CONSOLIDATED FINANCIAL STATEMENTS
TEREGA SAS 31 DECEMBER 2023

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1 CONSOLIDATED INCOME STATEMENT

In thousands of euros

	NOTES	31/12/2023	31/12/2022
Revenues	5.10.1	488 686	488 436
Other income	5.10.2	3 840	2 681
Purchases consumed	5.10.3	(52 352)	(54 870)
Personnel expenses	5.10.3	(73 370)	(69 971)
External expenses	5.10.3	(53 324)	(53 258)
Taxes and duties	5.10.3	(10 995)	(10 929)
Allowances for amortization, depreciation & provisions	5.9.2 - 5.9.3 - 5.9.5 - 5.9.10	(112 057)	(108 767)
Other current operating income and expenses		(2 813)	(2 618)
CURRENT OPERATING PROFIT/(LOSS)		**187 614**	**190 703**
Other non-current operating income and expenses		173	(1 891)
OPERATING PROFIT/(LOSS)		**187 787**	**188 812**
Net financial debt cost	5.10.4	(31 666)	(31 685)
Other financial income and expenses	5.10.4	2 449	130
PRE-TAX PROFIT/(LOSS)		**158 570**	**157 257**
Income tax	5.10.5	(53 307)	(52 228)
NET PROFIT FROM CONSOLIDATED COMPANIES		**105 263**	**105 029**
Share of profit(loss) of equity-accounted companies		(122)	(1 169)
CONSOLIDATED NET PROFIT/(LOSS)		**105 142**	**103 860**
Profit/(loss) for the period attributable to:			
- owners of the company		105 142	103 860
- equity interest without control		-	-

In thousands of euros

	NOTES	31/12/2023	31/12/2022
NET PROFIT		**105 142**	**103 860**
OTHER ELEMENTS OF COMPREHENSIVE INCOME			
Actuarial gains and losses		1 073	2 623
Impact of deferred taxes	5.9.7	(277)	(678)
Elements not to be reclassified in profit(loss) subsequently		**796**	**1 945**
Change in fair value of financial instruments (cash flow hedges)	5.9.11	(15 280)	(1 842)
Impact of deferred taxes on financial instruments		3 561	431
Elements that may be reclassified in profit(loss) subsequently		**(11 719)**	**(1 410)**
TOTAL OTHER ELEMENTS OF THE COMPREHENSIVE INCOME		**(10 923)**	**535**
TOTAL COMPREHENSIVE INCOME		**94 219**	**104 395**
Attributable to the owners of the company		94 219	104 395
Attributable to equity interests without control		-	-

2 STATEMENT OF CONSOLIDATED FINANCIAL POSITION

In thousands of euros

	NOTES	31/12/2023	31/12/2022
ASSETS			
Goodwill	5.9.2	420 756	420 756
Other intangible assets	5.9.2	74 657	80 540
Tangible assets	5.9.3	2 592 986	2 526 102
Investments in equity-accounted companies	5.9.4	237	661
Other non-current financial assets	5.9.4	3 882	7 240
Other non-current assets		-	1 960
Deferred tax assets		-	2
NON-CURRENT ASSETS		**3 092 518**	**3 037 261**
Inventory	5.9.5	36 947	26 522
Other current financial assets		119	159
Trade receivables	5.9.6	63 515	60 497
Current payable tax receivables		-	-
Other current assets	5.9.14	8 055	8 199
Cash and cash equivalents	5.9.8	66 836	60 278
CURRENT ASSETS		**175 471**	**155 655**
TOTAL ASSETS		**3 267 989**	**3 192 916**
SHAREHOLDER EQUITY AND LIABILITIES			
Capital	5.9.9	489 474	489 474
Issue premiums		71 053	71 053
Reserves		(109 554)	(168 649)
Convertible bonds		470 000	470 000
Profit(loss) for the year attributable to the owners of the company	1	105 142	103 860
SHAREHOLDER EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY		**1 026 115**	**965 738**
TOTAL SHAREHOLDER EQUITY		**1 026 115**	**965 738**
Non-current financial debts	5.9.11	1 790 221	1 793 213
Employee benefits	5.10.6	18 763	19 747
Deferred tax liabilities	5.9.7	291 544	284 726
Other non-current liabilities		(1)	(7)
NON-CURRENT LIABILITIES		**2 100 527**	**2 097 678**
Current financial debts	5.9.11	20 805	18 899
Derivative instruments	5.9.11.5	10 428	-
Current provisions	5.9.10	1 834	1 822
Trade payables	5.9.12	66 771	67 130
Payable tax liabilities		-	0
Other current liabilities	5.9.13	41 509	41 649
CURRENT LIABILITIES		**141 347**	**129 500**
TOTAL SHAREHOLDER EQUITY AND LIABILITIES		**3 267 989**	**3 192 916**

3 TABLE OF CHANGES TO CONSOLIDATED SHAREHOLDER EQUITY

In thousands of euros

	CAPITAL	ISSUE PREMIUMS	NON-DISTRIBUTED PROFIT/ (LOSS)	ACTUARIAL RESERVES	CONVERTIBLE BONDS*	FAIR VALUE RESERVES	CONSOLIDATED RESERVES	TOTAL SHAREHOLDER EQUITY
Shareholder equity at 31 December 2021	**489 474**	**71 053**	**54 189**	**(231)**	**470 000**	**9 930**	**(203 426)**	**890 989**
Profit/(Loss)			**103 860**					**103 860**
Total other elements of the comprehensive income				1 945		(1 410)		**535**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**-**	**103 860**	**1 945**	**-**	**(1 410)**	**-**	**104 395**
Transactions with the owners of the Company, entered directly as shareholder equity								**-**
Interest from convertible bonds							(27 595)	**(27 595)**
TOTAL CONTRIBUTIONS AND DISTRIBUTIONS FROM / TO OWNERS OF THE COMPANY	**-**	**-**	**-**	**-**	**-**	**-**	**(27 595)**	**(27 595)**
Other elements affecting shareholder equity						(1 943)		**(1 943)**
TOTAL OTHER ELEMENTS AFFECTING SHAREHOLDER EQUITY	**-**	**-**	**-**	**-**	**-**	**(1 943)**	**-**	**(1 943)**
Change in interests in subsidiaries								**-**
Equity interests without control during acquisition of the subsidiary						(108)		**(108)**
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY	**-**	**-**	**-**	**-**	**-**	**(108)**	**-**	**(108)**
SHAREHOLDER EQUITY AT 31 DECEMBER 2022	**489 474**	**71 053**	**158 049**	**1 715**	**470 000**	**6 469**	**(231 021)**	**965 738**

	CAPITAL	ISSUE PREMIUMS	NON-DISTRIBUTED PROFIT/ (LOSS)	ACTUARIAL RESERVES	CONVERTIBLE BONDS*	FAIR VALUE RESERVES	CONSOLIDATED RESERVES	TOTAL SHAREHOLDER EQUITY
Shareholder equity at 31 December 2022	**489 474**	**71 053**	**158 049**	**1 715**	**470 000**	**6 469**	**(231 021)**	**965 738**
Profit/(Loss)			**105 142**					**105 142**
Total other elements of the comprehensive income				796		(11 719)		**(10 923)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**-**	**105 142**	**796**	**-**	**(11 719)**	**-**	**94 219**
Transactions with the owners of the Company, entered directly as shareholder equity								**-**
Interest from convertible bonds							(27 888)	**(27 888)**
Dividendes		-	(6 000)					**(6 000)**
TOTAL CONTRIBUTIONS AND DISTRIBUTIONS FROM / TO OWNERS OF THE COMPANY	**-**	**-**	**(6 000)**	**-**	**-**	**-**	**(27 888)**	**(33 888)**
Change in interests in subsidiaries								**-**
Equity interests without control during acquisition of the subsidiary						45		**45**
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY	**-**	**-**	**-**	**-**	**-**	**45**	**-**	**45**
SHAREHOLDER EQUITY AT 31 DECEMBER 2023	**489 474**	**71 053**	**257 191**	**2 511**	**470 000**	**(5 205)**	**(258 909)**	**1 026 115**

* Convertible bonds issued by the Group are considered as equity instruments according to IAS 32. The nominal sum as well as the interest paid (after tax) are therefore classed as shareholder equity (see note 5.9.9 Capital and reserves). The interest incurred is entered as other debt.

4 CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros

	NOTES	31/12/2023	31/12/2022
CONSOLIDATED NET PROFIT/(LOSS)	1	105 142	103 860
Elimination of profit(loss) of equity-accounted companies		122	1 169
Elimination of dividend income		(16)	(34)
Amortisation/depreciation and provisions	5.9.2 - 5.9.3	112 053	107 858
Income tax	5.10.5.1	53 307	52 228
Financial result	5.10.4	31 666	31 685
Neutralisation of elements classed as investment flows		2 142	2 550
Other elements with no impact on cash		-	-
Change in working capital requirement		(13 797)	5 357
Tax paid		(33 491)	(32 587)
NET CASH FLOW RELATED TO OPERATING ACTIVITIES		**257 127**	**272 086**
Acquisition of tangible and intangible assets	5.9.2 - 5.9.3	(174 871)	(164 491)
Transfer of fixed assets		396	2 425
Investment grants received		202	3
Change in loans and other financial assets		41	(3)
Dividend received		16	34
NET CASH FLOW RELATED TO INVESTMENT ACTIVITIES		**(174 215)**	**(162 032)**
Dividends paid by the consolidating company		(6 000)	-
Issue of loans	5.9.11	-	8 629
Loan repayments	5.9.11	-	(10 695)
Interest paid		(67 366)	(67 402)
Other financial expenses paid		(2 986)	-
NET CASH FLOW RELATED TO FINANCING ACTIVITIES		**(76 353)**	**(69 468)**
CHANGE IN CASH FLOW		**6 558**	**40 586**
Opening cash and cash equivalents		60 278	19 691
Closing cash and cash equivalents	5.9.8	66 836	60 278

5 EXPLANATORY NOTES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

5.1 ENTITY PRESENTING THE FINANCIAL STATEMENTS

Teréga SAS is a company domiciled in France, with its registered office at 40 avenue de l'Europe, Pau. The consolidated financial statements of the Company at 31 December 2023 are drawn up in relation to the Company and its subsidiaries, referred to together as "the Group", and each individually as "entities of the Group".

5.2 HISTORY OF THE ESTABLISHMENT OF THE TERÉGA GROUP

On 30 July 2013, all of the securities of Teréga SA (formerly TIGF SA), held until then by TGEHF (Total Gaz Electricité Holding France), were sold to Teréga SAS (formerly TIGF INVESTISSEMENTS), itself held by Teréga HOLDING (formerly TIGF HOLDING).

5.3 ACCOUNTING STANDARDS

5.3.1 DECLARATION OF COMPLIANCE

The accounting principles chosen for the preparation of the consolidated financial statements comply with the IFRS and interpretations as published by the IASB and approved by the European Union at 31 December 2023 and presented in detail on the website of the European Commission (https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en).

