

**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**

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.

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



|  | <b>31 December 2020</b> | <b>31 December 2019</b> |
|--|-------------------------|-------------------------|
|  | <b>(unaudited)</b>      |                         |
| <b>ASSET</b>                                 |                         |                         |
| <b>Fixed assets</b>                          |                         |                         |
| 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>      |
|  | <b>6.045.502.773</b>    | <b>4.424.615.557</b>    |
| <b>Current assets</b>                        |                         |                         |
| 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>      |
|  | <b>1.202.346.238</b>    | <b>1.372.100.070</b>    |
| <b>Total asset</b>                           | <b>7.247.849.011</b>    | <b>5.796.715.627</b>    |
| <b>EQUITY AND DEBTS</b>                      |                         |                         |
| <b>Equity</b>                                |                         |                         |
| 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>        |
|  | <b>3.782.614.355</b>    | <b>3.775.276.001</b>    |
| <b>Long-term debts</b>                       |                         |                         |
| 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>       |
|  | <b>2.848.366.493</b>    | <b>1.489.999.853</b>    |
| <b>Current debts</b>                         |                         |                         |
| 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>        |
|  | <b>616.868.163</b>      | <b>531.439.773</b>      |
| <b>Total debts</b>                           | <b>3.465.234.656</b>    | <b>2.021.439.626</b>    |
| <b>Total equity and debts</b>                | <b>7.247.849.011</b>    | <b>5.796.715.627</b>    |

Director – General  
Ion Sterian

Chief Financial Officer  
Marius Lupean

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



|  | <b>The year<br/>ended<br/>31 December 2020<br/>(unaudited)</b> | <b>The year ended<br/>31 December<br/>2019</b> |
|--|--|--|
| 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>                              |
| <b>Operational revenue before the balancing and<br/>construction activity according to IFRIC12</b> | <b>1.337.152.719</b>   | <b>1.575.924.886</b>                           |
| 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>                           |
| <b>Operational profit before the balancing and<br/>construction activity according to IFRIC12</b>  | <b>233.812.310</b>   | <b>341.303.290</b>                             |
| 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>                           |
| <b>Operational profit</b>  | <b>233.812.310</b>   | <b>341.303.290</b>                             |
| Financial revenue  | 71.134.021   | 101.618.158                                    |
| Financial cost   | <u>(35.476.981)</u>  | <u>(30.778.655)</u>                            |
| <b>Financial revenue, net</b>  | <b><u>35.657.040</u></b>                                       | <b><u>70.839.503</u></b>                       |
| <b>Profit before tax</b>   | <b>269.469.350</b>   | <b>412.142.793</b>                             |
| Profit tax expense   | <u>(44.905.103)</u>  | <u>(70.748.512)</u>                            |
| <b>Net profit for the period</b>   | <b><u>224.564.247</u></b>                                      | <b><u>341.394.281</u></b>                      |
| <b>Exchange rate differences</b>   | <b><u>(19.371.772)</u></b>                                     | <b><u>3.668.307</u></b>                        |
| Basic and diluted earnings per share<br>(expressed in lei per share)                               | 19,07  | 29,00  |
| Actuarial gain / loss for the period   | (15.712.752)   | (4.636.774)                                    |
| <b>Total comprehensive income for the period</b>   | <b><u>189.479.722</u></b>                                      | <b><u>340.425.814</u></b>                      |

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