



FINANCIAL STATEMENTS
Teréga SA
December 31, 2023



TERÉGA SA

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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ASSETS

In euros

	31/12/2023			31/12/2022
	Gross Values	Depreciation Amortization	Net Values	Net Values
Development costs	16 522 264	8 418 969	8 103 295	9 916 912
Concessions, patents, similar rights	145 196 780	106 598 029	38 598 751	41 121 061
Other intangible assets	668 489	668 489	-	-
Current intangible assets	3 628 389	-	3 628 389	3 397 695
INTANGIBLE ASSETS	166 015 922	115 685 487	50 330 435	54 435 668
Land	27 415 761	14 811 024	12 604 737	12 688 499
Buildings	113 307 316	51 472 551	61 834 765	61 344 767
Plant and equipment	3 275 898 207	1 536 665 583	1 739 232 624	1 701 667 003
Other tangible assets	12 596 311	8 032 976	4 563 334	4 387 324
Current tangible assets	84 362 592	-	84 362 592	55 334 112
Advances and down payments on tangible assets	-	-	-	-
TANGIBLE ASSETS	3 513 580 186	1 610 982 134	1 902 598 052	1 835 421 705
Equity securities	331 973	-	331 973	331 973
Deposits and guarantees	118 507	-	118 507	159 268
LONG-TERM INVESTMENTS	450 480	-	450 480	491 241
FIXED ASSETS	3 680 046 589	1 726 667 621	1 953 378 968	1 890 348 614
Raw materials and consumables	41 817 519	4 912 314	36 905 205	26 373 480
INVENTORIES	41 817 519	4 912 314	36 905 205	26 373 480
Advances and down payments on orders	9 266	-	9 266	9 266
Trade receivables	64 278 243	777 376	63 500 868	74 457 234
Other receivables	3 614 916	-	3 614 916	4 721 313
RECEIVABLES	67 893 160	777 376	67 115 784	79 178 547
Cash	22 666 668	-	22 666 668	34 763 863
CASH	22 666 668	-	22 666 668	34 763 863
Prepaid expenses	393 547	-	393 547	741 092
CURRENT ASSETS	132 780 160	5 689 690	127 090 470	141 066 248
Amortized loan issuance premiums and expenses	14 572 189	-	14 572 189	17 329 000
ASSETS	3 827 398 939	1 732 357 311	2 095 041 627	2 048 743 862

EQUITY & LIABILITIES

In euros

	31/12/2023	31/12/2022
Share capital	17 579 088	17 579 088
Issue premiums	12 369	12 369
Fixed assets adjustments	109 004	109 004
Legal reserve	1 757 909	1 757 909
Reserves required by articles of association or contracts	130 918	130 918
Other reserves	170 597	170 597
Retained earnings	-	-
PROFIT (LOSS) FOR THE FINANCIAL YEAR	96 713 097	95 179 022
Interim dividend	(47 002 087)	(45 991 289)
Investment grants	44 119 948	45 416 558
Tax-regulated provisions	414 085 063	376 235 341
SHAREHOLDERS' EQUITY	527 675 906	490 599 517
Contingencies provisions	761 815	865 322
Loss provisions	1 593 382	1 441 189
CONTINGENCIES AND LOSS PROVISIONS	2 355 197	2 306 511
Other bonds	1 410 434 703	1 410 434 703
Loans	51 368	56 997
Other borrowings	49 530 003	26 283 687
FINANCIAL DEBT	1 460 016 074	1 436 775 387
Customer guarantee deposits	-	162 620
Trade payables	41 998 887	61 645 962
Tax and social liabilities	35 236 193	37 009 509
Investment liabilities	27 680 480	20 226 748
Other liabilities	78 892	17 608
OPERATING DEBT	104 994 451	119 062 447
DEBT	1 565 010 525	1 555 837 834
EQUITY & LIABILITIES	2 095 041 627	2 048 743 862

INCOME STATEMENT

In euros

	31/12/2023			31/12/2022
	France	Exports	Total	
Revenue from goods	198 012 503	-	198 012 503	306 723 386
Revenue from services	493 584 245	-	493 584 245	492 248 435
Net revenue	691 596 748	-	691 596 748	798 971 821
Capitalized revenue			172 426 306	163 183 534
Operating grant			21 311	-
Reversal of provisions			574 895	323 631
Other income			435 572	175
OPERATING REVENUE			865 054 832	962 479 161
Purchases of consumables			244 190 903	318 399 750
Inventory variance			(10 499 464)	(477 322)
External services			224 935 043	242 566 217
Taxes			11 198 132	11 274 677
Wages			52 083 929	47 292 352
Employment costs			26 664 991	28 302 734
Depreciation and amortization of fixed assets			108 741 695	116 211 741
Depreciation and amortization of current assets			340 004	521 983
Contingencies and loss provisions			345 000	828 322
Other operating expenses			5 770 985	5 591 346
OPERATING EXPENSES			663 771 218	770 511 800
OPERATING INCOME			201 283 615	191 967 361
Dividends received			16 286	34 065
Other financial income			1 339 867	94 822
FINANCIAL INCOME			1 356 153	128 887
Depreciation and amortization of financial assets			1 894 967	1 894 967
Financial interests			27 292 594	27 330 778
FINANCIAL EXPENSES			29 187 561	29 225 745
FINANCIAL PROFIT (LOSS)			(27 831 408)	(29 096 858)
INCOME FROM ORDINARY ACTIVITIES			173 452 207	162 870 503

