

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

**INTERIM FINANCIAL STATEMENTS FOR 1Q 2023 (UNAUDITED)**



**Prepared in accordance with IFRS - UE**



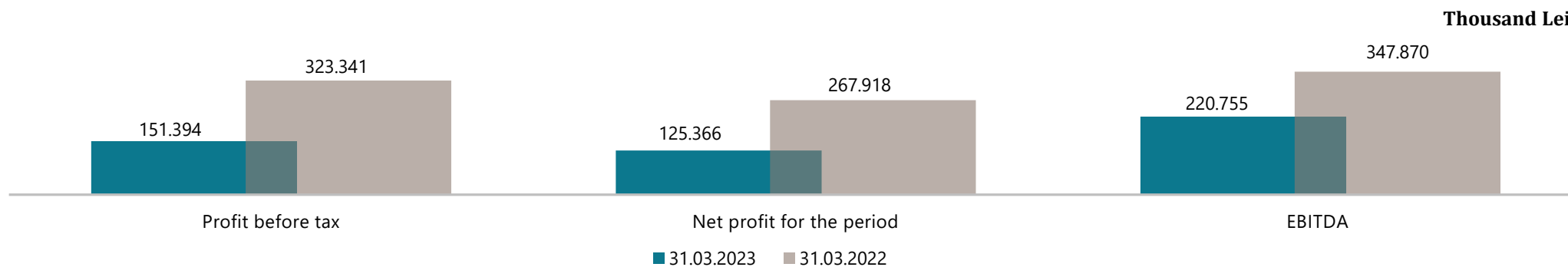
## Summary

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# 1. Statement of individual comprehensive income as of 31.03.2023 (1)

## MAIN INDICATORS

THOUSAND LEI	31.03.2023 (unaudited)	31.03.2022 (unaudited)	CHANGES 1Q2023/1Q2022	
			Absolute	Relative
Operational income before the balancing and construction activity according to IFRIC12	457,755	457,084	671	0%
Revenue from the balancing activity	197,962	316,952	-118,990	-38%
Income from the construction activity according to IFRIC12	10,756	26,440	-15,684	-59%
Financial income	68,066	154,038	-85,972	-56%
Operational costs before the balancing and construction activity according to IFRIC12	347,586	213,816	133,770	63%
Expenses with balancing gas	197,962	316,952	-118,990	-38%
Cost of assets constructed according to IFRIC12	10,756	26,440	-15,684	-59%
Financial expenses	26,841	73,965	-47,124	-64%
<b>Profit before tax</b>	<b>151,394</b>	<b>323,341</b>	<b>-171,947</b>	<b>-53%</b>
Profit tax expense	26,027	55,423	-29,396	-53%
<b>Net profit for the period</b>	<b>125,366</b>	<b>267,918</b>	<b>-142,552</b>	<b>-53%</b>
<b>EBITDA</b>	<b>220,755</b>	<b>347,870</b>	<b>-127,115</b>	<b>-37%</b>
<b>Turnover</b>	<b>621,929</b>	<b>740,772</b>	<b>-118,843</b>	<b>-16%</b>

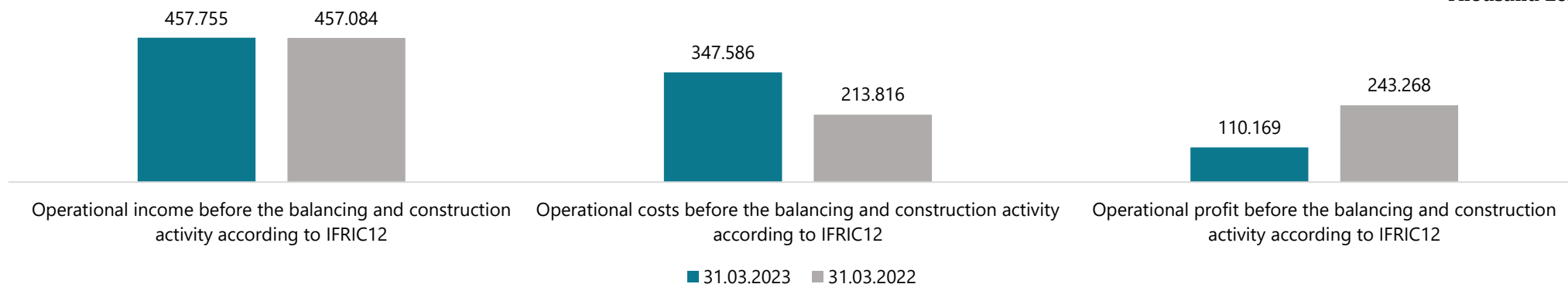


# 1. Statement of individual comprehensive income as of 31.03.2023 (2)

## MAIN INDICATORS

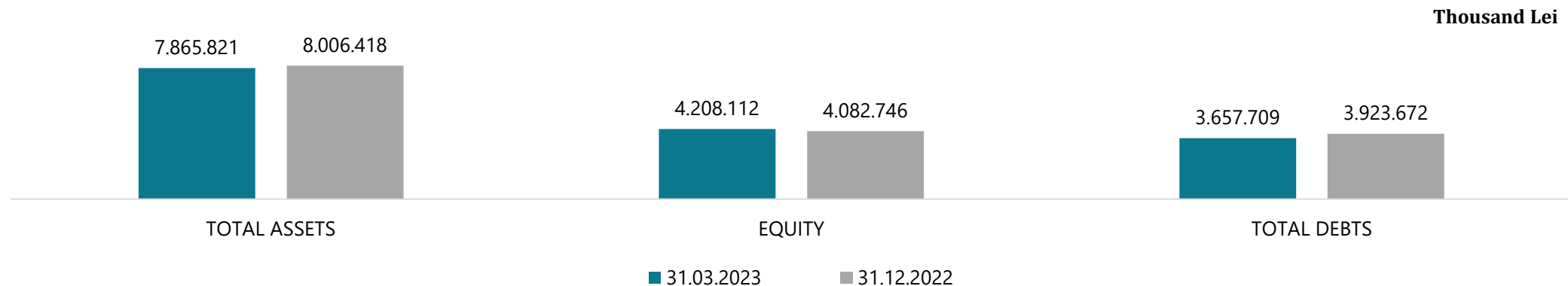
THOUSAND LEI	31.03.2023 (unaudited)	31.03.2022 (unaudited)	CHANGES 1Q2023/1Q2022	
			Absolute	Relative
Revenues from domestic gas transmission activity	393,758	411,335	-17,577	-4%
Revenues from international gas transmission activity	29,016	11,255	17,761	158%
Other revenues	34,981	34,494	487	1%
<b>Operational income before the balancing and construction activity according to IFRIC12</b>	<b>457,755</b>	<b>457,084</b>	<b>671</b>	<b>0%</b>
Employees costs	127,358	97,566	29,792	31%
Technological consumption, materials and consumables used	40,771	46,198	-5,427	-11%
Expenses with royalties	1,691	1,690	1	0%
Maintenance and transport	6,384	6,474	-90	-1%
Taxes and other amounts owed to the State	16,026	16,017	9	0%
Revenues/ Expenses with provision for risks and expenses	4,325	4,668	-343	-7%
Other operating expenses	-40,445	-63,399	x	X
Depreciation	110,586	104,602	5,984	6%
<b>Operational costs before the balancing and construction activity according to IFRIC12</b>	<b>347,586</b>	<b>213,816</b>	<b>133,770</b>	<b>63%</b>
<b>Operational profit before the balancing and construction activity according to IFRIC12</b>	<b>110,169</b>	<b>243,268</b>	<b>-133,099</b>	<b>-55%</b>

