

A RESPONSIBLE COMPANY, A COMPANY OF THE FUTURE!

PRELIMINARY FINANCIAL STATEMENTS FOR 2020 (UNAUDITED)



Prepared in accordance with IFRS -UE



Summary

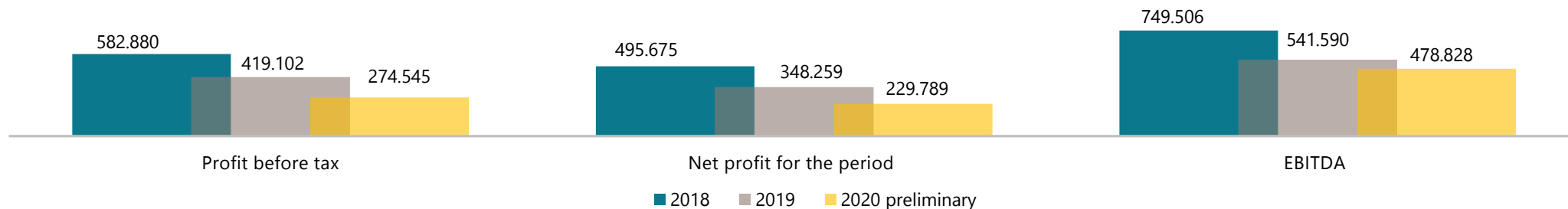
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1. Preliminary individual income statement as of 31.12.2020
 2. Preliminary individual balance sheet as of 31.12.2020
 3. Main revenue drivers
 4. Main costs drivers
 5. The main consolidated preliminary financial and economic indicators as of 31.12.2020
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1. Preliminary individual income statement as of 31.12.2020 (1)

MAIN INDICATORS

THOUSAND LEI	2018	2019	2020 preliminary	CHANGES 2020/2019	
				Absolute	Relative
Operational revenue before the balancing and construction activity according to IFRIC12	1,608,437	1,576,667	1,332,657	-244,010	-15%
Revenue from the balancing activity	235,427	324,688	199,239	-125,449	-39%
Income from the construction activity according to IFRIC12	405,794	868,357	1,575,005	706,648	81%
Financial income	46,844	98,952	60,465	-38,487	-39%
Operational costs before the balancing and construction activity according to IFRIC12	1,046,952	1,228,699	1,099,003	-129,696	-11%
Costs from the balancing gas	235,427	324,688	199,239	-125,449	-39%
Cost of constructed assets according to IFRIC12	405,794	868,357	1,575,005	706,648	81%
Financial costs	25,449	27,818	19,574	-8,244	-30%
Profit before tax	582,880	419,102	274,545	-144,557	-34%
Profit tax expense	87,205	70,843	44,756	-26,087	-37%
Net profit for the period	495,675	348,259	229,789	-118,470	-34%
EBITDA	749,506	541,590	478,828	-62,762	-12%
Turnover	1,741,929	1,850,405	1,474,078	-376,327	-20%

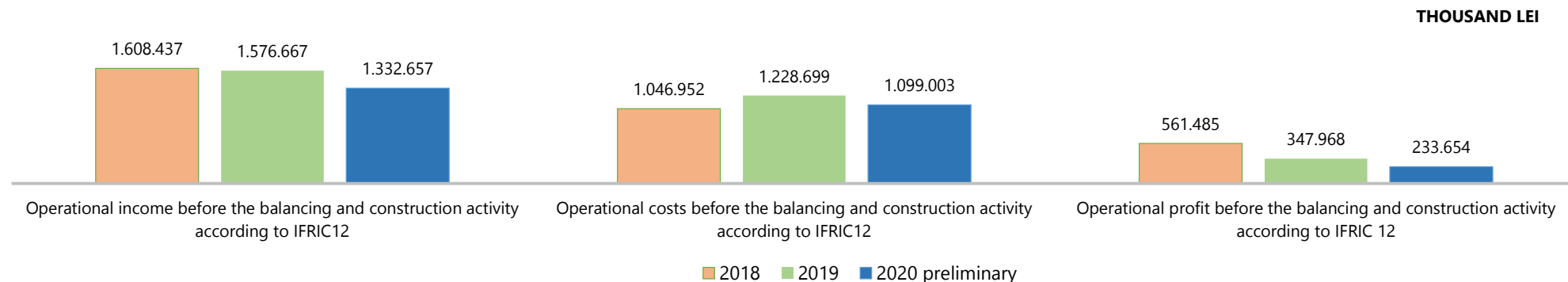
THOUSAND LEI



1. Preliminary individual income statement as of 31.12.2020 (2)

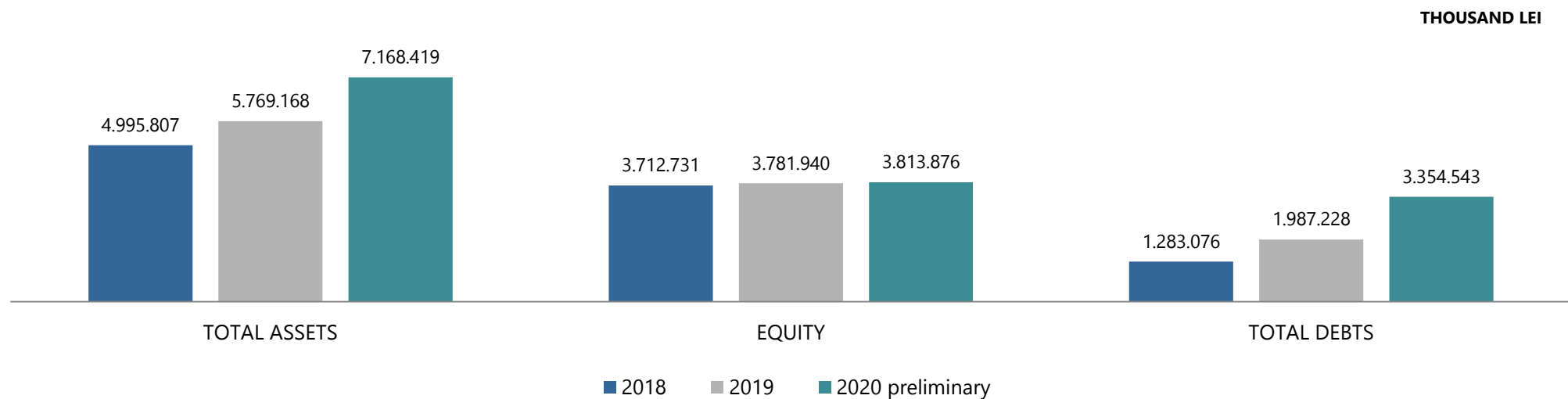
MAIN INDICATORS

THOUSAND LEI	2018	2019	2020 preliminary	CHANGES 2020/2019	
				Absolute	Relative
Revenues from domestic gas transmission activity	1,178,420	1,192,598	1,150,465	-42,133	-4%
Revenues from the international gas transmission activity	324,381	327,696	114,223	-213,473	-65%
Other revenues	105,636	56,373	67,969	11,596	21%
Operational revenue before the balancing and construction activity according to IFRIC12	1,608,437	1,576,667	1,332,657	-244,010	-15%
Employees costs	382,451	413,647	431,360	17,713	4%
Technological consumption, materials and consumables used	96,881	99,267	115,609	16,342	16%
Expenses with royalties	151,027	151,283	107,622	-43,661	-29%
Maintenance and transport	35,884	29,844	30,363	519	2%
Taxes and other amounts owed to the State	76,448	111,290	71,870	-39,420	-35%
Revenues/ Expenses with provision for risks and expenses	5,946	49,819	-15,797	x	x
Other operating costs	110,293	179,927	112,802	-67,125	-37%
Depreciation	188,022	193,622	245,174	51,552	27%
Operational costs before the balancing and construction activity according to IFRIC12	1,046,952	1,228,699	1,099,003	-129,696	-11%
Operational profit before the balancing and construction activity according to IFRIC12	561,485	347,968	233,654	-114,314	-33%

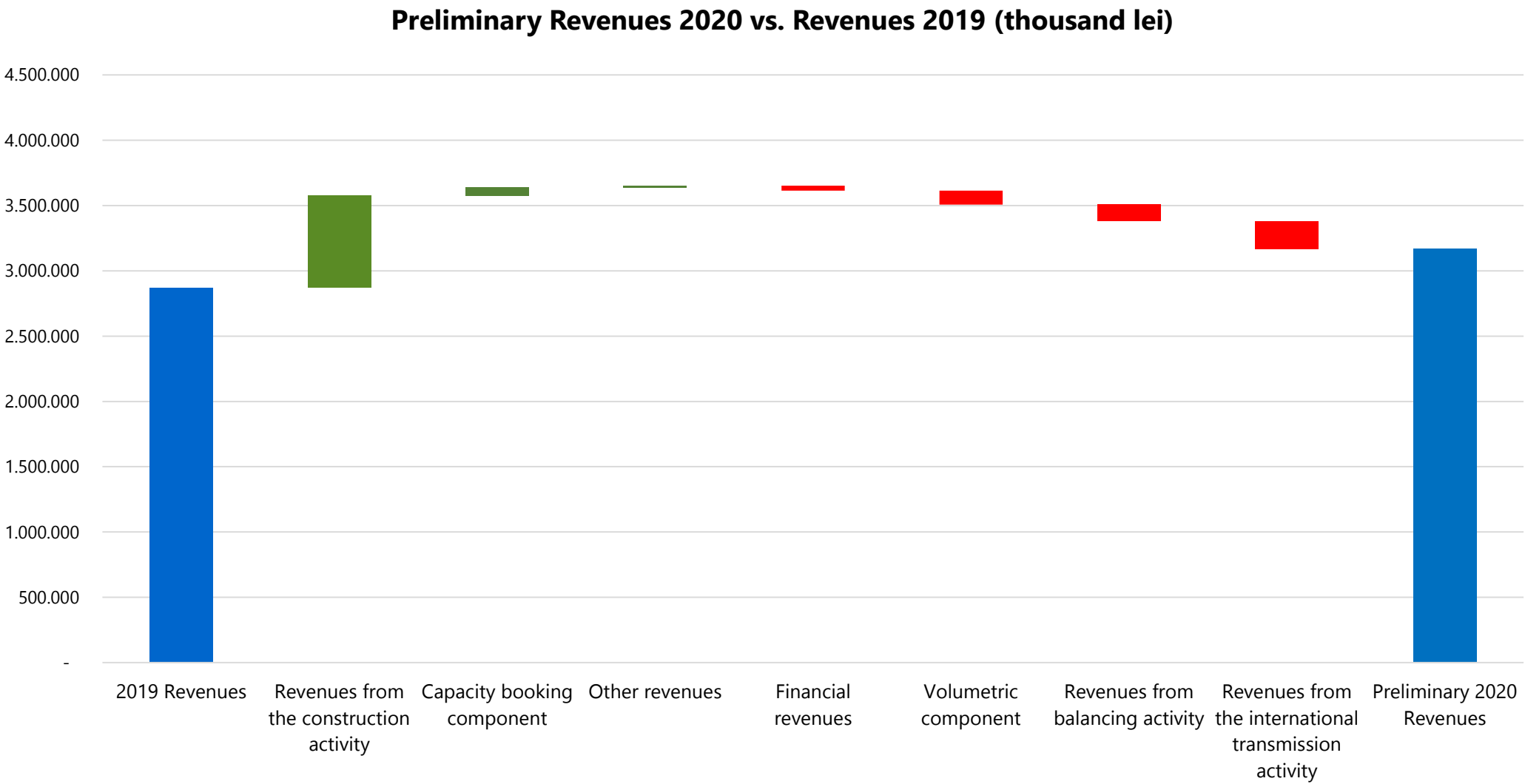


2. Preliminary individual Balance Sheet as of 31.12.2020

THOUSAND LEI	2018	2019	2020 preliminary	CHANGES 2020/2019	
				Absolute	Relative
Fixed assets	3,490,424	4,484,129	5,986,919	1,502,790	34%
Current assets	1,505,384	1,285,039	1,181,500	-103,539	-8%
Total assets	4,995,807	5,769,168	7,168,419	1,399,251	24%
Equity	3,712,731	3,781,940	3,813,876	31,936	1%
Long term debts	864,288	1,489,789	2,740,678	1,250,889	84%
Current debts	418,788	497,439	613,865	116,426	23%
Total debts	1,283,076	1,987,228	3,354,543	1,367,315	69%
Total equity and debts	4,995,807	5,769,168	7,168,419	1,399,251	24%



3. Main revenue drivers (1)



3. Main revenue drivers(2)

2020 preliminary vs. 2019

Operating revenue before the balancing and construction activity, according to IFRIC12 decreased by **15%** as compared to 2019, which is lower by **LEI 244,010 thousand**.

The revenue was influenced mainly by the following factors:

- *commodity revenue* lower by **LEI 106,379 thousand** due to:
 - the commodity transmission tariff lower by LEI 0.60 /MWh, with a negative influence of LEI 73,280 thousand;
 - the transmitted gas quantity lower by 12,380,000MWh/847,235 thousand cm (▼9%), compared to 2020, with a negative influence of LEI 33,098 thousand, detailed by categories of consumers as follows:

		12 months 2019	12 months 2020	Differences
Quantity transmitted for direct consumers	MWh	69,513,278	57,162,565	-12,350,713
	thousand m ³	6,147,306	5,309,374	-837,932
Quantity transmitted for distribution	MWh	76,102,315	76,073,028	-29,287
	thousand m ³	7,080,195	7,070,892	-9,303
Total	MWh	145,615,593	133,235,593	-12,380,000
	thousand m ³	13,227,501	12,380,266	-847,235

The commodity tariffs decreased in 2020 as compared to 2019, mainly due to:

- Order 10/2017 of the ANRE President on the amending of Order 32/2014 of ANRE President on the approval of the Gas Transmission Regulated Revenue, Total Revenue and Regulated Tariffs Methodology, which establishes the increasing by 5% per year of the percentage by which the approved revenue is recovered by the application of the capacity booking tariff, up to 85%, and the decreasing of the percentage by which the approved revenue is recovered by the application of the commodity tariff. In gas year 2019-2020 the variable component of the total revenue at the basis of the commodity tariffs is 25% of the total revenue and in gas year 2020-2021 to 20% of the total revenue;
- at the substantiation of the tariffs for gas years 2019-2020 and 2020-2021, the tax on the monopoly was not recognised by ANRE at the pass-through costs and implicitly at the regulated revenue.

