

A RESPONSIBLE COMPANY, A COMPANY OF THE FUTURE!

INTERIM FINANCIAL STATEMENTS FOR H1 2023 (UNAUDITED)



Prepared in accordance with IFRS - EU

AUGUST 18th, 2023

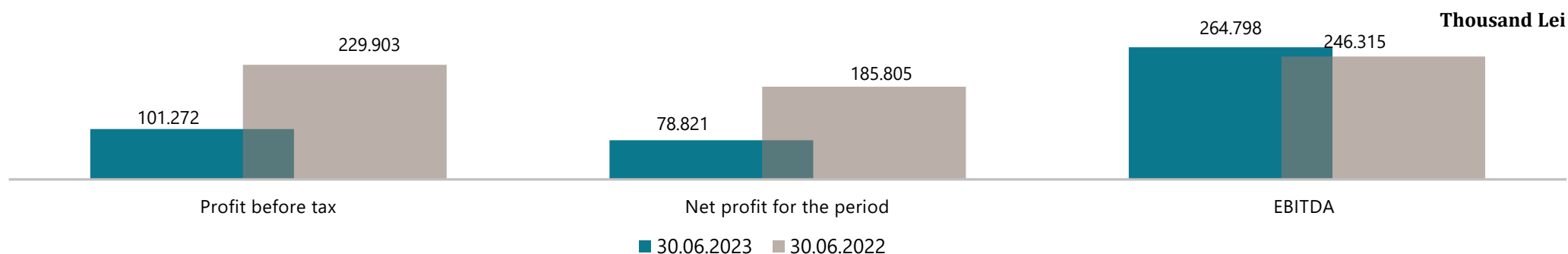


Summary

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1. Statement of individual comprehensive income as at 30.06.2023 (1)

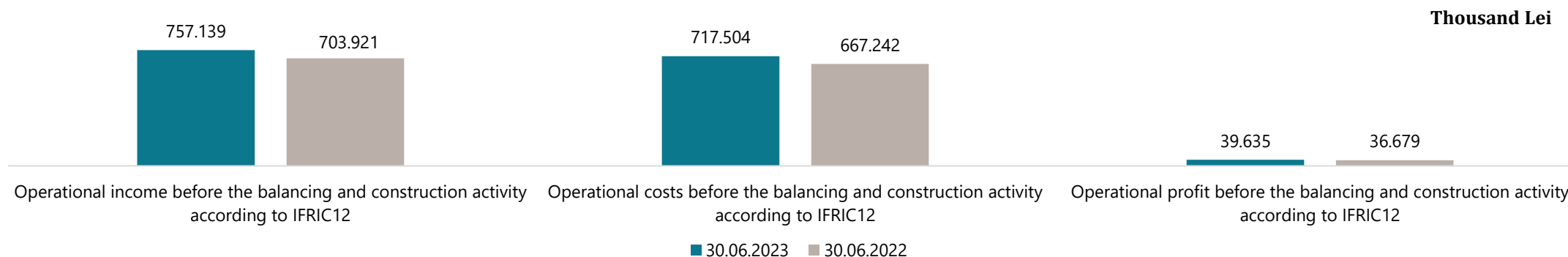
| THOUSAND LEI | 30.06.2023 | 30.06.2022 | MAIN INDICATORS | |
|--|----------------|------------------|-----------------------|-------------|
| | | | DIFFERENCES | |
| | | | 30.06.2023/30.06.2022 | |
| | | | Absolute | Relative |
| Operational income before the balancing and construction activity according to IFRIC12 | 757,139 | 703,921 | 53,218 | 8% |
| Revenue from the balancing activity | 263,067 | 540,476 | -277,409 | -51% |
| Income from the construction activity according to IFRIC12 | 35,270 | 104,332 | -69,062 | -66% |
| Financial income | 125,418 | 277,698 | -152,280 | -55% |
| Operational costs before the balancing and construction activity according to IFRIC12 | 717,504 | 667,242 | 50,262 | 8% |
| Expenses with balancing activity | 263,067 | 540,476 | -277,409 | -51% |
| Cost of assets constructed according to IFRIC12 | 35,270 | 104,332 | -69,062 | -66% |
| Financial expenses | 63,781 | 84,475 | -20,694 | -24% |
| Profit before tax | 101,272 | 229,903 | -128,631 | -56% |
| Profit tax expense | 22,451 | 44,097 | -21,646 | -49% |
| Net profit for the period | 78,821 | 185,805 | -106,984 | -58% |
| EBITDA | 264.798 | 246,315 | 18.482 | 8% |
| Turnover | 956,144 | 1,178,055 | -221,911 | -19% |



1. Statement of individual comprehensive income as at 30.06.2023 (2)

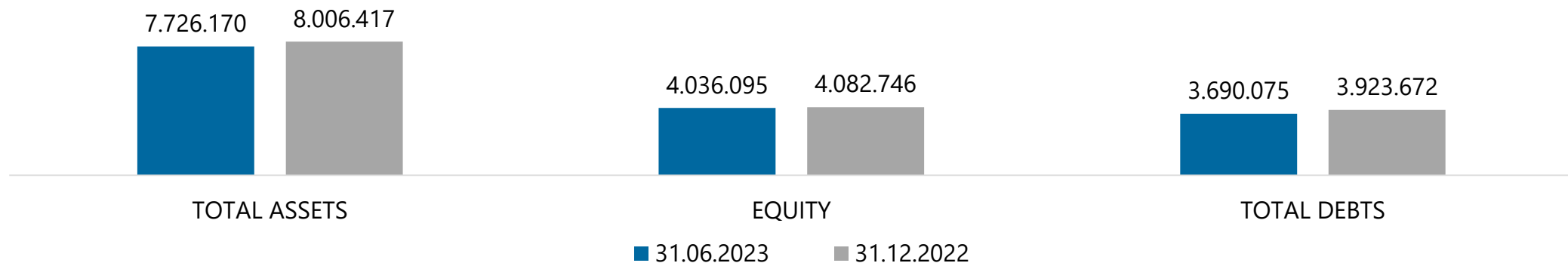
MAIN INDICATORS

| THOUSAND LEI | 30.06.2023 | 30.06.2022 | DIFFERENCES 30.06.2023/30.06.2022 | |
|---|----------------|----------------|--------------------------------------|-----------|
| | | | Absolute | Relative |
| Revenues from domestic gas transmission activity | 631,170 | 592,601 | 38,569 | 7% |
| Revenues from international gas transmission activity | 58,872 | 42,416 | 16,456 | 39% |
| Other revenues | 67,098 | 68,905 | -1,807 | -3% |
| Operational income before the balancing and construction activity according to IFRIC12 | 757,139 | 703,921 | 53,218 | 8% |
| Employees costs | 276,328 | 234,035 | 42,293 | 18% |
| NTS gas consumption, materials and consumables used | 79,270 | 93,645 | -14,375 | -15% |
| Expenses with royalties | 2,760 | 2,540 | 220 | 9% |
| Maintenance and transport | 15,784 | 15,665 | 119 | 1% |
| Taxes and other amounts owed to the State | 37,461 | 37,675 | -214 | -1% |
| Revenues/ (Expenses) with provisions for risks and expenses | -21,360 | 17,595 | x | x |
| Other operating expenses | 102,098 | 56,452 | 45,646 | 81% |
| Depreciation | 225,162 | 209,636 | 15,526 | 7% |
| Operational costs before the balancing and construction activity according to IFRIC12 | 717,504 | 667,242 | 50,262 | 8% |
| Operational profit before the balancing and construction activity according to IFRIC12 | 39,635 | 36,679 | 2,956 | 8% |



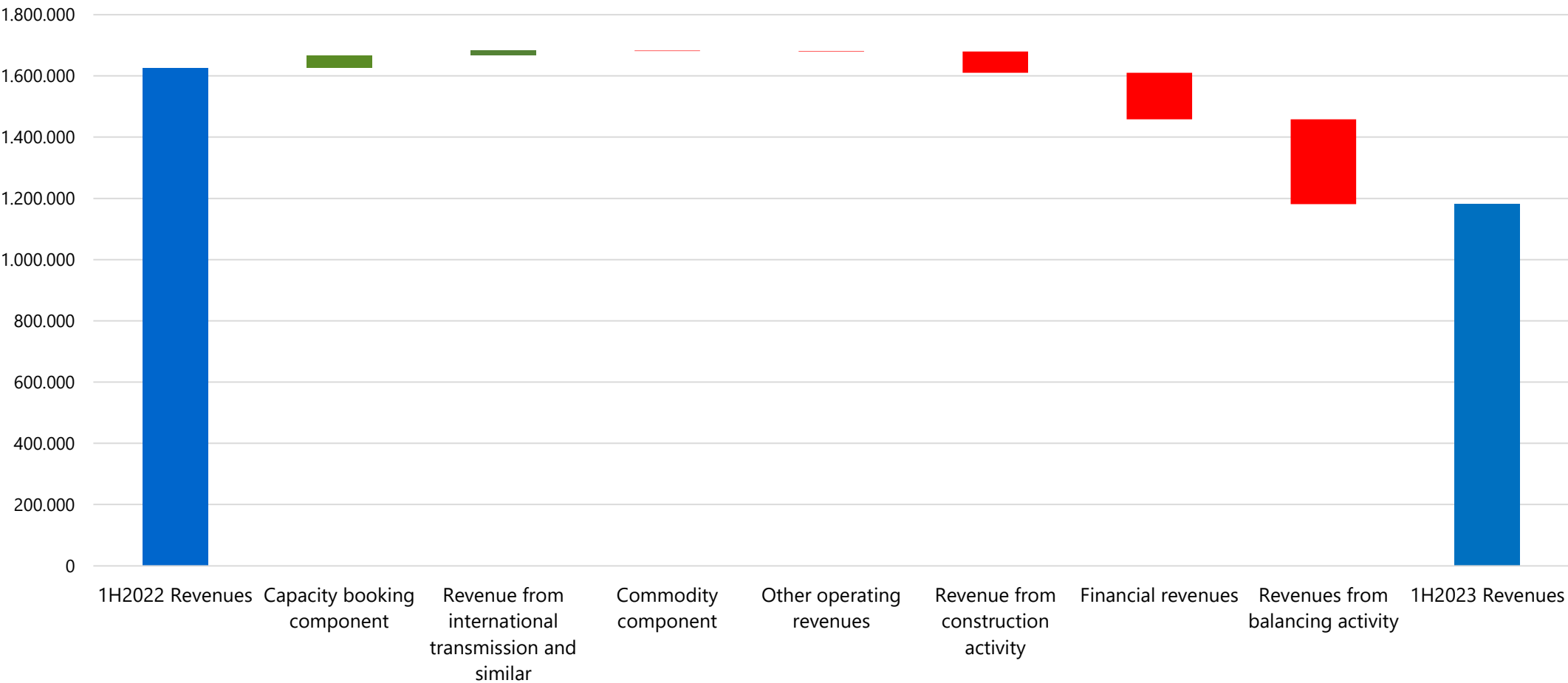
2. Statement of individual financial position as at 30.06.2023

