

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

**INTERIM FINANCIAL STATEMENTS FOR 1H 2021 (UNAUDITED)**



**Prepared in accordance with IFRS - UE**



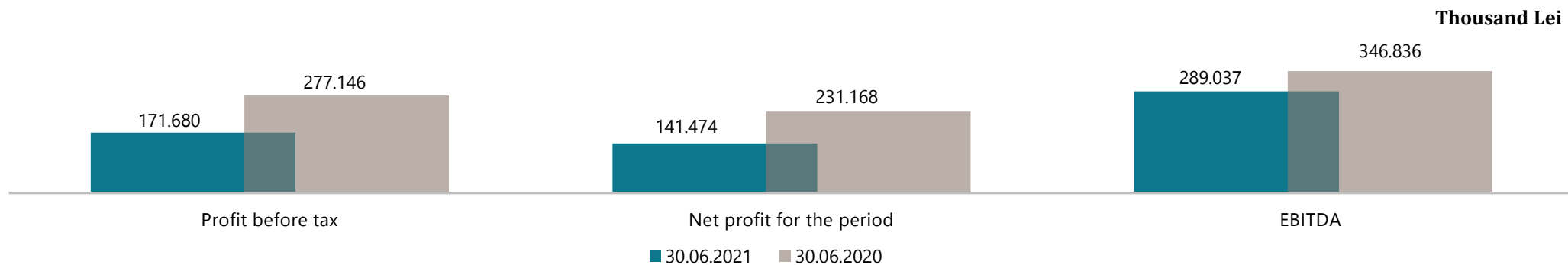
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# 1. Statement of individual comprehensive income as of 30.06.2021 (1)

## MAIN INDICATORS

THOUSAND LEI	30.06.2021	30.06.2020	CHANGES 1H2021/1H2020	
			Absolute	Relative
Operational income before the balancing and construction activity according to IFRIC12	700,829	759,029	-58,200	-8%
Revenue from the balancing activity	142,059	111,953	30,106	27%
Income from the construction activity according to IFRIC12	345,847	673,000	-327,153	-49%
Financial income	49,207	42,417	6,790	16%
Operational costs before the balancing and construction activity according to IFRIC12	569,815	517,072	52,743	10%
Expenses with balancing gas	142,059	111,953	30,106	27%
Cost of assets constructed according to IFRIC12	345,847	673,000	-327,153	-49%
Financial expenses	8,541	7,228	1,313	18%
<b>Profit before tax</b>	<b>171,680</b>	<b>277,146</b>	<b>-105,466</b>	<b>-38%</b>
Profit tax expense	30,206	45,978	-15,772	-34%
<b>Net profit for the period</b>	<b>141,474</b>	<b>231,168</b>	<b>-89,694</b>	<b>-39%</b>
<b>EBITDA</b>	<b>289,037</b>	<b>346,836</b>	<b>-57,799</b>	<b>-17%</b>
Turnover	798,792	851,174	-52,382	-6%

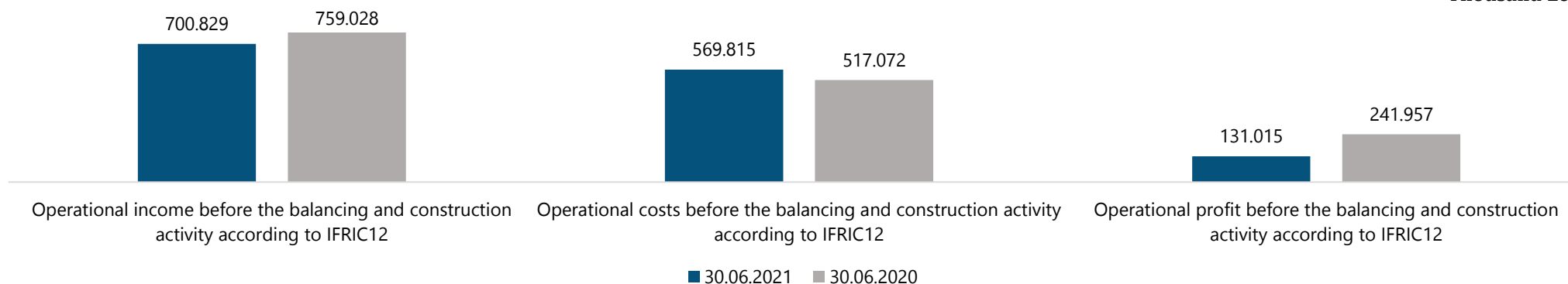


# 1. Statement of individual comprehensive income as of 30.06.2021 (2)

## MAIN INDICATORS

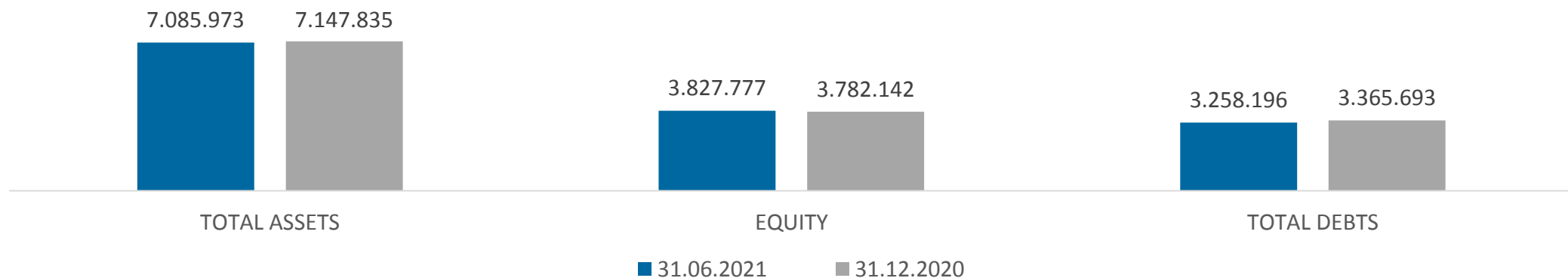
THOUSAND LEI	30.06.2021	30.06.2020	CHANGES 1H2021/1H2020	
			Absolute	Relative
Revenues from domestic gas transmission activity	620,166	677,824	-57,658	-9%
Revenues from international gas transmission activity	33,912	59,231	-25,319	-43%
Other revenues	46,751	21,974	24,777	113%
<b>Operational income before the balancing and construction activity according to IFRIC12</b>	<b>700,829</b>	<b>759,028</b>	<b>-58,199</b>	<b>-8%</b>
Employees costs	228,915	206,906	22,009	11%
Technological consumption, materials and consumables used	63,854	49,996	13,858	28%
Expenses with royalties	2,616	73,705	-71,089	-96%
Maintenance and transport	14,652	9,282	5,370	58%
Taxes and other amounts owed to the State	39,523	31,994	7,529	24%
Revenues/ Expenses with provision for risks and expenses	26,109	7,863	18,246	232%
Other operating expenses	88,341	48,172	40,169	83%
Depreciation	158,022	104,878	53,144	51%
<b>Operational costs before the balancing and construction activity according to IFRIC12</b>	<b>569,815</b>	<b>517,072</b>	<b>52,743</b>	<b>10%</b>
<b>Operational profit before the balancing and construction activity according to IFRIC12</b>	<b>131,015</b>	<b>241,957</b>	<b>-110,942</b>	<b>-46%</b>

Thousand Lei

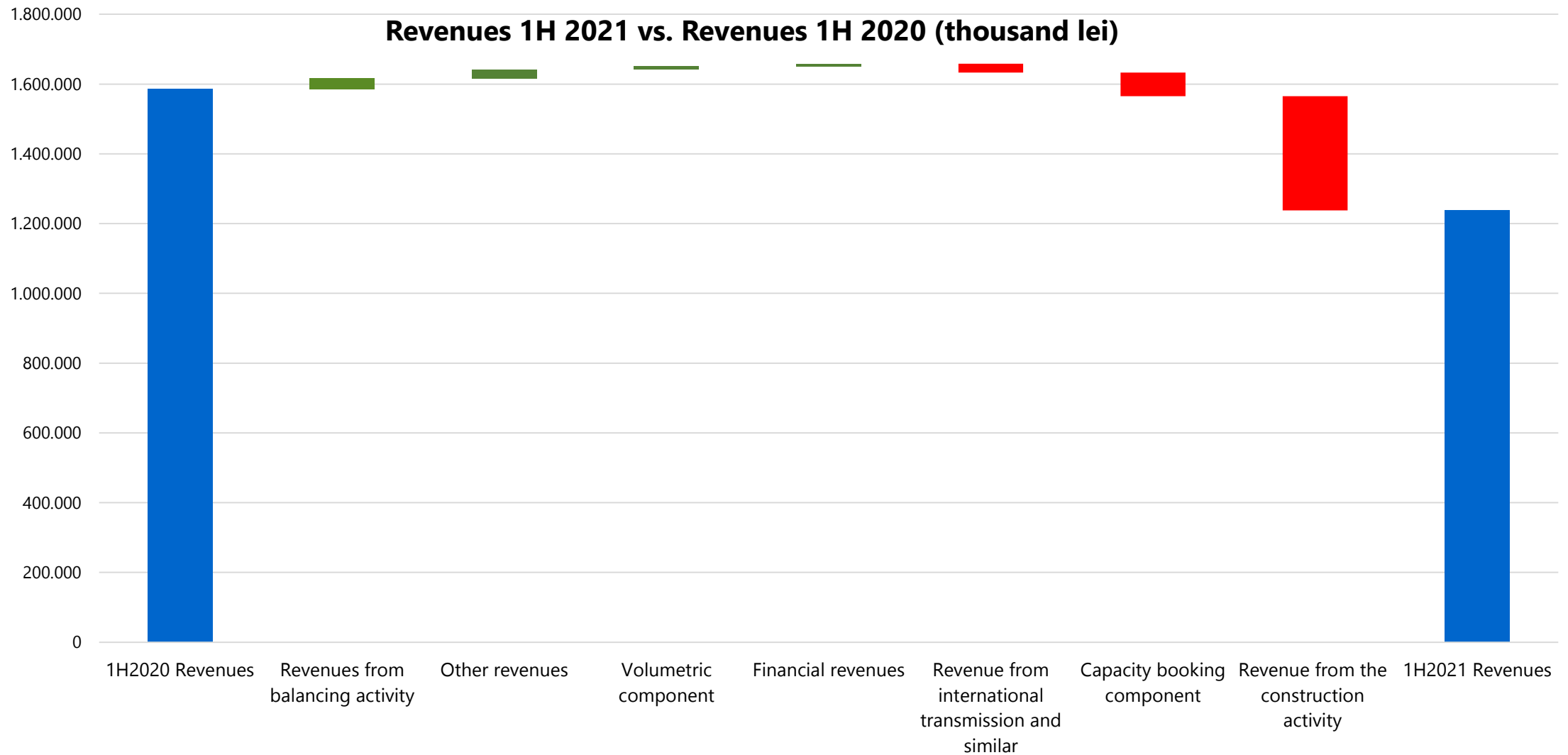


## 2. Statement of individual financial position as of 30.06.2021

THOUSAND LEI	31.06.2021	31.12.2020	CHANGES	
			Absolute	Relative
FIXED ASSETS	6,287,878	6,054,436	233,442	4%
CURRENT ASSETS	798,095	1,093,398	-295,303	-27%
<b>TOTAL ASSETS</b>	<b>7,085,973</b>	<b>7,147,835</b>	<b>-61,862</b>	<b>1%</b>
<b>EQUITY</b>	<b>3,827,777</b>	<b>3,782,142</b>	<b>45,635</b>	<b>1%</b>
LONG TERM DEBTS	2,618,434	2,665,413	-46,979	-2%
CURRENT DEBTS	639,761	700,280	-60,519	-9%
<b>TOTAL DEBTS</b>	<b>3,258,196</b>	<b>3,365,693</b>	<b>-107,497</b>	<b>-3%</b>
<b>TOTAL EQUITY AND DEBTS</b>	<b>7,085,973</b>	<b>7,147,835</b>	<b>-61,862</b>	<b>-1%</b>



### 3. Main revenue drivers (1)



### 3. Main revenue drivers (2)

1H2021 compared to 1H2020

**Operating revenue before the balancing and construction activity, according to IFRIC12** decreased by **8%** as compared to the first half of 2020, which is lower by **Lei 58,200 thousand**.

The revenue was influenced mainly by the following factors:

- *commodity revenue* higher by **Lei 10,144 thousand** due to:
  - the commodity transmission tariff lower by Lei 0.05 lei/MWh, with a negative influence of Lei 3,965 thousand;
  - the gas transmitted capacities higher by 9,343,730 MWh/780,730 thousand mc (▲13%) as compared to the first half of 2020, with a positive influence of Lei 14,109 thousand, detailed by categories of consumers as follows:

		6 months 2021	6 months 2020	Differences
Quantity transmitted for direct consumers	MWh	29,959,272	26,331,627	3,627,645
	thousand m <sup>3</sup>	2,781,068	2,456,198	324,870
Quantity transmitted for distribution	MWh	49,346,041	43,629,956	5,716,085
	thousand m <sup>3</sup>	4,507,605	4,051,746	455,859
Total	MWh	79,305,313	69,961,583	9,343,730
	thousand m <sup>3</sup>	7,288,673	6,507,943	780,730

The commodity tariffs decreased in the first half of 2021 as compared to the first half of 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.
- *revenue from capacity booking* lower by **Lei 67,802 thousand** due to:
  - revenue from the auction premium lower by Lei 102,129 thousand, following the capacity booking auctions performed according to the CAM-NC by interconnection points. Revenue from the auction premium in the first half of 2020 amounted to Lei 109,521 thousand and in the first half of 2021 to Lei 7,393 thousand;
  - booked capacity lower by 2,255,398 MWh, with a negative influence of Lei 5,128 thousand;
  - capacity booking tariff higher by Lei 0.103/MWh, with a positive influence of Lei 19,946 thousand;
  - capacity surplus revenue higher by Lei 19,509 thousand. Capacity surplus revenue in the first half of 2020 amounted to Lei 17,348 thousand and in the first half of 2021 to Lei 36,856 thousand;



### 3. Main revenue drivers (3)

1H2021 compared to 1H2020

- *international gas transmission revenue and similar* lower by **Lei 25,318 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 24,776 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.