3. Main revenue drivers(3)

2020 preliminary vs. 2019

- *revenue from capacity booking* higher by **LEI 64,246 thousand** due to:

- *capacity booking tariff* higher by LEI 0.19/MWh, with a positive influence of LEI 69,510 thousand, increase mainly determined by the invoicing of revenue from the auction premium, following the capacity booking auctions performed according to the CAM-NC by interconnection points;
- *booked capacities* lower by 2,213,274 MWh, with a negative influence of LEI 5,264 thousand.

	2019	2020 preliminary
Revenues from the domestic transmission activity, due to:	1,192,598	1,150,465
- Volumetric component	305,603	199,224
- Capacity booking component	886,995	951,241

- *international gas transmission revenue* lower by **LEI 213,474 thousand** due to the termination of the transmission contract with Gazprom Export Ltd for the Isaccea 2 - Negru Voda 2 pipeline and regulation of the Isaccea 1 – Negru Voda 1 pipeline transmission revenue according to the methodology approved by ANRE Order 41/2019 following the connection of this pipeline to the National Transmssion System from 1 October 2019;
- *other operating revenue* higher by **LEI 11,596 thousand**.

Revenue from the balancing activity decreased by **LEI 125,449 thousand** based on the following factors:

- trading price lower by LEI 35.21/MWh, with a negative influence of LEI 108,948 thousand;
- quantity lower by 165,680 MWh with a negative influence of LEI 16,501 thousand;

Revenue from the construction activity higher by **LEI 706,648 thousand**, registered in line with IFRIC 12, according to which revenue and costs related to the construction activity or the improvement of the transmission network, in exchange of which the intangible asset is registered, must be acknowledged in line with IAS 11, Construction Contracts;

Financial revenue with a negative influence of **LEI 38,487 thousand**, mainly on account of the registration of the discounting of the regulated assets with the inflation rate for 2020, in the amount of LEI 29,325 thousand, in the previous year the 2015-2019 (LEI 49,677 thousand) inflation rate was used for such discounting.

4. Main costs drivers (1)

2020 Preliminary Expenses vs. 2019 Expenses (thousand lei)



4. Main costs drivers (2)

2020 preliminary vs. 2019

Operating costs before the balancing and construction activity according to IFRIC12 decreased by **11%** as compared to 2019, which is lower by **LEI 129,697 thousand**.

The company made savings of LEI 216,592 thousand to the following cost elements:

- *other operating costs*: LEI 67,126 thousand, based on the decreasing of the adjustments for impairment of current assets by LEI 64.161 thousand;
- *cost of taxes and duties due to the state*: LEI 39,420 thousand, mainly due to the decreasing of the gas transmission licence fee cost by LEI 28.884 thousand and of the monopoly tax cost by LEI 10,501 thousand;
- *costs of NTS concession royalty*: LEI 43,660 thousand; Transgaz pays a royalty amounting to 0.4% of the gross revenue obtained from the operations of gas transmission and transit through the national transmission systems which are the public property of the state, after the entry into force of Law 244/09.11.2020; before that the rate was 10%;
- *costs of provision for risks and charges*: LEI 65,615 thousand, mainly due to the recording in 2019 of the provision regarding the investigation performed by the Competition Council amounting to LEI 41,758 thousand, and to decreasing its value in 2020 with the amount of LEI 7.591 thousand, following the decision of the Competition Council to apply a LEI 34,166 thousand penalty on the company;
- *other material costs*: LEI 771 thousand.

Exceedings amounting to LEI 86,895 thousand were recorded to the following cost elements:

- *transmission system gas consumption* LEI 12,930 thousand, due to:
 - the quantity of natural gas for NTS gas consumption higher by 64,293 MWh as compared to 2019, with a negative influence of LEI 6,649 thousand;
 - the average purchase price obtained higher by LEI 8.91/MWh as compared to the one obtained in 2019, with a negative influence of LEI 6,281 thousand

- *employee costs*: LEI 17,712 thousand;
- *cost of depreciation*: LEI 51,551 thousand, based on the completion and commissioning of the major investment projects;
- *cost of maintenance and transmission*: LEI 518 thousand;
- *cost of auxiliary materials*: LEI 4,184 thousand.

		31.12.2020	31.12.2019	Differences
Transmission system gas consumption (quantities)	MWh	704.997	640.705	64.293
	Thousand m ³	69.325	61.365	7.960
	Thousand lei	79.187	66.257	12.930
	lei/MWh	112,32	103,41	8,91
Share of quantities of natural gas consumption in NTS in total circulated gas	%	0,53%	0,45%	x

The financial cost is lower by **LEI 8,244 thousand** mainly based on the foreign currency exchange loss.

Compared to 2019 the draft gross profit in 2020 decreased by 34%, which is lower by LEI 144,556 thousand.

5. The main consolidated preliminary financial and economic indicators as of 31.12.2020



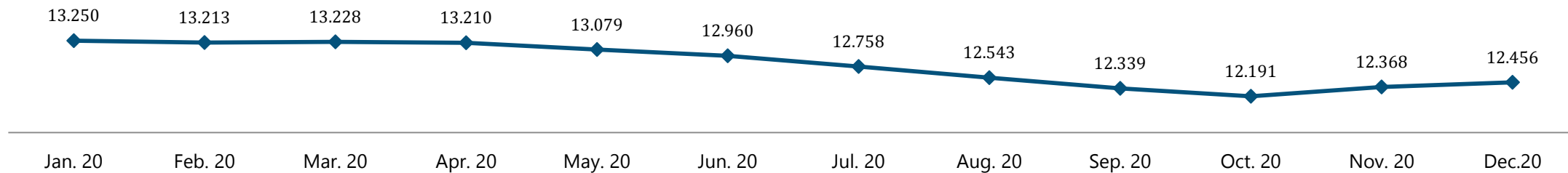
THOUSAND LEI	Consolidated Obtained 2018	Consolidated Obtained 2019	Consolidated Preliminary 2020	MAIN INDICATORS	
				CHANGES 2020/2019	
				Absolute	Relative
Operating revenue before the balancing and construction activity according to IFRIC12	1,608,398	1,575,925	1,337,153	-238,772	-15%
Revenue from the balancing activity	235,427	324,688	199,239	-125,449	-39%
Revenue from the construction activity according to IFRIC12	405,794	868,357	1,575,005	706,648	81%
Financial revenue	48,634	101,618	71,134	-30,484	-30%
Operating costs before the balancing and construction activity according to IFRIC12	1,052,177	1,234,622	1,103,340	-131,282	-11%
Costs from the balancing activity	235,427	324,688	199,239	-125,449	-39%
Cost of assets constructed according to IFRIC12	405,794	868,357	1,575,005	706,648	81%
Financial costs	26,973	30,779	35,477	4,698	15%
Profit before tax	577,882	412,143	269,469	-142,674	-35%
Income tax	87,396	70,749	44,905	-25,844	-37%
Net profit for the period	490,486	341,394	224,564	-116,830	-34%

The variation of the consolidated preliminary economic and financial indicators on 31 December 2020, compared to those obtained in the same period of 2019 is mainly determined by the variation of the individual preliminary economic-financial indicators registered by SNTGN Transgaz SA on 31 December 2020 compared to those obtained in the same period of 2019.

The main impact of the subsidiaries in the consolidated result is determined by the evolution of the MDL (Moldovan leu) exchange rate compared to the EUR currency in which the source of financing of the investment project developed by the subsidiary was partially obtained and compared to the reporting currency of the consolidated financial statements (RON) .

6. Main business drivers (1)

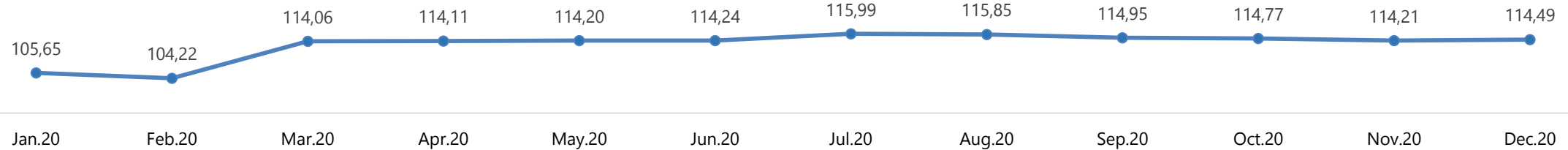
Natural gas volumes circulated (including storage quantities) - mil.cm - rolling 12 months



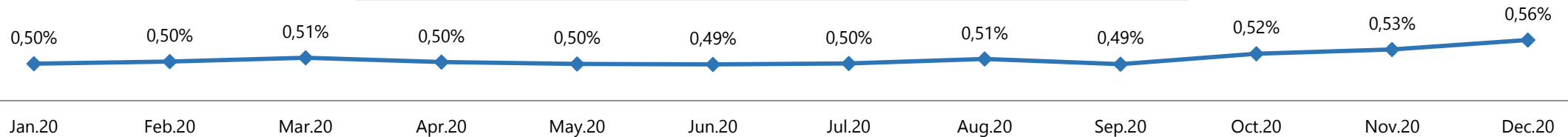
Circulated gas, out of which: - storage		1Q2020	2Q2020	3Q2020	4Q2020	1Q2019	2Q2019	3Q2019	4Q2019
	MWh	44,364,276.70	25,819,241.00	23,943,612.17	39,485,484.01	45,054,044	28,562,915	30,562,038	38,288,505
	thousand m ³	4,139,811.57	2,401,074.14	2,228,188.80	3,687,126.97	4,211,546	2,668,781	2,849,487	3,570,020
	MWh	440,750.00	6,350,866.66	5,651,372.86	1,214,913.89	398,246	11,330,119	14,630,427	3,608,278
	thousand m ³	40,748.69	598,729.28	533,312.60	113,159.27	37,854	1,068,904	1,386,169	415,584
Circulated gas storage share		0.99%	24.60%	23.60%	3.08%	0.88%	39.67%	47.87%	9.42%

6. Main business drivers (2)

Natural gas aquisition price for technological consumption (RON/MWH)



% Technological consumption in total circulated gas volumes (rolling 12 months)



		1Q2020	2Q2020	3Q2020	4Q2020	1Q2019	2Q2019	3Q2019	4Q2019
Technological consumption, materials and consumables used, of which:	thousand Lei	30,643	19,353	24,197	41,416	30,306	28,675	21,753	18,533
▪ transmission system technological consumption and loss	thousand Lei	25,883	13,473	10,557	29,274	22,422	16,807	13,391	13,636
▪ - technological consumption quantity	MWh	240,122	117,996	91,136	255,743	224,309	164,730	125,272	126,394
▪ auxiliary materials	thousand Lei	3,814	5,327	12,702	10,952	6,703	10,902	7,466	3,540
▪ other material costs	thousand Lei	946	553	939	1,190	1,181	967	896	1,355

CURRENT NTS INFRASTRUCTURE



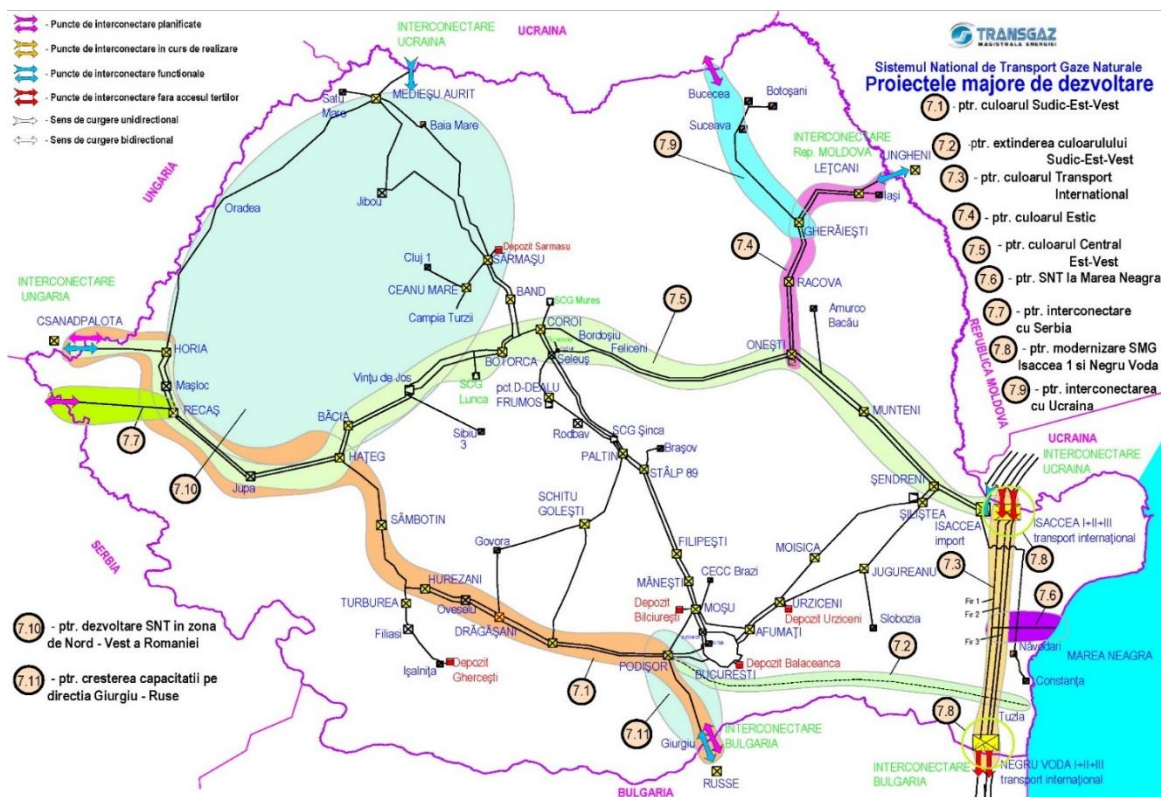
- ❑ 13.925 km main transmission pipelines and connections for gas supply, of which 369 km international gas transmission pipelines and 479 km the BRUA pipeline;
- ❑ 1.128 gas metering stations (1.233 metering directions);
- ❑ 4 gas metering stations for international transmission (Isaccea Transit II, Isaccea Transit III, Negru Vodă II, Negru Vodă III) ;
- ❑ 7 imported gas metering stations;
- ❑ 6 gas compressor stations (Șinca, Onești, Siliștea, Jupa, Podișor, Bibești) ;
- ❑ 1.041 cathodic protection stations (CPS);
- ❑ 58 valve stations/technological nodes;
- ❑ 982 odorization stations.

