	Financial costs	121.520	129.106	6%	
9.	GROSS PROFIT, of which:	80.305	198.679	147%	
	• from operation	-65.250	94.691	-245%	
	• from the financial activity	145.555	103.988	-29%	
10.	Income tax	16.380	38.717	136%	
11.	NET PROFIT	63.924	159.962	150%	

**Operating revenue before the balancing and construction activity according to IFRIC12** increased by **lei 43.447 thousand** as compared to the REB.

The revenue was influenced by the following:

- Gas transmission services increased by **lei 14.902 thousand** due to:
  - *capacities booked* higher by 26.064.839 MWh with a positive influence of **lei 91.116 thousand**;
  - *average capacity booking tariff, determined by the structure of the booked products*, lower by lei 0,117/MWh, with a negative influence of lei **43.988 thousand**
  - *the gas transmitted capacities* lower than planned by 9.628.138 MWh (▼6%) with a negative influence of **lei 13.971 thousand**;
  - *commodity transmission tariff* lower by lei 0,134/MWh, with a negative influence of **lei 18.255 thousand**.
- Revenue from international gas transmission services and similar increased by **lei 46.890 thousand**;
- Other operating revenue decreased by **lei 18.345 thousand** as compared to the REB; the financial statements of Transgaz do not present the value of revenue from the production of tangible assets or the amount of the relevant expenses according to Order 2.844/2016 on the approval of the Accounting Regulations in accordance with International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market

## 7. Analysis of the preliminary revenue and expense at 31 December 2023 compared to the REB approved by OGMS Resolution 2/16 February 2023 (2)



**Revenue from the balancing** activity decreased by **lei 821.644 thousand** based on the following:

- trading price lower by lei 318,38/MWh, with a negative influence of lei 635.587 thousand;
- quantity lower by 339.388 MWh with a negative influence of lei 186.057 thousand;

**Financial revenue** decreased by **lei 33.980 thousand** as compared to the REB.

**Operating costs before the balancing and construction activity according to IFRIC12** decreased by **7%** as compared to the approved plan, which is lower by **lei 116.493 thousand** as compared to the REB.

**Savings amounting to lei 278.584 thousand** were recorded mainly the following cost elements:

- employee costs: lei 54.807 thousand;
- transmission system gas consumption: lei 98.084 thousand;
- auxiliary materials and other material costs: lei 77.796 thousand;
- cost of maintenance and transport: lei 43.622 thousand;
- cost of taxes and duties: lei 4.039 thousand;
- cost of provision for risks and charges: lei 235 thousand.

**A surplus of lei 162.091 thousand** was recorded mainly in relation to the following cost elements:

- cost of NTS concession royalty: lei 49.259 thousand; By Law 296/2023 on some fiscal-budgetary measures to ensure Romania's long-term financial sustainability, the provisions of Article 103(2) of the Electricity and Gas Law 123/2012 were repealed. As of 30 October 2023, the royalty rate was changed from 0,4% to 11,5% of the value of the gross revenue from transmission and transit operations through the national transmission systems, according to Article 49(2)(b) of Petroleum Law 238/2004
- cost of depreciation: lei 14.026 thousand, based on commissionings;
- other operating costs: lei 98.805 thousand, mainly determined by the adjustments for impairment of current assets due to non-collection of receivables from Gazprom.

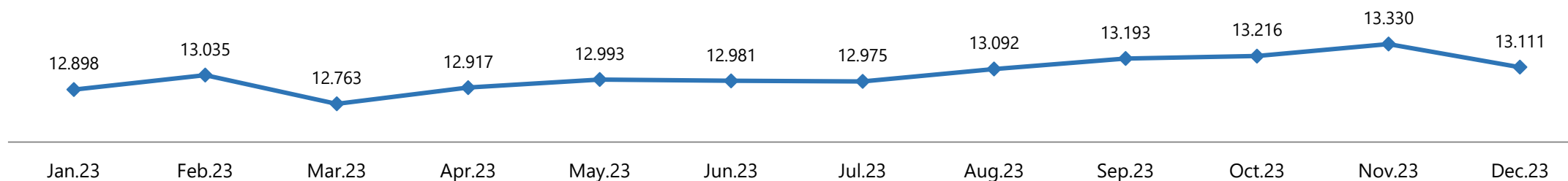
**The financial cost** is higher by **lei 7.587 thousand**, mainly due to costs regarding the financial fixed assets transferred. By SNTGN Transgaz SA BoA Resolution 38/2022 it was approved the reduction of the share capital of Eurotransgaz by lei 13.504 thousand, amount received in August 2023.

**The gross profit increased by lei 118.373 thousand as compared to the REB.**



## 8. Main business drivers (1)

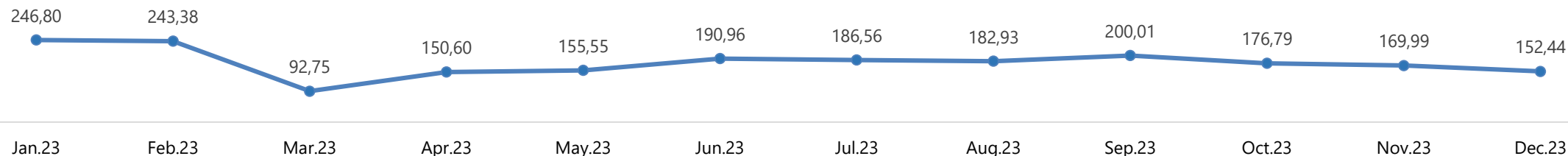
Natural gas volumes circulated (including storage quantities) - mil.cm - rolling 12 months



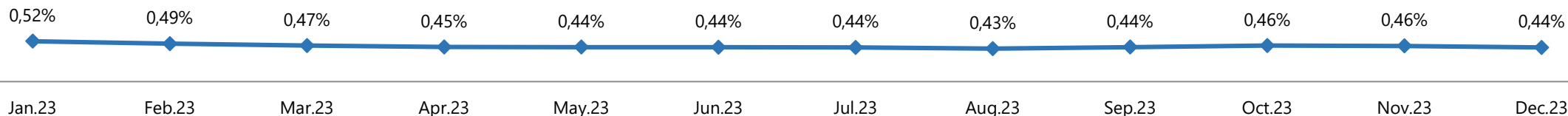
Circulated gas, out of which:		1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2022	2Q 2022	3Q 2022	4Q 2022
	MWh		39.431.791,16	28.992.635,69	33.943.343,00	38.200.406,44	43.169.299,34	26.621.530,18	31.541.333,99
mii m <sup>3</sup>		3.690.827,73	2.701.795,51	3.148.917,75	3.569.333,77	4.034.144,17	2.484.139,91	2.936.491,57	3.651.449,92
- storage	MWh	449.900,21	9.697.976,88	10.180.456,81	2.125.107,40	629.418,65	8.445.200,76	14.111.025,18	5.345.721,43
	mii m <sup>3</sup>	45.364,59	909.507,99	953.682,17	205.698,37	78.795,23	798.396,14	1.333.803,27	511.575,12
<b>Circulated gas storage share</b>		1,14%	33,45%	29,99%	5,56%	1,46%	31,72%	44,74%	13,66%

## 8. Main business drivers (2)

**Natural gas acquisition price for technological consumption (RON/MWH)**



**% Technological consumption in total circulated gas volumes (rolling 12 months)**



		1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2022	2Q 2022	3Q 2022	4Q 2022
<b>Technological consumption, materials and consumables used, of which:</b>	thousand Lei	46.226	33.044	38.621	40.423	46.198	47.447	42.545	48.942
▪ <b>transmission system technological consumption and loss</b>	thousand Lei	39.489	22.145	29.081	25.667	40.771	37.631	33.294	40.734
▪ <b>- technological consumption quantity</b>	MWh	193.782	137.765	150.619	144.997	307.276	155.519	137.796	153.090
▪ <b>auxiliary materials</b>	thousand Lei	5.888	10.056	8.621	13.833	5.089	9.293	8.687	7.493
▪ <b>other material costs</b>	thousand Lei	849	844	919	923	338	523	565	714

## CURRENT NTS INFRASTRUCTURE



- ❑ 13.962,55 km main transmission pipelines and connections for gas supply, of which 183,54 km international gas transmission pipelines and 481 km the BRUA pipeline;
- ❑ 1.162 gas metering stations (1.268 metering directions);
- ❑ 2 gas metering stations for international transmission (Isaccea Transit III și Negru Vodă III);
- ❑ 6 import/export gas metering stations (Giurgiu, Medieșu Aurit, Isaccea I, Isaccea II, Negru Vodă I, Negru Vodă II);
- ❑ 8 gas compressor stations (Șinca, Onești, Siliștea, Jupa, Podișor, Bibești, Onești Upgrading, Gherăești);
- ❑ 1.081 cathodic protection stations (CPS);
- ❑ 60 valve stations/technological nodes;
- ❑ 1.071 odorization stations.

## FUTURE NTS INFRASTRUCTURE

A modernized and competitive gas transmission system that ensures a high degree of interconnectivity, flexibility and access to multiple sources of supply.

As a gas transmission system operator certified according to the Third Energy Package, of July 2010 TRANSGAZ is member of the ENTSOG (The European Network of *Gas Transmission System Operators*), organization within which the company cooperates with all European transmission system operators.



By means of the Ten Years National Gas Transmission System Development Plan, TRANSGAZ proposes major investment projects, estimated at over EUR 3.4 billion, investments for the strategic and sustainable development of the Romanian gas transmission infrastructure and its compliance with the requirements of the European regulations in the field.

