TRANSGAZ
MAGISTRALA ENERGIEI

REPORT ISSUED BY THE BOARD OF ADMINISTRATION FOR HALF I 2025

- CONSOLIDATED -

CONTENTS

1. REPORT AND ISSUER GENERAL DATA *4*
2. EXECUTIVE SUMMARY HALF I 2025 ..... *5*
2.1. Presentation of the consolidated companies in the Transgaz group 5
2.2. Indicators of the consolidated economic and financial results 7
2.3. Indicators of the separate economic and financial results 11
2.4. Summary of the main achievements in terms of sustainability matters in Half I 2025 14
2.5. Important events 23
2.6. Main risks related to activity in Half II 2025 27
3. ABOUT SNTGN TRANSGAZ SA *30*
3.1. Mission, vision, organizational values 30
3.2 The activity of the company 31
3.3. NTS infrastructure 32
3.4. Shareholding 34
3.5 Structure 35
3.6 MANAGEMENT 37
3.7 Human resources 40
3.8. Transgaz on the Bucharest Stock Exchange 44
3.9 List of all entities where Transgaz holds shares 51
4. ACTIVITY ANALYSIS *52*
4.1. Operation activity 52
4.2 The investment activity 54
4.3 Maintenance activity 62
4.4 The procurement activity 65
4.5 The legal assistance and representation activity 66
4.6. International cooperation activity 66
4.7. Internal audit 67
4.8. Investor relations 68
4.9. The tariff setting methodology 69
4.10 Consolidated financial results (consolidated factorial analysis of the activity) 70
4.11. Separate financial results (factorial analysis of the individual activity) 73
5. CONSOLIDATED ECONOMIC AND FINANCIAL STATEMENT *79*
5.1 Consolidated financial position 79
5.2 Consolidated comprehensive income 83
5.3 Consolidated cash flow statement 84
5.4 Evaluation of the activity related to the financial risk management 85
6. INDIVIDUAL ECONOMIC AND FINANCIAL STATEMENT *90*
6.1 Individual financial position 90
6.2 Individual comprehensive income 94
6.3 Individual cash flow statement 96
6.4 Evaluation of the activity related to the financial risk management 97
7. CORPORATE GOVERNANCE *102*
7.1. Management System 104
7.2 Legal acts concluded under the conditions of Article 52(1) and (6) of GEO 109/30.11.2011 109
7.3. Main transactions concluded between affiliated parties (in accordance with Art. 108 of Law 24/2017 on the issuers of financial instuments and market operations, republished) 109
8. KEY PERFORMANCE INDICATORS ESTABLISHED IN THE MANDATE CONTRACTS *110*

THE ADMINISTRATORS' MESSAGE

With a long tradition in Romania, gas transmission is a strategic activity for the national economy. The performance of this activity increased year by year through the work, passion and professionalism of those who have worked in this field and contributed to what SNTGN TRANSGAZ SA is – today -– the 4th company – in the top of natural gas Transmission System Operators (TSOs) of the European Union, according to the length of the managed transmission network, a group of sustainable performance oriented companies with responsibility for the future, in which the corporate governance model has added and will add value and the transparency needed to increase the confidence of the stakeholders in the management and performance of the company.

A transparent company, open to dialogue and good corporate practices, a high-performing company, SNTGN TRANSGAZ SA is a successful local brand today, a company that believes in its organizational values and concepts and that continuously invests in the education and professional development of its human resources. SNTGN TRANSGAZ SA is a company managed under a unitary system, with the current Board of Administrators appointed by the General Meeting of the Shareholders under Decision no. 6/29.04.2025 of the Ordinary General Meeting of the Shareholders according to the selection procedure provided for in Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as amended.

The strategic objectives established in respect of the management of SNTGN Transgaz SA for the period 2025-2029 *are in line with the objectives provided for in the* ***SHAREHOLDERS' LETTER OF EXPECTATIONS*** *and aim to achieve****: continuity of operational and investment activities, energy safety and security, operational efficiency and stability, sustainable development****, in accordance with the provisions of the Strategy of the European Energy Union on decarbonisation, energy efficiency, the internal energy market, research, innovation and competitiveness****, alignment of the company with modern performance and corporate governance standards supported by the OECD, optimisation of the company's performance,*** *increasing the international recognition of SNTGN Transgaz SA, its leading role in the regional energy market, maximising the efficiency of all existing and future opportunities, so that Romania can consolidate its position as an important natural gas energy corridor to Europe.*

We are aware of the essential role that Transgaz plays not only in the development, modernization, and consolidation of the energy infrastructure of Romania and the Republic of Moldova, but also in improving the standard of living and the effective transition of the entire society towards achieving all sustainable development goals.

For SNTGN Transgaz SA, an objective of strategic importance deriving from the European Green Deal for a transition to the green economy is the repurposing of the existing natural gas transmission infrastructure for the transmission of hydrogen in blends with natural gas, for decarbonization.

Recognizing the importance of TRANSGAZ both as a driver of national economic activity and as a vector of economic growth for the country, through its role in developing the energy sector and transforming Romania into an energy powerhouse in Europe, the company's administrators are committed to continuing the launch and implementation of one of the largest and most important

natural gas transmission infrastructure development programs in Romania in the last 20 years, a program with investment projects estimated at EURO 9.1 billion.

Our guarantee for success in the face of the challenges and constraints of the external and internal context in which Transgaz operates and will operate is the link between the efficient administration and management strategies and the vast expertise and professional experience of the management, human resources employed to operationalize these strategies, the organizational values and concepts, the professionalism, reliability, transparency, and responsibility in the execution of all activities.

Yours sincerely,

ION STERIAN
Executive Administrator - Director - General

NICOLAE MINEA
Non-Executive Administrator, Chairman of the Board of Administration

ILINCA VON DERENTHALL
Non-Executive Administrator

ADINA LĂCRIMIOARA HANZA
Non-Executive Administrator

COSTIN MIHALACHE
Non-Executive Administrator

PETRU ION VĂDUVA
Non-Executive Administrator (mandate termination on 29.04.2025)

1. REPORT AND ISSUER GENERAL DATA

Basis of the report	Report for Half I 2025, prepared in accordance with the provisions of Law 24/2017 on issuers of financial instruments and market operations (Article 65) and FSA Regulation 5/2018 on issuers of financial instruments and market operations (Annex 15), as amended
Date of the report:	11 August 2025
Name of the issuer	The National Gas Transmission Company TRANSGAZ SA
Headquarters	Mediaș, 1 C.I. Motaș Square, code 551130, Sibiu county
Phone/fax	0269-803333/0269-839029
Web/e-mail	www.transgaz.ro / cabinet@transgaz.ro
Trade register number	J32/301/2000
Tax registration code	RO13068733
Regulated market on which the securities issued are traded	Bucharest Stock Exchange
Subscribed and paid-up share capital	1.883.815.040 lei
Main characteristics of securities issued	188.381.504 shares with a nominal value of 10 lei. The shares are registered, ordinary, indivisible, issued in dematerialised form and freely tradable since 2008 under the TGN stock exchange symbol

2. EXECUTIVE SUMMARY HALF I 2025

2.1. Presentation of the consolidated companies in the Transgaz group

SNTGN Transgaz SA is the first state-owned company in the energy sector to consolidate its international reputation and develop investor confidence by establishing the TRANSGAZ group, thus becoming an active player in ensuring regional energy security. The companies consolidated to form Transgaz are: SNTGN Transgaz SA, Eurotransgaz SRL, Vestmoldtransgaz SRL, and Petrostar SA – the latest company.

The company TRANSGAZ, thus established, contributes both to the integration of the Republic of Moldova into future major gas infrastructure projects and to the expansion of operational capacities in the field of support and ancillary services for energy infrastructure, generating additional revenue from activities related to natural gas transmission.

		Share (%)
SNTGN Transgaz SA	Parent company	
Eurotransgaz SRL, the Republic of Moldova	Company held by SNTGN Transgaz SA	100%
Vestmoldtransgaz SRL, the Republic of Moldova	Company held by Eurotransgaz SRL and EBRD	75% 25%
Petrostar SA	Company held by SNTGN Transgaz SA Other shareholders	51% 49%

Eurotransgaz SRL

The establishment of the company EUROTRANSGAZ SRL on the territory of the Republic of Moldova was approved by Resolution no. 10/12.12.2017 of the Extraordinary General Meeting of the Shareholders (EGMS) for enabling successful participation in the privatization procedure of the State Enterprise Vestmoldtransgaz. Transgaz is the sole shareholder of EUROTRANSGAZ SRL.

Vestmoldtransgaz SRL

Since 2018, following the procurement of Vestmoldtransgaz SRL of the Republic of Moldova by Eurotransgaz SRL, Transgaz, as a parent company, prepares consolidated group financial statements.

As at 25.08.2021 the European Bank for Reconstruction and Development (EBRD) became a shareholder, holding a 25% interest in the share capital of the natural gas transmission company VESTMOLDTRANSGAZ SRL, a subsidiary of TRANSGAZ in the Republic of Moldova, which owns and operates the gas transmission pipeline Ungheni-Chisinau.

As of 19 September 2023 SNTGN TRANSGAZ SA, through its subsidiary in the Republic of Moldova, Vestmoldtransgaz SRL (VMTG), the company which operates, exploits and dispatches the Ungheni-Chișinău gas pipeline and is certified according to the ownership unbundling model, took over the operation, maintenance, dispatching and transmission of natural gas in the Republic of Moldova from Moldovatransgaz SRL.

As the operator of the gas transmission system in the Republic of Moldova, Vestmoldtransgaz S.R.L. is responsible for its operation and functioning in terms of quality, safety, economic efficiency, and environmental protection.

By the ANRE's Resolution No. 513 of 23 August 2024, SRL "Vestmoldtransgaz", holder of license Series AC No. 001561 of 6 January 2015 for natural gas transmission, valid until 6 January 2040, was certified according to the "Independent System Operator" model.

Vestmoldtransgaz S.R.L. fully complies with its legal and contractual obligations established by the applicable legislation, ensuring compliance with the provisions of Law No. 108/2016 on natural gas and the regulatory acts approved by ANRE, in accordance with the principles of ensuring the stability, reliability, security, and efficiency of the natural gas system.

The best practices in place within SNTGN Transgaz SA, having rendered the company a benchmark in Romania, are being adopted and implemented in the Republic of Moldova as well, resulting in:

- improvements in how the implementation of the Maintenance Plan is monitored;
- efficient, real-time tracking of the Procurement Plan by the setting up of an Excel database;
- effective prioritization of the Investment Plan;
- starting the implementation of the internal management control system for risk management, in order to provide reasonable assurance on achieving the planned targets and results. To this end, the Action Plan for the implementation of the internal management control system at Vestmoldtransgaz SRL is approved and continuously updated.

SNTGN Transgaz SA has become the only gas transmission system operator (TSO) in Europe that fully operates two national gas transmission systems in two different countries, one of which is an EU member state and the other a non-EU member state.

Petrostar SA

By Resolution No. 5 of the Extraordinary General Meeting of the Shareholders of 9 April 2025, the acquisition of a 51% interest in the share capital of Petrostar S.A. was approved at a maximum price of lei 4.520.143. Petrostar S.A. is one of the oldest and most representative companies in Romania, operating in the field of research, technological engineering, and design for the oil and gas extraction industry.

The acquisition is part of Transgaz's development strategy, which aims to expand its operational capabilities in the area of support and auxiliary services for energy infrastructure, to generate

additional revenue from activities related to natural gas transmission, and to capitalize on the complementarity between Transgaz's and Petrostar's areas of activity.

Petrostar S.A. is one of the oldest and most representative companies in Romania, operating in the research, technological engineering, and design fields for the oil and gas extraction industry. The acquisition is part of Transgaz' development strategy, aiming to expand its operational capabilities in the energy infrastructure support and auxiliary services area, to generate additional revenue from activities related to gas transmission, and to tap into the complementarity between Transgaz and Petrostar's activities.

Petrostar's main activities include:

- Preparation of feasibility studies for the exploitation of newly discovered and existing offshore and onshore oil and gas fields in Romania and abroad;
- Preparation of feasibility studies and comprehensive designs for the underground gas storage in depleted gas fields;
- Preparation of comprehensive studies and designs for drilling wells up to 10,000 m deep, offshore and onshore, in Romania and abroad;
- Preparation of specifications, technical and commercial proposals for design and execution activities;
- Process and detail engineering for primary, secondary, and tertiary exploitation of oil and gas fields, covering all disciplines involved in achieving oil field goals, such as: electrical, mechanical, construction, automation, SCADA, corrosion protection, water supply;
- Preparation of studies and comprehensive engineering designs for transportation and storage systems in the fields of crude oil, gas, petroleum products, and water;
- Preparation of topographical and trans-testing, hydrogeological, hydrotechnical, and geotechnical studies and documentation;
- Project development management and management of the execution of objectives in the fields of oil, gas, and related works;

2.2. Indicators of the consolidated economic and financial results

Consolidated standard performance indicators

The economic and financial activity of the National Gas Transmission Company Transgaz S.A. since the beginning of the year until 30 June 2025 was conducted based on the indicators included in the Revenue and Expense Budget (REB) approved by Resolution No. 4/09.04.2025 of the Extraordinary General Meeting of the Shareholders.

The value of the standard performance indicators on 30 June 2025 as compared to their value as at 30 June 2024 is as follows:

No.	Performance criteria	Performance objective	MU	Weighting factor	Achieved	
					Half I 2025	Half I 2024
1.	**Commissioned investments**	Plan achieved	Thousand lei	0,15	86.855	25.090
2.	**EBITDA**	EBITDA increase	Thousand lei	0,15	828.107	435.739
3.	**Labour productivity**	Increasing labour productivity in units of value (turnover / average no. of employees);	Thousand lei/ pers.	0,15	414	283
4.	**Outstanding payments**	Payments made during the contract duration (in current prices)	Thousand lei	0,15	0	0
5.	**Outstanding receivables**	Diminished amount of outstanding receivables (in current prices)	Thousand lei	0,10	683.156	661.312
6.	**NTS gas consumption**	Remaining within the gas quantities representing NTS gas consumption	%	0,15	41,04%	50,74%
7	**OPEX at lei 1000 operating revenue**	Diminishing of OPEX at lei 1000 operating revenue	lei	0,15	647	837

Table 1- Consolidated standard performance indicators for Half I 2025 compared to Half I 2024

Consolidated profitability, liquidity, risk and management indicators

The values of the profitability, liquidity, risk and management indicators - consolidated - in Half I 2025 compared to the same period of 2024:

No.	Indicators	Calculation formula	Half I 2025	Half I 2024
1.	**Profitability indicators**			
	EBITDA in total sales	EBITDA / Turnover	47,91%	38,27%
	EBITDA in equity	EBITDA / Equity	18,06%	10,70%
	Gross profit share	Gross profit / Turnover	35,05%	19,58%
	Return on equity	Net profit / Equity	11,32%	4,51%
2.	**Liquidity indicators**			
	Current liquidity indicator	Current assets / Short term debts	1,02	1,11
	Acid test ratio	Current assets - Stocks		

		Short term debts	0,66	0,80
3.	**Risk indicators**			
	Leverage indicator	Borrowed capital / Equity	67,10%	60,18%
	Interest coverage ratio	EBIT / Interest expense	7,11	3,94
4.	**Management indicators**			
	Days' sales outstanding	Average accounts receivable x 181 days / Turnover	98,27	138,42
	Days' payable outstanding	Average accounts payable x 181 days / Turnover	42,15	48,75

Table 2 - Consolidated profitability, liquidity, risk and management indicators in Half I 2025 compared to Half I 2024

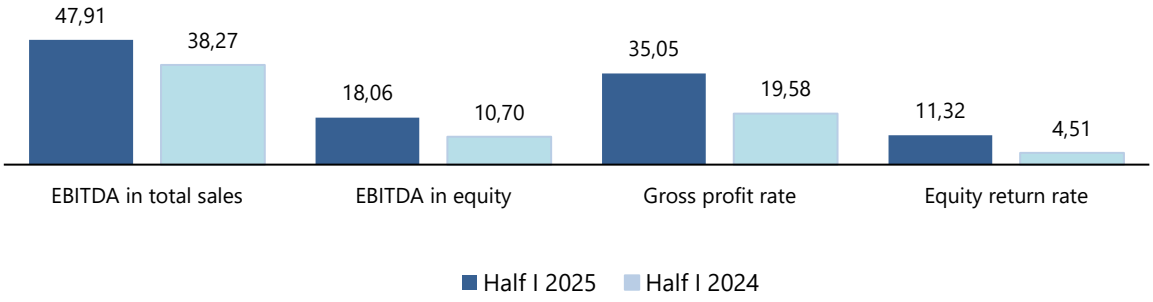

Chart 1- Consolidated profitability indicators in Half I 2025 compared to Half I 2024

The main consolidated economic and financial indicators achieved in Half I 2025 compared to the same period of 2024 are as follows:

Thousand lei

No.	Indicator	Consolidated Half I 2025	Consolidated Half I 2024	Dynamics (%)
0	**1**	**2**	**3**	**4=2/3*100**
1.	Turnover	1.728.482	1.138.586	151,81
2.	Operating revenue before balancing and the construction activity according to IFRIC12	1.573.478	1.094.849	143,72
3.	Revenue from balancing	233.935	114.784	203,80
4.	Revenue from the construction activity according to IFRIC12	451.112	675.817	66,75
5.	Financial revenue	134.194	110.283	121,68
6.	Operating cost before balancing and the construction activity according to IFRIC12	1.017.609	915.101	111,20
7.	Cost of balancing gas	233.935	114.784	203,80
8.	Cost of constructed assets according to IFRIC12	451.112	675.817	66,75
9.	Financial cost	84.167	67.041	125,54

10.	Gross profit	605.896	222.990	271,71
11.	Profit tax	86.927	39.132	222,14
12.	Net profit	518.969	183.858	282,27
13.	Total comprehensive result related to the period	521.239	188.342	276,75
14.	Transmitted gas -thousand cm-	7.181.016	6.472.933	110,94
15.	Investment cost	482.876	689.148	70,07
16.	Rehabilitation cost	47.757	41.083	116,25
17.	Technological consumption thousand lei	40.159	39.322	102,13
18.	Technological consumption thousand cm	26.956	30.782	87,57

Table 3- Main consolidated economic and financial indicators in Half I 2025 compared to Half I 2024

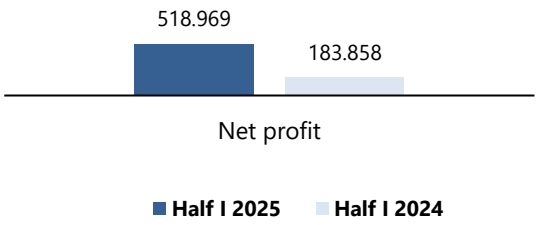

Chart 2 – Net profit (consolidated) in Half I 2025 compared to Half I 2024 (thousand lei)

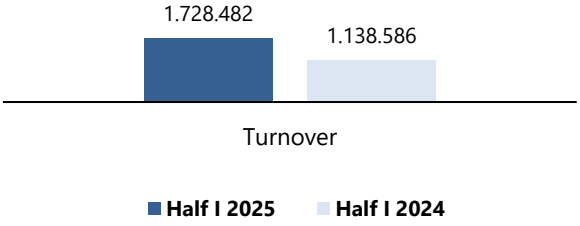

Chart 3- Turnover (consolidated) in Half I 2025 compared to Half I 2024 (thousand lei)

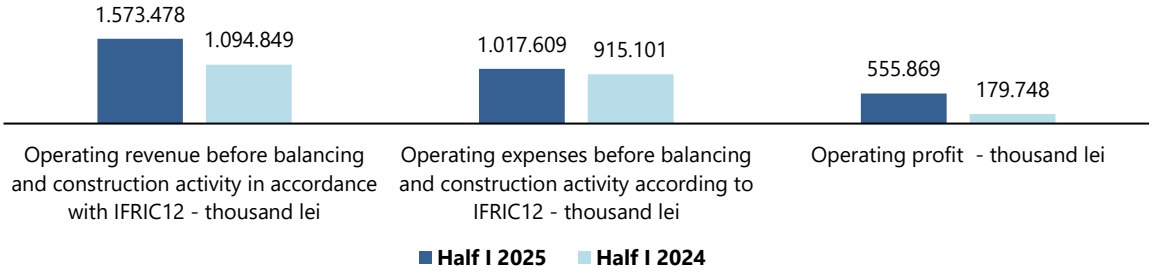

Chart 4-Operating revenue, expense and profit before the construction activity according to IFRIC 12 – consolidated - in Half I 2025 compared to Half I 2024 (thousand lei)

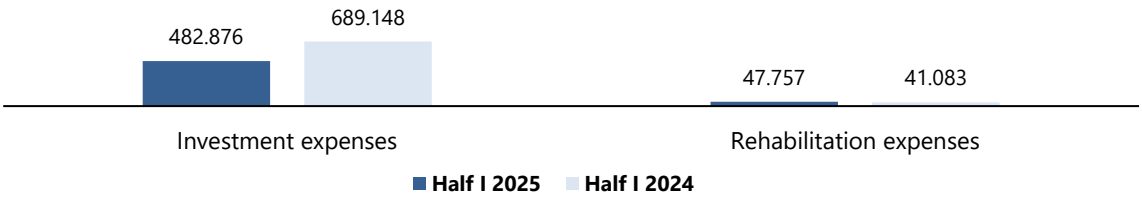

Chart 5 - Investment and rehabilitation expenses – consolidated - in Half I 2025 compared to Half I 2024 (thousand lei)

2.3. Indicators of the separate economic and financial results

Standard performance indicators – separate statements

The economic and financial activity of the National Gas Transmission Company Transgaz S.A. in Half I 2025 was conducted based on the indicators established in the Revenue and Expense Budget (REB) approved by Resolution 4/09.04.2025 of the Ordinary General Meeting of the Shareholders.

The value of the separate standard performance indicators as at 30 June 2025 as compared to their value as at 30 June 2023 is as follows:

No.	Performance criteria	Performance objective	MU	Weighting factor	Achieved	
					Half I 2025	Half I 2024
1.	**Commissioned investments**	Plan achieved	Thousand lei	0,15	86.582	23.878
2.	**EBITDA**	EBITDA increase	Thousand lei	0,15	719.401	398.542
3.	**Labour productivity**	Increasing labour productivity in units of value (turnover / average no. of employees);	Thousand lei/ pers.	0,15	394	264
4.	**Outstanding payments**	Payments made during the contract duration (in current prices)	Thousand lei	0,15	0	0
5.	**Outstanding receivables**	Diminished amount of outstanding receivables (in current prices)	Thousand lei	0,1	683.156	661.312
6.	**Technological consumption**	Remaining within the gas quantities representing technological consumption	%	0,15	41,04%	50,74%
7	**OPEX at lei 1000 operating revenue**	Diminishing of OPEX at lei 1000 operating revenue	lei	0,15	667	835

Table 4 – Separate standard performance indicators in Half I 2025 compared to Half I 2024

Profitability, liquidity, risk and management indicators

The values of individual profitability, liquidity, risk and management indicators in Half I 2025 compared to their values for the same period of 2024 is presented in the following table:

Indicators	Calculation formula	Half I 2025	Half I 2024
Profitability indicators			
EBITDA in total sales	EBITDA / Turnover	45,55%	37,55%
EBITDA in equity	EBITDA / Equity	15,86%	9,76%
Gross profit share	Gross profit / Turnover	34,01%	20,91%
Return on equity	Net profit / Equity	10,14%	4,54%
Liquidity indicators			
Current liquidity indicator	Current assets / Short term debts	0,98	1,11
Acid test ratio	Current assets - Stocks / Short term debts	0,61	0,79
Risk indicators			
Leverage indicator	Borrowed capital / Equity	64,54%	56,11%
Interest coverage ratio	EBIT / Interest expense	6,20	4,40
Management indicators			
Days' sales outstanding	Average accounts receivable x 181 days / Turnover	107,56	148,49
Days' payable outstanding	Average accounts payable x 181 days	46,13	52,30

Table 5 –Separate profitability, liquidity, risk and management indicators in Half I 2025 compared to Half I 2024

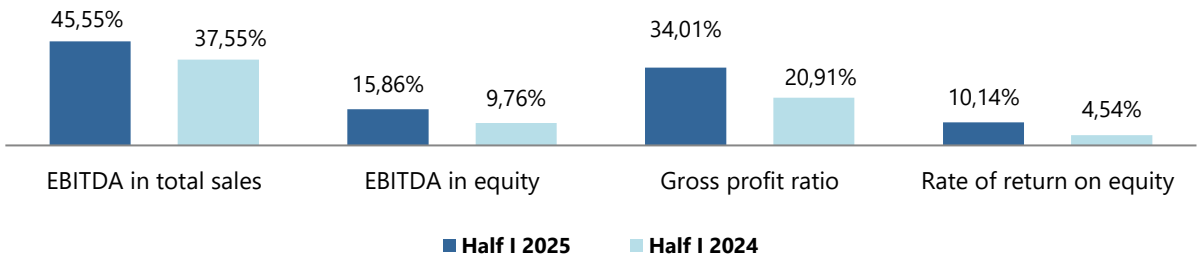

Chart 6 – Separate profitability indicators in Half I 2025 compared to Half I 2024

The main separate economic and financial indicators obtained in Half I 2025 as compared to the same period of 2024 are as follows:

No.	Indicator	MU	Half I 2025	Half I 2024	Variation %
0	1	2	3	4	5=3/4*100
1.	Turnover	thousand lei	1.579.304	1.061.349	148,80
2.	Operating	thousand lei	1.421.802	1.016.130	139,92
3.	Revenues from balancing	thousand lei	948.720	848.582	111,80

No.	Indicator	MU	Half I 2025	Half I 2024	Variation %
4.	Revenue from the construction activity according to IFRIC12	thousand lei	473.082	167.548	282,36
5.	Financial revenues	thousand lei	231.869	114.784	202,00
6.	Operating expenses before balancing and construction activity according to IFRIC12	thousand lei	231.869	114.784	202,00
7.	Balancing gas expenses	thousand lei	451.112	675.817	66,75
8.	Cost of assets constructed according to IFRIC	thousand lei	451.112	675.817	66,75
9.	Operating profit	thousand lei	473.082	167.548	282,36
10.	Financial expenses	thousand lei	130.729	102.995	126,93
11.	Gross profit	thousand lei	66.656	48.633	137,06
12.	Profit tax	thousand lei	537.156	221.910	242,06
13.	Revenues from deffered profit tax	thousand lei	77.275	36.562	211,36
14.	Net profit	thousand lei	459.880	185.349	248,12
15.	Total comprehensive result for the period	MWh	77.656.998	69.457.227	111,81
16.	Transported gas thousand cm	thousand lei	466.534	687.440	67,87
17.	Investment costs	thousand lei	16.328	7.072	230,88
18.	Upgrading costs	thousand lei	60.707	61.963	97,97
19.	Technological consumption	MWh	276.220	326.285	84,66

Table 6 - Main separate economic-financial indicators in Half I 2025 compared to Half I 2024

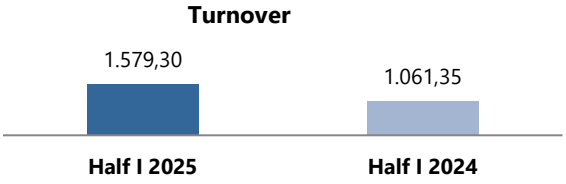

Chart 7-Turnover (individual) in Half I 2025 compared to Half I 2024 (mil. lei)

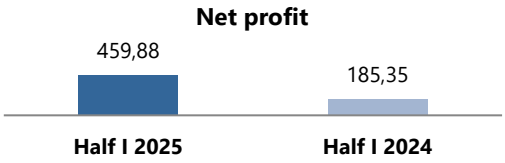

Chart 8 - Net profit (individual) in Half I 2025 compared to Half I 2024 (mil. lei)

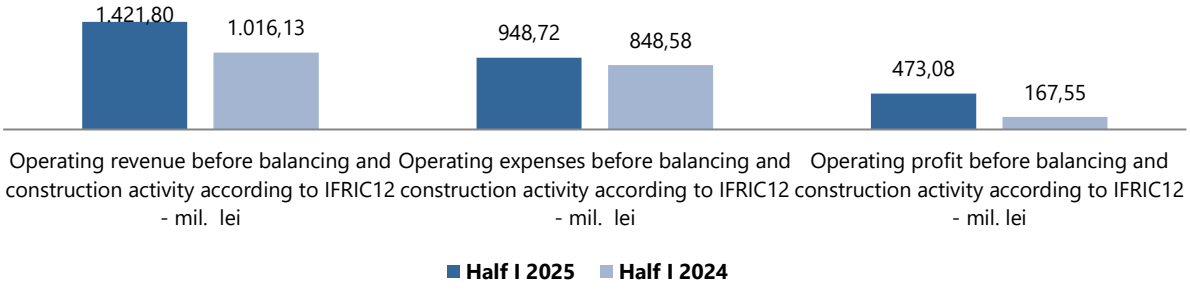

Chart 9 – Operating revenue, expense and profit before the construction activity according to IFRIC – in Half I 2025 compared to Half I 2024 (mil. lei)

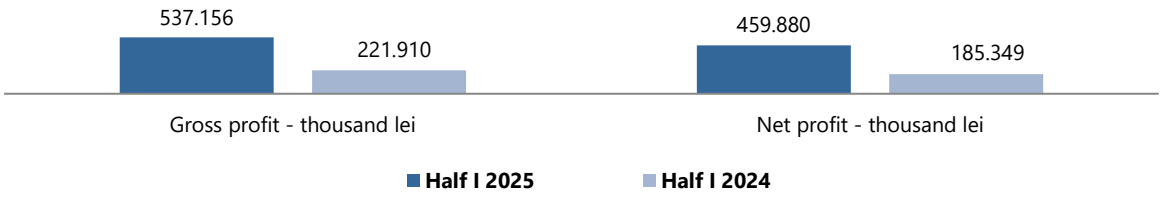

Chart 10 – Gross profit and net profit (separate statements) in Half I 2025 compared to Half I 2024 (thousand lei)

Transgaz holds the monopoly in Romania in terms of natural gas transmission and circulates approximately 90% of the total natural gas consumed.

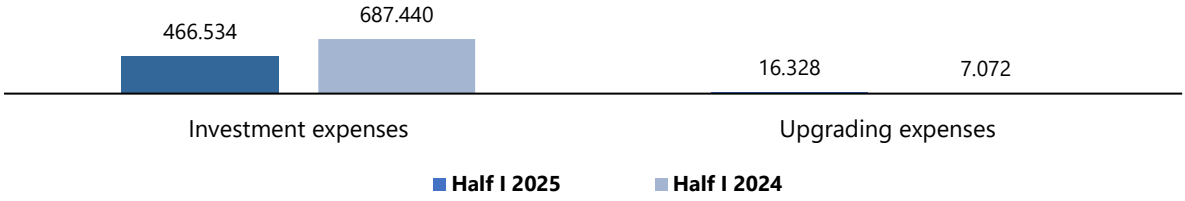

Chart 11 - Investment and upgrading costs - separate statements in Half I 2025 compared to Half I 2024 (thousand lei)

2.4. Summary of the main achievements in terms of sustainability matters in Half I 2025

According to the provisions of Order 2844 / 12 December 2016 of the Minister of Finance for the approval of the Accounting Regulations pursuant to the International Financial Reporting Standards, as amended and taking into account the provisions of Chapter V of Order 85/2024 of the Minister of Finance and the provisions of Law 24/2017 on the issuers of financial instuments and market operations, as amended by Law 11/2025, published in the Official Journal, SNTGN Transgaz S.A prepared and published as part of the consolidated administrators' report, at Annex 1, its Consolidated sustainability statement aligned with the European Sustainability Reporting Standards (ESRS). In accordance with the EU Corporate Sustainability Reporting Directive (CSRD), Transgaz presents the information at consolidated level by including in the reporting framework the three companies: SNTGN Transgaz S.A, Eurotransgaz SRL and Vestmoldtransgaz SRL. The scope of consolidation was the same as in the financial statements.

The information presented by SNTGN Transgaz S.A is as established by the European Sustainability Reporting Standards (ESRS) and covers environmental, social and governance aspects.

The consolidated sustainability report for the financial year 2024 is enclosed to the consolidated Report of the administrators, in Annex 1, and is also available on the company's website, at the following link

https://www.transgaz.ro/sites/default/files/users/user360/Transgaz%20Raport%20Sustenabilitate%202024%20ro_final%2004.04.pdf.

The reporting process developed with every year, integrating new assessment methods, such as the double materiality assessment, expansion to the consolidated group level, and the development of dedicated operational procedures. Continuous improvement of data quality, transparency, and internal validation flows remains at the heart of our actions.

In Half I 2025, Transgaz continued to implement its sustainability objectives, strengthening internal processes and responding to new European and national requirements in the field of sustainability reporting. Internal actions were taken to strengthen ESG monitoring and reporting at group level, prioritising the collection and validation of relevant data.

Improving the procedural framework for sustainability reporting

In order to meet the increasingly complex requirements of European regulations (ESRS) and the CSRD Directive, SNTGN Transgaz S.A initiated a comprehensive process of reviewing and strengthening the procedural framework for sustainability reporting.

Currently, the Sustainability Reporting Operational Procedure is under development, an essential tool that will provide a clear and effective framework for managing the entire ESG reporting process at the organizational level. It will specifically define:

- The **responsibilities** of each structure involved in the process – from data collection to validation and approval of reported information;
- Information validation **flows**, by establishing internal verification stages and document circulation, so that accuracy and transparency are constantly verified and improved;
- The data collection **calendar**, to harmonize internal deadlines with those provided for by national and European legislation, thus ensuring the predictability and efficiency of reporting.

The new procedure will form the basis for all actions related to the collection, centralization, and reporting of sustainability indicators, facilitating decision-making based on accurate, verifiable, and constantly updated data. This approach professionalizes and digitizes the reporting process, while also responding to the independent auditor's recommendations on centralizing and standardizing data management.

At the same time, work is underway on the Sustainability Reporting Policy, which will serve as a framework document for the entire sustainability performance monitoring and communication system. Its main functions will be:

- **Ensuring** that internal practices are aligned with the explicit requirements of the European Sustainability Reporting Standards (ESRS) and the CSRD Directive.
- **Establishing** the principles and values that define Transgaz' commitment to transparency, accountability, and continuous improvement in the field of sustainability.
- **Clarifying** how to analyze, document, and report on ESG impacts, risks, and opportunities identified at the organizational level.
- **Defining** key performance objectives and indicators for sustainability reporting, as well as the methodology for monitoring progress.

The policy will form the basis for all internal reporting procedures and will facilitate ongoing dialogue with stakeholders, regulators, and auditors, helping to strengthen an organizational climate focused on excellence and compliance.

By implementing these tools - the Operational Procedure and Sustainability Reporting Policy - Transgaz aims to create a robust, transparent, and adaptable procedural framework that effectively supports not only current reporting requirements but also evolving legislation and increasingly complex market expectations.

These steps position the company as a model of good practice in corporate sustainability reporting, reduce the risks associated with non-compliance, and increase the confidence of investors and partners in its genuine commitment to sustainable development.

Implementation of the independent auditor's recommendations in the sustainability reporting process

In the context of aligning with the new European requirements on sustainability reporting, integrating the independent auditor's recommendations became a central element in ensuring the transparency and efficiency of the reporting process within Transgaz. At the end of the previous reporting cycle, the external auditor issued a series of observations and recommendations, which were integrated as priorities in the action plan for 2025, reflecting Transgaz's commitment to continuous improvement and compliance with ESRS and CSRD standards.

The previous audit highlighted the need to harmonize the presentation of Impacts, Risks, and Opportunities (IRO) with the methodologies and terminology provided by ESRS standards, including the development of an integrated approach to double materiality assessment. Consequently, Transgaz set out to revise the relevant descriptions in its reports, explaining how IRO are identified, analyzed, and managed according to the business model, development strategy, and value chain. Emphasis is also placed on the narrative consistency of these sections to ensure a correct interpretation in line with shareholder expectations and external audit requirements.

A key issue highlighted by the auditor was the need to complete comprehensive and transparent documentation of the validation circuits for ESG data and the internal approval processes for sustainability reports. To remedy this situation, Transgaz initiated the standardization of validation steps, the development of clear procedures, and the training of the teams involved. This approach established specific responsibilities for each stage of the verification flow, allowing for easy monitoring and auditing of each ESG indicator or data set, and reducing the risks of non-compliance and errors that could affect the credibility of public reporting.

The implementation of these recommendations represents a decisive step towards increasing the transparency, continuity, and accuracy of sustainability reporting. By centralising and digitising data, clarifying internal responsibilities and aligning with ESRS requirements, Transgaz is responding concretely to the auditor's requests, strengthening stakeholder confidence and demonstrating a sustainable commitment to European best practices in non-financial reporting.

Future directions for consolidated reporting on sustainability in 2025

The Investor Relations and Sustainability Unit, through the Sustainability Department, has as its priority the completion of the procedural framework for sustainability reporting. These tools will

be formalized by the end of 2025, defining flows, responsibilities, and deadlines for data collection and validation at group level, thus ensuring a robust, repeatable process that is compatible with the requirements of ESRS standards and the CSRD Directive.

For the coming period, Transgaz aims to develop and operationalize strategic tools and dedicated sustainability policies, in line with the latest European requirements and industry best practices. These actions will include:

- Developing a detailed climate transition plan that will include concrete actions, budgets, deadlines, and performance indicators. This plan will ensure the consistent implementation of climate objectives at a consolidated level and will support the company's decarbonization commitments.
- Developing a coherent climate change adaptation plan, in full compliance with the requirements of the Delegated Regulation on climate and the FAQ interpretations related to the EU Taxonomy. This plan will assess the risks, vulnerabilities, and opportunities related to climate change and will present the measures necessary to increase the operational resilience of the infrastructure managed by Transgaz.
- Developing a dedicated biodiversity policy with concrete actions and measurable objectives, aligned with the requirements of ESRS Standard E4 (Biodiversity and Ecosystems).
- Developing a resilience strategy and transition plan for biodiversity, which will set out clear measures to prevent, reduce, and offset adverse effects on biodiversity, including phased action planning for all subsidiaries and specific projects in Romania and the Republic of Moldova. The document will also take into account the new ESRS requirements, the results of the double materiality analysis, and the opinions of stakeholders.

These new strategic tools will consolidate Transgaz' transition to an operational activity that prioritizes the climate context and will support alignment with European standards on environmental sustainability and non-financial reporting. The initiative guarantees a unified, integrated, and measurable approach at the group level, maintaining Transgaz' performance and credibility with shareholders, partners, and the communities it serves.

Quality management

On 30.06.2025 the following certificates obtained from the recertification audit carried out in September 2024 were in force at the company level:

- **Certificate No. 3533/09.09.2024 related to SR EN ISO 9001:2015;**
- **Certificate No. 529/09.09.2024 related to SR EN ISO 14001:2015;**
- **Certificate No. 3276/09.09.2024 related to SR ISO 45001:2018,**

The activity related to Quality Management ensured/advised:

- implementation of the requirements of SR EN ISO 9001:2015;

- implementation of the requirements of SR EN ISO 14001:2015, SR EN ISO 45001:2023 and SR EN ISO 50001:2019 common with SR EN ISO 9001:2015;
- implementation of corrective actions and corrections related to the areas for improvement identified by the SRAC in the previous audit;
- raising awareness of personnel on the contribution to the effectiveness of the Integrated Management System;
- assessing customer satisfaction,

so that, upon assessment by the certification body – SRAC:

- upon surveillance audit no. 1, SNTGN TRANSGAZ SA obtains maintenance of certification for SR EN ISO 9001:2015, SR EN ISO 14001:2015 and SR EN ISO 45001:2023,
- upon the certification audit, SNTGN TRANSGAZ SA will obtain certification for SR EN ISO 50001:2019.

Occupational health and safety

In Half I 2025, the occupational health and safety activity was carried out in an organized manner, according to planning, aimed at reducing and/or eliminating the risks of occurrence of events, occupational accidents, dangerous incidents and occupational diseases at workplaces within the company, as well as the compliance with the legislative provisions in the field of safety and health at work, by implementing the measures included in the ***Prevention and Protection Plan for 2025*** and fulfilling the duties established by the Rules of procedure and organization of the company.

In Half I 2025, no occupational diseases were reported/researched/declared

Environmental management

The main environmental management activities in the Half I 2025 aimed at preventing pollution, reducing the risks of environmental incidents on the company's sites, as well as complying with the applicable legislative provisions.

Corporate social responsibility (CSR)

Corporate Social Responsibility within Transgaz is part of the corporate governance through which companies initiated a range of social responsibility actions that can be quantified in terms of sustainability and sustainable performance.

SNTGN TRANSGAZ SA, consistent with the principle of applying a responsible management in fulfilling the undertaken mission, is aware of the importance that sometimes financial support for a noble cause or for an important purpose is vital and, in this respect, through the programs and projects of social responsibility initiated, it is actively involved in community life, demonstrating its status as a *good citizen*.

Corporate social Responsibility is an aspect of corporate governance, with TRANSGAZ' key role in the energy field in Romania and Europe being naturally complemented by the desire to support the real needs of all those who are constantly contributing to the smooth way of its activity.

As part of Transgaz' sustainable development strategy, the *social responsibility policy* aims to increase the company's commitment to employees, shareholders, partners, the community and the environment, as well as streamlining the impact of social responsibility programs initiated for this purpose.

The commitment undertaken by the company's management through the *Environmental Quality Management System Policy Statement* is a definite proof that TRANSGAZ acknowledges the importance of ensuring an organizational climate where all stakeholders: employees, shareholders, customers, suppliers, community and the environment can effectively and responsibly network both from an economic and social point of view.

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

The priority areas in which TRANSGAZ carries out social responsibility programmes are: sport, community development (churches, schools, kindergartens), education, arts and culture, humanitarian actions, health (hospitals), environment.

SPORT - *We are among those who believe that sport has the power to ensure harmony between body and mind*!
We support the entire sports movement for the for the harmonious development of the younger generation.

COMMUNITY DEVELOPMENT - *We are where it's needed*!
TRANSGAZ supports the construction and/or reconstruction of churches, monasteries; restoration of national heritage vestiges; construction and/or reconstruction, renovation of buildings of educational institutions (schools, kindergartens), etc..

EDUCATION - *We believe in the potential of the young generation and that's why we invest in their education*!
We are involved, by financial and social support, in the educational construction of the young generation. We support through financial partnership technical projects, symposiums and conferences on natural gas topics and related activities organized by universities. We are active through various professional and social partnerships in the training of a new generation of gas workers. We contribute financially and through material support to the provision of teaching material in educational institutions, so necessary for a continuous education.

ART AND CULTURE - *Development through culture ensures a sustainable development of society, and we are at the side of those who initiate projects in this regard!*
We support financially through partnerships, cultural events, the organization of theatre performances and music festivals, competitions and artistic creations of pupils and students. We support cultural foundations in their work. We support both the established values of Romanian art and culture and young talents.

HUMANITARIAN ACTIONS - *TRANSGAZ is always there for those who really need help*!

We try through our financial support to get involved in solving some of the life problems of disabled people, needy people, people without material possibilities, or people who need medical care. We are next to those who, whether our employees or not, have suffered damage due to natural disasters. We financially support cultural, sports, artistic actions of disabled pupils and students as well as NGOs and foundations that care for these people.

HEALTH- *We take care of other people's health as well as our own*!
We contribute financially to investments in hospitals in Romania through the project "HEALTH FOR ROMANIA" and we are present when financial support is needed to solve the medical cases of our employees or their relatives.

ENVIRONMENT- *We all want a healthy life and a clean environment, and that's why we care about everything around us!*

We financially support the partnerships concluded by NGOs with schools or public institutions for environmental protection projects and the development of green spaces; we also support greening projects initiated by the local administrations, where Transgaz has units.

Complying with the principles of financial prudence and transparency, the communication and CSR actions proposed for 2025 were rigorously quantified both in structure and value and responded to Transgaz's reporting requirements as a securities issuer, but also to the requirements related to the company's image and reputation.

Detailed information on social responsibility is available on the Transgaz website at: http://www.transgaz.ro/responsabilitate-socială.

Internal management/control system (IMCS)

The internal management control system of SNTGN Transgaz SA covers all the company's operations having the following objectives:

- the economic, efficient and effective use of resources;
- compliance with legislation, regulations and internal policies;
- fraud and error prevention and detection;
- credibility of financial reporting (accuracy, completeness and fair presentation).

SNTGN Transgaz SA considers internal/management control to be the continuous monitoring of activities using a set of management rules applicable in each department, in response to the question: `**What can be done to have the most effective control over the company's activities?**`

The specific activities of the Internal/Management Control System carried out at the company's level in Half I 2025 were carried out in full compliance with both the requirements of the Order 600/2018 of the General Secretariat of the Government on the approval of the Internal Management Code of Public Entities and the provisions of internal procedures.

The specific activities of the Internal/Management Control System carried out in Half I 2025 were as follows:

- assessment of the status of implementation and development of the company's internal/management control system **as at 31.12.2024,** action carried out on two levels: at department level, by organisational structures completing self-assessment questionnaires, and at company level, by the Monitoring Committee. The conclusion reached is that the Internal Management Control System, **in 2024,** maintained its level of compliance at the Compliant stage, with all 16 internal/management control standards implemented, and the average degree of implementation of the internal management control system standards increased to 99.85% compared to 2023, when the percentage was 99.79%;
- submission of *Reports* to the Director - General **for 2024**:
  - Report on company's performance monitoring **for 2024;**
  - Report on the implementation of the internal/management control system within SNTGN Transgaz SA **for 2024;**
  - Report on the conduct of the risk management process **for 2024;**
  - Report on the analysis of the achievement of the specific objectives and directions for action set out in the Programme for the implementation of the measures set out IN THE RISK MANAGEMENT STRATEGY 2021-2025, 2024, within SNTGN TRANSGAZ SA.
- submission of the internal/management control system assessment documents **for 2024** to the Public Supervisory Body (GSG) within the requested deadline.
- report to the Board of Administration on the implementation of the internal / management control system and performance monitoring **for 2024**;
- updating, **for 2025**, the Internal Decision establishing the Monitoring Committee and its functioning in accordance with its own Rules of Procedure;
- approval and publication of the *Programme for the Development of the Internal Management Control System*, updated progress **for 2025**, for the purpose of continuous development of the Internal Management Control System;
- documentation of the internal/management control system, **for 2025**, in accordance with internal procedures, at the level of the organisational structures and of the company regarding:
  - setting specific, operational objectives and performance indicators associated with operational objectives;
  - the establishment of activities and risks related to operational objectives;
  - identification of situations leading to discontinuity;
  - management of procedural actions and processes;
  - risk management;
  - establishing the monitoring system for operational and general objectives.

Through the development of the Internal/management control system, SNTGN Transgaz SA is moving to a type of management suitable for a flexible company, which includes strategic management, performance management and risk management.

Risk Management

The strategic requirements for the safe and economically efficient operation of the National Gas Transmission System lead the company to approach risk management in a forward-looking manner to identify and treat potential losses before the generating events occur.

Risk management is part of the management process at all levels and adds value by increasing the probability of achieving objectives in an efficient and effective manner, based on the following internal regulations approved by the company's management:

- The Risk Management Strategy 2021-2025 – establishes both the actions required to optimise the risk management process and the framework for identifying, assessing, monitoring and controlling significant risks in order to keep them at acceptable levels within the *risk tolerance limit*;
- *The Statement of committment by the Director - General on Risk Management for 2021-2025*;
- System Procedure PS 05 SMI Risk Management, ed. 1, rev. 1, published in the intranet "Zonapublica" (Pulic Zone). System Procedure PS 05 SMI establishes a uniform set of rules for risk management and for the preparation and updating of the Risk Register;
- the risk appetite statement SNTGN Transgaz SA;
- the risk tolerance limit, approved annually;
- the risk profile of SNTGN Transgaz SA;
- the decisions on the establishment of the structures coordinating the risk management process - i.e. the Monitoring Committee and the Risk Management Team, updated;
- the global risk (GR), calculated as a weighted average of the risk exposure value in relation to the tolerance limit, both at the level of each division/unit/independent department/regional offices/Medias Subsidiary and at company level. This parameter was introduced starting from 2023.

In Half I 2025 the risk management process **carried out in 2024** was analysed. In 2024 the risk management activity was carried out appropriately, across the entire company, in full compliance with legal requirements and internal regulations, by successively completing the following stages:

- establishment of a coherent set of objectives, with sufficient specificity to allow risks to be identified and assessed;
- establishment of the internal/external context in which each structure operates;
- risk identification and analysis;
- risk assessment;
- responding to risk (action plans to minimise risk);
- risk monitoring;
- risk review and reporting

All 340 organisational structures, according to the organizational chart in force, completed the above steps by integrating risk management data into risk registers.

The final stage of risk management was the review and reporting of risks and the submission of *Risk Management Progress Reports* **for 2024** to the Technical Secretariat of the Monitoring Committee for review.

In compliance with the requirements of the Order 600/2018 of the General Secretariat of the Government on the approval of the Internal Management Code of Public Entities, the following were developed and approved **for 2024 at the level of the company**:

- the Transgaz REVISED Risk Register, 2024. Thus, as at 31.12.2024, 19 significant risks were summarised and prioritised, of whicH I7 strategic risks and 2 operational risks;
- Report to the Director - General on risk management and monitoring within SNTGN Transgaz SA for year 2024;
- Report to the the Board of Administration on risk management and monitoring within SNTGN Transgaz SA, year 2024;
- Report to the the Board of Administration on the analysis of the specific objectives and action directions set out in the "Programme for the implementation of the measures set out in the Risk Management Strategy, 2021-2025, year 2024;
- Transgaz risk profile, December 2024, approved by the Board of Administration;
- Overall risk at company level for 2024.

SNTGN Transgaz SA continuously reassesses existing risks through a rigorously established internal framework, identifying potential risks and factors that may cause them to arise, in relation to the dynamism of the external or internal environment, analyzing the impact from the perspective of political, economic, technological, and legal factors, as well as from the perspective of the vulnerabilities identified at the level of the organizational structures.

The risk management activity **for 2025** complies with the schedule established by internal policies. To this end, the following were developed and approved:

- by Board of Administration Resolution:
  - The risk appetite statement at the level of SNTGN Transgaz SA
  - The risk tolerance limit, in the 25-value matrix, established based on risk appetite and on the results obtained in 2024 regarding the risk profile and overall risk.
- Risk registers at the level of each organisational structure;
- by Board of Administration Resolution:
  - Risk Register at company level, which integrates significant risks (strategic and operational);
  - Risk minimisation action plan at company level.

2.5. Important events

30 April 2025 - by OGMS Resolution 6/29.04.2025, Article 12, the termination of the mandate of the administrators of S.N.T.G.N. Transgaz S.A., Mr. Ion STERIAN, Mr. Petru Ion VĂDUVA, Mr. Nicolae

MINEA, Ms. Ilinca VON DERENTHALL, and the interim administrator, Ms. Adina Lăcrimioara HANZA, as of 30.04.2025. Also, by the same OGMS Resolution, according to Art. 13, the appointment of the following administrators of SNTGN Transgaz SA was approved following the completion of the selection procedure: Mr. Ion STERIAN, Mr. Nicolae MINEA, Ms. Ilinca VON DERENTHALL, Ms. Adina Lăcrimioara HANZA, and Mr. Costin MIHALACHE.

27 May 2025 - SNTGN TRANSGAZ SA completed the full subscription of the shares issued by Petrostar S.A. for the share capital increase; following this operation, the total number of shares of Petrostar S.A. is 112.190, and Transgaz' interest represents 51% of the company's share capital, i.e. 57.217 shares.

The acquisition is part of Transgaz' development strategy aiming to expand its operational capabilities in the area of support and auxiliary services for energy infrastructure, to generate additional revenue from activities related to natural gas transmission, and to capitalize on the complementarity between Transgaz' and Petrostar's areas of activity.

4 June 2025 - Fitch Ratings revised SNTGN Transgaz SA's outlook from Stable to Positive and affirmed its long-term issuer default rating (IDR) at 'BBB-' and the standalone credit profile (SCP) at 'bbb-'. The outlook revision reflects a net leverage below positive sensitivity, improved EBITDA visibility due to the transition to a purely regulated TSO model, and improved liquidity.

27 June 2025 – At the headquarters of the Transgaz SA Representative Office in Bucharest, a Memorandum of Understanding was signed between JP Srbijagas of the Republic of Serbia and SNTGN Transgaz SA of Romania. The memorandum was signed on behalf of Transgaz by Mr. Ion Sterian, Director - General of the company, and on behalf of JP Srbijagas by Mr. Dušan Bajatović, Director - General of the energy company.

The construction of the Romania-Serbia interconnection is of major strategic importance for both countries, especially in the current energy context, given the need to diversify supply sources and increase the security of natural gas supply.

3 July 2025 – At this date, the undercrossing of the Danube River was completed, part of the infrastructure of the DN 1200/1000 mm natural gas transmission pipeline Black Sea – Podișor, the work representing a technological achievement of reference not only for Romania, but also for the whole of Europe. This crossing sets a new benchmark in horizontal directional drilling due to its diameter, geological complexity, and the size of the mobilized equipment.

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In Half I 2025 the activity of the Board of Administration of SNTGN Transgaz SA materialized in a number of 17 meetings, of which the following are pointed out as having been subject of analysis, approval and/or endorsement mainly, but not limited to:

16 January 2025

- By Board of Administration Resolution No. 1/16 January 2025, the 2025 Annual Sectoral Procurement Programme was approved.

29 January 2025

- By Board of Administration Resolution No. 2/29 January 2025, the following was approved:
  - Financing of the TYNDP 2024-2033;

14 February 2025

- By Board of Administration Resolution No. 3/14 February 2025, the following were approved:
  - The correction of the 2025 Revenue and Expenditure Budget of Eurotransgaz SRL and estimates for 2026-2027;
  - Submission of a letter of intent to Petrostar S.A. in which SNTGN Transgaz S.A. expresses its interest to acquire 51% of the share capital of Petrostar S.A.

5 March 2025

- By Board of Administration Resolution No. 5/5 March 2025, the following were approved:
  - The draft revenue and expenditure budget (REB) for 2025 and estimates for 2026-2027, for submission for approval to the Ordinary General Meeting of the Shareholders;
  - The new values of financial performance indicators included in the Management Plan of SNTGN Transgaz SA in 2021-2025, for submission for approval to the Ordinary General Meeting of the Shareholders;
  - Acquisition of a 51% interest in the share capital of Petrostar S.A. at a maximum price of lei 4.520.143. The subscription is conditional upon obtaining a 51% interest in the share capital of Petrostar SA;
  - Transgaz' Policy for granting sponsorships and financial support for 2025.

24 March 2025

- By Board of Administration Resolution No. 6/24 March 2025, the following were acknowledged, endorsed and/or approved:
  - The company's separate and consolidated annual financial statements for 2024;
  - Financial audit report on the separate annual financial statements for year 2024;
  - Financial audit report on the consolidated annual financial statements for year 2024;
  - Annual consolidated report of the administrators of SNTGN Transgaz SA for the activity carried out in 2024 and the Consolidated Sustainability Report for 2024 (Annex 1 to the Consolidated Report issued by the Board of Administration);
  - Distribution of net profit and gross dividend per share of 1,08 lei;
  - Assessment of the fulfillment of financial and non-financial performance indicators for 2024, annex to the mandate contracts of the non-executive administrators;
  - The remuneration report for 2024:
  - The financial statements of Eurotransgaz SRL for year 2024, prepared in accordance with the National Accounting Standards of the Republic of Moldova;
  - The separate financial statements of Eurotransgaz SRL for year 2024, prepared in accordance with the International Financial Reporting Standards;

- Report of the independent auditor on the separate financial statements of Eurotransgaz SRL for year 2024, prepared in accordance with the International Financial Reporting Standards;
- Report on the activity of Eurotransgaz SRL administrators for year 2024.
- Report on the execution of the mandate of the Director General for 2024;
- Report on the execution of the mandate of the Chief Financial Officer for 2024.

10 April 2025

- By Board of Administration Resolution No. 10/10 April 2025 the following were approved:
  - The Management Plan of SNTGN Transgaz SA for 2021-2025, updated in April 2025
  - The consolidated financial statements for 2024 of Eurotransgaz, prepared in accordance with International Financial Reporting Standards.
  - Report of the independent auditor on the consolidated financial statements for 2024 of Eurotransgaz, prepared in accordance with International Financial Reporting Standards..

13 May 2025

- By Board of Administration Resolution No. 13/13 May 2025, the following were approved:
  - Report on the execution of the mandate of the Director - General of SNTGN Transgaz SA for the Q I 2025;
  - Report on the achievement of financial and non-financial performance indicators for the Q 1 2025.

22 May 2025

- By Board of Administration Resolution No. 14/22 May 2024, the launch of the selection and appointment procedure for the Director - General and Chief Financial Officer of SNTGN Transgaz SA was approved.

28 May 2025

- By Board of Administration Resolution No. 15/28 May 2025, the following were approved:
  - The Administration Component of the SNTGN Transgaz SA Management Plan;
  - TYNDP 2024-2033 - updated in 2025.

3 June 2025

- By Board of Administration Resolution No. 16/03 June 2025, the Articles of Incorporation of SNTGN Transgaz SA were approved, updated in accordance with the new legislative amendments.

25 June 2025

- By Board of Administration Resolution No. 17/25 June 2025, the Board acknowledges:
  - Report No. DG51319/17.06.2025 on the approval of the regulated revenue and the adjusted regulated revenue for the regulatory year 1 October 2025 - 30 September

2026 for the natural gas transmission activity through the National Transmission System for the transmission system operator SNTGN Transgaz SA.

- Report regarding the rating assigned to Transgaz by Fitch Ratings in the 2025 annual review.

2.6. Main risks related to activity in Half II 2025

STRATEGIC RISKS: risks directly related to transgaz's development strategy and associated with the company's strategic objectives:

- **Changes in the macroeconomic and geopolitical framework**: Romania may undergo rapid and unforeseen political, legal, social, and economic changes, including periods of economic recession, significant fluctuations in inflation and exchange rates, major market imbalances, and significant changes in legislation, which may affect the company's operations..
- **Changes in the architecture of interconnections at the level of the European natural gas network** - Russia's invasion of Ukraine has increased geopolitical risk; Russia's continued aggression in Ukraine requires a rethinking of the natural gas infrastructure architecture in the European Union..
- **Government intervention in the sector of activity** - The Romanian state's shares in companies in the Romanian energy sector are significant or controlling, and although European legislation is continuously transposed into national legislation, the risk of restrictive measures being imposed in the energy sector, such as price caps, price controls, taxes, and any other restrictions, cannot be ruled out.
- **Change of natural gas price in Romania** - the increase in the price of natural gas in Romania may result in a decrease in natural gas consumption and, implicitly, may have an adverse impact on the financial performance of SNTGN Transgaz SA.
- **Non-recognition by ANRE of certain assets entered into Transgaz's patrimony as part of the regulated asset base (RAB)** - investments made without the approval of the competent authorities and exceeding the budgeted investment plan will not be accepted by ANRE in RAB, reducing the profitability of SNTGN Transgaz SA.
- **Low possibility of obtaining a profit higher than the regulated one within a regulatory period** - SNTGN Transgaz SA operates within a regulated framework. Laws, regulations, and policies adopted by the European Union, the Romanian Government, and ANRE may significantly affect the company's current operations, financial situation, and operating results.
- **Variations in the price of gas purchased by SNTGN Transgaz SA** - variations in the price of gas purchased by SNTGN Transgaz SA for NTS gas consumption will have an immediate positive or negative impact on the company's profit. In the event of a negative impact, the unachieved revenue should be included in the regulated revenue for the following year.

Delayed or incomplete inclusion of this additional expense in the regulated revenue for the following year will have an impact on the company's profitability and share price.

- **Restriction of funding for natural gas projects** - by implementation of the Green Deal and directives that will ensure climate neutrality by 2050 (climate change; measures set out in the National Recovery and Resilience Plan).
- **Delays in developing new technologies for green hydrogen transmission at a competitive level** - Primary and secondary legislation on hydrogen is not updated, and there is still no national hydrogen strategy; the approval of the regulatory framework on hydrogen, corrrelated with the strategy to be created in this regard, was planned for 2023; hydrogen is considered at European level to be the fuel of the future – it is a clean gas with zero CO2 emissions.
- **Decrease in natural gas consumption due to the increase in the share of wind, solar, and nuclear energy** - The Integrated National Energy and Climate Plan 2021-2030 establishes as a support measure the promotion of investments in new low-carbon electricity generation capacities; given the indicative RES trajectory to be achieved by 2030, RES-E projects will be considered equally prioritized, aiming at the installation of additional wind and solar energy capacities; the cost of producing electricity from wind and solar energy has become increasingly competitive with the cost of electricity obtained from burning fossil fuels.
- **The NTS may be exposed to a series of natural climatic and geological hazards: earthquakes, floods, landslides, extreme temperatures, heavy snowfall** - climate change in the form of extended droughts, unusual rainfall patterns and intensity, tornadoes, etc., is caused by human activity through greenhouse gas emissions; the increase in the frequency and severity of extreme weather events caused by the effects of global warming; the tariff setting methodology stipulates that any unforeseen operating expense that is not under the company's control shall be recognized and returned to it through the regulated revenueof the following year. However, there is a risk that ANRE will not recognise these expenses if the effects of the acts of God could have been limited through investment and maintenance programmes.
- **Capital market** – the capital market is sensitive to risk factors affecting neighbouring capital markets and to information provided by the company.
- **Cybersecurity** - cyber attacks, company information security.

FINANCIAL RISKS - arising from the way in which the company's business is financed, given the sensitivity of the result to changes in funding conditions (lending, exchange rate fluctuations, interest rate changes, liquidity).

OPERATIONAL RISKS: these are directly related to the activities carried out at the level of departments/offices and are associated with operational objectives.

Operational risks

- failure to perform on time and within the scheduled parameters the works provided in the Maintenance and Technical Revision Program of MRSs and pipelines or of the SCADA system;
- impossibility to perform maintenance due to external factors such as adverse weather conditions;
- increasing expenses with maintenance and repairs in the NTS due to extreme weather phenomena;
- failure to perform the contract as a result of the contractor's reduced ability to perform the contract in accordance with the contract terms;
- lack of materials and spare parts or delays in their supply chain, for the execution of preventive and corrective maintenance works at the main NTS facilities;
- failure to apply environmental legal requirements during the main works at the company level;
- recruitment difficulties for certain positions in specific areas of activity;
- lack of specialised/job-specific vocational training programmes on offer.

Investment activity risks

Failure to achieve the investment programme for the following reasons:

- lack of landowners' agreements;
- unforeseen soil conditions;
- failure to obtain within the established time the approvals and agreements of the landowners necessary to obtain the Building Permit;
- lacking information or late submission of the information reflecting the actual situation in the field;
- provision of incomplete / inaccurate data regarding the identification of land owners, by the competent bodies;
- deficient cadastral records, at the level of local / county authorities;
- temporary cessation of land use as a result of the discovery of vestiges;

The most appropriate **measures to minimize risks** are identified in accordance with risk management responsibilities so as to result in the lowest possible exposure to risk, including:

- strengthening cooperation relations with Natural Gas Transmission System Operators from neighbouring countries, but also with natural gas companies and other Natural Gas Transmission System Operators from the European Union and non-EU countries, with particular impact on the Balkan area and the Southern Gas Transmission Corridor in order to anticipate changes in the interconnection architecture at European level;
- analysis and preparation of the studies necessary for the development of new natural gas transmission corridors;
- selecting pipeline routes based on the principle of minimal environmental impact;
- implementing a biodiversity management framework during the construction phase;
- developing and implementing a biodiversity action plan to ensure that there is no net loss of biodiversity characteristics, but rather a net gain for critical habitats;
- optimizing the expenditure incurred at the level of organizational structures and keeping within the approved annual amounts for ongoing investment programs;
- personnel professional training;

- planning cyber vulnerability scanning activities;
- developing or revising procedures.

3. ABOUT SNTGN TRANSGAZ SA

3.1. Mission, vision, organizational values

Mission
The fulfilment under conditions of efficiency, transparency, safety and competitiveness of the national energy strategy established for domestic and international gas transmission, natural gas dispatching and research and design in the field of natural gas transmission.

Transgaz' mission aims at:
- The safe operation of the NTS based on economic efficiency;
- NTS rehabilitation, upgrading and development;
- NTS interconnection with the natural gas transmission systems of the neighbouring countries;
- Development of new gas transmission infrastructures towards Western Europe;
- Ensuring non-discriminatory access to the NTS;
- The implementation of participatory management in all of the company's action fields;
- Development of the organizational culture and of the national performance standards;
- Implementation of the regulations in the natural gas sector;
- Improvement of the natural gas transmission activity informatization, preparation of the normatve acts draft and European actions to support them;
- The good corporate governance principles integration into the business practice.

Vision
The company intends to become a transmission operator recognized on the international gas market, a leader on the energy market in the region with a modern gas transmission system integrated at European level and with an effective management system.

Vision as a message to the community
The responsible fulfilment of the public service mission, the safe operation of the National Gas Transmission System, high quality services, safe connection to the NTS under non-discriminatory and transparent conditions for all network users and the integration at European level of the national gas market.

Vision as a message to the shareholders
A proficient company oriented towards continuous growth of the added value for the shareholders.

Vision as a message to employees
The company as an attractive, stable and motivating working environment with a continuous commitment to professional excellence.

The organisational values defining Transgaz' business ethics are the following:

- Professionalism and performance;
- team spirit;
- mutual respect;
- responsibility towards the environment and people;

Transgaz' core strengths:

- The quality of licensed NTS operator - monopoly;
- The solid financial profile of the company;
- The continuity of the technical, economic and financial performance;
- The predictability of the cash-flow due to the regulated character of the gas transmission activity;
- Dividends granted to shareholders.

3.2 The activity of the company

SNTGN TRANSGAZ SA is the technical operator of the National Gas Transmission System and ensures the performance in terms of efficiency, transparency, safety, non-discriminatory access and competitiveness of the the national strategy on domestic and international natural gas transmission, natural gas dispatching, as well as research and design in its specific field of activity, in compliance with European and national legislation, quality, performance, environmental, and sustainable development standards:

SNTGN Transgaz SA carries out the following activities:

- ***domestic and international natural gas transmission –*** *regulated monopoly activity with tariffs set based on the methodology issued by the National Energy Regulatory Authority;*
- ***gas dispatching and research and design in the field of gas transmission.***

SNTGN TRANSGAZ SA may additionally carry out other related activities to support its core business, according to the applicable laws and its own bylaws, and may purchase gas from domestic production or imports only for its own technological consumption or to balance the National Natural Gas Transmission System.

The natural gas transmission activity is carried out based on the Concession Agreement for the pipelines, installations, equipment and facilities related to NTS, in the public domain of the Romanian state, concluded with the National Agency for Mineral Resources (ANRM), as the representative of the Romanian state, approved by Government Resolution 668/20 June 2002 (published in Official Journal 486/8 July 2002), valid until 2032, as further amended and supplemented by nine addenda approved by Government resolutions, and based on the natural gas transmission system operating licence no. 1933/20.12.2013 issued by the National Energy Regulatory Authority (ANRE), effective until 08.07.2032.

By ANRE Order 3/22 January 2014 on the approval of the certification of the National Gas Transmission Company Transgaz - SA Mediaș as transmission system operator of the National Gas

Transmission System the company was established *to be organized and operate as an `independent system operator`*.

The operation by SNTGN Transgaz SA of the National Gas Transmission System mainly includes the following activities:

- commercial balancing;
- contracting natural gas transmission services;
- dispatching and technological regimes;
- measurement and monitoring of gas quality;
- gas odorization and international gas transmission.

The quality of the transmission service is a constant concern of both SNTGN Transgaz SA and the National Energy Regulatory Authority. In order to monitor the quality of the natural gas transmission service based on specific indicators and minimum performance levels, starting witH I October 2022, **ANRE Order 140/2021** on the **Performance Standard for the natural gas transmission service**, as amended, entered into force, repealing ANRE Order no.161/2015.

3.3. NTS infrastructure

Main components of the National Gas Transmission System:

- **14.030,4 km** of main gas transmission pipelines and connections for gas supply, of which BRUA pipeline - 481 km;
- **1.186** metering regulating stations (MRS) in operation (**1.293** metering directions);
- **60** valve control stations (VCS, TN);
- **8** gas metering stations for import/export (GMS) **(Giurgiu, Medieșu Aurit, Isaccea I, Isaccea 2, Negru Vodă 1, Negru Vodă 2, Isaccea III, Negru Vodă III);**
- **9** gas compressor stations (CS) (**Șinca, Onești, Siliștea, Jupa, Podișor, Bibești, Onești M, Gherăești, Vințu de Jos);**
- **1.087** Cathodic protection stations (CPS);
- **1.143** gas odorization units (GOU).

The National Transmission System (NTS) has coverage across the entire national territory and has a radial-ring structure. The domestic and international gas transmission capacity is ensured through a network of pipelines and supply connections with diameters between 50 mm and 1200 mm at pressures between 6 bar and 63 bar.

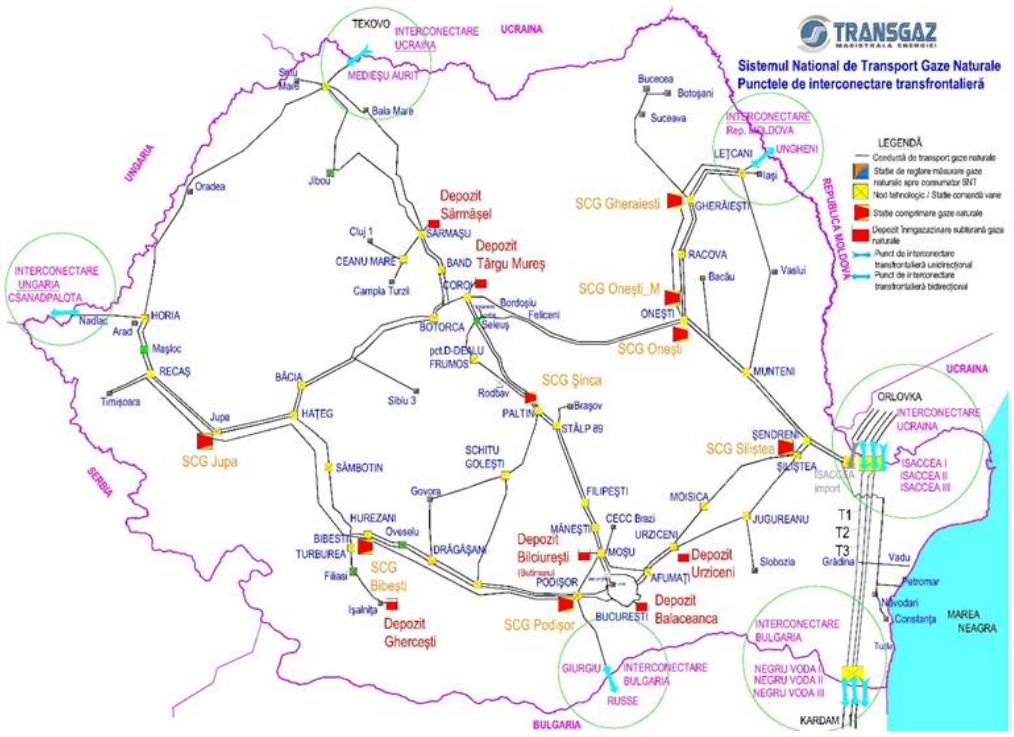


Figure 1 - Map of the National Gas Transmission System and the NTS cross-border interconnection points

Cross-border interconnection points

At the end of Half I 2025, the import/export of natural gas to/from Romania was achieved by 7 cross-border interconnection points, as follows:

Country	Interconnection pipeline	Technical specifications	Total technical capacity
UKRAINE	Orlovka (UA) - Isaccea (RO) * LLC GAS TSO UA → Transgaz	DN 1000, Pmax = 45 bar	6,85 Sbcm/y
	Tekovo (UA) - Medieşu Aurit (RO) ** LLC GAS TSO UA → Transgaz	DN 700, Pmax = 75 bar	2,71 Sbcm/y at Pmin=47 bar
	Isaccea 1 (RO) - Orlovka 1 (UA) Transgaz ↔ LLC GAS TSO UA	DN 1000, Pmax = 55 bar	6,85 Sbcm/y at import capacity at Pmin=46,5 bar 4,12 Sbcm/y export capacity*** at Pmin=35,4 bar
HUNGARY	Szeged (HU) - Arad (RO) - Csanádpalota (HU) FGSZ ↔Transgaz	DN 700, Pmax = 64 bar	2,63 Sbcm/y import capacity at Pmin=40 bar 2,63 Sbcm/y export capacity at Pmin=40 bar****
REPUBLIC OF MOLDOVA	Iași (RO) - Ungheni (MO) Transgaz↔ Vestmoldtransgaz	DN 500, Pmax =55 bar	2,19 Sbcm/y export capacity at Pmin=42,7 bar 0,73 Sbcm/y import capacity at Pmin=24 bar
BULGARIA	Giurgiu (RO) - Ruse (BG) Transgaz. ↔ Bulgartransgaz	DN 500, Pmax = 50 bar	1,50 Sbcm/y export capacity at Pmin=40 bar

			0,92 Sbcm/y import capacity at Pmin=30 bar
	Kardam (BG) - Negru Vodă 1 (RO) Transgaz ↔ Bulgartransgaz	DN 1000, Pmax = 55 bar	6,36 Sbcm/y on export capacity at Pmin=31,5 bar (of which 2,31 Sbcm/year at Pmin 41 bar available from the NTS) ***** 5,31 Sbcm/y import capacity at Pmin=45 bar

** This interconnection point is not used since there is no Interconnection Agreement concluded. Gas import from Ukraine is currently performed through Isaccea 1.*
***For this point the Romanian TSO and the Ukrainian TSO are having discussions on the signature of a new Interconnection Agreement.*
****Capacity is available for transit conditional on the entry capacity booking at the Negru Vodă 1 IP, in the BG-RO direction.*
******The difference of capacity 6,36-2,31=4,05 billion Scm/year is available for transit, conditional on entry capacity booking at the Isaccea 1 IP in the UA-RO direction.*

3.4. Shareholding

As of 14 November 2019, the exercising of the rights and the fulfilment of the obligations arising from the quality of shareholder of the Romanian State at the National Gas Transmission Company Transgaz SA is performed by the Romanian State through the General Secretariat of the Government, following the transfer of shares from the account of the Romanian State through the Ministry of Economy, according to GEO 68/06.11.2019 on the establishment of measures at the level of the central public administration and for the amendment and supplementation of some normative acts.

According to the recordings of Depozitarul Central, on 25.06.2025 the consolidated structure of SNTGN Transgaz SA's shareholders is as follows:

Shareholder's name	Number of shares	Percentage %
The State of Romania represented by the General Secretariat of the Government	110.221.440	58,5097
Free float - Other shareholders (natural and legal persons) out of which:	78.160.064	41,4903
✓ legal persons	15.540.765	8,2496
✓ natural persons	62.619.299	33,2408
Total	**188.381.504**	**100,00**

Table 7 - Shareholding structure as at 25 June 2025

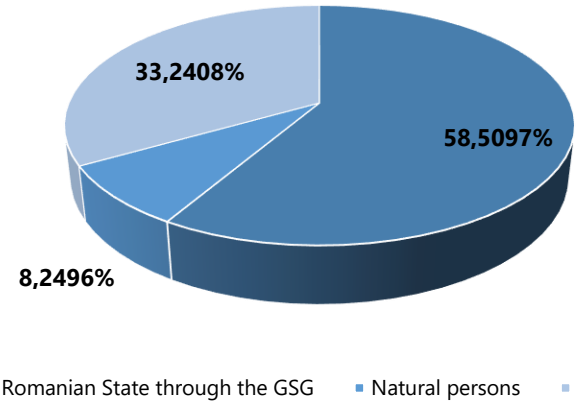


Chart 12 - Shareholding structure as at 25 June 2025

Regarding the number of shareholders, as at 25 June 2025, the company had 18.460 TGN shareholders, which is 684 shareholders more than the ones registered on 31.12.2024.

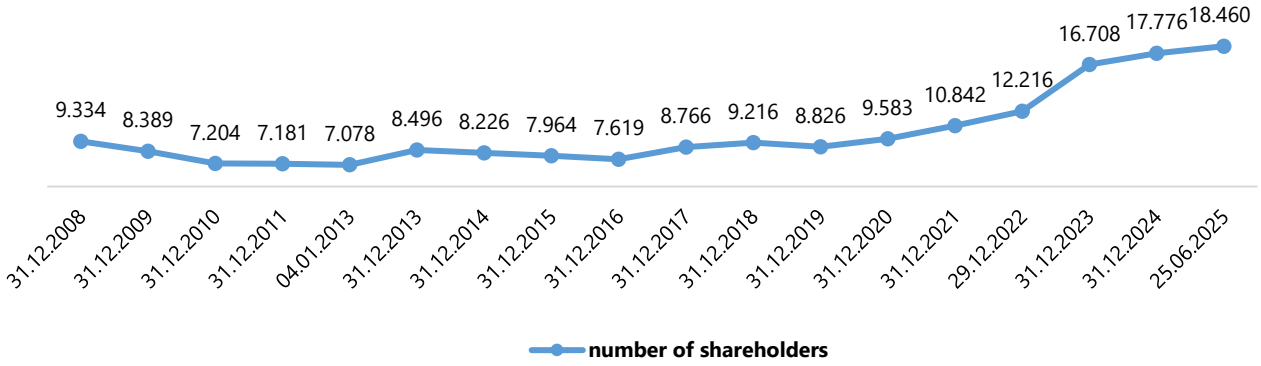


Chart 13 – Number of Transgaz shareholders since BSE listing date and until 25.06.2025

3.5 Structure

SNTGN TRANSGAZ SA is structured into functional entities (divisions, units, departments, offices, compartments, etc.) and production entities (9 regional offices, sectors, laboratories, work units, etc.)

SNTGN Transgaz SA conducts its activity at the premises as follows:

MEDIAS, SIBIU county - Romania

- **Transgaz registered office**: 1 C. I. Motaş Square, code 551130;
- **Maintenance Division**: 11 George Enescu Street, code 551018;
- **Research and Design Division:** 6 Unirii Street, code 550173.

BUCHAREST - Romania

- **Transgaz Representative Office – Romania:** 55 Primaverii Blvd;
- **General Inspection Division**: 155 Victoriei Blvd., District 1, code 010073;
- **Bucharest Gas Market Operation Division**: 155 Victoriei Blvd., building D1, area 6, floor 11.

CHISINAU, THE REPUBLIC OF MOLDOVA

The SNTGN Transgaz SA subsidiaries in the Republic of Moldova are the following:

- EUROTRANSGAZ Limited Liability Company: 7/E Balcani Road, outside the build-up area, Ghidighici village;
- VESTMOLDTRANSGAZ Limited Liability Company: 7/E Balcani Road, outside the build-up area, Ghidighici village.