5.3.2 STANDARDS, INTERPRETATIONS AND AMENDMENTS APPLIED

IFRS as well as their interpretations and amendments are presented in the table below. They were applied by the Group in its consolidated financial statements drawn up on 31 December 2023:

IFRS ADOPTED BY THE EU (and related amendments)	IMPACT	LINK TO APPENDICES
IAS 1 - Presentation of Financial Statements	Yes	Notes 1 - 2
IAS 2 - Inventories	Yes	Note 5.5.5
IAS 7 - Statement of Cash Flows	Yes	Note 4
IAS 8 - Accounting Policies, Changes in Accounting Estimate Errors	Yes	Note 5.5
IAS 10 - Events after the Reporting Period	Yes	Note 5.15
IAS 11 - Construction Contracts	NA	
IAS 12 - Income Taxes	Yes	Note 5.5.11
IAS 16 - Property, Plant and Equipment	Yes	Note 5.5.3
IAS 18 - Revenue	Yes	Note 5.5.8
IAS 19 - Employee Benefits	Yes	Note 5.5.5
IAS 20 - Government Grants	Yes	Note 5.5.3.4
IAS 21 - The Effects of Changes in Foreign Exchange Rates	NS	Note 5.5.12
IAS 23 - Borrowing Costs	Yes	Note 5.5.1.7
IAS 24 - Related Party Disclosures	Yes	Note 5.13
IAS 26 – Accounting and Reporting by Retirement Benefit Plans	NA	
IAS 27 - Separate Financial Statements	NA	
IAS 28 - Investments in Associates and Joint Ventures	NA	
IAS 29 - Financial Reporting in Hyperinflationary Economies	NA	
IAS 32 - Financial instruments	Yes	Note 5.5.1.3
IAS 33 - Earnings Per Share	NA	Unlisted company
IAS 34 - Interim Financial Reporting	NA	
IAS 36 - Impairment of Assets	Yes	Note 5.5.1.8
IAS 37 - Provisions, Contingent Liabilities and Contingent Assets	Yes	Note 5.5.7
IAS 38 - Intangible Assets	Yes	Note 5.5.2
IAS 39 - Financial Instruments: Recognition & Measurement	Yes	Note 5.5.1.3
IAS 40 - Investment Property	NA	
IAS 41 - Agriculture	NA	
IFRS 1 - First-time Adoption of IFRS	NA	
IFRS 2 - Share-based Payment	NS	
IFRS 3 - Business Combinations	Yes	Note 5.5.1.1
IFRS 4 - Insurance Contracts	NS	
IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations	NA	
IFRS 6 - Exploration for & Evaluation of Mineral Resources	NA	
IFRS 7 - Financial instruments: Disclosures	Yes	Note 5.5.1.3
IFRS 8 - Operating Segments	Yes	Note 5.11
IFRS 9 - Financial Instruments	NS	Note 5.5.1.3
IFRS 10 - Consolidated Financial Statements	Yes	Notes 1 - 2
IFRS 11 - Joint Arrangements	NA	
IFRS 12 - Disclosure of Interests in Other Entities	NA	
IFRS 13 - Fair Value Measurement	Yes	Note 5.5.1
IFRS 15 - Revenues from Contracts with Customers	Yes	Note 5.5.8
IFRS 16 - Leases	NS	Note 5.5.9

5.3.2.1 New mandatory standards, amendments and interpretations

Mandatory Standards, Amendments and Interpretations as of 1 January 2023:
The group is not affected by the new standards, amendments and interpretations, mandatory as of 1 January 2023.

5.3.2.2 New standards, amendments and interpretations published by the IASB but not yet adopted by the European Union

The standards, amendments and interpretations published by the IASB but not yet adopted by the European Union will only enter into force in a mandatory manner from this adoption and are therefore not applied by the Group.

5.3.3 ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires the management to exercise judgment in making estimates and assumptions likely to affect the application of accounting methods. The actual values may be different from the estimated values.

The estimates and the underlying assumptions are constantly examined. The impact of the changes of accounting estimates is recorded during the period of the change and all the subsequent periods affected.

The assumptions and estimates mainly concern:

- the measurement of the fair value of the assets acquired and liabilities recovered in the context of business combinations (see note 5.5.1.1);
- the period of use of tangible and intangible assets used for the calculation of depreciation: these estimates are presented in notes 5.5.2 & 5.5.3 of the accounting principles;
- the measurement of the recoverable value of the goodwill (assumptions described in note 5.5.1.1);
- the measurement of the obligations linked to defined benefit plans (assumptions described in notes 5.5.6 et 5.10.6);
- the valuation of the financial instruments (see note 5.5.1.3);
- the measurement of the deferred tax assets (see note 5.9.7).

5.4 CONSOLIDATION METHODS

The acquired subsidiaries are consolidated in the Group's financial statements from the date of their acquisition of control or, for reasons of convenience, if the impact is not material, from the date of establishment of the most recent consolidated balance sheet.
The consolidated financial statements presented in this document cover the period from 1 January to 31 December 2023. All of the Group's companies have a closing date of 31 December.

5.4.1 SUBSIDIARIES

A subsidiary company is an entity controlled by the Group. The Group controls an entity if, and only if, all of the conditions below are met:

- It holds power over the entity;
- It is exposed or has the right to variable returns due to its involvement with the entity;
- It has the ability to exercise power over the company so as to influence the amount of the returns it obtains.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control is obtained until the date on which control ceases.

5.4.2 INVESTMENTS CONTROLLED EXCLUSIVELY: FULL CONSOLIDATION

Full consolidation consists of:

- integrating the accounts of consolidated companies after any restatements into the accounts of the consolidating company;
- distributing equity and income between the interests of the consolidating company and the interests of other non-controlling shareholders;
- eliminating transactions in account between the fully consolidated company and its consolidated subsidiaries.

5.4.3 PARTIALLY CONTROLLED INTERESTS: EQUITY-ACCOUNTED COMPANIES

Equity accounting consists in including the consolidating company's share of equity and profit or loss in its financial statements.

5.4.4 TRANSACTIONS ELIMINATED FROM THE CONSOLIDATED FINANCIAL STATEMENTS

The balance sheet balances and transactions and the income and expenses resulting from intra-group transactions are eliminated during the preparation of the consolidated financial statements.

5.5 ACCOUNTING METHODS AND PRINCIPLES AND VALUATION RULES

5.5.1 ACCOUNTING METHODS AND VALUATION RULES

The accounting methods described below have been systematically applied by all Group entities.

5.5.1.1 Business combination

Business combinations are accounted for in accordance with the principles set out by IFRS 3 by applying the purchase method on the purchase date, i.e. the date on which control is transferred to the Group.

The Group measures goodwill on the acquisition date as:

- the fair value of the consideration transferred; plus
- the amount entered for any profit-sharing that does not grant control in the company acquired; plus
- if the business combination is carried out in stages, the fair value of any shares previously held in the company acquired; less
- the fair value of the identifiable assets acquired and liabilities assumed.

If the difference is negative, the gain arising from the acquisition made under beneficial conditions is immediately recorded on the income statement.

The consideration transferred excludes the amounts relating to the payment of pre-existing relations. These amounts are generally entered on the income statement.

The costs related to the acquisition, other than those related to the issue of debt or equity securities, that the Group covers due to a business combination, are recorded as expenses when they are incurred.
Goodwill is then measured at the cost, less the accumulation of impairment losses.

5.5.1.1.1 Goodwill

In accordance with the provisions of IFRS 1 relating to subsidiaries adopting IFRS after their parent company, Teréga SAS chose to assess business combinations based on the values adopted by its parent company: Teréga HOLDING.

Thus, the allocation of goodwill as at 30 July 2013, in accordance with the principles set out in note 5.5.3.4, is broken down as follows (in €M):

Acquisition cost as at 30 July 2013			1 596
Shareholder equity acquired at 30 July 2013			644
FIRST CONSOLIDATION DIFFERENCE			**952**
	GROSS	**DEFERRED TAX**	**NET**
Assets re-measured at fair value	835	(288)	548
- *Tangible assets*	797	(274)	522
Derecognition of investment subsidies	38	(13)	25
Liability re-measured at fair value - €500 M bond	(63)	22	(41)
ALLOCATION OF THE ACQUISITION PRICE	**810**	**(279)**	**531**
GOODWILL			**421**

In application of the principles laid down by IFRS 3, as it concerned a business combination, the valuation at fair value of certain tangible and intangible assets acquired respectively led to a re-measurement of €797 M and €39 M (see paragraphs relating to the tangible assets, intangible assets and goodwill).

The bond loan of €500 M taken out in 2011 was revalued at its fair value with a negative impact of €63M.

Residual goodwill of €421 M was then recorded for the difference between the cost of acquiring Teréga SA and the net fair value of the assets and liabilities restated as part of the acquisition.

5.5.1.1.2 Definition of Cash Generating Units (CGU)

In the context of the development of new activities of the Terega group, a review of the definition of CGUs was carried out during the 2023 financial year.

The profile of the new activities of Terega Solutions and its subsidiaries is different from regulated activities without major cash flow interdependence, which implies the creation of a specific CGU.

Regarding Transmission and Storage activities, even if the two activities benefit from synergies and pooling of decision-making and certain central costs, the revenue structure of each activity has been fixed since the entry into regulation by separate regulatory frameworks. , separate rules and a different remuneration mechanism. The operational and support costs of each activity are distributed and carefully examined by the regulator. The cash inflows are therefore largely independent of each other.

Furthermore, the reports presented to governance bodies and management have evolved to show the distribution of results for each activity.
The Teréga group has thus defined 3 CGUs: Transmission Activity, Storage Activity and Terega Solutions Activities.

5.5.1.1.3 Allocation of goodwill

In 2023, goodwill was allocated between the Transmission and Storage activities according to the fair value of each activity, based on a future cash flow approach (Discounted Cash Flow).

In thousands of euros

	TRANSMISSION 60%	STORAGE 40%
Goodwill	252 457	168 304

5.5.1.2 Shareholder equity

The additional costs directly attributable to the issue of new ordinary shares are recorded as a deduction from the shareholder equity. In addition, the convertible bonds issued by the Group are considered as equity instruments according to IAS 32. Changes in fair value of the hedging instruments are recorded net of tax as "other elements of the comprehensive income" for the effective portion and on the income statement for the period for their ineffective portion. When the hedging instruments are implemented, the gains or losses accumulated in shareholder equity are recategorised on the income statement in the same section as the element covered.

5.5.1.3 Financial instruments

On 24 July 2014, the IASB published IFRS 9 "Financial Instruments", applicable to financial years beginning on or after 1 January 2018.

