

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR YEAR ENDED AS AT
31 DECEMBER 2019**

**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 STANDING
(expressed in lei unless otherwise provided herein)



	<u>31 December 2019</u> (unaudited)	<u>31 December 2018</u>
ASSET		
Fixed assets		
Intangible assets	3.050.967.734	2.301.804.939
Rights of use of the leasing assets	9.139.348	-
Tangible assets	476.323.492	513.263.137
Financial assets	215.886.809	45.600.828
Trade receivables and other receivables	663.302.299	629.754.861
Deffered tax	<u>8.576.895</u>	<u>-</u>
	4.424.196.577	3.490.423.765
Current assets		
Inventories	498.170.884	255.241.340
Commercial receivables and other receivables	499.736.664	541.390.038
Cash and cash equivalent	<u>311.138.161</u>	<u>708.752.317</u>
	1.309.045.709	1.505.383.695
Total asset	5.733.242.286	4.995.807.460
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>1.731.279.978</u>	<u>1.640.298.503</u>
	3.803.712.540	3.712.731.065
Long-term debts		
Long-term loans	663.930.000	233.195.000
Provision for employee benefits	118.648.860	107.072.136
Advance revenues	648.755.811	519.718.816
Deferred tax payment	-	4.302.215
Commercial debt and other debts	<u>2.137.303</u>	<u>-</u>
	1.433.471.974	864.288.167
Current debts		
Commercial debts and other debts	472.565.550	397.200.648
Provision for risks and charges	21.638.790	18.647.787
Current tax payment	-	-
Provision for employee benefits	<u>1.853.432</u>	<u>2.939.793</u>
	496.057.772	418.788.228
Total debts	1.929.529.746	1.283.076.395
Total equity and debts	5.733.242.286	4.995.807.460

Director General
Sterian Ion

Chief Financial Officer
Lupean Marius

STATEMENT OF THE COMPREHENSIVE INCOME
(expressed in lei unless otherwise provided herein)

	Year ended as at 31 December 2019 (unaudited)	Year ended as at 31 December 2018
Revenue from the domestic transmission activity	1.192.597.737	1.178.419.674
Revenue from the international transmission activity	327.696.392	324.380.804
Other revenue	<u>55.264.111</u>	<u>105.636.220</u>
Operational revenue before the balancing and construction activity according to IFRIC12	1.575.558.240	1.608.436.698
Depreciation	(194.651.247)	(188.021.695)
Employees costs	(410.885.406)	(382.451.327)
Technological consumption, materials and consumables used	(105.298.014)	(96.880.600)
Expenses with royalties	(151.282.768)	(151.026.697)
Maintenance and transmission	(29.808.927)	(35.884.134)
Taxes and other amounts owed to the state	(108.696.061)	(76.448.349)
Revenue/ (Expenses) with provisions for risks and expenses	(5.807.029)	(5.946.358)
Other operating expenses	<u>(172.424.096)</u>	<u>(110.292.897)</u>
Operational profit before the balancing and construction activity according to IFRIC12	396.704.692	561.484.641
Revenue from the balancing activity	324.687.807	235.427.293
Expenses with balancing gas	(324.687.807)	(235.427.293)
Revenue from the construction activity according to IFRIC12	851.696.326	405.793.585
Cost of assets constructed according to IFRIC12	<u>(851.696.326)</u>	<u>(405.793.585)</u>
Operational profit	396.704.692	561.484.641
Financial revenue	48.535.689	46.844.345
Financial expenses	<u>(29.017.641)</u>	<u>(25.448.758)</u>
Financial revenue, net	<u>19.518.048</u>	<u>21.395.587</u>
Profit before tax	416.222.740	582.880.228
Profit tax expense	<u>(66.743.892)</u>	<u>(87.205.120)</u>
Net profit for the period	<u>349.478.848</u>	<u>495.675.108</u>
Earnings per share, basic and diluted (expressed in RON per share)	29,68	42,10
Actuarial loss/(gain) for the period	(3.475.912)	(4.442.437)
Total comprehensive income for the period	<u>346.002.936</u>	<u>491.232.671</u>

Director General
Sterian Ion

Chief Financial Officer
Lupean Marius