

**A RESPONSIBLE COMPANY, A COMPANY OF THE FUTURE!**



**PRELIMINARY FINANCIAL STATEMENTS FOR 2021 (UNAUDITED)**

**Prepared in accordance with IFRS -UE**



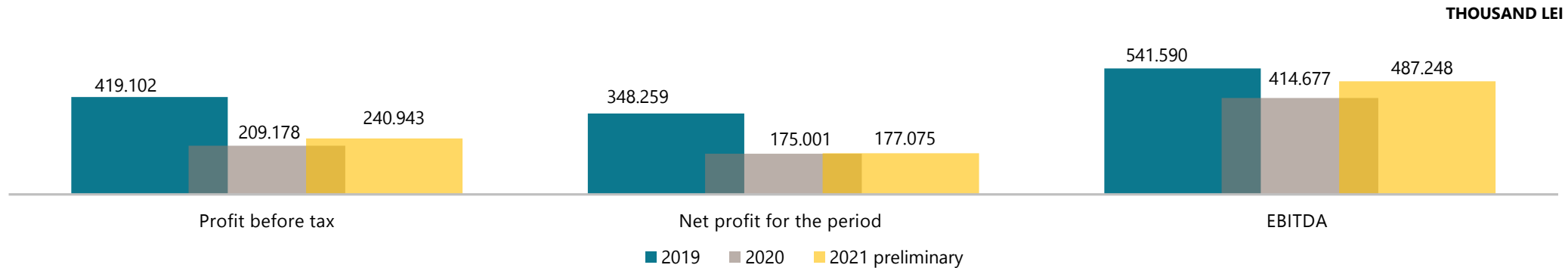
## Summary

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# 1. Statement of individual comprehensive income as of 31.12.2021 (1)

## MAIN INDICATORS

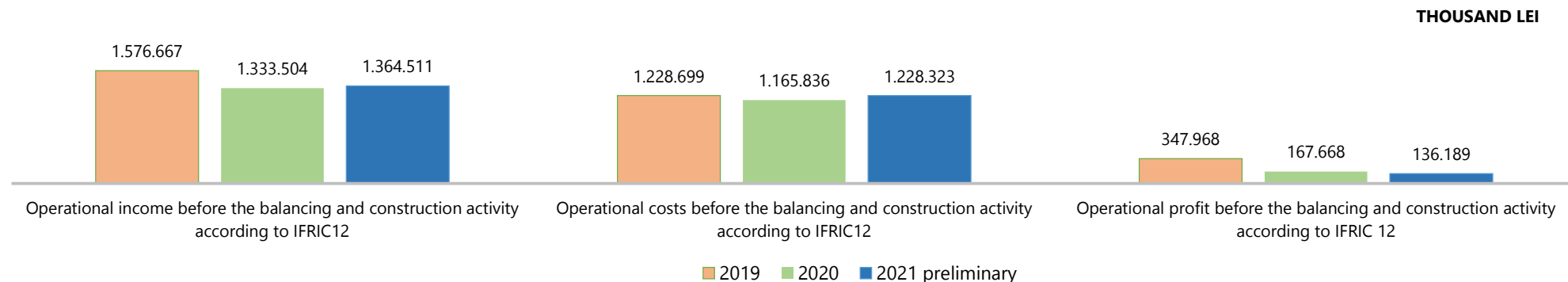
THOUSAND LEI	2019	2020	2021 preliminary	CHANGES 2021/2020	
				Absolute	Relative
Operational revenue before the balancing and construction activity according to IFRIC12	1,576,667	1,333,504	1,364,511	31,007	2%
Revenue from the balancing activity	324,688	199,239	442,200	242,961	122%
Income from the construction activity according to IFRIC12	868,357	1,587,548	667,313	-920,235	-58%
Financial income	98,952	60,666	129,890	69,224	114%
Operational costs before the balancing and construction activity according to IFRIC12	1,228,699	1,165,836	1,228,323	62,487	5%
Costs from the balancing gas	324,688	199,239	442,200	242,961	122%
Cost of constructed assets according to IFRIC12	868,357	1,587,548	667,313	-920,235	-58%
Financial costs	27,818	19,156	25,136	5,980	31%
<b>Profit before tax</b>	<b>419,102</b>	<b>209,178</b>	<b>240,943</b>	<b>31,765</b>	<b>15%</b>
Profit tax expense	70,843	34,177	63,868	29,691	87%
<b>Net profit for the period</b>	<b>348.259</b>	<b>175.001</b>	<b>177.075</b>	<b>2.074</b>	<b>1%</b>
<b>EBITDA</b>	<b>541.590</b>	<b>414.677</b>	<b>487.248</b>	<b>72.571</b>	<b>18%</b>
Turnover	1.850.405	1.474.078	1.683.775	209.697	14%



# 1. Statement of individual comprehensive income as of 31.12.2021 (2)

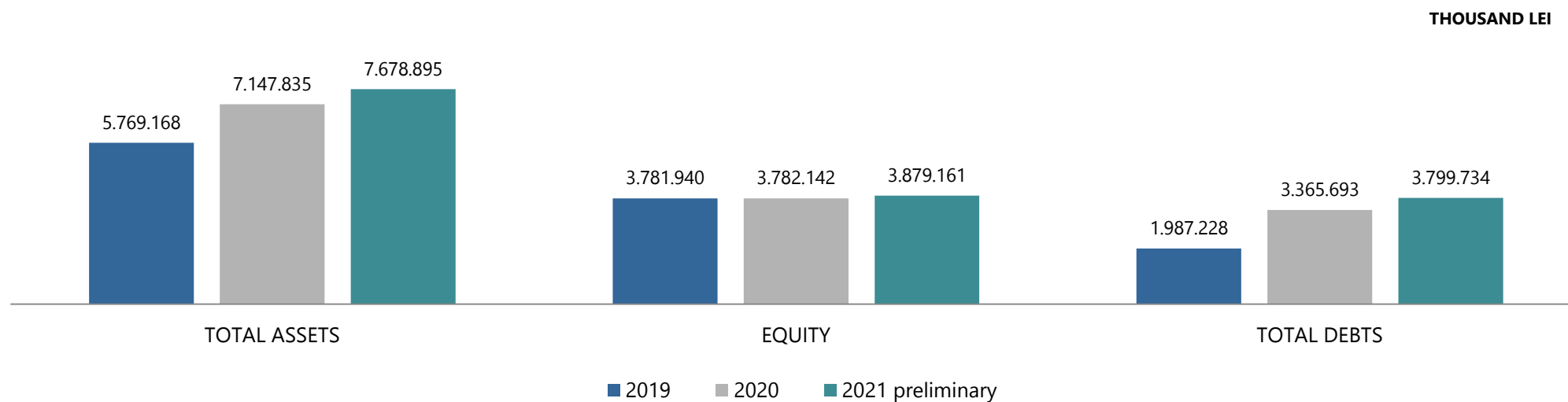
## MAIN INDICATORS

THOUSAND LEI	2019	2020	2021 preliminary	CHANGES 2021/2020	
				Absolute	Relative
Revenues from domestic gas transmission activity	1,192,598	1,150,465	1,164,419	13,954	1%
Revenues from the international gas transmission activity	327,696	114,223	72,037	-42,186	-37%
Other revenues	56,373	68,816	128,055	59,239	86%
<b>Operational revenue before the balancing and construction activity according to IFRIC12</b>	<b>1,576,667</b>	<b>1,333,504</b>	<b>1,364,511</b>	<b>31,007</b>	<b>2%</b>
Employees costs	413,647	431,952	464,596	32,644	8%
Technological consumption, materials and consumables used	99,267	115,609	112,818	-2,791	-2%
Expenses with royalties	151,283	107,622	4,946	-102,676	-95%
Maintenance and transport	29,844	30,315	32,299	1,984	7%
Taxes and other amounts owed to the State	111,290	71,870	86,201	14,331	20%
Revenues/ Expenses with provision for risks and expenses	49,819	6,073	-8,639	X	x
Other operating costs	179,927	155,385	185,042	29,657	19%
Depreciation	193,622	247,009	351,059	104,050	42%
<b>Operational costs before the balancing and construction activity according to IFRIC12</b>	<b>1,228,699</b>	<b>1,165,836</b>	<b>1,228,323</b>	<b>62,487</b>	<b>5%</b>
<b>Operational profit before the balancing and construction activity according to IFRIC12</b>	<b>347,968</b>	<b>167,668</b>	<b>136,189</b>	<b>-31,479</b>	<b>-19%</b>



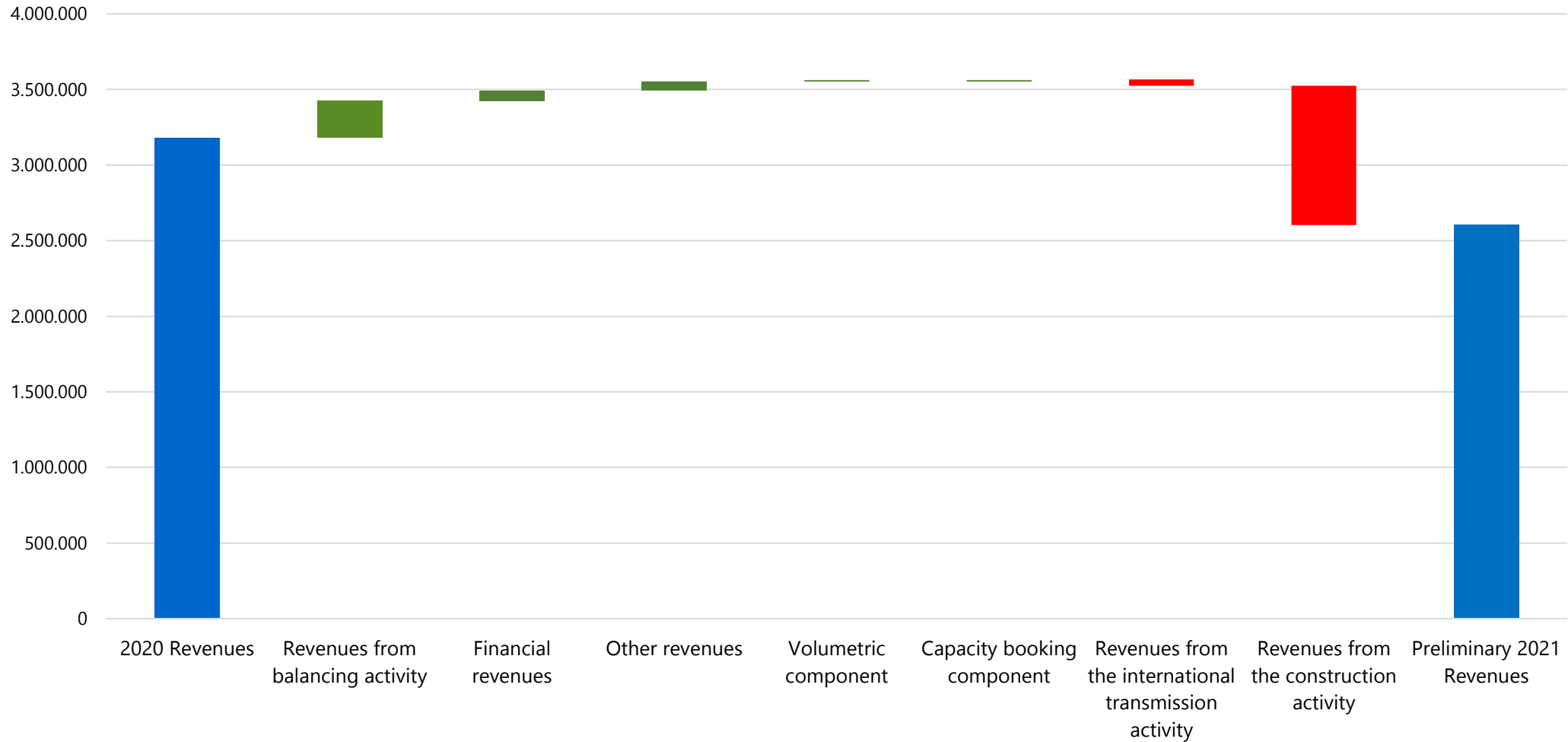
## 2. Statement of individual financial position as of 31.12.2021

THOUSAND LEI	2019	2020	2021 preliminary	CHANGES 2021/2020	
				Absolute	Relative
Fixed assets	4,484,129	6,054,436	6,460,927	406,491	7%
Current assets	1,285,039	1,093,398	1,217,968	124,570	11%
<b>Total assets</b>	<b>5,769,168</b>	<b>7,147,835</b>	<b>7,678,895</b>	<b>531,060</b>	<b>7%</b>
<b>Equity</b>	<b>3,781,940</b>	<b>3,782,142</b>	<b>3,879,161</b>	<b>97,019</b>	<b>3%</b>
Long term debts	1,489,789	2,665,413	2,903,322	237,909	9%
Current debts	497,439	700,280	896,411	196,131	28%
<b>Total debts</b>	<b>1,987,228</b>	<b>3,365,693</b>	<b>3,799,734</b>	<b>434,041</b>	<b>13%</b>
<b>Total equity and debts</b>	<b>5,769,168</b>	<b>7,147,835</b>	<b>7,678,895</b>	<b>531,060</b>	<b>7%</b>



### 3. Main revenue drivers (1)

Preliminary Revenues 2021 vs. Revenues 2020 (thousand lei)



### 3. Main revenue drivers(2)

2021 preliminary vs. 2020

**Operating revenue before the balancing and construction activity, according to IFRIC12** increased by **2%** in 2021 as compared to 31 December 2020, which is higher by **Lei 31,007 thousand**.