## Continuity of the activity and ensuring energy safety and security

- ✦ Increasing the level of security of the NST and gas supply safety
- ✦ Competitive energy markets – by creating the necessary technical conditions for the development of the gas market
- ✦ The Modernization of the Corporate Governance System

## Increasing the COMPETITIVITY of the company

- ✦ Development and modernization of all of the operational processes
- ✦ Increasing energy efficiency and reduction of the negative impact of the technological processes upon the environment

## Increasing the SUSTAINABLE DEVELOPMENT of the company by increasing the human, organizational and human resources and the alignment with the relevant European regulations for the activity of the company and ensuring sustainability.

- ✦ Optimization of the human resources management process
- ✦ Alignment to the relevant European regulations for the activity of the company and ensuring sustainability

## Maintaining financial balance and operational stability

- ✦ Maintaining financial balance and operational stability through sustainable financial, economic and social performances

**SNTGN Transgaz SA, as operator of the National Gas Transmission System (NTS), is interested in the potential of integrating hydrogen from renewable and low-carbon sources into the natural gas transmission system, in order to comply with the provisions of the European directives in force and the European Green Deal.**

The company's overall objectives in this area for the period 2021 to 2025 are as follows:

- **Development of the research work on the possibility of accepting hydrogen mix in the NTS and ways of introducing it into the NTS;**
- **Implement a strategy to upgrade and adapt the existing natural gas transmission infrastructure for the use of hydrogen and other green gases with a view to decarbonization.**

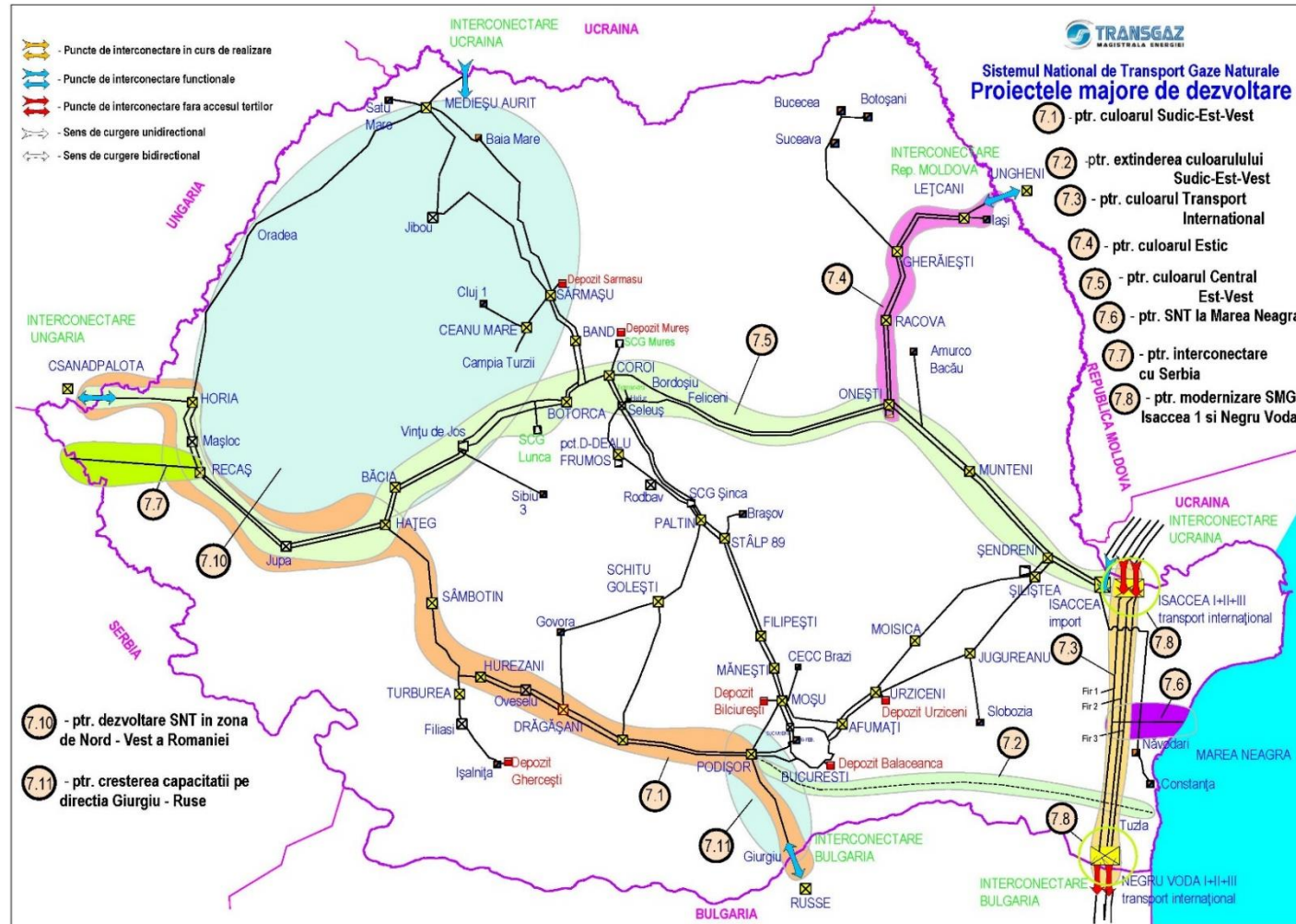
**Transgaz has been running a PILOT PROJECT for the use of natural gas and hydrogen mixture and the study of influences on materials, metering systems and combustion equipment ( abbreviated as "ROHYD")**

The study aims to determine the implications of transporting the methane-hydrogen mixture on the National Transmission System. The objective of the project is to assess the effect of the gas mixture on the behavior, under normal operating conditions, of the main equipment and technical solutions used in the NTS.

At the same time, the pilot plant can determine the impact of H<sub>2</sub> gas mixtures on a gas distribution network up to the final consumer, including the reduction of greenhouse gas emissions by burning natural gas blended with hydrogen.



## MAJOR PROJECTS



~ 3.4 BILLION EURO updated  
3.5 BILLION EURO

No.	Project	Estimated value mil. Euro	Completion date	Project importance	Project status
1	Development on Romania's territory of the National Gas Transmission System on the Bulgaria - Romania - Hungary - Austria Corridor (Phase II)	74.5	2025	Ensuring a natural gas transmission capacity to Hungary of 4.4 bcm/y and 1.5 bcm/y to Bulgaria.  The project importance at European Union level is reflected by the nomination of the "Gas pipeline from Bulgaria to Austria via Romania and Hungary" project both on the first and on the second and the third list of common interest projects.	A non FID
2	Development on Romania's territory of the Southern Transmission Corridor for taking over the natural gas from the Black Sea coast	371.6 updated 493,86	2025	Taking-over the natural gas to be produced in the Black Sea (NTS) for its transmission to the Romanian and European markets is of strategic importance to Transgaz.  The project importance at European Union level is reflected by nominating the Project on the 2nd and 3rd list of common interest projects.	FID
3	Developments of the NTS in the North - East area of Romania in order to improve the natural gas supply of the area and to ensure the transmission capacities to the Republic of Moldova	174.25	<b>completed</b>	Ensuring a gas transmission capacity of 1.5 bcm/y at the interconnection point between the Romanian and Moldova Republic gas transmission systems.	COMPLETED
4	Amplification of the bidirectional gas transmission corridor Bulgaria - Romania - Hungary - Austria (BRUA Phase III)	530	2027	Depending on the Black Sea offshore production increase further development of the network is considered, such as: an additional route through the center of Romania and a new interconnection with Hungary.	LA non FID
5	NTS new developments to take-over the gas from the Black Sea coast.	9.14	<b>completed</b>	Creating an additional point for taking over the natural gas from the Black Sea offshore exploitation perimeters.	COMPLETED
6	Romania-Serbia Interconnection	56.21	2028	Establish an interconnection pipeline with Serbia to diversify sources of supply and increase energy security in the region.	A non FID
7	Development/Upgrading of the gas transmission infrastructure in the North-Western part of Romania	405	2026	Increasing the natural gas transmission capacities in the North-West of Romania to ensure the trends of consumption growth in the region.	LA non FID
8	Increase in the gas transmission capacity of the interconnection Romania-Bulgaria, in the Giurgiu-Ruse direction	51.8	2027	Improving the natural gas supply of the area.	LA non FID



No.	Project	Estimated value mil. Euro	Completion date	Project importance	Project status
9	Eastring-Romania	Phase 1: 1,297 Phase 2: 357	Phase 1: 2027 Phase 2: 2030	EASTRING will be open to well-established sources as well as alternative sources. It will bring gas from new sources from the Caspian / Mediterranean / Black Sea / Middle East regions. At the same time, it will ensure the supply of Southeast Europe from European gas hubs. Total capacity will be available to any carrier or vendor.	LA non FID
10	Monitoring system, data control and acquisition for the cathodic protection stations related to the National Gas Transmission System	17.7	2027	Provides the ability to set, monitor and operate remotely and accurately the points of interest of the system, eliminates the cost of reading data, avoids situations where due to weather conditions it is not possible to read data and human errors, allow distributed control of locations, operating and maintenance costs, considerably reduces setup time.	LA non FID
11	Development of the SCADA system for the National Gas Transmission System	5.5	2025	Upgrading the natural gas transmission infrastructure by upgrading hardware and software architecture.	LA non FID
12	Upgrading GMS Isaccea 2 and Negru Vodă 2 to enable the bidirectional flow on the T2 pipeline	26,65	2024	Creating the possibility of bidirectional flow on the T2 pipeline, part of the Trans-Balkan corridor	LA non FID
13	Upgrading GMS Isaccea 3 and Negru Vodă 3 to enable the bidirectional flow on the T3 pipeline	26,65	2028	Creating the possibility of bidirectional flow on the T3 pipeline, part of the Trans-Balkan corridor	LA non FID
14	NTS interconnection to the LNG Terminal located on the Black Sea shore	19,6	2028	Creating transmission capacity to take over gas from the LNG terminal located on the Black Sea shore	LA non FID
<b>TOTAL</b>		<b>3,422.6 million Euro updated 3.544,86 million Euro</b>			