FUTURE NTS INFRASTRUCTURE

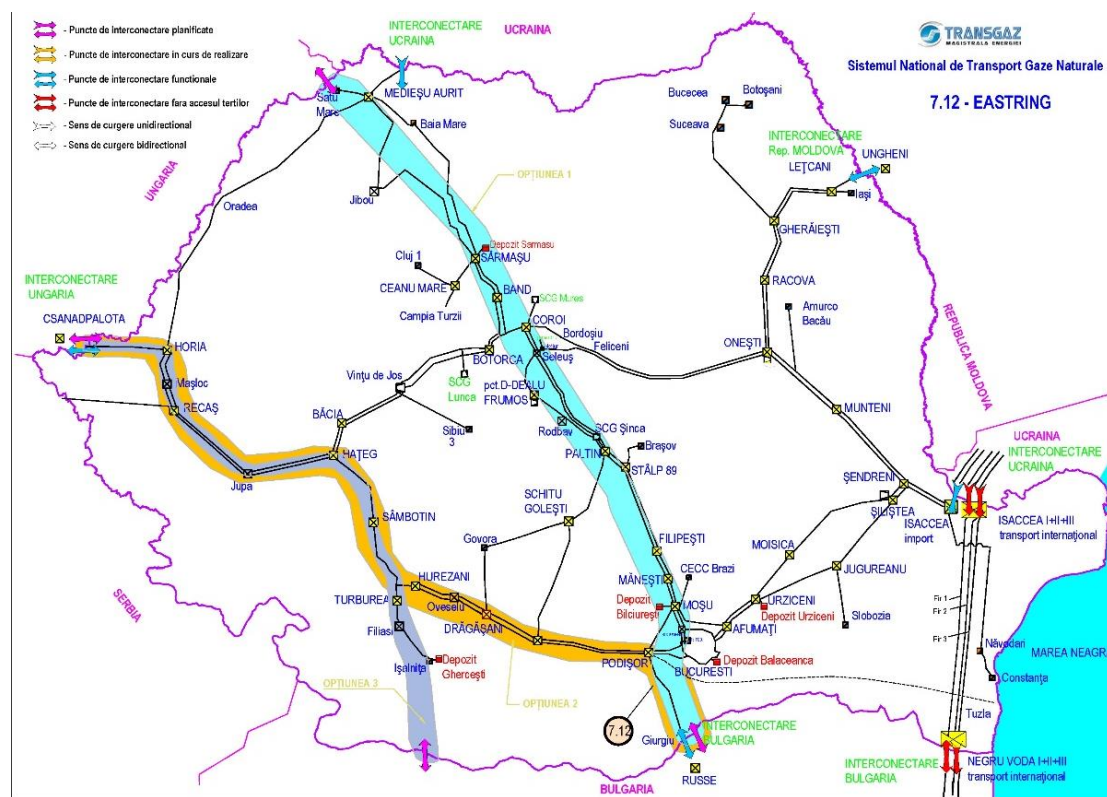
A modernized and competitive gas transmission system that ensures a high degree of interconnectivity, flexibility and access to multiple sources of supply.

Significant investments are needed to build new connections, rehabilitate parts of the existing system, and build new compressor stations.

MAJOR PROJECTS



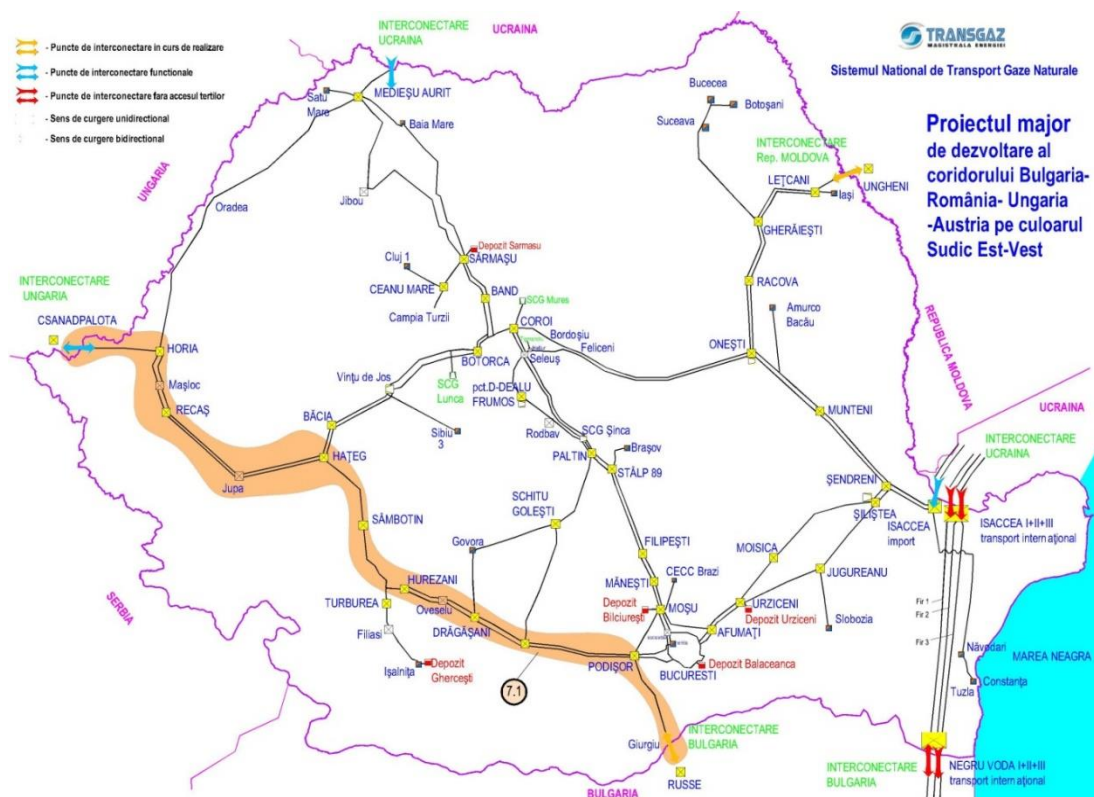
EASTRING



~ 4 BILLION EURO

Project no	Project	Estimated value mil. Euro	Completion date	Project importance	Project status
7.1.1	Development on Romania's territory of the National Gas Transmission System on the Bulgaria - Romania - Hungary – Austria Corridor (Phase I)	478.6	2020 completed	Ensuring a natural gas transmission capacity to Hungary of 1.75 bcm/y and 1.5 bcm/y to Bulgaria. The project importance at European Union level is reflected by the nomination of the "Gas pipeline from Bulgaria to Austria via Romania and Hungary" project both on the first and on the second and third list of common interest projects.	FID
7.1.2	Development on Romania's territory of the National Gas Transmission System on the Bulgaria - Romania - Hungary – Austria Corridor (Phase II)	74.5	2023 (updated)	Ensuring a natural gas transmission capacity to Hungary of 4.4 bcm/y and 1.5 bcm/y to Bulgaria. The project importance at European Union level is reflected by the nomination of the "Gas pipeline from Bulgaria to Austria via Romania and Hungary" project both on the first and on the second and the third list of common interest projects.	A non FID
7.2	Development on Romania's territory of the Southern Transmission Corridor for taking over the natural gas from the Black Sea coast	371.6	2022	Taking-over the natural gas to be produced in the Black Sea (NTS) for its transmission to the Romanian and European markets is of strategic importance to Transgaz. The project importance at European Union level is reflected by nominating the Project on the 2nd and 3rd list of common interest projects.	FID
7.3	Interconnection of the national gas transmission system with the international natural gas pipeline T1 and Isaccea reverse flow.	77.7	Phase 1: 2018 Phase 2: 2020 completed	Transgaz has a great interest in implementing this project for the following grounds: <ul style="list-style-type: none"> in order to eliminate the possibility of imposing extremely costly financial penalties by the European Commission; We mention that this project is part of the first, second and third list of common interest projects at EU level and will be carried out in two phases.	FID
7.4	Developments of the NTS in the North - East area of Romania in order to improve the natural gas supply of the area and to ensure the transmission capacities to the Republic of Moldova	174.25	2021	Ensuring a gas transmission capacity of 1.5 bcm/y at the interconnection point between the Romanian and Moldova Republic gas transmission systems.	FID
7.5	Amplification of the bidirectional gas transmission corridor Bulgaria - Romania - Hungary - Austria (BRUA Phase III)	530	2026 (updated)	Depending on the Black Sea offshore production increase further development of the network is considered, such as: an additional route through the center of Romania and a new interconnection with Hungary.	LA non FID
7.6	NTS new developments to take-over the gas from the Black Sea coast.	9.14	2021	Creating an additional point for taking over the natural gas from the Black Sea offshore exploitation perimeters.	FID
7.7	Romania-Serbia Interconnection	56.21	2023 (updated)	Establish an interconnection pipeline with Serbia to diversify sources of supply and increase energy security in the region.	A non FID

Project no.	Project	Estimated value mil. Euro	Completion date	Project importance	Project status
7.8	Upgrading GMS Isaccea 1 and Negru Vodă 1	26.65	GMS Isaccea1 Completed GSM Negru Vodă 2021	Upgrading the gas metering stations at interconnection points to increase the level of energy security in the region.	FID
7.9	Interconnection of the national gas transmission system with the natural gas transmission system of Ukraine, Gherăești-Siret	150	2026	Establishing an interconnection with Ukraine in the direction of Gherăești-Siret, completing the project on NTS developments in the North-East area of Romania, in order to improve the natural gas supply in the area.	LA non FID
7.10	Development/Upgrading of the gas transmission infrastructure in the North-Western part of Romania	405	2026	Increasing the natural gas transmission capacities in the North-West of Romania to ensure the trends of consumption growth in the region.	LA non FID
7.11	Increase in the gas transmission capacity of the interconnection Romania-Bulgaria, in the Giurgiu-Ruse direction	51.8	2027	Improving the natural gas supply of the area.	LA non FID
7.12	Eastring-Romania	Phase 1: 1,297 Romania Phase 2: 357 Romania	Phase 1: 2027 Phase 2: 2030	EASTRING will be open to well-established sources as well as alternative sources. It will bring gas from new sources from the Caspian / Mediterranean / Black Sea / Middle East regions. At the same time, it will ensure the supply of Southeast Europe from European gas hubs. Total capacity will be available to any carrier or vendor.	LA non FID
7.13	Monitoring system, data control and acquisition for the cathodic protection stations related to the National Gas Transmission System	8	2023	Provides the ability to set, monitor and operate remotely and accurately the points of interest of the system, eliminates the cost of reading data, avoids situations where due to weather conditions it is not possible to read data and human errors, allow distributed control of locations, operating and maintenance costs, considerably reduces setup time.	LA non FID
7.14	Development of the SCADA system for the National Gas Transmission System	5.5	2023	Upgrading the natural gas transmission infrastructure by upgrading hardware and software architecture.	LA non FID
7.15	Upgrading GMS Isaccea 2 and Negru Vodă 2 to enable the bidirectional flow on the T2 pipeline	26,65	2024	Creating the possibility of bidirectional flow on the T2 pipeline, part of the Trans-Balkan corridor	LA non FID
7.16	Upgrading GMS Isaccea 3 and Negru Vodă 3 to enable the bidirectional flow on the T3 pipeline	26,65	2028	Creating the possibility of bidirectional flow on the T3 pipeline, part of the Trans-Balkan corridor	LA non FID
7.17	NTS interconnection to the LNG Terminal located on the Black Sea shore	19,6	2028	Creating transmission capacity to take over gas from the LNG terminal located on the Black Sea shore	LA non FID



Aim:

- development of the gas transmission capacity between the Romanian and the Bulgarian and Hungarian gas transmission systems

Capacity:

- 1.75 bcm/y to Hungary
- 1.5 bcm/y to Bulgaria

Necessary investments:

- 32"x63 bar 479 km pipeline
- 3 compressor stations: Podișor CS, Bibești CS and Juța CS (inaugurated and put into operation in September and October 2019, August 2020)