SNTGN Transgaz SA has 9 regional offices and a subsidiary:

- **Arad Regional Office**, 56 Poetului Street, Arad, Arad County, code 310369;
- **Bacău Regional Office**, 63 George Bacovia Street, Bacău, Bacău County, code 600238;
- **Brăila Regional Office**, 5 Ion Ghica Street, Brăila, Brăila County, code 810089;
- **Braşov Regional Office**, 102A Griviței Bvd, Braşov, Braşov County, code 500449;
- **Bucharest Regional Office**, 24 Lacul Ursului Street, District 6, Bucharest, code 060594;
- **Cluj Regional Office**, 12 Crişului Street, Cluj-Napoca, Cluj County, code 400597;
- **Craiova Regional Office**, 33 Arhitect Ioan Mincu Street, Craiova, Dolj County, code 200011;
- **Mediaş Regional Office**, 29 George Coşbuc Street, Mediaş, Sibiu County, code 551027;
- **Constanţa Regional Office**, 2 bis Caraiman Street, Constanţa, Constanţa County, code 900117;
- **Mediaş Subsidiary**, 59 Sibiului Street, Mediaş, Sibiu County.

Figure 2 - Transgaz administrative map

3.6 MANAGEMENT

THE ADMINISTRATIVE MANAGEMENT

The company is managed in a unitary system by the Board of Administration, consisting of 5 administrators, 1 executive administrator and 4 independent, non-executive administrators, appointed by the General Meeting of the Shareholders.

There is a **separation** between the non-executive, control function (non-executive administrator) and the executive function (directors) - mandatory separation, in the case of joint stock companies whose annual financial statements are subject to a legal auditing obligation.

Following the changes in Half I 2025, the members of the company's Board of Administration on 30.06.2025 were as follows:

- **ION STERIAN -** *Executive Administrator - Director – General;*
- **NICOLAE MINEA** - *Independent Non-Executive Administrator – Chairman of the Board of Administration* (for a duration of six months as of 07.05.2025 until 06.11.2025);
- **ILINCA VON DERENTHALL** - *Independent Non-Executive Administrator*;
- **ADINA LĂCRIMIOARA HANZA** - *Independent Non-Executive Administrator;*
- **COSTIN MIHALACHE** - *Independent Non-Executive Administrator*.

CVs of the administrators
The CVs of the members of Transgaz' Board of Administration are available on the company's website at: www.transgaz.ro/Despre noi/ Consiliul de Administrație

Arrangements/agreements or special family ties
According to the information provided by the administrators, there is no arrangement or family tie between the person in question and another person due to which the person in question was appointed administrator.

Participation of the administrators in Transgaz' share capital
The company's administrators do not hold shares in the company's share capital.

Litigations or administrative proceedings
In the last 5 years, there were no litigation or administrative proceedings involving persons who are part of the administrative or executive management.

EXECUTIVE MANAGEMENT

The Board of Administration delegated the management of the company to the Director - General of Transgaz. The Director - General of Transgaz represents the company in its relations with third parties and is responsible for taking all measures related to management, within the scope of activity of the company and in compliance with the exclusive powers established by law, the Articles

of Incorporation or delegated by the Board of Administration and the General Meeting of the Shareholders.

The members of the executive management concluded individual labour contracts for an unlimited period of time.
The management and execution personnel within Transgaz is appointed, employed and discharged by the Director - General.

According to the information available, there is no agreement, arrangement, or family tie between the persons mentioned and any other person on the basis of which they were appointed as members of the executive management.

The members of the executive management holding shares at Transgaz on 30 June 2025:

Name and first name	Position	Number of shares on 30.06.2025	Interest share (%)
Toderici Marius Ioan	Director	1168	0,000620
Tătaru Ion	Director	400	0,000212
Lupean Marius	Director	320	0,000169
Șai Alexandru	Director	160	0,000084
Niță Viorel	Director	80	0,000042
Lascu Nicușor	Director	60	0,000032
Pângăleanu Maria Carmen	Director	32	0,000017

Table 8 - Members of Transgaz's executive management holding TGN shares as at 30.06.2025

The executive management of SNTGN Transgaz SA as at 30 June 2025:

No.	Name and first name	Position	Division/Unit
1.	Sterian Ion	Director - General	SNTGN Transgaz SA
2.	Lupean Marius Vasile	Chief Financial Officer	SNTGN Transgaz SA
3.	Leahu Mihai Leontin	Director/Deputy Director - General-delegated	Research and Design Division
4.	Iuga Alexandru	Deputy Director-General	SNTGN Transgaz SA
5.	Tătaru Ion	Director/Deputy Director - General-delegated	Development Division
6.	Simionescu Alexandru Adrian	PMU 1 Project Manager NTS Developments in North-East/ Deputy Director - General-delegated	Project Management Unit
7.	Ghidiu Elisabeta	Director	Strategy and Corporate Management Division
8.	Mateș Angela Aneta	Director	HR Organization Division

9.	Fodor Ioan	Director/ Development Division Director -delegated	Works Execution Preparation Unit
10.	Bunea Florin	Director	Operation Division
11.	Sârbu Ionel	Director	Land Regulation and Acquisition Division
12.	Lascu Sergiu	Director	Information Technology Division
13.	Oancea Paul	Director/ Exploitation Maintenance Division Director -delegated	Regional Operating Center Mediaș
14.	Andronic Bogdan Constantin	Director	EU Funds and International Relations Division
15.	Luca Bogdan Avram	Director	Sectoral Procurement and Contracting Division
16.	Costea Dragoș Vasile	Director	Gas Compression Division
17.	Iancu Cristina Daniela	Director/ Legal Division Director delegated	Projects Legal Assistance Unit
18.	Stroi Dan	Director/Research and Design Division delegated	Chief Engineer Design
19.	Codreanu Liudmila Gabriela	Director	Internal Audit Unit
20.	Ene Alin	Director/General Inspection Division Director delegated	Control Unit
21.	Dragoman Irina	Director	Gas Regulation Unit
22.	Drăghici Aurelian	Director	Projects Analysis, Checking and Endorsement Unit
23.	Lupu Emil	Director	Archaeological Unit
24.	Caminschi Sebastian	Expert/Environment Protection and Security Unit-delegated director	Protection Security and Emergency Situations Department
25.	Grosuleac Mihai	Economist/Director Administration, Supply and Transport Unit -delegated	Administrative Management Department
26.	Voican Nicolae Adrian	Subsidiary Director	Mediaș Subsidiary
27.	Alexandru Ionel	Director	Arad Regional Office
28.	Schimdt-Hăineală Eduard-Cristian	Director	Bacău Regional Office
29.	Dumitru Nicușor	Director	Brăila Regional Office
30.	Pârlea Mirel	Engineer/Regional Office Director delegated	Brașov Regional Office
31.	Gurgu Victorel	Regional Office Director/PMU Project Manager delegated	Bucharest Regional Office
32.	Goia Petru	Cluj Sector Engineer/Regional Office Director delegated	Cluj Regional Office
33.	Andrei Romeo	Director	Constanta Regional Office
34.	Niță Viorel	Director	Craiova Regional Office

35.	Tiriba Aurel	Chief Engineer/Director Mediaș Regional Office-delegated	Chief Engineer Mediaș Subsidiary

Table 9 - The executive management of Transgaz as at 30.06.2025

VESTMOLDTRANSGAZ SRL management:

	VESTMOLDTRANSGAZ	Name and Surname
1	Company Board	1. Mihai Leontin Leahu – Chairman on behalf of Transgaz 2. Luca Bogdan Avram- Member on behalf of Transgaz 3. Octavian Costas – Member on behalf of EBRD 4. Pop-Gîscă Sanda – Member on behalf of Transgaz 5. Iancu Cristina – Member on behalf of Transgaz
2	Company Administrator	Duminică Liviu Valentin

Table 10 - Vestmoldtransgaz SRL management on 30.06.2025

EUROTRANSGAZ SRL management:

	EUROTRANSGAZ	Name and Surname
1	Administrator	Lupean Marius Vasile
2	Administrator	Vasilica Grăjdan
3	Administrator	Stoica Marius

Table 11 - Eurotransgaz SRL management on 30.06.2025

PETROSTAR SA management:

	PETROSTAR	Name and Surname
1	Administrator	Rucareanu Daniel – Chairman of the Board of Administration
2	Administrator	Stoica Gheorghe Doru (Acting Director-General)
3	Administrator	Marius Vasile Lupean

Table 12 - Petrostar SA management on 30.06.2025

3.7 Human resources

The company's human resources strategy aims to cover the operational needs of the organization, through the efficient use of the human resources.

The optimal dimensioning of the number of personnel in the company is correlated with the real personnel needs required by the operational activities carried out by the company, with the modernizations and refurbishments realized for increasing the safety and efficiency in NTS operation and annex facilities, as well as the realization of the major development projects of the company.

As at 30 June 2025, Transgaz' Group had 4.173 employees, of which 4.053 employees within Transgaz, VMTG and ETG and 120 employees within Petrostar.

No.	Indicator	2021	2022	2023	2024	Half I 2025
1	Number of Transgaz employees	4.050	4.029	4.022	3.976	3.972
2	Number of VMTG employees	34	31	61	75	78
3	Number of Eurotransgaz employees	3	3	3	3	3
4	Number of Petrostar employees					120
TOTAL		**4087**	**4.063**	**4.086**	**4.054**	**4.173**

Table 13 - The evolution of the number of Transgaz Group personnel in Half I 2025

The number of Transgaz' personnel during the period 2021 - Half I 2025:

Specification	2021	2022	2023	2024	Half I 2025
Number of employees at the beginning of the period	4.145	4.050	4.029	4.022	3.976
Number of persons employed/resuming activity	210	243	258	198	147
Number of employees who terminated/suspended their working relations with the company	305	264	265	244	151
Number of employees at the end of the period	**4.050**	**4.029**	**4.022**	**3.976**	**3.972**

Table 14 – The evolution of the number of Transgaz' employees in the period 2021-Half I 2025

SNTGN Transgaz SA employees structure as at 30 June 2025:

a) By category of studies

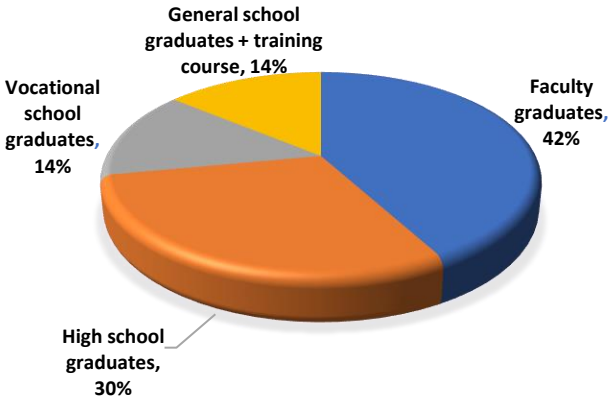


Chart 14 - Personnel structure by categories of studies as at 30 June 2025

b) By gender

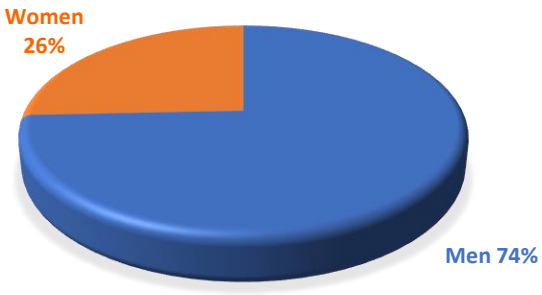


Chart 15 - Personnel structure by gender as at 30 June 2025

c) By headquarters and regional offices

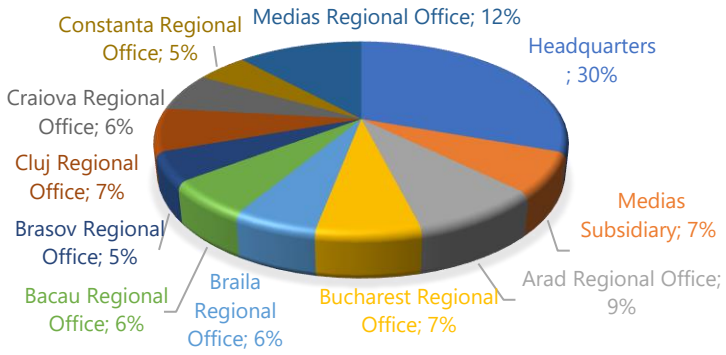


Chart 16 – Personnel structure by headquarters and regional offices as at 30 June 2025

d) By activities

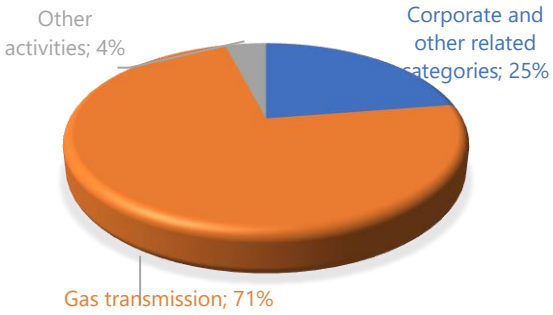


Chart 17 - Personnel structure by activities as at 30 June 2025

e) By age categories

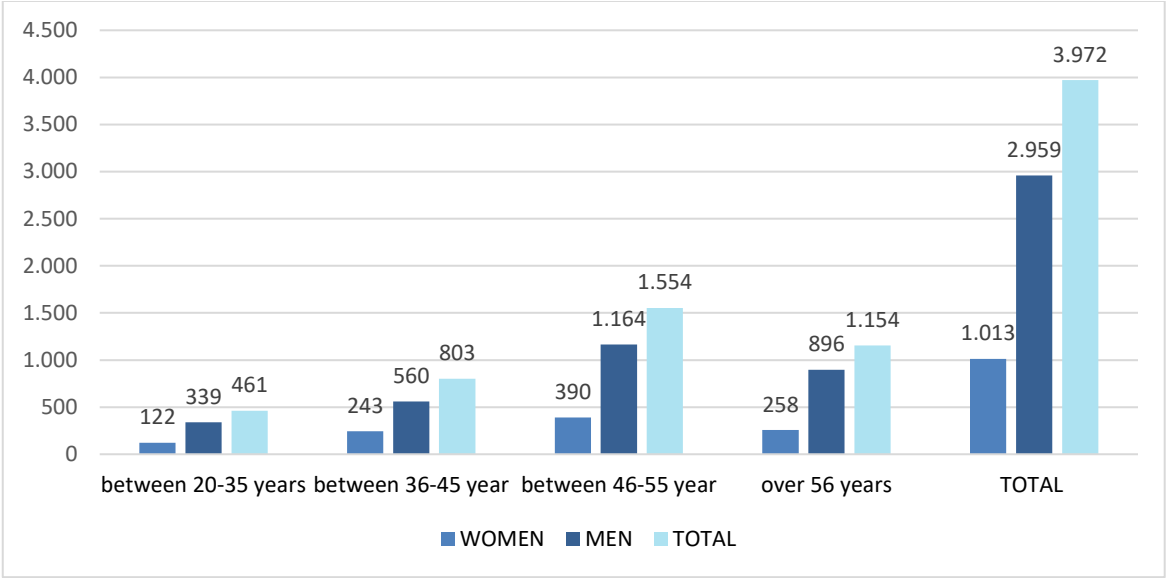


Chart 18 - Personnel structure by age categories as at 30 June 2025

The evolution of the personnel structure by category of studies reveals the interest of the company to cover the needs of personnel through the employment of highly qualified specialists as well as the continuous improvement of the existing personnel, considering the tendencies of increasing the number of employees with higher education in parallel with the decrease of the number of employed persons with secondary education and the number of employees with general education and in training.

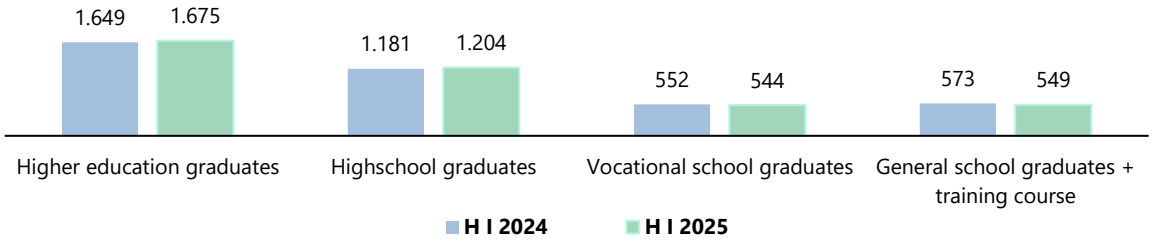


Chart 19 - The evolution of the personnel structure by categories of studies in Half I 2025 compared to Half I 2024

Improving staff training, instruction and professional development

The high level of professional competence of employees is considered a prerequisite for achieving the objectives of any organisation, which is why investment in human resources is considered profitable in all areas of activity.

This is regulated by the following legislative documents: Law 53/2003 (Labour Code), republished, as amended; Government Ordinance No. 129/2000 on the professional training of adults, republished, as amended , approved by Law 375/2002, as amended; Law No. 227/2015 on the Fiscal Code, as amended.

The process of professional training of employees, with external professional training providers, is carried out in a continuous and planned manner, through the participation of employees in training programmes (courses, conferences, seminars, workshops and other similar events), hereinafter referred to as courses. The courses aim to develop theoretical and practical knowledge common to most professions and to develop theoretical and practical knowledge specific to certain fields of activity, both objectives being necessary for the performance of work tasks.

The training, improvement and professional development of the company's employees is carried out on the basis of the *`Annual training and professional improvement program for employees`*, drawn up at company level, taking into account the provisions of Articles 194 and 195 of Law 53/2003 (Labour Code), republished, as subsequently amended and supplemented, according to which the legal entity employer with more than 20 employees shall draw up annual training programs and shall ensure the participation of employees in courses at least once every two years.

In the field of training and professional development, the programs cover the areas of interest for the company's activity, namely, engineering, management of natural gas transmission systems, including SCADA, research and design, economics, legal, human resources, corporate strategy and management, information technology and communications and quality - environment, health and safety at work, security, safety, internal audit, internal and financial management control, as well as other topics of general interest necessary for the company's activity.

In Half I 2025, through the External Training and Career Management Unit, together with the Performance Evaluation and Improvement Office and the Authorization and Compliance Support Office, 37 training and professional development courses were initiated and carried out for 140 participants.

At the end of Half I 2024, the degree of unionization of the labour force was 97,91 %, out of a total of 3.972 employees, 3.889 being union members.

Within SNTGN Transgaz SA there are 4 trade union organizations that employees can choose to affiliate to, namely:

- The "Transport Gaz Mediaş" Trade Union;
- The "Metan" Mediaș Professional Trade Union;
- The "CERTEH" Mediaș Technological Research Trade Union;
- The SNTGN TRANSGAZ SA Mediaș Free Trade Union;

The "Transport Gaz Medias" Trade Union is the representative union at the unit level, according to Law 367/2022 of the Social Dialogue, Art. 54 (1) C, which is why they represent the employees of the company when concluding and carrying out the Collective labour contract concluded at the level of SNTGN TRANSGAZ SA.

The relations between the employer and the employees are regulated by the Collective Labour Contract at the company level as well as by the individual labour contracts. Since 25.06.2024 a new Collective Labour Contract entered into force at SNTGN TRANSGAZ SA, with a validity of 24 months, registered at the Territorial Labour Inspectorate Sibiu under no. 104/18.06.2024 in the Single Register of Records of Collective Labour Contracts.

The relations between the employer and the employees are in line with the legal provisions in force in Half I 2025 and there are no conflicting elements connected to these relations.

3.8. Transgaz on the Bucharest Stock Exchange

TGN shares are an attractive portfolio option, supported by several factors: its monopoly status in natural gas transmission, the company's strategic position in the national and regional energy market, its solid financial profile, its ability to generate stable and predictable revenues, and its consistent dividend distribution policies. In addition, the quality of management and the ambitious TYNDP which envisages major investments of approximately 9 billion euro over the next decade, reinforce Transgaz's attractiveness to investors. These investments are aimed at modernizing and expanding the infrastructure in line with European requirements for sustainability and energy security.

SNTGN TRANSGAZ SA, through the efficient use of management tools and the responsible execution of measures committed to shareholders, investors, the business environment, and the community, has also performed well on the capital market, ranking 9th in the Top 15 companies listed on the Bucharest Stock Exchange in terms of market capitalization for the six-month period ending 30 June 2025, according to the Monthly Bulletin issued by BSE.

For the financial year 2024, in accordance with the provisions of Resolution 6 of the Ordinary General Meeting of the Shareholders of 29 April 2025, the National Gas Transmission Company Transgaz SA makes dividend payments through Depozitarul Central SA and Banca Transilvania, the designated payment agent, as of 16 July 2025 (the payment date), for the shareholders registered as at 25 June 2025, the value of the gross dividend/share being lei 1,08.

TGN share

The Transgaz (TGN) share price recorded strong stock market performance in the Half I 2025, rising monthly with percentages ranging from 44% to 54% compared to the values recorded in the same period of 2024. The appreciation was supported by a mix of fundamental factors such as solid financial results, stable cash flows, growth prospects through strategic projects, and the company's positioning as a key player in regional energy infrastructure, the revising of the rating outlook from stable to positive.

After a relatively stable 2024 (trading range of 18,90–23,70 lei/share), the beginning of 2025 marked a sustained upward trend. In January, the share closed at 24,00 lei, a 25% increase from 19,14 lei in the same month of 2024, driven by expectations regarding the previous year's financial results and progress in the projects included in the National Development Plan.

With the publication of preliminary financial results on 31 December 2024, investor interest increased and the TGN share price rose to 28,50 lei in February, an increase of 50% compared to February 2024. In March, after the communication of the documents for the GMS and the proposal on the distribution of dividends, the share closed at 29,50 lei, a 52% increase compared to March 2024 (19,42 lei). In April, there was a slight correction to 28,25 lei/share, due to domestic political uncertainty and general market volatility. However, May saw a resumption of the positive trend, fueled by better-than-expected Q1 2025 financial results and a favourable local market environment, in contrast to the negative trend in European markets.

In this context, the price reached 34,55 lei on 30.05.2025, an increase of 54% compared to 22,45 lei in May 2024, and the trading volume increased significantly.

A historic maimum of 35,10 lei/share was reached on 6 June 2025, in anticipation of the record date for dividends for the 2024 financial year. By the end of the month, the share price had corrected slightly, closing at 34,30 lei, but maintaining a gain of approximately 45% compared to the same period last year.

The positive momentum was reinforced by Fitch Ratings upgrading Transgaz' outlook from "stable" to "positive" while confirming its "BBB-" credit rating. Another important catalyst was the signing of the Memorandum of Understanding with Serbian operator JP Srbijagas, aimed at expanding regional cooperation and supporting the strategic Romania-Serbia interconnection project. This partnership aims to diversify supply sources, strengthen energy security and facilitate cross-border gas flows, in line with European energy objectives.

Overall, TGN's share evolution in Half I 2025 reflects market confidence in the company's ability to deliver sustainable results in a context favourable to energy infrastructure investments and the consolidation of its regional position.

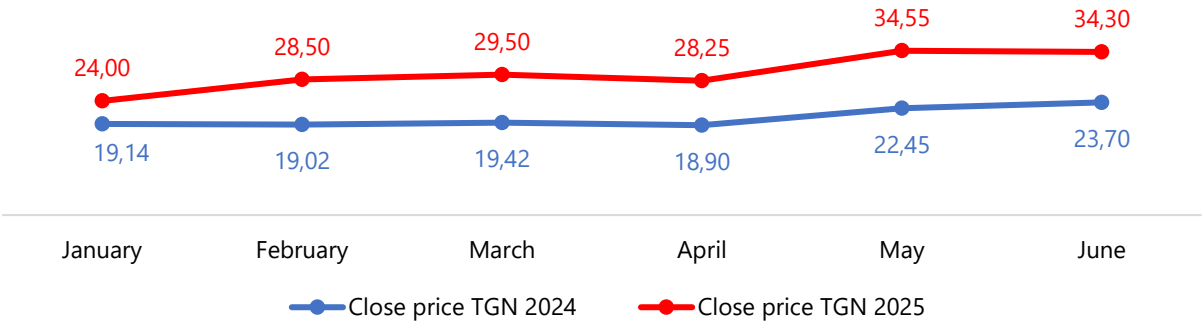


Chart 20 - The closing price of the TGN shares in 01.01.2024 – 30.06.2024 vs. 01.01.2025 – 30.06.2025

Traded volumes and transaction values for the period ended 30 June 2025 registered oscillating values compared to the same period of 2024. Thus, after a low level of transactions in January, liquidity increased significantly in the following months, peaking in May with over 910.000 shares traded. In June, activity remained high, confirming investors' continued interest.

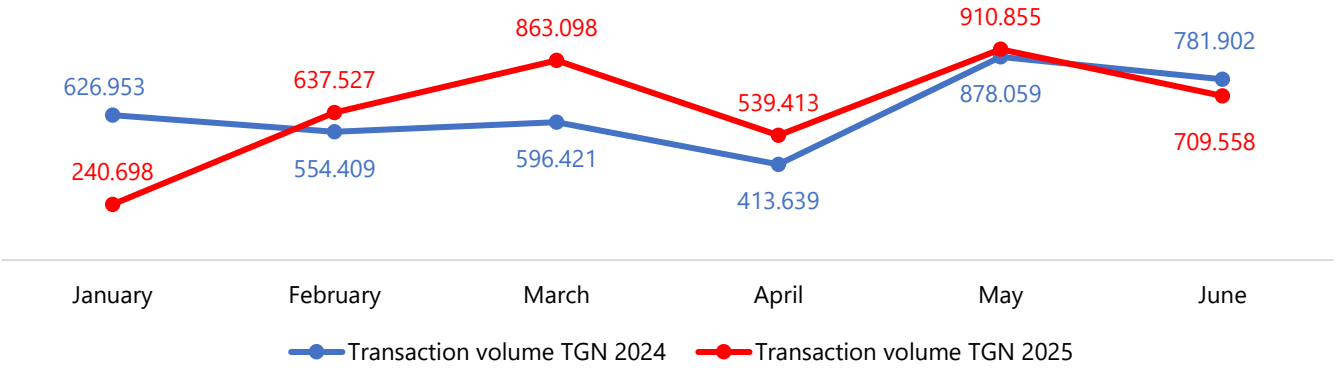


Chart 21 - TGN transactions volume in 01.01.2024 – 30.06.2024 vs. 01.01.2025 – 30.06.2025

In Half I 2025, transaction values followed a similar trend to trading volumes, recording significant increases of between 33% and 115% compared to the same period in 2024, with the exception of January.

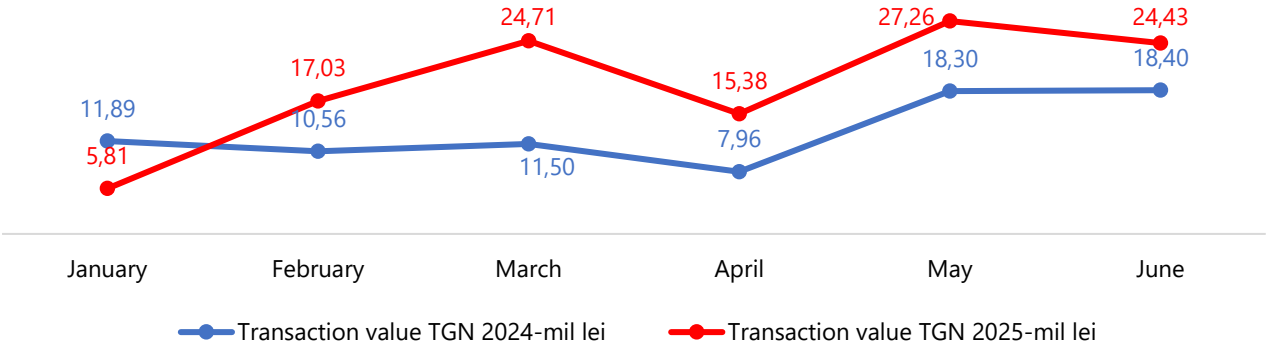
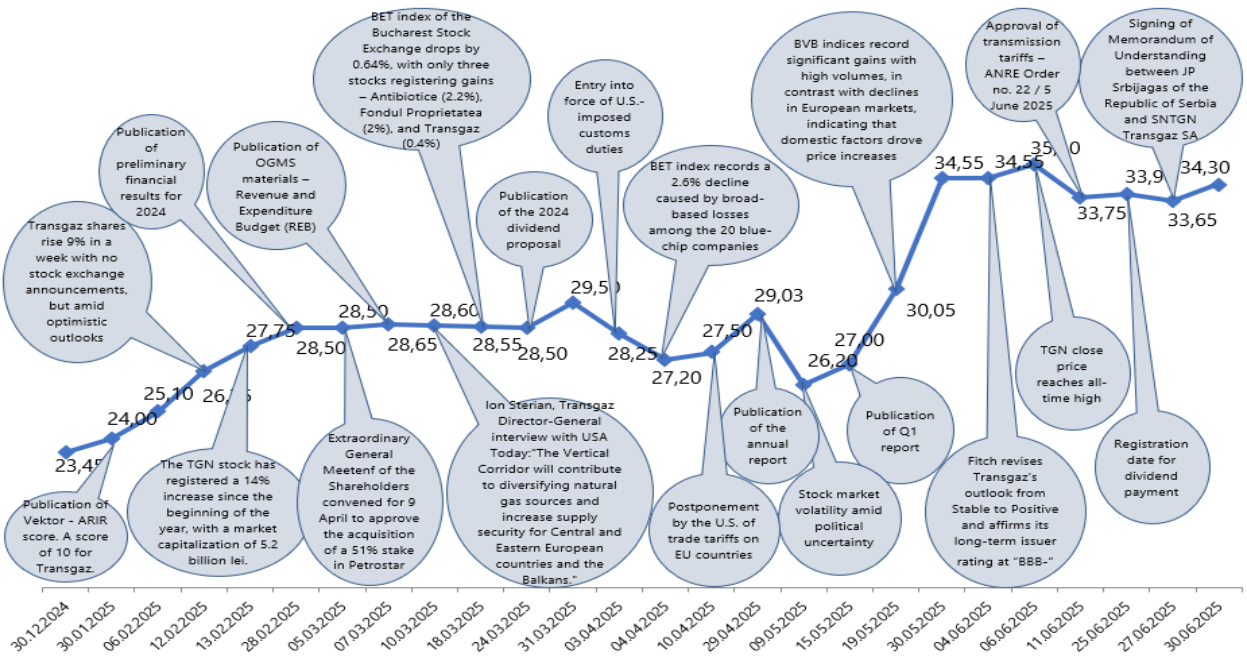


Chart 22 - TGN transactions value in 01.01.2024 – 30.06.2024 vs. 01.01.2025– 30.06.2025

Main corporate events with an impact upon the TGN share price in January - June 2025



Stock Market Indices: P/BV, EPS, PER, DIVY

Date	P/BV	PER*	DIVY	EPS
30.06.2025	1,47	15,73	3,15	2,18
30.06.2024	1,06	24,04	1,48	0,99

*data PER 31 December 2024 and 31 December 2023

In the six month period ended 30 June 2025, **the P/BV ratio** (a share price to book value ratio) increased compared to the same period of 2024, the over-unit value of this indicator showing that the TGN share is correctly valued by the market.

At the same time, **the PER ratio** (share price to earnings ratio) recorded a net lower value compared to the value recorded on 30.06.2024 in the context of the increasing net profit of the company.

The increase in **dividend yield (DIVY),** compared to the value recorded on 30.06.2024, was determined by the higher value of the gross dividend for financial year 2024.

Also, from the data presented it results that the **EPS (earnings per share)** increased in Half I 2025 as compared to the same period of 2024, recording a value of 2,18, due to the increase in the profit related to financial year 2024.

TGN share in the stock market indices (BET, BET-BK, BET-NG, ROTX, BET-XT, BET-TR, BET-XT-TR)

Name of stock market index	Place	Share in index
BET (BVB reference index, it represents the 10 most liquid companies listed on BVB)	6	4,27%
BET-BK (benchmark index, calculated as a price index weighted by the free float capitalisation of the most traded companies listed on BSE regulated market)	13	4,67%
BET-NG (sector index / energy - utilities)	4	7,38%
ROTX (is an index developed by BSE together with the Vienna Stock Exchange (Wiener Borse AG). It tracks, in real-time, the price changes of the 'blue chip' shares traded on the Bucharest Stock Exchange-BSE)	6	4,92%
BET-XT (blue-chip index, tracks the price changes of the most liquid 25 traded companies)	6	4,24%
BET-TR (the first total return index, lunched by the Bucharest Stock Exchange, based on the structure of the market reference index, BET. BET-TR tracks both the price changes of the constituent companies and the dividends paid by them)	6	4,40%
BET-XT-TR (the total return version of BET-XT index, which includes the 25 most traded Romanian companies listed at BVB. BET-XT-TR tracks the price changes of its constituent companies and is adjusted to also reflect the dividends paid by them)	6	4,36%

Stock market capitalization

The stock market capitalization of the company at the end of Half I 2025 increased compared to the same period of last year by approximately 45%, that is by lei 1.997 million (~ EUR 375 million), from lei 4.465 million (EUR 897 million) registered on 28.06.2024 to lei 6.461 million (~EUR 1.273 million) registered on 30.06.2025.

Currency	2025		2024	
	03.01.2025	30.06.2025	03.01.2024	28.06.2024
LEI	4.483.479.795	6.461.485.587	3.541.572.275	4.464.641.645
EURO	901.220.084	1.272.522.124	712.145.799	897.036.757
Euro/BNR exchange rate	4,9749	5,0777	4,9731	4,9771

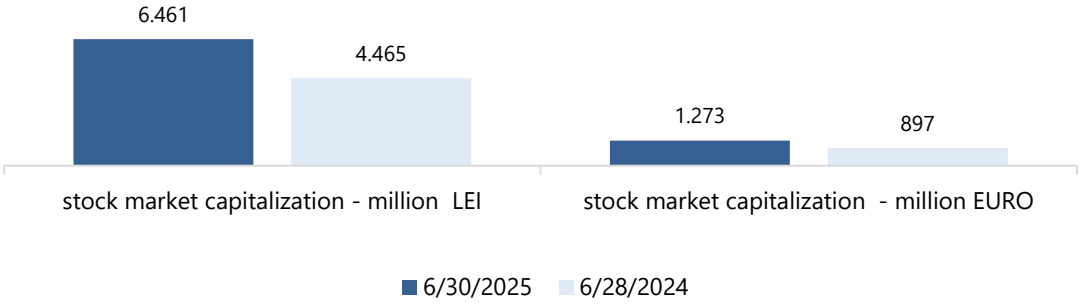


Chart 23 - Stock market capitalization of Transgaz on 30.06.2025 vs. 30.06.2024

Following the market capitalization registered by the company in June 2025, the Bucharest Stock Exchange ranked Transgaz **9 in the Top 15 companies listed on the Bucharest Stock Exchange, by market capitalization**.

The increase in market capitalization and share value highlights Transgaz' strategic role in Romania's energy infrastructure and its potential to get long-term investments. This upward trend shows a positive perspective for the company's future on the capital market.

The TGN share compared to BET, BET-BK, ROTX and BET-NG stock indices in Half I 2025:

TGN VERSUS BET

TGN VERSUS BET-BK

TGN VERSUS ROTX

TGN VERSUS BET-NG

TGN VERSUS BET-TR

TGN VERSUS BET-XT

Source: http://www.bvb.ro

Chart 24 – The TGN share evolution compared to stock exchange indices BET, BET-BK, BET-TR, ROTX, BET-NG and BET-XT in Half I 2025

It can be seen that TGN's share had a better performance than the main stock market indices BET, BET-BK, ROTX, BET-NG, BET-TR, and BET-XT throughout the first half of the year, reflecting increased investor confidence in the company's growth prospects, exceeding the market average and positioning Transgaz among the companies with the highest percentage growth within the BET index of the Bucharest Stock Exchange.

Transgaz also stood out as one of the main growth drivers of the BET-NG index, moving from being a stable component of the index to one of its main growth factors.

This development highlights the remarkable performance of Transgaz shares on the capital market, consolidating their status as a benchmark financial asset in their sector and reaffirming their blue chip status.

Dividend policy

In 2025 the value of the dividends for financial year 2024 was established according to *GO 64/2001 on the distribution of profit to national enterprises, national companies and trading companies with full or majority state capital, as well as to autonomous administrations, as amended, the clarifications approved by MPF Order No. 144/2005 on the approval of the Clarifications for determining the amounts subject to profit distribution in accordance with GO 64/2001 on the distribution of profit to national enterprises, national companies and trading companies with full or majority state capital, as well as to autonomous administrations, approved by Law 769/2001*, as amended, and Law 227/2015 on the Fiscal Code.

The distribution of net profit as dividends was made at a rate of 90,7079289%. The rate set out in the revenue and expense budget of SNTGN Transgaz SA for 2024, approved by OGMS Resolution No. 1/21.02.2024, was 50%.

According to Article 67 (2) of Law 31/1990 on trading companies, republished as amended, dividends are distributed to shareholders proportionally to their stake in the share capital.

Thus, in accordance with OGMS Resolution 6/29.04.2025, SNTGN Transgaz SA paid dividends through Depozitarul Central SA and Banca Transilvania, the appointed paying agent, starting from 16 July 2025 (the date of payment), for the shareholders registered at the registration date of 25 June 2025, the value of the gross dividend/share amounting to lei 1,08.

Transgaz's rating

From 2006 to March 2019, S&P Global Ratings rated and monitored the Transgaz rating. Getting this rating was a necessary step in addressing an openness policy to international capital markets, with a view to obtaining the most advantageous sources of funding and also providing a valuable instrument to investors in the IPO stock listing process as well as the SPO. Thus, S&P Global Ratings published the latest report in 2018, revising the outlook for Transgaz, from stable to negative, and, at the same time, it affirmed the company's credit rating at BB+.

In 2019, following the internal analysis and in compliance with all the legal provisions regarding the procurement of rating services, the company concluded a credit rating contract with Fitch Ratings. Thus, following the evaluation, on 17 July 2019 the agency awarded Transgaz the 'BBB-' rating, Stable Outlook.

The latest assessment dated 04.06.2025, with Fitch Ratings revising SNTGN Transgaz SA's outlook from Stable to Positive and reaffirming its long-term issuer default rating (IDR) at "BBB-" and its standalone credit profile (SCP) at "bbb-". According to the assessors' opinion presented in the rating report, ``*The Outlook revision reflects Transgaz' projected net leverage at below its positive sensitivity, better EBITDA visibility due to its transition to a purely regulated TSO model and improved liquidity. It also reflects progress with Black Sea-Podisor, its largest capex project, which the company expects to be recognised in its regulatory asset base (RAB) in October 2025, leading to a substantial increase in RAB and EBITDA.*``

3.9 List of all entities where Transgaz holds shares

- **SC MEBIS SA Bistrita**, based in Bistrita, (J06/150/1991), where Transgaz owns 17,47% of the share capital, having as object the realization of metal structures and complex welded assemblies, assemblies and hydraulic products; is in liquidation proceedings, which is why the shareholding in SC MEBIS SA was fully provisioned. Transgaz has no obligations towards SC MEBIS SA;
- **SC EUROTRANSGAZ SRL** with headquarters in Chisinau, the Republic of Moldova, where Transgaz owns 100% of its share capital with the objective of production, transmission, distribution, storage and supplying natural gas, transmission through, storage as well as business consulting activities; management (establishment of this subsidiary was approved by EGMS Resolution no 10 of 12.12.2017); **in 2018, the subsidiary purchased State Enterprise Vestmoldtransgaz**.
- **Shareholding in TRANSPORT ROMÂNIA HIDROGEN SRL**

  By EGMS Resolution No. 5 of 05 June 2024 the establishment of a limited liability company with the object of activity of hydrogen transport, with sole shareholder SNTGN Transgaz SA, was approved.
- **Shareholding in PETROSTAR SA**

  By EGMS Resolution No. 5 dated April 9, 2025, the acquisition of a 51% stake in the share capital of Petrostar SA was approved. On May 27, 2025, SNTGN TRANSGAZ SA completed the full subscription of the shares issued by Petrostar S.A. for the increase of the share capital; following this operation, Transgaz share in the company's share capital represents 51%, i.e. 57.217 shares.

4. ACTIVITY ANALYSIS

4.1. Operation activity

Domestic gas transmission ensures the fulfilling of all obligations of Transgaz to provide NTS access to network users in equivalent, non-discriminatory and transparent conditions and contract clauses.

In Half I 2025, a total of **543** contracts were concluded and signed with network users, of which **532** contracts for domestic points and **11** contracts for cross-border interconnection points, for gas transmission services, including annual, quarterly, monthly, daily, within-day capacity products for National Gas Transmission System entry/exit points, including for the Csanadpalota, Ruse - Giurgiu, Negru Vodă 1/Kardam and Isaccea 1/Orlovka and Ungheni interconnection points.

The total number of gas contracts concluded for gas transmission with capacity booking at the domestic NTS entry/exit points, concluded in Half I 2025, by booking period:

Contract type	Annual	Quarterly	Monthly	Daily	Total
No. of contracts	3	61	454	14	**532**

The gas quantities circulated and transmitted through the National Transmission System (NTS) and the technological consumption in H I 2025 are as follows:

Indicator	MU	2021	2022	2023	2024	Half I 2025
1	2	3	4	5	6	7
Circulated gas	thousand cm	14.098.211	13.106.226	13.110.875	13.265.284	7.208.897
Transmitted gas	thousand cm	14.026.269	13.032.066	13.055.920	13.197.787	7.181.016
NTS gas consumption	thousand cm	70.188	70.739	57.690	65.773	26.956
The share of NTS gas consumption / circulated gas	%	0,50%	0,54%	0,44%	0,50%	0,37%

Table 15 – Gas quantities circulated, transmitted, and NTS gas consumption in 2021-Half I 2025

The evolution of the quantities of natural gas circulated, transmitted, NTS consumption and the quantity stored, scheduled and achieved in Half I 2025 compared to the same period last year:

	MU	Half I 2024			Half I 2025		
		Planned	Achieved	%	Planned	Achieved	%
Circulated gas	thousand cm	7.367.175	6.504.954	*88,3*	7.444.079	7.208.897	*96,84*
Transmitted gas	thousand cm	7.336.253	6.472.933	*88,2*	7.413.296	7.181.016	*96,87*
NTS gas consumption	thousand cm	30.922	30.782	*99,6*	30.782	26.956	*87,57*
Gas for storage	thousand cm	896.404	903.988	*100,85*	1.019.934	997.892	*97,84*

Table 16 - Gas quantities circulated, transmitted, and NTS gas consumption planned compared to quantities achieved in Half I 2025 and in Half I 2024

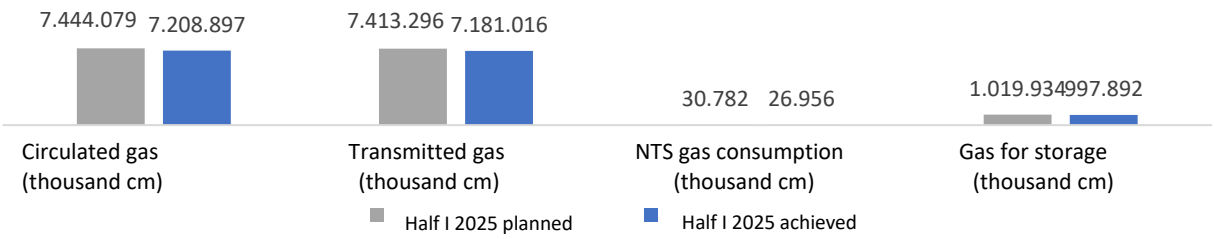


Chart 25 - Gas quantities circulated, transmitted, stored and NTS consumption planned vs. achieved in Half I 2024

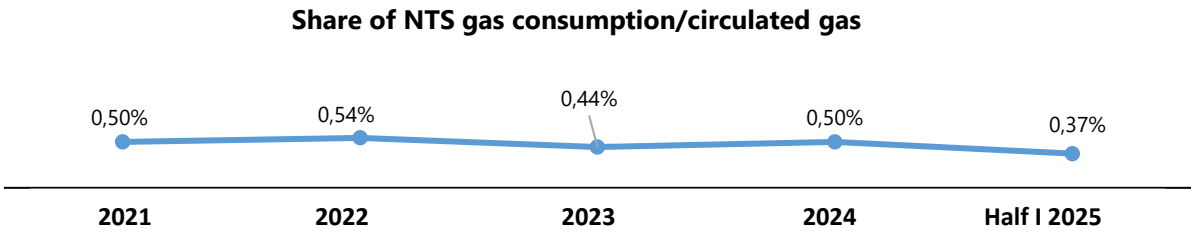


Chart 26 – The evolution of the share of NTS gas consumption in total circulated gas in 2021-Half I 2025

	2021	2022	2023	2024	Half I 2025
PLANNED NTS GAS CONSUMPTION–thousand cm	79.423	86.136	60.880	58.493	30.782
ACHIEVED NTS GAS CONSUMPTION–thousand cm	70.188	70.739	57.690	65.773	26.956

Table 17– Gas quantities as NTS gas consumption achieved vs planned in 2021-Half I 2025

The main beneficiaries of the gas transmission service in Half I 2025:

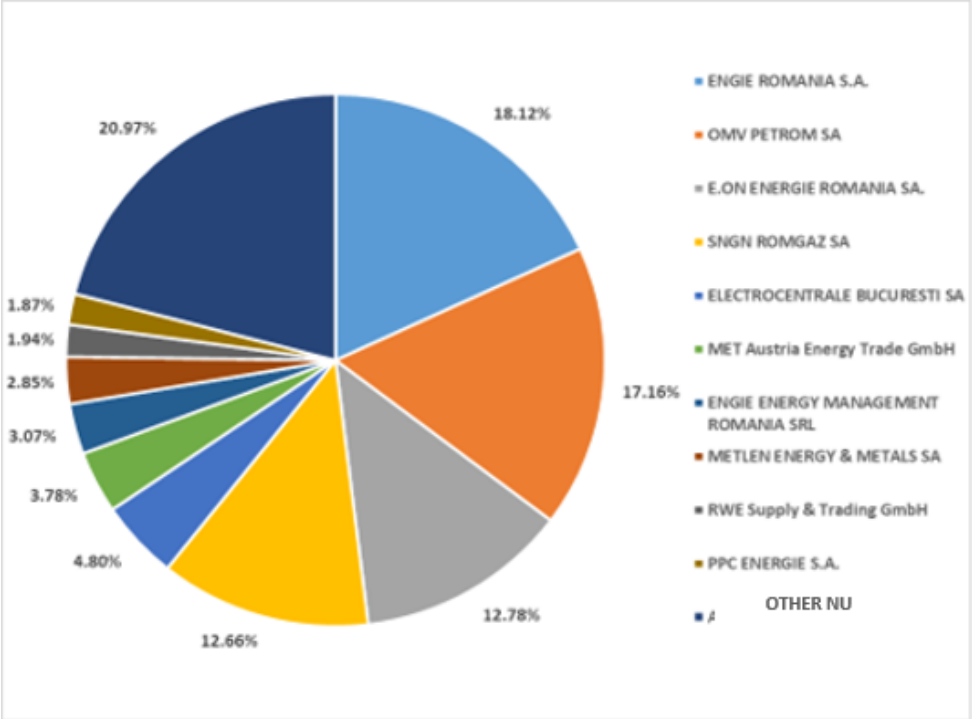


Chart 27 - The share of the main NTS users in Half I 2025

Through the transmission services contracted in H I 2025, the total gas quantity of **76.987.961,884410** MWh (**7.181.015,610** thousand cubic meter) was transmitted to:

	MWh	thousand cm	%
Distribution	42.413.149,75	3.966.819,14	55,09
Direct customers	11.379.615,09	1.069.018,86	14,78
Storage	12.248.442,46	1.125.244,06	15,91
Export Csanadpalota, Giurgiu Ruse, Negru Voda, Ungheni	10.946.754,58	1.019.933,55	14,22

4.2 The investment activity

The investment activity is mainly directed towards the modernization and development of the NTS in order to improve efficiency, to increase its capacity and to develop new consumption areas.

The amount of the Investment Modernisation and Development Programme for 2025, approved in the revenue and expense budget was lei **1.409.587.666** according to Resolution no. 44/19.12.2024 of the Board of Administration and the total value of the achievements as at 30.06.2025 is **lei 375.321.754** which represents **27%** fulfilment of the programme.

The implementation of the Investment Modernisation and Development Programme at the end of Half I 2025 is shown in the following table.

-***thousand lei*** -

Ch.	Category of works	Estimated 2025	Achieved H I 2025	%
Ch. A	***NTS Modernization and development works***	**1.078.159**	**332.632**	**30,85%**
1.	**Modernization and upgrading of the National Natural Gas Transmission System**	**40.535**	**592**	**1,46%**
1.1.	*Adaptation to the field of the measurement lines to be installed through the Investment Modernisation and Development Program and technological nodes automation*	17.536	592	3,37%
1.2.	*Data Acquisition Control System*	22.999	0	0,00%
2.	**Development of the National Gas Transmission System and related facilities**	**1.037.624**	**332.040**	**32,00%**
2.1.	*Natural gas transmission pipelines*	184.138	24.628	13,37%
2.2.	*Increasing the transmission capacity of the NTS*	731.156	301.597	41,25%
2.3.	*Construction and above-ground installation works for MRSs*	78.452	2.672	3,41%
2.4.	*Cathodic protection stations*	901	190	21,08%
2.5.	*Investments related to information technology and telecommunications*	17.768	1.504	8,47%
2.6.	*Construction and above-ground installation works for odorization installations*	0	0	0,00%
2.7.	*Works to natural gas transmission pipelines in operation located in incident risk areas*	2.193	0	0,00%
2.8.	*Electrical installations and networks*	3.577	1.313	**36,70%**
2.9.	*Archaeology services*	18.000	137	0,76%
2.10.	*Biodiversity monitoring services*	1.439	0	0,00%
Ch. B	***Modernization and development works to own assets***	**82.791**	**7.127**	**8,61%**
1.	Other works	34.191	454	1,33%
1.1.	Connections, networks, and thermal installations at administrative headquarters and MRSs	276	0	0,00%
1.2	Administrative offices and production bases at Regional Operating Centres	26.876	454	*1,69%*
1.3	Security and surveillance systems	7.039	0	*0,00%*
2.	Independent equipment	48.600	6.674	13,73%
Ch. C	***NTS access works***	**77.246**	**9.313**	**12,06%**
Ch. D	***NTS development in accordance with Law 123/2012 (updated) Art. 132, para. e1 and e2***	**171.392**	**26.249**	**15,32%**
TOTAL Investment Modernization and Development Program		**1.409.588**	**375.322**	**26,63%**

Table 18 - Achievement of the Investment Programme in H I 2025

In January 2025, the structure of the Modernisation and Investment Development Plan was as follows: 62,13% works in progress from 2024, 14,70% works in the design phase, 14,61% works in the procurement procedure, 5,14% works not requested and 3,40% commencement order pending contracted works.

Modernisation and Investment Development Plan status – January 2025

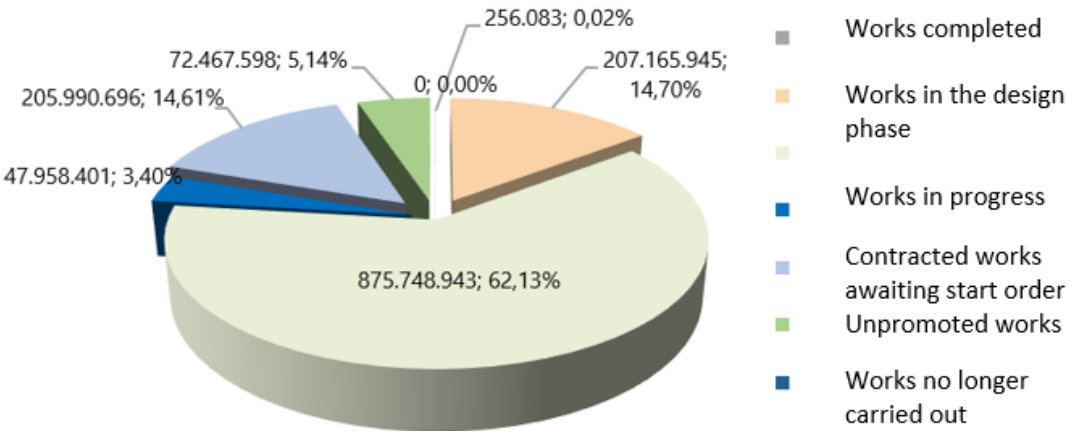


Chart 28 – Modernization and Development Plan 2025 status – January 2025

At the end of Half I 2025 the structure of the Modernisation and Investment Development Plan was as follows: 65,87% works in progress, 17,06% works in procurement procedure, 7,47% works in the design phase, 6,41% contracted works pending commencement order, 2,45% works not requested and 0,74% completed works.

Compared with the situation of the works at the end of January, the percentage of works in progress increased, mainly in conjunction with a decrease in the percentage of works in the design and procurement phase.

Modernisation and Investment Development Plan status – June 2025

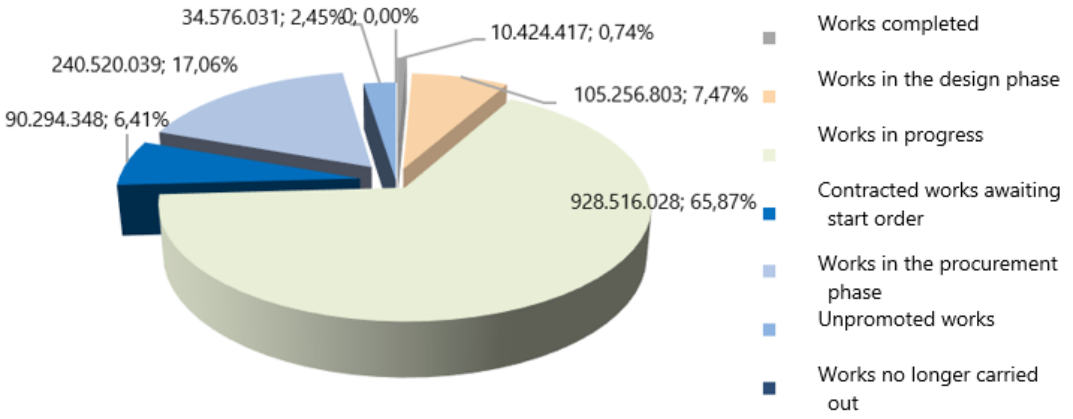


Chart 29 – Modernization and Development Plan 2025 status – June 2025

The main investment objectives completed in Half I 2025 are the following:

- Securing DN 800 BRUA gas pipeline in the Jupânești area, Gorj County;
- Securing DN400 Campina-Nedelea and DN 500 Posada-Bobolia gas transmission pipelines, Vrăjitoarea area, Prahova county;
- Upgrading of MRS Pașcani II;
- Cathodic protection station Șercaia, Brașov county;
- Connection and PRMS Costișa, Neamț county;
- Connection and Borcea, Călărași county;
- Connection and Târgu Trotuș, Bacău county;
- Connection and Vișina, Olt county;
- Connection and Niculești, Dâmbovița county;
- MS Sofert II Bacău (THERMOENERGY), Bacău county;
- Securing DN 500 Schitul Golesti-Govora gas transmission pipeline, Slanic area, Arges county;
- Modernization of Bacau Regional Office headquarter building;
- Change of vehicle category from N1 to M1 and interior refurbishment;
- Power supply and indoor electrical installations at MRS Vestem;
- Power supply and indoor electrical installations at MRS Mohu;
- Upgrading MRS Pașcani II;
- Lightning protection system, with lightning rod and grounding system to protect the mechanical and electrical installations belonging to the MRS Saes facility - Medias Regional Office:
- Lightning protection system, with lightning rod and grounding installation to protect the mechanical and electrical installations belonging to the MRS Rora Sighișoara facility - Mediaș Regional Office;
- Lightning protection system, with lightning rod and grounding installation to protect the mechanical and electrical installations belonging to the MRS Mediaș III - Mediaș Regional Office;
- Cathodic protection of DN400 pipeline Gas supply connection MRS Vaslui;
- Power supply to key consumers TN Podișor;
- Air conditioning and control system for command and control rooms;

The main investment objectives that will be completed by the end of the Half I 2025 but are awaiting acceptance upon completion of the works are:

- Tg. Neamț - Balțătești gas transmission pipeline, Neamț county;
- Securing Arieș River abovecrossing with DN 500 Ozd - Câmpia Turzii gas transmission pipeline in the Luncani area, Cluj county;
- Securing Paloș Creek abovecrossing with DN300 Beia-Hoghiz gas transmission pipeline in the CPS Paloș area, Brașov county;
- Securing DN700 Platou Izvor Sinaia - Filipești gas transmission pipeline in the Ghioșești Comarnic area, Prahova county;
- Securing DN 700 Tăuții Măgherăuș-Ulmeni gas transmission pipeline at the Lăpuș River undercrossing, Bușag area, Maramureș county;
- Securing the undercrossing of the Cibin river with the DN 400 gas transmission pipeline at the limit of Alba - Sibiu counties, Orlat area, Sibiu county;

- MRS Timișoara I – MRS Timișoara III gas transmission pipeline (including power supply, cathodic protection and optical fibre);
- Connection and PRMS Copalau, Botosani county;
- Expansion of PRMS Biharia, Bihor county;

The main works in progress:

- Gas transmission pipeline to supply Mintia Plant (including power supply, cathodic protection and optical fibre);
- Orlat-Gura Râului gas transmission pipeline;
- Ghercești - Jitaru gas transmission pipeline;
- Securing DN800 Onesti-Han Domnesti and DN 500 Onesti Adjudul Vechi gas transmission pipelines, Stefan cel Mare area;
- Securing abovecrossing of the Ghimbășel river with the DN 700 Paltin-Gura Diham - Mediaș regional office section gas transmission pipeline, Râșnov Site, Brașov county;
- Securing Corunca-Coroi-Sinca Bucharest DN700-DN600-DN500 Platou Izvor Sinaia-Filipești gas transmission pipeline, Valea Târsei area, Prahova county, Ferma point;
- Development on the Romanian territory of the Southern Corridor for taking over Black Sea shore gas, Tuzla – Podisor gas transmission pipeline;
- Securing DN 300 gas transmission pipeline Piatra Neamt bypass, Valeni area, and installation of gas pressure regulation equipment, Savinesti area, Neamt county;
- Arinis - Oarta de Jos gas transmission pipeline (including power supply, cathodic protection and optical fibre);
- Timișoara- Deta- Denta- Moravița gas transmission pipeline, Timis county;
- Bentu gas transmission pipeline, Siliștea Bucharest-Cotu Ciorii gas transmission pipeline;
- Connection and PRMS Almaj, Dolj county;
- Connection and PRMS Fertilplant Crizbav, Brașov county;
- Connection and PMRS Borlești, Neamț county;
- Connection and PRMS Toplița, Harghita county;
- PRMS Cârligi capacity increase, Neamț county;
- Connection and PMRS Cefin 2, Ilfov county;
- Connection and PRMS Țimișești Neamt county;
- Connection and PRMS Ionești, VL;
- Connection and PRMS Segarcea, DJ;
- Connection and PRMS Poiana, Dâmbovița county;
- Connection and PRMS Bălteni, Vaslui county;
- Connection and PRMS Scornicești, Olt county;
- PRMS Brătuleni capacity increase, Vorovești, Iași county;
- Connection and PRMS Ciumeghiu, Bihor county;
- Connection and PRMS Budești, Vâlcea county;
- Connection and PRMS Zănesti, Neamt county;
- Connection pipeline capacity increase and PRMS Luna, Cluj county;
- Connection and PRMS Asphalt station S.C. FAR FUNDATION S.R.L., Bistrița-Năsăud county;
- Connection and PRMS Valea Mare Pravăț, Argeș county;
- MRS Moinești I (Dealu Mare) connection to national gas transmission system and to gas distribution system;
- Modernization MRS Sighișoara;
- Upgrading of technological installation MRDS Arad I;

- Mounting of regulating valve at TN Hurezani in the Hurezani-Corbu-Bucharest direction, piggable pipeline;
- Power supply for actuation and automation components at TN Munteni- power line and transformer station;
- Power supply to actuation, automation and supervision components at the TN Dealul Frumos;
- Mounting of regulating valve for Corbu-Turnu Magurele subsystem supply from TN Corbu;
- Power supply to the 0.4 kV TN Gănești;
- Prunișor - Orșova - Baile Herculane - Jupa - LOT 1 gas transmission pipeline;
- Prunișor - Orșova - Baile Herculane - Jupa - LOT 4 gas transmission pipeline;

The main works with signed contract but awaiting the commencement order:

- Râmnicu Vâlcea - Tetila gas transmission pipeline (including power supply, cathodic protection and optical fibre);
- Replacement of MRS Fantanele technological installation, Arad county:
- PRMS Tămășeni (current) capacity increase, Neamț county;
- Prunișor - Orșova - Baile Herculane - Jupa - LOT 3 gas transmission pipeline;

The main works under procurement are:

- Procurement of centrifugal compressor for: Expansion of the Podișor Compressor Station in order to increase the transmission capacities in the NTS for gas supply to the Mintia, Ișalnița and Turceni power plants, including the Territorial Administrative Units and other industrial consumers in the area;
- Procurement of centrifugal compressor for: Expansion of the Bibești Compressor Station in order to increase the transmission capacities in the NTS for gas supply to the Mintia, Ișalnița and Turceni power plants, including the Territorial Administrative Units and other industrial consumers in the area;
- Increasing the transmission capacity of the NTS and the security of gas supply of the Electrocentrale Ișalnița Branch (Dolj county) and the Electrocentrale Turceni Branch (Gorj county);
- DN600 Mihai Bravu - Siliștea gas transmission pipeline (without Danube);
- Prunișor - Orșova - Baile Herculane - Jupa - LOT 2 gas transmission pipeline;
- Replacement of MRS Măgurele Bucharest;
- Rehabilitation and modernization of the Transgaz building in 30 Dorobanți Road Bucharest;
- Connection and PRMS Roserv Green Energy Onesti, Bacau county;
- Connection and PRMS Brezoaele, Dâmbovița county;
- PRMS Roznov capacity increase, Neamț county;
- Connection and PRMS Sălard, Bihor county;
- Renovation of the attic to convert it into office space at the Sibiu Sector Headquarters;
- MRS Craiova Sud-Podari, connection to the NTS;
- Upgrading of MRS Onești, Bacău county;
- Securing abovecrossing of theTârnava Mare river with the DN 700 Seleuș - Hetiur - Iașu gas transmission pipeline, Secuieni area, Harghita county;
- Installation of pig trap DN 500 on the Munteni - Barlad pipeline;

- Securing abovecrossing of the Nadișa creek with the DN 500 Helegiu-Racova gas transmission pipeline, lines F1 and F2, Enachesti area, Bacau county;
- Installation of pig trap DN600/ANSI400 in TN RECAS;
- Upgrading of TN Jugureanu, including power supply to the facility, as well as to the actuation and automation components, Brăila county;

The main works under the preparation of the technical and design documentation phase:

- Increasing the energy efficiency of TN Sendreni;
- Techirghiol - Ovidiu gas transmission pipeline;
- DN700 Gănești - Botorca transmission pipeline and interconnections between the new DN700 Coroi - Gănești pipeline and the DN700 Band - Idrifaia and DN600 Coroi - Botorca - Băcia (West II), pipelines, Bahnea and Gănești area;
- DN800 Recaș – Horia gas transmission pipeline;
- Expansion of the Podișor Compressor Station in order to increase the transmission capacities in the NTS for gas supply to the Mintia, Ișalnița and Turceni power plants, including the Territorial Administrative Units and other industrial consumers in the area;
- Expansion of the Bibești Compressor Station in order to increase the transmission capacities in the NTS for gas supply to the Mintia, Ișalnița and Turceni power plants, including the Territorial Administrative Units and other industrial consumers in the area;
- Procurement of centrifugal compressor for: Expansion of the Jupa Compressor Station in order to increase the transmission capacity and security of gas supply in Western Romania;
- Expansion of the Jupa Compressor Station in order to increase the transmission capacity and security of gas supply in Western Romania;
- DN 500 Horia – Borș gas transmission pipeline;
- DN 800 Bordoșiu - Coroi gas transmission pipeline (including power supply, cathodic protection and optical fibre);
- CS Coroi;
- DN 700 Șăușa -Târgu Mureș gas transmission pipeline;
- Interconnection between the National Gas Transmission System of Romania and the similar gas transmission system of the Republic of Serbia (including power supply, cathodic protection and optical fibre);
- Transformation of the Dn 700 Isaccea - Sendreni pipeline into a piggable pipeline DALI+PT;
- Mihaileni - Lunca de Sus gas transmission pipeline (including power supply, cathodic protection and optical fibre);
- Modernization of the Valea Lungă storage;
- PRMS Panciu capacity increase, Vrancea county;
- Connection and PRMS Petrăchioaia, Ilfov county;
- Connection and PRMS Bacău 2;
- Connection and PRMS Vatra Dornei, Suceava county;
- Connection and PRMS Fabrica de var Corbu, Constanța county;
- Ghergheasa–Focșani gas transmission pipeline;
- Lugașu–Huedin gas transmission pipeline;
- Vladimirescu–Lipova gas transmission pipeline;
- Segarcea-Băilești–Calafat gas transmission pipeline;
- Runc - Borsec gas transmission pipeline (including power supply, cathodic protection and optical fibre);

MAJOR PROJECTS

For compliance with Art. 22 of European Directive EC/73/2009 on the obligation of all EU gas transmission system operators to prepare **TYNDPs,** SNTGN Transgaz SA Mediaş, as the technical operator of the National Gas Transmission System of Romania, prepared the **Development Plan for the gas transmission system for 2024-2033**, **approved by ANRE by Decision No.1944/01.11.2022 updated and approved by ANRE by Decision No. 2717/17.12.2024.**

Through the proposed major projects, the company aims to become an energy hub in Eastern Europe both from the perspective of achieving a gas transmission network strongly interconnected with similar gas transmission networks in the region, and from the perspective of gas supply.

Development on the Romanian territory of the Southern Corridor for taking over Black Sea shore gas (Tuzla – Podisor pipeline)

Description of the project:

The main objective of this investment is the construction of a natural gas transmission pipeline Tuzla-Podișor, 308.3 km long and DN 1.200 respectively DN 1.000, connecting the natural gas resources available on the Black Sea coast with the BULGARIA-ROMANIA-HUNGARY-AUSTRIA corridor, thus ensuring the possibility of transporting natural gas to Bulgaria and Hungary through the existing interconnections Giurgiu-Ruse (with Bulgaria) and Nădlac-Szeged (with Hungary).

The pipeline has been designed to transport natural gas at a pressure of 63 bar and is located in the south-eastern part of the country, and its route follows the general direction from south-east to west, crossing the counties: Constanta, Calarasi and Giurgiu.

The pipeline consists of two sections as follows:

- Section I, Black sea shore–Amzacea, 32,4 km long, diameter Ø48" (Dn1200) and technical capacity of 12 bcma;
- Section II, Amzacea–Podișor, 275,9 km long, diameter Ø40" (Dn1000) and technical capacity of 6 bcma.

Impact on the cross border capacity:

A phased capacity increase of the Bulgaria-Romania-Hungary-Austria bi-directional transmission corridor, which currently provides 2.63 bcma of transmission capacity with Hungary. Three levels of capacity development with Hungary at 2.98 bcma, 4.38 bcma and 5.32 bcma are proposed in the incremental capacity process for gas transmission on the Vertical Corridor.

Project status:

The natural gas transmission contracts concluded as a result of the procedure on the booking of incremental capacity in the NTS with ROMGAZ BLACK SEA LIMITED and OMV PETROM were signed. The work is in the construction phase.

The works are performed by the company KALYON INSAAT SANAYI VE TICARET ANONIM SIRKETI, TURKEY, on the basis of the works contract number 51/05.02.2021 and the Construction Authorization No. 5 dated 17.05.2018 issued by the Ministry of Energy.

Gas transmission contracts with ROMGAZ BLACK SEA LIMITED and OMV PETROM were concluded as a result of the NTS incremental capacity booking.

The Administrative Order of Commencement was issued on 16 June 2023.

Tuzla-Podișor Gas Pipeline – **308,3 km long** – amounts to approx. **EUR 500 million** and is the most important gas infrastructure project Transgaz has built, after BRUA and Onești-Ungheni-Chișinău Gas Pipelines. It is a strategic project, vital for energy security, its consolidation, and the sustainable development of the national economy.

The "Black Sea Shore - Podișor" natural gas pipeline was completed according to the implementation schedule and is currently in the acceptance phase; the pipeline will allow natural gas from the Black Sea to enter the NTS and reach economic operators and households in the localities connected to the system, being a strategic project, vital for energy security, its consolidation and the sustainable development of the national economy;

4.3 Maintenance activity

Repair and Rehabilitation Works Programme for NTS Maintenance

The **Repair and Rehabilitation Work Plan for NTS Maintenance (PLRRM) 2025** had an allocated value of **lei 38.246.768,69**.

The implementation of the Repair and Rehabilitation Program for NTS Maintenance in Half I 2025 compared to the estimation is as follows:

No.	Chapter title	Estimated 2025	Achieved Half I 2025	%
0	1	2	3	4=3/2*100
Chapter A. REPAIR AND REHABILITATION WORKS FOR NTS MAINTENANCE (lei)				
1.	Repairs and Rehabilitation of Main Pipelines	29.947.222,91	2.521.923,58	8,42%
2.	Repairs to Metering Regulating Stations (MRS)	-	-	-
3.	Repairs to Technological Nodes		-	-
4.	Repairs to Compressor Stations	5.580.000,00	-	0,00%
5.	Repairs to special structures related to MRSs and VCSs	68.545,78	68.545,78	100,00 %
6.	Repairs to cathodic protection systems (CPS)	-	-	-
7.	Repairs to TC installations and equipment	-	-	-
8.	Repairs to buildings	2.651.000,00	-	0,00%
TOTAL WORKS		**38.246.768,69**	**2.590.469,36**	**6,77%**

Table 19– Achievement of the Repair and Rehabilitation Works Programme for NTS Maintenance (PLRRM) – Half I 2025

On 30.06.2025 the works in the Repair and Rehabilitation Works Programme for NTS Maintenance (PLRRM) 2025 were at different stages: 91,42% works in progress, 5,42 works in the procurement phase, 2,99% works in the design phase and 0,18% completed works.

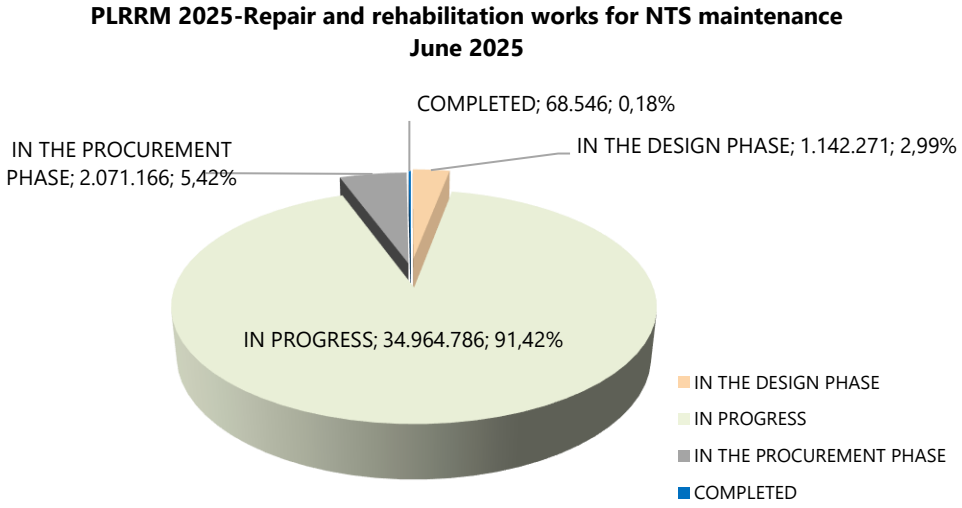


Chart 30 - PLRRM 2025 - Repair and rehabilitation works for NTS maintenance - June 2025

Repair and rehabilitation works on main pipelines

Repair and rehabilitation works on main pipelines, amounting to lei 29.947.222,91, represent 78,30% of the allocated budget.

On 30.06.2025, these works were at various stages of completion, as follows: 89,57% in progress, 6,92% in the procurement phase, and 3,51% in the design phase.

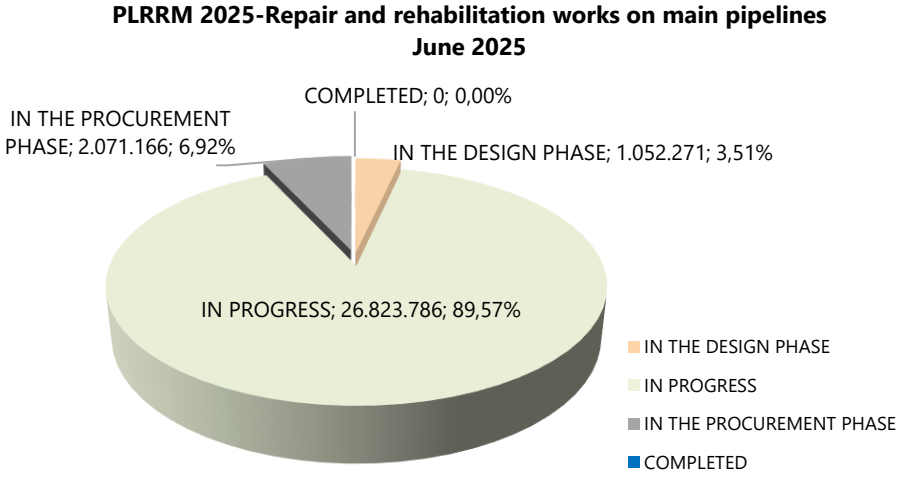


Chart 31- PLRRM 2025 - Repair and rehabilitation works on main pipelines - June 2025

The main repair and rehabilitation works for NTS maintenance in progress at the end of Half I 2025 are as follows:

- repair works on pipeline insulation in fixed stations;
- preparation of DN 700 Seleuș Cristur Bățani gas transmission pipeline and trasformation into a piggable pipeline - phase 2B (Harghita county);
- preparation of DN500 Munteni - Bârlad pipeline for trasformation into a piggable pipeline
- repair of DN 500 Mașloc-Caransebeș pipeline, following smart pig inspection;
- repair of DN500 Drăgășani - Căldăraru pipeline, following smart pig inspection.

The main repair and rehabilitation works for NTS maintenance in the procurement phase at the end of Half I 2025 are as follows:

- preparation of the DN508 Sărmășel - Ceanu Mare Cluj I pipeline for transformation into a piggable pipeline - Stage I;
- preparation of the DN400 Micfalău - Sfântu Gheorghe pipeline for transformation into a piggable pipeline.

The main repair and rehabilitation works for NTS maintenance in the design phase at the end of Half I 2025 are as follow:

- rehabilitation of DN 700 Bucharest Ring pipeline. Preparation for trasformation into a piggable pipeline, Linde Gaz-Moara Domnească section;
- repair of DN1200 Isaccea - Negru Vodă, Transit 2, pipeline following smart pig inspection;
- repair of DN 800 Șendreni – Butimanu pipeline following smart pig inspection.

Preventive works are the works preparing the pipelines for diagnosis, followed by targeted rehabilitation works designed on the basis of diagnosis to restore nominal gas transmission capacity. Preparing pipelines for the cleaning and diagnostic equipment is achieved by replacing or reconsidering components that do not allow running of such equipment.

The technological activity of internal pipeline cleaning has also the aim of maintaining the pipeline at its original gas transmission capacity by periodically removing impurities (solid and liquid).

All these activities are oriented towards achieving maintenance based on the principle of operational risk assessment.

As described above, an important category of the **repair works is that based on diagnosis**, resulting from the interpretation and evaluation of the reports obtained by analysing the information provided by running intelligent pigs, which resulted in spot or area repair projects carried out using welding or seamless technologies.

With regard to the efficiency and effectiveness of the process of carrying out the repair and rehabilitation works on main pipelines, the main external factors with a negative impact were as follows:

- late delivery of the materials (pipes and valves) needed to carry out the work in the current economic and political context;
- lack or expiry of the necessary permits; lack of landowner agreements.

In order to resolve the obstacles to the completion of repair and rehabilitation works, the following measures were adopted:

- documentation for obtaining permits/authorisations was re-drafted and submitted to the competent authorities;
- in some more difficult areas, in terms of obtaining agreements from landowners or at the request of local administrations, it was taken the decision to re-design the pipeline route and the technical solutions for construction;
- the priority works were achieved inhouse (Mediaș Subsidiary and regional offices).

4.4 The procurement activity

The **Annual Sectoral Procurement Plan** (PAAS) includes all contracts that the company is to award during a year, following the conduct of procurement procedures, direct procurement and framework agreements based on which subsequent contracts are awarded, in accordance with the provisions of Law 99/2016 on sectoral procurement, as amended.

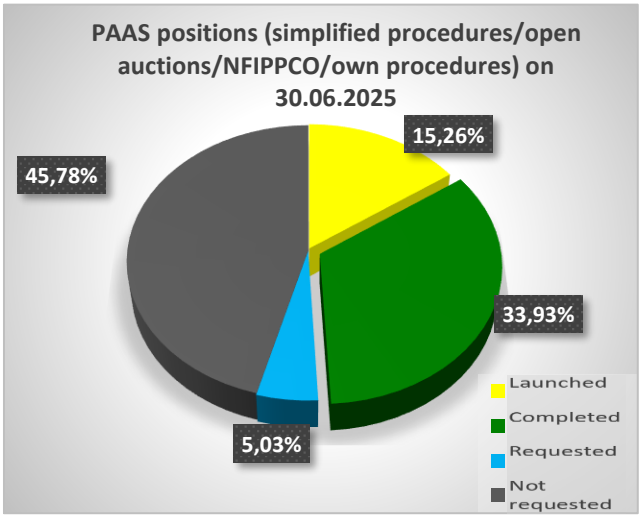
The Annual Sectoral Procurement Plan for 2025 (PAAS 2025) had an assigned value of **lei 2.519.630.812,29.**

The situation of the implementation of procurement procedures is briefly presented in the following table:

Procedure master-table (actual)		
Total positions as at 30.06.2025,of which:	**616**	% achievement of PAAS (procedure section)
- started	94	15,26%
- achieved	209	33,93%
- unstarted	31	5,03%
- not requested	282	45,78%

The statement of the actual achievement of procurement procedures:

SIMPLIFIED PROCEDURES/OPEN BIDS/ NFIPPCO/OWN PROCEDURES



DIRECT PROCUREMENTS

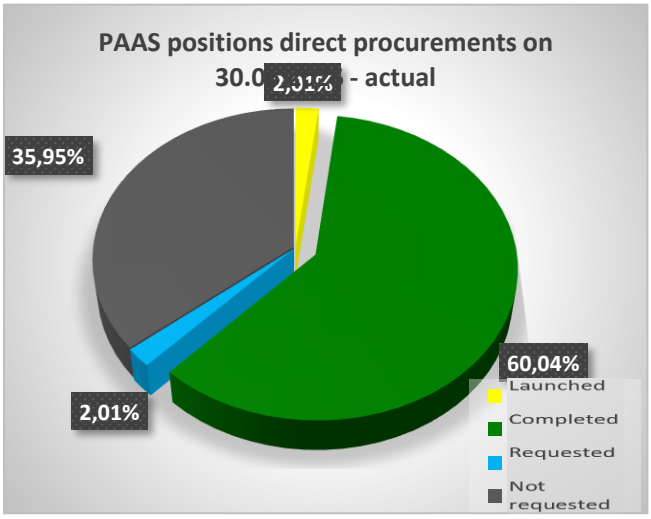


Chart 32 – Actual status of procurement procedures on 30 June 2025

4.5 The legal assistance and representation activity

The activity of legal assistance and representation of SNTGN Transgaz SA before the courts and other bodies with jurisdictional activity aimed mainly at:

- ensuring legal assistance before courts of all levels of jurisdiction and other bodies with jurisdictional activity;
- initiating legal actions, establishing claims, filing statement of defence, preparing answers to statements of defence, examinations, setting objectives of expertise and / or objecting to judicial expertises approved by the court, administration of evidence, etc.
- promoting remedies at law;
- enforcement of the enforceable titles obtained;
- assistance and legal representation of Transgaz within the enforcement procedure (formulation of enforcement requests and any other steps specific to the enforcement procedure);
- preparation of various reports/evidence on the state of litigation to which the company is a party;
- participation in commissions set up to evaluate tenders submitted under the sectoral procurement procedures;
- participation in various working groups/committees in order to support normative acts promoted by various public institutions with an impact on Transgaz's activity.