INCOME STATEMENT (CONTINUED)

In euros

	31/12/2023	31/12/2022
Exceptional revenue	396 463	2 426 088
Reversal of provision	9 965 992	13 393 403
EXCEPTIONAL INCOME	10 362 455	15 819 491
Exceptional costs	201 878	659 713
Depreciation and amortization of exceptional elements	47 815 714	45 226 096
EXCEPTIONAL EXPENSES	48 017 592	45 885 809
EXCEPTIONAL PROFIT (LOSS)	(37 655 137)	(30 066 318)
Employee profit-sharing	5 599 612	5 141 014
Income tax	33 484 361	32 484 149
TOTAL INCOME	876 773 440	978 427 539
TOTAL EXPENSES	780 060 343	883 248 517
PROFIT (LOSS) OF THE YEAR	96 713 097	95 179 022

SIGNIFICANT EVENTS

New tariff framework

The year 2023 has been marked by the definition by the Energy Regulatory Commission (CRE) of the next ATRT8 and ATS3 tariffs, which will come into force in 2024, for a period of 4 years (final deliberations 2023-360 and 2023-361 of December 14, 2023).

Ukrainian conflict

The war in Ukraine has led to changes in gas flows in Europe. There was less supply coming from Northern Europe which resulted in congestion in the French network. Teréga had to buy and sell significant quantities of gas in order to decongest the network. The financial statements show gas purchases linked to congestion for €160 million and gas sales linked to congestion for €156 million for 2023 (against respectively €191 million and €187 million for 2022). The difference of €3,8 million will be returned to Teréga through the EIAA mechanism.

These changes in gas flows in Europe did not have a significant impact on the company's gas storage activities during 2023.

The war in Ukraine did not lead the company to review the valuation of its assets or liabilities.

Expenses and Income Adjustment Account (EIAA)

In accordance with the provisions of Article L. 452-2 of the French Energy Code, the French Energy Regulatory Commission ("CRE") sets the methods for establishing gas network usage rates. These rates, which cover all costs incurred by their operators, are established by taking into account:

- operating expenses necessary for the proper operation and security of networks and installations,
- capital charges (depreciation and remuneration of assets of transporters, distributors, methane terminals and storage operators).

They are calculated based on assumptions of expenses and income established for the entire rate period. These assumptions present uncertainties at the moment of setting the rates that are corrected in the mean of the EIAA (Expenses and Income Adjustment Account) mechanism which offset for previously identified items the differences between the projected expenses and income and those actually recorded.

In order to ensure better comparability of the accounts of European operators, IFRS 14, published by the IASB in January 2014, is being updated to reflect the functioning of the EIAA mechanism. This analysis could have an impact on the reporting and presentation of the financial statements drawn up in accordance with French standards.

To date, Teréga's position has led to the recognition of adjustments during the year of their observation. This position could be reviewed based on the elements of doctrine to be published in the future.

NOTES TO THE FINANCIAL STATEMENTS

ENTITY REPORTING THE FINANCIAL STATEMENTS

Teréga SA is a company domiciled in France, with its registered office at 40 avenue de l'Europe, Pau. The Teréga Group has the mission of offering and developing, on the European market, a natural gas transmission and storage service.

ACCOUNTING STANDARDS

The financial statements has a duration of 12 months covering the period from January 1 to December 31, 2023.

The financial statements as of December 31, 2023 was established in accordance with the French Accounting Standards Authority ("ANC") regulation No. 2014-03 of June 5, 2014 relating to the General Chart of Accounts, updated by ANC regulation No. 2020-05 of July 24 2020 and n° 2020-09 of December 4, 2020.

The general accounting conventions and professional adaptations (C. Com R. 123-180 and PCG art.531.1) have been applied in compliance with the principle of prudence, in accordance with the basic assumptions:

- business continuity,
- consistency of accounting methods from one financial year to another,
- independence of exercises.

The basic method used for the valuation of items recorded in the accounts is the historical cost method. The methods of valuation and presentation of the accounts adopted for this period have not been modified compared to the previous financial year.

The tax expense recognized as of December 31, 2023 is calculated by applying a rate of 25.83% to the taxable result as of that same date.

INTANGIBLE ASSETS

Gross values

Software and patents acquired and created by the company are recorded in the intangible assets accounts. They are amortized over their probable useful life. These accounts also include transit rights in third-party networks amortized over 10 years. Development costs are also capitalized.