This standard defines a classification and valuation of financial assets that reflect the business model in which they are managed as well as their contractual cash flows; an impairment methodology based on "expected losses" and a change in the principles of hedge accounting.
As the current accounting practice within the Teréga Group complies with IFRS 9, the application of this standard therefore does not result in a significant change in the Group's consolidated financial statements.

5.5.1.4 Non-derivative financial assets

The Group initially records the loans, receivables and deposits on the date on which they are generated. All the other financial assets are recorded on the transaction date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights of the cash flow generated by the asset expire, or when it transfers the right to receive the contractual cash flow of a transaction in which practically all risks and benefits inherent to the ownership of the financial asset are transferred.

Any interest created or preserved by the Group in transferred financial assets is entered separately as an asset or liability.

The financial assets and liabilities are offset and recorded for their net balance in the statement of financial position if, and only if, the Group legally has the right to offset the amounts and has the intention to either pay them for a net sum or realize the assets and settle the liabilities simultaneously.

5.5.1.5 Loans and receivables

Loans and receivables are financial assets with fixed or calculable payments which are not listed on an active market. Such assets are recorded initially at the fair value, plus the directly attributable transaction costs. After the initial recording, the loans and receivables are measured at the amortized cost according to the effective interest rate method, less any impairment losses. Loans and receivables include trade receivables and other debtors.

5.5.1.6 Cash and cash equivalents

Cash and cash equivalents are immediately available assets or short-term, highly liquid investments that are easily convertible into a known amount of cash and are subject to a negligible risk of value change.

5.5.1.7 Non-derivative financial liabilities

The Group records the debts issued on the date on which they are generated. All the other financial assets are initially recorded on the transaction date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when the contractual rights are extinguished, canceled or expire.

The financial liabilities are recorded initially at the fair value, adjusted to include any directly attributable transaction costs. After the initial recording, these financial liabilities are measured at the amortized cost according to the effective interest rate method.

5.5.1.8 Impairment of non-derivative financial assets

A financial asset that is not recorded at its fair value is examined on each closing date in order to determine if there is an objective indication of impairment losses. A financial asset is impaired if there is an objective indication that one or more events took place after the initial recording of the asset and that these events have an impact on the future estimated cash flow of the asset, which can be reliably estimated.

5.5.2 INTANGIBLE ASSETS

5.5.2.1 Other intangible assets (excluding goodwill)

The other intangible assets that have been acquired by the Group and that have finite useful lives are recorded at cost less the accumulated depreciation and any accumulated impairment losses. They include, in particular, the customer contracts identified during business combinations and software.

Other intangible assets also include software applications, which are amortized on a straight-line basis over their useful life, including SaaS (Software as a Service) agreement, which, as an exception, would not be considered as service agreements and recognised as expenses. To be recorded as fixed assets, SaaS agreements must give the user a right of control, in addition to access to the software for a defined period.

5.5.2.2 Subsequent spending

The subsequent spending relating to intangible assets is activated only if it increases the future economic advantages associated with the specific corresponding asset. Other spending, including spending pertaining to goodwill or trademarks generated internally, is recorded as an expense at the time it is incurred.

5.5.2.3 Amortization

The amortization of intangible assets is recorded as an expense according to the straight-line method over the estimated useful life for each component, starting from the commissioning thereof.

The estimated useful lives for the current period are the following:

- Patents and trademark 5 years
- Software 5 years
- Development costs 5 to 10 years
- Customer contracts 30 years

The amortization methods, the useful lives and the residual values are reviewed on each closing date and adjusted if necessary.

5.5.2.4 Impairment of non-financial assets

The book values of the non-financial assets of the Group, other than the inventory and the deferred tax assets, are examined on each closing date in order to assess whether there is an indication that an asset has suffered impairment. If there is such an indication, the recoverable value of the asset is estimated. The goodwill and intangible assets with undetermined useful life are tested every year. An impairment loss is recorded if the book value of an asset or the cash-generating unit (CGU) to which it belongs is greater than its estimated recoverable value.

The recoverable value of an asset or a CGU is the highest value between useful value and the fair value, less the sales costs. In order to assess the useful value, the estimated future cash flows are updated to the rate, before tax, that reflects the current assessment of the time value of money market and the risks specific to the asset or the CGU. Impairment losses are recorded on the income statement.

An impairment loss recorded for the CGUs is first of all allocated to the reduction of the book value of any goodwill allocated to the CGU (of a CGU group), then to the reduction of the book values of the other CGU assets (of the CGU group) in proportion to the book value of each CGU asset (of the CGU group).

An impairment loss recorded for goodwill cannot be reversed. For the other assets, the book value, increased due to the reversal of impairment, cannot be greater than the book value that would have been calculated, net of amortization, if no impairment had been recorded.

5.5.3 TANGIBLE ASSETS

5.5.3.1 Recording and measurement

A tangible asset is measured at cost as defined below, less the accumulation of the depreciation and the accumulation of impairment losses.

The cost includes the spending directly attributable to the acquisition of the asset. When components of tangible assets have different periods of use, they are recorded as distinct tangible assets (major components).

The profit or loss on the transfer of tangible assets (corresponding to the difference between the net income from the sale and the book value of the asset) is recorded on the income statement.

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 your company, must transmit their annual investment programmes 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 investments 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. The assets and infrastructure attached to this site are depreciated over a period longer than the duration of the concession. The Teréga group considers that the assets will be used beyond the end date of this concession.
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.

Fixed assets are an essential component of the determination of authorized income for Teréga SA's transmission and storage activities, which are regulated activities.

5.5.3.2 Subsequent costs

Subsequent costs are activated only when it is likely that there will be economic advantages for the Group associated with this element. The spending linked to maintenance and repairs is recorded as an expense when it is incurred.

5.5.3.3 Depreciation

Tangible assets are depreciated according to the straight-line method on the income statement, over the estimated useful life for each component. Land is not depreciated.
Tangible assets are depreciated from the time they are installed and ready for use, or for goods produced internally, from the time the asset is completed and ready for use.

The useful lives for tangible assets are as follows:

- Pipework and connections 50 years
- Compression stations 10 to 30 years
- Buildings 25 years
- Fittings 10 years
- Equipment and tools 10 years
- Transmission equipment 10 years
- Office and IT equipment 5-10 years
- Furniture 10 years
- Cushion gas 75 years
- Technical installations 10 years
- Wells 25 years

The cushion gas corresponds to a permanent gas reserve that makes it possible to maintain the level of pressure required for storage and to maintain the delivery speeds requested by customers.
Regarding its depreciation: see note 5.8 on “information on the comparability of accounts”.

Storage assets are depreciated by periods independent of the duration of the concession. If the concession is not renewed, the concession capital assets should be subject to accelerated depreciation.

5.5.3.4 Investment subsidies

The European investment subsidies received by the companies of the Group are recorded as a deduction from the assets and are entered on the income statement over the functional lifespan of the assets they contributed to financing.

5.5.4 LONG-TERM INVESTMENTS

Equity investments are recognised at their date of entry at acquisition cost and are tested for impairment at the balance sheet date, which results in an impairment loss when the present value of the securities held falls below their net book value.

5.5.5 INVENTORY

Inventory is measured at the lowest value between the cost and the net realization value. The cost of inventory is calculated using the average weighted cost method. The cost of entry into inventory of items includes actual accessory purchase costs, excluding transmission.

The provision for materials and supplies inventory impairment is created on the basis of a detailed analysis of rotations by article.

5.5.6 EMPLOYEE BENEFITS

The Group grants certain employees post-employment benefits (retirement schemes) as well as other long-term benefits (long-service awards).

Defined-benefit plan

The net obligation of the Group for defined-benefit plans is measured separately for each plan by estimating the sum of the future benefits acquired by the staff in exchange for services provided during the current and previous periods; this sum is discounted to determine its present value. Post-employment costs not recorded and the fair value of the assets of the plan are then deducted. The discount rate is equal to the interest rate, on the date of closure, of the first category obligations with a due date close to that of the Group's commitments and which are denominated in the currency for payment of the services.

The calculations are made every year by a qualified actuary, using the projected unit credit method. For defined-benefit plans, the Group records all the actuarial differences in shareholder equity.

5.5.6.1 Other long-term staff benefits

The Group's net obligation for long-term benefits, other than pension schemes, is equal to the value of the future benefits acquired by the staff in exchange for services rendered during the current period and previous periods. These benefits are primarily composed of long-service awards.

5.5.6.2 Short-term staff benefits

The obligations for short-term benefits are measured on a non-discounted basis and recorded when the corresponding service is provided.

A liability is recorded for the amount that the Group expects to pay for profit-sharing and bonus plans paid in cash in the short term if the Group has a current legal or constructive obligation to make these payments in exchange for past services rendered by the staff member and that a reliable estimation may be made of the obligation.

5.5.7 PROVISIONS

A provision is recorded when the Group has a current legal or constructive obligation as a result of a past event, the obligation may be reliably estimated and it is likely that an outflow of resources representative of economic benefits will be required to settle the obligation. For provisions whose time frame is greater than 12 months, the amount of the provision is determined by discounting the future expected cash flows at the rate, before tax, reflecting the current assessment by the market of the time value of money and the specific risks in this liability. The effect of the accretion is recorded in the financial charges.

5.5.8 REVENUES

The revenues mainly correspond to the income from transmission and storage capacities but also income from connection and transit contracts.

The Group records sales when:

- A contractual relation is proven;
- The provision of services is completed;
- The price is fixed or determinable.

The recognition of income from contracts with customers is based on the following five steps:

- Identification of the contract with the client;
- Identification of the obligation to execute, represented by the contractual promise to transfer goods and/or services to a client;
- Determination of the transaction price;
- Allocation of the transaction price to the execution obligations identified on the basis of the separate selling price for each property or service;
- The registration of products when the corresponding performance obligation has been fulfilled, or at the time of the transfer to the customer of the promised property or service. The transfer will be considered to be carried out when the customer obtains control of the goods or services, which may take place in time or at a specific time.

As regards the activities carried out by the Terréga Group, revenues are generally recognised when the service is provided. Most of the basic revenues concern regulated activities, whose revenues are governed by the regulatory framework established by the CRE (Energy Regulatory Commission). Under the neutrality principle defined by applicable law, transactions in the balancing market do not generate costs or revenues, since they are only batches in transit and are redistributed annually to the gas community.

The difference (positive or negative) between the invoice and the forecast is covered in the EIAA (Expenses and Income Adjustment Account).

5.5.9 LEASE AGREEMENTS

Leases are classified as operating leases and are not recorded in the Group's statement of financial status. Payments under operating leases are recorded on the income statement on a straight-line basis over the term of the lease agreement. The benefits received from the lessor form an integral part of the net total of rental expenses and are recorded, less the expenses, over the term of the lease agreement.

On 13 January 2016, the IASB published IFRS 16 "Leases", which replaced IAS 17 "Leases" and applies to financial years beginning on or after 1 January 2019. IFRS 16 replaces the single lease expense line with depreciation of leased assets and interest expense on lease liabilities. This standard aligns the treatment of lease expenses for all leases.