According to case registry records, until 30.06.2025 there were a total of **55 cases** in which SNTGN Transgaz SA was plaintiff and defendant as follows:

- **41 cases** as plaintiff;
- **14 cases** as defendant.

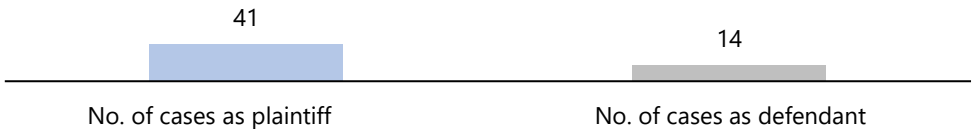


Chart 33 - Structure and number of cases in which the company was involved in Half I 2025

Solutions:

- **22 favourable decision cases** SNTGN Transgaz SA;
- **6 unfavourable decision cases** SNTGN Transgaz SA.

4.6. International cooperation activity

In Half I 2025, the international cooperation activity was mainly focused on:

- cooperation with Natural Gas Transmission Operators from neighboring countries (Bulgaria, Hungary, Ukraine, Moldova, Serbia) in order to jointly establish and operate cross-border interconnections;
- collaboration with European and neighbouring Transmission System Operators within the Trans-Balkan Corridor Project;
- cooperation with European and neighbouring Transmission System Operators within the Vertical Gas Corridor Project (Transgaz, DESFA Greece, ICGB, Bulgartransgaz Bulgaria, FGSZ

Hungary, Eustream Slovacia, Gastrade Grecia, GTSOU Ukraine, Vestmoldtransgaz The Rpublic of Moldova);

- cooperation with national and international bodies, the European Commission and other institutional relations;
- working with Regional Gas Transmission Operators to develop new partnerships with relevance to the energy sector and conclude cooperation agreements or memoranda.

In order to expand its activity, **TRANSGAZ is considering the development of new partnerships with various international companies relevant to the energy sector** and, in this regard, is actively discussing the signing of cooperation agreements.

Over the years, SNTGN Transgaz SA has initiated contacts with natural gas transmission operators in the European Union and beyond, with the aim of developing partnerships for exchanging experiences and analyzing the potential of bilateral cooperation for the promotion of possible joint projects (Gaz-System Poland, ICGB - the company managing the Greece-Bulgaria Interconnection project, Botaș-Turkey, GasConnect Austria, CEGH Austria, FGSZ - Hungary, SOCAR - Azerbaijan, EGAS Egypt, Energy Community Secretariat (SEEGAS initiative), etc.).

In Half I 2025, correspondence was exchanged with the neighbouring transmission system operators, the European Commission and the network users who concluded transmission contracts and contracts for balancing and access to the VTP with the company or who expressed interest in developing a cooperation relationship with Transgaz.

With the support of the European Investment Bank (EIB), SNTGN Transgaz SA developed a Climate and Decarbonization Strategy for a phased transition to climate-neutral operations and enhanced resilience to climate change, taking into account best practices and national and international climate change policies and regulations.

The project was developed in the context of the European Investment Advisory Hub (EIAH) and benefited from the technical support of RINA Consulting. The overall objective of the strategy is twofold, referring to decarbonization and climate issues.

4.7. Internal audit

According to the approved Audit Plan for 2025, by BoA Resolution 44/19.12.2024, in Half I 2025 7 internal audit assignments were planned to be carried out and one assignment to be initiated.

The situation of the assignments as at 30.06.2025 is as follows:

Internal audit assignment	Planned assignment	Ad-hoc assignment	Status
Assessment of the activity of the Topography Department	x		Completed (Report approved by the Director - General and approved by BoA Resolution 11/28.04.2025).
Assessment of the procurement activity	x		Completed (Report approved by the Director - General and approved by BoA Resolution 11/28.04.2025).
Assessment of the debt recovery activity, representative office support, and special projects	x		Completed (Report approved by the Director - General and approved by BoA Resolution 11/28.04.2025).
Assessment of the activity of the NTS Works and Technological Consumption Records Office	x		Completed (Report approved by the Director - General and approved by BoA Resolution 11/28.04.2025).
Assessment of the activity of the European Funds Unit	x		Completed (Report approved by the Director - General and approved by BoA Resolution 11/28.04.2025).
Assessment of the cathodic protection activity	x		On 30.06.2025, the assignment was in the reporting phase.
Assessment of the corruption prevention system, 2025	x		On 30.06.2025, the assignment was in the reporting phase.
Assessment of the activity of the National Gas Dispatching Centre	x		On 30.06.2025, the assignment was in the audit assignment preparation phase.

The audit reports prepared following the verifications carried out and endorsed by the Director-General were sent to the Audit Committee.

A permanent concern of the internal audit structure is to monitor the implementation of the recommendations made in the audit reports and to increase the efficiency of their implementation, as well as compliance with the implementation deadlines set in the action plan.

4.8. Investor relations

SNTGN TRANSGAZ SA set up a specialized organizational structure to manage the capital market activity, namely - *Investor Relations and Sustainability Department* - structure whose activity is dedicated to the relationship with investors and shareholders.

The personnel of the department is permanently formed, instructed, professionally trained on the aspects concerning the company's relationship with its shareholders, the principles of corporate governance, management, relation with the clients.

The Company makes regular and continuous reporting of material events, including but not limited to financial condition, performance, ownership and management, both in the media and on its website (www.transgaz.ro).

In accordance with the provisions of the legal regulations on the capital market, in January 2025 the company prepared and published the *Financial Communication Calendar for 2025,* which informs the public about the dates of the general meetings of shareholders for the approval of the financial statements for the previous year and the publication of the annual report, the dates of publication of quarterly and half-yearly reports, the dates of meetings with financial analysts, investment advisors, brokers, SSIFs for the presentation of financial results.

TRANSGAZ prepares and discloses relevant periodic and ongoing information in accordance with the International Financing Reporting Standards (IFRS), the European Electronic Single Electronic Reporting Format (ESEF) and other reporting standards, respectively Environmental, Social and Governance (ESRS - European Sustainability Reporting Standards). These are published on BVB, ASF and Transgaz websites in both Romanian and English.

The company organizes meetings with financial analysts, brokers, market specialists as well as investors, on the occasion of the dissemination of the financial statements, on which occasion it publishes materials relevant to the investment decision.

In order to inform investors transparently, SNTGN Transgaz SA carried out the following activities in Half I 2025:

- call- conference organized with financial analysts and investors to present the preliminary financial results for 2024 – on 4 March 2025;
- call-conference organized with financial analysts and investors for the presentation of the interim financial results for Q1 2025 - 21 May 2025;
- responding to requests for information from financial analysts and investors.

The company also created a special section on its website called *Investor Relations*, where relevant information of the company is published in Romanian and English with regard to the procedures for access and participation in the General Meeting of Shareholders (GMS), GMS summons, supplementations to the GMS agenda, BoA's answers to shareholders' questions, exercise of voting rights at the GMS, GMS agenda materials, special and general proxy forms, current reports, company financial statements, financial calendar, corporate governance, dividend distribution, ratings, transaction notifications, etc. They are constantly updated and accessible, thus contributing to transparent and fair information for all stakeholders.

4.9. The tariff setting methodology

By Order 68/30 May 2023, ANRE approved the corrected regulated revenue of 1.647.348 thousand lei and revised the transmission tariffs for 01.10.2023 – 30.09.2024.

Starting with 1 October 2024, the natural gas transmission tariffs approved by Order no. 17/29 May 2024 of the ANRE President have been applicable. The approved regulated revenue related to the

gas transmission activity of the last year of the fourth regulatory period - 1 October 2024 – 30 September 2025 is lei 2.005.007 thousand.

The adjusted regulated revenue and the corresponding transmission tariffs related to the first year of the fifth regulatory period 1 October 2025 -2026 were substantiated and approved based on the provisions of the methodology for establishing regulated tariffs for natural gas transmission services approved by ANRE Order no. 7 of 12 March 2025.

By Order no. 22 of 5 June 2025, ANRE approved the natural gas transmission tariffs for 01.10.2025 - 30.09.2026 and an adjusted regulated revenue in the amount of lei 2.301.699 thousand.

4.10 Consolidated financial results (consolidated factorial analysis of the activity)

Indicators of consolidated economic and financial results (SNTGN Transgaz SA, Eurotransgaz SRL, Vestmoldtransgaz SRL)

Consolidated companies in Transgaz's Group:

		Shareholding (%)
SNTGN Transgaz SA	Parent company	
Eurotransgaz SRL	Company owned by SNTGN Transgaz SA	100%
Vestmoldtransgaz SRL	Company owned by Eurotransgaz SRL and EBRD	75% 25%
Petrostar SA	Company held by SNTGN Transgaz SA Other shareholders	51% 49%

(thousand lei)

Indicator	Consolidated statements Half I 2025	Transgaz separate statements	ETG, VMTG, adjustments	Petrostar
0	1=2+3+4	2	3	4
Revenue from the domestic transmission activity	1.343.575	1.343.575	0	0
Revenue from the transmission activity Republic of Moldova	147.111	0	147.111	0
Other revenue	82.792	78.227	4.537	27
Operating revenue before the balancing and construction activity according to IFRIC12	**1.573.478**	**1.421.802**	**151.649**	**27**
Depreciation	272.238	246.318	25.880	40
Employees costs	343.425	337.141	5.483	800
Technological consumption, materials and consumables used	61.788	61.780	0	8

Indicator	Consolidated statements Half I 2025	Transgaz separate statements	ETG, VMTG, adjustments	Petrostar
0	1=2+3+4	2	3	4
Cost of royalty	154.511	154.511	0	0
Maintenance and transport	57.639	26.199	31.429	11
Taxes and duties due to the state	61.661	61.278	378	5
Revenue/ (Costs) of provisions for risks and charges	-20.463	-20.724	274	-13
Loss/(gain) from impairment of receivables	6.626	6.626	0	0
Other operating cost	80.182	75.590	4.506	87
Operational profit before the balancing and the construction activity according to IFRIC12	**555.869**	**473.082**	**83.698**	**-912**
Revenue from the balancing activity	233.935	231.869	2.067	0
Cost of balancing gas	233.935	231.869	2.067	0
Revenue from the construction activity according to IFRIC12	451.112	451.112	0	0
Cost of constructed assets according to IFRIC12	451.112	451.112	0	0
Operational profit	**555.869**	**473.082**	**83.698**	**-912**
Interest revenue	44.194	43.664	530	0
Financial revenue	90.000	87.065	2.930	4
Financial cost	84.167	66.656	17.511	0
Financial revenue, net	**50.027**	**64.073**	**-14.051**	**4**
Profit before tax	**605.896**	**537.156**	**69.648**	**-908**
Profit tax expense	86.927	77.275	9.652	0
Net profit for the period	**518.969**	**459.880**	**59.996**	**-908**
Attributable to the parent company	**503.574**		**503.574**	
Attributable to the non-controlling interests	**15.394**			
Exchange rate differences	454		454	
Actuarial gain/loss for the period	1.816	1.816	0	
Total comprehensive income for the period	**521.239**	**461.696**	**60.450**	**-908**

Table 20 - Indicators of consolidated economic and financial results (SNTGN Transgaz SA, Eurotransgaz SRL, Vestmoldtransgaz SRL)

Consolidated achievements Half I 2025 compared to consolidated achievements Half I 2024

The main consolidated economic and financial indicators achieved as at 30 June 2025, compared to those achieved in the same period of 2024, are presented in the table below:

(thousand lei)

No.	Name	Achieved Half I 2025	Achieved Half I 2024	Changes
0	1	2	3	4=2/3x100-100
1.	Operating revenue before the balancing and construction activity, according to IFRIC12	1.573.478	1.094.849	144%
2.	Revenue from the balancing activity	233.935	114.784	204%
3.	Revenue from the construction activity according to IFRIC12	451.112	675.817	67%
4.	Financial revenue	134.194	110.283	122%
5.	Operating costs before the balancing and construction activity, according to IFRIC12	1.017.609	915.101	111%
6.	Costs of balancing activity	233.935	114.784	204%
7.	Cost of constructed assets according to IFRIC12	451.112	675.817	67%
8.	Financial costs	84.167	67.041	126%
9.	**GROSS RESULT**, of which:	**605.896**	**222.990**	**272%**
	• from operation	555.869	179.748	309%
	• from the financial activity	50.027	43.242	116%
10.	**Income tax**	**86.927**	**39.132**	**222%**
11.	**NET PROFIT**	**518.969**	**183.858**	**282%**
12.	**Exchange rate difference**	**454**	**2.427**	**19%**
13.	**Actuarial gain/loss for the period**	**1.816**	**2.057**	**88%**
14.	**Total comprehensive result of the period**	**521.239**	**188.342**	**277%**

Table 21 – Consolidated financial results in Half I 2025 compared to Half I 2024

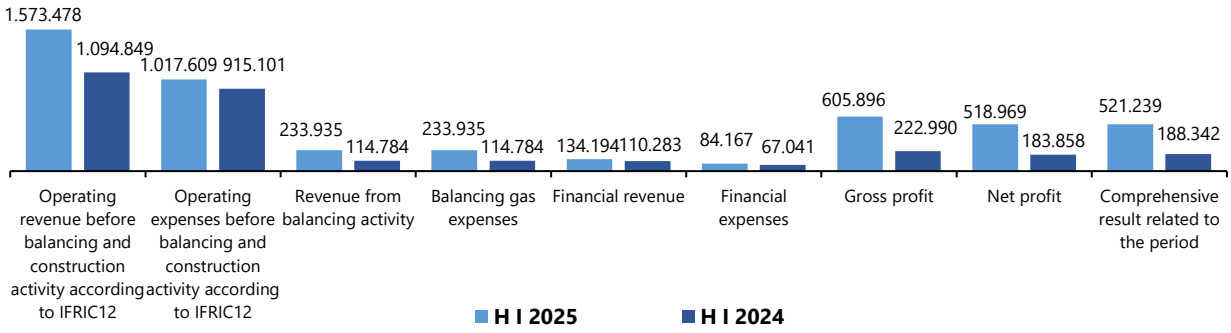


Chart 34 - Consolidated financial results in Half I 2025 compared to Half I 2024 (thousand lei)

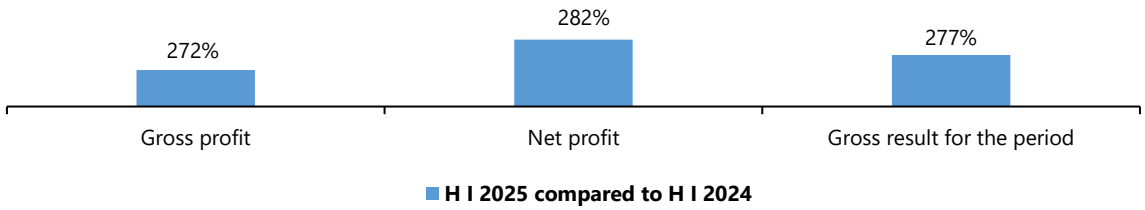


Chart 35 - Consolidated financial results in Half I 2025 compared to Half I 2024 (%)

The variation of the consolidated economic-financial indicators at 30 June 2025, compared to the indicators obtained in the similar period of 2024 is mainly determined by the variation of the individual economic-financial indicators recorded by SNTGN Transgaz SA on 30 June 2025 compared to the indicators obtained in the similar period of 2024.

The main impact of the subsidiaries in the consolidated result is determined by the evolution of the MDL (Moldovan Leu) exchange rate compared to the EUR currency in which the source of financing of the investment project carried out by the subsidiary was partially drawn and compared to the reporting currency of the consolidated financial statements (RON).

In Half I 2025 Vestmoldtransgaz SRL of the Republic of Moldova provided natural gas delivery services amounting to lei 147.111 thousand.

4.11. Separate financial results (factorial analysis of the individual activity)

Achievements Half I 2025 compared to achievements Half I 2024

The financial results achieved in Half I 2025 reached the level of the achievements of Half I 2024 and have recorded, compared to this level, variations as presented in the table below:

(thousand lei)

Name	Achieved Half I 2025	Achieved Half I 2024	Changes
0	1	2	3=1/2x100-100
Operating revenue before the balancing and construction activity, according to IFRIC12	1.421.802	1.016.130	140%
Revenue from the balancing activity	231.869	114.784	202%
Revenue from the construction activity according to IFRIC12	451.112	675.817	67%
Financial revenue	130.729	102.995	127%
Operating costs before the balancing and construction activity, according to IFRIC12	948.720	848.582	112%
Costs of balancing gas	231.869	114.784	202%
Cost of assets according to IFRIC12	451.112	675.817	67%
Financial costs	66.656	48.633	137%

Name	Achieved Half I 2025	Achieved Half I 2024	Changes
0	1	2	3=1/2x100-100
GROSS PROFIT -total, of which:	**537.156**	**221.910**	**242%**
· from operation	473.082	167.548	282%
· from the financial activity	64.073	54.363	118%
Profit tax	77.275	36.562	211%
NET PROFIT	**459.880**	**185.349**	**248%**

Table 22 - Separate financial results in H I 2025 compared to H I 2024

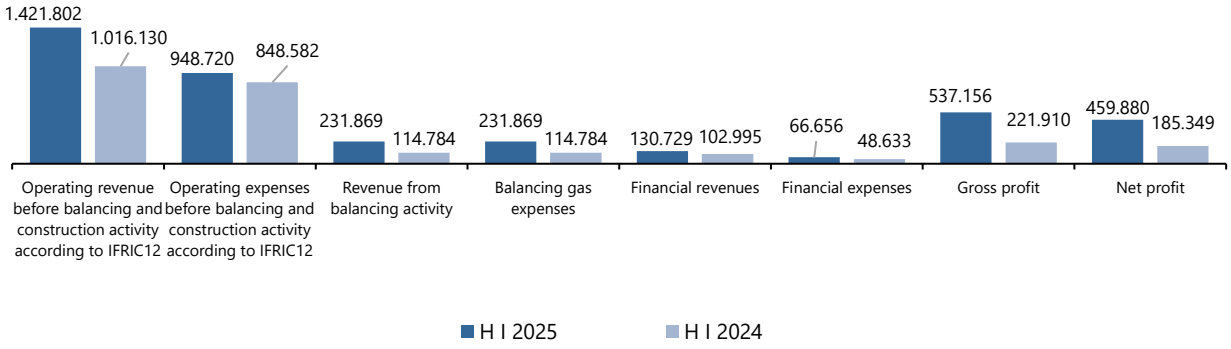


Chart 36 Separate financial results in H I 2025 compared to H I 2024 (thousand lei)

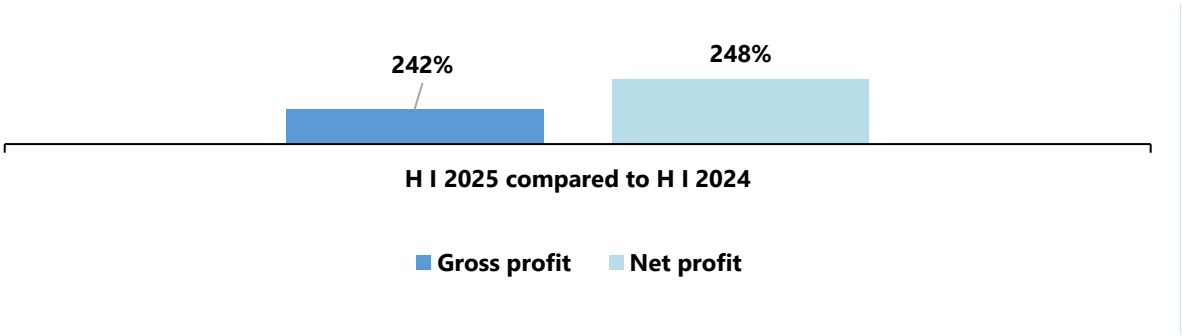


Chart 37 - Individual financial results in H I 2025 compared to H I 2024 (%)

Operating revenue before the balancing and construction activity, according to IFRIC12 increased by **140%** compared to the revenue achieved as at 30 June 2024, which is higher by lei 405.672 thousand.

Starting with 1 October 2023, the natural gas transmission tariffs approved by Order No. 68 of 30.05.2023 of the ANRE President have been applied. The approved regulated revenue for natural gas transmission for 1 October 2023 – 30 September 2024 is 1.647.347.820 lei.

Starting with 1 October 2024, the natural gas transmission tariffs approved by the Order no 17 of 29.05.2024 of the ANRE President have been applied. The approved regulated revenue for natural gas transmission for 1 October 2024 - 30 September 2025 is lei 2.005.006.850.

The revenue was influenced mainly by the following factors:

- *revenue from capacity booking* higher by ***lei 364.805 thousand*** due to:
  - *capacity booking tariff* higher by 1,545 lei/MWh, with a positive influence of lei 285.612 thousand;
  - *booked capacity* higher by 7.591.748 MWh, with a positive influence of lei 31.584 thousand;
  - *capacity overrun revenue* higher by lei 40.900 thousand. Capacity overrun revenue as at 30 June 2024 amounted to lei 63.591 thousand, and as at 30 June 2025 to lei 104.491 thousand;
  - *revenue from the auction premium* higher by lei 6.709 thousand following the capacity booking auctions conducted according to the CAM-NC at interconnection points; revenue from the auction premium as at 30 June 2024 amounted to lei 27.994 thousand, and as at 30 June 2025 to lei 34.703 thousand.
- *commodity revenue* higher by ***lei 36.663 thousand*** due to:
  - *the commodity transmission tariff* higher by lei 0,30 lei/MWh, with a positive influence of lei 23.297 thousand;
  - *the gas transmitted quantities* higher by 8.199.771 MWh as compared to Half I 2024, with a positive influence of lei 13.366 thousand, detailed by categories of consumers as follows:

		Half I 2025	Half I 2024	Differences
Quantity transmitted for direct consumers	MWh	35.243.848	31.953.073	3.290.775
	thousand cm	3.214.197	2.965.517	248.680
Quantity transmitted for distribution	MWh	42.413.150	37.504.154	4.908.996
	thousand cm	3.966.819	3.507.416	459.403
Total	MWh	77.656.998	69.457.227	8.199.771
	thousand cm	7.181.016	6.472.933	708.083

- *Other operating revenues* higher by **lei 4.204 thousand**.

The revenue from the balancing activity was higher by **lei 117.084 thousand** based on the following factors:

- trading price higher by 94,04 lei /MWh, with a positive influence of lei 87.737 thousand;
- quantity higher by 189.962 MWh with a positive influence of lei 29.348 thousand;

The revenue from the construction activity lower by **lei 224.706 thousand**, registered in line with IFRIC 12, according to which revenue and costs related to the construction activity or the improvement of the transmission network, in exchange of which the intangible asset is registered, must be acknowledged in line with IAS 11, Construction Contracts;

The financial revenue has a positive influence of **lei 27.734 thousand**.

Operating costs before the balancing and construction activity according to IFRIC12 increased by **112%** as compared to 30 June 2024, which is higher by **lei 100.138 thousand**.

The company made savings of lei 51.448 thousand to the following cost elements:

- expenses related to provisions for risks and expenses: lei 30.906 thousand;
- loss/gain from the impairment of receivables: lei 20.542 thousand.

Overruns of lei 151.586 thousand were recorded at the following cost elements:

- natural gas consumption related to the transmission system lei 837 thousand, due to the following factors:
  - the quantity of natural gas intended for NTS gas consumption lower compared to 30 June 2024 by 28.456 MWh, with a positive influence of lei 6.034 thousand;
  - the average purchase price achieved was higher than that achieved on 30 June 2024 by 24.87 lei/MWh, with a negative impact of lei 6.871 thousand.

  According to Government Emergency Ordinance No. 119/1 September 2022 amending Government Emergency Ordinance No. 27/2022, the natural gas transmission service provider is required to capitalise on a quarterly basis the additional costs incurred for the purchase of natural gas between 1 January 2022 and 31 March 2025 in order to cover technological consumption, compared to the costs included in the regulated tariffs. On 31 March 2025, the Company capitalised the amount of lei 20.548 thousand.

- other operating expenses: lei 14.306 thousand, mainly due to adjustments related to the depreciation of current assets.
- maintenance and transport expenses: lei 11.032 thousand;
- personnel costs: lei 40.390 thousand;
- royalty costs: lei 46.169 thousand;
- depreciation costs: lei 15.324 thousand accounted by the completion and commissioning of investment projects;
- auxiliary material costs: lei 2.488 thousand;
- tax and duties costs: lei 21.040 thousand.

The financial costs increased by **lei 18.023 thousand**.

Compared to the achievements as at 30 June 2024 the gross profit achieved as at 30 June 2025 increased by 242%, i.e. by lei 315.245 thousand, and the net profit recorded an increase of 248% i.e. by lei 274.532 thousand.

Achievements H I 2025 compared to the REB H I 2025

The main economic and financial indicators realized in Half I 2025, compared to the revenue and expense budget approved by OGMS Resolution 4 of 09 April 2025:

(thousand lei)

Indicator	REB Half I 2025	Achieved Half I 2025	Dynamics %
0	1	2	3=2/1x100
Operating revenue before the balancing and construction activity, according to IFRIC12	1.337.301	1.421.802	106%
Revenue from the balancing activity	166.078	231.869	140%
Revenue from the construction activity, according to IFRIC12	1.269.773	451.112	36%
Financial revenue	117.967	130.729	111%

Indicator	REB Half I 2025	Achieved Half I 2025	Dynamics %
0	1	2	3=2/1x100
Operating costs before the balancing and construction activity, according to IFRIC12	1.133.651	948.720	84%
Costs with balancing gas	166.078	231.869	140%
Cost of assets according to IFRIC12	1.269.773	451.112	36%
Financial costs	52.058	66.656	128%
GROSS PROFIT - total, of which:	**269.558**	**537.156**	**199%**
• from operations	203.649	473.082	232%
• from the financial activity	65.909	64.073	97%
Income tax	**35.459**	**77.275**	**218%**
NET PROFIT	**234.099**	**459.880**	**196%**

Table 23 - Individual financial results in Half I 2025 compared to the Budget for Half I 2025

Operating revenue before the balancing and construction activity according to IFRIC12 increased by ***lei 84.501 thousand*** as compared to the REB.

The revenue was influenced by the following:

- Gas transmission services increased by **lei 129.370 thousand** due to:
  - *capacities booked* higher by 21.267.442 MWh with a positive influence of **lei 130.131 thousand**;
  - *average capacity booking tariff, determined by the structure of the booked products*, higher by 0,046 lei/MWh, with a positive influence of **lei 8.901 thousand;**
  - *the gas transmitted quantity* lower than planned by 5.006.416 MWh with a negative influence of **lei 9.662 thousand**;

- Other operating revenue decreased by **lei 44.869 thousand** as compared to the REB; the financial statements of Transgaz do not present the value of revenue from the production of tangible assets or the amount of the relevant expenses according to Order 2.844/2016 on the approval of the Accounting Regulations in accordance with International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market.

Revenue from the balancing activity increased by **lei 65.791 thousand** based on the following:

- trading price higher by 25,01 lei /MWh, with a positive influence of lei 23.328 thousand;
- quantity higher by 189.962 MWh with a positive influence of lei 42.462 thousand;

Financial revenue increased by ***lei 12.762 thousand*** as compared to the REB mainly due to the adjustment with the inflation rate recorded on 30 June 2025 in the amount of 3.08% of the fixed assets entered in the regulated asset base.

Operating costs before the balancing and construction activity according to IFRIC12 are lower by **lei 184.932 thousand** as compared to the REB.

Savings amounting to lei 216.963 thousand were recorded mainly the following cost elements:

- employee costs: lei 29.388 thousand;
- gas consumption in the transmission system lei 41.075 thousand;
- auxiliary materials and other material costs: lei 38.054 thousand;
- cost of maintenance and transport: lei 25.278 thousand;
- cost of taxes and duties: lei 26.821 thousand;
- depreciation costs: lei 22.154 thousand
- other operating costs: lei 26.944 thousand.
- cost of provision for risk and expenses: lei 7.249 thousand.

Overruns of **lei 32.033 thousand** was recorded in relation to the following cost elements:

- NTS concession royalty costs: lei 14.878 thousand;
- Loss/gain from the impairment of current assets: lei 17.155 thousand.

The financial cost is higher by **lei 14.597 thousand** than as provided for in the REB mainly due to currency translation differences (lei 7.898 thousand) and the recording of the effect of the revaluation of the provision for employee benefits (lei 11.156 thousand)..

The gross profit increased by lei 267.598 thousand as compared to the REB.

	Achieved Half I 2025 compared to Achieved H I 2024	Achieved Half I 2025 compared to REB H I 2025
Operating revenue before the balancing and construction activity, according to IFRIC12	140%	106%
Operating costs before the balancing and construction activity, according to IFRIC12	112%	84%
Gross result	242%	199%
Income tax	211%	218%
Net profit	248%	196%

Table 24 – H I 2025 achievements compared to H I 2024 achievements and H I 2025 achievements compared to REB (%)

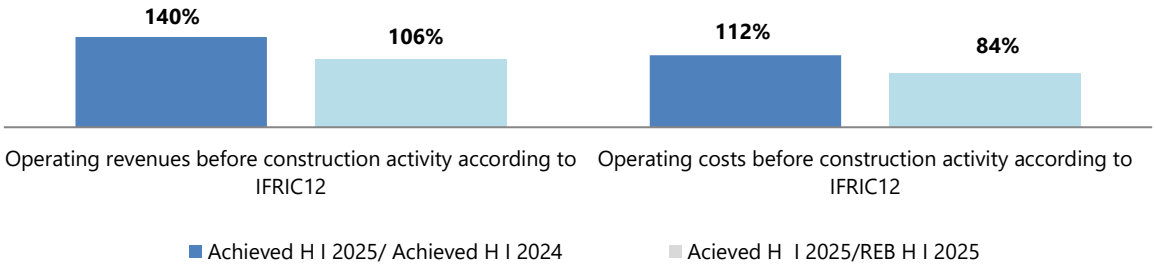


Chart 38 – Individual achievements Half I 2025 compared to individual achievements Half I 2025 and Individual Achievements Half I 2025 compared to REB Half I 2025

Individual achievements H I compared to the Management Plan 2025

The key financial performance indicators were substantiated on the basis of data from the company's Revenue and Expense Budget approved by Resolution 1/2024 of the General Meeting of the Shareholders.

The level of financial performance indicators achieved compared to those set out in the Management Plan is presented in the table below:

(thousand lei)

No.	Performance criteria	Management plan 2021 - 2025	Achieved Half I 2025	Percentage	Difference
1.	Outstanding payments-thousand lei	0	0	100%	0
2.	Operating expenses (less depreciation, balancing, construction activity and provisions for impairment of assets and for risks and expenses)-thousand lei	1.782.027	699.343	255%	-1.082.684
3.	Acid test ratio	1	0,98	98%	-0,02
4.	Net leverage	5	3,96	126%	-1,04
5.	EBITDA-thousand lei	867.934	719.401	83%	-148.533

Table 25 – Individual achievements in H I 2025 compared to the Management Plan 2025

5. CONSOLIDATED ECONOMIC AND FINANCIAL STATEMENT

5.1 Consolidated financial position

According to Article 1 of Order 881/25 June 2012 of the Ministry of Public Finance on the application of the International Financial Reporting Standards by companies having securities admitted to trading on a regulated market, starting with financial year 2012, the companies having securities admitted to trading on a regulated market are obliged to apply the International Financial Reporting Standards (IFRS) upon preparation of the annual financial statements.

The statement of the consolidated financial position as at 30.06.2025 as compared to 31.12.2024 is as follows:

Indicator	30.06.2025	31.12.2024	Dynamics
	Thousand lei	Thousand lei	(%)
0	**1**	**2**	**3=1/2**
Tangible Assets	680.972	710.016	96%
Rigth of use assets	135.309	156.239	87%
Intangible assets	5.350.678	5.117.108	105%
Financial assets	488	0	-
Goodwill	10.138	10.150	100%

Other receivables	2.796.292	2.648.908	106%
Long-term financial investments	30.876	0	-
Deferred tax	87.999	81.112	108%
Restricted cash	2.404	2.301	104%
Current assets	**9.095.156**	**8.725.834**	104%
Inventories	641.675	514.143	125%
Trade receivables	229.182	366.871	62%
Income tax receivables	25.540	15.184	168%
Other receivables	112.497	83.025	135%
Short-term financial investments	77.190	0	-
Cash and cash equivalent	737.603	1.064.299	69%
Other current assets	25	0	-
Current assets	**1.823.712**	**2.043.522**	**89%**
TOTAL ASSETS	**10.918.867**	**10.769.356**	**101%**
Debts to be paid over a one-year period	1.785.895	1.562.530	114%
Debts to be paid in more than a one year period	4.418.559	4.817.275	92%
Total liabilities	**6.204.454**	**6.379.805**	**97%**
Equity attribuable to shareholders	**4.714.413**	**4.389.552**	**107%**
Non-controlling interests	129.960	107.136	121%
Equity	**4.584.453**	**4.282.416**	**107%**
Share capital	1.883.815	1.883.815	100%
Equity adjustments to hyperinflation	441.418	441.418	100%
Share premium	247.479	247.479	100%
Other reserves	1.265.797	1.265.797	100%
Retained earnings	736.240	433.984	170%
Foreign currency translation from consolidation	9.704	9.923	98%
Total equity and liabilities	**10.918.867**	**10.769.357**	**101%**

Table 26 - Statement of consolidated financial position in H I 2025 compared to 2024

Tangible assets

Tangible assets include auxiliary buildings of operating assets, office buildings, land, assets used for the transit activity, as well as objectives related to the national transmission system taken over free of charge.

Tangible assets **decreased by lei 29.045 thousand** as compared to the value as at 31.12.2024, mainly due to the fact that the tangible assets entries were exceeded by the depreciation cost for tangible assets.

Rights of use of leased assets

As at 1 January 2019 the company applies IFRS 16 for lease contracts complying with the recognition criteria and recognized as intangible asset right of use related to the lease contracts.

The rights of use of leased assets decreased by lei 20.930 thousand as compared to 31 December 2024 due to the fact that the entry value of the contracts for leased goods was lower than the depreciation expense.

Intangible assets

IT Programmes

The purchased licenses related to the rights to use the IT programmes are capitalized on based on the costs incurred with the procurement and commissioning of the respective IT programmes. Such costs are depreciated over their estimated useful life (three years). Costs related to the development or maintenance of the IT programmes are recognized as costs during the period when they are registered.

Service concession agreement

From 2010, in accordance with the EU approval process, the parent company started to apply IFRIC 12, Service Concession Arrangements, adopted by the EU.

The scope of IFRIC 12 includes: the existing infrastructure at the time of signing the concession agreement and, also, modernization and improvement brought to the gas transmission system, which are transferred to the regulatory authority at the end of the concession agreement.

The parent company is entitled to charge the users of the public service and, consequently, an intangible asset was recognized for this right. As they occur, costs of replacements are recorded as expense, while the improvements of assets used within SCA are recognized at fair value. Intangible assets are amortized at zero value during the remaining period of the concession agreement.

Intangible assets increased by lei 502.070 thousand as compared with the value as at 31.12.2023, this increase being mainly due to the fact that the intangible assets entries exceeded the cost of depreciation of intangible assets.

Financial assets

Trade receivables and other receivables/Fixed assets

The receivables regarding the right to collect the regulated value remaining unamortized at the end of the concession agreement on 30 June 2025 increased by the amount of lei 147.384 thousand, receivables registered according to Law no 127/2014 of 5 October 2014, which states that in case of termination of the concession agreement for any reason, or upon termination, the investment of the national transmission system operator shall be transferred to the owner of the national transmission system or another concession provider on payment of a compensation equal to the regulated value remaining not amortized, established by ANRE.

The increase of lei 147.384 thousand compared to the value at 31 December 2024 is mainly due to the updating of the receivables with the changes recorded in the regulated asset base and the adjustment of the regulated value of the assets with the inflation rate as from 2019, as per ANRE Order 41/2019. Fixed assets recognised in the regulated asset base in a gas year are discounted with the rate of inflation from the following gas year.

Inventories

On 30 June 2025 inventories increased by lei 127.533 thousand compared to the value as at 31 December 2024, mainly due to the decreasing of the value of the natural gas procured within the balancing activity by lei 1.813 thousand, the decrease in the stock of natural gas purchased to cover the technological consumption by lei 25.510 thousand and the increase in the stock of materials held in custody by third parties by lei 160.123 thousand, the increase in the stock of raw materials and materials by lei 6.044 thousand and the increase in the adjustment for the impairment of stocks by lei 11.311 thousand.

Commercial receivables and other receivables

On 30 June 2025, the balance of the commercial receivables and other receivables **decreased by lei 108.217 thousand** as compared to 31 December 2024, mainly due to the following factors:

- decrease of the client receivables balance by lei 108.145 thousand mainly generated by the collection of the outstanding receivables resulted from the domestic transmission and balancing activity;
- increase of the adjustment of impairment of the trade receivables and of other receivables by lei 8.727 thousand;
- decrease of the claims against the state budget by lei 9.739 thousand;
- increase of the balance of other receivables by lei 18.394 thousand.

Cash at hand and in bank

On 30 June 2025 the company's cash decreased by lei 326.696 thousand as compared to the end of 2024. The cash in bank accounts in lei decreased by lei 332.314 thousand and the cash in bank accounts in currency decreased by lei 5.394 thousand.
Other cash equivalent register an increase by lei 11.012 thousand compared to 2024.

Debts to be paid over a one-year period

In the structure of debts to be paid over a one-year period, the following changes were recorded compared to 31 December 2024:

- decrease in the balance of the commercial debt by lei 181.163 thousand;
- increase in the balance of other debt by lei 188.326 thousand;
- decrease in the balance of debts related to contracts with clients by lei 55.600 thousand;
- decrease in the provision for risks and charges by lei 15.818 thousand;
- increase in the provision for employee benefit by lei 6.043 thousand;
- increase in the deferred revenue over the short term by lei 1.860 thousand;
- increase in short-term loans by lei 272.011 thousand;
- increase of current liabilities related to the rights of use of leased assets by lei 7.705 thousand.

Long-term debts

The evolution of long-term debts is due to the following aspects:

- decrease in long-term loans by lei 330.230 thousand;
- decrease in deferred revenue and of the subsidies by lei 54.397 thousand;
- increase in the provision for employee benefit by lei 5.216 thousand;
- decrease in the current debts related to the rights of use of the leased assets by lei 19.303 thousand.

Equity

There was no change in the subscribed and paid-up capital.

Retained earnings increased by lei 302.256 thousand due to the recording of the profit distribution for 2024 and the recording of the profit related to Half I 2025.

5.2 Consolidated comprehensive income

The situation of the profit and loss account – consolidated statement – in Half I 2025 compared to Half I 2024:

-thousand lei-

Specification	Achieved (thousand lei)		Dynamics (%)
	30.06.2025	30.06.2024	
1	2	3	4=2/3*100
TOTAL revenue of which:	**2.392.718**	**1.995.734**	**120%**
Operating revenue before the construction activity, according to IFRIC12 and balancing	1.573.478	1.094.849	144%
Revenue from the balancing activity	233.935	114.784	204%
Revenue from the construction activity according to IFRIC12	451.112	675.817	67%
Financial revenue	134.194	110.283	122%
TOTAL costs of which:	**1.786.823**	**1.772.744**	**101%**
Operating costs before the construction activity, according to IFRIC12, and balancing	1.017.609	915.101	111%
Cost of balancing	233.935	114.784	204%
Cost of constructed assets according to IFRIC12	451.112	675.817	67%
Financial costs	84.167	67.041	126%
GROSS PROFIT, of which:	605.896	222.990	272%
Result from operation	555.869	179.748	309%
Financial result	50.027	43.242	116%
PROFIT TAX	86.927	39.132	222%
NET PROFIT	**518.969**	**183.858**	**282%**
Attributable to the parent company	503.574	183.445	275%
Attributable to the non-controlling interests	15.394	413	3.727%
Number of shares	188.381.504	188.381.504	**100%**
Other comprehensive income			
Basic and diluted earnings per share (in lei per share)	2,75	0,98	
Actuarial (gain)/loss of the period	1.816	2.057	88%
Exchange rate differences	454	2.427	19%
Total comprehensive income for the period	**521.239**	**188.341**	**277%**
Attributable to the parent company	505.731	187.928	269%
Attributable to the non-controlling interests	15.508	413	3.755%

Table 27 - Consolidated profit and loss account in H I 2025 compared to H I 2024

5.3 Consolidated cash flow statement

The consolidated cash flow statement on 30 June 2025 is as follows:

-thousand lei-

Indicator	Financial year ended 30 June (thousand lei)	
	2025	2024
Profit before tax	**605.896**	**222.990**
Adjustments for:		
Depreciation	272.238	255.991
Gain/(loss) on transfer of non-current assets	96	89
Provisions for risks and expenses	-15.851	-14.932
Income from connection fees, grants and goods taken free of charge	-52.672	-52.558
Adjustment of the Receivable regarding the Concession Agreement	-83.062	-63.931
Sundry debtors and receivable loss	41	783
Impairment loss / (gain) on inventory	10.529	-366
Adjustments for the receivables impairment	6.626	21.708
Provisions for employee benefits	1.919	19.794
Effect of restatement of the provision for employee benefits	11.156	6.920
Interest income	-44.198	-37.077
Interest expenses	54.179	51.846
Other expenses and income	783	0
Bargain purchase gain	-2.669	0
Gain from remeasurement of non-controlling interest	-414	0
Effect of exchange rate fluctuation on other items than from operation	29.113	-622
Operating profit before the changes in working capital	793.711	410.635
Increase/(decrease) in trade and other receivables	81.966	82.448
Increase/(decrease) in inventories	21.556	19.105
Increase/(decrease) in trade payables and other debts	-113.284	58.002
Cash generated from operations	**783.949**	**570.190**
Income tax paid	-86.372	-46.922
Net cash generated from operating activities	**697.576**	**523.268**
Cash flow from investing activities		
Purchase of intangible assets	-720.310	-519.904
Purchase of property, plant and equipment	-5.544	-7.851
Receipt from the transfer of tangible assets	0	110
Interest received	8.421	7.466

Indicator	Financial year ended 30 June (thousand lei)	
	2025	2024
Payments for long-term financial investments	-30.876	0
Payments for short-term financial investments	-77.190	0
Net cash used in investment activities	**-825.499**	**-520.179**
Cash flow from financing activities		
Share capital increase	0	0
Repayment of long term borrowings	-74.132	-74.050
Repayment of borrowings for working capital	-26.117	-6.924
Proceeds from long term borrowings	0	497.670
IFRS 16 payments	-19.281	-25.197
Receipt of government grants	0	0
Receipt of connection fees	1.827	136.014
Interest paid	-80.854	-64.216
Dividends paid	-216	-175
Net cash used in financing activities	**-198.773**	**463.121**
Net amendment of cash and cash equivalent	**-326.696**	**466.211**
Cash and cash equivalent at the beginning of the year	**1.064.299**	**711.186**
Cash and cash equivalent at the end of the period	**737.603**	**1.177.397**

Table 28 - Consolidated cash flow statements in H I 2025 compared to H I 2024

The analysis of the cashflow in H I 2025 show a **decrease of liquid assets by lei 439.794 thousand** as compared to H I 2024.

The changes to the structure of the cash flow are:

- cash flow from operation is of lei 697.576 thousand, higher by lei 174.308 thousand than in H I 2024;
- cash flow from the investment activity is of lei 825.499 thousand, lower by lei 305.320 thousand than in H I 2024;
- cash flow used in the financing activity is of lei 198.773 thousand, lower by lei 661.894 thousand than in H I 2024.

5.4 Evaluation of the activity related to the financial risk management

Financial risk factors

By the nature of the activities performed, the company is exposed to various risks, which include: market risk (including currency risk, interest rate risk on fair value, interest rate risk on cash flow and price risk), credit risk and liquidity risk.
The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

The Company does not use derivative financial instruments to protect itself from certain risk exposures.

Market risk

Currency risk

The Group is exposed to currency risk by exposures to various foreign currencies, especially to EUR. Currency risk is associated to assets and recognized liabilities.

The Group does not perform formal actions to minimize the currency risk related to its operations; so the Group does not apply hedge accounting.

To cover the currency risk associated with trade receivables and payables, the company concludes all sales and purchase contracts in the national currency, RON.

30 June 2025	**EUR**	**GBP**	**USD**	**RON**	**Total**
	(RON)	(RON)	(RON)	(RON)	(RON)
Financial assets					
Cash and cash equivalents (including restricted cash)	835.404	685	59.845	704.173.710	740.006.655
Long term financial asset concession				2.796.291.662	2.796.291.662
Other financial assets	25.389	-	-	-	25.389
Long-term financial investments					30.876.000
Short-term financial investments					77.190.000
Trade and other receivables	164.868.901	-	6.540.791	143.243.467	341.653.103
Total financial assets	**165.729.694**	**685**	**6.600.635**	**3.643.708.839**	**3.986.042.809**
Financial liabilities					
Trade and other payables	26.119.636	-	4.480.644	892.765.191	947.535.285
Lease liabilities	-	-	-	21.273.960	151.427.294
Borrowings	1.108.501.327	-	-	2.442.762.603	3.716.765.272
Total financial liabilities	**1.134.620.963**	-	4.480.644	**3.356.801.754**	**4.815.727.851**
Net	**(968.891.269)**	**685**	**2.119.992**	**286.907.085**	**(829.685.042)**
31 December 2024	**EUR**	**GBP**	**USD**	**RON**	**Total**
	(RON)	(RON)	(RON)	(RON)	(RON)
Financial assets					
Cash and cash equivalents	24.822.570	1.583	36.200	971.092.092	1.066.600.494
Long term financial asset concession				2.648.907.892	2.648.907.892
Other financial assets	24.870	-	-	-	24.870
Trade and other receivables	156.256.143	-	7.210.886	286.404.043	449.871.072
Total financial assets	**181.103.583**	**1.583**	**7.247.086**	**3.906.404.027**	**4.165.404.328**
Financial liabilities					
Trade and other payables	68.676.406	-	167.188	617.062.875	723.385.504
Lease liabilities	-	-	-	20.881.905	163.025.547
Borrowings	1.275.685.216	-	-	2.499.299.073	3.774.984.289
Total financial liabilities	**1.344.361.622**	-	**167.188**	**3.137.243.853**	4.661.395.340
Net	**(1.163.258.039)**	**1.583**	**7.079.898**	**769.160.174**	**(495.991.012)**

As at 30 June 2025, the amount of lei 171.460.469 (31 December 2024: Lei 163.491.899) representing trade receivables and other receivables net is expressed in foreign currency, of which 4% in USD (31 December 2024: 4%) and 96% in EUR (31 December 2024: 96%).

The following table shows the sensitivity of profit or loss and equity, to reasonably possible changes in exchange rates applied to the end of the reporting period of the functional currency of the Group, with all variables held constant and takes into account the maximum market fluctuation in the exchange rate of each currency during the reporting periods:

	30 June 2025 (unaudited)	**31 December 2024**
Impact on profit and loss and on equity of:		
USD appreciation by 8%	895.001	566.392
USD depreciation by 8%	(895.001)	(566.392)
EUR appreciation by 2%	(22.617.372)	(23.264.663)
EUR depreciation by 2%	22.617.372	23.264.663

Price risk
The group is exposed to commodity price risk for the gas purchased for its own consumption. If the gas price had been 5% higher/lower, the net profit related to the period would have been lower/higher by lei 2.549.679 (December 2024: 6.161.452 lei).

Interest rate risk on cash flow and fair value
The Group is exposed to interest rate risk by deposits with banks and loans with variable interest taken. The Company did not conclude any commitment to manage the risk. The regulatory framework governing the Company's activities ensures full coverage of interest rate risk. Thus, interest expenses related to loans taken out to finance investment projects are recovered through regulated income for natural gas transmission activities, and interest related to credit lines taken out to finance commercial balancing activities is recovered through the neutrality tariff.

For the average exposure of the period, if the interest rates had been by 50 basis points lower/higher, with all the other variables maintained constant, the profit related to the period and equity would have been higher/lower by lei 6.501.079 (December 2024: higher/lower by lei 10.863.638), as a net result of the change of interest rate for variable interest loans and interest rate for bank deposits.
The value of 50 basis points represents the company management's assessment of a reasonable change in interest rates.

Credit risk

Credit risk is especially related to cash and cash equivalents and trade receivables. The Group prepared a number of policies ensuring that products and services are sold to proper customers.
The accounting value of the receivables without the adjustments for loss allowance represents the maximum value exposed to credit risk.

The Group's credit risk related to trade receivables is concentrated on the five main customers, which together account for 47% of the trade receivable balances as at 30 June 2025 (31 December 2024: 42%). Although the collection of receivables can be influenced by economic factors, the management believes that there is no significant risk of loss exceeding the adjustments already made.
Since the long-term concession receivable is guaranteed by the Romanian state, the Group considered that the potential impairment using the ECL model is not significant for these financial statements.

Another measure taken by Transgaz to cover credit risk is to request payment guarantees for natural gas transmission and commercial balancing contracts. On 30 June 2024 the Group has off-balance payment guarantees from clients amounting to lei 416.539.038 (2024: 614.828.887 RON) mainly in the form of bank guarantee letters and cash guarantee deposits.

The cash and deposits (long and short term) is placed in financial institutions which are considered to be associated with a minimum performance risk.

(lei)

	30 June 2025 (unaudited)	31 December 2024
Without rating	39.227.723	71.598.559
BBB-	420.647.416	890.375.218
BBB+	277.105.931	101.888.737
A+	133.931	134.273
AA-	488.117	157.385
	737.603.118	**1.064.154.172**

All financial institutions are presented to Fitch rating or equivalent.

Liquidity risk

Cautious liquidity risk management involves keeping enough cash and funds available by a proper value of committed credit facilities.

The Group forecasts cash flows. The financial structure of the Company continuously monitors the Company's liquidity requirement to make sure there is enough cash to meet the operational requirements, maintaining at the same time a sufficient level of unused borrowing facilities at any time, so that the Company does not break the limits or breach loan agreements (where applicable) for any of its credit facilities.

Such forecasts consider the Company's debt financing plans, compliance with agreements, compliance with internal objectives on the balance sheet indicators and, if appropriate, external regulations or provisions.

The Financial Division of the Group invests extra cash in interest bearing current accounts and term deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide the appropriate framework, established under the provisions mentioned above.

The table below shows the obligations as at 30 June 2024 in terms of remained contractual maturity. The amounts disclosed in the maturity table are contractual undiscounted cash flows.

The analysis of financial liabilities on 30 June 2025 in terms of maturity is as follows:

	Total amount	Less than 1 year	1-5 years	Over 5 years
Loans	4.889.569.468	955.798.500	1.886.286.652	2.047.484.316
Trade debts and other debts	8.44.547.249	844.547.249	-	-
Lease liabilities	164.406.181	48.130.999	116.275.181	-
Other liabilities	115.742	115.742	-	-
	5.899.162.126	1.848.592.490	2.002.561.833	2.047.484.316

The analysis of financial liabilities on 31 December 2024:

	Total amount	Less than 1 year	1-5 years	Over 5 years
Loans	4.920.901.783	534.841.486	2.142.499.066	2.243.561.231
Trade debts and other debts	723.385.504	723.385.504	-	-
Lease liabilities	187.376.694	42.254.606	145.122.088	-
Other liabilities	194.293	194.293	-	-
	5.831.858.274	1.300.675.889	2.287.621.154	2.243.561.231

Trade and other debts comprise trade payables, suppliers of fixed assets, dividends payable and other debts which are not included: debt generated as a result of the legal provisions imposed by the authorities, debts to employees and deferred revenue.

ANRE Order no. 130/2020 regulates two types of guarantee deposits, namely the auction participation guarantee, established before the entry into capacity auctions and the financial payment guarantee, established after the auctions close, for the booked capacity products.

Auction participation guarantees are used by network users to participate in future capacity booking auctions, in which daily, within-day, monthly, quarterly, annual capacity products are offered by Transgaz and entitle them to enter at any time during the term of the transmission framework contract, in capacity booking auctions, for the booking of capacity products offered by Transgaz, within the limit of the guarantees established. The guarantees for participation in capacity booking auctions shall be partially or fully returned at the request of the NU.

Contract payment guarantees shall be established, in accordance with the provisions of the Framework Transmission Contract, after the capacity products have been booked and shall be increased or reduced according to the value of the contracted products. They shall be returned 45 days after the termination of the contract by the due date, if the NU has honoured all payment obligations.

In the category including loans and liabilities, the liabilities related to employees and payables registered in advance are not included.

Capital risk management

The Group's objectives related to capital management refer to maintaining the Company's capacity to continue its activity in order to provide compensation to shareholders and benefits to the other stakeholders and maintain an optimal structure of the capital, as to reduce capital expenditure.

There are no capital requirements imposed from outside. Like the other companies in this sector, Transgaz monitors the capital based on the debt leverage. This factor is calculated as net debt divided by total capital.

The net debt is calculated as total borrowings (including `current and long-term borrowings`, as indicated in the statement of financial position), except cash and cash equivalent. The total capital is calculated as `equity`, according to the statement of financial position, plus the net debt.

The net leverage at 30 June 2025 and at 31 December 2024 is as follows:

	30 June 2025 (unaudited)	31 December 2024
Total loans	3.716.765.271	3.774.984.289
Less: cash and cash equivalents	(740.006.655)	(1.064.299.187)
Net debt	2.976.758.617	2.710.685.102
Equity	4.714.413.554	4.389.551.942
Leverage	0,63	0,62

Fair value estimate

The carrying amount of variable rate financial assets and liabilities is assumed to approximate their fair value.

Financial instruments in the balance sheet include trade and other receivables, cash and cash equivalents, other financial assets, trade payables, and interest-bearing loans. The estimated values of these instruments approximate their carrying amounts. Carrying amounts represent the Company's maximum exposure to credit risk for existing receivables.

6. INDIVIDUAL ECONOMIC AND FINANCIAL STATEMENT

6.1 Individual financial position

According to Article 1 of Order 881/25 June 2012 of the Ministry of Public Finance on the application of the International Financial Reporting Standards by companies having securities admitted to trading on a regulated market, starting with financial year 2012, the companies having securities admitted to trading on a regulated market are obliged to apply the International Financial Reporting Standards (IFRS) upon preparation of the individual annual financial statements.

The statement of the financial position as at 30.06.2025 as compared to 31.12.2024 is as follows:

Indicator	30.06.2025 (thousand lei)	31.12.2024 (audited -thousand lei)	Dynamics (%)
0	**1**	**2**	**3=1/2**
Tangible assets	306.717	333.770	92%
Rights of use for the leased assets	19.948	19.695	101%
Intangible assets	5.350.567	5.117.106	105%
Investments in subsidiaries	182.164	177.644	103%
Other receivables	2.796.292	2.648.908	106%
Deferred tax	89.924	82.718	109%
Restricted cash	2.404	2.302	104%
Fixed assets	**8.748.015**	**8.382.143**	**104%**
Inventories	637.399	508.219	125%
Commercial receivables	218.098	322.973	68%
Other receivables	90.726	82.997	109%
Receivables on profit tax	25.050	17.148	146%
Cash and cash equivalents	699.001	993.072	70%
Current assets –TOTAL	**1.670.274**	**1.924.409**	**87%**
TOTAL ASSETS	**10.418.289**	**10.306.552**	**101%**
Debts to be paid over a one-year period	1.699.310	1.471.506	115%
Debts to be paid over a period of more than one year	4.181.918	4.556.229	92%
Total debts	**5.881.228**	**6.027.735**	**98%**
Shareholders' equity	**4.537.061**	**4.278.817**	**106%**
Share capital	1.883.815	1.883.815	100%
Hyperinflation adjustment of share capital	441.418	441.418	100%
Share premium	247.479	247.479	100%
Other reserves	1.265.797	1.265.797	100%
Retained earnings	698.552	440.308	159%
Total equity and debts	**10.418.289**	**10.306.552**	**101%**

Table 29 - Statement of individual financial position in H I 2025 compared to 2024

Tangible assets **-**Tangible assets include auxiliary buildings of operating assets, office buildings, land, assets used for the international transmission activity, as well as objectives related to the national transmission system taken over free of charge.

Tangible assets **decreased by lei 27.053 thousand** as compared to the value as at 31.12.2024, mainly due to the fact that the tangible assets entries did not exceed the depreciation cost for tangible assets.

Rights of use of leased assets
As at 1 January 2019 the company applies IFRS 16 for lease contracts complying with the recognition criteria and recognized as intangible asset right of use related to the lease contracts.

The rights of use of leased assets increased by lei 253 thousand as compared to 31 December 2024 due to the fact that the initial value of the leased assets contracts was higher than the depreciation cost.

Intangible assets
IT Programs - The purchased licenses related to the rights to use the IT programmes are capitalized on based on the costs incurred with the procurement and commissioning of the respective IT programmes. Such costs are depreciated over their estimated useful life (three years). Costs related to the development or maintenance of the IT programmes are recognized as costs during the period when they are registered.

Service concession agreement - From 2010, in accordance with the EU approval process, the company started to apply IFRIC 12, ***Service Concession Arrangements***, adopted by the EU.
The scope of IFRIC 12 includes: the existing infrastructure at the time of signing the concession agreement and, also, modernization and improvement brought to the gas transmission system, which are transferred to the regulatory activity at the end of the concession agreement.

The company is entitled to charge the users of the public service and, consequently, an intangible asset was recognized for this right. As they occur, costs of replacements are recorded as expense, while the improvements of assets used within SCA are recognized at fair value. Intangible assets are amortized at zero value during the remaining period of the concession agreement.

Intangible assets increased by lei 233.460 thousand as compared with the value as at 31.12.2024, this increase being mainly due to the fact that the intangible assets entries exceeded the cost of amortization of intangible assets.

Financial assets
The financial assets increased compared to the value recorded at 31.12.2024 by lei 4.520 thousand representing the acquisition of a 51% stake in Petrostar SA, whose main activity is engineering and related technical consulting services, and the stake in the share capital of the company EUROTRANSGAZ SRL Chisinau in the Republic of Moldova, established by EGMS Resolution 10/12.12.2017 of SNTGN Transgaz SA and the share capital of TRANSPORT ROMÂNIA HIDROGEN S.R.L., having as its object of activity the transportation of hydrogen, with sole shareholder SNTGN Transgaz SA, with registered office in Bucharest, established by EGMS Resolution no. 5 of 05 June 2024 of SNTGN Transgaz SA remained unchanged.

Trade receivables and other receivables/ Fixed assets
The receivables regarding the right to collect the regulated value remaining unamortized at the end of the concession agreement on 30 June 2025 increased by the amount of lei 147.384 thousand, receivables registered according to Law 127/2014 of 5 October 2014, which states that in case of termination of the concession agreement for any reason, or upon termination, the investment of the national transmission system operator shall be transferred to the owner of the

national transmission system or another concession provider on payment of a compensation equal to the regulated value remaining not amortized, established by ANRE.

The increase of lei 147.384 thousand compared to the value at 31 December 2024 is mainly due to the updating of the receivables with the changes recorded in the regulated asset base and the adjustment of the regulated value of the assets with the inflation rate starting with 2019, as per ANRE Order 41/2019. Fixed assets recognised in the regulated asset base in a gas year are discounted with the rate of inflation from the following gas year.

Inventories

On 30 June 2025 inventories increased by lei 129.179 thousand compared to the value as at 31 December 2024, due to the decrease by lei 27.792 thousand of the stored gas procured to cover technological consumption and the balancing activity and the increase by lei 7.375 thousand of the stocks of raw and other materials and the increase in inventory of materials in custody by lei 160.123 thousand and recording of the increase in the adjustment for inventory depreciation in the amount of lei 10.529 thousand.

Commercial receivables

On 30 June 2025, the balance of the commercial receivables **decreased by lei 104.875 thousand** as compared to 31 December 2024, mainly due to the following factors:

- decrease of the client receivables balance by lei 96.778 thousand;
- increase of the provisions for the impairment of commercial receivables by lei 8.097 thousand.

Other receivables

As at 30 June 2025, the balance of commercial receivables and other receivables **increased by lei 7.729 thousand** compared to 31 December 2024, this decrease being mainly determined by the following factors:

- increase in the balance of other receivables by lei 17.908 thousand;
- increase in provisions for impairment of other receivables by lei 1.470 thousand;
- decrease in receivables from the state budget by lei 11.649 thousand;

Cash at hand and in bank

On 30 June 2025 the company's cash decreased by lei 294.071 thousand as compared to the end of 2024. The cash in bank accounts in lei decreased by lei 285.077 thousand and the cash in bank accounts in currency decreased by lei 9.039 thousand. Other cash elements and cash equivalent register an increase by lei 45 thousand compared with 2024.

Debts to be paid over a one-year period

The structure of debts to be paid over a one-year period recorded the following changes compared to 31 December 2024:

- decrease in the balance of the commercial debt and other debt by lei 168.154 thousand;
- increase in the balance of other debts by lei 178.842 thousand;
- decrease in the balance of debts related to contracts with clients by lei 46.935 thousand;
- decrease in the balance of debts related to rights of use of leased assets by lei 128 thousand;

- decrease of the provision for risks and charges by lei 15.837 thousand mainly on account of the provision for the employees participation to profit.

Long-term debts

The evolution of long-term debts is due to the following aspects:

- decrease of long-term loans by lei 325.369 thousand;
- decrease of advance revenues and subsidies by lei 54.397 thousand;
- increase in the provision for employee benefits by 4.935 thousand lei;
- increase in the debts related to rights of use of leased assets in the amount of lei 521 thousand.

Equity

The subscribed and paid-up capital was not changed. Retained earnings increased by lei 258.244 thousand.

6.2 Individual comprehensive income

The situation of the profit and loss account in Half I 2025 compared to Half I 2024:

Specification	Achieved (lei thousand)		Dynamics (%)
	30.06.2025	30.06.2024	
1	2	3	4=2/3
TOTAL revenue of which:	**2.235.511**	**1.909.727**	**117,06%**
Operating revenue before the construction activity, according to IFRIC12 and balancing	1.421.802	1.016.130	139,92%
Revenue from the balancing activity	231.869	114.784	202,00%
Revenue from the construction activity according to IFRIC12	451.112	675.817	66,75%
Revenue from interests	43.664	36.923	118,26%
Financial revenue	87.065	66.072	131,77%
TOTAL costs of which:	1.698.356	1.687.816	100,62%
Operating costs before the construction activity, according to IFRIC12, and balancing	948.720	848.582	111,80%
Cost of balancing	231.869	114.784	202,00%
Cost of constructed assets according to IFRIC12	451.112	675.817	66,75%
Financial costs	66.656	48.633	137,06%
GROSS PROFIT, of which:	**537.156**	**221.910**	**242,06%**
Result from operation	473.082	167.548	282,36%
Result from the financial activity	64.073	54.363	117,86%
PROFIT TAX	**77.275**	**36.562**	**211,36%**
NET PROFIT	**459.880**	**185.349**	**248,12%**
Other elements of the comprehensive income	**1.816**	**2.057**	**88,29%**
Comprehensive income of the period	**461.696**	**187.406**	**246,36%**

Table 30 - Individual profit and loss account in Half I 2025 compared to Half I 2024

Operating revenue

Operating revenue before the balancing and the construction activity according to IFRIC 12 achieved in Half I 2025 as compared to Half I 2024 is as follows:

No.	Specification	Achieved H I (thousand lei)		Dynamics (%)
		2025	2024	
0	1	2	3	4=2/3*100
1.	**Revenue from the transmission activity**			
	- Thousand lei	1.343.575	942.107	142,61
	- MWh	77.656.998	69.457.227	111,81
	- lei/MWh	17,30	13,56	127,56
3.	**Revenue from the international transmission activity**			
	- Thousand lei	0	0	0
4.	**Other operating revenue**			
	- Thousand lei	78.227	74.023	105,68
TOTAL OPERATING REVENUE before the balancing and the construction activity according to IFRIC12		**1.421.802**	**1.016.130**	**139,92**

Table 31 - Revenue from the operating activity – achieved in H I 2025 compared to achieved in H I 2024

Operating expense

The operating expense achieved in H I 2025 as compared to H I 2024:

No.	Specification	H I (thousand lei)		Dynamics (%)
		2025	2024	
0	1	2	3	4=2/3*100
1.	Depreciation	246.318	230.995	106,63
2.	Indemnities, salaries, other expenditures related to salaries and benefits to employees	337.141	296.751	113,61
3.	Gas consumption in NTS, materials and consumables used, of which:	61.780	58.455	105,69
	- Gas consumption in transmission system	40.159	39.322	102,13
	gas consumption quantity in NTS - (MWh)	276.220	326.285	84,66
	- Auxiliary materials	19.149	16.979	112,78
	- Other material expenditures	2.472	2.154	114,76
4.	Expenditures related to royalties	154.511	108.342	142,61
5.	Maintenance and transport, of which:	26.199	15.167	172,74
	- Works, services performed by third parties	16.328	7.072	230,88
6.	Taxes and other amounts due to the State, of which:	61.278	40.237	152,29
	- Gas transmission and international transit license fee	4.770	4.369	109,18
	- Monopoly tax	34.199	30.911	110,64
7.	Cost of the provision for risks and charges	-20.724	10.182	x
8.	Gain/(loss) from the impairment of receivables	17.155	27.168	63,15
9.	Other operating expense	65.060	61.284	106,16
TOTAL OPERATING EXPENSE before the balancing and the construction activity according to IFRIC12		**948.720**	**848.582**	**111,80**

Table 32 - Operating costs achieved in H I 2025 compared to H I 2024

6.3 Individual cash flow statement

The cash flow statement as at 30 June 2025 compared to 30 June 2024 is as follows:

Indicator	Financial year ended 30 June (thousand lei)	
	2025	2024
Profit before tax	**537.156**	**221.910**
Adjustments for:		
Depreciation	246.318	230.995
Gain/(loss) from the transfer of fixed assets	96	89
Other provisions	-15.838	-14.932
Provisions for employee benefits	1.645	19.794
Revenue from connection fees, grants and goods taken free of charge	-52.672	-52.558
Loss on amounts receivable and sundry debtors	41	783
Adjustment of impairment of receivables	6.626	21.952
Adjustment of impairment of inventories	10.529	-366
Interest revenue	-43.664	-36.923
Interest expenses	43.942	39.126
Concession Agreement receivable discounting	-83.062	-63.931
Effect of exchange rate changes on non-operating items	26.387	711
Effect of restatement of the provision for employee benefits	11.156	6.920
Operating profit before the changes in working capital	688.661	373.570
Decrease in trade and other receivables	65.654	66.934
Decrease in inventories	20.414	19.234
Increase/(decrease) in commercial debt and other debt	-90.936	65.103
Cash from operations	**683.793**	**524.841**
Paid profit tax	-86.372	-46.922
Net cash inflows from operation	**597.421**	**477.919**
Cash flow from investment activities		
Payments for the acquisition of intangible assets	-720.185	-519.904
Payments for the acquisition of tangible assets	-5.544	-7.851
Receipts from the transfer of tangible assets	0	110
Financial investments/shares	-4.520	-25
Received interest	7.890	7.466
Net cash used in investment activities	**-722.359**	**-520.204**
Cash flow from financing activities		
Long-term loan drawings	0	497.670
Repayments/drawdowns of long term loans	-66.156	-66.158
Credit drawings/payments for the working capital	-26.117	-6.924
Cash from connection fees and grants	1.827	136.014
Leasing payments (IFRS 16)	-3.912	-3.797
Paid interests	-74.559	-58.688
Paid dividends	-216	-175
Net cash used in financing activities	**-169.133**	**497.942**

Indicator	Financial year ended 30 June (thousand lei)	
	2025	2024
Net change in cash and cash equivalents	-294.071	455.657
Cash and cash equivalents at the beginning of the year	993.072	675.601
Cash and cash equivalents at the end of the period	699.001	1.131.258

Table 33 - Individual cash flow statements in H I 2025 compared to H I 2024

The analysis of the cashflow as at Half I 2025 shows a decrease of liquid assets by lei 432.257 thousand as compared to Half I 2024.

The changes to the structure of the cash flow for are:

- cash flow from operation is of lei 597.421 thousand, higher by lei 119.502 thousand than in H I 2024;
- cash flow from the investment activity is of lei -722.359 thousand, lower by lei 202.156 thousand than in H I 2024;
- cash flow used in the financing activity is of lei -169.133 thousand, higher by lei 667.075 thousand than in H I 2024.

As at 30 June 2025, the balance of liquid assets in the company's bank accounts was lei 699.001 thousand, of which 11.88 % represented liquid assets denominated in foreign currency, mostly in EUR.

6.4 Evaluation of the activity related to the financial risk management

Financial risk factors

By the nature of the activities performed, the company is exposed to various risks, which include: market risk (including currency risk, interest rate risk on fair value, interest rate risk on cash flow and price risk), credit risk and liquidity risk.

The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.
The Company does not use derivative financial instruments to protect itself from certain risk exposures.

Market risk

Currency risk
The Company is exposed to currency risk by exposures to various foreign currencies, especially to EUR. Currency risk is associated to assets and recognized liabilities.

The Company does not perform formal actions to minimize the currency risk related to its operations. The company does not apply hedge accounting.

30 June 2025	EUR	GBP	USD	RON	Total
	(RON)	(RON)	(RON)	(RON)	(RON)
Financial assets					
Cash and cash equivalents	835.404	685	59.845	700.508.492	701.404.426
Other financial assets	25.389	-	-	-	25.389
Receivable on the Regulated value remaining undepreciated at the end of the concession agreement	-	-	-	2.796.291.662	2.796.291.662
Trade and other receivables	164.868.901	-	6.540.791	137.389.381	308.799.074
Total financial assets	**165.729.694**	**685**	**6.600.635**	**3.634.189.535**	**3.806.520.550**
Financial liabilities					
Trade and other payables	26.119.636	-	4.480.644	790.613.886	821.214.166
Lease liabilities	-	-	-	21.273.960	21.273.960
Loans	1.108.501.327	-	-	2.442.762.603	3.551.263.930
Total financial liabilities	**1.134.620.963**	**-**	**4.480.644**	**3.254.650.449**	**4.393.752.056**
Net	**(968.891.269)**	**685**	**2.119.992**	**379.539.086**	**(587.231.506)**

31 December 2024	EUR	GBP	USD	RON	Total
	(RON)	(RON)	(RON)	(RON)	(RON)
Financial assets					
Cash and cash equivalents	24.822.570	1.583	36.200	970.512.819	995.373.172
Other financial assets	24.870	-	-	-	24.870
Receivable on the Regulated value remaining undepreciated at the end of the concession agreement	-	-	-	2.648.907.892	2.648.907.892
Trade and other receivables	156.281.013	-	7.210.886	259.601.242	423.093.141
Total financial assets	**181.128.453**	**1.583**	**7.247.086**	**3.849.046.823**	**4.067.399.075**
Financial liabilities					
Trade and other payables	68.356.517	-	167.188	690.460.458	758.984.163
Lease liabilities	-	-	-	20.881.905	20.881.905
Loans	1.106.990.865	-	-	2.497.535.646	3.604.526.511
Total financial liabilities	**1.175.347.382**	**-**	**167.188**	**3.208.878.009**	**4.384.392.579**
Net	**(994.218.929)**	**1.583**	**7.079.898**	**670.168.815**	**(316.993.504)**

As at 30 June 2025, the amount of lei 171.460.469 (31 December 2024: lei 163.516.769) representing trade receivables and other receivables net is expressed in foreign currency, of which 4% in USD (31 December 2024: 4%) and 96% in EUR (31 December 2024: 96%).

The following table shows the sensitivity of profit or loss and equity, to reasonably possible changes in exchange rates applied to the end of the reporting period of the functional currency of the Company, with all variables held constant and takes into account the maximum market fluctuation of the exchange rate of each currency during the reporting periods:

	30 June 2025 (unaudited)	**31 December 2024**
Impact on profit and loss and on equity of:		
USD appreciation by 8%	169.599	566.392
USD depreciation by 8%	(169.599)	(566.392)
EUR appreciation by 2%	(19.377.318)	(19.884.379)
EUR depreciation by 2%	19.377.318	19.884.379

Price risk

The company is exposed to commodity price risk on gas purchased for its own consumption. If the gas price had been 5% higher/lower, the net profit related to the period would have been lower/higher by lei 2.549.679 (December 2024: lei 6.161.452).

Interest rate risk on cash flow and fair value

The Company is exposed to interest rate risk by deposits with banks and loans with variable interest taken.

The regulatory framework governing the Company's activities ensures coverage of interest rate risk, with interest expenses related to loans taken out to finance investment projects being recovered through regulated income for natural gas transmission activities, and interest related to credit lines taken out to finance commercial balancing activities being recovered through the neutrality tariff.

For the average exposure of the period, if the interest rates had been by 50 basis points lower/higher, with all the other variables maintained constant, the profit related to the period and equity would have been higher/lower by lei 6.01.079 higher/lower (December 2024: 10.098.260 (higher/lower), as a net result of the change of interest rate for variable interest loans and interest rate for bank deposits. The value of 50 basis points represents management's assessment of the reasonable change in interest rates.

Credit risk

Credit risk is especially related to cash and cash equivalents and trade receivables. The Company prepared a number of policies ensuring that products and services are sold to proper customers. The carrying amount of receivables, net of adjustments for loss allowance, represents the maximum value exposed to credit risk. The company's credit risk in respect of trade receivables is concentrated on the 5 main customers, which together account for 47% of the trade receivable balances as at 30 June 2025 (31 December 2024: 42%).

Although the collection of receivables can be influenced by economic factors, the management believes that there is no significant risk of loss exceeding the already made impairment adjustments.

As the long-term concession receivable is guaranteed by the Romanian State, the Company considered that the potential impairment using the ECL model is not significant for these financial statements.
To cover credit risk, the Company requires payment guarantees for natural gas transmission and commercial balancing contracts. As at 30 June 2025 the payment guarantees available to the company from clients amounting to lei 416.539.038 (as at 31 December 2024: 614.828.887 lei).

Cash is placed with financial institutions, which are considered as associated to a minimum performance risk

(lei)

	30 June 2025 (unaudited)	31 December 2024
Without rating	465.439	401.496
BBB-	420.647.416	890.375.218
BBB+	277.100.593	101.883.477
A+	133.931	134.273
AA-	488.117	157.385
Total	**698.835.496**	**992.951.849**

All financial institutions are presented to Fitch rating or equivalent.

Liquidity risk

Cautious liquidity risk management involves keeping enough cash and funds available by a proper value of committed credit facilities. The company forecasts the cash flows.

The financial structure of the Company continuously monitors the Company's liquidity requirement to make sure there is enough cash to meet the operational requirements, maintaining at the same time a sufficient level of unused borrowing facilities at any time, so that the Company does not break the limits or breach loan agreements (where applicable) for any of its credit facilities.

Such forecasts consider the Company's debt financing plans, compliance with agreements, compliance with internal objectives on the balance sheet indicators and, if appropriate, external regulations or provisions.

The Company's Finance Department invests the extra cash in current interest bearing accounts and term deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide the appropriate framework, established under the provisions mentioned above.

The table below shows the obligations as at 30 June 2025 in terms of remained contractual maturity. The amounts disclosed in the maturity table are contractual undiscounted cash flows.

The analysis of financial liabilities on 30 June 2025 in terms of maturity is as follows:

(lei)

	Total amount	Less than 1 year	1-5 years	Over 5 years
Loans	4.688.031.208	932.808.934	1.801.251.564	1.953.970.710
Commercial debts and other debts	821.214.166	821.214.166	-	-
Liabilities related to rights of use of leased assets	21.273.960	3.785.045	17.488.915	-
	5.530.519.334	1.757.808.145	1.818.740.479	1.953.970.710

Maturity analysis of financial liabilities as at 31 December 2024 is as follows:

	Total amount	Less than 1 year	1-5 years	Over 5 years
Borrowings	4.703.903.245	510.840.913	2.053.719.820	2.139.342.512
Trade payables and other payables	758.984.163	758.984.163	-	-
Lease liabilities	20.881.905	3.913.557	16.968.348	-
	5.483.769.313	**1.273.738.633**	**2.070.688.168**	**2.139.342.512**

Commercial and other debts comprise trade payables, suppliers of fixed assets, dividends payable and other debts which are not included: debt generated as a result of the legal provisions imposed by the authorities, debts to employees and deferred revenue.

ANRE Order no. 130/2020 regulates two types of financial guarantee namely the auction participation guarantee, established before the entry into capacity auctions and the financial payment guarantee, established after the auctions close, for the booked capacity products.

Auction participation guarantees are used by network users to participate in future capacity booking auctions, in which daily, within-day, monthly, quarterly, annual capacity products are offered by Transgaz and entitle them to enter at any time during the term of the transmission framework contract, in capacity booking auctions, for the booking of capacity products offered by Transgaz, within the limit of the guarantees established. The guarantees for participation in capacity booking auctions shall be partially or fully returned at the request of the NU.

Contract payment guarantees shall be established, in accordance with the provisions of the Framework Transmission Contract, after the capacity products have been booked and shall be increased or reduced according to the value of the contracted products.

They shall be returned 45 days after the termination of the contract by the due date, if the Network User ("NU") has honoured all payment obligations.
The category Trade and other receivables does not include the receivables related to employees and payables registered in advance are not included.

Capital risk management

The company's objectives related to capital management refer to maintaining the Company's capacity to continue its activity in order to provide compensation to shareholders and benefits to the other stakeholders and maintain an optimal structure of the capital, as to reduce capital expenditure.

There are no capital requirements imposed from outside. Like the other companies in this sector, Transgaz monitors the capital based on the debt leverage. This factor is calculated as net debt divided by total capital.