Amortization period

	FRENCH GAAP AMORTIZATION PERIOD	TAX AMORTIZATION PERIOD
DEVELOPMENT COSTS	5 YEARS	5 YEARS
PATENTS, SIMILAR RIGHTS	5 YEARS	5 YEARS
CONCESSIONS	5 YEARS	3 YEARS
OTHER INTANGIBLE ASSETS	10 YEARS	15 YEARS

TANGIBLE ASSETS

Gross values

Tangible fixed assets are entered at their acquisition or production cost with the exception of certain parcels of land acquired prior to 31 December 1976, which have been re-valued.

Transmission assets mainly consist of pipes and compressor stations. Transmission structures shall be subject to ministerial authorisation, prefectural authorisation and, where applicable, the authorisation of the other competent bodies. For each project and in accordance with the provisions of Articles L. 134-3 and L. 431-6 of the French Energy Code, Independent Transmission Operators, a category which includes Teréga, must forward their annual investment programs to the Energy Regulation Commission (CRE) and, where applicable, to other competent bodies for approval. Therefore, only approved costs are recorded under fixed assets, and the others are recorded under operating expenses.

Storage assets mainly include cushion gas and compressor stations.

By a decree of the Ministry of Ecological and Solidarity Transition of 12 December 2006, the Izaute gas storage concession was extended for 25 years with effect from 26 October 2005, until 25 October 2030.

By a decree of the Ministry of Ecological and Solidarity Transition of 8 December 2017, the Lussagnet gas storage concession was extended for 25 years with effect from 31 December 2017, until 1 January 2043.

Amortization period

In accordance with the application of CRC 2002-10, tangible assets are amortized according to the useful life of the asset.

	FRENCH GAAP AMORTIZATION PERIOD	TAX AMORTIZATION PERIOD
HARDWARE	5 YEARS	3 YEARS
OTHER EQUIPMENTS	10 YEARS	5 YEARS
TRANSPORTATION EQUIPMENTS	10 YEARS	5 YEARS
TELECOM EQUIPMENTS	10 YEARS	5 YEARS
LANDSCAPE FACILITIES	10 YEARS	10 YEARS
GENERAL FACILITIES	10 YEARS	10 YEARS
LAYOUT OF BUILDINGS	10 YEARS	10 YEARS
FACILITIES ON LANDS OWNED BY OTHERS	10 YEARS	10 YEARS
OFFICE FURNITURES	10 YEARS	10 YEARS
METERING STATIONS	30 YEARS	15 YEARS
TECHNICAL FACILITIES	10 YEARS	10 YEARS
COMPRESSION	BETWEEN 10 AND 30 YEARS	BETWEEN 5 AND 15 YEARS
BUILDINGS	BETWEEN 10 AND 25 YEARS	BETWEEN 10 AND 25 YEARS
BUILDINGS ON LANDS OWNED BY OTHERS	25 YEARS	25 YEARS
UNDERGROUND SURVEYS	25 YEARS	25 YEARS
CUSHION GAS	25 YEARS	25 YEARS
PIPELINES	50 YEARS	25 YEARS
NATURAL GAS STATION	BETWEEN 15 AND 30 YEARS	BETWEEN 15 AND 30 YEARS
PHOTOVOLTAIC PANELS	30 YEARS	30 YEARS
LONG-TERM TECHNICAL FACILITIES	30 YEARS	30 YEARS
CONNECTIONS	50 YEARS	25 YEARS

The modification of the amortization periods, carried out in 2008, has created a difference between the tax and financial periods, and therefore generated the recognition of an exceptional amortization, for an amount of 37,850 thousand euros at December 31, 2023.

Storage tangible assets are amortized over periods independent of the duration of the concession. If the concession is not renewed, the assets related to the concession should be subject to an accelerated amortization.

Changes in fixed assets

Non-current assets as of 31/12/2023

In thousands of euros

	GROSS VALUE AT 12/31/2022	INCREASES	DECREASES	OTHERS	GROSS VALUE AT 12/31/2023
Development costs	15 210	1 313	-	-	16 522
Concessions, patents, similar rights	152 913	13 113	-	(20 829)	145 197
Other intangible assets	668	-	-	-	668
Current intangible assets	3 398	14 614	-	(14 384)	3 628
INTANGIBLE ASSETS	172 189	29 040	-	(35 213)	166 016
Land	26 681	758	(24)	-	27 416
<i>including reevaluation</i>	<i>109</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>109</i>
On owned land	75 718	3 488	(300)	-	78 906
Buildings					
On non-owned land	-	-	-	-	-
General facilities	32 785	2 751	(13)	(1 121)	34 401
Equipments and facilities	3 156 720	120 310	-	(1 132)	3 275 898
Other tangible assets					
Technical facilities	570	16	-	-	586
Transportatio n equipment	825	148	-	-	973
Office furniture	11 402	1 292	-	(1 657)	11 037
Current tangible assets	55 334	157 834	-	(128 805)	84 363
Advances and down payments on tangible assets	-	-	-	-	-
TANGIBLE ASSETS	3 360 035	286 597	(337)	(132 715)	3 513 580
LONG-TERM INVESTMENTS	491	-	(41)	-	450
FIXED ASSETS	3 532 715	315 637	(378)	(167 928)	3 680 046