*Revenue from the balancing activity* higher by **Lei 30,106 thousand** based on the following factors:

- trading price higher by Lei 44.18/MWh, with a positive influence of Lei 58,144 thousand;
- quantity lower by 439,715 MWh with a negative influence of Lei 28,038 thousand;

*Revenue from the construction activity* lower by **Lei 327,154 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.

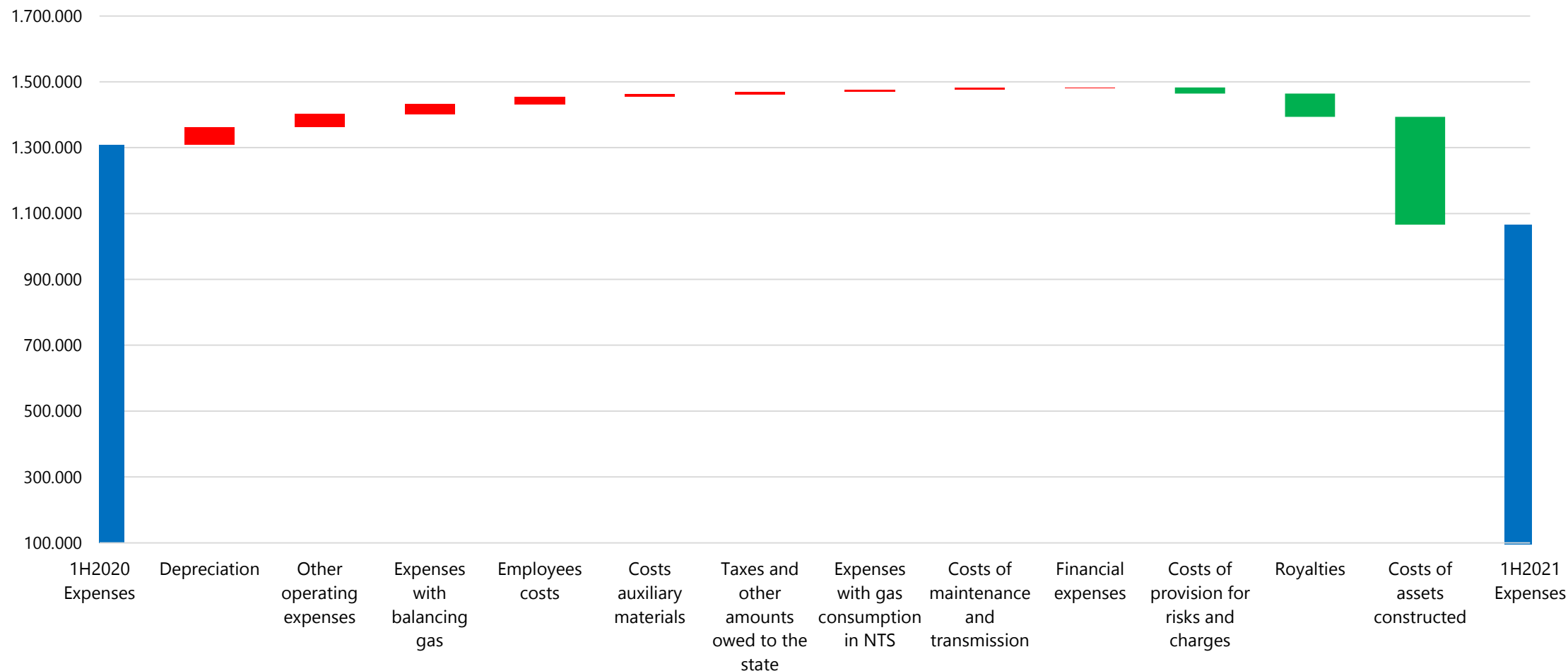
*Financial revenue* with a positive influence of **Lei 6,791 thousand** mainly due to the recording of interest income related to the receivable for the remaining undepreciated regulated value of the regulated asset base at the end of the Concession Agreement (first half of 2021: Lei 18,410 thousand compared to first half of 2020: Lei 13,287 thousand).

	1H 2020	1H 2021
Revenues from the domestic transmission activity, due to:	677,824	620,166
- Volumetric component	105,642	115,786
- Capacity booking component	572,182	504,380



## 4. Main costs drivers (1)

Expenses 1H 2021 vs. 1H 2020 (thousand lei)



## 4. Main costs drivers(2)

1H2021 compared to 1H2020

**Operating costs before the balancing and construction activity according to IFRIC12** increased by **10%** as compared to the first half of 2020, which is higher by **Lei 52,743 thousand**.

**The company made savings of Lei 89,335 thousand**, in relation to the following cost elements:

- **cost of NTS concession royalty**: Lei 71,089 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%;
- **expenditure on the provision for risks and charges**: Lei 18,246 thousand;

**Exceedings amounting to Lei 142,078 thousand**, were recorded to the following cost elements:

- **transmission system gas consumption** Lei 6,009 thousand, due to two factors:
  - the quantity of natural gas for NTS gas consumption higher by 96,084 MWh as compared to the first half of 2020, with a negative influence of Lei 10,559 thousand;
  - the average purchase price obtained lower by Lei 10.02 lei/MWh as compared to the one obtained in the first half of 2020, with a positive influence of Lei 4,550 thousand;

		30.06.2021	30.06.2020	Differences
Quantities of natural gas consumption in NTS	MWh	454,202	358,118	96,084
	thousand m <sup>3</sup>	42,395	35,302	7,093

- **employee costs**: Lei 22,008 thousand;
- **cost of depreciation**: Lei 53,144 thousand based on the completion and commissioning of the major investment projects;
- **costs of maintenance and transmission**: Lei 5,370 thousand;
- **costs auxiliary materials**: Lei 7,849 thousand;
- **costs of monopoly tax and other duties and taxes**: Lei 7,529 thousand;
- **other operating costs**: Lei 40,169 thousand, mainly based on the increasing of the cost of the adjustment for impairment of current assets by Lei 37,285 thousand.

**The financial cost** is higher by **Lei 1,313 thousand** mainly based on the non-capitalized interest expenses related to the use of credit to finance the current activity.

**Compared to the first half of 2020 the gross profit obtained in the first half of 2021 decreased by 38%, which is lower by Lei 105,465 thousand.**

## 5. Statement of consolidated comprehensive income as of 30.06.2021

THOUSAND LEI	Consolidated 30.06.2021	Consolidated 30.06.2020	MAIN INDICATORS	
			CHANGES 2021/2020	
			Absolute	Relative
Operating revenue before the balancing and construction activity according to IFRIC12	701,291	768,733	700,522	-9%
Revenue from the balancing activity	142,059	111,953	30,106	27%
Revenue from the construction activity according to IFRIC12	345,847	673,000	-327,153	-49%
Financial revenue	60,645	45,498	15,147	33%
Operating costs before the balancing and construction activity according to IFRIC12	576,659	521,453	55,206	11%
Costs from the balancing activity	142,059	111,953	30,106	27%
Cost of assets constructed according to IFRIC12	345,847	673,000	-327,153	-49%
Financial costs	21,426	10,383	11,043	106%
<b>Profit before tax</b>	<b>163,851</b>	<b>282,396</b>	<b>-118,545</b>	<b>-42%</b>
Income tax	30,554	46,023	-15,469	-34%
<b>Net profit for the period</b>	<b>133,297</b>	<b>236,373</b>	<b>-103,076</b>	<b>-44%</b>

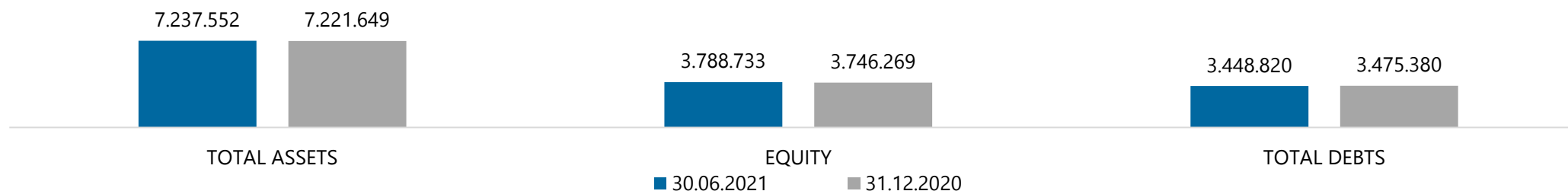
The establishment of the company EUROTRANSGAZ SRL on the territory of the Republic of Moldova was approved by Extraordinary General Meeting of the Shareholders Resolution no. 10/12.12.2017 for enabling participation in the privatization procedure of the State Enterprise Vestmoldtransgaz. Transgaz is 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	100%

## 6. Statement of consolidated financial position as of 30.06.2021

THOUSAND LEI	30.06.2021	31.12.2020	CHANGES	
			Absolute	Relative
FIXED ASSETS	6,311,393	6,060,659	250,734	4%
CURRENT ASSETS	926,159	1,160,990	-234,831	-20%
<b>TOTAL ASSETS</b>	<b>7,237,552</b>	<b>7,221,649</b>	<b>15,903</b>	<b>0%</b>
<b>EQUITY</b>	<b>3,788,733</b>	<b>3,746,269</b>	<b>42,464</b>	<b>1%</b>
LONG TERM DEBTS	2,804,969	2,772,114	32,855	1%
CURRENT DEBTS	643,851	703,266	-59,415	-8%
<b>TOTAL DEBTS</b>	<b>3,448,820</b>	<b>3,475,380</b>	<b>-26,560</b>	<b>-1%</b>
<b>TOTAL EQUITY AND DEBTS</b>	<b>7,237,552</b>	<b>7,221,649</b>	<b>15,903</b>	<b>0%</b>

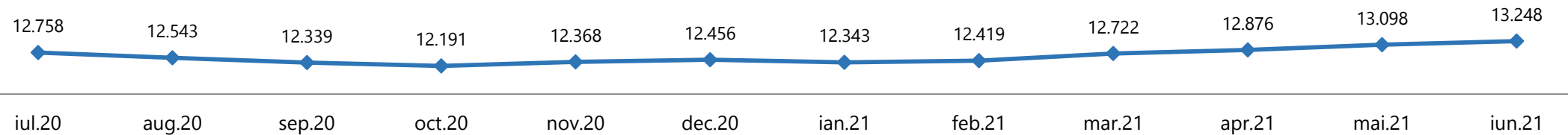


The variation of the consolidated economic-financial indicators at 30 June 2021, compared to the indicators obtained in the similar period of 2020 is mainly determined by the variation of the individual economic-financial indicators recorded by SNTGN Transgaz SA at 30 June 2021 compared to the indicators obtained in the similar period of 2020.

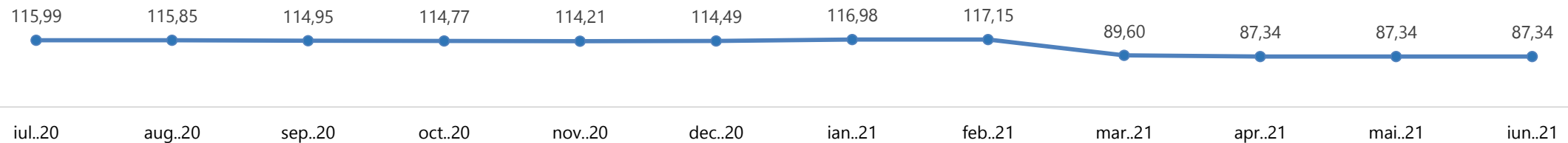
The main impact of the subsidiaries in the consolidated result is determined by the evolution of the MDL (Moldavian leu) exchange rate compared to the EUR currency in which the source for financing the investment project carried out by the subsidiary was partially attracted and compared to the reporting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

## 7. Main business drivers (1)

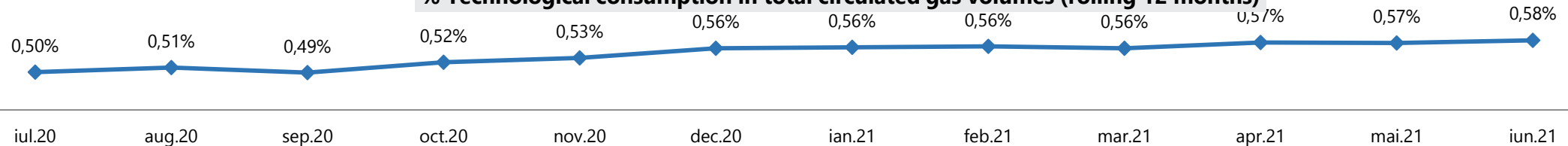
**Natural gas volumes circulated (including storage quantities) - mil.cm - rolling 12 months**