The net debt is calculated as total borrowings (including `current and long-term borrowings`, as indicated in the statement of financial position), except cash and cash equivalent. The total capital is calculated as `equity`, according to the statement of financial position.

The net leverage at 30 June 2025 and at 31 December 2024 is as follows:

(lei)

	30 June 2025 (unaudited)	31 December 2024
Total loans	3.515.165.968	3.584.911.807
Less: cash and cash equivalents	(701.404.426)	(995.373.172)
Net cash position	2.813.761.542	2.589.538.635
Equity	4.537.061.201	4.278.816.797
Leverage	0,62	0,61

Fair value estimate

The carrying amount of variable rate financial assets and liabilities is assumed to approximate their fair value.
On-balance sheet financial instruments include trade and other receivables, cash and cash equivalents, other financial assets, trade payables, interest-bearing loans. The estimated values of these instruments approximate their book value. The book values represent the Company's maximum exposure to credit risk for existing receivables.

7. CORPORATE GOVERNANCE

Corporate governance is an essential element in the decision-making and operational architecture of a listed company, directly influencing its performance, sustainability, and investment attractiveness. Essentially, it defines the set of principles, processes, and mechanisms by which a company is managed, with the aim of protecting shareholders' interests and supporting sustainable development.

Transgaz applies the provisions of the Corporate Governance Rules and the relevant legislative framework, complying with the standards set by the Bucharest Stock Exchange and the Financial

Supervisory Authority. The company's governance system is structured in accordance with the OECD principles on corporate governance and is constantly adapted to the requirements of the new European energy policy in terms of sustainability, energy security, and competitiveness.

By rigorously applying the provisions of the Corporate Governance Regulation and aligning itself with European best practices, Transgaz aims to consolidate a governance framework adapted to current market and regulatory requirements. The objective is clear: responsible management based on principles of transparency, accountability, and fairness, which supports the achievement of strategic objectives, increases shareholder value, and builds investor confidence.

In an constantly changing energy sector, corporate governance becomes a competitive advantage. It provides coherent decision-making support, promotes a stable investment climate, and contributes to the implementation of a business strategy aligned with European policies on energy security, sustainability, and regional competitiveness.
Transgaz is firmly committed to this, integrating corporate governance as an essential part of the decision-making process, both at the strategic and operational levels.

The Corporate Governance Rules of SNTGN TRANSGAZ SA were approved by the Ordinary General Meeting of the Shareholders on 2 March 2011, by GMS Resolution 1/2011 (Art. 4), and the latest updating of the document was approved in the Board of Administration meeting of 29.06.2022 according to the Code of Corporate Governance of the Bucharest Stock Exchange. Later, the Regulation was changed to update the names of the Advisory Committees established at the Board of Administration level, according to the Board of Administration Resolution of 8 December 2022.

The updated corporate governance reference document has a structure in line with corporate governance requirements, SNTGN Transgaz SA as a company listed on BVB in the Premium category, voluntarily adopted the provisions of the Corporate Governance Code of the Bucharest Stock Exchange and had been reporting since 2010 total or partial compliance with its provisions by the *Statement of Compliance or Non-Compliance with the Code of Corporate Governance*, included in the annual Report issued by the Board of Administration.

In September 2015, a new BVB Code of Corporate Governance was launched for companies listed on the main market, applicable from 4 January 2016. It was developed by the BVB as part of a new corporate governance framework for promoting higher governance and transparency standards for the listed companies.

The implementation of the new rules is based on the "apply and explain" principle which provides the market with clear, accurate and timely information on how listed companies comply with corporate governance rules.

Transgaz is in full compliance with the majority of the provisions of the Code, and the provisions with which the company has not yet been in compliance were explicitly presented in a current report submitted to the BVB in January 2016, which is also published on the company's website in the section: *Investor Information/Current Reports/2016*.

On 12 October 2016, in a Current Report submitted to the BVB, SNTGN TRANSGAZ SA reported to the market its compliance with one more provision, namely A.2. and on 3 May 2022, compliance with provision C.1. of BVB's Governance Code was also reported. Any further compliance that the Company will achieve in this regard will be reported to the capital market.

During 2024, the Bucharest Stock Exchange and the European Bank for Reconstruction and Development worked together to revise the BVB Corporate Governance Code, aligning it with recent regulatory changes, current international standards and the priorities of market participants.

The purpose of the revised Code is to promote effective governance and accountability in companies whose shares are admitted to trading on the regulated market of BVB and the underlying practices aim to achieve this through several means, namely by ensuring that the Board of Administration and management of the company have the necessary power and responsibilities, as well as the necessary skills, experience and objectivity to perform their functions for the effective development of the company's strategy and oversight of its implementation and by ensuring transparency about the way in which the company is organized and run.

The revised Code reflects changes to the legal framework and developments in corporate governance practice that have taken place since the publication of the previous edition in 2015 and sets out expected standards comparable with those in other EU and OECD member states.

The document is divided into five main sections, each of which addresses a different aspect of the Corporate Governance system, namely: section A - "Governing Bodies", section B - "Risk Management and Internal Control Framework", section C - "Performance, Motivation and Reward", section D - "Reporting and Investor Relations" and section E - "Sustainability and Stakeholders".

The Code follows the 'apply or explain' approach, which gives Companies the flexibility to decide which practices to adopt to ensure the effectiveness of their governance. They will have to start adapting their practices in line with the revised Code from 1 January 2025. As a result, the annual report for FY 2025 (which contains the corporate governance chapter and the 'apply or explain' statement) will be the first reporting that companies will be required to make under the provisions of the revised Code.

7.1. Management System

Transgaz has a unitary management system and is managed by a Board of Administration. It has the general competence to take out all necessary actions in order to successfully carry out the activity of the company, except for the issues that are within the competence of the General Meeting of the Shareholders according to the provisions of the Articles of Incorporation updated on 03.06.2025, or of the applicable laws.

The management of Transgaz is provided by a Board of Administration formed mostly by non-executive and independent administrators within the meaning of Art. 138^2 of the Law no. 31/1990 on companies, republished, as amended.

The Board of Administration is composed of 5 members that guarantee the efficiency of the supervisory, analysing and evaluating capacity of the company as well as the fair treatment of the shareholders. Members of the Board of Administration are elected by the General Meeting of Shareholders for a four-year term. Depending on the extent to which they have fulfilled their duties, the administrators' mandates may be renewed or revoked, the decision being taken by the ordinary general meeting.

The Members of the Board of Administration may also be shareholders. The Transgaz Board of Administration is chaired by a Chairman appointed by the Board of Administration, from among its, which ensures the optimal functioning of the company's bodies. Members of the Board of Administration will participate in all the General Meetings of the Shareholders and will exercise their mandate in good faith and knowledge for the interest of the Company with due diligence and care without disclosing the confidential information and trade secrets of the Company during the term of office and after its termination.

The Articles of Incorporation of Transgaz, updated on 03.06.2025 and approved by the Board of Administration by Resolution 16/03.06.2025, regulates the duties, responsibilities and powers of the Board of Administration as well as the obligations of the company's administrators.

The Board of Administration operates in accordance with its own regulations and legal regulations in force. Following the amending of Government Emergency Ordinance 109/2011, on the corporate governance of public companies, a number of changes were made regarding the organization, composition, as well as the powers of the Board of Administration and advisory committees, which required the amendment of the ROF of the Board of Administration, its approval by Art. 2 of the OGMS Resolution8/25.09.2024.I

Also, Transgaz approved an Internal *Rules of organization and procedure of the Advisory Committees established at the level of the Board of Administration of SNTGN Transgaz SA*.

By Board of Administration Resolution No. 12/07.05.2025, it was approved the amendment of the Internal Rules of organization and procedure of the Advisory Committees established at the level of the Board of Administration of SNTGN Transgaz SA and the composition of the Advisory Committees set up at the level of the Board of Administration of SNTGN Transgaz SA as follows:

1. ***THE NOMINATION AND REMUNERATION COMMITTEE***
   ILINCA VON DERENTHALL - Independent Non-Executive Administrator
   NICOLAE MINEA - Independent Non-Executive Administrator
   ADINA-LĂCRIMIOARA HANZA - Independent Non-Executive Administrator

2. ***THE AUDIT COMMITTEE***
   ADINA-LĂCRIMIOARA HANZA - Independent Non-Executive Administrator
   NICOLAE MINEA - Independent Non-Executive Administrator

ILINCA VON DERENTHALL - Independent Non-Executive Administrator

3. ***THE RISK MANAGEMENT COMMITTEE***
   COSTIN MIHALACHE - Independent Non-Executive Administrator
   ILINCA VON DERENTHALL - Independent Non-Executive Administrator
   NICOLAE MINEA - Independent Non-Executive Administrator

4. ***THE COMMITTEE ON NTS REGULATION, SAFETY AND SECURITY***
   COSTIN MIHALACHE - Independent Non-Executive Administrator
   ION STERIAN - Executive Administrator
   ADINA-LĂCRIMIOARA HANZA - Independent Non-Executive Administrator

5. ***THE CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE***
   ILINCA VON DERENTHALL - Independent Non-Executive Administrator
   ION STERIAN - Executive Administrator
   ADINA-LĂCRIMIOARA HANZA - Independent Non-Executive Administrator

The Internal Rules of organization and procedure of the advisory committees established at the level of the Board of Administration of SNTGN Transgaz SA, as updated, can be found on the company's website at www.transgaz.ro/Corporate governance/Documents for corporate governance.

The structure of Transgaz' Board of Administration ensures a balance between executive and non-executive members, so that no individual or restricted group of persons can dominate the decision-making process of the Board of Administration.

The decision-making process within the company will remain a collective responsibility of the Board of Administration, which will be held jointly and severally responsible for all decisions taken in the exercise of its powers.

The renouncement of the mandate by independent administrators shall be accompanied by a detailed statement of the reasons for such renouncement.

The Members of the Board of Administration will constantly update their competencies and will improve their knowledge of the company's business and best corporate governance practices in order to fulfil their role.

Members of the Board of Administration of SNTGN Transgaz SA

By OGMS Resolution 6/29.04.2025, Article 12, the termination of the mandate of the S.N.T.G.N. Transgaz S.A. administrators, Mr. Ion STERIAN, Mr. Petru Ion VĂDUVA, Mr. Nicolae MINEA, Ms. Ilinca VON DERENTHALL, and the interim administrator, Ms. Adina Lăcrimioara HANZA, effective as of 30.04.2025 was ascertained.

Also, by the same OGMS Resolution, based on Article 13, the appointment of the following administrators of SNTGN Transgaz SA was approved, following the completion of the selection procedure:

ION STERIAN	Executive Administrator, term of office 4 years, starting on 30 April 2025 and ending on 29 April 2029
NICOLAE MINEA	Independent Non-Executive Administrator, term of office 4 years, starting on 30 April 2025 and ending on 29 April 2029
ILINCA VON DERENTHALL	Independent Non-Executive Administrator, term of office 4 years, starting on 30 April 2025 and ending on 29 April 2029
ADINA LĂCRIMIOARA HANZA	Independent Non-Executive Administrator, term of office 4 years, starting on 30 April 2025 and ending on 29 April 2029
COSTIN MIHALACHE	Independent Non-Executive Administrator, term of office 4 years, starting on 30 April 2025 and ending on 29 April 2029

By Board of Administration Resolution 12/07.05.2025 Mr. Nicolae MINEA, member of the Board of Administration, was elected as Chairman of the Board of Administration for a term of six months, from 07.05.2025 to 06.11.2025.

The CVs of the members of the Transgaz Board of Administration are available on the company's website at*: www.transgaz.ro/About us/Board of Administration*.

The Board of Administration delegates the management of the company to the Director - General of SNTGN Transgaz SA, which is not the Chairman of the Board of Administration. The Director - General of the National Gas Transmission Company Transgaz S.A. represents the company in its relations with third parties.

The Director prepares and submits to the Board of Administration a proposal for the management component of the management plan for the duration of the mandate in order to achieve the financial and non-financial performance indicators.
The Board of Administration may require that the management plan be amended or revised if it does not provide for measures to achieve the objectives set out in the letter of expectation and does not include the expected results to ensure the assessment of the financial and non-financial performance indicators.

After the approval of the management plan by the Board of Administration, the approved financial and non-financial performance indicators are an annex to the mandate contract concluded with the Director.

The assessment of the directors' activity by the Board of Administration will concern both the execution of the mandate contract and the management plan management component.

The Director - General prepares and submits to the Board of Administration the reports provided by law.

The Director - General submits to the Board of Administration for approval the transactions concluded with the administrators or directors, employees or shareholders holding control over Transgaz or with a company controlled by them, if the transaction has, individually or in a series of transactions, a value of at least the equivalent in lei of EUR 50,000.

The executive directors and the directors of subsidiaries are appointed by the Director-General and are subordinate to him, are officials of SNTGN TRANSGAZ S.A., carry out its operations and are accountable to it for the performance of their duties under the same conditions as the members of the Board of Administration.

The duties of the executive directors and of the directors within the subsidiaries are established by Rules of Organization and procedure of SNTGN Transgaz SA. Persons who are incompatible under the Companies Law no. 31/1990, republished, as amended, may not act as executive directors or Subsidiary directors.

According to Art. 19 (8^1) of the Articles of Incorporation, updated on 03.06.2025, the Board of Administration reports, at the first general meeting of the shareholders following the conclusion of the legal act regarding:

- any transaction with the administrators or with the directors, the employees, the shareholders who control the company or with a company controlled by them;
- the transactions concluded with the spouse, with relatives or kin up to the 4th degree including any of the persons above;
- any transaction concluded between SNTGN TRANSGAZ S.A. and another public undertaking or with the public supervisory body, if the transaction has the value, individually or in a series of transactions, of at least the RON equivalent of EUR 100.000.

The Board of Administration has the obligation to provide the general meeting of the shareholders and the financial auditors with the documents of SNTGN TRANSGAZ S.A. and the activity reports in accordance with the law.

Transgaz' intention to acquire its own shares
Not applicable.

Number and nominal value of shares issued by the parent company, held by subsidiaries
Not applicable.

Bonds and/or other debt securities
Not applicable.

Significant mergers or reorganizations

In Half I 2025 there were no mergers or reorganizations within SNTGN Transgaz SA.7.2.

7.2 Legal acts concluded under the conditions of Article 52(1) and (6) of GEO 109/30.11.2011

In Half I 2025, no legal documents were concluded in accordance with Art. 52 (1) and (6) of GEO no.109/30.11.2011, as amended.

7.3. Main transactions concluded between affiliated parties (in accordance with Art. 108 of Law 24/2017 on the issuers of financial instuments and market operations, republished)

In accordance with the provisions of Art. 108 of Law no. 24/2017 on the issuers of financial instruments and market operations, as subsequently amended and supplemented and Art. 209[1] of FSA Regulation no. 5/2018 on the issuers of financial instruments and market operations, Transgaz reported in Half I 2025, in addition to the information included in the current report published on 1 November 2024, updated information on the values realized in relation to the contracts concluded with SNGN Romgaz SA (affiliated party).

Details of these transactions, containing information about the date of conclusion, the nature of the transaction, the description of the subject matter, the amount of the transaction, the expiry date, the reciprocal claims and liabilities, the securities provided, the stipulated penalties, the terms and conditions of payment are presented in the current report published on 1 November 2024, as well as in the Consolidated report of the Administrators for 2024.

No.	SNGN Romgaz SA – Contracting Party	Contract scope	Estimated value reported * 01.11.2024 (LEI)	Achieved value** (LEI, VAT included)
1.	Contract no. 35T/26.08.2024 (1 October 2024 – 1 January 2025)	Provision of natural gas transmission services for the quarterly capacity product related to the NTS entry points	695.471,70	695.786,69
2.	Contract no. 36T/26.08.2024 (1 October 2024 – 1 January 2025)	Provision of natural gas transmission services for the quarterly capacity product related to the NTS exit points	266.093,90	202.468,29
3.	Contract 1535/08.04.2024 (01.04.2024 – 31.03.2025)	Provision of underground gas storage services, meaning the set of activities and operations carried out by the Provider for or in connection with the booking of storage capacity in underground storages	6.902.801,69	10.345.954,95

4.	Contract 1506/28.03.2024 (01.04.2024 – 31.03.2025)	Provision of underground gas storage services, meaning the set of activities and operations carried out by the Provider for or in connection with the booking of storage capacity in underground storages	6.942.551,56	7.615.466,36
5.	Contract OR1/11.04.2024 (1 April 2024 – 31 March 2025)	Sale-purchase of natural gas from the current domestic production of SNGN Romgaz SA for the technological consumption of SNTGN Transgaz SA.	36.000.000,00	61.946.437,54

* Estimated value reported – the value calculated at the time of signing the contract
** Achieved value – the final invoiced value at the time of contract completion

8. KEY PERFORMANCE INDICATORS ESTABLISHED IN THE MANDATE CONTRACTS

By OGMS Resolution 8/06.12.2021, art. 1, the financial and non-financial performance indicators which are annexed to the administrators' mandate contracts for the period 2021-2025 were approved. The revision of some Financial performance indicators was approved by OGMS Resolution 3/28.02.2022, OGMS Resolution no 2/16.02.2023, OGMS Resolution no 1/21.02.2024 and OGMS Resolution no 4/09.04.2025 and the revision of some non-financial performance indicators was approved by OGMS Resolution no. 10/07.12.2022.

KEY FINANCIAL PERFORMANCE INDICATORS for the calculation of the variable component of the remuneration (separate)

No.	Indicator	Objective	2025		Achievement degree
			Budgeted	Achieved Half I 2025	
1.	**Outstanding payments**	*Maintenance of the outstanding payments at zero.*	0	0	100%
2.	**Operating expenses** (less depreciation, balancing, construction activity and provisions for impairment of assets and for risks and charges) (**thousand lei**)	*Maintenance of the operating expenses at the level under the Management Plan*	1.782.027	699.343	255%
3.	**Liquidity ratio**	*Liquidity ratio to record annual values higher than 1*	1	0,98	98%

No.	Indicator	Objective	2025		Achievement degree
			Budgeted	Achieved Half I 2025	
4.	**Net leverage rate**	Maintenance of a net leverage rate below the limits set for obtaining bank financing, i.e.: 5-2021, 5,5-2022, 5 – 2023-2024, 4,5 2025	5	3,96	126%
5.	**EBITDA (thousand lei)**	Achievement of the EBITDA target under the Management Plan	867.934	719.401	83%

Table 34- Key financial performance indicators for the calculation of the variable component of remuneration in Half I 2025 compared to the 2025 Budget (according to the Management Plan 2021-2025)

KEY NON-FINANCIAL PERFORMANCE INDICATORS for the calculation of the variable component of the remuneration

No.	Indicator	Objective	No.	2025		Achievement degree
				Planned	Achieved Half I (29.04.2025)	
Operational						
6	**Monitoring the Investment Strategy and Implementation**	***Achievement of the FID projects under the TYNDP (2024-2033)*** *I = (achieved+initiated actions)/proposed actions*				
		Development on the Romanian territory of the Southern Transmission Corridor for taking over the Black Sea gas	6.1	Construction 2023-2025 Completion date - 2025.	On 16 June 2023, the works commencement order was signed. The work was completed according to schedule and is currently in the acceptance phase.	*100%*
		Development of the SCADA system for the National Gas Transmission System	6.2	Project implementation 2024-2025 Completion date 2025	The work is in progress according to the schedule.	*100%*
7	**Increasing energy efficiency**	*Maintaining the share of the NTS gas consumption in the total circulated gas below 1%*	7.1	<1	**0,37%**	*100%*
8	**Customer satisfaction**	*Achievement of the targets established in the management plan (According to PP SA 02 - Customer satisfaction assessment, a score between 6-8 represents the fact that the services offered met accordingly the requirements of the customers)*	*8.1*	8	**Achieved – 8** Report SMC/ 20511/11.03.2025 on the evaluation of SNTGN Transgaz SA clients satisfaction for 2024	*It is monitored annually*

9	**Strengthening and diversifying cooperation and collaboration relations with European gas transmission system operators**	*Conclusion of memoranda of cooperation and collaboration with European gas transmission system operators (minimum 5 operators) regarding the collaboration on hydrogen injection*	9.1	1	A joint Memorandum of Understanding was signed between four gas transmission system operators in Central Europe (Transgaz - Romania, Gaz-System - Poland, Eustream - Slovakia and FGSZ – Hungary), on exploring the possibilities of decarbonising their operations, transmitting green gas and investigating the potential of transmitting CO_2.	*100%*
Public service oriented						
10	**Performance indicators related to the gas transmission service**	*Achievement of the targets established in the Performance Standard for the gas transmission service (ANRE Order 140/2021 entered into force as at 1 October 2022).*	*10.1*	$IP_0^1 \geq 90\%$	*99,71%*	*100%*
			10.2	$IP_1^1 \geq 90\%$	*100%*	
			10.3	$IP_1^2 \geq 95\%$	*	
			10.4	$IP_1^3 \geq 95\%$	*	
			10.5	$IP_1^4 \geq 95\%$	*100%*	
			10.6	$IP_1^5 \geq 95\%$	*	
			10.7	$IP_2^1 \geq 95\%$	*100%*	
			10.8	$IP_3^1 \geq 95\%$	*97,92%*	
			10.9	$IP_3^2 \geq 95\%$	*	
			10.10	$IP_4^1 \geq 95\%$	*	
			10.12	$IP_5^1 \geq 98\%$	*100%*	
			10.12	$IP_5^2 \geq 98\%$	*100%*	
			10.13	$IP_6^1 \geq 98\%$	*100%*	
			10.14	$IP_6^2 \geq 98\%$	*100%*	
Corporate governance						
11	**Optimization of internal/ management control system**	*Implementing the provisions of GSG Order 600/2018 for the approval of the Internal/Management Control Code of public enterprises as amended.* *I = implemented standards/ standards provided for in the Order 600/2018*100* *Implementation of the measures established in the* internal/management control system *Implementation Plan* *I = Implemented measures /proposed measures *100*	11.1	Development of the internal /management control system for maintaining it at a level considered compliant with the standards included in the Internal/Management Control Code.	***Achieved*** *- Monitoring Committee Decision 424/01.04.2025;* *- letter to GSG 5899/ 27.01.2025, entry no. to GSG 2246/28.01.2025 regarding the submission of the following* internal/management control system *reporting documents:* ▪ *Report of the Director General on the Internal/Managerial Control System as at 31 December 2024, no. 5899/27.01.2025;* ▪ *Centralizing report on the implementation and development of the internal/managerial control system within SNTGN Transgaz SA, as at 31 December 2024, no. 5899/ 27.01.2025.* *The data provided for in the above documents are uploaded in the SCIM (Internal Management Control System) – GSG (The General Secretariat of the Government) IT Platform. The General Secretariat of the Government notifies the approval*	*100%*

					of the forms uploaded in the IT Platform by e-mail dated 11.03.2025); *- SCI/M (Internal Management Control System) development programme, updated for the year 2025, no. DSMC/17231/03.03.2025;* *- Report on the state of implementation of the internal/managerial control system at Transgaz level for the year 2024, no. DSMC/12957/ 17.02.2025;* *- Report on performance monitoring at Transgaz level for 2024, no. DSMC/16175/ 26.02.2025;* *- Report to the Director General on the monitoring of performance and the progress of SCIM implementation at Transgaz for 2024, by Letter no. 28018/02.04.2025;* *- the Board of Administration took note of Report DG/31903/14.04.2025 on "The progress of implementation of the internal control/management system and the monitoring of performance", for 2024 by BoA Resolution 11/28.04.2025.*	
			11.2	Streamline the processing and management of SCI/M documentation by implementing an SCI/M web platform (preparation of procurement documents).	***Achieved*** *- Tender book no. 43806/08.06.2021 for the design and implementation of the SCI/M web platform . The analysis, diagnosis, assessment of the Internal/Managerial Control System is included in Chapter 2 of the Specifications.* *- Necessity report no. DSMC/61781/22.08.2023 on the budgeting of the product 'Automated Information System dedicated to the development, management and continuous monitoring of the Internal/Managerial Control System;* *-The implementation of the platform was postponed to Q IV 2025.*	*100%*
12	**Optimization of risk management process**	*Implementation of the requirements of Standard 8 of GSG Order no. 600/2018 for the approval of the internal/management Control Code of public entities as further amended.*	*12.1*	*Continuous monitoring and adaptation of the organisational, conceptual and methodological framework of the risk management process*	***Achieved*** *- EGR Decision No 331/ 14.03.2025;* *-EGR Decision no. 721/22.05.2025;* *- Risk Management Strategy, 2021-2025; no. DSMC/38586/ 19.05.2021 was approved by Board of Administration Resolution. 25/31.08.2021;*	*100%*

		Moving to a 5-step risk assessment scale			*- the meeting of the Board of Administration held on 28 April 2025 (BoA Resolution 11/2025) took note of the "Report no. DG/31902/14.04.2025 on the analysis of the achievement of the specific objectives and action directions set out in the Program for the implementation of the measures set out in the Risk Management Strategy, 2021-2025, at the level of Transgaz, period under review - 2021-2024";* *-* *- the 5-step risk tolerance limit for 2025 no. DSMC/12923/17.02.2025 was approved in the Board of Administration meeting held on 26 February 2025 by BoA Resolution 4/2025.* *- the 5-step risk tolerance limit for 2025 no. DSMC/12923/17.02.2025, circulated by Letter DSMC/20304/11.03.2025 and published in the public area:* https://portal.intranet.transgaz.ro/zonapublica/scim/Managementul%20riscurilor/06.%20Limita%20de%20toleranta/8.%20Limita%20de%20toleran%C8%9B%C4%83%20_%202025%20Transgaz.pdf *- The Risk Appetite Statement for 2025 at SNTGN Transgaz SA was approved at the Board of Administration meeting held on 26 February 2025 through BoA Resolution no. 4/2025.* *- The Declaration - Commitment of the Director - General on Risk Management, 2021-2025 did not require revision.*	
			12.2	*Systematic analysis of risks associated with operational objectives at the level of organisational structures.*	***Achieved*** *In accordance with the letter No. DSMC/20304/11.03.2025 all organizational structures have posted in the dedicated area:* *- the list of operational objectives, activities and risks, year 2025;* *- The Risk Registers at service and departmental level, year 2025;* *- The plans of measures to minimize risks at service, departmental level, year 2025;* *According to Letter No. DSMC/99965/28.11.2024 all organizational structures have posted the revised Risk Registers, December 2024, and Risk Management Report, year 2024 at the level of the divisions, independent units, independent*	

					departments and offices, regional offices, the Medias Subsidiary.	
			12.3	*Implementation of risk management policy, procedures and legal requirements and monitoring their application at company level.*	***Achieved*** *- Company-wide Risk Register, 2024, No. DSMC/20439/ 31.12.2024, REVISED December 2024;* *-Company-wide Risk Register, year 2025, no. DSMC/17235/03.03.2025, approved by Board of Administration Resolution 11/28.04.2025 (Report no. DSMC /32284 /14.04.2025);* *-Risk Minimization Measures Plan, at company level, year 2025, no. DSMC/17233/03.03.2025, approved by Board of Administration Resolution 11/28.04.2025 (Report no. DSMC /32284 /14.04.2025);;* *- Report to the Director -General on risk management and monitoring, within SNTGN Transgaz SA, for the year 2024, by Letter no. 28018/02.04.2025;* *- The Board of Administration acknowledged Report no. DG/31901/14.04.2025 on risk management and monitoring within SNTGN Transgaz SA, 2024, by BoA Resolution 11/28.04.2024;* *- the risk profile, December 2024 No DSMC/12923/ 17.02.2025 approved by Board of Administration Resolution 4/26.02.2025..*	
13	**Timely reporting of the performance indicators**	*Compliance with the legal deadlines for reporting* *I = actual reporting deadlines/reporting deadlines provided *100*	*13.1*	*Calendar for Financial communication to BVB*	***Achieved*** *(see the company`s website)*	*100%*
			13.2	*Report on the status of implementation of the 10-Year Development Plan of the National Gas Transmission System*	**Achieved** Letter *DSMC/18731/5.03.2025 ANRE entry number/28264/ 5.03.2025*	

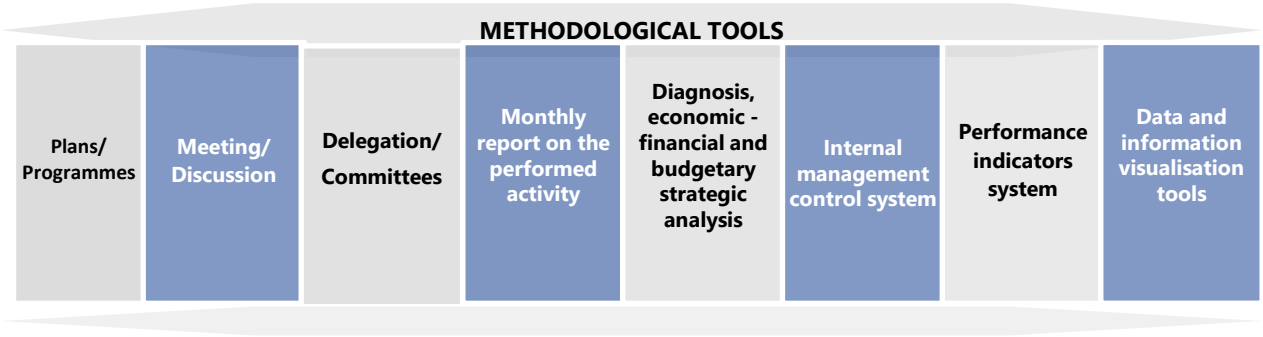
			13.3	Internal/management control system *reporting*	***Achieved*** *It was sent to the General Secretariat of the Government by Letter no. DSMC/ 5899/27.01.2025 , entry no. GSG 2246/28.01.2025,* *- Centralized Progress Report on the implementation and development of the internal/management control system in SNTGN Transgaz SA on 31 December 2024 no. 5899/27.01.2025;* *-Report on the internal/managerial control system as at 31 December 2024, no. 5899/27.01.2025*	
			13.4	*Reporting related to the achievement of the performance indicators of the gas transmission service*	***Achieved*** *Letter 97388/19.11.2024 ANRE report for gas year 2023-2024* *It is reported annually (in November)*	
			13.5	*Reporting form S1100 on the monitoring of the application of the provisions of GEO 109/2011*	***Achieved*** *- Letter no. 520/08.01.2025 H I100 reporting for H II 2024;*	
14	**2021-2025 NAS implementation**	*Implementation of the measures established in the NAS* *I = measures achieved within the deadline /proposed measures *100*	*14.1*	*Achievement of the objectives under the Integrity Plan for the implementation of the Anti-Corruption Strategy 2021-2025*	***Achieved*** *The measures foreseen in the Integrity Plan for the implementation of the National Anti-Corruption Strategy 2021-2025, for 2025, were realized:* *- elaboration, submission to the GSG (The General Secretariat of the Government) and publication on the Intranet page of the Report on the status of implementation of the measures envisaged in the SNA 2021-2025 for 2024, at the level of S.N.T.G.N. Transgaz S.A.;* *-preparation, submission to the General Secretariat of the Government and publication on the Intranet page of Transgaz' Integrity Incident Assessment Report for 2025,* *- preparation, submission to A.N.I. and publication on the Intranet page of the Report on the application of Law no. 361/2022 on the protection of the public interest warnings in 2024, at SNTGN Transgaz SA level;* *-*	*100%* *It is monitored annually*

Table 35 – Key non-financial performance indicators achievements for the calculation of the variable component of remuneration at 29.04.2025

Note: *Given that in the period analysed for the performance indicators of the gas transmission service marked * no requests/notifications/complaints were registered, we conclude that the potential risk did not materialize, and, therefore, it results that the indicators are met according to the requirements established in the Performance Standard, although the degree of fulfilment of these indicators cannot be determined by mathematical calculation.*

At the date of preparation of this report, the corporate process of developing the Management Plan for the 2025–2029 term, in accordance with the provisions of Government Emergency Ordinance No. 109/2011 on corporate governance of public enterprises, as amended, and with the provisions of the Shareholders' Letter of Expectations for the 2025–2029 term, is ongoing.

In order to optimize the performed activities, the company's administrators and management will continue to act with maximum responsibility and will efficiently use modern administration/management methods and techniques, adequate for the optimization of all processes and activities carried out by the company, as they are presented:



ION STERIAN – Executive Administrator – Director – General

NICOLAE MINEA – Non-Executive Administrator

ILINCA VON DERENTHALL – Non-Executive Administrator

ADINA LĂCRIMIOARA HANZA – Non-Executive Administrator

COSTIN MIHALACHE – Non-Executive Administrator

PETRU ION VĂDUVA – Non-Executive Administrator (mandate termination as at 29.04.2025)

LIST OF TABLES

Table 1- Consolidated standard performance indicators for Half I 2025 compared to Half I 2024 ... 8
Table 2 - Consolidated profitability, liquidity, risk and management indicators in Half I 2025 ... 9
Table 3- Main consolidated economic and financial indicators in Half I 2025 compared to Half I 2024 ... 10
Table 4 – Separate standard performance indicators in Half I 2025 compared to Half I 2024 ... 11
Table 5 –Separate profitability, liquidity, risk and management indicators in Half I 2025 ... 12
Table 6 - Main separate economic-financial indicators in Half I 2025 compared to Half I 2024 ... 13
Table 7 - Shareholding structure as at 25 June 2025 ... 34
Table 8 - Members of Transgaz's executive management holding TGN shares as at 30.06.2025 ... 38
Table 9 - The executive management of Transgaz as at 30.06.2025 ... 40
Table 10 - Vestmoldtransgaz SRL management on 30.06.2025 ... 40
Table 11 - Eurotransgaz SRL management on 30.06.2025 ... 40
Table 12 - Petrostar SA management on 30.06.2025 ... 40
Table 13 - The evolution of the number of Transgaz Group personnel in Half I 2025 ... 41
Table 14 – The evolution of the number of Transgaz' employees in the period 2021-Half I 2025 ... 41
Table 15 – Gas quantities circulated, transmitted, and NTS gas consumption in 2021-Half I 2025 ... 52
Table 16 - Gas quantities circulated, transmitted, and NTS gas consumption planned compared to quantities achieved in Half I 2025 and in Half I 2024 ... 52
Table 17– Gas quantities as NTS gas consumption achieved vs planned in 2021-Half I 2025 ... 53
Table 18 - Achievement of the Investment Programme in H I 2025 ... 55
Table 19– Achievement of the Repair and Rehabilitation Works Programme for NTS Maintenance (PLRRM) – Half I 202562
Table 20 - Indicators of consolidated economic and financial results (SNTGN Transgaz SA, Eurotransgaz SRL, Vestmoldtransgaz SRL) ... 71
Table 21 – Consolidated financial results in Half I 2025 compared to Half I 2024 ... 72
Table 22 - Separate financial results in H I 2025 compared to H I 2024 ... 74
Table 23 - Individual financial results in Half I 2025 compared to the Budget for Half I 2025 ... 77
Table 24 – H I 2025 achievements compared to H I 2024 achievements and H I 2025 achievements compared to REB (%) ... 78
Table 25 – Individual achievements in H I 2025 compared to the Management Plan 2025 ... 79
Table 26 - Statement of consolidated financial position in H I 2025 compared to 2024 ... 80
Table 27 - Consolidated profit and loss account in H I 2025 compared to H I 2024 ... 83
Table 28 - Consolidated cash flow statements in H I 2025 compared to H I 2024 ... 85
Table 29 - Statement of individual financial position in H I 2025 compared to 2024 ... 91
Table 30 - Individual profit and loss account in Half I 2025 compared to Half I 2024 ... 94
Table 31 - Revenue from the operating activity – achieved in H I 2025 compared to achieved in H I 2024 ... 95
Table 32 - Operating costs achieved in H I 2025 compared to H I 2024 ... 95
Table 33 - Individual cash flow statements in H I 2025 compared to H I 2024 ... 97
Table 34- Key financial performance indicators for the calculation of the variable component of remuneration in Half I 2025 compared to the 2025 Budget (according to the Management Plan 2021-2025) ... 111
Table 35 – Key non-financial performance indicators achievements for the calculation of the variable component of remuneration at 29.04.2025 ... 116

LIST OF CHARTS

Chart 1- Consolidated profitability indicators in Half I 2025 compared to Half I 2024 ... 9
Chart 2 – Net profit (consolidated) in Half I 2025 compared to Half I 2024 (thousand lei) ... 10
Chart 3- Turnover (consolidated) in Half I 2025 compared to Half I 2024 (thousand lei) ... 10
Chart 4-Operating revenue, expense and profit before the construction activity according to IFRIC 12 – consolidated - in Half I 2025 compared to Half I 2024 (thousand lei) ... 10
Chart 5 - Investment and rehabilitation expenses – consolidated - in Half I 2025 ... 10
Chart 6 – Separate profitability indicators in Half I 2025 compared to Half I 2024 ... 12
Chart 7-Turnover (individual) in Half I 2025 compared to Half I 2024 (mil. lei) ... 13

Chart 8 - Net profit (individual) in Half I 2025 compared to Half I 2024 (mil. lei) *13*
Chart 9 – Operating revenue, expense and profit before the construction activity according to IFRIC – in Half I 2025 compared to Half I 2024 (mil. lei) *13*
Chart 10 – Gross profit and net profit (separate statements) *14*
Chart 11 - Investment and upgrading costs - separate statements *14*
Chart 12 - Shareholding structure as at 25 June 2025 ..... *35*
Chart 13 – Number of Transgaz shareholders since BSE listing date and until 25.06.2025 ..... *35*
Chart 14 - Personnel structure by categories of studies as at 30 June 2025 ..... *41*
Chart 15 - Personnel structure by gender as at 30 June 2025 ..... *41*
Chart 16 – Personnel structure by headquarters and regional offices as at 30 June 2025 ..... *42*
Chart 17 - Personnel structure by activities as at 30 June 2025 ..... *42*
Chart 18 - Personnel structure by age categories as at 30 June 2025 ..... *42*
Chart 19 - The evolution of the personnel structure by categories of studies in Half I 2025 compared to Half I 2024 ..... *43*
Chart 20 - The closing price of the TGN shares in 01.01.2024 – 30.06.2024 vs. 01.01.2025 – 30.06.2025 ..... *46*
Chart 21 - TGN transactions volume in 01.01.2024 – 30.06.2024 vs. 01.01.2025 – 30.06.2025 ..... *46*
Chart 22 - TGN transactions value in 01.01.2024 – 30.06.2024 vs. 01.01.2025– 30.06.2025 ..... *46*
Chart 23 - Stock market capitalization of Transgaz on 30.06.2025 vs. 30.06.2024 ..... *49*
Chart 24 – The TGN share evolution compared to stock exchange indices BET, BET-BK, BET-TR, ROTX, BET-NG and BET-XT in Half I 2025 ..... *50*
Chart 25 - Gas quantities circulated, transmitted, stored and NTS consumption planned vs. achieved in Half I 2024 ..... *53*
Chart 26 – The evolution of the share of NTS gas consumption in total circulated gas in 2021-Half I 2025 ..... *53*
Chart 27 - The share of the main NTS users in Half I 2025 ..... *54*
Chart 28 – Modernization and Development Plan 2025 status – January 2025 ..... *56*
Chart 29 – Modernization and Development Plan 2025 status – June 2025 ..... *56*
Chart 30 - PLRRM 2025 - Repair and rehabilitation works for NTS maintenance - June 2025 ..... *63*
Chart 31- PLRRM 2025 - Repair and rehabilitation works on main pipelines - June 2025 ..... *63*
Chart 32 – Actual status of procurement procedures on 30 June 2025 ..... *65*
Chart 33 - Structure and number of cases in which the company was involved in Half I 2025 ..... *66*
Chart 34 - Consolidated financial results in Half I 2025 compared to Half I 2024 (thousand lei) *72*
Chart 35 - Consolidated financial results in Half I 2025 compared to Half I 2024 (%) *73*
Chart 36 Separate financial results in H I 2025 compared to H I 2024 (thousand lei) *74*
Chart 37 - Individual financial results in H I 2025 compared to H I 2024 (%) *74*
Chart 38 – Individual achievements Half I 2025 compared to individual achievements Half I 2025 and Individual Achievements Half I 2025 compared to REB Half I 2025 ..... *78*

LIST OF FIGURES

Figure 1 - Map of the National Gas Transmission System and the NTS cross-border interconnection points *33*
Figure 2 - Transgaz administrative map *36*

THE NATIONAL GAS TRANSMISSION COMPANY
TRANSGAZ S.A.

INTERIM SEPARATE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED ON 30 JUNE 2025 (UNAUDITED)

PREPARED IN ACCORDANCE WITH
THE ORDER OF THE MINISTRY OF PUBLIC FINANCE 2844/2016

This version of the financial statements is a translation from the original, which was prepared in Romanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

INTERIM SEPARATE FINANCIAL STATEMENTS

Contents **Page**

Interim Statement of Financial Position	1 - 2
Interim Statement of Comprehensive Income	3
Interim Statement of Changes in Equity	4
Interim Cash Flow Statement	5
Notes to the Interim Separate Financial Statements	6-87

This version of the financial statements is a translation from the original, which was prepared in Romanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

INTERIM STATEMENT OF FINANCIAL POSITION
(expressed in lei, unless otherwise stated)

	Note	30 June 2025 (unaudited)	31 December 2024 (audited)	01 January 2024 (restated)*
ASSET				
Non-current assets				
Tangible Assets	7	306.716.831	333.770.260	377.639.699
Right of use assets	7.1	19.948.043	19.695.092	14.500.703
Intangible assets	9	5.350.566.518	5.117.106.134	3.654.197.909
Investments in subsidiaries	10.1	182.164.288	177.644.145	177.619.145
Receivables from Concession Agreement	12.3	2.796.291.662	2.648.907.892	2.392.525.261
Deferred tax	18	89.924.214	82.718.086	86.121.080
Restricted cash	13	2.403.537	2.301.308	1.956.015
		8.748.015.093	**8.382.142.917**	**6.704.559.812**
Current assets				
Inventories	11	637.399.053	508.219.412	577.164.164
Trade receivables	12.1	218.098.174	322.973.435	294.525.591
Other receivables	12.2	90.726.288	82.996.924	65.334.252
Income tax receivables		25.049.501	17.147.652	40.985.211
Cash and cash equivalents	13	699.000.889	993.071.864	675.600.636
		1.670.273.905	**1.924.409.287**	**1.653.609.854**
Total assets		**10.418.288.998**	**10.306.552.204**	**8.358.169.666**
EQUITY AND LIABILITIES				
Equity				
Share capital	14	1.883.815.040	1.883.815.040	1.883.815.040
Hyperinflation adjustment of share capital	14	441.418.396	441.418.396	441.418.396
Share premium	14	247.478.865	247.478.865	247.478.865
Other reserves	15	1.265.796.861	1.265.796.861	1.265.796.861
Retained earnings	15	698.552.039	440.307.635	121.716.927
		4.537.061.201	**4.278.816.797**	**3.960.226.089**
Non-current liabilities				
Long-term loans	16	2.928.430.700	3.253.799.769	1.865.388.334
Deferred revenue	17	1.086.803.231	1.141.200.092	849.905.753
Lease liabilities	0.2	17.488.915	16.968.348	12.208.966
Provision for employee benefits	21	149.195.294	144.260.768	137.152.905
		4.181.918.140	**4.556.228.977**	**2.864.655.958**

Notes 1 to 34 are part of these financial statements.

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INTERIM STATEMENT OF FINANCIAL POSITION
(expressed in lei, unless otherwise stated)

	Note	30 June 2025 (unaudited)	31 December 2024 (audited)	01 January 2024 (restated)*
Current liabilities				
Short-term loans	16	622.833.230	350.726.742	447.885.745
Deferred revenue	17	105.536.263	103.676.018	113.993.591
Trade payables	0.1.a	318.476.384	486.630.526	242.158.611
Other payables	0.1.b	568.215.574	389.374.125	581.033.283
Client contract liabilities	0.1.c	34.686.611	81.621.549	52.563.221
Lease liability	19.2	3.785.045	3.913.557	3.333.037
Other provisions	20	23.813.128	39.650.849	76.184.914
Provision for employee benefits	21	21.963.422	15.913.064	16.135.217
		1.699.309.657	**1.471.506.430**	**1.533.287.619**
Total liabilities		**5.881.227.797**	**6.027.735.407**	**4.397.943.577**
Total equity and liabilities		**10.418.288.998**	**10.306.552.204**	**8.358.169.666**

*For restatements see note 32

Endorsed and signed on behalf of the Board of Administration on 18 August 2025 by:

Chairman of the Board of Administration
Nicolae Minea

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

Notes 1 to 34 are part of these financial statements.

This version of the financial statements is a translation from the original, which was prepared in Romanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

INTERIM STATEMENT OF COMPREHENSIVE INCOME

(expressed in lei, unless otherwise stated)

	Note	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited, restated)*
Revenue from the domestic transmission activity	22.1	1.343.574.613	942.106.613
Other income	22.2	78.227.487	74.023.009
Operational revenue before the balancing and construction activity according to IFRIC12		**1.421.802.100**	**1.016.129.622**
Depreciation and amortization	7, 9	(246.318.361)	(230.994.660)
Employees costs	24	(337.141.124)	(296.751.318)
NTS gas consumption, materials and consumables used		(61.780.101)	(58.454.973)
Expenses with royalties		(154.511.081)	(108.342.261)
Maintenance and transmission		(26.198.999)	(15.167.140)
Taxes and duties		(61.277.835)	(40.237.473)
Income/ (Expenses) with other provisions		20.723.689	(10.182.126)
Receivables impairment loss/(gain)		(6.626.335)	(21.952.157)
Other operating expenses	23.1	(75.589.634)	(66.499.737)
Operational profit before the balancing and construction activity according to IFRIC12		**473.082.319**	**167.547.777**
Revenue from the balancing activity	22.1	231.868.550	114.784.449
Cost of balancing activity	23.2	(231.868.550)	(114.784.449)
Revenue from the construction activity according to IFRIC12	22.1	451.111.690	675.817.268
Cost of assets constructed according to IFRIC12	33	(451.111.690)	(675.817.268)
Operational profit		**473.082.319**	**167.547.777**
Interest Income	25	43.663.732	36.923.138
Financial income	25	87.065.353	66.072.254
Financial cost	25	(66.655.639)	(48.632.679)
Financial income, net		**64.073.446**	**54.362.713**
Profit before tax		**537.155.765**	**221.910.490**
Income tax expense	18	(77.275.287)	(36.561.521)
Net profit for the period		**459.880.478**	**185.348.969**
Shares number		188.381.504	188.381.504
Basic and diluted earnings per share (expressed in lei per share)	28	2,44	0,98
Other items of comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax)			
Actuarial gain / loss for the period		1.815.950	2.056.798
Total comprehensive income for bthe period		**461.696.428**	**187.405.767**

*For restatements see note 32

Chairman of the Board of Administration
Nicolae Minea

Director - General
Ion Sterian

Chief Financial Officer
Marius Lupean

Notes 1 to 34 are integral part of these financial statements.

INTERIM STATEMENT OF CHANGES IN EQUITY
(expressed in lei, unless otherwise stated)

	Note	Share Capital	Share capital adjustments for hyperinflation	Share premium	Other reserves	Legal reserve	Reinvested profit reserve	Retained earnings	Total equity
Balance at 1 January 2024 (before restatement) (note 32)		**1.883.815.040**	**441.418.396**	**247.478.865**	**1.265.796.861**	**55.765.430**	**17.275.596**	**212.103.089**	**4.123.653.277**
Effect of accounting error corrections (note 32)								(163.427.188)	(163.427.188)
Balance at 1 January 2024		**1.883.815.040**	**441.418.396**	**247.478.865**	**1.265.796.861**	**55.765.430**	**17.275.596**	**48.675.901**	**3.960.226.089**
Elements of the comprehensive income									
Net profit for the period (restated-note 32)*		-	-	-	-	-	-	185,348,969	185,348,969
Actuarial gains and losses								2.056.798	2.056.798
Total other comprehensive income		-	-	-	-	-	-	**2.056.798**	**2.056.798**
Total comprehensive income for the period								**187,405,767**	**187,405,767**
Shareholder transactions:									
Dividends for 2023	15	-	-	-	-	-	-	(65.933.526)	(65.933.526)
Balance at 30 June 2024 (restated)*		**1.883.815.040**	**441.418.396**	**247.478.865**	**1.265.796.861**	**55.765.430**	**17.275.596**	**170,148,141**	**4,081,698,329**
Elements of the comprehensive income									
Net profit for the period								206,680,984	206,680,984
Actuarial gains and losses								(9.562.514)	(9.562.514)
Total other comprehensive income		-	-	-	-	-	-	(9.562.514)	(9.562.514)
Total comprehensive income for the period								**197,118,469**	**197,118,469**
Legal reserve created						22.905.250		(22.905.250)	-
Establishing tax reserves							40.845.861	(40.845.861)	-
Shareholder transactions:									
Dividends related to 2023	15	-	-	-	-	-	-	-	-
Balance at 31 December 2024 (audited)		**1.883.815.040**	**441.418.396**	**247.478.865**	**1.265.796.861**	**78.670.680**	**58.121.457**	**303.515.498**	**4.278.816.797**
Elements of the comprehensive income									
Net profit for the period								459,880,479	459,880,479
Actuarial gains and losses								1.815.950	1.815.950
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**1.815.950**	**1.815.950**
Total comprehensive income for the period								**461,696,426**	**461,696,426**
Establishing tax reserves							30.520.848	(30.520.848)	-
Shareholder transactions:									
Dividends relate to 2024	15	-	-	-	-	-	-	(203.452.024)	(203.452.024)
Balance at 30 June 2025		**1.883.815.040**	**441.418.396**	**247.478.865**	**1.265.796.861**	**78.670.680**	**88.642.305**	**531,239,053**	**4,537,061,200**

*For restatements see note 32

Chairman of the Board of Administration
Nicolae Minea

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

Notes 1 to 34 are integral part of these financial statements.

INTERIM CASH FLOW STATEMENT
(expressed in lei, unless otherwise stated)

	Note	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (restated)*
Cash generated from operations	26	**683.793.491**	**524.841.033**
Paid income tax		(86.372.256)	(46.921.639)
Net cash inflow from operating activities		**597.421.235**	**477.919.394**
Cash flow from investing activities			
Payments to acquire intangible assets		(720.184.572)	(519.903.683)
Payments to acquire tangible assets		(5.544.499)	(7.851.291)
Receipts from the disposal of tangible assets		-	110.457
Financial investments/shareholdings		(4.520.143)	(25.000)
Interest received		7.889.844	7.465.665
Net cash used in investing activities		**(722.359.370)**	**(520.203.852)**
Cash flow from financing activities			
Long-term loans withdrawals		-	497.670.000
Long term loans repayments		(66.156.019)	(66.158.016)
Credit repayments for working capital		(26.117.015)	(6.924.401)
Cash flow from connection fees and grants		1.826.529	136.014.267
Lease Payments (IFRS 16)		(3.912.013)	(3.796.654)
Interest paid		(74.558.763)	(58.688.177)
Dividends paid		(215.560)	(175.182)
Net cash used in financing activities		**(169.132.841)**	**497.941.837**
Net change in cash and cash equivalents		**(294.070.975)**	**455.657.379**
Cash and cash equivalent as at the beginning of the year	13	**993.071.864**	**675.600.636**
Cash and cash equivalent as at the end of the period	13	**699.000.889**	**1.131.258.015**

* For restatements, see note 32.

Chairman of the Board of Administration
Nicolae Minea

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

Notes 1 to 33 are part of these financial statements.

1. GENERAL INFORMATION

The National Gas Transmission Company - SNTGN Transgaz SA (`company`) has as main activity the transmission of natural gas. Also, the company maintains and operates the national gas transmission system and carries out research and design activities in the area of natural gas transmission. At 30 June 2025, the majority shareholder of the company is the Romanian state, through the General Secretariat of the Government.

According to the applicable European and national provisions, the Company ensures the balancing activity for the National Transmission System ("NTS"). The balancing activity is carried out by the Company based on ANRE Order no.160/2015 establishing the obligations regarding the balancing of the national transmission system, a financially neutral activity, any profit or loss from this activity being distributed to the clients for which domestic transmission services are provided.

The company was established in May 2000, following several reorganizations of the gas sector in Romania: its predecessor was part of the former national gas monopoly SNGN Romgaz SA (`predecessor company`), which was reorganized under Government Decision 334/2000.

The natural gas sector is regulated by the `National Energy Regulatory Authority` - `ANRE`. ANRE's main responsibilities are the following:

- issuing or withdrawing licenses for companies operating in the natural gas sector;
- publishing framework contracts for the sale, transmission and distribution of natural gas;
- setting the criteria, requirements and procedures related to the selection of eligible consumers;
- setting the pricing criteria and the calculation methods for the natural gas sector.

The company is headquartered in 1 C.I. Motaş Square, Mediaş, Romania.

Since January 2008, the company has been listed at the Bucharest Stock Exchange, as a Tier 1 company, under the TGN symbol.

The Ordinary General Meeting of Shareholders approves the annual financial statements of the Company based on the reports of the Board of Administration and of the financial auditors.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Statement of compliance

The Company's financial statements were prepared in accordance with the Order of the Minister of Public Finance no. 2.844/2016, as amended ("OMF 2844/2016") for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards (IFRS Accounting Standards), as adopted by the European Union, applicable to companies whose real shares are admitted for trading on a regulated market.

OMF 2844/2016 complies with IFRS Accounting Standards as adopted by the European Union with the following exceptions:

IAS 21 The Effects of Changes in Foreign Exchange Rates regarding the functional currency,

- IAS 20 Accounting for Government Grants regarding the recognition of revenue from green certificates,
- the exception of IAS 12 Income Taxes related to the treatment of minimum tax on turnover as an income tax expense.
  These exceptions do not affect the compliance of the Company's financial statements with IFRS Accounting Standards as adopted by the EU.
- IFRS 15 Revenue from contracts with customers regarding the revenue from connection fees to the distribution grid. The Company's policy on connection fee income, described in Note 3.17, does not affect the compliance of the Company's financial statements with IFRS Accounting Standards as adopted by the EUwith regards to measurement, it does affect however its presentation. In accordance with OMF 2844 these items are presented as deferred revenue, while under IFRS 15 these should have been classified as contract liability.
- Another exception is provided by the provisions of Government Emergency Ordinance no. 119/1 September 2022 to amend and supplement Government Emergency Ordinance no. 27/2022 on the measures applicable to end customers in the electricity and natural gas market in the period from 1 April 2022 to 31 March 2023, as well as for amending and supplementing some normative acts in the energy sector, under which the natural gas transmission service provider is obliged to capitalize on a quarterly basis the additional costs of natural gas purchase, realized in the period from 1 January 2022 to 31 March 2025, in order to cover the technological consumption, compared to the costs included in the regulated tariffs and the assets resulting from the capitalization are recognized in the accounting records and financial statements according to the instructions prepared by the Ministry of Finance. In application of the provisions of Article III of the Government Emergency Ordinance no. 119/2022 on the recognition in the accounting records and financial statements of assets resulting from capitalization, the Minister of Finance issued Order no. 3900/19 October 2022 and the Company recorded the related amount under intangible assets. These assets are depreciated over 5 year period. These provisions are not in accordance with IFRS Accounting Standards. If the IFRS Accounting Standards had been applied, the value of the lines in the statement of comprehensive income would have recorded the following effect:

  Consumption of NTS gas, materials and consumables would have recorded an increase by Lei 20.547.260 in Half 1 2025 (22,640,578 lei for the six-month period ending 30 June 2024), *Depreciation and amortization* would have recorded a decrease by Lei 2.772.235 in Half 1 2025 (1,345,857 lei for the 6-month period ended 30 June 2024), *Operating profit* would have recorded a decrease by Lei 17.775.025 in Half 1 2025 (21,294,721 lei for the 6-month period ended 30 June 2024), and the value of the lines in the statement of the financial position would have recorded the following effect: *Intangible assets* would have decreased by lei 66.632.609 as at 30 June 2025 (36,099,145 lei as of 30 June 2024) and *Retained result* would have recorded a reduction of Lei 66.632.609 as at 30 June 2025 (36,099,145 lei as of 30 June 2024).

The financial statements were prepared based on the historical cost convention, except for the financial assets which are measured at fair value by the profit and loss account or at the fair value by other elements of the comprehensive income.

The financial statements have been prepared based on a going concern principle.

The preparation of the financial statements in accordance with OMFP 2844/2016 requires the use of critical accounting estimates. Also, the management is required to use judgment in applying the company's accounting policies. Areas with a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are presented in Note 5.

3. SUMMARY OF THE MATERIAL ACCOUNTING POLICIES

The main accounting policies applied in the preparation of these financial statements are presented below.

3.1 Standards/amendments

Standards/amendments that are in force and have been endorsed by the European Union

The accounting policies adopted are consistent with those of the previous financial year with the exception of the following standards and amendments to IFRS Accounting Standards that have been adopted by the Company as from 1 January 2025:

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments).** The amendments are effective for annual reporting periods beginning on or after January 1, 2025. The newly adopted IFRS Accounting Standard did not have a material impact on the Company's accounting policies

Standards issued but not yet in force and not adopted early

Standards/amendments which are not yet in force but have been endorsed by the European Union

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments).** In May 2024, IASB issued Amendments to Classification and Measurement of Financial Instruments, which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Presentation, and are effective for annual reporting periods beginning on or after 1 January 2026, with early adoption permitted. In subsequent reporting periods, Management will review the requirements of this newly issued standard and assess its impact.
- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts for Factor-Dependent Electricity.** In December 2024, IASB issued specific amendments for enhanced presentation of contracts relating to naturally-dependent electricity, which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, these become effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted. In subsequent reporting periods, Management will review the requirements of this newly issued standard and assess its impact.
- **Annual Improvements to IFRS Accounting Standards - Volume 11.** In July 2024, IASB issued Annual Improvements to IFRS Accounting Standards - Volume 11. An entity shall adopt these amendments for annual reporting periods beginning on or after 1 January 2026.

Early adoption is permitted. In subsequent reporting periods, Management will consider the requirements of this newly issued standard and assess its impact.

Standards/amendments not yet in force and not yet approved by the European Union

- **IFRS 18 Financial Statement Disclosures.** In April 2024, IASB issued IFRS 18 Presentation of Financial Statement Disclosures, which replaces IAS 1 - Presentation of Financial Statements, it is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. In subsequent reporting periods, Management will review the requirements of this newly issued standard and assess its impact.
- **IFRS 19 - Non-public Subsidiaries: Disclosures.** In May 2024, IASB issued IFRS 19 - Non-publicly Accountable Subsidiaries: Disclosure Requirements, which will be effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. In subsequent reporting periods, This standard has no impact on separate financial statements..
- **Amendment to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and the Associate or Joint Venture.** In December 2015, IASB indefinitely postponed the effective date of this amendment pending the outcome of its research project on the equity method.

3.2 Reporting on segments

Reporting on business segments is made consistently with the internal reporting by the main operating decision-maker. The main operating decision-maker, which is in charge with resource allocation and assessment of business segments' performance, was identified as being the Board of Administration, which makes the strategic decisions.

Specifically, the Company is organized in the following segments:

- Domestic gas transmission segment for the gas transmission services in Romania
- International gas transmission segment – for the international gas transmissions using part of the NTS
- Balacing market segment – the Group is obliged to ensure balancing of the physical gas market, a profit neutral activity
- Other activities

3.3 Transactions in foreign currency

a) Functional currency

The items included in the financial statements of the company are valued using the currency of the economic environment where the entity operates (`functional currency`). The financial statements are presented in Romanian leu (`lei`), which is the functional currency and the currency of company presentation.

b) The rounding level used in the presentation of the financial statements

In the financial statements the value is presented rounded by units.

c) Transactions and balances

Transactions in foreign currency are converted into functional currency using the exchange rate valid on the date of transactions or valuation at the reporting date. Profit and loss resulting from foreign currency translation reserve following the conclusion of such transactions and from the conversion at the exchange rate at the end of the reporting period of monetary assets and liabilities denominated in foreign currency are reflected in the statement of the comprehensive income.

3.4 Accounting for the effects of hyperinflation

Romania has gone through periods of relatively high inflation and was considered hyperinflationary under IAS 29 `Financial Reporting in Hyperinflationary Economies`. This standard required financial statements prepared in the currency of a hyperinflationary economy to be presented in terms of purchasing power as of 31 December 2003. As the characteristics of the economic environment in Romania indicate the cessation of hyperinflation, from 1 January 2004, the company no longer applies IAS 29.
Therefore, values reported in terms of purchasing power on 31 December 2003 are treated as basis for the accounting values of these financial statements.

3.5 Intangible Assets

Computer Software

Licenses acquired related to rights of use of the computer software are capitalized on the basis of the costs incurred with the acquisition and operation of the software in question. These costs are amortized over their estimated useful lives (three years).

Costs associated with maintaining computer software are recognized as expenses in the period in which they are registered.

Other fixed assets (for example international connectors)

Regarding the assets developed by the company, which are complementary to the provision of services according to the concession agreement, the State has the option to acquire these assets at the end of the concession agreement. The company does not have the obligation to keep these assets until the end of the concession agreement and it is allowed to sell them. These assets do not fall within the scope of IFRIC 12 , as these assets are not part of the concession agreement and the grantor has no residual interest on these assets. All the other assets related to the domestic transmission activity and which are part of the national gas transmission system, including improvements made after signing the concession agreement and which must be handed over to the ANRM at the end of the concession agreement fall within the scope of IFRIC 12.

Service Concession Agreement

Public concession agreement and Regulated Asset Base (used for computation of regulated tarrifs)

In 2002 Transgaz SA has signed Concession Agreement with ANRM (Agentia Nationala a Resurselor Minerale) for the concession of the national gas transmission system for a period of 30 years (up to 2032)

In accordance with Public Domain Law No. 213/1998, pipelines for gas transmission are public property. Government Decision 491/1998, confirmed by Government Decision 334/2000, states that fixed assets with a gross historical statutory book value of lei 474,952,575 (31 December 2017: lei 474,952,575) , representing gas pipelines, are managed by the company. Therefore, the company has the exclusive right to use such assets during the concession and shall return them to the state at the end of this period.

In 2004 ANRE has issued Order 141/ 14.06.2004 and introduced the first regulated tariff on the natural gas transmission system starting with July 1, 2004, for the period 2004-2005, on the basis of the methodology for the approval of transmission tariffs approved by ANRE Decision No 1078/2003.

The tariff methodology provided that the determination of the initial value of the Regulated Asset Base (RAB), used for the calculation of the base revenue of the first regulatory period, is carried out by the Default RAB method.

The default RAB value was allocated to the objectives participating in the provision of natural gas transmission service as at June 2004, including the remaining value of the NTS assets subject to the Concession Agreement and recoverable from regulated tariffs until 2032.

The additions and modernization of the NTS, that at the end of the concession agreement will be returned to the state (ANRM) and are expected to be recovered from tariffs until 2032 are recognized as RAB. As such this RAB is constantly updated with upgrades and developments of the National Gas Transmission System. The value of the amount to be recovered at end of concession is fixed, and known, at the moment construction of an extension/improvement to the National Gas Transport System is finalized, as it is equal to the residual value of the assets , computed as unamortized net book value at the end of concession. This value is adjusted each year with inflation index.

RAB is recognized at the level of CAPEX less funds used from non-refundable funds such as investment subsidies.

In 2012 the Law 123/2012 (Legea energiei electrice şi a gazelor naturale) was issued by the Romanian Parliament. Based on Law 123/2012, ANRE (Autoritatea Naţională de Reglementare în Domeniul Energiei) has become the natural gas sector regulatory authority that took over the regulatory activity, the control and oversight of the NTS.

Art. 125-133 of Law 123 contain the newly established legal framework and the tasks of ANRE and the NTS operator.

Transgaz prepares every year, in the first part of the year, the substantiation note of the transmission tariffs for the following gas year (October - September).

In the tarrif methodology approved by ANRE Order 41/2019 methodology, art. 17 is mentioned the computation formula of RAB included in the tariff. The RAB used for the next year's tariff substantiation note, is the actual RAB for the past months with estimated values until the end of the gas year.

Bifurcated model according to IFRIC 12

Initial application and recognition of intangible asset

Transgaz receives most of the benefits associated with the assets and is exposed to most of the risks, including the obligation to maintain network assets over a period at least equal to the remaining useful life, and the financial performance of the company is directly influenced by the state of the network.The scope of IFRIC 12 includes: the existing infrastructure at the time of signing the concession agreement and, also, the modernization and improvement brought to the gas transmission system, which are transferred to the regulatory authority at the end of the concession agreement.
Due to the fact that the Service Concession Agreement (`SCA`) had nothing substantial changed in the way the Transgaz assets are operated (i.e.; cash flows changed only with the payment of royalties, but, on the other hand, the transmission tariff increased to cover the royalty), the intangible asset was measured at the remaining net value of the derecognized assets (classified in the financial statements as tangible assets on the date of application of IFRIC 12). Consequently, Transgaz continued to recognize the asset, but reclassified it as intangible asset. Transgaz tested the intangible assets recognized at that time for impairment, and no impairment resulted.

Transgaz is entitled to charge the users of the public service and, consequently, an intangible asset was recognized for this right. At the same time Transgaz is entitled to a compensation at the end of the concession that would reflect the unamortised residual value of the assets, as determined in the law. Given that the value and the depreciation rate are also determined in the law, at the time of implementation of IFRIC 12, Transgaz could estimate the amount that it is entitled to at the end of the concession. This amount, as per the law, represent an unconditional receivable, thus, per IFRIC 12, is recognised as a financial asset (details follow).

Financial Asset (Long term receivable) and intangible asset computation basis
Law 127/2014 entered into force on 5 October 2014 states that if the concession contract is terminated for any reason, or upon contract termination, the investment made by the national transmission system operator shall be transferred to the national transmission system owner or another grantor on payment of compensation equal to the Regulated Asset Base which was not depreciated fixed by ANRE.

The company applies the bifurcated model.
Under this model, the intangible asset is excess of the costs occured over the financial asset (measured as per below). Said differently, the company recognized for the investments made until the balance sheet date an updated receivable related to the Regulated Asset Base remained undepreciated at the end of the concession agreement (2032), and an intangible asset for the value difference.
The present value of this long-term receivable is discounted using a discount rate equal to Romanian long-term government bonds, with a maturity close to the remainder of the concession agreement.
The initial measurement of the receivable is made at the fair value which reflects the credit risk which applies to the regulated amount remaining unamortized at the end of the contract, discounted using a risk-free rate - Romanian long term government bond rate. Subsequent valuation is done at amortized cost using the effective interest method. The actual interest rate used is based on historical data and does not change according to market interest rate.

Long term receivable adjusted with inflation rate

In 2019, ANRE Order no. 41/2019 on the adjustment of Regulated Asset Base to the inflation rate. The Company records the present value of the contractual cash flows recalculated as a result of the adjustment of the Regulated Asset Base with the yearly inflation rate and recognizes a gain or loss from the change in the profit or loss account.

This method is in accordance with IFRS 9.B5.4.5, is based on the traditional approach of accounting for floating-rate debt instruments. Rather than taking account of expectations of future inflation it takes account of inflation only during the reporting period.

The amortization of intangible assets falling within the scope of the concession agreement have a useful life defined in the accounts ending at the time of the termination of the concession agreement (2032). The amortization of these intangible assets is calculated using the straight-line method in order to allocate their cost less residual value over their useful life.

In accordance with Public Concession Law No. 238/2004, a royalty is due for public goods managed by companies other than 100% state-owned. The royalty rate for using the gas transmission pipelines is set by the government. As of October 2007, the royalty was set at 10% of the revenue. The duration of the concession agreement is 30 years, until 2032. Subsequent to entry into force of the provisions of art. 103 para. 2 of Law no. 123/2012, as of 12 November 2020, the royalty was set at 0.4%, from the domestic and international gas transmission services provided by the company, and as of 30 October 2023 the royalty has been set at 11.5% of the value of gross revenues from natural gas transmission services, in accordance with GEO No 91 of 27 October 2023

3.7 Tangible Assets

Tangible assets include buildings, land, assets used for the non-regulated international transmission activity (e.g. pipelines, compressors, filtering installations, devices).

The company's policy is to reflect ntangible assets at their cost at their cost less any accumulated depreciation and any impairment accumulated losses.

Buildings include particularly ancillary buildings of operating assets, a research centre and office buildings.

Property, plant and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

Subsequent expenditure is included in the carrying amount of the asset or recognized as separate asset, as the case may be, only when the entry of future economic benefits for the company associated to the item is likely and the cost of the respective item can be valued in a reliable manner. The carrying amount of the replaced asset is derecognized. All the other expenses with repairs and maintenance are recognized in the statement of comprehensive income in the financial period when they occur.

Land is not depreciated. Depreciation on other items of tangible assets is calculated based on the straight-line method in order to allocate their cost minus the residual value, during their useful life, as follows:

	Number of years
Buildings	50
Assets of the gas transmission system	20
Other non-current assets	4 - 20

The residual values of the assets and their useful lives are reviewed and adjusted as appropriate, at the end of each reporting period.

The carrying amount of the asset is written down immediately to its recoverable amount if the carrying amount of the respective asset is greater than its estimated recoverable amount (Note 3.7).

Gain and loss on disposal are determined by comparing amounts to be received with the book value and are recognized in the statement of comprehensive income in the period in which the sale took place.

Costs attributable directly to the acquisition, construction or production of an asset with a long production cycle are capitalized as part of the cost of the respective asset. Borrowing costs attributable directly to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if expenses with the asset hadn't been made. To the extent that funds are borrowed specifically for obtaining a qualifying asset, the borrowing costs eligible for the capitalization of the respective asset is determined by the actual cost generated by that borrowing during the period, minus the income from the temporary investments of those borrowings. To the extent that funds are generally borrowed and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset.

The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the period, other than borrowings made specifically for obtaining the qualifying asset.

The costs of the funds borrowed for obtaining a qualifying asset (achievement of the investment) are capitalized by the company on the asset as a difference between the current leverage costs related to such loan during the period and any revenue from the investments obtained from the temporary investment of these loans.

Borrowing costs attributable to the arrangement are recognized as an expense in the period in which they are incurred, unless the operator has the contractual right to receive an intangible asset, in which case the borrowing costs attributable to an arrangement are capitalized during the engagement stage.

The residual values of the assets and their useful lives are reviewed and adjusted as appropriate, at the end of each reporting period.

The carrying amount of the asset is written down immediately to its recoverable amount if the carrying amount of the respective asset is greater than its estimated recoverable amount (Note 3.7).

Gain and loss on disposal are determined by comparing amounts to be received with the book value and are recognized in the statement of comprehensive income in the period in which the sale took place.

3.8 Impairment of non-financial assets

Depreciated assets are reviewed for impairment loss whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The impairment loss is the difference between the carrying amount and the recoverable amount of the asset. The recoverable amount is the greater of the asset's fair value minus costs to sell and value in use. An impairment loss recognized for an asset in prior periods is reversed if there are changes in the estimates used to determine the recoverable amount of the asset at the date the last impairment loss was recognized. For the calculation of this impairment, assets are grouped at the lowest levels for which there are identifiable independent cash flows (cash generating units).

Depreciated non-financial assets are reviewed for possible reversal of the impairment at each reporting date.

Leased assets

The Group assesses at the beginning of a contract whether a contract is, or contains, a lease. That is, whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases except for short-term leases and leases of low value assets. The Group recognizes lease liabilities for lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of recognized lease liabilities, initial direct costs incurred and lease payments made on or before the commencement date, less any lease inducements received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and machinery 3 to 15 years
- Motor vehicles and other equipment 3 to 5 years
- Leased gas transmission network in Moldova – 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings.

Short-term leases and leases of low-value assets The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a call option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.9 Financial assets

Financial assets and liabilities

The Company's financial assets include cash and cash equivalents, trade receivables, the long term receivable under the concession agreement other receivables, loans granted, bank deposits and government securities with a maturity from the date of incorporation/acquisition of more than three months and other investments in equity instruments.

Financial debts include interest-bearing bank loans, overdrafts, commercial debts and other debts.

For each item, the accounting policies on recognition and measurement are presented in this note.

Cash and cash equivalents include cash in hand and bank accounts and short-term bank deposits with a maturity of less than three months from the date of deposit.

The Company recognises a financial asset or a financial liability in the statement of financial position when and only when it becomes a party to the contractual provisions of the instrument. At initial recognition, financial assets are classified as measured at amortized cost or measured at fair value through profit or loss. The classification depends on the Company's business model for managing financial assets and their contractual cash flows.

The Company does not hold financial assets measured at fair value by other comprehensive income elements.

At initial recognition, financial assets and financial liabilities are measured at fair value plus or minus, in the case of assets measured at amortized cost, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Receivables arising from contracts with customers represent the Company's unconditional right to consideration. The right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. They are measured on initial recognition at the transaction price.

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method for each difference between the initial amount and the maturity amount and, for financial assets, modified for any adjustment for impairment.

Any difference between the entry value and the value at the maturity date is recognised in the statement of comprehensive income for the period of the loans, using the effective interest method.

Financial instruments are classified as liabilities or equity according to the nature of the contractual arrangement. Interest, dividends, gains and losses related to a financial instrument classified as debt are reported as expense or revenue. Distributions to holders of financial instruments classified as equity are recorded directly in equity.

Financial instruments are offset when the Company has an enforceable legal right to offset and intends to settle either on a net basis or to realize the asset and settle the obligation simultaneously.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are measured for impairment at the end of each reporting period.

With the exception of trade receivables, the loss adjustment related to a financial instrument shall be measured at an amount equal to the expected lifetime credit losses if the credit risk of that financial instrument has increased significantly since initial recognition. If, at the reporting date, the credit risk for a financial instrument has not increased significantly since initial recognition, the Company measures the loss adjustment for that financial instrument at an amount equal to the expected 12-month credit losses.

The adjustment for losses related to trade receivables arising from transactions within the scope of IFRS 15 is measured at an amount equal to the expected lifetime credit losses. The Company considers the risk or probability that a credit loss will occur by reflecting the possibility that a credit

loss will occur and the possibility that a credit loss will not occur, even if the possibility of a credit loss is very remote.

The Company assesses the expected credit losses of a financial instrument in a manner that reflects reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The carrying amount of financial assets, other than those measured at fair value through the profit and loss account, is reduced by using an impairment adjustment account.

Derecognition of assets and liabilities

The Company derecognises a financial asset only when the contractual rights to the cash flows related to the assets expire, or when it transfers the financial asset and, substantially, all risks and rewards related to the asset to another entity.

The Company derecognizes financial liabilities if and only if the Company's obligations have been paid,

(i) Assets measured at cost

The share held at Eurotrangaz SRL is recognized at cost according to Art.10.a-IAS 27-Separate Financial Statements:

In 2025 and 2024 the company evaluated the stake held in Eurotrangaz SRL in order to identify any possible impairment losses No impairments were found.

3.10. Inventories

Inventories are stated at the lower of cost and net achievable value. The components recovered from disassembling and repairs of pipelines built by the company are recorded as stocks at a value determined by a technical committee. The amount so determined does not exceed the net achievable value.

The cost for spare parts bought is determined based on the first in, first out method, except for the cost of gas used in the national transmission system balancing activity which is determined based on the weighted average cost method. Where necessary, adjustment is made for obsolete and slow-moving inventories. Individually identified obsolete inventories are adjusted for the full value or written off. For slow moving inventory, an estimate is made of the age of each main category on inventory rotation.

The calculation of the general adjustment for the depreciation of stocks is made monthly depending on the age of the existing items in stock, applying the following percentages according to age: 0 - 12 months 0%; 1 - 2 years 10%; 2 - 3 years 30% - 40%; over 3 years 75% - 80%.

The company holds a minimum safety stock of spare parts and materials.

The minimum gas stock that the company, as holder of the national natural gas transmission system operating license is required to have in underground storage facilities, is established by decision of the President of the National Energy Regulatory Authority (ANRE President). The Decision no. 56/08.04.2025 of the ANRE President established the obligation for the company to have a level of natural gas stock of 393,546,504 MWh as at 31 October 2025..

3.11. Trade receivables

Trade receivables are amounts due from customers for services rendered in the course of the company's ordinary activities. If the collection period is one year or less (or in the normal operating cycle of the business), they are classified as current assets.

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, minus the adjustments for impairment.

The impairment adjustment policy according to IFRS9 is presented in note 12.

3.12. Cash and cash equivalent

Cash and cash equivalents comprise cash on hand, cash in current accounts with banks, other short-term investments with high liquidity and with maturity terms of up to three months and overdrafts from banks. In the statement of financial position, overdraft facilities are registered at loans, under current liabilities.

3.13. Equity

Share capital
Ordinary shares are classified as equity.
Additional costs directly attributable to the issue of new shares or options are registered at equity as a deduction, net of tax, from the receipts.

Dividends
Dividends are recognized as liabilities and deducted from equity at the end of the reporting period if they are declared before or at the end of the reporting period. Dividends are recognized when they are proposed before the end of the reporting period.

The company did not partially distribute dividends during the financial year.

Reserves
Reserves are accounted for by categories of reserves: legal reserves, statutory or contractual reserves, reserves from reinvested earnings and other reserves.

Legal reserves are established annually from the company's profits, in the proportions and within the limits laid down by law, and from other sources laid down by law. Legal reserves may be used only under the conditions provided for by law.

Retained earnings
Comprise the result carried forward from the takeover at the beginning of the current financial year of the profit and loss account result of the previous financial year and the result carried forward from the correction of accounting errors.

The company did not distributed interim dividends during the financial year.

3.14. Borrowings

Borrowings are recognized initially at fair value, net of transaction costs recorded. Subsequently, borrowings are stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss , based on the effective interest method.

Borrowings are classified as current liabilities, unless the company has an unconditional right to defer payment of debt for no less than 12 months after the end of the reporting period.

3.15. Current and deferred income tax

Tax expense for the period includes the current tax and the deferred tax and is recognized in profit or loss, unless it is recognized in other items of the comprehensive income or directly in equity because it relates to transactions that are, in turn, recognized in the same or in a different period, in other items of the comprehensive income or directly in equity.
Current income tax expense is calculated based on the tax regulations in force at the end of the reporting period. The company periodically evaluates situations where the applicable tax regulations are subject to interpretation and establishes provisions/ adjustments for impairment, where appropriate, for the amounts with accounting/fiscal impact.

The deferred income tax is recognized based on the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax arising from the initial recognition of an asset or liability in a transaction other than a business combination and at the time of the transaction does not affect the accounting profit and the taxable revenue is not recognized. The deferred income tax is determined based on tax rates (and legal regulations) in force until the end of the reporting period and which are expected to apply in the period in which the deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred revenue tax assets are recognized to the extent that it is probable that future taxable profit be derived from temporary differences.

3.16. Trade payables and other payables

Suppliers and other payables are recognized initially at fair value and subsequently measured at amortized cost, using the effective interest method.

3.17. Deferred revenue

Deferred revenue is recorded for

c) connection fees applied to customers upon their connection to the gas transmission network
c) for the assets received free of charge (mainly land) and
c) for government grants received.