The deferred tax is recorded on the basis of the time differences between the book value of the assets and liabilities and their tax bases.

IFRS 16 eliminates the distinction between simple lease and financial lease in IAS 17 and requires almost all lease agreements on the balance sheet:

- an asset representative of the right of use of the leased asset during the term of the contract;
- offsetting a liability in respect of the obligation to pay rents.

The application of IFRS 16 has no significant consequences in the Group's consolidated financial statements as at 31 December 2023.

5.5.10 INCOME AND FINANCIAL CHARGES

The cost of the net financial debt is mainly composed of the interest charges in connection with the financial debts calculated according to the effective interest rate.
The other financial products and expenses include the income from financial assets and the foreign exchange earnings.

5.5.11 TAXES

Income taxes include tax liabilities and deferred taxes. Payable and deferred taxes are recorded on the income statement unless they relate to a business combination or to items recorded directly as equity or other elements of comprehensive income.

Payable tax is the estimated tax owed (or to be received) on the taxable profit (or loss) for a period, determined using tax rates that have been adopted or practically adopted on the balance sheet date and any adjustment of the amount of the tax payable in respect of previous periods. For the financial year 2023, the tax rate applied by the group is 25.83 %.

The following elements do not give rise to any recognition of deferred tax:

- the initial recognition of an asset or a liability in a transaction which is not a business combination and which affects neither the accounting profit nor the taxable profit;
- the time differences relating to investments in subsidiaries and joint ventures insofar as it is unlikely that they will be reversed in a foreseeable future;
- the taxable time differences generated by the initial recognition of goodwill.

The deferred tax assets and liabilities are measured at the tax rates which are expected to be applied over the period during which the asset will be realized and the liability settled, on the basis of the tax rates which have been adopted or practically adopted on the closing date.
To determine the amount of the tax due and deferred, the Group takes into account the impact of the uncertain tax positions and the additional taxes and interest which may be due.

The deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the current tax assets and liabilities and if they concern taxes on the same income payable to the same tax authority, either on the same taxable entity, or on different taxable entities, but which are intended to pay the current tax assets and liabilities on the basis of the net amount or to realize the tax assets and settle the liabilities simultaneously.

A deferred tax asset is recognised for temporary deductible differences and tax losses and unused tax credits only insofar as it is likely that the Group will have sufficient future taxable profits against which the asset can be charged. The deferred tax assets are examined at each closing date and are reduced insofar as it is unlikely that sufficient taxable profit will be available.

This standard clarifies the application of the provisions of IAS 12 “Income Taxes” concerning accounting and valuation, where there is uncertainty about the treatment of income tax.
The Group assesses its tax uncertainties in accordance with the principles of IFRIC 23; the application of this standard will therefore not have a significant impact on the Group’s consolidated financial statements

Teréga SAS belongs to the tax group of which Teréga Holding is the consolidation parent company. The tax consolidation agreement between Teréga Holding, Teréga SAS, Teréga Solutions, Loca Teréga, Teréga SA and Metha Infra Berry provides that the tax results are definitively acquired by the parent company. The tax expense applied in the accounts of Teréga SAS thus corresponds to the profit(loss) for tax purposes of Teréga SA, Teréga Solutions, Loca Teréga, Metha Infra Berry and Teréga SAS as if they were taxed separately.
The reintegration of financial expenses has also been maintained at the Teréga Holding level, with taxation at the group level.

5.5.12 FOREIGN CURRENCY

Foreign currency transactions are converted into the functional currency of the Group by applying the exchange rate in force on the transaction date. Monetary assets and liabilities recorded in foreign currencies on the balance sheet date are converted into the functional currency by using the exchange rate on that date.
Foreign exchange rate differences arising from these conversions are recorded on the income statement.

5.6 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 changes in gas flows in Europe produced by the war in Ukraine, did not have a significant impact on the company's gas storage activities during the year 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 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 tariff period. These assumptions present uncertainties when setting tariffs. These tariffs have an EIAA (Expenses and Income Adjustment Account) mechanism to correct the differences between the projected expenses and income and those actually recorded for previously identified items.

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.

5.7 INFORMATION RELATING TO THE SCOPE

The scope of consolidation is as follows:

COMPANIES	31/12/2023 CONSOLIDATION METHOD	% CONTROL	% STAKE	31/12/2022 CONSOLIDATION METHOD	% CONTROL	% STAKE
TERÉGA SA	Full consolidation	100,00%	100,00%	Full consolidation	100,00%	100,00%
TERÉGA SAS	Full consolidation	100,00%	100,00%	Full consolidation	100,00%	100,00%
TERÉGA SOLUTIONS SAS	Full consolidation	100,00%	100,00%	Full consolidation	100,00%	100,00%
LOCATEREGA	Full consolidation	100,00%	100,00%	Full consolidation	100,00%	100,00%
METHA INFRA BERRY	Full consolidation	100,00%	100,00%	Full consolidation	100,00%	100,00%
HY'TOURAINE DISTRIBUTION	Full consolidation	100,00%	100,00%			
TERÉGA SOLUTIONS H2 NEW CO 1	Full consolidation	100,00%	100,00%			
DUALMETHA SAS	Equity method	11,90%	11,90%	Equity method	16,53%	16,53%
CHADASAYGAS	Equity method	40,00%	40,00%	Equity method	40,00%	40,00%
STIRVIA	Equity method	49,00%	49,00%	Equity method	49,00%	49,00%

The companies Hy'Touraine Distribution and Teréga Solutions H2 New Co 1 were formed in the first half of 2023. Their purpose is to support the investment and operation of infrastructures within the framework of projects related to hydrogen.

5.8 INFORMATION ON THE COMPARABILITY OF ACCOUNTS

5.8.1 CHANGE IN PRESENTATION

There is no change in accounting method as at 31 December 2023.

5.8.2 CHANGE IN ACCOUNTING METHOD

There is no change in accounting method as at 31 December 2023.

5.8.3 CHANGE IN ACCOUNTING ESTIMATE

There is no change in accounting estimates as at 31 December 2023.

5.9 NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL STATUS

5.9.1 FUNCTIONAL AND ACCOUNTING CURRENCY

The consolidated financial statements of the Group are presented in euros, the functional currency of the Company. Unless otherwise specified, all the financial information presented in euros is rounded up to the nearest thousand euros.

5.9.2 INTANGIBLE ASSETS AND GOODWILL

5.9.2.1 Changes in financial years 2023 and 2022

In thousands of euros

GROSS VALUES	31/12/2021	ACQUISITIONS / ACTIVATIONS	RETIREMENT	31/12/2022	ACQUISITIONS	RETIREMENT	ACTIVATIONS	31/12/2023
Goodwill	420 760	-	-	420 760	-	-	-	420 760
Development costs	11 550	3 616	-	15 167	-	-	1 313	16 479
Softwares	137 511	4 281	(6 076)	135 717	-	(18 843)	13 706	130 579
Customers	38 711	-	-	38 711	-	-	-	38 711
Current intangible assets	4 284	118	-	4 401	16 037	-	(15 018)	5 420
GROSS VALUES	**612 817**	**8 015**	**(6 076)**	**614 756**	**16 037**	**(18 843)**	**-**	**611 950**

DEPRECIATION AND IMPAIRMENT	31/12/2021	DEPRECIATION	RETIREMENT	31/12/2022	DEPRECIATION	RETIREMENT	OTHERS	31/12/2023
Goodwill impairment	(5)	-	-	(5)	-	-	-	(5)
Amt/Imp. Development costs	(2 778)	(2 498)	-	(5 276)	(3 116)	-	-	(8 391)
Amt/Imp. Softwares	(88 837)	(12 242)	5 062	(96 018)	(15 231)	16 565	-	(94 684)
Amt/Imp. Customers	(10 875)	(1 287)	-	(12 163)	(1 295)	-	-	(13 458)
DEPRECIATION AND IMPAIRMENT	**(102 496)**	**(16 027)**	**5 062**	**(113 461)**	**(19 642)**	**16 565**	**-**	**(116 537)**
NET BOOK VALUE	**510 321**	**(8 012)**	**(1 014)**	**501 296**	**(3 605)**	**(2 278)**	**-**	**495 412**

Goodwill

As at the last financial closing of 31 December 2023, the impairment tests carried out at the level of the two CGU transmission and storage did not lead to restatements. The main work consisted of:

- Determining the asset base to be tested from the consolidated financial statements as at 31 December N;
- Define cash flows consistent with the assumptions retained in the Strategic Plan (projected until 2045 considering a stable regulatory framework, in particular the Weighted Average Cost of

Capital (WACC) making it possible to determine the remuneration of Transmission and Storage activities , and inflation in line with that retained by the Energy Regulatory Commission (CRE));

- Integrate the new tariff determined by the CRE in the business plan;
- Define investment hypotheses integrating prospects for a downward trend in gas consumption in the context of the energy transition, and including investments linked to decarbonization
- Determine the cash flow discount rate in connection with the WACC assumptions cited above in order to calculate the recoverable value of each of the CGUs by discounting their cash flows and the terminal value;

The impairment tests are based on the regulatory framework defined by the CRE in its deliberations known as ATS3 applicable to the Storage activity and ATRT8 applicable to the Transmission activity.

Sensitivities of the impairment test were carried out on a variation in the WACC level as well as on the duration of observation of cash flows. The analysis did not identify any significant risk on the assessment of enterprise value.

Software

Scrapping and reductions concerns two types of transactions :

- softwares that are no longer used by the company (16.6 M€ of gross value in 2023. The net book value of this scrapping was zero.
- SaaS softwares that are reclassified either as profit or loss or as deferred expenses according to IAS 38 (2.3 M€)

5.9.2.2 Intangible assets by activities

Transport

In thousand of euros

	GROSS VALUES					DEPRECIATION AND IMPAIRMENT				NET BOOK VALUE
	31/12/2022	ACQUISITIONS	SCRAPPING	ACTIVATIONS	31/12/2023	31/12/2022	DEPRECIATION	SCRAPPING	31/12/2023	31/12/2023
Goodwill	252 457				252 457	(3)			(3)	**252 454**
Development costs	11 050			1 220	12 270	(3 724)	(2 282)		(6 006)	**6 264**
Softwares	94 746		(12 615)	9 130	91 261	(68 315)	(10 245)	10 782	(67 779)	**23 482**
Customers										**-**
Current intangible assets	2 604	10 951		(10 350)	3 205	-			-	**3 205**
TOTAL	**360 857**	**10 951**	**(12 615)**	**-**	**359 193**	**(72 042)**	**(12 527)**	**10 782**	**(73 788)**	**285 405**

The amount of acquisitions of intangible transmission assets recognized during the financial year amounts to €10,951 K.

