





TERĒGA

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BALANCE SHEET – ASSETS

In euros

ASSETS	31/12/2018		31/12/2017	
	Gross	Depreciation and amortisation	Net	Net
Uncalled subscribed capital (I)				
Start-up costs				
Development costs	536,212	5,610	530,602	
Licences, patents and similar rights	114,189,267	69,621,009	44,568,258	35,910,737
Goodwill				
Other intangible fixed assets	7,277,239	668,489	6,608,751	6,249,124
- Of which current intangible assets	6,608,751		6,608,751	6,249,124
Advances on intangible fixed assets				
TOTAL intangible fixed assets	122,002,719	70,295,108	51,707,611	42,159,861
Land	23,951,069	11,065,899	12,885,171	13,377,414
Buildings	93,694,313	36,124,351	57,569,962	58,103,218
Plant and equipment	2,701,207,028	1,083,939,276	1,617,267,752	1,481,414,665
Other tangible fixed assets	9,088,271	4,152,078	4,936,193	4,237,221
Current fixed assets	62,422,347		62,422,347	136,358,056
Advances and down payments	89,363		89,363	99,363
TOTAL tangible fixed assets	2,890,452,391	1,135,281,603	1,755,170,788	1,693,589,937
Equity-accounted investments				
Other equity investments	1,151,433		1,151,433	1,151,433
Receivables from equity investments				
Other long-term investment securities				
Loans				
Other long-term investments	50,281		50,281	56,621
TOTAL long-term investments (I)	1,201,714	0	1,201,714	1,208,054
TOTAL FIXED ASSETS (II)	3,013,656,824	1,205,576,711	1,808,080,113	1,736,957,851
Raw materials and consumables	24,651,297	2,060,591	22,590,707	21,523,256
Work in progress – goods				
Work in progress – services				
Semi-finished and finished goods				
Goods				
TOTAL inventory	24,651,297	2,060,591	22,590,707	21,523,256
Advances and down payments made on orders	13,624,138		13,624,138	5,233
Trade receivables	69,354,706	358	69,354,347	48,307,671
Other receivables	7,045,875		7,045,875	2,525,761
Subscribed capital called but not paid				
TOTAL Receivables (2)	76,400,581	358	76,400,223	50,833,432
Short-term investments (of which treasury shares)	1,034		1,034	4,170
Cash and cash equivalents	15,168,365		15,168,365	18,075,173
TOTAL Cash and cash equivalents	15,169,399	0	15,169,399	18,079,342
Prepaid expenses (2)	1,277,555		1,277,555	1,251,659
TOTAL CURRENT ASSETS (III)	131,122,970	2,060,949	129,062,021	91,692,922
Debt issue expenses to be amortised (IV)	3,024,670		3,024,670	3,655,439
Bond redemption premiums (V)				
Unrealised foreign exchange losses(V)				
GRAND TOTAL (I à VI)	3,147,804,464	1,207,637,660	1,940,166,804	1,832,306,213

(1) less than 1 year

(2) more than 1 year 2,991

LIABILITIES

In euros

Liabilities	31/12/2018	31/12/2017
Registered 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
Regulatory reserves		
Other reserves	129,556	129,556
TOTAL Reserves	2,018,383	2,018,383
Retained earnings		(1)
EARNINGS FOR THE FISCAL YEAR (profit or loss)	66,255,921	83,178,200
Interim dividends to be allocated	(32,015,914)	(34,982,385)
Investment grants	52,112,105	38,154,222
Restricted provisions	245,688,305	219,013,228
TOTAL SHAREHOLDERS' EQUITY (I)	351,800,301	325,123,149
Income from issuances of equitycurities		
Conditional advances		
TOTAL OTHER SHAREHOLDERS' EQUITY (II)		
Provisions for risks	509,197	660,321
Provisions for costs	4,343,569	3,610,121
TOTAL PROVISIONS FOR RISKS AND COSTS (III)	4,852,766	4,270,442
Convertible bonds		
Other bonds	1,420,018,315	1,420,018,315
Bank debt	65,074,689	15,062,444
Other debt	1,486,895	897,220
TOTAL Debt	1,486,579,899	1,435,977,980
Advances and down payments received on orders in progress		
Trade accounts payable	66,164,377	37,592,890
Tax and employment-related liabilities	30,681,845	29,267,890
Fixed asset liabilities		
Other debts (2)	24,307	
TOTAL Operating debts	96,870,529	66,860,780
Deferred income	63,309	73,862
TOTAL DEBTS (IV) (I)	1,583,513,737	1,502,912,622
Unrealised foreign exchange gains (V)		
GRAND TOTAL LIABILITIES (I À V)	1,940,166,804	1,832,306,213
(1) less than one year	182,026,842	
(2) including those for more than one year	1,401,486,895	

INCOME STATEMENT

In euros

INCOME STATEMENT			31/12/2018		31/12/2017
	France	Export market	Total		
Sales of goods					
Production sold - goods	20,344,037		20,344,037		14,939,831
Production sold - services	455,938,288		455,938,288		455,847,082
NET SALES	476,282,325		476,282,325		470,786,912
Production transferred to inventory					
Capitalised production expenses			168,572,467		177,114,976
Operating grants			16,464,		
Reversals of depreciation and provisions, transfer of charges			1,303,046		765,285
Other income			(348,630)		542,832
TOTAL OPERATING INCOME (I)			645,825,671		649,210,005
Purchases of goods (incl. customs duties)					
Inventory changes (goods)					
Purchase of raw materials and other consumables (incl. customs duties)			34,496,415		16,799,247
Inventory change (raw materials and consumables)			(1,564,660)		1,212,848
Other purchases and external costs			233,018,412		235,821,360
Taxes, duties, and other levies			14,924,911		14,823,027
Wages and salaries			40,682,867		37,783,449
Employee-related expenditures			24,595,970		23,446,163
		Depreciation allowances	112,021,236		108,630,364
on investments		Provision allowances			
Operating allowances		On current assets: provision allowances	497,209		187,335
		For risks and costs: provision allocations	1,630,791		754,118
Other expenses			6,841,103		4,509,054
TOTAL OPERATING EXPENSES(II)			467,144,255		443,966,965
OPERATING INCOME			178,681,417		205,243,041
Profit appropriated or loss transferred (III)					
Loss incurred or profit transferred (IV)					
Financial income from investments			1,296,900		6,065
Income from other investment securities and receivables on fixed assets					
Other interest and similar income			332		45,585
Reversals of provisions, transfer of charges					
Unrealised foreign exchange gains					31,896
Net income from sales of short-term investments					
TOTAL FINANCIAL INCOME (V)			1,297,232		83,546
Financial allowances for amortisation/depreciation and provisions					
Interest and similar expenses			44,703,077		44,645,291
Unrealised foreign exchange losses			29,186		37,479
Net costs of sales of short-term investments					
TOTAL FINANCIAL EXPENSES (VI)			44,732,264		44,682,770
FINANCIAL RESULT (V - VI)			(43,435,032)		(44,599,224)
PRE-TAX RESULT BEFORE EXCEPTIONAL ITEMS (I-II+III-IV+V-VI)			135,246,385		160,643,816

INCOME STATEMENT (CONT.)

In euros

INCOME STATEMENT (CONT.)	31/12/2018	31/12/2017
Exceptional income - management operations		
Exceptional income from capital transactions	18,353	10,001
Reversals of provisions, transfer of charges	9,220,982	8,840,529
TOTAL EXTRAORDINARY INCOME (VII)	9,239,335	8,850,530
Extraordinary costs - management operations	7,185	12,365
Extraordinary costs - capital operations	1,281	10,560
Extraordinary allowances for depreciation and provisions	35,896,059	33,386,754
TOTAL EXTRAORDINARY COSTS (VIII)	35,904,525	33,409,679
EXTRAORDINARY INCOME (VII -VIII)	(26,665,190)	(24,559,149)
Employee profit-sharing (IX)	4,000,000	4,600,000
Tax on profit (X)	38,325,274	48,306,468
TOTAL INCOME (I + III + V + VII)	656,362,238	658,144,081
TOTAL EXPENSES (II + IV + VI + VIII + IX + X)	590,106,318	574,965,881
PROFIT OR LOSS (total income - total expenses)	66,255,921	83,178,200

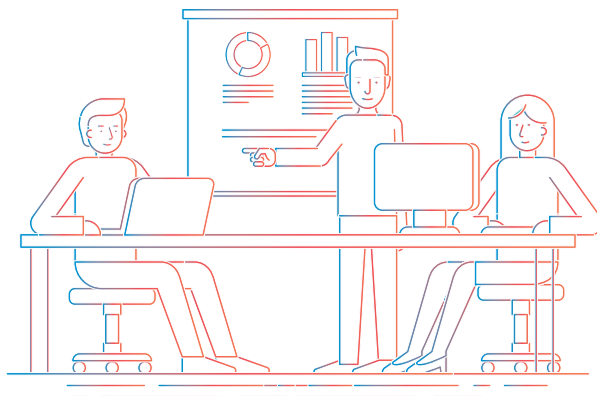
ENTITY PRESENTING THE FINANCIAL STATEMENTS

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.

NOTES TO THE FINANCIAL STATEMENTS

The balance sheet total for the financial year ending 31 December 2018 before distribution was €1,940,166,804.
The income statement shows a profit of €66,255,921.

SIGNIFICANT EVENTS



- STORAGE REGULATION -

French law 2017-1839 of 30 November 2017, putting an end to the search and exploitation of hydrocarbons and implementing various provisions relating to energy and the environment, was published in the Official Journal of the French Republic on 31 December 2017. Its article 12 provides for regulation of the revenue of storage operators.

The decision of the Energy Regulation Commission (CRE) concerning a draft decision on the revenue of storage operators was published on 22 February 2018 and took effect during the 2018 financial year.

The regulated asset base (RAB) validated by the Energy Regulation Commission as of 1 January amounts to €1,156.1 million with a weighted average cost of capital (WACC) rate of 5.75% for an authorised revenue of €153.4 million in 2018.

- TRF (TRADING REGION FRANCE) -

The TRF (Trading Region France) was established on 1 November 2018 to create a single market zone giving all consumers access to the same gas prices.

- BRAND EVOLUTION -

On 29 March 2018, TIGF became TERÉGA SA, evoking the countries in which the group operates, the grids it develops and, of course, gas, a key energy of the energy transition. This new brand reflects the Group's vision for the future of "giving gas and its infrastructure a leading role in energy transition" and its ambitions to help shape the energy model of tomorrow. A model in which gas will play a central role.

- TAX AUDIT -

In its proposed tax assessment of 23 June 2017, the auditing unit questions whether the cushion gas used for the Izaute and Lussagnet underground gas storage sites is depreciable for fiscal years 2013 to 2015 and intends to reject the deductibility of the annual depreciation charge.

TERÉGA SA is formally contesting the tax authorities' position.

On 13 October 2017, TERÉGA SA brought the dispute related to the depreciable nature of the cushion gas before the French Direct Tax and Turnover Tax Commission (CNIDTCA).

On 9 April 2019, TERÉGA SA received a letter from the DVNI informing it that the assessment regarding the deductibility of the depreciation on the cushion gas had been withdrawn.

This letter marks the end of the tax audit covering 2014 and 2015.

- INTERIM DIVIDEND -

Pursuant to a decision by the Board of Directors of 7 December 2018, TERÉGA SA paid an interim dividend of a total of €32,015,914 to TERÉGA SAS.

ACCOUNTING PRINCIPLES

The financial year lasts for 12 months from 1 January to 31 December 2018.

The financial statements for the financial year ended 31 December 2018 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 2016-07 of 4 November 2016.

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 assessing and presenting the financial statements for this financial year were unchanged from the previous year.

The tax expenses recorded as at 31 December 2018 are calculated by applying 34.43% of the taxable income finalised as at 31 December 2018.

NOTES REGARDING THE BALANCE SHEET ASSETS

INTANGIBLE ASSETS

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 (maximum 5 years). This account also includes transit rights on third-party networks, amortised over 10 years.

During the 2018 financial year, development costs were recognised for €536,212, amortised over 5 years. These expenditures correspond to the development effort by TERÉGA SA on individualised projects with real potential for commercial profitability.

TANGIBLE FIXED 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.

Depreciation and amortisation

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

	Company period	Financial period
IT EQUIPMENT	5 YEARS	3 YEARS
EQUIPMENT AND TOOLS	10 YEARS	5 YEARS
TRANSMISSION EQUIPMENT	10 YEARS	5 YEARS
OFFICE EQUIPMENT	10 YEARS	5 YEARS
TELECOMMUNICATION EQUIPMENT	10 YEARS	5 YEARS
LAND DEVELOPMENT	10 YEARS	10 YEARS
GENERAL FACILITIES DEVELOPMENT	10 YEARS	10 YEARS
OTHER GENERAL FACILITIES	10 YEARS	10 YEARS
FACILITIES DEVELOPMENT ON LAND OWNED BY OTHERS	10 YEARS	10 YEARS
OFFICE FURNITURE	10 YEARS	10 YEARS
METERING STATIONS	30 YEARS	15 YEARS
COMPRESSION STATIONS - CONNECTION ISOLATION	30 YEARS	15 YEARS
BUILDINGS	25 YEARS	25 YEARS
BUILDINGS ON LAND OWNED BY OTHERS	25 YEARS	25 YEARS
UNDERGROUND SURVEYS	25 YEARS	25 YEARS
CUSHION GAS	25 YEARS	25 YEARS
MAIN PIPELINES	50 YEARS	25 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 €245,688,305 on 31 December 2018.

FIXED ASSETS AT 31 DECEMBER 2018

SECTION	POSITION & MOVEMENT	GROSS VALUES AT THE START OF THE YEAR	INCREASES	REDUCTIONS		GROSS VALUES AT THE END OF THE YEAR
				SALES	OTHER REDUCTIONS	
Intangible assets		104,450,097	46,011,655	0	28,459,033	122,002,719
Development costs		0	536,212	0	0	536,212
Concessions, patents and similar rights		97,532,484	22,289,802	0	5,633,019	114,189,267
Other intangible fixed assets		668,489	0	0	0	668,489
Current intangible fixed assets		6,249,124	23,185,641	0	22,826,014	6,608,751
Tangible fixed assets		2,738,120,138	394,551,564	1,281	242,218,028	2,890,452,393
Land		23,518,138	434,212	1,281	0	23,951,069
	including re-valuation	150,045	0	0	0	150,045
	Own land	62,658,326	2,226,390	0	0	64,884,716
Buildings	Land owned by others	19,818	0	0	19,818	0
	General facilities	31,574,124	2,321,104	0	5,085,629	28,809,599
Technical Installations, Equipment, Tools		2,475,644,885	227,257,454	0	1,695,310	2,701,207,029
Other	General facilities	646,097	0	0	0	646,097
Tangible	Equipment, transport	3,420	1,444	0	0	4,864
Assets	Office IT equipment + furniture	7,597,911	2,008,033	0	1,168,635	8,437,309
Current tangible fixed assets		136,358,056	160,312,927	0	234,248,636	62,422,347
Advances and down payments		99,363	(10,000)	0	0	89,363
Long-term investments		1,208,054	0	-	6,341	1,201,713
TOTAL		2,843,778,289	440,563,219	1,281	270,683,402	3,013,656,825

DEPRECIATION AND AMORTISATION AT 31 DECEMBER 2018

SECTION	POSITION & MOVEMENT	DEPRECIATION & AMORTISATION AT THE START OF THE YEAR	INCREASES	REDUCTIONS		DEPRECIATION & AMORTISATION AT THE END OF THE YEAR
				SALES	OTHER REDUCTIONS	
Intangible assets		62,290,237	13,637,890	0	5,633,019	70,295,108
Development costs		0	5,610		0	5,610
Concessions, patents and similar rights		61,621,748	13,632,280		5,633,019	69,621,009
Other intangible fixed assets		668,489	0	0	0	668,489
Tangible fixed assets		1,044,530,202	98,720,796	0	7,969,392	1,135,281,606
Land		10,140,724	925,175	0	0	11,065,899
	Own land	18,422,919	2,377,439	0	0	20,800,358
Buildings	Land owned by others	19,818	0	0	19,818	0
	General facilities	17,706,312	2,703,310	0	5,085,629	15,323,993
Technical Installations, Equipment, Tools		994,230,220	91,404,367	0	1,695,310	1,083,939,277
Other	General facilities	387,245	64,590	0	0	451,835
Tangible	Equipment, transport	927	469	0	0	1,396
Assets	Office IT equipment + furniture	3,622,037	1,245,446	0	1,168,635	3,698,848
Current tangible fixed assets		-	-	-	-	0
Long-term investments		0	0	0	0	0
TOTAL		1,106,820,439	112,358,686	0	13,602,411	1,205,576,714

At 31 December 2018, tangible fixed assets amounted to €2,890,452,393 in gross value, or 96% of the company's assets. They consist of investments in gas transmission, in the amount of €2,032,836,906, and storage, in the amount of €857,615,487.

Transmission assets at 31 december 2018

SECTION	POSITION & MOVEMENT	NET VALUES AT THE START OF THE YEAR	CHANGE BALANCE SHEET VALUES	CHANGE DEPRECIATION AND AMORTISATION	NET VALUES AT THE END OF THE YEAR
Intangible assets		30,804,237	9,971,236	4,929,235	35,846,238
Development costs		0	331,209	230	330,979
Concessions, patents and similar rights		26,295,608	10,490,511	4,929,005	31,857,114
Other intangible fixed assets		0	0	0	0
Current intangible fixed assets		4,508,629	(850,484)	0	3,658,145
Tangible fixed assets		1,271,554,546	105,792,755	55,837,685	1,321,509,616
Land		7,828,752	212,774	312,130	7,729,396
	Own land	29,913,333	2,152,962	1,603,773	30,462,522
Buildings	Land owned by others	0	(19,818)	(19,818)	0
	General facilities	10,323,795	(1,623,266)	(984,591)	9,685,120
Technical Installations, Equipment, Tools		1,094,583,733	187,373,056	54,841,557	1,227,115,232
Other	General facilities	0	0	0	0
Immobilisations	Equipment, transport	2,494	1,444	469	3,469
Assets	Office IT equipment + furniture	2,944,175	406,690	84,165	3,266,700
Current tangible fixed assets		125,870,739	(82,701,087)	0	43,169,652
Advances and down payments		87,525	(10,000)	0	77,525
Long-term investments		1,208,038	(6,341)	0	1,201,697
TOTAL		1,303,566,821	115,757,650	60,766,920	1,358,557,551

Storage fixed assets at 31 december 2018

SECTION	POSITION & MOVEMENT	NET VALUES AT THE START OF THE YEAR	CHANGE BALANCE SHEET VALUES	CHANGE DEPRECIATION AND AMORTISATION	NET VALUES AT THE END OF THE YEAR
Intangible assets		11,355,623	7,581,385	3,075,635	15,861,373
Development costs		0	205,004	5,379	199,625
Concessions, patents and similar rights		9,615,128	6,166,272	3,070,256	12,711,144
Other intangible fixed assets		0	0	0	0
Current intangible fixed assets		1,740,495	1,210,109	0	2,950,604
Tangible fixed assets		422,035,391	46,539,500	34,913,718	433,661,173
Land		5,548,663	220,157	613,045	5,155,775
	Own land	14,322,072	73,428	773,666	13,621,834
Buildings	Land owned by others	0	0	-	0
	General facilities	3,544,017	(1,141,259)	(1,397,728)	3,800,486
Technical Installations, Equipment, Tools		386,830,931	38,189,087	34,867,499	390,152,519
Other	General facilities	258,852	0	64,590	194,262
Tangible	Equipment, transport	0	0	-	0
Tangible	Office IT equipment + furniture	1,031,701	432,708	(7,354)	1,471,763
Current tangible fixed assets		10,487,317	8,765,379	0	19,252,696
Advances and down payments		11,838	0	0	11,838
Long-term investments		17	0	-	17
TOTAL		433,391,031	54,120,885	37,989,353	449,522,563

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

The Lussagnet underground natural gas storage concession was extended for 25 years. This extension, enacted by the decree of 8 December 2017 and signed by the ministers for the environment and the economy, was published in the French Official Journal of 10 December 2017. The current concession expired on 31 December 2017. These mining rights, extended until 1 January 2043, thus authorise TERÉGA SA to continue operating its underground natural gas storage facility.

Storage assets are depreciated by periods independent of the duration of concession.

Scrapped fixed assets from 1 January to 31 december 2018

The gross amount of scrapped fixed assets for 2018 totals €13,602,412 for a net value of €0.

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 on the Income Statement (account 722000) with an offsetting account for the assets under construction.

The commissioning date for complex installations is 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.

Internal controls and procedures

Authorisations to invest, any budget overruns, the OPEX/CAPEX breakdown, the commissioning dates and the depreciation methods are subject to strict internal procedures.

LONG-TERM INVESTMENTS

Financial assets break down as follows:

Equity securities €1,151,433

· i.e. 773,233 3GRT shares for €773,233,

· 3,590 Déclaranet shares for €359,000,

· 19,200 Prisma shares for €19,200.

Deposits and surety bonds €50,281

By ordinary collective decisions of the shareholders of 29 June 2018, the shareholders of 3GRT decided to carry out a distribution of dividends, which was reflected in TERÉGA SA's accounts by a receipt of dividends in the amount of €1,296,899.73.

INVENTORY AND WORKS IN PROGRESS

Method

Gas inventories are valued using the average weighted cost method.

Inventories of consumable materials and supplies are valued using the average weighted cost.

The cost of entry into inventory of items includes actual incidental purchase costs (excluding transport).

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.

NUMBER OF YEARS	PERCENTAGE
less than 5 years	0 %
between 5 and 6 years	5 %
between 6 and 7 years	10 %
between 7 and 8 years	20 %
between 8 and 9 years	40 %
between 9 and 10 years	60 %
between 10 and 11 years	80 %
more than 11 years	100 %

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

Inventory at 31 December 2018 is recorded on the basis of the permanent inventory.

Values

	MATERIALS				In euros
	GAS FOR BALANCING	GAS FOR OWN NEEDS	GROSS	DEPRECIATION	TOTAL
As of 01/01/2018	246,490	8,032,137	14,808,011	1,563,381	21,523,256
Change	367,346	(91,580)	1,288,893	497,209	1,067,450
At 31/12/2018	613,836	7,940,557	16,096,905	2,060,591	22,590,707

The inventory of Transmission gas is split into two separate accounting inventories to enable tracking according to type. The two types of inventory are:

- Gas inventory for own needs;
- Gas inventory for network balancing.

RECEIVABLES

Accrued income in relation to receivables mainly concerns storage capacity and gas transport income that was allocated to December 2018, but will not be invoiced until January 2019.

MATURITY DATES AT 31 DECEMBER 2018

RECEIVABLES in euros	GROSS AMOUNT ON 31/12/2018	DEGREE OF LIQUIDITY ASSETS MATURITY DATES		
		LESS THAN 1 YEAR	MORE THAN 1 YEAR	
FIXED ASSET RECEIVABLES	50,281	0	50,281	
ADVANCES AND DOWN PAYMENTS PAID/RECEIVED ON ORDERS	13,624,138	13,624,138	0	
CURRENT ASSET RECEIVABLES				
Doubtful or disputed debts	3,626	635	2,991	
Other trade receivables	69,351,080	69,351,080	0	
Personnel and related receivables	26,462	26,462	0	
Social Security and other welfare bodies	55,399	55,399	0	
Central government and other	Tax on profits	3,123,771	3,123,771	0
	Value-added tax	971,151	971,151	0
Local governments	Other taxes, duties and other levies	319,111	319,111	0
	Grants received	0	0	0
Group and other shareholders	,	0	0	
Sundry debtors	2,549,981	2,549,981	0	
DEFERRED EXPENSES	3,024,670	3,024,670	0	
PREPAID EXPENSES	1,277,555	1,277,555	0	
TOTAL	94,377,225	94,323,953	53,272	
Loans granted during the year				
Loans recovered during the year				

PREPAID EXPENSES

PREPAID OPERATING EXPENSES TOTAL €1,277,555, INCLUDING THE TERÉGA SAS INVOICE FOR MANAGEMENT FEES FOR THE 1ST QUARTER OF 2019 FOR €1,202,500.

NOTES ON THE BALANCE SHEET LIABILITIES

SHAREHOLDER EQUITY

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

The General Meeting of 12 June 2018 approved the allocation of the earnings of the 2017 financial year, amounting to €83,178,200, as proposed by the Board of Directors, and subsequently decided to pay €48,195,815 in dividends to TERÉGA SAS: This amount is the balance of the dividends remaining after payment of an interim dividend of €34,982,385 decided by the Company's Board of Directors on 11 December 2017 and paid in December 2017. Pursuant to a decision by the Board of Directors of 7 December 2018, TERÉGA SA paid an interim dividend of a total of €32,015,914 to TERÉGA SAS.

	POSITION AT 01/01/2018	CHANGE	POSITION AT 31/12/2018
Number of shares	2,197,386	0	2,197,386
Par value of the share	8		8
Registered 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
Retained earnings	(1)	1	
Interim dividend	(34,982,385)	2,966,471	(32,015,914)
Profit(loss) for the 2017 financial year	83,178,200	(83,178,200)	
Profit(loss) for the 2018 financial year		66,255,921	66,255,921
Investment subsidies (**)	38,154,222	13,957,883	52,112,105
Regulatory provisions (*)	219,013,228	26,675,077	245,688,305
TOTAL	325,123,149	26,677,153	351,800,301

(*) Excess depreciation (**) European subsidies

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges consist of the following:

Provisions for risks	Position on 01/01/2018	Movements		Position on 31/12/2018
		Increases	Decreases	
Provisions for risks	660,321	18,791	169,915	509,197
TOTAL	660,321	18,791	169,915	509,197

The company may be subject to legal proceedings and tax or administrative audits in the course of its activities.

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 charges	Position on 01/01/2018	Movements		Position on 31/12/2018
		Increases	Decreases	
HR disputes	453,000	0	0	453,000
Long-service bonus	1,010,000	73,000	107,000	976,000
MIP (Oil industry accident and health insurance scheme)	237,130	0	15,673	221,457
Right to early retirement	1,909,991	0	755,879	1,154,112
Other		1,539,000	0	1,539,000
TOTAL	3,610,121	1,612,000	878,552	4,343,569

DEBTS

Maturity of receivables as of 31 December 2018

DEBTS in euros	GROSS AMOUNT ON	DEGREE OF LIQUIDITY - ASSETS MATURITY DATES		
		FALLING DUE WITHIN 1 YEAR	1 YEAR 5 YEARS	FALLING DUE AFTER 5 YEARS
Bond issues*	1,400,000,000		500,000,000	900,000,000
Bank debt	65,000,000	65,000,000		0
Other debt	1,486,895		1,486,895	
Accrued interest on debt	20,093,004	20,093,004		0
Trade payables	66,164,377	66,164,377		0
Payable to staff	11,649,931	11,649,931		0
Social Security and other welfare bodies	9,224,296	9,224,296		0
Central government and other	Tax on profits	0		0
	Value-added tax	6,476,411	6,476,411	0
Local governments	Other taxes, duties, and similar levies	3,331,207	3,331,207	0
	Subsidies received		0	0
Payables on fixed assets		0		0
Group and shareholders		0		0
Other debts	24,307	24,307		0
PREPAID INCOME	63,309	63,309		0
TOTAL	1,583,513,737	182,026,842	501,486,895	900,000,000

* 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 subscribed in July 2011 for €500 million, maturing in 2021, rate: 4.339%.
- Private bond for €350 million, maturing 2035, rate: 2.998%.

RCF reserve loan with a drawdown capacity of €250,000,000.

In 2018, the RCF changed as follows:

In €M

	DRAWDOWN		REPAYMENT	
Dec-17	15		Jan-18	15
Jun-18	35		Oct-18	10
Oct-18	0		Nov-18	15
Dec-18	65		Dec-18	10
Total	115			50
			BALANCE	65

NOTES TO THE INCOME STATEMENT

OPERATING INCOME

In euros

	31/12/2018	31/12/2017
SALES	476,282,325	470,786,912
This is composed of the following items:		
- Transmission Capacity Income	246,153,095	240,581,276
- Storage Capacity Income	153,471,560	174,830,619
- Inter-operator agreement	33,911,760	33,475,445
- Connection and interfacing income	2,826,765	2,834,373
- Other services	75,199	481,905
- Other income from operations	4,573,809	1,978,163
- Sales of natural gas for balancing	20,344,036	14,939,831
- Subsidy	14,926,101	1,665,300
CAPITALISED PRODUCTION	168,572,467	177,114,976
REVERSALS OF DEPRECIATION AND PROVISIONS, TRANSFER OF CHARGES	1,303,046	765,285
Reversals of risk and charges provisions	169,915	58,000
Reversals of pension provisions	878,553	444,805
Reversals of provisions for client depreciation	0	3,827
Transfer of operating expenses ⁽¹⁾	254,578	258,652

⁽¹⁾The transfer of operating expenses includes:

- Reimbursements received from insurance companies for claims,
- Reimbursements from social welfare (daily allowances) and training bodies,
- Work invoiced as part of service agreements with third parties.

OPERATING EXPENSES

Operating expenses include investment expenses offset by capitalised production.

These operating expenses are allocated to the following items:

In euros

	31/12/2018	31/12/2017
Inventory change	687,210	669,260
Other purchases and external costs	150,733,434	161,897,056
Taxes, duties, and other levies	257,529	108,768
Wages and salaries	9,074,644	8,243,621
Social security charges	5,370,937	5,234,947
Other operating expenses	3,488,219	1,727,850
Capital costs	168,572,467	177,114,976

Allocations for amortisation include the amortisation value of the company's fixed assets.

TAX ON PROFITS

In euros

	31/12/2018	31/12/2017
As of 31 December 2018, tax consolidation expenses amounted to:	38,325,274	48,306,468
Breakdown:		
- provision for 2018 financial year	37,806,631	47,504,819
- social security contribution	1,222,439	1,542,480
- 2018 tax credits	(867,366)	(913,275)
- corporation tax balance as at 15 May 2018	(450)	24,324
- 2018 competitiveness and jobs tax credit (CICE)	164,020	148,120
	38,325,274	48,306,468
Breakdown, of 2018, tax, credits:		
-, Sponsorship, tax, credits	214,290	113,440
-, Tax, credit, for, competitiveness, and, employment, (CICE)	164,020	148,120
-, Research, tax, credits	426,534	604,054
-, Family, tax, credits	62,122	45,437
-, Apprenticeship, tax, credits	400	800
-, Tax, credits, on, dividends	0	1,424

The 2017 tax credit for competitiveness and employment (CICE) of €148,120 was used to fund training contracts.

OTHER INFORMATION

STAFF by category	31/12/2018	31/12/2017
- Executives	251	232
- Non-Executive	360	357
Total staff	611	589
Average STAFF NUMBERS during the financial year		
- Executives	246.00	220.25
- Non-Executive	360.75	356.42
Average total staff	606.75	576.67

TAX CONSOLIDATION

TERÉGA SA belongs to the tax consolidation group created by TERÉGA Holding SAS.

OFF-BALANCE SHEET COMMITMENTS

The actuarial valuation of social commitments under IAS 19 was sent by Mercer on 16 January 2019.

The amounts below were drawn from the actuaries' report:

IN €K	CAA P15300	IFC P15300	MIP P15300	PEC P15300	Malakoff P15300	CET P15300	TOTAL
At 01/01/2018	10,085	6,678	4,902	315	326	1,941	24,247
Allowance	4,042	2,318	413	4	4	24	6,805
Cost of services provided	3,920	2,232	352	4	4	24	6,536
Cost of past services							
Interest expenses	122	86	61	0	0	0	269
Revaluation of other benefits actuarial gains and losses						274	274
Reversal	(711)	(1,133)	(16)	(2)	0	(77)	(1,939)
Benefits paid/employer	(711)	(1,133)	(16)	(2)	0	(77)	(1,939)
Reclassification	0	0					
Subtotal	13,416	7,863	5,299	317	330	1,888	29,113
2018 actuarial gains/losses	(289)	(220)	(374)	(7)	(11)	(72)	(973)
At 31/12/2018	13,127	7,643	4,925	310	319	1,816	28,140

The staff benefits are primarily composed of the following elements:

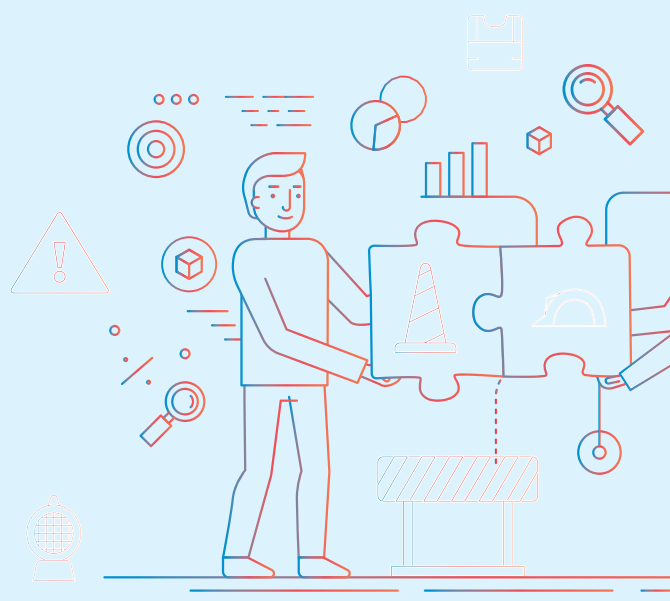
- . MIP (Mutuelle de l'Industries du Pétrole),
- . Right to early retirement,
- . Retirement benefits,
- . Long-service awards,
- . PEC (Savings plan chosen),
- . Malakoff,
- . CET (time off in lieu savings account).

COMMITMENTS RECEIVED AS OF 31 DECEMBER 2018

- . Customer bank guarantees: €49,215,616
- . Supplier bank guarantees: €27,997,636

2018 ATTENDANCE FEES

The attendance fees paid to directors in 2018 totalled €175,000.



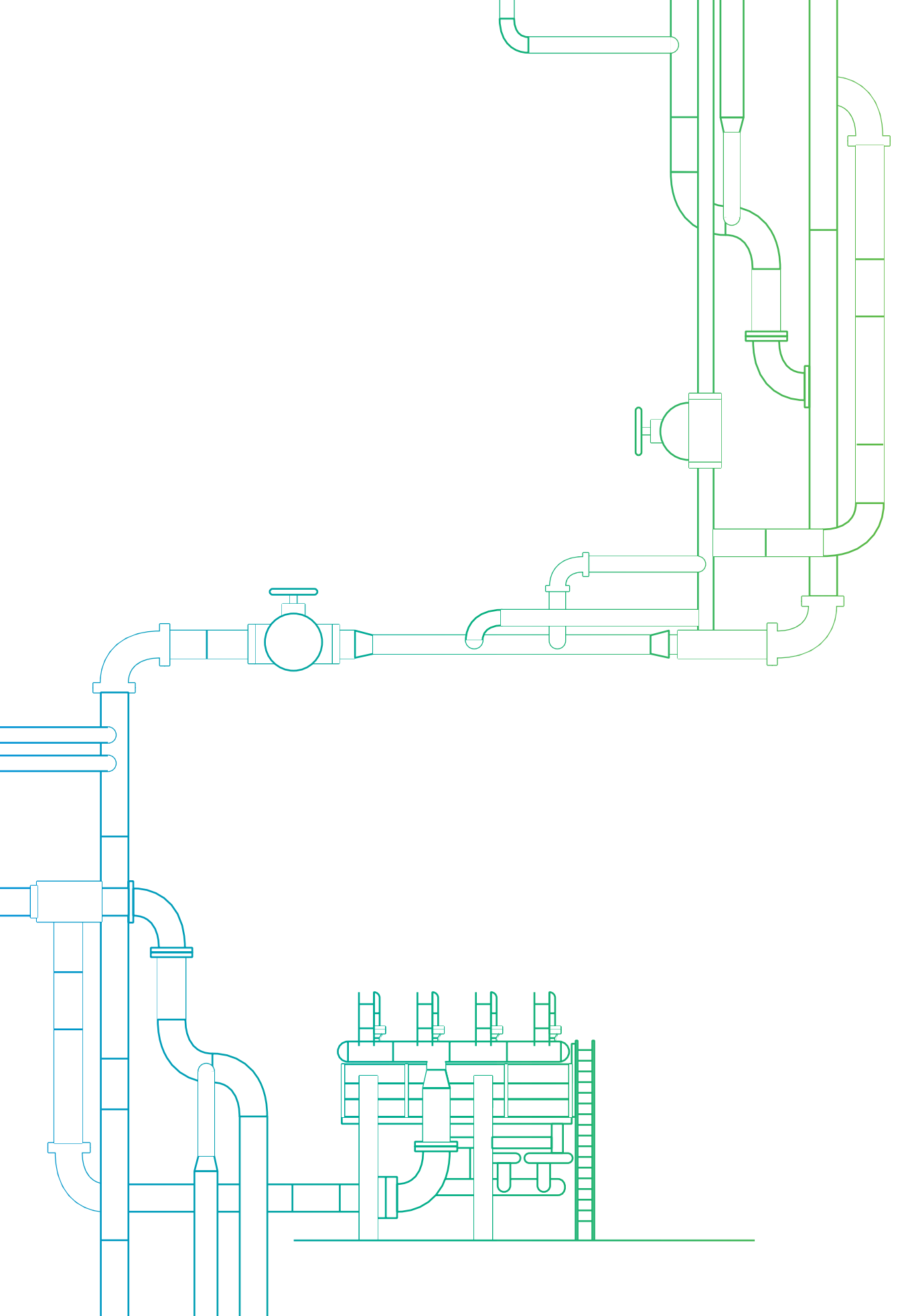
CASH FLOW STATEMENT

In euros

Cash flow from operations

NET PROFIT	66,255,921
Removal of expenses and income with no cash impact: ⁽¹⁾	
- Reversal of operating provisions	(1,048,468)
+ Allowances for operating depreciation	113,652,027
+ Allowances for exceptional depreciation	35,896,059
- Reversal of extraordinary provisions	(9,220,982)
+ Allowances for financial depreciation	-
- Reversal of financial provisions	-
- Transfer of expenses to deferred expenses	-
- Share of grants recognised in profit(loss)	-
(1) With the exception of the provisions on current assets	
Cash flow from operating activities	205,534,557
(-) Change in working capital requirement (WCR)	
- Inventory change	(1,067,450)
- Change in operating receivables	(35,823,942)
- Change in other receivables related to operation	5,233
- Change in operating debts	26,592,555
- Change in other business debts	25,999
Net cash flow from operating activities	195,266,956
Cash flow from investment activities	
- Fixed asset acquisitions	(183,488,568)
+ Sales of assets net of taxes	1,281
+ Reduction in financial fixed assets	6,341
+ Change in debts on fixed assets	-
- Change in receivables on fixed assets	-
Net cash flow from investment activities	(183,480,947)
Cash flow from financing activities	
+ Capital increase in cash	-
- Decrease in capital	-
- Dividends paid	(80,211,729)
+ Loan issues	65,000,000
+/- Deposits and guarantees	589,675
- Loan repayments	(15,000,000)
+ Investment grants received	14,926,101
Net cash flow from financing activities	(14,695,953)
Change in cash flow:	(2,909,944)
Opening cash balance	18,079,342
Closing cash balance	15,169,399
Change in cash flow:	(2,909,944)







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