Tthe connection fees are billed to some large clients for their connection to the gas transmission network (additional connecting pipeline to be built by Transgaz). The fees billed to customer can cover partially or totally the cost of the pipes constructioncost. These fees are considered to partially finance the construction of these additional connection pipelines, and are recognised as deferred revenue. The income from this deferred revenue is recognized straight line over the useful life of the asset financed. These additional pipelines are considered objective-specific, not customer specific. .

The governmental subsidies are recognised at their market value when there is a reasonable assurance that they will be received and that the relevant conditions will be met

The company recognizes a right to collect the grant when there is reasonable assurance that it will comply with the conditions attached to its award and that the grant will be received. The Company considers that the reasonable assurance that the grant will be received can be confirmed by the fulfilment of the eligibility conditions in the funding applications, prior to the approval of the funding application.

The income from the grant is recognized proportionally from the amortization of the financed assets, applying the percentage of financing of the eligible expenses on the monthly amortization.

Cash inflows from government grant cashed or Connection fees are presented within financing cash flows in the Statement of Cash flows, as it is a the group's policy choice under IAS 7.

3.18. Employee benefits

In the normal course of business, the company makes payments to the Romanian state on behalf of its employees, for health funds, pensions and unemployment benefits. All the company employees are members of the pension plan of the Romanian state, which is a fixed contribution plan. These costs are recognized in the profit and loss account with the recognition of salary expenses.

Benefits granted on retirement
Under the collective agreement, the company must pay the employees on retirement a compensatory amount equal to a certain number of gross salaries, depending on the time worked in the gas industry, working conditions etc. The company recorded a provision for such payments (see Note 21). The obligation recognized in the balance sheet represents the present value of the obligation at the reporting date. The obligation is calculated annually by independent experts using the Projected Unit Credit Method. The present value is determined by discounting future cash flows with the interest rate of the long-term government bonds.

The current service cost is recognized in the profit and loss account in the employee costs. Interest expense is included in the profit and loss account in the financial costs.

Actuarial gain or loss due to changes in actuarial assumptions is recognized in the statement of comprehensive income (are debited/credited to retained earnings via other comprehensive income) in the period for which the actuarial calculation is made.

Social insurance
The company records expenses related to its employees, as a result of granting social insurance benefits. These amounts mainly include the implicit costs of employing workers and, therefore, are included in the salary expenses.

Profit sharing and bonuses
The company recognizes an obligation and expense for bonuses and profit sharing, based on a formula taking into account the profit attributable to the company's shareholders, after certain

adjustments. The company recognizes an obligation where it is required under contract or where there is a past practice which created an implicit obligation.

3.19. Provisions

The provisions are recognized when the company has a legal or implicit obligation as a result of past events, when for the settlement of the obligation an outflow of resources is required, which incorporates economic benefits and for which a credible estimate can be made in terms of the obligation value. Where there are similar obligations, the probability for an outflow of resources to be necessary for settlement is set after the assessment of the obligation class as a whole.

The provision is recognized even if the probability of an outflow of resources related to any item included in any obligation class is reduced.

Where the company expects the writing back to revenue of a provision, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is theoretically certain.

Provisions are measured at the discounted value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.20. Revenue recognition

The Company recognizes contracts with customers when all of the following criteria are met:

- the parties to the contract have approved the contract and undertake to fulfil their obligations;
- The Company may identify the rights of each party in relation to the goods or services to be transferred;
- The Company can identify the payment terms;
- the contract has commercial substance;
- it is likely that the Company will collect the value of the goods delivered and of the services provided.

Income from contracts with customers is recognised when, or as, the Company transfers the goods or provides services to the client, i.e. the client gains control over them.

Depending on the nature of the goods or services, revenue may be recognised over time or at a specific time.

Revenue is recognised over time if:

- the client simultaneously receives and consumes the benefits of obtaining the goods and services as the Company performs the obligation;
- the Company's performance creates or enhances an asset that the client controls to the extent that the asset is created or enhanced;
- the Company's performance does not create an asset with an alternative use for the Company.

All other revenue that does not meet the above criteria is recognised at a specific time.

In order for revenue to be recognized over time, the Company assesses progress towards the performance obligation using either outcome-based or input-based methods, depending on the

nature of the good or service transferred to the client. Revenue is recognized only if the Company can reasonably estimate the outcome of the performance obligation, or, if the outcome cannot be estimated, only at the level of costs incurred that it expects to recover from the client.

Revenue from client contracts mainly relates to natural gas transmission services. Each NTS user simultaneously receives and consumes the benefits provided by the operator as the operator provides the NTS operating services and therefore the operator recognises revenue over time

The Company has the following revenue streams:

a) *Revenues linked to the concession agreement in Romania*

- Revenue from transmission services – Romania
- Revenue from the balancing activity -Romania
- Revenues from connection fees charged to clients upon their connection to the gas transmission network- Romania
- Revenue from construction activity according to IFRIC 12

The contracts entered into by the Company do not contain significant financing components.

a) *Revenue from services*

Revenue from the domestic gas transmission results from the booking the transmission capacity and from the transmission through the National Transmission System of the determined quantities of natural gas, expressed in units of energy, during the validity of a gas transmission contract, and are recognized at the moment of their delivery. During the administration of the transmission contracts, the Company issues and submits invoices to the clients, by day 15 of the month following the month for which the transmission service was provided.

b) *Revenue from the balancing activity*

In accordance with the applicable European and national provisions, the Company ensures the balancing activity for the National Transmission System (NTS). The balancing activity is carried out by the Company on the basis of ANRE Order no.160/2015 establishing the obligations regarding the balancing of the national transmission system, a financially neutral activity, any profit or loss from this activity being distributed on a monthly basis to the customers for which internal transmission services are provided.

The commercial, operational and physical balancing of the NTS defines a set of activities and procedures necessary to allocate the quantities of natural gas at network user level and to ensure the safe transmission of natural gas through the NTS. Commercial balancing takes the form of issuing Surplus invoices by network users, Deficit invoices by the transmission system operator and neutrality invoices respectively.

The balancing actions carried out by the Company imply the recording of revenues and expenses separately in the accounting records. The difference between the revenues and expenses related to the balancing actions carried out is allocated on a monthly basis to the network users, according to the methodology approved by ANRE, by applying a neutrality tariff.

ANRE Order 85/2017 regulates the mechanism that ensures the cost and revenue neutrality of the natural gas transmission operator (TSO) and considers only the following categories:

- costs and revenues of the TSO as a result of paying or charging imbalance charges in relation to individual Network Users (NUs);
- costs and revenues arising from the purchase/sale of gas by the TSO for the physical balancing of the NTS;
- costs and revenues arising from the activity of gas storage to ensure the physical balance of the transmission system;
- costs resulting from taking out a credit line to finance the physical and commercial balancing activity;
- costs and revenues resulting from contracting balancing services.

The Company presents separate line items for *Revenues from the balancing activity* and *Expenses from the balancing activity* in the statement of comprehensive income, which provides a better picture and understanding of the Company's financial results and performance and of the contribution of the balancing activity to the entity's performance.

The presentation of the line item *Revenues from the balancing activity* under operating revenue does not provide a fair and complete picture of the Company's financial performance. The financial neutrality required by the regulations makes it appropriate to present balancing revenues and expenses separately from the Company's other operating revenues and expenses, separating the balancing activity that has zero regulated profit from the rest of the activities performed by the Company.

c) Revenues from connection fees charged to clients upon their connection to the gas transmission network

These connection fees partially or fully finance the cost of construction works for connection to the National Gas Transmission System, are recognized as prepaid revenues at the time of invoicing to the client and are recognized as revenue over the asset's useful life.

d) Revenue from the sale of goods (including network balancing)

Revenue from the sale of goods is registered when the goods are delivered.

According to the Network Code for the National Gas Transmission System, Transgaz sells natural gas within the actions aimed at balancing the differences between the quantities of natural gas delivered to the NTS and those taken over by the network users from it.

Revenue from the sale of waste materials is generated from the scrapping and capitalization of decommissioned assets.

e) Interest income

Interest income is recognized proportionally, based on the effective interest method.*f) Revenue from dividends*

Dividends are recognized when the right to receive payment is recognized.

G) Revenue from penalties

Revenue from penalties for late payment is recognized when future economic benefits are expected for the company.

3.21. Contract liabilities

Contract liabilities are an obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (ie. a receivable), before the Company transfers the good or service to the customer, the Company presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

3.22. Related parties

The Parties are considered related if one of the parties has the ability to control the other party, to exercise a significant influence over the other party in financial or operational decision making, if they are under the common control with another party, if there is a joint venture in which the entity is an associate or a member of the management as described in the IAS 24 `Related Party Disclosures`. In evaluating each possible related party relationship, the focus is on the essence of this relationship and not necessarily on its legal form. Related parties may enter into transactions which unrelated parties cannot conclude, and transactions between related parties will not apply the same terms, conditions and values as for unrelated parties.

4. FINANCIAL RISK MANAGEMENT

Financial risk factors

By the nature of the activities performed, the company is exposed to various risks, which include: market risk (including currency risk, interest rate risk on fair value, interest rate risk on cash flow and price risk), credit risk and liquidity risk. company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the company. The company does not use derivative financial instruments to protect itself from certain risk exposures.

(a) ***Market risk***

(i) Currency risk

The company is exposed to currency risk by exposures to various foreign currencies, especially to EUR. Currency risk is associated to monetary assets and recognized liabilities.

To cover the currency risk associated with trade receivables and payables, the Company concludes sales and purchase contracts in the national currency, RON.

30 June 2025 (unaudited)	**EUR** (RON)	**GBP** (RON)	**USD** (RON)	**RON** (RON)	**Total** (RON)
Financial assets					
Cash and cash equivalents	835.404	685	59.845	700.508.492	701.404.426
Other financial assets	25.389	-	-	-	25.389
Long term receivable from concession agreement	-	-	-	2.796.291.662	2.796.291.662
Trade and other receivables	164.868.901	-	6.540.791	137.389.381	308.799.073
Total financial assets	**165.729.694**	**685**	**6.600.636**	**3.634.189.535**	**3.806.520.550**

Financial liabilities					
Trade and other payables	26.119.636	-	4.480.644	790.613.886	821.214.166
Lease liabilities	-	-	-	21.273.960	21.273.960
Loans	1.108.501.327	-	-	2.442.762.603	3.551.263.930
Total financial liabilities	**1.134.620.963**	**-**	**4.480.644**	**3.254.650.449**	**4.393.752.056**
Net	**(968.891.269)**	**685**	**2.119.992**	**379.539.086**	**(587.231.506)**

31 December 2024	**EUR** (RON)	**GBP** (RON)	**USD** (RON)	**RON** (RON)	**Total** (RON)
Financial assets					
Cash and cash equivalents	24.822.570	1.583	36.200	970.512.819	995.373.172
Other financial assets	24.870	-	-	-	24.870
Long term receivable from concession agreement	-	-	-	2.648.907.892	2.648.907.892
Trade and other receivables	156.281.013	-	7.210.886	259.601.242	423.093.141
Total financial assets	**181.128.453**	**1.583**	**7.247.086**	**3.849.046.823**	**4.067.399.075**
Financial liabilities					
Trade and other payables	68.356.517	-	167.188	690.460.458	758.984.163
Lease liabilities	-	-	-	20.881.905	20.881.905
Loans	1.106.990.865	-	-	2.497.535.646	3.604.526.511
Total financial liabilities	**1.175.347.382**	**-**	**167.188**	**3.208.878.009**	**4.384.392.579**
Net	**(994.218.929)**	**1.583**	**7.079.898**	**670.168.815**	**(316.993.504)**

As at 30 June 2025, the amount of RON 171.460.469 (31 December 2024: RON 163.516.769) representing trade receivables and other receivables net is expressed in foreign currency, of which 4% in USD (31 December 2024: 4%) and 96% in EUR (31 December 2024: 96%).

The following table shows the sensitivity of profit or loss and equity, to reasonably possible changes in exchange rates applied at the end of the reporting period of the functional currency of the company, with all variables held constant and takes into account the maximum market fluctuation of the exchange rate of each currency during the reporting periods:

	30 June 2025 (unaudited) RON	**31 December 2024 RON**
Impact on profit and loss and on equity of:		
USD appreciation by 8%	169.599	566.392
USD depreciation by 8%	(169.599)	(566.392)
EUR appreciation by 2%	(19.377.318)	(19.884.379)
EUR depreciation by 2%	19.377.318	19.884.379

(ii) Price risk

The company is exposed to the commodity price risk related to gas purchased for own consumption. If the gas price had been 5% higher/lower, the net profit related to the period would have been lower/higher by lei 2.549.679 (on December 2024: lei 6.161.452).

(iii) **Interest rate risk on cash flow and fair value**

The company is exposed to interest rate risk by its bank deposits and variable interest loans.

The regulatory framework governing the Company's activities ensures full coverage of interest rate risk. Interest expenses related to loans taken out to finance investment projects being recovered through regulated income for gas transmission activities, and the interest related to credit lines taken out to finance commercial balancing activities is recovered through the neutrality tariff.

For the average exposure of the period , if the interest rates had been lower/higher by 50 basis points, with all the other variables maintained constant, the profit related to the period and equity would have been higher/lower by 6.501.079 (December 2024: lei 10.098.260 higher / lower) as a result of reducing the interest rate for variable interest loans and the interest rate on the bank deposits. The value of 50 basis points represents management's assessment of the reasonable change in interest rates.

(b) ***Credit risk***

Credit risk is especially related to cash and cash equivalents and trade receivables. The company drew up a number of policies, through their application ensuring that sales of products and services are made to proper customers. The carrying amount of receivables, net of adjustments for loss allowance, represents the maximum value exposed to credit risk. The company's credit risk in respect of trade receivables is concentrated on the 5 main customers, which together account for 47% of the trade receivable balances as at 30 June 2025 (31 December 2024: 42%). Although the collection of receivables can be influenced by economic factors, the management believes that there is no significant risk of loss exceeding the already made impairment adjustments.

As the long-term concession receivable is guaranteed by the Romanian State, the Company considered that the potential impairment using the ECL model is not significant for these financial statements.

To cover credit risk the Company requests payment guarantees for gas transmission and commercial balancing contracts.

As at 30 June 2025 the payment guarantees available to the Group from clients amounting to lei 416.539.038 (2024: lei 614.828.887) - mainly in form of bank guarantee letters and guarantee deposits.

Cash is placed with financial institutions, which are considered as associated to a minimum performance risk.

	30 June 2025 (unaudited)	**31 December 2024**
Without rating	465.439	401.496
BBB-	420.647.416	890.375.218
BBB+	277.100.593	101.883.477
A+	133.931	134.273
AA-	488.117	157.385
Total	**698.835.496**	**992.951.849**

All the financial institutions are presented in the Fitch rating or equivalent.

(c) *Liquidity risk*

Preventive liquidity risk management involves keeping enough cash and funds available by a proper value of committed credit facilities.

The company projects cash flows. The financial function of the company continually monitors the company's liquidity requirements to ensure that there is sufficient cash to meet operational requirements, while maintaining a sufficient level of unused borrowing facilities (Note 16) at any time, so the company does not violate the limits or loan agreements (where applicable) for any of its borrowing facilities. These projections take into account the company's debt financing plans, compliance with agreements, compliance with internal targets on the balance sheet indicators and, where appropriate, external regulations or legal provisions.

The Financial Division of the company invests extra cash in interest bearing current accounts and term deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide the appropriate framework, established under the provisions mentioned above.

The table below shows obligations on 30 June 2025 in terms of contractual maturity remained. The amounts disclosed in the maturity table are contractual undiscounted cash flows.

Maturity analysis of financial liabilities as at 30 June 2025 is as follows:

	Total amount	Less than 1 year	1-5 years	Over 5 years
Borrowings	4.688.031.208	932.808.934	1.801.251.564	1.953.970.710
Trade payables and other payables	821.214.166	821.214.166	-	-
Lease liabilities	21.273.960	3.785.045	17.488.915	-
	5.530.519.334	1.757.808.145	1.818.740.479	1.953.970.710

Maturity analysis of financial liabilities as at 31 December 2024 is as follows:

	Total amount	Less than 1 year	1-5 years	Over 5 years
Borrowings	4.703.903.245	510.840.913	2.053.719.820	2.139.342.512
Trade payables and other payables	758.984.163	758.984.163	-	-
Lease liabilities	20.881.905	3.913.557	16.968.348	-
	5.483.769.313	1.273.738.633	2.070.688.168	2.139.342.512

Trade payables and other payables include trade payables, suppliers of non-current assets, dividends payable, payables and other payables (see Note 19) and are not included: payables generated as a result of the legal provisions imposed by the authorities, payables to the employees and advance registered revenue.

ANRE Order no. 130/2020 regulates two types of guarantee deposits, namely the auction participation guarantee, established before the entry into capacity auctions and the financial payment guarantee, established after the auctions close, for the booked capacity products.

Auction participation guarantees are used by network users ("NU") to participate in future capacity booking auctions, in which daily, within-day, monthly, quarterly, annual capacity products are offered by Transgaz and entitle them to enter at any time during the term of the transmission framework contract, in capacity booking auctions, for the booking of capacity products offered by Transgaz, within the limit of the guarantees established. The guarantees for participation in capacity booking auctions shall be partially or fully returned at the request of the NU.

Contract payment guarantees shall be established, in accordance with the provisions of the Framework Transmission Contract, after the capacity products have been booked and shall be increased or reduced according to the value of the contracted products. They shall be returned 45 days after the termination of the contract by the due date, if the NU has honoured all payment obligations.

The category Trade and other receivables does not include the receivables related to employees and payables registered in advance are not included.

Capital risk management

The company's objectives related to capital management refer to keeping the company's capacity to continue its activity to provide compensation to shareholders and benefits to the other stakeholders and to maintain an optimal structure of the capital, as to reduce capital expenditure. There are no capital requirements imposed from outside.

As for the other companies in this sector, the company monitors the capital based on the leverage degree. This coefficient is calculated as net debt divided by total capital. The net debt is calculated as total borrowings (including `current and long-term borrowings`, according to the statement of financial position), except for cash and cash equivalent. The total capital is calculated as `equity`, according to the statement of the financial position.

The net leverage degree at 30 June 2025 and at 31 December 2024 is reflected in the table below:

	30 June 2025 (unaudited)	31 December 2024
Total borrowings	3.515.165.968	3.584.911.807
Except: cash and cash equivalents (Note 13)	(701.404.426)	(995.373.172)
Net cash position	2.813.761.542	2.589.538.635
Equity capital	4.537.061.201	4.278.816.797
Leverage ratio	0,62	0,61

Fair value estimate

The carrying amount of variable rate financial assets and liabilities is assumed to approximate their fair value.

On-balance sheet financial instruments include trade and other receivables, cash and cash

equivalents, other financial assets, trade payables, interest-bearing loans. The estimated values of these instruments approximate their their carrying amount due to the short maturity. The carrying amount represent the Company's maximum exposure to credit risk for existing receivables.

5. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES IN APPLYING ACCOUNTING POLICIES

Critical accounting estimates and assumptions

The company develops estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors, including predictions of future events considered reasonable under certain circumstances.

The resulting accounting estimates will, by definition, seldom equal the actual results. Estimates and assumptions that have a significant risk of causing an important material adjustment to the carrying amount of assets and liabilities within the next financial year are presented below.

5.1 Assumptions for the determination of the provision for retirement benefits

The key assumptions for the computation of this provision are the inflation rate and the investment return % , variation of these inputs resulting in significant effect on the liability as at 30 June 2025 (and 31 December 2024)
The provision calculated based on estimates of the average wage, the average number of employees and the average number of wage payment at retirement, as well as based on the benefits payment scheme. The provision was brought to the present value by applying a discount factor calculated based on the risk-free interest rate (i.e. interest rate on government bonds).

The present value of the obligations at 30 June 2025 is of lei 171.158.716 (at 31 December 2024: lei 160.073.832) (Note 21).

The presentation of the current value for 30 June 2025 and 31 December 2024 depending on the following variables (having potential effect in Other comprehensive income, being actuarial gains/losses):

	30 June 2025 (unaudited)	**31 December 2024**
Inflation rate +1%	13.955.985	20.648.236
Inflation rate -1%	(12.432.301)	(5.571.698)
Investment return +10%	(8.317.765)	(1.439.562)
Investment return -10%	9.106.451	15.786.013

Analysis of the maturity of benefits payments:

	30 June 2025 (unaudited)	31 December 2024
Up to one year	21.963.422	11.165.196
Between 1 and 2 years	8.337.397	5.121.283
Between 2 and 5 years	24.844.737	14.378.356
Between 5 and 10 years	129.148.689	109.307.865

5.2 The accounting treatment of the concession agreement

As indicated in Note 8, in May 2002 the company concluded a Concession Agreement with the National Agency for Mineral Resources (`ANRM`), which entitles the company to use the main pipelines of the national gas transmission system for a period of 30 years

Scope of IFRIC 12 - applicability

The Grantor - National Agency for Mineral Resources (`ANRM`) is a public sector entity and it granted concession to Transgaz. Transgaz being owned by the Romanian State, can be considered also a public entity.

While IFRIC 12 doesn't specifically state its applicability to "public-to-public concession" it does applies to any such arrangement where infrastructure is provided to the public and involves a concession arrangement, regardless of whether the operator is in the private or public sector

IFRIC 12 applies to service concession arrangements where

(a) the grantor is a public sector entity;

(b) the operator is a private sector entity (or, in some cases, a public sector entity); and

(c) the operator is granted the right to operate the infrastructure used to provide services to the public."

Based on the above details, upon detailed analysis , management of Transgaz considered the Concession Agrement signed with ANRM is in scope of IFRIC 12.

Scope of IFRIC 12 – bifurcated model

Transgaz has the following rights:

a) To charge users of the national Transport system with a tariff which is approved by ANRE and which is based on its Regulated Asset Base (basically pipes, compression stations, etc – which forms the infrastructure called National Gas Transport System

b) If the concession contract is terminated for any reason, or upon contract termination, the investment made by the national transmission system operator shall be transferred to the national transmission system owner or another grantor on payment of compensation equal to the Regulated Asset Base which was not depreciated fixed by ANRE (accordinto to provisions of Law 127/2014 entered into force on 5 October 2014 states) – basically undepreciated NBV at the end of concession (using regulated depreciation periods which approximates economic

useful lives). All the parameters were known since the enactement of the law, and as such, it represents an unconiditional right to receive cash at the end of the cencession.

As such, these two points above, represent two separate assets under IFRIC 12. One representing the unconditional right to receive cash (financial asset) and the other representing the right to charge tariffs for the gas transmission.

Therefore, in this arrangement it is necessary to divide the two components of the contract asset - and measured as a long term financial asset and an intangible asset accordingly.

5.3 The accounting treatment of royalties payable for using the national gas transmission system

As indicated in Note 8, the company pays royalties, calculated as percentage of the gross revenue achieved from the operation of pipelines of the national gas transmission system. These costs were recognized as expenses, rather than deduction from revenue, because they are not of the nature of taxes collected from customers and sent to the state, given the nature of activity and the regulatory framework:

- the company's revenue is based on tariffs approved by another regulator than the one setting the level of royalties;

- expense with royalties is an item taken into consideration at the calculation of the transmission tariff;

As of 1 January 2020, according to ANRE Order no. 1/2020, the company has the obligation to pay annually to ANRE a tariff amounting to 0.062 lei MWh applied to the quantity of natural gas transmitted for carrying out activities in the natural gas sector based on a license.

6. INFORMATION ON SEGMENTS

Reporting segments are set according to the nature of the activities conducted by the company: the regulated activity, the unregulated activity and other activities. As transmission system operator, the company reported annually to the National Regulatory Authority on the activity performed on the four reporting segments.

The segment information provided to the Board of Administration , which makes strategic decisions for reportable segments, for the period ended 30 June 2025 is:

	Domestic gas transmission	International gas transmission	Balancing	Unallocated	Total
Revenue from domestic transmission	1.343.574.613	-	-	-	1.343.574.613
Revenue from international transmission and similar	-	-	-	-	-
Other income	61.906.142	5.310.358	-	11.010.987	78.227.487
Operating revenue before the balancing and the construction activity according to IFRIC12	**1.405.480.755**	**5.310.358**	**-**	**11.010.987**	**1.421.802.100**
Depreciation	(229.927.404)	(15.513.837)	-	(877.120)	(246.318.361)
Operating expenses other than depreciation	(689.465.056)	(9.156.649)	-	(3.779.715)	(702.401.420)
Profit from operation before the balancing and construction activity according to IFRIC12	**486.088.295**	**(19.360.128)**	**-**	**6.354.152**	**473.082.319**
Revenue from the balancing activity	-	-	231.868.550	-	231.868.550
Cost of balancing activity	-	-	(231.868.550)	-	(231.868.550)
Revenue from the construction activity according to IFRIC12	451.111.690	-	-	-	451.111.690
Cost of constructed assets according to IFRIC12	(451.111.690)	-	-	-	(451.111.690)
Operating profit	**486.088.295**	**(19.360.128)**	**-**	**6.354.152**	**473.082.319**
Net financial gain	-	-	-	-	64.073.446
Profit before tax	-	-	-	-	**537.155.765**
Income tax	-	-	-	-	(77.275.287)
Net profit	-	-	-	-	**459.880.478**
Assets on segments	8.921.632.678	115.350.571	339.148.307	1.042.157.442	10.418.288.998
Liabilities on segments	4.953.425.050	611.105	517.474.596	409.717.046	5.881.227.797
Capital expenditure - increases in assets in progress	461.605.584	-	-	376.250	461.981.834
Non-monetary expenses other than depreciation	(22.240.340)	(8.151.411)	254.432	(98.195)	(30.235.514)

Assets shown for the two main operating segments mainly comprise tangible and intangible assets, inventories and receivables, and mainly exclude cash and bank accounts. Assets shown for the

balancing segment comprise mainly gas stocks procured for NTS balancing and trade receivables from the balancing activity.

Unallocated assets include:	**30 June 2025 (unaudited)**
Tangible and intangible assets	28.954.711
Right of use assets	19.948.043
Investment in subsidiaries	182.164.288
Cash	701.404.426
Other assets	472.563
Recoverable tax	25.049.501
Deferred tax	84.163.910
	1.042.157.442

Unallocated liabilities include:	
Income tax	-
Dividends payable	204.185.824
Lease liabilities	53.531
Other debts	205.477.691
	409.717.046

The liabilities presented for the two main operating segments consist of payables and borrowings contracted by the company for the acquisition of assets for the respective segments. Liabilities shown for the balancing segment comprise mainly trade payables from the balancing activity and the borrowings contracted to finance the balancing activity.

Non-cash expenses other than depreciation consist of the expense with the impairment of receivables and the inventory write-downs, provisions for risks.

Transmission services are performed for several domestic and foreign clients.

	Domestic Clients	**Foreign Clients**	**Total**
Revenue from the domestic transmission	1.298.200.525	45.374.088	1.343.574.613
Other income	72.916.772	5.310.715	78.227.487
	1.371.117.297	50.684.803	1.421.802.100

Domestic clients with over 10% of the total revenue include:	**Percentage of the total revenue**
OMV PETROM SA	8%
SNGN ROMGAZ SA	5%
E.ON ENERGIE ROMANIA SA.	4%

All of the assets of the company are located in Romania. All of the activities of the company are carried out in Romania.

The company has external trade receivables amounting to lei 198.418.331 (31 December 2024: lei 182.319.227).

The *domestic gas transmission* segment includes information related to the activity of domestic gas transmission, which is regulated by the National Regulatory Authority as well as the operating and financial income related to the claims for the regulated value of the regulated asset base remained undepreciated at the end of the Concession Agreement; the *international gas transmission* segment includes information related to the activity of pipeline gas transmission without the transhipment of the Romanian territory and similar; *the balancing* segment includes expenses and revenue related to the national transmission system balancing activity developed starting with 1 December 2015, neutral in financial terms, any profit or loss from this activity will be distributed to clients for whom domestic transmission services are provided; the *unallocated* segment includes activities with a low share in the company's revenue such as sales of assets, rents, royalties.

The information on segments provided to the Board of Administration, who makes strategic decisions for the reporting segments, related to the financial year ended 30 June 2024, is as follows:

	Domestic gas transmission	International gas transmission	Balancing	Unallocated	Total
Revenue from domestic transmission	942.106.613	-	-	-	942.106.613
Revenue from international transmission	-	-	-	-	-
Other income	56.080.865	13.752.789	-	4.189.355	74.023.009
Operating revenue before the balancing and the construction activity according to IFRIC12	**998.187.478**	**13.752.789**	**-**	**4.189.355**	**1.016.129.622**
Depreciation	(215.685.406)	(14.420.456)	-	(888.798)	(230.994.660)
Operating expense other than depreciation	(599.399.174)	(15.116.934)	-	(3.071.077)	(617.587.185)
Profit from operation before the balancing activity according to IFRIC12	**183.102.897**	**(15.784.600)**	**-**	**229.480**	**167.547.777**
Revenue from the balancing activity	-	-	114.784.449	-	114.784.449
Cost of balancing activity	-	-	(114.784.449)	-	(114.784.449)
Revenue from the construction activity according to IFRIC12	-	-	-	675.817.268	675.817.268
Cost of constructed assets according to IFRIC12	-	-	-	(675.817.268)	(675.817.268)
Profit from operation	**183.102.898**	**(15.784.601)**	**-**	**229.480**	**167.547.777**
Net financial gain	-	-	-	-	54.362.713
Profit before tax	-	-	-	-	**221.910.490**
Income tax	-	-	-	-	(36.561.521)
Net profit	-	-	-	-	**185.348.969**
On 31 December 2024					
Assets on segments	8.531.572.822	130.955.393	338.748.903	1.305.275.086	10.306.552.204
Liabilities on segments	5.439.342.773	638.897	563.844.255	23.909.482	6.027.735.407
Capital expenditure - increases in assets in progress	1.898.780.539	16.712.846	-	164.104	1.915.657.489
Non-cash costs other than depreciation	42.422.867	(11.888.026)	1.589.217	(206.023)	31.918.035

Assets indicated for the two main operating segments mainly comprise tangible and intangible assets, inventories and receivables, and mainly exclude cash and bank accounts. The presented assets

for the balancing segment are mainly gas stocks procured for NTS balancing and trade receivables from the balancing activity.

Unallocated assets include:	31 December 2024
Tangible and intangible assets	29.530.805
Right of use of leased assets	19.695.092
Financial investments	177.644.145
Cash	995.373.172
Other assets	313.786
Deferred tax	82.718.086
	1.305.275.086
Unallocated liabilities include:	
Dividends payable	949.359
Lease liabilities	20.881.905
Other debts	2.078.218

The liabilities presented for the two main operating segments consist of payables and borrowings contracted by the company for the acquisition of assets for the respective segments. Liabilities shown for the balancing segment comprise mainly trade payables from the balancing activity.

Non-cash expenses other than depreciation consist of the expense with the impairment of receivables and the expense with the inventory of write-downs, other provisions for risks.

Transmission services are provided for several domestic and foreign customers.

	Domestic Clients	**Foreign Clients**	**Total**
Revenue from domestic transmission	868.966.990	73.139.623	942.106.613
Other incomee	66.483.926	7.539.083	74.023.009
	935.450.916	80.678.706	1.016.129.622

Domestic clients with over 10% of the total revenue include:	**Percentage of the total revenue**
OMV PETROM S.A.	18%
ENGIE ROMANIA S.A.	15%
SNGN ROMGAZ S.A.	13%
E.ON ENERGIE ROMANIA S.A.	11%

All of the assets of the company are located in Romania. All of the activities of the company are carried out in Romania.

7. TANGIBLE ASSETS

	Lands and buildings	Transmission system assets	Other non-current assets	Assets in progress	Total
Cost	296.158.004	986.500.401	360.605.141	12.534.893	1.655.798.439
Accumulated depreciation	(186.698.994)	(792.467.359)	(297.336.205)	-	(1.276.502.558)
Adjustments for impairment	-	-	-	(1.656.182)	(1.656.182)
Initial net book value as at 1 January 2024	**109.459.010**	**194.033.042**	**63.268.936**	**10.878.711**	**377.639.699**
Inflows	-	-	-	9.201.042	9.201.042
Reclassification	72.734	(3.340.200)	22.567	-	(3.244.899)
Transfers	389.981	930.534	7.580.497	(8.901.012)	-
Outflow (net value)	(177.429)	(3.878)	(18.128)	-	(199.435)
Expense with depreciation	(3.536.608)	(15.274.395)	(12.182.177)	-	(30.993.180)
Final net book value as at 30 June 2024 (unaudited)	**106.207.688**	**176.345.103**	**58.671.695**	**11.178.741**	**352.403.227**
Cost	272.897.259	984.059.610	365.564.601	12.834.923	1.635.356.393
Accumulated depreciation	(166.689.571)	(807.714.507)	(306.892.906)	-	(1.281.296.984)
Adjustments for impairment	-	-	-	(1.656.182)	(1.656.182)
Final net book value as at 30 June 2024(unaudited)	**106.207.688**	**176.345.103**	**58.671.695**	**11.178.741**	**352.403.227**
Initial net book value as at 1 January 2024	**106.207.688**	**176.345.103**	**58.671.695**	**11.178.741**	**352.403.227**
Inflows	-	-	(456.825)	14.379.007	13.922.182
Reclassification	-	-	(238.967)	(49)	(239.016)
Transfers	1.541.558	1	13.507.735	(15.049.294)	-
Outflow (net value)	(41.831)	(2)	(50.691)	-	(92.524)
Expense with depreciation	(3.340.813)	(15.796.489)	(13.086.307)	-	(32.223.609)
Final net book value as at 31 December 2024	**104.366.602**	**160.548.613**	**58.346.640**	**10.508.405**	**333.770.260**
Cost	273.964.156	984.059.610	376.181.015	12.164.587	1.646.369.368
Accumulated depreciation	(169.597.554)	(823.510.997)	(317.834.375)	-	(1.310.942.926)
Adjustments for impairment	-	-	-	(1.656.182)	(1.656.182)
Final net book value at 31 December 2024	**104.366.602**	**160.548.613**	**58.346.640**	**10.508.405**	**333.770.260**
At 30 June 2025 (unaudited)					
Initial net book value as at 1 January 2025	**104.366.602**	**160.548.613**	**58.346.640**	**10.508.405**	**333.770.260**
Inflows	-	-	-	5.645.351	5.645.351
Reclassification	42.560	(7.167.451)	(222.684)	(115.269)	(7.462.844)
Transfers	368.219	-	5.137.678	(5.505.897)	-
Outflow (net value)	(79.505)	(1.672)	(15.121)	-	(96.298)
Expense with depreciation	(3.080.287)	(8.529.907)	(13.529.444)	-	(25.139.638)
Final net book value as at 30 June 2025(unaudited)	**101.617.589**	**144.849.583**	**49.717.069**	**10.532.590**	**306.716.831**
Cost	273.933.148	984.032.860	375.171.518	12.188.772	1.645.326.298
Accumulated depreciation	(172.315.559)	(839.183.277)	(325.454.449)	-	(1.336.953.285)
Adjustments for impairment	-	-	-	(1.656.182)	(1.656.182)
Final net book value as at 30 June 2025(unaudited)	**101.617.589**	**144.849.583**	**49.717.069**	**10.532.590**	**306.716.831**

The category Other non current assets include measuring, controlling and regulating equipment and installations, means of transport, furniture, office equipment, equipment for the protection of human and material values and other tangible assets.

The gross book value of the fully depreciated assets, still used, is lei 396.736.177 (31 December 2024: lei 382.303.036). As at 30 June 2025 no advances granted for the procurement of tangible assets are registered.

Regarding the assets developed by the company, which are complementary to the provision of services according to the concession agreement, the State has the option to acquire these assets at the end of the concession agreement. The company does not have the obligation to keep these assets until the end of the concession agreement and it is allowed to sell them. These assets do not fall within the scope of IFRIC 12. All the other assets related to the domestic transmission activity and which are part of the national gas transmission system, including improvements made after signing the concession agreement and which must be handed over to the ANRM at the end of the concession agreement fall within the scope of IFRIC 12.

Impairment adjustments were made for work in progress for which completion and commissioning is uncertain.

The company and has no pledged non-current assets.

7.1. The rights of use of the leased assets (IFRS 16)

the company applies IFRS 16 for the leasing contracts complying with the recognition criteria and recognized the intangible asset as a right of use related to the leasing contract:

	Leases according to IFRS16
Cost on 1 January 2025	**40.823.468**
Accumulated depreciation	(21.128.376)
Net book value	19.695.092
Inflow	2.423.153
Outflow	(157.688)
Depreciation	(2.012.514)
Final net book value on 30 June 2025 (unaudited)	19.948.043

Detailed information on IFRS 16 as at 30 June 2025:

	30 June 2025 (unaudited)	**Of which related to - Forestry conventions**
Right of use assets	43.088.933	18.796.824
Right of use assets- Accumulated depreciation on	(23.140.890)	(7.423.210)
Interest expense on lease liability	580.760	151.458
Lease liability	21.273.960	12.329.880
Of which:		
Short term	3.785.045	1.587.697
Long term	17.488.915	10.742.183

	Leases according to IFRS16
Cost on 1 January 2024	**32.903.879**
Accumulated depreciation	(18.403.176)
Net book value	14.500.703
Inflow	9.455.560
Outflow	(1.535.971)
Depreciation	(2.725.200)
Final net book value on 31 December 2024	19.695.092

Detailed information on IFRS 16 as at 31 December 2024:

	31 December 2024	Of which related to - Forestry conventions
Right of use assets	40.823.468	16.683.915
Right of use asset-accumulated depreciation	(21.128.376)	(6.712.689)
Interest expense on lease liability	904.121	445.744
Lease liability	20.881.905	10.889.456
Of which:		
Short term	3.913.557	1.320.203
Long term	16.968.348	9.569.253

Lease liability according to IFRS 16 is presented in the balance sheet at long-term and short-term trade payables.

The group of forestry agreements includes contracts of temporary occupation of forest land under private ownership, concluded on the basis of Law no.185/2016 on some measures necessary for the implementation of projects of national importance in the field of natural gas.

8. SERVICE CONCESSION AGREEMENT

In May 2002, the company concluded a Service Concession Agreement (`SCA`) with the ANRM, which entitles the company to operate the main pipelines of the national gas transmission system for a period of 30 years. All modernizations and improvements made by the company to the system are considered part of the system and become property of the ANRM at the end of their useful life. The company cannot sell or discard any asset part of the national transmission system; withdrawals can only be made with the approval of the state.

At the expiration of the agreement, the assets belonging to the public domain, existing upon signing the agreement and all investments made in the system will be returned to the State. The company owns and will develop other assets that are not directly part of the national gas transmission system,

but are complementary assets for gas transmission operations. The ANRM has the option to buy these assets at the end of the concession agreement, at the fair value.

The main terms of the Concession Agreement are the following:

- The company is entitled to operate directly the assets subject to the concession agreement and to apply and collect tariffs for domestic and international transmission from clients in exchange for services provided; the company is the only entity authorized to operate the pipelines of the national gas transmission system, no sub-concession being allowed;
- Any change of tariffs must be proposed by the company and then approved by the ANRE;
- The company is exempt from the payment of import duties for the assets acquired for operation, improvement or development of the system;
- The company must annually publish by 30 October the available capacity of the system for the following year;
- The company must annually respond to the clients' orders by 30 November and the ANRM must be informed on all rejected orders decided by the company's management;
- The company must keep a specific level of functioning (guaranteed through a mandatory minimum investment programme);
- royalties are paid as percentage (b as of 30 October 2023: 11,5%) of the gross revenue from the operation of the national transmission system (domestic and international transmission);
- all operating expenses for operating the system are incurred by the company;
- The company may cancel the agreement by notifying the ANRM 12 months in advance;
- The ANRM may cancel the agreement by a 6-month prior notice, if the company fails to comply with the contractual conditions; it also has the option to cancel the agreement with a 30-day prior notice for `national interest` reasons; in this case, the company will receive compensation equal to the average net profit of the past 5 years multiplied by the remaining duration of the agreement.

The Concession Agreement does not include an automatic renewal clause.

By GD 906/28 September 2023, the amendment of Annex No 22 to Government Decision No 1 was approved. 705/2006 for the approval of the centralized inventory of goods in the public domain of the State, as subsequently amended and supplemented, by including the goods resulting from the completion of the investment objective "Interconnection pipeline of the National Gas Transmission System of Romania with the National Gas Transmission System of the Republic of Moldova on the direction Iasi (Romania)-Ungheni (Republic of Moldova), electricity supply, automation, data procurement, burglary and fire surveillance" and the transfer of these goods to the administration of the National Agency for Mineral Resources and to the concession of the National Gas Transmission Company "TRANSGAZ" - S.A.

9. INTANGIBLE ASSETS

	Assets related to the ACS	Information programmes	Intangible assets under developmentn	Total
On 30 June 2024 (unaudited)				
Cost	8.421.229.990	92.433.377	373.525.658	8.887.189.026
Accumulated amortization	(5.154.741.098)	(69.107.242)	-	(5.223.848.341)
Adjustments for impairment	-	-	(9.142.777)	(9.142.777)
Final net book value as at 1 January 2024(restated)	**3.266.488.893**	**23.326.135**	**364.382.881**	**3.654.197.909**
Inflow	-	22.640.578	679.196.506	701.837.084
Reclassifications	3.244.899	-	-	3.244.899
Transfers*	2.182.811	307.195	(16.189.269)	(13.699.263)
Outflow	-	-	-	-
Amortization	(185.297.817)	(4.009.729)	-	(189.307.546)
Final net book value as at 30 June 2024	**3.086.618.786**	**42.264.179**	**1.027.390.118**	**4.156.273.082**
Cost	8.424.369.090	110.720.872	1.036.532.895	9.571.622.856
Accumulated amortizatization	(5.337.750.304)	(68.456.693)	-	(5.406.206.997)
Adjustment for impairment	-	-	(9.142.777)	(9.142.777)
Final net book value as at 30 June 2024	**3.086.618.786**	**42.264.179**	**1.027.390.118**	**4.156.273.082**
At 31 December 2024				
Initial net book value as at 01 January 2024	**3.086.618.786**	**42.264.179**	**1.027.390.118**	**4.156.273.082**
Inflow	-	19.345.526	1.212.880.934	1.232.226.460
Reclassifications	238.967	-	-	238.967
Transfers*	122.998.453	(1.560.516)	(178.630.648)	(57.192.712)
Outflow	-	-	-	-
Amortization	(209.253.526)	(3.127.017)	-	(212.380.543)
Adjustment for impairment	-	-	(2.059.121)	(2.059.121)
Final net book value as at 31 December 2024	**3.000.602.680**	**56.922.171**	**2.059.581.283**	**5.117.106.134**
Cost	8.547.606.509	131.329.481	2.070.783.181	10.749.719.171
Accumulated amortization	(5.547.003.829)	(74.407.309)	-	(5.621.411.139)
Adjustment for impairment	-	-	(11.201.898)	(11.201.898)
Final net book value as at 31 December 2024	**3.000.602.680**	**56.922.171**	**2.059.581.283**	**5.117.106.134**
At 30 June 2025 (unaudited)				
Net book value as at 01 January 2025	**3.000.602.680**	**56.922.171**	**2.059.581.283**	**5.117.106.134**
Inflow	-	20.778.757	456.336.483	477.115.240
Reclassifications	-	(282.312)	282.312	-
Transfers*	48.825.294	629.140	(81.349.530)	(31.895.096)
Outflow	-	-	-	-
Amortization	(202.882.229)	(8.877.531)	-	(211.759.760)
Final net book value as at 30 June 2025	**2.846.545.745**	**69.170.225**	**2.434.850.548**	**5.350.566.518**
Cost	8.596.431.803	152.455.065	2.446.052.446	11.194.939.314
Accumulated amortization	(5.749.886.058)	(83.284.840)	-	(5.833.170.898)
Adjustment for impairment	-	-	(11.201.898)	(11.201.898)
Final net book value as at 30 June 2025	**2.846.545.745**	**69.170.225**	**2.434.850.548**	**5.350.566.518**

*Transfers - due to the use of the bifurcated model under IFRIC 12, when an improvement or expension of NTS is put into operation, the respective value is split between a long-term financial asset (note 12.3) and an intangible asset (note 9).

In the category Intangible assets in progress are presented, in accordance with IFRIC12, the investment projects carried out by the Company for the development and upgrading of the national natural gas transmission system, which will be handed over to the grantor at the end of the Concession Agreement (Note 8).

The project "Development of the Southern Transportation Corridor in Romania to take over natural gas from the Black Sea coast" accounts for the largest share in the value of the additions in 2024.

The minimum NTS gas quantity required to ensure the pressures and flow rates for the end consumers under the contractual conditions (NTS pipeline stock) is recognized in the value of the right to use, as an intangible asset. At 30 June 2025 the line pack quantity is 940.782 MWh and has a value of 79.209.514 lei, of which the NTS pipeline stock is 798.715 MWh and has a value of 64.213.153 lei. At 31 December 2024 the line pack quantity is 820.296 MWh and has a value of 65.143.903 lei, of which the NTS pipeline stock is 693.293 MWh and has a value of 55.713.584 lei.

In 2025, the company capitalized interest expense amounting to lei 47.097.749 lei (in 2024 it capitalized interest expenses amounting to 30.176.746 lei, for NTS (National Transmission System) assets.

As at 30 June 2025, advances amounting to 806 lei are granted, and as at 31 December 2024 there are advances amounted to 806 Lei granted for the procurement of national gas transmission system development works are presented in the intangible assets in progress.

The remaining life of the intangible assets is presented in Note 3.5 and Note 3.8.

As at 30 June 2025, the Company capitalized additional costs for the procurement of natural gas, incurred between 1 January 2025 – 30 June 2025 amounting to 20.547.260 lei (41.986.083 lei on 31 December 2024), in order to cover its own technological consumption compared to the costs included in the regulated tariffs, in accordance with the provisions of the Order of the Ministry of Finance no. 5378/12 December 2023 and the Order of the President of ANRE no.128 /12 October 2022.

Impairment adjustments were made for work in progress for which completion and commissioning is uncertain.

10.1 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries consist of unlisted stakes in the following companies:

Company	Activity	% Percentage owned 2025	% Percentage owned 2024	30 June 2025	31 December 2024
Eurotransgaz SRL	Gas transmission	100	100	177.619.145	177.619.145
Transport România Hidrogen S.R.L.	Transmission by pipelines	100	100	25.000	25.000
Petrostar SA	Engineering activities and related technical consulting	51	-	4.520.143	-
				182.164.288	177.644.145

Participation in the Limited liability company Eurotransgaz Ltd.
By EGMS Resolution 10/12.12.2017 the establishment of the company EUROTRANSGAZ Ltd. on the territory of the Republic of Moldova was approved for the successful participation in the privatization of the State Enterprise Vestmoldtransgaz.

After the company was incorporated, Transgaz participated in multiple share capital increases reaching an investment value of lei 177.619.145 as at 30 June 2025 (2024: 177.619.145 lei).

The equity securities held at Eurotransgaz S.R.L represent a capital investment recognized according to IFRS 9, at the date of the transaction being measured at its fair value at the date of the transaction, and assessed, after the initial recognition, at the cost.

For 30 June 2025 and 31 December 2024 the Company has carried out the valuation of the shareholding in Eurotransgaz S.R.L. and Vestmoldtransgaz SRL, for the estimation of the fair value of the shareholders' equity of the two companies the Adjusted Net Assets method was applied and did not identify any elements that would lead to investment impairment.

Shareholding in TRANSPORT ROMÂNIA HIDROGEN S.R.L

By EGMS resolution no. 5 of 05 June 2024 the establishment of a limited liability company with the activity of hydrogen transport, with sole shareholder SNTGN Transgaz SA, was approved.

Interest in PETROSAR SA

EGMS Resolution No. 5 of 9 April 2025 approved the acquisition of a 51% interest in the share capital of Petrostar SA.

The acquisition process was completed in May 2025, and the Company now holds 51% of the share capital of Petrostar S.A. Petrostar S.A. is one of the oldest and most representative companies in Romania, operating in the research, technological engineering, and design fields for the oil and gas extraction industry.

10.2. FINANCIAL ASSETS

Financial assets consist of shares in unlisted companies. The fair value of these investment as at 30 June 2025 and 31 December 2024 is zero:

Company	Activity	Percentage owned 2025	Percentage owned 2024	30 June 2025	31 December 2024
Resial SA	Production	-	-	-	-
Mebis SA	Gas production distribution and supply	17,47	17,47	-	-

Shares in Resial SA

Shares owned in Resial SA were obtained in December 2003, as a result of a procedure for the recovery of claims due from a client. Resial SA went into liquidation in 2006; the procedure is carried out by a bailiff appointed by the court.

According to the Insolvency Proceedings Bulletin no. 19144/24.11.2023, the bankruptcy proceedings of Resial SA were closed by Decision no. 230/F/16.11.2023, which became final by Decision 50/21.05.2024, Resial SA being struck off the Commercial Register without Transgaz recovering any amounts from the value of the shareholding.

Shares in Mebis SA

Shares owned in Mebis SA were obtained in February 2004, as a result of a procedure for the recovery of claims due from a client. Mebis SA is in the liquidation procedure, which is why the stake in Mebis SA was fully adjusted. The company has no obligations to Mebis SA.

In case of the financial assets held by Transgaz, i.e. Mebis SA and Resial SA , the application of IFRS 9 has no impact whatsoever, as such assets are measured at the fair value by the profit and loss account.

11 INVENTORIES

	30 June 2025 (unaudited)	31 December 2024
Gas inventories for balancing purposes	305.533.465	307.812.978
Gas for technological consumption	76.581.273	102.091.149
Spare parts and materials	160.364.658	152.989.061
Materials in custody at third parties	162.036.632	1.914.056
Adjustments for inventory write-downs	(67.116.975)	(56.587.832)
	637.399.053	508.219.412

ANRE Order 160/2015 sets the obligations of Transgaz, as the transmission system operator, regarding the balancing of the national transmission system.

According to the provisions of ANRE Order No. 16/2013 (Network Code), in order to ensure the physical balance of the NTS, Transgaz must have a sufficient gas quantity as gas linepack and/or as balancing gas stored in underground storage facilities.

By Decision No. 656/08.04.2025 ANRE established the minimum level of gas that the TSO must have in storage facilities by 31 October 2025, namely of 393.546,504 MWh. The gas stock stored by S.N.T.G.N. TRANSGAZ in storage facilities for the NTS's physical balancing is of 618.912,143 MWh as at 30 June, 2025.

The network users have the obligation to balance their own portfolios. The balancing actions are carried out according to the order of merit of, imposed by Article 9 of Regulation (EU) 312/2014, gas withdrawal from storage facilities being the last priority in the balancing actions list.

The company does not hold any restricted stocks and has established safety stocks amounting to Lei 6.948.086 as at 30 June 2025 (12.471.393 lei as at 31 December 2024).

Movements in the s adjustments for inventory write-downs account are analysed below:

	30 June 2025 (unaudited)	31 December 2024
Adjustment for inventory write-downs on 1 January	56.587.832	45.553.332
(Revenue)/expense with adjustment for inventory write-downs (Note 23)	10.529.142	11.034.500
Adjustment at the end of the period	67.116.975	56.587.832

In 2025 adjustments for inventory write-downs were established according to Note 3.10.
Since 2022 the company has recorded a provision for the negative difference between the quantities of natural gas invoiced as initial imbalance and the final monthly imbalances, which will be requested to ANRE for recovery through the neutrality tariff.

12 TRADE RECEIVABLES AND OTHER RECEIVABLES

12.1 Trade receivables

	30 June 2025 (unaudited)	31 December 2024
Trade receivables	890.098.140	986.876.570
Adjustment of impairment of trade receivables	(671.999.966)	(663.903.135)
	218.098.174	322.973.435

At 30 June 2025, the amount of 171.460.469 lei (31 December 2024: 163.531.609 lei) of trade and other receivables net is denominated in foreign currency of which 4% in USD (31 December 2024: 4%) and 96% in EUR (31 December 2024: 96%).

12.2 Other receivables

	30 June 2025 (unaudited)	31 December 2024
Advance payments to suppliers for goods and services	64.563	150.421
State budget receivables	2.174.344	30.971.424
Other receivables	150.033.951	114.892.145
Non-refundable loans as subsidies	906.984	906.984
Adjustment of impairment of other receivables	(62.453.554)	(63.924.050)
	90.726.288	82.996.924

In 2020, the Company administratively challenged the tax decision regarding additional fiscal payment obligations amounting to lei 7.642.671 issued by ANAF in 2020 consisting of income tax and VAT and constituted an adjustment.

In the year 2024 the amount of the tax assessment decision was reduced to lei 2.806.218 being reduced by the Company and the amount of the adjustment.

In July 2022 the Company paid the amount of 29.277.726 lei, to which it was bound by Arbitral Award no. 39/06.06.2022, rendered by the Arbitral Tribunal in case no. 107/2018, following the conclusion of the arbitration proceedings concerning the non-fulfilment of obligations under the supply contract for "Software Licences for Additional I/Os/Bandwidth Upgrade for SCADA System", a contract concluded by Transgaz with the Association consisting of RMG REGEL UND MESSTECHNIK GmbH Germany, IDS GmbH Germany and General Fluid S.A. Bucharest. The company has appealed the arbitral tribunal's decision in court and has recorded an impairment allowance of 29.277.726 lei as at 31 December 2022. This adjustment was maintained at 30 June 2025 as well.

The advance payments granted to the company in the context of the contractual relationships are guaranteed by the suppliers by letters of bank guarantee.

12.3 Receivable related to the Concession Agreement

	30 June 2025 (unaudited)	31 December 2024
Receivable related to the regulated value remaining unamortized at the end of the concession agreement	2.796.291.662	2.648.907.892

According to ANRE Order no. 41/2019 the value of the assets recognised in the Regulated Asset Base is adjusted to the inflation. The Company recalculated the amount of the receivable related to the Concession Agreement and recognized a gain amounting to 83.061.686 lei in accordance with IFRS 9 (31 December 2024: 127.698.456 lei).

In accordance with IFRS 9.B5.4.5, in cases where there is an inflation adjustment incorporated in the cash flows of a financial instrument, the adjustment for inflation is usually treated as part of the contractual cash flows and is included in the calculation of the effective interest rate. Thus, the adjustment for inflation will contribute to the recognition of interest income over time.

In practice, the inflation adjustment will be reflected in the interest income recognized in profit or loss as part of calculation of the overall effective interest rate, which takes into account both the nominal interest rate and any inflation-related adjustments that affect cash flows of the instrument.

	30 June 2025 (unaudited)	31 December 2024
Initial balance	2.648.907.892	2.392.525.261
Inflow	31.895.095	76.202.595
Interest	32.426.989	59.648.308
Inflation update	83.061.686	127.698.456
Outflow	-	(7.166.728)
	2.796.291.662	2.648.907.892

In 2019, the ANRE's Order no. 41/2019 provided for the adjustment of the Regulated Assets Base to the inflation rate. The Company records the present value of the contractual cash flows recalculated as a result of adjusting the Regulated Asset Base to the annual inflation rate and recognizes a gain or loss from this change in the income statement.

This method, in accordance with IFRS 9.B5.4.5, is based on the traditional approach to accounting for floating rate debt instruments. Instead of taking into account expectations of future inflation, it takes into account inflation only during the reporting period.

As the long-term concession receivable is guaranteed by the Romanian State, the Group considered that the potential impairment using the ECL model is not significant for these financial statements.

12.4 Analysis of receivable impairment

Trade receivables analysis according to IFRS9 is as follows:

Trade receivables

	30 June 2025 (unaudited)	31 December 2024
Non-impaired gross amounts		
Transit receivables	163.168.095	154.558.999
Receivables with customers in insolvency procedures	155.012.547	145.296.579
Related party receivables	198.711.964	300.049.254
Other trade receivables	373.205.534	386.971.738
	890.098.140	986.876.570
Impairment by category		
Transit receivables	163.168.095	154.558.999
Bad and insolvency debts	155.012.547	145.296.579
Related party receivables	136.517.546	151.830.188
Other trade receivables	217.301.778	212.217.369
Total impairment	671.999.966	663.903.135
Total trade receivables net of provision	218.098.174	322.973.435

Receivables from various debtors

	30 June 2025 (unaudited)	31 December 2024
Unimpaired –gross amount		
Receivables from various debtors	60.580.838	61.150.527
Impairment		
Receivables from various debtors	58.391.110	55.798.255
Total debtors' receivables net of provision	2.189.728	5.352.272

On 24.12.2020, the Agreement on the Termination of the Legacy Contract on the T3 transit pipeline was signed between SNTGN Transgaz S.A. and Gazprom Export LLC for the period 01.12.2020 - 31.12.2023, which ensures the collection of the outstanding amounts under the historical contract and allows the booking of transmission capacities on entry/exit points in/out of the NTS and on international transmission pipelines. The transit receivables category includes invoices issued on the basis of the Agreement on Termination of the Legacy Contract after October 2022, invoices that have not been paid by Gazprom Export LLC and for which Transgaz has initiated legal proceedings necessary to recover the outstanding debt recorded.

IFRS 9 applies a model for expected impairment loss based on the estimated loss. This model entails the expected recognition of the loss from receivables impairment. The standard requires entities to recognize the expected impairment loss on receivables from the time of initial recognition of financial instruments, and to recognize the anticipated impairment loss over their lifetime. The

amount of expected loss will be updated for each reporting period so as to reflect changes in credit risk as compared to initial recognition.

Risk exposure for trade and other receivables:

30 June 2025 (unaudited)	Gross value	Expected loss rate	Expected lifetime loss
Current receivables including invoices to be issued	210.677.075	4%	7.757.528
Overdue by up to 30 days	3.390.990	9%	308.098
Overdue by up to 60 days	2.624.688	20%	524.938
Overdue by up to 90 days	11.811.279	30%	3.543.384
Overdue by up to 120 days	1.430.213	35%	500.575
Overdue by up to 150 days	728.940	60%	437.364
Overdue by over 150 days	716.162.711	100%	716.162.711
Total receivables	946.825.896		729.234.598

31 December 2024	Gross value	Expected loss rate	Expected lifetime loss
Current receivables including invoices to be issued	329.530.440	1%	4.390.655
Overdue by up to 30 days	1.285.026	85%	1.552.016
Overdue by up to 60 days	1.914.542	88%	1.683.383
Overdue by up to 90 days	466.405	87%	404.894
Overdue by up to 120 days	6.744.777	54%	3.632.829
Overdue by up to 150 days	1.662.473	97%	1.614.178
Overdue by over 150 days	706.423.435	100%	706.423.435
Total receivables	1.048.027.098		719.701.390

The company constantly analyses the customers' situation and records adjustments whenever there are indications of an increase in the non-collection risk.

The payment of the equivalent value of the invoices for the natural gas transmission services, issued according to the provisions of the Network Code, is made within 15 calendar days from the date of issuing the invoice. If the due date is a non-working day, the deadline is considered fulfilled on the next working day.

Movements in the bad debt allowance account are analysed below:

	30 June 2025 (unaudited)	31 December 2024
Bad debt allowances on 1 January	729.597.533	747.834.691
Expense with the adjustment for doubtful clients	22.755.171	37.356.903
Reversal of adjustment for doubtful clients	(16.128.836)	(55.594.061)

Bad debt allowance at the end of the period	736.223.866	729.597.533

Top 5 clients by balance at 30 June 2025:

CLIENT	Client balance	Adjustment made
GAZPROM EXPORT	164.348.660	164.348.660
ELECTROCENTRALE CONSTANTA	102.854.311	102.506.999
OMV PETROM SA	70.972.197	-
NORTH CHEMICAL COMPLEX SRL	44.401.056	44.401.056
BLACK SEA OIL&GAS SA	41.344.248	40.940.160

Top 5 clients by balance at 31 December 2024:

CLIENT	Client balance	Adjustment made
GAZPROM EXPORT	155.715.477	155.715.477
ELECTROCENTRALE CONSTANTA	106.779.570	106.779.570
E.ON ENERGIE ROMANIA SA.	85.306.029	-
ENGIE ROMANIA S.A.	75.315.856	-
OMV PETROM SA	51.217.004	-

As at 30 June 2025, the Company has recorded adjustments for receivables with an increased risk of non-collection, mainly for Gazprom Export LLC LLC (8.633.183 lei) and Black Sea Oil&Gas SA (801.552 lei), due to the financial situation of these customers and the ongoing litigations concerning these receivables.

In July 2022 the Company paid the amount of 29.277.726 lei, to which it was bound by Arbitral Award no. 39/06.06.2022, rendered by the Arbitral Tribunal in case no. 107/2018, following the conclusion of the arbitration proceedings concerning the non-fulfilment of obligations under the supply contract for "Software Licences for Additional I/Os/Bandwidth Upgrade for SCADA System", a contract concluded by Transgaz with the Association consisting of RMG REGEL UND MESSTECHNIK GmbH Germany, IDS GmbH Germany and General Fluid S.A. Bucharest. The company has appealed the arbitral tribunal's decision in court and has recorded an impairment allowance of 29.277.726 lei as at 31 December 2022, adjustment maintained as at 30 June 2025 as well.

13 CASH AND CASH EQUIVALENT

Most of the foreign currency cash at the bank is denominated in EUR.

	30 June 2025 (unaudited)	31 December 2024
Cash at bank in lei	698.002.130	983.079.612
Cash at bank in foreign currency	833.366	9.872.237
Other cash equivalents	165.393	120.015
	699.000.889	993.071.864

	30 June 2025 (unaudited)	31 December 2024
Restricted cash (administrators guaranties)	2.403.537	2.301.308

The weighted average of the effective interest related to short-term bank deposits was of 5,43% on 30 June 2025 (3,31% on 31 December 2024) and these deposits have a maximum maturity of 30 days.

14 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Share capital	Share premium	Total
On 31 December 2024	188.381.504	1.883.815.040	247.478.865	2.131.293.905
On 30 June 2025 (unaudited)	188.381.504	1.883.815.040	247.478.865	2.131.293.905
Capital adjustment to the hyperinflation accumulated on 31 December 2004 and 2023	-	441.418.396	-	441.418.396
On 31 December 2024				
On 30 June 2025 (unaudited)	188.381.504	2.325.233.436	247.478.865	2.572.712.301

The authorized number of ordinary shares registered at the National Trade Registry Office is 188.381.504 (31 December 2024: 188.381.504) with a nominal value of LEI 10 each. Each share represents one vote.

The ownership structure registered with Depozitarul Central on 30 June 2025 is the following:

	Number of ordinary shares	Statutory value (lei)	Percentage (%)
The Romanian state, represented by the General Secretariat of the Government	110.221.440	1.102.214.400	58,5097
Other shareholders	78.160.064	781.600.640	41,4903
	188.381.504	1.883.815.040	100,0000

The ownership structure registered with Depozitarul Central on 31 December 2024 is the following:

	Number of ordinary shares	Statutory value (lei)	Percentage (%)
The Romanian state, represented by the General Secretariat of the Government	110.221.440	1.102.214.400	58,5097
Other shareholders	78.160.064	781.600.640	41,4903
	188.381.504	1.883.815.040	100,0000

In the statutory accounting, before 1 January 2012, the company included in the share capital certain reserves from revaluation for revaluations made before 31 December 2001. In order to prepare these financial statements according to Accounting Standards approved by Order no. 2844/2016 of the Minister of Finance, such increases were not recognized, because adjustments to hyperinflation for non-current assets were annually recognized in the statement of comprehensive income by 31 December 2003. Therefore, in 2022, the company recorded only the share capital from cash or in-kind contribution, adjusted to inflation from the date of the initial contribution on 31 December 2003 and the increase in the share capital that took place after 1 January 2004 was recognized in nominal terms.

15 OTHER RESERVES, LEGAL RESERVE AND RETAINED EARNINGS

Other reserves

Before IFRIC 12, a proper reserve related to assets belonging to the public domain (Note 3.5 and 5.2) was included in equity as `Reserve of the public domain` at the value of the respective assets restated depending on inflation until 1 January 2004. It was renamed `Other reserves` at the adoption of IFRIC 12 (Note 3.5), to reflect the change in the statute of the related assets. The Company does not intend to change the allocation of deferred income arising from the first-time adoption of IAS 29.

Legal reserve

In accordance with the Romanian law and the company's Articles of Incorporation, the Transgaz must transfer five percent of the profit from the statutory financial statements in a statutory reserve of up to 20% of the statutory share capital. The balance of the statutory reserve, which is not available for allocation on 30 June 2025, amounts to lei 78.670.680 (31 December 2024: 78.670.680 lei).

The legal reserve is included in the `Retained earnings` in these financial statements. The company does not intend to change the allocation of the legal reserve.

Reserve relating to reinvested profit

The balance of the invested profit reserve as at 30 June 2025 is lei 88.839.656 (31 December 2024 lei 58.121.457).

The Company recorded from the 2024 profit a reserve in the amount of 30.520.848 lei representing tax incentives provided for by Law 227/2015 on the Tax Code on the profit invested in technological equipment-machinery, machinery and work installations, electronic computers and peripheral equipment, cash register, control and invoicing machines and appliances, as well as in software, produced and/or purchased and put into operation, used for the purpose of carrying out the economic activity, amended in 2023 by GO 16/2022 which extended the exemption from payment of reinvested profits also for some categories of assets related to the refurbishment.

Dividend allocation

In 2025, the company declared a dividend of lei 1.08 /share, related to the profit of the previous year (2024: lei 0,35 /share). The total dividends declared from the profit of 2024 are lei 203.452.024 (dividends declared from the profit of 2023: lei 65.933.526).

16 LONG-TERM BORROWINGS

The carrying amount of the long-term loans recorded by the company on 30 June 2025:

	30 June 2025 (unaudited)	31 December 2024
BEI 83644RO	159.439.780	166.134.940
BEI 88825RO	183.020.396	189.203.207
BEI 89417RO	253.885.000	248.705.000
BEI 90512RO	507.770.000	497.410.000
BCR 20190409029	119.040.000	126.480.000
BCR 20201028056	244.800.000	259.200.000
BCR 20210817030	70.833.331	74.999.998
BCR 20211124044	155.833.333	165.000.000
BERD	177.880.320	188.997.840
BCR syndicated	238.484.071	238.484.071
BT syndicated	238.484.071	238.484.071
CEC syndicated	85.854.265	85.854.265
Raiffeisen syndicated	238.484.071	238.484.071
Unicredit syndicated	118.693.522	118.693.522
BT	254.645.730	280.668.392
Raiffeisen Bank	269.068.077	269.312.430
BRD GSG	198.950.000	198.800.000
	3.515.165.967	3.584.911.807

As at 30 June 2025, the balance of interest due on the loans contracted by the company is 36.097.962 lei, detailed by loan as follows:

	30 June 2025 (unaudited)	31 December 2024
BEI 83644RO	416.021	433.204
BEI 88825RO	1.087.012	1.502.740
BEI 89417RO	1.113.762	1.377.066
BEI 90512RO	1.769.356	2.224.708
BCR 20190409029	863.872	744.492
BCR 20201028056	2.511.138	2.533.485
BCR 20210817030	1.411.019	1.410.411
BCR 20211124044	910.921	799.685
BERD	1.560.307	1.253.055
BCR sindicalizat	6.028.347	1.631.448
Unicredit sindicalizat	3.000.309	811.971
BT sindicalizat	6.028.347	1.631.448
CEC sindicalizat	2.170.205	587.321
Raiffeisen sindicalizat	6.028.347	1.631.448
Raiffeisen Bank	-	-
BRD GSG	1.199.000	1.042.222
	36.097.963	19.614.704

Loans breakdown by maturity range:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	586.735.267	331.112.038
Interest to be paid	36.097.963	19.614.704
	622.833.230	350.726.742
Over 1 year	2.928.430.700	3.253.799.769
Total loan and interest	3.551.263.930	3.604.526.511

The European Investment Bank (EIB)

The company signed with the European Investment Bank the following loans for the financing of the project `Development on the Romanian territory of the National Gas Transmission System on the Bulgaria – Romania – Hungary – Austria corridor` (BRUA Phase 1).

- Loan Agreement no. 83644RO concluded on 27.10.2017 for the amount of EUR 50 million, fixed interest rate, maturity of 15 years, grace period of 3 years at principal repayment.
- Loan Agreement no.88825RO concluded on 14.12.2017 for the amount of EUR 50 million, with disbursements in lei or EUR (at the choice of the company), with fixed or variable interest (at the choice of the company), maturity of 15 years, the grace period of 3 years of repayment of the principal.

The company signed with the EIB the following loans for the financing of the project `Development on the Romanian territory of the Southern Transmission Corridor for taking over Black Sea gas` (Black Sea - Podişor):

- the Loan Agreement no.89417RO dated 17.12.2018 for the amount of EUR 50 million, maturity of 15 years, grace period of 3 years at principal repayment.
- the Loan Agreement no. 90512RO dated 24 January 2019 for the amount of EUR 100 million, maturity of 15 years, grace period of 3 years at principal repayment.

The financial commitments undertaken by the loan agreements requires the company to comply with the negotiated limits of the following financial indicators: the ratio of the total net debts to the Borrower's RAB, the net leverage ratio and the Interest coverage rate.

The Borrower's own RAB means the Borrower's undepreciated regulated asset base, as recognized by the National Energy Regulatory Authority (ANRE).

Below we present the accepted limits of the indicators and the calculation formula, noting that for the 2025 and 2024 reporting periods all indicators have been met:

Indicator name	Calculation formula	Commitment
Ratio of total net debt to RAB	Total net debt/RAB	Max. 0.70x
Net debt ratio	Total net debt/EBITDA	Max. 5.00x
Interest coverage ratio	Cash flow from operating/financing charges	Min. 3.00x

In 2017 the company received the first tranche of Loan Agreement number 83644RO of EUR 15 million issued by EIB on 30 November 2017, in 28 February 2018 the second tranche of the loan

amounting to EUR 15 million and on 30 April 2018, the third tranche of the loan amounting to EUR 20 million was received.

The maturity of the loan 83644RO from the EIB is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	20.310.800	19.896.400
Between 1 and 5 years	81.243.200	79.585.600
Over 5 years	57.885.780	66.652.940
	159.439.780	166.134.940

In 2019 the company received under Loan Agreement no. 88825RO two tranches totalling EUR 50 million.

The maturity of the loan 88825RO from the EIB is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	20.247.030	19.833.930
Between 1 and 5 years	80.988.119	79.335.724
Over 5 years	81.785.247	90.033.553
	183.020.396	189.203.207

In July 2023 the company received under Loan Agreement no. 89417RO the first tranche of EUR 25 million and in June 2024 the final tranche of EUR 25 million.

The maturity of the loan 89417RO from the EIB is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	-	-
Between 1 and 5 years	75.129.234	63.445.153
Over 5 years	178.755.766	185.259.847
	253.885.000	248.705.000

In July 2023 the company received under Loan Agreement no. 90512 RO the first tranche of EUR 25 million and in June 2024 the final tranche of EUR 75 million.

The maturity of the loan 90512 RO from the EIB is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	-	-
Between 1 and 5 years	142.486.479	119.276.887
Over 5 years	365.283.521	378.133.113
	507.770.000	497.410.000

The carrying amount of loans approximates their fair value as they bear a variable interest rate.

The European Bank for Reconstruction and Development (EBRD)

At 23 February 2018 Transgaz signed with EBRD a contract amounting to lei 278 million, the equivalent of EUR 60 million, for the financing of the BRUA Project. The loan was fully disbursed by two equal disbursements: on 29 April 2020 and on 29 May 2020.

The EBRD loan maturity is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	22.235.040	22.235.040
Between 1 and 5 years	88.940.160	88.940.160
Over 5 years	66.705.120	77.822.640
	177.880.320	188.997.840

The Romanian Commercial Bank (BCR)

The company signed on 24.04.2019 the contract no. 20190409029 with the Romanian Commercial Bank for committing the financing in the amount of 186 million lei, the equivalent of 40 million EUR, with drawing and repayment in lei, maturity 15 years, grace period for principal repayment of 3 years, variable interest for the financing of the project Development on the Romanian territory of the National Gas Transmission System on the Bulgaria – Romania – Hungary – Austria corridor` (BRUA Phase 1).

The BCR loan no. 20190409029 is fully disbursed and its maturity is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	14.880.000	14.880.000
Between 1 and 5 years	59.520.000	59.520.000
Over 5 years	44.640.000	52.080.000
	119.040.000	126.480.000

On 29.10.2020, the Company signed contract no.20201028056 with Banca Comercială Română contemplating the Company's benefiting from a lei 360 million loan for a period of 13 years, destined to refinance two major projects carried out by Transgaz: "National Transmission System Developments in the North Eastern part of Romania (Oneşti - Gherăeşti - Leţcani)"and "The interconnection of the National Transmission System with the international gas transmission pipeline T1 and reverse flow at Isaccea Phase II (Oneşti - Siliştea)".

BCR loan no. 20201028056 is fully collected and its maturity is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	28.800.000	28.800.000
Between 1 and 5 years	115.200.000	115.200.000
Over 5 years	100.800.000	115.200.000
	244.800.000	259.200.000

On 17.08.2021, the Company signed contract no. 20210817030 with Banca Comercială Română contemplating the Company's benefiting from a lei 100 million loan for a period of 12 years, destined to refinance the project "National Transmission System Developments in the North Eastern part of Romania (Oneşti - Gherăeşti - Leţcani)".

BCR loan no. 20210817030 is fully collected and its maturity is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	8.333.334	8.333.334
Between 1 and 5 years	33.333.336	33.333.336
Over 5 years	29.166.661	33.333.328
	70.833.331	74.999.998

On 24.11.2021, the Company signed contract no. 20211124044 with Banca Comercială Română contemplating the Company's benefiting from a lei 220 million loan for a period of 12 years, destined to refinance the project: "National Transmission System Developments in the North Eastern part of Romania (Oneşti - Gherăeşti - Leţcani)".

BCR loan no. 20211124044 is fully collected and its maturity is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	18.333.333	18.333.334
Between 1 and 5 years	73.333.333	73.333.333
Over 5 years	64.166.667	73.333.333
	155.833.333	165.000.000

Transilvania Bank (BT)

On 15 July 2020, as a result of a competitive negotiation procedure, the company signed a contract with Transilvania Bank allowing the company to benefit from a credit facility amounting to lei 300 million, for 2 years, to cover the necessary working capital and partly to issuing letters of guarantee. By Addendum No. 1/20.12.2021, Addendum No. 4/22.03.2023 and Addendum No. 5/14.06.2024 the parties agreed successive extensions of the final maturity date of the loan agreement until 13.06.2026.

By Addendum no. 6 signed on 27.11.2024 the facility cash threshold was increased by lei 153.000.000 up to the new value of lei 453.000.000.

On 30 June 2025, the amount of lei 254.645.730 (2024: lei 280.668.392) out of the total credit line was used to finance the current activity and the amount of lei 44.978.094 (2024: 12.250.000 lei) tocover three letters of bank guarantees issued for third parties.

RAIFFEISEN BANK

The company signed on 14 July 2022, following a competitive negotiation procedure, an agreement with Raiffeisen Bank under which it benefits from a credit facility of 300 million lei for a period of 2 years, intended to finance working capital for the commercial balancing activity. By Addendum No. 1/11.07.2024, the loan term was extended by 24 months as of the execution date.

As at 30 June 2025 the credit facility is drawn down to the level of lei 269.068.077 (2024: lei 269.312.430). The obligation is presented under long-term.

BRD GROUPE SOCIETE GENERALE

The company signed on 2 August 2023, following a competitive negotiation procedure, an agreement with BRD Groupe Societe Generale, whereby it benefits from a credit facility of 200 million lei for a period of 2 years, intended to finance working capital for the commercial balancing activity.

As at 30 June 2025 the credit facility is drawn down to the maximum level of lei 198.950.000 (2024: lei 198,800,000). The obligation is presented under short-term loans.

SYNDICATED LOAN

As at 31.07.2024, the company signed a syndicated loan agreement for a total amount of lei 1.928.850.000 to ensure the financing of investment projects included in the National Natural Gas Transmission System Development Plan. The banks participating in the transaction are Banca Transilvania, Banca Comercială Română, Raiffeisen Bank, UniCredit Bank and CEC Bank.

As at reporting date, the amount drawn on this loan is of 920.000.000 lei.

The maturity of the amount drawn from the syndicated BCR loan is shown below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	-	-
Between 1 and 5 years	76.314.903	66.775.540
Over 5 years	162.169.168	171.708.531
	238.484.071	238.484.071

The maturity of the amount drawn from the syndicated BT loan is shown below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	-	-
Between 1 and 5 years	76.314.903	66.775.540
Over 5 years	162.169.168	171.708.531
	238.484.071	238.484.071

The maturity of the amount drawn from the syndicated CEC loan is shown below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	-	-
Between 1 and 5 years	27.473.365	24.039.194
Over 5 years	58.380.900	61.815.071
	85.854.265	85.854.265

The maturity of the amount drawn from the syndicated Raiffeisen Bank loan is shown below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	-	-
Between 1 and 5 years	76.314.903	66.775.540
Over 5 years	162.169.168	171.708.531
	238.484.071	238.484.071

The maturity of the amount drawn from the syndicated Unicredit loan is shown below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	-	-
Between 1 and 5 years	37.981.927	33.234.186
Over 5 years	80.711.595	85.459.336
	118.693.522	118.693.522

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	30 June 2025 (unaudited)		31 December 2024	
	Accounting value	Fair value	Accounting value	Fair value
Variable interest rate loans	3.355.726.187	3.355.726.187	3.418.776.867	3.418.776.867
Fixed interest rate loans	159.439.780	147.702.053	166.134.940	147.813.795
	3.515.165.967	3.503.428.240	3.584.911.807	3.566.590.662

The fair value of fixed-rate borrowings was determined based on discounted cash flow analyses, using observable market interest rates for similar instruments with similar credit risk and maturities. As such, the fair value measurement is classified within **Level 2** of the fair value hierarchy under IFRS 13 *Fair Value Measurement*.
There were no transfers between levels of the fair value hierarchy during the period.

Changes in liabilities arising from financing activities

	Long term loans	Working capital	Leasing debt	Total
Balance as at 01.01.2024	1.564.216.276	749.057.803	15.542.003	2.328.816.082
Net cash flows	1.285.353.968	2.174.192	(5.611.248)	1.281.916.912
Exchange rate differences	(318.920)	-	-	(318.920)
New leasing contracts	-	-	9.455.560	9.455.560
Leasing adjustments	-	-	-	-
Interest expense	71.098.342	1.056.158	898.319	73.052.819
Capitalized interest	30.176.746	29.484.565	5.802	59.667.113
Paid interest	(95.822.945)	(31.949.674)	591.469	(127.181.150)
Balance as at 31 December 2024	2.854.703.467	749.823.044	20.881.905	3.625.408.416
Balance as at 01.01.2025	2.854.703.467	749.823.044	20.881.905	3.625.408.416
Net cash flows	(66.157.095)	(26.117.015)	(3.912.013)	(96.186.122)
Exchange rate differences	22.528.269	-	-	22.528.269
New leasing contracts	-	-	2.423.153	2.423.153
Leasing adjustments	-	-	-	-
Interest expense	29.257.989	340.684	579.753	30.178.427
Capitalized interest	47.097.749	14.345.599	1.006	61.444.354
Paid interest	(60.029.257)	(14.529.506)	1.300.155	(73.258.608)
Balance as at 30 June 2025(unaudited)	2.827.401.124	723.862.806	21.273.960	3.572.537.889

17 DEFERRED REVENUE

Based on the connection contracts, the necessary infrastructure is built to ensure the estimated transmission capacity to be used over the duration of the concession agreement.

