

**THE NATIONAL GAS TRANSMISSION COMPANY
TRANSGAZ S.A.**

**PRELIMINARY UNAUDITED INDIVIDUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2020**

**PREPARED IN ACCORDANCE WITH
THE INTERNATIONAL FINANCIAL REPORTING STANDARDS
ADOPTED BY THE EUROPEAN UNION**

This version of the interim financial statements is a translation from the original, which was prepared in Romanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

INTERIM STATEMENT OF FINANCIAL POSITION
(expressed in lei, unless otherwise stated)



	<u>31 December 2020</u>	<u>31 December 2019</u>
	(unaudited)	
ASSET		
Fixed assets		
Tangible Assets	449.717.871	476.405.816
Rights of use of the leased assets	8.962.615	9.359.179
Intangible Assets	4.050.713.059	3.058.556.071
Financial assets	237.526.608	215.886.809
Trade receivables and other receivables	<u>1.239.998.760</u>	<u>723.921.414</u>
	5.986.918.913	4.484.129.289
Current assets		
Inventories	191.038.387	488.033.645
Commercial receivables and other receivables	714.293.310	485.867.200
Cash and cash equivalent	<u>276.168.508</u>	<u>311.138.161</u>
	1.181.500.205	1.285.039.006
Total asset	7.168.419.118	5.769.168.295
EQUITY AND DEBTS		
Equity		
Share capital	117.738.440	117.738.440
Hyperinflation adjustment of share capital	441.418.396	441.418.396
Share premium	247.478.865	247.478.865
Other reserves	1.265.796.861	1.265.796.861
Retained earnings	<u>1.741.443.300</u>	<u>1.709.507.825</u>
	3.813.875.862	3.781.940.387
Long-term debts		
Long-term loans	1.537.297.089	661.062.420
Provision for employee benefits	130.390.607	119.858.608
Deferred revenue	1.061.771.214	647.728.922
Deferred tax payment	4.455.031	7.860.382
Commercial debt and other debts	<u>6.764.158</u>	<u>53.278.838</u>
	2.740.678.099	1.489.789.170
Current debts		
Commercial debts and other debts	475.729.918	420.478.016
Provision for risks and charges	63.337.913	72.239.710
Short-term loans	70.379.600	2.867.580
Provision for employee benefits	<u>4.417.726</u>	<u>1.853.432</u>
	613.865.157	497.438.738
Total debts	3.354.543.256	1.987.227.908
Total equity and debts	7.168.419.118	5.769.168.295

Director – General
 Ion Sterian

Chief Financial Officer
 Marius Lupean



INTERIM STATEMENT OF THE COMPREHENSIVE INCOME
(expressed in lei, unless otherwise stated)

	The year ended 31 December 2020 (unaudited)	The year ended 31 December 2019
Revenue from the domestic transmission activity	1.150.464.877	1.192.597.737
Revenue from the international transmission activity	114.222.513	327.696.392
Other revenue	<u>67.969.332</u>	<u>56.372.901</u>
Operational revenue before the balancing and construction activity according to IFRIC12	1.332.656.722	1.576.667.030
Depreciation	(245.173.820)	(193.622.482)
Employees costs	(431.359.573)	(413.647.347)
NTS gas consumption, materials and consumables used	(115.609.386)	(99.266.835)
Expenses with royalties	(107.622.364)	(151.282.768)
Maintenance and transmission	(30.362.501)	(29.844.354)
Taxes and other amounts owed to the state	(71.869.798)	(111.290.009)
Revenue/ (Expenses) with provisions for risks and charges	15.796.569	(49.818.887)
Other operating cost	<u>(112.801.701)</u>	<u>(179.926.744)</u>
Operational profit before the balancing and construction activity according to IFRIC12	233.654.148	347.967.604
Revenue from the balancing activity	199.239.243	324.687.807
Cost of balancing gas	(199.239.243)	(324.687.807)
Revenue from the construction activity according to IFRIC12	1.575.004.683	868.356.796
Cost of assets constructed according to IFRIC12	<u>(1.575.004.683)</u>	<u>(868.356.796)</u>
Operational profit	233.654.148	347.967.604
Financial revenue	60.465.235	98.951.903
Financial cost	<u>(19.574.100)</u>	<u>(27.817.927)</u>
Financial revenue, net	<u>40.891.135</u>	<u>71.133.976</u>
Profit before tax	274.545.283	419.101.580
Profit tax expense	<u>(44.755.688)</u>	<u>(70.842.564)</u>
Net profit for the period	<u>229.789.595</u>	<u>348.259.016</u>
Basic and diluted earnings per share (expressed in lei per share)	19,52	29,58
Actuarial gain / loss for the period	(15.712.752)	(4.636.774)
Total comprehensive income for the period	<u>214.076.843</u>	<u>343.622.242</u>