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



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

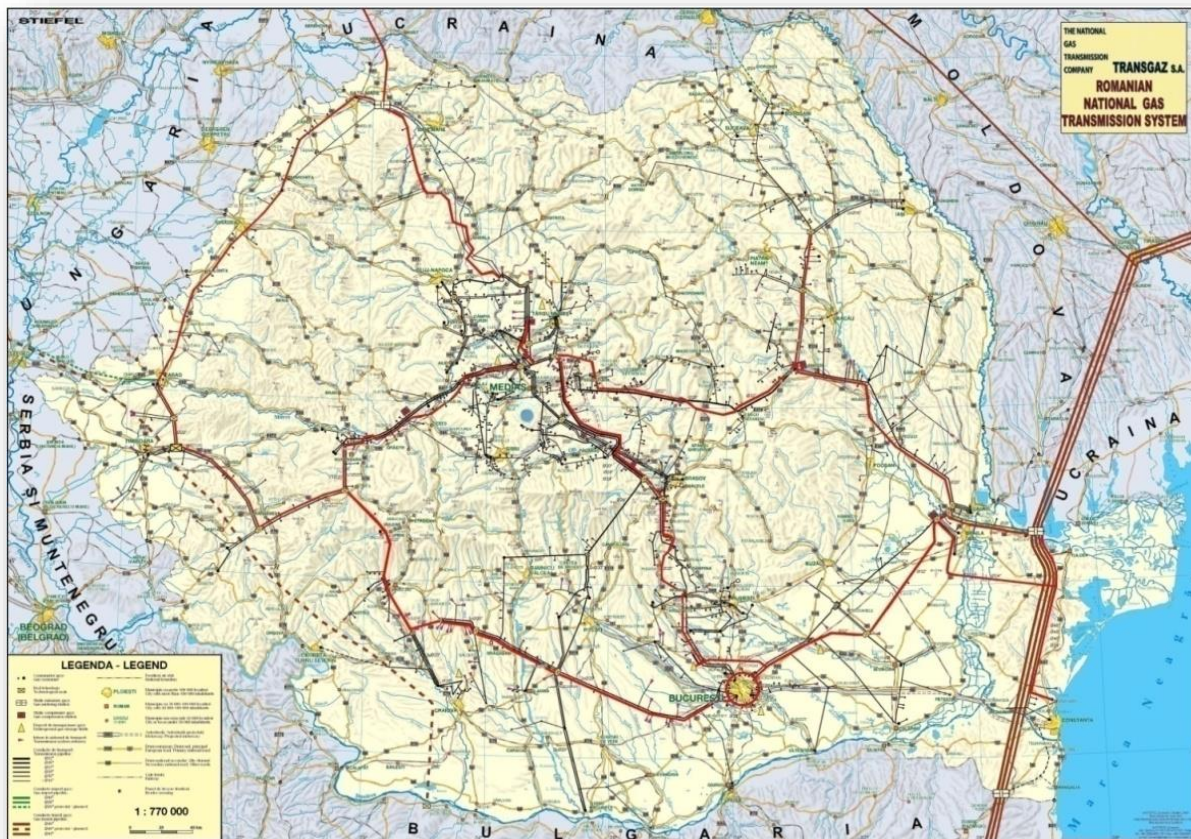


Circulated gas, out of which:		1H2020	1H2021
	MWh	70,183,518	78,481,663
	mii m <sup>3</sup>	6,540,886	7,332,584
	MWh	6,791,617	7,099,079
	mii m <sup>3</sup>	639,478	666,482
- storage			
Circulated gas storage share		9.68%	9.05%

		1H2020	1H2021
Technological consumption, materials and consumables used of which:	Mii lei	49,996	63,854
▪ transmission system technological consumption and loss	Mii lei	39,356	45,366
- technological consumption quantity	MWh	358,118	454,202
▪ auxiliary materials	Mii lei	9,141	15,518
▪ other material costs	Mii lei	1,499	2,971



## CURRENT NTS INFRASTRUCTURE



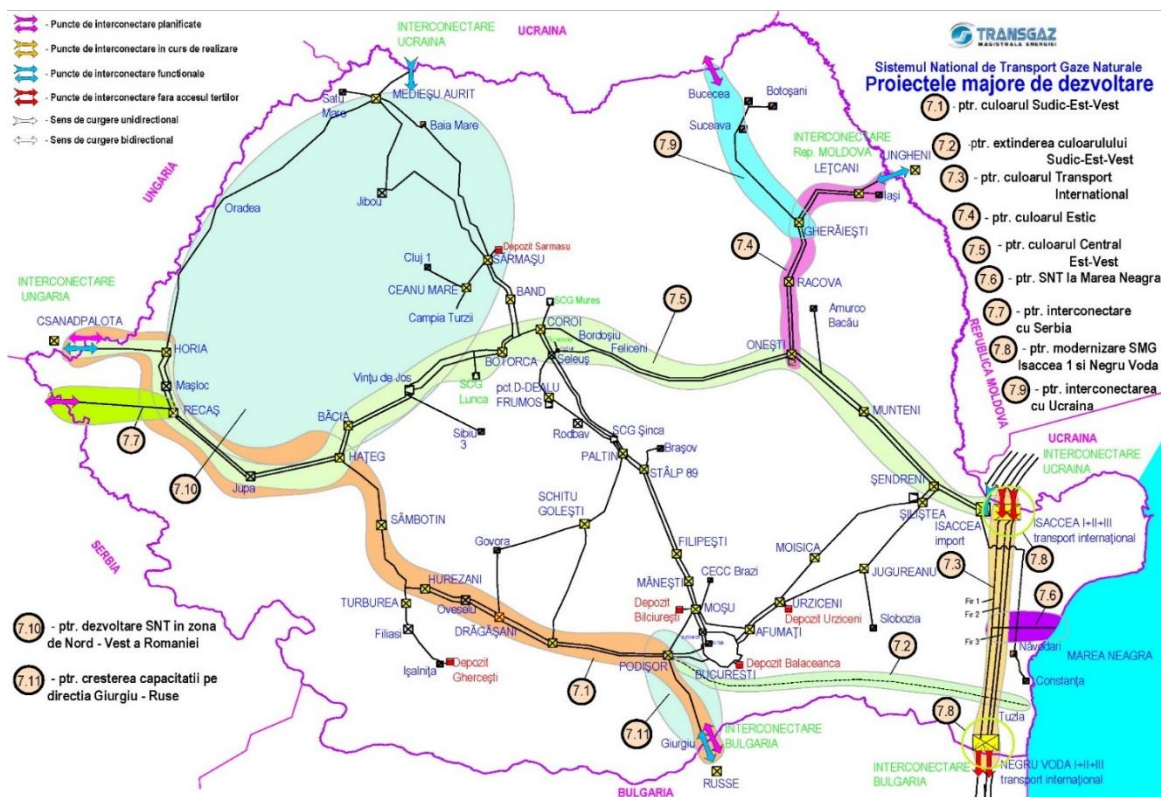
- ❑ 13.986,27 km main transmission pipelines and connections for gas supply, of which 369 km international gas transmission pipelines and 479 km the BRUA pipeline;
- ❑ 1.135 gas metering stations (1.240 direcții măsurare)
- ❑ 4 gas metering stations for international transmission (Isaccea Transit II, Isaccea Transit III, Negru Vodă II, Negru Vodă III);
- ❑ 6 imported gas metering stations (Giurgiu, Horia, Isaccea import, Medieșu Aurit, Isaccea Tranzit I, Negru Vodă I);
- ❑ 6 gas compressor stations (Șinca, Onești, Siliștea, Jupa, Podișor, Bibești) ;
- ❑ 1.042 cathodic protection stations (CPS);
- ❑ 58 valve stations/technological nodes;
- ❑ 982 odorization stations.

## FUTURE NTS INFRASTRUCTURE

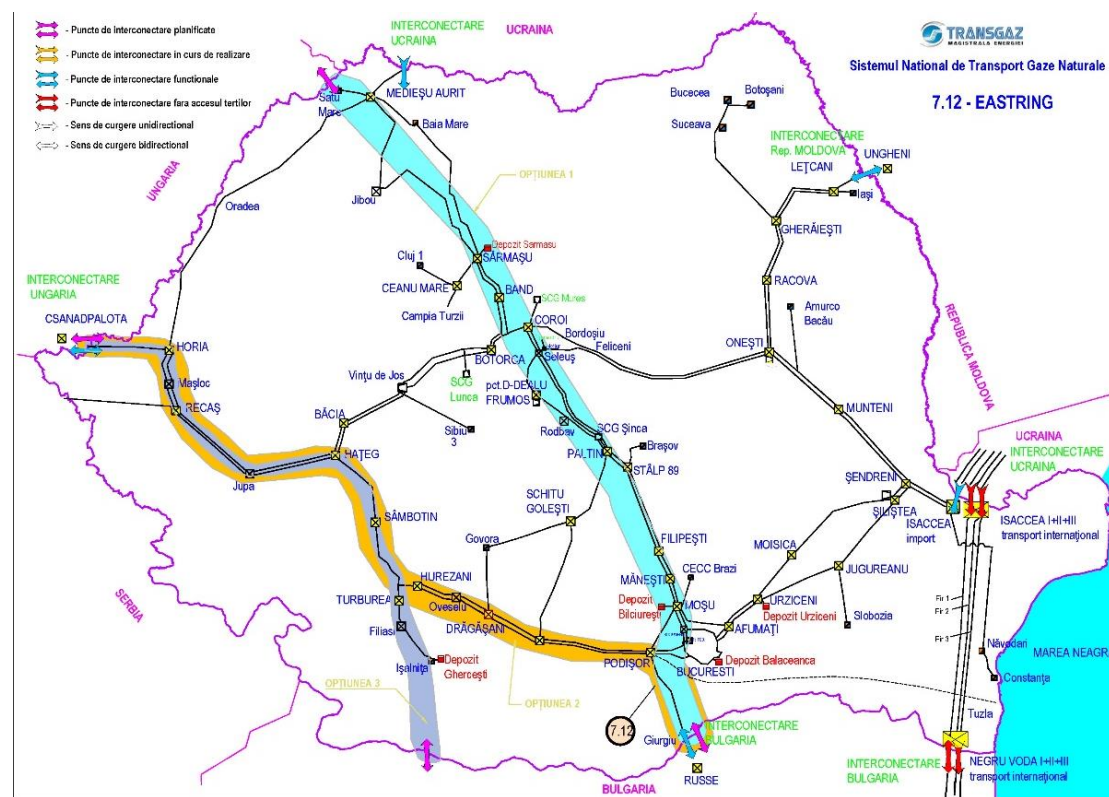
A modernized and competitive gas transmission system that ensures a high degree of interconnectivity, flexibility and access to multiple sources of supply.

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

## MAJOR PROJECTS



## EASTRING

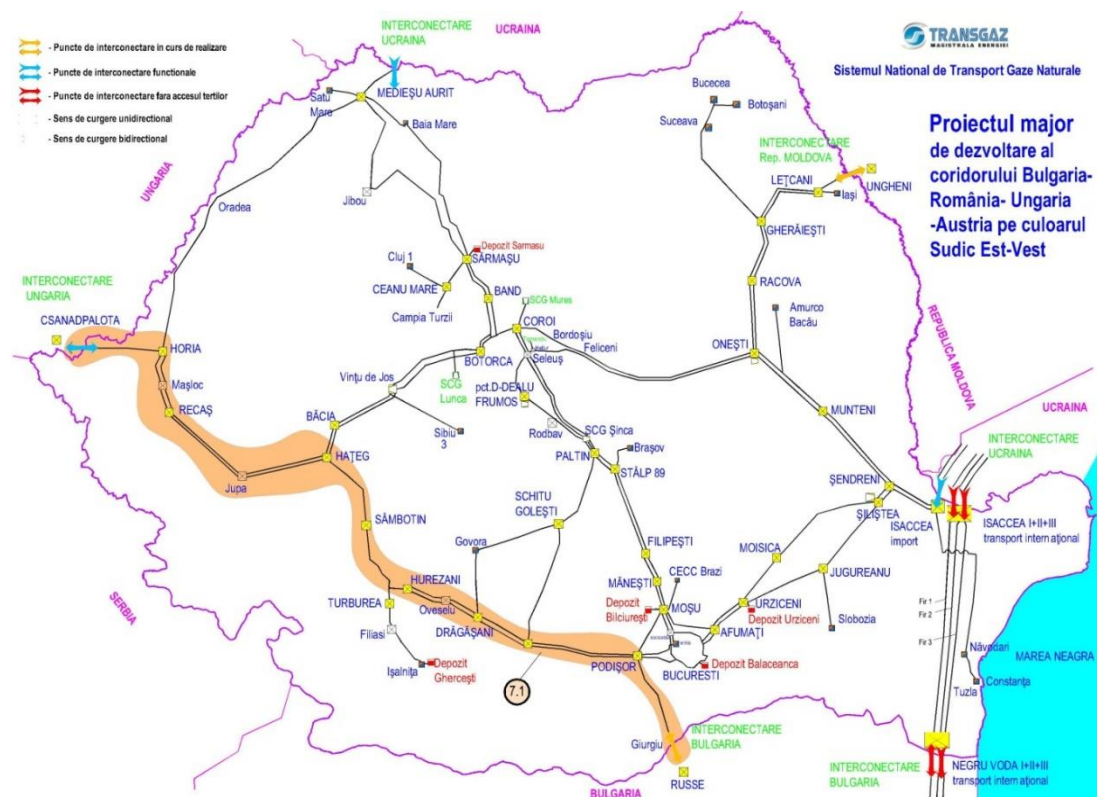


~ 4 BILLION EURO



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.  The BRUA phase 1 project was closed at a value of <b>Euro 377.4 million</b> (value calculated at the current EURO exchange rate), respectively with savings of <b>21%</b> (Euro 101.1 million) compared to the tendered value, i.e. Euro 478.5 million; related to the average EURO exchange rate during the project implementation period, the value is <b>Euro 387.8 million</b> , which represents savings of about <b>19%</b> (Euro 90.7 million);	COMPLETED
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	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	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
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: ▪ <i>in order to eliminate the possibility of imposing extremely costly financial penalties by the European Commission;</i> 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
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	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	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
7.8.1	Upgrading GMS Isaccea 1	13.88	2020 <b>completed</b>	Upgrading the gas metering stations at interconnection points to increase the level of energy security in the region.	COMPLETED
7.8.2	Upgrading GMS Negru Vodă 1	12.77	2022		FID
7.9	Interconnection of the national gas transmission system with the natural gas transmission system of Ukraine, Gherăiești-Siret	150	2026	Establishing an interconnection with Ukraine in the direction of Gherăiești-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 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
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
- 1.50 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)

