



**HALF-YEAR FINANCIAL STATEMENTS**  
**Teréga SA**  
**June 30, 2023**



# TERÉGA SA

## HALF-YEAR FINANCIAL STATEMENTS

JUNE 30, 2023

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# ASSETS

In euros

	30/06/2023		31/12/2022	
	Gross Values	Depreciation Amortization	Net Values	Net Values
Development costs	15 209 757	6 840 008	8 369 749	9 916 912
Concessions, patents, similar rights	152 912 785	119 867 632	33 045 153	41 121 061
Other intangible assets	668 489	668 489	-	-
Current intangible assets	8 938 457	-	8 938 457	3 397 695
<b>INTANGIBLE ASSETS</b>	<b>177 729 487</b>	<b>127 376 129</b>	<b>50 353 359</b>	<b>54 435 668</b>
Land	26 680 326	14 401 609	12 278 717	12 688 499
Buildings	108 236 851	49 831 654	58 405 197	61 344 767
Plant and equipment	3 157 021 998	1 496 146 154	1 660 875 844	1 701 667 003
Other tangible assets	13 374 719	9 054 047	4 320 672	4 387 324
Current tangible assets	9 481 5830	-	9 481 5830	55 334 112
<b>TANGIBLE ASSETS</b>	<b>3 400 129 725</b>	<b>1 569 433 465</b>	<b>1 830 696 260</b>	<b>1 835 421 705</b>
Equity securities	331 973	-	331 973	331 973
Deposits and guarantees	159 268	-	159 268	159 268
<b>LONG-TERM INVESTMENTS</b>	<b>491 241</b>	<b>-</b>	<b>491 241</b>	<b>491 241</b>
<b>FIXED ASSETS</b>	<b>3 578 350 454</b>	<b>1 696 809 594</b>	<b>1 881 540 860</b>	<b>1 890 348 614</b>
Raw materials and consumables	30 774 340	5 229 922	25 544 418	26 373 480
<b>INVENTORIES</b>	<b>30 774 340</b>	<b>5 229 922</b>	<b>25 544 418</b>	<b>26 373 480</b>
Advances and down payments on orders	9 266	-	9 266	9 266
Trade receivables	59 493 064	405 111	59 087 954	74 457 234
Other receivables	8 304 154	-	8 304 154	4 721 313
<b>RECEIVABLES</b>	<b>67 797 218</b>	<b>405 111</b>	<b>67 392 107</b>	<b>79 178 547</b>
Cash	33 684 688	-	33 684 688	34 763 863
<b>CASH AND CASH EQUIVALENTS</b>	<b>33 684 688</b>	<b>-</b>	<b>33 684 688</b>	<b>34 763 863</b>
Prepaid expenses	1 006 092	-	1 006 092	741 092
<b>CURRENT ASSETS</b>	<b>133 271 605</b>	<b>5 635 033</b>	<b>127 636 572</b>	<b>141 066 248</b>
Amortized loan issuance premiums and expenses	15 950 594	-	15 950 594	17 329 000
<b>ASSETS</b>	<b>3 727 572 653</b>	<b>1 702 444 627</b>	<b>2 025 128 026</b>	<b>2 048 743 862</b>

# EQUITY & LIABILITIES

In euros

	30/06/2023	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	-	-
<b>PROFIT (LOSS) FOR THE FISCAL YEAR</b>	<b>57 742 997</b>	<b>95 179 022</b>
Interim dividend	-	(45 991 289)
Investment grants	44 767 216	45 416 558
Tax-regulated provisions	394 983 001	376 235 341
<b>SHAREHOLDERS' EQUITY</b>	<b>517 253 098</b>	<b>490 599 517</b>
Contingencies provisions	865 322	865 322
Loss provisions	1 489 690	1 441 189
<b>CONTINGENCIES AND LOSS PROVISIONS</b>	<b>2 355 011</b>	<b>2 306 511</b>
Other bonds	1 423 918 703	1 410 434 703
Loans	56 146	56 997
Other borrowings	9 635 912	26 283 687
<b>FINANCIAL DEBT</b>	<b>1 433 610 761</b>	<b>1 436 775 387</b>
Customer guarantee deposits	-	162 620
Trade payables	11 000 922	61 645 962
Tax and social liabilities	40 653 088	37 009 509
Investment liabilities	20 226 748	20 226 748
Other liabilities	28 398	17 608
<b>OPERATING DEBT</b>	<b>71 909 156</b>	<b>119 062 447</b>
<b>DEBT</b>	<b>1 505 519 917</b>	<b>1 555 837 834</b>
<b>EQUITY &amp; LIABILITIES</b>	<b>2 025 128 026</b>	<b>2 048 743 862</b>

# INCOME STATEMENT

In euros

			30/06/2023	30/06/2022
	France	Exports	Total	
Revenue from goods	114 520 142	-	114 520 142	68 548 888
Revenue from services	250 767 126	-	250 767 126	236 162 571
<b>Net revenue</b>	<b>365 287 268</b>	<b>-</b>	<b>365 287 268</b>	<b>304 711 459</b>
Capitalized revenue			45 915 131	54 381 853
Reversal of provisions			175 057	163 080
Other income			430 078	137
<b>OPERATING REVENUE</b>			<b>411 807 534</b>	<b>359 256 528</b>
Purchases of consumables			121 453 802	72 519 232
Inventory variance			543 714	(1 260 271)
External services			76 560 978	88 956 442
Taxes			5 687 978	5 477 509
Wages			22 881 661	24 585 540
Employment costs			15 164 095	11 875 289
Depreciation and amortization of fixed assets			54 326 041	61 645 588
Depreciation and amortization of current assets			285 347	267 209
Contingencies and loss provisions			77 000	44 000
Other operating expenses			2 653 145	3 677 838
<b>OPERATING EXPENSES</b>			<b>299 633 761</b>	<b>267 788 376</b>
<b>OPERATING INCOME</b>			<b>112 173 774</b>	<b>91 468 152</b>
Other financial income			669 908	-
<b>FINANCIAL INCOME</b>			<b>669 908</b>	<b>-</b>
Depreciation and amortization of financial assets			947 484	947 484
Financial interests			13 642 809	13 632 284
<b>FINANCIAL EXPENSES</b>			<b>14 590 293</b>	<b>14 579 768</b>
<b>FINANCIAL PROFIT (LOSS)</b>			<b>(13 920 385)</b>	<b>(14 579 768)</b>
<b>INCOME FROM ORDINARY ACTIVITIES</b>			<b>98 253 389</b>	<b>76 888 384</b>

# INCOME STATEMENT (CONTINUED)

In euros

	30/06/2023	30/06/2022
Exceptional revenue	266 463	426 088
Reversal of provision	5 108 956	7 357 683
<b>EXCEPTIONAL INCOME</b>	<b>5 375 419</b>	<b>7 783 771</b>
Exceptional costs	201 571	490 614
Depreciation and amortization of exceptional elements	23 856 616	22 194 152
<b>EXCEPTIONAL EXPENSES</b>	<b>24 058 187</b>	<b>22 684 766</b>
<b>EXCEPTIONAL PROFIT (LOSS)</b>	<b>(18 682 768)</b>	<b>(14 900 995)</b>
Employee profit-sharing	2 695 000	2 374 999
Income tax	19 132 624	14 684 719
<b>TOTAL INCOME</b>	<b>417 852 861</b>	<b>367 040 299</b>
<b>TOTAL EXPENSES</b>	<b>360 109 864</b>	<b>322 112 628</b>
<b>PROFIT (LOSS) OF THE YEAR</b>	<b>57 742 997</b>	<b>44 927 671</b>

## SIGNIFICANT EVENTS

### -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 92,032 thousand euros and gas sales linked to congestion for 89,329 thousand euros in the first half of 2023 (against respectively 5,312 thousand euros and 5,295 thousand euros in the first half of 2022). The difference of €2.7 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 the first half of 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 present situation has a duration of 6 months covering the period from January 1 to June 30, 2023.

