

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

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE
MONTHS ENDED 31 MARCH 2022 (UNAUDITED)**

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

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**PRELIMINARY CONSOLIDATED STATEMENT
OF FINANCIAL STANDING**



(expressed in lei, unless otherwise stated)

31 March 2022 **31 December 2021**
(unaudited)

ASSET

Fixed assets

Tangible Assets	832.875.696	852.178.630
Rights of use of the leased assets	19.214.483	19.617.136
Intangible Assets	3.936.777.536	3.997.052.066
Goodwill	9.558.889	9.704.675
Trade receivables and other receivables	1.878.616.706	1.788.570.507
Deferred tax	-	352.591
	6.677.043.310	6.667.475.605

Current assets

Inventories	398.553.784	311.708.204
Commercial receivables and other receivables	585.926.121	612.007.279
Cash and cash equivalent	217.193.601	414.955.056
	1.201.673.506	1.338.670.539

Total asset

7.878.716.816 **8.006.146.144**

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	2.044.223.570	1.785.866.415
Exchange rate differences from consolidation	13.062.164	16.520.600
	4.129.718.296	3.874.819.577

Shareholders` equity

Non-controlling interests	89.919.670	93.548.755
	4.219.637.966	3.968.368.332

Long-term debts

Long-term loans	1.640.549.294	1.899.193.227
Provision for employee benefits	106.041.177	106.041.177
Deferred revenue	1.034.367.031	1.069.813.639
Deferred tax payment	15.506.811	-
Commercial debt and other debts	16.179.724	16.699.325
	2.812.644.037	3.091.747.368

**PRELIMINARY CONSOLIDATED STATEMENT
OF FINANCIAL STANDING**
(expressed in lei, unless otherwise stated)



	<u>31 March 2022</u> <u>(unaudited)</u>	<u>31 December 2021</u>
Current debts		
Commercial debts and other debts	500.347.686	650.466.973
Deferred revenue	100.753.841	91.671.887
Current payable tax	39.728.742	-
Provision for risks and charges	69.504.717	67.779.988
Short-term loans	132.092.596	132.104.365
Provision for employee benefits	<u>4.007.231</u>	<u>4.007.231</u>
	846.434.813	946.030.444
Total debts	<u>3.659.078.850</u>	<u>4.037.777.812</u>
Total equity and debts	7.878.716.816	8.006.146.144

Director - General
Ion Sterian

Chief Financial Officer
Marius Lupe

**INTERIM CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

(expressed in lei, unless otherwise stated)



	The three months ended <u>31 March 2022</u> (unaudited)	The three months ended <u>31 March 2021</u> (unaudited)
Revenue from the domestic transmission activity	411.334.767	421.450.362
Revenue from the international transmission activity and similar	11.255.499	10.342.360
Other revenue	<u>34.521.352</u>	<u>24.597.113</u>
Operational revenue before the balancing and construction activity according to IFRIC12	457.111.618	456.389.835
Depreciation	(107.024.986)	(81.109.952)
Employees costs	(98.348.031)	(95.732.204)
NTS gas consumption, materials and consumables used	(46.197.908)	(37.752.350)
Cost of royalty	(1.690.361)	(1.727.171)
Maintenance and transmission	(6.515.044)	(6.340.229)
Taxes and other state duties	(16.016.603)	(16.527.646)
Revenue/ (Expenses) with provisions for risks and charges	(4.668.455)	(2.157.738)
Other operating costs	<u>62.910.924</u>	<u>(38.036.074)</u>
Operational profit before the balancing and construction activity according to IFRIC12	239.561.154	177.006.471
Revenue from the balancing activity	316.952.186	74.252.638
Cost of balancing gas	(316.952.186)	(74.252.638)
Revenue from the construction activity according to IFRIC12	26.440.196	158.009.935
Cost of assets constructed according to IFRIC12	<u>(26.440.196)</u>	<u>(158.009.935)</u>
Operational profit	239.561.154	177.006.471
Financial revenue	156.885.519	31.465.558
Financial cost	(81.713.138)	(14.965.550)
Financial revenue, net	<u>75.172.381</u>	<u>16.500.008</u>
Profit before tax	314.733.535	193.506.479
Profit tax expense	<u>(56.376.380)</u>	<u>(39.090.562)</u>
Net profit for the period	<u>258.357.155</u>	<u>154.415.917</u>
Attributable to the parent company	260.740.378	154.415.917
Attributable to the non-controlling interests	(2.383.223)	-
Other items of comprehensive income		
Basic and diluted earnings per share (expressed in lei per share)	22,15	13,12
Actuarial (gain)/loss for the period	-	-
Exchange rate differences	(8.832.201)	8.164.395
Total comprehensive income for the period	<u>249.524.954</u>	<u>162.580.312</u>
Attributable to the parent company	251.908.177	162.580.312
Attributable to the non-controlling interests	(2.383.223)	-

Director - General
Ion Sterian

Chief Financial Officer
Marius Lupean

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(expressed in lei, unless otherwise stated)