Connections	**30 June 2025 (unaudited)**	**31 December 2024**
Initial balance	136.266.747	135.223.335
Increases	-	15.332.544
Revenue from connection fees (Note 22)	(7.225.437)	(14.289.132)
Final balance	129.041.310	136.266.747

Non-reimbursable funding	**30 June 2025 (unaudited)**	**31 December 2024**
Initial balance	1.025.577.142	741.382.632
Increases	-	369.637.301
Income from non-reimbursable funds and goods taken over free of charge (Note 22)	(42.708.663)	(85.442.791)
Final balance	982.868.479	1.025.577.142

Assets received free of charge	30 June 2025 (unaudited)	31 December 2024
Initial balance	83.032.221	87.293.377
Increases	135.481	1.222.046
Income from non-reimbursable funds and goods taken over free of charge (Note 22)	(2.737.997)	(5.483.202)
Final balance	80.429.705	83.032.221

The balance of the deferred revenue consists of:

	30 June 2025 (unaudited)	31 December 2024
Connections	129.041.310	136.266.747
Assets received free of charge	80.429.705	83.032.221
Grants	982.868.479	1.025.577.142
	1.192.339.494	1.244.876.110

The connections and other assets taken over free of charge from third parties (MRSs, pipelines) do not result from investments made by TRANSGAZ and are classified as the Company's own assets.

The company obtained from the European Union through the Innovation and Networks Executive Agency (INEA), for the BRUA project, a grant amounting to 1.519.342 Euro, representing 50% of the estimated eligible expenses, awarded to finance the design for the three compressor stations of the project (Podişor, Bibeşti and Jupa) and a grant amounting to 159.449.379 Euro, representing 40% of the estimated eligible expenses, awarded to finance the implementation works of the BRUA Phase I project.

The following amounts were received as pre-financing for the financing of the implementation works of the BRUA Phase I project: EUR 25.834.489,60 (in 2016), EUR 13.839.087,37 (in 2018), EUR 29.192.463,92 (in 2019), EUR 37.740.347 (in 2020) and EUR 20.953.114,91 in 2021. On 19 July 2022 the amount of EUR 21.129.634,05 was received from INEA.

On 22.11.2018 the company signed with the Ministry of European Funds AM POIM Financing Contract 226 for non-reimbursable financing for the implementation of the draft project code MYSMIS 2014-122972 NTS developments in North-East Romania for enhancing gas supply to the area and for ensuring transmission capacities to the Republic of Moldova within the Specific objective 8.2 – Increasing the interconnectivity of the National Transmission System with neighbouring states. The amount of the grant is lei 214.496.026,71, namely 32,53% of the value of the eligible expenses.

For the financing of the works for the implementation of the project NTS developments in North-East Romania for enhancing gas supply to the area and for ensuring transmission capacities to the Republic of Moldova, the amount of lei 203.657.168 was collected as eligible expenses grant funding.

On 18.06.2020 the company signed Grant Agreement no. HCOP/685/3/8/132556 on the implementation of the project „TransGasFormation" Code 132556 for the amount of LEI 701.259,60

with the Ministry of European Funds, as Management Authority for the Human Capital Operational Programme.

In 2024, the company concluded two grant agreements for the projects: Black Sea - Podişor natural gas transmission pipeline, for which it received pre-financing amounting to lei 243.216.983,06 and Gherceşti-Jitaru natural gas transmission pipeline (including power supply, cathodic protection and fiber optics). The contracts were concluded based on EC Decision No C(2023) 3643 of 30.05.2023, by which the projects were allocated grants under the Modernization Fund in total amount of EUR 93.582.770:

- Black Sea - Podişor natural gas transmission pipeline: EUR 85.544.422;
- Gherceşti-Jitaru natural gas transmission pipeline (including power supply, cathodic protection and optical fiber): EUR 8.038.348.
- Natural gas transmission pipeline to supply the Mintia Power Plant (including other industrial and household customers): EUR 6.826.947

As at 27 September 2024, the Company concluded with the Ministry of Energy the financing contract for "Increasing the transmission capacity of the NTS and the security of natural gas supply of the Işalniţa Electrocentrale branch (Dolj County) and the Turceni Electrocentrale branch (Gorj County)". The financing is provided from the Modernization Fund and amounts to approximately EUR 8,5 million.

On 04.09.2024 the Government Decision no.1102/04.09.2024 (published in the Official Gazette no. 904/06.09.2024) approved the financing from the Environment Fund of three natural gas transmission projects worth 500,000,000 lei, for which Transgaz has concluded financing contacts in 2024, namely:

- Gas transmission pipeline Prunişor - Orşova - Băile Herculane-Jupa (including electricity supply, cathodic protection and fiber optics): lei 229108.514,31 lei;
- Gas transmission pipeline Tetila - Horezu - Râmnicu Vâlcea (including power supply, cathodic protection and fiber optics) lei 101.713.128,45;
- Gas transmission pipeline DN 600 Mihai Bravu - Siliştea and transformation into a piggable pipeline lei 169.178.357,24.

18. INCOME TAX

Income tax expense

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited, restated)*
Expense with the income tax - current	84.481.415	45.497.912
Deferred tax - impact of temporary differences	(7.206.128)	(8.936.391)
Income tax expense	77.275.287	36.561.521

In Half 1 2025 and Half 1 2024, the company calculated the income tax at the rate of 16% applied to the profit determined in accordance with the Romanian laws.

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited, restated)*
Profit before tax	537.155.765	221.910.490
Theoretical expense with the tax the statutory rate of 16% (2023: 16%)	85.944.923	35.505.679
Non-taxable expenses/non-taxable revenues or deductions, net	(8.669.636)	1.055.842
Income tax expense	77.275.287	36.561.521
Income tax liability/receivable, current	(25.049.501)	(41.040.636)

Depreciation of tangible assets hyperinflation adjustments is a deductible expense with the adoption of Accounting standards as adopted by Order no. 20244/2016 of the Minister of Finance.

Deferred tax

Deferred tax payment and recoverable tax are valued at the actual tax rate of 16% on 30 June 2025 (31 December 2024: 16%). Deferred tax payment and recoverable tax, as well as expenses with/(revenue from) deferred tax recognized in the statement of comprehensive income are attributable to the following items:

	30 June 2025 (unaudited)	Movement	31 December 2024	Movement	30 June 2024 (unaudited, restated)*	Movement	1 January 2024
Deferred tax payment							
Tangible and intangible assets	42.366.668	(3.253.523)	45.620.191	(2.258.877)	47.879.068	(4.474.344)	52.353.412
Recoverable deferred tax							
Provision for							
Employee benefits	(27.385.395)	(5.035.119)	(22.350.276)	2.545.555	(24.895.831)	(3.945.047)	(20.950.784)
Other provisions	(3.810.100)	6.512.978	(10.323.078)	709.273	(11.032.351)	3.829.898	(14.862.249)
Receivables and other assets	(101.095.387)	(5.430.464)	(95.664.923)	11.343.437	(107.008.360)	(4.346.901)	(102.661.459)
	(89.924.214)	(7.206.128)	(82.718.086)	12.339.388	(95.057.474)	(8.936.394)	(86.121.080)

Deferred income tax liability related to tangible and intangible assets is determined by the fact that: a) the fiscal value of intangible assets does not include inflation update; and b) the nature of public domain property does not represent depreciable assets from a tax perspective, regardless of how they are reflected in the accounts. Temporary differences for receivables and other assets arise from impairment adjustments for bad debts.

The amounts presented in the statement of the financial position include the following:

	30 June 2025 (unaudited)	31 December 2024
Deferred tax liabilities/(receivables)	(89.924.214)	(82.718.086)

19. TRADE PAYABLES AND OTHER PAYABLES

19.1 Short term payables

19.1.a Trade payables

	30 June 2025 (unaudited)	31 December 2024
Trade payables	197.261.305	281.114.994
Suppliers of non-current assets	121.215.079	205.515.532
	318.476.384	**486.630.526**

19.1.b Other payables

	30 June 2025 (unaudited)	31 December 2024
Dividends payable	204.185.824	949.359
Debts related to royalties	50.118.425	78.505.674
Other taxes	33.446.452	33.266.523
Amounts payable to employees	21.374.689	22.408.093
Non-exemptible VAT	(2.340.020)	3.020.830
Transmission service guarantees	126.010.279	109.569.064
Tender guarantees	99.393.515	105.731.396
Other debts	36.026.410	35.923.186
	568.215.574	**389.374.125**

19.1.c Clients contract liabilities

	30 June 2025 (unaudited)	31 December 2024
Clients advances	1.023.795	565.930
Transmission service advances	33.662.816	81.055.619
	34.686.611	**81.621.549**

At 30 June 2025, of the total trade payables and other debts the amount of lei 73.447.672 (31 December 2024: lei 68.523.705) is expressed in foreign currency, especially in EUR.

19.2 Lease liability

	30 June 2025 (unaudited)	31 December 2024
	Land and buildings	Land and buildings
Initial balance	20.881.905	15.542.003
Inflows	2.423.153	9.455.560
Interest expense	580.760	904.121
Leasing payments	(2.611.858)	(5.019.779)
Final balance, of which:	21.273.960	20.881.905
Long-term debts	17.488.915	16.968.348
Short-term debts	3.785.045	3.913.557

20. OTHER PROVISIONS

	30 June 2025 (unaudited)	31 December 2024
Current provision		
Provision for litigation	3.973.985	3.973.985
Provision for BoA remuneration	-	3.416.984
Provision for employee participation in profits	12.519.128	22.648.080
Other provision	7.320.015	9.611.800
	23.813.128	39.650.849

Employees` participation in the profit is calculated within the limit of 10% of the net profit, but not more than a monthly average salary achieved in the relevant financial year according to the provisions of GO 64/2001 and the Collective Labour Agreement.

Following the conclusion of the arbitration proceedings which had as dispute the restitution of the quantity of natural gas from the Transit 1 pipeline, the arbitral tribunal admitted Bulgargaz EAD's action, and a provision for litigation in the amount of Lei 1.673.984, the equivalent in Lei for legal interest and incidental expenses was established. The arbitral tribunal's decision was appealed, and the action for annulment was registered with the Bucharest Court of Appeal.

The company also made provisions for the dispute with Blue Star SRL for the MRS Timisoara I - Timisoara pipeline in the amount of Lei 2.300.000.

The Company records provisions for untaken leave at the end of the financial year.

The Company has recorded provisions for untaken leave in the amount of lei 3.216.487 relating to the period ended 30 June 2025.

21. PROVISION FOR EMPLOYEE BENEFITS

Employee benefits

The present value of the provision was determined based on the Projected Unit Credit Method. Retirement benefits received by an employee were first raised by the contributions of the employer and then every benefit was updated taking into account the rotation of employees, layoffs and the probability of survival until retirement. The number of years until retirement was calculated as the difference between retirement age and age at time of reporting. The expected average of the remaining work period was calculated based on the number of years until retirement, also taking into account the rate of layoffs, employee rotation rate and the probability of survival.

Assumptions 2024 and June 2025

The amount of the provision has been calculated individually for each distinct employee/beneficiary of the company using the actuarial calculation method and taking into account International Accounting Standards, in particular the IAS 19. The provision is calculated taking into account the long-term liabilities undertaken by the company under the collective labour contract. The calculation assumptions and specifications for the calculation model were established based on the company's previous experience and a set of assumptions about the company's future experience. The most important actuarial assumptions used are as follows:

- for the benefit consisting of basic salaries paid at retirement, this benefit is paid for company employees who reach retirement;
- Employee rotation considers seniority and staff rotation within the company;
- The mortality of the entity's employees is calculated according to the data provided by the National Institute of Statistics for the period between 2014-2023;
- Employee rotation is calculated based on leaves from the company and a probability was assigned to each age group and gender;
- Employee rotation was calculated for each age and gender group for both female and male gender;
- The method used is the projected credit factor method, the amounts being allocated to each employee and updated to 31.12.2024 and respectively to 30 June 2025
- Retirement age at retirement was considered 65 for men and 63 for women, but the share of early retirements at certain ages was also considered;
- The plan is not funded by the entity and employees.
- For the death compensation for pensioners former employees of S.N.T.G.N. TRANSGAZ SA in the first year after retirement, the mortality at the age of 66 years for men and 64 years for women was used by simplification;
- Data provided by the beneficiary for the period between 2018 - 2025 were analysed

Financial assumptions

The discount rate is the interest rate curve in lei without adjustments of variations provided by EIOPA for December 2024 and respectively for June 2025. For the calculation for the year 2024, according to the National Institute of Statistics, the long-term salary growth rate is considered equal to the forecasted inflation rate for lei and is 2.5%, and in the short term it is considered equal to the forecasted inflation rate for lei and is 3.88% in the first year and 3.33% in the second year for both genders.

For the calculation for 30 June 2025, according to the National Institute of Statistics, the long-term salary growth rate is considered equal to the forecasted inflation rate for lei and is 2.5%, and in the short term it is considered equal to the forecasted inflation rate for lei and is 4.93% in the first year and 4.4% in the second year and 2.93% in the thord year for both genders.

Movement in the provision for employee benefits

1 January 2024 (restated)*	153.288.122
of which:	
Short-term	16.135.217
Long-term	137.152.905
Interest cost	9.056.425
Current service cost	8.226.642
Payments from provisions during the year	(17.903.073)
Actuarial gain/loss related to the period	7.505.716
31 December 2024	160.173.832
of which:	
Short-term	15.913.064
Long-term	144.260.768
Interest cost	11.155.645
Current service cost	8.823.923
Payments from provisions during the year	(7.178.734)
Actuarial gain/loss related to the period	(1.815.950)
30 June 2025 (unaudited)	171.158.716
of which:	
Short-term	21.963.422
Long-term	149.195.294

22. REVENUE AND OTHER INCOME

22.1 Revenue from contracts with customers

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
Revenues from domestic transmission activity - Romania	1.343.574.613	942.106.613
Balancing revenues	231.868.550	114.784.449
Revenue from connection fees	7.225.437	7.071.868
Revenue from construction activities according to IFRIC12	451.111.690	675.817.268
Operating revenue within the scope of IFRS 15	**2.033.780.290**	**1.739.780.198**

22.2 Other income

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
Income from penalties applied to clients for delay payments	11.029.133	12.378.151
Income from leases	723.090	718.103
Income from recovered materials	6.904.188	1.265.508
Income from the sale of residual materials	180.984	882.598
Other income from operation	6.717.995	6.220.792
Income from connection fees	7.225.437	7.071.868
Income from grants and goods taken free of charge	45.446.660	45.485.989
	78.227.487	74.023.009

23. OTHER OPERATING EXPENSES

23.1 Other operating expenses

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited,restated)
Utilities	12.848.169	7.673.744
Insurance premium	958.216	827.843
Security and protection expenses	18.729.314	15.542.084
Maintenance costs	28.097	23.500
Professional training	115.897	593.951
Telecommunications	1.411.898	1.319.942
Bank charges and other fees	140.328	975.160
Rents	3.069.420	3.332.045
Loss on amounts receivable	40.538	782.778
Marketing and protocol costs	286.249	354.704
Penalties and fines	53.953	761.562
Gas storage capacity booking	1.993.495	4.908.763
Sponsorship costs	1.287.200	1.807.000
Loss/(gain) on impairment of inventories	10.529.143	5.215.957
Computer service	5.979.974	5.318.194
Other	18.117.743	17.062.510
	75.589.634	66.499.737

23.2 Balancing activity expenses

According to the applicable European and national provisions, the Company ensures the balancing activity for the National Transmission System ("NTS"). The balancing activity is carried out by the Company based on ANRE Order no.160/2015 establishing the obligations regarding the balancing of the national transmission system, a financially neutral activity, any profit or loss from this activity being distributed to the clients for which domestic transmission services are provided.

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited,restated)
Expenses on balancing gas	214.311.692	96.645.779
Expenses on balancing financing line	14.313.758	15.037.695
Expenses on balancing gas storage	3.243.100	3.100.975
	231.868.550	114.784.449

24. EMPLOYEE COSTS

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
Salaries and benefits	315.734.084	276.846.579
Cost of insurance and social security	17.446.202	16.202.682
Other employee costs	3.960.838	3.702.057
	337.141.124	296.751.318

Average number of employees in financial year:

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
Blue collars	2.145	2.183
White collars	1.859	1.832
	4.004	4.015

25. NET FINANCIAL INCOME/(LOSS)

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited,restated)
Foreign exchange income	4.002.210	2.141.226
Interest income	43.663.732	36.923.138
Income from the update of the Receivable regarding the Concession Agreement	83.061.686	63.930.785
Other financial income	1.457	243
	130.729.085	102.995.392
Foreign exchange loss	(25.323.777)	(2.291.741)
Interest expense to IFRS16	(579.753)	(295.170)
Interest expense	(29.596.464)	(39.126.209)
Effect of updating the employee benefits provision	(11.155.645)	(6.919.559)
	(66.655.639)	(48.632.679)

According to ANRE Order no. 41/2019 the value of the assets recognised in the Regulated Asset Base is adjusted to the inflation. The company recalculated the value of the Concession Agreement receivables and recognized gains amounting to lei 83.061.686 according to IFRS 9 (31 December 2024: Lei 127.698.456).

Non-current assets recognized under regulated assets within a gas year are updated with the inflation rate starting from the next gas year.

The income from the adjustment of the receivable related to the Concession Agreement is a non-monetary item (Note 26).

26. CASH FROM OPERATION

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited,restated)
Profit before tax	**537.155.765**	**221.910.490**
Depreciation and amortization	246.318.361	230.994.660
Gain/(loss) on transfer of non-current assets	96.298	88.978
Other provisions	(15.837.721)	(14.931.520)
Provisions for employee benefits	1.645.191	19.793.785
Income from connection fees, grants and goods taken free of charge	(52.672.097)	(52.557.857)
Sundry debtors and receivable loss	40.538	782.778
Adjustments for the receivable's impairment	6.626.335	21.952.157
Adjustments for inventory impairment	10.529.143	(366.069)
Interest income	(43.663.731)	(36.923.141)
Interest expenses	43.942.061	39.126.209
Update of the Receivable regarding the Concession Agreement	(83.061.686)	(63.930.785)
Effect of exchange rate fluctuation on other items than from operation	26.386.708	710.756
Effect of restatement of the provision for employee benefits	11.155.645	6.919.559
Operating profit before the changes in working capital	**688.660.810**	**373.570.000**
Decrease in trade and other receivables	65.654.454	66.933.589
Decrease in inventories	20.413.792	19.234.068
(decrease/Increase in trade payables and other debts	(90.935.565)	65.103.376
Cash generated from operations	**683.793.491**	**524.841.033**

27. TRANSACTIONS WITH RELATED PARTIES

The prices / tariffs related to the transport and balancing contracts are approved by the National Energy Regulatory Authority (ANRE), are regulated and are not established under market conditions.

Procurement is carried out in compliance with the legal regulations on public procurement.

In the periods ended 30 June 2025 and 30 June 2024, the following transactions with related parties were performed and the following balances were payable/receivable from related parties at the respective dates.

i) Compensation granted to the members of the Board of Administration and of the management

	The six months ended 30 June 2025 (unaudited)	**The six months ended 30 June 2024 (unaudited)**
Salary paid to the members of the Board of Administration and management	15.470.995	13.294.684
Social contribution of the company	348.097	299.130
	15.819.092	13.593.814

In the periods ended 30 June 2025 and 30 June 2024, no advance payments and loans were granted to the company's administrators and management, except for advance payments from salaries

and those for business trips, and they don't owe any amount from such advance payments to the company at the end of the period .

The company has no contractual obligations related to pensions towards the current administrators and directors.

The provision for the mandate contract is presented in Note 20.

The company has no contractual obligations related to pensions towards the former administrators and directors.

ii) Revenue from related parties – services supplied

	Relationship	**The six months ended 30 June 2025 (unaudited)**	**The six months ended 30 June 2024 (unaudited)**
SNGN Romgaz	Entity under common control	167.760.413	134.553.112
Electrocentrale Bucureşti SA	Entity under common control	53.628.848	42.088.906
Electrocentrale Constanţa	Entity under common control	-	-
Termo Calor Confort	Entity under common control	2.193.602	1.582.267
Complex Energetic Oltenia	Entity under common control	1.140.101	1.417.439
E.ON Energie Romania	Entity under significant influence	153.452.655	114.254.079
		378.175.619	293.895.803

iii) Sales of other goods and services

	Relationship	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
SNGN Romgaz	Entity under common control	8.380	36.677
Electrocentrale Bucuresti	Entity under common control	1.524	1.644
Electrocentrale Constanța	Entity under common control	2.191.270	2.392.605
E.ON Energie Romania	Entity under significant influence	2.771	2.965
Complex Energetic Hunedoara	Entity under common control	694.613	619.932
Complex Energetic Oltenia	Entity under common control	1.472	1.667
		2.900.030	3.055.490

iv) Gas sales – the balancing activity (VAT excluded)

	Relationship	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
SNGN Romgaz	Entity under common control	3.498.081	686.067
Electrocentrale București	Entity under common control	3.095.740	2.902.963
Electrocentrale Constanța	Entity under common control	-	-
Termo Calor Confort	Entity under common control	1.755.643	693.866
Complex Energetic Oltenia	Entity under common control	1.547.078	712.561
E.ON Energie Romania	Entity under significant influence	22.068.488	19.816.118
		31.965.029	24.811.575

v) Receivables from related parties (without the adjustment)

	Relationship	30 June 2025 (unaudited)	31 December 2024
SNGN Romgaz	Entity under common control	26.736.714	40.800.418
Complex Energetic Hunedoara	Entity under common control	68.242	7.951
Electrocentrale București	Entity under common control	3.160.856	20.361.191
Electrocentrale Constanța	Entity under common control	-	-
Termo Calor Confort	Entity under common control	(249)	(28.200)
E.ON Energie Romania	Entity under significant influence	25.695.782	81.185.043
Complex Energetic Oltenia	Entity under common control	75.263	610.908
Eurotransgaz SRL	Company branch	-	-
		55.736.608	142.937.312

vi) Client receivables – the balancing activity (gross amountst)

	Relationship	30 June 2025 (unaudited)	31 December 2024
SNGN Romgaz	Entity under common control	113.502	35.350
Electrocentrale Constanţa	Entity under common control	347.312	1.625.072
Complex Energetic Oltenia	Entity under common control	285.163	958.556
Electrocentrale Bucureşti	Entity under common control	362.208	228.842
Termo Calor Confort	Entity under common control	21.462	707
Complex Energetic Hunedoara	Entity under common control	487.449	39.548
E.ON Energie Romania	Entity under significant influence	5.724.531	4.194.725
		7.341.626	7.082.800

vii) Procurement of services from related parties (other services)

	Relationship	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
SNGN Romgaz	Entity under common control	4.041.002	18.664.375
Complex Energetic Oltenia	Entity under common control	2.117	2.190
Electrocentrale Bucureşti	Entity under common control	5.093	5.201
		4.048.212	18.671.766

viii) Procurement of gas – the balancing activity

	Relationship	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
SNGN Romgaz	Entity under common control	2.709.323	3.697.742
Electrocentrale Bucureşti	Entity under common control	4.475.708	674.047
Electrocentrale Constanţa	Entity under common control	-	-
Termo Calor Confort	Entity under common control	3.392.659	704.246
Complex Energetic Oltenia	Entity under common control	611.293	186.253
E.ON Energie Romania	Entity under significant influence	43.047.433	15.680.213
		54.236.416	20.942.501

ix) Procurement of natural gas

	Relationship	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
SNGN Romgaz	Entity under common control	66.403.283	41.472.957
		66.403.283	41.472.957

x) Debts to gas suppliers – balancing activity

	Relationship	30 June 2025 (unaudited)	31 December 2024
SNGN Romgaz	Jointly controls entities	15.890.618	13.178.154
		15.890.618	13.178.154

xi) Debts to affiliated parties from services (other services)

	Relationship	30 June 2025 (unaudited)	31 December 2024
SNGN Romgaz	Entity under common control	596.268	656.989
Complex Energetic Oltenia	Entity under common control	342	520
Electrocentrale Bucureşti	Entity under common control	612	799
		597.222	658.308

xii) Debts to suppliers – balancing activity

	Relationship	30 June 2025 (unaudited)	31 December 2024
SNGN Romgaz	Entity under common control	3.661.729	1.052.433
Electrocentrale Bucureşti	Entity under common control	3.328.138	3.528.452
Electrocentrale Constanţa	Entity under common control	48.213	48.213
Termo Calor Confort	Entity under common control	3.429.294	139.207
E.ON Energie Romania	Entity under significant influence	43.104.301	19.632.327
Complex Energetic Oltenia	Entity under common control	592.351	187.691
		54.164.026	24.588.324

xiii) Guarantees from affiliates (bank guarantee letter)

	Relationship	30 June 2025 (unaudited)	31 December 2024
SNGN Romgaz	Entity under common control	2.909.124	2.909.124
E.ON Energie Romania	Entity under significant influence	27.244.927	86.722.180
Electrocentrale Bucureşti		6.703.153	15.999.992
		36.857.203	105.631.296

xiv) Loans and interest to be reimbursed

	Relationship	30 June 2025 (unaudited)	31 December 2024
EUROPEAN BANK FOR RECONSTRUCTION	Jointly controls entities	179.440.627	190.250.896
		179.440.627	190.250.896

xv) Transactions during the period

	Relationship	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
EUROPEAN BANK FOR RECONSTRUCTION	Jointly controls entities	6.505.383	1.464.400
		6.505.383	1.464.400

28. EARNINGS PER SHARE

The company shares are listed on the first category of the Bucharest Stock Exchange.

Basic earnings per share are calculated by dividing the profit attributable to the company's equity holders to the average number of ordinary shares existing during the year.

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
Profit attributable to the company's equity holders	459.880.478	185.348.969
Weighted average of the number of shares	188.381.504	188.381.504
Basic and diluted earnings per share (lei per share)	2,44	0,98

29. MATERIAL NON-CASH TRANSACTIONS

Compensations

Approximately 2,17 % of the receivables were settled by transactions that haven't involved cash outflows during the period ended 30 June 2025 (31 December 2024: 4,55%). Transactions mainly represent offsets with clients and suppliers within the operating cycle and offsets between tax debts and receivables registered with the state budget.

30. CONTINGENCIES, COMMITMENTS AND OPERATIONAL RISKS

i) Commitments

The Service Concession Agreement (S.C.A. - Note 8) provides that, at the end of the agreement, the ANRM is entitled to receive back, all goods of public property existing when the agreement was signed and all investments made into the national transmission system, in accordance with the investment program stipulated in the service concession agreement. The company also has other obligations related to the concession agreement, which are described in Note 8.

Law 127/2014 entered into force on 5 October 2014 states that if the concession contract is terminated for any reason, or upon contract termination, the investment made by the national transmission system operator shall be transferred to the owner of the national transmission system or to another grantor in exchange for compensation equal to the unamortized regulated value established by ANRE, as presented in Note 3.5.

As at 30 June 2025 the value of the contractual firm obligations of parent Company for the purchase of tangible and intangible assets is of lei 649.762.192 (30 June 2024: lei 1.480.860.342).

Eurotransgaz SRL, the company established and owned by Transgaz in Moldova, was appointed the winner of the privatization investment contest for the single patrimonial complex State Enterprise Vestmoldtransgaz operating the Iasi-Ungheni gas transmission pipeline on the territory of Moldova.

The company is a guarantor of the loan agreement concluded on 24 January 2019 between the European Investment Bank and Eurotransgaz, in total amount of Euro 38 million, for the funding of the construction by Vestmoldtransgaz of the Ungheni-Chisinau gas transmission pipeline.

ii) Taxation

The taxation system in Romania is in a phase of consolidation and harmonization with the European law. However, there are still various interpretations of the tax law. In Romania, the tax year remains open for fiscal verification for 5 years. The company's management believes that fiscal obligations included in these financial statements are properly presented and that it is not necessary for any additional provisions to be established to cover the uncertainties related to tax treatment.

See the existing litigation referring to oil royalty detailed in the chapter "Court and other actions".

iii) Insurance policies

The company does not have insurance policies related to operations, complaints on products, or for the public debt. The company has insurance policies for buildings and mandatory civil liability policies for the car fleet. Moreover, the company has contracted professional liability insurance services for the members of the Board of Administration and for 59 managers in 2025 (58 managers in 2024).

iv) Environmental aspects

Environmental regulations are under development in Romania and the company did not record any obligation on 30 June 2025 and on 30 June 2024 related to anticipated expenses that include legal and consulting fees, analysis of locations, preparing and implementing recovery measures related to environmental protection. The management of the company believes there are no significant obligations related to environmental aspects.

Transgaz, as natural gas transmission operator in Romania, plays a key role in decarbonizing the entire Romanian energy system. To this end, in December 2023, Transgaz' Climate and Decarbonization Strategy was developed in order to meet national and international (climate) policy requirements and regulations.

The Strategy is intended for Romania and will be extended to the other entities after Transgaz' first consolidated reporting exercise. This is planned to take place in the next two years, after the assessment of the first report that will establish the baseline situation for Transgaz. The strategy is also applicable for Transgaz as a whole, but the specific objectives are only for Romania. Transgaz's Climate and Decarbonization Strategy can be consulted at: https://www.transgaz.ro/ro/sustenabilitate/strategia-climatica-si-de-decarbonizare .

Transgaz has conducted an assessment of the impacts of climate change on its operations and infrastructure using climate scenarios. Transgaz does not currently have a detailed transition plan to address the impacts of climate change in 2024. However, Transgaz intends to develop such a plan within the next three years. In the absence of a transition plan, its climate and decarbonization strategy acts as a substitute, directing the company's efforts towards managing climate risks and emerging opportunities.

v) Lawsuits and other actions

During the normal activity of the company, various litigations in which the Company is a defendant or plaintiff have been registered with the courts. The company has pending disputes for the lack of use of some lands occupied with NTS objectives, commercial and labour disputes. Based on its own estimates and internal and external consulting, the company's management believes there will be no material loss exceeding the provisions established in these financial statements and is not aware of circumstances that give rise to potentially significant obligations in this regard.

As of 6 June 2016, the company was subject to an inspection carried out by the European Commission - Directorate General for Competition under Art. 20 (4) of Council Regulation (EC) No 1/2003 on the implementation of the rules on competition laid down in Articles 81 and 82 of the EC Treaty, which became Articles 101 and 102 of the Treaty on the Functioning of the European Union. In 2020, the European Commission approved the Company's commitments to address concerns related to a possible breach of Article 102 of the Treaty on the Functioning of the European Union, namely:

- to provide a minimum export capacity of 1,75 billion cubic meters per year at the interconnection point between Romania and Hungary (Csanádpalota);
- to make available minimum export capacities of 3.7 billion cubic meters per year in total at two interconnection points between Romania and Bulgaria (Giurgiu / Ruse and Negru Vodă I / Kardam);
- to make sure that the tariffs to be proposed to the Romanian Energy Regulatory Authority (ANRE) will not make any difference between the export and the domestic markets, thus avoiding interconnection tariffs that render exports commercially non-feasible;
- refrain from using any other means of obstructing exports.

The company meets its commitments and, based on its own estimates, the company's management considers that there are no circumstances that would give rise to significant potential liabilities in this regard.

Following the conclusion of the arbitration proceedings with Bulgargaz EAD, the arbitral tribunal upheld Bulgargaz EAD's claim and ordered the restitution of the quantity of natural gas of 6.733.433 cm and, if restitution in kind is not possible, the reimbursement of the monetary equivalent of the linepack, and statutory interest (Note 20). The decision of the arbitral tribunal has been appealed and the action for annulment has been registered with the Bucharest Court of Appeal. The action for annulment was dismissed as unfounded. Transgaz lodged an appeal. The Court of Cassation of the Court of Justice has admitted Transgaz' appeal, the case being sent to the Bucharest Court of Appeal for retrial.

The dispute between ANRM and Transgaz was the subject of a tax inspection of the royalty which ended with the issuance of a mandatory order to pay two royalty rates, namely 10% and 0,4% of the value of domestic and international natural gas transmission services performed by the company. The company lodged a preliminary complaint against the mandatory provision no. 6006/250938/IEF/14.04.2022 issued by the Ministry of Finance, by which Transgaz S.A. was charged with the payment of the amount of 152,964,894 lei, representing the royalty due to the state budget and ancillaries. The preliminary complaint was upheld and the Ministry of Finance, by decision 82/P/2022, ordered the annulment in its entirety of binding order No 6006/250938/IEF/14.04.2022 and the issue of a new order taking into account the considerations put forward by the Ministry of Finance in the decision. Following decision no 85/P/2022 issued by the Ministry of Finance, binding order No 6009/253087/IEF of 14.12.2022 was issued, which only supplements the recitals of the first decision, maintaining the same amount payable by Transgaz. The company lodged a preliminary complaint against this new provision, which was rejected by the settlement body. An appeal was also lodged with the court, within the legal time-limit, against the administrative act consisting of mandatory order 6009/253087/IEF., seeking its full annulment. The application for the annulment of the mandatory injunction 6009 was decided on the merits by the Bucharest Court of Appeal, which rejected it. Transgaz lodged an appeal in which it claimed the illegality of Decision No. 27/P/12.09.2023 on the settlement of preliminary complaint No. 4538/13.01.2023, lodged by Transgaz against Mandatory Order No. 6009/253087/IEF/14.12.2022. The case is currently pending before the High Court of Cassation and Justice.The Company paid in 2024 the amount of lei 213.041.251 representing the above mentioned oil royalty and an additional amount for the period between Quarter 4 2020 and 25 July 2022, in order to eliminate, according to

the provisions of GEO no. 107/2024, the risk of payment of the amount of lei 65.452.508 representing accessories for the claim on the additional oil royalty, in case it loses the appeal in court. The amount of the petroleum royalty is recovered through the regulated revenue of natural gas transmission, through the component relating to the pass through costs but the amount of the accessorial amounts, not being recovered through the regulated revenue, would represent a loss for the company that was avoided by applying the mechanism approved by GEO 107/2024. Amending returns were also filed for the period not covered by the tax audit and comparatives were restated for this amount.

vi) Government policies in the gas sector in Romania

ANRE is an autonomous public institution and sets tariffs for the natural gas transmission activity charged by the company. It is likely that the Agency decides the implementation of changes of the government strategies in the gas sector, determining changes in the tariffs approved for the company and, thus, having a significant impact on the company's revenue. At the same time, the Romanian government could decide to change the royalty applied to the company for using the assets part of the public domain according to SCA.

Currently, the effects cannot be determined, if they exist, of the future government policies in the gas sector in Romania on the company's asset and liability.

There are various interpretations of the legislation in force. In certain situations, ANRE may treat differently certain aspects, proceeding to the calculation of additional tariffs and of delay penalties. The company's management believes that its obligations to ANRE are properly presented in these financial statements.

ANRE Order no.126/12.2021 approved the modification of the contractual clauses for the balancing activity and access to the PVT which allows the Company to terminate access to the virtual trading point (VTP) and to terminate balancing contracts, for network users who register cumulative imbalances of the Deficit type during the month higher than the guarantees established.

As of October 1, 2024, the gas transmission tariffs approved by ANRE President Order no.17 of 29.05.2024 were applicable. The approved regulated revenue related to gas transmission between 1 October 2024 - 30 September 2025 is 2.005.006.850 lei.

According to GEO no. 119/1 September 2022 amending and supplementing Government Emergency Ordinance no. 27/2022 on measures applicable to end customers in the electricity and natural gas market for the period from 1 April 2022 to 31 March 2023, the natural gas transmission service provider is required to capitalise on a quarterly basis the additional costs for the procurement of natural gas incurred during the period from 1 January 2022 to 31 March 2025 to cover technological consumption, compared to the costs included in the regulated tariffs, and the assets resulting from the capitalisation shall be recognised in the accounting records and financial statements in accordance with the instructions issued by the Ministry of Finance.

By Order 111/24 August 2022, ANRE stipulates, as of 1 October 2022, that the mechanism ensuring cost and revenue neutrality of the TSOs take into account the following categories of costs and revenues:

a) costs and revenues of the TSO as a result of the payment or collection of imbalance charges under the provisions of the Network Code in relation to individual NUs;

b) costs and revenues arising from the purchase/sale of gas by the TSO for the physical balancing of the NTS, in compliance with the procedure on the operating limits of the NTS, approved by the TSO and endorsed by ANRE;

c) costs and revenues resulting from the activity of natural gas storage intended to ensure the physical balance of the transmission system in accordance with the provisions of Article 130(1) of the Law no. 123/2012 on electricity and natural gas, as amended;

d) costs arising from the taking out of a credit line to finance physical and commercial balancing activity;

e) costs and revenues arising from the contracting of balancing services, in accordance with the provisions of Article 832 of the Network Code and Article 6(3) b of Regulation (EU) No 312/2014.

vii) The military conflict in Ukraine

As of 24 February 2022 a military conflict is taking place on the territory of Ukraine. Gas flows can be redirected through the Negru Voda entry point and other interconnection points with transmission operators in Bulgaria and Hungary. The Company considers that no additional adjustments to those disclosed in the financial statements are necessary.

31. FEES OF THE STATUTORY AUDITOR

In the first half of 2025, the contractual fees for limited review services for the consolidated and separate financial statements prepared for the first half of 2025 for the Company and its subsidiaries amount to lei 99.750, and non-audit services related to statutory audit services for transactions reported in accordance with Article 225 of Law 297/2004 amount to lei 20.000, services provided by Ernst & Young Assurance Services SRL ("E&Y").

In 2024, the contractual fees for the statutory audit of the annual consolidated and individual financial statements of the Company and its subsidiaries is lei 654.000 and non-audit services related to the limited assurance of the Sustainability Report for the year ended 31 December 2024 is lei 274.150, services provided by Ernst & Young Assurance Services SRL ('E&Y').

Other non-audit services for 2024 provided by Ernst & Young Assurance Services SRL ("E&Y") amounted to lei 65.000. The non-audit services contracted by the Company are for the issuance of supplementary audit reports, statutory audit services for transactions reported pursuant to art. 225 of Law 297/2004, audit services of financing agreements and audit services of the remuneration report

32. EFFECT OF CHANGES IN THE PRESENTATION OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT ITEMS AND CORRECTION OF ERRORSREVENUE AND COSTS FROM THE CONSTRUCTION OF ASSETS

The company prepared and submitted financial statements for the financial year ended 31 December 2023. The comparative figures in the financial statements prepared by the company for the financial year ended 31 December 2024, and the comparative information from this set of interim financial statements as of and for 1 January 2024 and 30 June 2024, differ from those in the previously submitted financial statements as follows:

Note 1: Adjustment of receivables recognized in connection with the Concession Agreement

The Company re-evaluated and adjusted the long-term receivables and intangible assets recognized in connection with the Concession Agreement by eliminating the value of its own assets previously recognized in the regulated asset base (administrative buildings and other assets), as well as the value for the connection works to the National Gas Transmission System financed by third parties that are not included in the regulated asset base.

These assets are not covered by the Concession Agreement and ANRM is not obliged to repurchase them at the end of the concession period,so the grantor has no significant residual interest in these assets. The adjustment consisted in a reduction of the long-term receivable and an increase in intangible assets, also associated with the related impact of inflation and discounting.

Note 2: Recording of additional oil royalties

In 2020, a tax inspection carried out by the National Agency for Fiscal Administration (ANAF) resulted in tax inspection report 210/25.10.2020.

Mandatory Order 6006/250938/IEF/2022 resulted in additional royalties (oil royalties) amounting to 143.279.599 lei for October 2020 - December 2021 (Note 30.v court proceedings, dispute with ANRM).

The Company's management reviewed the available information related to the ongoing dispute and decided to pay ANAF the amount of 213.041.251 lei, representing 143.279.599 lei for the aforementioned Mandatory Order 6006, and 69.761.652 lei representing additional royalties for January 2022 - July 2022, not covered by the tax audit, in which the applicable legislation was identical to that of the audited period. Also, corrective tax returns were filed in 2024 for January 2022 – July 2022.

Note 3: Adjustment of deferred tax calculation for tangible and intangible assets, taking into account the adjustment for concession depreciation IFRIC12

Transgaz updated and revised the calculation of the tax base for deferred tax for tangible and intangible assets for 2023 and 2022. In this regard, it concluded that the tax base was not taken into account compared to the previous period, taking into account the adjustment for concession depreciation IFRIC12, thus resulting in an erroneous calculation of temporary differences. The correction of this error led to an increase/decrease in deferred tax assets of 84.386.841 RON for 2022, 63.946.626 RON for 2023 and 9.338.282 RON for the period of six months ended on 30 June 2024.

Note 4: Adjustment of the provision for employee benefits

The Company has a voluntary departure programme. In the previous periods, the Company only set up a provision within the limits of the amount established in the revenue and expenditure budget approved by the General Meeting of the Shareholders for the following year. The calculation of the provision for voluntary departures made by the actuary, as part of the provision for employee benefits, differs from the amount of the provision recorded by the Company for previous periods, as it takes into account the assumptions underlying the actuarial calculation (Note 21). The Company's management adjusted the comparatives to reflect the actuarial calculation.

Note 5: Adjustment of inventory differences in balancing gas stocks

The Company analyzed the inventory differences identified in the past and concluded that certain adjustments needed to be made. Therefore, a write-off adjustment was recorded in the comparatives, as well as an adjustment to the provision for the negative difference between the quantities of natural gas invoiced as initial imbalance and the final monthly imbalances to reflect the change in gas price at the end of 2023.

The effect of the correction of accounting errors on the financial position:

	Note	1 January 2024 (before restatement)	Effect of the accounting errors correction	01 January 2024 (restated)
Intangible assets	1	3.643.263.343	10.934.566	3.654.197.909
Other receivables from concession agreements	1	2.423.669.228	(31.143.967)	2.392.525.261
Trade and other payables	2	678.283.577	213.041.251	891.324.828
Deferred tax – receivables	3	1.734.239	84.386.841	86.121.080
Provision for employee benefits (long-term)	4	114.807.183	22.345.722	137.152.905
Other provisions	4	83.883.714	(7.698.800)	76.184.914
Inventory	5	577.080.618	83.546	577.164.164
Retained earnings		285.144.115	(163.427.188)	121.716.927

The effect of the **correction of accounting errors** on the comprehensive income statement:

	Note	Period ended 30 June 2024 (before restatement)	Effect of the accounting errors correction	Period ended 30 June 2024 (restated)
Income tax	3	(45.899.802)	9.338.282	(36.561.520)
Net profit for the period	3	176.010.688	9.338.282	185.348.969
Total comprehensive income for the period		178.067.487	9.338.282	187.405.767

Changes in the presentation of items in the financial statements

The Company changed the presentation of certain items in the statement of financial position and the statement of comprehensive income in order to provide more relevant and reliable information to the users of the financial statements.
The line in the Statement of Financial Position *Trade and other receivables* was presented in detail in the following lines: *Trade receivables, Income tax receivables*, and *Other receivables*.
The line in the Statement of Financial Position *Trade and other payables* was presented in detail in the following lines: *Trade payables, Other payables*, and *Payables related to contracts with customers*.

	01 January 2024 (before the change)	**01 January 2024 (change in presentation)**	**01 January 2024 (restated)**
Trade and other receivables	400.845.055	(400.845.055)	-
Trade receivables	-	294.525.591	294.525.591
Income tax receivables	-	40.985.211	40.985.211
Other receivables	-	65.334.252	65.334.252

	01 ian January 2024 (before the change)	**01 January 2024 (change in presentation)**	**01 January urie 2024 (restated)**
Trade and other payables	678.283.577	(678.283.577)	-
Trade payables	-	242.158.611	242.158.611
Other payables	-	367.992.032	367.992.032
Payables related to contracts with customers	-	52.563.221	52.563.221
Short-term loans	432.316.032	15.569.713	447.885.745

Also, interest-bearing liabilities related to loans maturing within one year were reclassified under other liabilities.

	6 months period ended 30 June 2024 (before the change)	**6 months period ended 30 June 2024 (change in presentation)**	**6 months period ended 30 June 2024 (restated)**
Loss/(gain) on receivables impairment	-	(21.052.157)	(21.952.157)
Other operating expenses	(88.451.894)	21.952.157	(66.499.737)
Interest Income		36.923.138	36.923.138
Financial income	102.995.392	(36.923.138)	66.072.254

To reflect the above changes and corrections, and to ensure the comparability of the information presented in this set of financial statements, the prior periods were restated and presented as if they had always been applied.

33. REVENUE AND COSTS FROM THE CONSTRUCTION OF ASSETS

In accordance with IFRIC 12 the revenue and costs of network construction should be recognized in accordance with IFRS 15 Revenue from Contracts with Customers.

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
Revenue from the construction activity according to IFRIC12	451.111.690	675.817.268
Cost of assets constructed according to IFRIC12	(451.111.690)	(675.817.268)

The related costs were equal to the revenue, the company did not obtain any profit from the construction activity.

More than 90% of the construction works are carried out by third companies, under contracts concluded as a result of public procurement procedures by electronic public procurement system, with the cost of the works approximating fair value.

34. EVENTS SUBSEQUENT TO THE BALANCE DATE

On 02 August 2025, the credit facility in the amount of 200,000,000 lei granted by the Bank BRD-Grup Societe Generale SA and intended to finance working capital for commercial balancing activities was extended until 02 August 2027.

Chairman of the Board of Administration
Nicolae Minea

Director-General
Ion Sterian

Chief Financial Officer
Marius Lupean

NATIONAL GAS TRANSMISSION COMPANY
TRANSGAZ S.A. GROUP

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED ON 30 JUNE 2025 (UNAUDITED)

PREPARED IN ACCORDANCE WITH
THE ORDER OF THE MINISTRY OF PUBLIC FINANCE 2844/2016

This version of the financial statements is a translation from the original, which was prepared in Romanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

INTERI CONSOLIDATED FINANCIAL STATEMENTS

Contents **Page**

Intermim consolidated Statement of Financial Position	1 - 2
Intermim consolidated Statement of Comprehensive Income	3
Intermim consolidated Statement of Changes in Equity	4
Intermim consolidated Cash Flow Statement	5
Notes to the intermim consolidated Financial Statements	6-97

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INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(expressed in lei, unless otherwise stated)

	Note	30 June 2025 (unaudited)	31 December 2024 (audited)	01 January 2024 (restated)*
ASSET				
Non-current assets				
Tangible Assets	7	680,971,592	710,016,488	768,831,213
Rigth of use assets	7.1	135,309,194	156,238,537	173,445,968
Intangible assets	9	5,350,678,175	5,117,108,681	3,654,207,012
Financial assets		487,590	-	-
Goodwill	9.1	10,138,096	10,149,917	10,126,276
Other receivables	12	2,796,291,662	2,648,907,892	2,392,525,261
Long-term financial investments	13	30,876,000	-	-
Deferred tax	18	87,998,580	81,111,504	89,731,174
Restricted cash	13	2,403,537	2,301,307	1,956,014
		9,095,154,426	**8,725,834,326**	**7,090,822,918**
Current assets				
Inventories	11	641,675,913	514,142,628	582,637,571
Trade receivables	12.1	229,181,701	345,848,299	323,742,949
Other receivables	12.2	112,496,791	104,047,643	76,303,804
Income tax receivables		25,539,803	15,184,160	40,985,211
Short-term financial investments	13	77,190,000	-	-
Cash and cash equivalent	13	737,603,118	1,064,299,187	710,857,030
		1,823,712,777	**2,043,521,917**	**1,734,526,565**
Total assets		**10,918,867,203**	**10,769,356,243**	**8,825,349,483**
EQUITY AND LIABILITIES				
Equity				
Share capital	14	1,883,815,040	1,883,815,040	1,883,815,040
Hyperinflation adjustment of share capital	14	441,418,396	441,418,396	441,418,396
Share premium	14	247,478,865	247,478,865	247,478,865
Other reserves	15	1,265,796,861	1,265,796,861	1,265,796,861
Retained earnings	15	736,240,123	433,983,777	103,373,244
Foreign currency translation reserve		9,704,186	9,922,595	9,485,774
Equity attribuable to shareholders of the Parent		**4,584,453,471**	**4,282,415,534**	**3,951,368,180**
Non-controlling interests	15	129,960,083	107,136,408	100,320,862
Total equity		**4,714,413,554**	**4,389,551,942**	**4,051,689,042**
Non-current liabilities				
Long-term borrowings	16	3,075,972,391	3,406,202,889	2,033,509,381
Deferred revenue	17	1,086,803,231	1,141,200,092	849,905,754
Lease liabilities	19	106,306,927	125,610,112	144,696,947
Provision for employee benefits	21	149,476,508	144,260,768	137,152,905
		4,418,559,057	**4,817,273,861**	**3,165,264,987**

Notes 1 to 34 are part of these financial statements.

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INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(expressed in lei, unless otherwise stated)

	Note	30 iunie 2025 (neauditat)	31 decembrie 2024 (audited)	01 January 2024 (restated)*
Current liabilities				
Short-term borrowings	16	640,792,881	368,781,400	466,584,710
Deferred revenue	17	105,536,263	103,676,018	113,993,591
Trade payables	19.1.a	326,921,592	508,085,044	253,267,721
Other payables	19.1.b	578,247,456	389,921,373	581,393,678
Contract liabilities	19.1.c	42,366,237	97,965,975	68,717,054
Lease liability	19.2	45,120,367	37,415,435	31,756,889
Other provisions	20	23,832,845	39,650,849	76,184,914
Provision for employee benefits	21	23,076,951	17,034,346	16,496,897
		1,785,894,592	**1,562,530,440**	**1,608,395,454**
Total liabilities		**6,204,453,649**	**6,379,804,301**	**4,773,660,441**
Total equity and liabilities		**10,918,867,203**	**10,769,356,243**	**8,825,349,483**

Endorsed and signed on behalf of the Board of Administration on 18 August 2025 by:

Chairman of the Board of Administration
Nicolae Minea

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

Notes 1 to 34 are part of these financial statements.

This version of the financial statements is a translation from the original, which was prepared in Romanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(expressed in lei, unless otherwise stated)

	Note	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (restated)*
Revenue from the domestic transmission activity - Romania	22.1	1,343,574,613	942,106,613
Revenue from the transmission activity – Republic of Moldova	22.1	147,111,296	77,237,668
Other income	22.2	82,791,593	75.504.856
Operational revenue before the balancing and construction activity according to IFRIC12		**1,573,477,502**	**1,094,849,137**
Depreciation and amortization	7. 9	(272,238,338)	(255,990,978)
Employees costs	24	(343,424,766)	(301,595,739)
Natural gas consumption, materials and consumables used		(61,787,958)	(58,454,973)
Royalty costs		(154,511,081)	(108,342,261)
Maintenance and transmission costs		(57,639,425)	(49,178,031)
Taxes and duties		(61,660,889)	(40,383,537)
Income/ (Expenses) with other provisions		20,462,533	(10,182,126)
Receivables impairment (loss)/gain		(6,626,335)	(27,168,114)
Other operating expenses	23.1	(80,182,326)	(63,805,568)
Operational profit before the balancing and construction activity according to IFRIC12		**555,868,917**	**179,747,810**
Revenue from the balancing activity	22.1	233,935,410	114,784,449
Expenses with the balancing activity	23.2	(233,935,410)	(114,784,449)
Revenue from the construction activity according to IFRIC12	32	451,111,690	675,817,268
Cost of assets constructed according to IFRIC12	32	(451,111,690)	(675,817,268)
Operational profit		**555,868,917**	**179,747,810**
Interest income	25	44,193,856	37,077,064
Other Financial income	25	89,999,883	73,206,358
Financial cost	25	(84,166,923)	(67,041,342)
Financial income, net		**50,026,816**	**43,242,080**
Profit before tax		**605,895,733**	**222,989,890**
Income tax expense	7	(86,927,220)	(39,131,852)
Net profit for the period		**518,968,513**	**183,858,038**
Attributable to equity holders of the parent		503,574,330	183,445,386
Attributable to the non-controlling interests		15,394,183	412,652
Number of shares	28	188,381,504	188,381,504
Basic and diluted earnings per share (expressed in lei per share)		2.75	0.98
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax)			
Actuarial gain/(loss) for the period		1,815,950	2,056,799
Exchange differences on translation of foreign operations		454,422	2,426,975
Total comprehensive income for the period		**521,238,885**	**188,341,812**
Attributable to equity holders of the the parent		505,489,960	187,322,415
Attributable to the non-controlling interests		15,748,925	1,019,397

Chairman of the Board of Administration
Nicolae Minea

Director - General
Ion Sterian

Chief Financial Officer
Marius Lupean

Notes 1 to 34 are integral part of these financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(expressed in lei, unless otherwise stated)

	Share Capital	Share capital adjustments	Share premium	Other reserves	Legal reserve	Profit reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance at 1 January 2024	**1,883,815,040**	**441,418,396**	**247,478,865**	**1,265,796,861**	**55,765,430**	**17,275,596**	**180,516,142**	**26,916,902**	**4,118,983,232**	**97,130,535**	**4,216,113,767**
Effect of accounting error corrections (corrected—note 32)							(150,183,924)	(17,431,128)	(167,615,052)	3,190,327	(164,424,725)
Balance at 1 January 2024 (restated)	**1,883,815,040**	**441,418,396**	**247,478,865**	**1,265,796,861**	**55,765,430**	**17,275,596**	**30,332,218**	**9,485,774**	**3,951,368,180**	**100,320,862**	**4,051,689,042**
Net profit for the period (restated*)	-	-	-	-	-	-	183,445,386	-	183,445,386	412,652	183,858,038
Actuarial Gain/(loss)	-	-	-	-	-	-	2,056,799	-	2,056,799	-	2,056,799
Foreign currency translation reserve	-	-	-	-	-	-	(257,795)	1,747,284	1,489,489	937,486	2,426,975
Total other items of comprehensive income	-	-	-	-	-	-	1,799,004	1,747,284	3,546,288	937,486	4,483,774
Total comprehensive income for the period	-	-	-	-	-	-	**185,244,390**	**1,747,284**	**186,991,674**	**1,350,138**	**188,341,812**
Dividends related to 2023	-	-	-	-	-	-	(65,933,526)	-	(65,933,526)	-	(65,933,526)
Balance at 30 June 2024 (restated)*	**1,883,815,040**	**441,418,396**	**247,478,865**	**1,265,796,861**	**55,765,430**	**17,275,596**	**149,643,082**	**11,233,058**	**4,072,426,328**	**101,671,000**	**4,174,097,328**
Net profit for the period	-	-	-	-			220,659,260	-	220,659,260	6,180,648	226,839,908
Actuarial gain / loss	-	-	-	-	-	-	(9,562,514)	-	(9,562,514)	-	(9,562,514)
Foreign currency translation reserve	-	-	-	-	-	-	202,923	(1,310,463)	(1,107,540)	(715,240)	(1,822,780)
Total other items of comprehensive income	-	-	-	-	-	-	(9,359,591)	(1,310,463)	(10,670,054)	(715,240)	(11,385,294)
Total comprehensive income for the period	-	-	-	-	-	-	**211,299,669**	**(1,310,463)**	**209,989,205**	**5,465,408**	**215,454,614**
Reinvested profit reserves	-	-				40,845,861	(40,845,861)	-	-	-	-
Legal reserve increase	-	-	-	-	22,905,250	-	(22,905,250)	-	-	-	-
Balance as at 31 December 2024	**1,883,815,040**	**441,418,396**	**247,478,865**	**1,265,796,861**	**78,670,680**	**58,121,457**	**297,191,640**	**9,922,595**	**4,282,415,533**	**107,136,408**	**4,389,551,942**
Net profit for the period	-	-	-	-	-	-	503,574,330	-	503,574,330	15,394,183	518,968,513
Actuarial gain (loss)	-	-	-	-	-	-	1,815,950	-	1,815,950	-	1,815,950
Foreign currency translation reserve	-	-	-	-	-	-	318,090	(218,409)	99,681	354,741	454,422
Total other items of comprehensive income	-	-	-	-	-	-	2,134,040	(218,409)	1,915,631	354,741	2,270,372
Total comprehensive income for the period	-	-	-	-	-	-	**505,708,370**	**(218,409)**	**505,489,961**	**15,748,924**	**521,238,885**
Petrostar purchase	-	-	-	-	-	-	-	-	-	7,074,751	7,074,751
Dividends related to 2024	-	-	-	-	-	-	(203,452,024)	-	(203,452,024)		(203,452,024)
Balance at 30 June 2025	**1,883,815,040**	**441,418,396**	**247,478,865**	**1,265,796,861**	**78,670,680**	**58,121,457**	**599,447,986**	**9,704,186**	**4,584,453,470**	**129,960,083**	**4,714,413,554**

Foreign currency translation reserves arise from translating to presentation currency of the financial statements of the subsidiary Eurotransgaz in the reporting (RON).

Chairman of the Board of Administration
Nicolae Minea

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

Notes 1 to 34 are integral part of these financial statements.

INTERIM CONSOLIDATED CASH FLOW STATEMENT
(expressed in lei, unless otherwise stated)

	Note	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (restated)*
Cash generated from operations	26	**783,948,540**	**570,189,854**
Income tax paid		(86,372,256)	(46,921,639)
Net cash generated from operating activities		**697,576,284**	**523,268,215**
Cash flow from investing activities			
Purchase of intangible assets		(720,310,178)	(519,903,683)
Purchase of property, plant and equipment		(5,544,499)	(7,851,291)
Receipt from the transfer of tangible assets		-	110,457
Interest received		8,421,416	7,465,665
Payments for financial investments		(108.066.000)	
Net cash used in investing activities		**(825,499,261)**	**(520,178,852)**
Cash flow from financing activities			
Repayment of long term borrowings		(74,131,972)	(74,050,059)
Repayment of borrowings for working capital		(26,117,015)	(6,924,401)
Proceeds from long term borrowings		-	497,670,000
Payment of principal portion of lease liabilities		(19,281,406)	(25,197,154)
Receipt of connection fees		1,826,529	136,014,267
Interest paid		(80,853,668)	(64,216,222)
Dividends paid		(215,560)	(175,183)
Net cash genereated from financing activities		**(198,773,092)**	**463,121,248**
Net change in cash and cash equivalents		**(326,696,069)**	**466,210,611**
Cash and cash equivalent as at the beginning of the year	**13**	**1,064,299,187**	**711,186,272**
Cash and cash equivalent as at the end of the year	**13**	**737,603,118**	**1,177,396,883**

Chairman of the Board of Administration
Nicolae Minea

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

Notes 1 to 33 are part of these financial statements.

1. GENERAL INFORMATION

Information on the S.N.T.G.N. Transgaz S.A. Group ("the Group") and its subsidiaries.

The Group consists of S.N.T.G.N. Transgaz S.A. ("the Company"/"Transgaz") as the parent company and its wholly-owned subsidiaries EUROTRANSGAZ S.R.L., VESTMOLDTRANSGAZ S.R.L and TRANSPORT ROMÂNIA HIDROGEN S.R.L.

The National Gas Transmission Company - SNTGN Transgaz SA (`Company` `Transgaz`) has as main activity the transmission of natural gas. Also, Transgaz maintains and operates the national gas transmission system and carries out research and design activities in the area of natural gas transmission. At 30 June 2025, the majority shareholder of the company is the Romanian state, through the General Secretariat of the Government.

According to the applicable European and national provisions, Transgaz ensures the balancing activity for the National Transmission System ("NTS"). The balancing activity is carried out by the Company based on ANRE Order no.160/2015 establishing the obligations regarding the balancing of the national transmission system, a financially neutral activity, any profit or loss from this activity being distributed to the clients for which domestic transmission services are provided.

Transgaz was established in May 2000, following several reorganizations of the gas sector in Romania: its predecessor was part of the former national gas monopoly SNGN Romgaz SA (`predecessor company`), which was reorganized under Government Decision 334/2000.

The natural gas sector is regulated by the `National Energy Regulatory Authority` - `ANRE`. ANRE's main responsibilities are the following:

- issuing or withdrawing licenses for companies operating in the natural gas sector;
- publishing framework contracts for the sale, transmission, purchase and distribution of natural gas;
- setting the criteria, requirements and procedures related to the selection of eligible consumers;
- setting the pricing criteria and the calculation methods for the natural gas sector.

The Group is headquartered in 1 C.I. Motaş Square, Mediaş, Romania.

Since January 2008, the Transgaz has been listed at the Bucharest Stock Exchange, as a Tier 1 company, under the TGN symbol.

On 18 December 2017, the limited liability company EUROTRANSGAZ SRL Chisinau (EUROTRANSGAZ S.R.L.) was established in the Republic of Moldova. SNTGN Transgaz SA Mediaş is the sole shareholder of EUROTRANSGAZ S.R.L. under EGMS Resolution no. 10/12 December 2017 on the establishment company.

The core business of EUROTRANSGAZ is:

1. Natural gas production; natural gas transmission; natural gas distribution; natural gas storage; natural gas supply
2. Transmission through pipelines
3. Storage
4. Business and management consulting activities.

The share capital of EUROTRANSGAZ S.R.L. as at 30 June 2025 is in the amount of MDL 728,034,705 (equivalent in RON of lei 187,323,330) and is wholly owned by SNTGN Transgaz SA Medias - the founder of the Company, as sole shareholder.

The Decision of the Board of Administration of March 2018 approved the signing of the Sale and Purchase Agreement of I.S Vestmoldtransgaz and the payment of the price offered for the privatization and all taxes and fees related to the privatization process.

Based on the Decision no.39/05.09.2019, the Board of Administration of SNTGN Transgaz S.A. approved the authorization of Eurotransgaz (ETG) administrators to register the sale-purchase contract and the transfer of the property right on the single asset complex IS "Vestmoldtransgaz" and also to carry out any actions necessary for the reorganization procedure of Vestmoldtransgaz (VTMG) into a limited liability company.

Based on the Resolution no. 434 of the National Agency for Energy Regulation Board of Administration of 07.07.2023, S.R.L. Vestmoldtransgaz was appointed as operator of the natural gas transmission system in the Republic of Moldova as of 19.09.2023 on a temporary basis until the completion of the certification procedure.

Also, from 19.09.2023 SRL Vestmoldtransgaz became the successor of the rights and obligations of SRL Moldovatransgaz regarding the contracts with system users and interoperability agreements.

For the purpose of consolidating this set of financial statements, the non-controlling interest in the subsidiary's equity in amount of LEI 122,735,337 (MDL 477,012,581) represents EBRD's share in the total net assets of the Vestmoldtransgaz S.R.L. in statement as at 30 June 2025.

By EGMS Resolution 5 of 5 June 2024 the establishment of a limited liability company TRANSPORT ROMÂNIA HIDROGEN S.R.L. was approved, having as its core business the hydrogen transmission, with sole shareholder SNTGN Transgaz SA. The company's activity is suspended.

The Ordinary General Meeting of Shareholders approves the annual financial statements of the Company based on the reports of the Board of Administration and of the financial auditors.

By EGMS Resolution no. 5 of April 09, 2025 the takeover of 51% of the PETROSTAR S.A. company was approved, having as its core business the engineering and related technical consultancy activities. The acquisition process was completed in May 2025, and now the Company holds 51% of the share capital of Petrostar S.A., one of the oldest and most representative companies in Romania, operating in the research, technological engineering, and design fields for the oil and gas extraction industry.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation

The Group's consolidated inancial statements have been prepared in accordance with OMFP 2844/2016 for the approval of the Accounting Regulations in line with International Financial Reporting Standards as adopted by the European Union (OMF 2844/2016). OMF 2844/2016, complies with IFRS as adopted by the European Union, with the following exceptions:

a) IAS 21 The effects of changes in foreign exchange rates on functional currency,

b) IAS 20 Accounting for Government Grants on the recognition of revenue from green certificates,

c) the exception of IAS 12 Income Taxes relating to the treatment of the minimum tax on turnover as an income tax expense.

These exceptions do not affect the compliance of the Company's financial statements with IFRS Accounting Standards as adopted by the EU.

d) IFRS 15 Revenue from Contracts with Customers on revenue from connection fees to the distribution network. The Company's policy on connection fee income, as described in Note 3.17, does not affect the compliance of the Company's financial statements with IFRS Accounting Standards as adopted by the EU with regards to measurement, it does affect however its presentation. In accordance with OMF 2844 these items are presented as deferred revenue, while under IFRS 15 these should have been classified as contract liability.

e) Another exception is provided by the provisions of Government Emergency Ordinance no. 119/1 September 2022 to amend and supplement Government Emergency Ordinance no. 27/2022 on the measures applicable to end customers in the electricity and natural gas market in the period from 1 April 2022 to 31 March 2023, as well as for amending and supplementing some normative acts in the energy sector, according to which the natural gas transmission service provider is obliged to capitalize on a quarterly basis the additional costs of natural gas purchase, realized in the period from 1 January 2022 to 31 March 2025, in order to cover the technological consumption, compared to the costs included in the regulated tariffs and the assets resulting from the capitalization are recognized in the accounting records and financial statements according to the instructions prepared by the Ministry of Finance. In application of the provisions of Article III of the Government Emergency Ordinance no. 119/2022 on the recognition in the accounting records and financial statements of assets resulting from capitalization, the Minister of Finance issued Order no. 3900/19 October 2022 and the Company recorded the related amount under intangible assets. These assets are depreciated over 5 years. These provisions are not in accordance with IFRS Accounting Standards. If the provisions of IFRS Accounting Standards had been applied, the value of the lines in the statement of comprehensive income would have recorded the following effect.

Consumption of NTS gas, materials, and supplies would have increased by Lei 20,547,260 lei in the first half of 2025 (22,640,578 lei for the six-month period ending 30 June 2024). Depreciation would have decreased by Lei 2,772,235 in the first half of 2025 (1,345,857 lei for the 6-month period ended 30 June 2024), Operating profit would have decreased by Lei

17,775,025 in the first half of 2025 (21,294,721 lei for the 6-month period ended 30 June 2024), and the value of the lines in the statement of financial position would have had the following effect: Intangible assets would have recorded a decrease of Lei 66,632,609 as at 30 June 2025 (36,099,145 lei as of 30 June 2024) and Retained earnings would have recorded a decrease of Lei 66,632,609 as at 30 June 2025 (36,099,145 lei as of 30 June 2024).

The financial statements have been prepared on the historical cost basis, except for financial assets that are measured at fair value through profit or loss or at fair value through other comprehensive income.

The financial statements have been prepared based on a going concern principle.

The material accounting policies applied in the preparation of these financial statements are presented below. These policies were consistently applied to all the financial years considered, unless otherwise stated.
The preparation of the financial statements in accordance with OMFP 2844/2016 requires the use of critical accounting estimates. Also, the management is required to use judgment in applying the company's accounting policies. Areas with a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are presented in Note 5.

The Group parent company must disclose non-controlling interests in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent company. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction .

Basis for Consolidation

Since 2017, the year in which EUROTRANSGAZ was established with SNTGN Transgaz S.A. as its founder, the company is required to prepare consolidated financial statements in accordance with IFRS 10-Consolidated Financial Statements, IFRS 12-Disclosure of Interests in Other Entities and IAS 21-The Effects of Changes in Foreign Exchange Rates.

As of 2018, following the acquisition of Vestmoldtransgaz SRL in Moldova by Eurotransgaz SRL, Transgaz, as the parent company, files consolidated group financial statements including the subsidiaries of Eurotransgaz SRL with Vestmoldtransgaz SRL in Moldova.

In accordance with the Accounting Law no. 82/1991 republished, as amended and supplemented, and with OMFP 2844/2016, as amended and supplemented, for the approval of accounting regulations in accordance with International Financial Reporting Standards, the parent company must prepare both its own separate financial statements and consolidated financial statements of the Group.

IFRS 10 sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee and also sets out the accounting requirements for the preparation of consolidated financial statements.

The parent company must prepare consolidated financial statements using uniform accounting policies for similar transactions and events in similar circumstances. Consolidation of an investee shall begin at the date when the investor obtains control and shall cease when the investor loses control of the investee.

Subsidiaries

The consolidated financial statements comprise the financial statements of Transgaz and its subsidiaries as at 30 June 2025.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

• Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

• Exposure, or rights, to variable returns from its involvement with the investee

• The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination,the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed asincurred and included in other operating expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to

continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

3. SUMMARY OF THE MATERIAL ACCOUNTING POLICIES

The main accounting policies applied in the preparation of these financial statements are set out below.

3.1 Standards/amendments

Standards/amendments that are in force and have been endorsed by the European Union

The accounting policies adopted are consistent with those of the previous financial year with the exception of the following standards and amendments to IFRS Accounting Standards that have been adopted by the Company as from 1 January 2025:

- **IAS 21 The effects of changes in foreign exchange rates: lack of an official exchange rate (amendments).**

  The amendments are effective for the annual reporting periods beginning on or after 1 January 2025, with earlier implementation permitted. The recently adopted IFRS accounting standard did not have a significant impact on the Company's accounting policies.

Standards issued but not yet in force and not adopted early

Standards/amendments which are not yet in force but have been approved by the European Union

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments).** In May 2024, IASB issued Amendments to Classification and Measurement of Financial Instruments, which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Presentation, and are effective for annual reporting periods beginning on or after 1 January 2026, with early adoption permitted. In subsequent reporting periods, Management will review the requirements of this newly issued standard and assess its impact.
- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts for Factor-Dependent Electricity.** In December 2024, IASB issued specific amendments for enhanced presentation of contracts relating to naturally-dependent electricity, which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, these become effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted. In subsequent reporting periods, Management will review the requirements of this newly issued standard and assess its impact.
- **Annual Improvements to IFRS Accounting Standards - Volume 11.** In July 2024, IASB issued Annual Improvements to IFRS Accounting Standards - Volume 11. An entity shall adopt these amendments for annual reporting periods beginning on or after 1 January 2026. Early adoption is permitted. In subsequent reporting periods, Management will consider the requirements of this newly issued standard and assess its impact.

Standards/amendments not yet in force and not yet approved by the European Union

- **IFRS 18 Financial Statement Disclosures.** In April 2024, IASB issued IFRS 18 Presentation of Financial Statement Disclosures, which replaces IAS 1 - Presentation of Financial Statements, it is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. In subsequent reporting periods, Management will review the requirements of this newly issued standard and assess its impact.
- **IFRS 19 - Non-public Subsidiaries: Disclosures.** In May 2024, IASB issued IFRS 19 - Non-publicly Accountable Subsidiaries: Disclosure Requirements, which will be effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. In subsequent reporting periods, Management will review the requirements of this newly issued standard and assess its impact.
- **Amendment to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and the Associate or Joint Venture.** In December 2015, IASB indefinitely postponed the effective date of this amendment pending the outcome of its research project on the equity method.

3.2 Segment reporting

The information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the gas transporation segment and other activities, including headquarter activities. The Directors of the Group have chosen to organize the Group around differences in activities performed.

Specifically, the Group is organized in the following segments:

- Domestic gas transmission segment for the gas transmission services in Romania
- International gas transmission segment – for the international gas transmissions using part of the NTS
- Balacing market segment – the Group is obliged to ensure balancing of the physical gas market, a profit neutral activity
- Republic of Moldova gas transmission segment – the services performed on the territory of Republic of Moldova by the Group's subsidiary, Vestmoldtransgaz
- Other activities

Transactions between the companies within the Group are at current market prices. Unrealized profits are eliminated in the financial statements.

All transactions between Group's segments within the same company (SNTN Transgaz SA) are at cost.

3.3 Foreign currency transactions

The Group's consolidated financial statements are presented in Romanian RON ("lei"), which is also the parent company's functional currency.
For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into lei at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.
Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date

3.4 Accounting for the effects of hyperinflation

Romania has gone through periods of relatively high inflation and was considered hyperinflationary under IAS 29 `Financial Reporting in Hyperinflationary Economies`. This standard required financial statements prepared in the currency of a hyperinflationary economy to be presented in terms of purchasing power as of 31 December 2003. As the characteristics of the economic environment in Romania indicate the cessation of hyperinflation, from 1 January 2004, the company no longer applies IAS 29.
Therefore, values reported in terms of purchasing power on 31 December 2003 are treated as basis for the accounting values of these financial statements.

3.5 Intangible Assets

Computer Software
Licenses acquired related to rights of use of the computer software are capitalized on the basis of the costs incurred with the acquisition and operation of the software in question. These costs are amortized over their estimated useful lives (three years).

Costs associated with maintaining computer software are recognized as expenses in the period in which they are registered.

Other fixed assets (for example international connectors)

Regarding the assets developed by the company, which are complementary to the provision of services according to the concession agreement, the State has the option to acquire these assets at the end of the concession agreement. The company does not have the obligation to keep these assets until the end of the concession agreement and it is allowed to sell them. These assets do not fall within the scope of IFRIC 12 , as these assets are not part of the concession agreement and the grantor has no residual interest on these assets. All the other assets related to the domestic transmission activity and which are part of the national gas transmission system, including improvements made after signing the concession agreement and which must be handed over to the ANRM at the end of the concession agreement fall within the scope of IFRIC 12.

3.6 Service concession agreeement

Public concession agreement and Regulated Asset Base (used for computation of regulated tarrifs)

In 2002 Transgaz SA has signed Concession Agreement with ANRM (Agentia Nationala a Resurselor Minerale) for the concession of the national gas transmission system for a period of 30 years (up to 2032)
In accordance with Public Domain Law No. 213/1998, pipelines for gas transmission are public property. Government Decision 491/1998, confirmed by Government Decision 334/2000, states that fixed assets with a gross historical statutory book value of lei 474,952,575 (31 December 2017: lei 474,952,575) , representing gas pipelines, are managed by the company. Therefore, the company has the exclusive right to use such assets during the concession and shall return them to the state at the end of this period.
In 2004 ANRE has issued Order 141/ 14.06.2004 and introduced the first regulated tariff on the natural gas transmission system starting with July 1, 2004, for the period 2004-2005, on the basis

of the methodology for the approval of transmission tariffs approved by ANRE Decision No 1078/2003.
The tariff methodology provided that the determination of the initial value of the Regulated Asset Base (RAB), used for the calculation of the base revenue of the first regulatory period, is carried out by the Default RAB method.
The default RAB value was allocated to the objectives participating in the provision of natural gas transmission service as at June 2004, including the remaining value of the NTS assets subject to the Concession Agreement and recoverable from regulated tariffs until 2032.

The additions and modernization of the NTS, that at the end of the concession agreement will be returned to the state (ANRM) and are expected to be recovered from tariffs until 2032 are recognized as RAB. As such this RAB is constantly updated with upgrades and developments of the National Gas Transmission System. The value of the amount to be recovered at end of concession is fixed, and known, at the moment construction of an extension/improvement to the National Gas Transport System is finalized, as it is equal to the residual value of the assets , computed as unamortized net book value at the end of concession. This value is adjusted each year with inflation index.
RAB is recognized at the level of CAPEX less funds used from non-refundable funds such as investment subsidies.
In 2012 the Law 123/2012 (Legea energiei electrice și a gazelor naturale) was issued by the Romanian Parliament. Based on Law 123/2012, ANRE (Autoritatea Națională de Reglementare în Domeniul Energiei) has become the natural gas sector regulatory authority that took over the regulatory activity, the control and oversight of the NTS.
Art. 125-133 of Law 123 contain the newly established legal framework and the tasks of ANRE and the NTS operator.
Transgaz prepares every year, in the first part of the year, the substantiation note of the transmission tariffs for the following gas year (October - September).
In the tarrif methodology approved by ANRE Order 41/2019 methodology, art. 17 is mentioned the computation formula of RAB included in the tariff. The RAB used for the next year's tariff substantiation note, is the actual RAB for the past months with estimated values until the end of the gas year.

Bifurcated model according to IFRIC 12

Initial application and recognition of intangible asset

Transgaz receives most of the benefits associated with the assets and is exposed to most of the risks, including the obligation to maintain network assets over a period at least equal to the remaining useful life, and the financial performance of the company is directly influenced by the state of the network.

The scope of IFRIC 12 includes: the existing infrastructure at the time of signing the concession agreement and, also, the modernization and improvement brought to the gas transmission system, which are transferred to the regulatory authority at the end of the concession agreement.

Due to the fact that the Service Concession Agreement (`SCA`) had nothing substantial changed in the way the Transgaz assets are operated (i.e.; cash flows changed only with the payment of royalties, but, on the other hand, the transmission tariff increased to cover the royalty), the intangible asset was measured at the remaining net value of the derecognized assets (classified in the financial statements as tangible assets on the date of application of IFRIC 12). Consequently, Transgaz continued to recognize the asset, but reclassified it as intangible asset. Transgaz tested the intangible assets recognized at that time for impairment, and no impairment resulted.

Transgaz is entitled to charge the users of the public service and, consequently, an intangible asset was recognized for this right. At the same time Transgaz is entitled to a compensation at the end of the concession that would reflect the unamortised residual value of the assets, as determined in the law. Given that the value ad the depreciation rate are also determined in the law, at the time of implementation of IFRIC 12, Transgaz could estimate the amount that is entitled to at the end of the concession. This amount, as per the law, represent an unconditional receivable, thus, per IFRIC 12, is recognised as a financial asset (details follow).

Financial Asset (Long term receivable) and intangible asset computation basis
Law 127/2014 entered into force on 5 October 2014 states that if the concession contract is terminated for any reason, or upon contract termination, the investment made by the national transmission system operator shall be transferred to the national transmission system owner or another grantor on payment of compensation equal to the Regulated Asset Base which was not depreciated fixed by ANRE.

The company applies the bifurcated model.
Under this model, the intangible asset is excess of the costs occured over the financial asset (measured as per below). Said differently, the company recognized for the investments made until the balance sheet date an updated receivable related to the Regulated Asset Base remained undepreciated at the end of the concession agreement (2032), and an intangible asset for the value difference.
The present value of this long-term receivable is discounted using a discount rate equal to Romanian long-term government bonds, with a maturity close to the remainder of the concession agreement.
The initial measurement of the receivable is made at the fair value which reflects the credit risk which applies to the regulated amount remaining unamortized at the end of the contract, discounted using a risk-free rate - Romanian long term government bond rate. Subsequent valuation is done at amortized cost using the effective interest method. The actual interest rate used is based on historical data and does not change according to market interest rate.

Long term receivable adjusted with inflation rate
In 2019, ANRE Order no. 41/2019 on the adjustment of Regulated Asset Base to the inflation rate. The Company records the present value of the contractual cash flows recalculated as a result of the adjustment of the Regulated Asset Base with the yearly inflation rate and recognizes a gain or loss from the change in the profit or loss account.

This method is in accordance with IFRS 9.B5.4.5, is based on the traditional approach of accounting for floating-rate debt instruments. Rather than taking account of expectations of future inflation it takes account of inflation only during the reporting period.