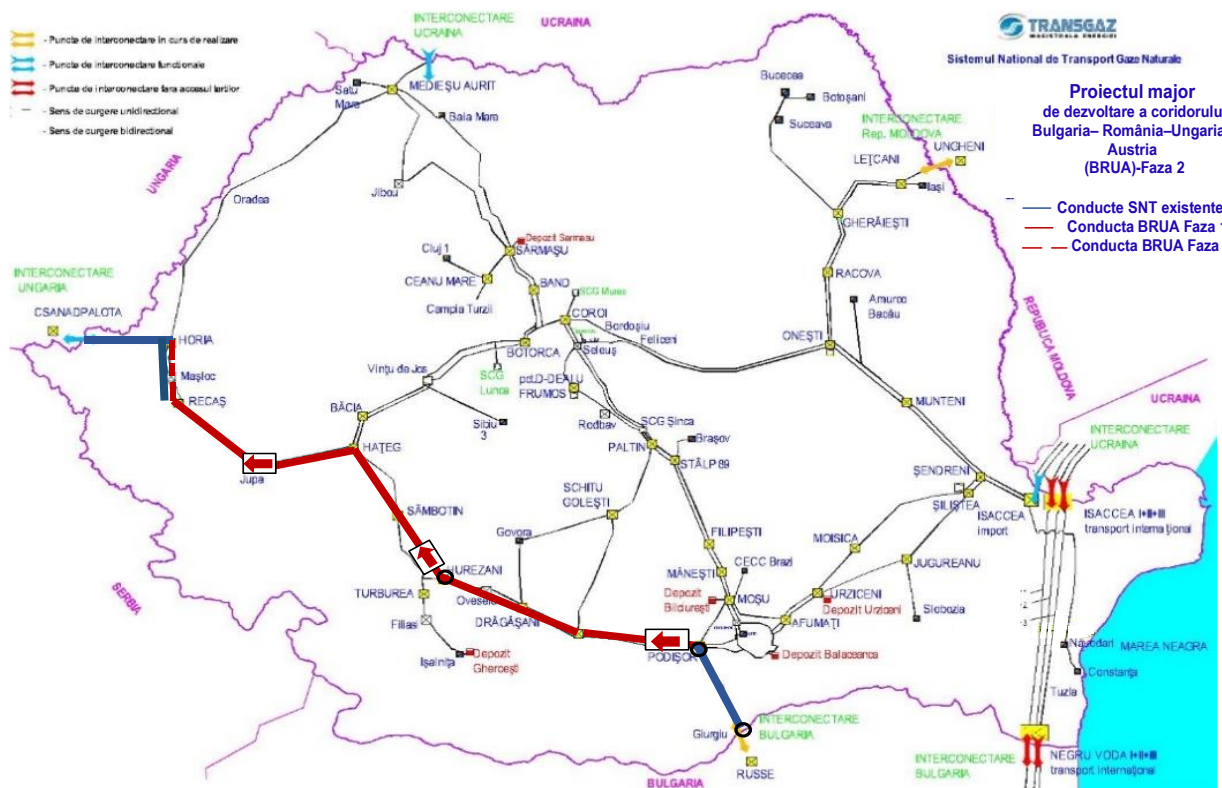
Total estimated costs:

- 423 mil. Euro

Final investment decision – 2016

Estimated commissioning - 2020 - completed

Romanian connection to the neighboring transit



Estimated commissioning 2023 (updated)

Aim:

- The project aims to increase the gas flow to Hungary through the Horia - Csanadpalota interconnector

Capacity increase:

- From 1.75 bcm/y to 4.4 bcm/y to Hungary

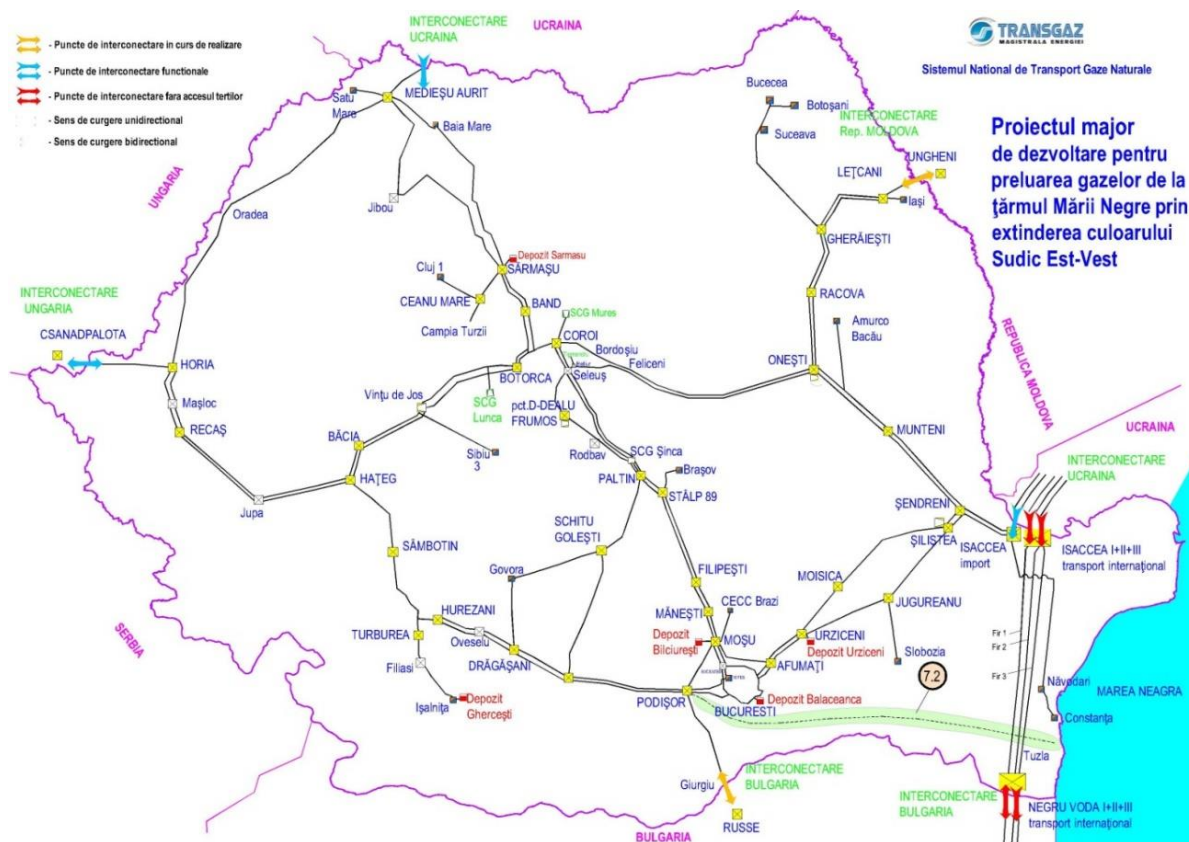
Necessary investments:

- 32"x63 bar ~50 km Recaş-Horia pipeline
- increasing the capacity of the three existing compressor stations (Jupa, Bibești, Podișor) by mounting an additional compressors in each station extension of Horia GMS
- SMG Horia amplification

Total estimated costs:

- 74.5 mil. Euro**

Completion of Phase 2 depends on the successful completion of the binding Open Season procedure for the reservation of capacity at IP Csanadpalota and the timetable for this procedure.



Estimated commissioning 2022

Aim:

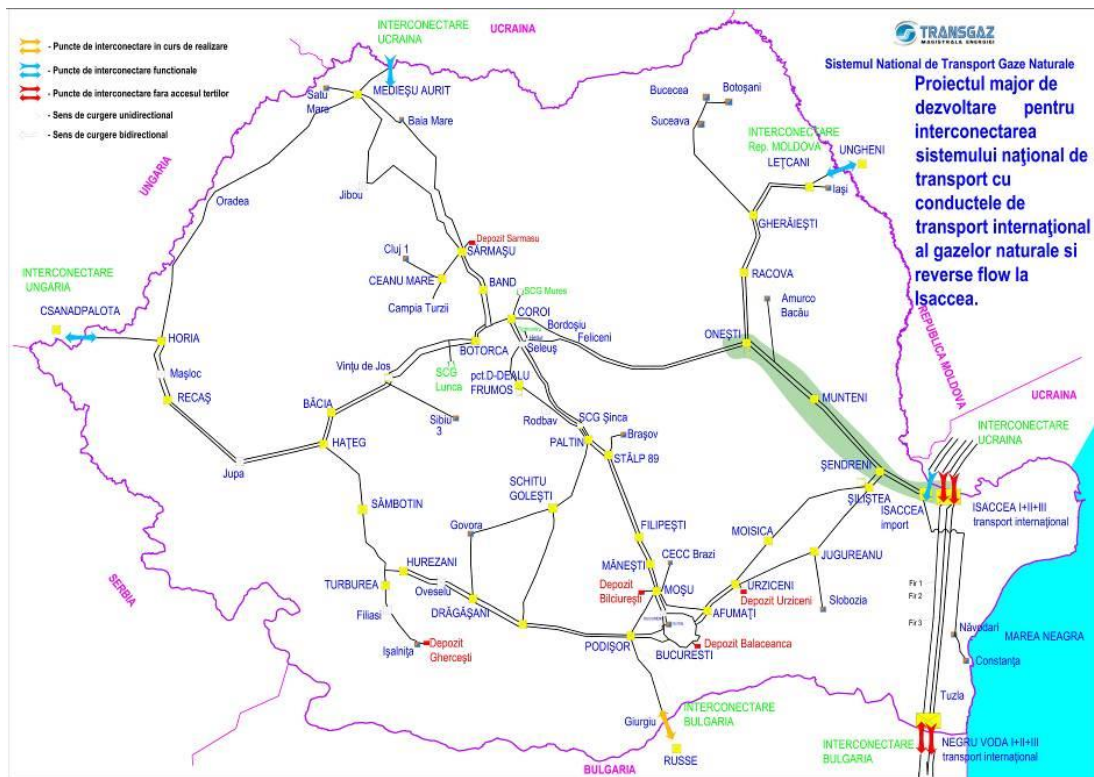
- create a transmission infrastructure for taking over to be produced in the Black Sea

Necessary investments:

- the Black Sea shore–Amzacea pipeline, 32.5 km, Ø 48" (Dn1200)
- the Amzacea–Podișor pipeline, 275.9 km, Ø 40" (Dn1000)

Total estimated costs:

- 371.6 mil. Euro



Aim:

- create a transmission corridor between Bulgaria, Romania and Ukraine
- ensure physical reverse flow at the Negru Vodă 1 point, according to EU Regulation 994/2010

Necessary investments:

Phase 1

- rehabilitation of Dn 800 Onești - Cosmești pipeline
- Isaccea interconnection

Phase 2

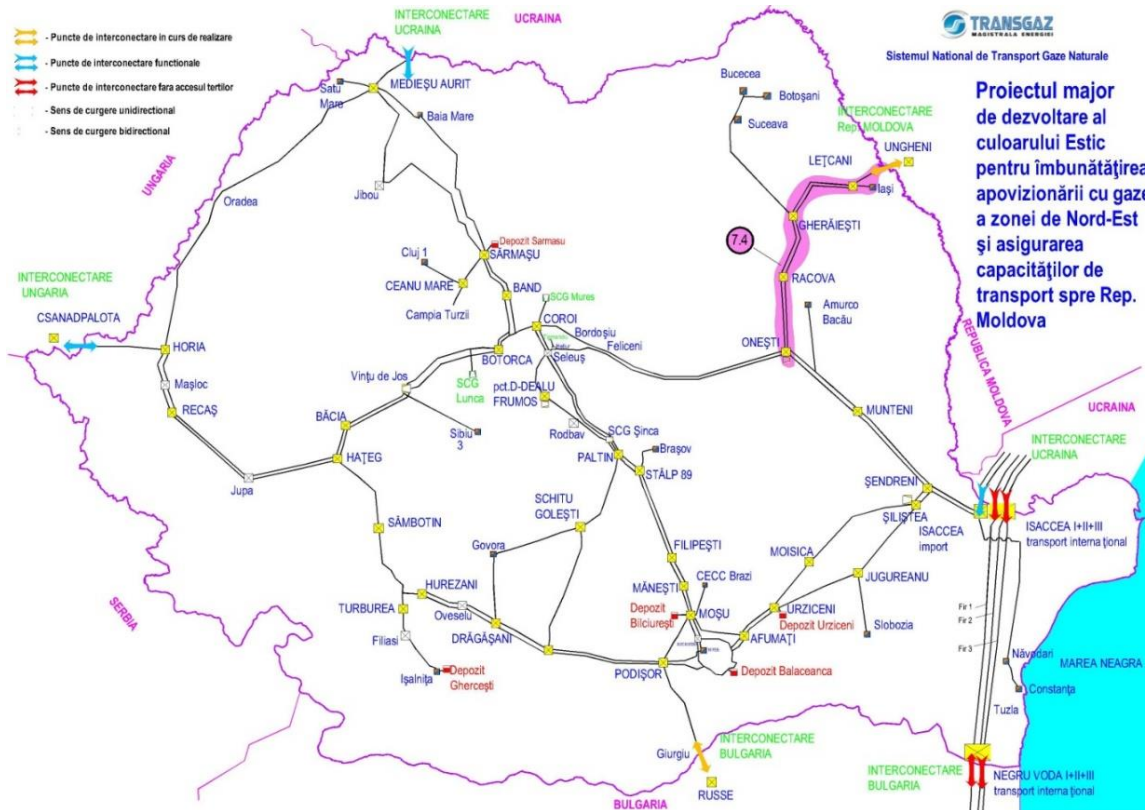
- upgrading of Siliștea CS, Siliștea TN
- upgrading of Onești CS, Onești TN
- upgrading of Șendreni CS, Șendreni TN