Table of depreciation and amortization as of 31/12/2023

In thousands of euros

	AMORTIZATION AT 12/31/2022	PROVISIONS TAKEN	REVERSALS	OTHERS	AMORTIZATIO N AT 12/31/2023	
Development costs	5 293	3 126	-	-	8 419	
Concessions, patents, similar rights	111 792	15 636	-	(20 829)	106 598	
Other intangible assets	668	-	-	-	668	
INTANGIBLE ASSETS	117 753	18 762	-	(20 829)	115 685	
Land	13 993	818	-	-	14 811	
	On owned land	28 488	2 912	(152)	-	31 248
Buildings	On non-owned land	-	-	-	-	-
	General facilities	18 670	2 682	(6)	(1 121)	20 225
Equipments and facilities	1 455 053	82 745	-	(1 132)	1 536 666	
	Technical facilities	567	3	-	-	571
Other tangible assets	Transportatio n equipment	170	117	-	-	287
	Office furniture	7 672	1 160	-	(1 657)	7 175
TANGIBLE ASSETS	1 524 614	90 437	(158)	(3 910)	1 610 982	
LONG-TERM INVESTMENTS	-	-	-	-	-	
FIXED ASSETS	1 642 367	109 198	(158)	(24 739)	1 726 668	

Property, plant and equipment consist of investments relating to the gas transmission activity for an amount of 2,355,842 thousand euros and to storage activity for 1,004,193 thousand euros.

Asset disposals

There were no significant disposals of tangible assets during the year 2023.

Non-current assets as of 31/12/2023 - Transmission Activity

In thousands of euros

	GROSS VALUE AT 31/12/2022	INCREASES	DECREASES	TRANSFERS	GROSS VALUE AT 31/12/2023
Development costs	11 093	1 220	-	-	12 313
Concessions, patents, similar rights	109 498	9 148	-	(14 293)	104 353
Other intangible assets	668	-	-	-	668
Current intangible assets	2 771	10 981	-	(10 368)	3 384
INTANGIBLE ASSETS	123 922	21 348	-	(24 660)	120 719
Land	10 873	22	(23)	-	10 872
<i>including reevaluation</i>	<i>109</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>109</i>
On owned land	46 722	231	(253)	-	46 700
Buildings	-	-	-	-	-
On non-owned land	-	-	-	-	-
General facilities	19 919	1 461	(13)	(847)	20 520
Equipments and facilities	2 241 617	80 604	-	(1 001)	2 321 221
Technical facilities	-	11	-	-	11
Other tangible assets	694	148	-	-	841
Transportation equipment	694	148	-	-	841
Office furniture	8 015	974	-	(1 121)	7 868
Current tangible assets	28 002	91 372	-	(83 452)	35 923
Advances and down payments on tangible assets	-	-	-	-	-
TANGIBLE ASSETS	2 355 842	174 824	(290)	(86 421)	2 443 956
LONG-TERM INVESTMENTS	451	-	(41)	-	410
FIXED ASSETS	2 480 215	196 172	(330)	(111 081)	2 565 085

Table of depreciation and amortization as of 31/12/2023 - Transmission Activity

In thousands of euros

	AMORTIZATION AT 31/12/2022	PROVISIONS TAKEN	REVERSALS	TRANSFERS	AMORTIZATION AT 31/12/2023
Development costs	3 742	2 292	-	-	6 034
Concessions, patents, similar rights	80 348	11 012	-	(14 293)	77 068
Other intangible assets	668	-	-	-	668
INTANGIBLE ASSETS	84 758	13 304	-	(14 293)	83 770
Land	3 282	219	-	-	3 500
Buildings					
On owned land	17 000	1 847	(105)	-	18 742
On non-owned land	-	-	-	-	-
General facilities	10 922	1 765	(6)	(847)	11 835
Equipments and facilities	912 373	47 183	-	(1 001)	958 554
Other tangible assets					
Technical facilities	-	0	-	-	0
Transportation equipment	154	104	-	-	258
Office furniture	5 336	822	-	(1 121)	5 037
TANGIBLE ASSETS	949 067	51 940	(111)	(2 969)	997 926
LONG-TERM INVESTMENTS	-	-	-	-	-
FIXED ASSETS	1 033 825	65 244	(111)	(17 262)	1 081 696