<b>Total estimated cost of the major projects:</b>	<b>3.422,6 million EURO</b>	<b>3.544,86 million EURO</b>
<b>Estimated cost of FID projects:</b>	<b>554,99 million EURO</b>	<b>677,25 million EURO</b>
<b>Estimated cost of A non FID projects:</b>	<b>130,71 million EURO</b>	<b>130,71 million EURO</b>
<b>Estimated cost of LA non FID projects:</b>	<b>2.736,9 million EURO</b>	<b>2.736,9 million EURO</b>

**PROJECT BENEFITS**

integration of the natural gas market and interoperability of natural gas transmission systems in the region;

the convergence of gas prices in the region;

increasing the flexibility of the European gas transmission system by bidirectional interconnections;

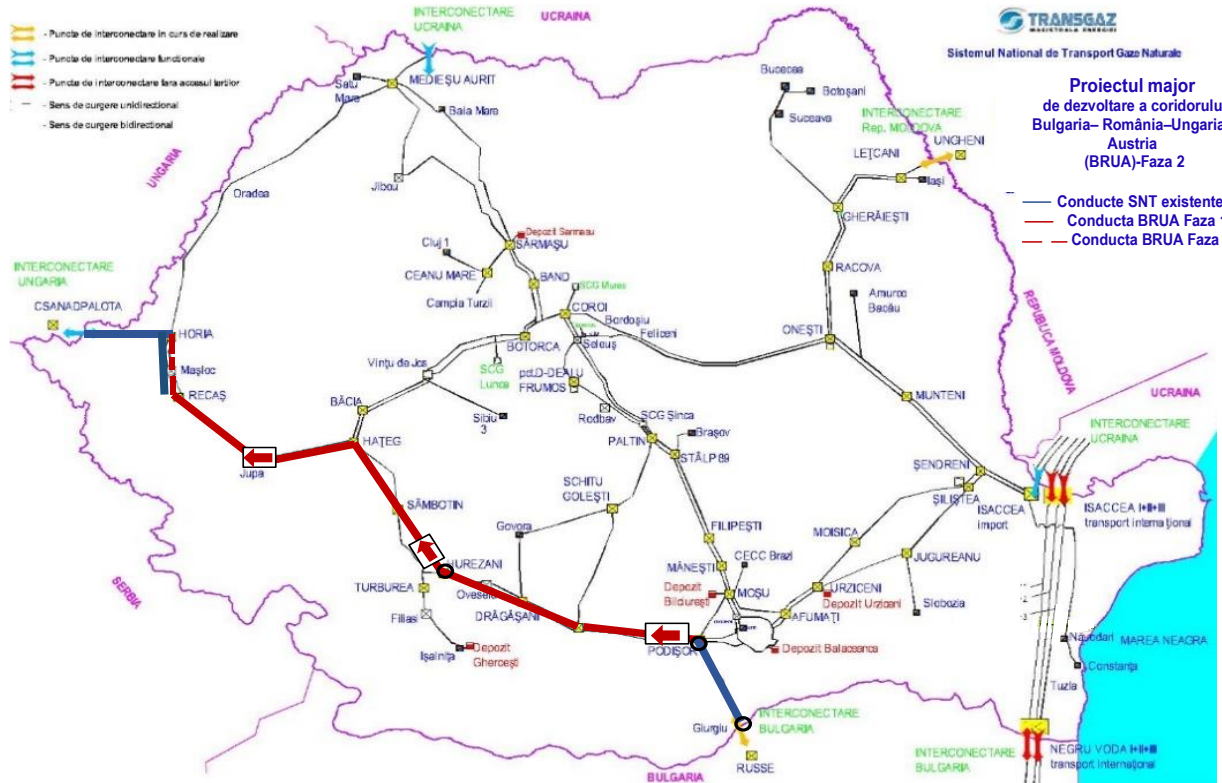
opening the access of Romania and of the European Union to a new natural gas source - through the interconnection of the BULGARIA - ROMANIA - HUNGARY – AUSTRIA corridor with the Black Sea;

increasing competition on the European gas market by diversifying sources, transport routes and companies active in the region;

increasing security of gas supply;

reducing dependence on Russian natural gas imports;

boosting development of renewable energy production in the region (especially wind and solar energy) considering the possibility of using natural gas as a backup option for renewable energies, which leads to a significant increase in the sustainability of the proposed projects.



**Estimated commissioning 2025**

**Aim:**

- The project aims to increase the gas flow to Hungary through the Horia - Csanadpalota interconnector

**Capacity increase:**

- From 1.75 bcm/y to 4.4 bcm/y to Hungary

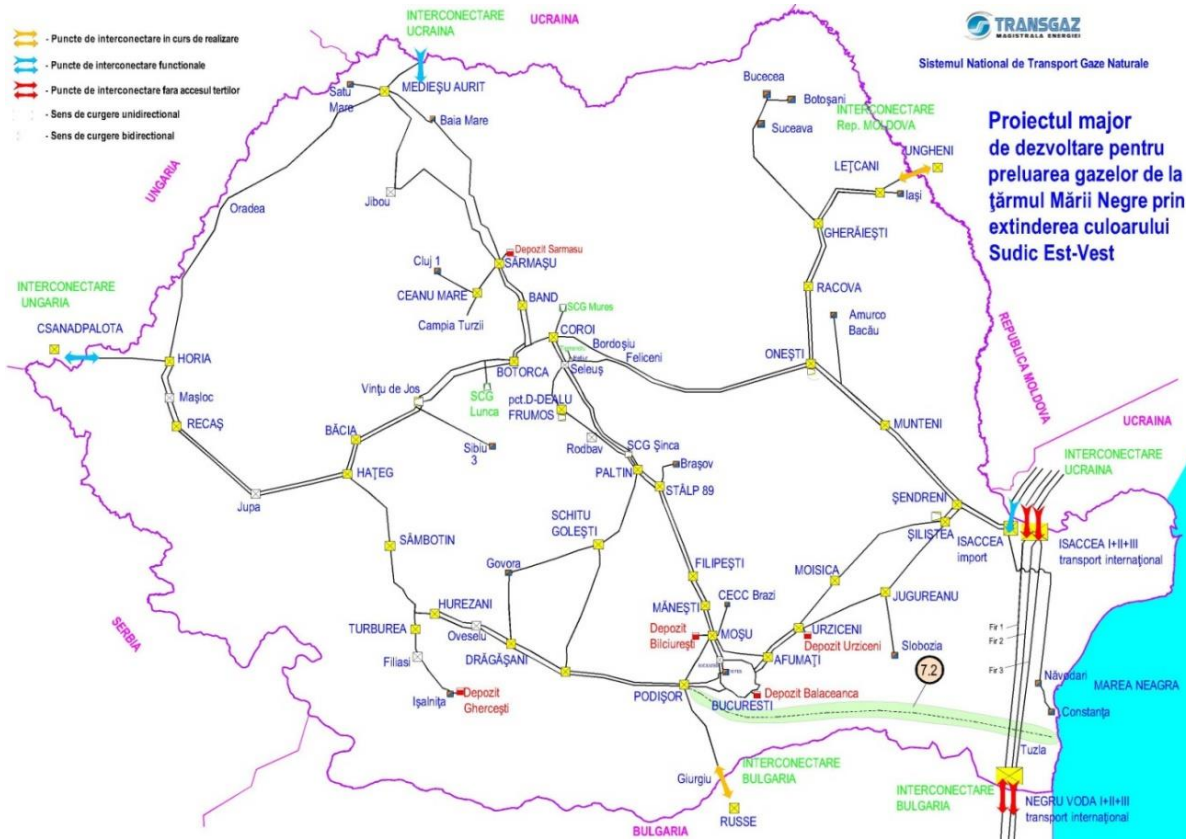
**Necessary investments:**

- 32"x63 bar ~50 km Recaș-Horia pipeline
- increasing the capacity of the three existing compressor stations (Jupa, Bibești, Podișor) by mounting an additional compressors in each station extension of Horia GMS
- SMG Horia amplification

**Total estimated costs:**

- **74.5 mil. Euro**

*Completion of Phase 2 depends on the successful completion of the binding Open Season procedure for the reservation of capacity at IP Csanadpalota and the timetable for this procedure.*



Proiectul major de dezvoltare pentru preluarea gazelor de la țărmul Mării Negre prin extinderea culoarului Sudic Est-Vest