The depreciation of intangible assets falling within the scope of the concession agreement have a useful life defined in the accounts ending at the time of the termination of the concession agreement (2032). The amortization of these intangible assets is calculated using the straight-line method in order to allocate their cost less residual value over their useful life.

In accordance with Public Concession Law No. 238/2004, a royalty is due for public goods managed by companies other than 100% state-owned. The royalty rate for using the gas transmission pipelines is set by the government. As of October 2007, the royalty was set at 10% of the revenue. The duration of the concession agreement is 30 years, until 2032. Subsequent to entry into force of the provisions of art. 103 para. 2 of Law no. 123/2012, as of 12 November 2020, the royalty was set at 0.4%, from the domestic and international gas transmission services provided by the company, and as of 30 October 2023 the royalty has been set at 11.5% of the value of gross revenues from natural gas transmission services, in accordance with GEO No 91 of 27 October 2023.

3.7 Property, plant and equipment

Property, plant and equipment assets include buildings, land, assets used for the non-regulated international transmission activity (e.g. pipelines, compressors, filtering installations, devices).

The Group's policy is to reflect property, plant and equipment at their cost at their cost less any accumulated depreciation and any impairment accumulated losses.

Property, plant and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

Buildings include particularly ancillary buildings of operating assets, a research centre and office buildings.

Subsequent expenditure is included in the carrying amount of the asset or recognized as separate asset, as the case may be, only when the entry of future economic benefits for the group associated to the item is likely and the cost of the respective item can be valued in a reliable manner. The carrying amount of the replaced asset is derecognized. All the other expenses with repairs and maintenance are recognized in the statement of comprehensive income in the financial period when they occur.

Land is not depreciated. Depreciation on other items of tangible assets is calculated based on the straight-line method in order to allocate their cost minus the residual value, during their useful life, as follows:

	Number of years
Buildings	50
Assets of the gas transmission system	20
Other non-current assets	4 - 20

The residual values of the assets and their useful lives are reviewed and adjusted as appropriate, at the end of each reporting period.
The carrying amount of the asset is written down immediately to its recoverable amount if the carrying amount of the respective asset is greater than its estimated recoverable amount (Note 3.7).

Gain and loss on disposal are determined by comparing amounts to be received with the book value and are recognized in the statement of comprehensive income in the period in which the sale took place.

Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of an asset with a long production cycle are capitalized as part of the cost of the respective asset. Borrowing costs attributable directly to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if expenses with the asset hadn't been made. To the extent that funds are borrowed specifically for obtaining a qualifying asset, the borrowing costs eligible for the capitalization of the respective asset is determined by the actual cost generated by that borrowing during the period, minus the income from the temporary investments of those borrowings. To the extent that funds are generally borrowed and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset.

The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the period, other than borrowings made specifically for obtaining the qualifying asset.

The costs of the funds borrowed for obtaining a qualifying asset (achievement of the investment) are capitalized by the company on the asset as a difference between the current leverage costs related to such loan during the period and any revenue from the investments obtained from the temporary investment of these loans.

Borrowing costs attributable to the commitment are recognized as an expense in the period in which they are incurred, unless the operator has a contractual right to receive an intangible asset, in which case the borrowing costs attributable to an agreement are capitalized during the development stage of the commitment.

3.8. Impairment of non-financial assets

Non-current assets must be recognized at the lower of the carrying amount and recoverable amount. If and only if the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset should be reduced to be equal to its recoverable amount. Such a reduction represents an impairment loss that is recognized in the result of the period.

Thus, at the end of each reporting period, the Group assesses whether there is any indication of impairment of assets. If such indication is identified, the Group tests the assets to determine whether they are impaired.

The Group's assets are allocated to cash-generating units. The cash-generating unit is the smallest identifiable asset group that generates independent cash inflows to a large extent from cash inflows generated by other assets or asset groups. The Group considers the National Transport System from Romania and Moldova as a separate cash-generating units.

No impairment indicators were identified as of 30 June 2025 or 2024.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and machinery 3 to 15 years
- Motor vehicles and other equipment 3 to 5 years
- Leased gas transmission network in Moldova – 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings.

Short-term leases and leases of low-value assets. The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term

3.9 Financial assets

Financial assets and liabilities

The Company's financial assets include cash and cash equivalents, trade receivables, the long term receivable under the concession agreement other receivables, loans granted, bank deposits and government securities with a maturity from the date of incorporation/acquisition of more than three months and other investments in equity instruments.

Financial debts include interest-bearing bank loans, overdrafts, commercial debts and other debts.

For each item, the accounting policies on recognition and measurement are presented in this note.

Cash and cash equivalents include cash in hand and bank accounts and short-term bank deposits with a maturity of less than three months from the date of deposit.

The Company recognises a financial asset or a financial liability in the statement of financial position when and only when it becomes a party to the contractual provisions of the instrument. At initial recognition, financial assets are classified as measured at amortized cost or measured at fair value through profit or loss. The classification depends on the Company's business model for managing financial assets and their contractual cash flows.

The Company does not hold financial assets measured at fair value through other comprehensive income elements.

At initial recognition, financial assets and financial liabilities are measured at fair value plus or minus, in the case of assets measured at amortized cost, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Receivables arising from contracts with customers represent the Company's unconditional right to consideration. The right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. They are measured on initial recognition at the transaction price.

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method for each difference between the initial amount and the maturity amount and, for financial assets, modified for any adjustment for impairment.

Any difference between the entry value and the value at the maturity date is recognised in the statement of comprehensive income for the period of the loans, using the effective interest method.

Financial instruments are classified as liabilities or equity according to the nature of the contractual arrangement. Interest, dividends, gains and losses related to a financial instrument classified as debt are reported as expense or revenue. Distributions to holders of financial instruments classified as equity are recorded directly in equity.

Financial instruments are offset when the Company has an enforceable legal right to offset and intends to settle either on a net basis or to realize the asset and settle the obligation simultaneously.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are measured for impairment at the end of each reporting period.

With the exception of trade receivables, the loss adjustment related to a financial instrument shall be measured at an amount equal to the expected lifetime credit losses if the credit risk of that financial instrument has increased significantly since initial recognition. If, at the reporting date, the credit risk for a financial instrument has not increased significantly since initial recognition, the Company measures the loss adjustment for that financial instrument at an amount equal to the expected 12-month credit losses.

The adjustment for losses related to trade receivables arising from transactions within the scope of IFRS 15 is measured at an amount equal to the expected lifetime credit losses. The Company considers the risk or probability that a credit loss will occur by reflecting the possibility that a credit loss will occur and the possibility that a credit loss will not occur, even if the possibility of a credit loss is very remote.

The Company assesses the expected credit losses of a financial instrument in a manner that reflects reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The carrying amount of financial assets, other than those measured at fair value through the profit and loss account, is reduced by using an impairment adjustment account.

Derecognition of assets and liabilities

The Company derecognises a financial asset only when the contractual rights to the cash flows related to the assets expire, or when it transfers the financial asset and, substantially, all risks and rewards related to the asset to another entity.

The Company derecognizes financial liabilities if and only if the Company's obligations have been discharged or cancelled/expired.

3.10. Inventories

Inventories are stated at the lower of cost and net achievable value.

The components recovered from disassembling and repairs of pipelines built by the company are recorded as inventories at a value determined by a technical committee. The amount so determined does not exceed the net realisable value.

The cost for spare parts bought is determined based on the first in, first out method. Where necessary, adjustment is made for obsolete and slow-moving inventories. Individually identified obsolete inventories are adjusted for the full value or written off. For slow moving inventory, an estimate is made of the age of each main category on inventory rotation.

The calculation of the general adjustment for the depreciation of stocks is made monthly depending on the age of the existing items in stock, applying the following percentages according to age: 0 - 12 months 0%; 1 - 2 years 10%; 2 - 3 years 30% - 40%; over 3 years 75% - 80%. The company holds a minimum safety stock of spare parts and materials.

The cost of natural gas used for the balancing activity related to the transmission system is determined based on the average weighted cost method.

The minimum gas stock that the company, as holder of the national natural gas transmission system operating license is required to have in underground storage facilities, is established by decision of the President of the National Energy Regulatory Authority (ANRE President). The Decision no. 56/08.04.2025 of the ANRE President established the obligation for the company to have a level of natural gas stock of 393,546,504 MWh as at 31 October 2025.

3.11. Trade receivables

Trade receivables are amounts due from customers for services rendered in the course of the company's ordinary activities. If the collection period is one year or less (or in the normal operating cycle of the business), they are classified as current assets.

Trade receivables are initially recognized at the transaction price and subsequently measured at amortized cost using the effective interest method, minus the adjustments for impairment.

The impairment adjustment policy according to IFRS9 is presented in note 12.

3.12. Cash and cash equivalent

Cash and cash equivalents comprise cash on hand, cash in current accounts with banks, other short-term investments with high liquidity and with maturity terms of up to three months. In the statement of financial position, overdraft facilities are registered at loans, under current liabilities.

3.13. Equity

Share capital

Ordinary shares are classified as equity.

Additional costs directly attributable to the issue of new shares or options are registered at equity as a deduction, net of tax, from the receipts.

Dividends

Dividends are recognized as liabilities and deducted from equity at the end of the reporting period if they are declared before or at the end of the reporting period. Dividends are recognized when they are proposed before the end of the reporting period.

The company did not distribute partial dividends during the financial year.

Reserves

Reserves are accounted for by categories of reserves: legal reserves, statutory or contractual reserves, reserves from reinvested earnings and other reserves.

Legal reserves are established annually from the company's profits, in the proportions and within the limits laid down by law, and from other sources laid down by law. Legal reserves may be used only under the conditions provided for by law.

Retained earnings

Comprise the result carried forward from the takeover at the beginning of the current financial year of the profit and loss account result of the previous financial year and the result carried forward from the correction of accounting errors.

3.14. Borrowings

Borrowings are recognized initially at fair value, net of transaction costs recorded. Subsequently, borrowings are stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss during the borrowings, based on the effective interest method.

Borrowings are classified as current liabilities, unless the company has an unconditional right to defer payment of debt for no less than 12 months after the end of the reporting period.

3.15. Current and deferred income tax

Tax expense for the period includes the current tax and the deferred tax and is recognized in profit or loss, unless it is recognized in other items of the comprehensive income or directly in equity because it relates to transactions that are, in turn, recognized in the same or in a different period, in other items of the comprehensive income or directly in equity.
Current income tax expense is calculated based on the tax regulations in force at the end of the reporting period. The company periodically evaluates situations where the applicable tax regulations are subject to interpretation and establishes provisions/ adjustments for impairment, where appropriate, for the amounts with accounting/fiscal impact.

The deferred income tax is recognized based on the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax arising from the initial recognition of an asset or liability in a transaction other than a business combination and at the time of the transaction does not affect the accounting profit and the taxable revenue is not recognized. The deferred income tax is determined based on tax rates (and legal regulations) in force until the end of the reporting period and which are expected to apply in the period in which the deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred revenue tax assets are recognized to the extent that it is probable that future taxable profit be derived from temporary differences.

3.16. Trade payables and other payables

Suppliers and other payables are recognized initially at transaction price and subsequently measured at amortized cost, using the effective interest method.

3.17. Deferred revenue

Deferred revenue is recorded for

a) connection fees applied to customers upon their connection to the gas transmission network

b) for the assets received free of charge (mainly land) and

c) for government grants received.

Tthe connection fees are billed to some large clients for their connection to the gas transmission network (additional connecting pipeline to be built by Transgaz). The fees billed to customer can cover partially or totally the cost of the pipes constructioncost. These fees are considered to partially finance the construction of these additional connection pipelines, and are recognised as deferred revenue. The income from this deferred revenue is recognized straight line over the useful life of the asset financed. These additional pipelines are considered objective-specific, not customer specific. .

The governmental subsidies are recognised at their market value when there is a reasonable assurance that they will be received and that the relevant conditions will be met

The company recognizes a right to collect the grant when there is reasonable assurance that it will

comply with the conditions attached to its award and that the grant will be received. The Company considers that the reasonable assurance that the grant will be received can be confirmed by the fulfilment of the eligibility conditions in the funding applications, prior to the approval of the funding application.

The income from the grant is recognized proportionally from the amortization of the financed assets, applying the percentage of financing of the eligible expenses on the monthly amortization.

Cash inflows from government grant cashed or Connection fees are presented within financing cash flows in the Statement of Cash flows, as it is a the group's policy choice under IAS 7.

3.18. Employee benefits

In the normal course of business, the company makes payments to the Romanian state on behalf of its employees, for health funds, pensions and unemployment benefits. All the company employees are members of the pension plan of the Romanian state, which is a fixed contribution plan. These costs are recognized in the profit and loss account with the recognition of salary expenses.

Benefits granted on retirement
Under the collective agreement, the company must pay the employees on retirement a compensatory amount equal to a certain number of gross salaries, depending on the time worked in the gas industry, working conditions etc. The company recorded a provision for such payments (see Note 21). The obligation recognized in the balance sheet represents the present value of the obligation at the reporting date. The obligation is calculated annually by independent experts using the Projected Unit Credit Method. The present value is determined by discounting future cash flows with the interest rate of the long-term government bonds.

The current service cost is recognized in the profit and loss account in the employee costs. Interest expense is included in the profit and loss account in the financial costs.

Actuarial gain or loss due to changes in actuarial assumptions is recognized in the statement of comprehensive income (are debited/credited to retained earnings via other comprehensive income) in the period for which the actuarial calculation is made.

Social insurance
The company records expenses related to its employees, as a result of granting social insurance benefits. These amounts mainly include the implicit costs of employing workers and, therefore, are included in the salary expenses.

Profit sharing and bonuses
The company recognizes an obligation and expense for bonuses and profit sharing, based on a formula taking into account the profit attributable to the company's shareholders, after certain adjustments. The company recognizes an obligation where it is required under contract or where there is a past practice which created an implicit obligation.

3.19. Provisions

The provisions are recognized when the company has a legal or implicit obligation as a result of past events, when for the settlement of the obligation an outflow of resources is required, which incorporates economic benefits and for which a credible estimate can be made in terms of the obligation value. Where there are similar obligations, the probability for an outflow of resources to be necessary for settlement is set after the assessment of the obligation class as a whole.

The provision is recognized even if the probability of an outflow of resources related to any item included in any obligation class is reduced.

Where the company expects the reversal of a provision, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is theoretically certain.

Provisions are measured at the discounted value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.20. Revenue recognition

The Company recognizes contracts with customers when all of the following criteria are met:

- the parties to the contract have approved the contract and undertake to fulfil their obligations;
- The Company may identify the rights of each party in relation to the goods or services to be transferred;
- The Company can identify the payment terms;
- the contract has commercial substance;
- it is likely that the Company will collect the value of the goods delivered and of the services provided.

Income from contracts with customers is recognised when, or as, the Company transfers the goods or provides services to the client, i.e. the client gains control over them.

Depending on the nature of the goods or services, revenue may be recognised over time or at a specific time.

Revenue is recognised over time if:

- the client simultaneously receives and consumes the benefits of obtaining the goods and services as the Company performs the obligation;
- the Company's performance creates or enhances an asset that the client controls to the extent that the asset is created or enhanced;
- the Company's performance does not create an asset with an alternative use for the Company.

All other revenue that does not meet the above criteria is recognised at a specific time.

In order for revenue to be recognized over time, the Company assesses progress towards the performance obligation using either outcome-based or input-based methods, depending on the nature of the good or service transferred to the client. Revenue is recognized only if the Company can reasonably estimate the outcome of the performance obligation, or, if the outcome cannot be estimated, only at the level of costs incurred that it expects to recover from the client.

Revenue from client contracts mainly relates to gas transmission services and balancing services. Revenues related to these contracts are recognized at a specific point in time, based on actual quantities, at the prices set in the contracts. Each NTS user receives and consumes the benefits offered by the operator simultaneously, as the operator provides NTS operating services, and the operator recognizes revenue over time.

1. The Group has the following revenue streams:

a) *Revenues linked to the concession agreement in Romania*
- Revenue from transmission services – Romania
- Revenue from the balancing activity -Romania
- Revenues from connection fees charged to clients upon their connection to the gas transmission network- Romania
- Revenue from construction activity according to IFRIC 12

b) *Revenues not linked to the concession agreement in Romania*
- Revenue from transmission services – republic of Moldova

The contracts entered into by the Company do not contain significant financing components.

a) Revenue from transmission services-Romania

Revenue from the domestic gas transmission results from the booking the transmission capacity and from the transmission through the National Transmission System of the determined quantities of natural gas, expressed in units of energy, during the validity of a gas transmission contract, and are recognized at the moment of their delivery. During the administration of the transmission contracts, the Company issues and submits to the clients, by day 15 of the month following the month for which the transmission service was provided.

b) Revenue from the balancing activity-Romania

In accordance with the applicable European and national provisions, Transgaz ensures the balancing activity for the National Transmission System (NTS). The balancing activity is carried out by Transgaz on the basis of ANRE Order no.160/2015 establishing the obligations regarding the balancing of the national transmission system, a financially neutral activity, any profit or loss from this activity being distributed on a monthly basis to the customers for which internal transmission services are provided.

The commercial, operational and physical balancing of the NTS defines a set of activities and procedures necessary to allocate the quantities of natural gas at network user level and to ensure the safe transmission of natural gas through the NTS. Commercial balancing takes the form of issuing Surplus invoices by network users, Deficit invoices by the transmission system operator and neutrality invoices respectively.

The balancing actions carried out by Transgaz imply the recording of revenues and expenses separately in the accounting records. The difference between the revenues and expenses related to the balancing actions carried out is allocated on a monthly basis to the network users, according to the methodology approved by ANRE, by applying a neutrality tariff.

ANRE Order 85/2017 regulates the mechanism that ensures the cost and revenue neutrality of the natural gas transmission operator (TSO) and considers only the following categories:

- costs and revenues of the TSO as a result of paying or charging imbalance charges in relation to individual NUs;
- costs and revenues arising from the purchase/sale of gas by the TSO for the physical balancing of the NTS;
- costs and revenues arising from the activity of gas storage to ensure the physical balance of the transmission system;
- costs resulting from taking out a credit line to finance the physical and commercial balancing activity;
- costs and revenues resulting from contracting balancing services.

Transgaz presents separate line items for *Revenues from the balancing activity* and *Expenses from the balancing activity* in the statement of comprehensive income, which provides a better picture and understanding of Transgaz' financial results and performance and of the contribution of the balancing activity to the entity's performance.

The presentation of the line item *Revenues from the balancing activity* under operating revenue does not provide a fair and complete picture of Transgaz' financial performance. The financial neutrality required by the regulations makes it appropriate to present balancing revenues and expenses separately from the Transgaz' other operating revenues and expenses, separating the balancing activity that has zero regulated profit from the rest of the activities performed by Transgaz.

Revenue from transmission services – Republic of Moldova

Revenues from the provision of natural gas transmission services consist of the reservation of transmission capacity, nominations at interconnection points and the transport of natural gas through the transmission system of the allocated quantities to the exit points in the distribution networks, during the validity period of a natural gas transmission contract and are recognized at the time of their delivery.

During the administration of transmission contracts, the company issues and transmits by the 15th of the month following the month for which the transmission service was provided, an invoice for the transmission services provided for the previous month, drawn up based on the Delivery-Receipt Acts of the natural gas transmission service and the applicable tariffs provided by the National Agency for Energy Regulation (ANRE). Payment of invoices issued by the Transmission System Operator ("TSO") is made within 15 calendar days from the date of issue of the invoice.

c) *Revenues from connection fees charged to clients upon their connection to the gas transmission network*

These connection fees partially or fully finance the cost of construction works for connection to the National Gas Transmission System, are recognized as deferred revenues at the time of invoicing to the client and are recognized as revenue over the asset's useful life.

d) *Revenue from the sale of goods (including network balancing)*
Revenue from the sale of goods is registered when the goods are delivered.

According to the Network Code for the National Natural Gas Transmission System, Transgaz sells natural gas as part of measures aimed at balancing differences between the quantities of natural gas delivered to the NTS and those taken by network users from it.

Revenue from the sale of waste materials is generated from the scrapping and capitalization of decommissioned assets.

e) *Interest income*
Interest income is recognized proportionally, based on the effective interest method.

f) *Revenue from dividends*
Dividends are recognized when the right to receive payment is recognized.

g) *Revenue from penalties*
Revenue from penalties for late payment is recognized when future economic benefits are expected for the company.

3.21. Contract liabilities

Contract liabilities are an obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional (ie. a receivable), before the Group transfers the good or service to the customer, the Group presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

3.22. Related parties

The Parties are considered related if one of the parties has the ability to control the other party, to exercise a significant influence over the other party in financial or operational decision making, if they are under the common control with another party, if there is a joint venture in which the entity is an associate or a member of the management as described in the IAS 24 `Related Party Disclosures`. In evaluating each possible related party relationship, the focus is on the essence of this relationship and not necessarily on its legal form. Related parties may enter into transactions which unrelated parties cannot conclude, and transactions between related parties will not apply the same terms, conditions and values as for unrelated parties.

4. FINANCIAL RISK MANAGEMENT

Financial risk factors

By the nature of the activities performed, the company is exposed to various risks, which include: market risk (including currency risk, interest rate risk on fair value, interest rate risk on cash flow and price risk), credit risk and liquidity risk. company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial

performance of the company. The group does not use derivative financial instruments to protect itself from certain risk exposures.

(a) *Market risk*

(i) Currency risk

The group is exposed to currency risk by exposures to various foreign currencies, especially to EUR. Currency risk is associated to assets (Note 12) and recognized liabilities.

To cover the currency risk associated with trade receivables and payables, the Company concludes sales and purchase contracts in the national currency, RON.

30 June 2025 (unaudited)	**EUR** (RON)	**GBP** (RON)	**USD** (RON)	**MDL** (RON)	**RON** (RON)	**Total** (RON)
Financial assets						
Cash and cash equivalents	835,404	685	59,845	34,937,011	704,173,710	740,006,655
Long term receivable from concession agreement					2,796,291,662	2,796,291,662
Other financial assets	25,389	-	-		-	25,389
Long-term financial investments				30,876,000		30,876,000
Short-term financial investments				77,190,000		77,190,000
Trade and other receivables	164,868,901	-	6,540,791	26,999,944	143,243,467	341,653,103
Total financial assets	**165,729,694**	**685**	**6,600,636**	**170,002,955**	**3,643,708,839**	**3,986,042,809**
Financial liabilities						
Trade and other payables	26,119,636	-	4,480,644	24,169,814	892,765,191	947,535,285
Lease liabilities	-	-	-	130,153,334	21,273,960	151,427,294
Borrowings	1,108,501,327	-	-	165,501,342	2,442,762,603	3,716,765,272
Total financial liabilities	**1,134,620,963**	-	4,480,644	**319,824,490**	**3,356,801,754**	**4,815,727,851**
Net	**(968,891,269)**	**685**	**2,119,992**	**(149,821,535)**	**286,907,085**	**(829,685,042)**

31 December 2024	**EUR** (RON)	**GBP** (RON)	**USD** (RON)	**MDL** (RON)	**RON** (RON)	**Total** (RON)
Financial assets						
Cash and cash equivalents	24,822,570	1,583	36,200	70,648,049	971,092,092	1,066,600,494
Long term receivable from concession agreement					2,648,907,892	2,648,907,892
Other financial assets	24,870	-	-		-	24,870
Trade and other receivables	156,256,143	-	7,210,886	-	286,404,043	449,871,072
Total financial assets	**181,103,583**	**1,583**	**7,247,086**	**70,648,049**	**3,906,404,027**	**4,165,404,328**
Financial liabilities						
Trade and other payables	68,676,406	-	167,188	37,479,035	617,062,875	723,385,504
Lease liabilities	-	-	-	142,143,642	20,881,905	163,025,547
Borrowings	1,275,685,216	-	-	-	2,499,299,073	3,774,984,289
Total financial liabilities	**1,344,361,622**	-	**167,188**	**179,622,677**	**3,137,243,853**	4,661,395,340
Net	**(1,163,258,039)**	**1,583**	**7,079,898**	**(108,974,628)**	**769,160,174**	**(495,991,012)**

As at 30 June 2025, the amount of Lei 171,460,469 (31 December 2024: Lei 163,516,769) representing trade receivables and other receivables net is expressed in foreign currency, of which 4% in USD (31 December 2024: 4%) and 96% in EUR (31 December 2024: 96%).

The following table shows the sensitivity of profit or loss and equity, to reasonably possible changes in exchange rates applied at the end of the reporting period of the functional currency of the Group, with all variables held constant and takes into account the maximum market fluctuation of the exchange rate of each currency during the reporting periods:

	30 June 2025 (unaudited)	31 December 2024
Impact on profit and loss and on equity of:		
USD appreciation by 8%	895,001	566,392
USD depreciation by 8%	(895,001)	(566,392)
EUR appreciation by 2%	(22,617,372)	(23,264,663)
EUR depreciation by 2%	22,617,372	23,264,663

(ii) Price risk

The Group is exposed to the commodity price risk related to gas purchased for own consumption. If the gas price had been 5% higher/lower, the net profit related to the period would have been lower/higher by lei 2,549,679 (on December 2024: lei 6,161,452).

(iii) Interest rate risk on cash flow and fair value

The Group is exposed to interest rate risk by its bank deposits and variable and fixed interest borrowings. The regulatory framework governing the Company's activities ensures full coverage of interest rate risk. Interest expenses related to loans taken out to finance investment projects being recovered through regulated income for gas transmission activities, and the interest related to credit lines taken out to finance commercial balancing activities is recovered through the neutrality tariff. For the average exposure of the period , if the interest rates had been lower/higher by 50 basis points, with all the other variables maintained constant, the profit related to the period and equity would have been higher/lower by lei 6,809,359 (December 2024: lei 10,863,638 higher / lower) as a result of reducing the interest rate for variable interest loans and the interest rate on the bank deposits.

The value of 50 basis points represents management's assessment of the reasonable change in interest rates.

(b) *Credit risk*

Credit risk is especially related to cash and cash equivalents and trade receivables. The Group drew up a number of policies, through their application ensuring that sales of products and services are made to proper customers. The carrying amount of receivables, net of adjustments for loss allowance, represents the maximum value exposed to credit risk. The Group 's credit risk in respect of trade receivables is concentrated on the 5 main customers, which together account for 47% of the trade receivable balances as at 30 June 2025 (31 December 2024: 42%). Although the collection of receivables can be influenced by

economic factors, the management believes that there is no significant risk of loss exceeding the already made adjustments.

As the long-term concession receivable is guaranteed by the Romanian State, the Group considered that the potential impairment using the ECL model is not significant for these financial statements.

To cover credit risk the Company requests payment guarantees for gas transmission and commercial balancing contracts.

As at 30 June 2025 the payment guarantees available to the Group from clients amounting to lei 416,539,038 (2024: lei 614,828,887 Lei) - mainly in form of bank guarantee letters and guarantee deposits.

Cash and the deposits (short and long term) are placed with financial institutions, which are considered as associated to a minimum performance risk.

	30 June 2025 (unaudited)	31 December 2024
Without rating	39,227,723	71,598,559
BBB-	420,647,416	890,375,218
BBB+	277,105,931	101,888,737
A+	133,931	134,273
AA-	488.117	157.385
	737,603,118	**1,064,154,172**

All the financial institutions are presented in the Fitch rating or equivalent.

(c) *Liquidity risk*

Preventive liquidity risk management involves keeping enough cash and funds available by a proper value of committed credit facilities.

The Group projects cash flows. The financial function of the company continually monitors the company's liquidity requirements to ensure that there is sufficient cash to meet operational requirements, while maintaining a sufficient level of unused borrowing facilities (Note 16) at any time, so the company does not violate the limits or loan agreements (where applicable) for any of its borrowing facilities. These projections take into account the company's debt financing plans, compliance with agreements, compliance with internal targets on the balance sheet indicators and, where appropriate, external regulations or legal provisions.

The Financial Division of the Group invests extra cash in interest bearing current accounts and term deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide the appropriate framework, established under the provisions mentioned above.

The table below shows obligations on 30 June 2025 in terms of contractual maturity remained. The amounts disclosed in the maturity table are contractual undiscounted cash flows.

Maturity analysis of financial liabilities as at 30 June 2025 is as follows:

	Total amount	Less than 1 year	1-5 years	Over 5 years
Borrowings	4,890,092,954	955,798,500	1,886,286,652	2,048,007,802
Trade payables and other payables	844,547,249	844,547,249	-	-
Lease liabilities	164,406,180	48,130,999	116,275,181	-
Other debts	115,742	115,742	-	-
	5,899,162,125	1,848,592,490	2,002,561,833	2,048,007,802

Maturity analysis of financial liabilities as at 31 December 2024 is as follows:

	Total amount	Less than 1 year	1-5 years	Over 5 years
Borrowings	4,920,901,783	534,841,486	2,142,499,066	2,243,561,231
Trade payables and other payables	723,385,504	723,385,504	-	-
Lease liabilities	187,376,694	42,254,606	145,122,088	-
Other debts	194,293	194,293	-	-
	5,831,858,274	1,300,675,889	2,287,621,154	2,243,561,231

Trade payables and other payables include trade payables, suppliers of non-current assets, dividends payable, payables and other payables (see Note 19) and are not included: payables generated as a result of the legal provisions imposed by the authorities, payables to the employees and advance registered revenue.

ANRE Order no. 130/2020 regulates two types of guarantee deposits, namely the auction participation guarantee, established before the entry into capacity auctions and the financial payment guarantee, established after the auctions close, for the booked capacity products.

Auction participation guarantees are used by network users to participate in future capacity booking auctions, in which daily, within-day, monthly, quarterly, annual capacity products are offered by Transgaz and entitle them to enter at any time during the term of the transmission framework contract, in capacity booking auctions, for the booking of capacity products offered by Transgaz, within the limit of the guarantees established. The guarantees for participation in capacity booking auctions shall be partially or fully returned at the request of the NU.

Contract payment guarantees shall be established, in accordance with the provisions of the Framework Transmission Contract, after the capacity products have been booked and shall be increased or reduced according to the value of the contracted products. They shall be returned 45 days after the termination of the contract by the due date, if the NU has honoured all payment obligations.

In the category including loans and liabilities, the liabilities related to employees and payables registered in advance are not included.

Capital risk management

The Group's objectives related to capital management refer to keeping the company's capacity to continue its activity to provide compensation to shareholders and benefits to the other stakeholders and to maintain an optimal structure of the capital, as to reduce capital expenditure. There are no capital requirements imposed from outside.

As for the other companies in this sector, the company monitors the capital based on the leverage degree. This coefficient is calculated as net debt divided by total capital. The net debt is calculated as total borrowings (including `current and long-term borrowings`, according to the statement of financial position), except for cash and cash equivalent. The total capital is calculated as `equity`, according to the statement of the financial position.

The net leverage degree at 30 June 2025 and at 31 December 2024 is reflected in the table below:

	30 June 2025 (unaudited)	31 December 2024
Total borrowings	3,716,765,272	3,774,984,289
Except: cash and cash equivalents (Note 13)	(737,603,118)	(1,064,299,187)
Net debt	2,979,162,154	2,710,685,102
Equity capital	4,714,413,554	4,389,551,942
Leverage ratio	0.63	0.62

Fair value estimate

The carrying amount of variable rate financial assets and liabilities is assumed to approximate their fair value.

On-balance sheet financial instruments include trade and other receivables, cash and cash equivalents, other financial assets, trade payables, interest-bearing loans. The estimated fair values of these instruments approximate their carrying amount due to the short maturity. The carrying amount values represent the Company's maximum exposure to credit risk for existing receivables.

5. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES IN APPLYING ACCOUNTING POLICIES

Critical accounting estimates and assumptions

The company develops estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors, including predictions of future events considered reasonable under certain circumstances.

The resulting accounting estimates will, by definition, seldom equal the actual results. Estimates and assumptions that have a significant risk of causing an important material adjustment to the carrying amount of assets and liabilities within the next financial year are presented below.

5.1 Assumptions for the determination of the provision for retirement benefits

The key assumptions for the computation of this provision are the inflation rate and the investment return % , variation of these inputs resulting in significant effect on the liability as at 30 June 2025 (and 31 December 2024)
This provision was calculated based on estimates of the average wage, the average number of employees and the average number of wage payment at retirement, as well as based on the benefits payment scheme. The provision was brought to the present value by applying a discount factor calculated based on the risk-free interest rate (i.e. interest rate on government bonds).

The present value of the obligations at 30 June 2025 is of lei 171,158,716 (at 31 December 2024: lei 160,073,832) (Note 21).

The presentation of the current value for the 2024 depending on the following variables (having potential effect in Other comprehensive imcome, reprezenting actuarial gains/losses):

	30 June 2025 (unaudited)	31 December 2024
Inflation rate +1%	13,955,985	20,648,236
Inflation rate -1%	(12,432,301)	(5,571,698)
Investment return +10%	(8,317,765)	(1,439,562)
Investment return -10%	9,106,451	15,786,013

Analysis of the maturity of benefits payments:

	30 June 2025 (unaudited)	31 December 2024
Up to one year	21,963,422	11,165,196
Between 1 and 2 years	8,337,397	5,121,283
Between 2 and 5 years	24,844,737	14,378,356
Between 5 and 10 years	129,148,689	109,307,865

5.2 The accounting treatment of the concession agreement

As indicated in Note 8, in May 2002 the company concluded a Concession Agreement with the National Agency for Mineral Resources (`ANRM`), which entitles the company to use the main pipelines of the national gas transmission system for a period of 30 years

Scope of IFRIC 12 - applicability

The Grantor - National Agency for Mineral Resources (`ANRM`) is a public sector entity and it granted concession to Transgaz. Transgaz being owned by the Romanian State, can be considered also a public entity.

While IFRIC 12 doesn't specifically state its applicability to "public-to-public concession" it does applies to any such arrangement where infrastructure is provided to the public and involves **a concession arrangement**, regardless of whether the operator is in the private or public sector

IFRIC 12 applies to service concession arrangements where:

i. the grantor is a public sector entity;

ii. the operator is a private sector entity (or, in some cases, a public sector entity); and

iii. the operator is granted the right to operate the infrastructure used to provide services to the public."

Based on the above details, upon detailed analysis , management of Transgaz considered the Concession Agrement signed with ANRM is in scope of IFRIC 12.

Scope of IFRIC 12 – bifurcated model

Transgaz has the following rights:

a) To charge users of the national Transport system with a tariff which is approved by ANRE and which is based on its Regulated Asset Base (basically pipes, compression stations, etc – which forms the infrastructure called National Gas Transport System

b) If the concession contract is terminated for any reason, or upon contract termination, the investment made by the national transmission system operator shall be transferred to the national transmission system owner or another grantor on payment of compensation equal to the Regulated Asset Base which was not depreciated fixed by ANRE (accordinto to provisions of Law 127/2014 entered into force on 5 October 2014 states) – basically undepreciated NBV at the end of concession (using regulated depreciation periods which approximates economic useful lives). All the parameters were known since the enactement of the law, and as such, it represents an unconiditional right to receive cash at the end of the cencession.

As such, these two points above, represent two separate assets under IFRIC 12. One representing the unconditional right to receive cash (financial asset) and the other representing the right to charge tariffs for the gas transmission.

Therefore, in this arrangement it is necessary to divide the two components of the contract asset - and measured as a long term financial asset and an intangible asset accordingly.

5.3 The accounting treatment of royalties payable for using the national gas transmission system

As indicated in Note 8, the company pays royalties, calculated as percentage of the gross revenue achieved from the operation of pipelines of the national gas transmission system. These costs were recognized as expenses, rather than deduction from revenue, because they are not of the nature of taxes collected from customers and sent to the state, given the nature of activity and the regulatory framework:

- the company's revenue is based on tariffs approved by another regulator than the one setting the level of royalties;
- expense with royalties is an item taken into consideration at the calculation of the transmission tariff;

As of 1 January 2020, according to ANRE Order no. 1/2020, the company has the obligation to pay annually to ANRE a tariff amounting to 0.062 lei MWh applied to the quantity of natural gas transmitted for carrying out activities in the natural gas sector based on a license.

5.4 Accounting treatment of the lease agreement between VestmoldTransgaz and Moldovatransgaz

On 04.09.2023, Lease Agreement No. 70-SJ was concluded between Moldovatransgaz and Vestmoldtransgaz.
The lease agreement is presented in accordance with IFRS 16, its arguments for being included in IFRS 16 being:

a. The contract concluded with Moldovatransgaz ensures only the transmission for use of the transmission network, not the right to provide the public service. The goods (infrastructure) are not public goods, they are leased by Moldovatransgaz.

b. Moldovatransgaz is not a public sector entity in order to be associated with the Regulatory Authority of the Republic of Moldova, which grants Vestmoldtransgaz the right to provide the public service.

c. The risks related to maintenance, as well as the decisions regarding capital repairs remain with Moldovatransgaz, respectively Moldovatransgaz has the obligation to carry out all capital repairs in order to maintain the Transmission Network in accordance with their destination.

d. ANRE is not a party to the lease agreement and as a result cannot have a residual interest in the assets that are the subject of the lease agreement (the gas transmission network).

6. INFORMATION ON SEGMENTS

Reporting segments are set according to the nature of the activities conducted by the company: the regulated activity, the unregulated activity and other activities, plus a geographical criteria as the Romanian and Moldovan transport operations are separate in nature (each one operated only in its host country). As transmission system operator, the Group reported annually to the National Regulatory Authority on the activity performed on the four reporting segments.

The segment information provided to the Board of Administration , which makes strategic decisions for reportable segments, for the 6 months period ended 30 June 2025 is:

6 months period ended 30 June 2025	Domestic gas transmission	International gas transmission	Balancing	Unallocated	Moldova domestic gas transmission and Petrostar activity	Total
Revenue from domestic transmission	1,343,574,613	-	-	-	147,111,296	1,490,685,909
Revenue from international transmission and similar	-	-	-	-	-	-
Other revenue	61,906,142	5,310,358	-	11,010,987	4,564,106	82,791,593
Operating revenue before the balancing and the construction activity according to IFRIC12	**1,405,480,755**	**5,310,358**	**-**	**11,010,987**	**151,675,402**	**1,573,477,502**
Depreciation	(229,927,404)	(15,513,837)	-	(877,120)	(25,919,977)	(272,238,338)
Operating expenses other than depreciation	(689,465,056)	(9,156,649)	-	(3,779,715)	(42,968,827)	(745,370,247)
Profit from operation before the balancing and construction activity according to IFRIC12	**486,088,295**	**(19,360,128)**	**-**	**6,354,152**	**82,786,598**	**555,868,917**
Revenue from the balancing activity	-	-	231,868,550	-	2,066,860	233,935,410
Cost of balancing activity	-	-	(231,868,550)	-	(2,066,860)	(233,935,410)
Revenue from the construction activity according to IFRIC12	451,111,690	-	-	-		451,111,690
Cost of constructed assets according to IFRIC12	(451,111,690)	-	-	-		(451,111,690)
Operating profit	**486,088,295**	**(19,360,128)**	**-**	**6,354,152**	**82,786,598**	**555,868,917**
Net financial gain	-	-	-	-	-	50,026,816
Profit before tax	-	-	-	-		**605,895,733**
Income tax	-	-	-	-	-	(86,927,220)
Net profit	-	-	-	-		**518,968,513**
Assets on segments	8,917,307,705	115,350,571	339,148,307	864,343,126	682,717,494	10,918,867,203
Liabilities on segments	4,953,425,050	611,105	517,474,596	409,717,046	323,225,852	6,204,453,649
Capital expenditure - increases in assets in progress	461,605,584	-	-	376,250	-	461,981,834
Non-monetary expenses other than depreciation	(22,240,340)	(8,151,411)	254,432	(98,195)	-	(30,235,514)

In 2025, the Eurotransgaz SRL and Vestmoldtransgaz subsidiaries carried out transmission activities, their assets amounting to lei 668,198,241, and Petrostar SA carried out engineering and technical consulting activities related to these, their registered assets being worth Lei 14,519,253

and the of liabilities for Eurotransgaz SRL and Vestmoldtransgaz subsidiaries being worth Lei 321,219,233, respectively, while those of Petrostar SA amount to Lei 2,006,619.

Assets shown for the two main operating segments mainly comprise tangible and intangible assets, inventories and receivables, and mainly exclude cash and bank accounts. Assets shown for the balancing segment comprise mainly gas stocks procured for NTS balancing and trade receivables from the balancing activity.
The assets presented in the segment Domestic gas transmission Moldova include the value of the lease contract of natural gas transmission networks no.70-SJ of 04.09.2023 concluded between Moldovatransgaz SRL and Vestmoldtransgaz SRL recorded as the right of use of the leased assets.

Unallocated assets include:	**30 June 2025 (unaudited)**
Tangible and intangible assets	28,954,711
Right of use assets	19,948,043
Cash	701,429,426
Other assets	472,563
Recoverable tax	25.539.803
Deffered tax	87.998.580
	864.343.126
Unallocated liabilities include:	
Dividends payable	204,185,824
Lease liabilities	53,531
Other debts	205,477,691
	409,717,046

The liabilities presented for the two main operating segments consist of payables and borrowings contracted by the company for the acquisition of assets for the respective segments. Liabilities shown for the balancing segment comprise mainly trade payables from the balancing activity and the borrowings contracted to finance the balancing activity.

Non-cash expenses other than depreciation consist of the expense with the impairment of receivables and the inventory write-downs, provisions for risks.

Transmission services are performed for several domestic and foreign clients.

	Domestic Clients	**Foreign Clients**	**Moldova domestic transmission**	**Total**
Revenue from the domestic transmission	1,298,200,525	45,374,088	147,111,296	1,490,685,909
Other revenue	76.025.774	5.310.715	1.455.104	82.791.593
	1,374,226,299	**50,684,803**	**148,566,400**	**1,573,477,502**

Domestic clients with over 10% of the total revenue include:	**Percentage of the total revenue**
OMV PETROM SA	8%
SNGN ROMGAZ SA.	5%
E.ON ENERGIE ROMANIA SA.	4%

All of the assets of the parent company are located in Romania. All of the activities of the parent company are carried out in Romania.

The company has external trade receivables amounting to lei 197,592,214 (31 December 2024: 182,319,227).

The *domestic gas transmission* segment includes information related to the activity of domestic gas transmission, which is regulated by the National Regulatory Authority as well as the operating and financial income related to the claims for the regulated value of the regulated asset base remained undepreciated at the end of the Concession Agreement; the *international gas transmission* segment includes information related to the activity of pipeline gas transmission without the transhipment of the Romanian territory and similar; *the balancing* segment includes expenses and revenue related to the national transmission system balancing activity developed starting with 1 December 2015, neutral in financial terms, any profit or loss from this activity will be distributed to clients for whom domestic transmission services are provided; the *unallocated* segment includes activities with a low share in the company's revenue such as sales of assets, rents, royalties.

The information on segments provided to the Board of Administration, who makes strategic decisions for the reporting segments, related to the financial year ended 30 June 2024, is as follows:

	Domestic gas transmission	International gas transmission	Balancing	Unallocated	Domestic transmission Moldova	Total
Revenue from domestic transmission	942,106,613	-	-	-	77,237,668	1,019,344,281
Revenue from international transmission	-	-	-	-	-	-
Other revenue	56,080,862	13,752,789	-	4,189,358	1,481,846	75,504,855
Operating revenue before the balancing and the construction activity according to IFRIC12	**998,187,475**	**13,752,789**	**-**	**4,189,358**	**78,719,514**	**1,094,849,136**
Depreciation	(215,685,406)	(14,420,456)	-	(888,798)	(24,996,318)	(255,990,978)
Operating expense other than depreciation	(599,073,646)	(15,116,934)	-	(3,396,606)	(41,523,163)	(659,110,349)
Profit from operation before the balancing activity according to IFRIC12	**183,428,424**	**(15,784,601)**	**-**	**(96,046)**	**12,200,033**	**179,747,810**
Revenue from the balancing activity	-	-	114,784,449	-		114,784,449
Cost of balancing activity	-	-	(114,784,449)	-		(114,784,449)
Revenue from the construction activity according to IFRIC12	-	-	-	675,817,268		675,817,268
Cost of constructed assets according to IFRIC12	-	-	-	(675,817,268)		(675,817,268)
Profit from operation	**183,428,424**	**(15,784,601)**	**-**	**(96,046)**	**12,200,033**	**179,747,810**
Net financial gain	-	-	-	-	-	43,242,080
Profit before tax	-	-	-	-	-	**222,989,890**
Income tax	-	-	-	-	-	(39,131,852)
Net profit	-	-	-	-	-	**183,858,038**
31 December 2024						
Assets on segments	8,528,027,748	130,955,393	338,748,903	1,127,630,941	643,993,258	10,769,356,243
Liabilities on segments	5,435,772,698	638,897	563,844,255	23,909,482	355,638,969	6,379,804,301
Capital expenditure - increases in assets in progress	1,898,780,539	16,712,846	-	164,104	-	1,915,657,489
Non-cash costs other than depreciation	42,422,867	(11,888,026)	1,589,217	(206,023)	-	31,918,035

Assets indicated for the two main operating segments mainly comprise tangible and intangible assets, inventories and receivables, and mainly exclude cash and bank accounts. The presented assets for the balancing segment are mainly gas stocks procured for NTS balancing and trade receivables from the balancing activity. The assets presented in the segment Domestic gas transmission Moldova include

the value of the lease contract of natural gas transmission networks no.70-SJ of 04.09.2023 concluded between Moldovatransgaz SRL and Vestmoldtransgaz SRL recorded as the right of use of the leased assets.

Unallocated assets include:	**31 December 2024**
Tangible and intangible assets	29,530,805
Right of use of leased assets	19,695,092
Cash	995,373,172
Other assets	313.786
Deferred tax	82.718.086
	1,127,630,941
Unallocated liabilities include:	
Dividends payable	949,359
Lease liabilities	20,881,905
Other debts	2,078,218
	23,909,482

The liabilities presented for the two main operating segments consist of payables and borrowings contracted by the company for the acquisition of assets for the respective segments. Liabilities shown for the balancing segment comprise mainly trade payables from the balancing activity.

Non-cash expenses other than depreciation consist of the expense with the impairment of receivables and the expense with the inventory of write-downs, other provisions for risks.

International transmission services are provided for several foreign customers, while the domestic transmission activity is performed for several domestic customers.

	Domestic Clients	**Foreign Clients**	**Domestic gas transmission Moldova**	**Total**
Revenue from domestic transmission	791,729,322	150,377,291	77,237,668	1,019,344,281
Other revenue	55,181,826	18,841,183	1,481,846	75,504,855
	846.911.148	**169.218.474**	**78.719.514**	**1.094.849.136**

Domestic clients with over 10% of the total revenue include:	Percentage of the total revenue
OMV PETROM S.A.	18%
ENGIE ROMANIA S.A.	15%
SNGN ROMGAZ SA	13%
E.ON ENERGIE ROMANIA S.A.	11%

All of the assets of the parent company are located in Romania. All of the activities of the parent company are carried out in Romania.
The company has external trade receivables amounting to lei 181,157,807 (31 December 2024: lei 182,319,227).
The *domestic gas transmission* segment includes information related to the activity of domestic transmission of natural gas that is regulated by the National Regulatory Authority, as well as the operating and financial income related to the receivable for the unamortized regulated value of the regulated asset base at the end of the Concession Agreement; the *international gas transmission* segment includes information related to the activity carried out through pipelines without transhipment on the territory of Romania and similar; the *balancing* segment comprises expenses and revenue related to the activity of balancing the national transmission system, an activity carried out since 1 December 2015, financially neutral, any profit or loss from this activity will be distributed to customers for which domestic transmission services are provided; the unallocated segment comprises activities with a low share in the company's revenue such as: asset sales, rents, royalties.

7. PROPERTY, PLANT AND EQUIPMENT

The category Other fixed assets include measuring, controlling and regulating equipment and installations, means of transport, furniture, office equipment, equipment for the protection of human and material values and other tangible assets.

	Lands and buildings	Transmission system assets	Other non-current assets	Assets in progress	Total
On 30 June 2024					
Cost	338,895,833	986,500,401	756,300,057	12,534,894	2,096,730,679
Accumulated depreciation	(190,092,497)	(792,467,359)	(340,423,031)	-	(1,325,031,535)
Accumulated impairment charge	-	-	-	(1,656,182)	(1,656,182)
Foreign currency translation reserve	(107,979)	-	(854,897)	-	(962,876)
Net book value 1 January 2024	**148,803,336**	**194,033,042**	**415,022,129**	**10,878,712**	**769,080,086**
Additions	-	-	-	8,055,973	8,055,973
Reclassification	72,735	(3,340,200)	22,568	1,145,067	(2,099,830)
Transfers	389,981	930,534	7,580,498	(8,901,013)	-
Disposals (net value)	(177,429)	(3,878)	(18,129)	-	(199,436)
Expense with depreciation	(4,561,259)	(15,274,395)	(19,147,684)	-	(38,983,338)
Foreign currency translation reserve	369,037	-	3,274,097	-	3,643,134
Final net book value as at 30 June 2024 (unaudited)	**145,239,268**	**176,345,103**	**406,733,479**	**11,178,739**	**739,496,589**
Cost	318,557,032	984,059,610	764,954,723	12,834,921	2,080,406,286
Accumulated depreciation	(173,307,543)	(807,714,507)	(358,142,095)	-	(1,339,164,145)
Accumulated impairment charge	-	-	-	(1,656,182)	(1,656,182)
Foreign currency translation reserve	(10,221)	-	(79,149)	-	(89,370)
Final net book value as at 30 June 2024 (unaudited)	**145,239,268**	**176,345,103**	**406,733,479**	**11,178,739**	**739,496,589**
As at 31 December 2024					
Initial net book value	**145,239,268**	**176,345,103**	**406,733,479**	**11,178,739**	**739,496,589**
Additions	-	-	(400,791)	15,524,076	15,123,285
Reclassification	-	-	(238,970)	(1,145,116)	(1,384,088)
Transfers	1,541,558	-	13,507,734	(15,049,292)	-
Disposals (net value)	(41,831)	-	(72,835)	-	(114,666)
Expense with depreciation	(4,360,716)	(15,796,489)	(20,018,063)	-	(40,175,268)
Foreign currency translation reserve	(270,152)	-	(2,410,339)	-	(2,680,491)
Final net book value as at 31 December 2024	**142,065,405**	**160,548,613**	**396,894,064**	**10,508,406**	**710,016,488**
Cost	319,264,270	984,059,610	772,876,442	12,164,588	2,088,364,910
Accumulated depreciation	(177,222,472)	(823,510,998)	(376,162,962)	-	(1,376,896,431)
Accumulated impairment charge	-	-	-	(1,656,182)	(1,656,182)
Foreign currency translation reserve	23,607	-	180,584	-	204,191
Final net book value as at 31 December 2024	**142,065,405**	**160,548,613**	**396,894,064**	**10,508,406**	**710,016,488**
As at 30 June 2025 (unaudited)					
Initial net book value as at 1 January 2025	**142,065,405**	**160,548,613**	**396,894,064**	**10,508,406**	**710,016,488**
Additions	-	-	115,313	5,645,350	5,760,663
Reclassification	42,560	(1,532,698)	(222,684)	(115,269)	(1,828,091)
Transfers	368,219	-	5,137,678	(5,505,897)	-
Disposals (net value)	(79,505)	(1,672)	(15,121)	-	(96,298)
Expense with depreciation	(4,081,416)	(8,529,908)	(20,248,421)	-	(32,859,746)
Foreign currency translation reserve	(2,731)	-	(18,695)	-	(21,426)
Final net book value as at 30 June 2025	**138,268,628**	**150,484,334**	**381,686,039**	**10,532,590**	**680,971,592**
Cost	319,180,507	989,667,613	771,530,560	12,188,772	2,092,567,451
Accumulated depreciation	(180,888,491)	(839,183,277)	(390,095,698)	-	(1,410,167,467)
Accumulated impairment charge	-	-	-	(1,656,182)	(1,656,182)
Foreign currency translation reserve	(23,387)	-	251,177	-	227,791
Final net book value	**138,268,628**	**150,484,334**	**381,686,039**	**10,532,590**	**680,971,592**

The gross book value of the fully depreciated assets, still used, is lei 396,736,177 (31 December 2024: lei 382,303,036). As at 30 June 2025 no advances granted for the procurement of tangible assets are registered.

Regarding the assets developed by the company, which are complementary to the provision of services according to the concession agreement, the State has the option to acquire these assets at the end of the concession agreement. The company does not have the obligation to keep these assets until the end of the concession agreement and it is allowed to sell them. These assets do not fall within the scope of IFRIC 12. All the other assets related to the domestic transmission activity and which are part of the national gas transmission system, including improvements made after signing the concession agreement and which must be handed over to the ANRM at the end of the concession agreement fall within the scope of IFRIC 12.

Impairment adjustments have been established for work in progress whose completion and commissioning are uncertain.

The company has no pledged non-current assets.

7.1. The rights of use of the leased assets (IFRS 16)

The Group applies IFRS 16 for the leasing contracts complying with the recognition criteria and recognized the intangible asset as a right of use related to the leasing contract:

	Leases according to IFRS16
Cost on 1 January 2025	**221.649.781**
Accumulated depreciation	(65.411.244)
Net book value as at 01 January 2025	156.238.537
Additions	2.423.153
Disposals	(211.606)
Depreciation	(23.140.890)
Final net book value on 30 June 2025 (unaudited)	135.309.194
Cost as at 30 June 2025(unaudited)	193.173.856
Accumulated depreciation as at 30 June 2025(unaudited)	(57.864.662)

Detailed information on IFRS 16 as at 30 June 2025:

	30 June 2025 of which:	**Forestry conventions**	**Lease contract VMTG**
Right of use assets	223,756,228	18,796,824	180,667,295
Right of use asset-accumulated depreciation	57,864,664	7,423,210	34,723,774
Interest expense on lease liability	15,669,303	956,266	14,343,386
Lease liability	163,252,062	12,329,880	141,978,102
Of which:			
Short term	37,247,907	1,587,697	33,462,862
Long term	126,004,155	10,742,183	108,515,240

Detailed information on IFRS 16 as at 31 December 2024:

	Leases according to IFRS16
Cost on 1 January 2024	**201,790,462**
Accumulated depreciation	(28,344,494)
Net book value as at 01 January 2024	173,445,968
Additions	21,446,921
Disposals	(1,535,971)
Depreciation	(37,118,382)
Final net book value on 31 December 2024	156,238,537
Cost as at 31 December 2024	**221,701,412**
Accumulated depreciation as at 31 December 2024	(65,462,875)

	31 December 2024 of which:	**Forestry conventions**	**Lease contract VMTG**
Right of use assets	221,701,412	16,683,915	180,877,944
Right of use asset-accumulated depreciation	(55,892,636)	(6,712,689)	(34,764,260)
Interest expense on lease liability	15,264,231	445,744	14,360,110
Lease liability	163,025,547	10,889,456	142,143,642
Of which:			
Short term	37,415,435	1,320,203	33,501,878
Long term	125,610,112	9,569,253	108,641,764

Lease liability according to IFRS 16 is presented in the balance sheet at long-term and short-term leasing payables.

The group of forestry agreements includes contracts of temporary occupation of forest land under private ownership, concluded on the basis of Law no.185/2016 on some measures necessary for the implementation of projects of national importance in the field of natural gas.

On 04 September 2023 the gas transmission network lease contract No.70-SJ of 04.09.2023 between Moldovatransgaz Ltd. and Vestmoldtransgaz Ltd. was signed. This contract entered into force on 19.09.2023. The lease was concluded for a period of 5 years. The amount of annual rent is 42.6/ 165 mil. lei/MDL. The lease contract was recognized as an asset related to the right of use and a corresponding liability on the date the asset was leased and became available for use by Vestmoldtransgaz. On 19.08.2024 the Addendum Agreement No.1 was signed on amendments and additions to the above mentioned contract, namely the amount of annual rent for 2024 was increased and constitutes the amount of Lei (MDL) 45,636.6/176,612.31 thousand lei/thousand MDL.

8. SERVICE CONCESSION AGREEMENT

In May 2002, the company concluded a Service Concession Agreement (`SCA`) with the ANRM, which entitles the company to operate the main pipelines of the national gas transmission system for a period of 30 years. All modernizations and improvements made by the company to the system are considered part of the system and become property of the ANRM at the end of their useful life. The company cannot sell or discard any asset part of the national transmission system; withdrawals can only be made with the approval of the state.

At the expiration of the agreement, the assets belonging to the public domain, existing upon signing the agreement and all investments made in the system will be returned to the State. The company owns and will develop other assets that are not directly part of the national gas transmission system, but are complementary assets for gas transmission operations. The ANRM has the option to buy these assets at the end of the concession agreement, at the fair value.

The main terms of the Concession Agreement are the following:

- The company is entitled to operate directly the assets subject to the concession agreement and to apply and collect tariffs for domestic and international transmission from clients in exchange for services provided; the company is the only entity authorized to operate the pipelines of the national gas transmission system, no sub-concession being allowed;
- Any change of tariffs must be proposed by the company and then approved by the ANRE;
- The company is exempt from the payment of import duties for the assets acquired for operation, improvement or development of the system;
- The company must annually publish by 30 October the available capacity of the system for the following year;
- The company must annually respond to the clients' orders by 30 November and the ANRM must be informed on all rejected orders decided by the company's management;
- The company must keep a specific level of functioning (guaranteed through a mandatory minimum investment programme);
- Royalties are paid as percentage (as of 30 October 2023: 11.5%) of the gross revenue from the operation of the national transmission system (domestic and international transmission);
- All operating expenses for operating the system are incurred by the company;
- The company may cancel the agreement by notifying the ANRM 12 months in advance;
- The ANRM may cancel the agreement by a 6-month prior notice, if the company fails to comply with the contractual conditions; it also has the option to cancel the agreement with a 30-day prior notice for `national interest` reasons; in this case, the company will receive compensation equal to the average net profit of the past 5 years multiplied by the remaining duration of the agreement.

The Concession Agreement does not include an automatic renewal clause.

By GD 906/28 September 2023, the amendment of Annex No 22 to Government Decision No 1 was approved. 705/2006 for the approval of the centralized inventory of goods in the public domain of the State, as subsequently amended and supplemented, by including the goods resulting from the completion of the investment objective "Interconnection pipeline of the National Gas Transmission System of Romania with the National Gas Transmission System of the Republic of Moldova on the direction Iasi (Romania)-Ungheni (Republic of Moldova), electricity supply, automation, data procurement, burglary and fire surveillance" and the transfer of these goods to the administration of the National Agency for Mineral Resources and to the concession of the National Gas Transmission Company "TRANSGAZ" - S.A.

No changes were made to the terms of the Concession Agreement after June 2003, except for the approval of the minimum investment plans.

9. INTANGIBLE ASSETS

	Assets related to the Service Concession Agreement	Goodwill from consolidation	Software	Intangible assets in progress	Total
On 30 June 2024 (unaudited)					
Cost as at 1 January 2024	8,410,295,424	9,413,102	87,818,457	373,525,658	8,881,052,641
Accumulated depreciation as at 01 January 2024	(5,154,741,097)	-	(64,463,127)	-	(5,219,231,329)
Adjustments for impairment	-	-	-	(9,142,777)	(9,142,777)
Foreign currency translation effect	-	-	-	(4,625)	(4,625)
Net book value as at 01 January 2024	**3,255,554,327**	**9,413,102**	**23,335,238**	**364,378,256**	**3,652,701,014**
Additions	-	-	22,640,578	681,091,790	703,732,368
Reclassifications	3,244,899	-	-	(1,895,284)	1,349,615
Transfers	10,828,767	-	307,195	(16,189,269)	(5,053,307)
Disposals	-	-	-	-	-
Depreciation	(183,009,207)	-	(4,018,898)	-	(187,028,105)
Foreign currency translation effect	-	807,738	(13,702)	-	794,037
Final net book value 30 June 2024 (unaudited)	**3,086,618,786**	**10,220,840**	**42,273,166**	**1,027,385,493**	**4,166,498,285**
Cost as at 30 June 2024	8,424,369,090	9,413,102	110,774,598	1,036,532,895	9,581,089,685
Accumulated depreciation as at 30 June 2024	(5,348,684,871)	-	(68,501,060)	-	(5,417,190,851)
Adjustment for impairment				(9,142,777)	(9,142,777)
Foreign currency translation effect	-	807,738	-	(4,624)	803,114
Final net book value 30 June 2024(unaudited)	**3,086,618,786**	**10,220,840**	**42,273,166**	**1,027,,385,493**	**4,166,498,285**
At 31 December 2024					
Initial net book value 01 January 2025	**3,086,618,786**	**10,220,840**	**42,273,166**	**1,027,385,493**	**4,166,498,285**
Additions	-	-	19,345,527	1,212,576,383	1,231,921,908
Reclassifications	238,967	-	-	304,552	543,519
Transfers	122,998,453	-	(1,560,516)	(178,630,648)	(57,192,712)
Disposals	-	-	-	-	-
Depreciation	(209,253,526)	-	(3,133,569)	-	(212,387,095)
Adjustment for impairment	-	-	-	(2,059,121)	(2,059,121)
Foreign currency translation effect	-	(70,923)	79	4,766	(66,186)
Final net book value as at 31 December 2024	**3,000,602,680**	**10,149,917**	**56,924,577**	**2,059,581,424**	**5,127,258,598**
Cost	8,547,606,509	9,413,102	131,382,835	2,070,783,181	10,759,185,627
Accumulated depreciation	(5,547,003,829)	-	(74,458,274)	-	(5,621,462,103)
Adjustment for impairment	-	-	-	(11,201,898)	(11,201,898)
Foreign currency translation effect	-	736,815	275	141	736,680
Net book value as at 31 December 2024	**3,000,602,680**	**10,149,917**	**56,924,577**	**2,059,581,424**	**5,127,258,598**
At 30 June 2025 (unaudited)					
Initial net book value 01 January 2025	**3,000,602,680**	**10,149,917**	**56,924,577**	**2,059,581,424**	**5,127,258,598**
Additions	-	-	20,778,757	456,336,483	477,115,240
Reclassifications	-	-	(282,312)	282,312	-
Transfers	48,825,294	-	629,140	(81,349,530)	(31,895,096)
Disposals	-	-	-	-	-
Depreciation	(202,882,229)	-	(8,877,672)	-	(211,759,901)
Foreign currency translation effect	-	(11,821)	-	109,251	97,430
Final net book value as at 30 June 2025	**2,846,545,745**	**10,138,096**	**69,172,491**	**2,434,959,940**	**5,360,816,271**
Cost	8,596,431,803	9,413,102	152,508,356	2,446,052,446	11,204,405,707
Accumulated depreciation	(5,749,886,058)	-	(83,335,591)	-	(5,833,221,649)
Adjustment for impairment	-	-	-	(11,201,898)	(11,201,898)
Foreign currency translation effect	-	724,994	(275)	109,392	834,111
Net book value as at 30 June 2025	**2,846,545,745**	**10,138,096**	**69,172,491**	**2,434,959,940**	**5,360,816,271**

*Transfers - due to the use of the bifurcated model under IFRIC 12, when an improvement or expension of NTS is put into operation, the respective value is split between a long-term financial asset (note 12.3) and an intangible asset (note 9).

In accordance with IFRIC12, in the Current intangible assets category the investment projects carried out by the Company for the development and modernization of the national gas transmission system are presented, which will be handed over to the grantor at the end of the Concession Agreement (Note 8).

The project "Development of the Southern Transmission Corridor on Romanian territory for the offtake of natural gas from the Black Sea coast" has the largest share in the value of the additions in 2024.

The minimum NTS gas quantity required to ensure the pressures and flow rates for the end consumers under the contractual conditions (NTS pipeline stock) is recognized in the value of the right to use, as an intangible asset. At 30 June 2025 the line pack quantity is 940,782 MWh and has a value of 79,209,514 lei, of which the NTS pipeline stock is 798,715 MWh and amounts to 64,213,153 lei. At 31 December 2024 the line pack quantity is 820,296 MWh and has a value of 65,143,903 lei, of which the NTS pipeline stock is 693,293 MWh and has a value of 55,713,584 lei.

In 2025, the Company capitalized interest expense amounting to lei 47,097,749 (in 2024 it capitalized interest expenses amounting to 30,176,746), for National Transmission System assets (NTS assets).

As at 30 June 2025 and advances are granted in the amount of lei 806 and at 31 December 2024 there are advances amounted to 806 lei granted for the procurement of national gas transmission system development works are presented in the intangible assets in progress.

The remaining life of the intangible assets is presented in Note 3.5 and Note 3.8.

As at 30 June 2025, the Company capitalized additional costs for the procurement of natural gas, incurred between 1 January 2025 – 30 June 2025 amounting to lei 20,547,260 (41,986,083 lei on 31 December 2024), in order to cover its own technological consumption compared to the costs included in the regulated tariffs, in accordance with the provisions of the Order of the Ministry of Finance no. 5378/12 December 2023 and the Order of the President of ANRE no.128 /12 October 2022.

As a result of the acquisition of Vestmoldtransgaz SRL (VTMG) by Eurotransgaz SRL (ETG), goodwill calculated as the difference between the value of the shareholding and the value of the equity of VTMG weighted by the percentage of shareholding held, i.e. 100%, was recognized in the consolidated financial statements as intangible assets. The calculation of goodwill was performed at the acquisition date, i.e. March 2018, and is presented in the consolidated financial statements at the closing rate.

Impairment adjustments were made for work in progress for which completion and commissioning is uncertain.

9.1. Goodwill

On 28 March 2018 the Moldovan company Eurotransgaz S.R.L. owned by "SNTGN Tansgaz" S.A. Romania, concluded as buyer with the Public Property Agency of the Republic of Moldova, the contract for the sale and purchase of the single asset complex - state-owned enterprise Vestmoldtransgaz, the resulting goodwill being RON 10,082,934.

The company has carried as at 31/12/2024 out an impairment test in respect of the goodwill for its investment of the Moldova operations and did not identify any elements that would lead to goodwill impairment.

10. FINANCIAL ASSETS

Financial assets consist of shares in unlisted companies. The fair value of these investment as at 30 June 2025 and 31 December 2024 is zero:

Company	Activity	% Percentage owned 2025	% Percentage owned 2024	30 June 2025	31 December 2024
Resial SA	Production	-	68,16	-	-
Mebis SA	Gas production distribution and supply	17,47	17,47	-	-

Shares in Resial SA

Shares owned in Resial SA were obtained in December 2003, as a result of a procedure for the recovery of claims due from a client. Resial SA went into liquidation in 2006; the procedure is carried out by a bailiff appointed by the court.

According to the Insolvency Proceedings Bulletin no. 19144/24.11.2023, the bankruptcy proceedings of Resial SA were closed by Decision no. 230/F/16.11.2023, which became final by Decision 50/21.05.2024, Resial SA being struck off the Commercial Register without Transgaz recovering any amounts from the value of the shareholding.

Shares in Mebis SA

Shares owned in Mebis SA were obtained in February 2004, as a result of a procedure for the recovery of claims due from a client. Mebis SA is in the liquidation procedure, which is why the stake in Mebis SA was fully adjusted. The company has no obligations to Mebis SA.

In case of the financial assets held by Transgaz, i.e. Mebis SA and Resial SA , the application of IFRS 9 has no impact whatsoever, as such assets are measured at the fair value by the profit and loss account

11. INVENTORIES

	30 June 2025 (unaudited)	31 December 2024
Gas inventories for balancing purposes	309,279,060	307,812,978
Gas for technological consumption	76,581,273	105,370,085
Spare parts and materials	162,620,427	156,576,284
Materials in custody at third parties	162,036,632	1,914,056
Adjustments for inventory write-downs	(68,841,479)	(57,530,775)
	641,675,913	**514,142,628**

ANRE Order 160/2015 sets the obligations of Transgaz, as the transmission system operator, regarding the balancing of the national transmission system.

According to the provisions of ANRE Order No. 16/2013 (Network Code), in order to ensure the physical balance of the NTS, Transgaz must have a sufficient gas quantity as gas linepack and/or as balancing gas stored in underground storage facilities.

By Decision No. 656/08.04.2025 ANRE established the minimum level of gas that the TSO must have in storage facilities by 31 October 2025, namely of 393.546,504 MWh. The gas stock stored by S.N.T.G.N. TRANSGAZ in storage facilities for the NTS's physical balancing is of 618,912.143 MWh as at 30 June, 2025.

The network users have the obligation to balance their own portfolios. The balancing actions are carried out according to the order of merit of, imposed by Article 9 of Regulation (EU) 312/2014, gas withdrawal from storage facilities being the last priority in the balancing actions list.

The Group does not hold any restricted inventories and has established safety inventories amounting to Lei 6,948,086 as at 30 June 2025 (12,471,393 lei as at 31 December 2024).

Discharge for the balancing activity is achieved by applying the weighted average cost method, and for the remaining operations by applying the first-in-first-out method (FIFO).

Movements in the adjustments for inventory write-downs account are analysed below:

	30 June 2025 (unaudited)	31 December 2024
Adjustment for inventory write-downs on 1 January	57,530,775	46,494,077
expense with adjustment for inventory write-downs (Note 23)	11,310,704	11,036,698
Adjustment at the end of the period	**68,841,479**	**57,530,775**

In 2025 adjustments for inventory write-downs were established according to Note 3.10.

Since 2022 the company has recorded a provision for the negative difference between the quantities of natural gas invoiced as initial imbalance and the final monthly imbalances, which will be requested to ANRE for recovery through the neutrality tariff.

12. TRADE RECEIVABLES AND OTHER RECEIVABLES

12.1 Trade receivables

	30 June 2025 (unaudited)	31 December 2024
Trade receivables	909,699,016	1,017,843,820
Adjustment of impairment of trade receivables	(680,517,315)	(671,995,521)
	229,181,701	345,848,299

At 30 June 2025, the amount of 171,460,469 lei (31 December 2024: 163,531,609 lei) of trade and other receivables net is denominated in foreign currency of which 4% in USD (31 December 2024: 4%) and 96% in EUR (31 December 2024: 96%).

12.2 Other receivables

	30 June 2025 (unaudited)	31 December 2024
Advance payments to suppliers for goods and services	262,600	339,131
State budget receivables	23,808,488	50,694,980
Other receivables	151,742,619	116,030,598
Non-refundable loans as subsidies	906,984	906,984
Adjustment of impairment of other receivables	(64,223,900)	(63,924,050)
	112,496,791	104,047,643

In 2020, the Company administratively challenged the tax decision regarding additional fiscal payment obligations amounting to lei 7,642,671 issued by ANAF in 2020 consisting of income tax and VAT and constituted an adjustment, which was maintained in 2023.

In 2024 the amount of the tax assessment decision was reduced to lei 2,806,218 being reduced by the Company the amount of the adjustment.

In July 2022 the Company paid the amount of 29,277,726 lei, to which it was bound by Arbitral Award no. 39/06.06.2022, rendered by the Arbitral Tribunal in case no. 107/2018, following the conclusion of the arbitration proceedings concerning the non-fulfilment of obligations under the supply contract for "Software Licences for Additional I/Os/Bandwidth Upgrade for SCADA System", a contract concluded by Transgaz with the Association consisting of RMG REGEL UND MESSTECHNIK GmbH Germany, IDS GmbH Germany and General Fluid S.A. Bucharest. The company appealed the arbitral tribunal's decision in court and recorded an impairment allowance of 29,277,726 lei as at 31 December 2022. This adjustment was maintained as at 30 June 2025 as well.

The advance payments granted to the company in the context of the contractual relationships are guaranteed by the suppliers by letters of bank guarantee.

12.3 Other receivables related to the Concession Agreement

	30 June 2025 (unaudited)	31 December 2024
Receivable related to the regulated value remaining unamortized at the end of the concession agreement	2,796,291,662	2,648,907,892

According to ANRE Order no. 41/2019 the value of the assets recognised in the Regulated Asset Base is adjusted to the inflation. The Company recalculated the amount of the receivable related to the Concession Agreement and recognized a gain amounting to 83,061,686 lei in accordance with IFRS 9 (31 December 2024: 127,698,456 lei).

According to IFRS 9.B5.4.5 in cases where there is an inflation adjustment embedded in the cash flows of a financial instrument, the adjustment for inflation is typically treated as part of the total contractual cash flows and is included in the effective interest rate calculation. As such, the inflation adjustment will contribute to the recognition of interest income over time.

In practice, the inflation adjustment will be reflected in the interest income recognized in profit or loss, as part of the overall effective interest rate calculation, which takes into account both the nominal interest rate and any inflation-related adjustments that affect the cash flows of the instrument.

	30 June 2025 (unaudited)	31 December 2024
Initial balance	2,648,907,892	2,392,525,261
Additions	31,895,095	76,202,595
Interest accued	32,426,989	59,648,308
Inflation update	83,061,686	127,698,456
Disposals	-	(7,166,728)
	2,796,291,662	2,648,907,892

* Transfers / Additions - due to the use of the bifurcated model under IFRIC 12, when an improvement or extension of an NTS is commissioned, the respective value is split between a long-term financial asset (note 12.3) and an intangible asset (note 9).

In 2019, the ANRE's Order no. 41/2019 provided for the adjustment of Regulated Asset Base to the inflation rate. The Company records the present value of the contractual cash flows recalculated as a result of the adjustment of the Regulated Asset Base with the yearly inflation rate and recognizes a gain or loss from the change in the profit or loss account.
This method is in accordance with IFRS 9.B5.4.5, is based on the traditional approach of accounting for floating-rate debt instruments. Rather than taking account of expectations of future inflation it takes account of inflation only during the reporting period.

The long term concession receivable being guaranteed by the Romanian state, the Group considered the potential impairment using ECL model to be immaterial for these financial statements.

12.4 Analysis of receivable impairment

The trade receivables analysis according to IFRS9 is as follows:

Trade receivables

	30 June 2025 (unaudited)	31 December 2024
Unimpaired gross amounts		
Transit receivables	163,168,095	154,558,999
Receivables with customers in insolvency procedures	163,095,509	153,388,965
Related party receivables	198,711,964	300,049,254
Other trade receivables	384,723,448	409,846,602
Total	909,699,016	1,017,843,820
Impairment by categories		
Transit receivables	163,168,095	154,558,999
Receivables with customers in insolvency procedures	163,095,513	153,388,969

Related party receivables	136,517,546	151,830,188
Other trade receivables	217,736,161	212,217,368
Total impairment	680,517,315	671,995,524
Total trade receivables net of provision	229,181,701	345,848,296

Receivables from various debtors

	30 June 2025 (unaudited)	31 December 2024
Unimpaired –gross amount		
Receivables from various debtors	60,586,075	61,150,527
Impairment		
Receivables from various debtors	58,391,110	55,798,255
Total debtors' receivables net of provision	2,194,965	5,352,272

On 24.12.2020, the Agreement on the Termination of the Legacy Contract on the T3 transit pipeline was signed between SNTGN Transgaz S.A. and Gazprom Export LLC for the period 01.12.2020 - 31.12.2023, which ensures the collection of the outstanding amounts under the historical contract and allows the booking of transmission capacities on entry/exit points in/out of the NTS and on international transmission pipelines. The transit receivables category includes invoices issued on the basis of the Agreement on Termination of the Legacy Contract after October 2022, invoices that have not been paid by Gazprom Export LLC and for which Transgaz has initiated legal proceedings necessary to recover the outstanding debt recorded.

IFRS 9 applies a new model for expected impairment loss based on the estimated loss. This model entails the expected recognition of the loss from receivables impairment. The standard requires entities to recognize the expected impairment loss on receivables from the time of initial recognition of financial instruments, and to recognize the anticipated impairment loss over their lifetime. The amount of expected loss will be updated for each reporting period so as to reflect changes in credit risk as compared to initial recognition.

For the application of IFRS 9 on the held receivables, based on a loss estimation model, the client's categories were reconsidered starting from the IFRS 9 principle for the anticipation of a non-cashing in risk related to the current receivables.

Risk exposure for trade and receivables and other debtors:

30 June 2025	Gross value	Expected loss rate	Expected lifetime loss
Current receivables including invoices to be issued	320,211,434	4%	11,733,236
Overdue by up to 30 days	1,986,722	8%	167,672
Overdue by up to 60 days	285,368	20%	57,074
Overdue by up to 90 days	2,331,090	30%	699,327
Overdue by up to 120 days	1,427,072	35%	499,475
Overdue by up to 150 days	1,724,289	60%	1,034,574
Overdue by over 150 days	712,297,997	100%	712,297,997
Total receivables	1,040,263,973		726,489,355

31 December 2024	Gross value	Expected loss rate	Expected lifetime loss
Current receivables including invoices to be issued	352,405,304	1%	4,390,655
Overdue by up to 30 days	1,285,026	85%	1,552,016
Overdue by up to 60 days	1,914,542	88%	1,683,383
Overdue by up to 90 days	466,405	87%	404,894
Overdue by up to 120 days	6,744,777	54%	3,632,829
Overdue by up to 150 days	1,662,473	97%	1,614,178
Overdue by over 150 days	714,515,820	100%	714,515,824
Total receivables	1,078,994,347		727,793,779

The company constantly analyses the customers' situation and records adjustments whenever there are indications of an increase in the non-collection risk.

As at 30 June 2025, the Company has recorded adjustments for receivables with an increased risk of non-collection, mainly for Gazprom Export LLC LLC (8,633,183 lei) and Black Sea Oil&Gas SA (801,552 lei), due to the financial situation of these customers and the ongoing litigations concerning these receivables.

The payment of the equivalent value of the invoices for the natural gas transmission services, issued according to the provisions of the Network Code, is made within 15 calendar days from the date of issuing the invoice. If the due date is a non-working day, the deadline is considered fulfilled on the next working day.

Movements in the provision account are analysed below:

	30 June 2025 (unaudited)	31 December 2024
Adjustment on 1 January	735,919,571	747,288,265
Expense with the adjustment for contingent clients (Note 23)	32,543,516	47,156,660
(Reversing the adjustment for contingent clients (Note 23)	(5,148,110)	(44,694,467)
Adjustment at the end of the period	744,741,215	735,919,571

Top 5 clients by balance at 30 June 2025:

CLIENT	Client balance	Adjustment made
GAZPROM EXPORT	164,348,660	164,348,660
ELECTROCENTRALE CONSTANTA	102,854,311	102,506,999
OMV PETROM SA	70,972,197	-
NORTH CHEMICAL COMPLEX SRL	44,401,056	44,401,056
BLACK SEA OIL&GAS SA	41,344,248	40,940,160

Top 5 clients by balance at 31 December 2024:

CLIENT	Client balance	Adjustment made
GAZPROM EXPORT	155,715,477	155,715,477
ELECTROCENTRALE CONSTANTA	106,779,570	106,779,570
E.ON ENERGIE ROMANIA SA.	85,306,029	-
ENGIE ROMANIA S.A.	75,315,856	-
OMV PETROM SA	51,217,004	-

13. CASH AND CASH EQUIVALENT

Cash at bank in foreign currency is mostly denominated in EUR.

	30 June 2025 (unaudited)	31 December 2024
Cash at bank in lei	721,441,181	1,053,754,754
Cash at bank in foreign currency	5,029,922	10,424,349
Other cash equivalents	11,132,015	120,084
	737,603,118	**1,064,299,187**

	30 June 2025 (unaudited)	31 December 2024
Restricted cash (administrators guaranties)	2,403,537	2,301,308

The weighted average of the effective interest rate related to short-term bank deposits was of 5.43% on 30 June 2025 (3.31% on 31 December 2024).