Total estimated costs:

- **77.7 mil. Euro**

Final investment decision – 2018

Commissioning - 2018 – Phase I
Commissioning - 2020 – Phase II- COMPLETED



Estimated commissioning - 2021

Aim:

- enhancing gas supply to North – East Romania
- ensuring 1.5 bcm/y transmission capacity at the interconnection point between the transmission systems of Romania and Moldova

Necessary investments:

- construction of a DN 700 x 104.1 km pipeline, in the Gherăești - Lețcani direction
- construction of a DN 700 x 61.05 km pipeline, in the Gherăești - Lețcani direction
- construction of a compressor station at Gherăești of 9.14 MW
- construction of a compressor station at Onești of 9.14 MW

Total estimated costs:

- **174.25 mil. Euro**

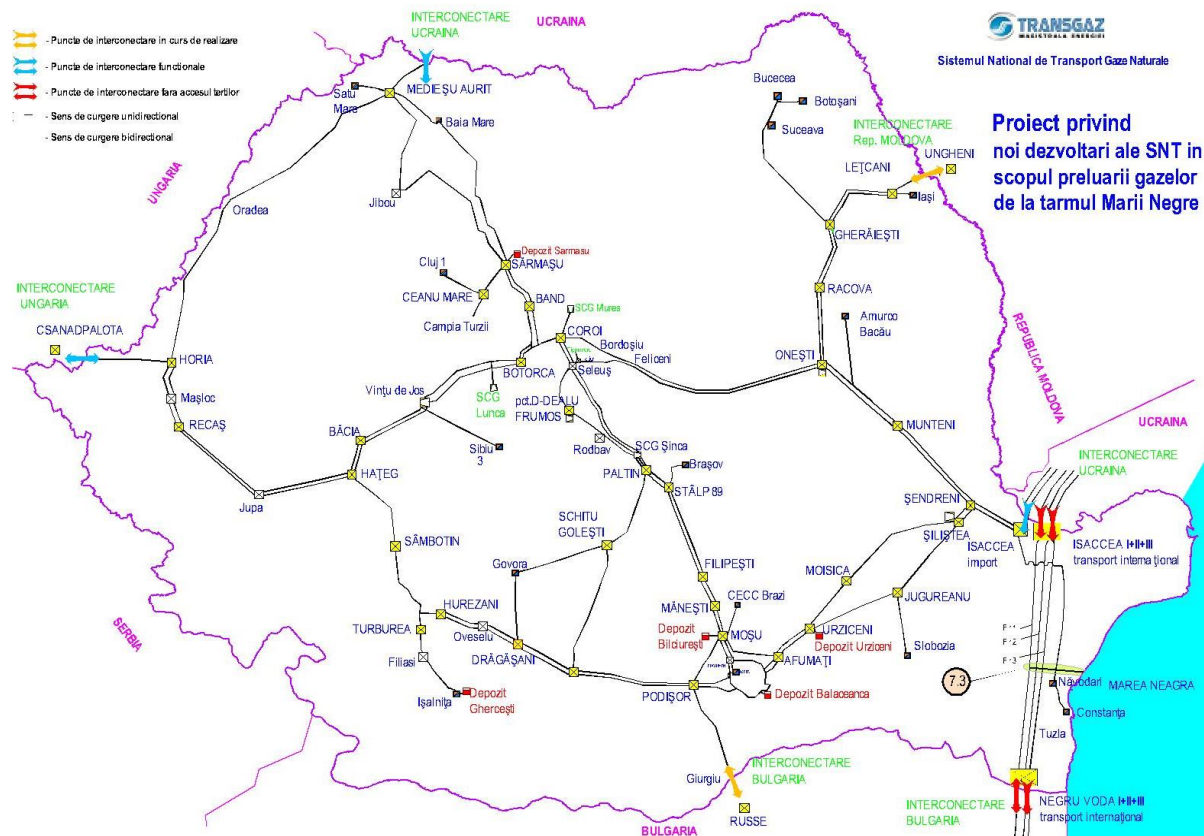


- development of gas transmission capacity on the Onești – Coroi – Hațeg – Nădlac corridor depending on the Black Sea or other onshore blocks gas volumes

- rehabilitation of some pipeline sections
- replacement of existing pipelines with new larger diameter and operating pressure pipelines
- four or five new gas compressor stations

- 4.4 bcm/y to Hungary

- **530 mil. Euro**



Aim:

- creation of an additional point for taking over natural gas discovered in the submarine exploitation perimeters of the Black Sea

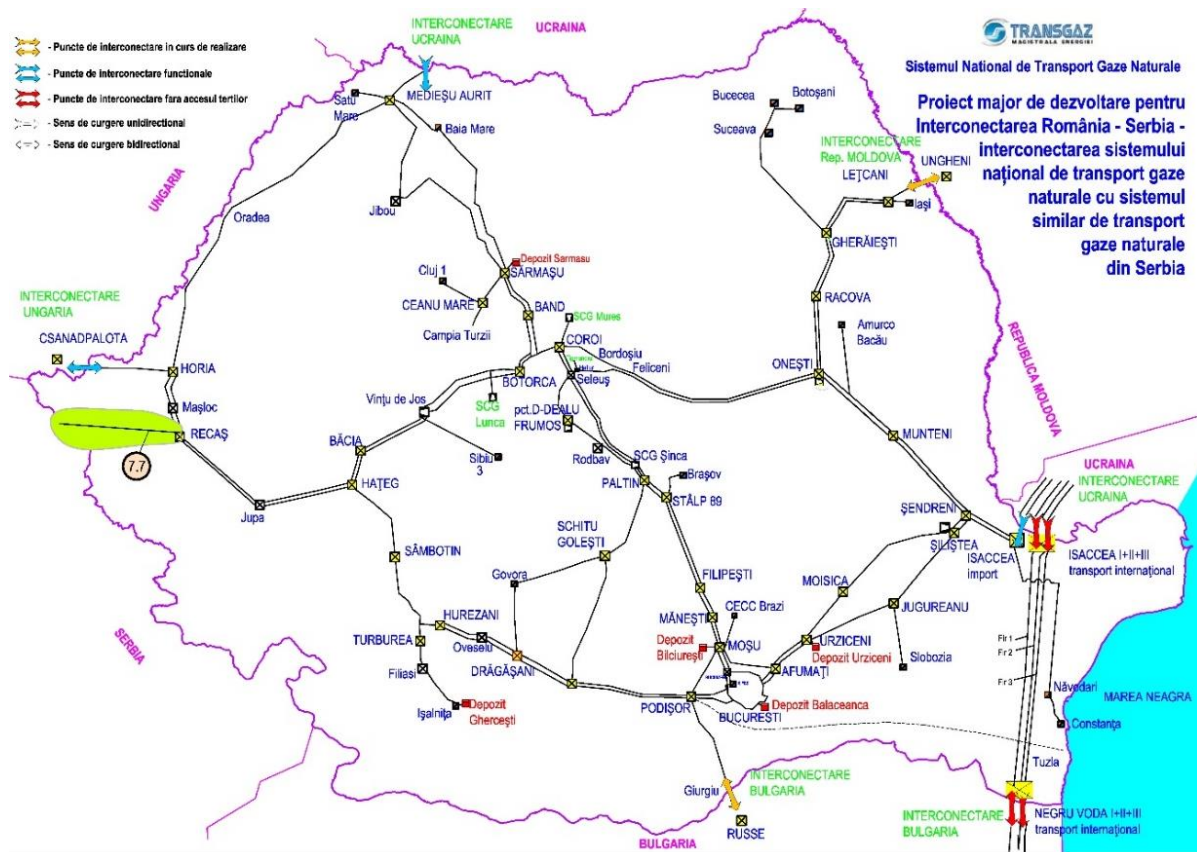
Necessary investments:

- construction of a 24.37 km DN 500 gas transmission pipeline from the Black Sea shore to the existing T1 international transmission pipeline

Total estimated costs:

- 9.14 mil. Euro

Estimated commissioning 2021



Aim:

- enhancing security of energy supply to the region

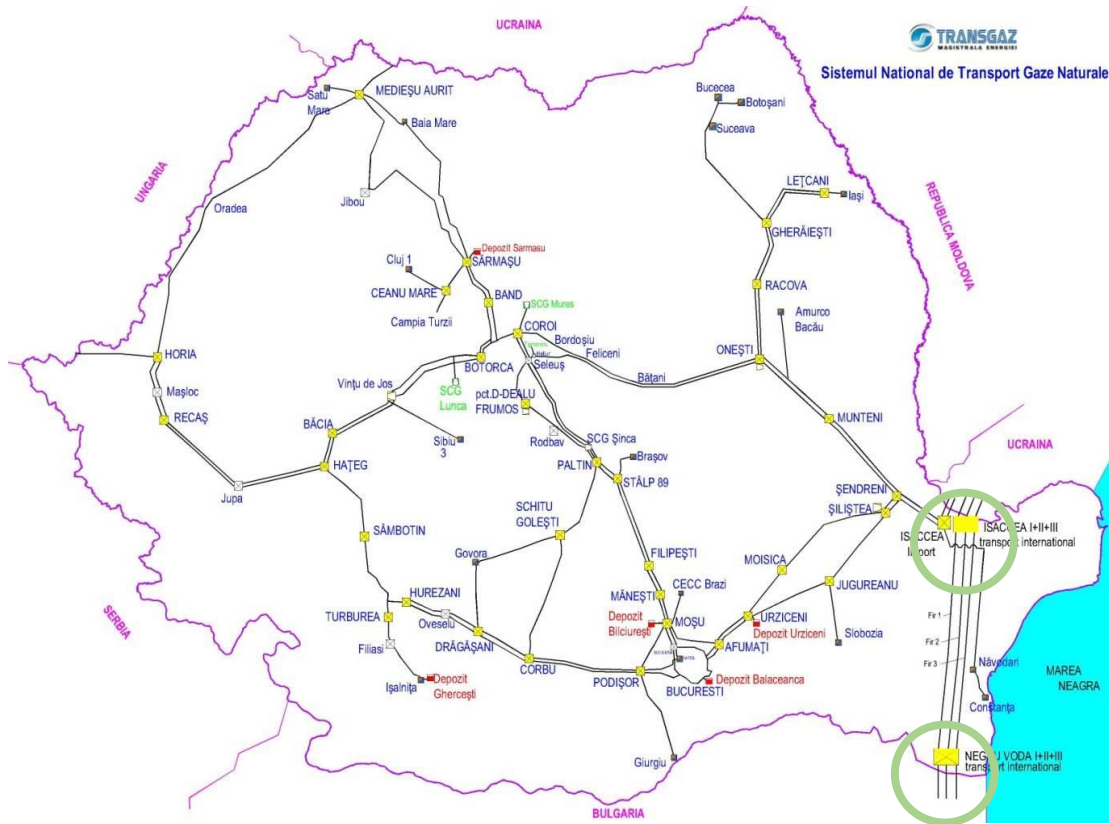
Necessary investments:

- construction of an approximately 97km long pipeline in the Recaş – Mokrin direction of which about 85 km on the territory of Romania and 12 km on the territory of Serbia, which will be connected to BRUA pipeline
- construction of GMS at Comloșu Mare

Total estimated costs:

- **56.21 mil. Euro**

Estimated commissioning – 2023 (updated)



Aim:

- increasing the level of energy security in the region

Necessary investments:

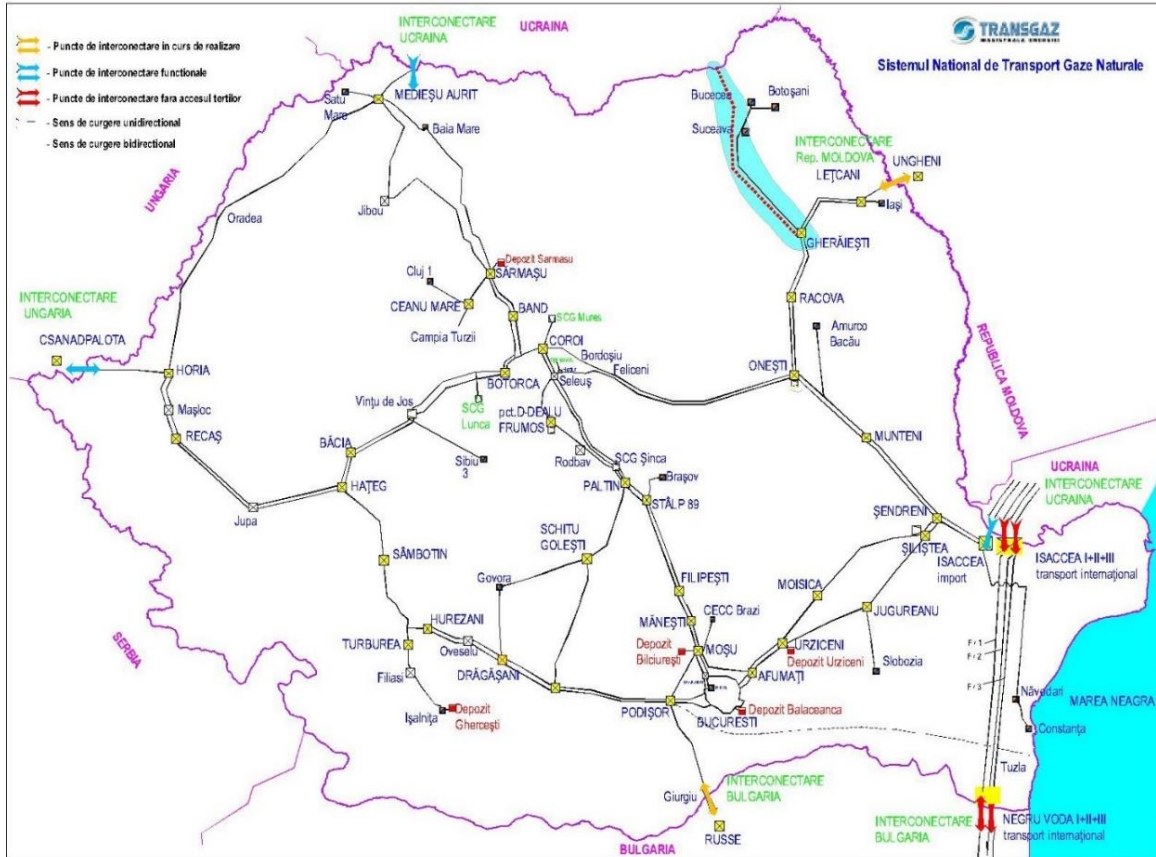
- construction of two new bidirectional gas metering stations, replacing the existing ones . In the case of GMS Isaccea 1 the station will be built in the current station and in the case of GMS Negru Voda 1 on a location situated close to the location of the existing station