The revenue was influenced mainly by the following factors:

- *commodity revenue* higher by **Lei 9,702 thousand** due to:
  - *the gas transmitted capacities* higher by 19,913,890 MWh/1,646,003 thousand cm (▲15%), as compared to 31 December 2020, with a positive influence of Lei 29,846 thousand, detailed by categories of consumers as follows:

		12 months 2020	12 months 2021	Diferences
<b>Quantity transmitted for direct consumers</b>	MWh	57,162,565	68,657,931	11,495,366
	thousand m <sup>3</sup>	5,309,374	6,237,780	928,406
<b>Quantity transmitted for distribution</b>	MWh	76,073,028	84,491,552	8,418,524
	thousand m <sup>3</sup>	7,070,892	7,788,489	717,597
<b>Total</b>	MWh	133,235,593	153,149,483	19,913,890
	thousand m <sup>3</sup>	12,380,266	14,026,269	1,646,003

- *the commodity transmission tariff* lower by Lei 0.13 lei/MWh, with a negative influence of Lei 20,144 thousand;

The commodity tariffs decreased at 31 December 2021 as compared to 31 December 2020 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)

#### 2021 preliminary vs. 2020

- *revenue from capacity booking* higher by **Lei 4,251 thousand** due to:
  - *revenue from the auction premium* lower by Lei 146,248 thousand following the capacity booking auctions performed according to the CAM-NC by interconnection points. Revenue from the auction premium at 31 December 2020 amounted to Lei 159,793 thousand, and at 31 December 2021 to Lei 13,545 thousand;
  - *booked capacity* higher by 27,708,174 MWh, with a positive influence of Lei 57,966 thousand;
  - *capacity booking tariff* higher by Lei 0.179/MWh, with a positive influence of Lei 68,780 thousand;
  - *capacity surplus* revenue higher by Lei 23,753 thousand. Capacity surplus revenue at 31 December 2020 amounted to Lei 45.808 thousand, and at 31 December 2021 to Lei 69,562 thousand;

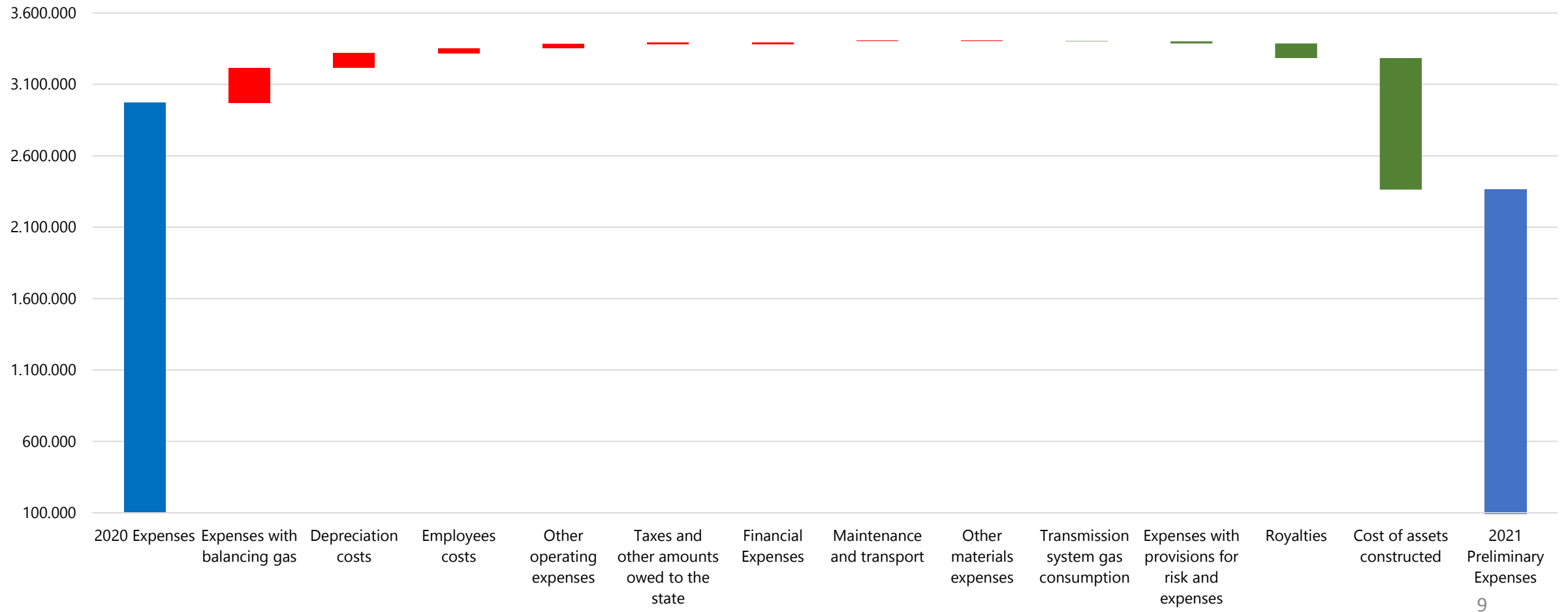
	2020	2021 preliminary
Revenues from the domestic transmission activity, due to:	1,150,465	1,164,419
- Volumetric component	199,224	208,926
- Capacity booking component	951,241	955,492

- *international gas transmission revenue and similar* lower by **Lei 42,185 thousand**. According to the Agreement for the termination of the legacy Contract between SNTGN Transgaz SA and GPE, the remaining amounts will be paid over a period of maximum three years and the transmission revenue is regulated according to ANRE Order 41/2019 and ANRE Order 34/2014, based on the points where capacity is booked, the monthly difference being classified as similar income.
- *other operating revenue* higher by **Lei 59,239 thousand**, mainly due to the recording to revenue of the grants obtained for the financing of the major investment projects following their completion and commissioning, higher by Lei 38.168 thousand.
- *The revenue from the balancing activity* was higher by **Lei 242,961 thousand** based on the following factors:
  - trading price higher by Lei 128,15 /MWh, with a positive influence of Lei 267,253 thousand;
  - quantity lower by 289.566 MWh with a negative influence of Lei 24,292 thousand;
- *The revenue from the construction activity* lower by **Lei 920,235 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;
- *The financial revenue* has a positive influence of **Lei 69,224 thousand**, mainly due to the recording of the updating of the regulated assets value with the inflation rate for year 2021 (Lei 87,973 thousand at 31 December 2021 as compared to Lei 29,394 thousand at 31 December 2020).



## 4. Main costs drivers (1)

2021 Preliminary Expenses vs. 2020 Expenses (thousand lei)



## 4. Main costs drivers (2)

2021 preliminary vs. 2020

**Operating costs before the balancing and construction activity according to IFRIC12** increased by **5%** as compared to 31 December 2021, which is higher by **Lei 62,487 thousand**.

**The company made savings of Lei 120,570 thousand**, due to two factors:

- *transmission system gas consumption* of Lei 3,181 thousand due to:
  - the average purchase price obtained lower by Lei 10.23 lei/MWh as compared to the one obtained at 31 December 2020, with a positive influence of Lei 7,619 thousand;
  - the quantity of natural gas for NTS gas consumption higher by 39,512MWh as compared to 31 December 2020, with a negative influence of Lei 4,438 thousand;

		31.12.2021	31.12.2020	Differences
Transmission system gas consumption (quantities)	MWh	744,510	704,997	39,512
	Thousand m <sup>3</sup>	70,188	69,325	863
	Thousand lei	76,005	79,187	-3,181
	lei/MWh	102.09	112.32	-10.23
Share of quantities of natural gas consumption in NTS in total circulated gas	%	0.49%	0.53%	X

- *cost of NTS concession royalty*: Lei 102,677 thousand; Transgaz pays a royalty of 0,4% of the value of gross revenue from the gas transmission and transit operations through the national transmission systems in the public property of the state, following the entry into force of Law 244/09.11.2020; previously the royalty payment obligation amounted to 10%;
  - *cost of provision for risks and charges*: Lei 14,712 thousand.
- A cost surplus amounting to Lei 183,058 thousand** was recorded to the following cost elements:
- *employee costs*: Lei 32,644 thousand; at 31.12.2021 the amount of Lei 14,641 is recorded for voluntary departures as employee costs;
  - *cost of depreciation*: Lei 104,051 thousand, based on the completion and commissioning of the major investment projects;
  - *costs of maintenance and transport*: Lei 1,984 thousand;
  - *costs auxiliary materials*: Lei 390 thousand;
  - *costs of monopoly tax and other duties and taxes*: Lei 14,331 thousand;
  - *other operating costs*: Lei 29,658 thousand, mainly based on the increasing of the cost of the adjustment for impairment of current assets by Lei 25,243 thousand.

**The financial cost** is higher by **Lei 5,980 thousand** mainly based on the non-capitalized interest expenses related to the credits to finance the completed investments.

**Compared to 31 December 2020 the preliminary gross profit at 31 December 2021 increased by 15%, which is higher by Lei 31,765 thousand.**

## 5. Statement of consolidated comprehensive income as of 31.12.2021

THOUSAND LEI	2019	2020	2021 preliminary	MAIN INDICATORS	
				CHANGES 2021/2020	
				Absolute	Relative
Operating revenue before the balancing and construction activity according to IFRIC12	1,575,925	1,338,015	1,364,950	26,935	2%
Revenue from the balancing activity	324,688	199,239	442,200	242,961	122%
Revenue from the construction activity according to IFRIC12	868,357	1,587,548	667,313	-920,235	-58%
Financial revenue	101,618	68,929	152,085	83,156	121%
Operating costs before the balancing and construction activity according to IFRIC12	1,234,622	1,173,521	1,242,443	68,922	6%
Costs from the balancing activity	324,688	199,239	442,200	242,961	122%
Cost of assets constructed according to IFRIC12	868,357	1,587,548	667,313	-920,235	-58%
Financial costs	30,779	33,872	42,667	8,795	26%
<b>Profit before tax</b>	<b>412,143</b>	<b>199,552</b>	<b>231,924</b>	<b>32,372</b>	<b>16%</b>
Income tax	70,749	34,328	64,986	30,658	89%
<b>Net profit for the period</b>	<b>341,394</b>	<b>165,224</b>	<b>166,938</b>	<b>1,714</b>	<b>1%</b>
<b>EBITDA</b>	<b>537,004</b>	<b>413,213</b>	<b>482,253</b>	<b>69,040</b>	<b>17%</b>
<b>Turnover</b>	<b>1,850,405</b>	<b>1,474,087</b>	<b>1,683,775</b>	<b>209,688</b>	<b>14%</b>

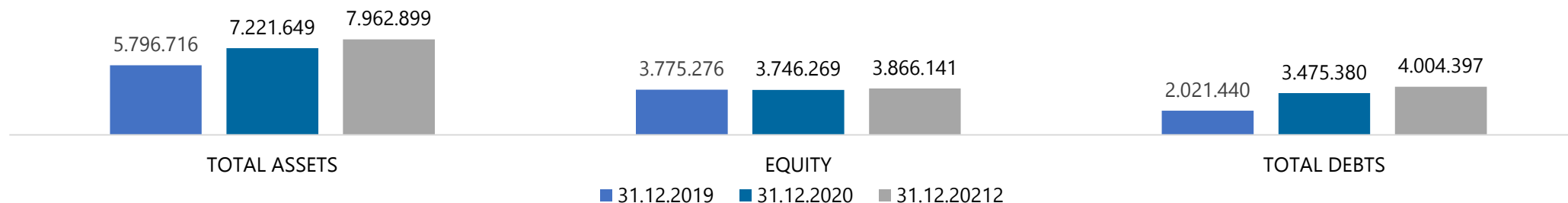
The establishment of the company EUROTRANSGAZ SRL on the territory of the Republic of Moldova was approved by Extraordinary General Meeting of the Shareholders Resolution no. 10/12.12.2017 for enabling participation in the privatization procedure of the State Enterprise Vestmoldtransgaz. Transgaz is the sole shareholder of EUROTRANSGAZ SRL. Since 2018, following the procurement of Vestmoldtransgaz SRL of Moldova by Eurotransgaz SRL, Transgaz, as a parent company, prepares consolidated group financial statements.

Consolidated companies in the Transgaz group:

		Share (%)
SNTGN Transgaz SA	Parent company	
Eurotransgaz SRL	Company held by SNTGN Transgaz SA	100%
Vestmoldtransgaz SRL	Company held by Eurotransgaz SRL	75%

## 6. Statement of consolidated financial position as of 31.12.2021

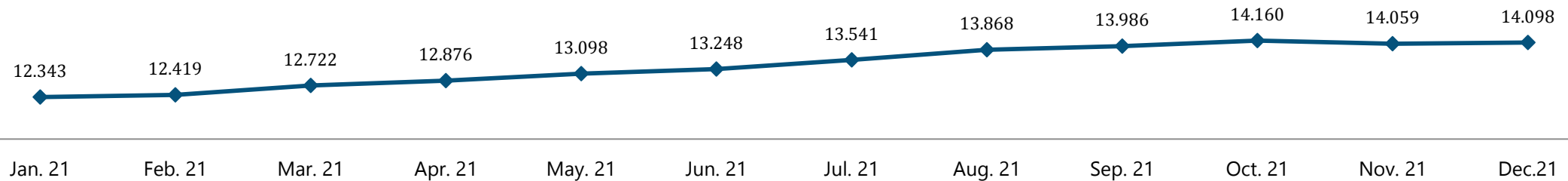
THOUSAND LEI	2019	2020	2021 preliminary	CHANGES	
FIXED ASSETS	4,424,616	6,060,659	6,639,395	578,736	10%
CURRENT ASSETS	1,372,100	1,160,990	1,323,505	162,515	14%
<b>TOTAL ASSETS</b>	<b>5,796,716</b>	<b>7,221,649</b>	<b>7,962,899</b>	<b>741,250</b>	<b>10%</b>
<b>EQUITY</b>	<b>3,775,276</b>	<b>3,746,269</b>	<b>3,866,141</b>	<b>119,872</b>	<b>3%</b>
NON-CONTROLLING INTERESTS	-	-	<b>92,361</b>	-	<b>X</b>
LONG TERM DEBTS	1,490,000	2,772,114	3,091,804	319,689	12%
CURRENT DEBTS	531,440	703,266	912,594	209,328	30%
<b>TOTAL DEBTS</b>	<b>2,021,440</b>	<b>3,475,380</b>	<b>4,004,397</b>	<b>529,017</b>	<b>15%</b>
<b>TOTAL EQUITY AND DEBTS</b>	<b>5,796,716</b>	<b>7,221,649</b>	<b>7,962,899</b>	<b>741,250</b>	<b>10%</b>



The variation of the consolidated economic-financial indicators at 31 December 2021, compared to the indicators obtained in the similar period of 2020 is mainly determined by the variation of the individual economic-financial indicators recorded by SNTGN Transgaz SA at 31 December 2021 compared to the indicators obtained in the similar period of 2020.

## 7. Main business drivers (1)

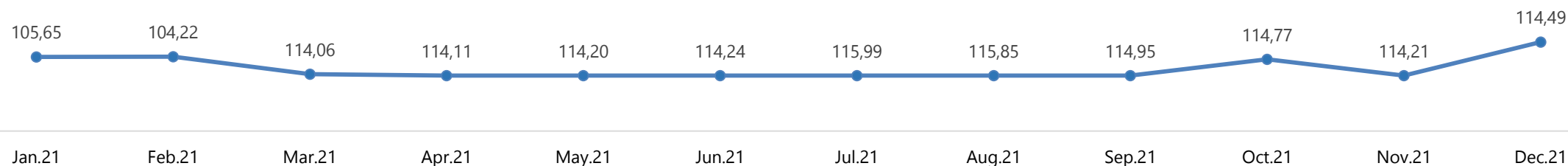
**Natural gas volumes circulated (including storage quantities) - mil.cm - rolling 12 months**



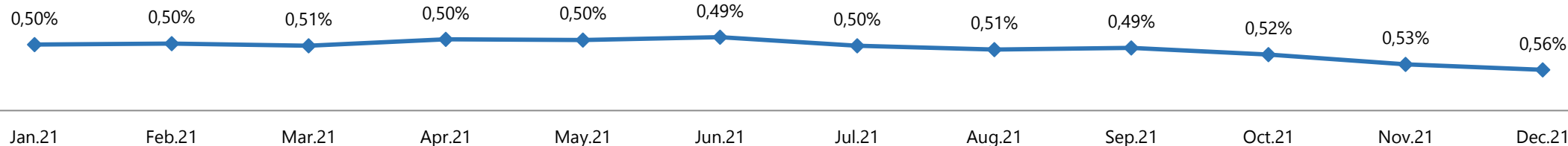
		1Q2021	2Q2021	3Q2021	4Q2021	1Q2020	2Q2020	3Q2020	4Q2020
		<b>Circulated gas, out of which:</b>	MWh	47,134,887.33	31,346,775.90	31,807,368.87	40,617,180.29	44,364,276.70	25,819,241.00
	thousand m <sup>3</sup>	4,405,724.98	2,926,858.87	2,966,137.77	3,799,488.93	4,139,811.57	2,401,074.14	2,228,188.80	3,687,126.97
<b>- storage</b>	MWh	33,800.00	7,065,278.68	12,852,558.21	2,013,683.36	440,750.00	6,350,866.66	5,651,372.86	1,214,913.89
	thousand m <sup>3</sup>	2,366.68	664,115.21	1,209,102.32	192,984.01	40,748.69	598,729.28	533,312.60	113,159.27
<b>Circulated gas storage share</b>		0.07%	22.54%	40.41%	4.96%	0.99%	24.60%	23.60%	3.08%

## 7. Main business drivers (2)

**Natural gas acquisition price for technological consumption (RON/MWH)**



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



		1Q2021	2Q2021	3Q2021	4Q2021	1Q2020	2Q2020	3Q2020	4Q2020
<b>Technological consumption, materials and consumables used, of which:</b>	thousand Lei	37,752	26,102	22,186	26,778	30,643	19,353	24,197	41,416
▪ transmission system technological consumption and loss	thousand Lei	28,147	17,219	9,473	21,166	25,883	13,473	10,557	29,274
- technological consumption quantity	MWh	261,899	192,303	108,463	181,845	240,122	117,996	91,136	255,743
▪ auxiliary materials	thousand Lei	7,442	8,076	12,554	5,402	3,814	5,327	12,702	10,952
▪ other material costs	thousand Lei	2,163	808	158	210	946	553	939	1,190

## CURRENT NTS INFRASTRUCTURE



- ❑ 14.209,55 km main transmission pipelines and connections for gas supply, of which 183,5 km international gas transmission pipelines and 482 km the BRUA pipeline;
- ❑ 1.141 gas metering stations (1.247 metering directions)
- ❑ 2 gas metering stations for international transmission (Isaccea Tranzit III, Negru Vodă III);
- ❑ 7 imported gas metering stations (Giurgiu, Medieșu Aurit, Isaccea I, Isaccea fost T1, Isaccea fost T2, Negru Vodă fost T1, Negru Voda fost T2);
- ❑ 8 gas compressor stations (Șinca, Onești, Siliștea, Jupa, Podișor, Bibești, Onești M, Gherăești);
- ❑ 1.045 cathodic protection stations (CPS);
- ❑ 58 valve stations/technological nodes;
- ❑ 1.026 odorization stations.

## FUTURE NTS INFRASTRUCTURE

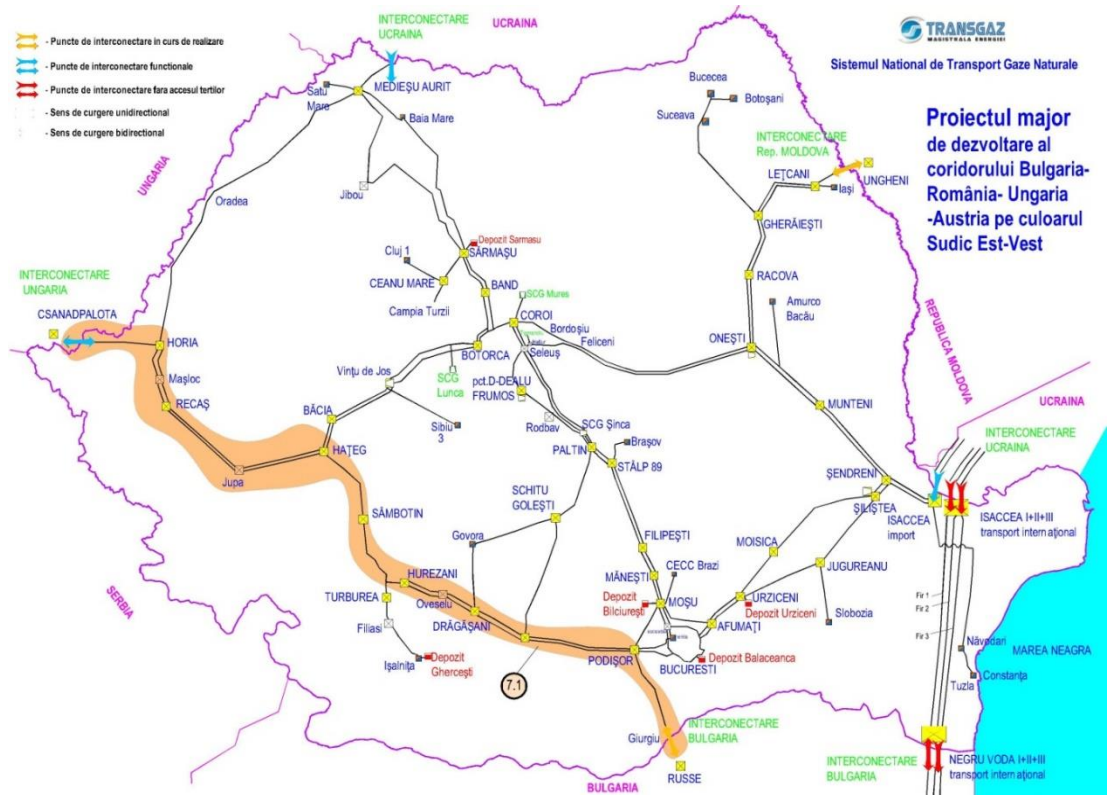
A modernized and competitive gas transmission system that ensures a high degree of interconnectivity, flexibility and access to multiple sources of supply.

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

Project no	Project	Estimated value mil. Euro	Completion date	Project importance	Project status
1	Development on Romania's territory of the National Gas Transmission System on the Bulgaria - Romania - Hungary – Austria Corridor (Phase I)	478.6	2020 <b>completed</b>	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, third, and fourth list of common interest projects.	COMPLETED
2	Development on Romania's territory of the National Gas Transmission System on the Bulgaria - Romania - Hungary – Austria Corridor (Phase II)	74.5	2023	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
3	Development on Romania's territory of the Southern Transmission Corridor for taking over the natural gas from the Black Sea coast	371.6	2023	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 is expected to be taken over by concessionaires
4	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 <b>completed</b>	Transgaz has a great interest in implementing this project for the following grounds: <ul style="list-style-type: none"> <li>in order to eliminate the possibility of imposing extremely costly financial penalties by the European Commission;</li> </ul> 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.	COMPLETED
5	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.	COMPLETED
6	Amplification of the bidirectional gas transmission corridor Bulgaria - Romania - Hungary - Austria (BRUA Phase III)	530	2026	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	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.	COMPLETED



Project no.	Project	Estimated value mil. Euro	Completion date	Project importance	Project status
8	Romania-Serbia Interconnection	56.21	2023	Establish an interconnection pipeline with Serbia to diversify sources of supply and increase energy security in the region.	A non FID
9	Upgrading GMS Isaccea 1	13.88	2020 <b>completed</b>	Upgrading the gas metering station at interconnection points to increase the level of energy security in the region.	COMPLETED
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
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
12	Eastring-Romania	Phase 1: 1,297 Phase 2: 357	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
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
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
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
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
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
- 1.50 bcm/y to Bulgaria

### Necessary investments:

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

### Estimated total costs:

- 478.6 mil. Euro**

### Final investment value:

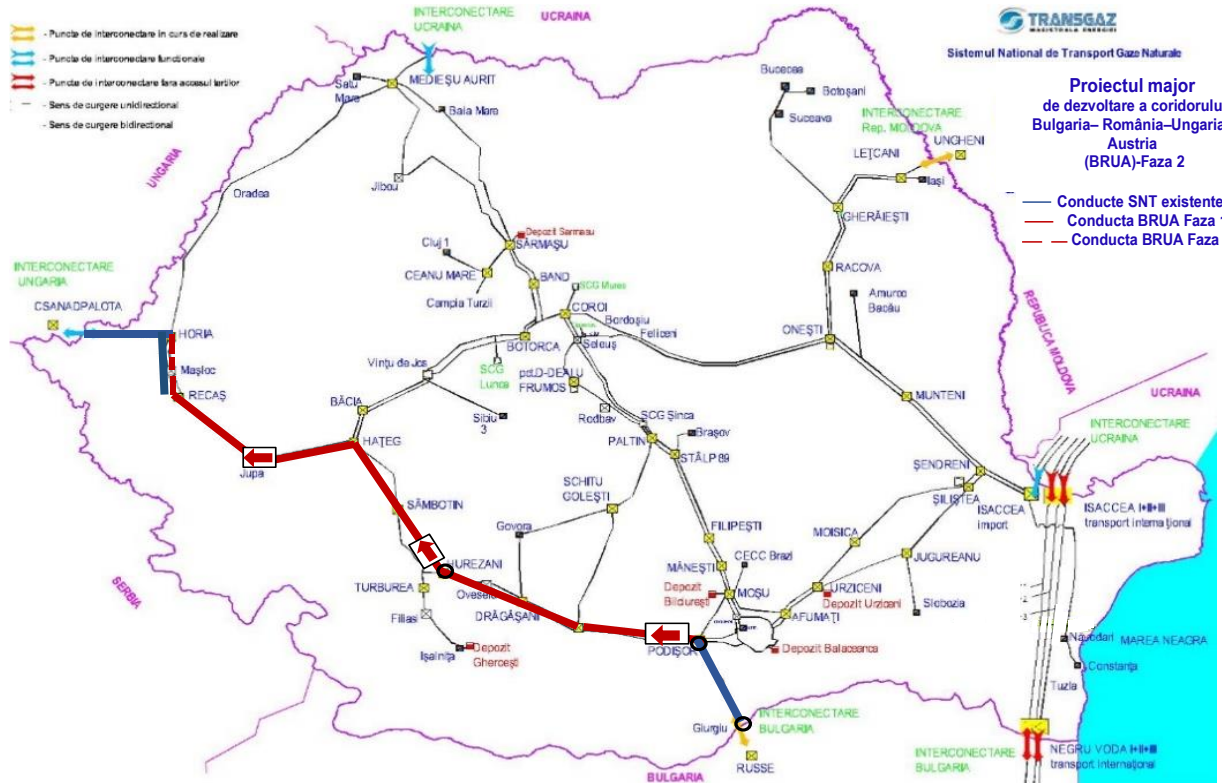
- Euro 387.8 million** (value compared to the average Euro exchange rate during the project implementation period)

Final investment decision – 2016

Estimated commissioning - 2020 - completed

Romanian connection to the neighboring transit

Project of common interest 7.1.5 according to the first PCI list, 6.24.2 according to the second PCI 2015 list, 6.24.1-2 according to the third PCI 2017 list, and 6.24.1-1 according to the fourth PCI list 2019



**Estimated commissioning 2023**

### 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

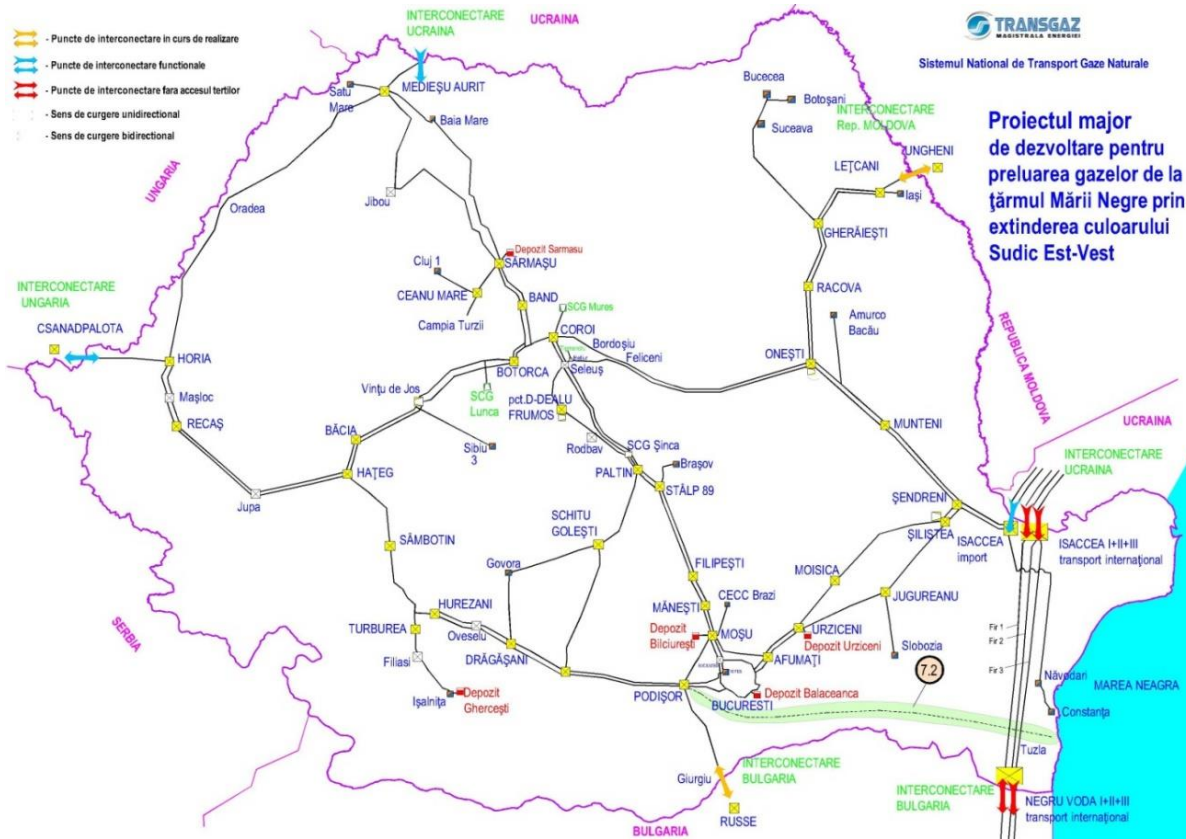
### Necessary investments:

- 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 2023**

### Aim:

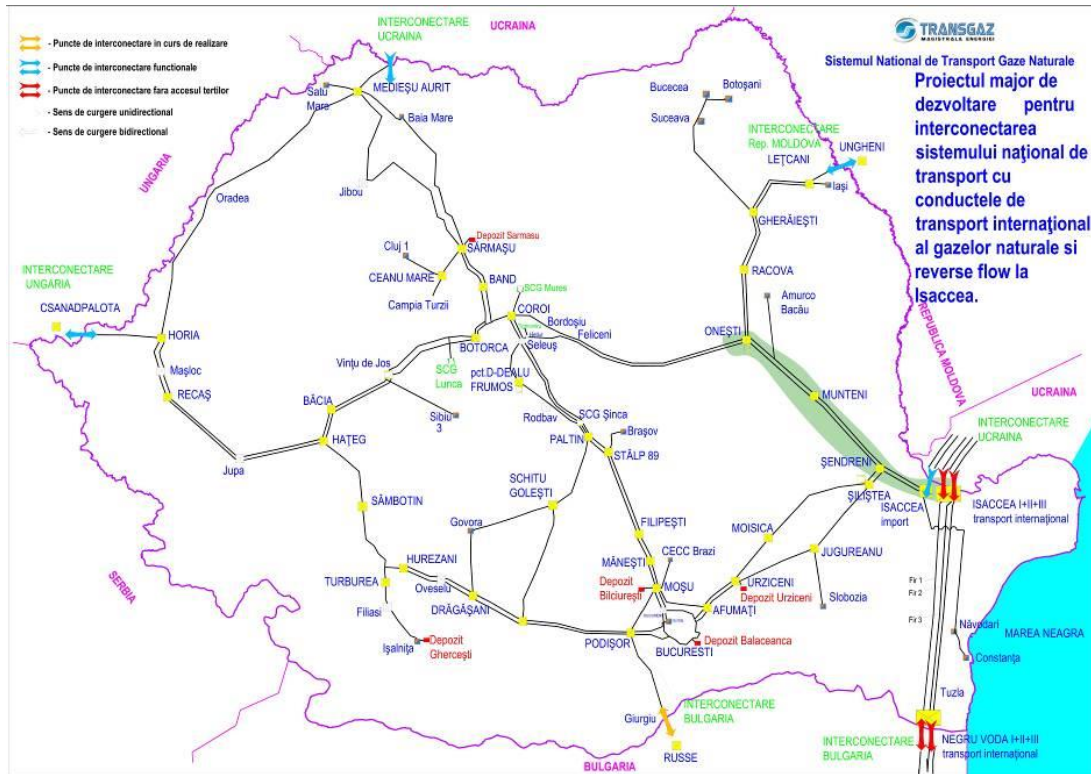
- create a transmission infrastructure for taking over to be produced in the Black Sea

### 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

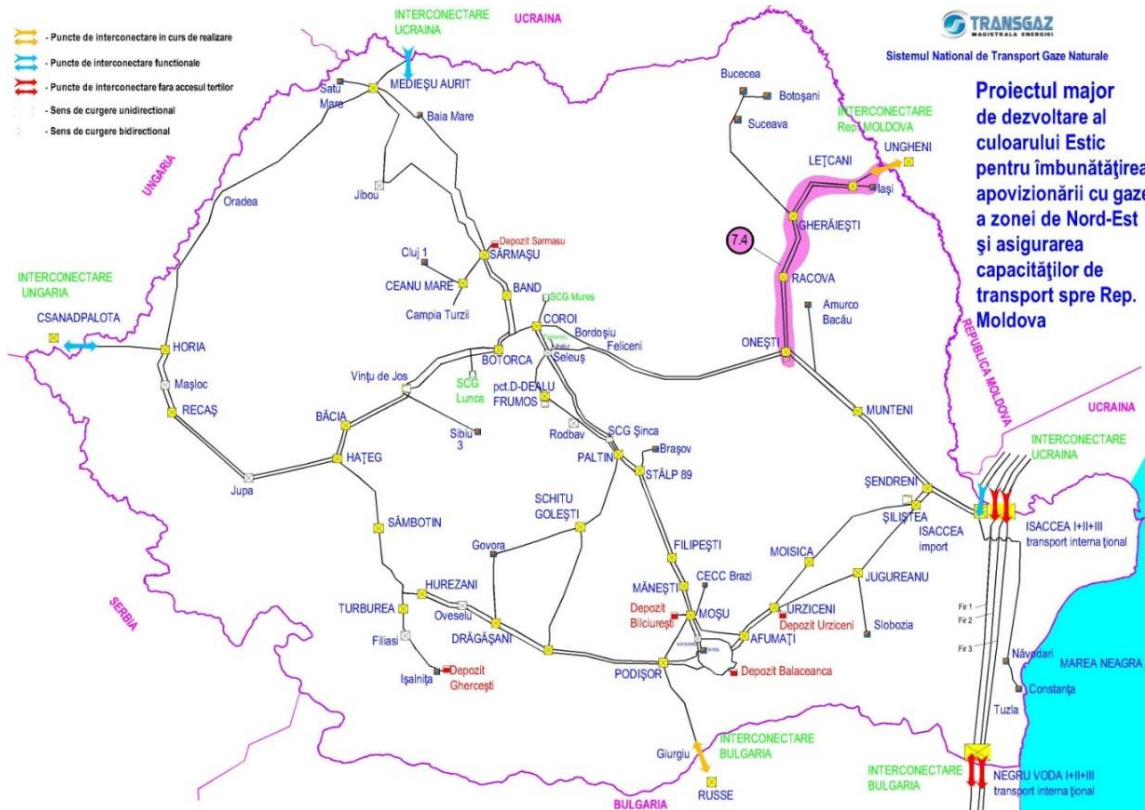
**Phase 2**

- 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**



### 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

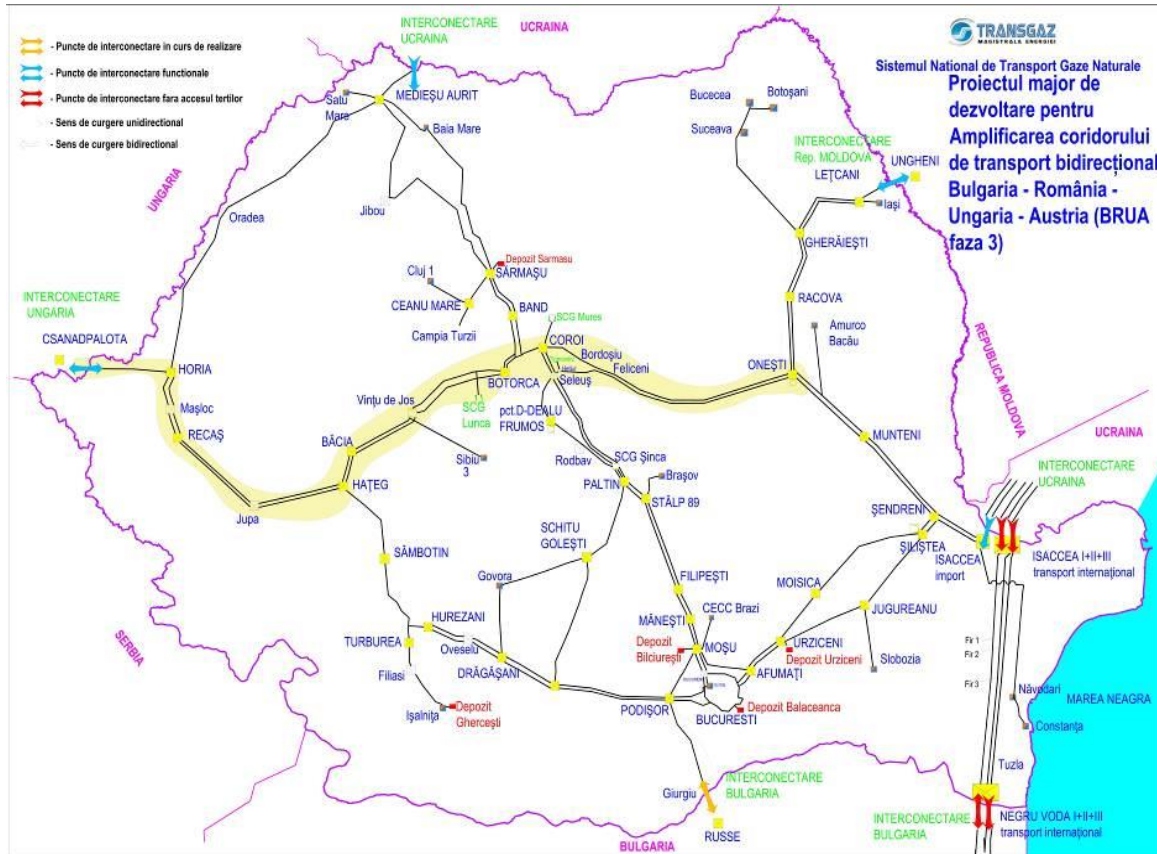
### Necessary investments:

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

### Total costs:

- **174.25 mil. Euro**

**Commissioning – 2021 - ACCEPTED**



**Estimated completion date – 2026**

### Aim:

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

### Necessary investments:

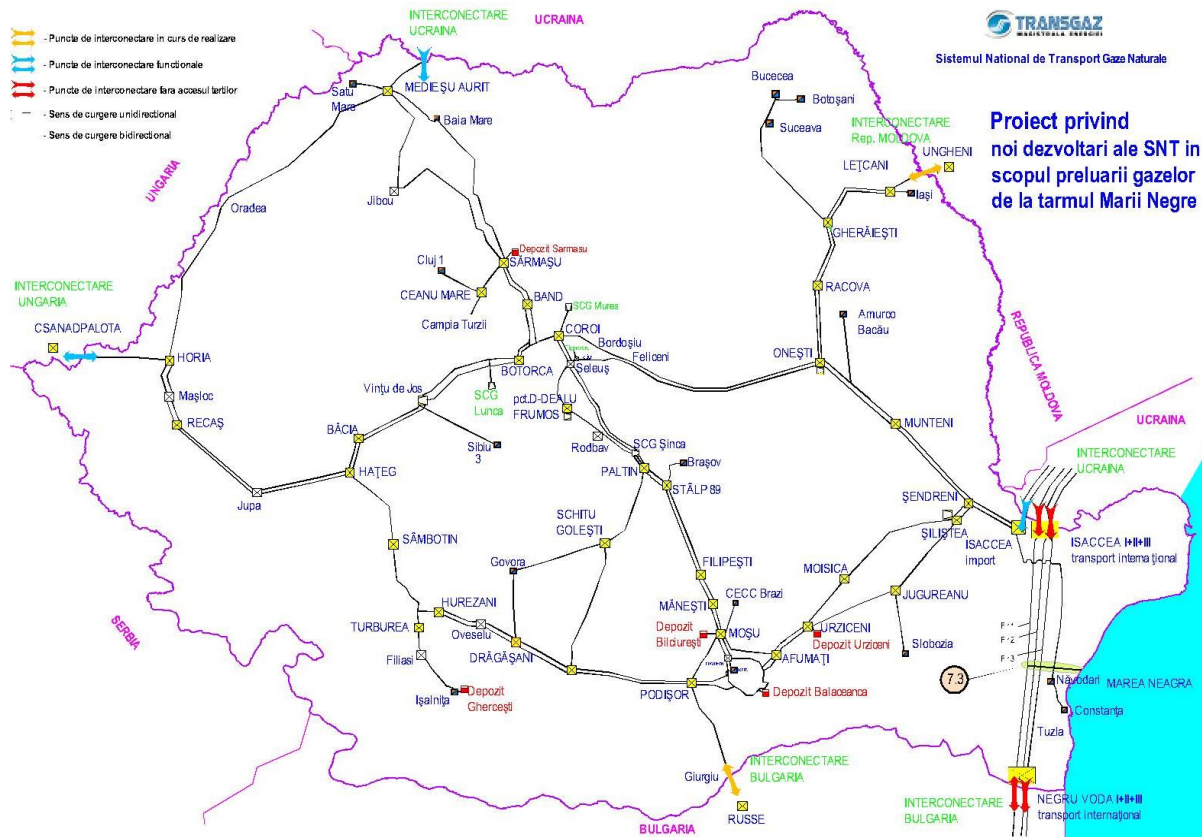
- rehabilitation of some pipeline sections
- replacement of existing pipelines with new larger diameter and operating pressure pipelines
- four or five new gas compressor stations

### Capacity increase:

- 4.4 bcm/y to Hungary

### Total estimated costs:

- 530 mil. Euro



**Commissioning -2021 –COMPLETED**

**Aim:**

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

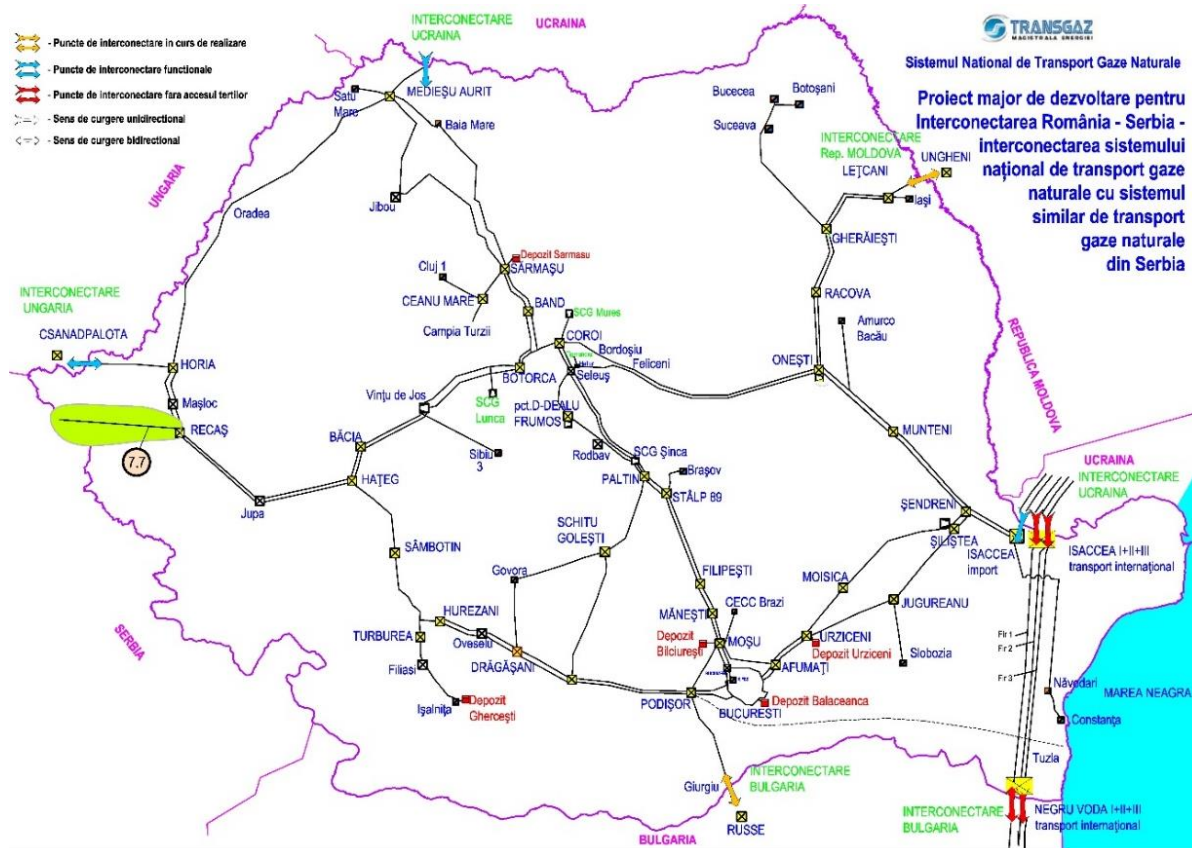
**Necessary investments:**

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

**Total costs:**

- **9.14 mil. Euro**





### Aim:

- enhancing security of energy supply to the region

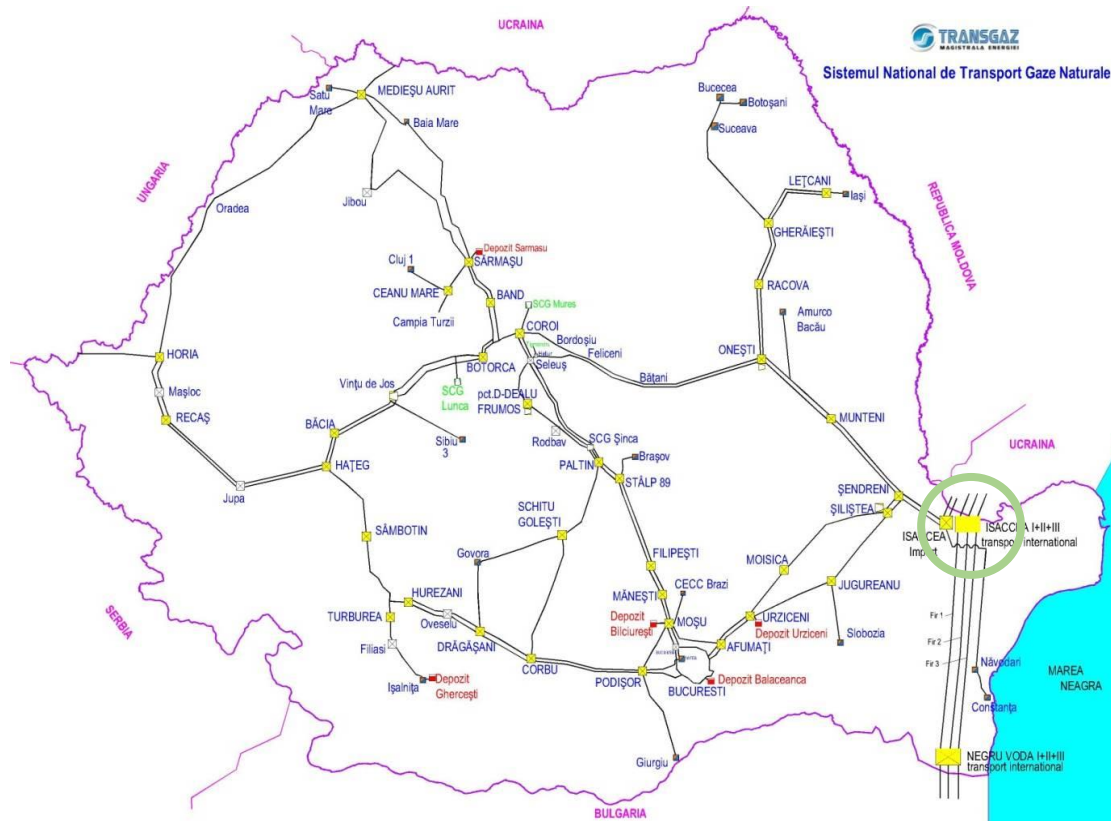
### Necessary investments:

- construction of an approximately 97km long pipeline in the Receaș – 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**



### Aim:

- increasing the level of energy security in the region

### Necessary investments:

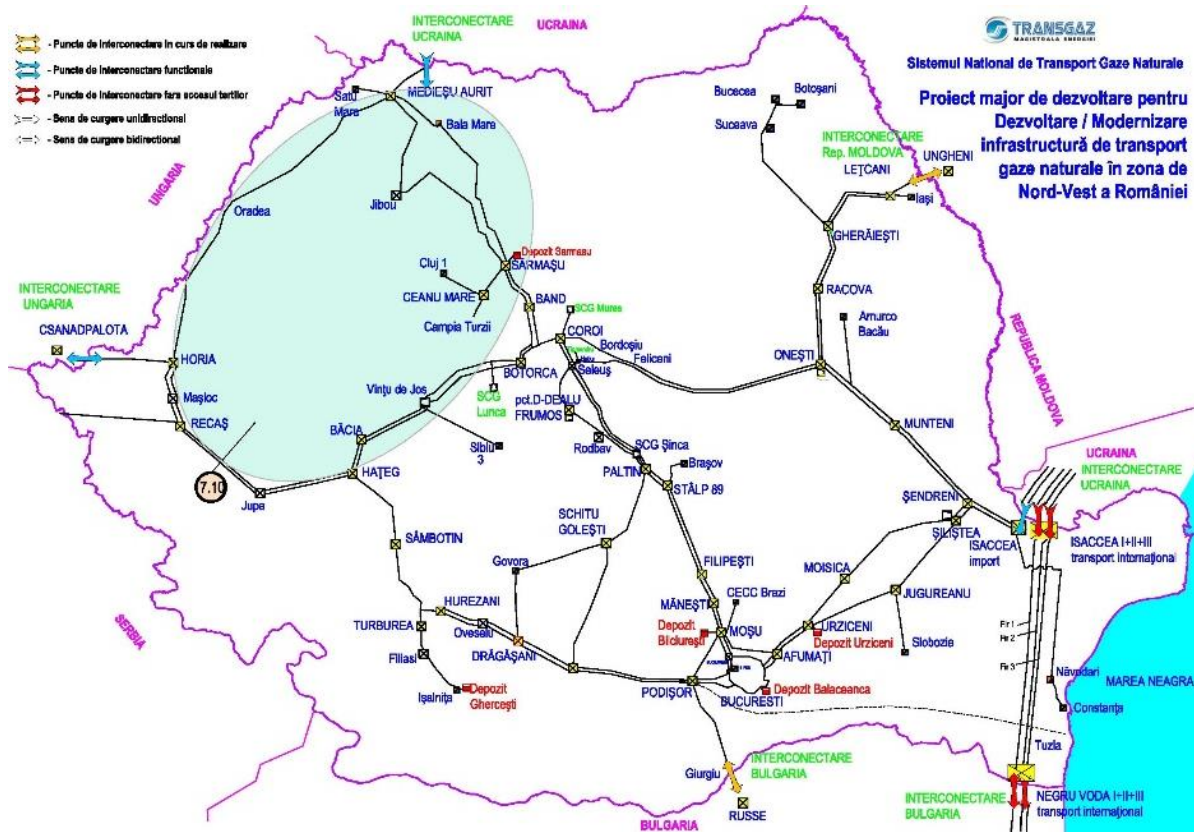
- construction of a new bidirectional gas metering station, replacing the existing one.

### Total costs :

- **13.88 mil. Euro - upgrading GMS Isaccea 1**

**Final Investment Decision – 2018**

**Commissioning – GMS Isaccea 1- 2020 - COMPLETED**



**Estimated commissioning - 2026**

### Aim:

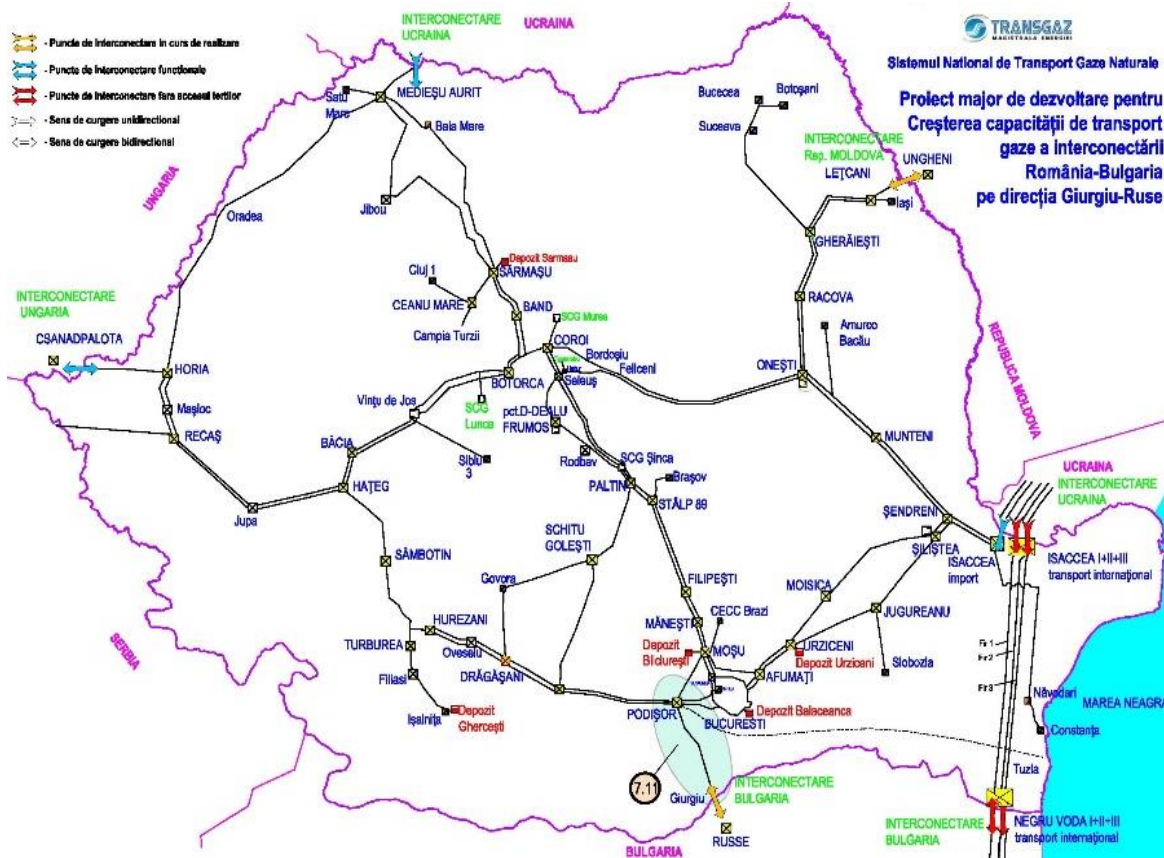
- creation of new gas transmission capacities

### Necessary investments:

- 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

### Total estimated costs:

- 405 mil. Euro



**Estimated commissioning - 2027**

**Aim:**

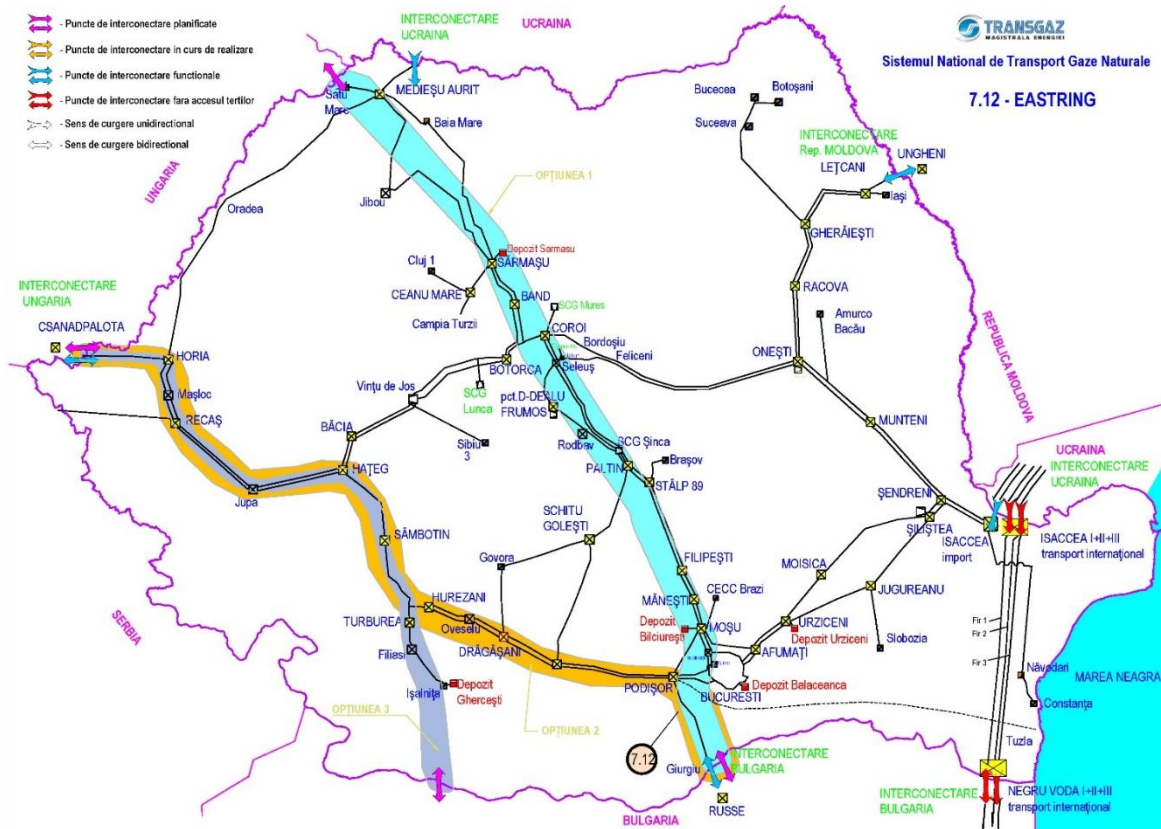
- enhancing security of energy supply to the region

