

No. DSMC 37123/13.05.2021

QUARTERLY FINANCIAL RESULTS AS AT 31 MARCH 2021

SNTGN "Transgaz" SA is a joint stock company carrying out its business according to the Romanian legislation and its Articles of Incorporation.

Pursuant to GD no. 334/2000 and the Articles of Incorporation, Transgaz aims at the fulfilment of the national strategy established for domestic and international transmission, gas dispatching and research and design related to gas transmission, by performing trade activities aligned with its core business, in compliance with the national laws.

Starting with 2018, following the procurement of Vestmoldtransgaz SRL, Moldova by Eurotransgaz SRL, Transgaz, as parent company, prepares consolidated financial statements for the group.

Consolidated companies part of 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%

The main consolidated economic and financial indicators achieved in quarter I 2021 compared to quarter I 2020 are as follows:

thousand lei

Indicator	Consolidated achieved Q I 2021	Consolidated achieved Q I 2020	Increase
0	1	2	$3 = 1/2 \times 100 - 100$
Operating revenue before the balancing and construction activity, according to IFRIC12	456.390	512.801	-11%
Revenue from the balancing activity	74.253	64.515	15%
Revenue from the construction activity according to IFRIC12	158.010	339.363	-53%
Financial revenue	31.466	8.226	283%
Operating costs before the balancing and construction activity, according to IFRIC12	279.383	274.042	2%
Balancing activity costs	74.253	64.515	15%

Indicator	Consolidated achieved Q I 2021	Consolidated achieved Q I 2020	Increase
Cost of constructed assets according to IFRIC12	158.010	339.363	-53%
Financial costs	14.966	5.915	153%
GROSS PROFIT , of which:	193.506	241.070	-20%
• from operation	177.006	238.759	-26%
• from the financial activity	16.500	2.311	614%
Income tax	39.091	40.488	-3%
NET PROFIT	154.416	200.582	-23%

The variation of the consolidated economic-financial indicators at 31 March 2021, compared to the indicators achieved 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 March 2021 compared to the indicators achieved 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).

The main individual economic and financial indicators achieved at 31 March 2021, compared to the indicators achieved in the same period of 2020 are as follows:

thousand lei

Indicator	Achieved Q I 2021	Achieved Q I 2020	Increase
0	1	2	$3 = \frac{1}{2} \times 100 - 100$
Operating revenue before the balancing and construction activity, according to IFRIC12, of which:	455.789	512.801	-11%
-revenue from domestic transmission	421.450	474.268	-11%
-revenue from international transmission and similar	10.342	29.547	-65%
Operating costs before the balancing and construction activity, according to IFRIC12	276.002	272.333	1%
Operating profit before the balancing and construction activity, according to IFRIC12	179.787	240.469	-25%
Revenue from the balancing activity	74.253	64.515	15%
Balancing activity costs	74.253	64.515	15%
Revenue from the construction activity according to IFRIC12	158.010	339.363	-53%
Cost of constructed assets according to IFRIC12	158.010	339.363	-53%
Operating profit	179.787	240.469	-25%
Financial revenue	24.024	7.271	230%
Financial costs	7.008	5.381	30%
Financial result	17.016	1.889	801%
GROSS PROFIT	196.802	242.358	-19%

Indicator	Achieved Q I 2021	Achieved Q I 2020	Increase
0	1	2	$3=1/2 \times 100 - 100$
Income tax	38.906	40.491	-4%
NET PROFIT	157.896	201.867	-22%

In Q1 2021 the ***operating revenue before the balancing and construction activity, according to IFRIC12*** decreased by **11%** as compared to Q I 2020, which is lower by **Lei 57.013 thousand**.

Operating costs before the balancing and construction activity according to IFRIC12 increased by **1%** in Q1 2021, as compared to Q I 2020, which is higher by **Lei 3.669 thousand**.

Compared to Q I 2020 the gross profit obtained in Q I 2021 decreased by 19%, which is lower by Lei 45.556 thousand.

The Quarterly Report as at 31 March 2021 is prepared in accordance with the provisions of Annex 13 to the FSA Regulation no. 5/2018 and includes unaudited financial information.

The full version of the report is made available to the public as follows:

- on TRANSGAZ' website at:
http://www.transgaz.ro/en/investitori/raportari_financiare
- at the headquarters of SNTGN TRANSGAZ SA, Mediaş, Piaţa C.I. Motaş no.1, Sibiu county.
- in electronic format - on the website of the Bucharest Stock Exchange, at the link below;

**DIRECTOR GENERAL
STERIAN ION**