Director - General
Ion Sterian

Chief Financial Officer
Marius Lupean

**THE NATIONAL GAS TRANSMISSION COMPANY
TRANSGAZ S.A.**

**PRELIMINARY UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2020**

**PREPARED IN ACCORDANCE WITH
THE INTERNATIONAL FINANCIAL REPORTING STANDARDS
ADOPTED BY THE EUROPEAN UNION**

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**CONSOLIDATED INTERIM STATEMENT OF
FINANCIAL POSITION**
(expressed in lei, unless otherwise stated)



	31 December 2020	31 December 2019
	(unaudited)	
ASSET		
Fixed assets		
Tangible Assets	736.716.054	622.962.093
Rights of use of the leased assets	8.962.615	9.359.179
Intangible Assets	4.050.743.217	3.058.597.272
Financial assets	-	-
Goodwill	9.082.127	9.775.599
Trade receivables and other receivables	<u>1.239.998.760</u>	<u>723.921.414</u>
	6.045.502.773	4.424.615.557
Current assets		
Inventories	194.119.244	494.614.492
Commercial receivables and other receivables	718.780.716	524.500.459
Cash and cash equivalent	<u>289.446.278</u>	<u>352.985.119</u>
	1.202.346.238	1.372.100.070
Total asset	7.247.849.011	5.796.715.627
EQUITY AND DEBTS		
Equity		
Share capital	117.738.440	117.738.440
Hyperinflation adjustment of share capital	441.418.396	441.418.396
Share premium	247.478.865	247.478.865
Other reserves	1.265.796.861	1.265.796.861
Retained earnings	1.729.553.565	1.699.175.132
Exchange rate differences from consolidation	<u>(19.371.772)</u>	<u>3.668.307</u>
	3.782.614.355	3.775.276.001
Long-term debts		
Long-term loans	1.644.649.219	661.062.420
Provision for employee benefits	130.390.607	119.858.608
Deferred revenue	1.061.771.214	647.728.922
Deferred tax payment	4.791.295	8.071.065
Commercial debt and other debts	<u>6.764.158</u>	<u>53.278.838</u>
	2.848.366.493	1.489.999.853
Current debts		
Commercial debts and other debts	478.732.924	454.479.051
Provision for risks and charges	63.337.913	72.239.710
Short-term loans	70.379.600	2.867.580
Provision for employee benefits	<u>4.417.726</u>	<u>1.853.432</u>
	616.868.163	531.439.773
Total debts	3.465.234.656	2.021.439.626
Total equity and debts	7.247.849.011	5.796.715.627

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

**CONSOLIDATED INTERIM STATEMENT OF
THE COMPREHENSIVE INCOME**
(expressed in lei, unless otherwise stated)



	The year ended 31 December 2020 (unaudited)	The year ended 31 December 2019
Revenue from the domestic transmission activity	1.150.464.877	1.192.597.737
Revenue from the international transmission activity	114.222.513	327.696.392
Other revenue	<u>72.465.329</u>	<u>55.630.757</u>
Operational revenue before the balancing and construction activity according to IFRIC12	1.337.152.719	1.575.924.886
Depreciation	(246.883.505)	(195.700.887)
Employees costs	(433.968.413)	(415.818.106)
NTS gas consumption, materials and consumables used	(115.609.386)	(99.266.835)
Expenses with royalties	(107.760.493)	(151.374.380)
Maintenance and transmission	(30.453.861)	(29.899.092)
Taxes and other amounts owed to the state	(71.869.898)	(111.290.048)
Revenue/ (Expenses) with provisions for risks and charges	15.748.742	(49.818.887)
Other operating cost	<u>(112.543.595)</u>	<u>(181.453.361)</u>
Operational profit before the balancing and construction activity according to IFRIC12	233.812.310	341.303.290
Revenue from the balancing activity	199.239.243	324.687.807
Cost of balancing gas	(199.239.243)	(324.687.807)
Revenue from the construction activity according to IFRIC12	1.575.004.683	868.356.796
Cost of assets constructed according to IFRIC12	<u>(1.575.004.683)</u>	<u>(868.356.796)</u>
Operational profit	233.812.310	341.303.290
Financial revenue	71.134.021	101.618.158
Financial cost	<u>(35.476.981)</u>	<u>(30.778.655)</u>
Financial revenue, net	<u>35.657.040</u>	<u>70.839.503</u>
Profit before tax	269.469.350	412.142.793
Profit tax expense	<u>(44.905.103)</u>	<u>(70.748.512)</u>
Net profit for the period	<u>224.564.247</u>	<u>341.394.281</u>
Exchange rate differences	<u>(19.371.772)</u>	<u>3.668.307</u>
Basic and diluted earnings per share (expressed in lei per share)	19,07	29,00
Actuarial gain / loss for the period	(15.712.752)	(4.636.774)
Total comprehensive income for the period	<u>189.479.722</u>	<u>340.425.814</u>

Director - General
Ion Sterian

Chief Financial Officer
Marius Lupean