

The main questions asked by financial analysts during the conference call held on 18.08.2022 for the presentation of the interim financial statements for the first half of 2022 were as follows:

**Question: What are your expectations regarding the provisions recorded in particular for the outstanding claims of Electrocentrale Constanta and BSOG? Do you expect these provisions to increase in the future?**

*TGN Answer:* We do not expect these provisions to increase in the coming quarters. These provisions have been established to fully cover the estimated risk of non-collection.

**Question: In the case of Electrocentrale Constanta, does the provision only consider the risk of non-payment related to balancing actions or also related to transmission services?**

*TGN Answer:* For the transmission services, transmission contracts have been concluded with payment in advance and there is no risk of non-payment. The additional provision as at 30 June 2022 was set up for the outstanding receivables recorded by Electrocentrale Constanța related to balancing operations.

**Question: Does this situation also apply to Electrocentrale București?**

*TGN Answer:* No. Electrocentrale București has no outstanding debts. In January, the amount of 116 million lei was collected, representing the entire outstanding debt registered in the creditor's account.

**Question: Regarding the application for non-reimbursable funding through the modernization fund, can you give us more details?**

*TGN Answer:* An application has been submitted to the Ministry of Energy for non-reimbursable financing, through the Modernization Fund, of some projects in Transgaz' Investment Plan.

Attracting non-reimbursable financing will reduce the company's financial effort during this period in which it has carried out and is carrying out an extensive investment program.

**Question: For what amounts have you applied for receiving the grant funding?**

*TGN Answer:* For the Tuzla Podișor project the amount of non-reimbursable funds requested is EUR 132 million.

For the Ghercești - Jitaru pipeline, a project worth EUR 77 million (including VAT), an application was made for non-reimbursable funds worth EUR 40 million.

For the Jupa - Băile Herculane - Orșova - Prunișor project, amounting to EUR 148 million (including VAT), an application was made for non-reimbursable funds amounting to EUR 62.5 million.

**Question: Can you tell us until what date the transmission tariffs are frozen? Until the end of March or until 1 October 2023?**

*TGN Answer:* According to the Emergency Ordinance no.27/2022 the transmission tariffs are not modified during the period 1 April 2022 - 31 March 2023 but ANRE issued Order no. 75/18.05.2022 whereby the application of the approved transmission tariffs for the gas year 2021 - 2022 is extended until 30 September 2023.

ANRE Order no. 75/18.05.2022 also stipulates that the differences resulting from the recalculation of the regulated income for the period 1 October 2022 - 30 September 2023 shall be determined and regulated with the adjustment of the regulated revenue for the period 1 October 2023 - 30 September 2024.

**Question: In this case, will you have cost corrections for 2 gas years at the next tariff change? A major correction would be for the cost related to technological consumption?**

*TGN Answer:* Yes, when substantiating the regulated revenue for gas year 2023 - 2024, the corrections for gas years 2021-2022 and 2022 - 2023 will be taken into account.

A major correction is the additional costs incurred by Transgaz with the purchase of technological consumption. In accordance with ANRE Order 41/2019, the technological consumption costs are recognised by ANRE in the operating expenses (OPEX) category.

Regarding the efficiency gain, according to ANRE Order 41/2019, the efficiency gain obtained in the third regulatory period are transferred in full, by linearization, over the entire duration of the fourth regulatory period, and the efficiency gain obtained by the TSO starting with the fourth regulatory period, will be 60% transferred to natural gas consumers and 40% retained by the TSO.

**Question: Can you tell us what is the current value of RAB?**

*TGN Answer:* The RAB value used in determining the approved regulated revenue for the gas year 2021-2022 is RON 5.3 bn.

**Question: Is the capital you intend to borrow for balancing actions? What happens to the cost of the capital borrowed for balancing shares?**

*TGN Answer:* The value of balancing gas held by Transgaz has increased significantly due to the major increase in the price of natural gas during this period.

In order to ensure the neutrality of the balancing activity in terms of cash flow, in the context of the major increase in the value of the balancing gas stock, we contracted a credit line of lei 300 million, the cost of which is necessary to be recovered from the balancing activity.

A draft order on the updating of the regulatory framework for ensuring the neutrality of the balancing activity is currently in public consultation.

**Question: With regard to the level of financial revenue and the updating with the inflation rate of the receivable for the right to receive the unamortised regulated value upon termination of the concession agreement, what level of inflation rate did you take into account?**

*TGN Answer:* For the 6-month period ending 30 June 2022, an inflation rate of 9,98% was used.

**Question: We understand that this revenue is not a result of the operational activity but is only non-cash financial revenue.**

*TGN Answer:* This revenue is not related to the operational activity. They represent the updating of a long-term receivable, i.e. the receivable for the right to collect the regulated value remaining unamortised upon termination of the concession agreement.

**Question: Will you distribute dividends on this revenue?**

*TGN Answer:* According to the provisions of GO 64 of 30 August 2001, the basis for distribution of dividends is the accounting profit remaining after deduction of the income tax.

**Question: In relation to the auction premia how do you see the interest for IP Csanádpalota in the coming quarters if you have new information on this issue?**

*TGN Answer:* There is a high interest for capacity booking at IP Csanádpalota.

The values of the auction premia obtained in Q3 2022 will be communicated in the next quarterly report.

**Director - General  
ION STERIAN**