**Estimated commissioning 2025**

**Aim:**

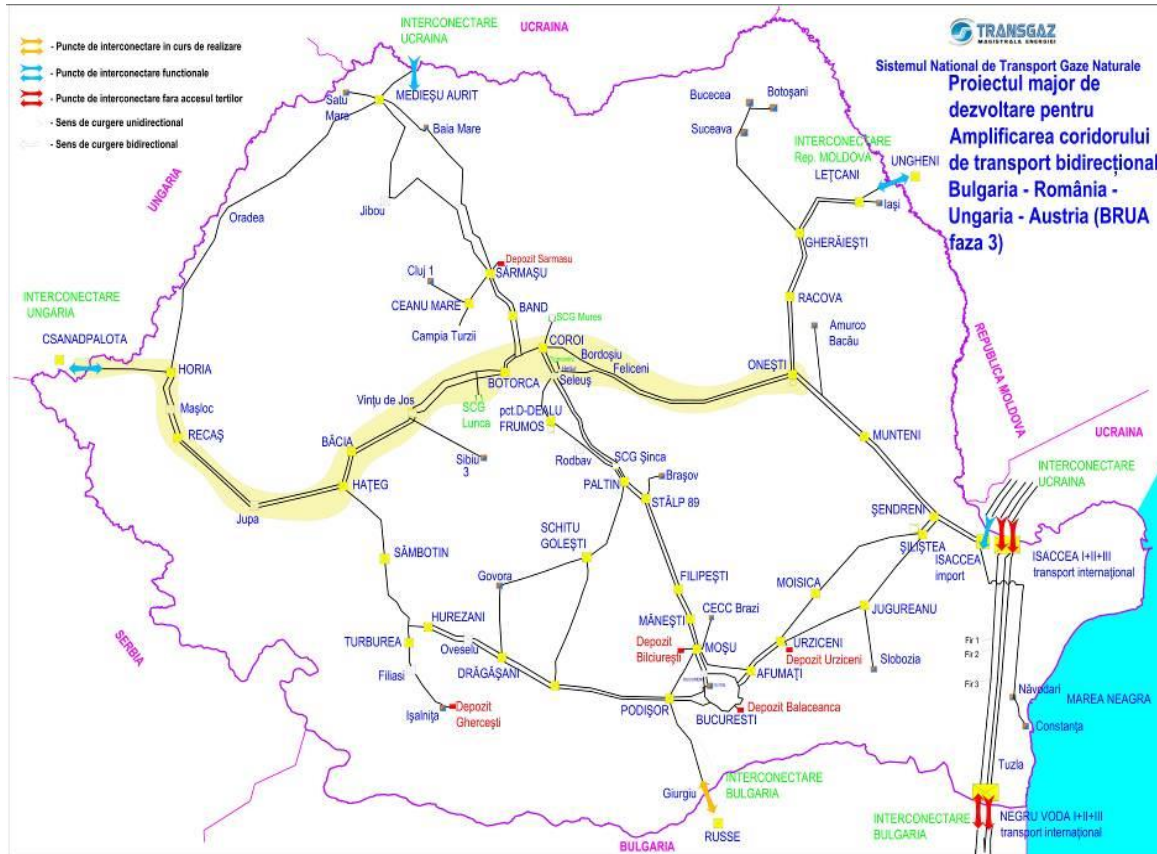
- Creation of gas transmission infrastructure to take over the gas to be extracted from the Black Sea by the construction of a gas transmission pipeline Tuzla-Podisor.

**Necessary investments:**

- the Black Sea shore–Amzacea pipeline, 32.5 km, Ø 48" (DN1200)
- the Amzacea–Podișor pipeline, 275.9 km, Ø 40" (DN1000)

**Total estimated costs:**

- 371.6 mil. Euro** through the Development Plan for the National Gas Transmission System 2022-2031, and updated to **493,86 mil. Euro**



**Estimated completion date – 2027**

### Aim:

- development of gas transmission capacity on the Onești – Coroi – Hațeg – Nădlac corridor depending on the Black Sea or other onshore blocks gas volumes

### Necessary investments:

- rehabilitation of some pipeline sections
- replacement of existing pipelines with new larger diameter and operating pressure pipelines
- four or five new gas compressor stations

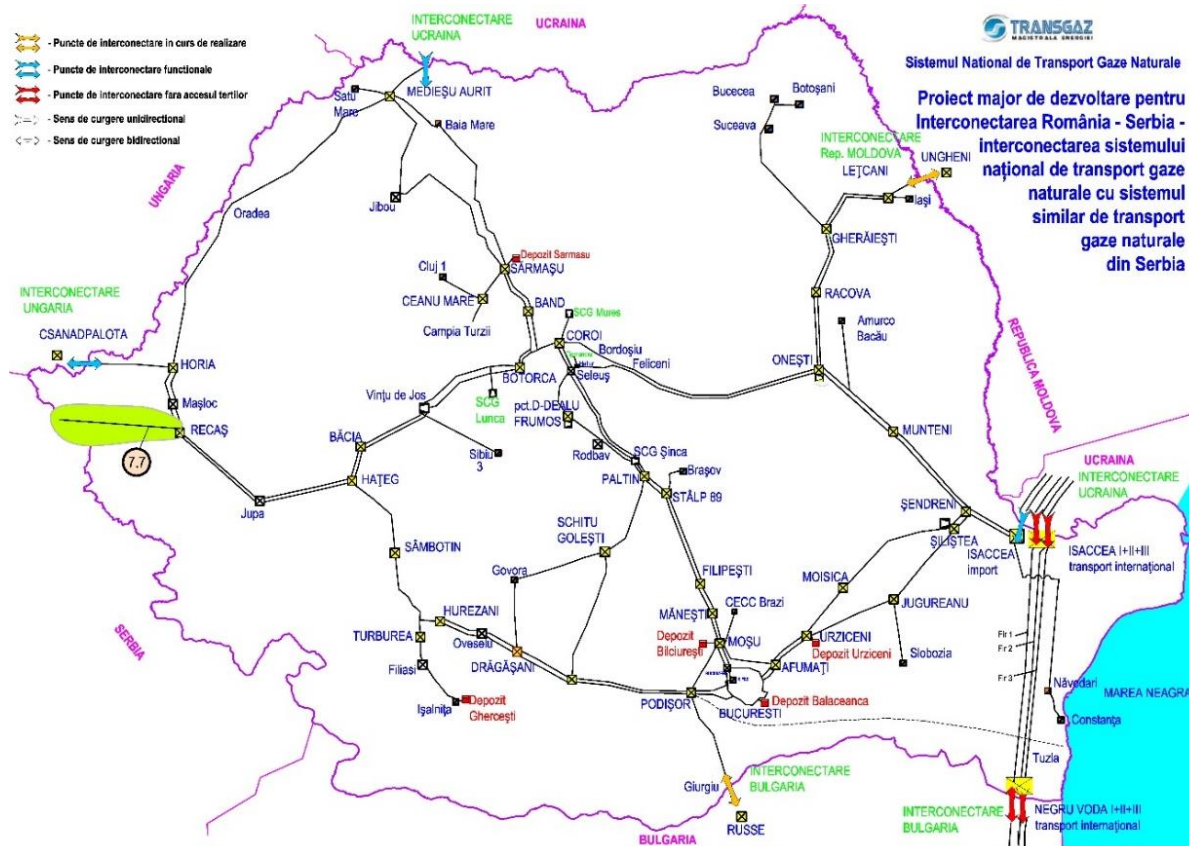
### Capacity increase:

- 4.4 bcm/y to Hungary

### Total estimated costs:

- 530 mil. Euro





**Sistemul National de Transport Gaze Naturale**  
**Proiect major de dezvoltare pentru Interconectarea României - Serbia - interconectarea sistemului național de transport gaze naturale cu sistemul similar de transport gaze naturale din Serbia**

**Aim:**

- enhancing security of energy supply to the region

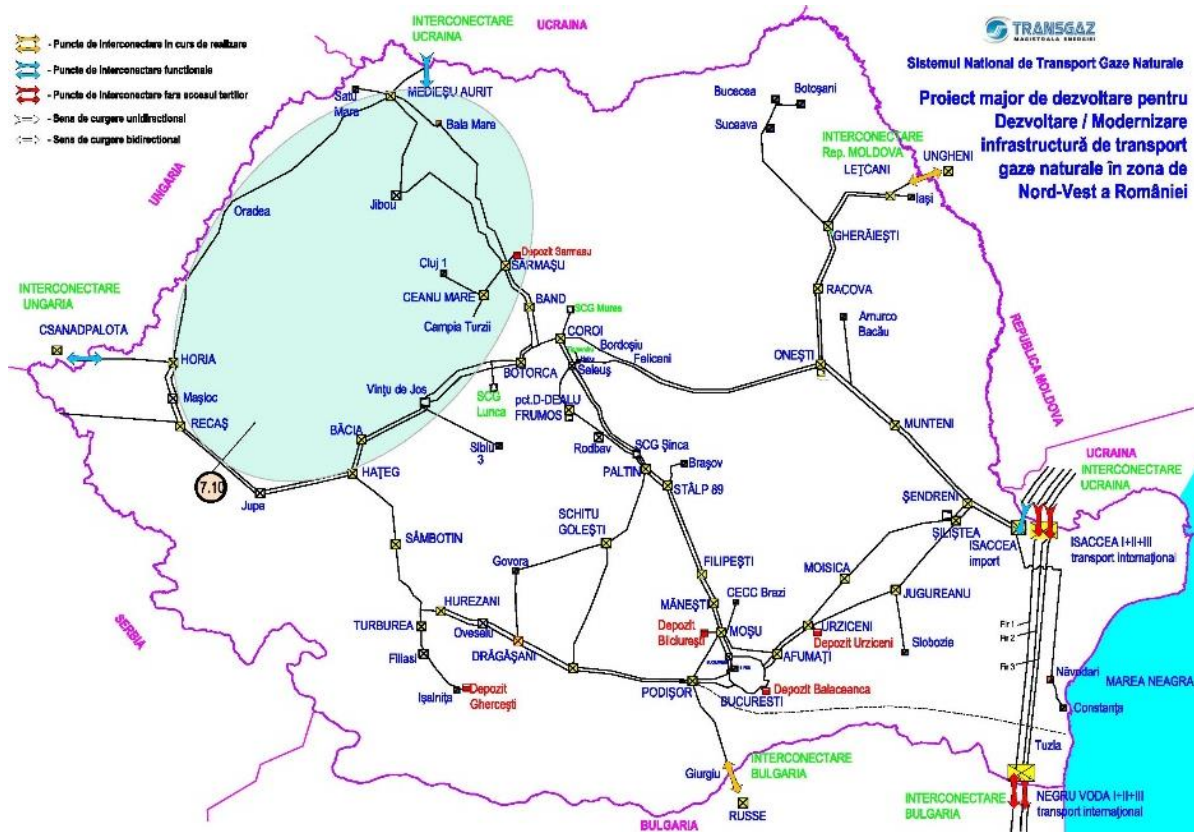
**Necessary investments:**

- construction of an approximately 97km long pipeline in the Receaș – Mokrin direction of which about 85 km on the territory of Romania and 12 km on the territory of Serbia, which will be connected to BRUA pipeline
- construction of GMS at Comloșu Mare