Storage

In thousands of euros

	GROSS VALUES					DEPRECIATION AND IMPAIRMENT				NET BOOK VALUE
	31/12/2022	ACQUISITIONS	SCRAPPING	ACTIVATIONS	31/12/2023	31/12/2022	DEPRECIATION	SCRAPPING	31/12/2023	31/12/2023
Goodwill	168 304				168 304	(2)			(2)	**168 302**
Development costs	4 116			93	4 209	(1 551)	(834)		(2 385)	**1 824**
Softwares	38 522		(6 228)	3 924	36 217	(27 276)	(4 420)	5 783	(25 913)	**10 305**
Customers	38 711				38 711	(12 163)	(1 295)		(13 458)	**25 254**
Current intangible assets	627	3 634		(4 016)	244	-			-	**244**
TOTAL	**250 280**	**3 634**	**(6 228)**	**0**	**247 686**	**(40 992)**	**(6 549)**	**5 783**	**(41 757)**	**205 928**

The amount of acquisitions of intangible storage assets recognized during the financial year amounts to €3,634 K.

Teréga Solutions activities

In thousands of euros

	GROSS VALUES					DEPRECIATION AND IMPAIRMENT				NET BOOK VALUE
	31/12/2022	ACQUISITIONS	SCRAPPING	ACTIVATIONS	31/12/2023	31/12/2022	DEPRECIATION	SCRAPPING	31/12/2023	31/12/2023
Softwares	2 448			652	3 101	(426)	(566)		(992)	**2 109**
Current intangible assets	1 171	1 452		(652)	1 970					**1 970**
TOTAL	**3 619**	**1 452**	**-**	**-**	**5 071**	**(426)**	**(566)**	**-**	**(992)**	**4 080**

5.9.3 TANGIBLE ASSETS

5.9.3.1 Changes in financial years 2023 and 2022

The change in tangible assets during the year is as follows:

In thousands of euros

GROSS VALUES	31/12/2021	ACQUISITIONS /ACTIVATIONS	RETIREMENT	31/12/2022	ACQUISITIONS	RETIREMENT	ACTIVATIONS	31/12/2023
Land	10 973	23	(139)	10 858	-	(25)	22	10 855
On land developments	12 308	665	-	12 974	-	-	736	13 709
Buildings	99 769	12 578	(7 703)	104 643	-	(1 408)	6 239	109 474
Immeubles de placement	-	-	-	-	-	-	-	-
Technical installations, materials and tools	3 129 330	145 606	(1 312)	3 273 624	-	(1 084)	120 310	3 392 850
Other tangible assets	1 897	50	(13)	1 933	-	(7)	98	2 025
Office equipment	1 744	377	(4)	2 117	-	(12)	327	2 432
Transportation equipment	463	362	-	825	-	-	148	972
IT equipment	7 127	647	(72)	7 701	-	(1 634)	883	6 950
Current tangible assets	67 944	(10 181)	-	57 763	158 573	-	(128 763)	87 572
GROSS VALUES	**3 331 555**	**150 126**	**(9 244)**	**3 472 438**	**158 573**	**(4 171)**	**-**	**3 626 839**

DEPRECIATION AND IMPAIRMENT	31/12/2021	DEPRECIATION	RETIREMENT	31/12/2022	DEPRECIATION	RETIREMENT	OTHERS	31/12/2023
Amt/Imp. On land developments	(8 223)	(314)	-	(8 537)	(1 050)	-	-	(9 586)
Amt/Imp. Buildings	(32 969)	(5 348)	3 526	(34 792)	(5 821)	1 233	-	(39 380)
Amt/Imp. Technical installations, materials and tools	(815 263)	(81 254)	1 668	(894 849)	(83 339)	1 084	-	(977 103)
Amt/Imp. Other tangible assets	(972)	(146)	13	(1 104)	(150)	7	-	(1 248)
Amt/Imp. Office equipment	(711)	(189)	4	(896)	(222)	12	-	(1 106)
Amt/Imp. Transportation equipment	(84)	(86)	-	(170)	(117)	-	-	(287)
Amt/Imp. IT equipment	(5 200)	(859)	72	(5 987)	(792)	1 634	-	(5 144)
DEPRECIATION AND IMPAIRMENT	**(863 421)**	**(88 196)**	**5 282**	**(946 335)**	**(91 489)**	**3 971**	**-**	**(1 033 853)**
NET BOOK VALUE	**2 468 134**	**61 930**	**(3 961)**	**2 526 102**	**67 084**	**(200)**	**-**	**2 592 986**

5.9.3.2 Tangible assets by activities

Transport

In thousands of euros

	GROSS VALUES					DEPRECIATION AND IMPAIRMENT				NET BOOK VALUE
	31/12/2022	ACQUISITIONS	SCRAPPING	ACTIVATIONS	31/12/2023	31/12/2022	DEPRECIATION	SCRAPPING	31/12/2023	31/12/2023
Land	7 794		(24)	22	7 792					**7 792**
On land developments	3 528				3 528	(1 877)	(258)		(2 135)	**1 393**
Buildings	65 434		(1 103)	1 692	66 023	(21 953)	(3 690)	928	(24 715)	**41 308**
Technical installations, materials and tools	2 004 522		(957)	80 604	2 084 169	(644 896)	(51 205)	957	(695 144)	**1 389 026**
Other tangible assets	976			62	1 038	(472)	(95)	7	(561)	**477**
Office equipment	1 686		(11)	233	1 908	(774)	(176)	11	(939)	**969**
Transportation equipment	693			148	841	(154)	(104)		(258)	**584**
IT equipment	5 252		(1 111)	694	4 836	(3 989)	(552)	1 100	(3 441)	**1 395**
Current tangible assets	28 002	91 365		(83 456)	35 912					**35 912**
TOTAL	**2 117 889**	**91 365**	**(3 206)**	**0**	**2 206 048**	**(674 115)**	**(56 079)**	**3 002**	**(727 192)**	**1 478 857**

The amount of acquisitions of tangible transmission assets recognized during the financial year amounts to €91,365 K.

Storage

In thousands of euros

	GROSS VALUES					DEPRECIATION AND IMPAIRMENT				NET BOOK VALUE
	31/12/2022	ACQUISITIONS	SCRAPPING	ACTIVATIONS	31/12/2023	31/12/2022	DEPRECIATION	SCRAPPING	31/12/2023	31/12/2023
Land	3 063				3 063					**3 063**
On land developments	9 445			736	10 181	(6 660)	(791)		(7 451)	**2 730**
Buildings	39 210		(276)	4 517	43 450	(12 839)	(2 131)	305	(14 665)	**28 786**
Technical installations, materials and tools	1 269 102		(131)	39 709	1 308 681	(249 954)	(32 134)	128	(281 960)	**1 026 721**
Other tangible assets	925			30	955	(632)	(55)		(687)	**268**
Office equipment	431			92	524	(122)	(46)	2	(167)	**357**
Transportation equipment	131				131	(16)	(13)		(29)	**102**
IT equipment	2 449		(558)	224	2 114	(1 998)	(240)	534	(1 704)	**411**
Current tangible assets	27 332	66 417		(45 309)	48 441					**48 441**
TOTAL	**1 352 088**	**66 417**	**(966)**	**(0)**	**1 417 540**	**(272 220)**	**(35 410)**	**969**	**(306 662)**	**1 110 878**

The amount of acquisitions of tangible storage assets recognized during the financial year amounts to €66,417 K.

Teréga Solutions Activities

In thousands of euros

	GROSS VALUES					DEPRECIATION AND IMPAIRMENT				NET BOOK VALUE
	31/12/2022	ACQUISITIONS	SCRAPPING	ACTIVATIONS	31/12/2023	31/12/2022	DEPRECIATION	SCRAPPING	31/12/2023	31/12/2023
Other tangible assets	32				32					**32**
Current tangible assets	2 428	791			3 219					**3 219**
TOTAL	**2 460**	**791**	**-**	**-**	**3 251**	**-**	**-**	**-**	**-**	**3 251**

5.9.4 LONG-TERM INVESTMENTS

5.9.4.1 Changes in the financial year

In thousands of euros

	31/12/2022	CHANGES TO SCOPE	CHANGE IN EQUITY VALUE	DEPRECIATION	31/12/2023
Investments in equity-accounted companies	**660**	**6**	**(430)**	**-**	**237**
Chadasaygas	*-*				*-*
DualMetha	*660*	*6*	*(430)*		*237*
Non consolidated shares	**332**	**-**	**-**	**-**	**332**
3 GRT	*1*				*1*
Declaranet	*312*				*312*
Prisma	*19*				*19*
Other financial assets	**6 908**	**-**	**-**	**(3 358)**	**3 550**
Hydrogène de france	*6 908*			*(3 358)*	*3 550*
	7 901	**6**	**(430)**	**(3 358)**	**4 119**

5.9.4.2 Changes in the previous financial year

In thousands of euros

	31/12/2021	CHANGES TO SCOPE	ACQUISITIONS	RECLASS	CHANGE IN EQUITY VALUE	DEPRECIATION	31/12/2022
Investments in equity-accounted companies	**823**	**(9)**	**-**	**1 115**	**(1 269)**	**-**	**660**
Chadasaygas				*1 115*	*(1 115)*	*-*	*-*
DualMetha	*823*	*(9)*	*-*		*(154)*	*-*	*660*
Non consolidated shares	**332**	**-**	**-**	**-**	**-**	**-**	**332**
3 GRT	*1*						*1*
Declaranet	*312*						*312*
Prisma	*19*						*19*
Other financial assets	**8 245**	**-**	**32**	**-**	**-**	**(1 369)**	**6 908**
Hydrogène de france	*8 245*		*32*			*(1 369)*	*6 908*
	9 400	**(9)**	**32**	**1 115**	**(1 269)**	**(1 369)**	**7 901**

Equity-accounted investments consist of shares and acquisition costs in the following companies:

- Chadasaygas Group, 40% owned;
- DualMetha, 11.9% owned;
- Stirvia, 49% owned.

After analysis, it was determined that Teréga had a significant influence on these three companies. The consolidation method applied is the equity method.

The closing deadlines for the financial year of the subsidiaries do not allow data to be reported for the period in question. The figures used for the net positions and the profit(loss) correspond to those of the 2022 financial year for Dualmetha and Stirvia.

The opening of the judicial liquidation procedure of the Chadasaygas Group was declared on December 14, 2023. Due to the depreciation already recorded, no additional accounting impact was noted in the consolidated accounts of the Teréga Group in 2023. This procedure does not does not result in deconsolidation at Teréga at the end of 2023 as long as the liquidation procedure remains open.

A capital increase of Dualmetha of €550 K was carried out on December 12, 2023, in which the Teréga Group did not participate. A dilution of the stake was thus noted, going from 16.53% to 11.9%. A depreciation of goodwill was recorded for €348 K.
Long-term investments consist of shares acquired in Hydrogène de France, held at 2.35%.
In the parent company financial statements reported in French GAAP, Hydrogène de France equity investments are recognised at acquisition cost (including acquisition fees). In the IFRS financial statements, Teréga Solutions took the irrevocable option of fair value adjustment against non-recyclable OCI. As such, the valuation of the shares at 31 December 2023 was adjusted based on the price of the shares at the end of December.