Total estimated costs updated according to the latest project file ~ 26.65 mil. Euro:

- 13.88 mil. Euro - upgrading GMS Isaccea 1
- 12.77 mil. Euro - upgrading GMS Negru Vodă 1

Final Investment Decision – 2018

Commissioning – GMS Isaccea 1- 2020 - COMPLETED
Estimated commissioning – GMS Negru Vodă 1- 2021



Estimated commissioning – 2026 (updated)

Aim:

- increasing energy security to the region

Necessary investments:

- the construction of a 146 km gas transmission pipeline and the related facilities, in the Gherăești – Siret direction
- construction of a cross-border gas metering station
- extension of the Onești and Gherăești compressor stations, if necessary

Total estimated costs

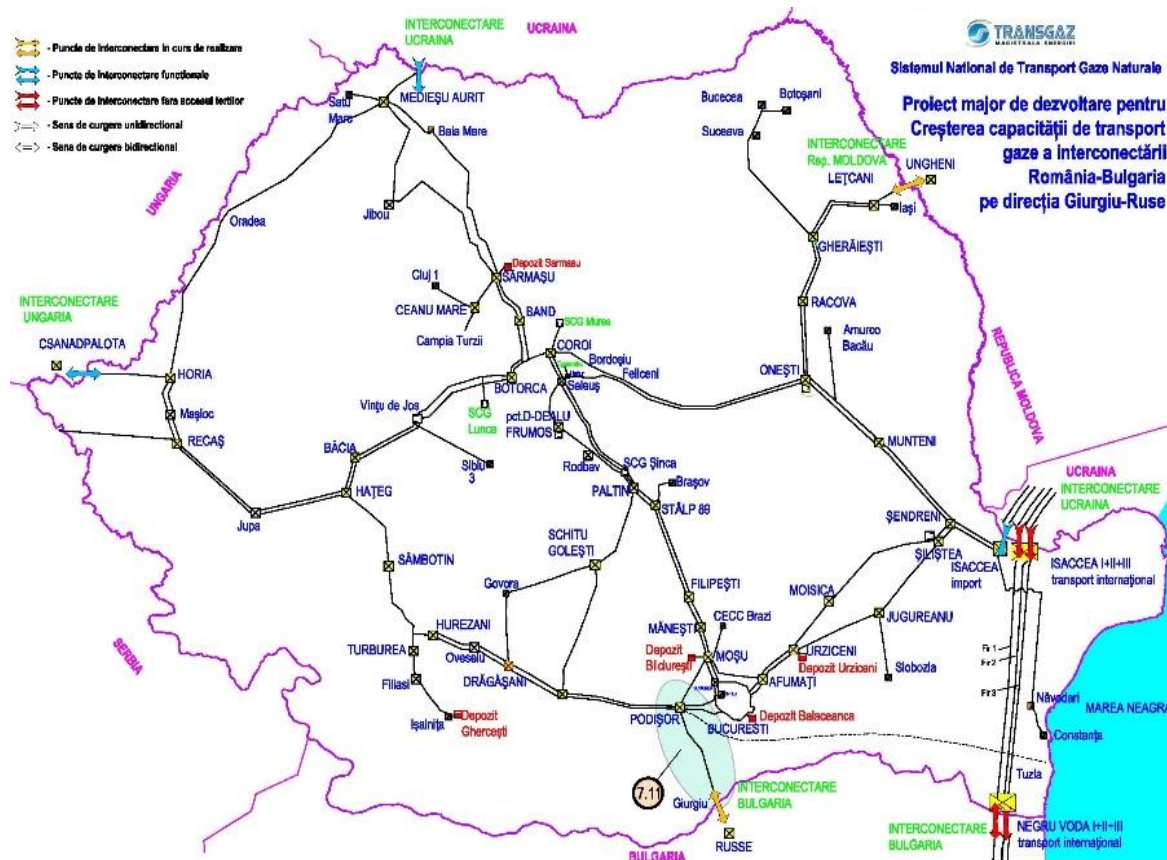
- **150 mil. Euro (updated)**



- creation of new gas transmission capacities

- construction of a pipeline and of the related equipment in the direction Horia–Medieșu Aurit
- construction of a pipeline and of the related equipment in the direction Sărmășel–Medieșu Aurit
- construction of a pipeline and of the related equipment in the direction Huedin–Aleșd
- construction of a Gas Compressor Station at Medieșu Aurit

- **405 mil. Euro**



Aim:

- enhancing security of energy supply to the region

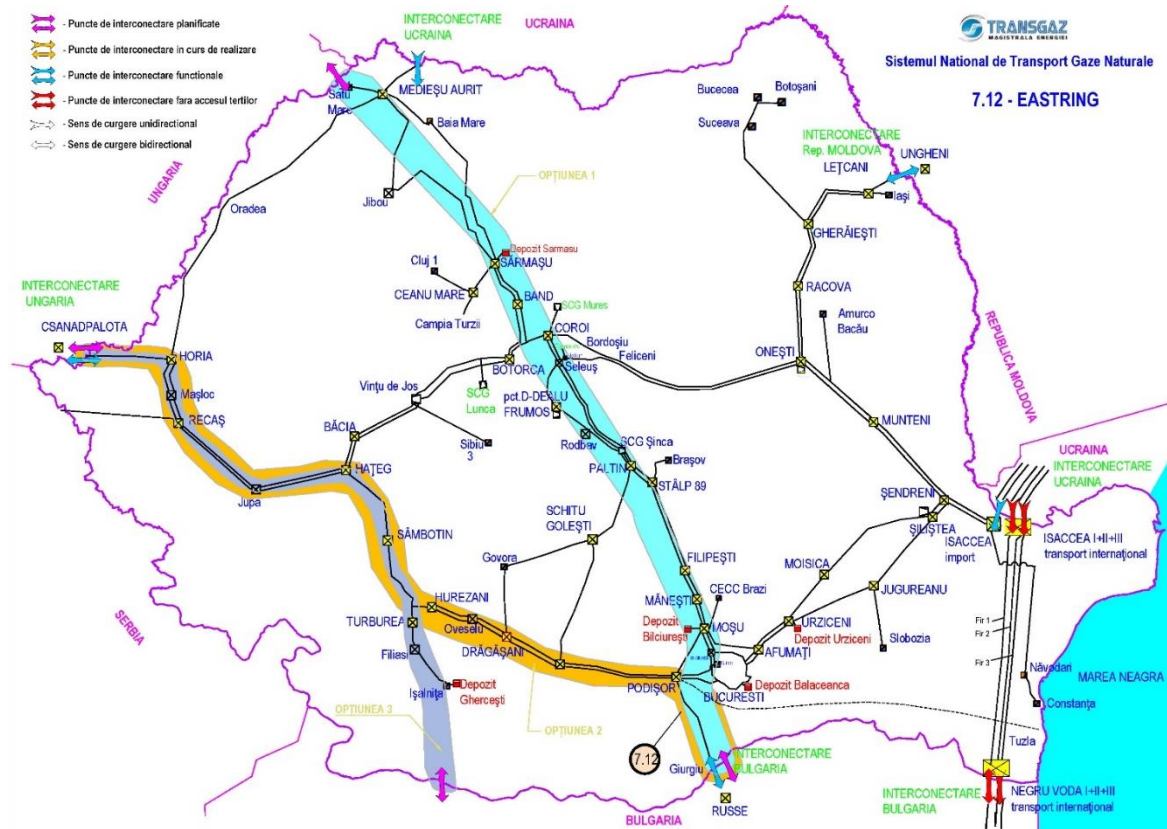
Necessary investments:

- construction of a new gas transmission pipeline and related facilities
- construction of a new Danube undercrossing
- enhancement of SMG Giurgiu

Total estimated costs:

- 51.8 mil. Euro

Estimated commissioning - 2027



Aim:

- EASTRING will ensure the most cost-reflective and direct transmission route between the gas platforms from the Western European region and the Balkans/Western Turkey. The possibility to diversify transmission routes and gas supply sources will safeguard the regional security of gas supply to the region, mainly in the South-Eastern European countries.

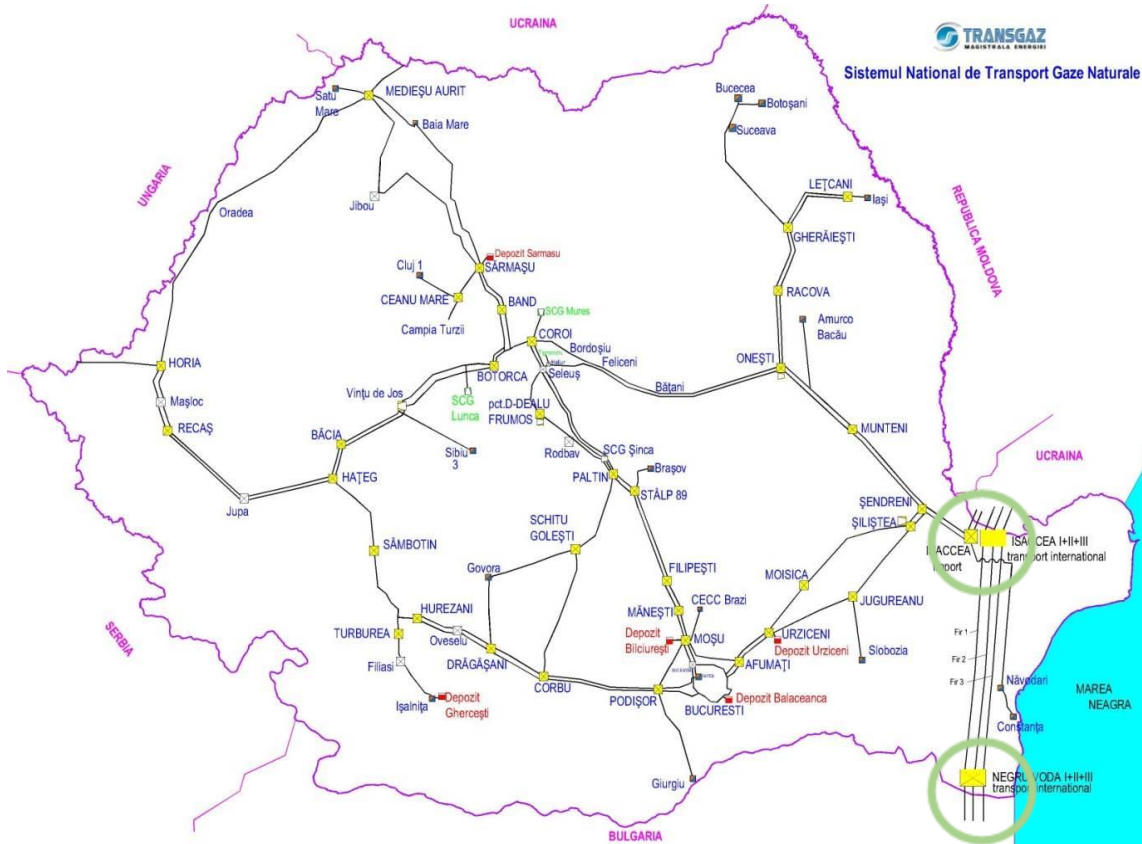
According to the feasibility study, the project will be implemented in two stages as follows:

- Phase 1 – Maximum capacity of 20 bcm/y
- Phase 2 – Maximum capacity of 40 bcm/y

Total estimated costs:

- Phase 1 - 1,297 mil. Euro for Romania (2,600 mil. Euro - total)
- Phase 2 - 357 mil. Euro for Romania (739 mil. Euro - total)

Estimated commissioning – 2027 - Phase 1 (updated)
2030 - Phase 2



Estimated commissioning - 2024

Aim:

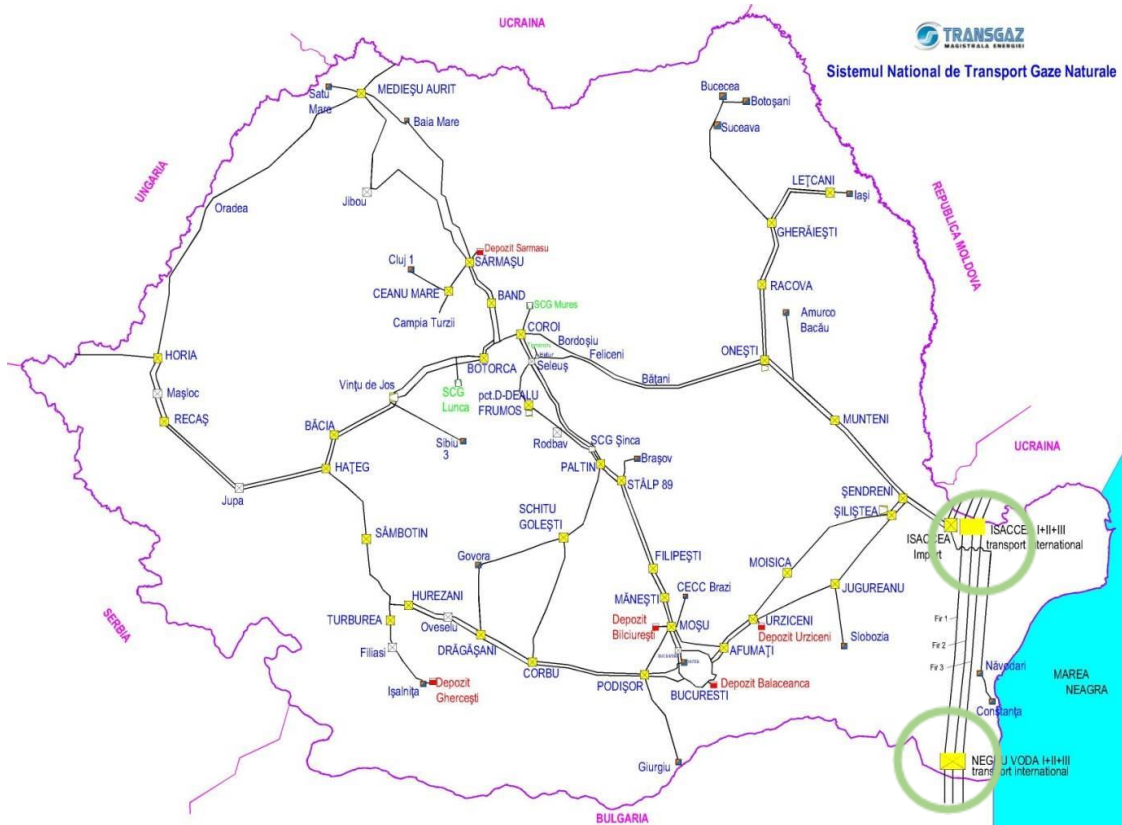
- Enabling bidirectional flow on the T2 pipeline, part of the Trans-Balkan corridor

Necessary investments:

- modernization of the existing gas metering stations

Total estimated costs:

- **26.65 mil. Euro**



Estimated commissioning - 2028

Aim:

- Enabling bidirectional flow on the T3 pipeline, part of the Trans-Balkan corridor

Necessary investments:

- modernization of the existing gas metering stations

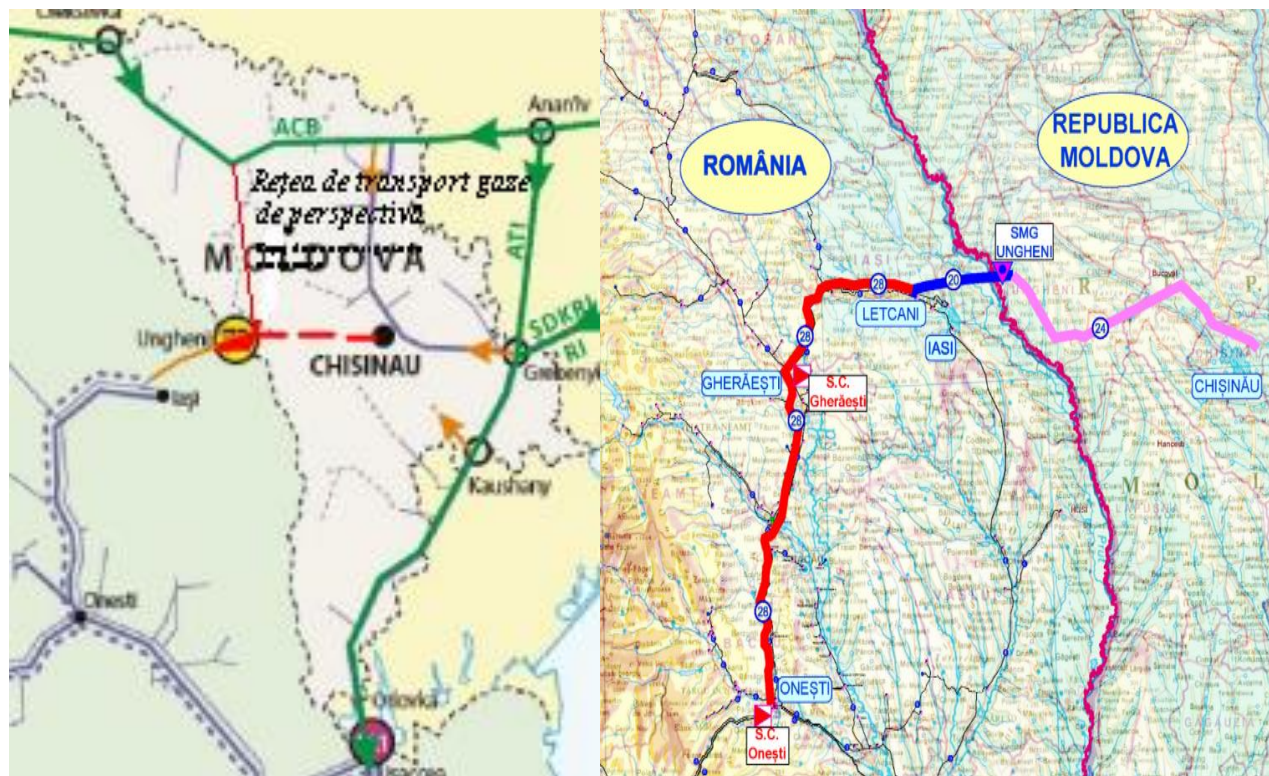
Total estimated costs:

- **26.65 mil. Euro**



- **19.6 mil. Euro**

Iași – Ungheni – Phase I; Ungheni – Chișinău – Phase II



Commissioning start of operation	2020 - COMPLETED
Completion construction of Ghidighici complex	2020 - COMPLETED

Aim:

Increasing interconnectivity between Romania and the Republic of Moldova in terms of gas transmission infrastructure as well as the diversification of the sources and routes for the gas supply to the Republic of Moldova.

Necessary investments:

- 4 metering regulating stations (at Semeni in Ungheni district, Ghidighici, Petricani and Tohatini - Chișinău)
- DN 600 pipeline, 55 bar pressure, 120 km long
- 11 block valves assemblies for the pipeline route
- 2 gas distribution pipelines from MRS Tohatini to the Chisinau distribution system, each 3.2 km long
- 1 gas distribution pipeline, average pressure from MRS Ghidighici to the distribution system of Chisinau (at the intersection of Petricani and Balcani Streets), approximately 1.5 km
- one 2.6 km long connection to MRS Ghidighici, DN 300, NP 55 bar
- bidirectional gas metering node at Tohatini to connect the envisaged pipeline Ungheni – Chisinau and the existing Moldavia gas transmission system operated by MOLDOVATRANGAZ
- an operating complex at Ghidighici where the head office of VESTMOLDTRANSGAZ

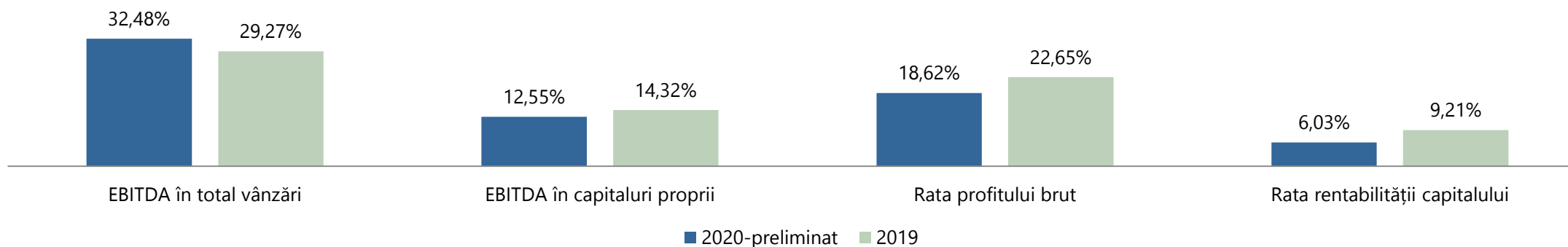
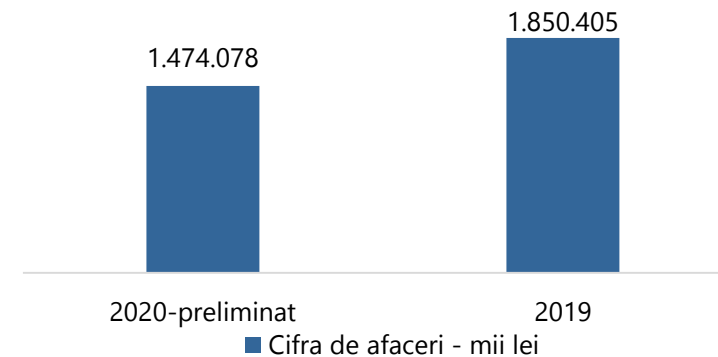
Total estimated costs:

- 93 mil. Euro

6. Principalii indicatori

31.12.2020 preliminar comparativ cu 31.12.2019

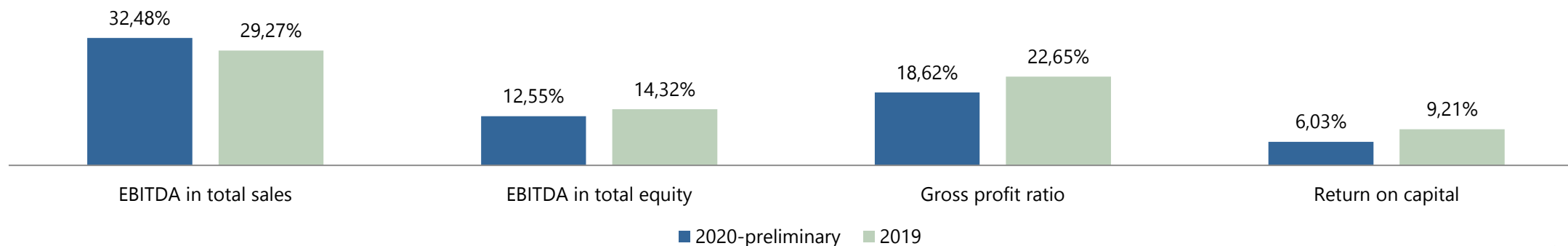
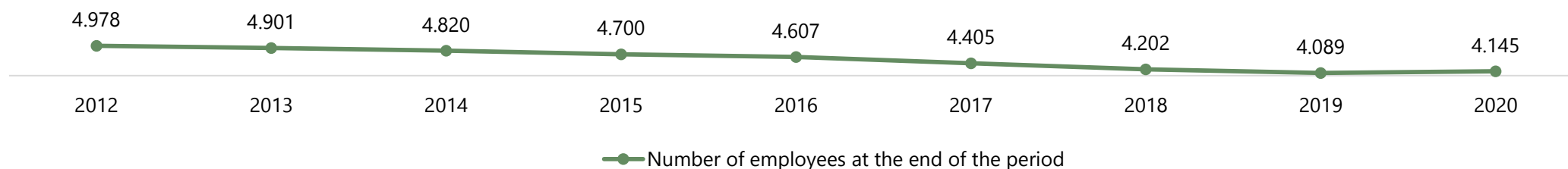
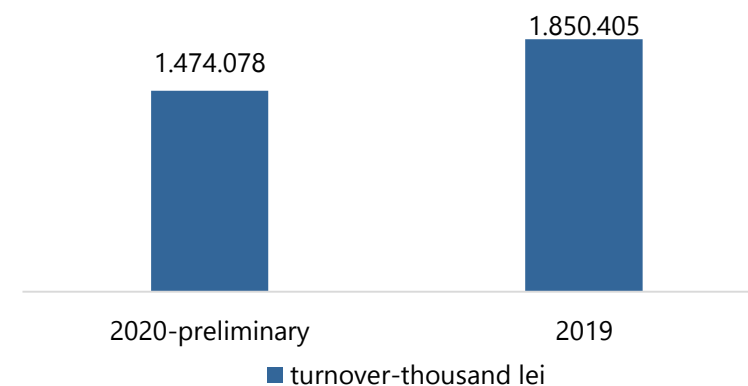
	2020- preliminar	2019
EBITDA în total vânzări	32,48%	29,27%
EBITDA în capitaluri proprii	12,55%	14,32%
Rata profitului brut	18,62%	22,65%
Rata rentabilității capitalului	6,03%	9,21%
Lichiditatea curentă	1,92	2,58
Lichiditatea imediată	1,61	1,60
Gradul de îndatorare	40,31%	17,48%
Rata de acoperire a dobânzii	13,17	80,40
Viteza de rotație a debitorilor - zile	167,42	137,09
Viteza de rotație a creditelor - zile	54,35	40,78



