



COMPANY PRESENTATION

2020

A RESPONSIBLE COMPANY, A COMPANY OF THE FUTURE!



ION STERIAN
GENERAL DIRECTOR

SNTGN TRANSGAZ is the technical operator of the National Natural Gas Transmission System and ensures the performance in terms of efficiency, transparency, safety, non-discriminatory access and competitiveness of the national strategy established for domestic and international transmission, natural gas dispatching, research and design in the field of natural gas transmission, in compliance with the national and European legislation and standards of quality, performance, environment and sustainable development.

The increase in the importance of the company, both as a driver of the national economy and as a vector of the country's economic growth, through its role in the development of the energy sector and the transformation of Romania into a European energy power, are strategic objectives for which the managers of the company have launched one of the largest and most important programs for the development of the natural gas transmission infrastructure in Romania for the last 20 years, including investment projects estimated at over 4 billion euros. SNTGN Transgaz SA is responsible for the most important construction sites in Romania. The company is engaged in the development of several strategic investment projects, consisting of the development of gas pipelines for gas transmission, investments that will confirm the regional scope of the company and its role as the first Romanian multinational state owned company.

The strategic vision of those who currently bear the responsibility of the company's destiny today is to focus on professional and efficient management, on the ability to cope with challenges and constraints, on the development and modernization of the national gas transmission infrastructure, on the competitiveness and the capitalization of existing and future opportunities, so that TRANSGAZ becomes a recognized transmission on the international gas market, a leader in the energy market in the region, an important bridge in the national and European energy chain. By pursuing the proposed objectives of operational efficiency, performance optimization and sustainable development of the company and complying with the principles of good corporate governance, the company's administrators carry out their mandate in a responsible, efficient, transparent and professional manner towards all stakeholders.

MODERN, DYNAMIC EXCELLENCY ORIENTED COMPANY!

VISION

The company intends to become an internationally recognized gas transmission operator, a leader on the energy market in the region, with a modern national gas transmission system, integrated at European level and a very competitive management system according to the best corporate governance practices.

MISSION

SNTGN TRANSGAZ SA is the sole operator of the National gas transmission system, (NTS), ensuring the transmission of over 90% of the gas consumed in Romania, under safety, efficiency and competitiveness, in line with European standards of performance and environmental protection.



ACTIVITIES

Transgaz was established based on the GD no. 334/ 28 April 2000 and carries out the following activities:

- ❑ *Domestic gas transmission – activity regulated by monopoly, with tariffs set based on the methodology issued by National Regulatory Authority for Energy;*
- ❑ *International gas transmission – unregulated activity performed through dedicated pipelines, with tariffs set in line with the commercial contracts concluded between the parties;*
- ❑ *Natural gas dispatching and research and design in the field of natural gas transmission.*

CURRENT NTS INFRASTRUCTURE



- ❑ Over 13,600 km of main gas transmission pipelines and connections for gas supply, of which 369 km international gas transmission pipelines;
- ❑ 1,128 gas metering stations;
- ❑ 4 gas metering stations for international gas transmission;
- ❑ 7 gas metering stations for imported gas;
- ❑ 6 gas compressor stations;
- ❑ 1,040 cathodic protection stations (CPS);
- ❑ 58 valve control stations/technological nodes;
- ❑ 904 gas odorization units.

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.

WE TRANSMIT GAS IN EFFICIENCY AND MAXIMUM SECURITY CONDITIONS

CERTIFICATIONS

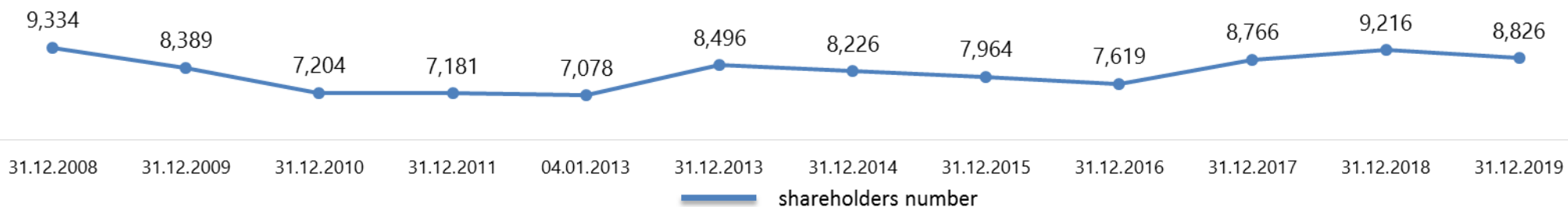
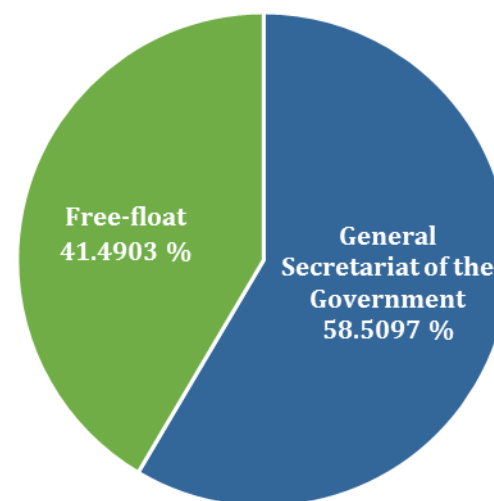
In line with the unbundling requirements of the Third Energy Package, TRANSGAZ obtained the certification as independent system operator. TRANSGAZ obtained the certification of the integrated quality management system ISO 9001 and ISO 14001 by IQ Net (International Quality Network) and OHSAS 18001, company recognized for quality assurance, health and safety.

CORPORATE GOVERNANCE

As a company listed on the Bucharest Stock Exchange, TRANSGAZ adopted corporate governance practices and developed responsible and transparent business practices. Transgaz' management bodies are the general shareholders meeting, the board of administration, the consultative committees and the executive management delegated to the director general.

SHAREHOLDING

As of 2008, TRANSGAZ is an active presence on the capital market in Romania, being listed on the Bucharest Stock Exchange.





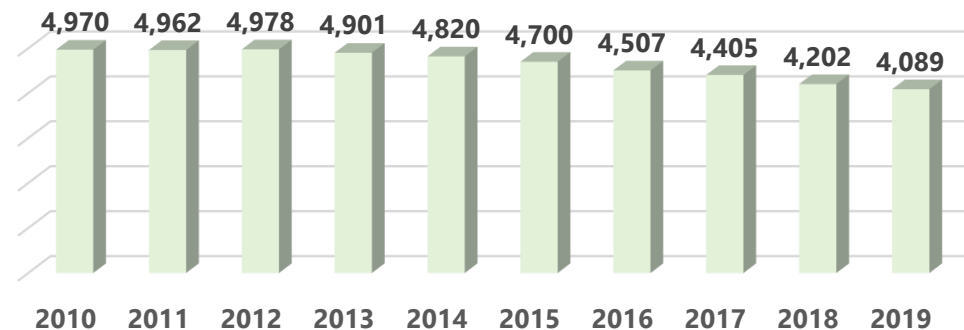
TRANSGAZ is structured by functional units (divisions, units, departments, offices, compartments etc.) and production entities (9 regional offices, sectors, laboratories, working units etc.).

TRANSGAZ has a great number of engineers and technical staff specialized in research and design, exploitation, maintenance and technical assistance in gas transmission.

The company undertakes to increase the percentage of highly qualified specialists among the staff and to increase the level of education of the working personnel.



The evolution of the number of employees





TRANSGAZ has a research and design department in the field of natural gas transmission consisting of 150 specialists with experience of over 25-30 years. 88% of them are certified and specialized in research, design, technical assistance, oil and gas, chemistry and biochemistry, energy efficiency, reduction of technological consumption, feasibility studies of rehabilitation projects and investments in modernization and development of NTS, testing, approval and certification of equipment.

The research and design activity includes very complex strategic activities aiming at:

Rehabilitation and upgrading of the gas transmission system so as to increase safety;

Increasing energy efficiency;

Metering gas flows;

Environmental and labour protection;

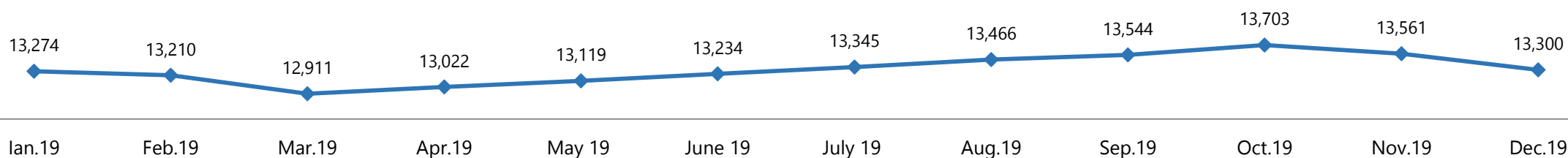
Issuing regulations, technical requirements, standards, working procedures in the field of gas transmission and other connected fields.

TRANSGAZ' specialists have provided technical assistance to construction companies for the design and construction of international gas pipelines in Romania. TRANSGAZ has designed the gas pipelines in the system and has substantially contributed to the achievement of the investment objectives and to the maintenance of the NTS.

Considering its complex and extensive investment program, TRANSGAZ has developed significant capabilities to ensure competitive financing. The company has a professional department for accessing European funds and international relations.

CIRCULATED NATURAL GAS

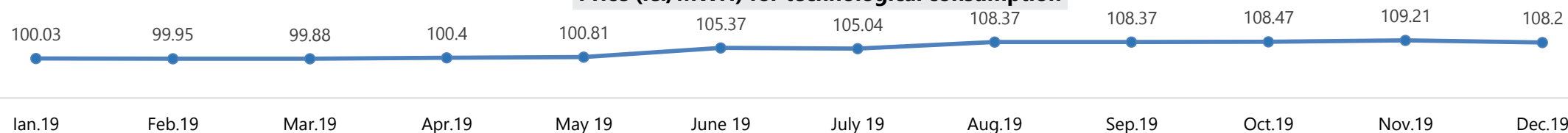
Circulated natural gas (including storage) – mil.m³- rolling 12 months



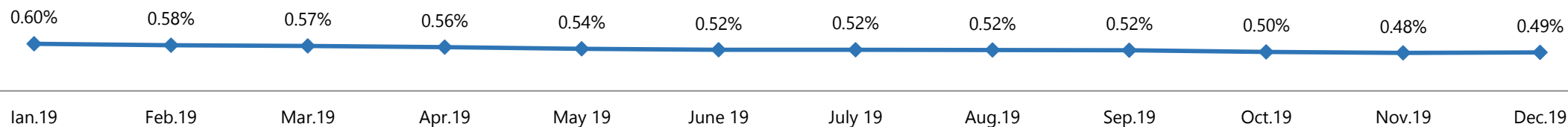
Circulated gas, of which:		Q I 2019	Q II 2019	Q III 2019	Q IV 2019	Q I 2018	Q II 2018	Q III 2018	Q IV 2018
	MWh	45,054,044	28,562,915	30,562,038	38,288,505	46,975,237	25,167,343	27,230,967	40,827,278
- storage	thousand m ³	4,211,546	2,668,781	2,849,487	3,570,020	4,374,858	2,346,385	2,539,374	3,814,059
	MWh	398,246	11,330,119	14,630,427	3,608,278	263,565	8,431,857	10,895,380	1,492,113
	thousand m ³	37,854	1,068,904	1,386,169	415,584	24,652	786,541	1,018,217	141,334
Share of storage in the circulated gas		0.88%	39.67%	47.87%	9.42%	0.56%	33.50%	40.01%	3.65%

TECHNOLOGICAL CONSUMPTION

Price (lei/MWh) for technological consumption



Technological consumption in total circulated gas (rolling 12 months)



		Q I 2019	Q II 2019	Q III 2019	Q IV 2019	Q I 2018	Q II 2018	Q III 2018	Q IV 2018
Technological consumption, materials and supplies used of which:	thousand lei	30,306	28,675	21,753	18,532	28,620	24,836	17,076	26,349
▪ consumption and technological loss in the transmission system	thousand lei	22,422	16,806	13,392	13,637	22,214	17,531	10,173	20,085
- technological consumption quantity	MWh	224,309	164,730	125,272	126,394	280,187	224,289	125,975	217,359
▪ ancillary materials	thousand lei	6,703	10,902	7,466	3,540	5,475	6,524	6,193	5,597
▪ other material expenses	thousand lei	1,181	967	896	1,355	931	780	711	1,981

As a gas transmission system operator certified according to the Third Energy Package, of July 2010 TRANSGAZ is member of ENTSOG (The European network of *Gas transmission system operators*), organization within which the company cooperates with all European transmission system operators.



By means of the Ten years National Gas Transmission System Development Plan, TRANSGAZ proposes major investment projects, estimated at over EUR 4 billion, investments for the strategic and sustainable development of the Romanian gas transmission infrastructure and its compliance with the requirements of the European regulations in the field.

Continuity of the activity and ensuring safety and security of gas supply

- ✦ Increasing the level of security of the NST and gas supply safety
- ✦ Competitive energy markets – by creating the necessary technical conditions for the development of the gas market
- ✦ The Modernization of the Corporate Governance System

Increasing the COMPETITIVITY of the company

- ✦ Development and modernization of all of the operational processes
- ✦ Increasing energy efficiency and reduction in the negative impact of the technological processes upon the environment

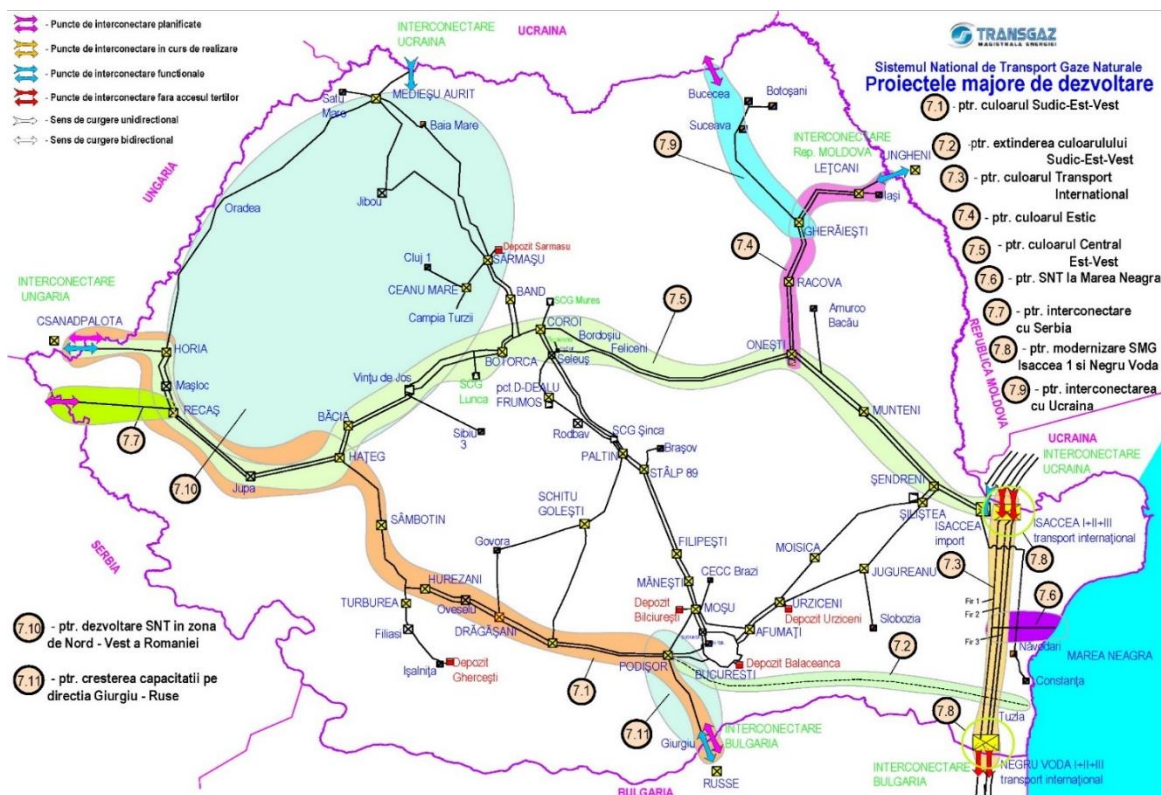
Increasing the SUSTAINABLE DEVELOPMENT of the company by increasing the human, organizational and human resources and the alignment with the relevant European regulations for the activity of the company and ensuring sustainability.