| THOUSAND LEI | 31.06.2023 | 31.12.2022 | CHANGES | |
|-------------------------------|------------------|------------------|-----------------|------------|
| | | | Absolute | Relative |
| FIXED ASSETS | 6,623,324 | 6,676,972 | -53,648 | -1% |
| CURRENT ASSETS | 1,102,846 | 1,329,445 | -226,599 | -17% |
| TOTAL ASSETS | 7,726,170 | 8,006,417 | -280,247 | -4% |
| EQUITY | 4,036,095 | 4,082,746 | -46,651 | -1% |
| LONG TERM DEBTS | 2,818,906 | 2,966,813 | -147,907 | -5% |
| CURRENT DEBTS | 871,169 | 956,859 | -85,690 | -9% |
| TOTAL DEBTS | 3,690,075 | 3,923,672 | -233,597 | -6% |
| TOTAL EQUITY AND DEBTS | 7,726,170 | 8,006,417 | -280,247 | -4% |



3. Main revenue drivers (1)

Revenues H1 2023 vs. Revenues H1 2022 (thousand lei)



3. Main revenue drivers (2)

Operating revenue before the balancing and construction activity, according to IFRIC12 are higher by **lei 53.218 thousand** than the one achieved as at 30 June 2022.

The revenue was influenced mainly by the following factors:

- **revenue from capacity booking** higher by **lei 40.268 thousand** due to:
 - *revenue from the auction premium* higher by lei 47.457 thousand following the capacity booking auctions performed according to the CAM-NC by interconnection points. Revenue from the auction premium as at 30 June 2022 amounted to lei 21.839 thousand, and as at 30 June 2023 to lei 69.296 thousand;
 - *booked capacity* higher by 3.785.642 MWh, with a positive influence of lei 9.687 thousand;
 - *capacity booking tariff, determined by the structure of the booked products*, lower by lei 0,165 /MWh, with a negative influence of lei 30.187 thousand;
 - *capacity overrun revenue* higher by lei 13.312 thousand. Capacity overrun revenue as at 30 June 2022 amounted to lei 33.243 thousand, and as at 30 June 2023 to lei 46.555 thousand;
- **commodity revenue** lower by **lei 1.698 thousand** due to:
 - *the gas transmitted quantity* lower by 1.530.104 MWh/108.892 thousand cm (▼2%), as compared to 30 June 2022, with a negative influence of lei 1.698 thousand, detailed by categories of consumers as follows:

| | | 6 months 2023 | 6 months 2022 | Differences |
|--|-------------------------|---------------|---------------|-------------|
| Quantity transmitted for direct consumers | MWh | 27,862,470 | 26,129,688 | 1,732,782 |
| | thousand m ³ | 2,496,396 | 2,305,009 | 191,387 |
| Quantity transmitted for distribution | MWh | 41,344,004 | 44,606,890 | -3,262,886 |
| | thousand m ³ | 3,867,568 | 4,167,847 | -300,279 |
| Total | MWh | 69,206,474 | 70,736,578 | -1,530,104 |
| | thousand m ³ | 6,363,964 | 6,472,856 | -108,892 |

- *the commodity transmission tariff* approved by Order 32/26.05.2021 of the ANRE President was prorogated for 1 October 2022 – 30 September 2023 by ANRE Order 75/18.05.2022.

3. Main revenue drivers (3)

H1 2023 compared to H1 2022

- *international gas transmission revenue and similar* higher by **lei 16.456 thousand**. According to the Agreement for the termination of the legacy Contract between SNTGN Transgaz SA and GPE, the remaining amounts will be paid in installments 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 1.807 thousand**.

The revenue from the balancing activity was lower by **lei 277.410 thousand** based on the following factors:

- trading price lower by lei 219,14/MWh, with a negative influence of lei 208.999 thousand;
- quantity lower by 138.208 MWh with a negative influence of lei 68.410 thousand;

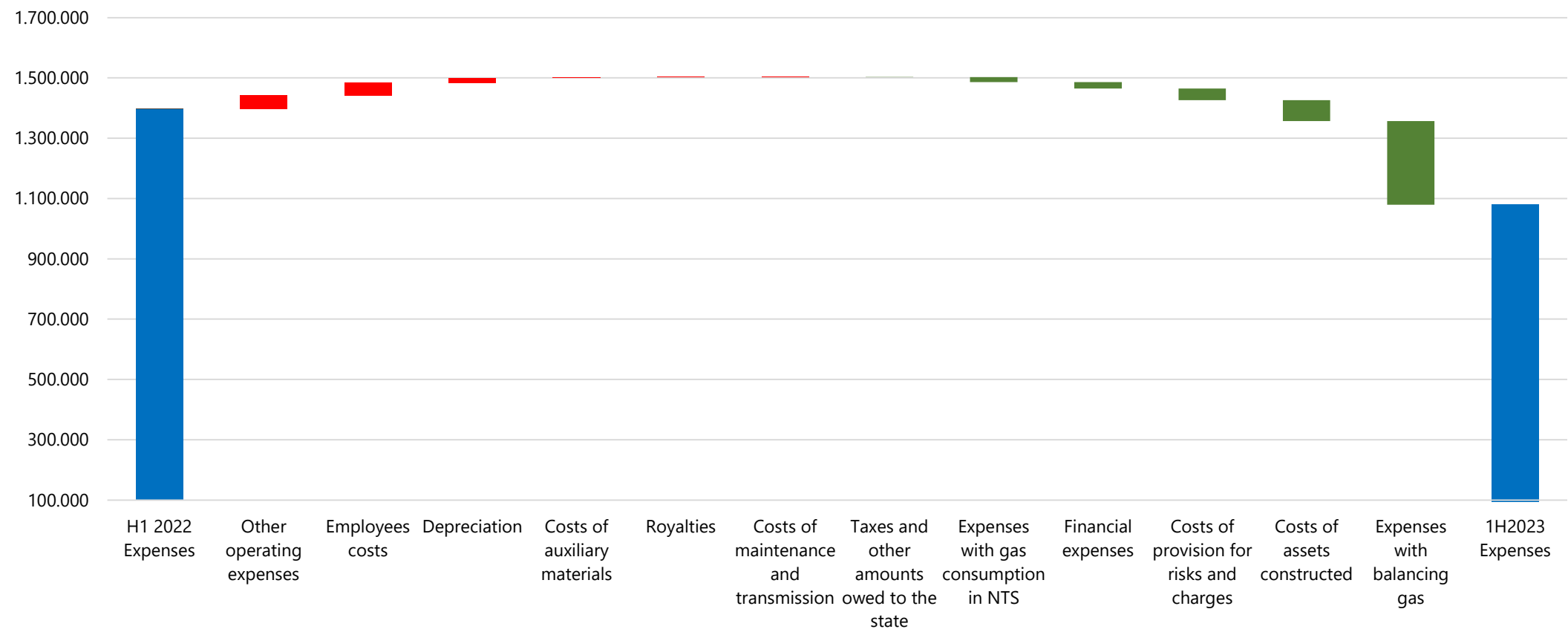
The revenue from the construction activity lower by **lei 69.062 thousand**, registered in line with IFRIC 12, according to which revenue and costs related to the construction activity or the improvement of the transmission network, in exchange of which the intangible asset is registered, has to be acknowledged in line with IAS 11, Construction Contracts;

The financial revenue has a negative influence of **lei 152.280 thousand**, mainly due to the recording of the regulated assets value discount to the inflation rate 4,19% for Half I 2023 compared with 9,98% for Half I 2022 (lei 92.384 thousand at 30 June 2023 compared to lei 185.929 thousand at 30 June 2022) and to the recording of equity income as a result of the decrease of EUROTRANSGAZ share capital in Q I 2022 by EUR 13,15 million.

| | | H1 2022 | H1 2023 |
|---|--------------|---------|---------|
| Revenues from the domestic transmission activity, due to: | Thousand lei | 592,601 | 631.170 |
| - Commodity component | Thousand lei | 78,518 | 76.819 |
| - Capacity booking component | Thousand lei | 514,083 | 554.351 |

4. Main costs drivers (1)

Expenses H1 2023 vs. H1 2022 (thousand lei)



4. Main costs drivers (2)

H1 2023 compared to H12022

Operating costs before the balancing and construction activity according to IFRIC12 increased by **8%** as compared to 30 June 2022, which is higher by **lei 50.262 thousand**.

The company made savings of lei 58.251 thousand to the following cost elements:

- **transmission system gas consumption** of lei 16.769 thousand due to:
 - the quantity of natural gas for NTS gas consumption lower by 131.248 MWh as compared to 30 June 2022, with a positive influence of lei 22.235 thousand;
 - the average purchase price achieved higher by lei 16,49 /MWh as compared to the one achieved at 30 June 2022, with a negative influence of lei 5.466 thousand;
- **cost of repair**: lei 917 thousand;
- **licence granting fee cost**: lei 1.609 thousand;
- **cost of provision for risks and charges**: lei 38.955 thousand.

| | | 30.06.2023 | 30.06.2022 | Differences |
|---|-------------------------|------------|------------|-------------|
| Quantities of NTS natural gas consumption | MWh | 331,546 | 462,795 | -131,248 |
| | thousand m ³ | 30,640 | 43,908 | -13,268 |

A surplus amounting to lei 108.512 thousand was recorded to the following cost elements:

- **employee costs**: lei 42.293 thousand;
- **cost of depreciation**: lei 15.526 thousand, based on the completion and commissioning of investments projects;
- **cost of auxiliary materials**: lei 2.394 thousand;
- **cost of royalty**: lei 220 thousand;
- **cost of maintenance and transport**: lei 1.037 thousand;
- **cost of monopoly tax**: lei 1.147 thousand;
- **other taxes and duties**: lei 249 thousand;
- **other operating costs**: lei 45.646 thousand. In Q I 2022 the current assets impairment adjustments decreased on account of the collection of outstanding receivables from Electrocentrale București, amounting to lei 116.338 thousand.

The financial cost is lower by **lei 20.693 thousand**. In Q I 2022 Transgaz recorded costs regarding the financial fixed assets transferred following the decrease of EUROTRANSGAZ'S share capital by EUR 13,15 million. Interest expenses increased in Half I 2023, mainly as a result of the completion of investment projects, the interest being capitalised during their implementation.

Compared to 30 June 2022 the gross profit achieved as at 30 June 2023 decreased by 56%, which is lower by lei 128.631 thousand.

5. Statement of consolidated comprehensive income as at 30.06.2023

| THOUSAND LEI | Consolidated 30.06.2023 | Consolidated 30.06.2022 | MAIN INDICATORS | |
|---|----------------------------|----------------------------|----------------------|-------------|
| | | | CHANGES 2023/2022 | |
| | | | Absolute | Relative |
| Operating revenue before the balancing and construction activity according to IFRIC12 | 761,091 | 703,917 | 57,174 | 8% |
| Revenue from the balancing activity | 263,067 | 540,476 | -277,409 | -51% |
| Revenue from the construction activity according to IFRIC12 | 35,270 | 104,332 | -69,062 | -66% |
| Financial revenue | 140,742 | 294,951 | -154,209 | -52% |
| Operating costs before the balancing and construction activity according to IFRIC12 | 728,224 | 674,517 | 53,707 | 8% |
| Costs from the balancing activity | 263,067 | 540,476 | -277,409 | -51% |
| Cost of assets constructed according to IFRIC12 | 35,270 | 104,332 | -69,062 | -66% |
| Financial costs | 79,898 | 102,579 | -22,681 | -22% |
| Profit before tax | 93,711 | 221,772 | -128,061 | -58% |
| Income tax cost | 22,892 | 44,494 | -21,602 | -49% |
| Net profit for the period | 70,818 | 177,278 | -106,460 | -60% |

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, SNTGN Transgaz SA, as a parent company, prepares consolidated group financial statements.

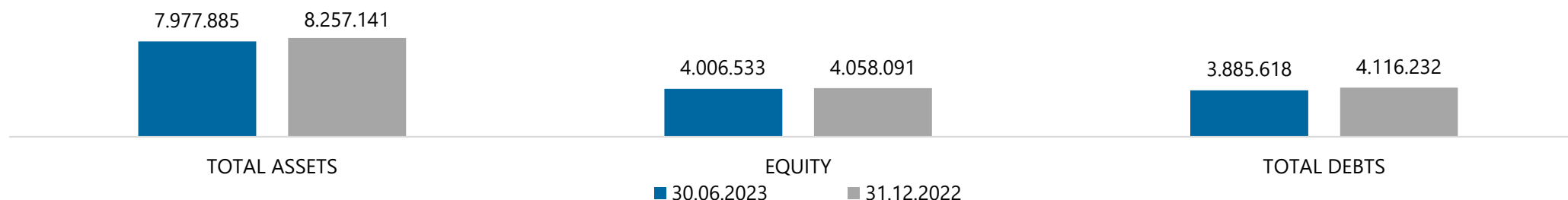
As of 25.08.2021 the European Bank for Reconstruction and Development (EBRD) became a shareholder, holding a 25% stake in the share capital of the natural gas transmission company VESTMOLDTRANSGAZ SRL, a subsidiary of TRANSGAZ in the Republic of Moldova, which owns and operates the Ungheni-Chisinau gas 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 at 30.06.2023

| THOUSAND LEI | 30.06.2023 | 31.12.2022 | DIFFERENCES | |
|-------------------------------|------------------|------------------|-----------------|------------|
| | | | Absolute | Relative |
| FIXED ASSETS | 6,824,304 | 6,878,492 | -54,188 | -1% |
| CURRENT ASSETS | 1,153,581 | 1,378,649 | -225,068 | -16% |
| TOTAL ASSETS | 7,977,885 | 8,257,141 | -279,256 | -3% |
| EQUITY | 4,006,533 | 4,058,091 | -51,558 | -1% |
| LONG TERM DEBTS | 2,994,523 | 3,151,524 | -157,001 | -5% |
| CURRENT DEBTS | 891,095 | 964,708 | -73,613 | -8% |
| TOTAL DEBTS | 3,885,618 | 4,116,232 | -230,614 | -6% |
| TOTAL EQUITY AND DEBTS | 7,977,885 | 8,257,141 | -279,256 | -3% |

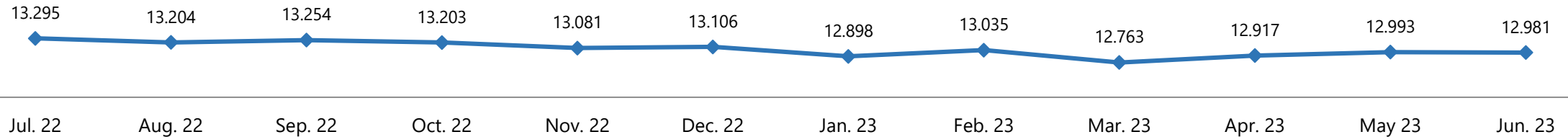


The variation of the consolidated economic and financial indicators as at 30 June 2023, compared to the indicators achieved during the similar period of 2022 is mainly determined by the variation of the individual economic-financial indicators recorded by SNTGN Transgaz SA as at 30 June 2023 compared to the indicators achieved during the similar period of 2022.

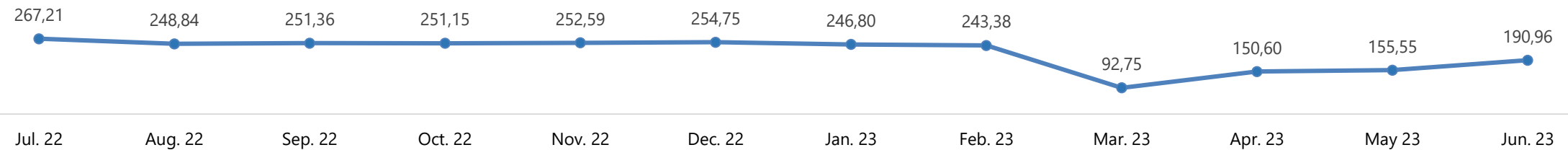
In Half I 2023 VESTMOLDTRANSGAZ SRL of the Republic of Moldova provided gas delivery services amounting to lei 3.543 thousand.

7. Main business drivers (1)

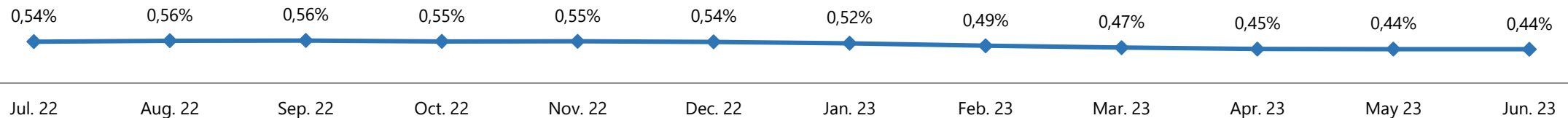
Natural gas volumes circulated (including storage quantities) - mil.cm - rolling 12 months



Price for technological consumption (RON/MWH)



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

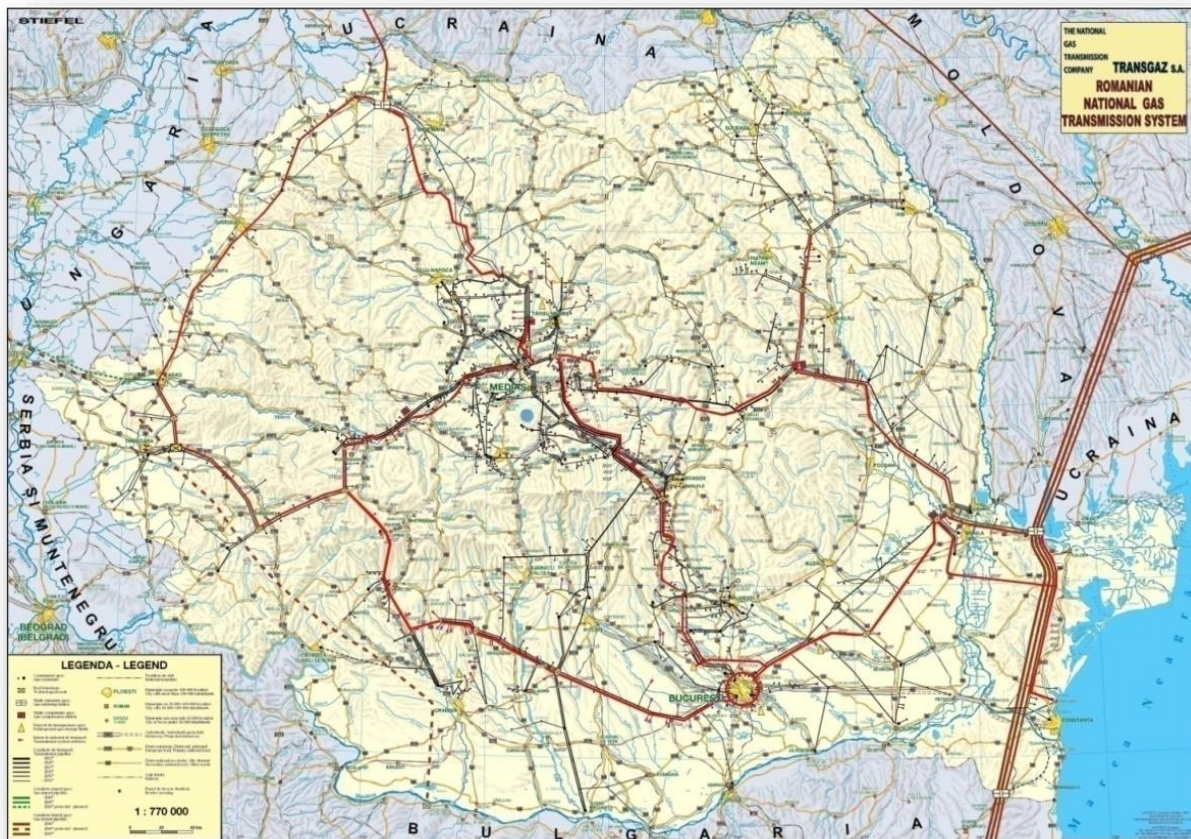


| Circulated gas, out of which: | | 1H2022 | 1H2023 |
|-------------------------------|-------------------------|---------------|---------------|
| | MWh | 69,790,829.52 | 68,424,426.85 |
| | thousand m ³ | 6,518,284.08 | 6,392,623.24 |
| | MWh | 9,074,619.41 | 10,147,877.09 |
| | thousand m ³ | 877,191.37 | 954,872.57 |

Storage share in circulated gas 13.00% 14.83%

| | | H1 2022 | H1 2023 |
|---|--------------|---------|---------|
| Technological consumption, materials and consumables used, out of which: | thousand lei | 93,645 | 79,270 |
| ▪ transmission system technological consumption and loss | thousand lei | 78,403 | 61,633 |
| ▪ technological consumption quantity | MWh | 462,795 | 331,546 |
| ▪ auxiliary materials | thousand lei | 14,381 | 15,944 |
| ▪ other material costs | thousand lei | 861 | 1,693 |

CURRENT NTS INFRASTRUCTURE



- ❑ 13.931 km main transmission pipelines and connections for gas supply, of which 183,5 km international gas transmission pipelines and 481 km the BRUA pipeline;
- ❑ 1.151 gas metering stations (1.257 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 Voda II);
- ❑ 8 gas compressor stations (Șinca, Onești, Siliștea, Jupa, Podișor, Bibești, Onești Upgrading, Gherăești);
- ❑ 1.080 cathodic protection stations (CPS);
- ❑ 59 valve stations/technological nodes;
- ❑ 1054 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:

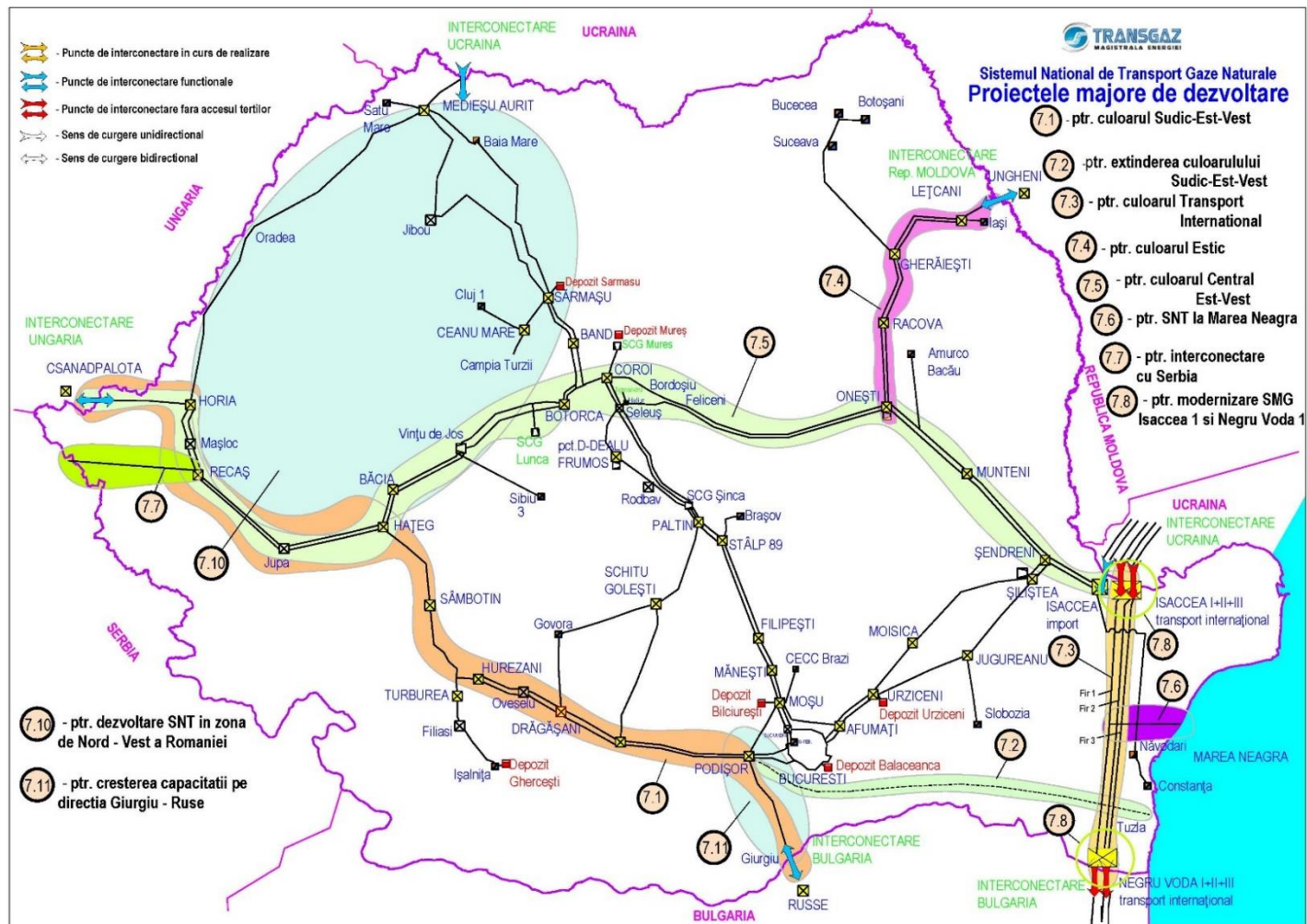
- **Development of the research work on the possibility of accepting hydrogen mix in the NTS and ways of introducing it into the NTS;**
- **Implement a strategy to upgrade and adapt the existing natural gas transmission infrastructure for the use of hydrogen and other green gases with a view to decarbonization.**

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 H₂ 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

| Project 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 is expected to be taken over by concessionaires |
| 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 | completed | 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 | completed | Creating an additional point for taking over the natural gas from the Black Sea offshore exploitation perimeters. | COMPLETED |

| Project no. | Project | Estimated value mil. Euro | Completion date | Project importance | Project status |
|--------------|--|---|--------------------------------|---|----------------|
| 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 |
| 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 |
| TOTAL | | 3,422.6 million Euro updated 3.544,86 million Euro | | | |

| | | |
|--|-----------------------------|------------------------------|
| Total estimated cost of the major projects: | 3.422,6 million EURO | 3.544,86 million EURO |
| - estimated cost of FID projects: | 554,99 million EURO | 677,25 million EURO |
| - estimated cost of A non FID projects: | 130,71 million EURO | 130,71 million EURO |
| - estimated cost of LA non FID projects: | 2.736,9 million EURO | 2.736,9 million EURO |

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;

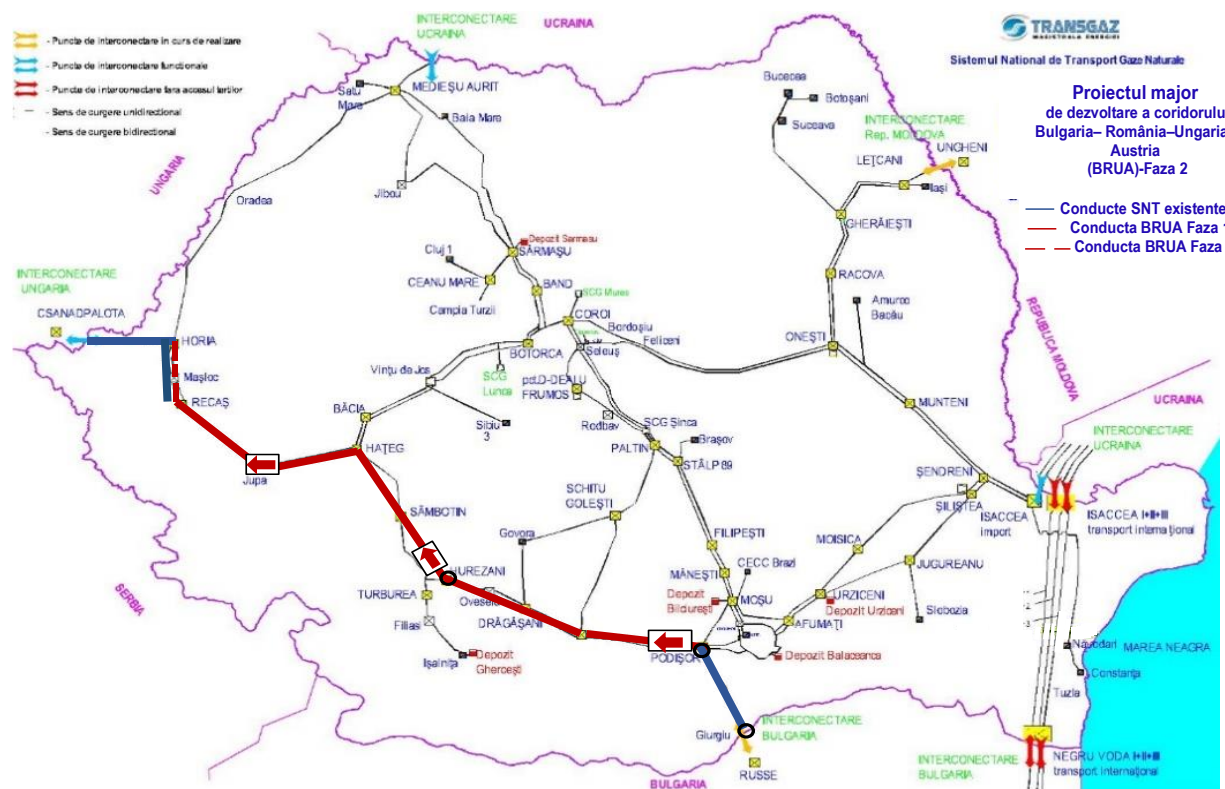
opening the access of Romania and of the European Union to a new natural gas source - through the interconnection of the BULGARIA - ROMANIA - HUNGARY – AUSTRIA corridor with the Black Sea;

