

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



**PRELIMINARY FINANCIAL STATEMENTS FOR 2022 (UNAUDITED)**

**Prepared in accordance with IFRS -UE**



## Summary

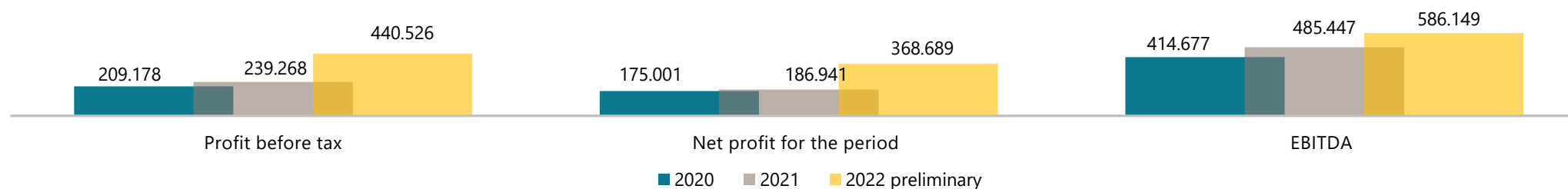
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# 1. Statement of individual comprehensive income as of 31.12.2022 (1)

## MAIN INDICATORS

THOUSAND LEI	2020	2021	2022 preliminary	CHANGES 2022/2021	
				Absolute	Relative
Operational revenue before the balancing and construction activity according to IFRIC12	1,333,504	1,364,511	1,575,186	210,675	15%
Revenue from the balancing activity	199,239	442,200	1,005,544	563,344	127%
Income from the construction activity according to IFRIC12	1,587,548	704,027	296,791	-407,236	-58%
Financial income	60,666	130,013	461,287	331,274	255%
Operational costs before the balancing and construction activity according to IFRIC12	1,165,836	1,230,118	1,412,501	182,383	15%
Costs from the balancing gas	199,239	442,200	1,005,544	563,344	127%
Cost of constructed assets according to IFRIC12	1,587,548	704,027	296,791	-407,236	-58%
Financial costs	19,156	25,138	183,446	158,308	630%
<b>Profit before tax</b>	<b>209,178</b>	<b>239,268</b>	<b>440,526</b>	<b>201,258</b>	<b>84%</b>
Profit tax expense	34,177	52,327	71,837	19,510	37%
<b>Net profit for the period</b>	<b>175,001</b>	<b>186,941</b>	<b>368,689</b>	<b>181,748</b>	<b>97%</b>
<b>EBITDA</b>	<b>414,677</b>	<b>485,447</b>	<b>586,149</b>	<b>100,702</b>	<b>21%</b>
<b>Turnover</b>	<b>1,474,078</b>	<b>1,683,775</b>	<b>2,436,802</b>	<b>753,027</b>	<b>45%</b>

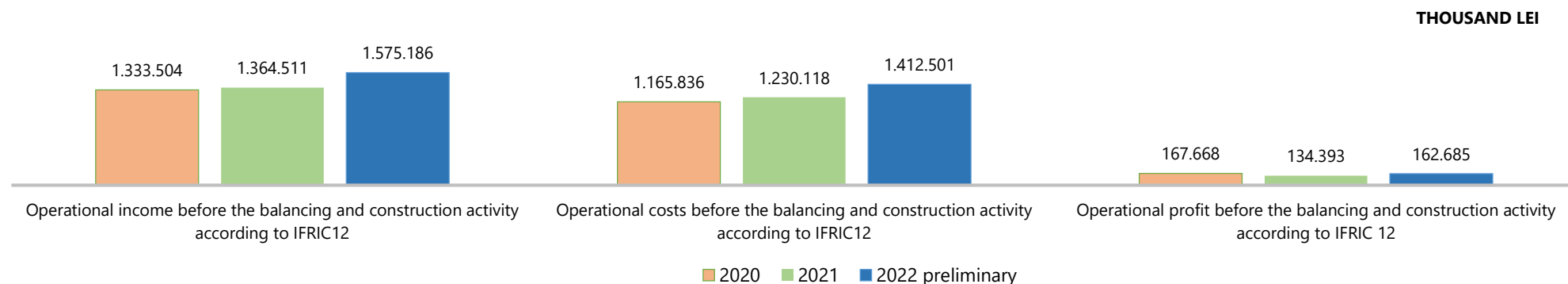
THOUSAND LEI



# 1. Statement of individual comprehensive income as of 31.12.2022 (2)

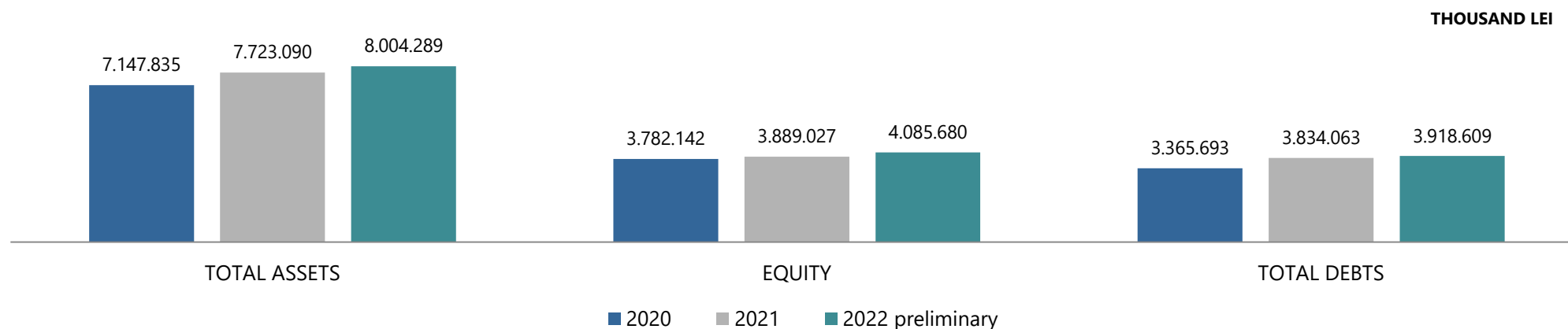
## MAIN INDICATORS

THOUSAND LEI	2020	2021	2022 preliminary	CHANGES 2022/2021	
				Absolute	Relative
Revenues from domestic gas transmission activity	1,150,465	1,164,419	1,351,931	187,512	16%
Revenues from the international gas transmission activity	114,223	72,037	73,927	1,890	3%
Other revenues	68,816	128,055	149,329	21,274	17%
<b>Operational revenue before the balancing and construction activity according to IFRIC12</b>	<b>1,333,504</b>	<b>1,364,511</b>	<b>1,575,186</b>	<b>210,675</b>	<b>15%</b>
Employees costs	431,952	464,596	491,588	26,992	6%
Technological consumption, materials and consumables used	115,609	112,818	180,268	67,450	60%
Expenses with royalties	107,622	4,946	5,703	757	15%
Maintenance and transport	30,315	32,769	36,914	4,145	13%
Taxes and other amounts owed to the State	71,870	86,201	86,782	581	1%
Revenues/ Expenses with provision for risks and expenses	6,073	-7,308	18,088	X	X
Other operating costs	155,385	185,042	169,694	-15,348	-8%
Depreciation	247,009	351,054	423,464	72,410	21%
<b>Operational costs before the balancing and construction activity according to IFRIC12</b>	<b>1,165,836</b>	<b>1,230,118</b>	<b>1,412,501</b>	<b>182,383</b>	<b>15%</b>
<b>Operational profit before the balancing and construction activity according to IFRIC12</b>	<b>167,668</b>	<b>134,393</b>	<b>162,685</b>	<b>28,292</b>	<b>21%</b>



## 2. Statement of individual financial position as of 31.12.2022

THOUSAND LEI	2020	2021	2022 preliminary	CHANGES 2022/2021	
				Absolute	Relative
Fixed assets	6,054,436	6,557,294	6,673,990	116,696	2%
Current assets	1,093,398	1,165,797	1,330,299	164,502	14%
<b>Total assets</b>	<b>7,147,835</b>	<b>7,723,090</b>	<b>8,004,289</b>	<b>281,199</b>	<b>4%</b>
<b>Equity</b>	<b>3,782,142</b>	<b>3,889,027</b>	<b>4,085,680</b>	196,653	5%
Long term debts	2,665,413	2,904,357	2,965,908	61,551	2%
Current debts	700,280	929,707	952,700	22,993	2%
<b>Total debts</b>	<b>3,365,693</b>	<b>3,834,063</b>	<b>3,918,609</b>	<b>84,546</b>	<b>2%</b>
<b>Total equity and debts</b>	<b>7,147,835</b>	<b>7,723,090</b>	<b>8,004,289</b>	<b>281,199</b>	<b>4%</b>



### 3. Main revenue drivers (1)

**Preliminary Revenues 2022 vs. Revenues 2021 (thousand lei)**



### 3. Main revenue drivers (2)

2022 preliminary vs. 2021

**Operating revenue before the balancing and construction activity, according to IFRIC12** increased by **15%** as compared to obtained at 31 December 2021, which is higher by **lei 210,675 thousand**.