5.9.5 INVENTORY

In thousands of euros

GROSS VALUES	31/12/2023			31/12/2022		
	Gross values	Depreciation	Net values	Gross values	Depreciation	Net values
Inventories of raw materials, supplies and other consumables	41 859	(4 912)	36 947	31 467	(4 945)	26 522
GROSS VALUES	**41 859**	**(4 912)**	**36 947**	**31 467**	**(4 945)**	**26 522**

The stocks are composed of technical equipment parts as well as gas inventory, mainly for self-consumption.

The provision for materials and supplies inventory impairment is created on the basis of a detailed analysis of rotations by article.

5.9.6 TRADE RECEIVABLES AND OTHER DEBTORS

In thousands of euros

	31/12/2023	31/12/2022
Trade notes and accounts receivable	12 930	13 156
Unbilled revenues	51 443	47 746
Depreciation trade notes and accounts receivable	(858)	(405)
TRADE RECEIVABLES	**63 515**	**60 497**

5.9.7 DEFERRED TAX ASSETS AND LIABILITIES

5.9.7.1 Changes in the financial year

The change in deferred taxes during the financial year is analyzed as follows:

In thousands of euros

	31/12/2022	PROFIT/(LOSS) FOR THE PERIOD	OTHER ELEMENTS OF COMPREHENSIVE INCOME	SHAREHOLDER EQUITY	RECLASS	31/12/2023
Deferred tax assets	2	-	-	-	(2)	-
Deferred tax liabilities	(284 726)	(19 816)	3 284	9 712	2	(291 544)
NET DEFERRED TAX	**(284 724)**	**(19 816)**	**3 284**	**9 712**	**-**	**(291 544)**

Deferred taxes recognised in "Other comprehensive income" relate to actuarial gains and losses on pension liabilities and the fair value adjustment of Hydrogène de France shares.

Deferred taxes on equity mainly correspond to convertible bonds for the period from 1 January to 31 December 2023.

The deferred tax assets and liabilities must be measured at the tax rates expected to be applied over the period during which the asset will be realized or the liability settled, on the basis of the tax rates adopted on the closing date.

The valuation of deferred tax assets and liabilities must reflect the tax consequences that would result from how the entity expects, at the closing date, to recover or settle the book value of its assets and liabilities.

5.9.7.2 Deferred tax types for the financial year

In thousands of euros

	31/12/2022	PROFIT/(LOSS) FOR THE PERIOD	OTHER ELEMENTS OF COMPREHENSIVE INCOME	OTHER RESERVES	RECLASS.	31/12/2023
Deferred tax on difference between book profit(loss) and tax profit(loss)	1 733	146			(250)	1 629
Tax on other consolidation adjustments	648	(872)	867	-	(45)	599
Deferred tax on revaluation difference on tangible and intangible assets (allocation of the acquisition price)	(196 505)	970				(195 535)
Deferred tax on expenses from the acquisition of securities	37 952	-			(7 331)	30 621
Deferred tax on cancellation of regulated provisions	(135 278)	(9 937)			7 334	(137 882)
Deferred tax on social commitments	4 557	13	(277)		207	4 500
Tax deferred according to IFRIC 21 C3S standard	(169)	(37)			44	(161)
Deferred tax on adjustment of financial debt	2 365	(10 100)	2 694	9 712	15	4 686
Deferred tax on liability method	(27)	-	-		27	-
NET DEFERRED TAX	**(284 724)**	**(19 816)**	**3 284**	**9 712**	**0**	**(291 544)**
Deferred tax assets	2	-	-	-	(2)	(0)
Deferred tax liabilities	(284 726)	(19 816)	3 284	9 712	2	(291 544)
NET DEFERRED TAX	**(284 724)**	**(19 816)**	**3 284**	**9 712**	**0**	**(291 544)**

5.9.7.3 Changes and types of deferred taxes for the previous financial year

The changes in the previous financial year are as follows:

In thousands of euros

	31/12/2021	PROFIT/(LOSS) FOR THE PERIOD	OTHER ELEMENTS OF COMPREHENSIVE INCOME	OTHER RESERVES	RECLASS.	31/12/2022
Deferred tax on difference between book profit(loss) and tax profit(loss)	1 415	318	-	-	-	1 733
Tax on other consolidation adjustments	499	(579)	354	374	-	648
Deferred tax on revaluation difference on tangible and intangible assets (allocation of the acquisition price)	(195 656)	(849)	-	-	-	(196 505)
Deferred tax on expenses from the acquisition of securities	37 952	-	-	-	-	37 952
Deferred tax on cancellation of regulated provisions	(126 937)	(8 341)	-	-	-	(135 278)
Deferred tax on social commitments	5 332	(98)	(678)	-	-	4 557
Tax deferred according to IFRIC 21 C3S standard	(177)	8	-	-	-	(169)
Deferred tax on adjustment of financial debt	2 760	(10 229)	122	9 712	-	2 365
Deferred tax on liability method	-	18	(44)	-	-	(27)
NET DEFERRED TAX	**(274 812)**	**(19 751)**	**(246)**	**10 086**	**-**	**(284 724)**
Deferred tax assets	478	-	-	-	(477)	2
Deferred tax liabilities	(275 291)	(19 751)	(246)	10 086	477	(284 726)
NET DEFERRED TAX	**(274 812)**	**(19 751)**	**(246)**	**10 086**	**-**	**(284 724)**

Deferred taxes recognised in "other comprehensive income" relate to actuarial gains and losses on pension liabilities and the fair value adjustment of Hydrogène de France securities. Deferred taxes on equity correspond to interest relating to the convertible bonds for the period from 1 January to 31 December 2022.

5.9.7.4 Deferred tax assets not recognised

In accordance with the description in note 5.5.1.2, the tax deficits of the Group entities are not returned to the entities that generated them. Each legal company is considered an independent tax entity, with the head of tax consolidation being placed above Teréga SAS.

Thus, deferred tax assets, corresponding to the deficits used by tax consolidation and not recognised because not available in the consolidated financial statements amounted to €8 700 K as at 31 December 2023 and €8,802 K as at 31 December 2022.

5.9.8 CASH AND CASH EQUIVALENTS

In thousands of euros

	31/12/2023	31/12/2022
Cash	66 836	60 278
TOTAL NET CASH	**66 836**	**60 278**

Cash and cash equivalents are immediately available assets or short-term, highly liquid investments that are easily convertible into a known amount of cash and are subject to a negligible risk of value change.

The increase in cash and cash equivalents as of 31 December 2023 is mainly due to operating activities which generated more cash compared to the level of investing and financing activities.

5.9.9 CAPITAL AND RESERVES

At December 31st, 2023, the share capital amounted to €489,474 K, consisting of 48,947,355 shares with a nominal value of €10. The Group set up external funding as well as a convertible bond with a nominal value of €790,000 K with an initial maturity of 30 years. Convertible bonds issued by the Group are considered as equity instruments according to IAS 32. The interest expenses on the ORA (after tax) are classified as shareholder equity.

On 26 February 2015, €120,000 K of the ORA was repaid, divided by the percentage of ownership of the capital of the four shareholders, reducing its nominal value to €670,000 K.

On 20 October 2020, €200,000 K of the ORA was repaid, divided by the percentage of ownership of the capital of the four shareholders, reducing its nominal value to €470,000 K.

5.9.10 PROVISIONS

In thousands of euros

	31/12/2021	ALLOWANCES	REVERSALS USED	31/12/2022	ALLOWANCES	REVERSALS USED	31/12/2023
Lawsuit contingency provision - non-current	-	-	-	-	-	-	-
NON-CURRENT PROVISIONS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provisions for disputes - current	125	740	-	865	-	(104)	762
Provision for other expenses - current	135	822	-	957	250	(135)	1 072
CURRENT PROVISIONS	**260**	**1 562**	**-**	**1 822**	**250**	**(239)**	**1 834**
TOTAL PROVISIONS	**260**	**1 562**	**-**	**1 822**	**250**	**(239)**	**1 834**

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.

5.9.11 FINANCIAL DEBT

5.9.11.1 Changes in the financial year

The change in financial debts during the financial year is analyzed as follows:

In thousands of euros

	31/12/2022	INCREASE	DECREASE	31/12/2023
Bonds - non-current	1 782 231	-	-	1 782 231
Issue of equity securities and state advances - non-current	-	-	-	-
Other loans and similar debts - non-current	10 982	-	(2 986)	7 995
TOTAL NON-CURRENT	**1 793 213**	**-**	**(2 986)**	**1 790 226**
Loans and debt with credit institutions - current	-	-	-	-
Bonds - current	-	-	-	-
Accrued interest on loans - current	18 900	31 479	(29 579)	20 800
TOTAL CURRENT	**18 900**	**31 479**	**(29 579)**	**20 800**
TOTAL FINANCIAL DEBT	**1 812 113**	**31 479**	**(32 565)**	**1 811 026**

In thousands of euros

	31/12/2023					
	TOTAL	N+1	N+2	N+3	N+4	>=N+5
Bonds - non-current	1 782 231	-	546 189	-	-	1 236 042
Issue of equity securities and state advances - non-current	-	-	-	-	-	-
Other loans and similar debts - non-current	7 995	7 995	-	-	-	-
Accrued interest on loans - current	20 800	20 800	-	-	-	-
TOTAL FINANCIAL DEBT	**1 811 026**	**28 795**	**546 189**	**-**	**-**	**1 236 042**

The financial structure is composed of:

- Bonds for €1,782,231 K, including:
    - A public bond for €550,000 K, maturing in 2025, with a fixed rate of 2.200%, minus issue fees for €3,810 K;
    - Private bond for €350,000 K, maturing in 2035, fixed rate of 2.998%, less issuance fees for €1,566 K;
    - Bond issue for €400,000 K, maturing in 2028, a fixed rate of 0.625%, minus issue fees for €2,517 K and the issue premium for €2,604 K;
    - Bond issue for €500,000 K, maturing in 2030, a fixed rate of 0.875%, minus issue fees for €2,341 K and issue premium for €4,930 K.
- Reserve Revolving Credit Facility, with a drawdown capacity of €250,000 K. The RCF was not drawn down as of 31 December 2023;
- Other non-current loans and similar debts for €7,995 K (mainly customer guarantees equivalent to deposits and securities received);
- Accrued interest on loans for €20,800 K, made up of:
    - €4,515 K in accrued interest relating to the €400 M bond subscribed in 2020;
    - €7,935 K in accrued interest relating to the €550 M bond subscribed in 2015;
    - €4,718 K in accrued interest relating to the €350 M bond subscribed in 2015;
    - €3,582 K in accrued interest relating to the €500 M bond subscribed in 2020;
    - €52 K relating to the RCF.