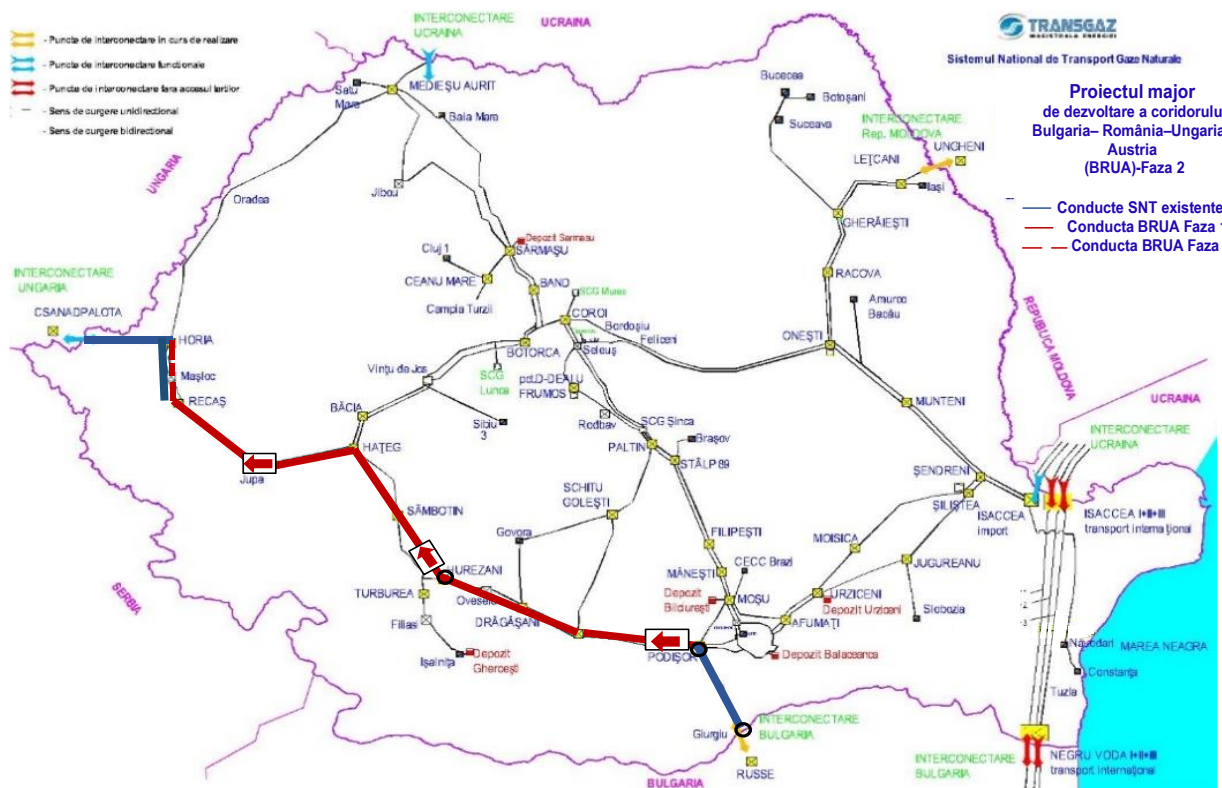
## Total costs upon works completion:

- 387.8 mil Euro** (value related to the average Euro exchange rate during the project implementation period) which represents savings of about 19% (Euro 90.7 mil.)  
(initial estimated costs 423 mil. Euro)

Final investment decision – 2016

Estimated commissioning - 2020 - completed

Romanian connection to the neighboring transit



**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:

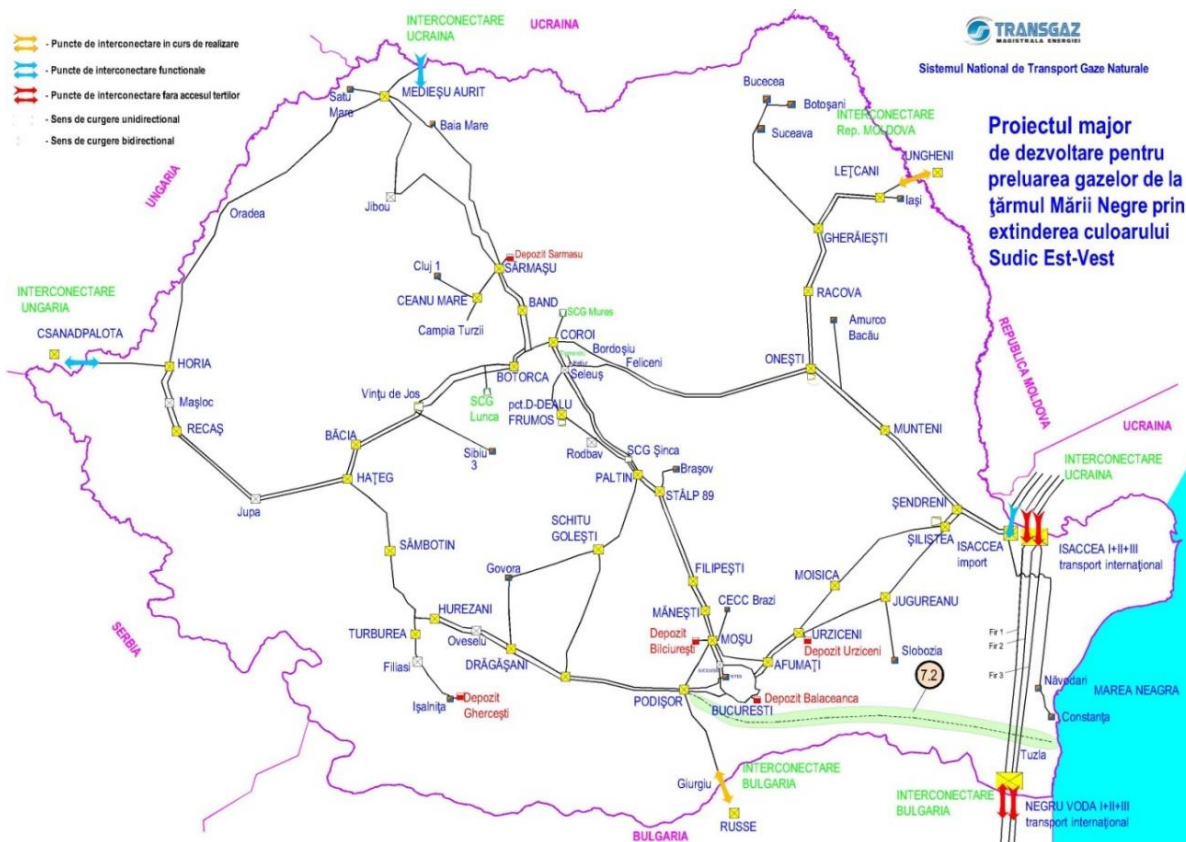
- 32"x63 bar ~50 km Recaş-Horia pipeline
- increasing the capacity of the three existing compressor stations (Jupa, Bibești, Podișor) by mounting an additional compressors in each station extension of Horia GMS
- SMG Horia amplification

## 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:

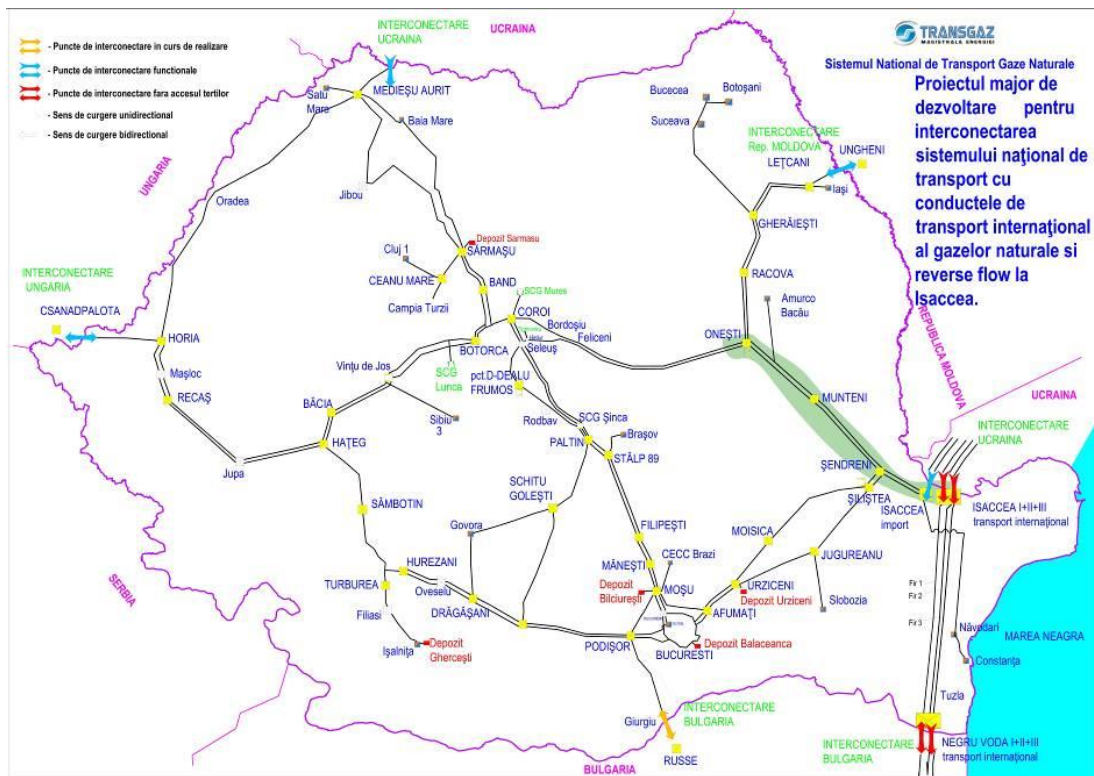
- create a transmission infrastructure for taking over to be produced in the Black Sea

## 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

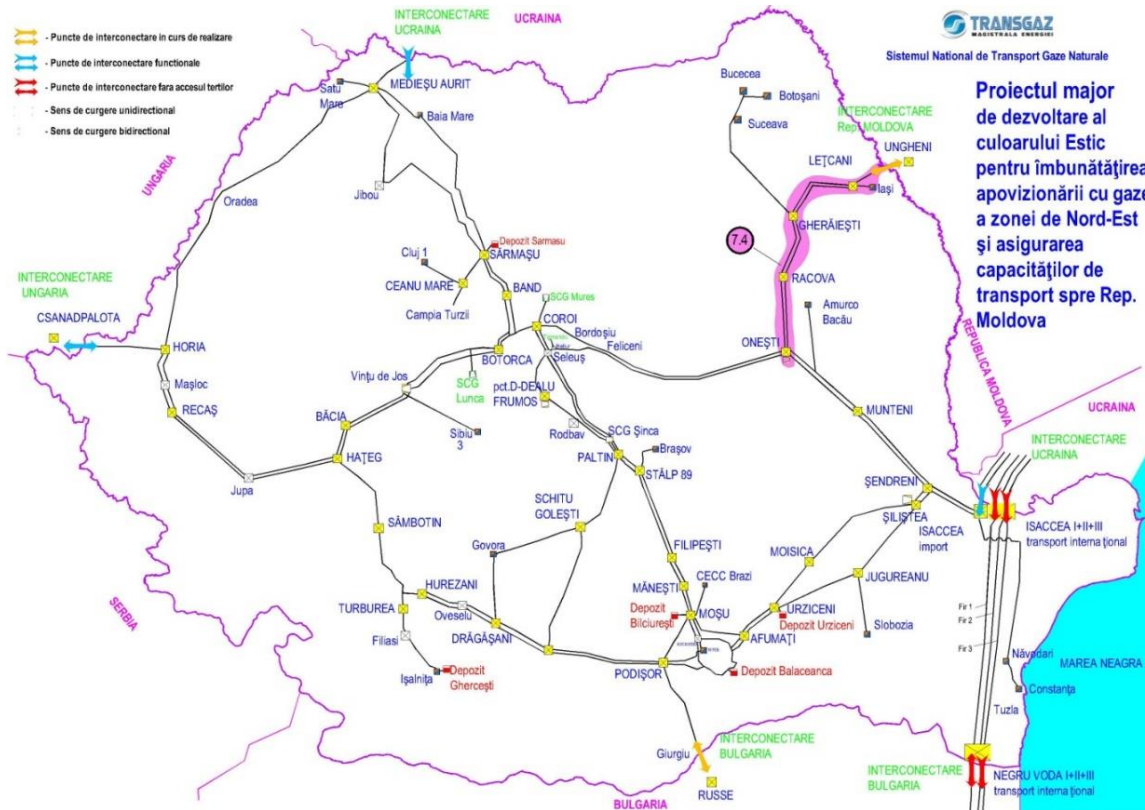
- upgrading of Siliștea CS, Siliștea TN
- upgrading of Onești CS, Onești TN
- upgrading of Șendreni CS, Șendreni TN