The revenue was influenced mainly by the following factors:

- **revenue from capacity booking** higher by **lei 238,854 thousand** due to:
  - *revenue from the auction premium* higher by lei 165,179 thousand following the capacity booking auctions performed according to the CAM-NC by interconnection points. Revenue from the auction premium at 31 December 2021 amounted to lei 13,545 thousand, and at 31 December 2022 to lei 178,724 thousand;
  - *capacity surplus revenue* higher by lei 6,175 thousand. Capacity surplus revenue at 31 December 2021 amounted to lei 69,562 thousand, and at 31 December 2022 to lei 75,737 thousand;
  - *average capacity booking tariff, determined by the structure of the booked products*, higher by lei 0.365/MWh, with a positive influence of lei 130.146 thousand;
  - *booked capacities* lower by 27,584,341 MWh, with a negative influence of lei 62,646 thousand;
- **commodity revenue lower** by **lei 51,342 thousand** due to:
  - *the commodity transmission tariff lower* by lei 0,25 lei/MWh, with a negative influence of lei 36.686 thousand;
  - *the gas transmitted capacities* lower by 11,181,596 MWh/994,203 thousand cm (▼7%), as compared to 31 December 2021, with a negative influence of lei 14,656 thousand, detailed by categories of consumers as follows:

		12 months 2022	12 months 2021	Differences
Quantity transmitted for direct consumers	MWh	68,472,756	68,657,931	-185,175
	thousand m <sup>3</sup>	6,185,284	6,237,780	-52,496
Quantity transmitted for distribution	MWh	73,495,131	84,491,552	-10,996,421
	thousand m <sup>3</sup>	6,846,782	7,788,489	-941,707
Total	MWh	141,967,887	153,149,483	-11,181,596
	thousand m <sup>3</sup>	13,032,066	14,026,269	-994,203

	2021	2022 preliminary
Revenues from the domestic transmission activity, due to:	1,164,419	1,351,931
- Volumetric component	208,926	157,584
- Capacity booking component	955,492	1,194,346

### 3. Main revenue drivers(3)

2022 preliminary vs. 2021

The commodity tariffs decreased at 31 December 2022 as compared to 31 December 2021 mainly due to:

- Order 10/2017 of the ANRE President on the amending of Order 32/2014 of ANRE President on the approval of the Gas Transmission Regulated Revenue, Total Revenue and Regulated Tariffs Methodology, which establishes the increasing by 5% per year of the percentage by which the approved revenue is recovered by the application of the capacity booking tariff, up to 85%, and the decreasing of the percentage by which the approved revenue is recovered by the application of the commodity tariff. In gas year 2020-2021 the variable component of the total revenue at the basis of the commodity tariffs is 20% of the total revenue, in gas year 2021-2022 it decreased to 15% of the total revenue;
- at the substantiation of the tariffs for gas years 2020-2021 and 2021-2022, the tax on the monopoly was not recognised by ANRE at the pass-through costs and implicitly at the regulated revenue.
- *international gas transmission revenue and similar* higher by **lei 1,889 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* higher by **lei 21,273 thousand**, mainly due to the recording to revenue of the grants obtained for the financing of the major investment projects following their completion and commissioning, higher by lei 24,048 thousand, the increasing of the revenue from penalties by lei 7,756 thousand and the decreasing of other revenue by lei 10,531 thousand.

*The revenue from the balancing activity* was higher by **lei 563,344 thousand** based on the following factors:

- trading price higher by lei 319.64/MWh, with a positive influence of lei 604,516 thousand;
- quantity lower by 194,163 MWh with a negative influence of lei 41,171 thousand.

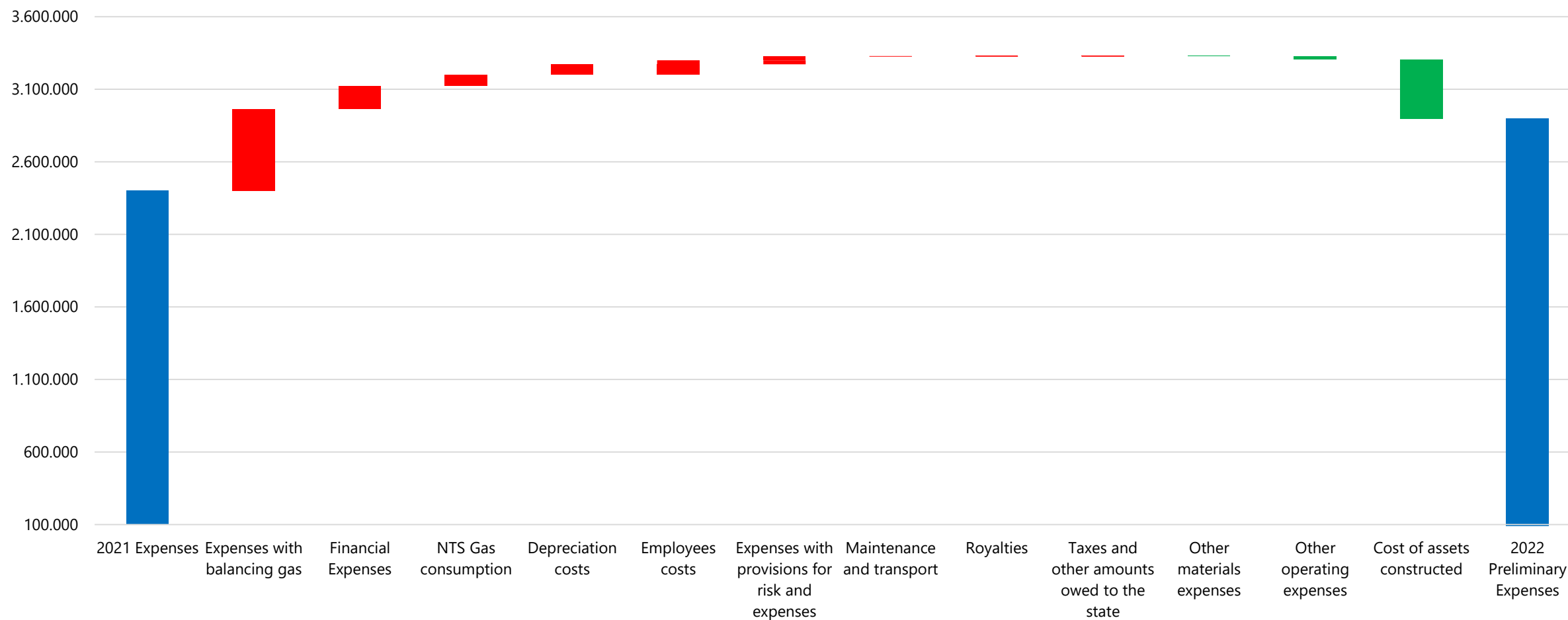
*The revenue from the construction activity* lower by **lei 407,235 thousand**, registered in line with IFRIC 12, according to which revenue and costs related to the construction activity or the improvement of the transmission network, in exchange of which the intangible asset is registered, must be acknowledged in line with IAS 11, Construction Contracts;

*The financial revenue* has a positive influence of **lei 331,274 thousand**, mainly due to the recording of the updating of the debt for the regulated value remaining unamortised of the regulated asset base at the end of the Concession Agreement with the inflation rate for 2022. While in 2021 an inflation rate of 5.05% (lei 87,970 thousand) was recorded, in 2022 the inflation rate was 13.80% (lei 286,877 thousand). Revenue from shareholdings recorded following the reduction of EUROTRANSGAZ'S share capital by EUR 21.67 million, amount received by Transgaz in Q I and Q IV 2022, also had a positive influence.



## 4. Main costs drivers (1)

### 2022 Preliminary Expenses vs. 2021 Expenses (thousand lei)



## 4. Main costs drivers (2)

**Operating costs before the balancing and construction activity according to IFRIC12** increased by **15%** as compared to 31 December 2021, which is higher by **lei 182,383 thousand**.

**The company made savings of lei 25,581 thousand**, due to following cost elements:

- **cost of auxiliary materials:** lei 4,111 thousand;
- **cost of monopoly tax:** lei 1,257 thousand;
- **other operating costs:** lei 20,213 thousand, mainly due to the decrease in the expense with the impairment of current assets (lei 36,932 thousand), the capitalisation of the difference between the costs of the technological consumption achieved over the approved one in the transmission tariff in accordance with the provisions of GEO 27/2022 in the amount of lei 3,345 thousand and the increase in energy and water costs by lei 11,530 thousand and in security and capacity booking services by lei 9,005 thousand.

**A surplus amounting to lei 207,964 thousand** was recorded to the following cost elements

- **transmission system gas consumption** of lei 76,425 thousand due to:
  - the average purchase price obtained higher by lei 100.17/MWh as compared to the one obtained at 31 December 2021, with a negative influence of lei 75,489 thousand;
  - the quantity of natural gas for NTS gas consumption higher by 9,171 MWh as compared to 31 December 2021, with a negative influence of lei 936 thousand;

		31.12.2022	31.12.2021	Differences
Transmission system gas consumption (quantities)	MWh	753,681	744,510	9,171
	Thousand m <sup>3</sup>	70,739	70,188	551
	Thousand lei	152,430	76,005	76,425
	lei/MWh	202.25	102.09	100.17
Share of quantities of natural gas consumption in NTS in total circulated gas	%	0.54%	0.49%	x

- **employee costs:** lei 26,992 thousand;
- **cost of depreciation:** lei 72,410 thousand, based on the completion and commissioning of the major investment projects;
- **cost of royalty for NTS concession:** lei 758 thousand;
- **cost of provision for risks and charges:** lei 25,397 thousand mainly on account of establishing the provision for voluntary departures higher by lei 12,340 thousand and write back of provisions lower in 2022 by lei 6,292 thousand;
- **cost of other taxes and duties:** lei 1,838 thousand;
- **costs of maintenance and transport:** lei 4,144 thousand.