The Group complies with its contractual commitments to banking ratios.

5.9.11.2 Changes in the previous financial year

In thousands of euros

	31 December 2021	INCREASE	DECREASE	31 December 2022
Bonds - non-current	1 782 231	-	-	1 782 231
Issue of equity securities and state advances - non-current	-	-	-	-
Other loans and similar debts - non-current	3 056	8 629	(703)	10 982
TOTAL NON-CURRENT	**1 785 286**	**8 629**	**(703)**	**1 793 213**
Loans and debt with credit institutions - current	10 000	-	(10 000)	-
Bonds - current	-	-	-	-
Accrued interest on loans - current	17 010	30 960	(29 070)	18 899
TOTAL CURRENT	**27 010**	**30 960**	**(39 070)**	**18 899**
TOTAL FINANCIAL DEBT	**1 812 296**	**39 589**	**(39 773)**	**1 812 113**

In thousands of euros

	31/12/2022					
	TOTAL	N+1	N+2	N+3	N+4	>=N+5
Bonds - non-current	1 782 231	-	-	546 189	-	1 236 042
Issue of equity securities and state advances - non-current	-	-	-	-	-	-
Other loans and similar debts - non-current	10 989	10 989	-	-	-	-
Accrued interest on loans - current	18 892	18 892	-	-	-	-
TOTAL FINANCIAL DEBT	**1 812 113**	**29 881**	**-**	**546 189**	**-**	**1 236 042**

5.9.11.3 Net financial debt

In thousands of euros

NET FINANCIAL DEBT	31/12/2021	CHANGE IN THE PERIODE	31/12/2022	CHANGE IN THE PERIODE	31/12/2023
Gross cash	19 691	40 586	60 278	6 558	66 836
Current account balances and bank loans	-	-	-	-	-
NET CASH	**19 691**	**40 586**	**60 278**	**6 558**	**66 836**
Gross financial debt	1 812 296	(183)	1 812 113	(1 087)	1 811 026
NET FINANCIAL DEBT	**1 792 605**	**(40 769)**	**1 751 835**	**(7 645)**	**1 744 190**

5.9.11.4 Management of risks related to financial assets and liabilities

The Group is exposed to the following risks in connection with the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The aim of the Group's risk policy and management is to identify and analyze the risks with which the Group is faced, to determine the limits within which the risks must lie and the controls to be implemented, to manage the risks and to ensure compliance with the limits defined. The risk policy and risk management systems are regularly reviewed in order to take into account the developments of the market conditions and the activities of the Group. Through its training and management rules and procedures, the Group aims to develop an environment of rigorous and constructive control, in which all the members of staff have a good understanding of their roles and obligations.

Credit and counterparty risk

The credit and counterparty risk is managed at a Group level. It represents the risk of financial loss for the Group in the event that a customer or a counterparty fails to meet its contractual payment obligations.

The credit and counterparty risk concerns the cash and cash equivalents, the derivatives and the deposits with banks and financial institutions, as well as customer credit exposure, including unpaid receivables. The maximum exposure to the credit and counterparty risk on the closing date is the following:

In thousands of euros

	31/12/2023					
	TOTAL	N+1	N+2	N+3	N+4	>=N+5
Other non-current assets	-	-	-	-	-	-
Trade receivables	63 515	63 515	-	-	-	-
Current payable tax receivables	-	-	-	-	-	-
Social receivables	272	272	-	-	-	-
Tax receivables	(2 293)	(2 293)	-	-	-	-
Other receivables	4 120	4 120	-	-	-	-
TOTAL RECEIVABLES	**65 614**	**65 614**	**-**	**-**	**-**	**-**

In view of the types of customers, which are large European gas producers and the relatively small number of shipping customers, the Group considers that it is exposed only to a marginal credit risk.

Liquidity risk

The liquidity risk is the risk that the Group has difficulties in fulfilling its obligations with regard to financial liabilities which will be settled by a delivery of cash or other financial assets. The Group's approach to managing the liquidity risk is to ensure, insofar as possible, that it always has sufficient liquidity to meet its liabilities, when they reach maturity, under normal or "strained" conditions, without incurring unacceptable losses or harming the reputation of the Group.

The contractual cash flow is essentially composed of financial costs relating to the payment of interest and capital repayments.

Market risk

Market risk is the risk that variations in market prices, such as exchange rates, interest rates and prices of share capital instruments, affect the Group's income or the value of the financial instruments held. The purpose of the management of the market risk is to manage and control exposure to market risk within acceptable limits, all the while optimizing the profitability / risk ratio.

The Group's financial performance is not substantially influenced by exchange fluctuations since a significant part of the activity is within the euro zone and costs and revenues are generally denominated in the same currency.

The Group is not exposed to changes in future flows. All of its non-current debt is fixed-rate debt.

5.9.11.5 Information on the fair value of financial assets and liabilities

Cash, loans and receivables

The Group considers that the book value of cash, trade receivables, other receivables, trade payables, other debts and various deposits and guarantees reflects the market value given the high level of liquidity of these items and their maturity at less than one year.

Assets re-measured at fair value

Marketable securities are recognised at their acquisition price, which reflects their fair value (the amounts are non-significant).

Derivatives and hedging instruments

On 6 February 2020, the Group set up a deferred start-up interest rate swap with a mandatory early termination clause on 6 March 2020 to hedge the risk of interest rate fluctuations prior to the date of issuance of the bond issued by Teréga SAS. This swap was terminated on 20 February 2020, the day of trading of the bond issued by Teréga SAS. This swap had a maturity of 7 years.

The balancing cash payment (resulting from the fair value at the end of the swap) paid by Teréga SAS is spread over the hedging period (i.e.7 years from 20 February 2020) in profit and loss statement.

In the first half of 2023, the Group has subscribed interest rate hedging instruments (interest rate swaps with a forward start) for the future refinancing of the bond maturing in August 2025 (the refinancing being very likely in October 2024) in order to protect against rising interest rates. With a nominal totalling 275 million euros (representing a 50% hedge of the future refinancing in nominal terms), these instruments due to be activated on October 15, 2024 were subscribed at an average fixed rate of 2.91% with a maturity of 7 years.

The amount of the change over the period in the hedging reserve resulting from profits and losses accumulated in equity is -10 428 thousand euros as of 31 December 2023.

Financial liabilities at amortized cost

With regard to trade payables, the Group considers that the book value reflects the market value due to their high level of liquidity. The market value of long-term and short-term financial debts is determined using the estimated future cash flows discounted using the rates observed by the Group at the end of the period for instruments with similar conditions and maturities.

Balance sheet of financial instruments

The market values of financial assets and liabilities measured at fair value in the statement of financial position were classified according to the hierarchy below as defined by IFRS 7:

- Level 1: the fair value is based on the listed prices (non-adjusted) observed on active markets, for identical assets or liabilities.
- Level 2: the fair value measured with the help of data ("inputs"), other than the prices in level 1, which may be observed for the assets or the liabilities in question, either directly (in price form) or indirectly (determined on the basis of price).
- Level 3: the fair value measured with the help of data ("inputs") which are not based on observable market data (non-observable "inputs").

5.9.12 TRADE PAYABLES AND OTHER CREDITORS

In thousands of euros

	31/12/2023	31/12/2022
Trade payables	6 547	10 913
Unbilled payables	60 224	56 216
TRADE PAYABLES	**66 771**	**67 130**

The amount of unbilled payables corresponds to the normal cycle for the delivery of work projects within the operations carried out by the Group.

The level of unbilled payables at December 31, 2023 is linked to investment activities during this period with significant reception of work orders.

Control of the Directorate General for Competition, Consumer Affairs and Fraud Control ("DGCCRF")

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.

5.9.13 OTHER CURRENT LIABILITIES

In thousands of euros

	31/12/2023	31/12/2022
Employment-related debts - current	32 023	30 743
Tax liabilities (except corporate tax and company added-value contribution)	6 592	9 074
Group current accounts liabilities	1 515	287
Other debts	1 380	1 545
OTHER CURRENT LIABILITIES	**41 509**	**41 649**

The increase in social debts is linked to the increase in the accrual for profit sharing plans in agreement with the increased benefit, and to the increase in accrued holiday.
Group current account liabilities correspond to the corporate tax liability as part of the fiscal integration with Teréga Holding.

5.9.14 OTHER CURRENT ASSETS

In thousands of euros

	31/12/2023	31/12/2022
Prepayments to suppliers	31	72
Staff & social security receivables	272	190
Tax receivables - excluding income tax - current	3 663	4 361
Assets Group current account - current	79	85
Other receivables - current	326	493
Prepaid expenses	3 684	2 998
GROSS VALUES	**8 055**	**8 199**

	31/12/2023	31/12/2022
IMPAIRMENT	**-**	**-**

OTHER CURRENT ASSETS	**8 055**	**8 199**

The decrease in tax receivables is explained by the reduction in VAT on unbilled payables.
The amount of prepaid expenses is mainly explained by the adjustment made on SaaS software, the rest being related to the normal activity of the group.

5.10 INFORMATION RELATING TO ITEMS IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

5.10.1 INCOME

In thousands of euros

	31/12/2023	31/12/2022
Sales of goods	25	0
Income from services rendered	488 478	488 407
Sale of goods for resale	183	(0)
Management Fees	-	28
REVENUES	**488 686**	**488 436**

The production of services sold mainly corresponds to the receipts from transmission and storage capacities, to which the receipts from connection and transit contracts are added. All turnover is generated in France.

5.10.2 OTHER INCOME

In thousands of euros

	31/12/2023	31/12/2022
Other income	3 562	2 455
Operating expenses transferred	279	226
OTHER INCOME	**3 840**	**2 681**

Other income is mainly from re-billing for pipe diversions under work agreements.

5.10.3 PURCHASES AND EXPENSES

5.10.3.1 Purchases of materials, supplies and goods

In thousand of euros

	31/12/2023	31/12/2022
Purchases raw materials & consumables	(21 838)	(9 033)
Change in raw materials & consumables	10 392	626
Purchase of studies	-	(67)
Other purchases	(12)	(1)
Purchases of equipment and supplies not held in inventory	(40 895)	(46 395)
PURCHASES CONSUMED	**(52 352)**	**(54 870)**

5.10.3.2 Personnel expenses

In thousands of euros

	31/12/2023	31/12/2022
Wages and salaries	(40 219)	(39 194)
Social Security ch./Employment tax	(20 581)	(19 747)
Other staff expenses (incentive agreement)	(4 632)	(4 220)
Employees' profit share	(7 734)	(7 198)
Allocs/Provs for pension obligations	(829)	(1 487)
Revs/Provs for pension obligations	625	1 875
Net reversal / (allocation) for pension obligations	**(204)**	**388**
PERSONNEL EXPENSES	**(73 370)**	**(69 971)**

The increase in personnel expenses is mainly due to the increase in salaries in agreement with the annual negotiation and to the increase in the profit-sharing scheme.