## Total estimated costs:

- **77.7 mil. Euro**

**Final investment decision – 2018**

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



**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**



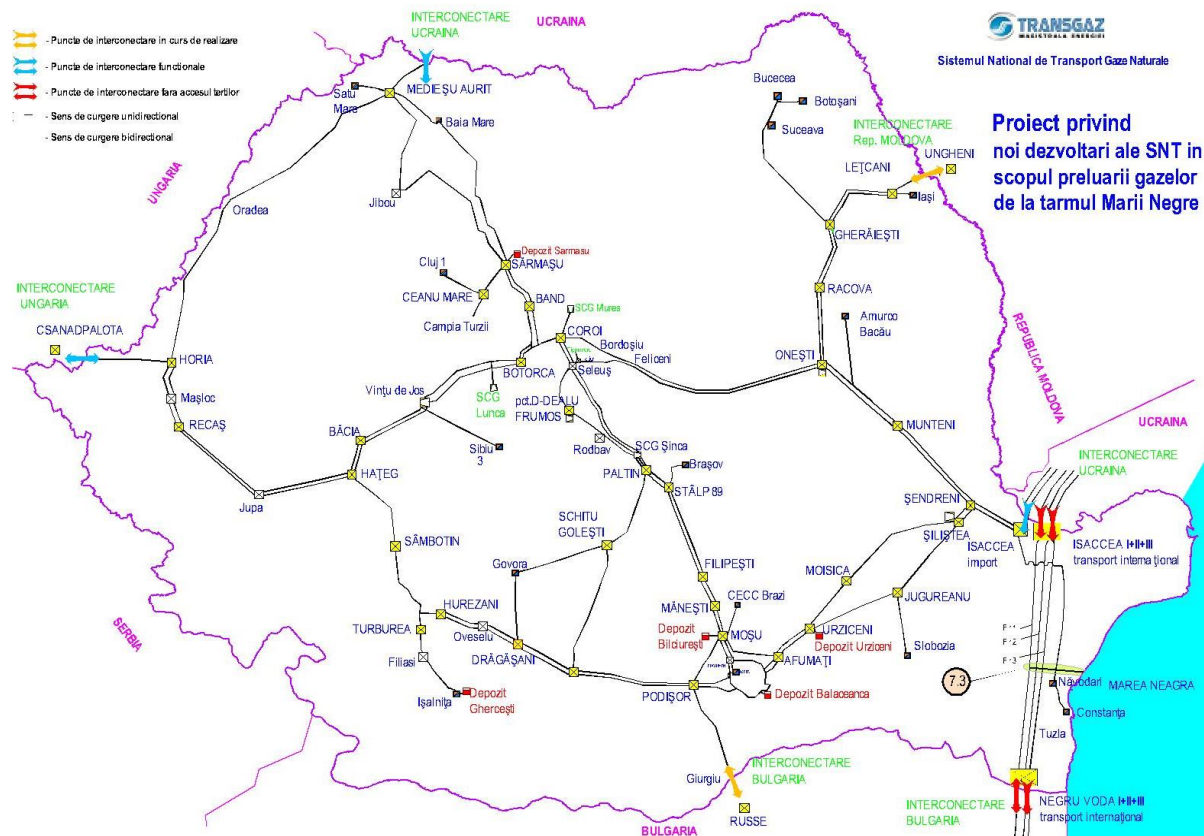


- development of gas transmission capacity on the Onești – Coroi – Hațeg – Nădlac corridor depending on the Black Sea or other onshore blocks gas volumes

- 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

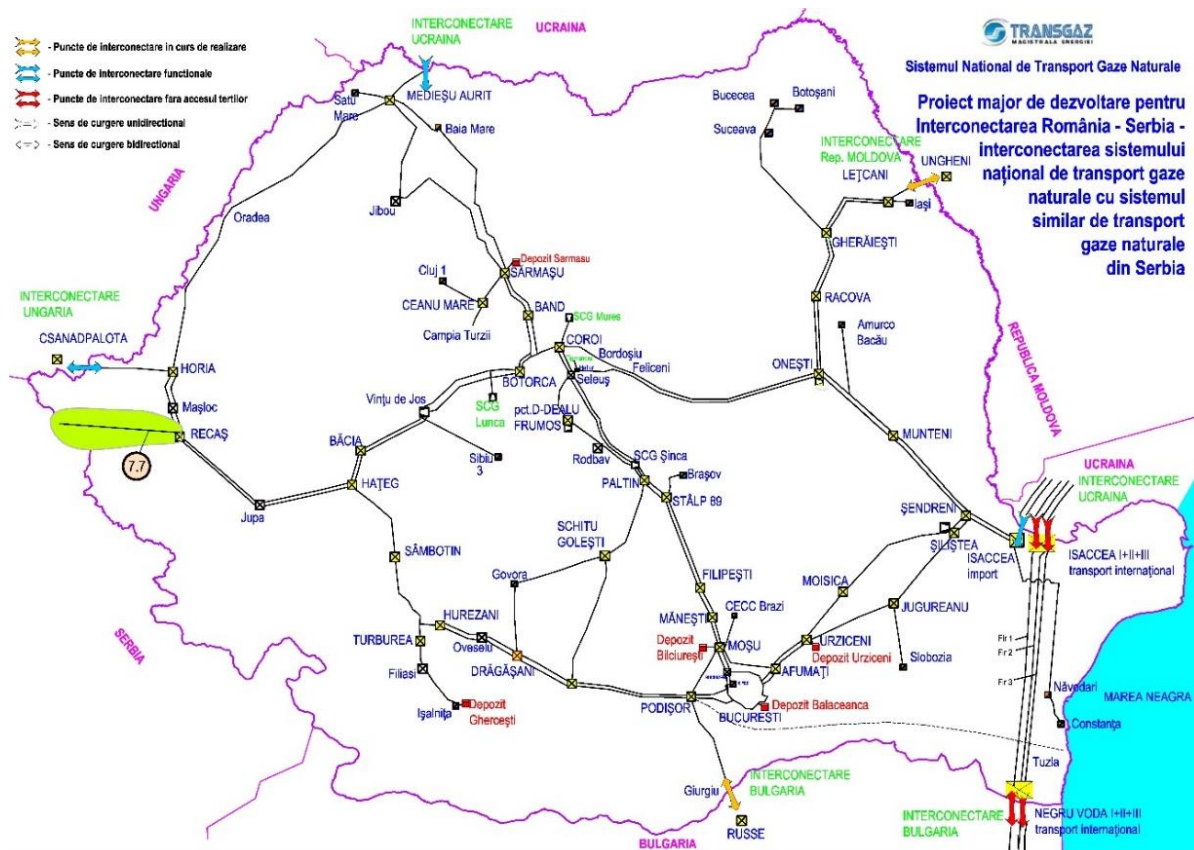
## Necessary investments:

- 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

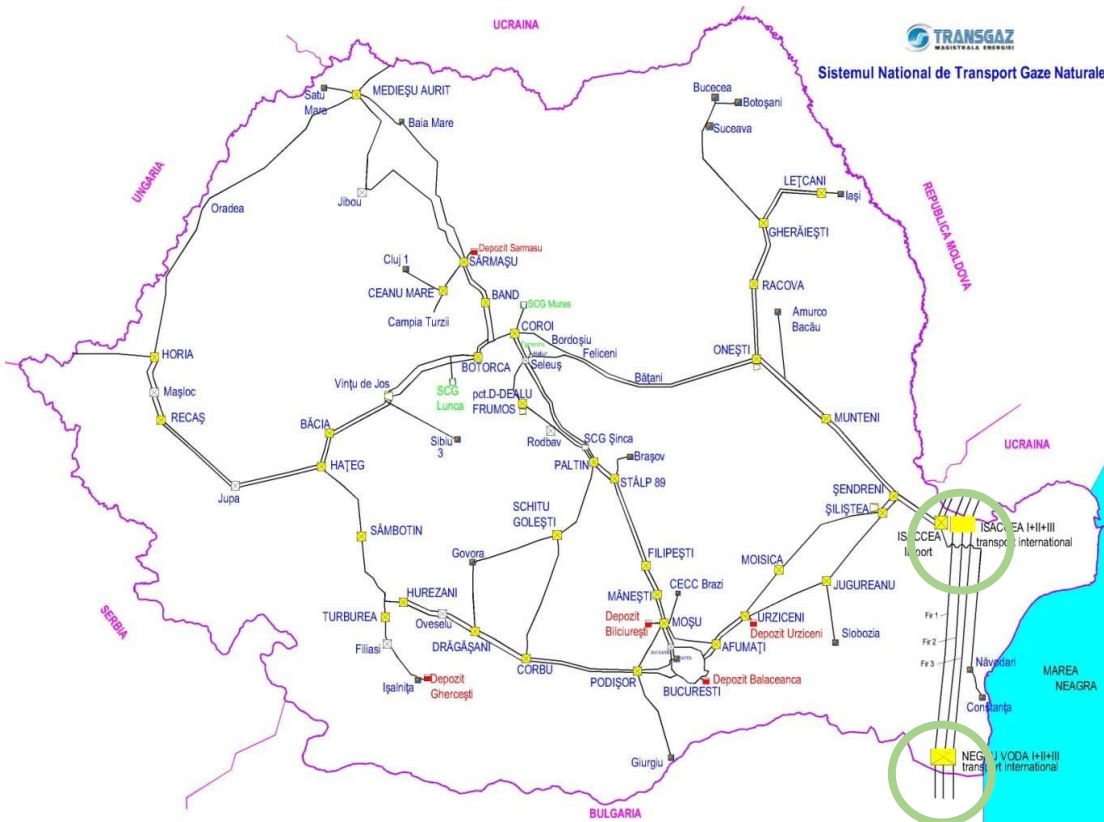
## Necessary investments:

- construction of an approximately 97km long pipeline in the 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 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.

In the case of GMS Negru Voda 1 on a location situated close to the location of the existing station.

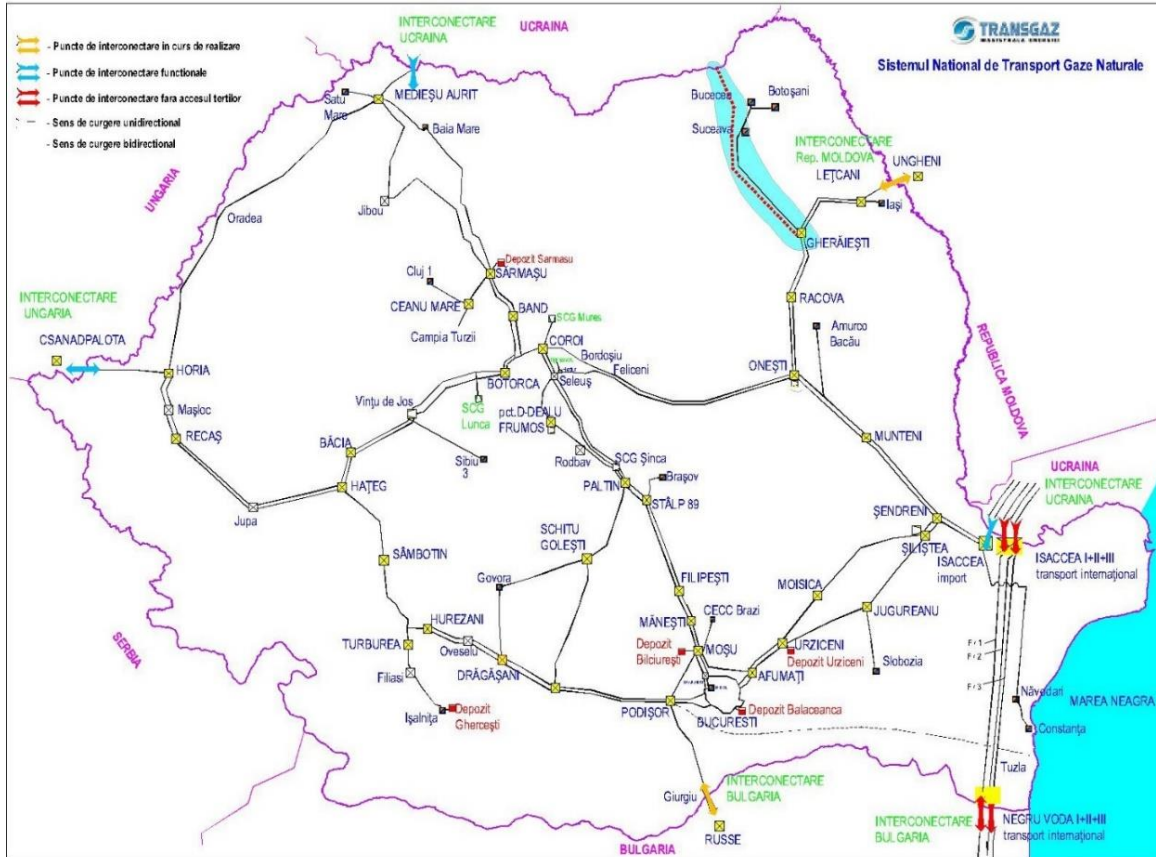
## Total costs ~ 26.65 mil. Euro:

- 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- 2022**





**Estimated commissioning – 2026**

## 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**

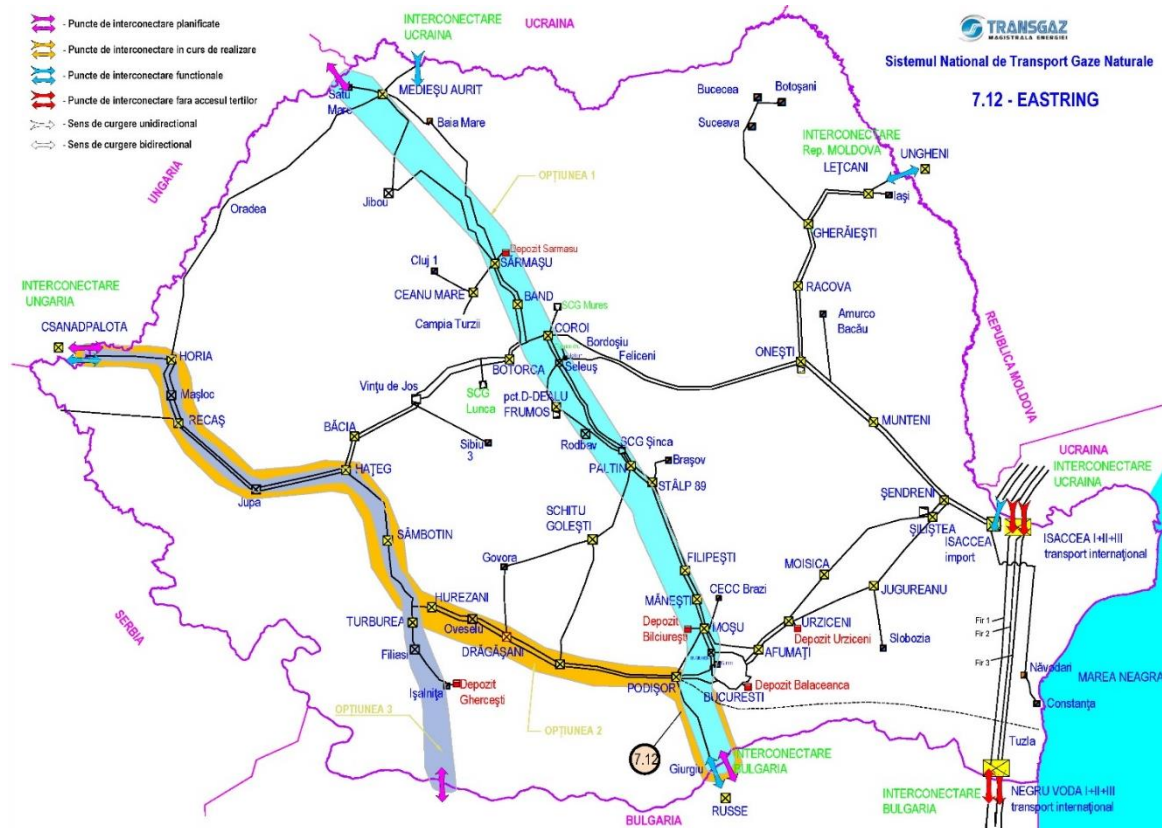


- enhancing security of energy supply to the region

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

- **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.

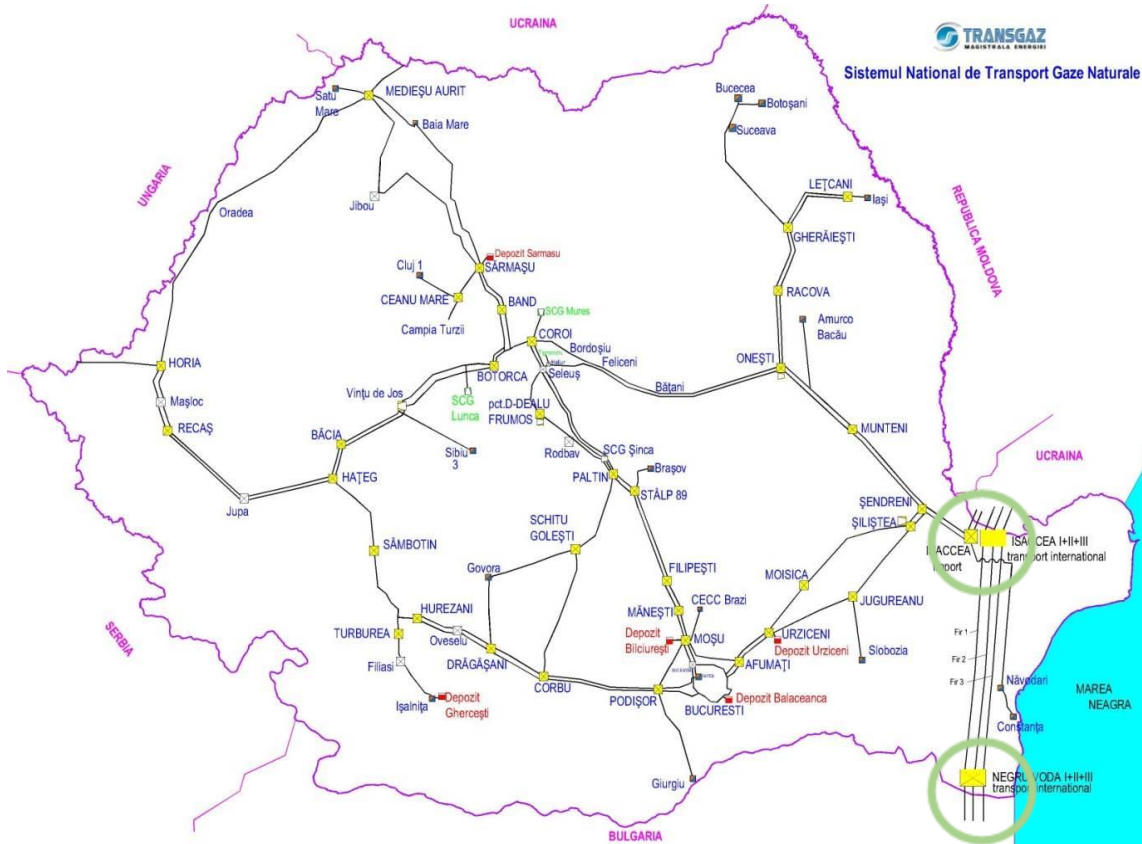
According to the feasibility study, the project will be implemented in two stages as follows:

- 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:

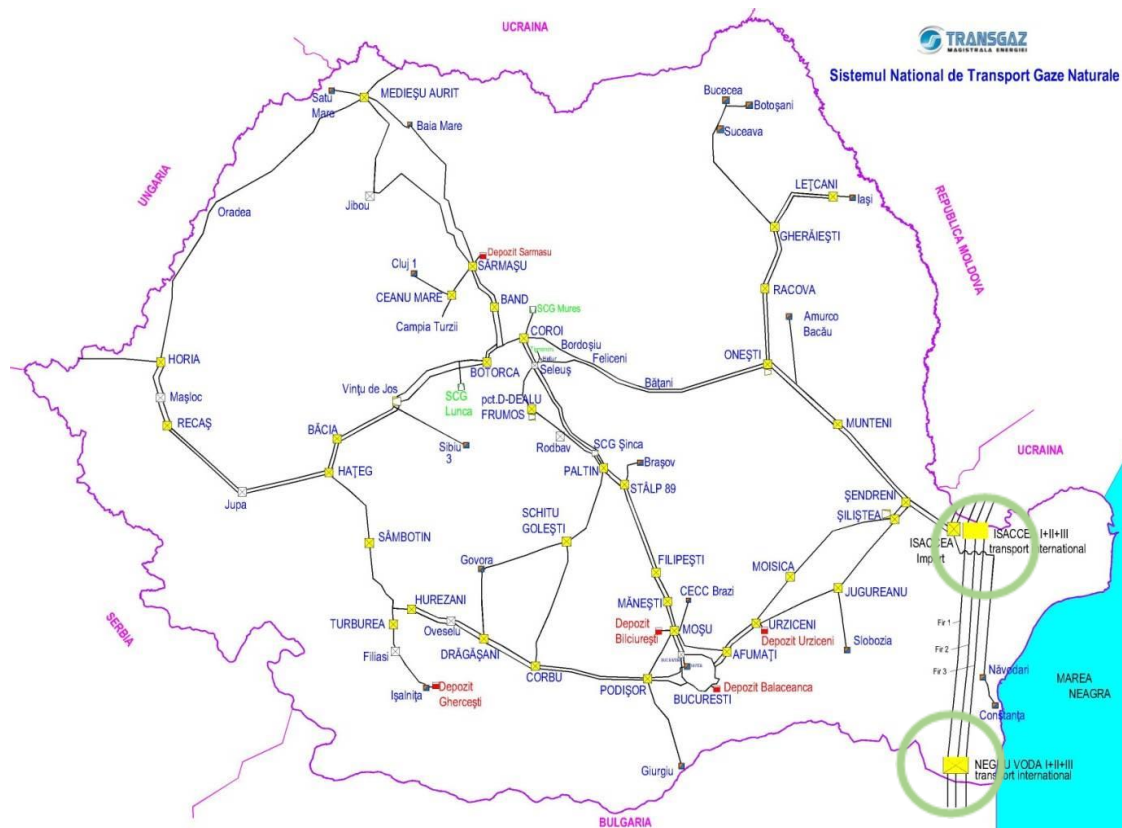
- Enabling bidirectional flow on the T2 pipeline, part of the Trans-Balkan corridor

## Necessary investments:

- modernization of the existing gas metering stations

## Total estimated costs:

- **26.65 mil. Euro**



**Estimated commissioning - 2028**

## Aim:

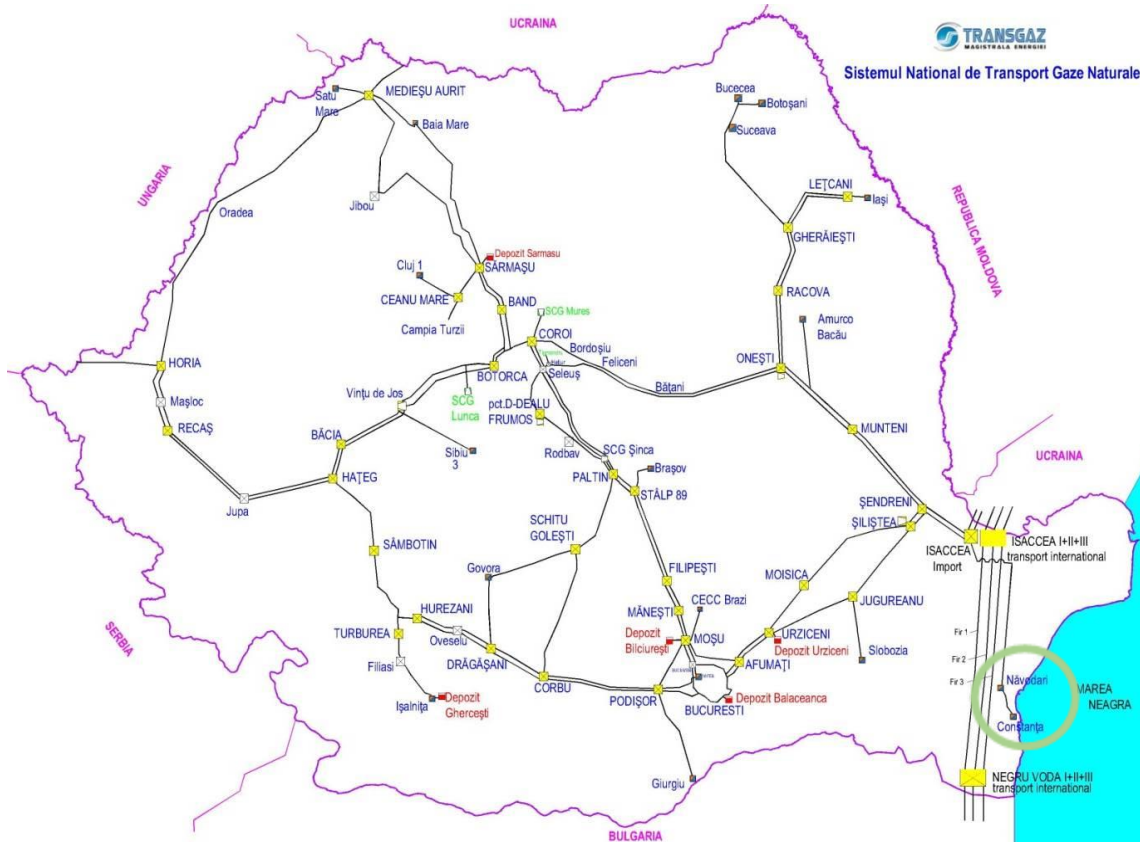
- Enabling bidirectional flow on the T3 pipeline, part of the Trans-Balkan corridor

