

**CURRENT REPORT according to Law 24/2017 and Financial Supervisory Authority Regulation No. 5/2018 on the issuers of financial instruments and market operations**Date of report: **14.11.2022**Name of issuing entity: **SNTGN TRANSGAZ SA MEDIAȘ**

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: **117.738.440 RON**Regulated market on which issued securities are traded: **Bucharest Stock Exchange****QUARTERLY FINANCIAL RESULTS AS OF 30 SEPTEMBER 2022  
(for 01.01-30.09.2022)**

SNTGN Transgaz SA is a public limited liability company operated 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 gas transmission, international transit, 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 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%

*\*thousand lei\**

Indicator	Obtained 9 months 2022	Obtained 9 months 2021	Increase
0	1	2	$3 = \frac{1}{2} \times 100 - 100$
Operating revenue before the balancing and construction activity, according to IFRIC12	1.108.713	955.092	16%
Revenue from the balancing activity	765.029	203.780	275%
Revenue from the construction activity according to IFRIC12	166.667	516.188	-68%
Financial revenue	371.227	95.749	288%
Operating costs before the balancing and construction activity, according to IFRIC12	1.011.359	879.222	15%
Balancing activity costs	765.029	203.780	275%
Cost of constructed assets according to IFRIC12	166.667	516.188	-68%
Financial costs	143.762	27.559	422%
<b>GROSS PROFIT</b> , of which:	324.819	144.060	125%
• from operation	97.355	75.870	28%
• from the financial activity	227.465	68.190	234%
<b>Income tax</b>	58.659	38.562	52%
<b>NET PROFIT</b>	<b>266.160</b>	<b>105.498</b>	<b>152%</b>

The variation of the consolidated economic and financial indicators at 30 September 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 30 September 2022 compared to the indicators obtained in the similar period of 2021.

### The main indicators of the individual economic and financial results

The main economic and financial indicators obtained at 30 September 2022, compared to the indicators obtained in the same period of 2021 are as follows:

*\*thousand lei\**

Indicator	Obtained 9 months 2022	Obtained 9 months 2021	Increase
0	1	2	$3=1/2 \times 100 - 100$
Operating revenue before the balancing and construction activity, according to IFRIC12, of which	1.108.711	954.585	16%
-revenue from domestic transmission	955.680	813.812	17%
-revenue from international transmission and similar	50.684	61.914	-18%
Operating costs before the balancing and construction activity, according to IFRIC12	998.852	868.715	15%
<b>Operating profit before the balancing and construction activity, according to IFRIC12</b>	<b>109.859</b>	<b>85.871</b>	<b>28%</b>
Revenue from the balancing activity	765.029	203.780	275%
Balancing activity costs	765.029	203.780	275%
Revenue from the construction activity according to IFRIC12	166.667	516.188	-68%
Cost of constructed assets according to IFRIC12	166.667	516.188	-68%
<b>Operating profit</b>	<b>109.859</b>	<b>85.871</b>	<b>28%</b>
Financial revenue	339.861	79.392	328%
Financial costs	118.016	14.992	687%
<b>Financial result</b>	<b>221.846</b>	<b>64.400</b>	<b>244%</b>
<b>GROSS PROFIT</b>	<b>331.705</b>	<b>150.271</b>	<b>121%</b>
<b>Income tax</b>	<b>58.146</b>	<b>38.051</b>	<b>53%</b>
<b>NET PROFIT</b>	<b>273.559</b>	<b>112.220</b>	<b>144%</b>

Operating revenue before the balancing and construction activity, according to IFRIC12 increased by 16% than the one obtained at 30 September 2021, which is higher than lei 154.126 thousand.

Operating costs before the balancing and construction activity according to IFRIC12 increased by 15% as compared to 30 September 2021, which is higher by lei 130.138 thousand.

Compared to 30 September 2021 the gross profit obtained at 30 September 2022 increased by 121%, which is higher by lei 181.434 thousand, and the net profit increased by 144%, which is higher by lei 161.339 thousand, as a result of higher transmission revenue, mainly due to the collection of auction premium revenue for capacity booking under the CAM-NC at the interconnection points and higher financial revenue mainly due to the recording of the discounting of the non-current receivable on the Concession Agreement by the inflation rate for the first 9 months of 2022 (13.06%).

Compared to the similar period of 2021, the main economic and financial indicators obtained in Q III 2022 are as follows:

*\*thousand lei\**

Indicator	Obtained Q III 2022	Obtained Q III 2021	Increase
0	1	2	$3=1/2 \times 100 - 100$
Operating revenue before the balancing and construction activity, according to IFRIC12, of which	404.790	253.756	60%
-revenue from domestic transmission	363.079	193.646	87%
-revenue from international transmission and similar	8.269	28.002	-70%
Operating costs before the balancing and construction activity, according to IFRIC12	331.610	298.900	11%
<b>Operating profit before the balancing and construction activity, according to IFRIC12</b>	<b>73.180</b>	<b>-45.143</b>	<b>x</b>
Revenue from the balancing activity	224.552	61.721	264%
Balancing activity costs	224.552	61.721	264%
Revenue from the construction activity according to IFRIC12	62.335	170.341	-63%
Cost of constructed assets according to IFRIC12	62.335	170.341	-63%
<b>Operating profit</b>	<b>73.180</b>	<b>-45.143</b>	<b>x</b>
Financial revenue	62.163	30.185	106%
Financial costs	33.541	6.451	420%
<b>Financial result</b>	<b>28.622</b>	<b>23.734</b>	<b>21%</b>
<b>GROSS PROFIT</b>	<b>101.802</b>	<b>-21.409</b>	<b>x</b>
<b>Income tax</b>	<b>14.049</b>	<b>7.845</b>	<b>79%</b>
<b>NET PROFIT</b>	<b>87.753</b>	<b>-29.254</b>	<b>x</b>

Operating revenue before the balancing and construction activity, according to IFRIC12 increased by 60% than the one obtained in Q III 2021, which is higher by lei 151.034 thousand.

Operating costs before the balancing and construction activity according to IFRIC12 increased by 11% as compared to Q III 2021, which is higher by lei 32.710 thousand.

The Quarterly Report as at 30 September 2022 (01.01-30.09.2022) 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`s website at: [http://www.transgaz.ro/en/investitori/raportari\\_financiare](http://www.transgaz.ro/en/investitori/raportari_financiare)

**DIRECTOR - GENERAL**  
**ION STERIAN**