- ✦ Optimization of the human resources management process
- ✦ Alignment to the relevant European regulations for the activity of the company and ensuring sustainability
- ✦ Optimization of the risk management process
- ✦ Increasing institutional integrity

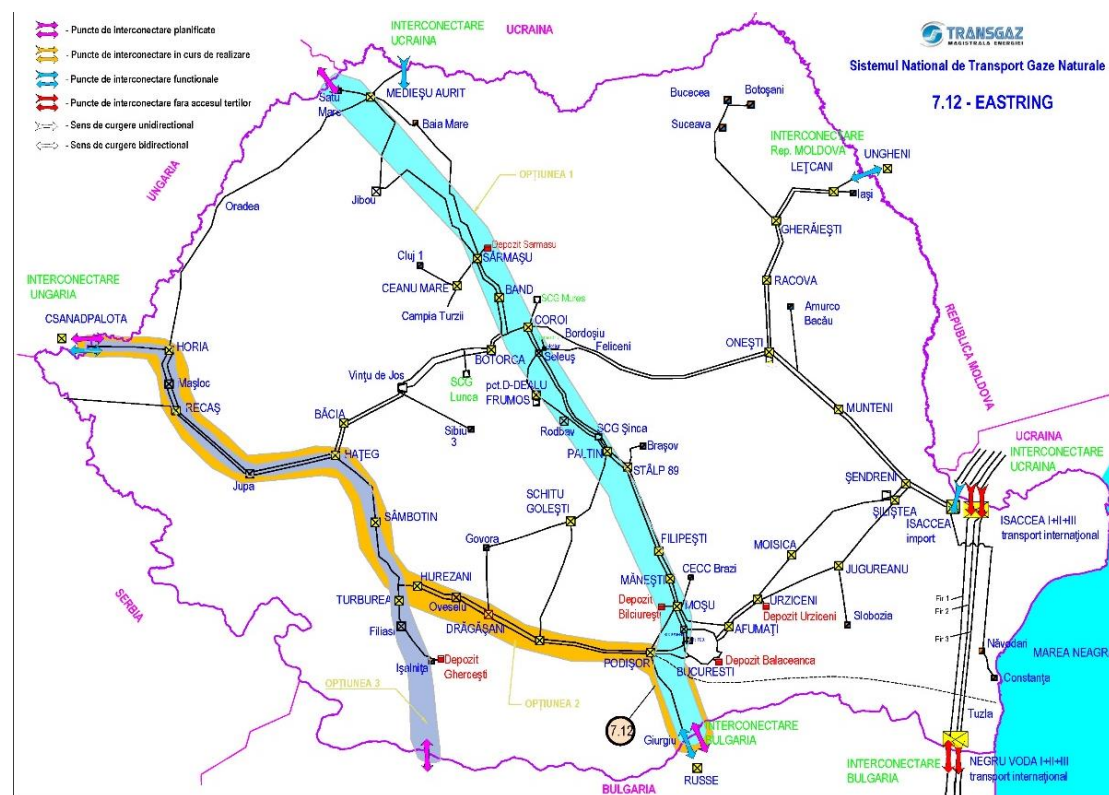
Maintaining financial balance and operational stability

- ✦ Ensuring financial, economic and social performances
- ✦ Maintaining financial balance and operational stability

MAJOR PROJECTS



EASTRING



~ 4 BILLION EURO

Project no	Project	Estimated value mil. Euro	Completion date	Project importance	Project status	Financing sources (mil. Euro)
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	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	Own sources: 97.76 Attracted sources: 380.84
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	2022	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	Own sources: 24.08 Attracted sources: 44.72
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.	A non FID	Own sources: 180.2 Attracted sources: 180.2
7.3	Interconnection of the national gas transmission system with the international natural gas pipeline T1 and Isaccea reverse flow.	77.7 Phase I: 8.8 Phase II: 68.9	Phase 1: 2018 Phase 2: 2020	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.	FID	Own sources: 32.9 Attracted sources: 44.8
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	Own sources: 44.89 Attracted sources: 129.36
7.5	Amplification of the bidirectional gas transmission corridor Bulgaria - Romania - Hungary - Austria (BRUA Phase III)	530	2025	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	Own sources: 185.5 Attracted sources: 344.5
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	Own sources: 3.19 Attracted sources: 5.95
7.7	Romania-Serbia Interconnection	56.21	2021	Establish an interconnection pipeline with Serbia to diversify sources of supply and increase energy security in the region.	A non FID	Own sources: 18.82 Attracted sources: 34.94

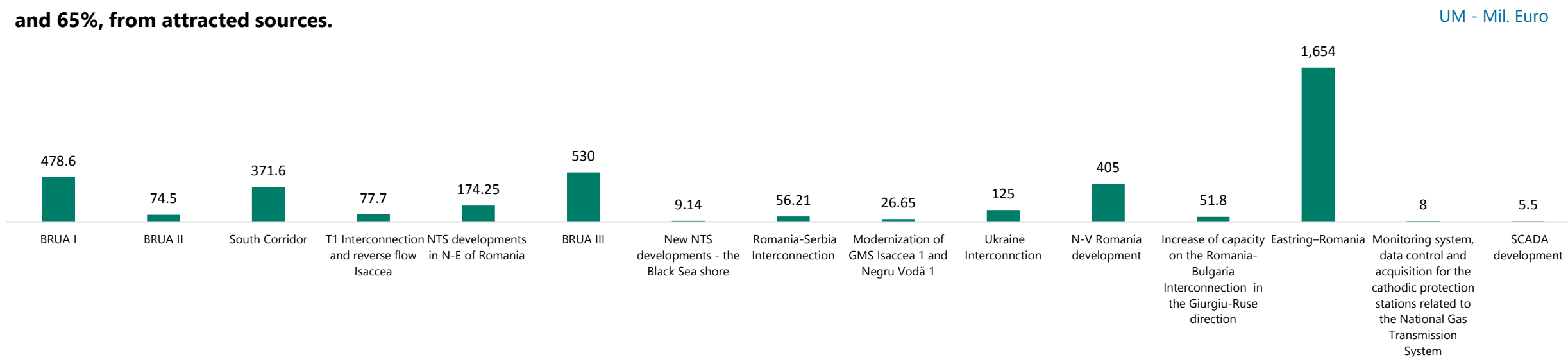
Project no.	Project	Estimated value mil. Euro	Completion date	Project importance	Project status	Financing sources (mil. Euro)
7.8	Upgrading GMS Isaccea 1 and Negru Vodă 1	26.65	2021	Upgrading the gas metering stations at interconnection points to increase the level of energy security in the region.	FID	Own sources: 9.33 Attracted sources: 17.32
7.9	Interconnection of the national gas transmission system with the natural gas transmission system of Ukraine, Gherăești-Siret	125	2025	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	Own sources: 43.75 Attracted sources: 81.25
7.10	Development/Upgrading of the gas transmission infrastructure in the North-Western part of Romania	405	Phase 1 2022 Phase 2 2025 Phase 3 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	Own sources : 141.75 Attracted sources: 263.25
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	Own sources : 18.13 Attracted sources: 33.67
7.12	Eastring-Romania	Phase 1: 1,297 Romania Phase 2: 357 Romania	Phase 1: 2025 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	Own sources : 578.9 Attracted sources: 1,075.1
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	Own sources : 2.8 Attracted sources: 5.2
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	Own sources : 1.9 Attracted sources: 3.6

The financing modalities considered for the achievement of the key projects for the development of the National Transmission System between 2019 – 2028 from:

- own sources;
- attracted sources.

The value of the FID și A non FID key projects of Transgaz for 2019-2028 is of approx. 1.25 billion euro, and will be 35% covered from own sources, and 65%, from attracted sources.

SNTGN Transgaz SA seeks, to obtain, through sustained efforts, financial support for the financing of investment projects having an impact on the modernization, upgrading and development of the NTS infrastructure in order to obtain a financing mix which provides the lowest cost to finance the development plan.



PROJECT BENEFITS

integration of the natural gas market and interoperability of natural gas transmission systems in the region;

the convergence of gas prices in the region;

increasing the flexibility of the European gas transmission system by bidirectional interconnections;

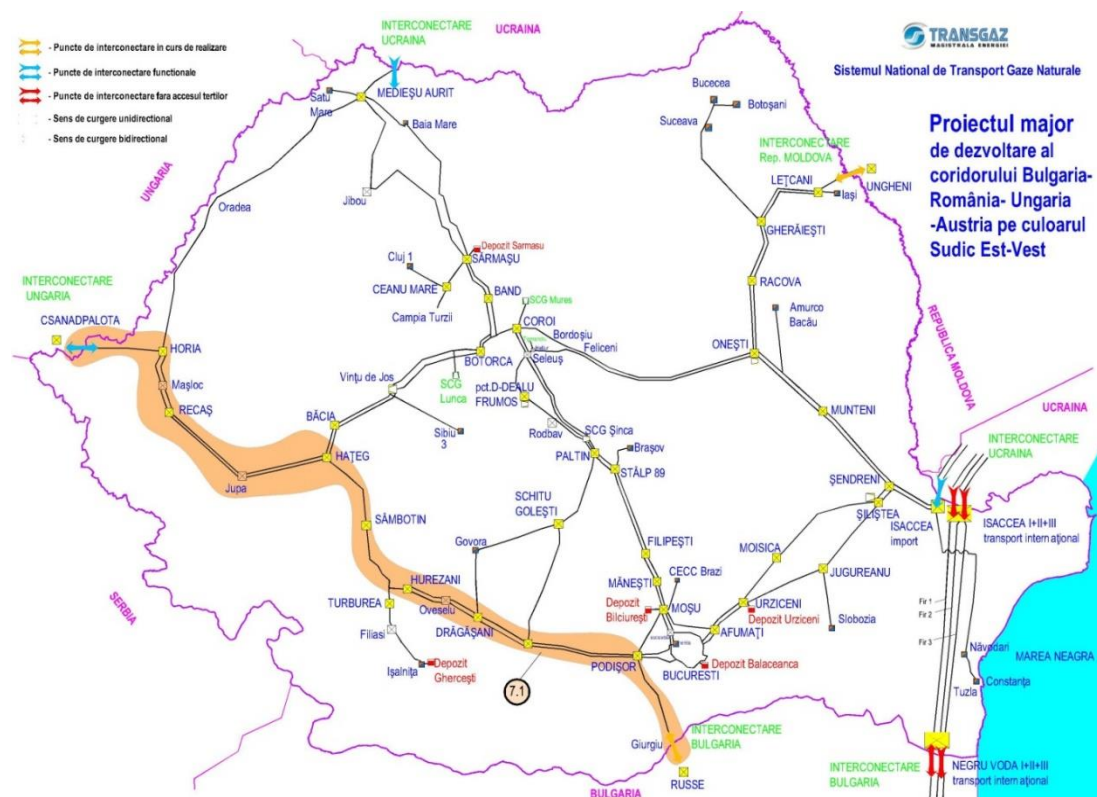
opening the access of Romania and of the European Union to a new natural gas source - through the interconnection of the BULGARIA - ROMANIA - HUNGARY – AUSTRIA corridor with the Black Sea;

increasing competition on the European gas market by diversifying sources, transport routes and companies active in the region;

increasing security of gas supply;

reducing dependence on Russian natural gas imports;

boosting development of renewable energy production in the region (especially wind and solar energy) considering the possibility of using natural gas as a backup option for renewable energies, which leads to a significant increase in the sustainability of the proposed projects.



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:

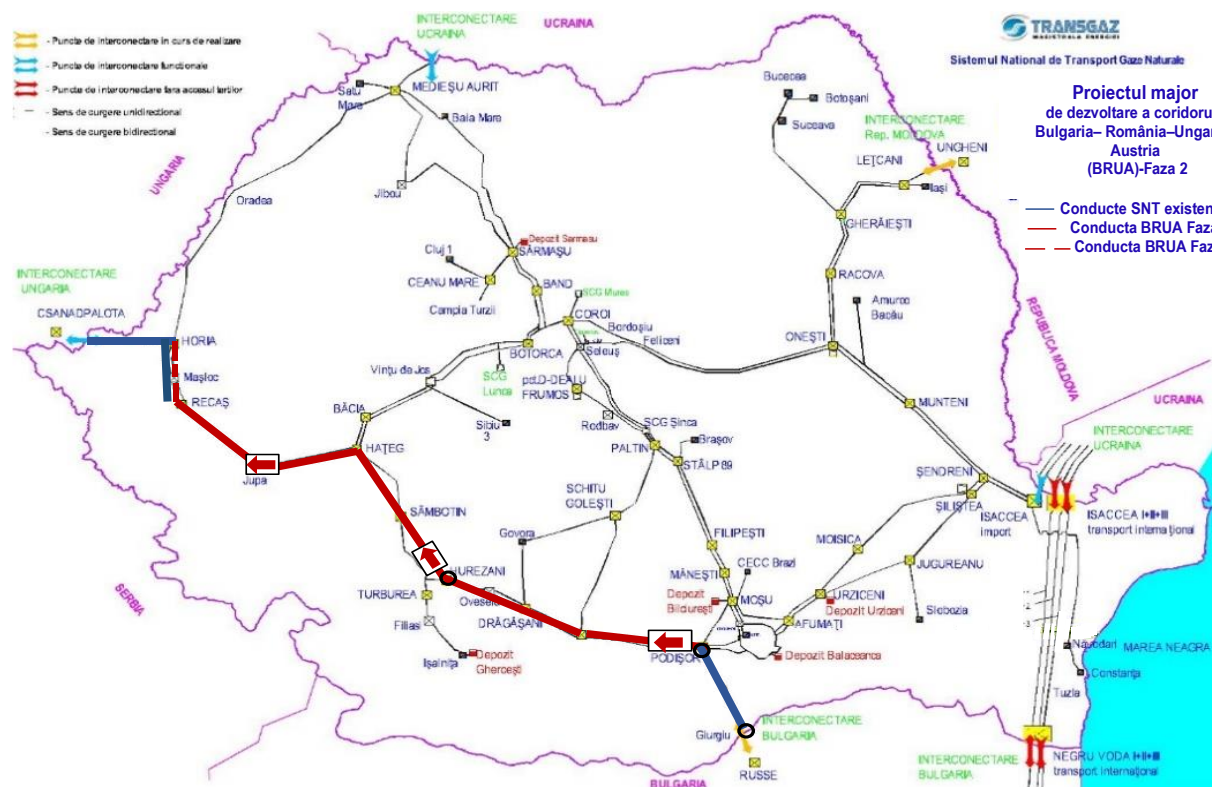
- 478.6 mil. Euro

EU contribution : 179 mil. Euro

Final investment decision – 2016

Estimated commissioning - 2020

Romanian connection to the neighboring transit



Estimated commissioning 2022

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

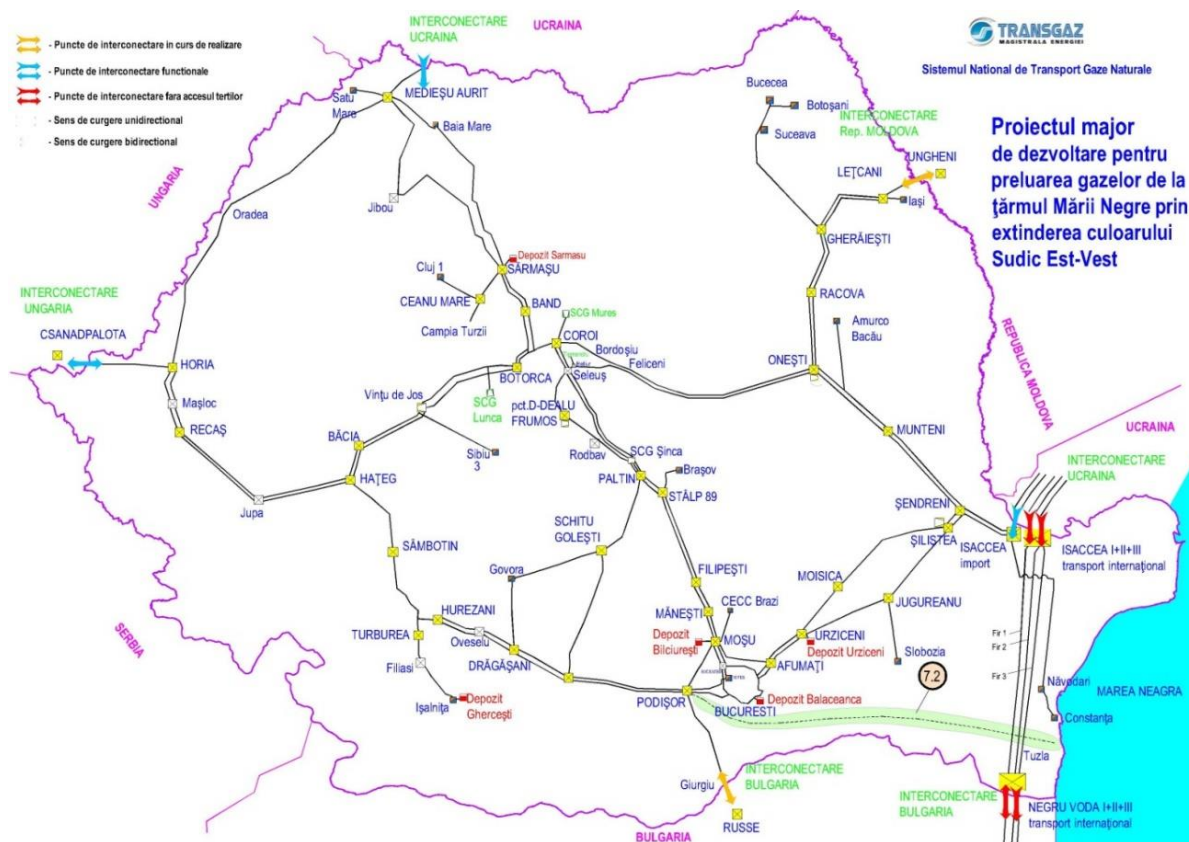
Necessary investments:

- 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:

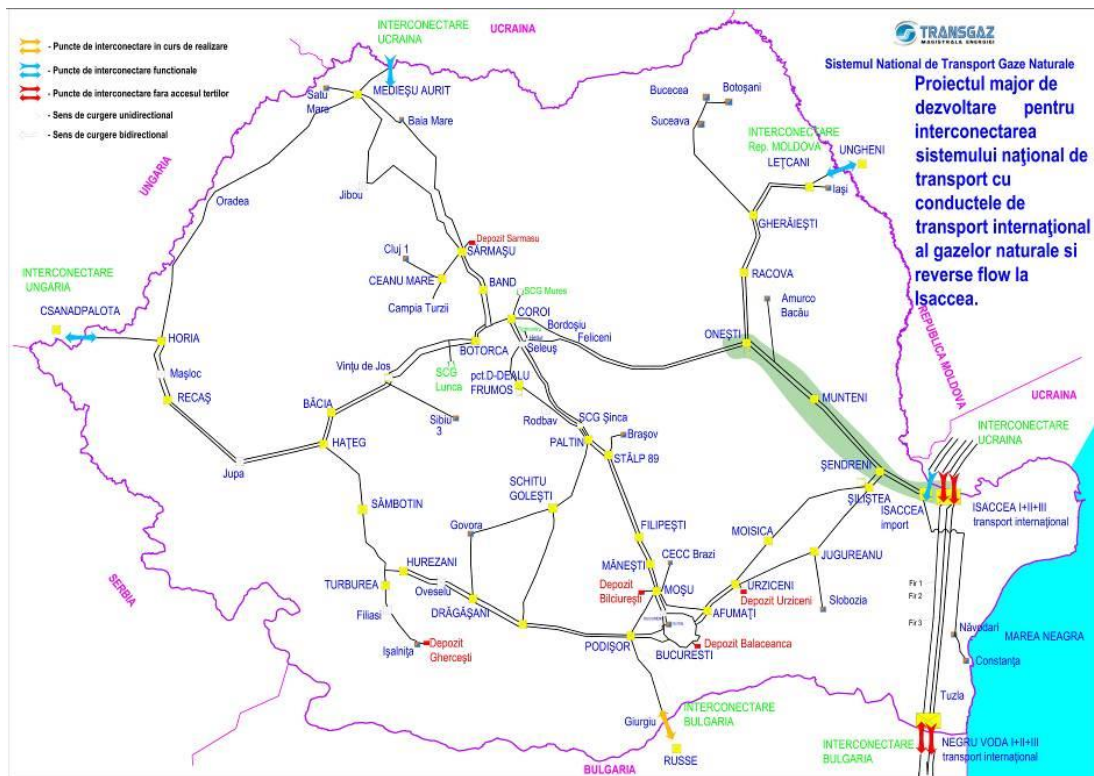
- create a transmission infrastructure for taking over to be produced in the Black Sea

Necessary investments:

- the Black Sea shore–Amzacea pipeline, 32.5 km, Ø 48" (Dn1200)
- the Amzacea–Podişor 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

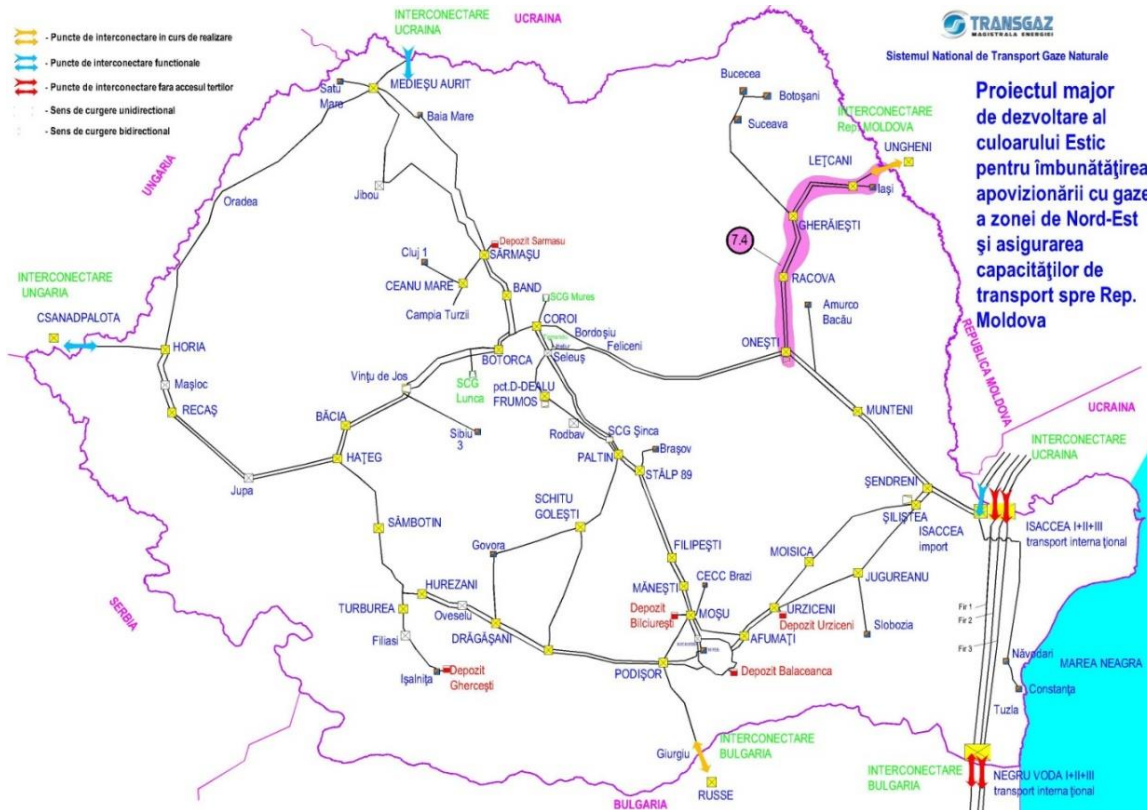
- upgrading of Siliștea CS, Siliștea TN
- upgrading of Onești CS, Onești TN
- upgrading of Șendreni CS, Șendreni TN

Total estimated costs:

- **77.7 mil. Euro**

Final investment decision – 2018

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



Estimated commissioning - 2021

Aim:

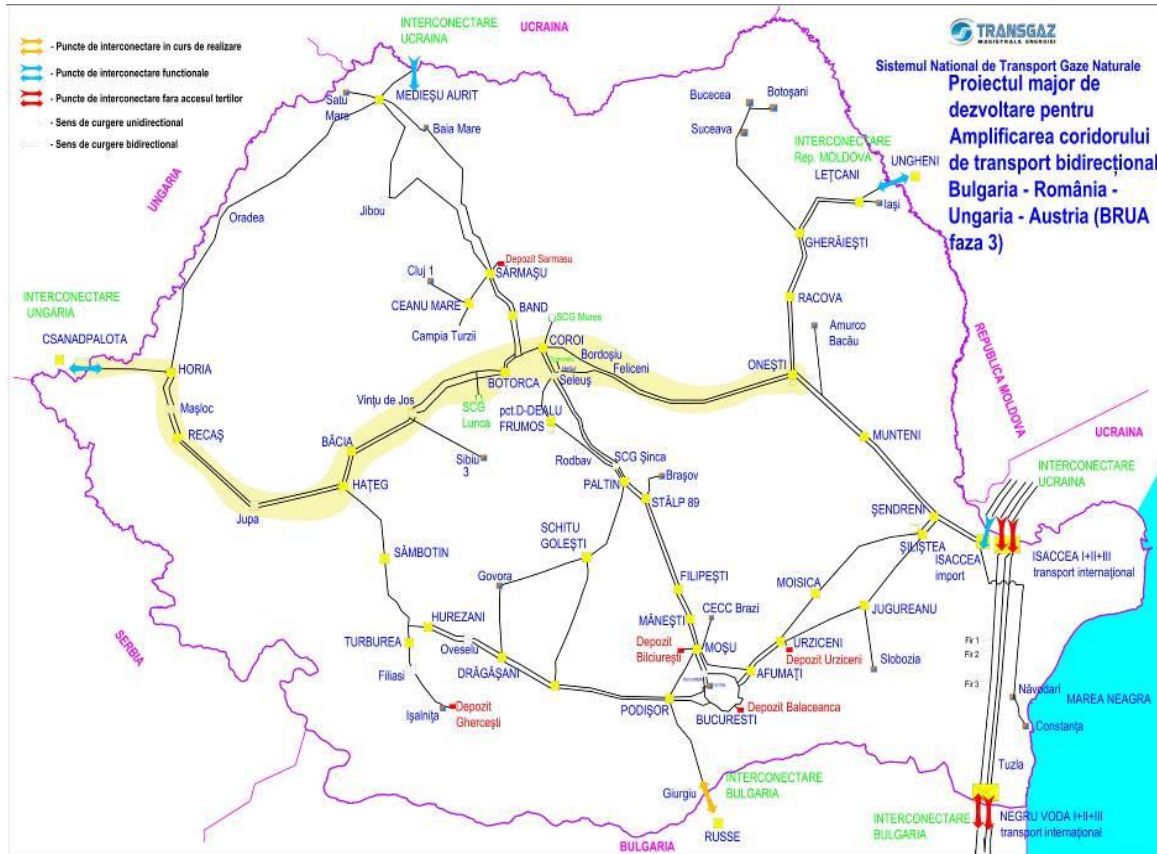
- enhancing gas supply to North – East Romania
- ensuring 1.5 bcm/y transmission capacity at the interconnection point between the transmission systems of Romania and Moldova

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**



Estimated completion date - 2025

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:

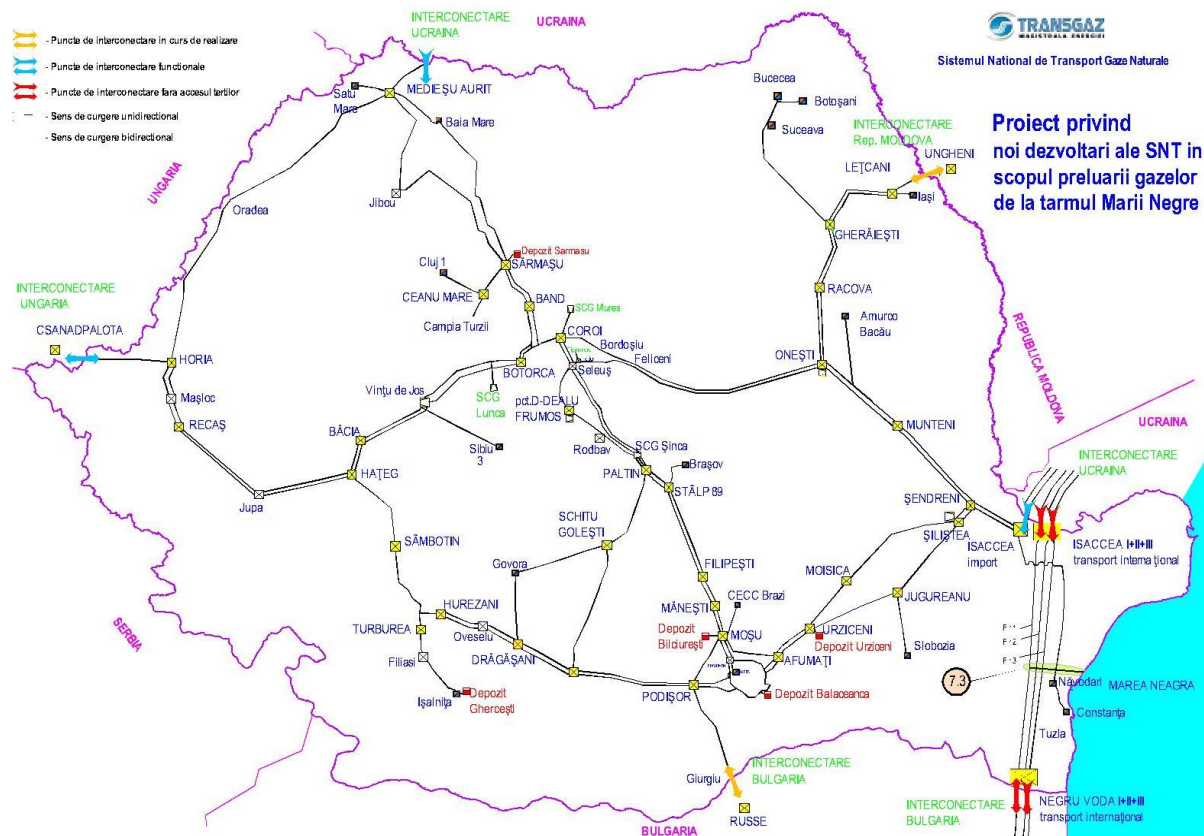
- rehabilitation of some pipeline sections
- replacement of existing pipelines with new larger diameter and operating pressure pipelines
- four or five new gas compressor stations

Capacity increase:

- 4.4 bcm/y to Hungary

Total estimated costs:

- **530 mil. Euro**



Estimated commissioning 2021

Aim:

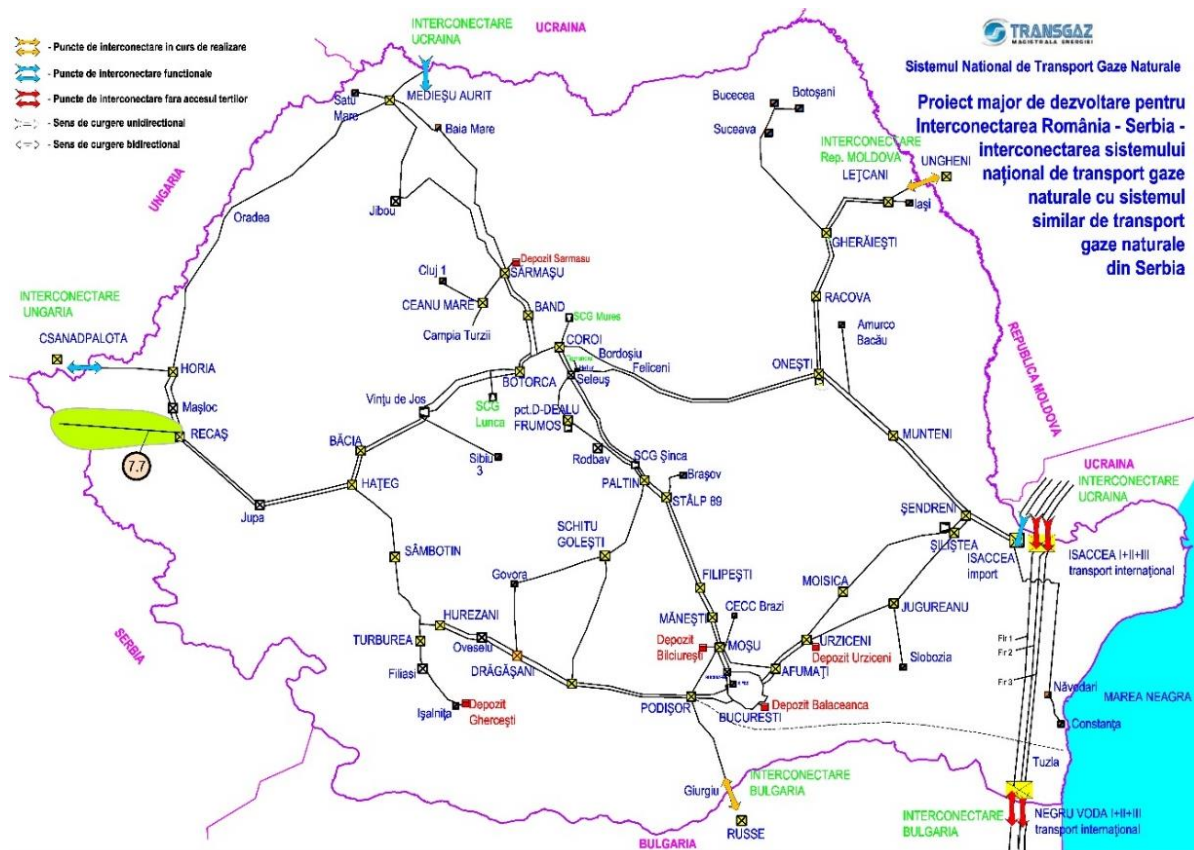
- creation of an additional point for taking over natural gas discovered in the submarine exploitation perimeters of the Black Sea

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**



Aim:

- enhancing security of energy supply to the region

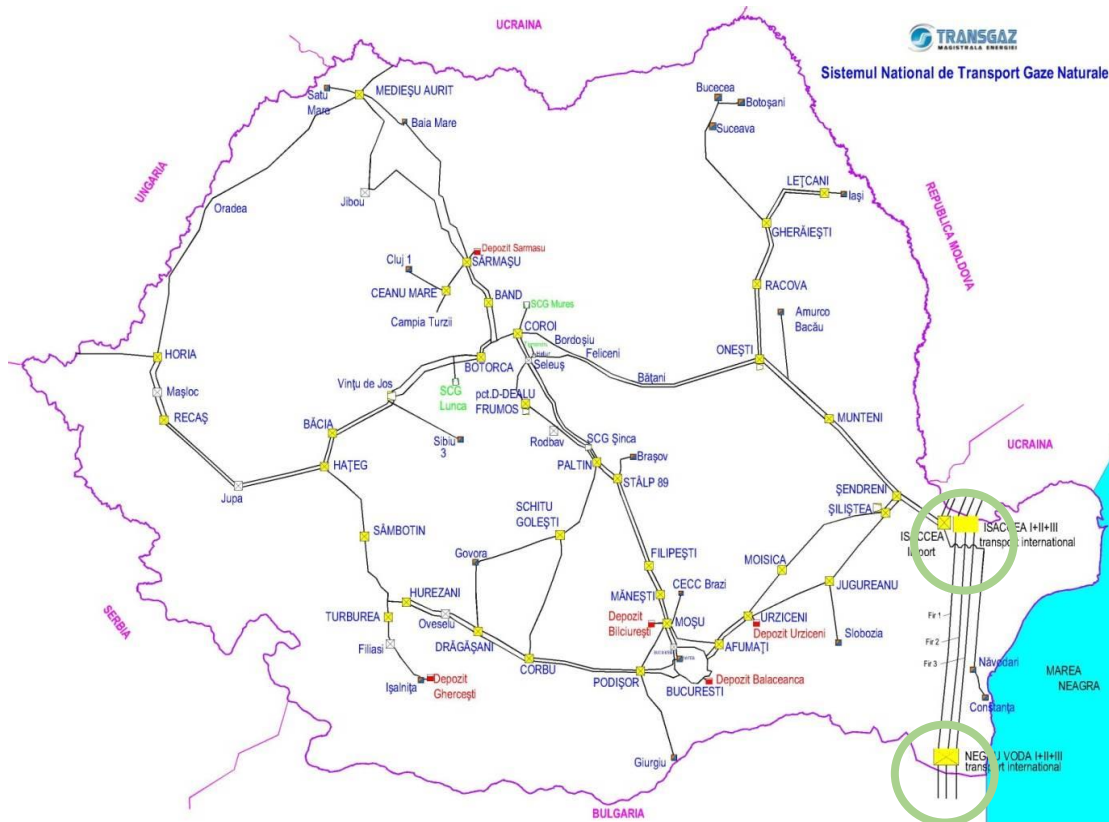
Necessary investments:

- 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 - 2021



Aim:

- increasing the level of energy security in the region

Necessary investments:

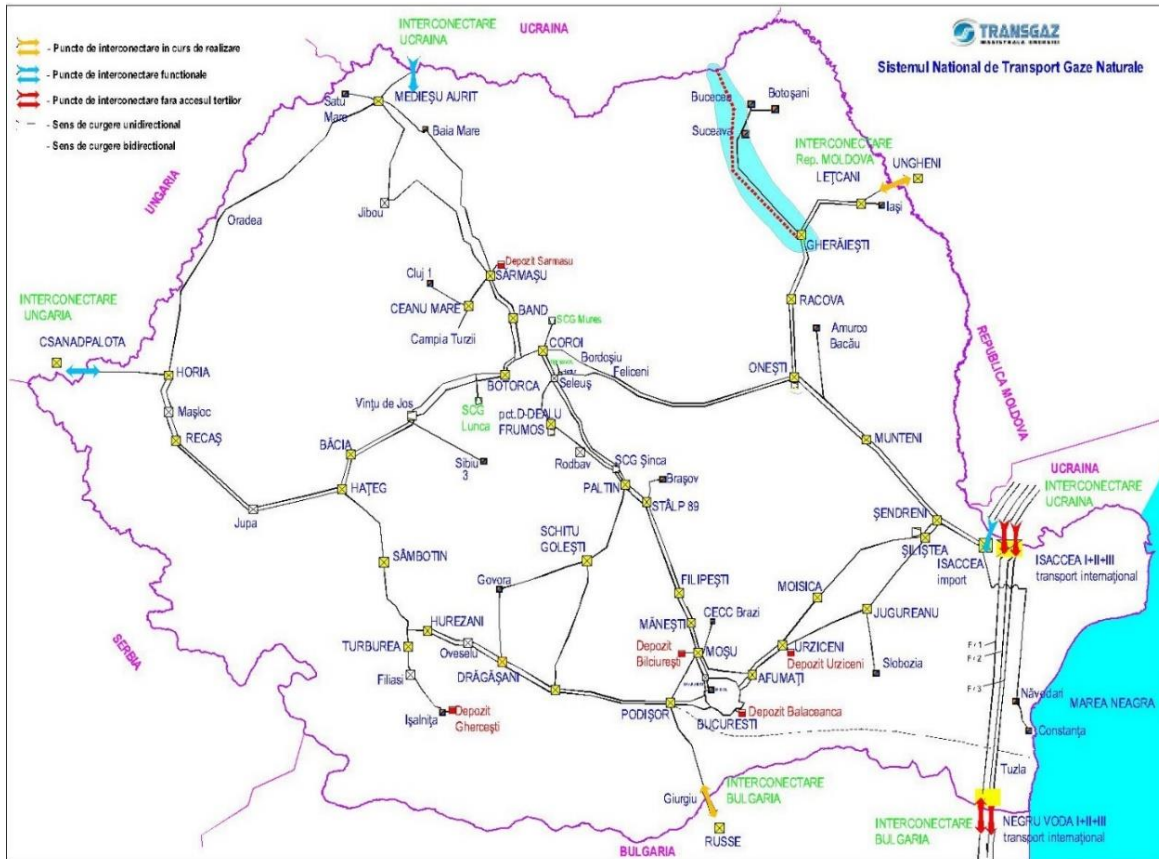
- construction of two new bidirectional gas metering stations, replacing the existing ones. In the case of GMS Isaccea 1 the station will be built in the current station and in the case of GMS Negru Voda 1 on a location situated close to the location of the existing station

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

**Estimated commissioning – GMS Isaccea 1- 2020
Estimated commissioning – GMS Negru Vodă 1- 2021**



Estimated commissioning - 2025

Aim:

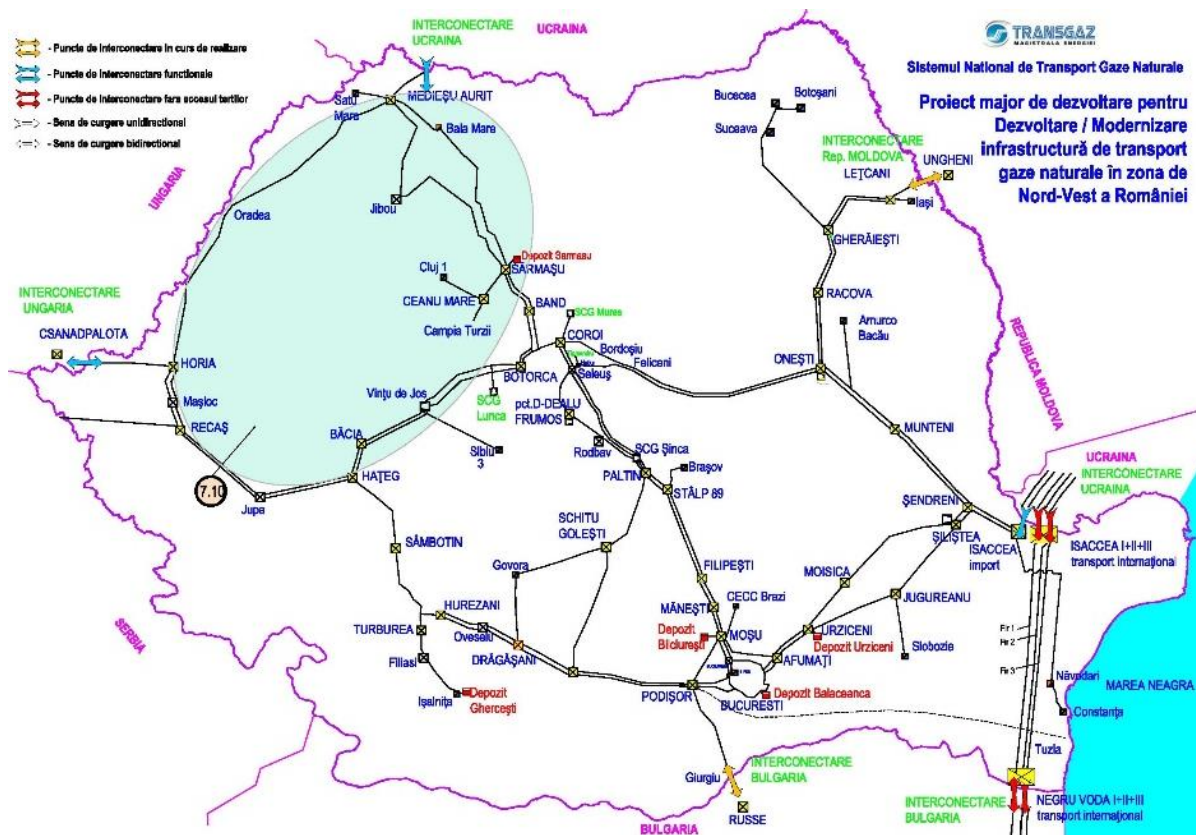
- increasing energy security to the region

Necessary investments:

- the construction of a 130 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:

- **125 mil. Euro**



Estimated commissioning - 2026

Aim:

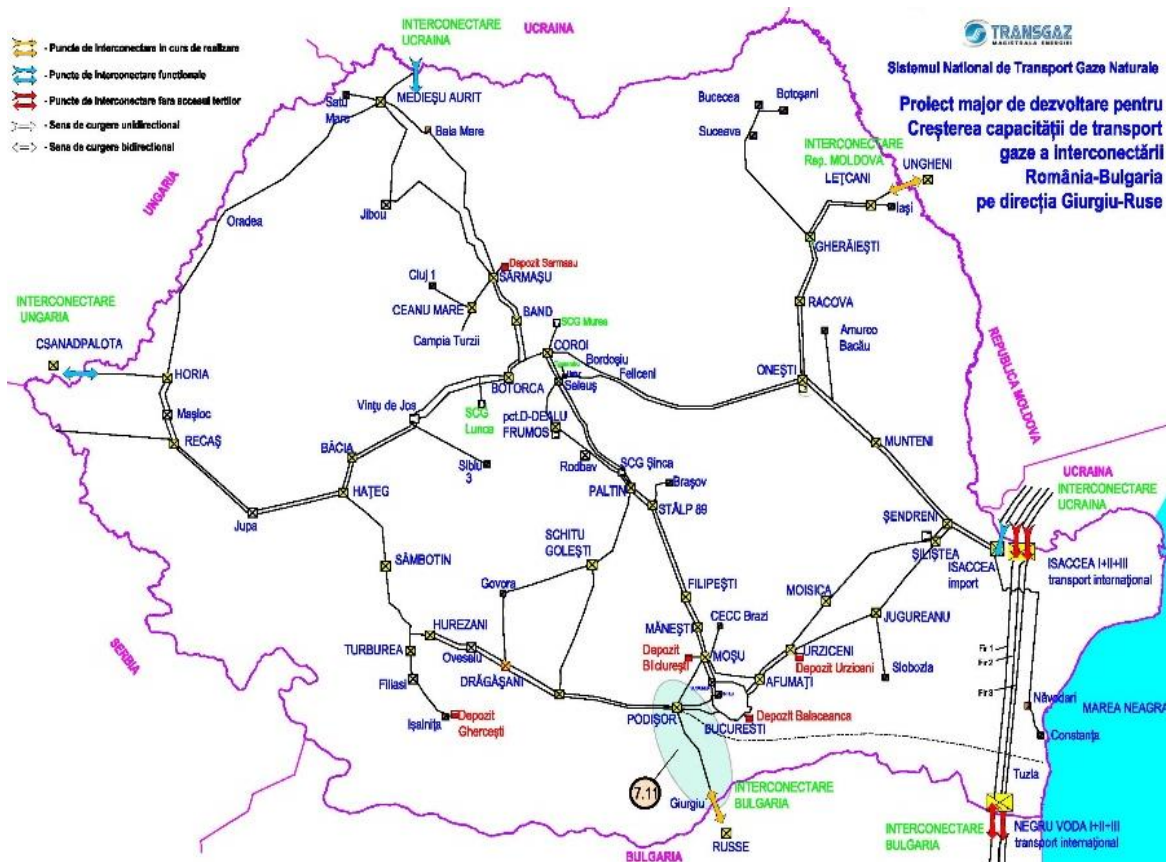
- creation of new gas transmission capacities

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**



Aim:

- enhancing security of energy supply to the region

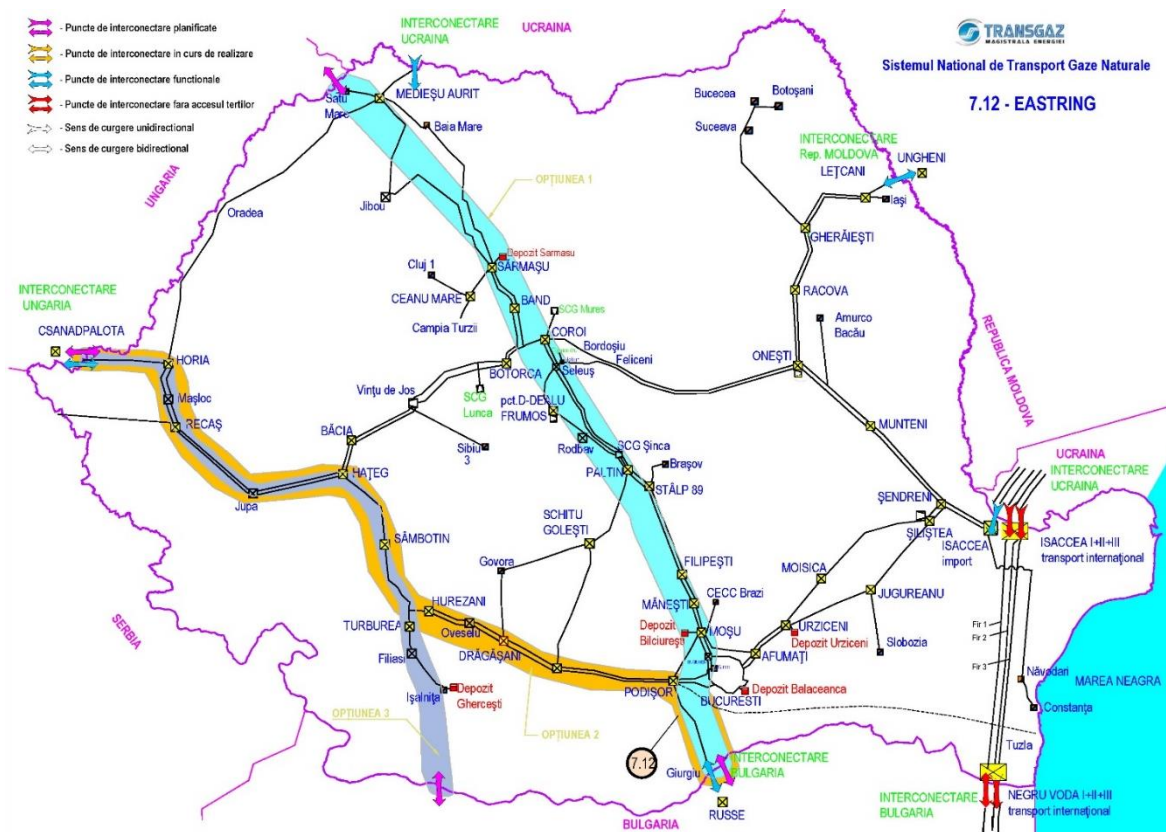
Necessary investments:

- 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.

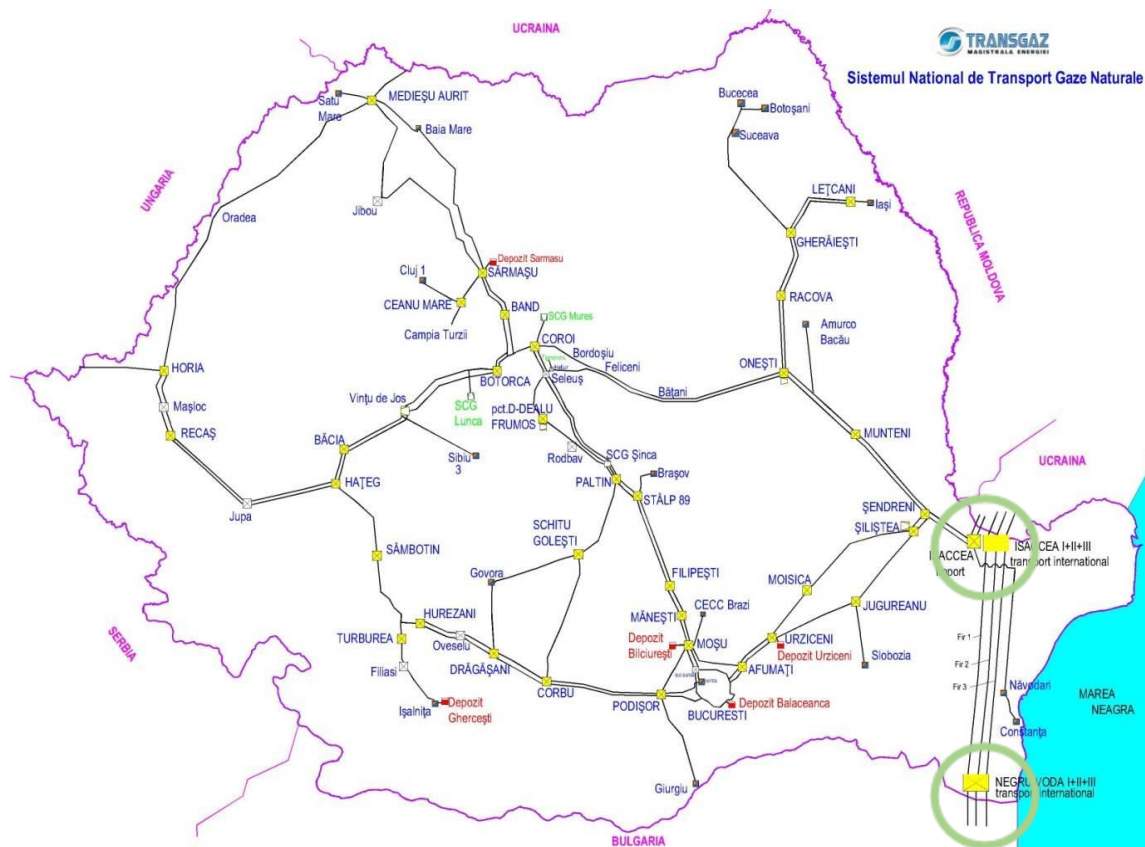
According to the feasibility study, the project will be implemented in two stages as follows:

- 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 – 2025 - Phase 1
2030 - Phase 2**



Estimated commissioning - 2024

Aim:

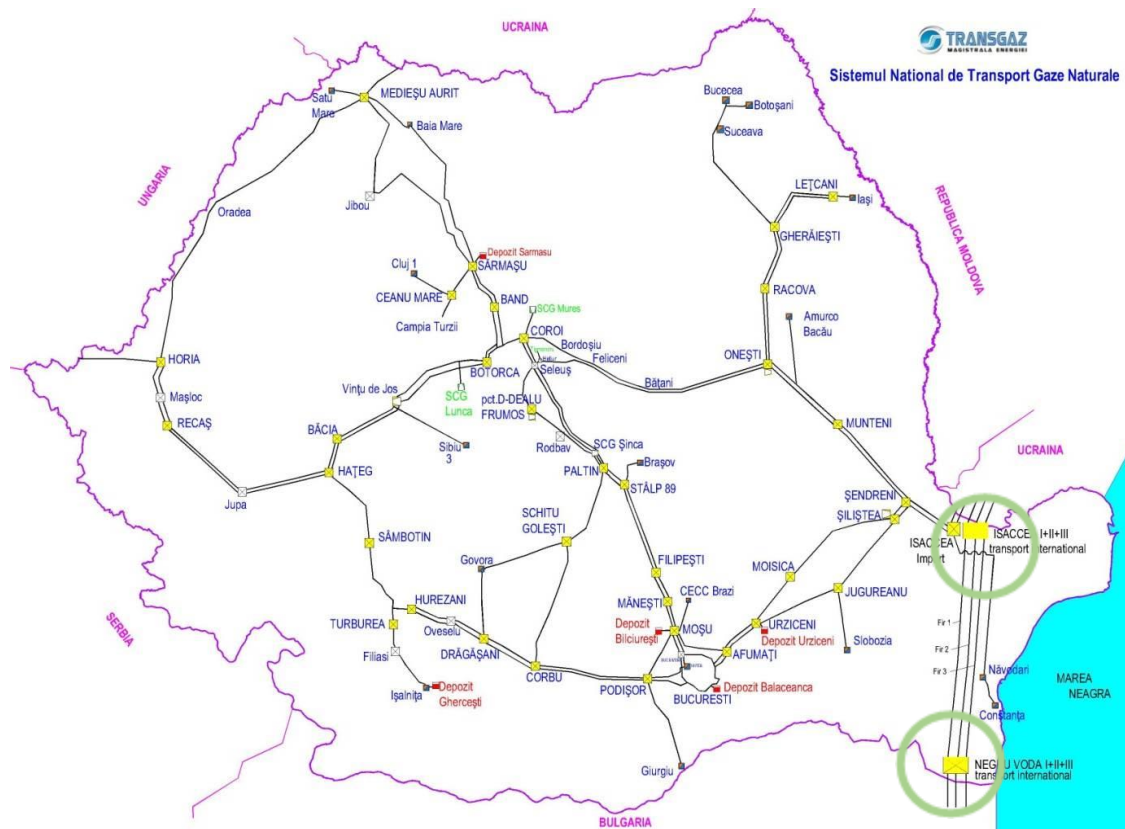
- increasing the level of energy security in the region

Necessary investments:

- modernization of the existing gas metering stations

Total estimated costs:

- **26.65 mil. Euro**



Estimated commissioning - 2028

Aim:

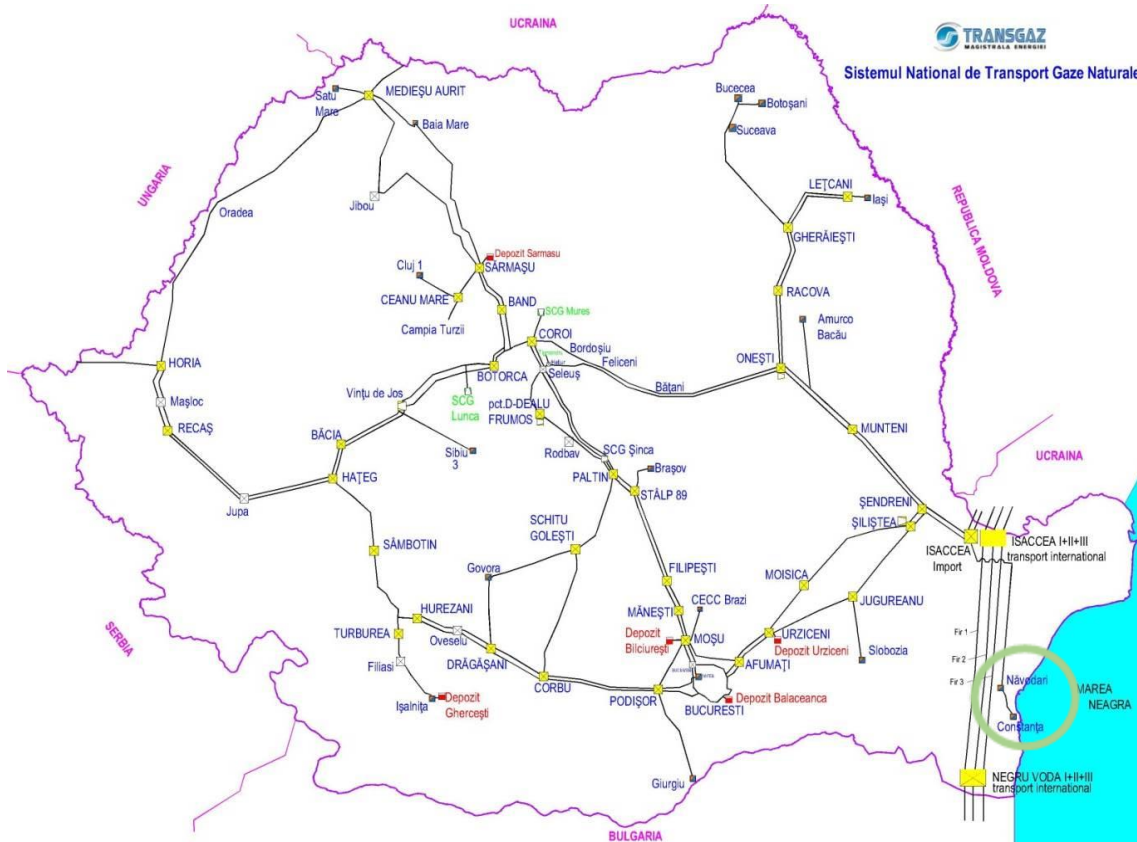
- increasing the level of energy security in the region

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

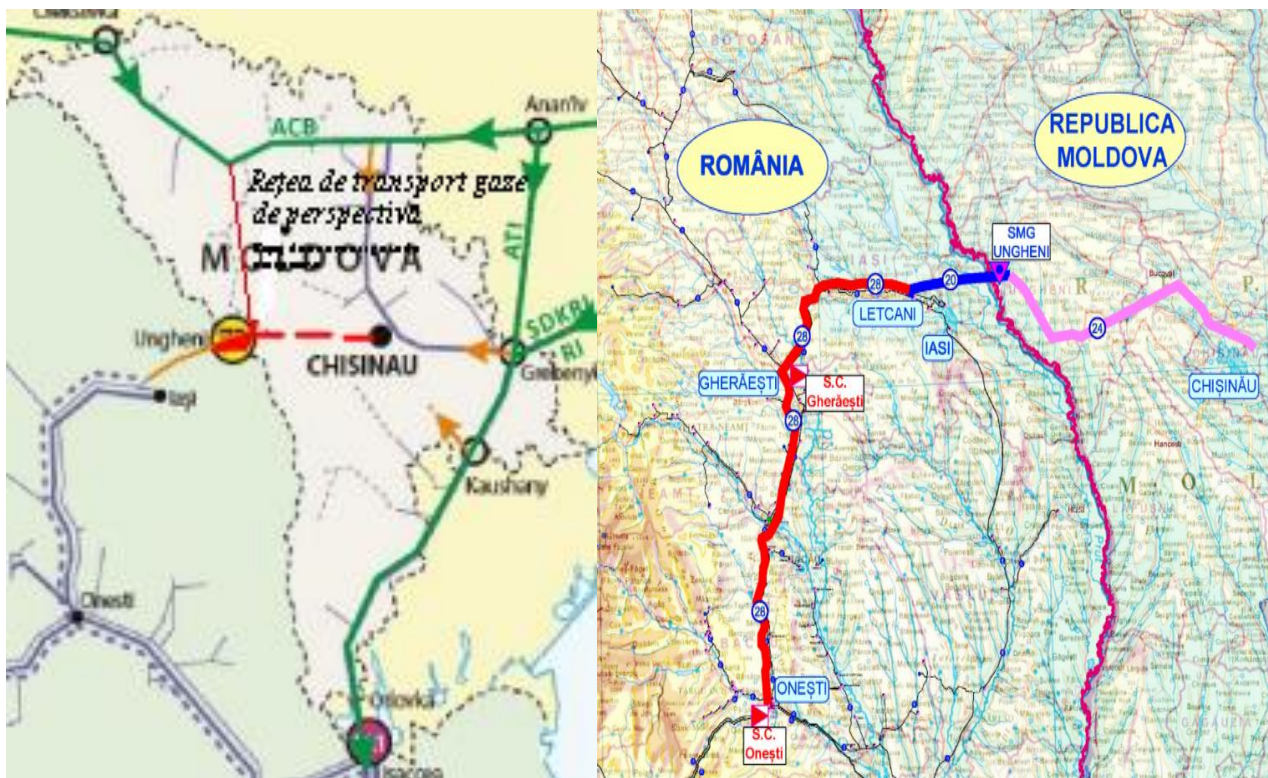
Necessary investments:

- 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

End 2019

Completion construction of Ghidighici complex

2020

Aim:

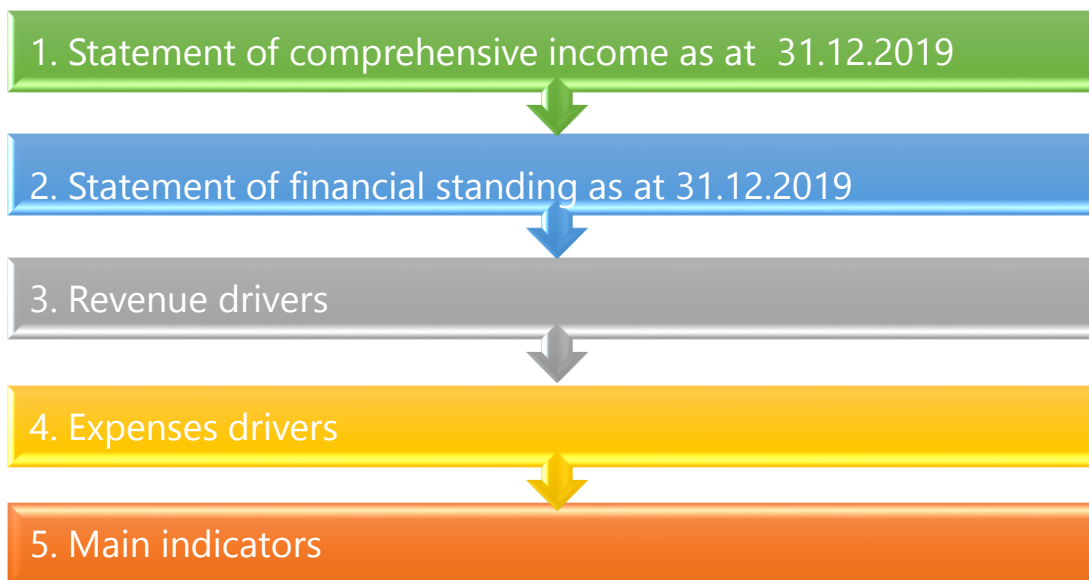
Increasing interconnectivity between Romania and the Republic of Moldova in terms of gas transmission infrastructure as well as the diversification of the sources and routes for the gas supply to the Republic of Moldova.

Necessary investments:

- 4 metering regulating stations (at Semeni in Ungheni district, Ghidighici, Petricani and Tohatini - Chișinău)
- DN 600 55 bar 110 km-long pipeline
- 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

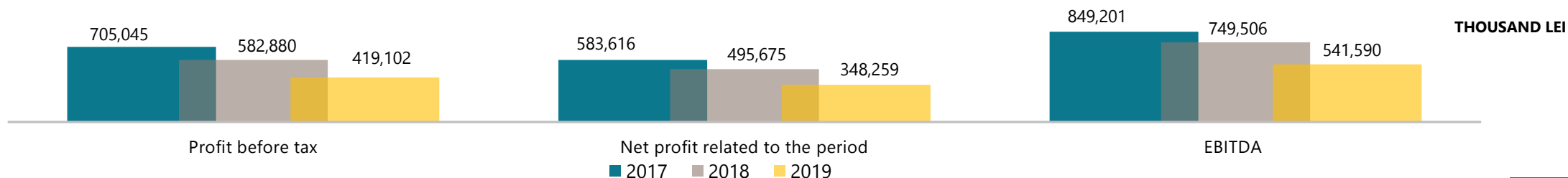
Total estimated costs:

- 93 mil. Euro



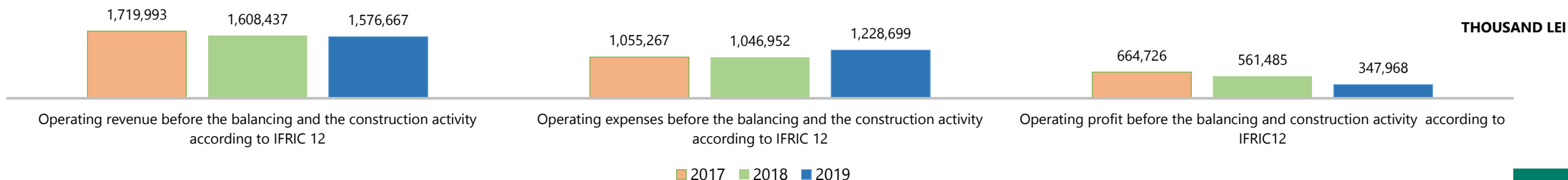
STATEMENT OF COMPREHENSIVE INCOME AS AT 31.12.2019 (1)

THOUSAND LEI	2017	2018	2019	Amendments 2019/2018	
				Absolute	Relative
Operating revenue before the balancing and the construction activity according to IFRIC12	1,719,993	1,608,437	1,576,667	-31,770	-2%
Revenue from the balancing activity	120,686	235,427	324,688	89,261	38%
Revenue from the construction activity according to IFRIC12	63,950	405,794	868,357	462,563	114%
Financial revenue	190,546	46,844	98,952	52,108	111%
Operating expenses before the balancing and construction activity according to IFRIC12	1,055,267	1,046,952	1,228,699	181,747	17%
Expenses with balancing gas	120,686	235,427	324,688	89,261	38%
Cost of assets constructed according to IFRIC12	63,950	405,794	868,357	462,563	114%
Financial expenses	150,227	25,449	27,818	2,369	9%
Profit before tax	705,045	582,880	419,102	-163,779	-28%
Expenses with tax on profit	121,429	87,205	70,843	-16,363	-19%
Net Profit related to the period	583,616	495,675	348,259	-147,416	-30%
EBITDA	849,201	749,506	541,590	-207,916	-28%
Turnover	1,800,079	1,741,929	1,850,405	108,486	6%



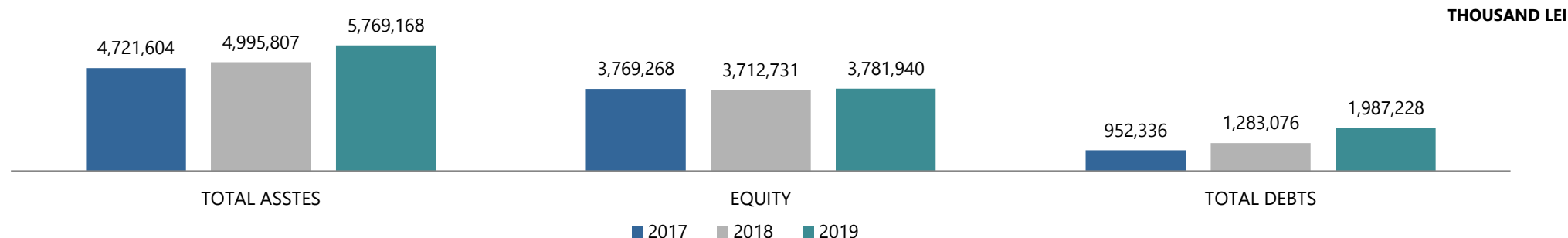
STATEMENT OF COMPREHENSIVE INCOME AS AT 31.12.2019 (2)