**Total estimated costs:**

- 56.21 mil. Euro

**Estimated commissioning – 2028**



**Estimated commissioning - 2026**

**Aim:**

- creation of new gas transmission capacities

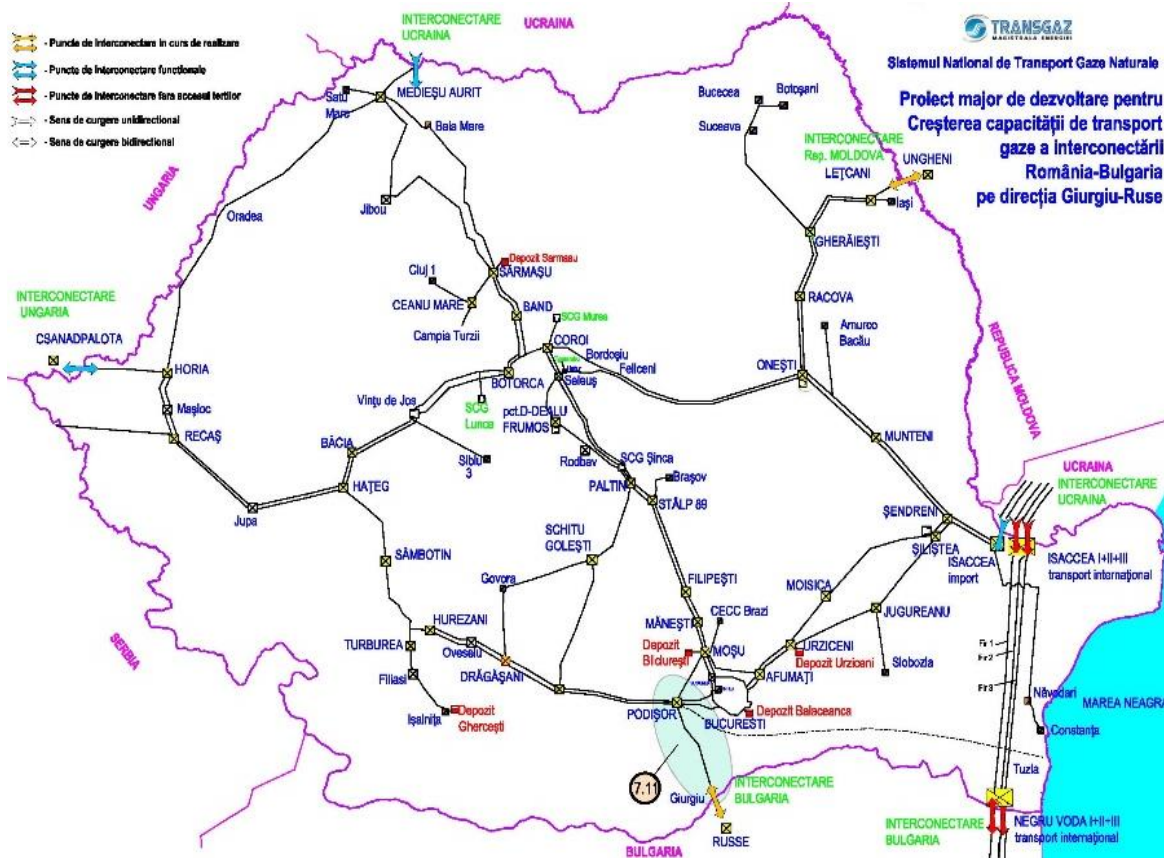
**Necessary investments:**

- construction of a pipeline and of the related equipment in the direction Horia–Medieșu Aurit
- construction of a pipeline and of the related equipment in the direction Sărmășel–Medieșu Aurit
- construction of a pipeline and of the related equipment in the direction Huedin–Aleșd
- construction of a Gas Compressor Station at Medieșu Aurit

**Total estimated costs:**

- 405 mil. Euro





**Estimated commissioning - 2027**

### Aim:

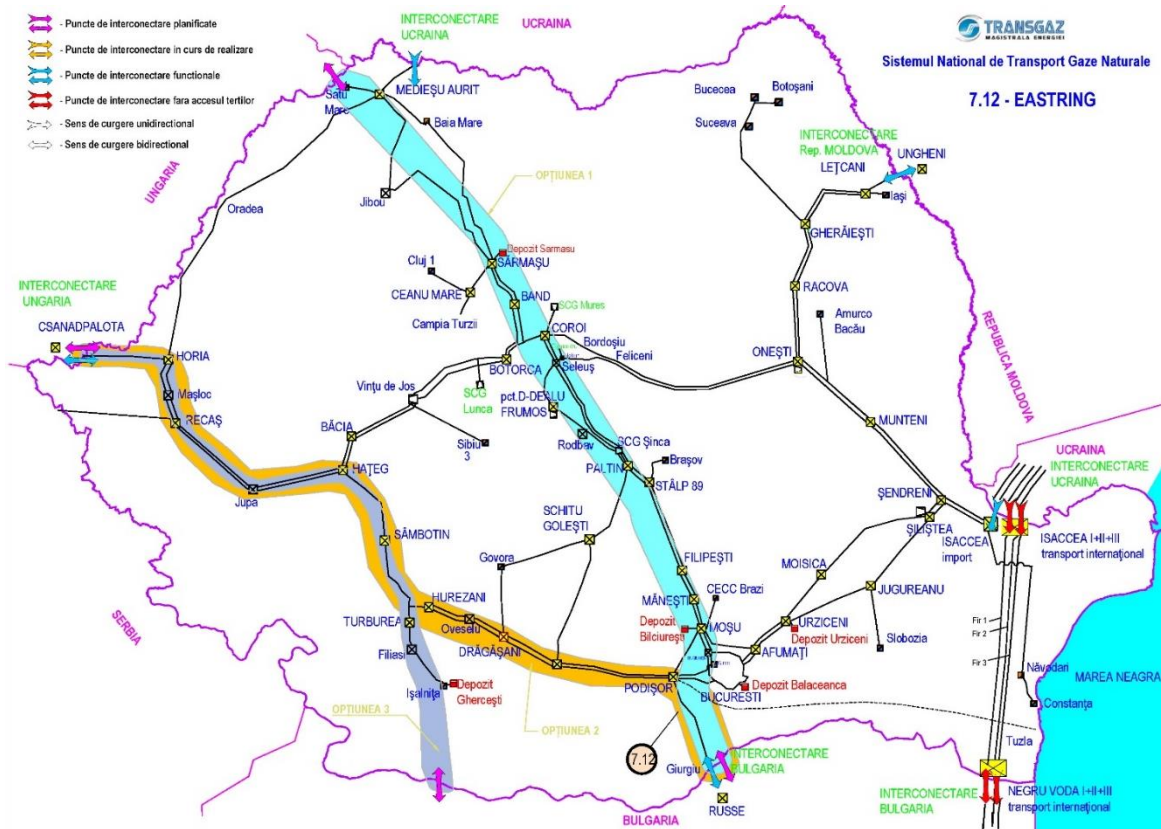
- enhancing security of energy supply to the region

### Necessary investments:

- construction of a new gas transmission pipeline and related facilities
- construction of a new Danube undercrossing
- enhancement of SMG Giurgiu

### Total estimated costs:

- **51.8 mil. Euro**



- EASTRING will ensure the most cost-reflective and direct transmission route between the gas platforms from the Western European region and the Balkans/Western Turkey. The possibility to diversify transmission routes and gas supply sources will safeguard the regional security of gas supply to the region, mainly in the South-Eastern European countries.