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

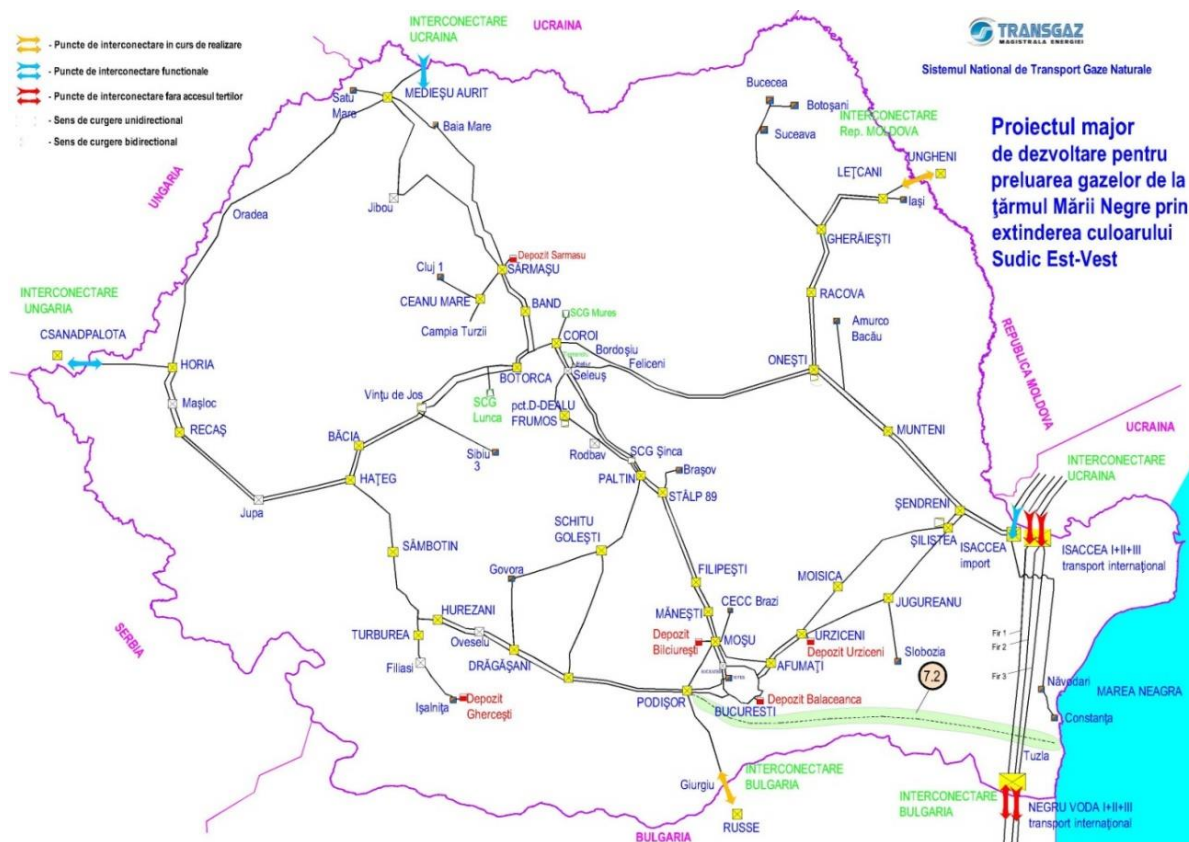
Necessary investments:

- 32"x63 bar ~50 km Recaş-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.



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

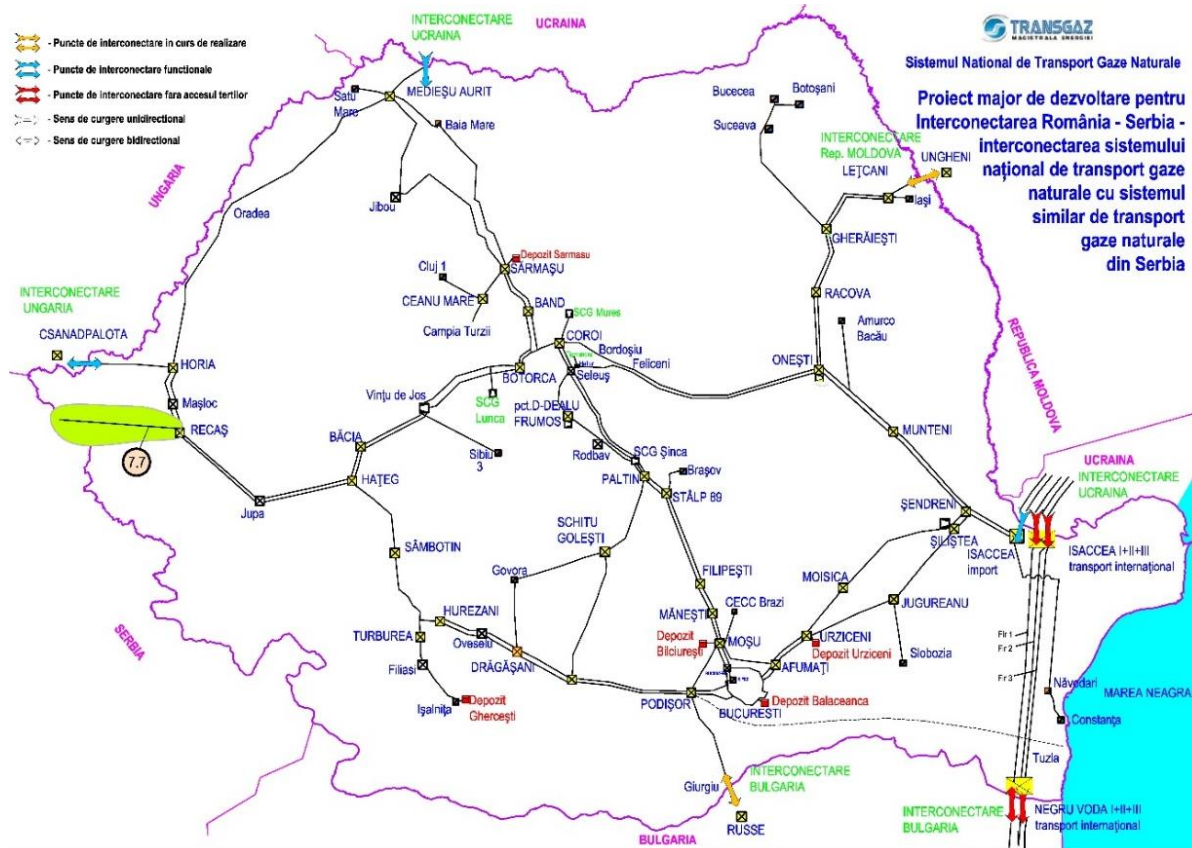


- development of gas transmission capacity on the Onești – Coroi – Hațeg – Nădlac corridor depending on the Black Sea or other onshore blocks gas volumes

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

- 4.4 bcm/y to Hungary

- **530 mil. Euro**



Aim:

- enhancing security of energy supply to the region

Necessary investments:

- construction of an approximately 97km long pipeline in the Recaş – 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