THOUSAND LEI	2017	2018	2019	Amendments 2019/2018	
				Absolute	Relative
Revenue from the domestic transmission activity	1,338,047	1,178,420	1,192,598	14,178	1%
Revenue from the international transmission activity	333,290	324,381	327,696	3,315	1%
Other revenues	48,656	105,636	56,373	-49,263	-47%
Operating revenues before the balancing and the construction activity according to IFRIC12	1,719,993	1,608,437	1,576,667	-31,770	-2%
Employee expenses	385,228	382,451	413,647	-31,196	-8%
Technological consumption, materials and used consumables	105,032	96,881	99,267	2,386	2%
Royalty expenses	167,134	151,027	151,283	256	0%
Maintenance and transport	27,398	35,884	29,844	-6,040	-17%
Tax and other amounts due to the state	71,564	76,448	111,290	34,842	46%
Provision revenue/expenses for risks and expenses	1,273	5,946	49,819	43,873	738%
Other operating expenses	113,164	110,293	179,927	69,634	63%
Depreciation	184,475	188,022	193,622	5,601	3%
Operating expenses before the balancing and the construction activity according to IFRIC12	1,055,267	1,046,952	1,228,699	181,747	17%
Operating profit before the balancing and construction activity according to IFRIC12	664,726	561,485	347,968	-213,517	-38%

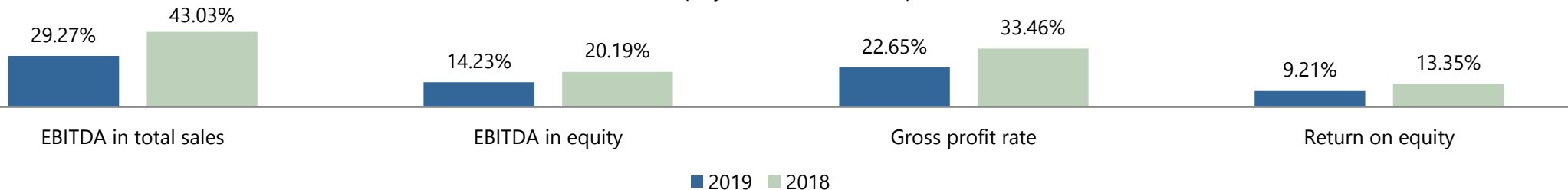
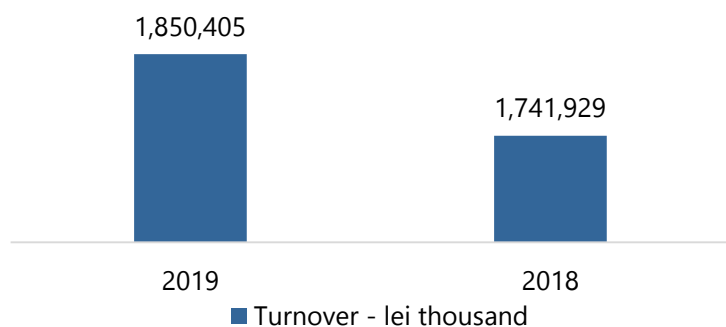


STATEMENT OF FINANCIAL STANDING AS AT 31.12.2019

THOUSAND LEI	2017	2018	2019	Amendments 2019/2018	
				Absolute	Relative
Fixed assets	3,197,707	3,490,424	4,484,129	993,706	28%
Movable assets	1,523,897	1,505,384	1,285,039	-220,345	-15%
Total assets	4,721,604	4,995,807	5,769,168	773,361	15%
Equity	3,769,268	3,712,731	3,781,940	69,209	2%
Long term debts	678,734	864,288	1,489,789	625,501	72%
Current debts	273,603	418,788	497,439	78,651	19%
Total debts	952,336	1,283,076	1,987,228	704,152	55%
Total equity and debts	4,721,604	4,995,807	5,769,168	773,361	15%

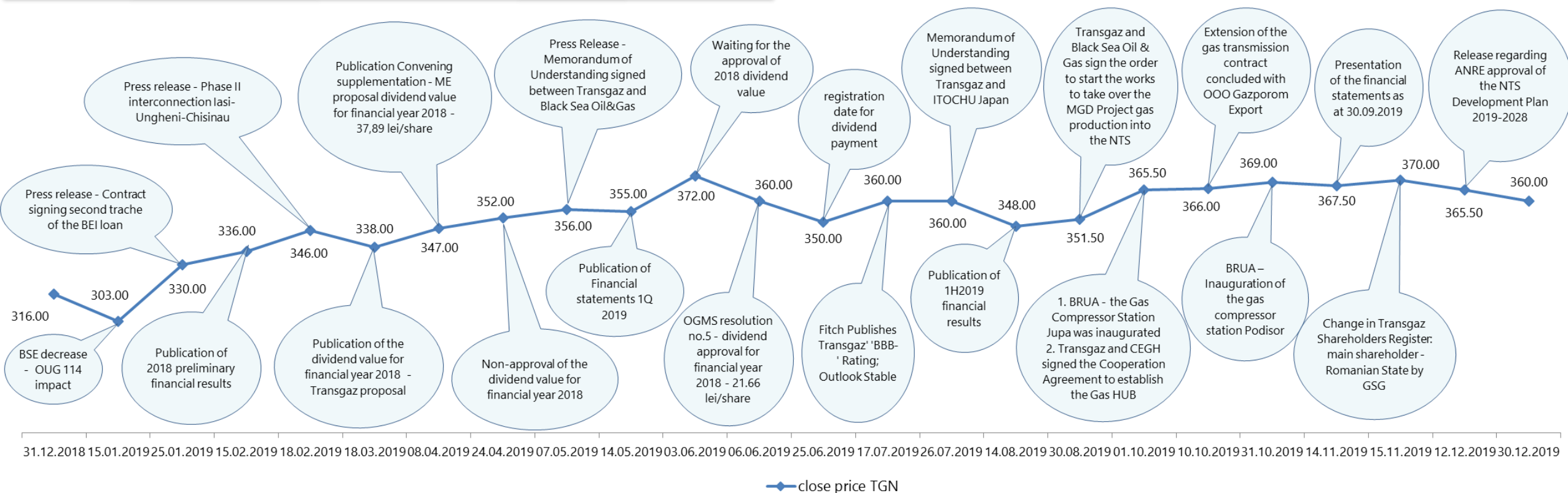


MAIN INDICATORS

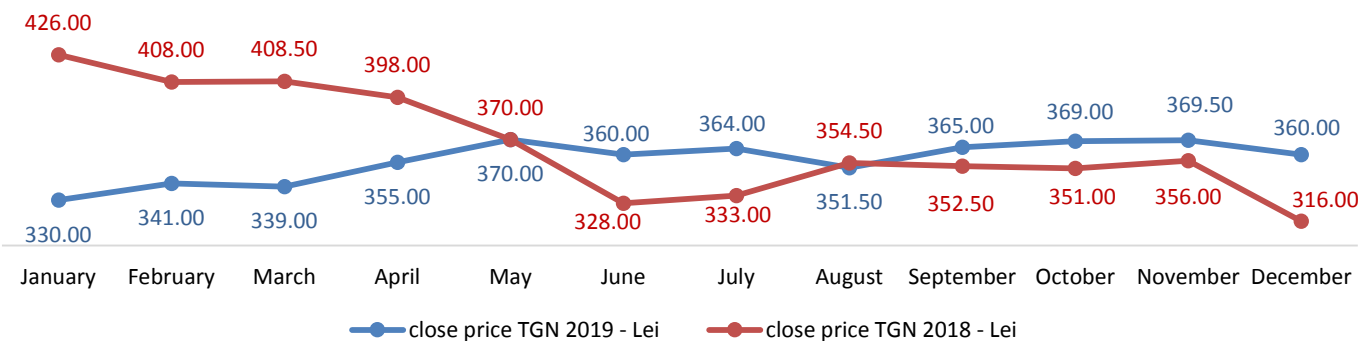


	2019	2018
EBITDA in total sales	29.27%	43.03%
EBITDA in equity	14.23%	20.19%
Gross profit rate	22.65%	33.46%
Return on equity	9.21%	13.35%
Current liquidity	2.58	3.59
Immediate liquidity	1.60	2.99
Leverage	17.44%	6.28%
Interest coverage ration	80.40	222.77
Speed of debit – days	137.09	141.49
Speed of credit - days	40.78	35.52

MAIN CORPORATE EVENTS WITH AN IMPACT UPON THE SHARE PRICE IN 2019

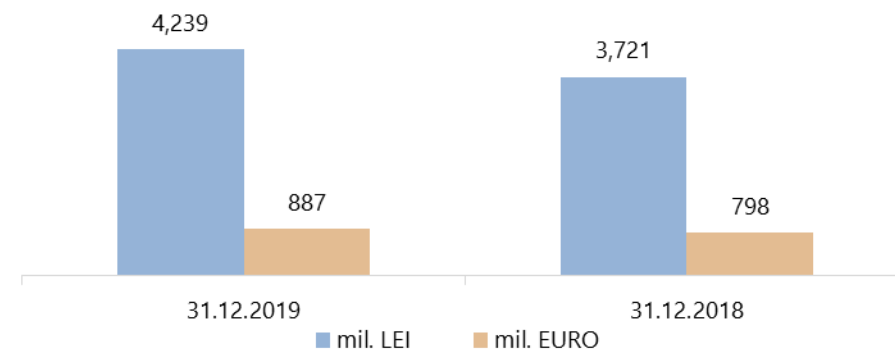


TGN EVOLUTION

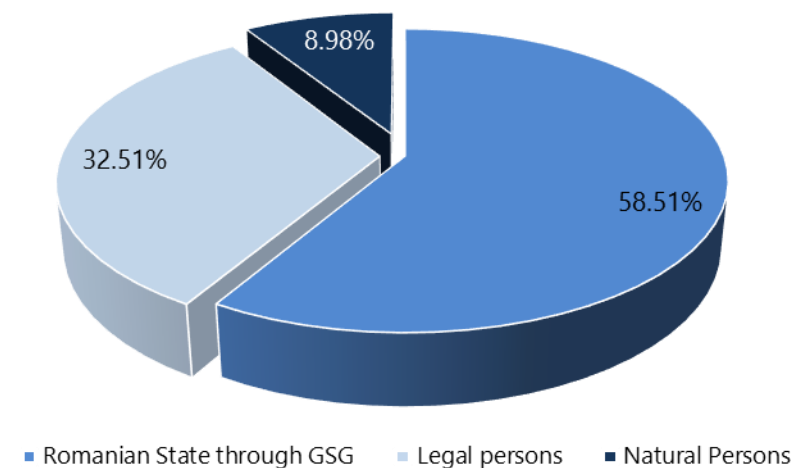


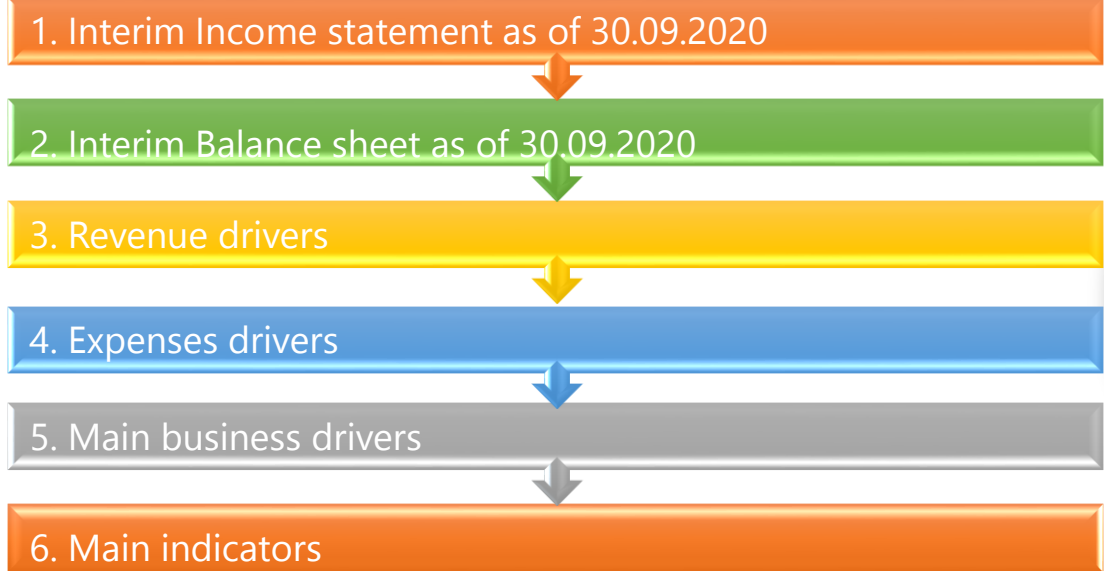
STOCK MARKET INDEX NAME	POSITION HELD	SHARE HELD IN INDEX COMPOSITION
BET	6	5.13 %
BET-TR	6	5.13 %
ROTX	6	5.88 %
BET-NG	3	15.01 %
BET-XT	6	4.93 %

Market capitalization



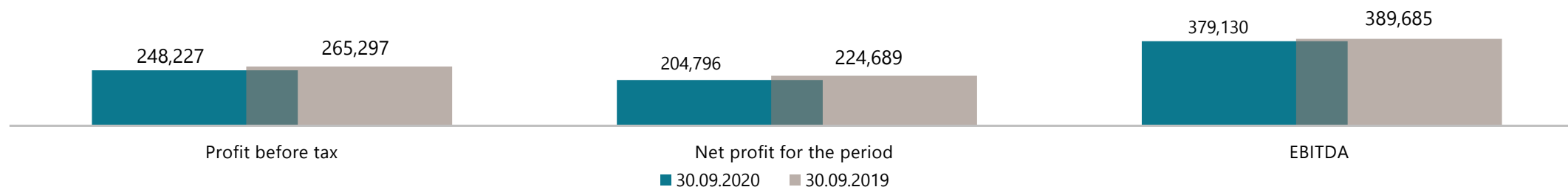
Shareholders structure at 31 December 2019





1. Interim income statement as of 30.09.2020 (1)

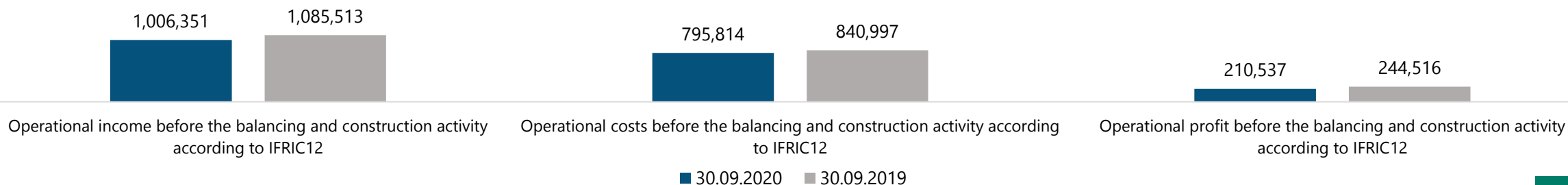
THOUSAND LEI	30.09.2020 (unaudited)	30.09.2019 (unaudited)	MAIN INDICATORS	
			CHANGES 9M2020/9M2019	
			Absolute	Relative
Operational income before the balancing and construction activity according to IFRIC12	1,006,351	1,085,513	-79,162	-7%
Revenue from the balancing activity	148,026	250,930	-102,904	-41%
Income from the construction activity according to IFRIC12	1,018,106	521,459	496,647	95%
Financial income	50,148	41,522	8,626	21%
Operational costs before the balancing and construction activity according to IFRIC12	795,814	840,997	-45,183	-5%
Expenses with balancing gas	148,026	250,930	-102,904	-41%
Cost of assets constructed according to IFRIC12	1,018,106	521,459	496,647	95%
Financial expenses	12,458	20,742	-8,284	-40%
Profit before tax	248,227	265,297	-17,070	-6%
Profit tax expense	43,430	40,608	2,822	7%
Net profit for the period	204,796	224,689	-19,893	-9%
EBITDA	379,130	389,685	-10,555	-3%
Turnover	1,117,139	1,301,749	-184,610	-14%



1. Interim income statement as of 30.09.2020 (2)

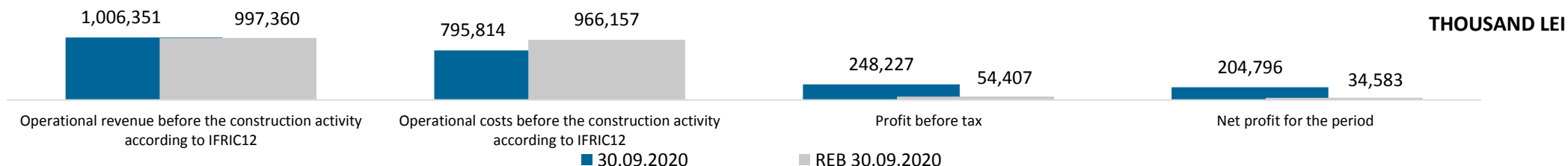
MAIN INDICATORS

THOUSAND LEI	30.09.2020 (unaudited)	30.09.2019 (unaudited)	CHANGES 9M2020/9M2019	
			Absolute	Relative
Revenues from domestic gas transmission activity	878,327	791,478	86,849	11%
Revenues from international gas transmission activity	87,077	255,504	-168,427	-66%
Other revenues	40,946	38,531	2,415	6%
Operational income before the balancing and construction activity according to IFRIC12	1,006,351	1,085,513	-79,162	-7%
Employees costs	318,713	296,604	22,109	7%
Technological consumption, materials and consumables used	74,193	80,735	-6,542	-8%
Expenses with royalties	96,541	103,951	-741	-7%
Maintenance and transport	17,031	19,206	-2,175	-11%
Taxes and other amounts owed to the State	53,907	79,700	-25,793	-32%
Revenues/ Expenses with provision for risks and expenses	-3,865	-4,289	424	11%
Other operating expenses	70,701	119,920	-49,219	-41%
Depreciation	168,593	145,169	23,424	16%
Operational costs before the balancing and construction activity according to IFRIC12	795,814	840,997	-45,183	-5%
Operational profit before the balancing and construction activity according to IFRIC12	210,537	244,516	-33,979	-14%