Non-current assets as of 31/12/2023 - Storage Activity

In thousands of euros

	GROSS VALUE AT 31/12/2022	INCREASES	DECREASES	TRANSFERS	GROSS VALUE AT 31/12/2023
Development costs	4 116	93	-	-	4 209
Concessions, patents, similar rights	43 415	3 966	-	(6 537)	40 844
Other intangible assets	-	-	-	-	-
Current intangible assets	627	3 633	-	(4 016)	244
INTANGIBLE ASSETS	48 157	7 692	-	(10 552)	45 297
Land	15 809	736	(0)	-	16 544
<i>including reevaluation</i>	-	-	-	-	-
On owned land	28 997	3 257	(47)	-	32 206
Buildings	-	-	-	-	-
On non-owned land	-	-	-	-	-
General facilities	12 866	1 290	-	(274)	13 881
Equipments and facilities	915 102	39 706	-	(131)	954 678
Technical facilities	570	5	-	-	575
Other tangible assets	-	-	-	-	-
Transportation equipment	131	-	-	-	131
Office furniture	3 386	319	-	(535)	3 170
Current tangible assets	27 332	66 462	-	(45 354)	48 440
Advances and down payments on tangible assets	-	-	-	-	-
TANGIBLE ASSETS	1 004 193	111 773	(47)	(46 294)	1 069 625
LONG-TERM INVESTMENTS	41	-	-	-	41
FIXED ASSETS	1 052 391	119 465	(47)	(56 847)	1 114 962

Table of depreciation and amortization as of 31/12/2023 - Storage Activity

In thousands of euros

	AMORTIZATION AT 31/12/2022	PROVISIONS TAKEN	REVERSALS	TRANSFERS	AMORTIZATION AT 31/12/2023
Development costs	1 551	834	-	-	2 385
Concessions, patents, similar rights	31 444	4 623	-	(6 537)	29 530
Other intangible assets	-	-	-	-	-
INTANGIBLE ASSETS	32 995	5 457	-	(6 537)	31 916
Land	10 711	599	-	-	11 311
	On owned land	11 488	1 065	(47)	12 506
	On non-owned land	-	-	-	-
Buildings	General facilities	7 747	916	(274)	8 389
Equipments and facilities	542 680	35 562	-	(131)	578 112
	Technical facilities	567	3	-	570
Other tangible assets	Transportation equipment	16	13	-	29
	Office furniture	2 336	337	(535)	2 138
TANGIBLE ASSETS	575 547	38 497	(47)	(941)	613 056
LONG-TERM INVESTMENTS	-	-	-	-	-
FIXED ASSETS	608 542	43 954	(47)	(7 477)	644 971

CURRENT FIXED ASSETS

Current fixed assets are valued at their production cost including material expenses, external expenses (subcontracting) and a proportion of personnel expenses.

Any expenditure related to an investment project is systematically accounted for as an expense.

At the end of every month, a fixed asset income entry offsets the expense in the profit and loss account with a balancing entry in current fixed assets.

The commissioning dates for complex installations are considered to be the date of receipt of the compliance report from the Regional Directorate for the Environment, Land-Use Planning and Housing (DREAL) for pipes and storage.

LONG-TERM INVESTMENTS

Equity securities are recognized on their entry date at their acquisition cost and are subject to an impairment test at the balance sheet date which results in the recognition of an impairment loss when the current value of the securities owned falls below their net book value.

The cost of acquiring equity securities is attached to the acquisition cost of the asset. They are amortized for tax purposes over 5 years.

Long-term investments break down as follows:

- Equity securities for 332 thousands euros:
 - 773,233 3GRT shares for 0.8 thousand euros,
 - 3 120 actions Declaranet for 312 thousands euros,
 - 19,200 Prisma shares for 19 thousands of euros.

- Deposits and guarantees for 119 thousand euros.

INVENTORIES

Method

Inventories are valued using the weighted average cost method.

The cost of items entering the inventories includes the abnormal costs at the exception of freight expenses.

Work in progress items are valued at their production cost, which includes material expenses and external expenses.

Inventories as of December 31, 2023 are recognized based on the annual inventory.

The provision for materials and supplies inventory is created based on a detailed analysis of each item. The date of the item's last movement is compared to the balance sheet closing date. The difference thus calculated determines the percentage of provision for each item.

NUMBER OF YEARS	PERCENTAGE
LESS THAN 3 YEARS	0%
FROM 3 TO 4 YEARS	10%
FROM 4 TO 5 YEARS	20%
FROM 5 TO 6 YEARS	30%
FROM 6 TO 7 YEARS	40%
FROM 7 TO 8 YEARS	50%
FROM 8 TO 9 YEARS	60%
FROM 9 TO 10 YEARS	70%
FROM 10 TO 11 YEARS	80%
FROM 11 TO 12 YEARS	90%
MORE THAN 12 YEARS	100%

Values

*In thousands of
euros*

	GAS FOR NETWORK BALANCING	GAS FOR OWN CONSUMPTION	CO2 ALLOWA NCES	SMALL FURNITURES			TOTAL
				Gross Value	Depreciation	Net Value	
At the start of the fiscal year	851	8 542	113	21 813	(4 945)	16 868	26 373
Variation	(674)	11 099	405	(331)	32	(298)	10 532
At 12/31/2023	177	19 641	517	21 482	(4 912)	16 570	36 905

CO₂ allowances

Teréga SA is a company subject to the EU Emissions Trading Scheme.