Thousand Lei

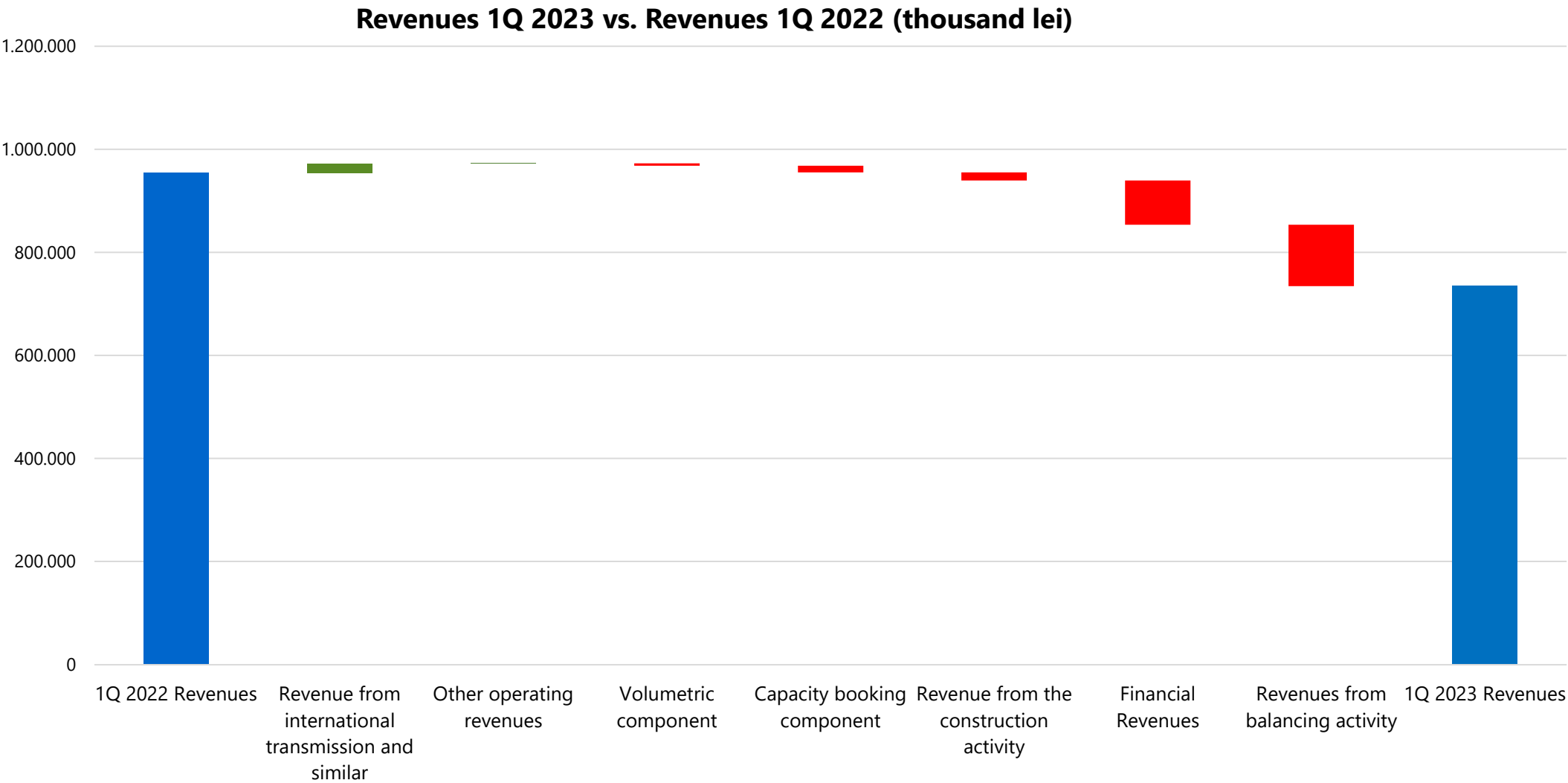


## 2. Statement of individual financial position as of 31.03.2023

THOUSAND LEI	31.03.2023 (unaudited)	31.03.2022	CHANGES 1Q2023/1Q2022	
			Absolute	Relative
FIXED ASSETS	6,648,431	6,676,972	-28,541	0%
CURRENT ASSETS	1,217,390	1,329,445	-112,055	-8%
<b>TOTAL ASSETS</b>	<b>7,865,821</b>	<b>8,006,418</b>	<b>-140,597</b>	<b>-2%</b>
<b>EQUITY</b>	<b>4,208,112</b>	<b>4,082,746</b>	<b>125,366</b>	<b>3%</b>
LONG TERM DEBTS	2,874,724	2,966,813	-92,089	-3%
CURRENT DEBTS	782,985	956,859	-173,874	-18%
<b>TOTAL DEBTS</b>	<b>3,657,709</b>	<b>3,923,672</b>	<b>-265,963</b>	<b>-7%</b>
<b>TOTAL EQUITY AND DEBTS</b>	<b>7,865,821</b>	<b>8,006,418</b>	<b>-140,597</b>	<b>-2%</b>



### 3. Main revenue drivers (1)



### 3. Main revenue drivers (2)

Operating revenue before the balancing and construction activity, according to IFRIC12 are similar to the one achieved at 31 March 2022.

The revenue was influenced mainly by the following factors:

- *revenue from capacity booking* lower by **lei 13.152 thousand** due to:
  - *revenue from the auction premium* higher by lei 2.870 thousand following the capacity booking auctions performed according to the CAM-NC by interconnection points. Revenue from the auction premium at 31 March 2022 amounted to lei 16.557 thousand, and at 31 March 2023 to lei 19.426 thousand;
  - *booked capacity* lower by 3.865.551 MWh, with a negative influence of lei 11.653 thousand;
  - *capacity booking tariff*, determined by the structure of the booked products, lower by lei 0,168 /MWh, with a negative influence of lei 17.337 thousand;
  - *capacity overrun revenue* higher by lei 12.968 thousand. Capacity overrun revenue at 31 March 2022 amounted to lei 22.752 thousand, and at 31 March 2023 to lei 35.720 thousand;
- *commodity revenue* lower by **lei 4.425 thousand** due to:
  - *the gas transmitted capacities* lower by 3.986.603 MWh/330.119 thousand cm (▼9%), as compared to 31 March 2022, with a negative influence of lei 4.425 thousand, detailed by categories of consumers as follows:

		3 months 2022	3 months 2023	Differences
Quantity transmitted for direct consumers	MWh	9,715,385	9,967,544	252,159
	thousand m <sup>3</sup>	831,980	891,646	59,666
Quantity transmitted for distribution	MWh	33,925,631	29,686,869	-4,238,762
	thousand m <sup>3</sup>	3,170,259	2,780,474	-389,785
Total	MWh	43,641,016	39,654,413	-3,986,603
	thousand m <sup>3</sup>	4,002,239	3,672,120	-330,119

- *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)

**1Q2023 compared to 1Q2022**

- *international gas transmission revenue and similar* higher by **lei 17.761 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 487 thousand**.

*The revenue from the balancing activity* was lower by **lei 118.990 thousand** based on the following factors:

- trading price lower by lei 184,00/MWh, with a negative influence of lei 123.581 thousand;
- quantity higher by 9.589 MWh with a positive influence of lei 4.591 thousand;

*The revenue from the construction activity* lower by **lei 15.684 thousand**, registered in line with IFRIC 12, according to which revenue and costs related to the construction activity or the improvement of the transmission network, in exchange of which the intangible asset is registered, must be acknowledged in line with IAS 11, Construction Contracts;

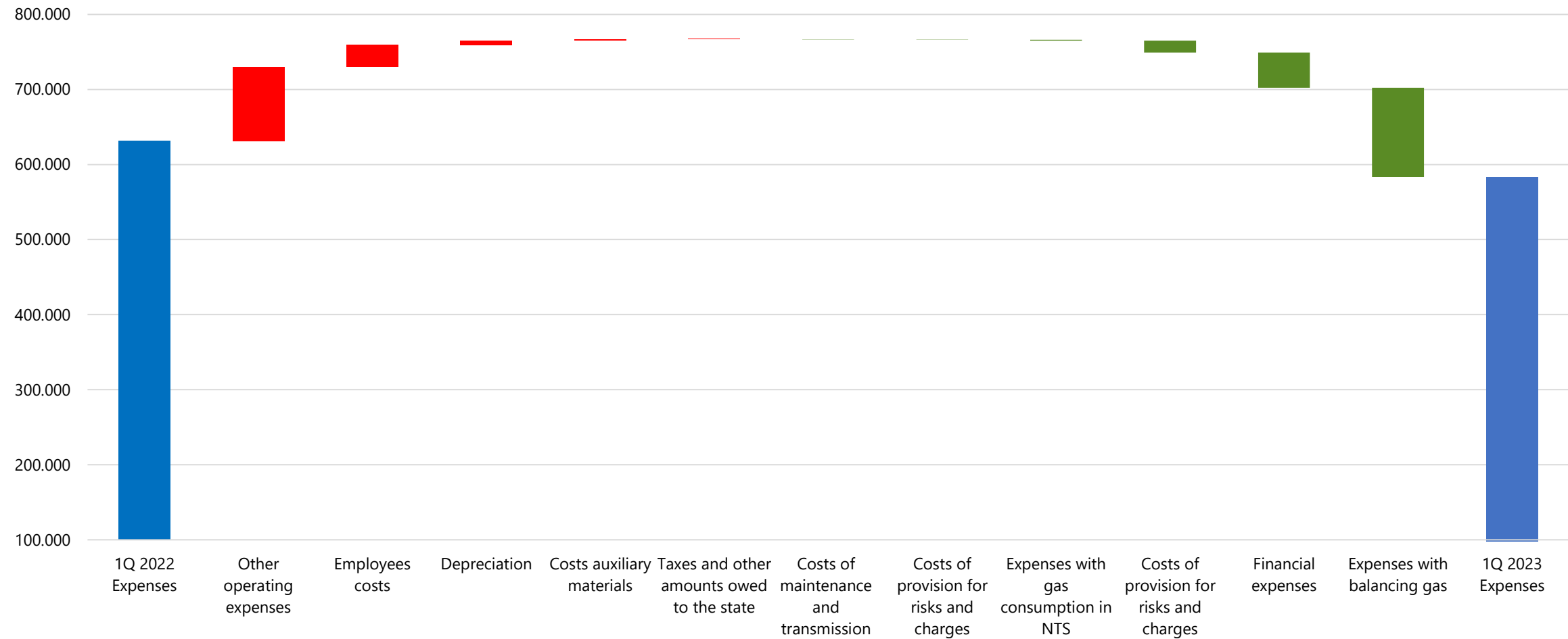
*The financial revenue* has a negative influence of **lei 85.972 thousand**. In Q I 2022 Transgaz record revenue from shareholdings following the reduction of EUROTRANSGAZ'S share capital by EUR 13,15 million.

	1Q 2022	1Q 2023
Revenues from the domestic transmission activity, due to:	411,335	393,758
- Volumetric component	48,442	44,016
- Capacity booking component	362,893	349,742



4. Main costs drivers (1)

Expenses 1Q 2023 vs. 1Q 2022 (thousand lei)



## 4. Main costs drivers (2)

1Q2023 compared to 1Q2022

**Operating costs before the balancing and construction activity according to IFRIC12** increased by **63%** as compared to 31 March 2022, which is higher by **lei 133.770 thousand**.

**The company made savings of lei 1.927 thousand** to the following cost elements:

- **transmission system gas consumption** of lei 1.283 thousand due to:
  - the quantity of natural gas for NTS gas consumption lower by 113.494 MWh as compared to 31 March 2022, with a positive influence of lei 15.059 thousand;
  - the average purchase price achieved higher by lei 71,09 lei/MWh as compared to the one achieved at 31 March 2022, with a negative influence of lei 13.776thousand;
- **costs of maintenance and transport**: lei 91 thousand;
- **cost of monopoly tax and other taxes and duties**: lei 210 thousand;
- **cost of provision for risks and charges**: lei 343 thousand.

		31.03.2023	31.03.2022	Differences
Quantities of natural gas	MWh	193,782	307,276	-113,494
consumption in NTS	thousand m <sup>3</sup>	17,695	29,087	-11,391

**A surplus amounting to lei 135.696 thousand** was recorded to the following cost elements:

- **employee costs**: lei 29.792 thousand;
- **cost of depreciation**: lei 5.984 thousand, based on the completion and commissioning of investments projects;
- **cost of auxiliary materials**: lei 1.311 thousand;
- **cost of taxes and duties**: lei 219 thousand;
- **other operating costs**: lei 98.390 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 47.124 thousand**. In Q I 2022 Transgaz recorded costs regarding the financial fixed assets transferred following the reduction of EUROTRANSGAZ'S share capital by EUR 13,15 million. In Q I 2023 the interest expenses increased, mainly due to the completion of the investment projects, the interest being capitalized during their implementation.

**Compared to 31 March 2022 the gross profit achieved at 31 March 2023 decreased by 53%, which is lower by lei 171.947 thousand.**

## 5. Statement of consolidated comprehensive income as of 31.03.2023

THOUSAND LEI	Consolidated 31.03.2023	Consolidated 31.03.2022	MAIN INDICATORS	
			CHANGES 2023/2022	
			Absolute	Relative
Operating revenue before the balancing and construction activity according to IFRIC12	460,324	457,112	3,212	1%
Revenue from the balancing activity	197,962	316,952	-118,990	-38%
Revenue from the construction activity according to IFRIC12	10,756	26,440	-15,684	-59%
Financial revenue	73,708	156,886	-83,178	-53%
Operating costs before the balancing and construction activity according to IFRIC12	352,760	217,550	135,210	62%
Costs from the balancing activity	197,962	316,952	-118,990	-38%
Cost of assets constructed according to IFRIC12	10,756	26,440	-15,684	-59%
Financial costs	31,392	81,713	-50,321	-62%
<b>Profit before tax</b>	<b>149,879</b>	<b>314,734</b>	<b>-164,855</b>	<b>-52%</b>
Income tax	26,259	56,376	-30,117	-53%
<b>Net profit for the period</b>	<b>123,620</b>	<b>258,357</b>	<b>-134,737</b>	<b>-52%</b>

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

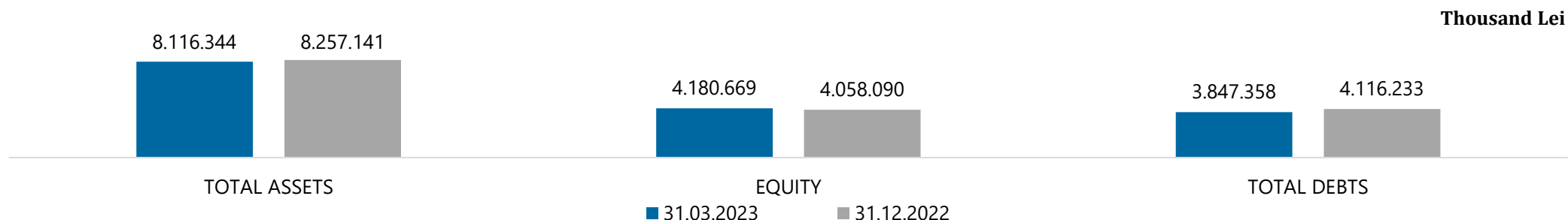
As at 25.08.2021 the European Bank for Reconstruction and Development (EBRD) became a shareholder, holding a 25% stake in the share capital of the natural gas transmission company VESTMOLDTRANSGAZ SRL, a subsidiary of TRANSGAZ in the Republic of Moldova, which owns and operates the Ungheni-Chisinau gas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

Consolidated companies in the Transgaz group:

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

## 6. Statement of consolidated financial position as of 31.03.2023

THOUSAND LEI	31.03.2023	31.12.2022	CHANGES 2023/2022	
			Absolute	Relative
FIXED ASSETS	6,851,543	6,878,493	-26,950	0%
CURRENT ASSETS	1,264,801	1,378,648	-113,847	-8%
<b>TOTAL ASSETS</b>	<b>8,116,344</b>	<b>8,257,141</b>	<b>-140,797</b>	<b>-2%</b>
<b>EQUITY</b>	<b>4,180,669</b>	<b>4,058,090</b>	<b>122,579</b>	<b>3%</b>
NON-CONTROLLING INTERESTS	88,317	82,818	5,499	7%
LONG TERM DEBTS	3,050,296	3,151,524	-101,228	-3%
CURRENT DEBTS	797,062	964,708	-167,646	-17%
<b>TOTAL DEBTS</b>	<b>3,847,358</b>	<b>4,116,233</b>	<b>-268,875</b>	<b>-7%</b>
<b>TOTAL EQUITY AND DEBTS</b>	<b>8,116,344</b>	<b>8,257,141</b>	<b>-140,797</b>	<b>-2%</b>

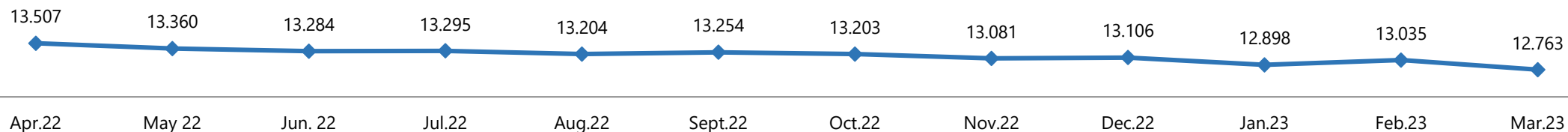


The variation of the consolidated economic and financial indicators at 31 March 2023, compared to the indicators achieved in the similar period of 2022 is mainly determined by the variation of the individual economic-financial indicators recorded by SNTGN Transgaz SA at 31 March 2023 compared to the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

In Q I 2023 VESTMOLDTRANSGAZ SRL of the Republic of Moldova provided natural gas delivery services amounting to lei 2.569 thousand.

## 7. Main business drivers

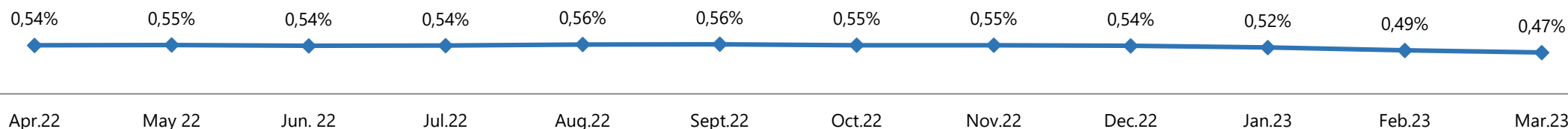
**Natural gas volumes circulated (including storage quantities) - mil.cm - rolling 12 months**



**Natural gas consumption price in the transmission system (lei/MWh)**



**The share of the natural gas consumption in the transmission system in the total circulated gas (rolling 12 months)**

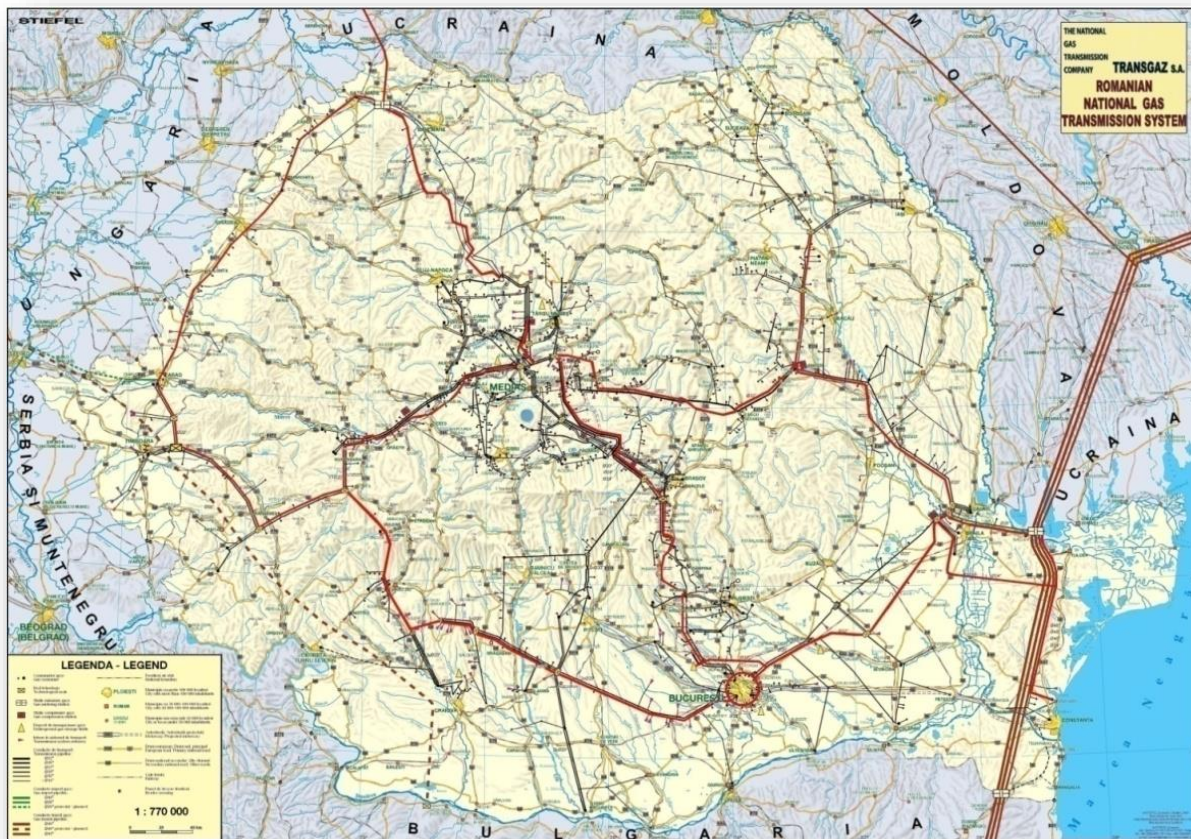


Circulated gas, out of which:		1Q 2022	1Q 2023
	MWh	43,169,299.34	39,431,791.16
	thousand m <sup>3</sup>	4,034,144.17	3,690,827.73
	- storage		
	MWh	629,418.65	449,900.21
	thousand m <sup>3</sup>	78,795.23	45,364.59
Circulated gas storage share		1.46%	1.14%

		1Q 2022	1Q 2023
Natural gas consumption in the transmission system, materials and consumables used, of which:	thousand lei	46,198	46,226
▪ Natural gas consumption in the transmission system	thousand lei	40,771	39,489
- Natural gas consumption quantity in the transmission system	MWh	307,276	193,782
▪ auxiliary materials	thousand lei	5,089	5,888
▪ other material costs	thousand lei	338	849



## CURRENT NTS INFRASTRUCTURE



- ❑ 13.820 km main transmission pipelines and connections for gas supply, of which 183,5 km international gas transmission pipelines and 481 km the BRUA pipeline;
- ❑ 1.150 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);
- ❑ 1.076 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 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 safety and security of gas supply

- ✚ 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 in 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 ensuring 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 is running a PILOT PROJECT for the use of natural gas mixture with hydrogen and the study of influences on materials, metering systems and combustion equipment ( abbreviated as "ROHYD")**

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

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

**Legend:**

- Puncte de interconectare în curs de realizare
- Puncte de interconectare funcționale
- Puncte de interconectare fără accesul terților
- Sens de curgere unidirecțional
- Sens de curgere bidirecțional

**Proiectele majore de dezvoltare:**

- 7.1 - ptr. culoarul Sudic-Est-Vest
- 7.2 - ptr. extinderea culoarului Sudic-Est-Vest
- 7.3 - ptr. culoarul Transport Internațional
- 7.4 - ptr. culoarul Estic
- 7.5 - ptr. culoarul Central Est-Vest
- 7.6 - ptr. SNT la Marea Neagră
- 7.7 - ptr. interconectare cu Serbia
- 7.8 - ptr. modernizare SMG Isaccea și Negru Vodă
- 7.9 - ptr. interconectare cu Bulgaria
- 7.10 - ptr. dezvoltare SNT în zona de Nord - Vest a României
- 7.11 - ptr. creșterea capacității pe direcția Giurgiu - Ruse

**~ 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	<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

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
<b>TOTAL</b>		<b>3,422.6 million Euro updated 3.544,86 million Euro</b>			

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

**PROJECT BENEFITS**

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

the convergence of gas prices in the region;

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

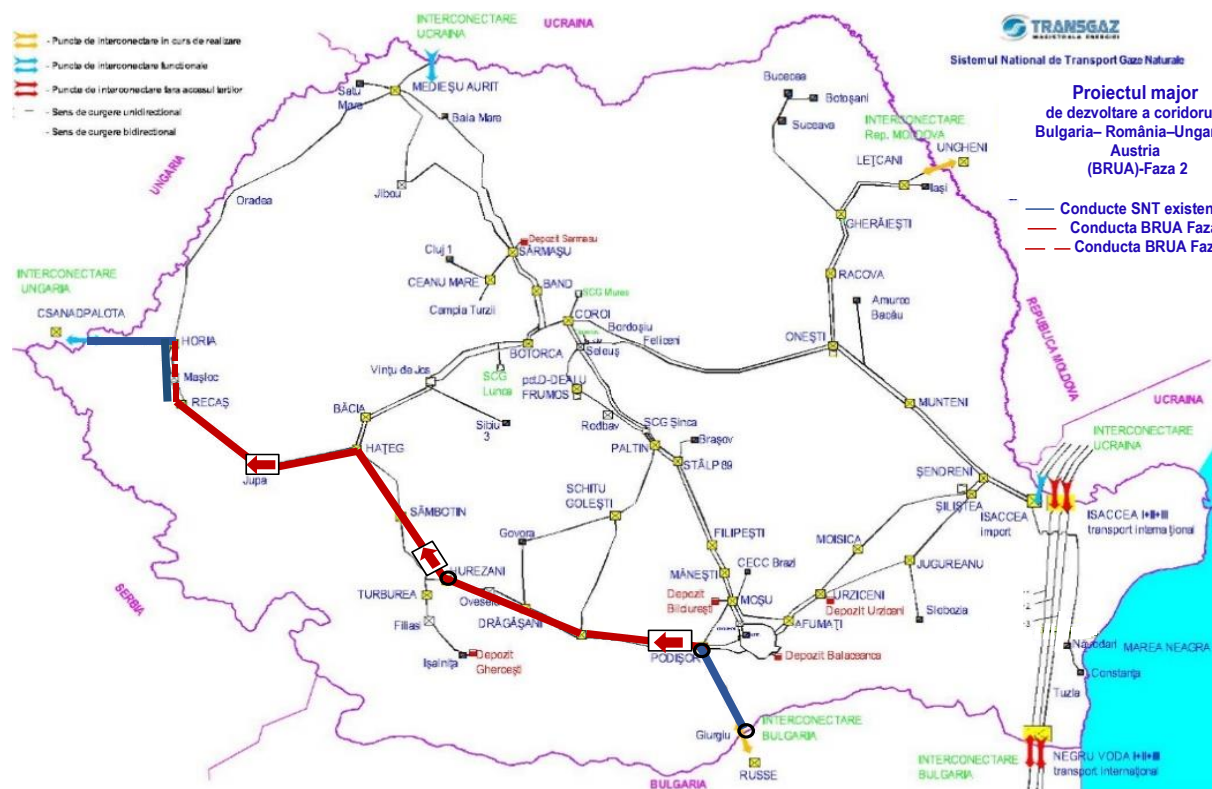
opening the access of Romania and of the European Union to a new natural gas source - through the interconnection of the BULGARIA - ROMANIA - HUNGARY – AUSTRIA corridor with the Black Sea;

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

increasing security of gas supply;

reducing dependence on Russian natural gas imports;

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



**Estimated commissioning 2025**

## Aim:

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

## Capacity increase:

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

## Necessary investments:

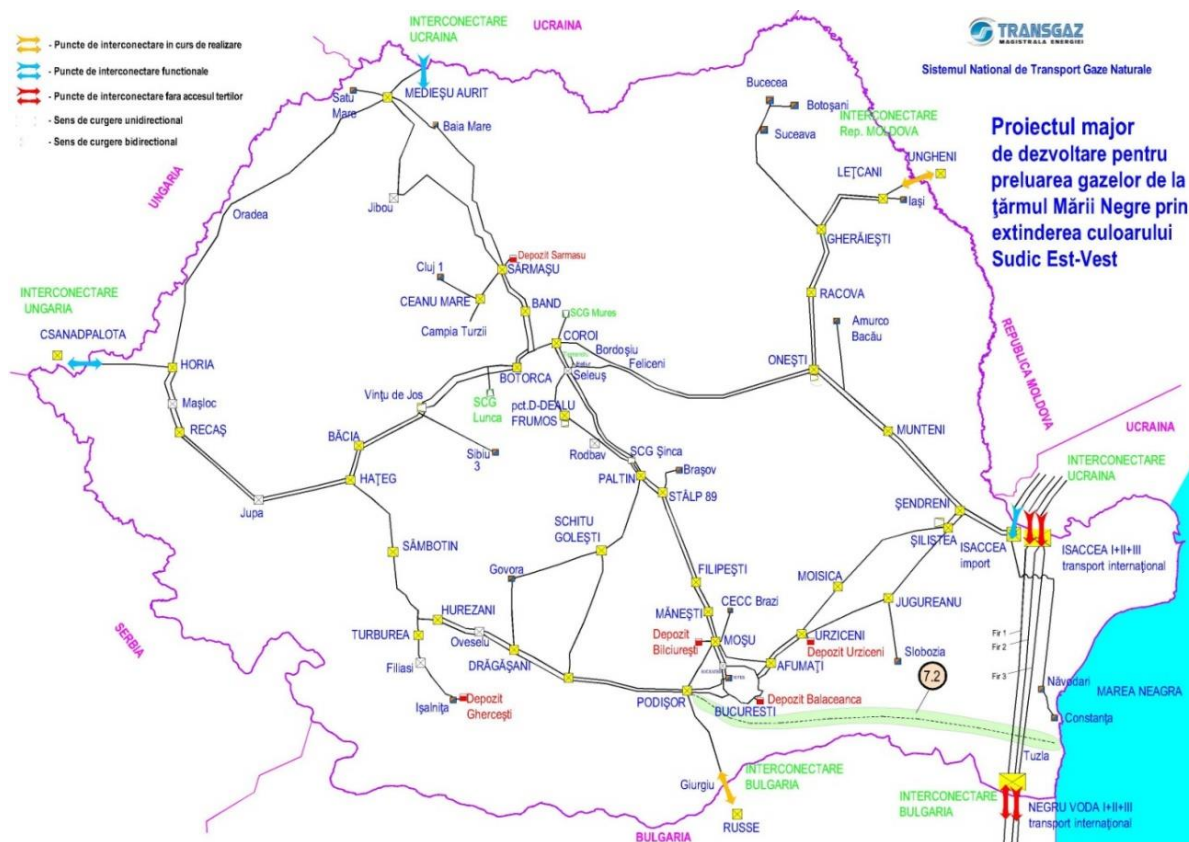
- 32"x63 bar ~50 km Recaş-Horia pipeline
- increasing the capacity of the three existing compressor stations (Jupa, Bibești, Podișor) by mounting an additional compressors in each station extension of Horia GMS
- SMG Horia amplification

## 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 telescopic gas transmission pipeline Tuzla-Podișor.

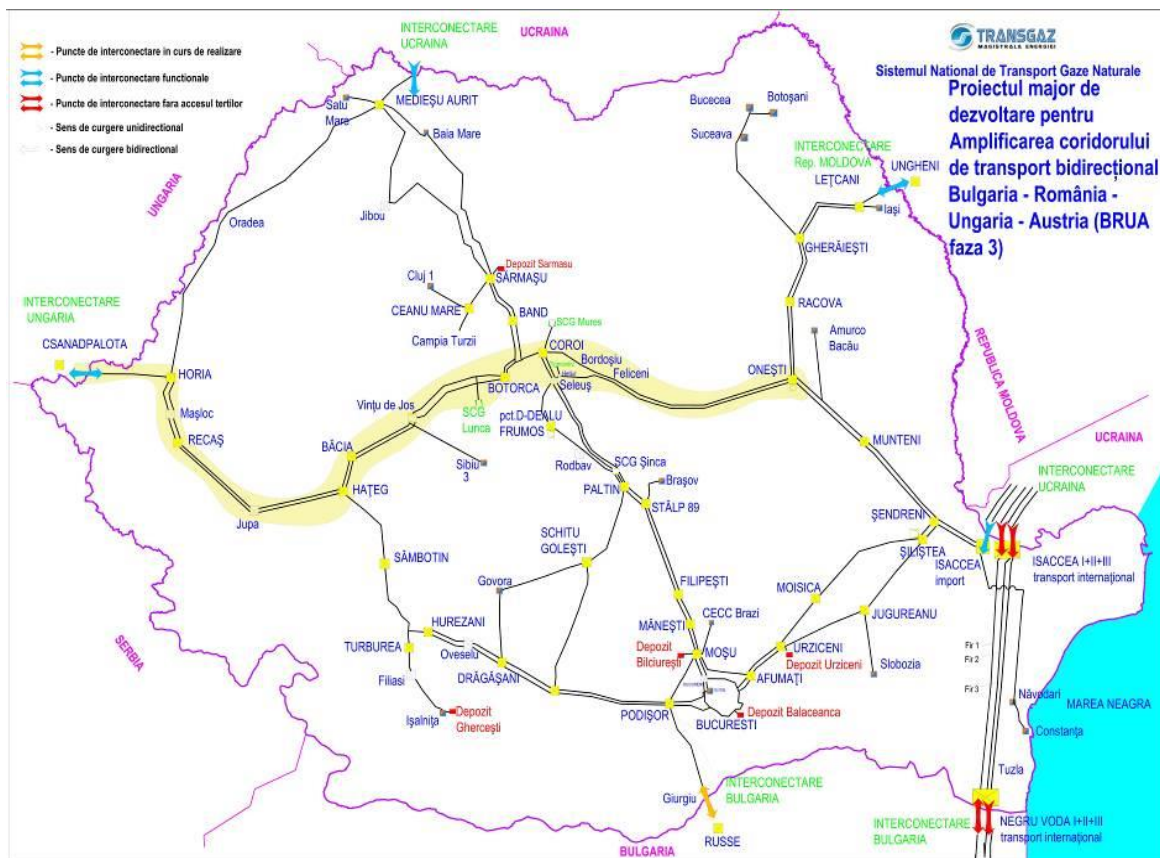
## Necessary investments:

- 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 and updated at 493,86 mil. Euro





**Estimated completion date – 2027**

## Aim:

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

## Necessary investments:

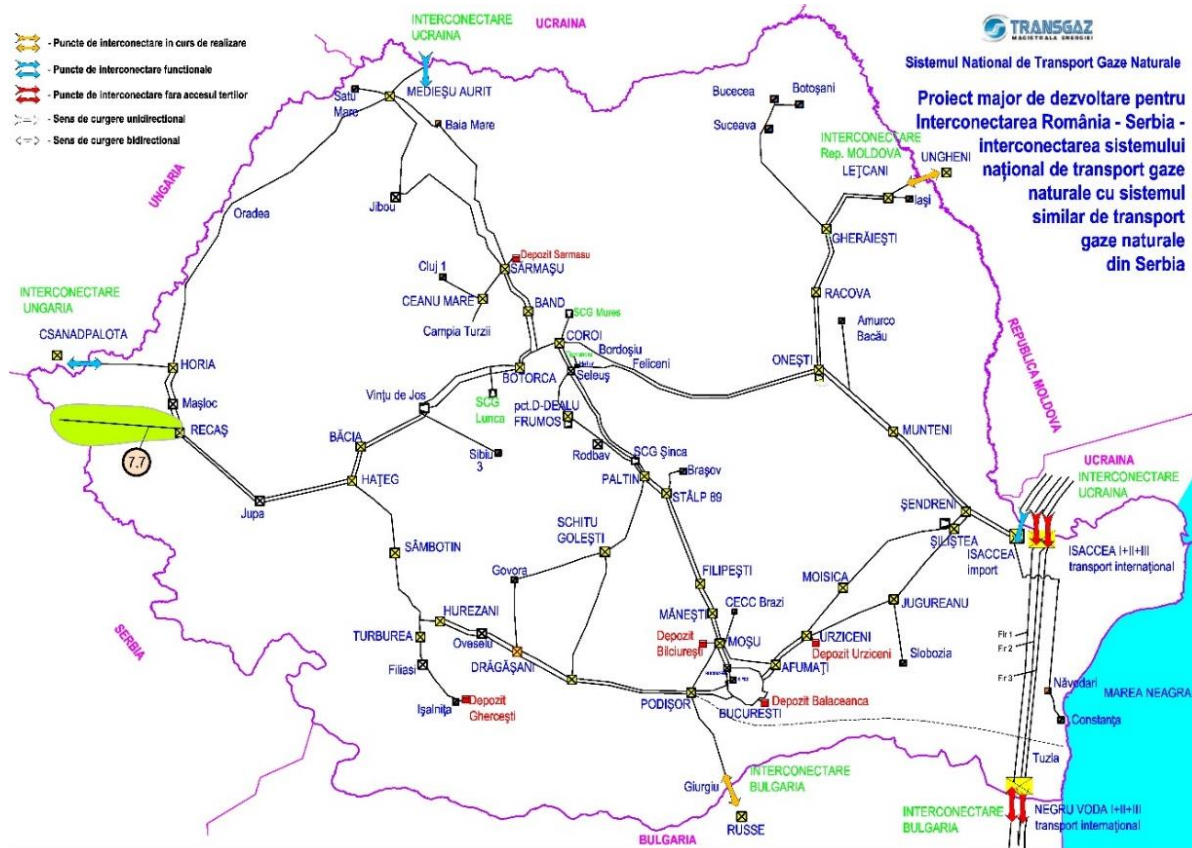
- rehabilitation of some pipeline sections
- replacement of existing pipelines with new larger diameter and operating pressure pipelines
- four or five new gas compressor stations

## Capacity increase:

- 4.4 bcm/y to Hungary

## Total estimated costs:

- 530 mil. Euro



## Aim:

- enhancing security of energy supply to the region

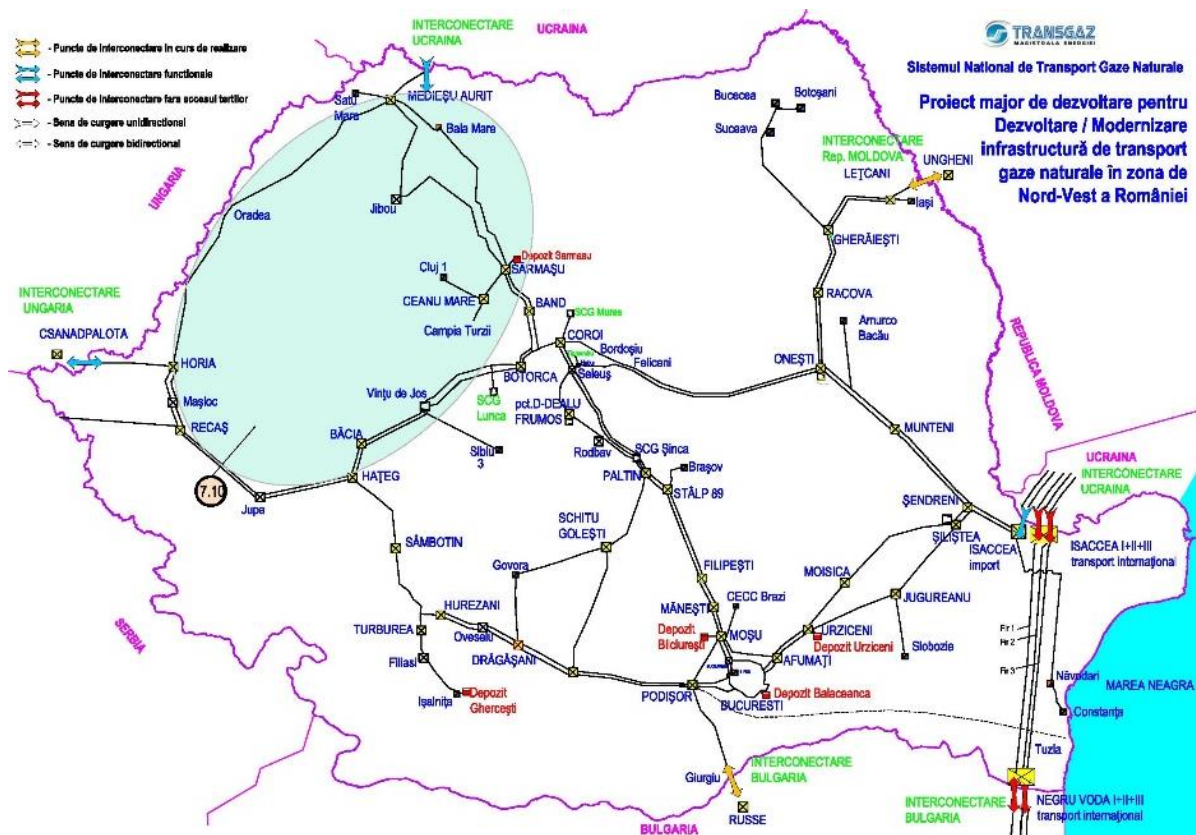
## Necessary investments:

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

## Total estimated costs:

- 56.21 mil. Euro

**Estimated commissioning – 2028**



**Estimated commissioning - 2026**

## Aim:

- creation of new gas transmission capacities

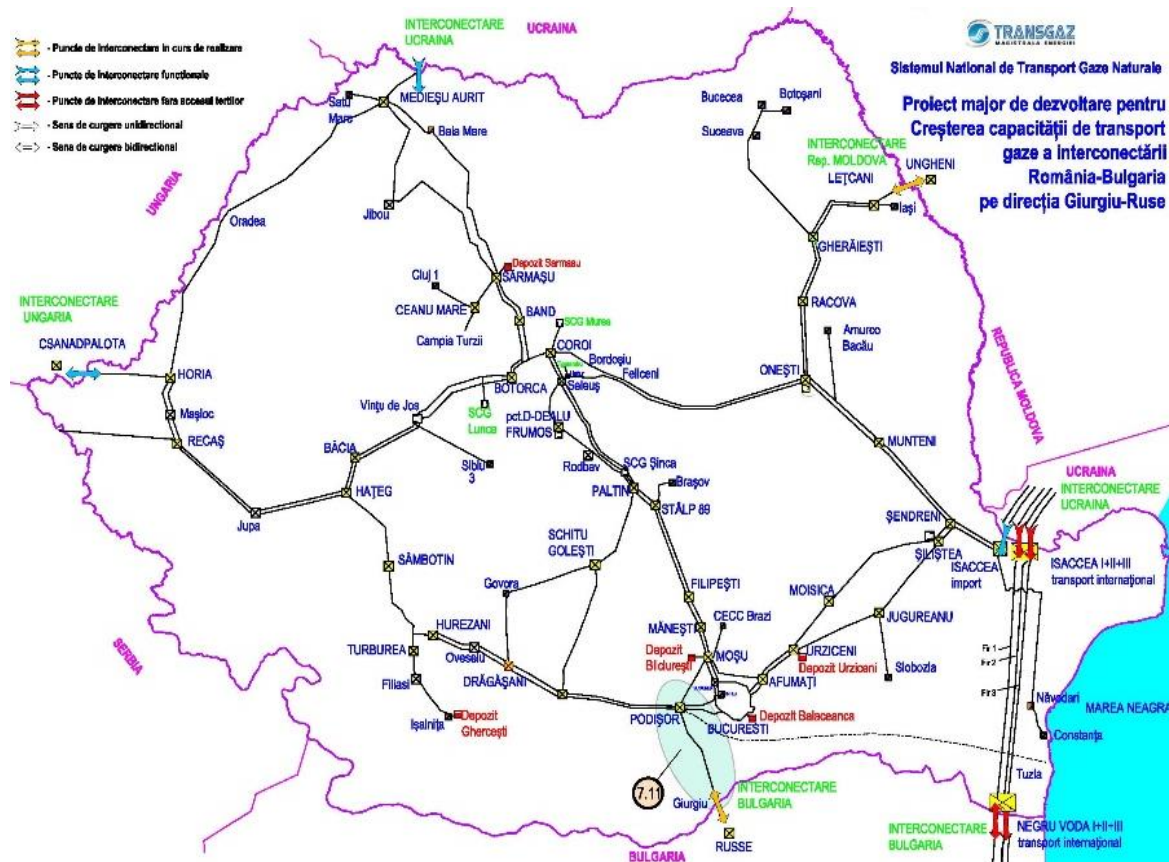
## Necessary investments:

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

## Total estimated costs:

- 405 mil. Euro**





Estimated commissioning - 2027

## Aim:

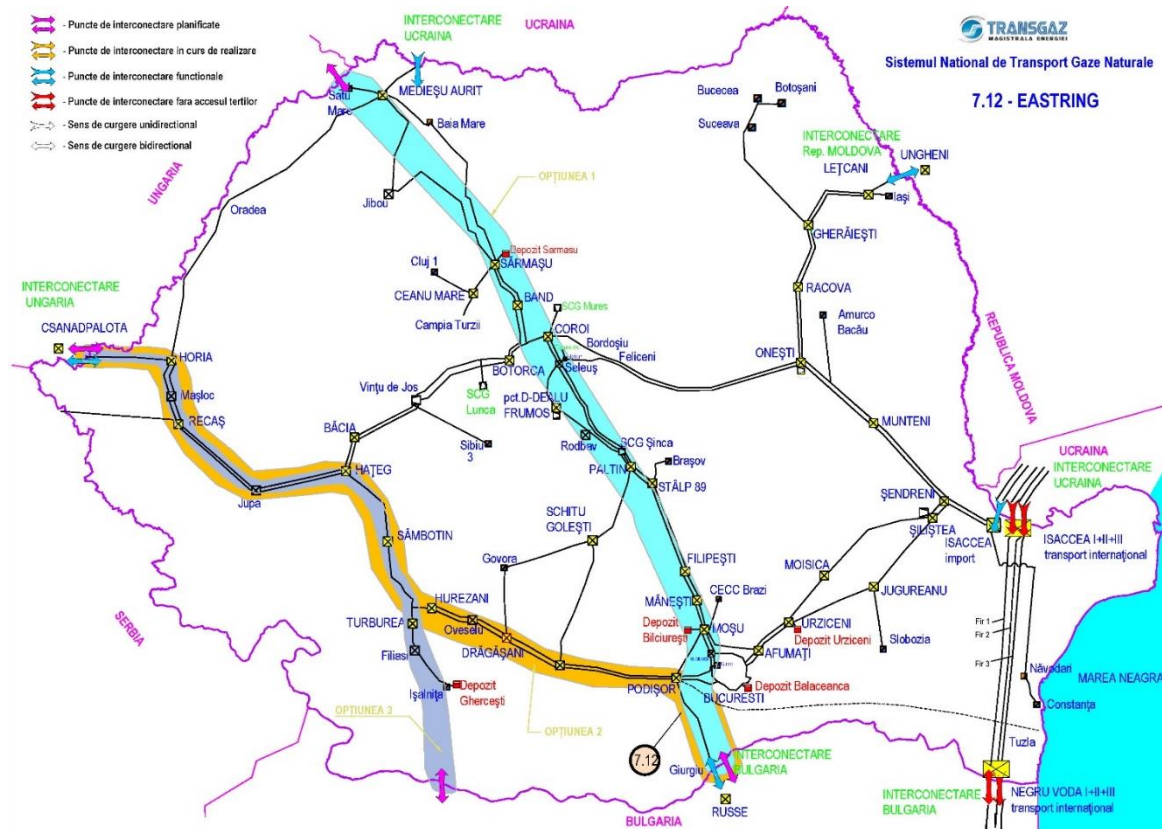
- enhancing security of energy supply to the region

## Necessary investments:

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

## Total estimated costs:

- 51.8 mil. Euro



**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.

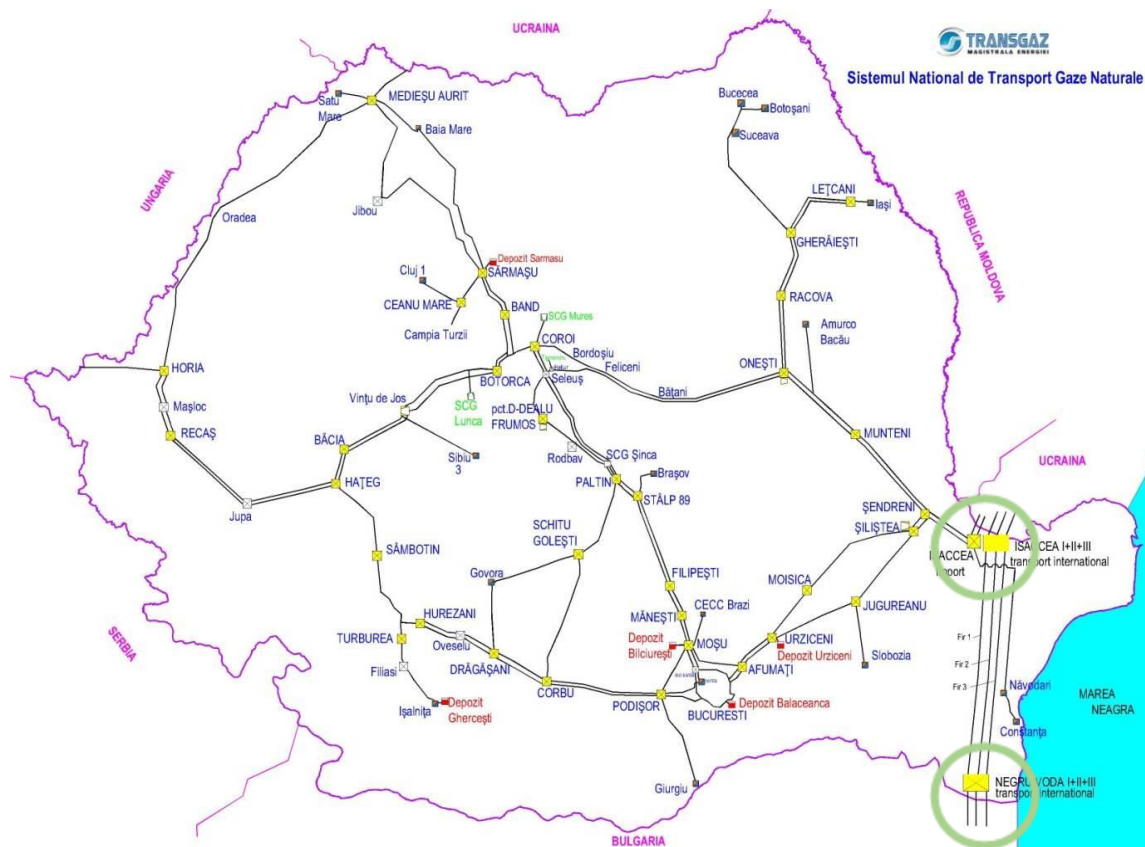
According to the feasibility study, the project will be implemented in two stages as follows:

- 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:

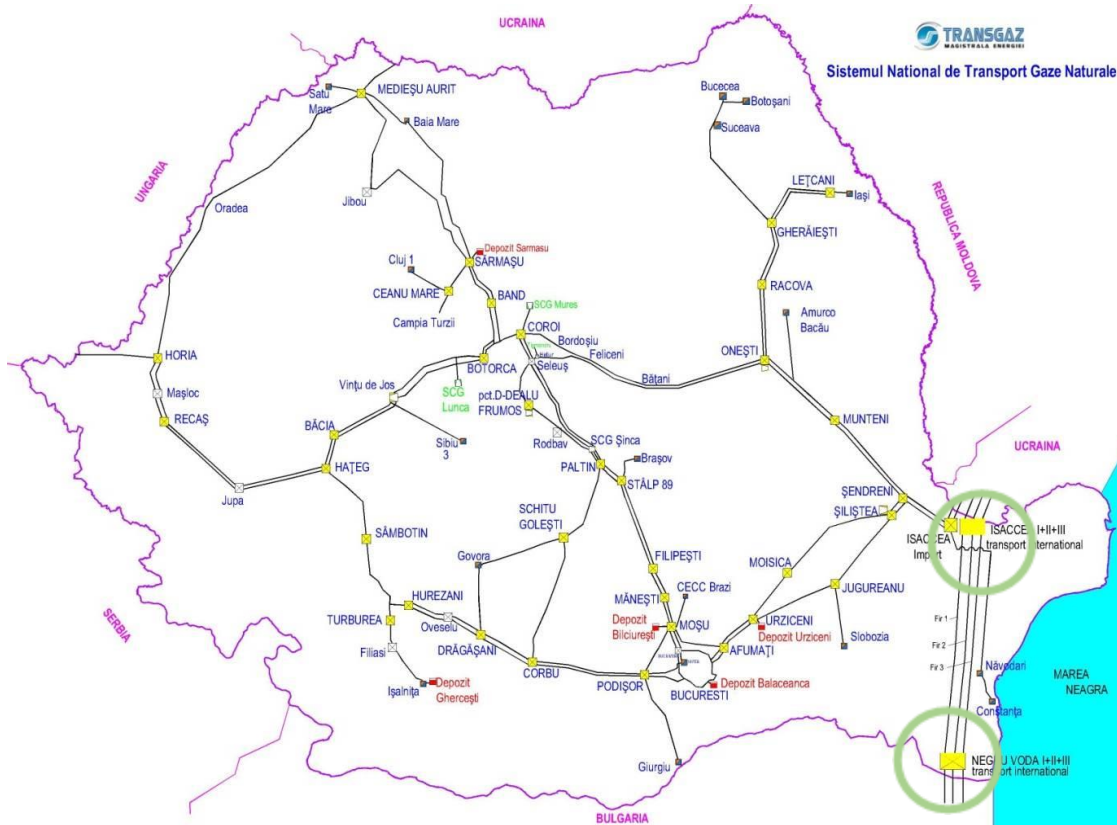
- Enabling bidirectional flow on the T2 pipeline, part of the Trans-Balkan corridor

## Necessary investments:

- modernization of the existing gas metering stations

## Total estimated costs:

- **26.65 mil. Euro**



## Aim:

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

## Necessary investments:

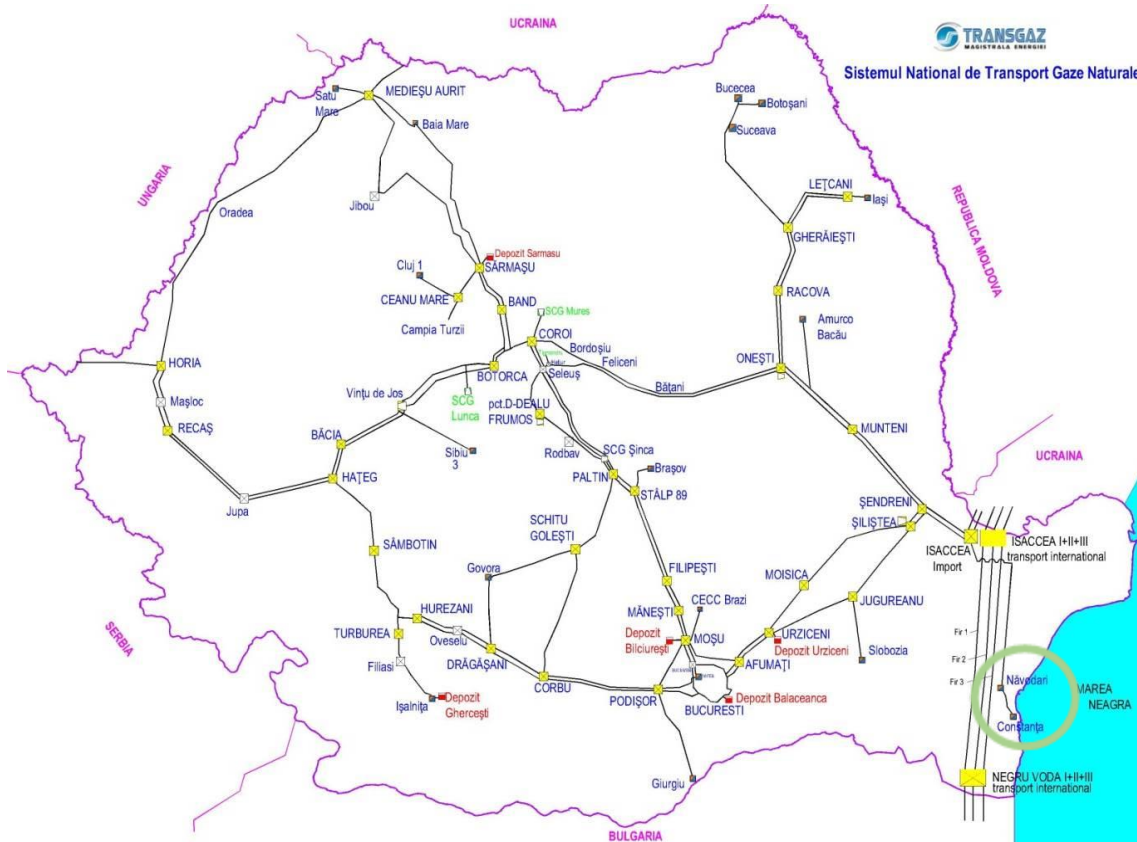
- upgrading the existing gas metering stations

## Total estimated costs:

- 26.65 mil. Euro

Estimated commissioning - 2028





Estimated commissioning - 2028

## Aim:

- taking over natural gas from the Black Sea shore

## Necessary investments:

- achievement 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 shore to the T1 and T2 pipelines

## Total estimated costs:

- **19.6 mil. Euro**

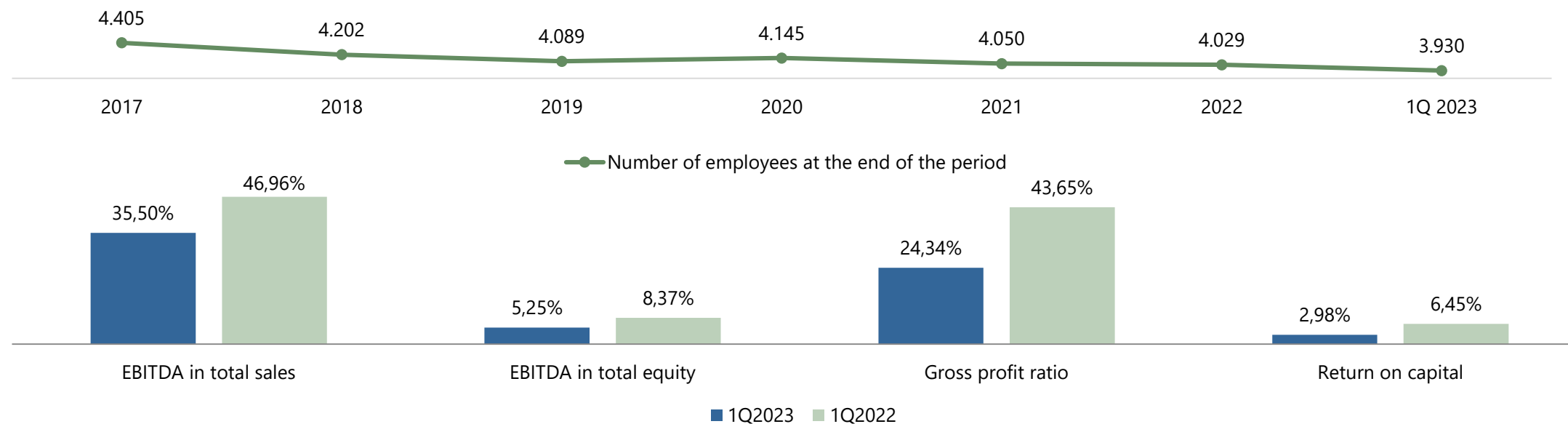
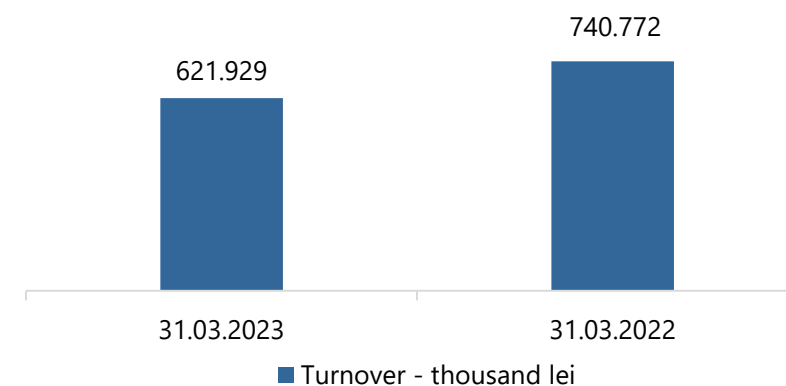
Project no	Project name	Value (mil. Euro)	Completion date	Project importance	Funding sources
1	<b>CORRIDOR BETWEEN BULGARIA AND HUNGARY (ROHUAT /BRUA), PHASE 1</b> Diameter-800 mm Length - 479 km	397,84	2020	Development of the gas transmission capacity between the Romanian and the Bulgarian and Hungarian gas transmission systems	Own funds -20% Borrowed funds– 42% Grants-38%
2	<b>INTERCONNECTION OF THE NTS WITH THE T1 PIPELINE AND REVERSE FLOW AT ISACCEA</b> Diameter- 800 mm Length- 66 km	86,02	2020	✓ 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	<b>UPGRADING GMS ISACCEA 1</b>	16,85	2020	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	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	<b>NTS DEVELOPMENTS IN THE NORTH-EASTERN AREA OF ROMANIA</b> Diameter- 700 mm Length- 165,15 km	117,13	2021	✓ 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	<b>NEW NTS DEVELOPMENTS FOR TAKING OVER BLACK SEA GAS</b> Diameter- 500 mm, Lenght- 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	<b>DN 500 CRAIOVA – SEGARCEA – BĂILEȘTI – PLENIȚA-CALAFAT GAS TRANSMISSION PIPELINE</b> <b>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 (POJORÂTA – 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, 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.</p>
3	<b>VERNEȘTI-MĂRĂCINENI-POSTA CÂLNĂU GAS TRANSMISSION PIPELINE</b> <b>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 Bărbunțești - 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>

