



NET4GAS, s.r.o. announces recent development in its relationship with the Major Shipper

Prague, 6 April 2023: In its release dated 4 January 2023, NET4GAS, s.r.o. (“**N4G**”) announced that it had not received the latest monthly payments due under its material contracts with a major Russian shipper (the “**Major Shipper**”).

Further to that announcement, N4G now notes that its negotiations with the Major Shipper about resolving the situation have not been successful so far. Consequently, N4G has decided to commence arbitration proceedings against the Major Shipper in order to protect its legal rights and seek the due payment of the amounts owed to it by the Major Shipper.

Aside from that, N4G continues to explore other options potentially available to it for addressing the negative consequences of the situation. Among these potential options is the modification of the Czech regulation principles applicable to gas transmission, which would take into account the unprecedented change in the transit flows through the Czech gas transmission system (and in the EU more generally) and the resulting change of key assumptions which formed the basis of the price regulation principles applicable in the current (5th) regulatory period. N4G is in discussions with the relevant stakeholders regarding such possible modification with the aim to support the financial resilience of N4G in its role as the owner and operator of critical infrastructure in the Czech Republic. There is no guarantee of the outcome of the discussions.

The relevant regulated prices and other relevant regulatory parameters applicable to gas transmission are generally set on an annual basis by a decision of the Czech Energy Regulatory Office usually in November each year. Therefore, one of the next important milestones for the above-mentioned process is expected to be November 2023; the price regulation applicable from 1 January 2024 and its impact on N4G may thus not be known before November 2023. More general regulatory principles applicable in the mid-term horizon are currently expected to be set in 2024 and 2025.

Alongside the above announcement, N4G further informs of the publication of the consolidated annual report and the related investor presentation for the year ended 31 December 2022.

Contact:

Vojtěch Meravý

Tel.: +420 220 225 396 | Mob.: +420 735 191 108 | Email: vojtech.meravy@net4gas.cz

N4G is the gas transmission system operator in the Czech Republic, ensuring economically efficient, safe and reliable transmission services for its customers 24 hours a day, 7 days a week. Through its network of almost 4,000 km of gas pipelines, N4G transports around 45 billion m³ of natural gas per year. As a Central European gas transmission system operator, N4G plays an active role in connecting and integrating European energy markets to the benefit of Czech and other European customers. At the same time, the company participates in shaping the European energy market in the context of the transition to a low carbon economy. For more information, visit www.net4gas.cz/en.



Disclaimer

This communication contains certain forward-looking statements with respect to the financial condition, results of operations and business of N4G and its subsidiary (the "N4G Group"). These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "targets", "may", "aims", "likely", "would", "could", "can have", "will" or "should" or, in each case, their negative or other variations or comparable terminology. Forward-looking statements may and often do differ materially from actual results. The N4G Group's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this communication. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. As a result, undue reliance should not be placed on any forward-looking statement.

This communication, including but not limited to forward-looking statements, applies only as of the date hereof and is not intended to give any assurances as to future results. N4G expressly disclaims any obligation or undertaking to disseminate any updates or revisions to this communication, including but not limited to any forward-looking statements, and will not publicly release any revisions it may make to the information contained herein that may consist of or result from any change in N4G's expectations, revised objectives, any change in events, conditions or circumstances on which any forward-looking statements are based, or other events or circumstances arising after the date of this communication.

This communication contains inside information as defined in article 7(1) of Regulation (EU) 596/2014 of 16 April 2014 (the Market Abuse Regulation).