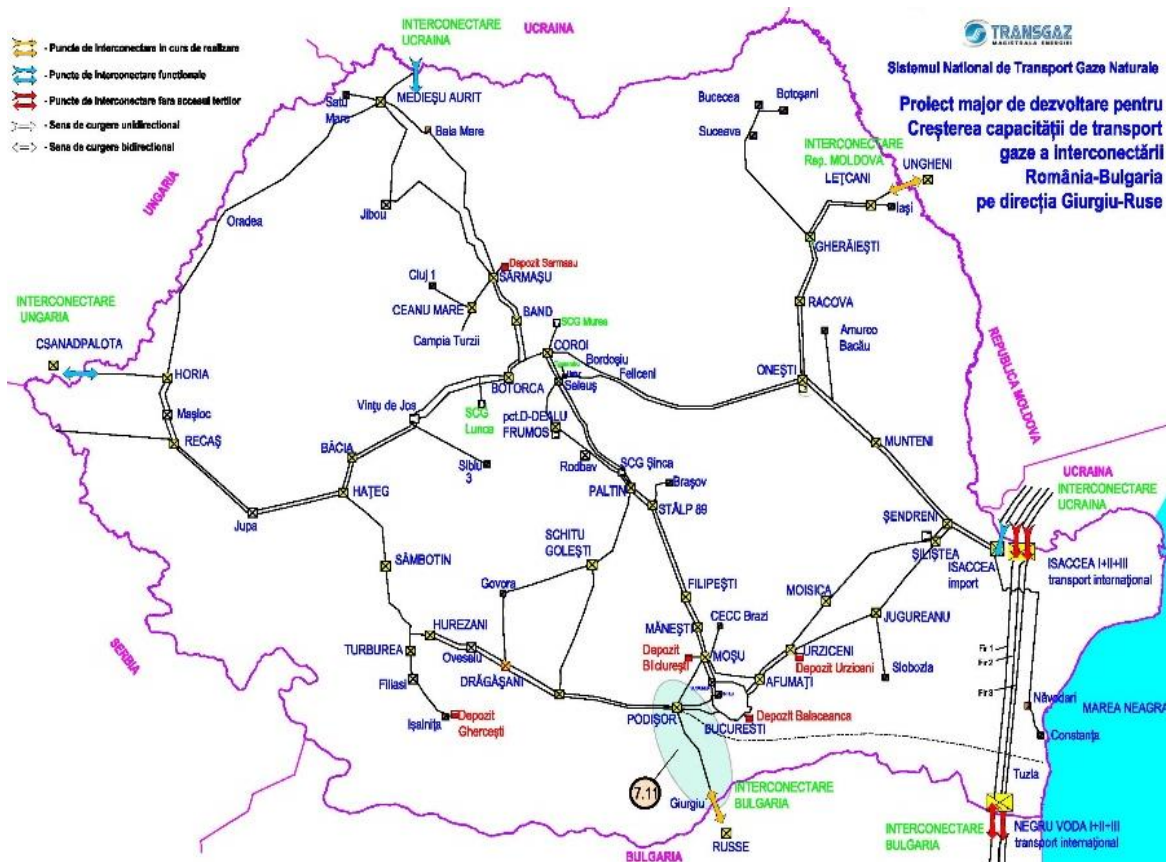
Estimated commissioning – 2028



- creation of new gas transmission capacities

- 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

- **405 mil. Euro**



Aim:

- enhancing security of energy supply to the region

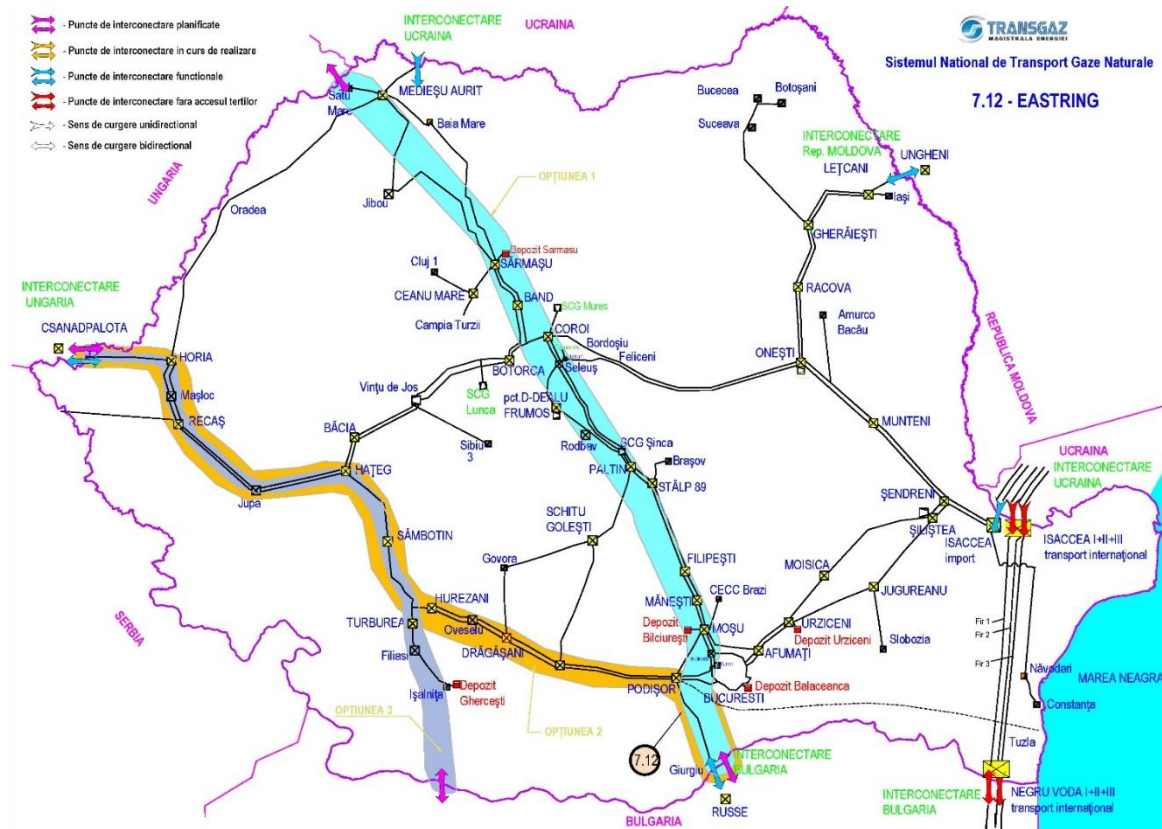
Necessary investments:

- 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

Estimated commissioning - 2027



Aim:

- 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.

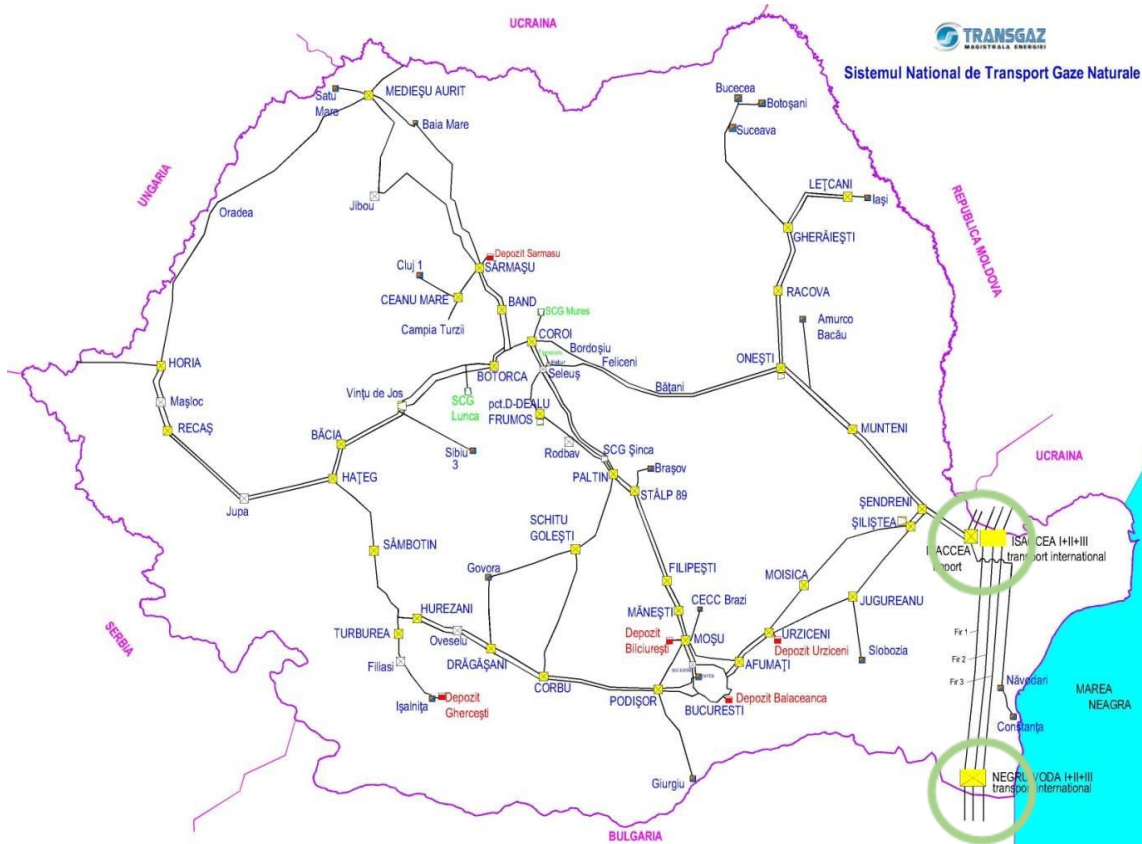
According to the feasibility study, the project will be implemented in two stages as follows:

- 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:

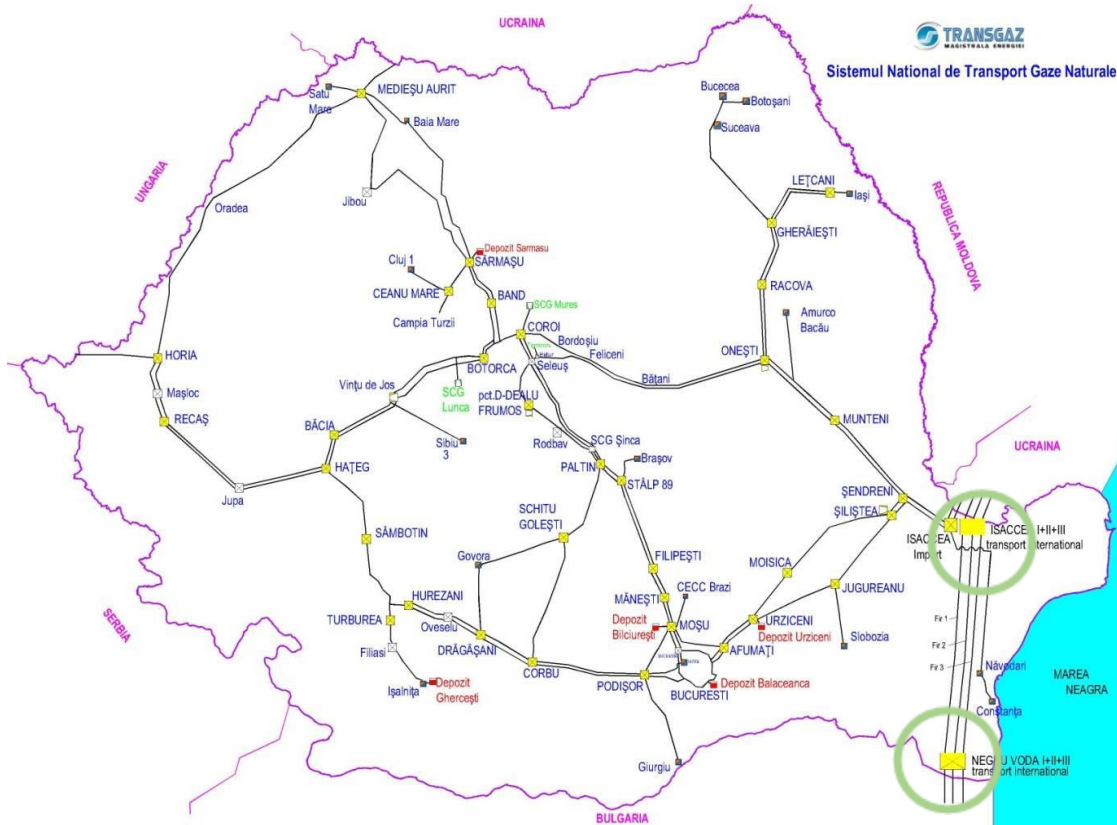
- Enabling bidirectional flow on the T2 pipeline, part of the Trans-Balkan corridor

Necessary investments:

- modernization of the existing gas metering stations

Total estimated costs:

- **26.65 mil. Euro**



Estimated commissioning - 2028

Aim:

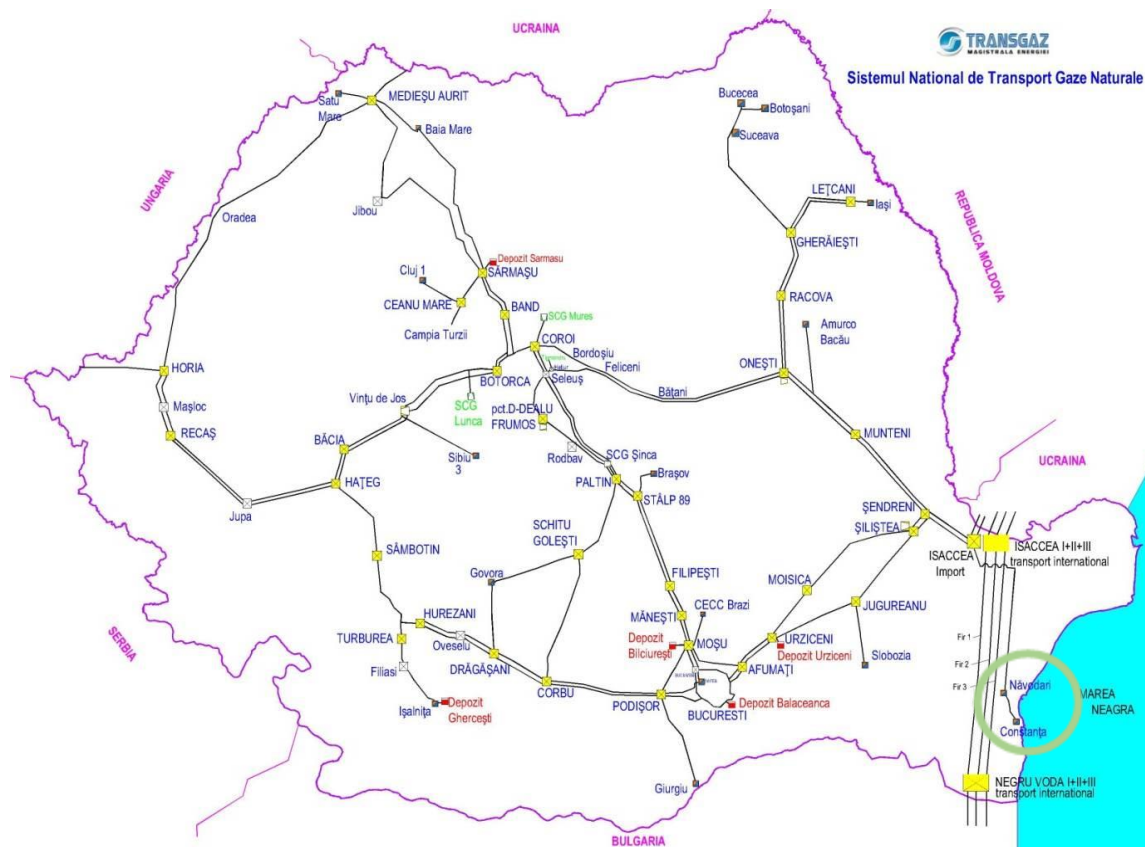
- Enabling bidirectional flow on the T3 pipeline, part of the Trans-Balkan corridor

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

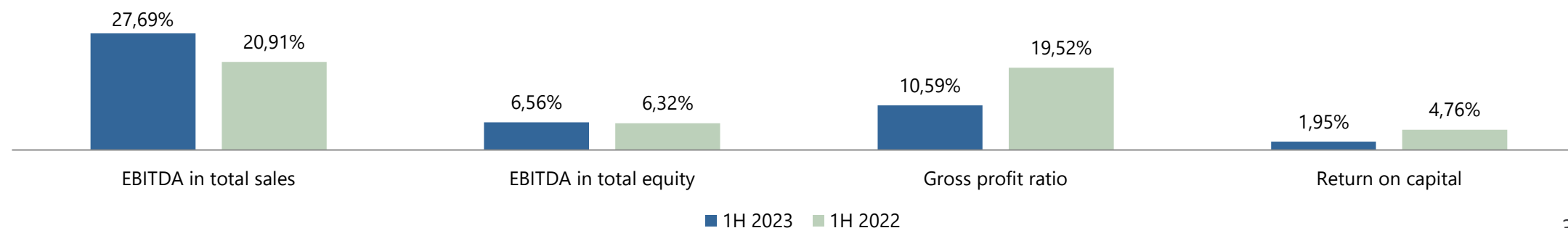
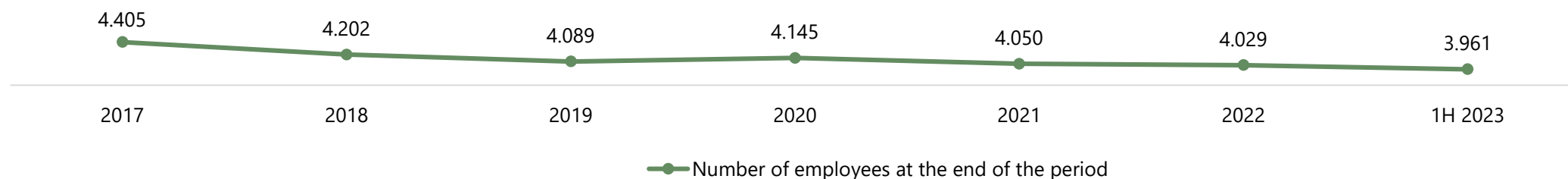
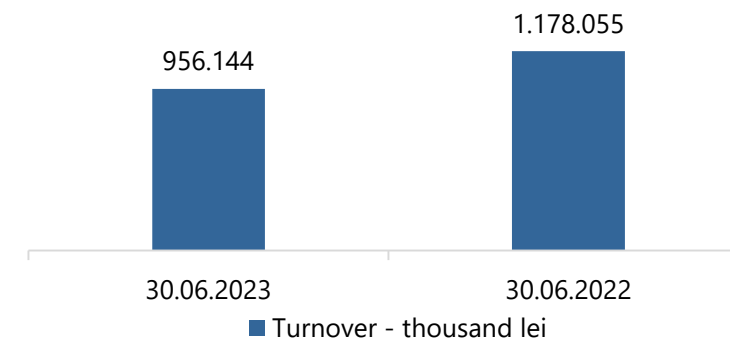
| Project no | Project name | Value (mil. Euro) | Completion date | Project importance | Funding sources |
|------------|--|-------------------|-----------------|---|---|
| 1 | DEVELOPMENT ON THE ROMANIAN TERRITORY OF THE NATIONAL GAS TRANSMISSION SYSTEM ON THE BULGARIA – ROMANIA – HUNGARY – AUSTRIA CORRIDOR (ROHUAT/BRUA), PHASE 1 Diameter-800 mm Length - 479 km | 397,84 | 2020 | 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 | THE INTERCONNECTION OF THE NATIONAL GAS TRANSMISSION SYSTEM WITH THE INTERNATIONAL GAS TRANSMISSION PIPELINE T1 AND REVERSE FLOW ISACCEA Diameter- 800 mm Length- 66 km | 86,02 | 2020 | <ul style="list-style-type: none"> ✓ create a transmission corridor between Bulgaria, Romania and Ukraine ✓ ensure physical reverses flow at the Negru Vodă 1 point, according to EU Regulation 994/2010 | Own funds - 100% |
| 3 | UPGRADING GMS ISACCEA 1 | 16,85 | 2020 | Increasing the level of energy security in the region | Own funds- 100% |
| 4 | INTERCONNECTION BETWEEN THE NTS OF ROMANIA AND THE GAS SYSTEM OF THE REPUBLIC OF MOLDOVA, IN THE IAȘI-UNGHENI-CHIȘINĂU DIRECTION Diameter- 600 mm Length- 120 km | 95,22 | 2020 | 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 | NTS DEVELOPMENTS IN NORTH-EAST ROMANIA Diameter- 700 mm Length- 165,15 km | 117,13 | 2021 | <ul style="list-style-type: none"> ✓ enhancing gas supply to North – East Romania ✓ ensuring 1.5 bcm/y transmission capacity at the interconnection point between the transmission systems of Romania and Moldova | Own funds- 28% Borrowed funds- 48% Grants - 24% |
| 6 | NEW NTS DEVELOPMENTS FOR TAKING OVER BLACK SEA GAS Diameter- 500 mm, Length- 25 km | 9,18 | 2021 | 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 | DN 500 CRAIOVA – SEGARCEA – BĂILEȘTI – PLENIȚA-CALAFAT GAS TRANSMISSION PIPELINE PHASE I, CRAIOVA – SEGARCEA SECTION 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 | DN 250 CÂMPULUNG MOLDOVENESC – VATRA DORNEI GAS TRANSMISSION PIPELINE (POJORÂTA – VATRA DORNEI SECTION) 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. |
| 3 | VERNEȘTI-MĂRĂCINENI-POSTA CÂLNĂU GAS TRANSMISSION PIPELINE PHASE I - VERNEȘTI-MĂRĂCINENI DN 250, L=5,066 km | 12,43 | 2022 | 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 - Moisița 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. |
| 4 | DN 300 MINTIA – BRAD GAS TRANSMISSION PIPELINE DN 300, L=35 km | 29,56 | 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, Ribita 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. |
| 5 | SIGHETUL MARMAȚIEI – BORȘA GAS TRANSMISSION PIPELINE DN300, L=88 km WORK DECLARED OF NATIONAL IMPORTANCE acc. GD. No. 425/2020 | 100,03 | 1H 2023 | 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, Bârsana, 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. |