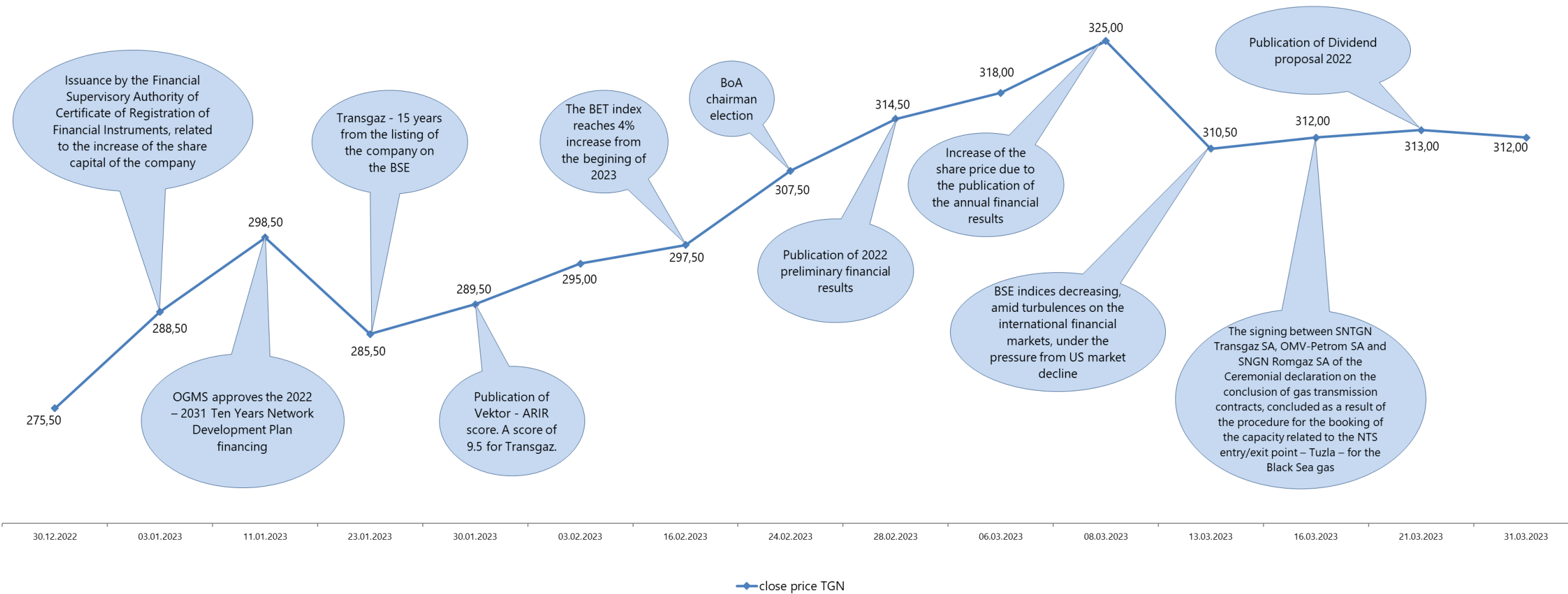
## 8. Main indicators

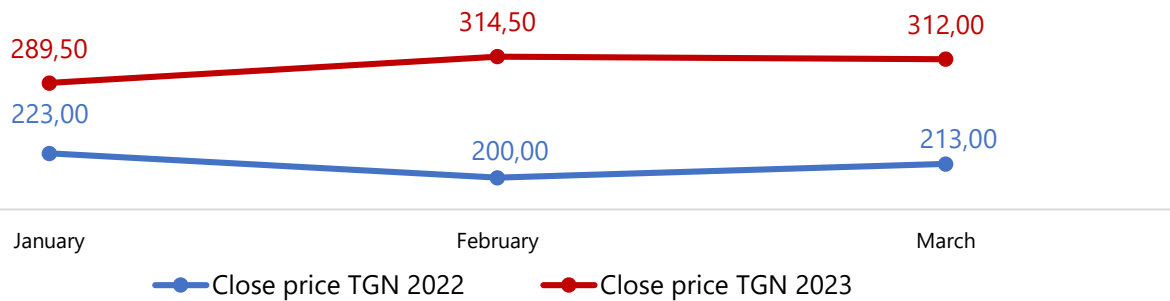
31.03.2023 compared to 31.03.2022

	1Q2023	1Q2022
EBITDA in total sales	35.50%	46.96%
EBITDA in total equity	5.25%	8.37%
Gross profit ratio	24.34%	43.65%
Return on capital	2.98%	6.45%
Current liquidity ratio	1.55	1.32
Quick liquidity ratio	0.81	0.86
Gearing	43.13%	34.96%
Interest coverage ratio	4.70	24.84
Turnover speed for clients debit - days	113.63	98.74
Turnover speed for credit providers - days	35.29	45.02

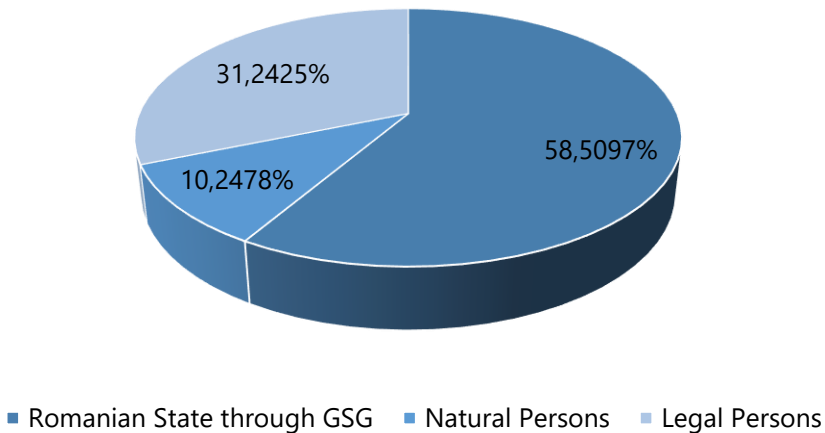


## Main corporate events with an impact upon the share price in 1Q 2023

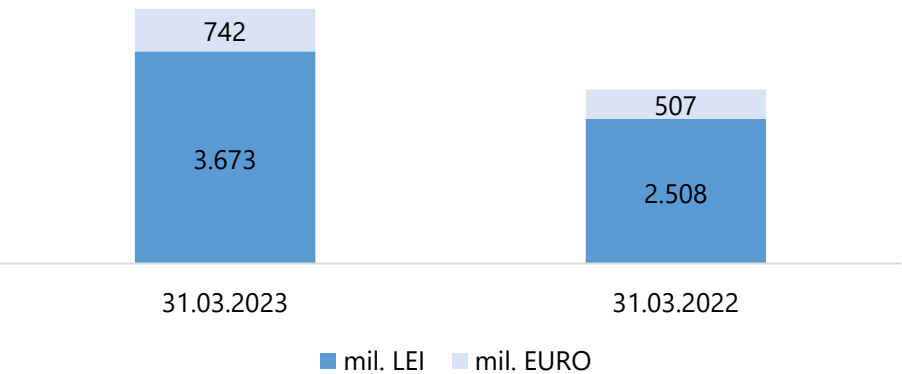




Shareholders structure at 30.03.2023



Market Capitalization



# Stock Exchange TGN Evolution (3)

Published on TradingView.com, April 20, 2023 10:00:44 EEST  
BVB:TGN, D 0:329,0000 H:331,5000 L:329,0000 C:330,0000



Published on TradingView.com, April 20, 2023 10:02:05 EEST  
BVB:TGN, D 0:329,0000 H:331,5000 L:329,0000 C:330,0000





# Stock Exchange TGN Evolution (4)

Published on TradingView.com, April 20, 2023 10:04:58 EEST  
BVB:TGN, D 0:329,0000 H:331,5000 L:329,0000 C:330,0000



Published on TradingView.com, April 20, 2023 10:03:02 EEST  
BVB:TGN, D 0:329,0000 H:331,5000 L:329,0000 C:330,0000





**Thank you for your kind attention!**