**The financial cost** is higher by **lei 158,308 thousand** mainly based on the cost of financial fixed assets transferred (lei 108,667 thousand), the interest expenses (lei 38,398 thousand) and the foreign exchange loss (lei 8,962 thousand). By BoA Resolution 39/2021 Transgaz approved the reduction of EUROTRANSGAZ'S share capital by EUR 13.15 million, amount received by Transgaz in Q I 2022 and by BoA Resolution 19/2022 Transgaz approved the reduction of EUROTRANSGAZ'S share capital by EUR 8.52 million, amount received by Transgaz in Q IV 2022.

**The preliminary gross profit at 31 December 2022 increased by 84%, which is higher by lei 201,258 thousand as compared to 31 December 2021.**

## 5. Statement of consolidated comprehensive income as of 31.12.2022

THOUSAND LEI	2020	2021	2022 preliminary	MAIN INDICATORS	
				CHANGES 2022/2021	
				Absolute	Relative
Operating revenue before the balancing and construction activity according to IFRIC12	1,338,015	1,364,950	1,579,284	214,334	16%
Revenue from the balancing activity	199,239	442,200	1,005,544	563,344	127%
Revenue from the construction activity according to IFRIC12	1,587,548	704,027	296,791	-407,236	-58%
Financial revenue	68,929	152,208	498,370	346,162	227%
Operating costs before the balancing and construction activity according to IFRIC12	1,173,521	1,244,239	1,429,915	185,676	15%
Costs from the balancing activity	199,239	442,200	1,005,544	563,344	127%
Cost of assets constructed according to IFRIC12	1,587,548	704,027	296,791	-407,236	-58%
Financial costs	33,872	42,669	225,110	182,441	428%
<b>Profit before tax</b>	<b>199,552</b>	<b>230,250</b>	<b>422,628</b>	<b>192,378</b>	<b>84%</b>
Income tax	34,328	53,445	72,625	19,180	36%
<b>Net profit for the period</b>	<b>165,224</b>	<b>176,805</b>	<b>350,003</b>	<b>173,198</b>	<b>98%</b>
<b>EBITDA</b>	<b>413,213</b>	<b>482,253</b>	<b>584,593</b>	<b>102,340</b>	<b>21%</b>
<b>Turnover</b>	<b>1,474,087</b>	<b>1,683,775</b>	<b>2,440,916</b>	<b>757,141</b>	<b>45%</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.

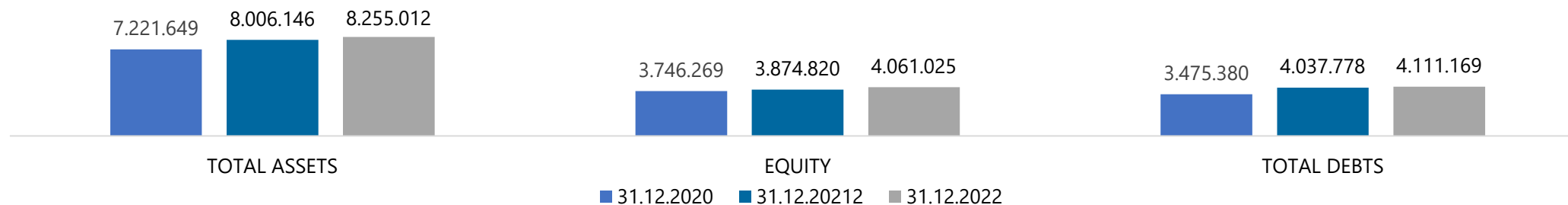
Since 2018, following the procurement of VESTMOLDTRANSGAZ SRL of the Republic of Moldova by EUROTRANSGAZ SRL, Transgaz, as a parent company, prepares consolidated group financial statements.

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 31.12.2022

THOUSAND LEI	2020	2021	2022 preliminary	CHANGES 2022/2021	
				Absolute	Relative
FIXED ASSETS	6,060,659	6,667,476	6,875,510	208,034	3%
CURRENT ASSETS	1,160,990	1,338,671	1,379,502	40,831	3%
<b>TOTAL ASSETS</b>	<b>7,221,649</b>	<b>8,006,146</b>	<b>8,255,012</b>	<b>248,866</b>	<b>3%</b>
<b>EQUITY</b>	<b>3,746,269</b>	<b>3,874,820</b>	<b>4,061,025</b>	<b>186,205</b>	<b>5%</b>
NON-CONTROLLING INTERESTS	-	93,549	82,818	-10,731	-11%
LONG TERM DEBTS	2,772,114	3,091,747	3,150,620	58,873	2%
CURRENT DEBTS	703,266	946,030	960,549	14,519	2%
<b>TOTAL DEBTS</b>	<b>3,475,380</b>	<b>4,037,778</b>	<b>4,111,169</b>	<b>73,391</b>	<b>2%</b>
<b>TOTAL EQUITY AND DEBTS</b>	<b>7,221,649</b>	<b>8,006,146</b>	<b>8,255,012</b>	<b>248,866</b>	<b>3%</b>

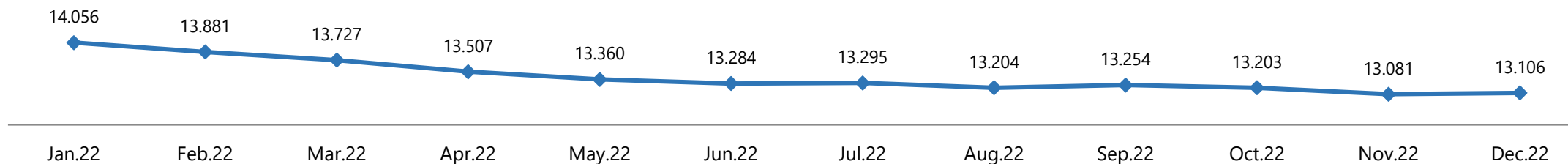


The variation of the consolidated economic-financial indicators at 31 December 2022, compared to the indicators obtained in the similar period of 2021 is mainly determined by the variation of the individual economic-financial indicators recorded by SNTGN Transgaz SA at 31 December 2022 compared to the indicators obtained in the similar period of 2021.

**The preliminary consolidated gross profit in 2022 increased by lei 192.378 thousand, which is higher by 84% compared to the level obtained in 2021.**

## 7. Main business drivers (1)

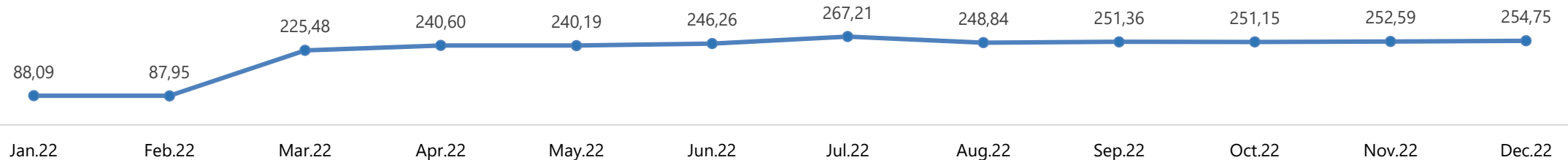
Natural gas volumes circulated (including storage quantities) - mil.cm - rolling 12 months



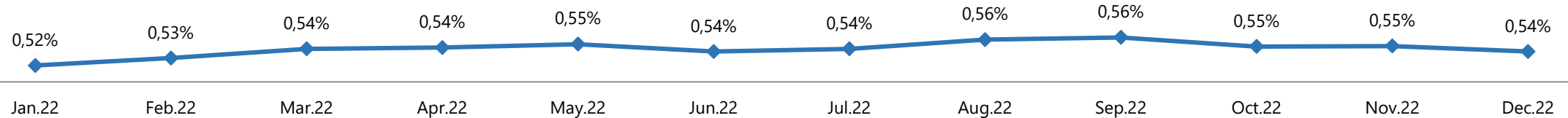
		1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2021	2Q 2021	3Q 2021	4Q 2021	
<b>Circulated gas, out of which:</b>	MWh	43,169,299.34	26,621,530.18	31,541,333.99	39,132,109.46	47,134,887.33	31,346,775.90	31,807,368.87	40,617,180.29	
	mii m <sup>3</sup>	4,034,144.17	2,484,139.91	2,936,491.57	3,651,449.92	4,405,724.98	2,926,858.87	2,966,137.77	3,799,488.93	
	<b>- storage</b>	MWh	629,418.65	8,445,200.76	14,111,025.18	5,345,721.43	33,800.00	7,065,278.68	12,852,558.21	2,013,683.36
	mii m <sup>3</sup>	78,795.23	798,396.14	1,333,803.27	511,575.12	2,366.68	664,115.21	1,209,102.32	192,984.01	
<b>Circulated gas storage share</b>		1.46%	31.72%	44.74%	13.66%	0.07%	22.54%	40.41%	4.96%	

## 7. Main business drivers (2)

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



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



		1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2021	2Q 2021	3Q 2021	4Q 2021
<b>Technological consumption, materials and consumables used, of which:</b>	thousand Lei	46,198	47,447	42,545	48,942	37,752	26,102	22,186	26,778
▪ <b>transmission system technological consumption and loss</b>	thousand Lei	40,771	37,631	33,294	40,734	28,147	17,219	9,473	21,166
▪ <b>- technological consumption quantity</b>	MWh	307,276	155,519	137,796	153,090	261,899	192,303	108,463	181,845
▪ <b>auxiliary materials</b>	thousand Lei	5,089	9,293	8,687	7,493	7,442	8,076	12,554	5,402
▪ <b>other material costs</b>	thousand Lei	338	523	565	714	2,163	808	158	210

## CURRENT NTS INFRASTRUCTURE



- ❑ 13.978 km main transmission pipelines\* and connections for gas supply, of which 183,5 km international gas transmission pipelines and 481 km the BRUA pipeline;
- ❑ 1.148 gas metering stations (1.254 metering directions)
- ❑ 2 gas metering stations for international transmission (Isaccea Transit III și Negru Vodă III) ;
- ❑ 6 imported 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 Modernizare, Gherăești);
- ❑ 1.057 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.