The book value of those allowances amounts €517 385 on the company's balance sheet as of December 31, 2023. These allowances are accounted for using the weighted average cost method.

Since the allowances are held in order to comply with the requirements of the regulations, the economic production model was chosen (see ANC No. 2012-03 of 4 October 2012).

For 2023, Teréga SA estimates that it issued the equivalent of 18,829 CO₂ allowances. This estimation is based on a cross between regular technical surveys and consumption projections.

MATURITY OF RECEIVABLES

In thousands of euros

		GROSS VALUES AS OF DECEMBER 31, 2023	MATURITY	
			LESS THAN 1 YEAR	MORE THAN 1 YEAR
RECEIVABLES FROM FIXED ASSETS		119	-	119
ADVANCES AND DOWN PAYMENTS ON ORDERS		9	9	-
RECEIVABLES FROM CURRENT ASSETS		16 432	16 432	-
Trade receivables		847	847	-
Other receivables		12 285	12 285	-
Employees		27	27	-
Social receivables		210	210	-
State	Income tax	-	-	-
	Value added tax	3 004	3 004	-
	Other taxes	3	3	-
	Investment grants	-	-	-
Group and other associates		56	56	-
Other debtors		-	-	-
AMORTIZED LOAN ISSUANCE PREMIUMS AND EXPENSES		14 572	2 757	11 815
PREPAID EXPENSES		394	394	-
RECEIVABLES		31 526	19 592	11 934

The amortized expenses include the bond issuance costs and the share issuance premiums. Prepaid expenses consist of services billed by other companies within the Teréga group.

SHAREHOLDERS' EQUITY

The share capital is composed of 2,197,386 shares of 8 euros.

On May 25, 2023, the General Shareholders' Meeting approved the allocation of income for the 2022 financial year in the amount of 95,179 thousands euros, as proposed by the Board of Directors, and therefore decided to distribute to Teréga SAS dividends for an amount of 49,187 thousand euros, in addition to the interim dividend of 45,991 thousand euros decided on December 14, 2022.

	12/31/2022	VARIATION	12/31/2023
Number of shares	2 197 386	-	2 197 386
Share capital	17 579	-	17 579
Issue premiums	12	0	12
Fixed assets adjustments	109	(0)	109
Legal reserve	1 758	(0)	1 758
Reserves required by articles of association or contracts	131	0	131
Other reserves	171	(0)	171
Retained earnings	-	-	-
Interim dividend	(45 991)	(1 011)	(47 002)
Profit (loss) for the financial period	-	96 713	96 713
Profit (loss) for the past year	95 179	(95 179)	-
Investment grants	45 417	(1 297)	44 120
Tax-regulated provisions	376 235	37 850	414 085
SHAREHOLDERS' EQUITY	490 600	37 076	527 676

PROVISIONS

A provision is recorded when the Group has a current legal or constructive obligation as a result of a past event, that the obligation may be reliably estimated and that it is likely that an outflow of resources representative of economic benefits will be required to settle the obligation.

	12/31/2022	VARIATION		12/31/2023
		Allowances	Reversal used	
CONTINGENCIES PROVISIONS	865	-	104	762
HR disputes	135	250	135	250
Long-service awards	1 190	72	-	1 262
Oil industry Mutual Fund (MIP)	117	-	35	82
LOSS PROVISIONS	1 441	322	170	1 593
CONTINGENCIES AND LOSS PROVISIONS	2 307	322	273	2 355

On 4 October 2019, Teréga SA received a notice of control from the DGCCRF on inter-company payment deadlines. The control covers 2018 and began on 14 January 2020. It gave rise to the exchange of documents in the first quarter of 2021.

No conclusions have been received to date.

LIABILITIES

In thousands of euros

		GROSS VALUES AS OF DECEMBER 31, 2023	MATURITY		
			LESS THAN 1 YEAR	FROM 1 TO 5 YEARS	MORE THAN 5 YEARS
Other bonds		1 400 000	-	550 000	850 000
Loans		49 530	49 530		
Interest incurred		10 486	10 486		
Avances et acomptes reçus		-	-		
Trade payables		9 655	9 655		
Salaries		17 281	17 281		
Social Liabilities		11 718	11 718		
	Income tax	-	-		
Tax liabilities	Added value tax	5 013	5 013		
	Other tax	345	345		
Tax and social liabilities		880	880		
Investment liabilities		-	-		
Other liabilities		79	79		
Deferred income		-	-		
TOTAL		1 504 986	104 986	550 000	850 000
Loans issued		-			
Loan repayments		15 000			

The financial structure is composed of:

- Bonds for 1,400,000 thousand euros, including:
 - A public bond for 550,000 thousand euros, maturing in 2025, with a fixed rate of 2.200%;
 - A public bond for 500,000 thousand euros, maturing in 2030, with a fixed rate of 0.875%;
 - A private bond for 350,000 thousand euros, maturing in 2035, with a fixed rate of 2.998%.
- A reserve Revolving Credit Facility, with a drawdown capacity of 250,000 thousand euros. The RCF was not drawn down as of December 31, 2023;

Teréga SA individually is not subject to banking ratios but the consolidation sub-group at the boundaries of Teréga SAS is subject to banking ratios.