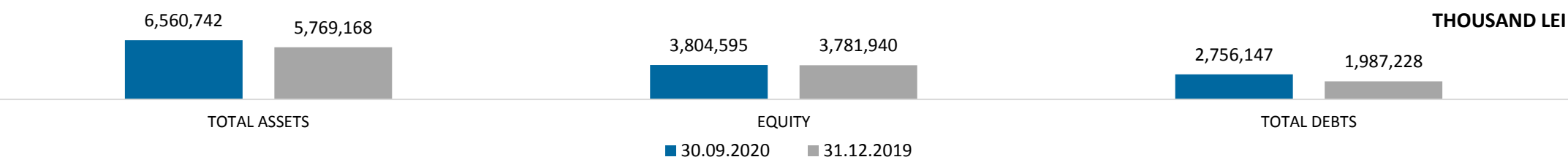
Main economic and financial indicators achieved as at 30.09.2020 compared with the Revenue and Expense Budget approved by GOSM Resolution no. 2 / 04.03.2020

THOUSAND LEI	30.09.2020 (unaudited)	REB 30.09.2020	CHANGES 9M2020/9M2019	
			Absolute	Relative
Operational income before the balancing and construction activity according to IFRIC12	1,006,351	997,360	8,991	1%
Revenue from the balancing activity	148,026	72,702	75,324	104%
Income from the construction activity according to IFRIC12	1,018,106	2,049,829	-1,031,724	-50%
Financial income	50,148	37,093	13,055	35%
Operational costs before the balancing and construction activity according to IFRIC12	795,814	966,157	-170,343	-18%
Expenses with balancing gas	148,026	72,702	75,324	104%
Cost of assets constructed according to IFRIC12	1,018,106	2,049,829	-1,031,724	-50%
Financial expenses	12,458	13,889	-1,431	-10%
Profit before tax	248,227	54,407	193,819	356%
Profit tax expense	43,430	31,203	23,606	119%
Net profit for the period	204,796	34,583	170,213	492%



2. Interim Balance Sheet as of 30.09.2020

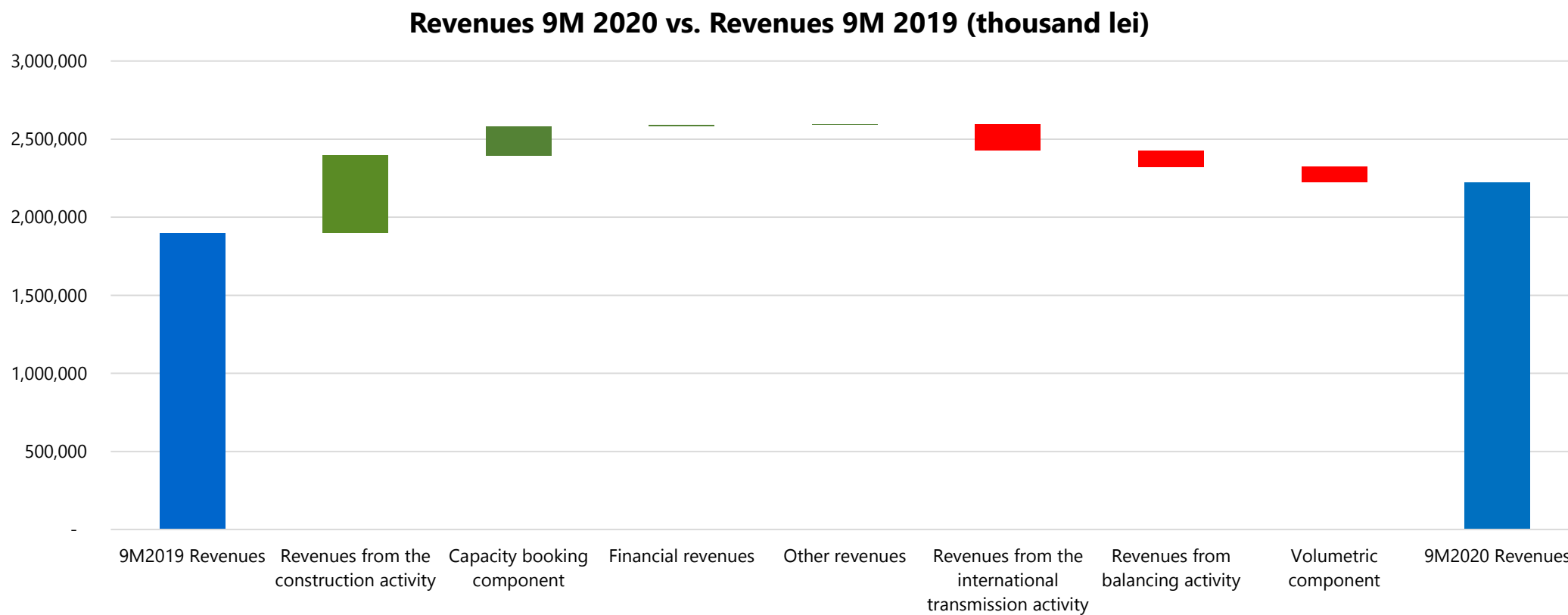
THOUSAND LEI	30.09.2020	31.12.2019	CHANGES	
			Absolute	Relative
FIXED ASSETS	5,585,377	4,484,129	1,101,248	25%
CURRENT ASSETS	975,365	1,285,039	-309,674	-24%
TOTAL ASSETS	6,560,742	5,769,168	791,574	14%
EQUITY	3,804,595	3,781,940	22,655	1%
LONG TERM DEBTS	2,161,693	1,489,789	671,904	45%
CURRENT DEBTS	594,453	497,439	97,014	20%
TOTAL DEBTS	2,756,147	1,987,228	768,919	39%
TOTAL EQUITY AND DEBTS	6,560,742	5,769,168	791,574	14%



The fixed assets registered an increase by Lei 1,101,248 thousand compared to the value as at 31.12.2019, mainly due to the high level of the investment expenses incurred by Transgaz in 2020 by the development of the National Gas Transmission System of Romania and to the share in the capital stock of Transgaz' subsidiary in the Republic of Moldova in order to ensure the financial sources necessary for the implementation of the investment program and of the Ungheni-Chisinau gas transmission pipeline respectively.

The increase in long-term debts was mainly caused by the funding obtained for the investment projects carried out by the company as well as by a credit line for 2 years meant to cover the required working capital.

3. Main revenue drivers (1)



3. Main revenue drivers (2)

Operating revenue before the balancing and construction activity, according to IFRIC12 decreased by **7%** as compared to 9 months 2019, which is lower by **LEI 79,162 thousand**.

The revenue was influenced mainly by the following factors:

▪ *commodity revenue lower* by **LEI 100,062 thousand** due to:

- the commodity transmission tariff lower by Lei 0.83 lei/MWh, with a negative influence of LEI 75,820 thousand;
- the gas transmitted capacities lower by 9,497,483 MWh/956,221 thousand cm (▼9%), as compared to 9 months 2019, with a negative influence of LEI 24,243 thousand, detailed by categories of consumers as follows:

		1Q2020	2Q2020	3Q2020	9M2020	1Q2019	2Q2019	3Q2019	9M2019	Differences 9M2020 vs 9M2019
Quantity transmitted for direct consumers	MWh	11,545,026	14,786,601	17,109,847	43,441,474	11,274,702	16,500,962	23,042,489	50,818,152	-7,376,678
	thousand m ³	1,078,004	1,378,194	1,577,358	4,033,556	1,058,115	1,549,300	2,174,541	4,781,956	-748,400
Quantity transmitted for distribution	MWh	32,693,087	10,936,870	6,925,467	50,555,424	33,610,132	11,893,960	7,172,137	52,676,229	-2,120,805
	thousand m ³	3,039,364	1,012,381	641,246	4,692,991	3,135,219	1,103,301	662,292	4,900,812	-207,821
Total	MWh	44,238,113	25,723,471	24,035,314	93,996,898	44,884,834	28,394,922	30,214,626	103,494,381	-9,497,483
	thousand m ³	4,117,368	2,390,575	2,218,604	8,726,547	4,193,334	2,652,601	2,836,833	9,682,768	-956,221

The commodity tariffs decreased in 01.01-30.09.2020 as compared to 01.01-30.09.2019, 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 2018-2019 the variable component of the total revenue at the basis of the commodity tariffs is 30% of the total revenue and in gas year 2019-2020 to 25% of the total revenue;
- at the substantiation of the tariffs for gas year 2019-2020, 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)

- *revenue from capacity booking* higher by **LEI 186,911 thousand** due to:
 - booked capacities higher by 3,997,776 MWh, with a positive influence of LEI 8,134 thousand;
 - capacity booking tariff higher by LEI 0.65 lei/MWh, with a positive influence of LEI 178,777 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.
- *international gas transmission revenue* lower by **LEI 168,426 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 Transmission System from 1 October 2019;
- *other operating revenue* higher by **LEI 2,415 thousand**.

Revenue from the balancing activity lower by **LEI 102,904 thousand** based on the following factors:

- trading price lower by LEI 42.51 /MWh, with a negative influence of LEI 100,965 thousand;
- quantity lower by 18,490 MWh with a negative influence of LEI 1,938 thousand;

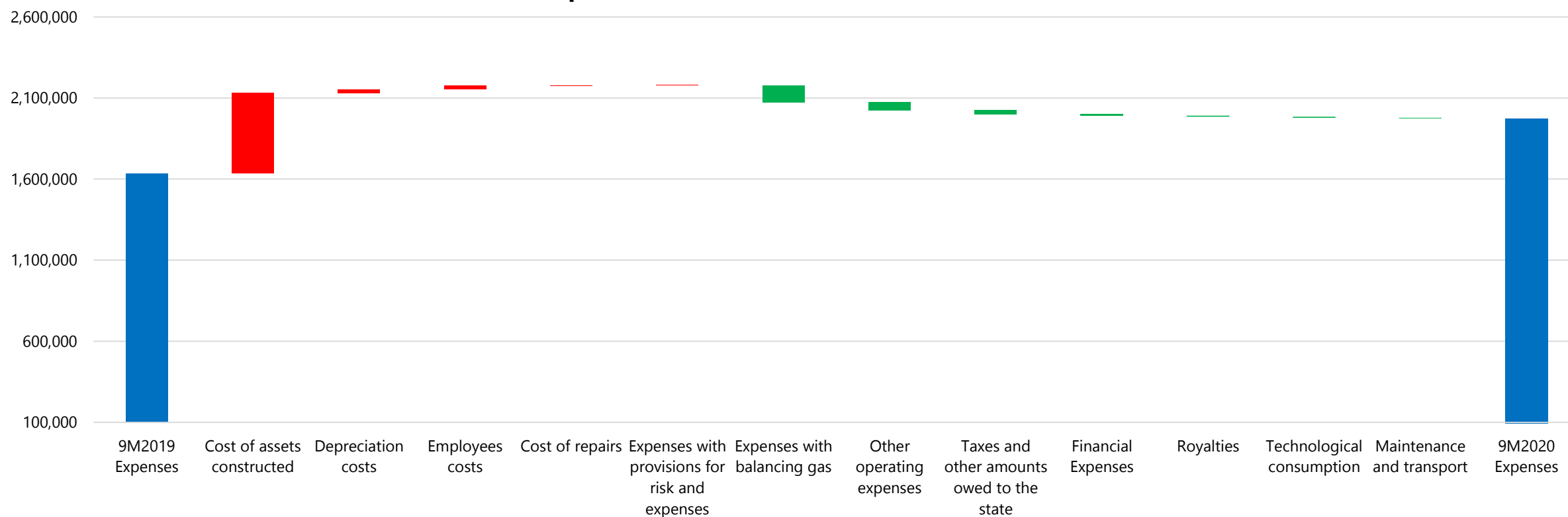
Revenue from the construction activity higher by **LEI 496,646 thousand**, registered in line with IFRIC 12, according to which revenue and costs related to the construction activity or the improvement of the transmission network, in exchange of which the intangible asset is registered, must be acknowledged in line with IAS 11, Construction Contracts.

Financial revenue has a positive influence of **LEI 8,626 thousand** mainly due to the recording of revenue as a consequence of the updating of the regulated assets value with the inflation and foreign currency exchange gains.

	1Q2020	2Q2020	3Q2020	9M2020	1Q2019	2Q2019	3Q2019	9M2019
Revenues from the domestic transmission activity, due to:	474,269	203,556	200,503	878,327	378,769	203,548	209,161	791,478
- Volumetric component	66,800	38,842	36,294	141,936	96,879	68,314	76,805	241,998
- Capacity booking component	407,469	164,713	164,209	736,391	281,890	135,234	132,356	549,480

4. Main costs drivers (1)

Expenses 9M2020 vs. 9M2019 (thousand lei)



9M2020 compared to 9M2019

4. Main costs drivers (2)

Operating costs before the balancing and construction activity according to IFRIC12 decreased by **5%** as compared to 9 months 2019, which is lower by **LEI 45,183 thousand**.

The company made savings of LEI 91,989 thousand, mainly in relation to the following cost elements:

- *transmission system gas consumption* LEI 2,706 thousand, due to:
 - quantity of natural gas for NTS gas consumption lower by 65,057 MWh as compared to 9 months 2019, with a positive influence of LEI 6,656 thousand;
 - average purchase price higher by LEI 8.79 /MWh as compared to the one obtained in 9 months 2019, with a negative influence of LEI 3,950 thousand.

		1Q2020	2Q2020	3Q2020	30.09.2020	1Q2019	2Q2019	3Q2019	30.09.2019	Differences 9M2020 vs 9M2019
Technological consumption quantities	MWh	240,122	117,996	91,136	449,254	224,309	164,730	125,272	514,311	-65,057
	thousand m ³	23,272	12,030	9,243	44,545	20,942	15,575	12,238	48,755	-4,210

- *other operating costs*: LEI 49,219 thousand, mainly based on the decreasing of the cost of the adjustment for impairment of current assets, compared to 9 months 2019;
- *cost of taxes and amounts due to the state*: LEI 25,793 thousand;
- *costs of NTS concession royalty*: LEI 7,411 thousand;
- *cost of auxiliary materials and other material costs*: LEI 3,835 thousand;
- *cost of maintenance and transmission*: LEI 3,025 thousand.

Exceedings amounting to LEI 46,806 thousand were recorded to the following cost elements:

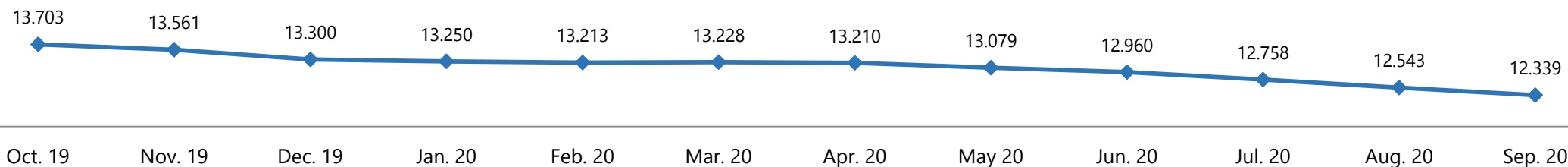
- *costs of personnel*: LEI 22,109 thousand;
- *cost of depreciation*: LEI 23,424 thousand;
- *costs of repairs*: LEI 849 thousand;
- *costs of provision for risks and charges*: LEI 423 thousand.

The financial cost is lower by **LEI 8,284 thousand** mainly based on the foreign currency exchange loss.

Compared to 9 months 2019 the gross profit obtained in 9 months 2020 decreased by 6%, which is lower by LEI 17,070 thousand.

5. Main business drivers (1)

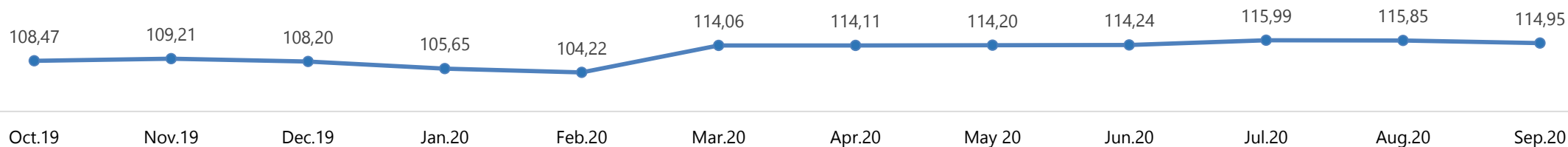
Natural gas volumes circulated (including storage quantities) - mil.cm - rolling 12 months



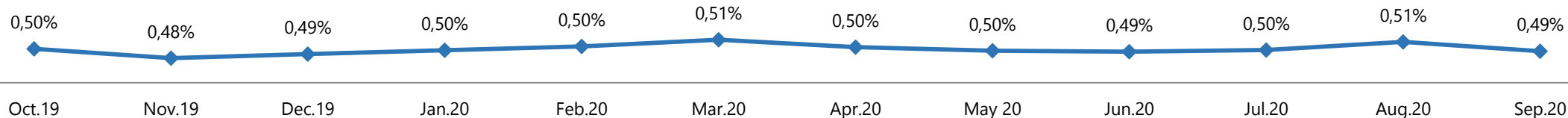
		1Q2020	2Q2020	3Q2020	9M2020	1Q2019	2Q2019	3Q2019	9M2019
Circulated gas, out of which:	MWh	44,364,276.70	25,819,241.00	23,943,612.17	94,127,129.87	45,054,044	28,562,915	30,562,038	104,178,997
	thousand m ³	4,139,811.57	2,401,074.14	2,228,188.80	8,769,074.51	4,211,546	2,668,781	2,849,487	9,729,814
	MWh	440,750.00	6,350,866.66	5,651,372.86	12,442,989.52	398,246	11,330,119	14,630,427	26,358,791
	thousand m ³	40,748.69	598,729.28	533,312.60	1,172,790.56	37,854	1,068,904	1,386,169	2,492,927
- storage									
Circulated gas storage share		0.99%	24.60%	23.60%	13.22%	0.88%	39.67%	47.87%	25.30%

5. Main business drivers (2)

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



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

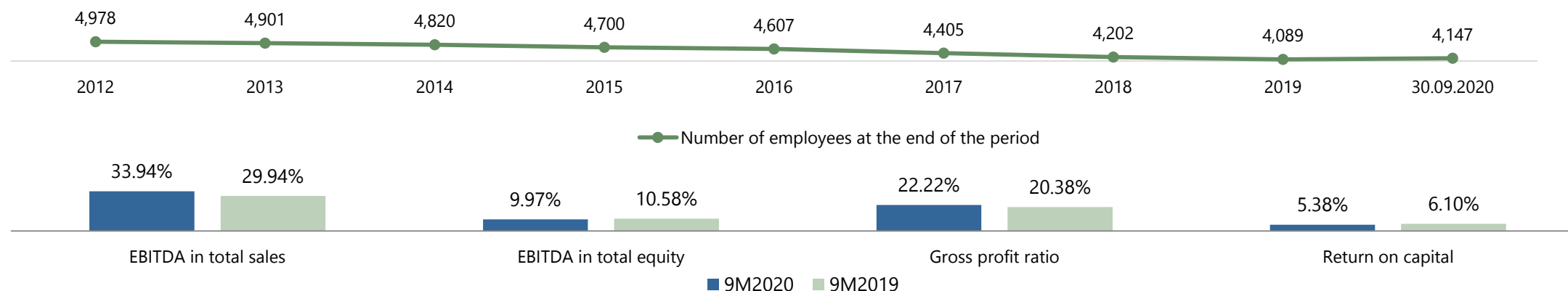
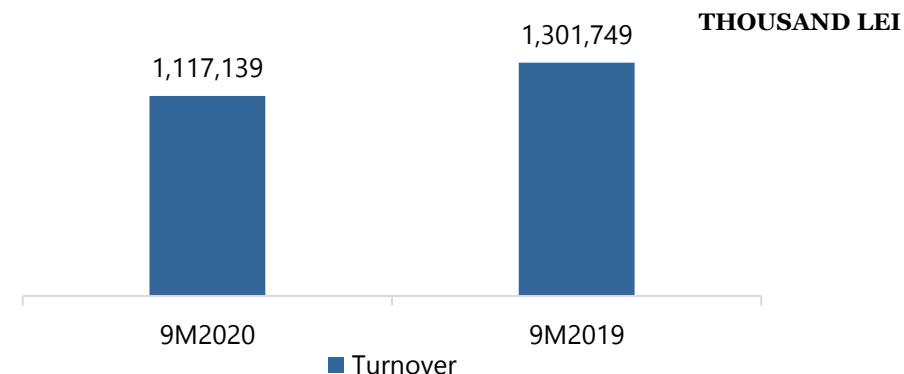


		1Q2020	2Q2020	3Q2020	9M2020	1Q2019	2Q2019	3Q2019	9M2019
Technological consumption, materials and consumables used, of which:	thousand Lei	30,643	19,353	24,197	74,193	30,306	28,675	21,753	80,734
▪ transmission system technological consumption and loss	thousand Lei	25,883	13,473	10,557	49,913	22,422	16,806	13,392	52,620
▪ - technological consumption quantity	MWh	240,122	117,996	91,136	449,254	224,309	164,730	125,272	514,311
▪ auxiliary materials	thousand Lei	3,814	5,327	12,702	21,843	6,703	10,902	7,466	25,071
▪ other material costs	thousand Lei	946	553	939	2,438	1,181	967	896	3,044

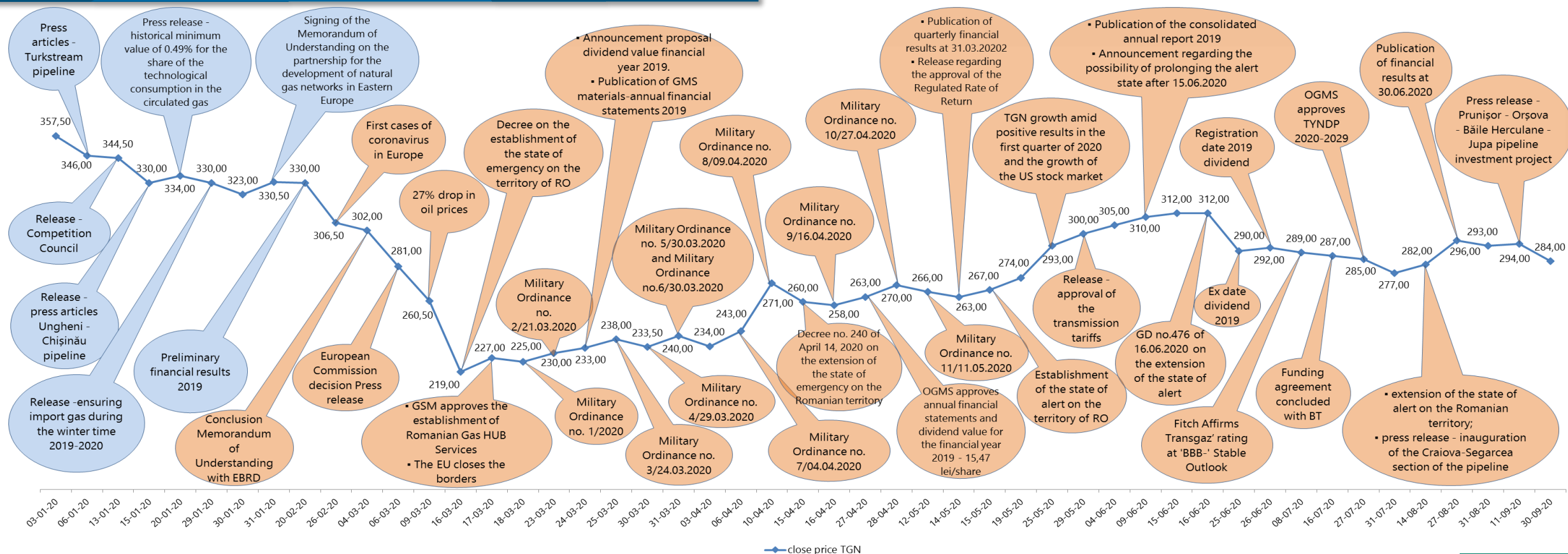
6. Main indicators

30.09.2020 compared to 30.09.2019

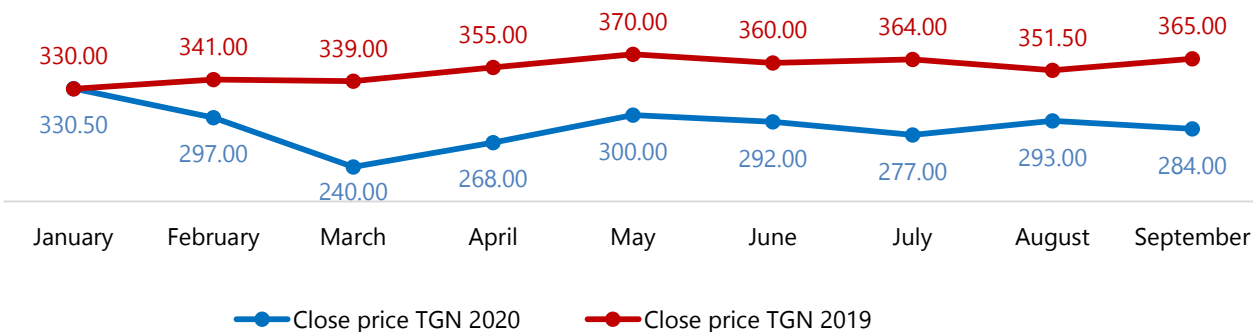
	9 months 2020	9 months 2019
EBITDA in total sales	33.94%	29.94%
EBITDA in total equity	9.97%	10.58%
Gross profit ratio	22.22%	20.38%
Return on capital	5.38%	6.10%
Current liquidity ratio	1.64	2.95
Quick liquidity ratio	1.06	1.74
Gearing	31.15%	12.85%
Interest coverage ratio	18.58	100.44
Turnover speed for clients debit - days	151.53	134.73
Turnover speed for credit providers - days	58.65	37.27



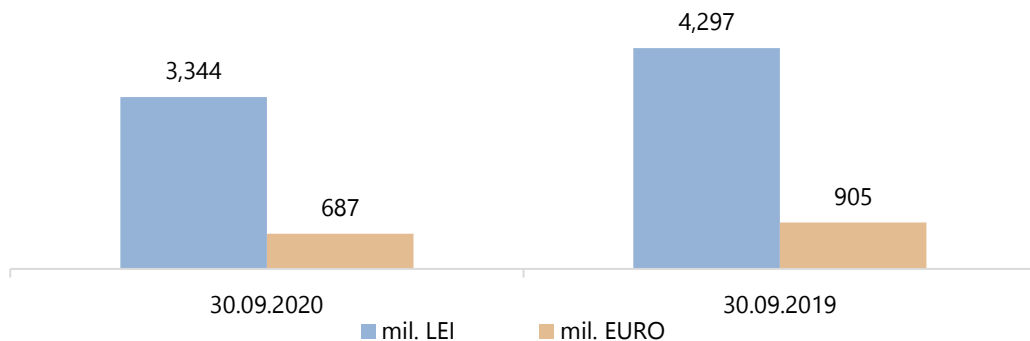
Stock Exchange TGN Evolution (1)



Stock Exchange TGN Evolution (2)

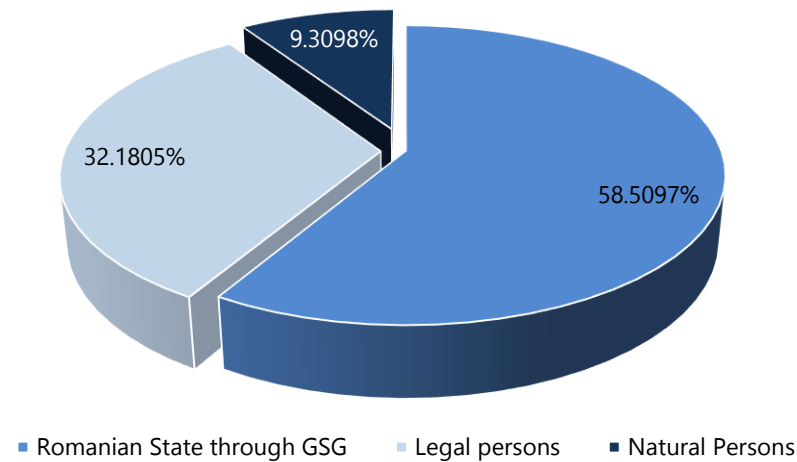


Market capitalization



Stock market index name	TGN share 30.09.2020	Position held in the componence of the index
BET	4.72%	6
ROTX	3.85%	7
BET-NG	13.78%	3
BET-TR	4.56%	6
BET-XT	4.56%	6
BET-BK	4.70%	11

Shareholders structure at September 24, 2020



Stock Exchange TGN Evolution (3)

Published on TradingView.com, October 13, 2020 10:52:02 EEST
BVB:TGN, D O:278,0000 H:280,0000 L:278,0000 C:278,0000



TradingView

Published on TradingView.com, October 13, 2020 10:55:07 EEST
BVB:TGN, D O:278,0000 H:280,0000 L:278,0000 C:278,0000



TradingView

Stock Exchange TGN Evolution (4)

Published on TradingView.com, October 13, 2020 10:54:08 EEST
BVB:TGN, D 0:278,0000 H:280,0000 L:278,0000 C:278,0000



TradingView

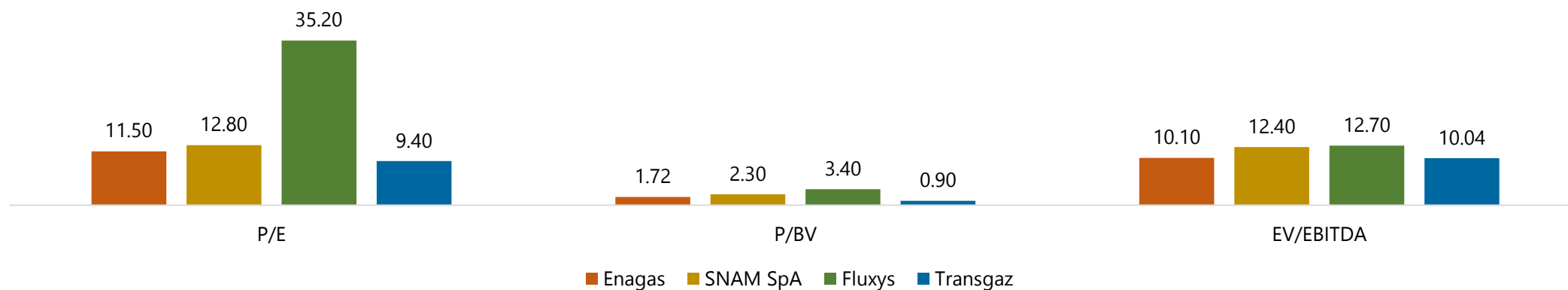
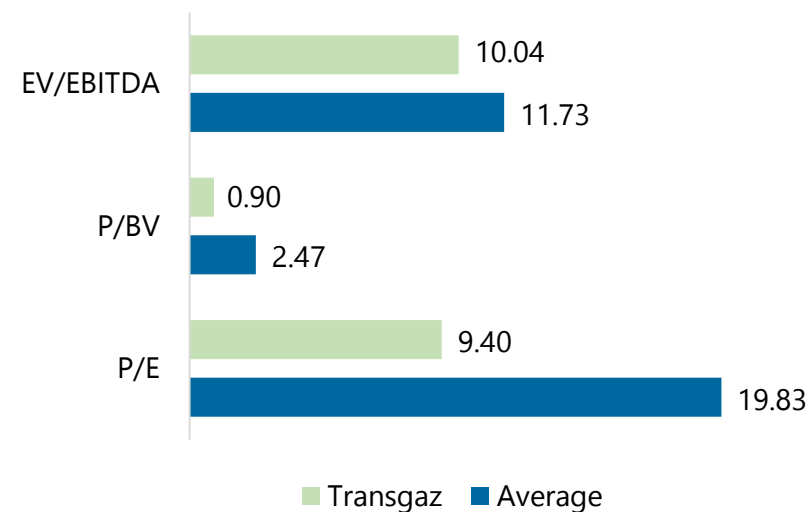
Published on TradingView.com, October 13, 2020 11:08:08 EEST
BVB:TGN, D 0:278,0000 H:280,0000 L:278,0000 C:278,0000



TradingView

TRANSGAZ COMPARED TO PEERS

Company		P/E	P/BV	EV/EBITDA
Enagas	Spain	11.50	1.72	10.10
SNAM SpA	Italy	12.80	2.30	12.40
Fluxys	Belgium	35.20	3.40	12.70
Average		19.83	2.47	11.73
Transgaz	Romania	9.40	0.90	10.04
Premium/Discount	Spain	-52.61%	-63.61%	-14.43%





Transgaz

ICC Romania International Chamber Of Commerce
 CIA Camera de Comerț, Industrii și Agricultură Sibiu
 AMCHAM Romania
 CRE Centrul Român al Energiei
 World Energy Council
 ARMR Asociația Română de Mecanica Ruperii
 ENTSOG
 Asociația Gaziștilor
 SIPG
 ExxonMobil
 Operator Plinskoca Transportnoc Sustava
 PIGGING PRODUCTS & SERVICES ASSOICIATION
 SOCAR
 DESFA Hellenic Gas Transmission System Operator SA
 EUSTREAM
 ICGB
 SRBIJAGAS

Partners

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 GIE Gas Infrastructure Europe
 Black Sea Oil and Gas
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 CPGNJATAC
 YTR
 OMV Petrom
 Depogaz
 ITOCHU
 ACER
 FGSZ LTD.
 Lukoil
 Gazprom Export
 Ukrtransgaz
 TSO of Ukraine LLC
 CEGH

CORPORATE SOCIAL RESPONSIBILITY

Consistent with the principle of applying responsible management in fulfilling the assumed mission, TRANSGAZ is aware of the importance of the fact that sometimes financial support for a noble cause or for an important purpose is vital and therefore through the programs and projects of social responsibility initiated, is actively involved in the life of the community, thus demonstrating its status as a 'good citizen'.

As part of its Sustainable Development Strategy, the social responsibility policy aims to permanently increase the company's accountability to employees, shareholders, partners, the community and the environment, as well as streamlining the impact of CSR programs initiated for this purpose.

The company's social responsibility policy is based on a set of principles that define this interaction between the company on the one hand and employees, shareholders, partners, community and the environment on the other.

The priority areas the company has been involved, is involved and will be involved in, from a social point of view, are: the sustainable development of the community, education, sports, art and culture, humanitarian action, health, environment.



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