Significant investments are needed to build new connections, rehabilitate parts of the existing system, and build new compressor stations.

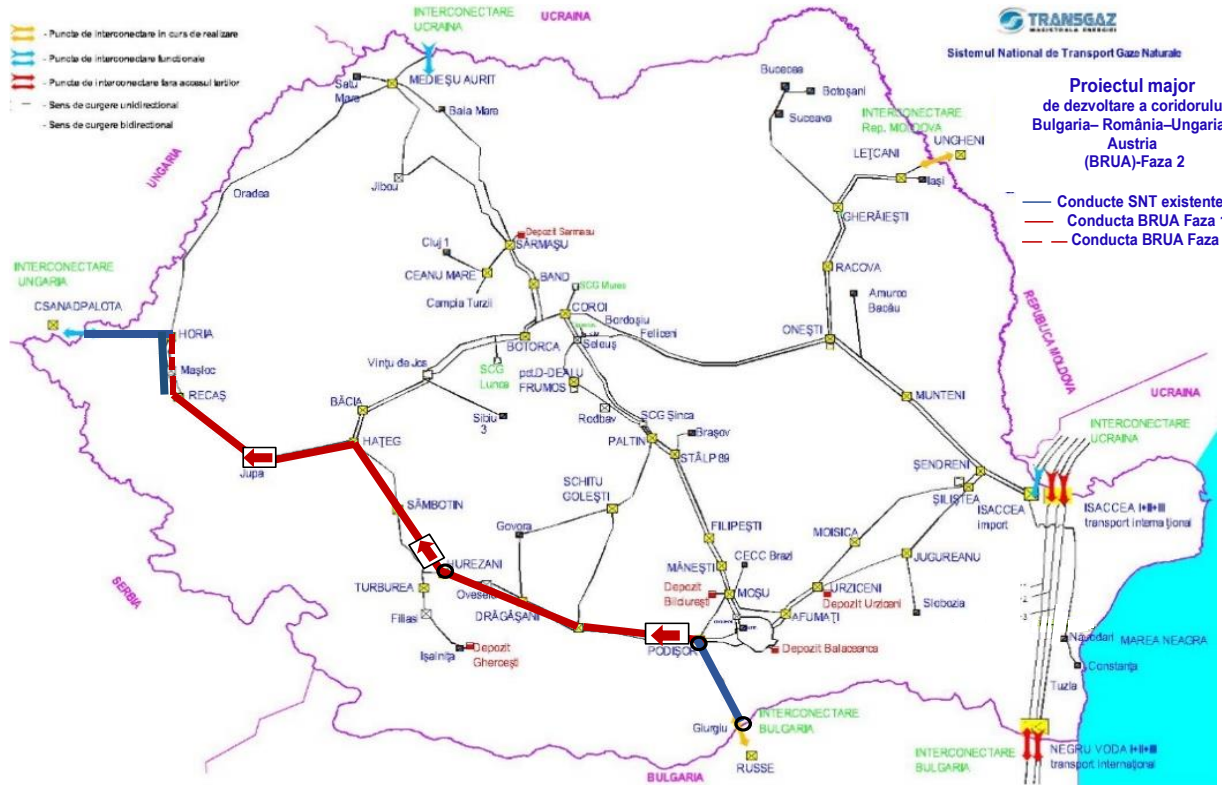
Project no	Project	Estimated value mil. Euro	Completion date	Project importance	Project status
1	Development on Romania's territory of the National Gas Transmission System on the Bulgaria - Romania - Hungary – Austria Corridor (Phase II)	74.5	2025	Ensuring a natural gas transmission capacity to Hungary 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	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	<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



## 9. MAJOR DEVELOPMENT PROJECTS 2022-2031 (II)

Project no.	Project	Estimated value mil. Euro	Completion date	Project importance	Project status
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
<b>TOTAL</b>		<b>3.422,6</b>			

<b>Total estimated cost of the major projects:</b>	<b>3.422,6 milioane EURO</b>
- estimated cost of FID projects:	<b>554,99 milioane EURO</b>
- estimated cost of A non FID projects:	<b>130,71 milioane EURO</b>
- estimated cost of LA non FID projects:	<b>2.736,9 milioane EURO</b>



**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

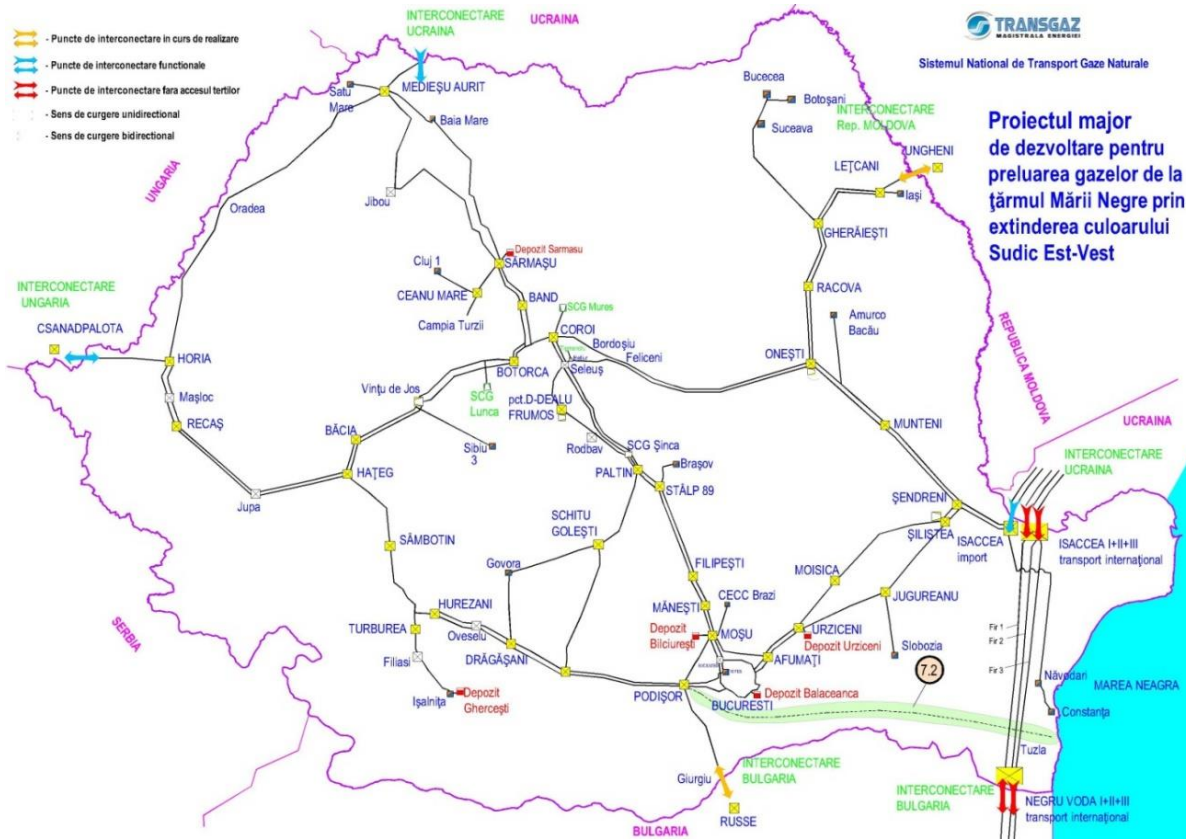
### Necessary investments:

- 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.*



### Aim:

- create a transmission infrastructure for taking over to be produced in the Black Sea

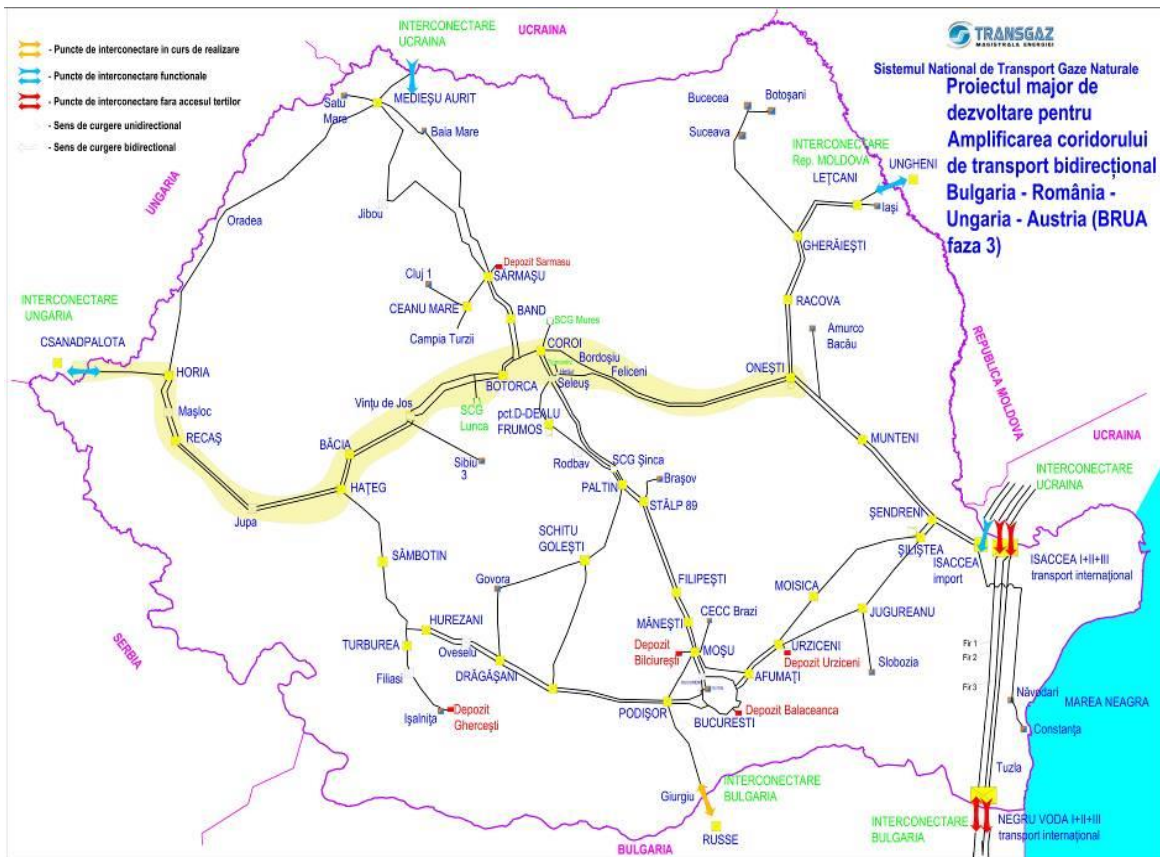
### Necessary investments:

- 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**

**Estimated commissioning 2025**



**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:**

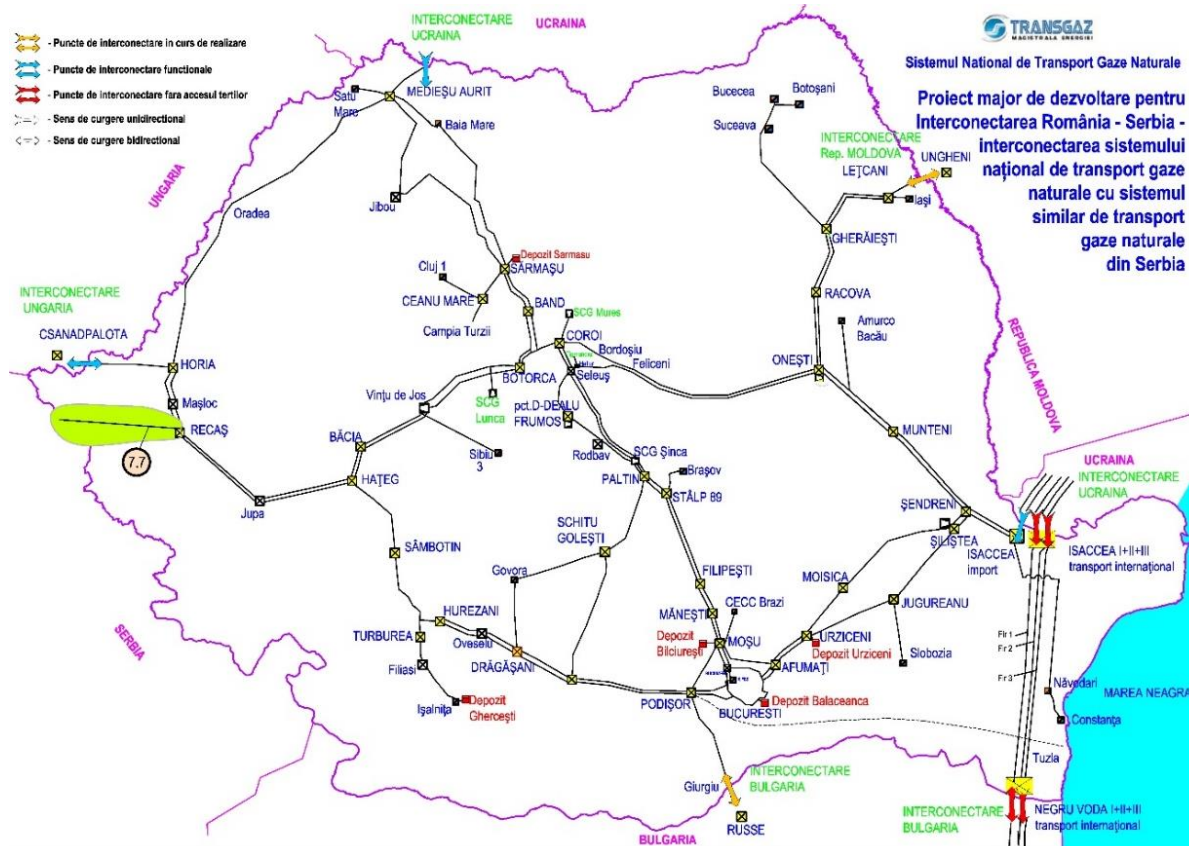
- rehabilitation of some pipeline sections
- replacement of existing pipelines with new larger diameter and operating pressure pipelines
- four or five new gas compressor stations

## **Capacity increase:**

- 4.4 bcm/y to Hungary

## **Total estimated costs:**

- 530 mil. Euro**



### Aim:

- enhancing security of energy supply to the region

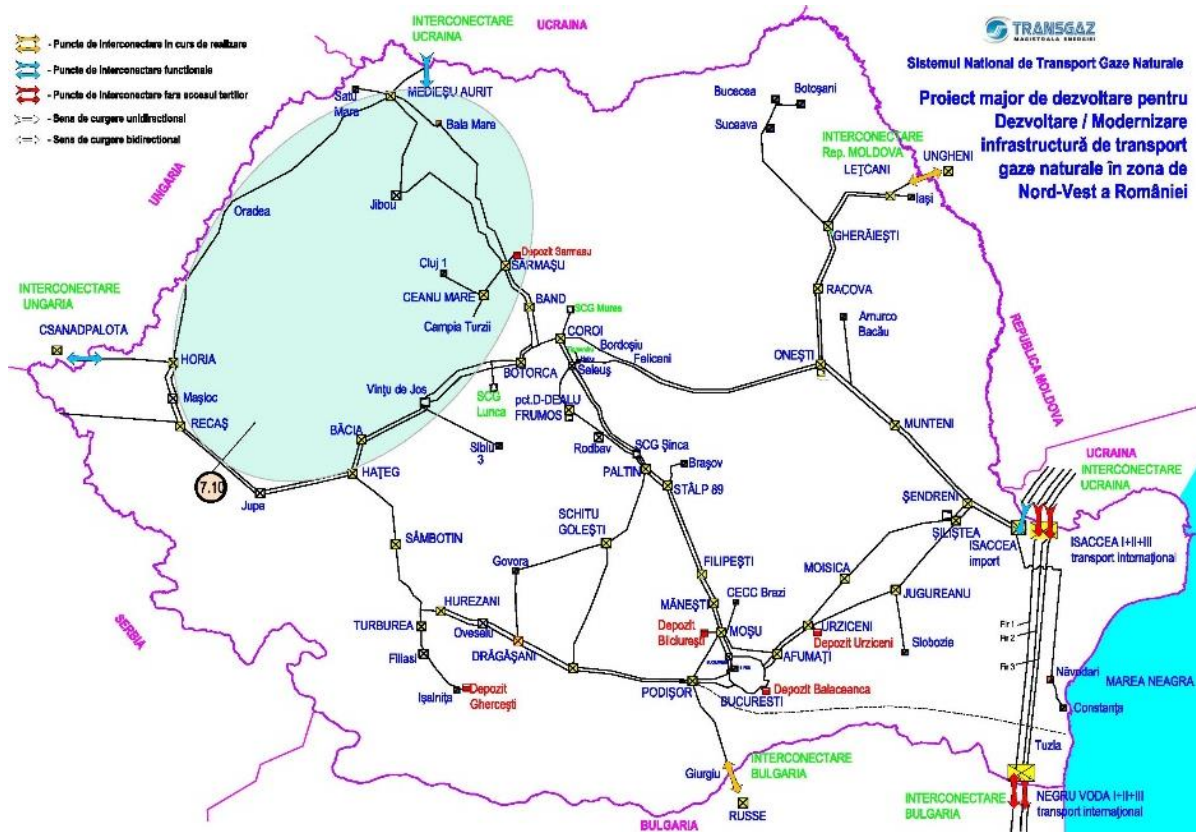
### Necessary investments:

- 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**



### Aim:

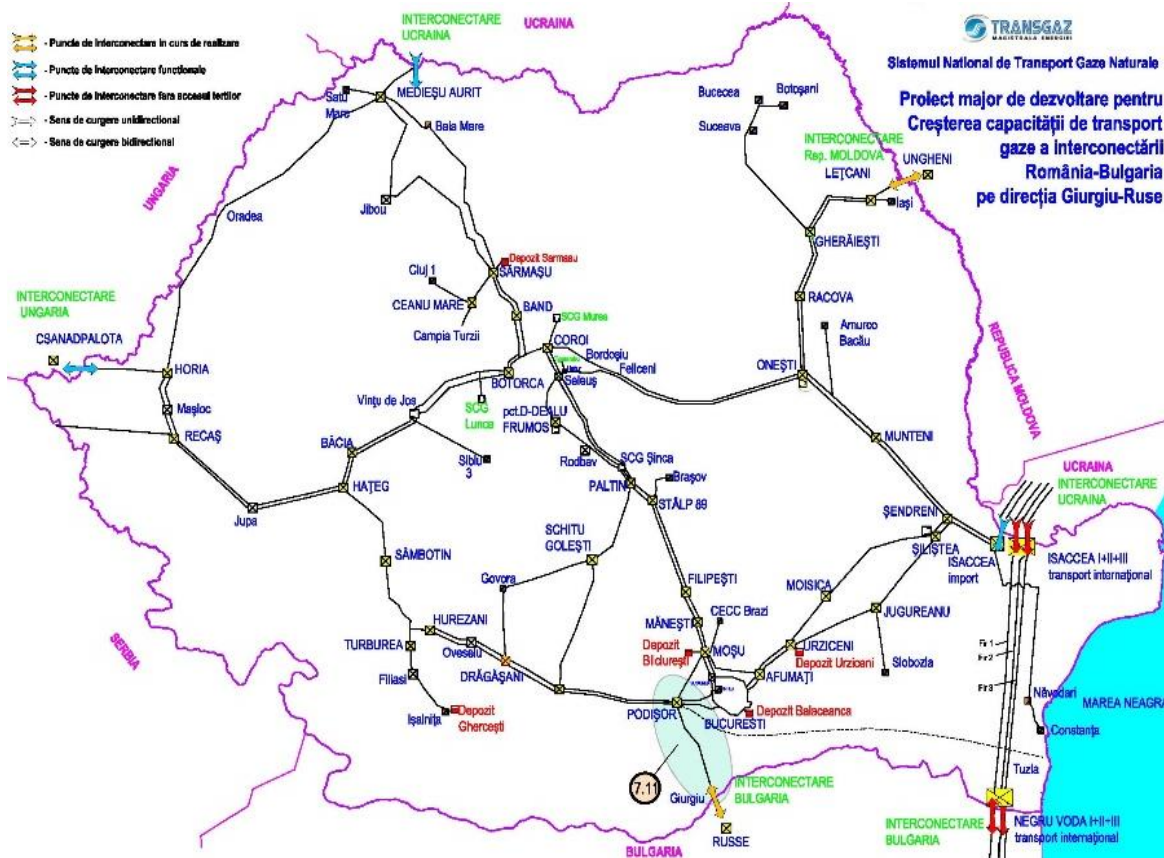
- creation of new gas transmission capacities

### Necessary investments:

- construction of a pipeline and of the related equipment in the direction Horia–Medieşu Aurit
- construction of a pipeline and of the related equipment in the direction Sărmăşel–Medieşu Aurit
- construction of a pipeline and of the related equipment in the direction Huedin–Aleşd
- construction of a Gas Compressor Station at Medieşu Aurit

### Total estimated costs:

- 405 mil. Euro



**Estimated commissioning - 2027**

**Aim:**

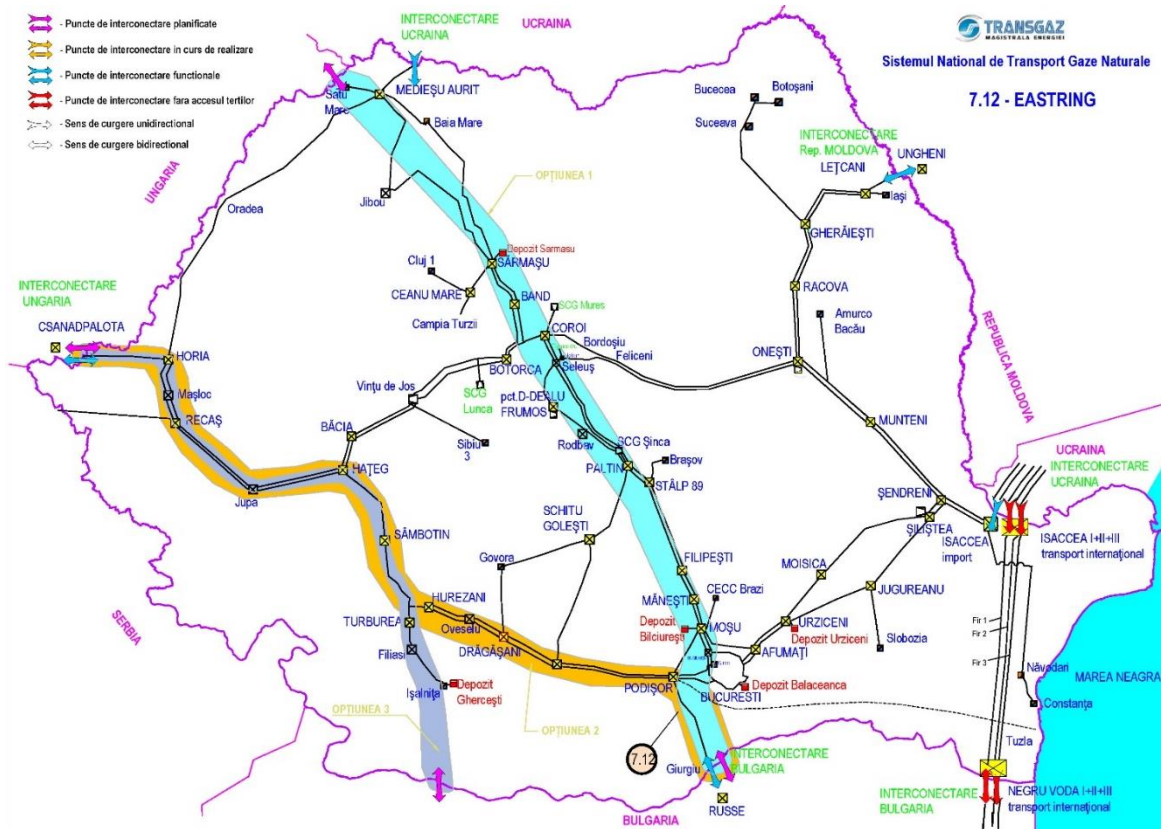
- enhancing security of energy supply to the region

**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:

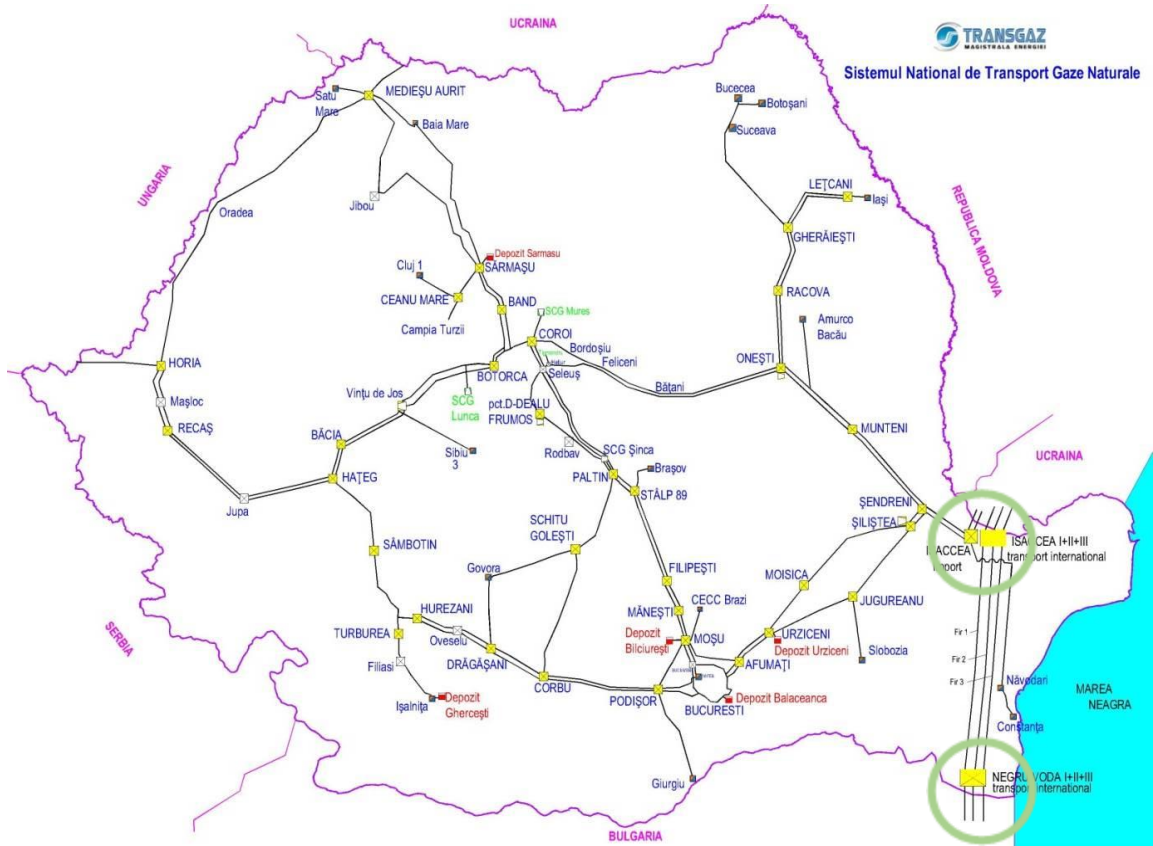
- Phase 1 – Maximum capacity of 20 bcm/y
- Phase 2 – Maximum capacity of 40 bcm/y

