

**CURRENT REPORT according to Law no. 24/2017 and the Financial Supervisory Authority Regulation no. 5/2018 on issuers of financial instruments and market operations**

Date of report: **12.11.2021**

Company name: **SNTGN TRANSGAZ SA**

Headquarters: **Medias, 1 Constantin I. Motas Square, code: 551130**

Telephone/fax: **0269-803333/0269-839029**

Tax identification code: **RO13068733**

Trade Register number: **J32/301/2000**

Subscribed and paid-up capital: **Lei 117,738,440**

Regulated market on which issued securities are traded: **Bucharest Stock Exchange**

**QUARTERLY FINANCIAL RESULTS as at 30 SEPTEMBER 2021**  
**(for the period 01.01-30.09.2021)**

SNTGN Transgaz SA is a public limited liability company operated according to the Romanian laws and to the Articles of Incorporation.

According to Government Resolution 334/2000 and to the Articles of Incorporation, Transgaz aims at giving effect to the national strategic goals set for gas transmission, international transit, dispatching, research and design in the gas transmission field by performing trading acts according to its object of activity, in line with the Romanian laws in force.

The revenue obtained by Transgaz results from the following activities:

- **domestic gas transmission, which, due to its monopolistic feature, is regulated by the National Energy Regulatory Authority.**
- **international gas transmission activity and similar**, which is a gas transmission activity performed through dedicated transmission pipelines (which are not connected to the national transmission system-NTS).
- **balancing activity** performed as of 1 December 2015 based on ANRE Order 160/2015 establishing the obligations of the company on the balancing of the national transmission system, a financially neutral activity, any profit or loss from this activity following to be distributed to the customers for which the domestic transmission services are provided.

The total revenue from other activities with a small contribution to the turnover, such as asset sales, renting and royalty, interest revenue and foreign exchange gains, and the operating revenue and the financial revenue related to the debt for the regulated value remaining unamortised of the regulated asset base at the end of the Concession Agreement complete the total revenue of the company.

## THE MAIN INDICATORS OF THE CONSOLIDATED ECONOMIC AND FINANCIAL RESULTS

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.

SNTGN Transgaz SA is the sole shareholder of EUROTRANSGAZ SRL.

Since 2018, following the procurement of Vestmoldtransgaz SRL of Moldova by Eurotransgaz SRL, SNTGN Transgaz SA, 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%

*\* thousands lei \**

Indicator	Obtained 9 months 2021	Obtained 9 months 2020	Increase
0	1	2	3=1/2x100-100
Operating revenue before the balancing and construction activity, according to IFRIC12	955.092	1.015.866	-6%
Revenue from the balancing activity	203.780	148.026	38%
Revenue from the construction activity according to IFRIC12	516.188	1.018.106	-49%
Financial revenue	95.749	55.008	74%
Operating costs before the balancing and construction activity, according to IFRIC12	879.222	803.441	9%
Balancing activity costs	203.780	148.026	38%
Cost of constructed assets according to IFRIC12	516.188	1.018.106	-49%
Financial costs	27.559	18.061	53%
<b>GROSS PROFIT, of which:</b>	<b>144.060</b>	<b>249.371</b>	<b>-42%</b>
• from operation	75.870	212.425	-64%
• from the financial activity	68.190	36.946	85%
<b>Income tax</b>	<b>38.562</b>	<b>43.491</b>	<b>-11%</b>
<b>NET PROFIT</b>	<b>105.498</b>	<b>203.305</b>	<b>-49%</b>

The variation of the consolidated economic-financial indicators at 30 September 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 September 2021 compared to the indicators obtained in the similar period of 2020.

## THE MAIN INDICATORS OF THE INDIVIDUAL ECONOMIC AND FINANCIAL RESULTS

The main economic and financial indicators obtained at 30 September 2021, compared to the indicators obtained in the same period of 2020 are as follows:

*\* thousand lei \**

Indicator	Obtained 9 months 2021	Obtained 9 months 2020	Increase
0	1	2	3=1/2x100-100
Operating revenue before the balancing and construction activity, according to IFRIC12, of which	954.585	1.006.351	-5%
-revenue from domestic transmission	813.812	878.327	-7%
-revenue from international transmission and similar	61.914	87.077	-29%
Operating costs before the balancing and construction activity, according to IFRIC12	868.715	795.814	9%
<b>Operating profit before the balancing and construction activity, according to IFRIC12</b>	<b>85.871</b>	<b>210.537</b>	<b>-59%</b>
Revenue from the balancing activity	203.780	148.026	38%
Balancing activity costs	203.780	148.026	38%
Revenue from the construction activity according to IFRIC12	516.188	1.018.106	-49%
Cost of constructed assets according to IFRIC12	516.188	1.018.106	-49%
<b>Operating profit</b>	<b>85.871</b>	<b>210.537</b>	<b>-59%</b>
Financial revenue	79.392	50.148	58%
Financial costs	14.992	12.458	20%
<b>Financial result</b>	<b>64.400</b>	<b>37.690</b>	<b>71%</b>
<b>GROSS PROFIT</b>	<b>150.271</b>	<b>248.227</b>	<b>-39%</b>
<b>Income tax</b>	<b>38.051</b>	<b>43.430</b>	<b>-12%</b>
<b>NET PROFIT</b>	<b>112.220</b>	<b>204.796</b>	<b>-45%</b>

**Operating revenue before the balancing and construction activity, according to IFRIC12** decreased by **5%** as compared to 30 September 2020, which is lower by **Lei 51.766 thousand**.

**Operating costs before the balancing and construction activity according to IFRIC12** increased by **9%** as compared to 30 September 2020, which is higher by **Lei 72.901 thousand**.

**Compared to 30 September 2020 the gross profit obtained at 30 September 2021 decreased by 39%, which is lower by Lei 97.956 thousand.**

The Quarterly report as at 30 September 2021 (01.01-30.09.2021) is prepared in line with the provisions of annex no. 13 to the Ia Financial Supervisory Authority Regulation no. 5/2018 and it includes unaudited financial information.

To view the entire report you can access the link below or Transgaz' website at: [http://www.transgaz.ro/en/investitori/raportari\\_financiare](http://www.transgaz.ro/en/investitori/raportari_financiare)

**ION STERIAN**  
**DIRECTOR GENERAL**