Short term and long term financial investments:
The Group opened a deposit for a period of 1800 days in the amount of 30,876,000 RON (120,000,000 MDL) at Moldova Agroindbank. The interest rate is 5.5% fixed for the first 365 days, thereafter a variable interest rate based on National Bank of Moldova reference interest rate.
The Group concluded a deposit agreement with Victoriabank in the amount of RON 77,190,000 (300,000,000 MDL) for a term 12 months with an annual interest rate of 6.5%.

14. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Share capital	Share premium	Total
On 31 December 2024	188,381,504	1,883,815,040	247,478,865	2,131,293,905
On 30 June 2025 (unaudited)	188,381,504	1,883,815,040	247,478,865	2,131,293,905
Capital adjustment to the hyperinflation accumulated on 31 December 2003	-	441,418,396	-	441,418,396
On 31 December 2024	188,381,504	2,325,233,436	247,478,865	2,572,712,301
On 30 June 2025 (unaudited)	188,381,504	2,325,233,436	247,478,865	2,572,712,301

The authorized number of ordinary shares registered at the National Trade Registry Office is 188,381,504 (31 December 2024: 188,381,504) with a nominal value of LEI 10 each.
Each share represents one vote.

The ownership structure registered with Depozitarul Central on 30 June 2025 is the following:

	Number of ordinary shares	Statutory value (lei)	Percentage (%)
The Romanian state, represented by the General Secretariat of the Government	110,221,440	1,102,214,400	58.5097
Other shareholders	78,160,064	781,600,640	41.4903
	188,381,504	1,883,815,040	100.0000

The ownership structure registered with Depozitarul Central on 31 December 2024 is the following:

	Number of ordinary shares	Statutory value (lei)	Percentage (%)
The Romanian state, represented by the General Secretariat of the Government	110,221,440	1,102,214,400	58.5097
Other shareholders	78,160,064	781,600,640	41.4903
	188,381,504	1,883,815,040	100.0000

In the statutory accounting, before 1 January 2012, the company included in the share capital certain reserves from revaluation for revaluations made before 31 December 2001. In order to prepare these financial statements according to Order no. 2844/2016 of the Minister of Finance, such increases were not recognized, because adjustments to hyperinflation for non-current assets were annually recognized in the statement of comprehensive income by 31 December 2003. Therefore, in this financial statements, the company recorded only the share capital from cash or in-kind contribution, adjusted to inflation from the date of the initial contribution on 31 December 2003 and the increase in the share capital that took place after 1 January 2004 was recognized in nominal terms.

15. OTHER RESERVES, LEGAL RESERVE AND RETAINED EARNINGS

Other reserves

Before IFRIC 12, a proper reserve related to assets belonging to the public domain (Notes 3.6 and 5.2) was included in equity as `Reserve of the public domain` at the value of the respective assets restated depending on inflation until 1 January 2004. It was renamed `Other reserves` at the adoption of IFRIC 12 (Note 3.5), to reflect the change in the statute of the related assets. The Company does not intend to change the allocation of deferred income arising from the first-time adoption of IAS 29.

Legal reserve

In accordance with the Romanian law and the company's Articles of Incorporation, the Transgaz must transfer five percent of the profit from the statutory financial statements in a statutory reserve of up to 20% of the statutory share capital. The balance of the statutory reserve, which is not available for allocation on 30 June 2025, amounts to lei 78,670,680 (31 December 2024: 78,670,680 lei).
The legal reserve is included in the `Retained earnings` in these financial statements. The company does not intend to change the allocation of the legal reserve.

Reserve relating to reinvested profit

The balance of the invested profit reserve as at 30 June 2025 is lei 88,839,656 (31 December 2024 lei 58,121,457).

The Company recorded the 2024 profit a reserve in the amount of 30,520,848 lei representing tax incentives provided for by Law 227/2015 on the Tax Code on the profit invested in technological equipment-machinery, machinery and work installations, electronic computers and peripheral equipment, cash register, control and invoicing machines and appliances, as well as in software, produced and/or purchased and put into operation, used for the purpose of carrying out the economic activity, amended in 2023 by GO 16/2022 which extended the exemption from payment of reinvested profits also for some categories of assets related to the refurbishment.

Dividend allocation

In 2025, the company declared a dividend of lei 1.08 /share, related to the profit of the previous year (2024: lei 0,35 /share). The total dividends declared from the profit of 2024 are lei 203,452,024 (dividends declared from the profit of 2023: lei 65,933,526).

Non controlling interest

For the purpose of consolidating this set of financial statements, the non-controlling interest in the Vestmoldtrangaz equity of lei 122,735,337 (MDL 477,012,581) on 30 June 2025, lei 106,827,168 (MDL 414,701,738) on 31 December 2024 represents EBRD's share in the total net assets of Vestmoldtransgaz S.R.L. (lei 0.2576 on 31 December 2024) and a non controling interest in newly acquired entity Petrostar representing the share held by other shareholders of 49% in the equity of Petrostar.

Non-controlling interests	**30 June 2025 (unaudited)**	**31 December 2024**
Opening balance	107,136,408	100,320,862
Net profit for the period	15,394,183	6,601,772
Petrostar SA shares purchase	7,074,751	-
Foreign currency translation reserve	354,741	213,774
Non-controlling interests	129,960,083	107,136,408

Summary financial statements of Vestmoldtransgaz , where the amount of non controlling interest is material:

	30 June 25 (unaudited)	31 December 24
Non current assets	517,799,545	516,289,301
Current assets	137,518,447	115,530,832
Non current liabilities	111,478,518	142,080,351
Current liabilities	69,025,135	77,974,429
Equity	474,814,338	411,765,353

	30 June 25 (unaudited)	31 December 24
Revenues	148,566,400	199,177,703
Net profit	63,355,692	26,373,199

16. LONG-TERM BORROWINGS

Loans breakdown by maturity range:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	602,812,083	346,864,337
Over 1 year	3,075,972,391	3,406,202,889
Total	**3,678,784,474**	**3,753,067,226**

The carrying amount of long-term loans recorded by the Company as at 30 June 2025:

	30 June 2025 (unaudited)	31 December 2024
BEI 83644RO	159,439,780	166,134,940
BEI 88825RO	183,020,396	189,203,207
BEI 89417RO	253,885,000	248,705,000
BEI 90512RO	507,770,000	497,410,000
BEI ETG 90703	163,618,507	168,155,419
BCR 20190409029	119,040,000	126,480,000
BCR 20201028056	244,800,000	259,200,000
BCR 20210817030	70,833,331	74,999,998
BCR 20211124044	155,833,333	165,000,000
BERD	177,880,320	188,997,840
Syndicated BCR	238,484,071	238,484,071
Syndicated BT	238,484,071	238,484,071
Syndicated CEC	85,854,265	85,854,265
Syndicated Raiffeisen	238,484,071	238,484,071
Syndicated Unicredit	118,693,522	118,693,522
BT	254,645,730	280,668,392
Raiffeisen Bank	269,068,077	269,312,430
BRD GSG	198,950,000	198,800,000
Total	**3,678,784,474**	**3,753,067,226**

As at 30 June 2025, the balance of interest due on the loans contracted by the company is 37,980,798 lei, detailed by loan as follows:

	30 June 2025 (unaudited)	31 December 2024
BEI 83644RO	416,021	433,204
BEI 88825RO	1,087,012	1,502,740
BEI 89417RO	1,113,762	1,377,066
BEI 90512RO	1,769,356	2,224,708
BEI ETG 90703	1,882,836	2,302,359
BCR 20190409029	863,872	744,492
BCR 20201028056	2,511,138	2,533,485
BCR 20210817030	1,411,019	1,410,411
BCR 20211124044	910,921	799,685
BERD	1,560,307	1,253,055
Syndicated BCR	6,028,347	1,631,448
Syndicated Unicredit	3,000,309	811,971
Syndicated BT	6,028,347	1,631,448
Syndicated CEC	2,170,205	587,321
Syndicated Raiffeisen	6,028,347	1,631,448
BRD	1,198,999	1,042,222
	37,980,798	**21,917,063**

The European Investment Bank (EIB)

The company signed with the European Investment Bank the following loans for the financing of the project `Development on the Romanian territory of the National Gas Transmission System on the Bulgaria – Romania – Hungary – Austria corridor` (BRUA Phase 1).

- Loan Agreement no. 83644RO concluded on 27.10.2017 for the amount of EUR 50 million, fixed interest rate, maturity of 15 years, grace period of 3 years at principal repayment.
- Loan Agreement no.88825RO concluded on 14.12.2017 for the amount of EUR 50 million, with disbursements in lei or EUR (at the choice of the company), with fixed or variable interest (at the choice of the company), maturity of 15 years, the grace period of 3 years of repayment of the principal.

The company signed with the EIB the following loans for the financing of the project `Development on the Romanian territory of the Southern Transmission Corridor for taking over Black Sea gas` (Black Sea - Podişor):

- the Loan Agreement no.89417RO dated 17.12.2018 for the amount of EUR 50 million, maturity of 15 years, grace period of 3 years at principal repayment.
- the Loan Agreement no. 90512RO dated 24 January 2019 for the amount of EUR 100 million, maturity of 15 years, grace period of 3 years at principal repayment.

On 24 January 2019, the Company signed a loan agreement with the European Investment Bank for an amount of EUR 38 million, maturity of 15 years, grace period of 3 years for the repayment of the principal, for the purpose of financing the project "Construction of the pipeline interconnecting the national natural gas transmission system of the Republic of Moldova with the natural gas transmission system of the European Union, through Romania, in the direction Ungheni - Chisinau".

The financial commitments undertaken by the loan agreements requires the company to comply with the negotiated limits of the following financial indicators: the ratio of the total net debts to the Borrower's RAB, the net leverage ratio and the Interest coverage rate.

The Borrower's own RAB means the Borrower's undepreciated regulated asset base, as recognized by the National Energy Regulatory Authority (ANRE).

Below we present the accepted limits of the indicators and the calculation formula, noting that for the reporting periods ended 30 June 2025 and 31 December 2024 reporting periods all indicators have been met:

Indicator name	Calculation formula	Commitment
Ratio of total net debt to RAB	Total net debt/RAB	Max. 0.70x
Net debt ratio	Total net debt/EBITDA	Max. 5.00x
Interest coverage ratio	Cash flow from operating/financing charges	Min. 3.00x

In 2017 the company received the first tranche of Loan Agreement number 83644RO of EUR 15 million issued by EIB on 30 November 2017, in 28 February 2018 the second tranche of the loan amounting to EUR 15 million and on 30 April 2018, the third tranche of the loan amounting to EUR 20 million was received.

The maturity of the loan 83644RO from the EIB is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	20,310,800	19,896,400
Between 1 and 5 years	81,243,200	79,585,600
Over 5 years	57,885,780	66,652,940
	159,439,780	**166,134,940**

In 2019 the company received under Loan Agreement no. 88825RO two tranches totalling EUR 50 million.

The maturity of the loan 88825RO from the EIB is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	20,247,030	19,833,930
Between 1 and 5 years	80,988,119	79,335,724
Over 5 years	81,785,247	90,033,553
	183,020,396	**189,203,207**

In July 2023 the company received under Loan Agreement no. 89417RO the first tranche of EUR 25 million and in June 2024 the final tranche of EUR 25 million.

The maturity of the loan 89417RO from the EIB is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	-	-
Between 1 and 5 years	75,129,234	63,445,153
Over 5 years	178,755,766	185,259,847
	253,885,000	**248,705,000**

In July 2023 the company received under Loan Agreement no. 90512 RO the first tranche of EUR 25 million and in June 2024 the final tranche of EUR 75 million.

The maturity of the loan 90512 RO from the EIB is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	-	-
Between 1 and 5 years	142,486,479	119,276,887
Over 5 years	365,283,521	378,133,113
	507,770,000	**497,410,000**

At 24 April 2020, the Company received the first tranche of EUR 22 million from the EIB loan No 90703RO and on 22 January 2021, the second tranche of EUR 16 million.

The EBRD 90703RO loan maturity is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	16,076,816	15,752,300
Between 1 and 5 years	64,307,264	63,009,201
Over 5 years	83,234,427	89,393,918
	163,618,507	**168,155,419**

The European Bank for Reconstruction and Development (EBRD)

At 23 February 2018 Transgaz signed with EBRD a contract amounting to lei 278 million, the equivalent of EUR 60 million, for the financing of the BRUA Project.
The loan was fully disbursed by two equal disbursements: on 29 April 2020 and on 29 May 2020.
The EBRD loan maturity is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	22,235,040	22,235,040
Between 1 and 5 years	88,940,160	88,940,160
Over 5 years	66,705,120	77,822,640
	177,880,320	**188,997,840**

The carrying amount of loans approximates their fair value as they bear a variable interest rate.

The Romanian Commercial Bank (BCR)

The company signed on 24.04.2019 the contract no. 20190409029 with the Romanian Commercial Bank for committing the financing in the amount of 186 million lei, the equivalent of 40 million EUR, with drawing and repayment in lei, maturity 15 years, grace period for principal repayment of 3 years, variable interest for the financing of the project Development on the Romanian territory of the National Gas Transmission System on the Bulgaria – Romania – Hungary – Austria corridor` (BRUA Phase 1).

The BCR loan no. 20190409029 is fully disbursed and its maturity is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	14,880,000	14,880,000
Between 1 and 5 years	59,520,000	59,520,000
Over 5 years	44,640,000	52,080,000
	119,040,000	**126,480,000**

On 29.10.2020, the Company signed contract no.20201028056 with Banca Comercială Română contemplating the Company's benefiting from a lei 360 million loan for a period of 13 years, destined to refinance two major projects carried out by Transgaz: "National Transmission System Developments in the North Eastern part of Romania (Oneşti - Gherăeşti - Leţcani)"and "The interconnection of the National Transmission System with the international gas transmission pipeline T1 and reverse flow at Isaccea Phase II (Oneşti - Siliştea)".

BCR loan no. 20201028056 is fully collected and its maturity is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	28,800,000	28,800,000
Between 1 and 5 years	115,200,000	115,200,000
Over 5 years	100,800,000	115,200,000
	244,800,000	**259,200,000**

On 17.08.2021, the Company signed contract no. 20210817030 with Banca Comercială Română contemplating the Company's benefiting from a lei 100 million loan for a period of 12 years, destined to refinance the project "National Transmission System Developments in the North Eastern part of Romania (Oneşti - Gherăeşti - Leţcani)".

BCR loan no. 20210817030 is fully collected and its maturity is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	8,333,334	8,333,334
Between 1 and 5 years	33,333,336	33,333,336
Over 5 years	29,166,661	33,333,328
	70,833,331	**74,999,998**

On 24.11.2021, the Company signed contract no. 20211124044 with Banca Comercială Română contemplating the Company's benefiting from a lei 220 million loan for a period of 12 years,

destined to refinance the project: "National Transmission System Developments in the North Eastern part of Romania (Oneşti - Gherăeşti - Leţcani)".

BCR loan no. 20211124044 is fully collected and its maturity is presented below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	18,333,333	18,333,333
Between 1 and 5 years	73,333,333	73,333,333
Over 5 years	64,166,667	73,333,334
	155,833,333	**165,000,000**

Transilvania Bank (BT)

On 15 July 2020, as a result of a competitive negotiation procedure, the company signed a contract with Transilvania Bank allowing the company to benefit from a credit facility amounting to lei 300 million, for 2 years, to cover the necessary working capital and partly to issuing letters of guarantee. By Addendum No. 1/20.12.2021, Addendum No. 4/22.03.2023 and Addendum No. 5/14.06.2024 the parties agreed successive extensions of the final maturity date of the loan agreement until 13.06.2026.

Under the Addendum No. 6, signed on 27 November 2024, the cash limit of the facility was increased by LEI 153,000,000, to a new value of LEI 453,000,000.

As at 30 June 2025, out of the total credit line, the amount of LEI 254,645,730 (2024: LEI 280,668,392) was used to finance current operations, and the amount of LEI 44,978,094 (2024: 12,250,000 lei) to cover three bank guarantee letters issued for third parties.

RAIFFEISEN BANK

The company signed on 14 July 2022, following a competitive negotiation procedure, an agreement with Raiffeisen Bank under which it benefits from a credit facility of 300 million lei for a period of 2 years, intended to finance working capital for the commercial balancing activity. By Addendum No. 1/11.07.2024, the loan term was extended by 24 months as of the execution date.

As at 30 June 2025 the credit facility is drawn down to the level of 269,068,077 lei (2024: lei 269,312,430). The obligation is presented under long-term.

BRD GROUPE SOCIETE GENERALE

The company signed on 2 August 2023, following a competitive negotiation procedure, an agreement with BRD Groupe Societe Generale, whereby it benefits from a credit facility of 200 million lei for a period of 2 years, intended to finance working capital for the commercial balancing activity.

As at 30 June 2025 the credit facility is drawn down to the maximum level of 198,950,000 (2024: 198,800,000) lei. The obligation is presented under short-term loans.

SYNDICATED LOAN

On 31.07.2024, the company signed a syndicated loan agreement for a total amount of lei 1,928,850,000 to ensure the financing of investment projects included in the National Natural Gas Transmission System Development Plan. The banks participating in the transaction are Banca Transilvania, Banca Comercială Română, Raiffeisen Bank, UniCredit Bank and CEC Bank.

At the reporting date the amount drawn from this loan is lei 920,000,000.

The maturity of the amount drawn from the BCR syndicated loan is shown below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	-	-
Between 1 and 5 years	76,314,903	66,775,540
Over 5 years	162,169,168	171,708,531
	238,484,071	**238,484,071**

The maturity of the amount drawn from the BT syndicated loan is shown below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	-	-
Between 1 and 5 years	76,314,903	66,775,540
Over 5 years	162,169,168	171,708,531
	238,484,071	**238,484,071**

The maturity of the drawn amount of the syndicated CEC loan is shown below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	-	-
Between 1 and 5 years	27,473,365	24,039,194
Over 5 years	58,380,900	61,815,071
	85,854,265	**85,854,265**

The maturity of the drawn amount of the syndicated Raiffeisen Bank loan is shown below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	-	-
Between 1 and 5 years	76,314,903	66,775,540
Over 5 years	162,169,168	171,708,531
	238,484,071	**238,484,071**

The maturity of the drawn amount of the Unicredit syndicated loan is shown below:

	30 June 2025 (unaudited)	31 December 2024
Within 1 year	-	-
Between 1 and 5 years	37,981,927	33,234,186
Over 5 years	80,711,595	85,459,336
	118,693,522	**118,693,522**

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	30 June 2025 (unaudited)		31 December 2024		1 January 2024	
	Accounting value	Fair value	Accounting value	Fair value	Accounting value	Fair value
Variable interest rate loans	3,519,344,694	3,519,344,693	3,586,932,286	3,586,934,511	2,295,529,071	2,295,529,071
Fixed interest rate loans	159,439,780	147,702,053	166,134,940	147,813,795	186,050,040	158,294,282
Total	3,678,784,474	3,667,046,746	3,753,067,226	3,734,748,306	2,481,579,111	2,453,823,353

The fair value of fixed-rate borrowings was determined based on discounted cash flow analyses, using observable market interest rates for similar instruments with similar credit risk and maturities. As such, the fair value measurement is classified within **Level 2** of the fair value hierarchy under IFRS 13 *Fair Value Measurement*.

There were no transfers between levels of the fair value hierarchy during the period.

	Long-term loans	Working capital	Leasing debt	Total
Balance as at 01.01.2024	1,741,279,652	749,057,802	146,564,072	2,636,901,526
Net cash flows	1,269,578,990	2,174,192	(13,182,770)	1,258,570,413
Exchange rate differences	(177,974)	-	-	(177,974)
New leasing contracts	-	-	133,518,506	133,518,506
Leasing adjustments	-	-	-	-
Interest expense	81,216,571	1,056,158	717,128	82,989,857
Capitalized interest	30,176,746	29,484,565	-	59,661,311
Paid interest	(106,556,067)	(31,949,674)	7,581,380	(130,924,362)
Balance as at 31 December 2024	3,014,952,203	749,823,044	244,872,796	4,009,648,043
Balance as at 01.01.2025	3,014,952,203	749,823,044	244,872,796	4,009,648,043
Net cash flows	(63,922,931)	(26,117,015)	(19,281,406)	(109,321,352)
Exchange rate differences	25,973,438	-	-	25,973,438
New leasing contracts	-	-	2,423,153	2,423,153
Leasing adjustments	-	-	(76,497,845)	(76,497,845)
Interest expense	33,155,408	340,684	15,699,303	49,195,395
Capitalized interest	47,097,749	14,345,599	1.006	61,444,354
Paid interest	(64,353,401)	(14,529,506)	(31,907,815)	(110,816,059)
Balance as at 30 June 2025 (unaudited)	2,992,902,466	723,862,806	135,309,193	3,852,074,465

17. DEFERRED REVENUE

Based on the connection contracts, the necessary infrastructure is built to ensure the estimated transmission capacity to be used over the duration of the concession agreement.

Connections	30 June 2025 (unaudited)	31 December 2024
Initial balance	136,266,747	135,223,335
Increases	-	15,332,544
Revenue from connection fees (Note 22)	(7,225,437)	(14,289,132)
Final balance	**129,041,310**	**136,266,747**

Non-reimbursable funding	30 June 2025 (unaudited)	31 December 2024
Initial balance	1,025,577,142	741,382,632
Increases	-	369,637,301
Income from non-reimbursable funds -grants (Note 22)	(42,708,662)	(85,442,791)
Final balance	**982,868,479**	**1,025,577,142**

Assets received free of charge	30 June 2025 (unaudited)	31 December 2024
Initial balance	83,032,221	87,293,377
Increases	135,481	1,222,046
Income from goods taken over free of charge (Note 22)	(2,737,998)	(5,483,202)
Final balance	**80,429,704**	**83,032,221**

The balance of the deferred revenue consists of:

	30 June 2025 (unaudited)	31 December 2024
Connections	129,041,310	136,266,747
Assets received free of charge	80,429,704	83,032,221
Grants	982,868,479	1,025,577,142
	1,192,339,493	**1,244,876,110**

The connections and other assets taken over free of charge from third parties (MRSs, pipelines) do not result from investments made by TRANSGAZ and are classified as Transgaz' own assets.

The company obtained from the European Union through the Innovation and Networks Executive Agency (INEA), for the BRUA project, a grant amounting to 1,519,342 Euro, representing 50% of the estimated eligible expenses, awarded to finance the design for the three compressor stations of the project (Podişor, Bibeşti and Jupa) and a grant amounting to 159,449,379 Euro, representing 40% of the estimated eligible expenses, awarded to finance the implementation works of the BRUA Phase I project.

The following amounts were received as pre-financing for the financing of the implementation works of the BRUA Phase I project: EUR 25,834,489.60 (in 2016), EUR 13,839,087.37 (in 2018), EUR 29,192,463.92 (in 2019), EUR 37,740,347 (in 2020) and EUR 20,953,114.91 in 2021. On 19 July 2022 the amount of EUR 21,129,634.05 was received from INEA.

The following amounts were received as pre-financing to finance the implementation of the BRUA Phase I project: EUR 25,834,489.60 (in 2016) and EUR 13,839,087.37 (in 2018) and EUR 29,192,463.92 (in 2019), EUR 37,740,347 (in 2020) and EUR 20,953,114.91 in 2021. On 19 July 2022 the amount of EUR 21,129,634.05 was received from INEA.

For the financing of the works for the implementation of the project NTS developments in North-East Romania for enhancing gas supply to the area and for ensuring transmission capacities to the Republic of Moldova, the amount of lei 203,657,168 was collected as eligible expenses grant funding.

On 18.06.2020 the company signed Grant Agreement no. HCOP/685/3/8/132556 on the implementation of the project „TransGasFormation" Code 132556 for the amount of LEI 701,259.60 with the Ministry of European Funds, as Management Authority for the Human Capital Operational Programme.

In 2024, the company concluded three grant agreements for the projects: Black Sea - Podişor natural gas transmission pipeline, for which it received pre-financing in February amounting to lei 243,216,983.06 and Ghercești-Jitaru natural gas transmission pipeline (including power supply, cathodic protection and fiber optics) and the gas pipeline to supply the Mintia Power Plant (including other industrial and household consumers). The contracts were concluded based on EC Decision No C(2023) 3643 of 30.05.2023, by which the projects were allocated grants under the Modernization Fund in total amount of EUR 93,582,770:

- Black Sea - Podişor natural gas transmission pipeline: EUR 85,544,422;
- Ghercești-Jitaru natural gas transmission pipeline (including power supply, cathodic protection and optical fiber): EUR 8,038,348.
- Natural gas transmission pipeline to supply the Mintia Power Plant (including other industrial and household customers): EUR 6.826.947

As at 27 September 2024, the Company concluded with the Ministry of Energy the financing contract for "Increasing the transmission capacity of the NTS and the security of natural gas supply of the Işalnița Electrocentrale branch (Dolj County) and the Turceni Electrocentrale branch (Gorj County)". The financing is provided from the Modernization Fund and amounts to approximately EUR 8.5 million.

On 04.09.2024 the Government Decision no.1102/04.09.2024 (published in the Official Gazette no. 904/06.09.2024) approved the financing from the Environment Fund of three natural gas transmission projects worth 500,000,000 lei, for which Transgaz has concluded financing contacts in 2024, namely:

- Gas transmission pipeline Prunişor - Orşova - Băile Herculane-Jupa (including electricity supply, cathodic protection and fiber optics): lei 229,108,514.31 lei;
- Gas transmission pipeline Tetila - Horezu - Râmnicu Vâlcea (including power supply, cathodic protection and fiber optics) lei 101,713,128.45;
- Gas transmission pipeline DN 600 Mihai Bravu - Siliştea and transformation into a piggable pipeline lei 169,178,357.24.

18. INCOME TAX

Income tax expense

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited, restated)*
Expense with the income tax - current	93,814,296	45,527,656
Deferred tax - impact of temporary differences	(6,887,076)	(6,395,804)
Income tax expense	86,927,220	39,131,852

In Half 1 2025 and Half 1 2024 the Company calculated the income tax at the rate of 16% applied to the profit determined in accordance with the Romanian laws.

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited,restated)
Income before tax	533,649,556	221,910,490
Income/loss (ETG-VMTG)	72,246,177	1,079,400
Theoretical expense with the tax the statutory rate of 16% (2021: 16%)	89,836,553	21,242,415
Non-deductibleexpenses/non taxeable income, net	(2,909,333)	17,889,437
Income tax expense	86,927,220	39,131,852

Depreciation of tangible assets hyperinflation adjustments is a deductible expense with the adoption of EU IFRS as framework of statutory reporting.

At Eurotransgaz the current expenses regarding income tax is calculated based on the taxable income in the statutory financial statements. For tax purposes, the deductibility of certain expenses, such as protocol expenses, is limited to a certain percentage of the profit specified in the tax legislation. On 30 June 2025 the standard rate of income tax was set at 12% (31 December 2024: 12%).

Deferred tax

Deferred tax payment and recoverable tax are valued at the actual tax rate of 16% on 30 June 2025 (31 December 2024: 16%). Deferred tax payment and recoverable tax, as well as expenses with/(revenue from) deferred tax recognized in the statement of comprehensive income are attributable to the following items:

	30 June 2025 (unaudited)	Movement	31 December 2024	Movement	30 June 2024 (unaudited, restated)*	Movement	01 January 2024 (restated)*
Deferred tax payment							
Tangible and intangible assets	45,497,285	(2,848,391)	48,345,676	(4,813,430)	53,159,105	(2,132,086)	55,291,191
Recoverable deferred tax							
Provision for Employee benefits	(27,620,423)	(5,122,331)	(22,498,092)	2,438,952	(24,937,042)	(3,945,427)	(20,991,615)
Other provisions	(4,780,055)	6,514,110	(11,294,165)	(142,872)	(11,151,292)	3,857,827	(15,009,119)
Receivables and other assets	(101,095,387)	(5,430,464)	(95,664,923)	17,532,824	(113,197,749)	(4,176,118)	(109,021,631)
	(87,998,580)	**(6,887,076)**	**(81,111,504)**	**15,015,474**	**(96,126,978)**	**(6,395,804)**	**(89,731,174)**

Deferred revenue tax liability related to tangible and intangible assets is determined by the fact that: a) the fiscal value of intangible assets does not include inflation update; and b) the nature of public domain property does not represent depreciable assets from a tax perspective, regardless of how they are reflected in the accounts. Temporary differences for receivables and other assets arise from impairment adjustments for bad debts.

The amounts presented in the statement of the financial position include the following:

	30 June 2025 (unaudited)	31 December 2024
Deferred tax liabilities/(receivables) in more than 12 months as reported	(87,998,580)	(81,111,504)

19. TRADE PAYABLES AND OTHER PAYABLES

19.1 Short term payables

19.1.a Trade payables

	30 June 2025 (unaudited)	31 December 2024
Trade payables	205.706.513	302.569.512
Suppliers of non-current assets	121.215.079	205.515.532
	326.921.592	**508.085.044**

19.1.b Other payables

	30 June 2025 (unaudited)	31 December 2024
Dividends payable	204,185,824	949,359
Payables related to royalties	50,118,425	78,505,674
Other taxes	33,785,935	33,266,523
Amounts payable to employees	21,611,048	22,408,093
Non-exemptible VAT	(2,287,902)	3,020,830
Transmission service guarantees	126,010,279	109,569,064
Tender guarantees	99,393,515	105,731,396
Other debts	45,430,332	36,470,434
	578,247,456	**389,921,373**

19.1.c Contract liabilities

	30 June 2025 (unaudited)	31 December 2024
Clients advances	1,023,795	565,930
Transmission service advances	41,342,442	97,400,045
	42,366,237	**97,965,975**

At 30 June 2025, of the total trade payables and other debts the amount of lei 73,494,258 (31 December 2024: lei 68,523,705) is expressed in foreign currency, especially in EUR.

19.2 Lease liability

	30 June 2025 (unaudited)	31 December 2024
Initial balance	162,473,747	177,330,399
Inflows	(383,419)	21,484,161
Interest expense	6,902,911	15,308,827
Leasing payments	(17,565,945)	(51,097,840)
Final balance, of which:	151,427,294	163,025,547
Long-term debts	106,306,927	125,610,112
Short-term debts	45,120,367	37,415,435

As at 04.09.2023, the lease contract for natural gas transmission networks no. 70-SJ of 04.09.2023 concluded between SRL Moldovatransgaz and SRL Vestmoldtransgaz was signed. This contract entered into force on 19.09.2023. The lease contract was concluded for a period of 5 years. The amount of the annual rent is lei 42.6 mil. / 165 mln. MDL, VAT excluded. The lease contract was recognized as a right-of-use asset and a corresponding liability on the date the asset was leased and became available for use by Vestmoldtransgaz.

20. PROVISIONS

	30 June 2025 (unaudited)	31 December 2024
Current provision		
Provision for litigation	3,973,985	3,973,985
Provision for BoA remuneration	-	3,416,984
Provision for employee participation in profits	12,538,845	22,648,080
Other provision	7,320,015	9,611,800
	23,832,845	39,650,849

Employees` participation in the profit is calculated within the limit of 10% of the net profit, but not more than a monthly average salary achieved in the relevant financial year according to the provisions of GO 64/2001 and the Collective Labour Agreement.

Following the conclusion of the arbitration proceedings which had as dispute the restitution of the quantity of natural gas from the Transit 1 pipeline, the arbitral tribunal admitted Bulgargaz EAD's action, and a provision for litigation in the amount of Lei 1,673,984, the equivalent in Lei for legal interest and incidental expenses was established. The arbitral tribunal's decision was appealed, and the action for annulment was registered with the Bucharest Court of Appeal.

The company also made provisions for the dispute with Blue Star SRL for the MRS Timisoara I - Timisoara pipeline in the amount of Lei 2,300,000.

The Company records provisions for untaken leave at the end of the financial year.

The Company has recorded provisions for untaken leave in the amount of lei 3,216,487 relating to the period ended 30 June 2025.

21. PROVISION FOR EMPLOYEE BENEFITS

Employee benefits

The present value of the provision was determined based on the Projected Unit Credit Method. Retirement benefits received by an employee were first raised by the contributions of the employer and then every benefit was updated taking into account the rotation of employees, layoffs and the probability of survival until retirement. The number of years until retirement was calculated as the difference between retirement age and age at time of reporting. The expected average of the remaining work period was calculated based on the number of years until retirement, also taking into account the rate of layoffs, employee rotation rate and the probability of survival.

Assumptions 2024 and 2025

The amount of the provision has been calculated individually for each distinct employee/beneficiary of the company using the actuarial calculation method and taking into account International Accounting Standards, in particular the IAS 19. The provision is calculated taking into account the long-term liabilities undertaken by the company under the collective labour contract. The calculation assumptions and specifications for the calculation model were established based on the company's previous experience and a set of assumptions about the company's future experience. The most important actuarial assumptions used are as follows:

- for the benefit consisting of basic salaries paid at retirement, this benefit is paid for company employees who reach retirement;
- Employee rotation considers seniority and staff rotation within the company;
- the mortality of the entity's employees is calculated according to the data provided by the National Institute of Statistics for the years 2014-2023;
- The employee turnover rate is calculated as a function of departures from the company and a probability has been assigned to each age group and gender;
- Employee turnover was calculated for each age and gender group for both female and male gender;
- The method used is the projected credit factor method, with values allocated to each employee and discounted to 12/31/2024, and respectively to 30 June 2025;
- The plan is unfunded by the entity and the employees;
- The age of retirement was considered as 65 years for men and 63 years for women, but the percentage of early retirement at certain ages was also taken into account.
- The plan is unfunded by the entity and the employees.
- For the death compensation for retired former employees of S.N.T.G.N. TRANSGAZ SA in the first year after retirement, the mortality at the age of 66 for men and 64 for women was used by simplification;
- Data provided by the beneficiary for the years 2018 - 2025 were analysed

Financial assumptions

The discount rate is the interest rate curve in lei without adjustments of variations provided by EIOPA for the month of December 2024 and respectively fo June 2025. For the calculation for the year 2024, according to the National Institute of Statistics, the long-term wage growth rate is considered equal to the forecast inflation rate for lei and is 2.5%, while the short-term wage growth rate is considered equal to the forecast inflation rate for lei and is 3.88% in the first year and 3.33% in the second year for both men and women.

For the calculation for 30 June 2025, according to the National Institute of Statistics, the long-term salary growth rate is considered equal to the forecasted inflation rate for lei and is 2.5%, and in the short term it is considered equal to the forecasted inflation rate for lei and is 4.93% in the first year and 4.4% in the second year and 2.93% in the thord year for both genders.

Movement in the provision for employee benefits

1 January 2024 (restated)*	153,649,801
of which:	
Short-term	16,496,896
Long-term	137,152,905
Interest cost	9,056,425
Current service cost	9,347,924
Payments from provisions during the year	(18,264,751)
Actuarial gain/loss related to the period	7,505,716
31 December 2024	161,295,114
of which:	
Short-term	17,034,346
Long-term	144,260,768
Interest cost	11,155,645
Current service cost	8,823,923
Payments from provisions during the year	(6,905,273)
Actuarial gain/loss related to the period	(1,815,950)
30 June 2025 (unaudited)	172,553,459
of which:	
Short-term	23,076,951
Long-term	149,476,508

22. REVENUE

22.1 Revenue from contracts with customers

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
Revenues from domestic transmission activity - Romania	1,343,574,613	942,106,613
Revenues from the transmission activity- Republic of Moldova	147,111,296	77,237,668
Balancing revenues	233,935,410	114,784,449
Revenue from connection fees	7,225,437	7,071,868
Revenue from construction activities according to IFRIC12	451,111,690	675,817,268
Operating revenue according to IFRS 15	**2,182,958,446**	**1,817,017,866**

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
	1,193,696,608	828,891,333
Capacity booking component	149,878,005	113,215,280
Commodity component	**1,343,574,613**	**942,106,613**

22.2 Other income

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
Income from penalties applied to clients for delay payments	11,032,634	12,378,151
Income from leases	732,048	718,103
Income from recovered materials	6,904,188	1,265,508
Income from the sale of residual materials	180,984	882,598
Income from grants and goods taken free of charge	45,446,660	45,485,989
Bargain purchase gain (Petrostar purchase)	2,668,524	-
Gain from remeasurement of previously held interest (Petrostar purchase)	413,609	-
Other operating income	8,187,509	7,702,639
	75,566,156	**68,432,988**

As at 30 June 2025 and 30 June 2024 there is no intra-group income to be eliminated.

23. OTHER OPERATING EXPENSES

23.1 Other operating expenses - for the provision of the transmission service

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited,restated)
Utilities	13.361.751	7.947.601
Insurance premium	959.638	827.843
Maintenance costs	28.735	27.299
Security and protection expenses	19.057.397	15.840.750
Professional training	115.897	593.951
Telecommunications	1.413.064	1.319.942
Bank charges and other fees	174.883	996.665
Rents	3.070.432	3.332.045
Loss on amounts receivable	40.538	782.778
Loss/(gain) from impairment of inventories	10.529.143	5.215.957
Marketing and protocol costs	286.934	354.704
Penalties and fines	53.953	761.562
Gas storage capacity booking	1.993.495	5.137.793
Sponsorship expenses	1.287.200	1.807.000
Computer service	5.979.974	5.318.195
Other expenses	21.829.292	13.541.483
	80.182.326	**63.805.568**

23.2 Balancing activity expenses

According to the applicable European and national provisions, the Company ensures the balancing activity for the National Transmission System ("NTS"). The balancing activity is carried out by the Company based on ANRE Order no.160/2015 establishing the obligations regarding the balancing of the national transmission system, a financially neutral activity, any profit or loss from this activity being distributed to the clients for which domestic transmission services are provided.

	30 June 2025 (unaudited)	30 June 2024 (unaudited)
Expenses on balancing gas	216,378,553	96,645,779
Expenses on balancing financing line	14,345,599	15,037,695
Expenses on balancing gas storage	3,211,258	3,100,975
	233,935,410	**114,784,449**

24. EMPLOYEE COSTS

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
Salaries and benefits	319,155,205	278,666,188
Cost of insurance and social security	17,464,488	16,202,682
Other employee costs	6,805,073	6,726,869
	343,424,766	**301,595,739**

Average number of employees in financial year:

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
Blue collars	2,145	2,183
White collars	1,859	1,832
	4,004	4,015
Eurotransgaz S,R,L,	3	3
Vestmoldtransgaz S,R,L,	58	64
	61	67
Petrostar SA	78	-

25. NET FINANCIAL INCOME/(LOSS)

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited, restated)
Interest income from bank deposits	44,193,856	37,077,064
Income from the adjustment of the Concession	83,061,686	63,930,785
Total interest income	127,255,542	101,007,849

Other financial income

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited, restated)
Foreign exchange income	6,932,522	9,275,331
Other financial income	5,675	243
	6,938,197	**9,275,574**
Foreign exchange loss	(32,598,623)	(7,980,684)
Interest expense	(39,832,902)	(51,845,929)
	(72,431,525)	**(59,826,613)**

According to ANRE Order no. 41/2019 the value of the assets recognised in the Regulated Asset Base is adjusted to the inflation. The company recalculated the value of the Concession Agreement receivables and recognized gains amounting to lei 83,061,686 according to IFRS 9 (31 December 2024: Lei 127,698,456).

Non-current assets recognized under regulated assets within a gas year are updated with the inflation rate starting from the next gas year. The income from the adjustment of the receivable related to the Concession Agreement is a non-monetary item (Note 26).

26. CASH FROM OPERATION

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
Profit before tax	**605,895,733**	**222,989,890**
Adjustments for:		
Depreciation and amortization	272,238,338	255,990,978
Adjustments for impairment of intangible assets	-	-
Gain/(loss) on transfer of non-current assets	96,298	88,978
Other Provisions	(15,850,585)	(14,931,520)
Income from connection fees, grants and goods taken free of charge	(52,672,097)	(52,557,857)
Adjustment of the Receivable regarding the Concession Agreement	(83,061,686)	(63,930,785)
Sundry debtors and receivable loss	40,538	782,778
Impairment loss / (gain) on inventory	10,529,143	(366,069)
Adjustments for the receivables impairment	6,626,334	21,708,367
Provisions for employee benefits	1,919,211	19,793,785
Effect of restatement of the provision for employee benefits	11,155,645	6,919,559
Interest income	(44,198,113)	(37,077,064)
Interest expenses	54,178,501	51,845,929
Other expenses and income	783,369	-
Bargain purchase gain (Petrostar purchase – note 33)	(2,668,524)	-
Gain from remeasurement of non-controlling interest (petrostar purchase-note 33)	(413,609)	-
Effect of exchange rate fluctuation on other items than from operation	29,112,703	(622,307)
Operating profit before the changes in working capital	**793,711,199**	**410,634,662**
Increase/(decrease) in trade and other receivables	81,965,736	82,448,400
Increas/(decrease) in inventories	21,555,591	19,105,133
Increase/(decrease) in trade payables and other debts	(113,283,986)	58,001,659
Cash generated from operations	**783,948,540**	**570,189,854**

MATERIAL NON-CASH TRANSACTIONS

Compensations

Approximately 2.17 % of the receivables were settled by transactions that haven't involved cash outflows during the period ended 30 June 2025 (31 December 2024: 4.55%). Transactions mainly represent offsets with clients and suppliers within the operating cycle and offsets between tax debts and receivables registered with the state budget

27. TRANSACTIONS WITH RELATED PARTIES

The prices / tariffs related to the transport and balancing contracts are approved by the National Energy Regulatory Authority (ANRE), are regulated and are not established under market conditions.

Procurement is carried out in compliance with the legal regulations on public procurement.

Transactions with Vestmoldtransgaz were concluded at the market value established by the cost-plus method and represent services provided by specialized personnel for the conduct of the procurement and equipment rental procedures.

In the periods ended 30 June 2025 and 30 June 2024, the following transactions with related parties were performed and the following balances were payable/receivable from related parties at the respective dates.

i) Compensation granted to the members of the Board of Administration and of the management

	30 June 2025 (unaudited)	The year ended 31 December 2024 (unaudited)
Salary paid to the members of the Board of Administration and management	16,497,496	21,961,189
Social contribution of the company	348,097	483,944
	16,845,593	22,445,133

In the periods ended 30 June 2025 and 30 June 2024, no advance payments and loans were granted to the company's administrators and management, except for advance payments from salaries and those for business trips, and they don't owe any amount from such advance payments to the company at the end of the period .

The company has no contractual obligations related to pensions towards the current administrators and directors.

The provision for the mandate contract is presented in Note 20.

The company has no contractual obligations related to pensions towards the former administrators and directors.

ii) Revenue from related parties – services supplied (VAT excluded)

	Relationship	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
SNGN Romgaz	Entity under common control	167,760,413	134,553,112
Electrocentrale Bucureşti SA	Entity under common control	53,628,848	42,088,906

Electrocentrale Constanţa	Entity under common control	-	-
Termo Calor Confort	Entity under common control	2,193,602	1,582,267
Complex Energetic Oltenia	Entity under common control	1,140,101	1,417,439
E,ON Energie Romania	Entity under significant influence	153,452,655	114,254,079
		378,175,619	293,895,803

iii) Sales of other goods and services (VAT excluded)

	Relationship	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
SNGN Romgaz	Entity under common control	8,380	36,677
Electrocentrale Bucuresti	Entity under common control	1,524	1,644
Electrocentrale Constanţa	Entity under common control	2,191,270	2,392,605
E,ON Energie Romania	Entity under significant influence	2,771	2,965
Complex Energetic Hunedoara	Entity under common control	694,613	619,932
Complex Energetic Oltenia	Entity under common control	1,472	1,667
		2,900,030	3,055,490

iv) Gas sales – balancing activity (VAT excluded)

	Relationship	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
SNGN Romgaz	Entity under common control	3,498,081	686,067
Electrocentrale Bucureşti	Entity under common control	3,095,740	2,902,963
Electrocentrale Constanţa	Entity under common control	-	-
Termo Calor Confort	Entity under common control	1,755,643	693,866
Complex Energetic Oltenia		1,547,078	712,561
E,ON Energie Romania	Entity under significant influence	22,068,488	19,816,118
		31,965,029	24,811,575

v) Receivables from related parties (gross amounts)

	Relationship	30 June 2025 (unaudited)	31 December 2024 (unaudited)
SNGN Romgaz	Entity under common control	26,736,714	40,800,418
Comple energetic Hunedoara	Entity under common control	68,242	7,951
Electrocentrale Bucureşti	Entity under common control	3,160,856	20,361,191
Electrocentrale Constanţa	Entity under common control	-	-

Termo Calor Confort	Entity under common control	(249)	(28,200)
E,ON Energie Romania	Entity under significant influence	25,695,782	81,185,043
Complex Energetic Oltenia	Entity under common control	75,263	610,908
Eurotransgaz SRL	Company branch	-	-
		55,736,608	142,937,312

vi) Client receivables – the balancing activity (gross amounts)

	Relationship	30 June 2025 (unaudited)	31 December 2024 (unaudited)
SNGN Romgaz	Entity under common control	113,502	35,350
Electrocentrale Constanţa	Entity under common control	347,312	1,625,072
Complex Energetic Oltenia	Entity under common control	285,163	958,556
Electrocentrale Bucureşti	Entity under common control	362,208	228,842
Termo Calor Confort	Entity under common control	21,462	707
Complex Energetic Hunedoara	Entity under common control	487,449	39,548
E,ON Energie Romania	Entity under significant influence	5,724,531	4,194,725
		7,341,626	7,082,800

vii) Procurement of services from related parties (other services – VAT excluded)

	Relationship	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
SNGN Romgaz	Entity under common control	4,041,002	18,664,375
Complex Energetic Oltenia	Entity under common control	2,117	2,190
Electrocentrale Bucureşti	Entity under common control	5,093	5,201
		4,048,212	18,671,766

viii) Procurement of gas – the balancing activity (VAT excluded)

	Relationship	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
SNGN Romgaz	Entity under common control	2,709,323	3,697,742
Electrocentrale Bucureşti	Entity under common control	4,475,708	674,047
Electrocentrale Constanţa	Entity under common control	-	-

Termo Calor Confort	Entity under common control	3,392,659	704,246
Complex Energetic Oltenia	Entity under common control	611,293	186,253
E,ON Energie Romania	Entity under significant influence	43,047,433	15,680,213
		54,236,416	20,942,501

ix) Procurement of natural gas (VAT excluded)

	Relationship	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
SNGN Romgaz	Entity under common control	66,403,283	41,472,957
		66,403,283	41,472,957

x) Debts to gas suppliers – balancing activity (VAT included)

	Relationship	30 June 2025 (unaudited)	31 December 2024
SNGN Romgaz	Entity under common control	15,890,618	13,178,154
		15,890,618	13,178,154

xi) Debts to affiliated parties from services (other services - VAT included)

	Relationship	30 June 2025 (unaudited)	31 December 2024
SNGN Romgaz	Entity under common control	596,268	656,989
Complex Energetic Oltenia	Entity under common control	342	520
Electrocentrale Bucureşti	Entity under common control	612	799
		597,222	658,308

xii) Debts to suppliers – balancing activity (VAT included)

	Relationship	30 June 2025 (unaudited)	31 December 2024
SNGN Romgaz	Entity under common control	3,661,729	1,052,433
Electrocentrale Bucureşti	Entity under common control	3,328,138	3,528,452
Electrocentrale Constanţa	Entity under common control	48,213	48,213
Termo Calor Confort	Entity under common control	3,429,294	139,207

E,ON Energie Romania	Entity under significant influence	43,104,301	19,632,327
Complex Energetic Oltenia	Entity under common control	592,351	187,691
		54,164,026	24,588,324

xiii) Guarantees from affiliates (bank guarantee letter)

	Relationship	30 June 2025 (unaudited)	31 December 2024
SNGN Romgaz	Entity under common control	2,909,124	2,909,124
E,ON Energie Romania	Entity under significant influence	27,244,927	86,722,180
Electrocentrale Bucureşti	Entity under common control	6,703,153	15,999,992
		36,857,203	105,631,296

xiv) Loans and interest to be reimbursed

	Relationship	30 June 2025 (unaudited)	31 December 2024
EUROPEAN BANK FOR RECONSTRUCTION	Jointly controls entities	179,440,627	190,250,896
		179,440,627	190,250,896

xv) Transactions during the period

	Relationship	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
EUROPEAN BANK FOR RECONSTRUCTION	Jointly controls entities	6,505,383	1,464,400
		6,505,383	1,464,400

28. EARNINGS PER SHARE

The company shares are listed on the first category of the Bucharest Stock Exchange.

Basic earnings per share are calculated by dividing the profit attributable to the company's equity holders to the average number of ordinary shares existing during the year.

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
Profit attributable to the company's equity holders	518,968,513	183.858.038
Weighted average of the number of shares	188,381,504	188,381,504
Basic and diluted earnings per share (lei per share)	2.75	0.98

29. CONTINGENCIES, COMMITMENTS AND OPERATIONAL RISKS

i) Commitments

The Service Concession Agreement (S.C.A. - Note 8) provides that, at the end of the agreement, the ANRM is entitled to receive back, all goods of public property existing when the agreement was signed and all investments made into the national transmission system, in accordance with the investment program stipulated in the service concession agreement. The company also has other obligations related to the concession agreement, which are described in Note 8.

As at 30 June 2025 the value of the contractual firm obligations for the purchase of tangible and intangible assets is of lei 649,762,192 (30 June 2024: lei 1,480,860,342),and subsidiary Eurotrangaz SRL has no capital commitments.

ii) Taxation

The taxation system in Romania is in a phase of consolidation and harmonization with the European law. However, there are still various interpretations of the tax law. In Romania, the tax year remains open for fiscal verification for 5 years. The company's management believes that fiscal obligations included in these financial statements are properly presented and that it is not necessary for any additional provisions to be established to cover the uncertainties related to tax treatment.

The royalty rate for the use of gas transmission pipelines is set by the government. Since October 2007, the royalty has been set at 10% of revenue. After the entry into force of Art. 103 para. 2 of the Law no. 123/2012, starting from 12 November 2020 the fee was set at 0.4% of the domestic and international gas transmission services value performed by the company. ANRM (transformed in 2024 into ANRMPSG) requests Transgaz to calculate and pay the royalty by applying the percentage of 10% according to Law 238/2004, for the period between November 2020 – December 2021. The company considers that it is obliged to calculate and pay a single royalty at the rate of 0,4% established by the special law, namely Law 123/2012. Law 248/July 2022 approving GEO 143/2021 amending and supplementing the Electricity and gas Law 123/2012 sets the royalty percentage at 0.4% of the gross revenue from natural gas transmission and the specialist report drawn up by the specialist committees of the Chamber of Deputies clarifies that the Electricity and gas Law 123/2012 is a special regulation in the field of natural gas, in relation to Oil Law 238/2004. Administrative and judicial dispute settlement is detailed in the chapter "Court and other actions".

The tax system in Moldova is subject to different interpretations and continuous changes, which may have retroactive effect. The tax authorities' interpretation of the tax legislation on the Group's transactions may differ from that of management. As a result, the tax authorities may question certain transactions as giving rise to additional taxes, penalties or interest, which may be significant.

iii) Insurance policies

The company does not have insurance policies related to operations, complaints on products, or for the public debt. The company has insurance policies for buildings and mandatory civil liability policies for the car fleet. Moreover, the company has contracted professional liability insurance

services for the members of the Board of Administration and for 59 managers in 2025 (58 managers in 2024).

iv) Environmental aspects

Environmental regulations are under development in Romania and the company did not record any obligation on 30 June 2025 and on 31 December 2024 related to anticipated expenses that include legal and consulting fees, analysis of locations, preparing and implementing recovery measures related to environmental protection. The management of the company believes there are no significant obligations related to environmental aspects.

Transgaz, as natural gas transmission operator in Romania, plays a key role in decarbonizing the entire Romanian energy system. To this end, in December 2023, Transgaz' Climate and Decarbonization Strategy was developed in order to meet national and international (climate) policy requirements and regulations.

The Strategy is intended for Romania and will be extended to the other entities after Transgaz' first consolidated reporting exercise. This is planned to take place in the next two years, after the assessment of the first report that will establish the baseline situation for Transgaz. The strategy is also applicable for Transgaz as a whole, but the specific objectives are only for Romania. Transgaz's Climate and Decarbonization Strategy can be consulted at: https://www.transgaz.ro/ro/sustenabilitate/strategia-climatica-si-de-decarbonizare.

Transgaz has conducted an assessment of the impacts of climate change on its operations and infrastructure using climate scenarios. Transgaz does not currently have a detailed transition plan to address the impacts of climate change in 2024. However, Transgaz intends to develop such a plan within the next three years. In the absence of a transition plan, its climate and decarbonization strategy acts as a substitute, directing the company's efforts towards managing climate risks and emerging opportunities.

v) Lawsuits and other actions

During the normal activity of Transgaz, there were complaints against it. Transgaz has pending disputes for the lack of use of lands occupied with NTS objectives, commercial and labour disputes. Based on its own estimates and internal and external consulting, the Transgaz's management believes there will be no material loss exceeding the provisions established in these financial statements and is not aware of circumstances that give rise to potentially significant obligations in this regard.

As of 6 June 2016, Transgaz was subject to an inspection carried out by the European Commission - Directorate General for Competition under Art. 20 (4) of Council Regulation (EC) No 1/2003 on the implementation of the rules on competition laid down in Articles 81 and 82 of the EC Treaty, which became Articles 101 and 102 of the Treaty on the Functioning of the European Union. In 2020, the European Commission approved the Company's commitments to address concerns related to a possible breach of Article 102 of the Treaty on the Functioning of the European Union, namely:

- to provide a minimum export capacity of 1.75 billion cubic meters per year at the interconnection point between Romania and Hungary (Csanádpalota);
- to make available minimum export capacities of 3.7 billion cubic meters per year in total at two interconnection points between Romania and Bulgaria (Giurgiu / Ruse and Negru Vodă I / Kardam);
- to make sure that the tariffs to be proposed to the Romanian Energy Regulatory Authority (ANRE) will not make any difference between the export and the domestic markets, thus avoiding interconnection tariffs that render exports commercially non-feasible;
- refrain from using any other means of obstructing exports.

The company meets its commitments and, based on its own estimates, the company's management considers that there are no circumstances that would give rise to significant potential liabilities in this regard.

Following the conclusion of the arbitration proceedings with Bulgargaz EAD, the arbitral tribunal upheld Bulgargaz EAD's claim and ordered the restitution of the quantity of natural gas of 6,733,433 cm and, if restitution in kind is not possible, the reimbursement of the monetary equivalent of the linepack, and statutory interest (Note 20). The decision of the arbitral tribunal has been appealed and the action for annulment has been registered with the Bucharest Court of Appeal. The action for annulment was dismissed as unfounded. Transgaz lodged an appeal. The Court of Cassation of the Court of Justice has admitted Transgaz' appeal, the case being sent to the Bucharest Court of Appeal for retrial.

The dispute between ANRM and Transgaz was the subject of a tax inspection of the royalty which ended with the issuance of a mandatory order to pay two royalty rates, namely 10% and 0.4% of the value of domestic and international natural gas transmission services performed by the company. The company lodged a preliminary complaint against the mandatory provision no. 6006/250938/IEF/14.04.2022 issued by the Ministry of Finance, by which Transgaz S.A. was charged with the payment of the amount of 152,964,894 lei, representing the royalty due to the state budget and ancillaries. The preliminary complaint was upheld and the Ministry of Finance, by decision 82/P/2022, ordered the annulment in its entirety of binding order No 6006/250938/IEF/14.04.2022 and the issue of a new order taking into account the considerations put forward by the Ministry of Finance in the decision. Following decision no 85/P/2022 issued by the Ministry of Finance, binding order No 6009/253087/IEF of 14.12.2022 was issued, which only supplements the recitals of the first decision, maintaining the same amount payable by Transgaz. The company lodged a preliminary complaint against this new provision, which was rejected by the settlement body. An appeal was also lodged with the court, within the legal time-limit, against the administrative act consisting of mandatory order 6009/253087/IEF., seeking its full annulment. The application for the annulment of the mandatory injunction 6009 was decided on the merits by the Bucharest Court of Appeal, which rejected it. Transgaz lodged an appeal in which it invoked the illegality of Decision No. 27/P/12.09.2023 regarding the resolution of preliminary complaint No. 4538/13.01.2023, lodged by Transgaz against Mandatory Order No. 6009/253087/IEF/14.12.2022. The case is currently pending before the ICCJ. Transgaz has lodged an appeal, currently pending before the ICCJ.

The Company paid in 2024 the amount of lei 213,041,251 representing the above-mentioned oil royalty and the additional amount for the period between Quarter 4 2020 and 25 July 2022, in order to eliminate, according to the provisions of GEO no. 107/2024, the risk of payment of the amount of lei 65,452,508 representing accessories for the claim on the additional oil royalty, in case it loses

the appeal in court. The value of the oil royalty is recovered through the regulated income from natural gas transmission, through the component relating to directly incurred costs, but the value of the accessories, not being recovered through regulated income, would represent a loss for the company, which was avoided by applying the mechanism approved by GEO 107/2024. Corrective statements were also submitted for the period not covered by the tax audit, and the comparatives relating to this amount were restated.

Litigations of Vestmoldtransgaz subsidiary:

- VMTG v ANRE: partial annulment of ANRE Decision 432/2021 and ANRE Decision 447/12.10.2021 (and ANRE Decision on the Preliminary Application) with the obligation to issue new decisions in these parts regarding the inclusion of total depreciation for the Iaşi-Ungheni Interconnector, including for the unapproved period of 2014-2021, with the approval for tariff purposes of the amount of MDL 2.100.000, as well as the amendment of ANRE Board of Directors Decision No. 432 of 28.09.2021 to include the total depreciation value for the Iaşi-Ungheni Interconnector.
  The dispute is currently in the preparatory phase for examination on the merits.

- SC Totalgaz Industrie v. VMTG: collection of alleged debts and compensation for legal costs; in this case, the financial claims relate to the collection from VMTG of the sum of MDL 1,644,956.46, collection of the amount withdrawn for the execution of the Performance Bond (SGBE) of EUR 1,849,750.00 and collection of the state fee in the amount of MDL 50,000.00.
  The dispute is currently in the preparatory phase for examination on the merits.

- Moldovagaz SA/Plaintiff vs ANRE/Defendant, VMTG/third party, CET Nord/third party, Moldovatransgaz SRL/third party, Bălţi Gaz/third party: Subject matter of the dispute: challenge to the administrative act, in this case, ANRE CA Decision No. 433 of 28.09.2021 regarding the obligation of Moldovagaz SA to apply a regulated price for CET Nord SA as a non-domestic end consumer connected to the exit point of the natural gas transport network (quoted from ANRE 433/2021).
  The dispute is currently in the preparatory phase for examination on the merits.

- Chişinău Municipal Council v. Government of the Republic of Moldova (expropriator within the meaning of Law No. 105/2017), third parties: UCIPE, VMTG, ARFC, and DGAURF of Chişinău City Hall: Subject of the dispute – disagreement with the amount of compensation for the expropriated land of the Chișinău City Hall.
  The dispute is currently in the preparatory stage for examination on its merits.

- POLIMER GAZ CONDUCTE SRL – claimant, INDPRODCOM SRL MOCIRA CHIŞINĂU BRANCH and INDPRODCOM BAIA MARE SRL – defendants, VMTG – accessory intervener: Subject matter of the dispute – the claimant is seeking payment of the sum of LEI 1.051.385,47, penalties amounting to LEI 409.697,53, the application of a preventive seizure on the defendants' assets and the recovery of legal costs.
  The dispute is currently at the stage of preparation for examination on the merits.

- VMTG vs EAST GAS ENERGY TRADING S.R.L: Subject matter of the dispute – issuance of a court order based on the attached documents, with a view to collecting from the defendant EGET the debt in the amount of LEI 31.414.543,41, contractual penalties, and court costs.

The dispute is currently at the stage of filing the claim with the court (repeated, after the simplified procedure for confirming the settlement agreement was rejected).

vi) Government policies in the gas sector in Romania

ANRE is an autonomous public institution and sets tariffs for the natural gas transmission activity charged by the company. It is likely that the Agency decides the implementation of changes of the government strategies in the gas sector, determining changes in the tariffs approved for the company and, thus, having a significant impact on the company's revenue. At the same time, the Romanian government could decide to change the royalty applied to the company for using the assets part of the public domain according to SCA.

Currently, the effects cannot be determined, if they exist, of the future government policies in the gas sector in Romania on the company's asset and liability.

There are various interpretations of the legislation in force. In certain situations, ANRE may treat differently certain aspects, proceeding to the calculation of additional tariffs and of delay penalties. The company's management believes that its obligations to ANRE are properly presented in these financial statements.

ANRE Order no.126/12.2021 approved the modification of the contractual clauses for the balancing activity and access to the PVT which allows the Company to terminate access to the virtual trading point (VTP) and to terminate balancing contracts, for network users who register cumulative imbalances of the Deficit type during the month higher than the guarantees established.

As of 1 October 2023, the natural gas transmission tariffs approved by the Order of the President of ANRE no.68 of 30.05.2023 were applicable. The approved regulated revenue related to natural gas transmission for the period from 1 October 2023 to 30 September 2024 is lei 1,647,347,820.

Starting with 1 October 2024, the natural gas transmission tariffs approved by ANRE President Order no.17 of 29.05.2024 are applicable. The approved regulated revenue related to natural gas transmission in the period 1 October 2024 - 30 September 2025 is lei 2,005,006,850.

According to GEO no. 119/1 September 2022 amending and supplementing Government Emergency Ordinance no. 27/2022 on measures applicable to end customers in the electricity and natural gas market for the period from 1 April 2022 to 31 March 2023, the natural gas transmission service provider is required to capitalise on a quarterly basis the additional costs for the procurement of natural gas incurred during the period from 1 January 2022 to 31 March 2025 to cover technological consumption, compared to the costs included in the regulated tariffs, and the assets resulting from the capitalisation shall be recognised in the accounting records and financial statements in accordance with the instructions issued by the Ministry of Finance.

By Order 111/24 August 2022, ANRE stipulates, as of 1 October 2022, that the mechanism ensuring cost and revenue neutrality of the Transport Sysytem Operator (“Transgaz” or “TSO”)s take into account the following categories of costs and revenues:

a) costs and revenues of the TSO as a result of the payment or collection of imbalance charges under the provisions of the Network Code in relation to individual NUs;

b) costs and revenues arising from the purchase/sale of gas by the TSO for the physical balancing of the NTS, in compliance with the procedure on the operating limits of the NTS, approved by the TSO and endorsed by ANRE;

c) costs and revenues resulting from the activity of natural gas storage intended to ensure the physical balance of the transmission system in accordance with the provisions of Article 130(1) of the Law no. 123/2012 on electricity and natural gas, as amended;

d) costs arising from the taking out of a credit line to finance physical and commercial balancing activity;

e) costs and revenues arising from the contracting of balancing services, in accordance with the provisions of Article 832 of the Network Code and Article 6(3) b of Regulation (EU) No 312/2014.

Eurotransgaz has fulfilled all its obligations under the Contract for Sale and Purchase of the State Enterprise Vestmoldtransgaz, concluded between Eurotransgaz S.R.L. on the one hand and the Public Property Agency ("APP") and the Ministry of Economy and Infrastructure ("MEI").

vii) The military conflict in Ukraine

As of 24 February 2022 a military conflict is taking place on the territory of Ukraine. Gas flows can be redirected through the Negru Voda entry point and other interconnection points with transmission operators in Bulgaria and Hungary. The Company considers that no additional adjustments to those disclosed in the financial statements are necessary.

30. FEES OF THE STATUTORY AUDITOR

In the first half of 2025, the contractual fees for limited review services for the consolidated and separate financial statements prepared for the first half of 2025 for the Company and its subsidiaries amount to lei 99.750, and non-audit services related to statutory audit services for transactions reported in accordance with Article 225 of Law 297/2004 amount to lei 20.000, services provided by Ernst & Young Assurance Services SRL ("E&Y").

In 2024, the contractual fees for the statutory audit of the annual consolidated and individual financial statements of the Company and its subsidiaries is lei 654,000 and non-audit services related to the limited assurance of the Sustainability Report for the year ended 31 December 2024 is lei 274,150, services provided by Ernst & Young Assurance Services SRL ('E&Y').

Other non-audit services for 2024 provided by Ernst & Young Assurance Services SRL ("E&Y") amounted to lei 65,000. The non-audit services contracted by the Company are for the issuance of supplementary audit reports, statutory audit services for transactions reported pursuant to art. 225 of Law 297/2004, audit services of financing agreements and audit services of the remuneration report.

31. THE EFFECT OF VOLUNTARY CHANGES IN PRESENTATION OF STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME ITEMS AND OF ERROR CORRECTION

The company prepared and presented financial statements for the year ended 31December 2023. Comparative figures in the financial statements prepared by the company for the year ended 31 December 2024, and the comparative information from this set of interim financial statements as of and for 1 January 2024 and 30 June 2024, differ from those in the previously presented financial statements as follows:

In the separate statements of the parent company

Note 1: Adjustment of the receivable for the regulatory value remaining unamortized upon termination of the Concession Agreement

The Company reanalyzed and adjusted the long-term receivables and intangible assets recognized in connection with Concession Agreement by removing the amount related to own assets previously recognized in the regulated asset base (administrative buildings and other assets), as well as the value of the works for the connection to the National Natural Gas Transmission System financed by third parties which are not included in the regulated asset base.

These assets are not covered by the Concession Agreement and ANRM has no obligation to repurchase them at the end of the concession period, as such the concession grantor has no significant residual interest in these assets. The adjustment consisted of a reduction in long-term receivables, mirroring an increase in intangible assets, with the associated impact of inflation and discounting.
Given that the group does not have an unconditional right to receive cash or a financial asset linked to the residual value of those assets, The adjustment comprises in a reduction of the long-term receivables of RON 31 mil as of 31 December 2023 (1 Jan 2023: RON 28 mil), and a mirrored increase in the intangible assets of RON 11 mil as of 31 December 2023 (1 Jan 2023: RON 12 mil) with the associated financial impacts arising from discounting and inflation in 2023 in profit and loss of RON 4 mil and retained earnings of RON 16 mill.

Note 2: Recording of additional oil royalty

During 2020 a tax inspection carried out by the National Agency for Fiscal Administration (ANAF) ended with tax inspection report 210/25.10.2020. Mandatory Ruling 6006/250938/IEF/2022 resulted in additional royalties (oil royalty) amounting to 143,279,599 lei for the period October 2020-December 2021 (note 30.v) court actions, dispute with ANRM)

The Company's management re-examined the available information related to the ongoing litigation and decided to pay to ANAF the amount of Lei 213,041,251 representing Lei 143,279,599 for the above mentioned Mandatory Provision 6006 and Lei 69,761,652 representing additional royalty for the period January 2022 - July 2022 not covered by the tax audit, in which the applicable legislation was identical to that the Company had the same obligations as in the controlled period. Also, amended tax returns were filed in 2024 in respect of the period January 2022 - July 2022 to avoid additional exposure.

Note 3: Adjustment of the calculation of the deferred tax related to property, plant and equipment and intangible assets, taking into account the adjustment for the depreciation of concessions IFRIC12

Transgaz updated and reviewed the calculation of tax base deferred tax onfor items property, plant and equipment and intangible assets for the years 2023 and 2022. In doing so, it concluded that the tax basis did not take compared to the previous period taking into account the adjustment for

the depreciation of concessions IFRIC12, thus resulting to an erroneous calculation of the temporary differences. Correcting this error resulted to an increase/decrease in Deferred tax asset of RON 84,386,841 for 2022 and RON 63,946,626 for 2023 and RON 9,338,282 for the six months period ended 30 June 2024.

Note 4: Adjustment of the provision for employee benefits

The Company runs a voluntary employment termination program and in the previous periods established a provision only within the amount provided for in the revenue and expense budget approved by the GMS. The calculation of the provision for voluntary employment termination calculated by the actuary as part of the provision for employee benefits differs from the amount of the provision recorded by the Company for past periods, because it considers the assumptions underlying the actuarial calculation (Note 21). Management adjusted the comparatives to reflect the actuarial calculation.

Note 5: Adjustment of balancing gas inventory differences

The Company analyzed the inventory differences identified in the past and concluded that certain adjustments need to be made. Accordingly, a derecognition adjustment was recorded in comparatives, as well as a provision value adjustment for the negative difference between the initial imbalance invoiced natural gas quantities and the final monthly imbalances to reflect the change in gas prices at the end of 2023.

In the consolidated financial statements of the subsidiary Eurotransgaz Ltd.

Note 6: Adjustment of the value of non-controlling interests

The Group recalculated the amount of non-controlling interests for prior periods, which resulted in the correction of the corresponding amounts for the period between 1 January 2024 and 30 June 2024.

Note 7: Adjustment of the provision for slow-moving inventories

Upon review of inventories, management concluded that the provision for slow-moving, physically or morally worn inventory was not determined in accordance with existing policies and, as such, the value of inventories was overstated in the prior year. The inventory balance as at 1 January 2024 has been corrected to reflect the additional provision required.

Note 8: Adjustment of the incorrect tax base used to determine deferred tax

The Group incorrectly determined the useful life of tangible assets for tax purposes. This therefore influenced the calculation of depreciation for tax purposes and also resulted in the incorrect determination of tax losses. Management recalculated the depreciation of tangible assets for tax purposes and corrected the amount of tax losses. Accordingly, deferred tax was recalculated resulting in an adjustment as at 1 January 2024 and 30 June 2024.

Note 9: Adjustment of the presentation of contractual liabilities in the balance sheet

The Group did not present the contractual liabilities existing at 31 December 2023 and 1 January

2023 separately in the face of the balance sheet, but as part of trade payables. A correction has been made to reflect them separately in the balance sheet.

Note 10: Impairment of capitalized interest on the EIB loan

The Group reflected the impairment of capitalized interest on the EIB loan in the value of the Ungheni-Chișinău gas pipeline and recalculated the net value of fixed assets as at 1 January 2024 and 30 June 2024.

Note 11: Separate presentation of liabilities by nature

The Group presented separately the Provision for employee benefits, Liabilities to the budget, and Other liabilities as at 1 January 2024 and 30 June 2024. Previously, these were included in Liabilities to employees and Liabilities related to short-term leasing operations.

Note 11: Lease liabilities

As at 1 January 2024, the Group incorrectly reported the amount of short-term lease liabilities. A correction was made to reflect the correct balance as at 1 January 2024.

Note 12: Presentation of financial revenues and expenses The Group recorded eliminations of revenues related to translation differences on the line of expenses related to translation differences and vice versa, distorting the turnover of the two accounts. In 2024, the comparative figures were restated to accurately reflect the revenues and expenses related to translation differences.

Note 13: Presentation of other operating revenue and operating expenses related to provisions for receivables

The Group presented separately in other operating revenues the reversal of adjustments made for receivables prior to the statement as at June 30, 2024, and in operating expenses related to provisions for receivables created in the statement as at June 30, 2024.

The effect of the restatement on the statement of financial position:

	Note	1 January 2024 (before restatement)	Restatement effect	01 January 2024 (restated)
Intangible assets	1	3,643,272,446	10,934,566	3,654,207,012
Other receivables	1	2,423,669,228	(31,143,967)	2,392,525,261
Trade and other payables	2	708,874,765	213,041,251	921,916,016
Deferred tax – liability	3. 8	-	-	-
Deferred tax – receivable	3. 8	5,116,271	84,615,422	89,731,693
Provision for employee benefits	4	114,807,183	22,345,722	137,152,905
Other provisions	4	84,246,083	(7,698,800)	76,547,283
Inventories	5. 7	583,515,292	(859,396)	582,655,896
Retained earnings		253,557,168	(167,624,831)	85,932,337
Non-controlling interests	6	97,130,535	3,197,776	100,328,311

The effect of restatement on the statement of comprehensive income:

	Note	Period ended 30 June 2024 (before restatement)	Effect of accounting errors correction	Period ended 30 June 2024 (restated)
Income tax expense	18	(46,640,851)	(7,508,999)	(39,131,852)
Net profit for the period	4	176,349,039	(7,508,999)	183,858,038
Total comprehensive income for the period		180,832,813	(7,508,999)	188,341,812

Changes in the presentation of elements in the financial statements

The Company changed the presentation of elements in the statement of financial position and the statement of comprehensive income to provide more relevant and reliable information to the users of the financial statements.

The line item in the Statement of Financial Position, Trade and other receivables, was presented in detail in the following lines: *Trade receivables, Income tax receivables and Other receivables.*

The line item in the Statement of Financial Position, Trade and other payables, was presented in detail in the following lines: *Trade payables, Other payables and Liabilities relating to contracts with customers.*

	01 January 2024 (before change)	01 January 2024 (change)	01 January 2024 (restated)
Trade receivables and other receivables	441,070,694	-	-
Trade receivables	-	323,742,949	323,742,949
Income tax receivable	-	40,985,211	40,985,211
Other receivables	-	76,303,804	76,303,804

	01 January 2024 (before change)	01 January 2024 (change)	01 January 2024 (restated)
Trade and other payables	708,874,765	-	-
Trade payables	-	253,267,721	253,267,721
Other payables	-	368,352,427	368,352,427
Client contract payables	-	68,717,054	68,717,054
Short-term borrowings	448,069,729	18,514,981	466,584,710

	The six months ended 30 June 2024 (before change)	The six months ended 30 June 2024 (change)	The six months ended 30 June 2024 (changed)
Loss/(gain) on impairment of receivables	-	(27,168,114)	(27,168,114)
Other operating expenses	(100,793,931)	(36,988,363)	(63,805,568)
Other income	85,325,109	(9,820,253)	(75,504,856)
Interest income		37,077,064	37,077,064
Financial income	108,333,869	(35,127,511)	73,206,358
Financial expenses	(65,091,791)	(1,949,551)	(67,041,342)

32. REVENUE AND COSTS FROM THE CONSTRUCTION OF ASSETS

In accordance with IFRIC 12 the revenue and costs of network construction should be recognized in accordance with IFRS 15 Revenue from Contracts with Customers.

	The six months ended 30 June 2025 (unaudited)	The six months ended 30 June 2024 (unaudited)
Revenue from the construction activity according to IFRIC12	451,111,690	675,817,268
Cost of assets constructed according to IFRIC12	(451,111,690)	(675,817,268)

The related costs were equal to the revenue, the company did not obtain any profit from the construction activity.

More than 90% of the construction works are carried out by third companies, under contracts concluded as a result of public procurement procedures by electronic public procurement system, with the cost of the works approximating fair value.

33. BUSINESS COMBINATIONS

Acquisition of Petrostar SA

On 21 May 2025 Transgaz acquired **control of Petrostar SA** through a subscription to a new share capital issuance. As part of the transaction, Petrostar SA issued 57,217 new shares, of which **54,905 new shares** for a total consideration of **RON 4,337,495,** were fully subscribed by Transgaz SA. Transgaz acquired an additional 4% stake in Petrostar SA, which is accounted for as a financial asset at fair value in profit or loss. As a result, Transgaz SA increased its shareholding to **51%** and obtained control over Petrostar SA. The acquisition is accounted for as a business combination in accordance with **IFRS 3 – Business Combinations**.

Given that at the date of acquisition and until the date the current financial statements were authorized to issue, no purchase price allocation report was prepared, the Group used the book value of assets and liabilities of Petrostar purchased to compute the bargain purchase gain.
A purchase price allocation report, prepared by an external valuation expert will be prepared until 31 December 2025.

Consideration Transferred

Description	**Amount (RON)**
Cash paid to subscribe new shares	RON 4,337,495

Recognized Amounts of Identifiable Net Assets Acquired

At the acquisition date, the provisional fair values of the identifiable assets and liabilities of Petrostar S.A. were as follows:

Description	**Amount (RON)**
Assets	
Cash and cash equivalents	182,648
Property, plant and equipment	6,192,220
Trade and other receivables	6,170,066
Liabilities	
Trade and other payables	(1,382,646)
Other liabilities	(593,361)
Net identifiable assets before share capital increase	10,568,927
Add: Share capital increase subscribed by Transgaz	4,337,495
Total identifiable net assets at acquisition date	**14,906,422**

The acquisition date provisional fair value of the trade receivables amounts to RON 6,170,066. The gross amount of trade receivables is RON 6,170,066 and it is expected that the full contractual amounts can be collected.

Non-controlling Interests

The Group elected to measure the non-controlling interests in Petrostar SA using the **proportionate share of net assets method**. The NCI at the acquisition date was calculated as:

49%×14,906,422 RON =7,304,147 RON

Gain on Bargain Purchase

The resulting gain on bargain purchase (negative goodwill) is calculated as follows:

Description	Amount (RON)
Consideration transferred	4,337,495
FV of purchased interest	596,257
% of ownership of the net identifiable assets	7,304,147
Less FV of net assets	(14,906,422)

Bargain purchase	**(2,668,524)**

The gain on remeasurement of the previously held interest is as follows:

	Amount (RON)
FV of purchased interest	596,257
Initial investment by Transgaz (at cost)	182,648
Gain on remeasurement of purchased interest	**413,609**

The gain on bargain purchase was recognized in the consolidated income statement within "Other income", after reassessing all assumptions in accordance with IFRS 3.34.
The gain on remeasurement is presented within "Other gains and losses" in the consolidated income statement.

The net cash flow on acquisition of subsidiary

	Amount (RON)
Net cash acquired with the subsidiary	
Cash paid (share capital increase+ additional shares)	(4,520,143)
Net cash acquired with the subsidiary (after control)	4,520,143
Net cash inflow/outflow	-

The gain on the bargain purchase arose because the acquired entity was in financial difficulty and needed to sell its assets urgently. The seller was facing liquidity problems and accepted an offer below the fair value of the net assets in order to expedite the sale.

34. EVENTS SUBSEQUENT TO THE BALANCE DATE

On 02 August 2025, the credit facility in the amount of 200,000,000 lei granted by the Bank BRD-Grup Societe Generale SA and intended to finance working capital for commercial balancing activities was extended until 02 August 2027.

Chairman of the Board of Administration
Nicolae Minea

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

STATEMENT OF RESPONSIBLE PERSONS

According to the provisions of Art. 67 (2) (c) of Law 24/2017 on the issuers of financial instruments and market operations and Art. 223 (B) (1) (c) of the Financial Supervisory Authority Regulation No. 5/2018, on the issuers of financial instruments and market operations, we declare the following:

- To the best of our knowledge, the half year simplified financial statements as at 30 June 2025 were prepared in compliance with the International Financing Reporting Standards adopted by the European Union and offer a true and correct image of the assets, liabilities, financial position, profit and loss account of the Company;
- The Report Issued by the Board of Administration presents in a correct and comprehensive manner the information on the issuer.

Nicolae MINEA - Non-Executive Administrator – Chairman of the Board of Administration

Ion STERIAN– Director - General, Executive Administrator

Adina Lăcrimioara HANZA - Non-executive Administrator

Ilinca VON DERENTHALL - Non-executive Administrator

MIHALACHE Costin - Non-executive Administrator