## 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:**

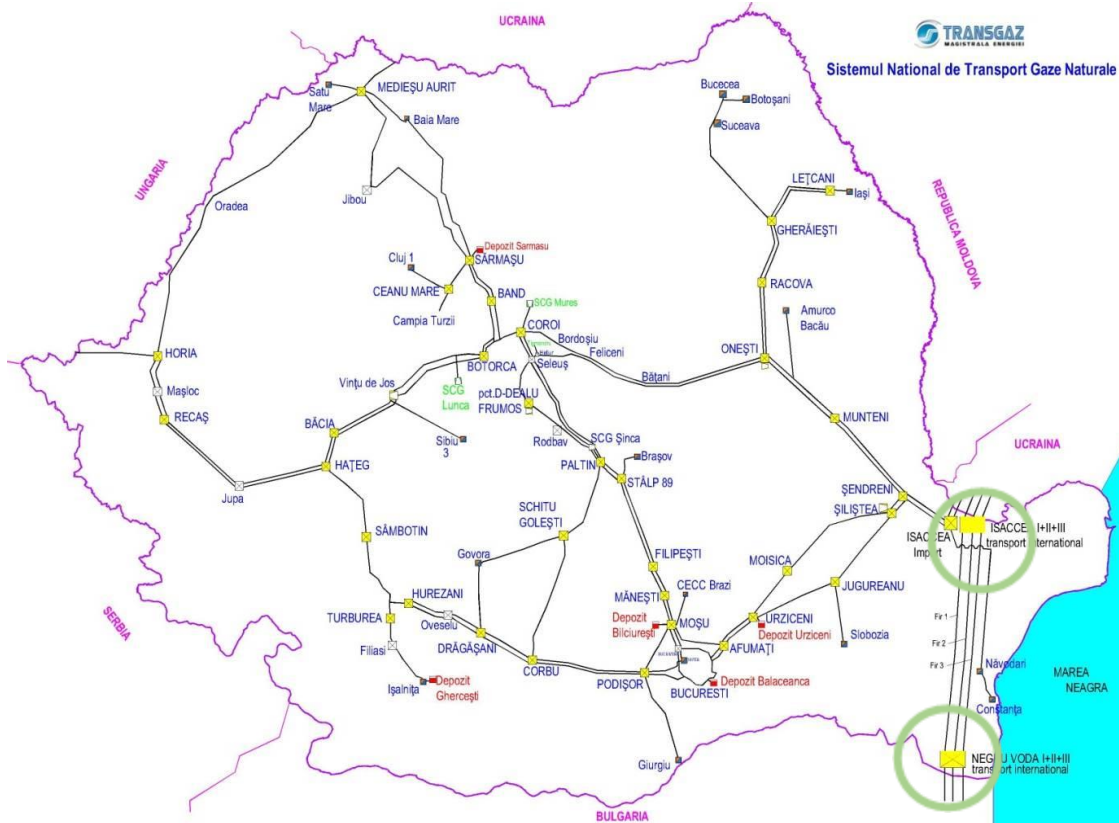
- Enabling bidirectional flow on the T2 pipeline, part of the Trans-Balkan corridor

**Necessary investments:**

- modernization of the existing gas metering stations

**Total estimated costs:**

- **26.65 mil. Euro**



**Estimated commissioning - 2028**

**Aim:**

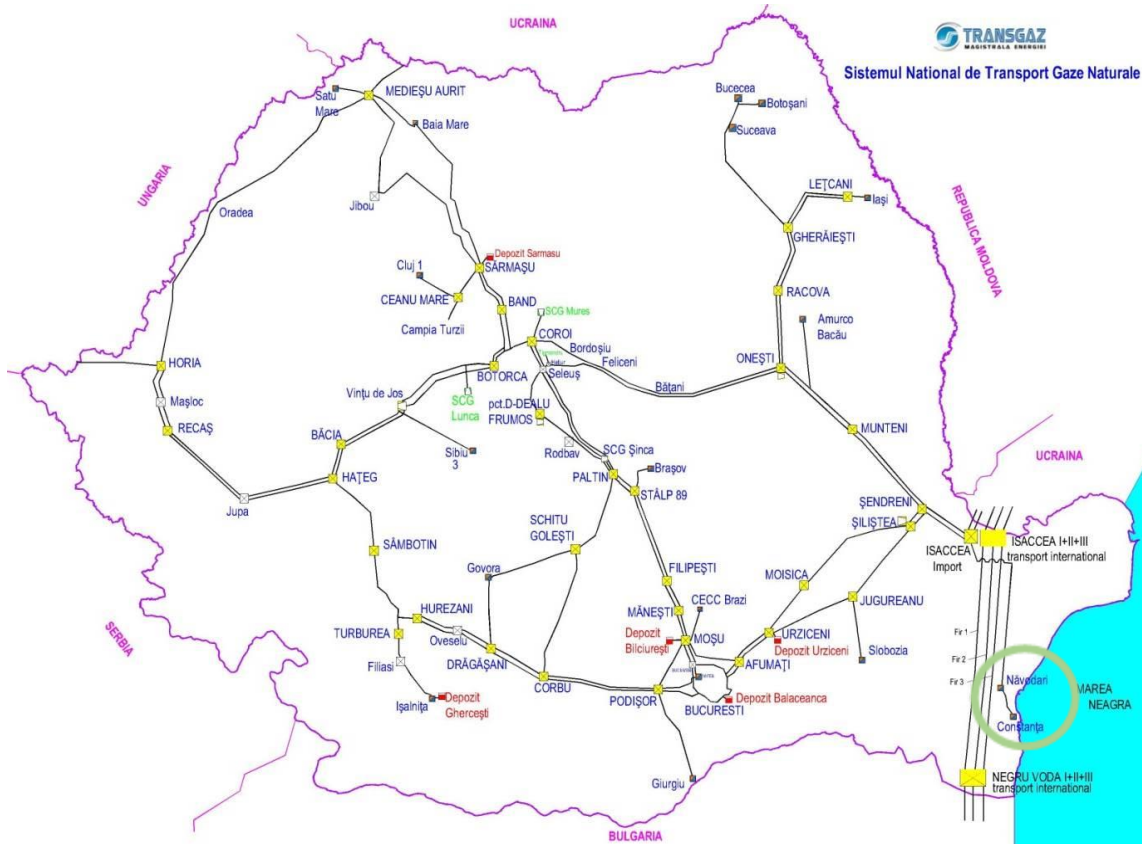
- Enabling bidirectional flow on the T3 pipeline, part of the Trans-Balkan corridor

**Necessary investments:**

- modernization of the existing gas metering stations

**Total estimated costs:**

- **26.65 mil. Euro**



**Estimated commissioning - 2028**

**Aim:**

- taking over natural gas from the Black Sea coast

**Necessary investments:**

- realization of an interconnection of the national natural gas transmission system at the LNG terminal by building a natural gas transmission pipeline, in a length of about 25 km, from the Black Sea coast 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>CORRIDOR BETWEEN BULGARIA AND HUNGARY (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>INTERCONNECTION OF THE NTS WITH THE T1 PIPELINE AND REVERSE FLOW AT 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>168,25*</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%

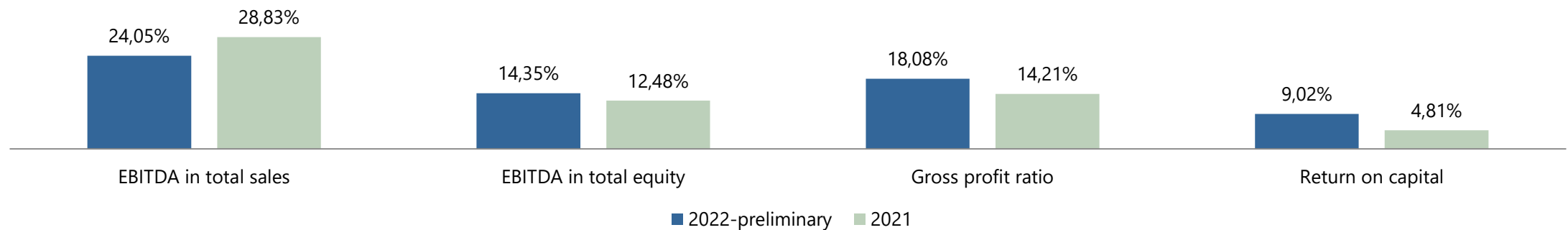
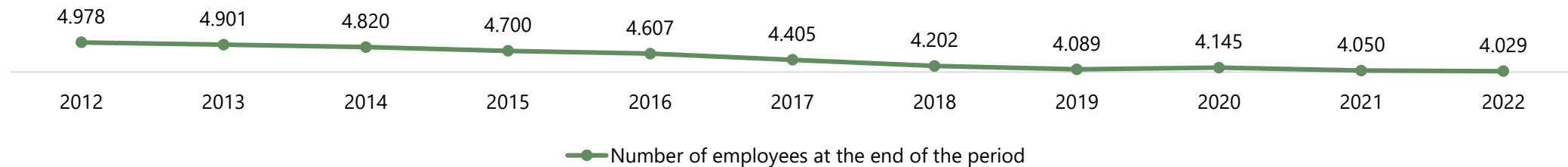
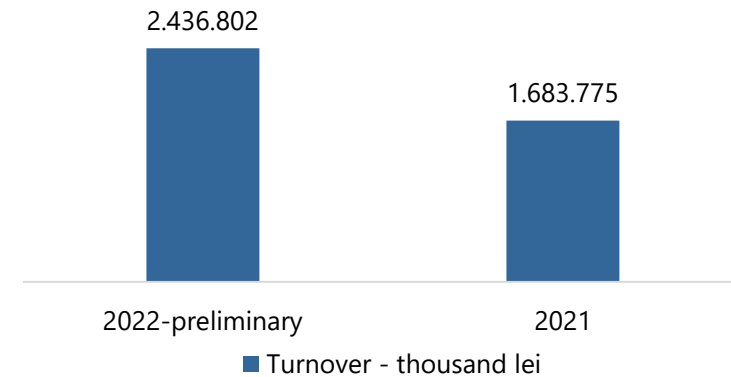
\* preliminary