The present situation as of June 30, 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 June 30, 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
CONCESSIONS, PATENTS, SIMILAR RIGHTS	5 YEARS	5 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. This component-based approach leads to the practice of straight-line amortization according to the following amortization periods:

	FRENCH GAAP AMORTIZATION PERIOD	TAX AMORTIZATION PERIOD
HARDWARE	5 YEARS	3 YEARS
OTHER EQUIPMENTS	10 YEARS	5 YEARS
TRANSPORTATION EQUIPMENTS	10 YEARS	5 YEARS
OFFICE EQUIPMENTS	10 YEARS	5 YEARS
TELECOM EQUIPMENTS	10 YEARS	5 YEARS
LANDSCAPE FACILITIES	10 YEARS	10 YEARS
GENERAL FACILITIES	10 YEARS	10 YEARS
OTHER GENERAL FACILITIES	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
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 394,983 thousand euros at June 30, 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 30/06/2023

*In thousands of euros*

	GROSS VALUE AT 31/12/2022	INCREASES	DECREASES	TRANSFERS	GROSS VALUE AT 30/06/2023
Development costs	15210	-	-	-	15210
Concessions, patents, similar rights	152913	-	-	-	152913
Other intangible assets	668	-	-	-	668
Current intangible assets	3398	5541	-	-	8938
<b>INTANGIBLE ASSETS</b>	<b>172 189</b>	<b>5 541</b>	<b>-</b>	<b>-</b>	<b>177 729</b>
Land	26 681	22	(23)	-	26 680
<i>including reevaluation</i>	109	-	-	-	109
On owned land	75 718	-	(253)	-	75 465
Buildings	-	-	-	-	-
On non-owned land	-	-	-	-	-
General facilities	32 785	-	(13)	-	32 771
Equipments and facilities	3 156 720	302	-	-	3 157 022
Other tangible assets	570	-	-	-	570
Technical facilities	570	-	-	-	570
Transportation equipment	825	91	-	-	916
Office furniture	11 402	487	-	-	11 889
Current tangible assets	55 334	40 384	-	(902)	94 816
Advances and down payments on tangible assets	-	-	-	-	-
<b>TANGIBLE ASSETS</b>	<b>3 360 035</b>	<b>41 286</b>	<b>(290)</b>	<b>(902)</b>	<b>3 400 130</b>
<b>LONG-TERM INVESTMENTS</b>	<b>491</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>491</b>
<b>FIXED ASSETS</b>	<b>3 532 715</b>	<b>46 827</b>	<b>(290)</b>	<b>902</b>	<b>3 578 350</b>

Table of depreciation and amortization as of 30/06/2023

In thousands of  
euros

	AMORTIZATION AT 31/12/2022	PROVISIONS TAKEN	REVERSALS	TRANSFERS	AMORTIZATION AT 30/06/2023
Development costs	5 293	1 547	-	-	6 840
Concessions, patents, similar rights	111 792	8 076	-	-	119 868
Other intangible assets	668	-	-	-	668
<b>INTANGIBLE ASSETS</b>	<b>117 753</b>	<b>9 623</b>	<b>-</b>	<b>-</b>	<b>127 376</b>
Land	13 993	409	-	-	14 402
Buildings	On owned land	28 488	1 461	(105)	29 844
	On non-owned land	-	-	-	-
	General facilities	18 670	1 324	(6)	19 988
Equipments and facilities	1 455 053	41 093	-	-	1 496 146
Other tangible assets	Technical facilities	567	2	-	569
	Transportation equipment	170	57	-	227
	Office furniture	7 672	586	-	8 258
<b>TANGIBLE ASSETS</b>	<b>1 524 614</b>	<b>44 931</b>	<b>(111)</b>	<b>-</b>	<b>1 569 433</b>
<b>LONG-TERM INVESTMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FIXED ASSETS</b>	<b>1 642 367</b>	<b>54 554</b>	<b>(111)</b>	<b>-</b>	<b>1 696 810</b>

Property, plant and equipment consist of investments relating to the gas transmission activity for an amount of 2,382,414 thousand euros and to storage activity for 1,017,715 thousand euros.

### Asset disposals

There were no disposals of tangible assets during the first half of 2023.

## 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 0.1 thousand euros,
  - 3 120 actions Declaranet for 312 thousands euros,
  - 19,200 Prisma shares for 19 thousands of euros.
  
- Deposits and guarantees for 159 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 June 30, 2023 are recognized based on the permanent inventory method.

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	CO <sub>2</sub> ALLOWANCES	SPARE PARTS		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	(40)	(2 168)	744	920	(285)	635	(829)
<b>At 30/06/2023</b>	<b>810</b>	<b>6 374</b>	<b>857</b>	<b>22 733</b>	<b>(5 230)</b>	<b>17 503</b>	<b>25 544</b>

## CO<sub>2</sub> allowances

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

The book value of those allowances amounts €857,000 on the company's balance sheet as of June 30, 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 the first half of 2023, Teréga SA estimates that it issued the equivalent of 9,749 CO<sub>2</sub> 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 JUNE 30, 2023	MATURITY	
			LESS THAN 1 YEAR	MORE THAN 1 YEAR
<b>RECEIVABLES FROM FIXED ASSETS</b>		<b>159</b>	<b>-</b>	<b>159</b>
<b>ADVANCES AND DOWN PAYMENTS ON ORDERS</b>		<b>9</b>	<b>9</b>	<b>-</b>
<b>RECEIVABLES FROM CURRENT ASSETS</b>		<b>60 918</b>	<b>60 918</b>	<b>-</b>
Trade receivables		695	695	-
Other receivables		58 798	58 798	-
Employees		1 148	1 148	-
Social receivables		194	194	-
State	Income tax	-	-	-
	Value added tax	-	-	-
	Other taxes	27	27	-
	Investment grants	-	-	-
Group and other associates		56	56	-
Other debtors		-	-	-
<b>AMORTIZED LOAN ISSUANCE PREMIUMS AND EXPENSES</b>		<b>15 951</b>	<b>1 378</b>	<b>14 572</b>
<b>PREPAID EXPENSES</b>		<b>1 006</b>	<b>1 006</b>	<b>-</b>
<b>RECEIVABLES</b>		<b>78 044</b>	<b>63 312</b>	<b>14 731</b>

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.

*In thousands of  
euros*

	31/12/2022	VARIATION	30/06/2023
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)	45 991	-
Profit (loss) for the financial period	-	57 743	57 743
Profit (loss) for the past year	95 179	(95 179)	-
Investment grants	45 417	(649)	44 767
Tax-regulated provisions	376 235	18 748	394 983
<b>SHAREHOLDERS' EQUITY</b>	<b>490 600</b>	<b>26 654</b>	<b>517 253</b>

## 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.

*In thousands of  
euros*

	31/12/2022	VARIATION		30/06/2023
		Allowances	Reversal used	
<b>CONTINGENCIES PROVISIONS</b>	<b>865</b>	-	-	<b>865</b>
HR disputes	135	-	-	135
Long-service awards	1 190	66	-	1 255
Oil industry Mutual Fund (MIP)	117	-	(17)	100
<b>LOSS PROVISIONS</b>	<b>1 441</b>	<b>66</b>	<b>(17)</b>	<b>1 490</b>
<b>CONTINGENCIES AND LOSS PROVISIONS</b>	<b>2 307</b>	<b>66</b>	<b>(17)</b>	<b>2 355</b>

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 JUNE 30, 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	7 428	7 428		
Interest incurred	23 975	23 975		
Advances and downpayments received	-	-		
Trade payables	31 228	31 228		
Wages	12 041	12 041		
Social Liabilities	11 962	11 962		
	Income tax	-	-	
Tax liabilities	Added value tax	7 349	7 349	
	Other tax	-	-	
Tax and social liabilities	2 422	2 422		
Investment liabilities	2 208	2 208		
Other liabilities	28	28		
Deferred income	-	-		
<b>TOTAL</b>	<b>1 498 641</b>	<b>98 641</b>	<b>550 000</b>	<b>850 000</b>
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 30 June 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*

	30/06/2023	30/06/2022
<b>REVENUES</b>	<b>365 287</b>	<b>304 711</b>
Transmission capacities	137 448	135 429
Storage capacities	45 710	35 653
Interconnexion revenues	18 006	17 493
Connection revenues	1 517	1 253
Other services	3 482	2 976
Other operating revenues	2 572	1 895
Gas balancing and congestion sales	114 520	68 549
Investment grants	-	-
Storage revenues / Compensation reversed by Teréga	4 046	4 072
Storage revenues / Compensation reversed by GRTgaz	37 986	37 392
<b>TRANSMISSION REVENUES</b>	<b>277 046</b>	<b>227 307</b>
<b>STORAGE REVENUES</b>	<b>88 242</b>	<b>77 405</b>
<b>CAPITALIZED REVENUE</b>	<b>45 915</b>	<b>54 382</b>
<b>REVERSAL OF PROVISIONS</b>	<b>175</b>	<b>163</b>
Reversal of provision for retirement	28	56
Transfer of operational costs	147	107

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 25,190 thousand euros in the first half of 2023 compared to 63,253 thousand euros in the first half of 2022. The decrease is mainly due to lower gas prices.
- Congestion flows for 89,329 thousand euros in the first half of 2023 (compared to 5,295 thousand euros in the first half of 2022). These flows partially offset a €92,032 thousand congestion charge in the first half of 2023 (compared to €5,312 thousand in the first half of 2022) which is booked in the purchase of raw materials and other supplies items. This creates an impact on the result of 2,703 thousand euros in the first half of 2023 (compared to 17 thousand euros in the first half of 2022), which will be returned to Teréga by the EIAA mechanism.

## OPERATING EXPENSES

Operating expenses include capital expenditures offset by capitalized production.

	<i>In thousands of euros</i>	
CAPITALIZED PRODUCTION BREAKDOWN	30/06/2023	30/06/2022
Inventory variance	1 011	1 005
External services	34 571	43 548
Taxes	120	217
Wages	5 993	6 135
Employment costs	3 400	2 491
Other operating expenses	576	990
<b>CAPITAL EXPENDITURES</b>	<b>45 672</b>	<b>54 387</b>

The difference between the total of this table and the "Immobilised 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*

<b>Other services</b>	<b>30/06/2023</b>	<b>30/06/2022</b>
Other buyings	23 515	28 864
General services	16 297	17 602
Rental costs	1 115	1 147
Maintenance and repairs	28 035	31 400
Insurance costs	573	1 878
Others	731	1 041
Legal fees	2 526	2 497
Marketing	771	1 461
Transports of goods	105	131
Traveling expenses	1 292	1 011
Postal fees	1 026	1 498
Bank fees	49	49
Other external costs	526	378
<b>TOTAL</b>	<b>76 561</b>	<b>88 956</b>

## INCOME TAX EXPENSE

*In thousands of  
euros*

	30/06/2023	30/06/2022
Provision for the period	18 573	14 634
Social contribution	588	433
Tax credit	(61)	(394)
Tax balance of last year	33	13
<b>Income tax expense</b>	<b>19 133</b>	<b>14 685</b>
<b>TAX CREDIT BREAKDOWN</b>		
<b>PATRONAGE</b>	<b>61</b>	<b>338</b>
<b>RESEARCH</b>	<b>-</b>	<b>-</b>
<b>FAMILY</b>	<b>-</b>	<b>57</b>

## OTHER INFORMATION

### PERSONNEL

PERSONNEL BY CATEGORY	30/06/2023	30/06/2022
Executives	284	287
Employees	349	357
<b>TOTAL PERSONNEL</b>	<b>633</b>	<b>644</b>

AVERAGE NUMBER OF PEOPLE EMPLOYED DURING THE PERIOD	30/06/2023	30/06/2022
Executives	282	285
Employees	352	358
<b>TOTAL AVERAGE</b>	<b>634</b>	<b>644</b>

### 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

The employee benefits calculated as of June 30, 2023 correspond to the projections provided by an independent actuary in January 2023. The actuarial assumptions used have not been updated and correspond to the assumptions of 2022, except for the retirement age which was updated following the French pension reform carried out in 2023.

The amounts below are taken from this report.

In thousands of euros

	30/06/2023	30/06/2022
<b>EMPLOYEE BENEFIT AT OPENING DATE</b>	<b>19 746</b>	<b>22 757</b>
Current service cost	790	1 299
Past service cost	(364)	-
Interest expense	334	188
Remeasurement of other long term benefits	-	(688)
Employer direct benefit payment	(343)	(1 187)
Other adjustments	-	-
<b>IMPACT RECOGNISED IN PROFIT(LOSS)</b>	<b>417</b>	<b>-388</b>
Actuarial gains and losses	-	(2 623)
<b>IMPACT RECOGNISED IN OCI</b>	<b>0</b>	<b>-2 623</b>
<b>EMPLOYEE BENEFIT AT CLOSING DATE</b>	<b>20 163</b>	<b>19 746</b>
Employee related debts at closing date	3 268	3 268
<b>NET OBLIGATION AT CLOSING DATE</b>	<b>23 431</b>	<b>23 014</b>

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*

	30/06/2023	30/06/2022
Bank guarantees - clients	84 573	63 254
Bank guarantees - clients	8 859	11 209
<b>TOTAL COMMITMENTS RECEIVED</b>	<b>93 432</b>	<b>74 463</b>

Under the 2021 - 2025 multi-annual period of free allocation of CO<sub>2</sub> allowances, Teréga SA must receive:

NUMBER OF CO <sub>2</sub> 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 June 30, 2023, the valuation of swaps is unfavorable for Teréga for an amount of 726 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**

There was no compensation paid to directors during the first half of 2023.

# CASH FLOW

In thousands of  
euros

<b>NET CASH FLOW RELATED TO OPERATING ACTIVITIES</b>	<b>30/06/2023</b>
<b>Net Profit / (Loss)</b>	<b>57 743</b>
<b>Elimination of non-cash items</b>	
- Reversal of operating provision	(28)
+ Depreciation and amortization of fixed and current assets	54 688
+ Depreciation and amortization of non-operating elements	23 857
- Reversal of non-operating provision	(5 109)
+ Depreciation and amortization of financial assets	947
- Loss / (Gain) on disposal of assets	(65)
+/- Financial result	12 973
<b>OPERATING CASH FLOW</b>	<b>145 006</b>
<b>(-) Change in working capital requirement</b>	<b>(33 134)</b>
+/- Increase (/ decrease) in Inventory	544
+/- Increase (/ decrease) in Operating accounts receivable	15 104
+/- Increase (/ decrease) in Other accounts receivable	(3 557)
+/- Increase (/ decrease) in Trade and Tax payable	(45 258)
<b>CASH FLOW FROM (/ USED IN) OPERATING ACTIVITIES</b>	<b>111 872</b>
<b>NET CASH FLOW RELATED TO INVESTMENT ACTIVITIES</b>	
- Acquisition of tangible and intangible assets	(45 925)
+ Sale price of assets	266
+ Investment grants received	10
<b>CASH FLOW FROM (/ USED IN) INVESTING ACTIVITIES</b>	<b>(45 649)</b>
<b>NET CASH FLOW RELATED TO FINANCING ACTIVITIES</b>	
- Dividends given	(49 188)
+/- Deposits and guarantees	(3 562)
- Loan repayments	(15 000)
- Interests paid	(155)
+ Financial income	602
<b>CASH FLOW FROM (/ USED IN) FINANCING ACTIVITIES</b>	<b>(67 302)</b>
<b>CHANGE IN CASH FLOW</b>	<b>(1 079)</b>
Opening cash and cash equivalents	34 764
Closing cash and cash equivalents	33 685
<b>CHANGE IN CASH FLOW</b>	<b>(1 079)</b>