**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**



## 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.

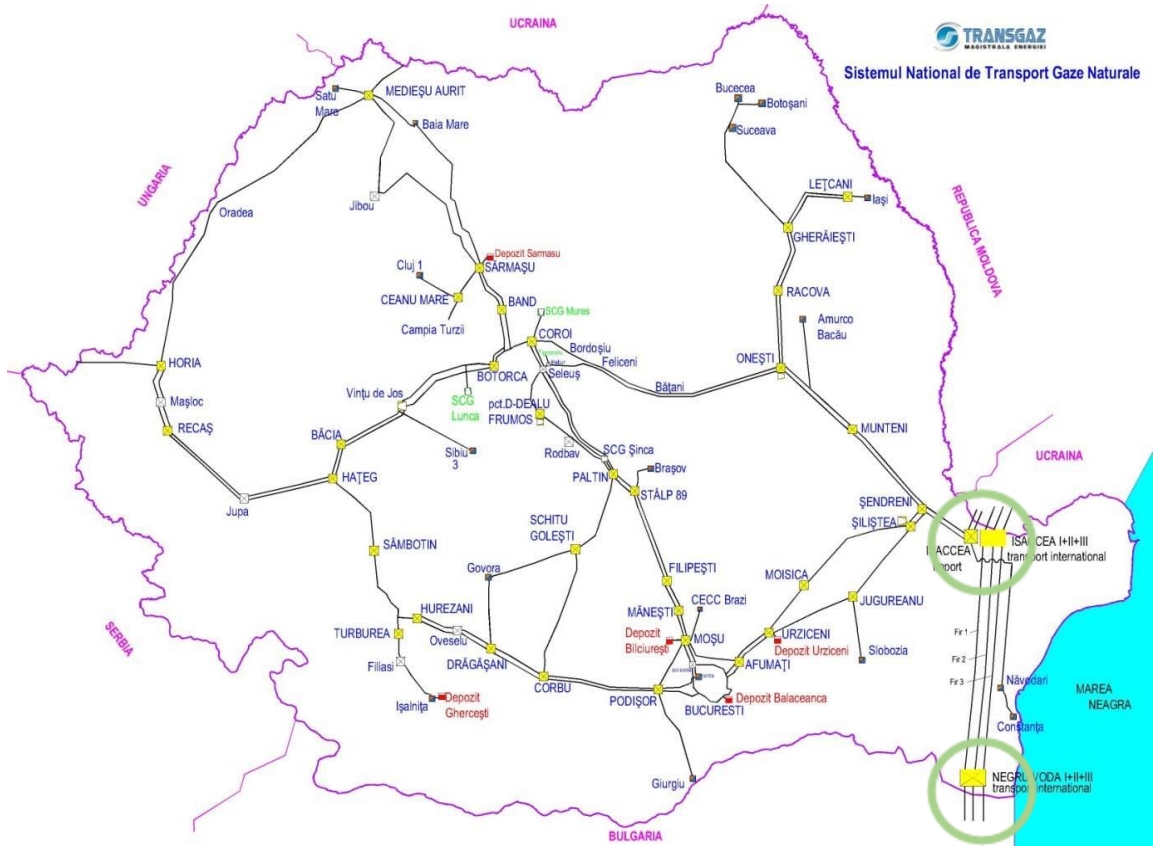
According to the feasibility study, the project will be implemented in two stages as follows:

- 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  
2030 - Phase 2**



**Estimated commissioning - 2024**

**Aim:**

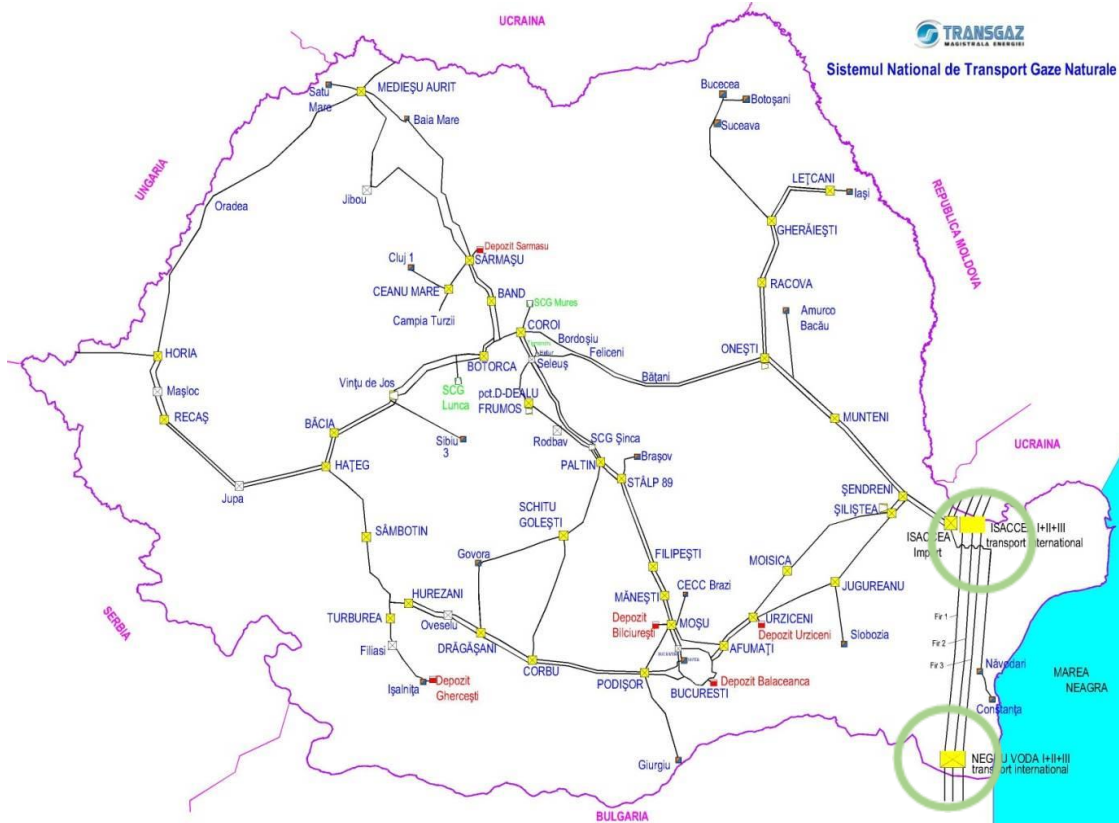
- Enabling bidirectional flow on the T2 pipeline, part of the Trans-Balkan corridor

**Necessary investments:**

- modernization of the existing gas metering stations

**Total estimated costs:**

- **26.65 mil. Euro**



**Estimated commissioning - 2028**

**Aim:**

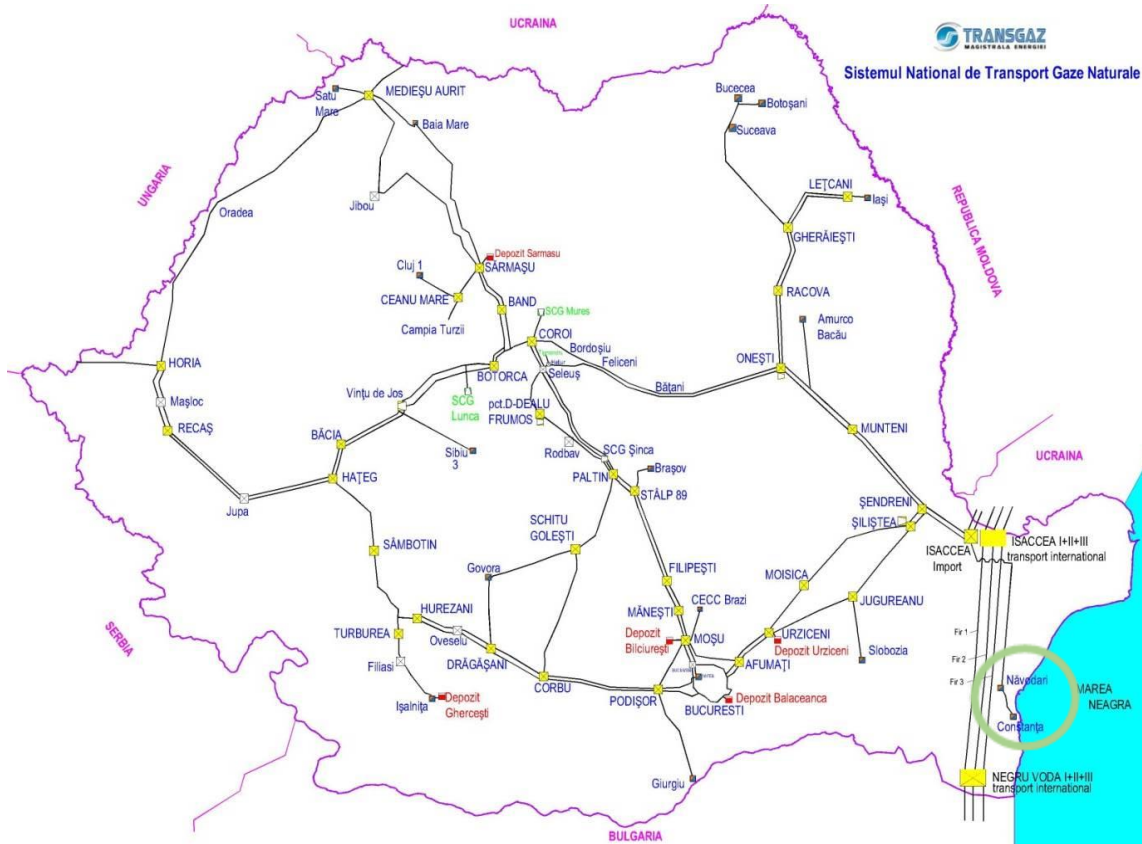
- Enabling bidirectional flow on the T3 pipeline, part of the Trans-Balkan corridor

**Necessary investments:**

- modernization of the existing gas metering stations

**Total estimated costs:**

- **26.65 mil. Euro**



**Estimated commissioning - 2028**

**Aim:**

- taking over natural gas from the Black Sea coast

**Necessary investments:**

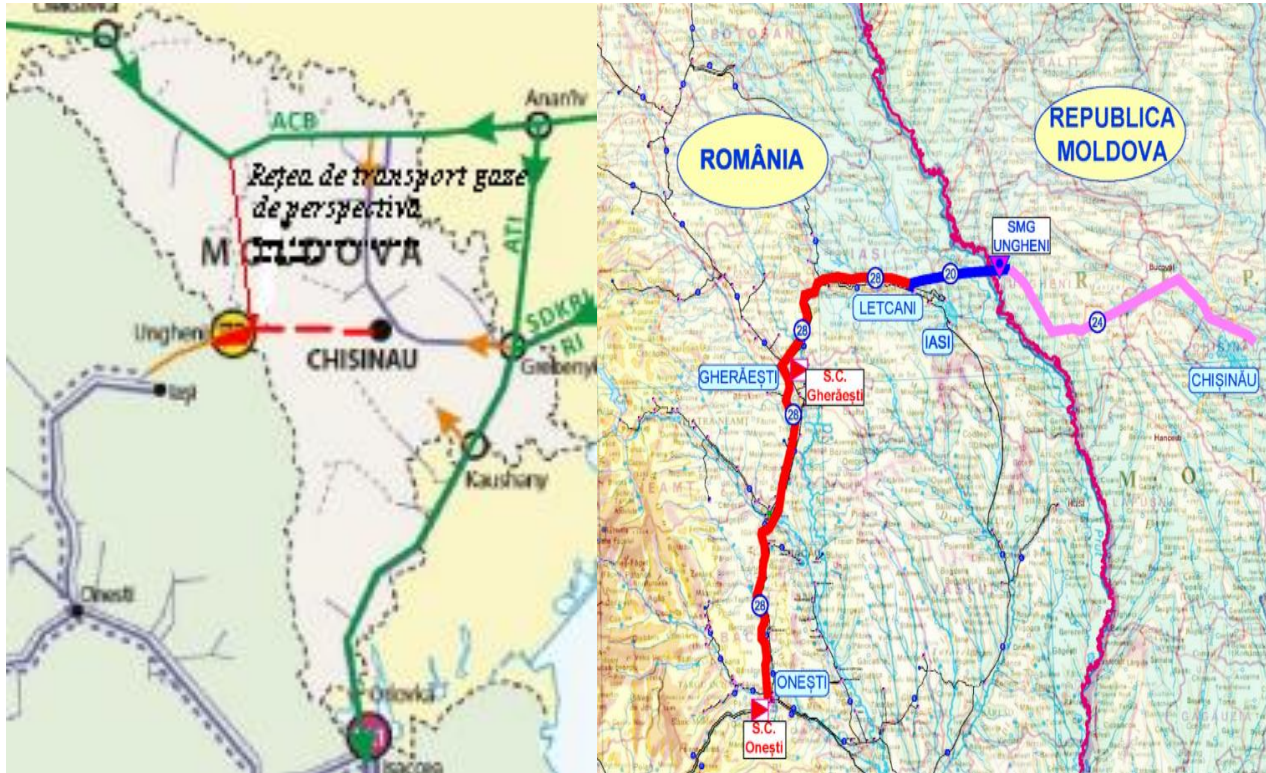
- realization of an interconnection of the national natural gas transmission system at the LNG terminal by building a natural gas transmission pipeline, in a length of about 25 km, from the Black Sea coast to the T1 and T2 pipelines