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	<p>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.</p> <p>The economic profile of the zone: agriculture, vegetable growing and especially, nationally recognized, viticulture.</p>
2	<b>DN 250 CÂMPULUNG MOLDOVENESC – VATRA DORNEI GAS TRANSMISSION PIPELINE (POJORĂȚA – VATRA DORNEI SECTION)</b> DN 250, L = 26,4 km  WORK DECLARED OF NATIONAL IMPORTANCE acc. to GR 465/2019	17,35	2022	<p>The projected route of the Pojorâta - Vatra Dornei gas transmission pipeline section is located on the administrative territories of Pojorâta, Sadova, Iacobeni, 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.</p>
3	<b>VERNEȘTI-MĂRĂCINENI-POSTA CÂLNĂU GAS TRANSMISSION PIPELINE PHASE I - VERNEȘTI-MĂRĂCINENI</b> L=5,066 km	13,43	2022	<p>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 - Moisica 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.</p> <p>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.</p>
4	<b>DN 300 MINTIA – BRAD GAS TRANSMISSION PIPELINE</b>	29,56	2022	<p>The planned route of the MINTIA - BRAD gas transmission pipeline section is located on the administrative territories of Vețel, 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.</p>

## 8. Main indicators

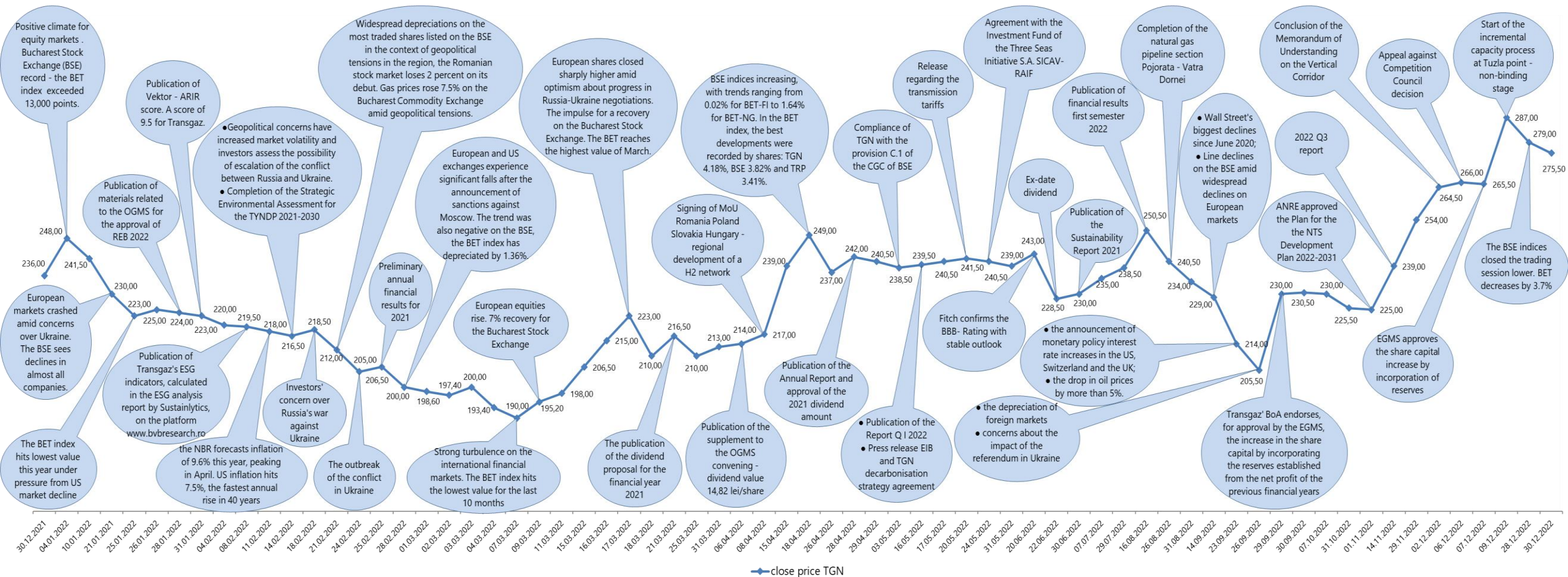
31.12.2022 preliminary compared to 31.12.2021

	2022 preliminary	2021
EBITDA in total sales	24.05%	28.83%
EBITDA in total equity	14.35%	12.48%
Gross profit ratio	18.08%	14.21%
Return on capital	9.02%	4.81%
Current liquidity ratio	1.40	1.25
Quick liquidity ratio	0.76	0.92
Gearing	45.80%	44.02%
Interest coverage ratio	3.11	5.63
Turnover speed for clients debit - days	123.36	165.09
Turnover speed for credit providers - days	55.73	73.14

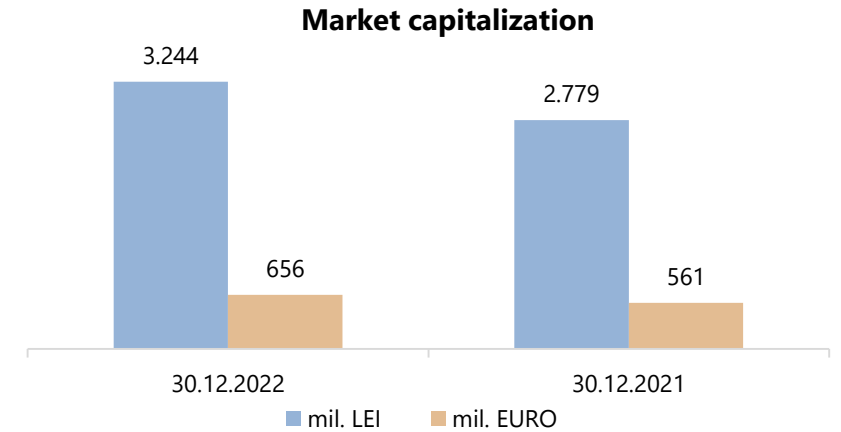
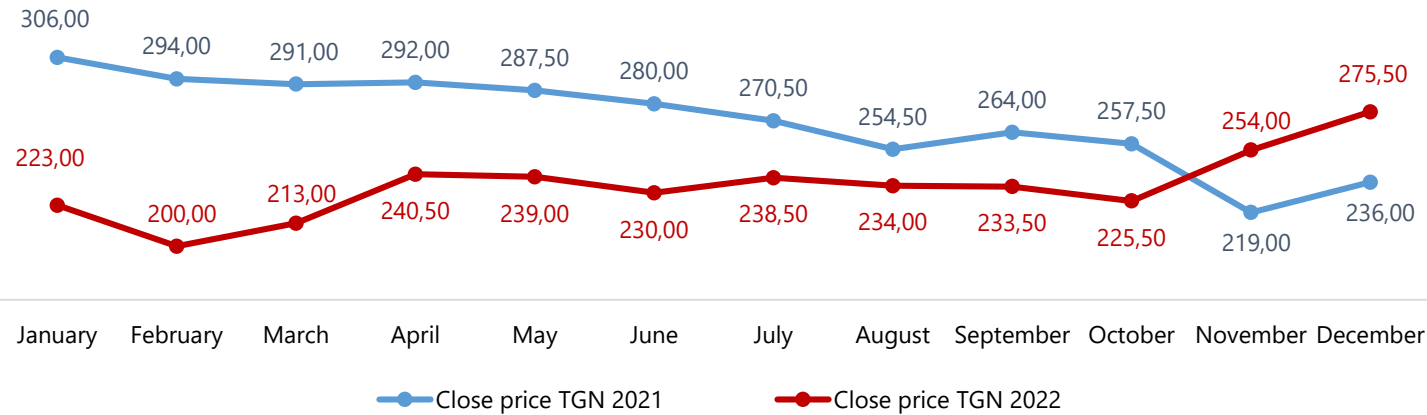


# Stock Exchange TGN Evolution (1)

## Main corporate events with an impact upon the share price in 2022

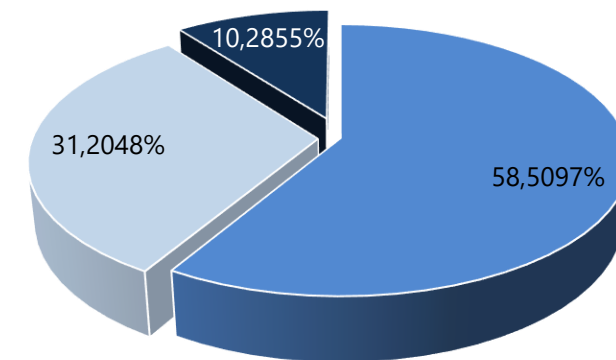


# Stock Exchange TGN Evolution (2)



Stock market index name	TGN share 30.12.2022	Position held in the compenence of the index
BET	7	3,39%
BET-NG	4	10,65%
BET-XT	7	3,46%
BET-TR	7	3,39%
BET-BK	13	4,72%

## Shareholders structure at 29 December 2022



■ Romanian State through GSG ■ Legal persons ■ Natural Persons



# Stock Exchange TGN Evolution (3)



Published on TradingView.com, January 06, 2023 09:44:05 EET  
 BVB:TGN, D 0:290,5000 H:300,0000 L:290,5000 C:299,0000



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Published on TradingView.com, January 06, 2023 09:45:53 EET  
 BVB:TGN, D 0:290,5000 H:300,0000 L:290,5000 C:299,0000



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 BVB:TGN, D 0:290,5000 H:300,0000 L:290,5000 C:299,0000



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Published on TradingView.com, January 09, 2023 11:37:57 EET  
 BVB:TGN, D 0:295,0000 H:295,0000 L:293,0000 C:294,0000



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**Thank you for your kind attention!**