## 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:

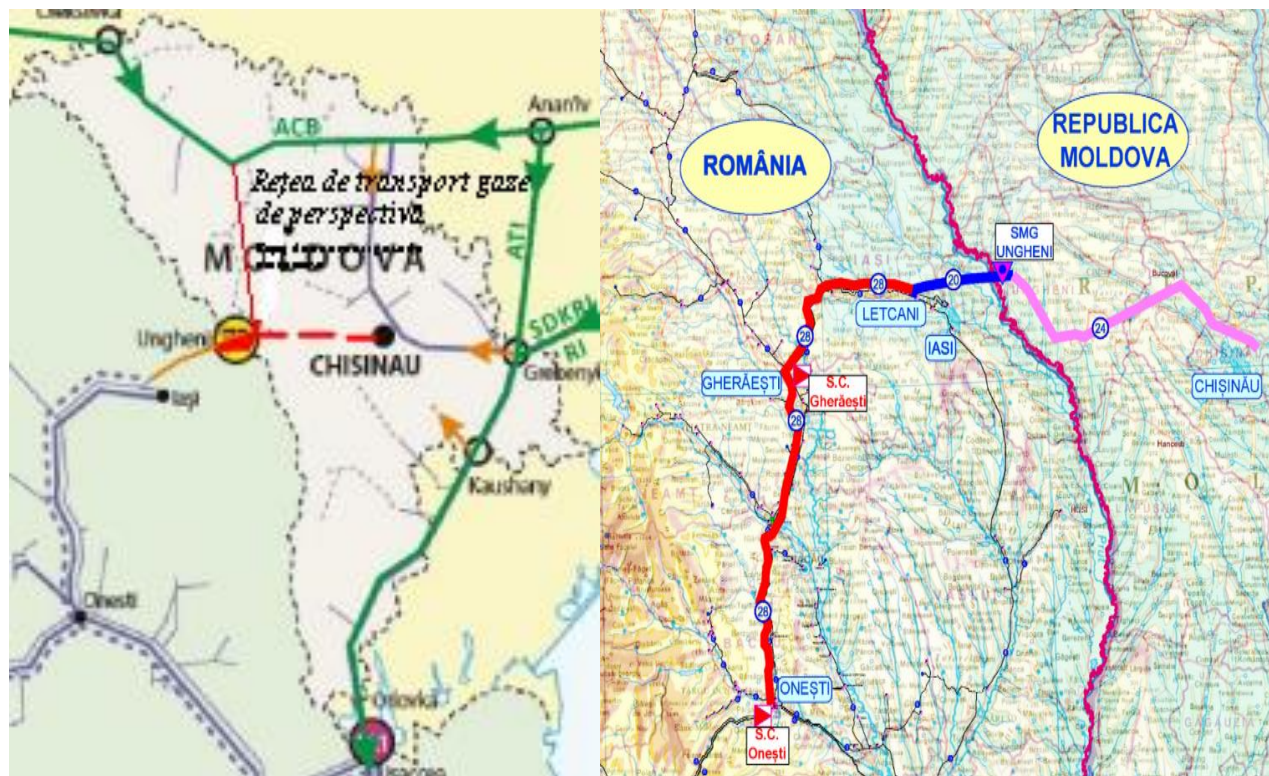
- realization of an interconnection of the national natural gas transmission system at the LNG terminal by building a natural gas transmission pipeline, in a length of about 25 km, from the Black Sea coast to the T1 and T2 pipelines

## Total estimated costs:

- **19.6 mil. Euro**



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



### 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 MOLDOVATRANSNAZ
- an operating complex at Ghidighici where the head office of VESTMOLDTRANSGAZ

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

### Total estimated costs:

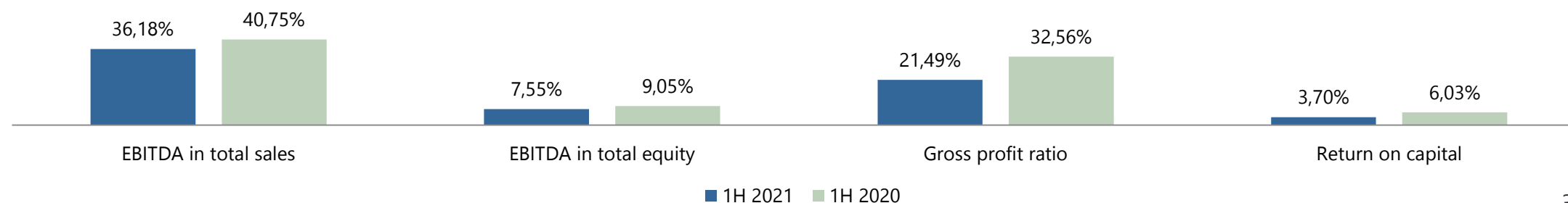
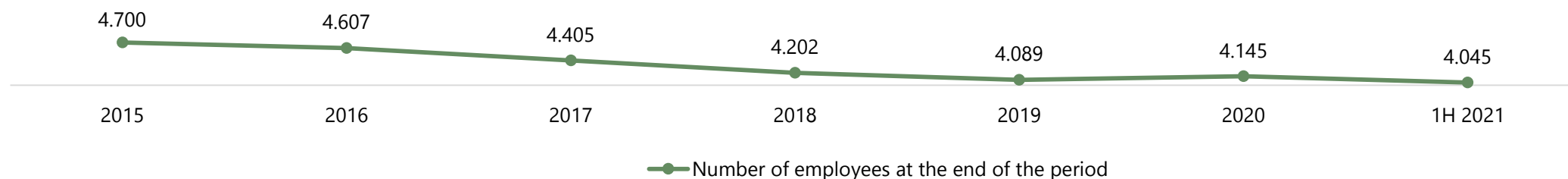
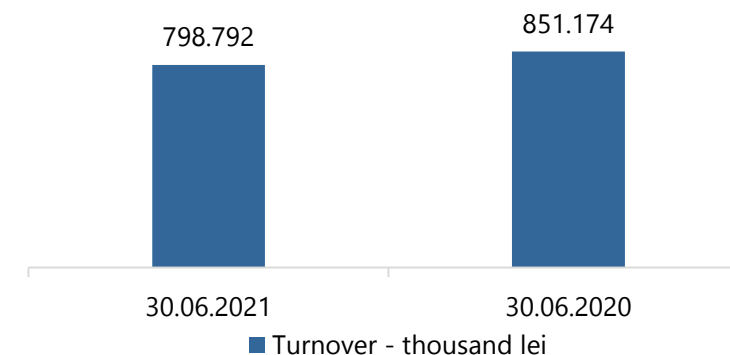
- 93 mil. Euro



## 8. Main indicators

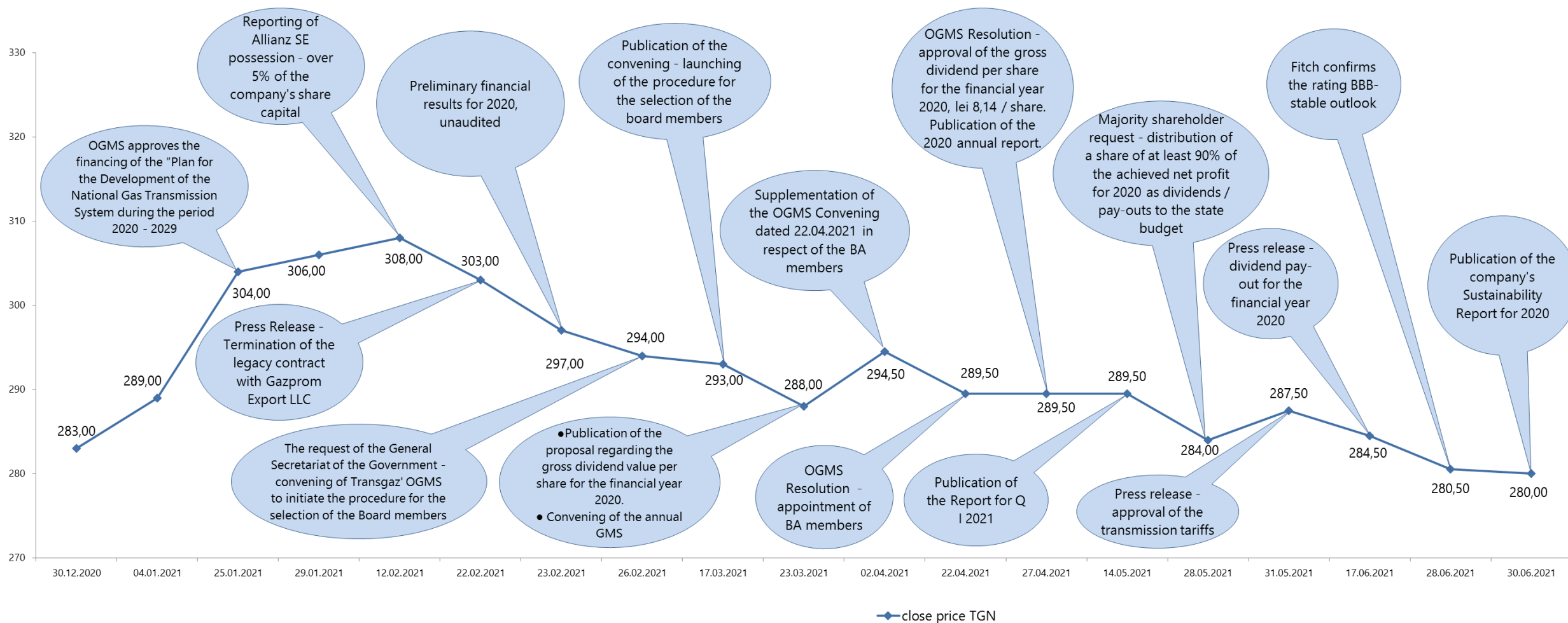
### 1H2021 compared to 1H2020

	1H 2021	1H 2020
EBITDA in total sales	36.18%	40.75%
EBITDA in total equity	7.55%	9.05%
Gross profit ratio	21.49%	32.56%
Return on capital	3.70%	6.03%
Current liquidity ratio	1.25	1.40
Quick liquidity ratio	0.96	0.86
Gearing	37.69%	23.94%
Interest coverage ratio	10.45	40.81
Turnover speed for clients debit - days	150.61	133.58
Turnover speed for credit providers - days	47.76	48.78

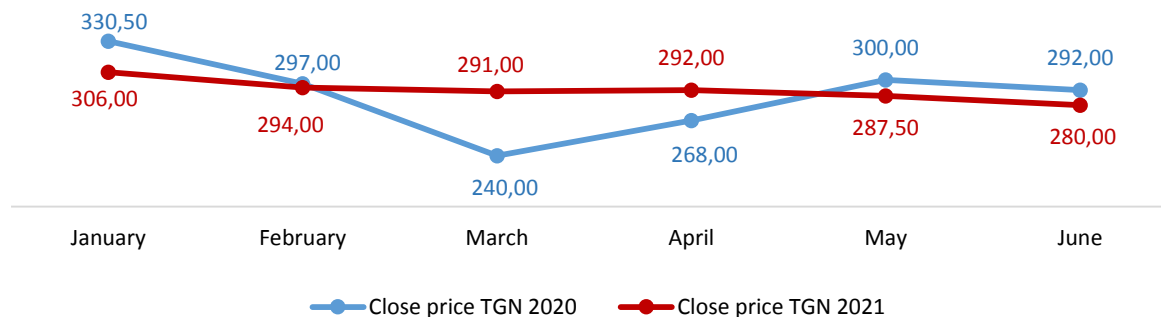


# Stock Exchange TGN Evolution (1)

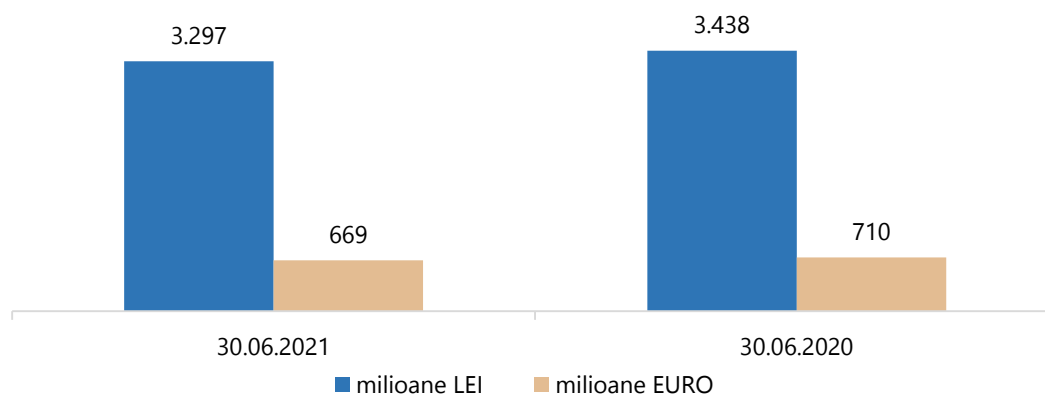
## Main corporate events with an impact upon the share price in 1H 2021



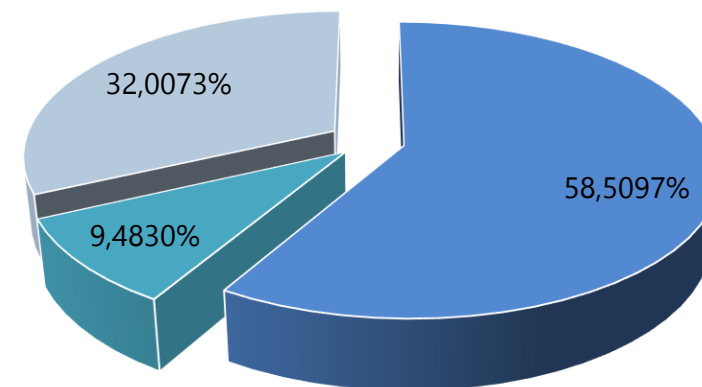
## Stock Exchange TGN Evolution (2)