	Share Capital	Share capital adjustments	Share premium	Other reserves	Retained earnings	Consolidation exchange rate difference	Non-controlling interests	Total equity
Balance on 1 January 2021	<u>117.738.440</u>	<u>441.418.396</u>	<u>247.478.865</u>	<u>1.265.796.861</u>	<u>1.687.776.834</u>	<u>(13.940.839)</u>	-	<u>3.746.268.557</u>
Net profit for the period	-	-	-	-	154.415.917	-	-	154.415.917
	-	-	-	-	154.415.917	-	-	154.415.917
<i>Transactions with shareholders:</i>	-	-	-	-	-	-	-	-
Dividends related to 2020	-	-	-	-	-	-	-	-
Consolidation exchange rate difference	-	-	-	-	-	8.164.395	-	8.164.395
Balance on 31 March 2021 (unaudited)	<u>117.738.440</u>	<u>441.418.396</u>	<u>247.478.865</u>	<u>1.265.796.861</u>	<u>1.842.192.751</u>	<u>(5.776.444)</u>	-	<u>3.908.848.869</u>
Net profit for the period	-	-	-	-	23.729.828	-	(1.341.079)	22.388.749
	-	-	-	-	15.782.924	-	-	15.782.924
Actuarial gain / loss for the period	-	-	-	-	39.512.752	-	(1.341.079)	38.171.673
<i>Transactions with shareholders:</i>	-	-	-	-	(95.839.089)	-	-	(95.839.089)
Dividends related to 2020	-	-	-	-	-	-	-	-
Consolidation exchange rate difference	-	-	-	-	-	22.297.045	1.188.132	23.485.177
Non-controlling interests	-	-	-	-	-	-	93.701.702	93.701.702
Balance on 31 December 2021	<u>117.738.440</u>	<u>441.418.396</u>	<u>247.478.865</u>	<u>1.265.796.861</u>	<u>1.785.866.415</u>	<u>16.520.600</u>	<u>93.548.755</u>	<u>3.968.368.332</u>
Net profit for the period	-	-	-	-	258.357.155	-	(2.383.223)	255.973.932
	-	-	-	-	<u>258.357.155</u>	-	<u>(2.383.223)</u>	<u>255.973.932</u>
<i>Transactions with shareholders:</i>	-	-	-	-	-	-	-	-
Dividends related to 2021	-	-	-	-	-	-	-	-
Consolidation exchange rate difference	-	-	-	-	-	(3.458.436)	(1.245.862)	(4.704.298)
Balance on 31 March 2022	<u>117.738.440</u>	<u>441.418.396</u>	<u>247.478.865</u>	<u>1.265.796.861</u>	<u>2.044.223.570</u>	<u>13.062.164</u>	<u>89.919.670</u>	<u>4.219.637.966</u>

The consolidation exchange rate difference arise from the presentation of the financial statements of the subsidiary Eurotransgaz in the reporting currency of the parent company (RON).

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

CONSOLIDATED INTERIM CASH FLOW STATEMENT
(expressed in lei, unless otherwise stated)



	Perioada de trei luni încheiată la 31 <u>martie 2022</u> (neauditat)	Perioada de trei luni încheiată la 31 <u>martie 2021</u> (neauditat)
Profit before tax	314.733.535	193.506.479
<i>Adjustments for:</i>		
Depreciation	107.024.986	81.109.952
Profit/(loss) from the transfer of tangible assets	(626)	(586.426)
Provisions for risks and charges	2.058.353	2.216.239
Revenue from connection fees, non-reimbursable funds and assets acquired free of charge	(26.774.878)	(17.451.936)
Provisions for employee benefits	-	(58.501)
Debt Adjustment on Concession Agreement	(76.039.560)	(14.266.205)
Losses on receivables and other debtors	9.051	26.292
Adjustments for impairment of receivables	(85.489.069)	21.399.500
Adjustments for impairment of financial fixed assets	(560.808)	-
Interest income	(12.310.315)	(9.221.329)
Interest expense	7.302.173	1.808.680
Effect of exchange rate changes on non-operating items	(1.865.659)	4.758.100
Operating profit before changes in working capital	<u>228.087.183</u>	<u>263.240.845</u>
(Increase)/decrease in trade and other receivables	149.935.638	13.119.825
(Increase)/decrease in inventories	(79.033.882)	10.339.379
Increase/(decrease) trade and other debts	<u>(85.845.141)</u>	<u>(16.007.034)</u>
Cash generated from operations	<u>213.143.798</u>	<u>270.693.015</u>
Interest paid	(7.185.138)	(2.246.599)
Interest received	381.736	492.827
Paid profit tax	(15.645.056)	-
Net cash inflow from operation activities	<u>190.695.340</u>	<u>268.939.243</u>
Cash flow from investment activities		
Payments to acquire intangible assets	(142.208.644)	(270.069.999)
Payments to acquire tangible assets	(1.182.540)	(5.349.699)
Receipts from the disposal of tangible assets	12.251	688.106
Cash flow from connection fees and grants	<u>16.550.998</u>	<u>41.269.246</u>
Net cash used in investment activities	<u>(126.827.935)</u>	<u>(233.462.346)</u>
Cash flow from financing activities		
Long term loans drawings	-	81.326.787
Long term loans repayments	(30.878.880)	(21.351.360)
Credit withdrawals/repayments for working capital	(227.809.122)	(50.370.129)
Payments IFRS 16	(2.291.390)	(1.798.898)
Dividends paid	<u>(649.468)</u>	<u>(253.134)</u>
Net cash used in financing activities	<u>(261.628.860)</u>	<u>7.553.266</u>
Exchange rate difference		(2.539.970)
Net change in cash and cash equivalents	<u>(197.761.455)</u>	<u>40.490.193</u>
Cash and cash equivalent as at the beginning of the year	<u>414.955.056</u>	<u>289.452.040</u>
Cash and cash equivalent as at the end of the period	<u>217.193.601</u>	<u>329.942.233</u>

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean