



ANNUAL BROCHURE
OF THE STATUTORY ACCOUNTS
TERÉGA SA 2020



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BALANCE SHEET - ASSETS

In euros

ASSETS	Gross	Amortisation / Provisions	31/12/2020	31/12/2019
FIXED ASSETS				
TANG. ASSETS	151,914,966	88,483,686	63,431,280	63,305,482
Development costs	9,141,284	884,551	8,256,733	3,376,953
Concessions, patents and similar rights	136,786,286	86,930,646	49,855,640	51,624,240
Other intangible fixed assets	668,489	668,489	0	0
Intangible Assets under construction	5,318,907	0	5,318,907	8,304,289
TANG. ASSETS	3,108,141,684	1,338,454,877	1,769,686,807	1,766,496,792
Land	25,837,843	12,445,942	13,391,901	13,123,383
Buildings	102,375,170	46,256,119	56,119,051	58,949,501
Technical Equipment	2,896,355,683	1,273,549,281	1,622,806,402	1,656,246,454
Other Tangible Assets	10,826,332	6,203,535	4,622,797	5,160,509
Fixed assets under construction	72,661,793	0	72,661,793	32,932,082
Advances and Deposits	84,863	0	84,863	84,863
TANG. ASSETS (1)	539,610	0	539,610	497,610
Equity Securities	378,973	0	378,973	378,973
Loans	0	0	0	0
Other Financial Assets	160,637	0	160,637	118,637
FIXED ASSETS	3,260,596,260	1,426,938,563	1,833,657,697	1,830,299,884
CURRENT ASSETS				
INVENTORY	28,973,243	3,979,428	24,993,815	25,222,521
Raw Materials	28,973,243	3,979,428	24,993,815	25,222,521
In progress - Goods	0	0	0	0
ADVANCES AND DEPOSITS	1,274,174	0	1,274,174	0
RECEIVABLES (2)	56,897,456	358	56,897,098	68,270,544
Trade and other Receivables	44,465,537	358	44,465,179	60,345,113
Other receivables	12,431,919	0	12,431,919	7,925,431
MISCELLANEOUS	482,159,431	0	482,159,431	25,094,518
Short-term investments	0	0	0	0
Financial futures and tokens held	0	0	0	0
Cash and cash equivalents	482,159,431	0	482,159,431	25,094,518
CURRENT ASSETS	569,304,304	3,979,786	565,324,518	118,587,583
ADJUSTMENT ACCOUNT				
Prepaid expenses (2)	46,464	0	46,464	1,274,066
Deferred expenses	23,500,378	0	23,500,378	19,999,066
Exchange gains/losses - assets	0	0	0	0
TOTAL ASSETS	3,853,447,406	1,430,918,349	2,422,529,057	1,970,160,599

(1) less than one year

(2) more than one year

5,809

BALANCE SHEET - LIABILITIES

In euros

LIABILITIES	31/12/2020	31/12/2019
SHAREHOLDERS' EQUITY		
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
Regulatory reserves	0	0
Other reserves	129,556	129,556
Retained earnings	0	0
Yearly Result	49,717,320	67,923,844
Interim dividends to be allocated	(24,303,089)	(34,718,699)
Investment grants	47,888,820	49,145,207
Restricted provisions	313,514,194	279,143,519
PROVISION	406,577,130	381,253,756
SHAREHOLDERS' EQUITY		
Customer subsidies	0	0
Conditional advances	0	0
TOTAL PROVISION	0	0
OTHER SHAREHOLDERS' EQUITY		
Provisions for contingencies	68,791	509,197
Provisions for costs	1,470,748	1,597,648
PROVISIONS FOR CONTINGENCIES AND COSTS	1,539,539	2,106,845
DEBTS		
Convertible bonds	0	0
Other bonds	1,921,282,204	1,420,018,315
Bank debt	56,997	65,063,349
Other debt	3,264,779	6,552,243
Advances and down payments received on orders in progress	0	0
Trade payables	58,604,521	61,704,503
Tax and employment-related liabilities	31,173,563	33,405,892
Fixed asset liabilities	0	0
Other debts (2)	30,324	55,696
ADJUSTMENT ACCOUNT		
Deferred income	0	0
Unrealised foreign exchange gains	0	0
DEBTS (1)	2,014,412,388	1,586,799,998
TOTAL LIABILITIES	2,422,529,057	1,970,160,599

(1) less than one year

(1) including those for more than one year

(2) including cash resources

614,412,388

1,400,000,000

0

INCOME STATEMENT

In euros

PROFIT AND LOSS ACCOUNT		France	Export market	31/12/2020	31/12/2019
Sales of goods		0			0
Production sold - goods		7,528,784		7,528,784	22,929,780
Production of services sold		452,224,765		452,224,765	477,480,875
TURNOVER		459,753,549		459,753,549	500,410,655
Production transferred to inventory				0	0
Capitalised production				126,085,669	142,396,384
Operating grants				0	0
Reversals of depreciation and provisions, transfer of charges				3,196,631	6,468,050
Other income				10,296	184,599
TOTAL OPERATING INCOME				589,046,145	649,459,688
Purchases of goods (incl. customs duties)				0	0
Inventory changes (goods)				0	0
Purchase of raw materials and other consumables				18,163,789	29,994,375
Change in stocks of raw materials and other supplies				(1,526,637)	(2,795,309)
Other purchases and external costs				193,810,270	219,336,460
Taxes, duties, and other levies				15,384,343	19,236,730
Wages and salaries				45,684,344	43,503,317
Employee-related expenditures				27,327,455	25,765,990
				122,787,999	117,570,269
on investments					
Depreciation allowances					
Provision allowances				0	0
Operating al- lowances					
On current assets: provision allowances				1,755,342	163,496
For risks and costs: provision allocations				141,000	117,000
Other expenses				7,173,298	9,291,121
TOTAL OPERATING EXPENSES				430,701,203	462,183,449
1 - OPERATING RESULT				158,344,942	187,276,239
Financial income from investments				0	0
Other interest and similar income				0	0
Write-backs of provisions and cost transfers				0	15,200,000
Unrealised foreign exchange gains				7,541	0
TOTAL FINANCIAL INCOME				7,541	15,200,000
Financial allocations for accumulated depreciation				2,395,552	563,283
Interest and similar expenses				46,297,035	59,904,062
TOTAL FINANCIAL EXPENSES				48,692,587	60,467,345
2 - FINANCIAL INCOME				(48,685,046)	(45,267,345)
3 - PRE-TAX RESULT				109,659,896	142,008,894

INCOME STATEMENT (CONT.)

In euros

INCOME STATEMENT (CONT.)	31/12/2020	31/12/2019
Non-recurring earnings – management operations	0	0
Exceptional income from capital activities	285,858	90,879
Write-backs of provisions and cost transfers	12,820,077	8,941,885
TOTAL EXCEPTIONAL INCOME	13,105,935	9,032,764
Extraordinary costs – management operations	258,052	55,347
Extraordinary costs – capital operations	192,550	3,582,619
Extraordinary allowances for depreciation and provisions	47,190,752	42,397,099
TOTAL EXCEPTIONAL EXPENSES	47,641,354	46,035,065
4• EXCEPTIONAL RESULT	(34,535,419)	(37,002,301)
Employee profit-sharing	2,920,003	3,600,000
Tax on profits	22,487,154	33,482,749
TOTAL INCOME	602,159,621	673,692,452
TOTAL EXPENSES	552,442,301	605,768,607
5• PROFIT OR LOSS	49,717,320	67,923,844

MAJOR EVENTS

- NEW PRICING FRAMEWORK -

2020 was marked by the entry into force of the new ATR7 and ATS2 tariffs, for a period of 4 years. These tariffs were defined by the Energy Regulation Commission (CRE) through deliberations 2020-011 and 2020-012 of 23 January 2020.

- COVID-19 -

In March 2020, Teréga rolled out its business continuity plan to ensure the continuity of the supply of gas, in a sustainable manner, while adapting its operating methods to the government directives that were replaced by a business recovery plan as of May 2020.

Management has determined a limited impact of Covid-19 on its 2020 financial statements, with the main impact being the temporary deferral of certain technical and investment costs. In this context, the entity's financial statements have been prepared on a going concern basis.

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 2020.

- 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. At this stage, Teréga SA has no visibility over the duration or potential impacts of this survey on the economic model of storage activity in France, and, consequently, no provision has been recognised.

- ISSUE OF A BOND -

On 17 September 2020, Teréga SAS issued a ten year fixed-rate bond on the European market listed on Euronext Paris for a nominal amount of €500 million. Bonds bear interest at an annual fixed rate of 0.875% and will mature on 17 September 2030.

- DOMESTIC CONSUMPTION TAX (DCT) -

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.

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

On 4 October 2019, Teréga 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 a CRCP mechanism (adjustment account for expenses and income) 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 CRCP 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 Teréga Group has the mission of offering and developing, on the European market, a natural gas transmission and storage service.

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.

The total balance sheet for the position ending 31 December 2020, before distribution, amounts to €2,422,529,057.

The income statement shows a profit of €49,717,320.

ACCOUNTING PRINCIPLES

The financial year lasts for 12 months from 1 January to 31 December 2020.

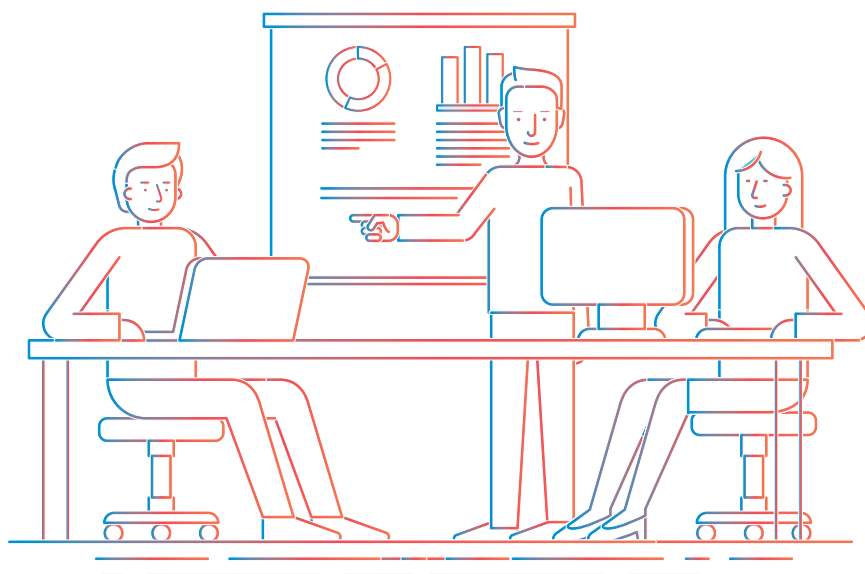
The financial statements for the financial year ended 31 December 2020 were prepared in accordance with Accounting Standards Authority (ANC) regulation no. 2014-03 of 5 June 2014 relating to the French Chart of Accounts, updated by ANC regulation 2020-05 of 24 July 2020 and 2020-09 of 4 December 2020.

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 2020 are calculated by applying a 32.02% rate to the taxable income finalised on that same date.



NOTES REGARDING THE BALANCE SHEET ASSETS

INTANGIBLE 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 (maximum 5 years). 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 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.

Transportation assets mainly consist of pipes and compressor stations. Transport 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	FACILITIES DEVELOPMENT ON LAND OWNED BY OTHERS	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 AND IT EQUIPMENT	10 YEARS	5 YEARS	BUILDINGS	25 YEARS	25 YEARS
TELECOMMUNICATION 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
			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 €313,514,194 on 31 December 2020.

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.

FIXED ASSETS AT 31/12/2020

SECTION	POSITION & MOVEMENT	GROSS VALUES AT THE START OF THE FINANCIAL YEAR	INCREASES	REDUCTIONS SALES	OTHER OUT-GOINGS	GROSS VALUES AT THE END OF THE FINANCIAL YEAR
Intangible fixed assets		136,157,362	42,786,211	0	27,028,604	151,914,967
Development costs		3,515,103	5,626,182	0	0	9,141,285
Concessions, patents and similar rights		123,669,479	17,259,615	0	4,142,808	136,786,286
Other intangible fixed assets		668,489	0	0	0	668,489
Current intangible assets		8,304,289	19,900,414	0	22,885,796	5,318,907
Tangible assets		3,002,597,219	172,741,879	148	67,197,264	3,108,141,686
Land		24,887,538	950,454	148	0	25,837,844
	Including re-valuation	150,045	0	0	0	150,045
Buildings	Own land	68,062,457	23,322	0	0	68,085,779
	General facilities	31,927,296	2,362,095	0	0	34,289,391
Technical Installations, Equipment, Tools		2,834,837,904	62,174,369	0	656,590	2,896,355,683
	General facilities	570,352	0	0	0	570,352
Other Tangible Fixed assets	Transport equipment	4,865	236,684	0	0	241,549
	Office IT equipment + furniture	9,289,861	759,161	0	34,591	10,014,431
Current tangible assets		32,932,083	106,235,794	0	66,506,083	72,661,794
Advances and down payments		84,863	0	0	0	84,863
Long-term investments		497,610	42,000	0	0	539,610
TOTAL		3,139,252,189	215,570,090	148	94,225,868	3,260,596,260

DEPRECIATION AND AMORTISATION AT 31/12/2020

SECTION	POSITION & MOVEMENT	DEPRECIATION AND AMORTISATION AT THE START OF THE FINANCIAL YEAR	INCREASES	REDUCTIONS SALES	OTHER OUT-GOINGS	AMORT. AT THE END OF THE FINANCIAL YEAR
Intangible fixed assets		72,851,878	19,774,615	0	4,142,808	88,483,685
Development costs		138,150	746,400		0	884,550
Concessions, patents and similar rights		72,045,239	19,028,215		4,142,808	86,930,646
Other intangible fixed assets		668,489	0	0	0	668,489
Tangible assets		1,236,100,426	103,028,609	0	674,159	1,338,454,876
Land		11,764,155	681,787	0	0	12,445,942
Buildings	Own land	23,277,711	2,573,325	0	0	25,851,036
	General facilities	17,762,541	2,642,541	0	0	20,405,082
Technical Installations, Equipment, Tools		1,178,591,450	95,614,421	0	656,590	1,273,549,281
	General facilities	433,054	55,381	0	0	488,435
Other Tangible Fixed assets	Transport equipment	1,864	18,705	0	0	20,569
	Office IT equipment + furniture	4,269,651	1,442,449	0	17,569	5,694,531
TOTAL		1,308,952,304	122,803,224	0	4,816,967	1,426,938,563

Transmission and storage fixed assets

Acquisitions of transmission and storage assets for the financial year amount to €149,577,784.

Acquisitions of storage assets for the financial year amount to €65,992,306.

Transmission fixed assets table, 31/12/2020

SECTION	POSITION & MOVEMENT	NET VALUES AT THE START OF THE FINANCIAL YEAR	INCREASE	REDUCTIONS SALES	OTHER OUT-GOINGS	NET VALUES AT THE END OF THE FINANCIAL YEAR
Intangible fixed assets		44,417,224	14,762,553	0	14,880,312	44,299,465
	Development costs	2,832,520	2,583,780	0	0	5,416,300
	Concessions, patents and similar rights	36,495,961	(1,780,897)	0	0	34,715,064
	Current intangible assets	5,088,743	13,959,670	0	14,880,312	4,168,101
Tangible assets		1,336,254,484	56,077,921	148	44,047,570	1,348,284,687
	Land	8,099,705	(190,201)	148	0	7,909,356
	Including re-valuation	150,045	0	0	0	150,045
	Buildings	31,939,265	(1,705,583)	0	1,701,661	28,532,021
	General facilities	9,782,547	(416,155)	0	0	9,366,392
	Technical Installations, Equipment, Tools	1,252,417,967	(19,804,788)	0	0	1,232,613,179
	Tangible Fixed assets	3,001	217,979	0	0	220,980
	Office IT equipment + furniture	3,459,788	(455,279)	0	11,915	2,992,594
	Current tangible assets	30,479,186	78,431,948	0	42,333,994	66,577,140
	Advances and down payments	73,025	0	0	0	73,025
Long-term investments		497,610	0	0	0	497,610
TOTAL		1,381,169,318	70,840,474	148	58,927,882	1,393,081,762

Storage fixed assets table, 31/12/2020

SECTION	POSITION & MOVEMENT	NET VALUES AT THE START OF THE FINANCIAL YEAR	INCREASE	REDUCTIONS SALES	OTHER OUT-GOINGS	NET VALUES AT THE END OF THE FINANCIAL YEAR
Intangible fixed assets		18,888,258	8,249,043	0	8,005,484	19,131,817
	Development costs	544,433	2,296,002	0	0	2,840,435
	Concessions, patents and similar rights	15,128,279	12,297	0	0	15,140,576
	Current intangible assets	3,215,546	5,940,744	0	8,005,484	1,150,806
Tangible assets		430,242,309	13,635,349	0	22,475,535	421,402,123
	Land	5,023,678	458,868	0	0	5,482,546
	Buildings	12,845,481	(844,420)	0	(1,701,661)	13,702,722
	General facilities	4,382,208	135,709	0	0	4,517,917
	Technical Installations, Equipment, Tools	403,828,487	(13,635,264)	0	0	390,193,223
	Tangible Fixed assets	137,298	(55,381)	0	0	81,917
	Office IT equipment + furniture	1,560,422	(228,009)	0	5,107	1,327,306
	Current tangible assets	2,452,897	27,803,846	0	24,172,089	6,084,654
	Advances and down payments	11,838	0	0	0	11,838
Long-term investments		0	42,000	0	0	42,000
TOTAL		449,130,567	21,926,392	0	30,481,019	440,575,940

Fixed assets are an essential component of the determination of authorised income for Teréga SA's transport and storage activities, which are regulated activities.

Scrapping of fixed assets

The gross amount of scrapped assets for the year is €4,833,989 for a net value of €17,022.

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 (account 722000), with a balancing entry in fixed assets in progress.

The commissioning date for complex installations is considered to be the date of receipt of the compliance report from the Directions Régionales de l'Environnement, de l'Aménagement et du Logement (DREAL) 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 €378,973
 - 773,233 3GRT shares for €773
 - 3,590 Déclaranet shares for € 359,000
 - 19,200 Prisma shares for € 19,200

- Deposits and guarantees for €160,637



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 2020 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.

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 %

Values

	GAS FOR BALAN- CING	GAS FOR OWN NEEDS	MATERIALS		In euros
			GROSS	DEPRECIATION	TOTAL
At 01/01/2020	531,965	7,380,797	19,533,845	(2,224,086)	29,670,693
Change	(98,616)	(347,778)	1,973,031	(1,755,342)	3,281,978
At 31/12/2020	433,348	7,033,018	21,506,876	(3,979,428)	32,952,672

STATEMENT OF RECEIVABLES

RECEIVABLES In euros	GROSS AMOUNT 31/12/2020	DEGREE OF LIQUIDITY - ASSETS MATURITIES	
		LESS THAN 1 YEAR	FALLING DUE AFTER 1 YEAR
FIXED ASSET RECEIVABLES	160,637	0	160,637
ADVANCES AND DOWN PAYMENTS PAID/RECEIVED	1,274,174	1,274,174	0
CURRENT ASSET RECEIVABLES	56,897,098	56,891,289	5,809
Doubtful or disputed debts	6,444	635	5,809
Other trade receivables	44,458,735	44,458,735	0
Payable to staff	50,621	50,621	0
Social Security and other welfare bodies	66,322	66,322	0
State and other Local governments			
Tax on profits	9,725,295	9,725,295	0
Value-added tax	1,808,232	1,808,232	0
Other taxes, duties, and similar levies	305,969	305,969	0
Sundry debtors	475,480	475,480	0
DEFERRED EXPENSES	23,500,378	3,418,255	20,082,123
PREPAID EXPENSES	46,464	46,464	0
TOTAL	81,878,751	61,630,182	20,248,569

NOTES ON THE BALANCE SHEET LIABILITIES

SHAREHOLDER EQUITY

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

On May 19, 2020, the General Shareholders' Meeting approved the allocation of net income for 2019 in the amount of €67,923,844, as proposed by the Board of Directors, and therefore decided to distribute dividends to Teréga SAS in the amount of €33,205,145, in addition to the interim dividend of €34,718,699 decided on 17 October 2019.

Pursuant to a decision by the Board of Directors of 27 November 2020, on 2 December 2020, Teréga SA paid an interim dividend of a total of €24,303,089 to Teréga SAS.

	31/12/2019	Change	31/12/2020
Number of shares	2,197,386	0	2,197,386
Share or individual capital	17,579,088	0	17,579,088
Issue, merger or contribution premiums	12,369	0	12,369
Revaluation adjustments	150,045	0	150,045
Statutory reserve	1,757,909	0	1,757,909
Reserves required by articles of association or contracts	130,918	0	130,918
Other Reserves	129,556	0	129,556
Retained earnings	0	0	0
Interim dividend	(34,718,699)	10,415,610	(24,303,089)
Earnings for the 2020 financial year	0	49,717,320	49,717,320
Earnings for the 2019 financial year	67,923,844	(67,923,844)	0
Investment grants	49,145,207	(1,256,387)	47,888,820
Restricted provisions (*)	279,143,519	34,370,675	313,514,194
TOTAL	381,253,756	25,323,374	406,577,130

(*) Excess tax depreciation

PROVISIONS FOR RISKS 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 expenses amount to €68,791, as at 31 December 2020. The change was €440,406 following the settlement of two disputes under way since 2013 and 2014. The net impact on earnings at 31 December 2020 is income of €245,206.

Provisions for contingencies	Position at 01/01/2020	Movements		Position at 31/12/2020
		Increases	Reductions	
Provisions for contingencies	509,197	0	440,406	68,791
Total	509,197	0	440,406	68,791

Provisions for expenses amount to €1,470,748, broken down as follows:

Provisions for costs	Position at 01/01/2020	Movements		Position at 31/12/2020
		Increases	Reductions	
HR disputes	321,000	-	186,000	135,000
Long-service bonus	1,076,000	141,000	58,000	1,159,000
MIP	200,648	-	23,900	176,748
TOTAL	1,597,648	141,000	267,900	1,470,748

STATEMENT OF DEBTS

DEBTS In euros	GROSS AMOUNT AT 31/12/2020	MATURITIES LESS THAN 1 YEAR	PAYABILITY OF DEBT	
			MATURITIES 1 - 5 YEARS	MATURITIES + 5 YEARS
Other bonds	1,900,000,000	500,000,000	550,000,000	850,000,000
Bank debt	0	0		
Other debt	3,264,779	3,264,779		
Accrued interest on borrowing	21,339,201	21,339,201		
Trade payables	58,604,521	58,604,521		
Payable to staff	113,776	113,776		
Social Security and other welfare bodies	5,099,278	5,099,278		
State and other Local authorities	Value-added tax	790,706	790,706	
Public	Other taxes, duties, and similar levies	2,236,156	2,236,156	
Tax and employment-related liabilities	22,933,647	22,933,647		
Other debts	30,324	30,324		
TOTAL	2,014,412,388	614,412,388	550,000,000	850,000,000
Loans subscribed to during the period	500,000,000			
Loans repaid during the period	65,000,000			

The financial structure is composed of:

- Bonds for €1,900,000,000, including:
 - Public bond for €500 million, maturing in 2021, rate: 4.339%
 - Public bond for €550 million, maturing in 2025, rate: 2.200%
 - Private bond for €350 million, maturing 2035, rate: 2.998%
 - New public bond for €500 million, maturing in 2030, rate: 0.875%
- A credit line with a drawdown capacity of €250,000,000, not drawn at 31 December 2020

The borrowing costs and the issue premium of the new bond were spread over the life of the loan.

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.

NOTES TO THE INCOME STATEMENT

OPERATING INCOME

	In euros	
	31/12/2020	31/12/2019
REVENUES	459,753,549	500,410,655
- Transmission capacity income	263,034,532	275,746,293
- Storage capacity income	122,038,500	48,826,017
- Inter-operator agreement	34,671,956	34,291,019
- Connection and interfacing income	2,220,060	2,362,880
- Other services	3,569,492	1,305,429
- Other income from operations	1,991,845	2,591,602
- Sales of natural gas for balancing	7,528,784	22,929,780
- TEREGA Storage/Clearing Revenues	2,365,346	10,517,676
- GRT Storage/Clearing Revenue	22,333,034	101,839,989
TOTAL Transport Revenue	312,837,248	339,094,222
TOTAL Storage Revenue	146,916,301	161,316,433
CAPITALISED PRODUCTION	126,085,669	142,396,384
REVERSALS OF DEPRECIATION AND PROVISIONS, TRANSFERS	3,196,631	6,468,050
Write-back of Risk and Charges provisions	626,406	132,000
Reversal of pension provisions	81,901	2,730,920
Transfer of operating expenses	2,488,324	3,605,130

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 revenue is generated in France.

The decline in production sold in 2020 is mainly due to the entry into force of the new ATR7 and ATS2.

- 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.

Transfers of operating expenses include:

- Reimbursements received from insurance companies for claims (€130 K),
- Reimbursements from social welfare (daily allowances) and training bodies (€100 K),
- Work invoiced as part of service agreements with third parties (€17 K),
- The borrowing costs of the new bond issue subscribed in 2020 (€2,259 K),
- An additional grant received as part of the STEP project (€286 K).

OPERATING EXPENSES

Operating expenses include investment expenses offset by capitalised production.

Nature of expenses included in capitalised production:

	In euros	
	31/12/2020	31/12/2019
Inventory change	2,248,212	921,911
Other purchases and external costs	102,080,559	116,167,699
Taxes, duties, and other levies	370,099	339,533
Wages and salaries	9,922,103	8,796,040
Employee-related expenditures	5,963,791	5,189,441
Other operating expenses	2,106,765	3,927,060
Capital costs	122,691,529	135,341,684

Other external purchases and charges are broken down as follows:

In euros	2020	2019
Other purchases	46,244,922	69,941,033
General sub-contracting	49,805,508	51,998,212
Rentals and rental expenses	3,841,636	5,402,834
Maintenance and repairs	78,621,883	73,654,966
Insurance premiums	2,054,673	1,327,332
Miscellaneous	1,100,596	1,877,653
Fees	2,366,165	3,473,496
Advertising	2,727,045	1,501,731
Transmission	327,048	409,549
Travel, assignments	1,779,567	3,185,702
Postage costs	2,296,539	2,814,336
Banking services	2,060,870	3,132,182
Other external expenses	583,818	617,434
	193,810,270	219,336,460

TAX ON PROFITS

In euros

	31/12/2020	31/12/2019
The tax expense is	22,487,154	33,482,749
Breakdown		
- Provision for financial year	22,553,532	33,375,473
- Social security contribution	719,088	1,076,212
- Tax credits	(949,486)	(741,038)
- Balance of corporation tax 2019	164,020	(227,898)
	22,487,154	33,482,749

Breakdown of tax credits		
- Sponsorship tax credit	347,460	204,677
- Research tax credit	547,816	500,911
- Emileie tax credit	54,210	35,450
- Apprenticeship tax credit	0	0

OTHER INFORMATION

STAFF by category	31/12/2020	31/12/2019
- Executives	286	269
- Non-Executive	375	384
Total staff	661	653
Average STAFF employed during the financial year		
- Executives	281	266
- Non-Executive	374	371
Average total staff	655	637

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 2021.

The amounts below were drawn from the actuaries' report:

IN THOUSANDS OF EUROS	CAA P15300	IFC P15300	MIP P15300	MDT P15800	PEC P15300	Malakoff P15300	CET P15300	TOTAL
At 01/01/2020	13,329	8,170	6,609	1,076	237	352	1,899	31,672
Allocation	(51)	597	484	141	2	3	14	1,190
Cost of services provided	(147)	536	435	71				
Int expenses	96	61	49	8	2	3	14	233
Asset gains/losses 2020				62				
Reversal	(1,784)	(1,086)	(-23)	(-58)	(24)		(109)	(3,084)
Benefits paid/borrowed	(1,784)	(1,086)	(-23)	(-58)	(24)		(109)	(3,084)
Subtotal	11,494	7,681	7,070	1,159	215	355	1,804	29,778
Asset gains/losses 2020	(1,387)	322	(3,243)		9	18	1,467	(2,814)
At 31/12/2020	10,107	8,003	3,827	1,159	224	373	3,271	26,964

Employee 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.