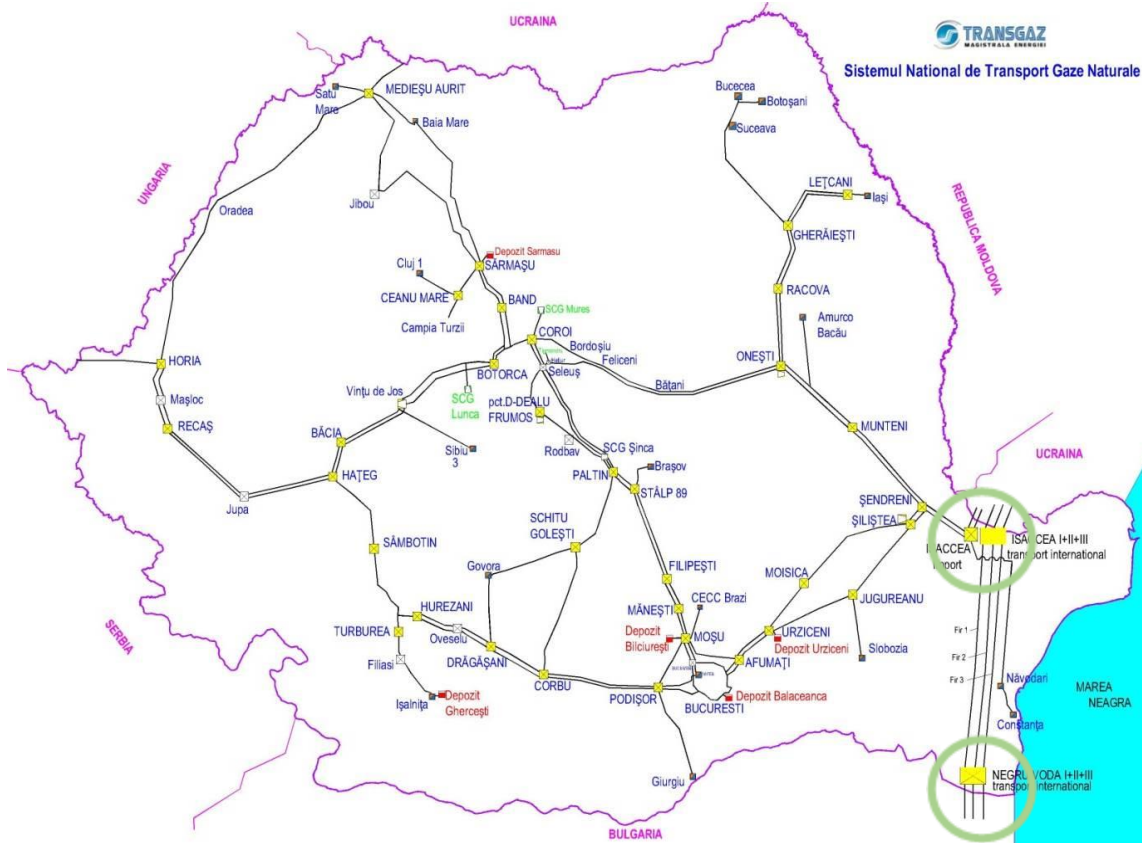
According to the feasibility study, the project will be implemented in two stages as follows:

- Phase 1 – Maximum capacity of 20 bcm/y
- Phase 2 – Maximum capacity of 40 bcm/y

## Total estimated costs:

- Phase 1 - 1,297 mil. Euro for Romania (2,600 mil. Euro - total)
- Phase 2 - 357 mil. Euro for Romania (739 mil. Euro - total)

**Estimated commissioning – 2027 - Phase 1  
2030 - Phase 2**



**Estimated commissioning - 2024**

**Aim:**

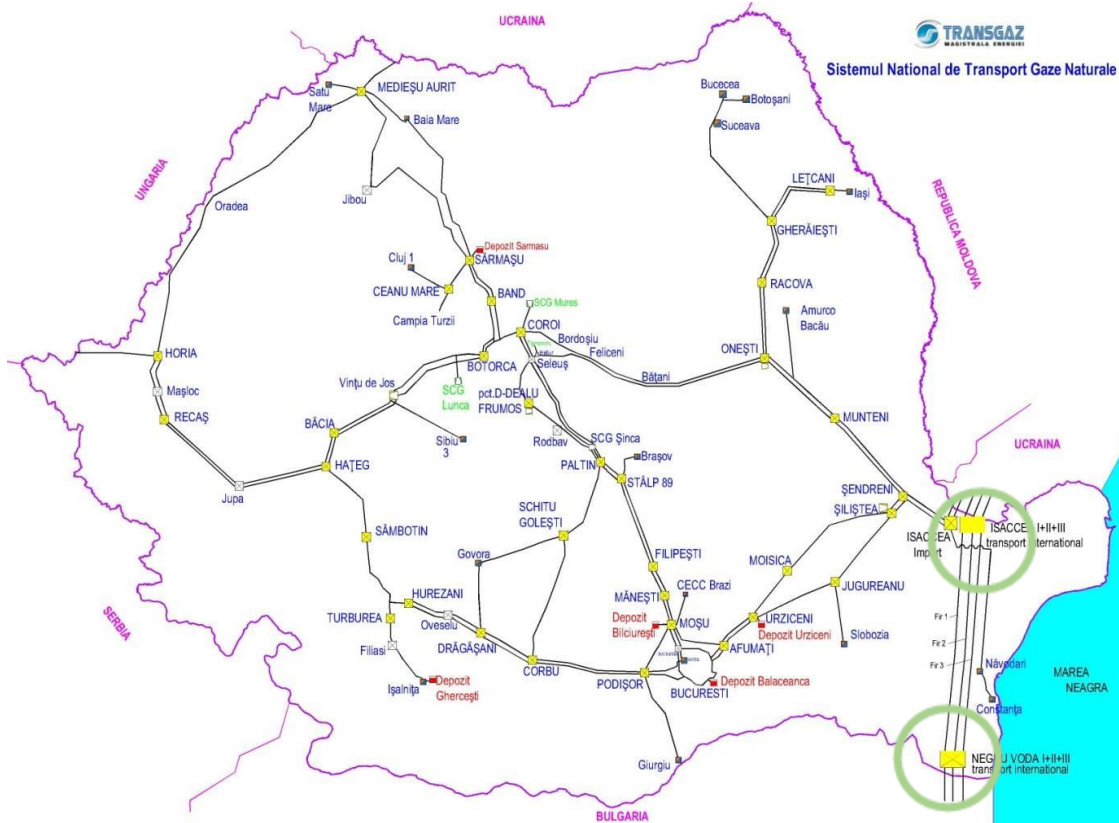
- Enabling bidirectional flow on the T2 pipeline, part of the Trans-Balkan corridor

**Necessary investments:**

- modernization of the existing gas metering stations

**Total estimated costs:**

- **26.65 mil. Euro**



Estimated commissioning - 2028

**Aim:**

- Enabling bidirectional flow on the T3 pipeline, part of the Trans-Balkan corridor

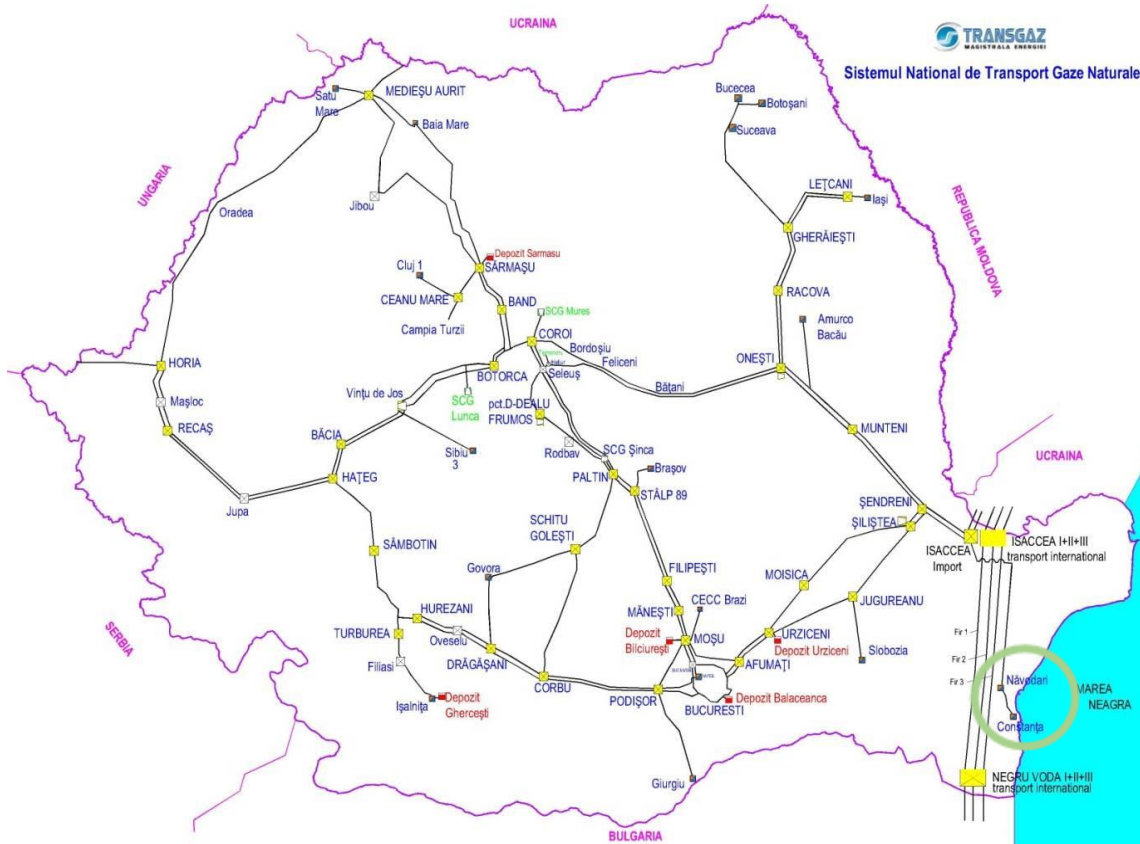
**Necessary investments:**

- upgrading the existing gas metering stations

**Total estimated costs:**

- 26.65 mil. Euro





**Estimated commissioning - 2028**

**Aim:**

- taking over natural gas from the Black Sea shore

**Necessary investments:**

- Ensuring an interconnection between the national natural gas transmission system and the LNG terminal by the construction of a natural gas transmission pipeline, of about 25 km, from the Black Sea shore to the T1 and T2 pipelines