7. Main indicators

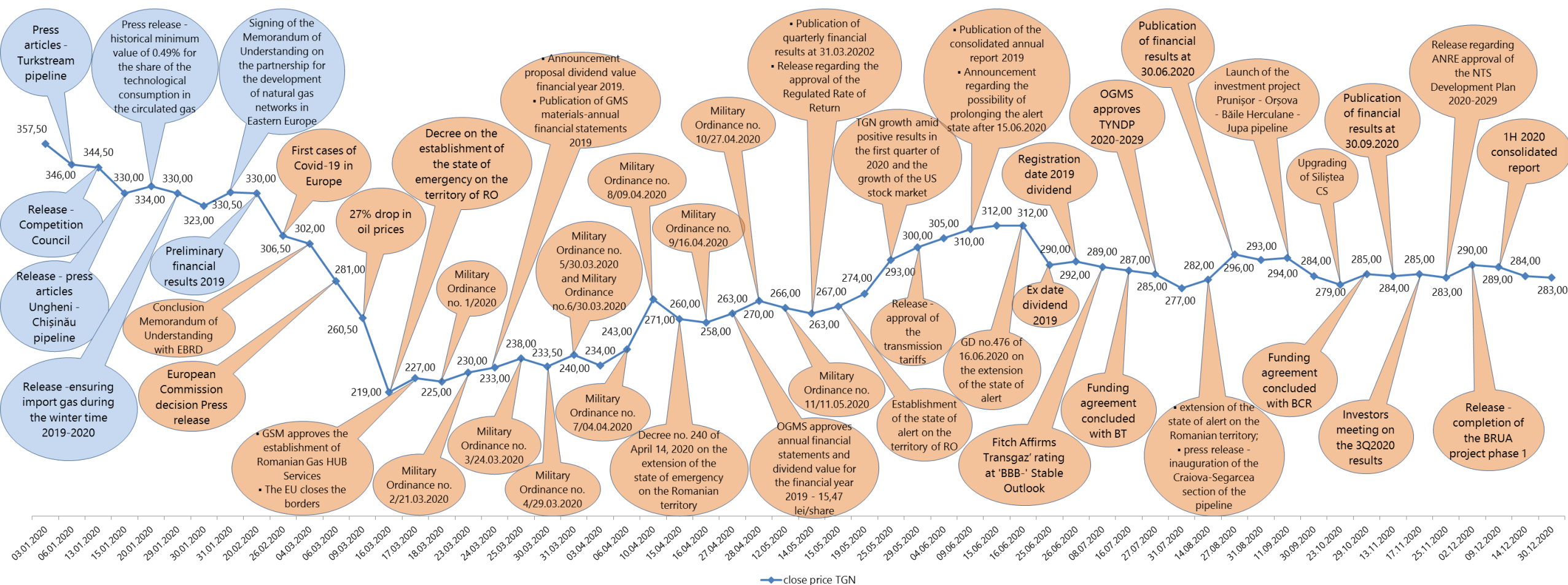
31.12.2020 preliminary compared to 31.12.2019

	2020- preliminary	2019
EBITDA in total sales	32.48%	29.27%
EBITDA in total equity	12.55%	14.32%
Gross profit ratio	18.62%	22.65%
Return on capital	6.03%	9.21%
Current liquidity ratio	1.92	2.58
Quick liquidity ratio	1.61	1.60
Gearing	40.31%	17.48%
Interest coverage ratio	13.17	80.40
Turnover speed for clients debit - days	167.42	137.09
Turnover speed for credit providers - days	54.35	40.78

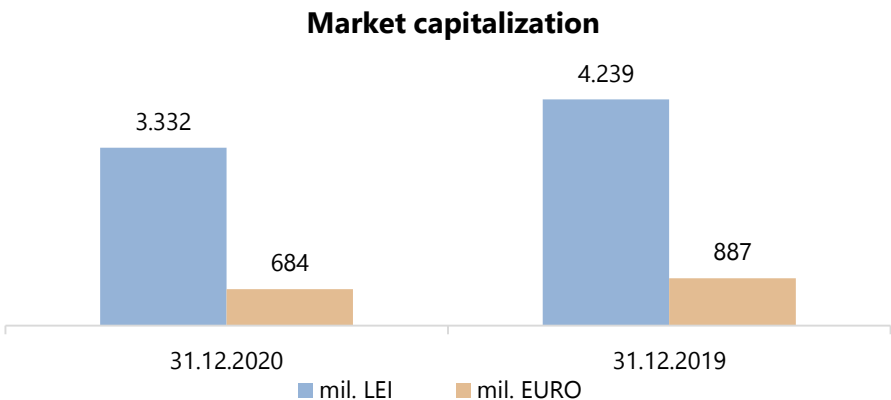
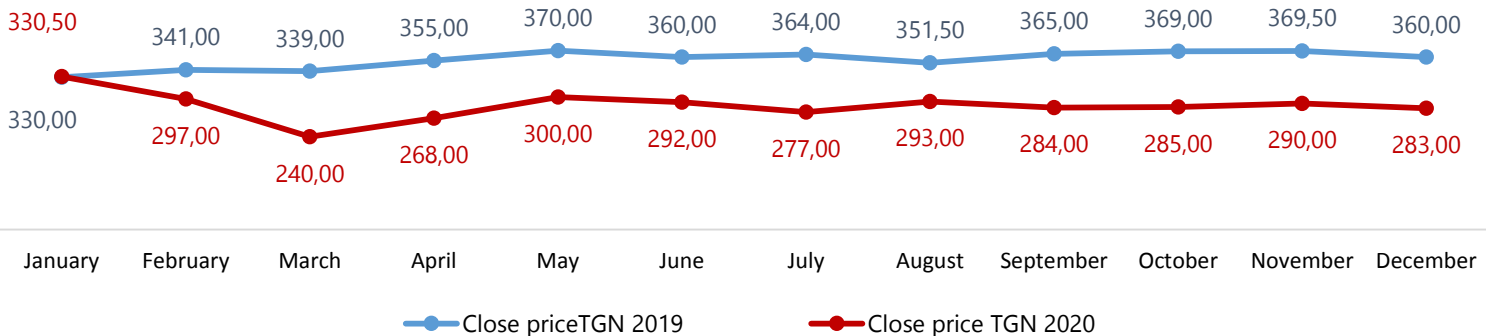


Stock Exchange TGN Evolution (1)

Main corporate events with an impact upon the share price in 2020

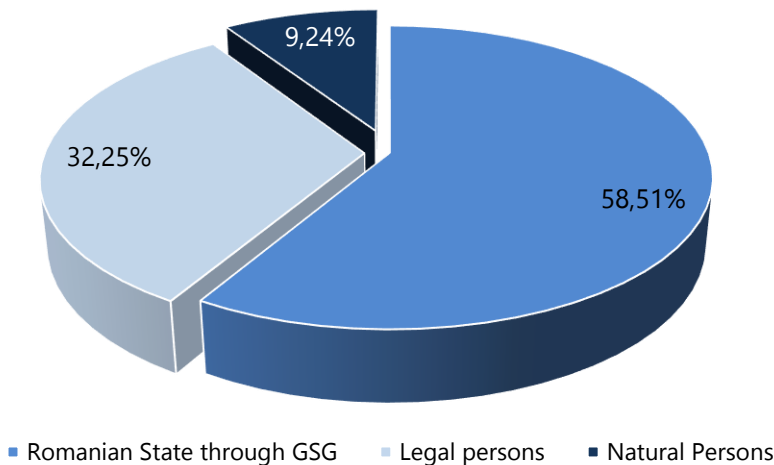


Stock Exchange TGN Evolution (2)



Stock market index name	TGN share 31.12.2020	Position held in the compenonce of the index
BET	7	4,32%
BET-TR	7	4,31%
ROTX	8	3,52%
BET-NG	4	12,95%
BET-XT	7	4,22%

Shareholders structure at 31 December 2020



Stock Exchange TGN Evolution (3)

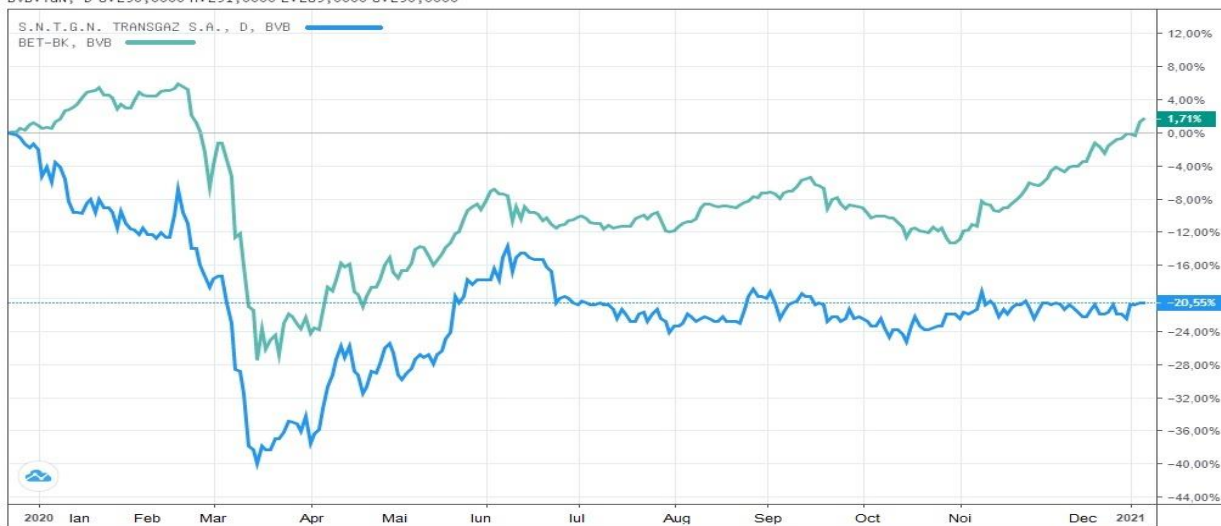


Published on TradingView.com, January 07, 2021 14:00:09 EET
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Published on TradingView.com, January 07, 2021 13:59:15 EET
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Published on TradingView.com, January 07, 2021 14:06:34 EET
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TradingView

Published on TradingView.com, January 11, 2021 13:19:13 EET
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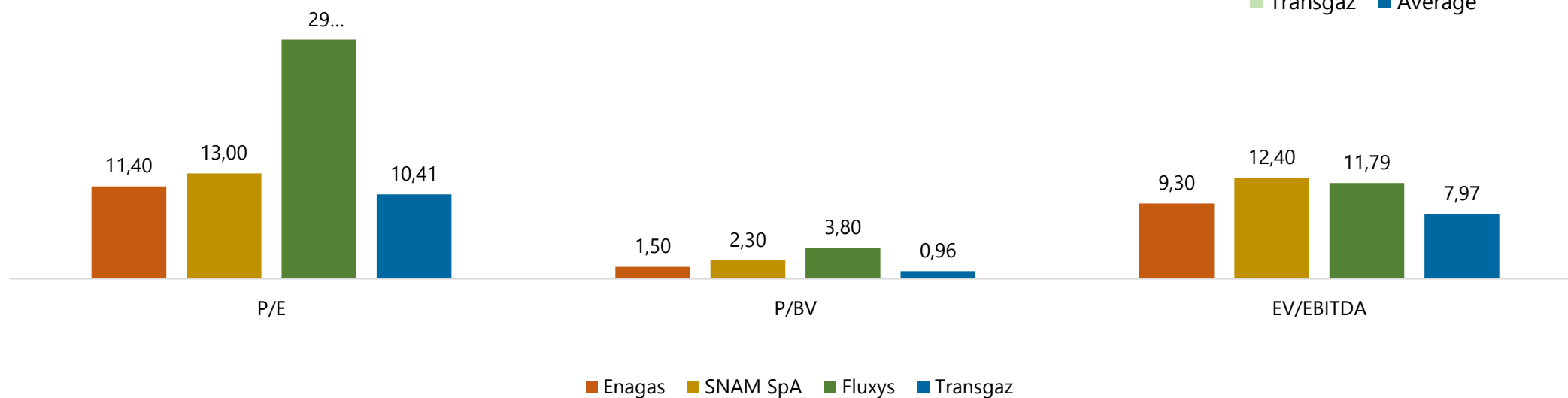
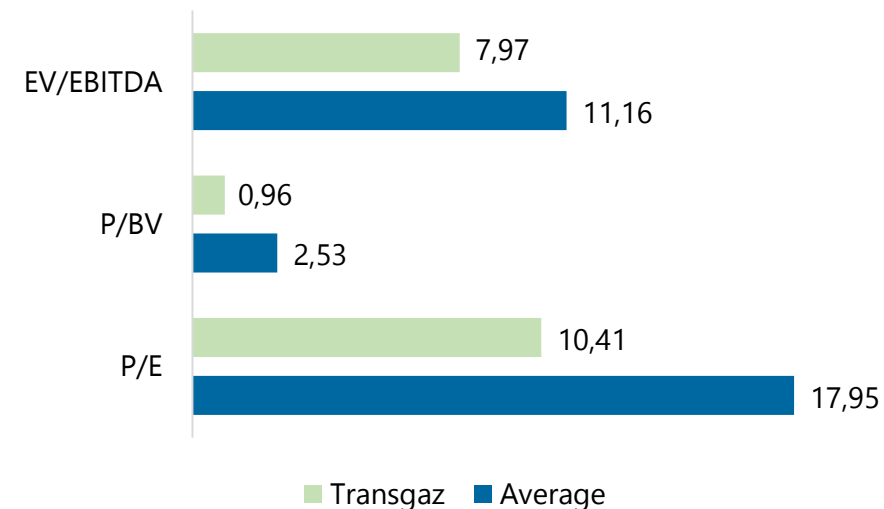


TradingView

TRANSGAZ COMPARED TO PEERS

Company		P/E	P/BV	EV/EBITDA
Enagas	Spain	11,40	1,50	9,30
SNAM SpA	Italy	13,00	2,30	12,40
Fluxys	Belgium	29,46	3,80	11,79
Average		17,95	2,53	11,16
Transgaz	Romania	10,41	0,96	7,97
Premium /Discount		-42,02%	-62,11%	-28,61%

Source: Bloomberg 12.02.2021





Thank you for your kind attention!