

CURRENT REPORT according to Law 24/2017 and Financial Supervisory Authority Regulation No. 5/2018 on the issuers of financial instruments and market operationsDate of report: **14.11.2023**Name of issuing entity: **SNTGN TRANSGAZ SA**

Headquarters: Mediaș, 1 Constantin I. Motas Square, Sibiu County

Telephone/fax number: **0269803333/ 0269839029**Tax identification code: **RO 13068733**Trade Register number: **J32/301/2000**Subscribed and paid-up capital: **1.883.815.040 RON**Regulated market on which issued securities are traded: **Bucharest Stock Exchange****QUARTERLY FINANCIAL RESULTS AS AT 30 SEPTEMBER 2023
(for the period 01.01-30.09.2023)**

SNTGN Transgaz SA is a public limited liability company operating according to the Romanian laws and to the Articles of Incorporation.

According to Government Resolution 334/2000 and to the Articles of Incorporation, Transgaz aims at giving effect to the national strategic goals set for domestic and international gas transmission, dispatching, research and design, by performing trading acts according to its object of activity, in line with the Romanian laws in force.

The revenue obtained by Transgaz results from the following activities:

- **domestic gas transmission**, which, due to its monopolistic feature, is regulated by the National Energy Regulatory Authority.
- **international gas transmission activity and similar**, which is a gas transmission activity performed through dedicated transmission pipelines (which are not connected to the National Transmission System -NTS).
- **balancing activity** performed as of 1 December 2015 based on ANRE Order 160/2015 establishing the obligations of the company on the balancing of the NTS, a financially neutral activity, any profit or loss from this activity following to be distributed to the customers for which the domestic transmission services are provided.

The total revenue from other activities with a small contribution to the turnover, such as asset sales, renting and royalty, interest revenue and foreign exchange gains, and the operating revenue and the financial revenue related to the debt for the regulated value remaining unamortised of the regulated asset base at the end of the Concession Agreement complete the total revenue of the company.

The main indicators of the consolidated economic and financial results

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 SRL. 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.

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%

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.

thousand lei

Indicator	Obtained 9 months 2023	Obtained 9 months 2022	Increase
0	1	2	3=1/2x100-100
Operating revenue before the balancing and construction activity, according to IFRIC12	1.098.884	1.108.713	-1%
Revenue from the balancing activity	321.672	765.029	-58%
Revenue from the construction activity according to IFRIC12	56.414	166.667	-66%
Financial revenue	219.191	371.227	-41%
Operating costs before the balancing and construction activity, according to IFRIC12	1.135.399	1.011.359	12%
Balancing activity costs	321.672	765.029	-58%
Cost of constructed assets according to IFRIC12	56.414	166.667	-66%
Financial costs	128.321	143.762	-11%
GROSS PROFIT , of which:	54.355	324.819	-83%
• from operation	-36.516	97.355	-138%
• from the financial activity	90.870	227.465	-60%
Income tax	15.702	58.659	-73%
NET PROFIT	38.653	266.160	-85%

The variation of the consolidated economic and financial indicators as at 30 September 2023, compared to the indicators achieved in 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 September 2023 compared to the indicators achieved in the similar period of 2022.

In the period 1 January 2023 – 30 September 2023 Vestmoldtransgaz SRL of the Republic of Moldova provided natural gas delivery services amounting to lei 19.144 thousand.

As of 19 September 2023, according to ANRE MD Resolution 434/2023, Vestmoldtransgaz SRL of the Republic of Moldova was appointed as operator of the entire gas transmission system in the Republic of Moldova.

The main indicators of the individual economic and financial results

The main economic and financial indicators obtained at 30 September 2023, compared to the indicators obtained in the same period of 2022 are as follows:

thousand lei

Indicator	Obtained 9 months 2023	Obtained 9 months 2022	Increase
0	1	2	3=1/2x100-100
Operating revenue before the balancing and construction activity, according to IFRIC12, of which	1.079.328	1.108.711	-3%
-revenue from domestic transmission	886.787	955.680	-7%
-revenue from international transmission and similar	88.739	50.684	75%
Operating costs before the balancing and construction activity, according to IFRIC12	1.115.263	998.852	12%
Operating profit before the balancing and construction activity, according to IFRIC12	-35.935	109.859	X
Revenue from the balancing activity	321.672	765.029	-58%
Balancing activity costs	321.672	765.029	-58%
Revenue from the construction activity according to IFRIC12	56.414	166.667	-66%
Cost of constructed assets according to IFRIC12	56.414	166.667	-66%
Operating profit	-35.935	109.859	X
Financial revenue	194.508	339.861	-43%
Financial costs	106.079	118.016	-10%
Financial result	88.429	221.846	-60%
GROSS PROFIT	52.494	331.705	-84%
Income tax	15.029	58.146	-74%
NET PROFIT	37.464	273.559	-86%

Operating revenue before the balancing and construction activity, according to IFRIC12 are decreased by 3% compared to the one achieved at 30 September 2022, which is lower by lei 29.383 thousand.

The decrease in financial results was mainly due to the maintaining of unchanged tariffs for 1 October 2021 - 30 September 2023, while the revenue for the 1 October 2022 - 30 September 2023 gas year would have been 30,97% higher, resulting in an additional revenue of lei 274.613 thousand.

Operating costs before the balancing and construction activity according to IFRIC12 increased by 12% as compared to 30 September 2022, which is higher by lei 116.411 thousand.

Compared to 30 September 2022 the gross profit achieved at 30 September 2023 decreased by 84%, which is lower by lei 279.211 thousand, and the net profit is decreased by 86%, which is lower by lei 236.095 thousand.

The main economic and financial indicators achieved in Q III 2023, compared to the same period of 2022 are as follows:

thousand lei

Indicator	Obtained Q III 2023	Obtained Q III 2022	Increase
0	1	2	$3 = \frac{1}{2} \times 100 - 100$
Operating revenue before the balancing and construction activity, according to IFRIC12, of which	322.189	404.790	-20%
-revenue from domestic transmission	255.618	363.079	-29%
-revenue from international transmission and similar	29.868	8.269	261%
Operating costs before the balancing and construction activity, according to IFRIC12	397.759	331.610	20%
Operating profit before the balancing and construction activity, according to IFRIC12	-75.570	73.180	x
Revenue from the balancing activity	58.605	224.552	-74%
Balancing activity costs	58.605	224.552	-74%
Revenue from the construction activity according to IFRIC12	21.143	62.335	-66%
Cost of constructed assets according to IFRIC12	21.143	62.335	-66%
Operating profit	-75.570	73.180	x
Financial revenue	69.090	62.163	11%
Financial costs	42.298	33.541	26%
Financial result	26.792	28.622	-6%
GROSS PROFIT	-48.779	101.802	x

Operating revenue before the balancing and construction activity, according to IFRIC12 for Q III 2023, decreased by 20% compared to the one achieved in Q III 2022, which is lower by lei 82.601 thousand.

Operating expenses before balancing and construction activity according to IFRIC12 incurred in quarter III 2023 increase by 20% compared to those incurred in quarter III 2022, their level being lei 66.149 thousand higher.

The Quarterly Report as at 30 September 2023 (01.01-30.09.2023) is prepared in accordance with the provisions of Annex 13 to Financial Supervisory Authority Regulation No. 5/2018 and includes unaudited financial information.

The full version of the report is available at the link below or on Transgaz` website at: http://www.transgaz.ro/en/investitori/raportari_financiare

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DIRECTOR - GENERAL