REVENUES

In thousands of euros

	31/12/2023	31/12/2022
REVENUES	691 597	798 972
Transmission capacities	266 391	281 669
Storage capacities	96 956	73 701
Interconnexion revenues	37 114	35 499
Connection revenues	2 641	2 357
Other services	6 278	6 549
Other operating revenues	5 405	3 983
Gas balancing and congestion sales	198 013	306 723
Investment grants	-	-
Storage revenues / Compensation reversed by Teréga	7 555	8 627
Storage revenues / Compensation reversed by GRTgaz	71 245	79 862
TRANSMISSION REVENUES	514 899	636 078
STORAGE REVENUES	176 698	162 893
CAPITALIZED REVENUE	172 426	163 184
REVERSAL OF PROVISIONS	575	323
Reversal of provision for retirement	193	98
Transfer of operational costs	279	226

The revenues breakdown as follows :

- The revenue from services mainly corresponds to the receipts from transmission and storage capacities, to which the receipts from connection and transit contracts are added. All the income is generated in France.
- The revenue from goods corresponds to gas sales for network balancing. They are neutralized by a gas purchase account and therefore have no impact on the income. These sales represent 41,7 million euros in 2023 compared to 119 million euros in 2022. The decrease is mainly due to lower gas prices.
- Congestion flows for 156,2 million euros in 2023 (compared to 187 million euros in 2022). These flows partially offset a 160 million euros congestion charge in 2023 (compared to 191 million euros in 2022) which is booked in the purchase of raw materials and other supplies items. This creates an impact on the result of -3,8 million euros in 2023 (compared to -4 million euros in 2022), which will be returned to Teréga by the EIAA mechanism.

OPERATING EXPENSES

Operating expenses include capital expenditures offset by capitalized production.

In thousands of euros

CAPITALIZED PRODUCTION BREAKDOWN	31/12/2023	31/12/2022
Purchases of consumables	-	
Inventory variance	2 991	2 831
External services	126 888	139 626
Taxes	417	417
Wages	12 414	10 898
Employment costs	7 045	6 706
Other operating expenses	1 302	2 711
CAPITAL EXPENDITURES	172 458	163 189

The difference between the total of this table and the "Capitalized production" line of the income statement corresponds to the nature of expenses other than operating expenses.

Other purchases and external charges breakdown as follows:

In thousands of euros

Other services	31/12/2023	31/12/2022
Other buyings	57 616	67 988
General services	47 784	49 038
Rental costs	2 199	4 287
Maintenance and repairs	99 412	100 896
Insurance costs	1 455	2 436
Others	1 964	1 940
Legal fees	6 340	7 166
Marketing	2 053	3 055
Transports of goods	291	338
Traveling expenses	2 720	2 521
Postal fees	1 908	2 110
Bank fees	120	121
Other external costs	1 072	670
TOTAL	224 935	242 566

INCOME TAX EXPENSE

In thousands of euros

	31/12/2023	31/12/2022
Provision for the period	32 808	32 696
Social contribution	1 057	1 054
Tax credit	(414)	(1 278)
Tax balance of last year	33	13
Income tax expense	33 484	32 484
TAX CREDIT BREAKDOWN		
PATRONAGE	76	625
RESEARCH	221	542
FAMILY	117	111

OTHER INFORMATION

PERSONNEL

PERSONNEL BY CATEGORY	31/12/2023	31/12/2022
Executives	293	287
Employees	353	357
TOTAL PERSONNEL	646	644

AVERAGE NUMBER OF PEOPLE EMPLOYED DURING THE PERIOD	31/12/2023	31/12/2022
Executives	286	285
Employees	352	358
TOTAL AVERAGE	638	644

TAX CONSOLIDATION

Teréga SA belongs to the tax consolidation group created by Teréga Holding.

RELATED PARTIES

All transactions with related parties relate to transactions carried out with parent companies and are concluded under arm's length conditions.

EMPLOYEE BENEFITS

ANC Recommendation 2013-02 of 7-11-2013, amended on 5-11-2021, has no impact on the calculation of the Company's social commitments.

The actuarial valuation of social commitments under IAS 19 was sent by Mercer in January 2024.

The amounts below are derived from this report.