8. Main indicators

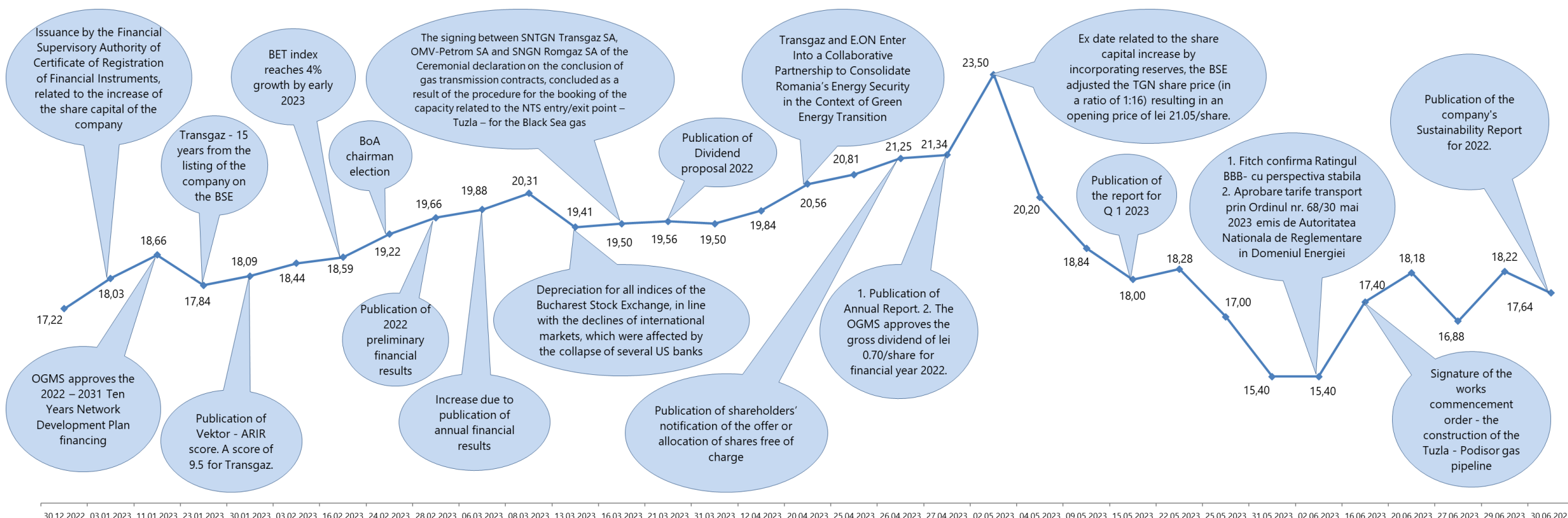
1H2023 compared to 1H2022

| | 1H 2023 | 1H 2022 |
|--|---------|---------|
| EBITDA in total sales | 27.69% | 20.91% |
| EBITDA in total equity | 6.56% | 6.32% |
| Gross profit ratio | 10.59% | 19.52% |
| Return on capital | 1.95% | 4.76% |
| Current liquidity ratio | 1.27 | 1.01 |
| Quick liquidity ratio | 0.61 | 0.55 |
| Gearing | 44.16% | 40.66% |
| Interest coverage ratio | 1.68 | 2.53 |
| Turnover speed for clients debit - days | 141.74 | 117.94 |
| Turnover speed for credit providers - days | 36.89 | 53.78 |



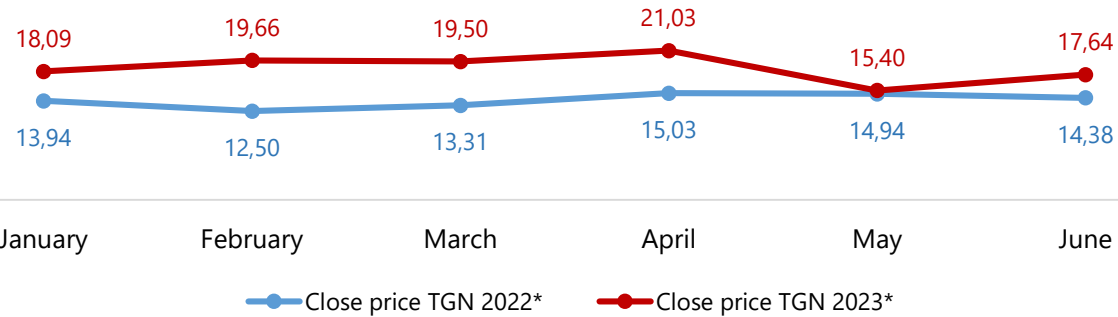
Stock Exchange TGN Evolution (1)

Main corporate events with an impact upon the share price in 1H 2023



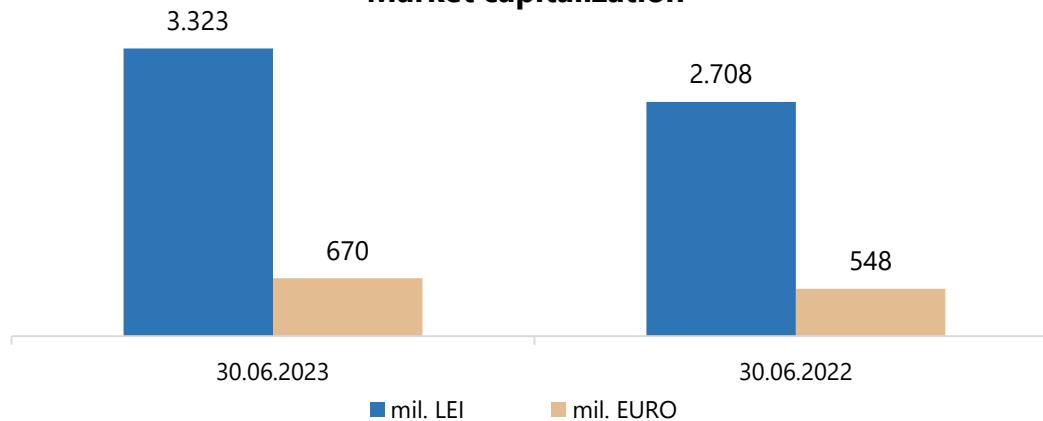
— close price TGN (adjusted price 1:16)

Stock Exchange TGN Evolution (2)

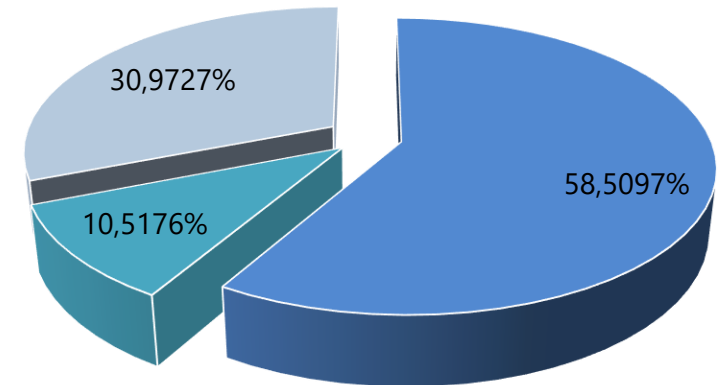


* To ensure the most accurate reflection of the TGN share value evolution, the price indicated in the chart is adjusted by the 1:16 ratio for the period 01.01-30.06.2022 and 03.01-28.04.2023, taking into account the operation of increasing the share capital of SNTGN Transgaz SA by incorporating the reserves.

Market capitalization



Shareholders structure at 28.06.2023



■ Romanian State through GSG ■ Natural Persons ■ Legal Persons

Stock Exchange TGN Evolution (3)

Published on TradingView.com, July 03, 2023 09:55:31 EEST
BVB:TGN, D 0:18,2400 H:18,4000 L:17,6400 C:17,6400



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BVB:TGN, D 0:18,2400 H:18,4000 L:17,6400 C:17,6400



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Stock Exchange TGN Evolution (4)



Published on TradingView.com, July 03, 2023 09:58:29 EEST
BVB:TGN, D 0:18,2400 H:18,4000 L:17,6400 C:17,6400



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Published on TradingView.com, July 03, 2023 09:56:42 EEST
BVB:TGN, D 0:18,2400 H:18,4000 L:17,6400 C:17,6400



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Thank you for your kind attention!