



ANNUAL FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021
TERÉGA SA



TABLE OF CONTENTS

ASSETS P.4

LIABILITIES P.5

INCOME STATEMENT P.6

MAJOR EVENTS P.8

NOTES TO THE FINANCIAL STATEMENTS P.9

ENTITY PRESENTING THE FINANCIAL STATEMENTS P.9

ACCOUNTING PRINCIPLES P.9

INTANGIBLE FIXED ASSETS P.10

TANGIBLE ASSETS P.10

LONG-TERM INVESTMENTS P.14

INVENTORY AND WORK-IN-PROGRESS P.14

STATEMENT OF RECEIVABLES P.15

SHAREHOLDERS' EQUITY P.16

PROVISIONS FOR CONTINGENCIES AND CHARGES P.16

STATEMENT OF DEBTS P.17

OPERATING INCOME P.18

OPERATING EXPENSES P.18

TAX ON PROFITS P.19

OTHER INFORMATIONS P.20

STAFF P.20

TAX CONSOLIDATION P.20

EMPLOYEE BENEFITS P.20

RELATED PARTIES P.21

COMMITMENTS RECEIVED P.21

COMMITMENTS MADE P.21

REMUNERATION OF DIRECTORS' ACTIVITIES P.21

EVENTS AFTER THE BALANCE SHEET DATE P.21

CASH FLOW TABLE P.22

ASSETS

In €

	31/12/2021		31/12/2020	
	Gross	Depreciation and amortisation Provisions	Net	Net
Development costs	11,700,624	2,786,316	8,914,308	8,256,733
Concessions, patents, similar rights	147,293,073	99,971,115	47,321,958	49,855,640
Other intangible assets	668,489	668,489	(0)	(0)
Intangible Assets under construction	3,695,731	(0)	3,695,731	5,318,907
INTANGIBLE FIXED ASSETS	163,357,917	103,425,920	59,931,997	63,431,280
Land	26,105,201	13,207,901	12,897,300	13,391,901
Buildings	104,501,772	49,747,068	54,754,704	56,119,051
Plant and equipment	3,013,080,046	1,367,885,767	1,645,194,280	1,622,806,402
Other tangible assets	11,521,274	7,234,247	4,287,027	4,622,797
Current tangible assets	66,929,485	(0)	66,929,485	72,661,793
Advances and down payments	(0)	(0)	(0)	84,863
TANGIBLE FIXED ASSETS	3,222,137,778	1,438,074,983	1,784,062,796	1,769,686,807
Other shareholdings	331,973	(0)	331,973	378,973
Other long-term investments	159,268	(0)	159,268	160,637
LONG-TERM INVESTMENTS	491,241	(0)	491,241	539,610
FIXED ASSETS	3,385,986,936	1,541,500,903	1,844,486,034	1,833,657,697
Raw materials and consumables	30,840,733	4,827,703	26,013,030	24,993,815
INVENTORY	30,840,733	4,827,703	26,013,030	24,993,815
Advances and down payments made on orders	583,441	(0)	583,441	1,274,174
Trade and other Receivables	60,968,606	358	60,968,248	44,465,178
Other receivables	1,834,337	(0)	1,834,337	12,431,919
RECEIVABLES	62,802,944	358	62,802,585	56,897,097
Cash	12,968,852	(0)	12,968,852	482,159,431
CASH AND CASH EQUIVALENTS	12,968,852	(0)	12,968,852	482,159,431
Prepaid expenses	1,101,000	(0)	1,101,000	46,464
TOTAL CURRENT ASSETS	108,296,969	4,828,062	103,468,908	565,370,981
Debt issue expenses to be amortized	20,085,810	(0)	20,085,810	23,500,378
TOTAL ASSETS	3,514,369,716	1,546,328,964	1,968,040,751	2,422,529,056

LIABILITIES

	In €	
	31/12/22021	31/12/2020
Share or individual capital	17,579,088	17,579,088
Issue, merger or contribution premiums	12,369	12,369
Revaluation adjustments	150,045	150,045
Statutory reserve	1,757,909	1,757,909
Reserves required by articles of association or contracts	130,918	130,918
Other reserves	129,556	129,556
EARNINGS FOR THE FINANCIAL YEAR (PROFIT OR LOSS)	64,695,326	49,717,320
Interim dividends to be allocated	(30,609,587)	(24,303,089)
Investment grants	46,727,900	47,888,820
Restricted provisions	344,402,648	313,514,194
SHAREHOLDERS' EQUITY	444,976,171	406,577,130
Provisions for contingencies	125,000	68,791
Provisions for costs	1,450,748	1,470,748
PROVISIONS FOR CONTINGENCIES AND COSTS	1,575,748	1,539,539
Other bonds	1,410,434,703	1,921,282,204
Bank debt	11,693,681	56,997
Other debt	3,055,670	3,264,779
FINANCIAL DEBT	1,425,184,054	1,924,603,979
Advances and down payments received on orders in progress	162,620	(0)
Trade payables	63,068,989	58,604,521
Tax and employment-related liabilities	33,073,169	31,173,563
Other debts	(0)	30,324
OTHER DEBT	96,304,778	89,808,407
TOTAL DEBTS	1,521,488,832	2,014,412,387
TOTAL LIABILITIES	1,968,040,751	2,422,529,056

INCOME STATEMENT

In €

	31/12/2021		31/12/2020	
	France	Export market	31/12/2021	
Production sold - goods	28,016,162	(0)	28,016,162	7,528,784
Production of services sold	460,380,006	(0)	460,380,006	452,224,765
TURNOVER	488,396,168	(0)	488,396,168	459,753,549
Capitalised production expenses			137,473,065	126,085,669
Reversals of depreciation and provisions, transfer of charges			330,432	3 196 631
Other income			13,888	10,296
TOTAL OPERATING INCOME			626,213,553	589 046 145
Purchase of raw materials and other consumables (incl. customs duties)			29,342,474	18,163,789
Change in stocks of raw materials and other supplies			(1,867,490)	(1,526,637)
Other purchases and external costs			217,019,010	193,810,270
Taxes, duties, and other levies			12,007,036	15,384,343
Wages and salaries			45,416,144	45,684,344
Employee-related expenditures			27,580,283	27,327,455
Allowances costs on fixed assets: depreciation allocations			124,255,910	122,787,999
Allowances costs on current assets: provision allocations			848,275	1,755,342
Allowances costs for risks and costs: provision allocations			162,000	141,000
Other expenses			8,325,932	7,173,298
TOTAL OPERATING EXPENSES			463,089,576	430,701,203
OPERATING RESULT			163,123,977	158,344,942
Financial income from investments			28,200	(0)
Income from other investment securities and receivables on fixed assets			23,358	(0)
Other interest and similar income			8,919	(0)
Unrealised foreign exchange gains			(0)	7,541
TOTAL FINANCIAL INCOME			60,476	7,541
Financial allocations for accumulated depreciation			2,331,014	2,395,552
Interest and similar expenses			38,449,952	46,297,035
TOTAL FINANCIAL EXPENSES			40,780,966	48,692,587
FINANCIAL RESULT			-40,720,490	-48,685,046
CURRENT RESULT			122,403,487	109,659,897

INCOME STATEMENT (CONT.)

	In €	
	31/12/2021	31/12/2020
Exceptional income from capital transactions	4,221,528	285,858
Write-backs of provisions and cost transfers	13,562,598	12,820,077
TOTAL EXCEPTIONAL INCOME	17,784,126	13,105,935
Extraordinary costs – management operations	69,933	258,052
Extraordinary costs – capital operations	2,255,350	192,550
Extraordinary allowances for depreciation and provisions	44,451,052	47,190,752
TOTAL EXCEPTIONAL EXPENSES	46,776,335	47,641,354
EXCEPTIONAL RESULT	-28,992,209	-34,535,420
Employee profit-sharing	3,846,943	2,920,003
Tax on profits	24,869,009	22,487,154
TOTAL INCOME	644,058,155	607,089,621
TOTAL EXPENSES	579,362,829	557,372,301
PROFIT OR LOSS (TOTAL INCOME - TOTAL EXPENSES)	64,695,326	49,717,320

MAJOR EVENTS

- COVID-19 -

Management has determined a limited impact of COVID-19 on its 2021 annual financial statements.

The entity's management is not aware of any factors that would jeopardise the entity's ability to continue operating and that would have a material impact on the consolidated financial statements as at 31 December 2021.

- REPAYMENT OF BOND LOAN -

The bond subscribed in 2011, maturing in July 2021, was repaid for €500 M.

- EUROPEAN COMMISSION INVESTIGATION -

In February 2020, the European Commission launched an investigation to determine whether the mechanism for regulating natural gas storage in France complies with EU state aid rules.

On 28 June 2021, the European Commission concluded that the mechanism for regulating the storage of natural gas implemented by France since 2017 was in line with EU state aid rules.

The Commission's in-depth investigation revealed that the remuneration method is independently established by the CRE, and the valuation of regulated assets in particular leads to proportionate compensation to limit the effects of the measure on the internal market.

- DOMESTIC CONSUMPTION TAX -

As part of its business, Teréga SA consumes natural gas for its own needs. These consumptions may be subject to an internal consumption tax depending on their use.

In this context, Teréga SA joined the Directorate General for Customs and Direct Rights (DGDDI) on 14 June 2019 in order to obtain a position from the customs administration relating to these natural gas consumptions.

The final adjustment confirmed by the administration amounted to €3,286,092 for the period from November 2017 to December 2019. An expense to be paid had been provisioned in the financial statements at 31 December 2019 for €3,489,471, adjusted accordingly at 31 December 2020.

The payment took place over the first half of 2021, for the amount provisioned in the accounts as at 31 December 2020.

- CONTROL OF THE DIRECTORATE GENERAL FOR COMPETITION, CONSUMER AFFAIRS AND FRAUD CONTROL ("DGCCRF") -

On 4 October 2019, Teréga SA received a notice of control from the DGCCRF on inter-company payment deadlines. The control covers 2018 and began on 14 January 2020. It gave rise to the exchange of documents in the first quarter of 2021.

No conclusions have been received to date.

- EIAA -

In accordance with the provisions of Article L. 452-2 of the French Energy Code, the CRE sets the methods for establishing gas network usage rates. These rates, which cover all costs incurred by their operators, are established by taking into account:

- operating expenses necessary for the proper operation and security of networks and installations,
- capital charges (depreciation and remuneration of assets of transporters, distributors, methane terminals and storage operators).

They are calculated based on assumptions of expenses and income established for the entire tariff period. These assumptions present uncertainties when setting tariffs. These tariffs have an EIAA (Expenses and Income Adjustment Account) mechanism to correct the differences between the projected expenses and income and those actually recorded for previously identified items.

In order to ensure better comparability of the accounts of European operators, IFRS 14, published by the IASB in January 2014, is being updated to reflect the functioning of the EIAA mechanism. This analysis could have an impact on the reporting and presentation of the financial statements drawn up in accordance with French standards.

To date, Teréga's position has led to the recognition of adjustments during the year of their observation. This position could be reviewed based on the elements of doctrine to be published in the future.

NOTES TO THE FINANCIAL STATEMENTS

ENTITY PRESENTING THE FINANCIAL STATEMENTS

Teréga SA is a company domiciled in France, with its registered office at 40 avenue de l'Europe, Pau.

The consolidated financial statements of the Company and its subsidiaries are drawn up by Teréga Holding. A consolidation sub-level is also established at the boundaries of Teréga SAS.

ACCOUNTING PRINCIPLES

The financial year lasts for 12 months from 1 January until 31 December 2021.

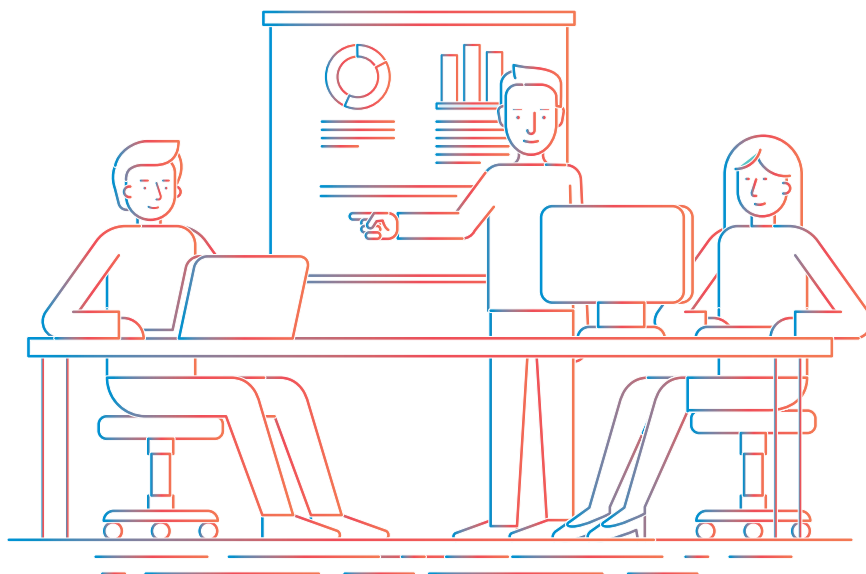
The financial statements for the financial year ended 31 December 2021 were prepared in accordance with Accounting Standards Authority (ANC) regulation no. 2014-03 of 5 June 2014 relating to the French Chart of Accounts, updated by ANC regulation 2020-05 of 24 July 2020 and 2020-09 of 4 December 2020.

The general accounting rules and professional modifications (Comm. Code R. 123-180 and French General Accounting Plan Art. 531.1) were applied, in line with the principle of prudence and in accordance with the basic assumptions:

- going concern,
- consistency of accounting methods from one year to the next,
- independence of accounting periods.

The basic method used to assess the information recorded in the accounts is the historical cost method. The methods used to assess and present the financial statements for this period were unchanged from the previous year.

The tax expenses recorded as at 31 December 2021 are calculated by applying a 28.41% rate to the taxable income finalised on that same date.



INTANGIBLE FIXED ASSETS

Gross values

Software and patents acquired or created by the company are recorded in the intangible assets account. These items are depreciated over their probable usable life. This account also includes transit rights on third-party networks, amortised over 10 years. Finally, development costs are also capitalised.

Depreciation and amortisation

	COMPANY PERIOD	FINANCIAL PERIOD
DEVELOPMENT COSTS	5 TO 10 YEARS	5 YEARS
PATENTS AND SOFTWARE	5 YEARS	3 YEARS
TRANSIT RIGHTS	10 YEARS	15 YEARS

TANGIBLE ASSETS

Gross values

Tangible fixed assets are entered at their acquisition or production cost with the exception of certain parcels of land acquired prior to 31 December 1976, which have been re-valued.

Transmission assets mainly consist of pipes and compressor stations. Transmission structures shall be subject to ministerial authorisation, prefectural authorisation and, where applicable, the authorisation of the other competent bodies. For each project and in accordance with the provisions of Articles L. 134-3 and L. 431-6 of the French Energy Code, Independent Transmission Operators, a category which includes your company, must transmit their annual investment programmes to the Energy Regulation Commission (CRE) and, where applicable, to other competent bodies for approval. Therefore, only approved costs are recorded under fixed assets, and the others are recorded under operating expenses.

Storage investments mainly include cushion gas and compressor stations.

By a decree of the Ministry of Ecological and Solidarity Transition of 12 December 2006, the Izaute gas storage concession was extended for 25 years with effect from 26 October 2005, until 25 October 2030.

By a decree of the Ministry of Ecological and Solidarity Transition of 8 December 2017, the Lussagnet gas storage concession was extended for 25 years with effect from 31 December 2017, until 1 January 2043.

Depreciation and amortisation

In accordance with the implementation of CRC 2002-10, assets are depreciated based on the life-span of the item. This approach by component results in the use of straight line depreciation for the following depreciation periods:

	COMPANY PERIOD	FINANCIAL PERIOD		COMPANY PERIOD	FINANCIAL PERIOD
IT EQUIPMENT	5 YEARS	3 YEARS	OFFICE FURNITURE	10 YEARS	10 YEARS
EQUIPMENT AND TOOLS	10 YEARS	5 YEARS	METERING STATIONS	30 YEARS	15 YEARS
TRANSMISSION EQUIPMENT	10 YEARS	5 YEARS	COMPRESSION STATIONS - CONNECTION ISOLATION	30 YEARS	15 YEARS
OFFICE EQUIPMENT	10 YEARS	5 YEARS	BUILDINGS	25 YEARS	25 YEARS
TELECOMMUNICATIONS EQUIPMENT	10 YEARS	5 YEARS	BUILDINGS ON LAND OWNED BY OTHERS	25 YEARS	25 YEARS
LAND DEVELOPMENT	10 YEARS	10 YEARS	UNDERGROUND SURVEYS	25 YEARS	25 YEARS
GENERAL FACILITIES DEVELOPMENT	10 YEARS	10 YEARS	CUSHION GAS	25 YEARS	25 YEARS
OTHER GENERAL FACILITIES	10 YEARS	10 YEARS	MAIN PIPELINES	50 YEARS	25 YEARS
FACILITIES DEVELOPMENT ON LAND OWNED BY OTHERS	10 YEARS	10 YEARS	CONNECTIONS	50 YEARS	25 YEARS

The change in depreciation periods implemented in 2008 created a discrepancy between financial and company years, and therefore resulted in the recognition of exceptional depreciation of €344,402,648 on 31 December 2021.

Storage assets are depreciated by periods independent of the duration of the concession. If the concession is not renewed, the concession capital assets should be subject to accelerated depreciation.

Change in fixed assets and depreciation

Table of assets as of 31/12/2021

In thousands of euros					
POSITION & MOVEMENT	GROSS VALUES AT THE START OF THE FINANCIAL YEAR	INCREASES	REDUCTIONS, DISPOSALS	OTHER OUTGOINGS	GROSS VALUES AT THE END OF THE FINANCIAL YEAR
Development costs	9,141	2,710	150	(0)	11,701
Concessions, patents and similar rights	136,786	17,437	874	6,056	147,293
Other intangible fixed assets	668	(0)	(0)	(0)	668
Current intangible assets	5,319	18,523	(0)	20,146	3,696
INTANGIBLE FIXED ASSETS	151,915	38,670	1,024	26,203	163,358
Land	25,838	351	84	(0)	26,105
<i>including revaluation</i>	<i>150</i>	<i>(0)</i>	<i>(0)</i>	<i>(0)</i>	<i>150</i>
Own land	68,086	3,235	1,673	(0)	69,648
Buildings	(0)	(0)	(0)	(0)	(0)
General facilities	34,289	1,950	1,385	(0)	34,854
Technical installations, plant and equipment	2,896,356	118,101	(0)	1,377	3,013,080
General installations	570	(0)	(0)	(0)	570
Other tangible assets	242	222	(0)	(0)	463
Transmission equipment	10,014	984	42	469	10,488
Office and it equipment					
Current tangible assets	72,662	119,112	(0)	124,844	66,929
Advances and down payments	85	(0)	(0)	85	(0)
TANGIBLE ASSETS	3,108,142	243,956	3,184	126,775	3,222,138
LONG-TERM INVESTMENTS	540	12,023	12,072	(0)	491
TOTAL	3,260,596	294,649	16,280	152,978	3,385,987

Table of depreciation and amortisation as of 31/12/2021

In thousands of euros					
POSITION & MOVEMENT	DEPRECIATION AND AMORTISATION AT THE START OF THE FINANCIAL YEAR	INCREASES	REDUCTIONS, DISPOSALS	OTHER OUTGOINGS	DEPRECIATION AND AMORTISATION AT THE END OF THE FISCAL YEAR
Development costs	885	1,902	(0)	(0)	2,786
Concessions, patents and similar rights	86,931	19,236	139	6,056	99,971
Other intangible fixed assets	668	(0)	(0)	(0)	668
INTANGIBLE FIXED ASSETS	88,484	21,138	139	6,056	103,426
Land	12,446	762	(0)	(0)	13,208
Own land	25,851	2,551	1,050	(0)	27,353
Buildings	(0)	(0)	(0)	(0)	(0)
General facilities	20,405	2,738	749	(0)	22,394
Technical installations, plant and equipment	1,273,549	95,714	(0)	1,377	1,367,886
General installations	488	53	(0)	(0)	541
Other tangible assets	21	64	(0)	(0)	84
Transmission equipment	5,695	1,398	15	469	6,609
Office and it equipment					
TANGIBLE ASSETS	1,338,455	103,280	1,814	1,846	1,438,075
LONG-TERM INVESTMENTS	(0)	(0)	(0)	(0)	(0)
TOTAL	1,426,939	124,418	1,953	7,903	1,541,501

They consist of investments in gas transmission, in the amount of €2,270,642,348, and storage, in the amount of €951,495,429.

Acquisitions of transmission assets for the financial year amount to €234,911,592.

Acquisitions of storage assets for the financial year amount to €59,737,382.

By a decree of 12 December 2006, the Izaute gas storage concession was extended for 25 years with effect from 26 October 2005, until 25 October 2030.

By a decree of 8 December 2017, the Lussagnet gas storage concession was extended for 25 years with effect from 31 December 2017, until 1 January 2043.

Transmission fixed assets table, as at 31/12/2021

In thousands of euros					
POSITION & MOVEMENT	GROSS VALUES AT THE START OF THE FINANCIAL YEAR	INCREASES	REDUCTIONS, DISPOSALS	OTHER OUTGOINGS	GROSS VALUES AT THE END OF THE FINANCIAL YEAR
Development costs	5,416	708	150	(0)	5,974
Concessions, patents and similar rights	34,715	-1,096	509	(0)	33,110
Other intangible fixed assets	(0)	(0)	(0)	(0)	(0)
Current intangible assets	4,168	13,369	(0)	14,525	3,012
INTANGIBLE FIXED ASSETS	44,299	12,981	660	14,525	42,096
Land	7,909	-194	84	(0)	7,631
<i>including revaluation</i>	150	(0)	(0)	(0)	(0)
Own land	28,532	1,328	624	(0)	29,237
Constructions	(0)	(0)	(0)	(0)	(0)
General facilities	9,366	-827	636	(0)	7,904
Technical installations, plant and equipment	1,232,613	45,181	(0)	(0)	1,277,794
General installations	(0)	(0)	(0)	(0)	(0)
Other tangible assets	(0)	(0)	(0)	(0)	(0)
Transmission equipment	221	90	(0)	(0)	311
Office and it equipment	2,993	-294	27	(0)	2,672
Current tangible assets	66,577	89,749	(0)	110,653	45,673
Advances and down payments	73	(0)	(0)	73	(0)
TANGIBLE ASSETS	1,348,285	135,033	1,371	110,726	1,371,221
LONG-TERM INVESTMENTS	498	6,623	6,670	(0)	451
TOTAL	1,393,082	154,637	8,700	125,251	1,413,768



Storage fixed assets table, as at 31/12/2021

In thousands of euros					
POSITION & MOVEMENT	GROSS VALUES AT THE START OF THE FINANCIAL YEAR	INCREASES	REDUCTIONS, DISPOSALS	OTHER OUTGOINGS	GROSS VALUES AT THE END OF THE FINANCIAL YEAR
Development costs	2,840	100	(0)	(0)	2,941
Concessions, patents and similar rights	15,141	-704	225	(0)	14,212
Other intangible fixed assets	(0)	(0)	(0)	(0)	(0)
Current intangible assets	1,151	5,154	(0)	5,621	684
INTANGIBLE FIXED ASSETS	19,132	4,551	225	5,621	17,836
Land	5,483	-216	(0)	(0)	5,266
<i>including revaluation</i>	<i>(0)</i>	<i>(0)</i>	<i>(0)</i>	<i>(0)</i>	<i>(0)</i>
Own land	13,703	-644	(0)	(0)	13,058
Buildings	(0)	(0)	(0)	(0)	(0)
General facilities	4,518	38	(0)	(0)	4,556
Technical installations, plant and equipment	390,193	-22,793	(0)	(0)	367,400
General installations	82	-53	(0)	(0)	29
Other tangible assets	(0)	68	(0)	(0)	68
Transmission equipment	(0)	68	(0)	(0)	68
Office and it equipment	1,327	-120	(0)	(0)	1,207
Current tangible assets	6,085	29,363	(0)	14,192	21,256
Advances and down payments	12	(0)	(0)	12	(0)
TANGIBLE ASSETS	421,402	5,643	(0)	14,203	412,841
LONG-TERM INVESTMENTS	42	5,400	5,401	(0)	41
TOTAL	440,576	15,594	5,627	19,825	430,718

Scrapping of fixed assets

Scrapping took place in 2021 for €7,895,267.

Current fixed assets

Current fixed assets are valued at their production cost which includes expenditures for materials, external expenditure (subcontracting) and a proportion of staff expenses.

Any expenditure related to an investment project is consistently entered as an expense.

At the end of every month, a fixed asset income entry offsets the expense in the profit and loss account with a balancing entry in fixed assets in progress.

The commissioning dates for complex installations are considered to be the date of receipt of the compliance report from the Regional Directorate for industry, research and the environment (DRIRE) for pipelines and storage.

LONG-TERM INVESTMENTS

Equity investments are recognised at their date of entry at acquisition cost and are tested for impairment at the balance sheet date, which results in an impairment loss when the present value of the securities held falls below their net book value.

Acquisition costs of equity investments are related to the acquisition cost of the asset. They are depreciated for tax purposes over 5 years.

Financial assets break down as follows:

- Equity investments for €331,973
 - 773,233 3GRT shares for €773
 - 3,120 Déclaranet shares for €312,000
 - 19,200 Prisma shares for €19,200
- Deposits and guarantees for €159,268

INVENTORY AND WORK-IN-PROGRESS

Method

Gas inventories are valued using the average weighted cost method.

The cost of entry into inventory of items includes actual accessory purchase costs (excluding transmission).

Work in progress is valued at its production cost, which includes materials costs and external expenditures.

Inventory on 31 December 2021 is recorded on the basis of the permanent inventory.

The provision for materials and supplies inventory depreciation is created based on a detailed analysis of each item. The date of the item's last movement is compared to the end date. The difference is used to calculate a number of years to determine the provision percentage.

The depreciation table was revised in 2021 to adjust the % depreciation to be applied to the actual technical wear and tear of the goods.

NUMBER OF YEARS	PERCENTAGE
less than 3 years	0 %
between 3 and 4 years	10 %
between 4 and 5 years	20 %
between 5 and 6 years	30 %
between 6 and 7 years	40 %
between 7 and 8 years	50 %
between 8 and 9 years	60 %
between 9 and 10 years	70 %
between 10 and 11 years	80 %
between 11 and 12 years	90 %
more than 12 years	100 %

Values

In thousands of euros

	GAS FOR BALANCING	GAS FOR OWN NEEDS	CO ₂ QUOTAS	MATERIALS			TOTAL
				GROSS	DEPRECIATION	NET	
At 01/01/2021	433	7,033	(0)	21,507	-3,979	17,527	24,994
Change	1,155	-365	503	575	-848	-274	1,019
AT 31/12/2021	1,588	6,668	503	22,082	-4,828	17,254	26,013

CO₂ quotas

Teréga SA is a company subject to the EU Emissions Trading Scheme.

The book value of stocks of allowances and similar units recorded in the company's balance sheet as at 31 December 2021 amounts to €503,150. These inventories are valued using the average weighted unit cost method.

Since the quotas and similar units are held in order to comply with the requirements of the regulations, the economic production model was chosen (see ANC No. 2012-03 of 4 October 2012).

For 2021, Teréga SA estimates that it had issued the equivalent of 18,621 greenhouse gas quotas. This estimate is based on a cross between regular technical surveys and consumption projections.

NUMBER OF ALLOWANCES	
Allowances to be returned (estimate)	18,621
Allowances not consumed	21,864
ALLOWANCES IN PORTFOLIO	40,485

STATEMENT OF RECEIVABLES

In thousands of euros

RECEIVABLES	GROSS AMOUNT AT 31/12/2021	DEGREE OF LIQUIDITY - ASSETS	
		MATURITIES	
		LESS THAN 1 YEAR	MORE THAN 1 YEAR
FIXED ASSET RECEIVABLES	159	(0)	159
ADVANCES AND DOWN PAYMENTS MADE ON ORDERS	583	583	(0)
CURRENT ASSET RECEIVABLES	36,445	36,439	6
Doubtful or disputed debts	6	(0)	6
Other trade receivables	36,201	36,201	(0)
Payable to staff	35	35	(0)
Social Security and other welfare bodies	105	105	(0)
State and other Local governments	Tax on profits	(0)	(0)
	Value-added tax	(0)	(0)
	Other taxes, duties and other levies	36	36
	Grants received	(0)	(0)
Group and other shareholders	56	56	(0)
Sundry debtors	6	6	(0)
DEFERRED EXPENSES	20,086	2,757	17,329
PREPAID EXPENSES	1,101	1,101	(0)
TOTAL	58,375	40,881	17,494

Deferred expenses include the costs of issuing the bonds.

Prepaid expenses consist of services invoiced by other companies in the Teréga group.

SHAREHOLDER EQUITY

The capital consists of 2,197,386 €8 shares.

On 25 May 2021, the General Shareholders' Meeting approved the allocation of net income for 2020 in the amount of €49,717,320, as proposed by the Board of Directors, and therefore decided to distribute dividends to Teréga SAS in the amount of €25,414,231, in addition to the interim dividend of €24,303,089 decided on 22 October 2020.

	In thousands of euros		
	31/12/2020	CHANGE	31/12/2021
Number of shares	2,197,386	(0)	2,197,386
Share or individual capital	17,579	(0)	17,579
Issue, merger or contribution premiums	12	(0)	12
Revaluation adjustments	150	(0)	150
Statutory reserve	1,758	(0)	1,758
Reserves required by articles of association or contracts	131	(0)	131
Other reserves	130	(0)	130
Retained earnings	(0)	(0)	(0)
Interim dividend	-24,303	-6,306	-30,610
Earnings for the 2021 fiscal year	(0)	64,695	64,695
Earnings for the 2020 fiscal year	49,717	-49,717	(0)
Investment grants	47,889	-1,161	46,728
Restricted provisions	313,514	30,888	344,403
TOTAL	406,577	38,399	444,976

PROVISIONS FOR CONTINGENCIES AND CHARGES

The company sets aside a provision every time a risk constitutes an obligation to a third party for which the probable liability can be estimated with sufficient accuracy.

Provisions for contingencies amount to €125 K, as at 31 December 2021.

The increase of €75 K concerns a commercial dispute.

The €19 K decrease concerns the outcome of a dispute that has been heard since 2017, without impact on the result of 2021.

	In thousands of euros			
PROVISIONS FOR CONTINGENCIES	POSITION AT 31/12/2020	MOVEMENTS		POSITION AT 31/12/2021
		INCREASES	REDUCTIONS	
Provisions for contingencies	69	75	19	125
TOTAL	69	75	19	125

Provisions for costs are broken down as follows:

	In thousands of euros			
PROVISIONS FOR COSTS	POSITION AT 31/12/2020	MOVEMENTS		POSITION AT 31/12/2021
		INCREASES	REDUCTIONS	
HR disputes	135	(0)	(0)	135
Long-service bonus	1,159	87	78	1,168
Oil Industry Mutual Fund (MIP)	177	(0)	29	148
TOTAL	1,471	87	107	1,451

STATEMENT OF DEBTS

In thousands of euros

DEBTS	GROSS AMOUNT AT 31/12/2021	PAYABILITY OF DEBT		
		MATURITIES LESS THAN 1 YEAR	MATURITIES	
			BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS
Other bonds	1,400,000	(0)	550,000	850,000
Bank debt	10,000	10,000		
Other debt	3,056	3,056		
Accrued interest on borrowing	10,463	10,463		
Advances and down payments received	163	163		
Trade payables	10,466	10,466		
Personnel and related receivables	12,977	12,977		
Social Security and other welfare bodies	10,357	10,357		
	Income tax	110	110	
State and other Local authorities	Value-added tax	2,444	2,444	
	Other taxes, duties, and similar levies	15	15	
Tax and employment-related liabilities	488	488		
Other debts	(0)	(0)		
Unearned income	(0)	(0)		
TOTAL	1,460,538	60,538	550,000	850,000
Loans subscribed to during the period	(0)			
Loans repaid during the period	500,000			

The financial structure is composed of:

- Bonds for €1,400,000,000, including:
 - Public bond for €550 million, maturing in 2025, rate: 2.200%
 - Public bond for €500 million, maturing in 2030, rate: 0.875%
 - Private bond for €350 million, maturing 2035, rate: 2.998%

- A credit line with a drawdown capacity of €250 M, €10 M drawn at 31 December 2021

Teréga SA individually is not subject to banking ratios, but the consolidation sub-group at the boundaries of Teréga SAS is subject to banking ratios.

OPERATING INCOME

In thousands of euros

OPERATING INCOME	31/12/2021	31/12/2020
REVENUES	488,396	459,754
Transmission capacity income	267,715	263,035
Storage capacity income	94,102	122,039
Inter-operator agreement	34,935	34,672
Connection and interfacing income	2,212	2,220
Other services	3,962	3,569
Other income from operations	3,885	1,992
Sales of natural gas for balancing	28,016	7,529
Grant	(0)	(0)
TEREGA Storage/Clearing Revenues	5,331	2,365
GRT Storage/Clearing Revenue	48,238	22,333
TOTAL TRANSMISSION REVENUE	340,410	312,837
TOTAL STORAGE REVENUE	147,986	146,916
CAPITALISED PRODUCTION	137,473	126,086
REVERSALS OF DEPRECIATION AND PROVISIONS, TRANSFER OF CHARGES	330	3,197
Write-back of Risk and Charges provisions	19	626
Reversal of pension provisions	107	82
Transfer of operating expenses	205	2,488

Revenue consists of:

- the production of services sold mainly corresponds to the receipts from transmission and storage capacities, to which the receipts from connection and transit contracts are added. All turnover is generated in France.
- sales of goods correspond to gas sales for network balancing. They are neutralised by a gas purchase account and therefore have no impact on income. Changes are due to the level of annual flows.

OPERATING EXPENSES

Operating expenses include investment expenses offset by capitalised production.

In thousands of euros

NATURE OF EXPENSES INCLUDED IN CAPITALISED PRODUCTION	31/12/2021	31/12/2020
Inventory change	1,176	2,248
Other purchases and external costs	116,228	102,081
Taxes, duties, and other levies	406	370
Wages and salaries	10,282	9,922
Employee-related expenditures	6,343	5,964
Other operating expenses	2,315	2,107
CAPITAL COSTS	136,750	122,692

The difference between the total of this table and the "capitalised production" line of the income statement corresponds to the nature of expenses other than operating expenses.

Other external purchases and charges are broken down as follows:

	In thousands of euros	
OTHER PURCHASES AND EXTERNAL CHARGES	31/12/2021	31/12/2020
Other purchases	60,529	46,245
General sub-contracting	49,773	49,806
Rentals and rental expenses	2,610	3,842
Maintenance and repairs	90,593	78,622
Insurance premiums	757	2,055
Miscellaneous	1,889	1,101
Fees	2,444	2,366
Advertising	2,491	2,727
Transmission	257	327
Travel, assignments	2,327	1,780
Postage costs	2,569	2,297
Banking services	122	2,061
Other external expenses	658	584
TOTAL	217,019	193,810

TAX ON PROFITS

	In thousands of euros	
	31/12/2021	31/12/2020
Provision for period in question	25,053	22,554
Social insurance contribution	802	719
Tax credits	-1,033	-949
Previous year tax balance	47	164
TAX CHARGE	24,869	22,487
BREAKDOWN OF TAX CREDITS		
SPONSORSHIP TAX CREDIT	336	347
RESEARCH	580	548
FAMILY	116	54

OTHER INFORMATIONS

STAFF

STAFF BY CATEGORY	31/12/2021	31/12/2020
Managerial staff	289	286
Workers, employees, technicians, and supervisors	361	375
TOTAL STAFF	650	661
AVERAGE STAFF NUMBERS DURING THE FINANCIAL YEAR	31/12/2021	31/12/2020
Managerial staff	288	281
Workers, employees, technicians, and supervisors	364	374
AVERAGE TOTAL STAFF	652	655

TAX CONSOLIDATION

Teréga belongs to the tax consolidation group created by Teréga Holding.

EMPLOYEE BENEFITS

The actuarial valuation of social commitments under IAS 19 was sent by Mercer in January 2022.

The amounts below are derived from this report.

In thousands of euros

	CAA	IFC	MIP	MDT	PEC	MALAKOFF	CET	TOTAL
At 01/01/2021	10,107	8,003	3,827	1,159	224	373	3,271	26,964
ALLOCATION	421	658	257	39	1	1	512	1,889
Cost of services provided	388	630	244	83			501	1,846
Interest expenses	33	28	13	4	1	1	11	91
Revaluation of other long-term benefits				-48				-48
REVERSAL	-1,309	-1,713	-29	-59	-9	(0)	-47	-3,166
Employer's Payments	-1,309	-1,713	-29	-59	-9	(0)	-47	-3,166
At 31/12/2021	9,219	6,948	4,055	1,139	216	374	3,736	25,687
2021 actuarial gains/losses	-471	-593	1,551	(0)	-15	-305	-303	-136
AT 31/12/2021	8,748	6,355	5,606	1,139	201	69	3,433	25,551

The staff benefits are primarily composed of the following elements:

- MIP (Mutuelle de l'Industrie du Pétrole): supplemental health scheme,
- Early retirement right (CAA): pension scheme intended to provide a retirement allowance to employees with sufficient years worked,
- End-of-career compensation: payment of capital owed to the employee by the company at the time of retirement,
- Long-service awards: capital paid to the employee when the employee reaches a certain seniority group,
- PEC (Savings Plan selected): days that the former seconded employees have acquired and which they may use in order to retire earlier,
- Malakoff: company insurance scheme,
- CET (Time Savings Account): system that allows employees who so wish to accumulate paid leave rights.

RELATED PARTIES

All transactions with related parties concern transactions with parent companies under normal market conditions.

COMMITMENTS RECEIVED

At 31 December 2021, the commitments received were as follows:

	In thousands of euros	
	31/12/2021	31/12/2020
Customer bank guarantees	65,764	71,667
Supplier bank guarantees	10,689	6,485
TOTAL COMMITMENTS RECEIVED	76,452	78,152

For the 2021-2025 period of free allocation of CO₂ quota, Teréga SA must receive:

	NUMBER OF ALLOWANCES ALLOCATED
2022	6,211
2023	6,211
2024	6,211
2025	6,211

These data are up to date with the Order of 14 December 2021 amending the Order of 10 December 2021 establishing the list of operators of installations subject to authorisation for greenhouse gas emissions and the amount of emission CO₂ quota allocated free of charge for operators of installations for which free emission allowances are allocated, for the period 2021-2025.

COMMITMENTS MADE

No commitments were made by Teréga SA at 31 December 2021.

REMUNERATION OF DIRECTORS' ACTIVITIES

The remuneration for the activities of the directors in 2021 amounted to €170,969.

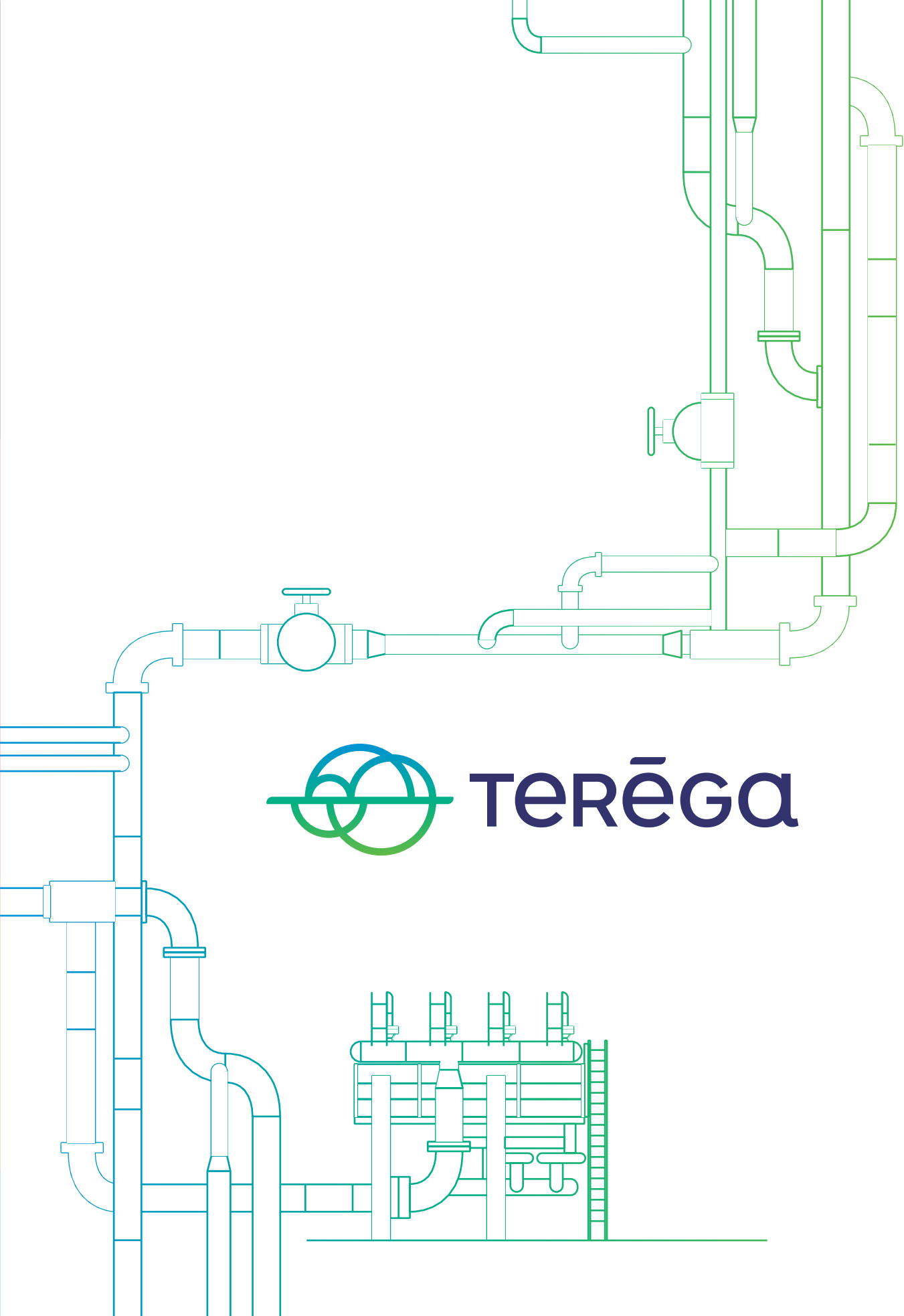
EVENTS AFTER THE BALANCE SHEET DATE

The group has not yet identified any impact on its financial statements of the consequences of the armed conflict in Ukraine.

CASH FLOW STATEMENT

In thousands of euros

CASH FLOW FROM OPERATIONS	
Net profit	64,695
Removal of expenses and income with no cash impact ⁽¹⁾	
- Reversal of operating provisions	(126)
+ Allocations for operating depreciation	124,418
+ Allocations for extraordinary depreciation	44,451
- Reversal of extraordinary provisions	(13,563)
+ Allocations for financial depreciation	2,331
- Reversal of financial provisions	-
- Transfer of expenses to the expenses to allocate account	(83)
- Share of grants recognised in profit (loss)	-
⁽¹⁾ With the exception of provisions on current assets	
CASH FLOW FROM OPERATING ACTIVITIES	222,124
(-) Change in working capital requirement (WCR)	(11,578)
- Inventory change	(1,019)
- Change in operating receivables	(6,960)
- Change in other receivables related to operation	691
- Change in operating debts	6,527
- Change in other business debts	(10,906)
NET CASH FLOW FROM OPERATING ACTIVITIES	210,547
CASH FLOW FROM INVESTMENT ACTIVITIES	
- Fixed asset acquisitions	(137,635)
+ Disposals of assets net of taxes	2,255
+ Reduction in financial fixed assets	48
+ Variation in debts on assets	-
- Change in receivables on fixed assets	-
NET CASH FLOW FROM INVESTMENT ACTIVITIES	(135,331)
CASH FLOW FROM FINANCING ACTIVITIES	
+ Capital increase in cash	-
- Decrease in capital	-
- Dividends paid	(56,024)
+ Loan issues	10,000
+/- Deposits and guarantees	(209)
- Loan repayments	(500,000)
+ Investment grants received	162
NET CASH FLOW FROM FINANCING TRANSACTIONS	(546,071)
CHANGE IN CASH FLOW	(470,856)
Opening cash balance	482,159
Closing cash balance	11,304
CHANGE IN CASH FLOW	(470,856)



TEREga



40, avenue de l'Europe · CS 20522 · 64010 Pau Cedex
8, rue de l'Hôtel de Ville · 92200 Neuilly-sur-Seine
Tel. +33 (0)5 59 13 34 00 · [@Teregacontact](#) · www.terega.fr