	In thousands of euros	
	31/12/2023	31/12/2022
EMPLOYEE BENEFIT AT OPENING DATE	19 746	22 757
Current service cost	1 036	1 299
Past service cost	(703)	-
Interest expense	668	188
Remeasurement of other long term benefits	(280)	(688)
Employer direct benefit payment	(630)	(1 187)
Other adjustments	-	-
IMPACT RECOGNISED IN PROFIT(LOSS)	91	-388
Actuarial gains and losses	(1 073)	(2 623)
IMPACT RECOGNISED IN OCI	-1 073	-2 623
EMPLOYEE BENEFIT AT CLOSING DATE	18 764	19 746
Employee related debts at closing date	3 826	3 268
NET OBLIGATION AT CLOSING DATE	22 590	23 014

Employee benefits are mainly composed of the following elements:

- MIP (Mutuelle de l'Industrie du Pétrole): supplemental health scheme,
- Early retirement right (CAA): pension scheme intended to provide a retirement allowance to employees with sufficient years worked,
- End-of-career compensation: payment of capital owed to the employee by the company at the time of retirement,
- Long-service awards: capital paid to the employee when the employee reaches a certain seniority group,
- PEC (Savings Plan selected): days that the former seconded employees have acquired and which they may use in order to retire earlier,
- Malakoff: company insurance scheme,
- CET (Time Savings Account): system that allows employees who wish to accumulate paid leave rights.

COMMITMENTS RECEIVED

In thousands of euros

	31/12/2023	31/12/2022
Bank guarantees - clients	89 868	76 174
Bank guarantees - clients	11 443	10 008
TOTAL COMMITMENTS RECEIVED	101 311	86 182

Under the 2021 - 2025 multi-annual period of free allocation of CO₂ allowances, Teréga SA must receive:

NUMBER OF CO ₂ ALLOWANCES	
2023	3 446
2024	3 446
2025	3 446

These data are up to date with the decree of August 4, 2022 amending the decree of December 10, 2021 setting the list of operators of installations subject to authorization for greenhouse gas emissions as well as the amount of emission quotas allocated free of charge for the operators of installations for which free emission allowances are allocated, for the period 2021-2025.

COMMITMENTS GIVEN

Refinancing 2024

The bond loan of 550,000 thousand euros subscribed in 2015 matures in August 2025. Teréga has taken out swaps to hedge against an unfavorable change in interest rates.

Cash flow coverage applies to half of the refinancing, i.e. 275,000 thousand euros at the average rate of 2.91%.

As of December 31, 2023, the valuation of swaps is unfavorable for Teréga for an amount of 10 428 thousand euros. This amount constitutes an off-balance sheet commitment for Teréga SA until the unwinding of the refinancing operation.

ICPE guarantee

On October 12, 2022 Teréga SA provided an ICPE (Installations Classified Environmental Protection) guarantee to the Gers prefecture, as part of the drilling of the Izaute well for an amount of 1.5 million euros. This guarantee will expire in October 2030.

COMPENSATION FOR THE ACTIVITY OF DIRECTORS

The remuneration for the activities of the directors in 20223 amounted to €1 65,000.

EVENTS AFTER THE BALANCE SHEET DATE

No events after the balance sheet date identified.

CASH FLOW

In thousands of euros

NET CASH FLOW RELATED TO OPERATING ACTIVITIES	31/12/2023
Net Profit / (Loss)	96 713
Elimination of non-cash items	
- Reversal of operating provision	(296)
+ Depreciation and amortization of fixed and current assets	109 427
+ Depreciation and amortization of non-operating elements	47 816
- Reversal of non-operating provision	(9 966)
+ Depreciation and amortization of financial assets	1 895
- Result of disposal	(195)
+/- Financial result	25 936
OPERATING CASH FLOW	271 330
(-) Change in working capital requirement	(11 325)
+/- Increase (/ decrease) in Inventory	(10 499)
+/- Increase (/ decrease) in Operating accounts receivable	10 932
+/- Increase (/ decrease) in Other accounts receivable	1 106
+/- Increase (/ decrease) in Trade and Tax payable	(12 864)
CASH FLOW FROM (/ USED IN) OPERATING ACTIVITIES	260 005
NET CASH FLOW RELATED TO INVESTMENT ACTIVITIES	
- Acquisition of tangible and intangible assets	(172 448)
+ Sale price of assets	396
+ Investment grants received	22
CASH FLOW FROM (/ USED IN) INVESTING ACTIVITIES	(171 989)
NET CASH FLOW RELATED TO FINANCING ACTIVITIES	
- Dividends given	(96 190)
+/- Deposits and guarantees	(2 986)
- Loan repayments	(15 000)
- Interests paid	(27 293)
+ Financial income	1 356
CASH FLOW FROM (/ USED IN) FINANCING ACTIVITIES	(100 113)
CHANGE IN CASH FLOW	(12 097)
Opening cash and cash equivalents	34 764
Closing cash and cash equivalents	22 667
CHANGE IN CASH FLOW	(12 097)