COMMITMENTS RECEIVED

At December 31, 2020, the commitments received were as follows:

IN THOUSANDS OF EUROS	31/12/2020	31/12/2019
Customer bank guarantees	71,667	64,120
Supplier bank guarantees	6,485	12,158
TOTAL Commitments	78,152	76,278

REMUNERATION OF DIRECTORS' ACTIVITIES

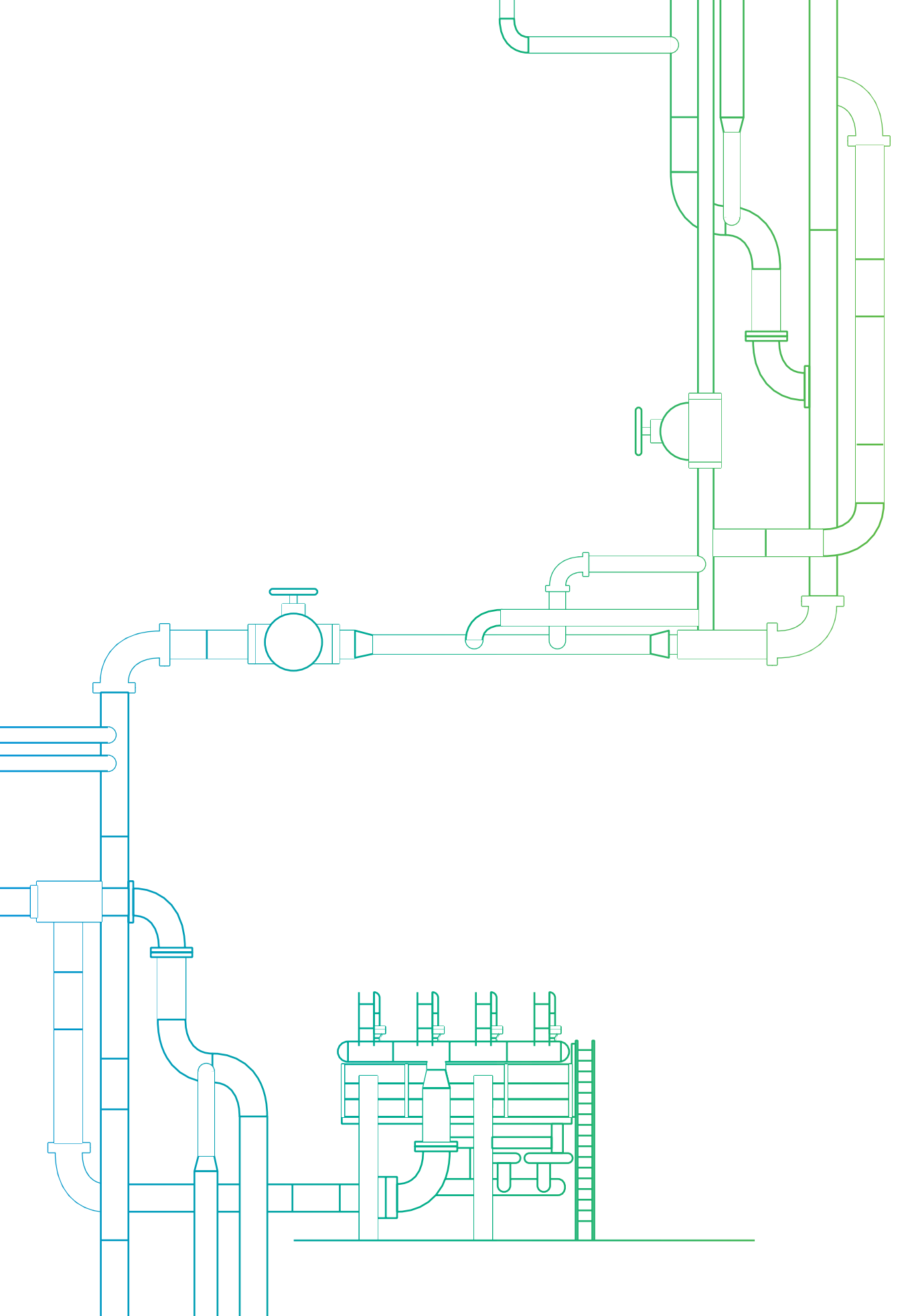
The remuneration for the activities of the directors in 2020 amounted to €174,247.



EVENTS AFTER THE BALANCE SHEET DATE

None.









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