5.10.3.3 External expenses

In thousands of euros

	31/12/2023	31/12/2022
General sub-contracts	(25 046)	(24 036)
Rental charges	(1 869)	(1 908)
Maintenance and repairs	(13 503)	(14 055)
Insurance premiums	(1 183)	(926)
Miscellaneous	(2 012)	(1 954)
Fees	(25)	-
Fees on subsidiaries acquisition	(1 309)	(1 494)
Transport	(2 090)	(3 147)
Travel and entertainment	(107)	(109)
Mailing cost	(2 618)	(2 311)
Bank fees	(1 893)	(2 103)
Commitment Fees	(123)	(130)
Management Fees	(1 546)	(1 085)
EXTERNAL EXPENSES	**(53 324)**	**(53 258)**

5.10.3.4 Taxes and duties

In thousands of euros

	31/12/2023	31/12/2022
Payroll taxes	(937)	(400)
Other taxes	(10 058)	(10 529)
TAXES AND DUTIES	**(10 995)**	**(10 929)**

5.10.4 FINANCIAL INCOME AND FINANCIAL EXPENSES

In thousands of euros

	31/12/2023	31/12/2022
Interest on bank borrowing	(10 871)	(10 891)
Interest expense on bonds	(20 802)	(20 779)
Current account interest	7	(15)
NET FINANCIAL DEBT COST	**(31 666)**	**(31 685)**
Dividends	16	34
Depreciation for financial assets	(348)	-
Other interest charges	(8)	(11)
Other Investment income	2 789	107
OTHER FINANCIAL INCOME AND EXPENSES	**2 449**	**130**
FINANCIAL PROFIT/(LOSS)	**(29 217)**	**(31 555)**

The interest on borrowing is related to the external financing mentioned in the paragraph "financial debt".

Interest on borrowings is calculated using an Effective Interest Rate (EIR).

5.10.5 TAXES

5.10.5.1 Taxes recorded in the income statement

In thousand of euros

	31/12/2023	31/12/2022
Payable tax (corporate tax at normal rate / additional and exceptional contribution)	(33 491)	(32 478)
Deferred Tax	(19 816)	(19 751)
INCOME TAX	**(53 307)**	**(52 228)**

In accordance with the description in Note 5.9.7, tax assets relating to deficits contributed to the "Teréga Holding" tax consolidation are not recognised in these consolidated financial statements.

Taking into account this asset, the tax expense would be as follows:

In thousand of euros

	31/12/2023	31/12/2022
Payable tax (corporate tax at normal rate / additional and exceptional contribution)	(33 491)	(32 478)
Deferred Tax	(19 816)	(19 751)
Deferred tax assets not recognised	8 700	5 191
DEFERRED TAXES	**(11 116)**	**(14 560)**
INCOME TAX	**(44 607)**	**(47 038)**

5.10.5.2 Reconciliation between the actual tax and the theoretical tax

In thousands of euros

	31/12/2023	31/12/2022
TAX RATE	**25,83%**	**25,83%**
Profit/(loss) for the period attributable to:		
- owners of the company	105 142	103 860
Share of profit(loss) of equity-accounted companies	(122)	(1 169)
CONSOLIDATED PROFIT/(LOSS) AFTER TAX OF THE CONSOLIDATED COMPANIES	**105 263**	**105 029**
Payable tax	(33 491)	(32 478)
Deferred tax	(19 816)	(19 751)
INCOME TAX	**(53 307)**	**(52 228)**
CONSOLIDATED PROFIT/(LOSS) BEFORE TAX OF THE CONSOLIDATED COMPANIES	**158 570**	**157 257**
THEORETICAL TAX (AT THE TAX RATE OF THE CONSOLIDATING COMPANY)	**(40 959)**	**(40 620)**
Permanent differences between the book profit and the tax profit	(282)	(580)
Non-deductible interest	(12 469)	(12 326)
Tax credits	415	1 284
Tax and corporate tax adjustment	(8)	12
Others	(4)	-
EFFECTIVE TAX	**(53 307)**	**(52 228)**

5.10.6 EMPLOYEE BENEFITS

5.10.6.1 Change in net obligation and impact recognised in profit(loss) and OCI

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 ajustements	-	-
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**

Sensitivity to discount rate

A variation of plus or minus 0.5% in discount rates - all other things being equal - would have approximately the following effects on commitments:

	INCREASE OF 0,5%	DECREASE OF 0,5%
Change in the defined benefit obligation 31/12/2023	(1 513)	1 709

Actuarial differences

The actuarial differences as of 31st December 2023 are only linked to variations in financial assumptions (discount rate).

Estimated future payments

Estimated future payments break down as follows:

In thousands of euros

YEARS	EXPECTED TOTAL BENEFIT PAYMENTS
2 024	558
2 025	576
2 026	520
2 027	711
2 028	1 239
2029 - 2033	11 739

The staff benefits are primarily 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): the aim is to allow employees who wish so, to accumulate paid leave rights.

5.10.6.2 Actuarial assumptions

The actuarial valuation of social security commitments under IAS 19 was conducted by an independent actuary.

	31/12/2023	31/12/2022
DISCOUNT RATE	3,40%	3,00%
INFLATION RATE	2,00%	2,00%
AVERAGE SALARY INCREASE RATE	3,00%	3,00%
EMPLOYER CONTRIBUTION RATE	53,00%	53,00%
TURNOVER RATE	Executive/Non-Executive tables with decreasing rates by age and zero over 55 years of age	Executive/Non-Executive tables with decreasing rates by age and zero over 55 years of age
RETIREMENT AGE	Executive : 62 to 67 years Non-Executive : 60 to 64 years of age	Executive: 62 to 66 years Non-Executive: 60 to 63 years of age
MORTALITY TABLE	Employment phase: TH/TF 00-02 Retirement phase: TGH/TGF 05	Employment phase: TH/TF 00-02 Retirement phase: TGH/TGF 05

5.10.7 STAFF

	31/12/2023	31/12/2022
STAFF BY CATEGORY		
Executives	326	318
Non executives	353	357
TOTAL STAFF	**679**	**675**
AVERAGE STAFF NUMBER DURING FINANCIAL YEAR		
Executives	318	314
Non executives	352	358
AVERAGE TOTAL STAFF	**670**	**672**

5.11 SECTORAL INFORMATION

5.11.1 Distribution of fixed assets

The breakdown of fixed assets by CGU is presented in Note 5.9.2.

5.11.2 Distribution of financial debts

The breakdown of the group's financial debts by CGU is as follows:

In thousands of euros

	31/12/2023	31/12/2022
FINANCIAL DEBTS	**1 790 221**	**1 793 213**
Transmission activity	984 622	986 267
Storage activity	805 600	806 946
Teréga Solutions activity	2 789	14 789
Other	-2 789	-14 789

5.11.3 Distribution of the income statement

The distribution of income statement aggregates by CGU is as follows:

In thousands of euros

	31/12/2023	31/12/2022
REVENUES	**488 686**	**488 436**
Transmission activity	312 573	330 281
Storage activity	175 780	157 851
Teréga Solutions activity	1 930	1 563
Other	-1 597	-1 259
CURRENT OPERATION PROFIT/(LOSS)	**187 614**	**190 703**
Transmission activity	117 836	135 031
Storage activity	73 025	56 715
Teréga Solutions activity	-3 247	-1 043
CONSOLIDATED NET PROFIT/(LOSS)	**105 142**	**103 860**
Transmission activity	70 020	80 588
Storage activity	39 912	26 159
Teréga Solutions activity	-4 789	-2 887

5.11.4 Geographic information

All turnover is generated in France.

5.11.5 Information on main customers

For the Transmission CGU, in 2023, the largest customer represents 40% of turnover. The 5 largest customers represent 70% of turnover. These customers are natural gas suppliers.

For the Storage CGU, in 2023, the largest customer represents 16% of turnover. The 5 largest customers represent 56% of turnover. These clients are mainly natural gas suppliers and energy market trading operators.

5.12 CLIMATE RISKS

Climate change and the energy transition are taken into account in the preparation of the consolidated accounts.

The Teréga Group is exposed to the risks of extreme climatic hazards (floods, forest fires) which could lead to a total or partial loss of critical installations. This may disrupt business continuity by impacting the operation of Teréga (access/deterioration of infrastructure, gas supply, etc.) or the value chain (availability and costs of raw materials), with potential financial impacts (delays delivery, infrastructure repair, adaptation costs).

These risks are taken into account in the asset management approach implemented by the Teréga Group.

Climate issues are understood in the depreciation tests through the hypotheses retained in our Long Term Plan (see §5.9.2).

5.13 RELATED PARTIES

The main transactions carried out with related parties (mainly Teréga Holding, equity-accounted companies and non-consolidated subsidiaries) as well as the receivables and debts are as follows:

In thousands of euros

	31/12/2023	31/12/2022
BALANCE SHEET		
DEBTS		
Current account	1 514	287

In thousands of euros

	31/12/2023	31/12/2022
PROFIT AND LOSS		
Tax expense	-33 484	-32 484

In December 2023, 6 million euros in dividends were paid to Teréga Holding.

The gross tax remuneration of the President of TEREGA SAS, for the year 2023, amounts to €651,465, or 8.4 times the average gross tax remuneration of permanent employees of the Teréga group.

This remuneration consists of a fixed part (54%), benefits in kind (1%) and a variable part (45%). The variable part is linked to the Group's performance and is made up of an annual part based on the results for the 2022 financial year and a long-term part based on the 2020-2021-2022 results.
CSR objectives, relating to personal safety and methane emissions, account for 25% of the annual variable portion.

In addition to this remuneration, the Chairman receives attendance fees of €45,000 for his role as director and chairman of the Board of Directors of TEREGA SA.

The remuneration for the activity of directors for the 2023 financial year amounts to €622,000.

5.14 OFF-BALANCE SHEET COMMITMENTS

5.14.1 COMMITMENTS GIVEN

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

5.14.2 COMMITMENTS RECEIVED

5.14.2.1 Bank guarantees

In thousand of euros

		VALUE AS OF 31/12/2023	VALUE AS OF 31/12/2022
Customer bank guarantees	Teréga SA	89 868	76 174
Suppliers bank guarantees	Teréga SA	11 443	10 008
TOTAL COMMITMENTS		**101 310**	**86 182**

5.14.2.2 CO2 Quotas

For the 2022-2025 period of free allocation of allowances, Teréga SA must receive:

	NUMBER OF QUOTAS ALLOCATED
2023	3 446
2024	3 446
2025	3 446

These data are up to date with the Order of 4 August 2022 amending the Order of 10 December 2021 establishing the list of operators of installations subject to authorisation for greenhouse gas emissions and the amount of emission allowances allocated free of charge for operators of installations for which free emission allowances are allocated, for the period 2021-2025.

5.15 SUBSEQUENT EVENTS

None.