### Market capitalization



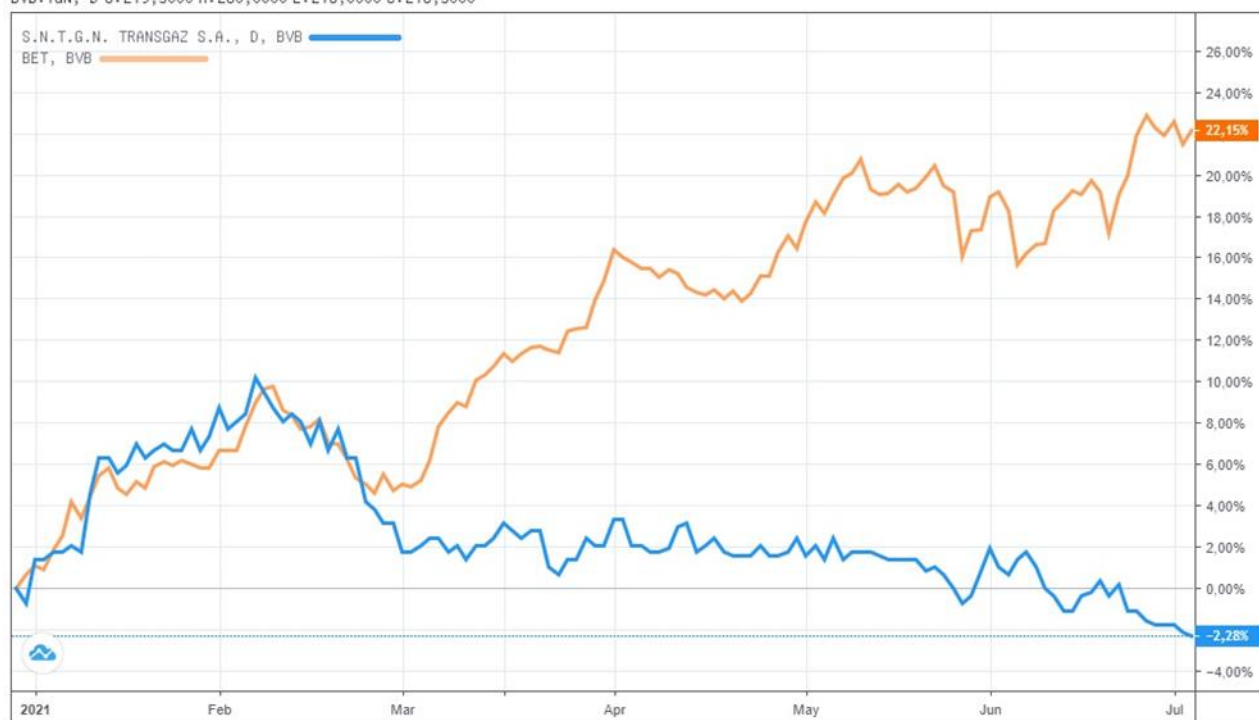
### Shareholders structure at 25.06.2021



■ Romanian State through GSG ■ Natural Persons ■ Legal Persons

# Stock Exchange TGN Evolution (3)

Published on TradingView.com, July 06, 2021 09:49:43 EEST  
BVB:TGN, D 0:279,5000 H:280,0000 L:278,0000 C:278,5000



TradingView

Published on TradingView.com, July 06, 2021 09:50:36 EEST  
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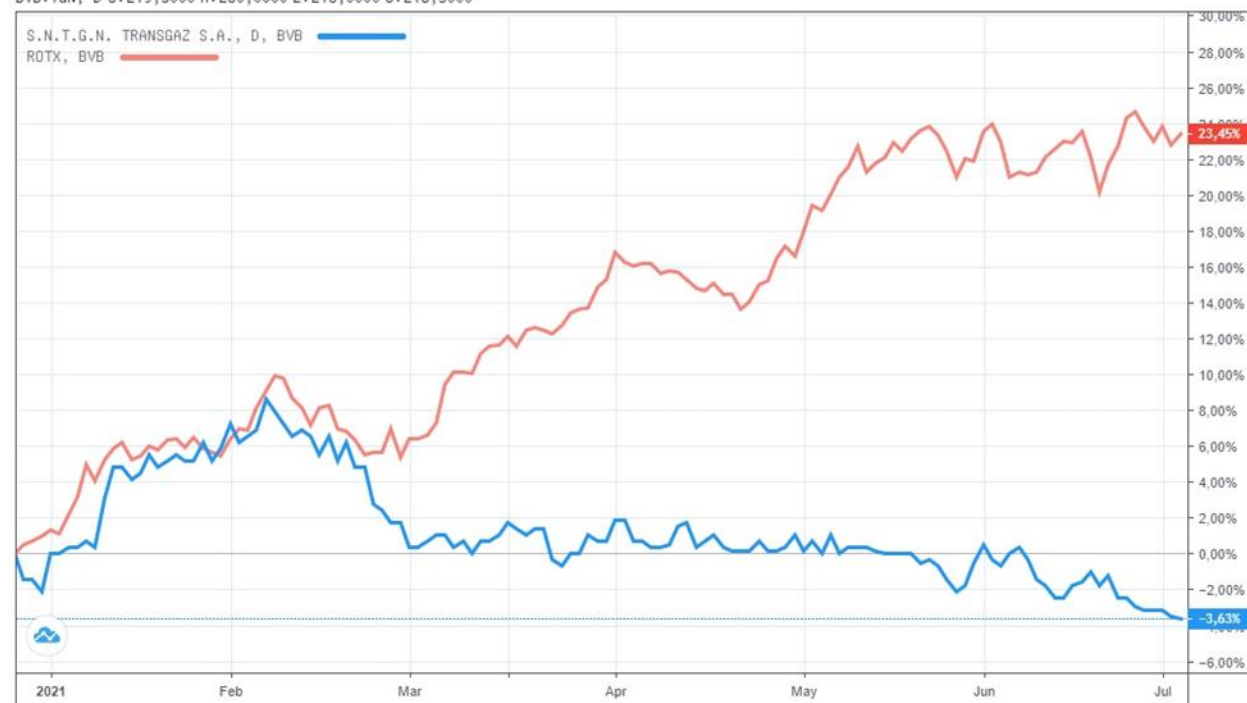
TradingView



# Stock Exchange TGN Evolution (4)

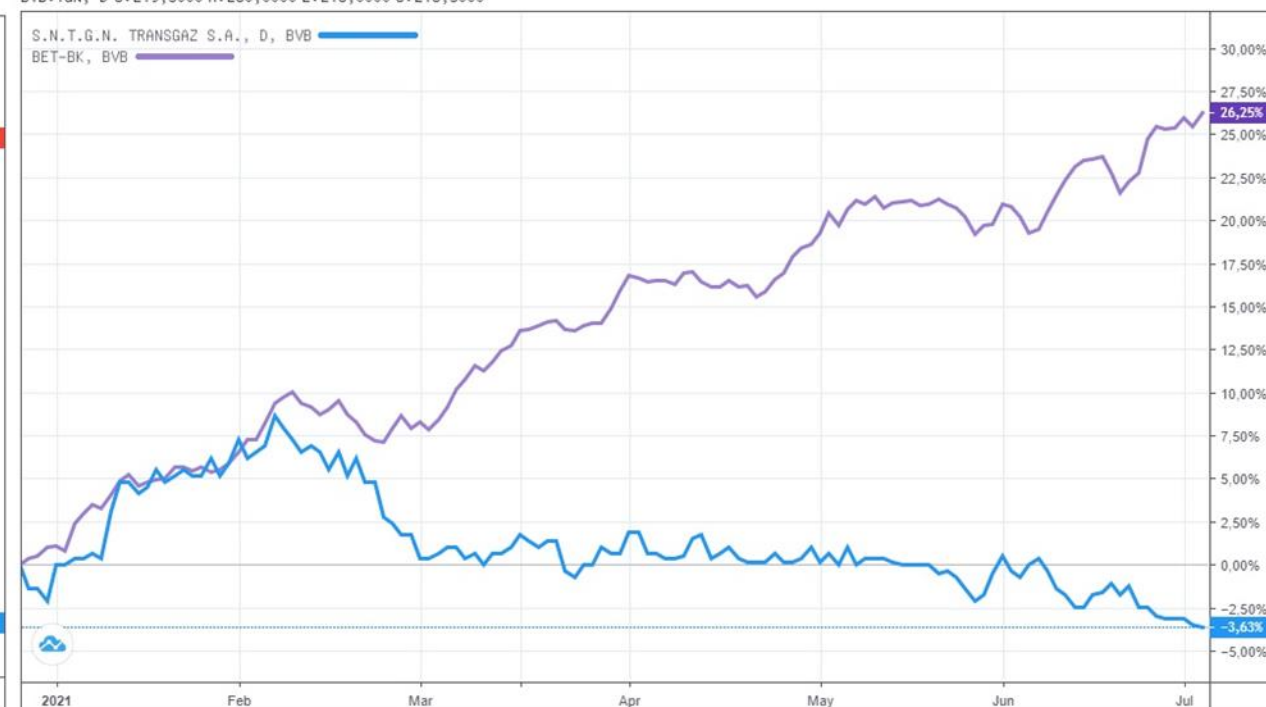


Published on TradingView.com, July 06, 2021 09:58:35 EEST  
BVB:TGN, D 0:279,5000 H:280,0000 L:278,0000 C:278,5000



TradingView

Published on TradingView.com, July 06, 2021 09:59:29 EEST  
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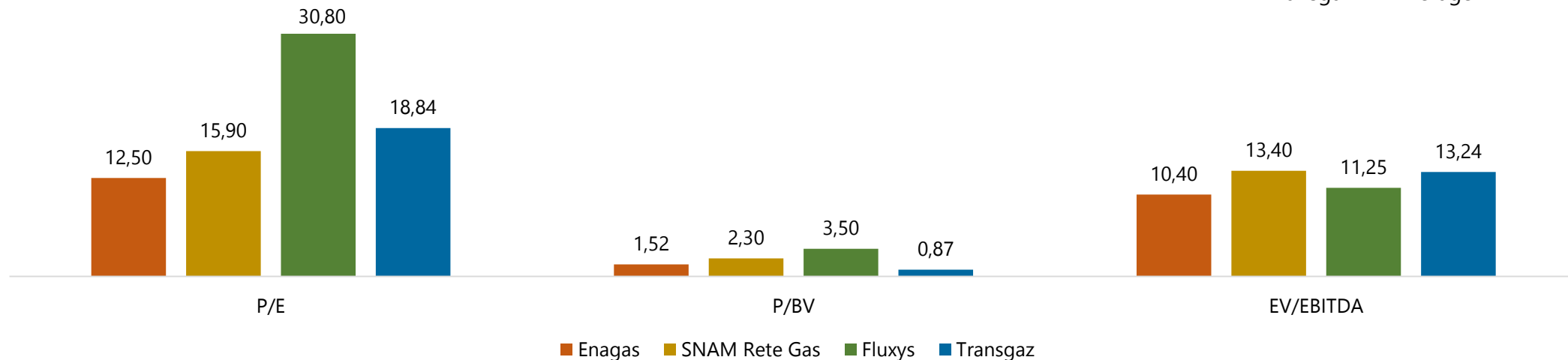
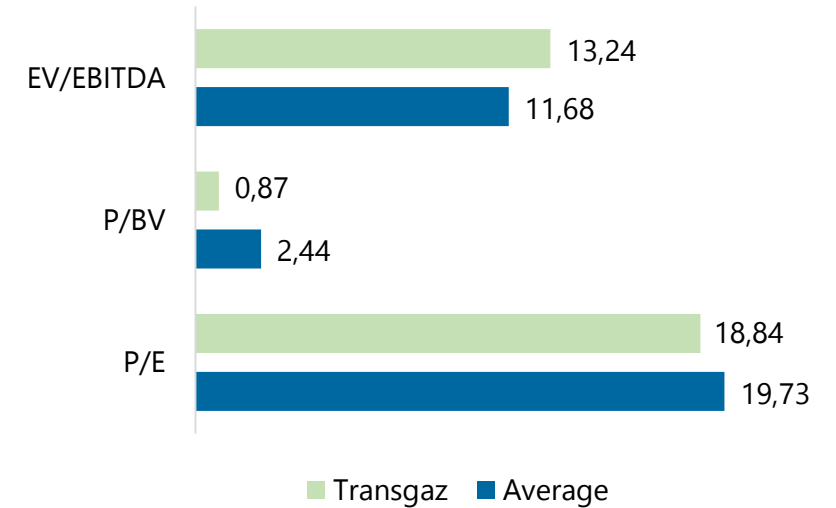


TradingView

# TRANSGAZ COMPARED TO PEERS

Company		P/E	P/BV	EV/EBITDA
Enagas	Spain	12,50	1,52	10,40
SNAM Rete Gas	Italy	15,90	2,30	13,40
Fluxys	Belgium	30,80	3,50	11,25
<b>Average</b>		<b>19,73</b>	<b>2,44</b>	<b>11,68</b>
<b>Transgaz</b>	<b>Romania</b>	<b>18,84</b>	<b>0,87</b>	<b>13,24</b>
Premium /Discount		-4,53%	-64,34%	13,32%

Source: Bloomberg, 12.07.2021





**Thank you for your kind attention!**