**Total estimated costs:**

- **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 Chișinău distribution system, each 3.2 km long
- 1 gas distribution pipeline, average pressure from MRS Ghidighici to the distribution system of Chișinău (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 – Chișinău and the existing Moldavia gas transmission system operated by MOLDOVATRANSGAZ
- an operating complex at Ghidighici where the head office of VESTMOLDTRANSGAZ

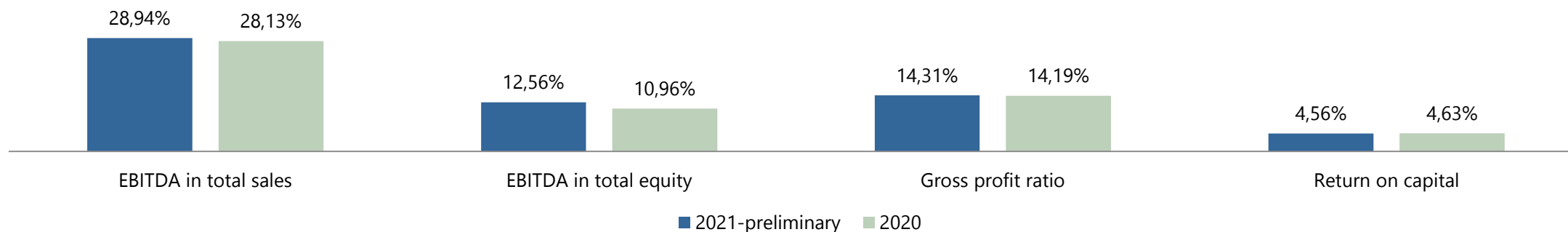
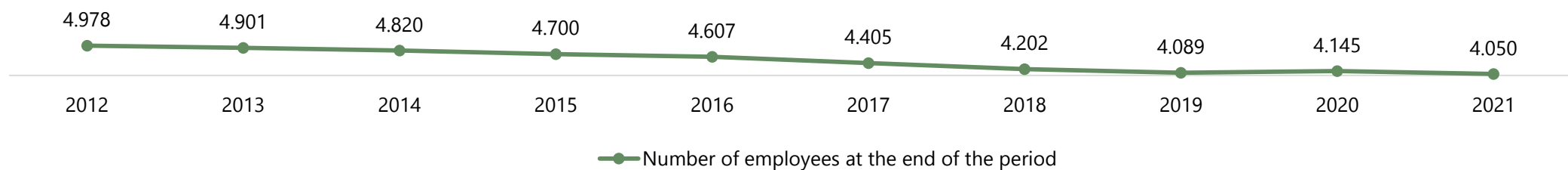
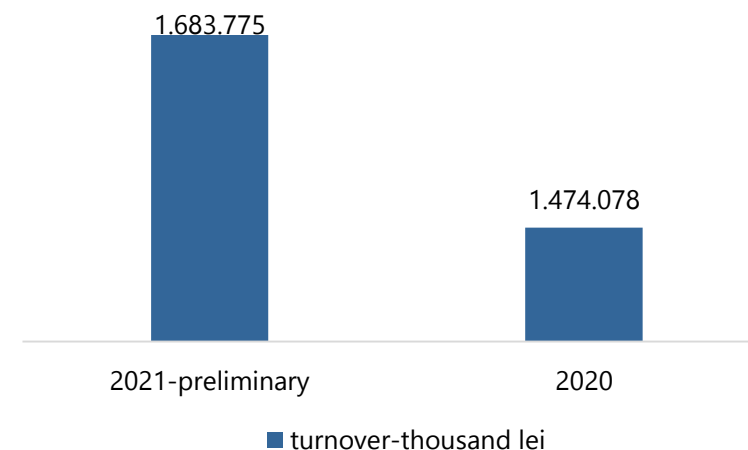
### **Total estimated costs:**

- **93 mil. Euro**

## 8. Main indicators

	2021- preliminary	2020
EBITDA in total sales	28,94%	28,13%
EBITDA in total equity	12,56%	10,96%
Gross profit ratio	14,31%	14,19%
Return on capital	4,56%	4,63%
Current liquidity ratio	1,36	1,56
Quick liquidity ratio	1,01	1,29
Gearing	44,13%	39,31%
Interest coverage ratio	5,69	9,73
Turnover speed for clients debit - days	165,08	167,42
Turnover speed for credit providers - days	69,49	55,23

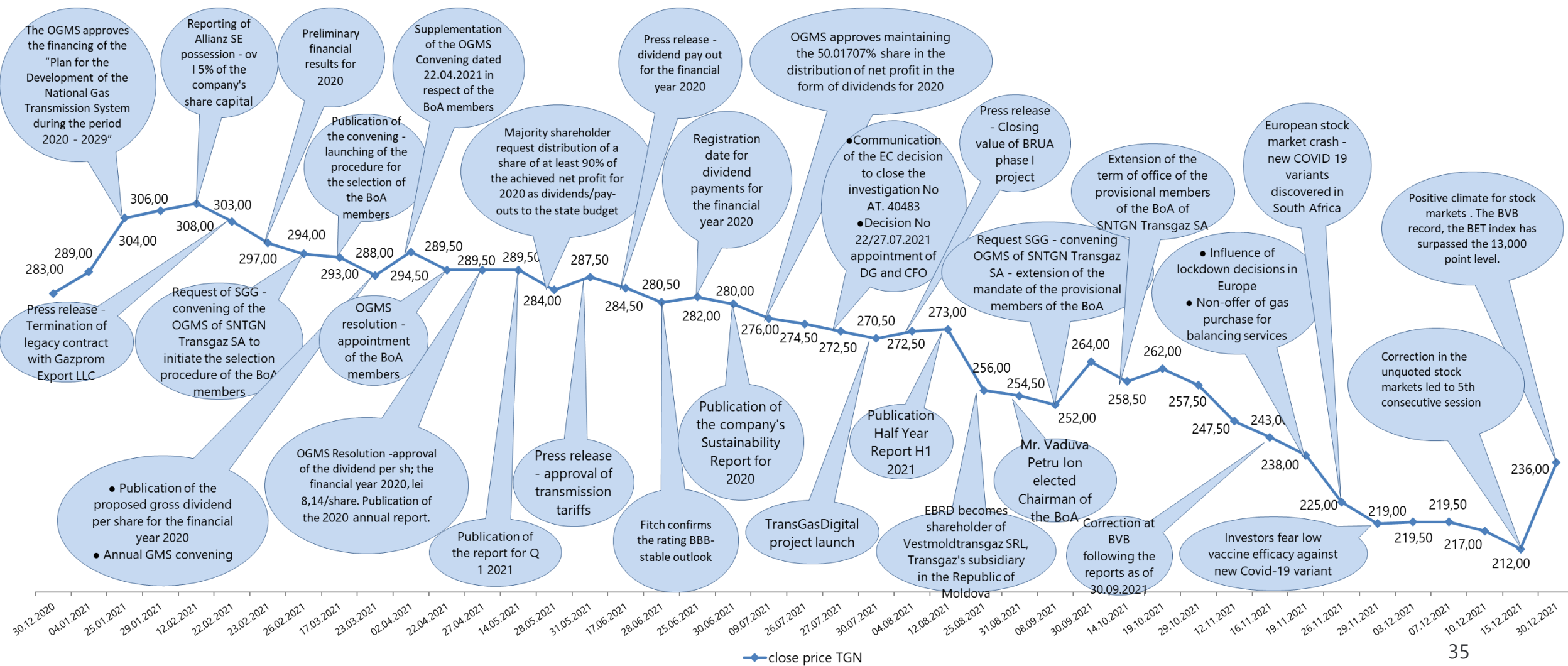
31.12.2021 preliminary compared to 31.12.2020



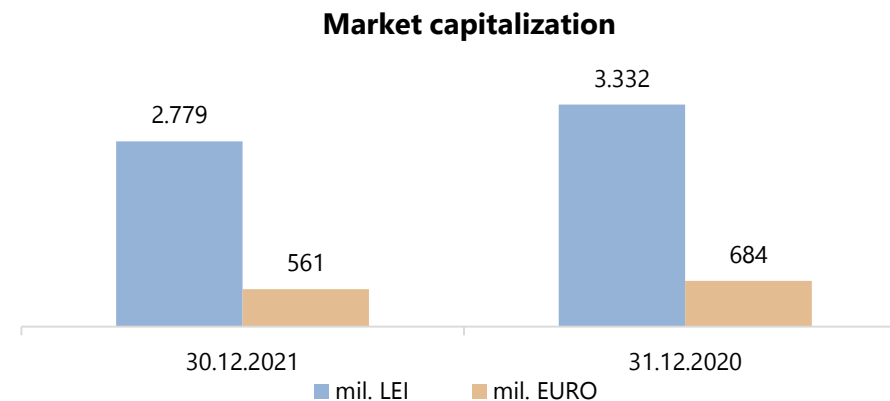
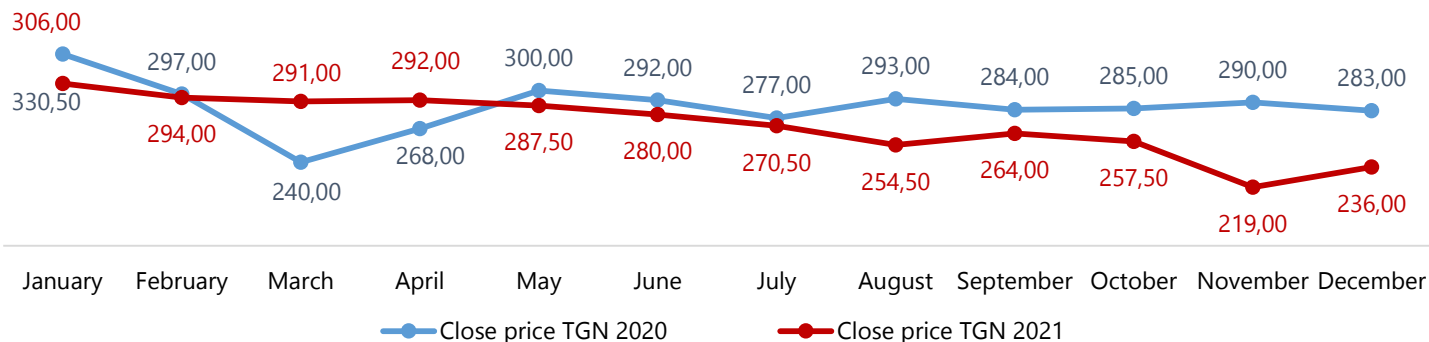
# Stock Exchange TGN Evolution (1)



## Main corporate events with an impact upon the share price in 2021

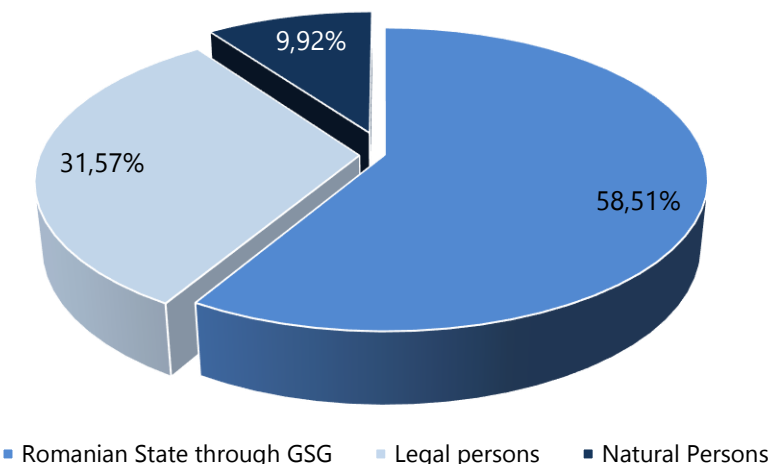


# Stock Exchange TGN Evolution (2)



Stock market index name	TGN share 30.12.2021	Position held in the compenence of the index
BET	10	2,58%
BET-TR	10	2,58%
ROTX	8	3,73%
BET-NG	5	8,57%
BET-XT	10	2,54%

### Shareholders structure at 31 December 2021



# Stock Exchange TGN Evolution (3)



Published on TradingView.com, January 10, 2022 12:21:55 EET  
BVB:TGN, D O:241,0000 H:241,0000 L:238,5000 C:241,0000



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BVB:TGN, D O:241,0000 H:241,5000 L:238,5000 C:240,0000



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BVB:TGN, D O:241,0000 H:241,5000 L:238,5000 C:240,0000



TradingView

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BVB:TGN, D O:241,0000 H:241,5000 L:238,5000 C:240,0000



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**Thank you for your kind attention!**