**Total estimated costs:**

- **19.6 mil. Euro**

Project no	Project name	Value (mil. Euro)	Completion date	Project importance	Funding sources
1	<b>DEVELOPMENT ON THE ROMANIAN TERRITORY OF THE NATIONAL GAS TRANSMISSION SYSTEM ON THE BULGARIA – ROMANIA – HUNGARY – AUSTRIA CORRIDOR (ROHUAT /BRUA), PHASE 1</b> Diameter-800 mm Length - 479 km	<b>397,84</b>	<b>2020</b>	Development of the gas transmission capacity between the Romanian and the Bulgarian and Hungarian gas transmission systems	Own funds -20% Borrowed funds– 42% Grants-38%
2	<b>THE INTERCONNECTION OF THE NTS WITH THE INTERNATIONAL GAS TRANSMISSION PIPELINE T1 AND REVERSE FLOW ISACCEA</b> Diameter- 800 mm Length- 66 km	<b>86,02</b>	<b>2020</b>	<ul style="list-style-type: none"> <li>✓ create a transmission corridor between Bulgaria, Romania and Ukraine</li> <li>✓ ensure physical reverses flow at the Negru Vodă 1 point, according to EU Regulation 994/2010</li> </ul>	Own funds - 100%
3	<b>UPGRADING GMS ISACCEA 1</b>	<b>16,85</b>	<b>2020</b>	Increasing the level of energy security in the region	Own funds- 100%
4	<b>INTERCONNECTION BETWEEN THE NTS OF ROMANIA AND THE GAS SYSTEM OF THE REPUBLIC OF MOLDOVA, IN THE IAȘI-UNGHENI-CHIȘINĂU DIRECTION</b> Diameter- 600 mm Length- 120 km	<b>95,22</b>	<b>2020</b>	Increasing interconnectivity between Romania and the Republic of Moldova in terms of gas transmission infrastructure as well as the diversification of the sources and routes for the gas supply to the Republic of Moldova	Own funds – 38% Borrowed funds- 62%
5	<b>NTS DEVELOPMENTS IN THE NORTH-EASTERN AREA OF ROMANIA</b> Diameter- 700 mm Length- 165,15 km	<b>117,13</b>	<b>2021</b>	<ul style="list-style-type: none"> <li>✓ enhancing gas supply to North – East Romania</li> <li>✓ ensuring 1.5 bcm/y transmission capacity at the interconnection point between the transmission systems of Romania and Moldova</li> </ul>	Own funds- 28% Borrowed funds– 48% Grants - 24%
6	<b>NEW NTS DEVELOPMENTS FOR TAKING OVER BLACK SEA GAS</b> Diameter- 500 mm, Lenght- 25 km	<b>9,18</b>	<b>2021</b>	Creation of an additional point for taking over natural gas discovered in the submarine exploitation perimeters of the Black Sea	Own funds-100%

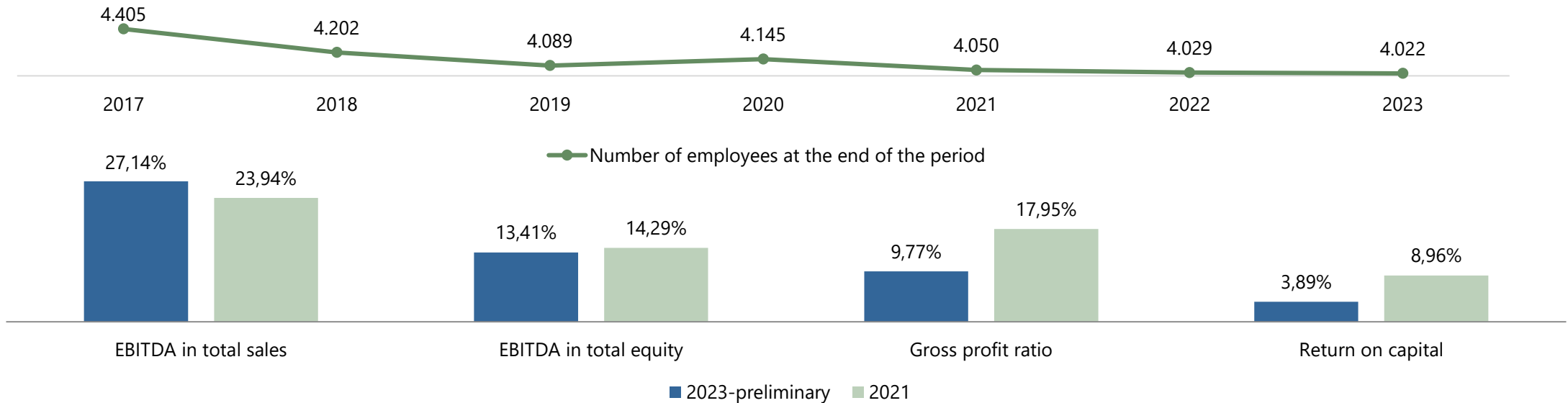
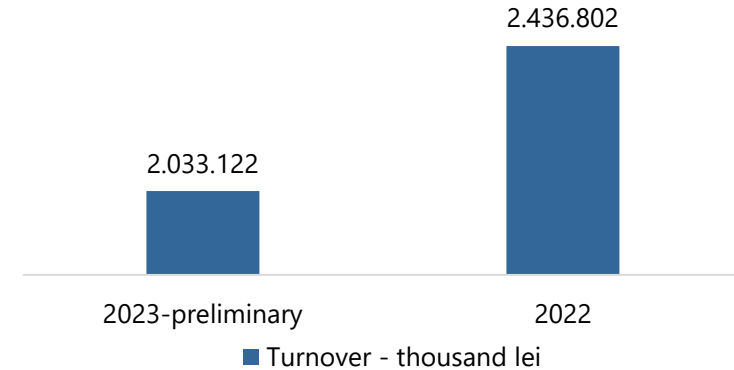
No.	Project	Project value (million LEI)	Completion year	Project importance
1	<b>DN 500 CRAIOVA – SEGARCEA – BĂILEȘTI – PLENIȚA-CALAFAT GAS TRANSMISSION PIPELINE PHASE I, CRAIOVA – SEGARCEA SECTION</b> DN 500, L = 39,3 km	36,7	2021	This pipeline section can ensure gas supply to the 6 TAUs: Cârcea, Malu Mare, Ghindeni, Teasc, Calopăr and Segarcea. The population of these localities is of approx. 25.000 inhabitants, and the social and cultural objectives of these localities are: 12 secondary schools, 13 kindergartens, 1 hospital, approximately 20 medical and dental offices. The economic profile of the zone: agriculture, vegetable growing and especially, nationally recognized, viticulture.
2	<b>DN 250 CÂMPULUNG MOLDOVENESC – VATRA DORNEI GAS TRANSMISSION PIPELINE (POJORÂTA – VATRA DORNEI SECTION)</b> DN 250, L = 26,4 km  WORK DECLARED OF NATIONAL IMPORTANCE acc. to GR 465/2019	17,35	2022	The projected route of the Pojorâta - Vatra Dornei gas transmission pipeline section is located on the administrative territories of Pojorâta, Sadova, Iacobenii, Dorna Arini, Saru Dornei, Dorna Căndrenilor, Fundu Moldovei and Vatra Dornei (8 TAUs) with an estimated number of 35.000 inhabitants and 12 secondary schools, 12 kindergartens, 5 high schools, school clubs, libraries, 3 hospitals and spas, tens of medical offices. Due to the intensive development of the northern area of Buzău, it was considered necessary to construct a gas transmission pipeline connected to the DN 400 Bărbuncești - Moșica pipeline, which would allow both the supply of natural gas to the northern area of Buzău and the neighbouring localities of Mărăcineni, Săpoca, Cernătești, Beceni, which are currently not connected to natural gas utilities. Localities with approximately 11.000 domestic consumers (households), 150 public institutions (schools, town halls, dispensaries, cultural centres, medical offices, etc.) and approximately 1.500 economic agents and public institutions.
3	<b>VERNEȘTI-MĂRĂCINENI-POSTA CÂLNĂU GAS TRANSMISSION PIPELINE PHASE I - VERNEȘTI-MĂRĂCINENI</b> DN 250, L=5,066 km	12,43	2022	The planned route of the MINTIA - BRAD gas transmission pipeline section is located on the administrative territories of Veșel, Șoimuș, Băița, Vălișoara, Luncoiu de Jos, Ribița and Brad, Hunedoara county, localities with a population of approximately 30.000 inhabitants, and 35 primary and secondary schools, 29 kindergartens, 1 secondary school, 1 university, 6 municipal medical dispensaries, 2 hospitals, 1 sanatorium. The location of the pipeline is on the administrative territory of Sighetu Marmăției municipality, the towns of Vișeu de Sus, Dragomirești and Săliște de Sus and the communes of Sarasău, Vadu Izei, Giulești, Oncești, Bărsana, Strâmtura, Rozavlea, Șieu, Bogdan Vodă, Vișeu de Jos, Săcel and Moisei, Maramureș county, and approximately 51. 500 domestic consumers, 500 public institutions (schools, town halls, dispensaries, cultural homes, medical offices, etc.) and approximately 2000 economic agents and public institutions.
4	<b>DN 300 MINTIA – BRAD GAS TRANSMISSION PIPELINE</b> DN 300, L=35 km	29,56	2022	
5	<b>SIGHETUL MARMĂȚIEI – BORȘA GAS TRANSMISSION PIPELINE</b> DN300, L=88 km  WORK DECLARED OF NATIONAL IMPORTANCE acc. GD. No. 425/2020	100,03	2023	



# 9. Main indicators

31.12.2023 preliminary compared to 31.12.2022

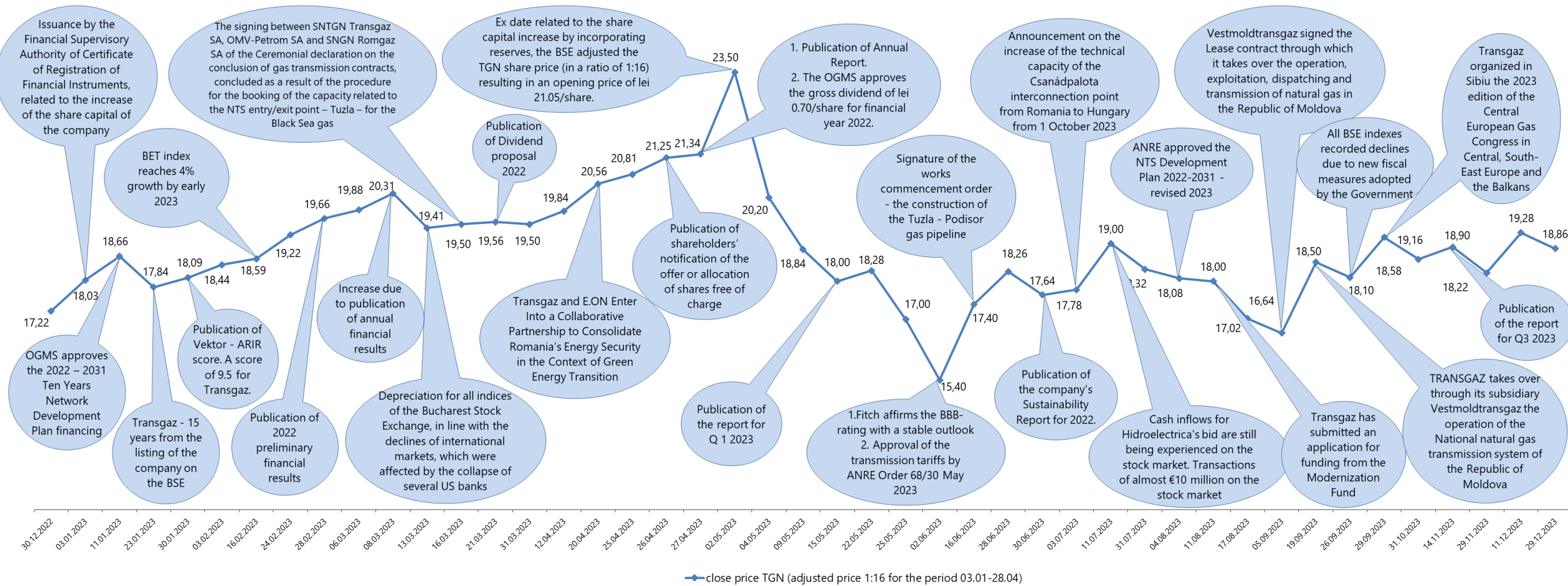
	2023 Preliminary	2022
EBITDA in total sales	27,14%	23,94%
EBITDA in total equity	13,41%	14,29%
Gross profit ratio	9,77%	17,95%
Return on capital	3,89%	8,96%
Current liquidity ratio	1,24	1,39
Quick liquidity ratio	0,81	0,75
Gearing	45,33%	45,84%
Interest coverage ratio	1,79	3,07
Turnover speed for clients debit - days	156,45	114,13
Turnover speed for credit providers - days	50,15	56,10



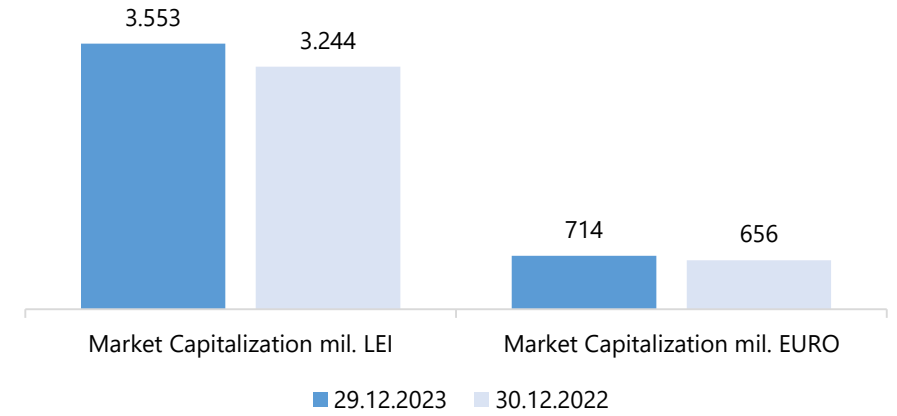
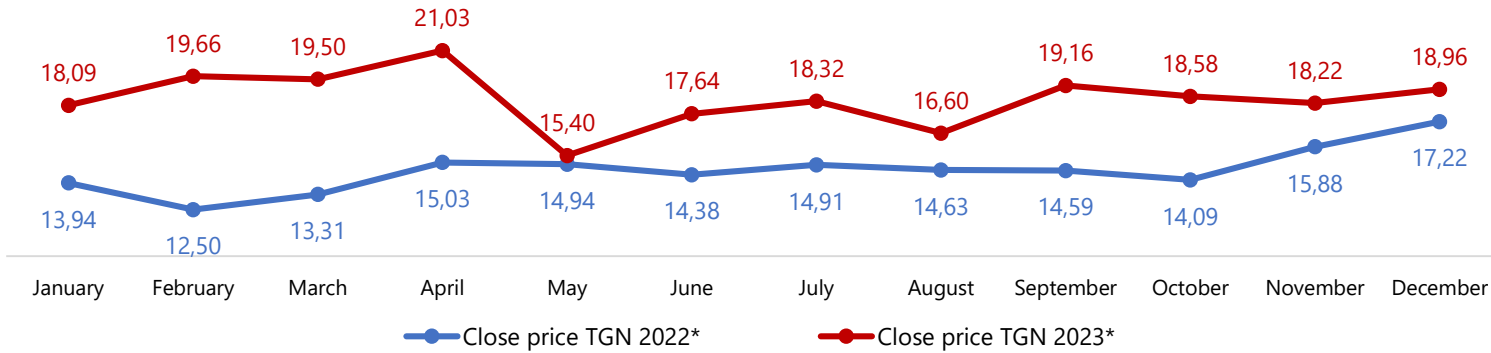
# Stock Exchange TGN Evolution (1)



## Main corporate events with an impact upon the share price in 2023



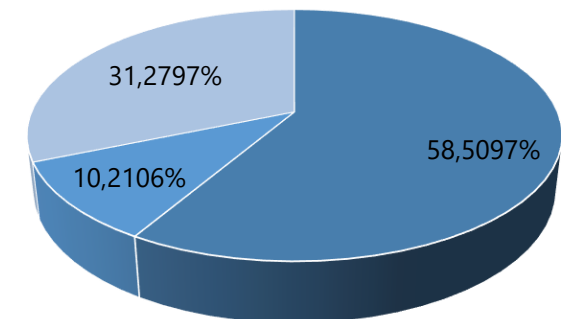
# Stock Exchange TGN Evolution (2)



\* To ensure the most accurate reflection of the TGN share value evolution, the price indicated in the chart is adjusted by the 1:16 ratio for the period 01.01-31.12.2022 and 03.01-28.04.2023, taking into account the operation of increasing the share capital of SNTGN Transgaz SA by incorporating the reserves.

Stock market index name	TGN share 29.12.2023	Position held in the compenence of the index
BET	8	3,01%
BET-NG	5	5,73%
BET-XT	8	3,08%
BET-TR	8	2,97%
BET-BK	5	4,83%

## Shareholders structure at 31.12.2023



■ Romanian State through GSG ■ Natural Persons ■ Legal Persons

# Stock Exchange TGN Evolution (3)



Published on TradingView.com, January 08, 2024 10:40:04 EET  
BVB:TGN, D O: 18,9400 H: 19,0000 L: 18,9000 C: 19,0000



TradingView

Published on TradingView.com, January 08, 2024 10:45:53 EET  
BVB:TGN, D O: 18,9400 H: 19,0000 L: 18,9000 C: 18,9400



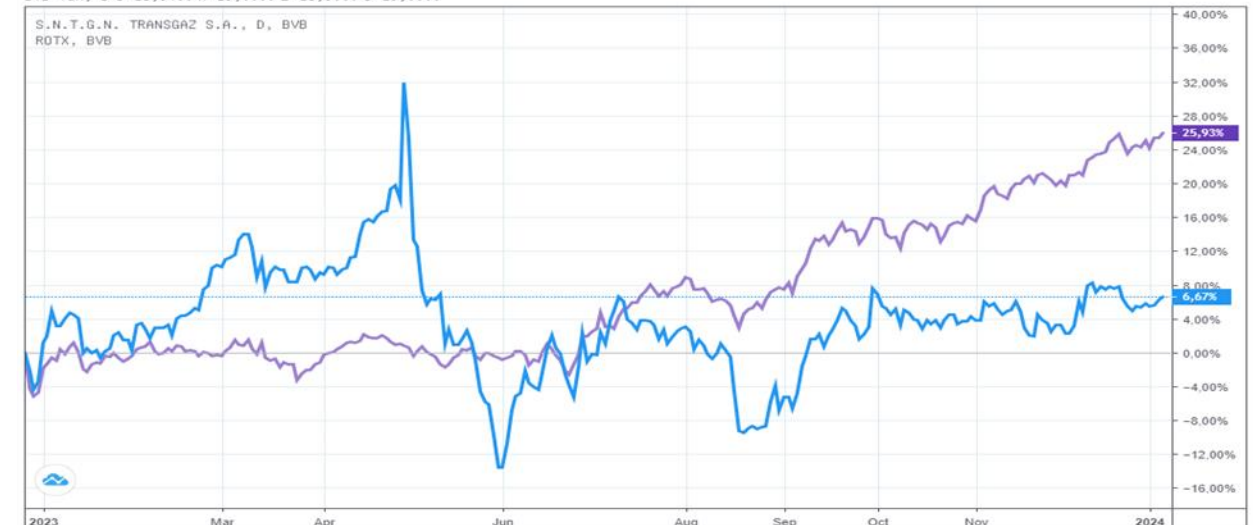
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**Thank you for your kind attention!**