



REPORT ISSUED BY THE BOARD OF ADMINISTRATION FOR HALF I 2025

- CONSOLIDATED -

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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	Mediaş, 1 C.I. Motaş 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 Moldovatrangaz 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	47,91%	38,27%
		Turnover		
	EBITDA in equity	EBITDA	18,06%	10,70%
		Equity		
	Gross profit share	Gross profit	35,05%	19,58%
		Turnover		
	Return on equity	Net profit	11,32%	4,51%
		Equity		
2.	Liquidity indicators			
	Current liquidity indicator	Current assets	1,02	1,11
		Short term debts		
	Acid test ratio	Current assets - Stocks		

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

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

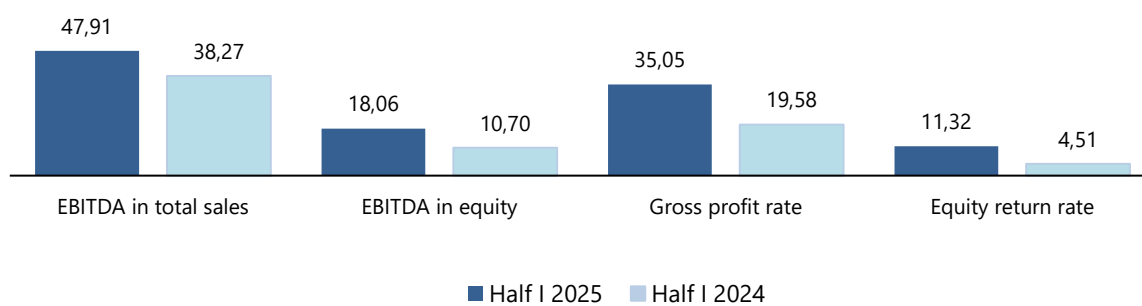


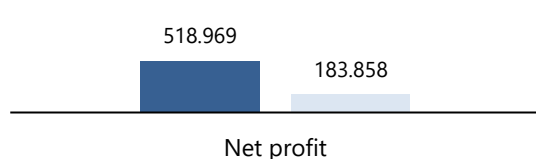
Chart 1- Consolidated profitability indicators in Half I 2025 compared to Half I 2024

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

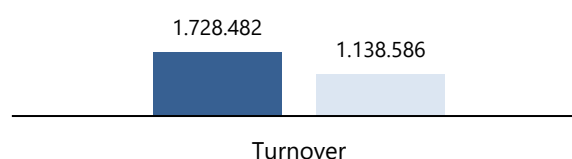
10.	Gross profit	605.896	222.990	271,71
11.	Profit tax	86.927	39.132	222,14
12.	Net profit	518.969	183.858	282,27
13.	Total comprehensive result related to the period	521.239	188.342	276,75
14.	Transmitted gas -thousand cm-	7.181.016	6.472.933	110,94
15.	Investment cost	482.876	689.148	70,07
16.	Rehabilitation 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



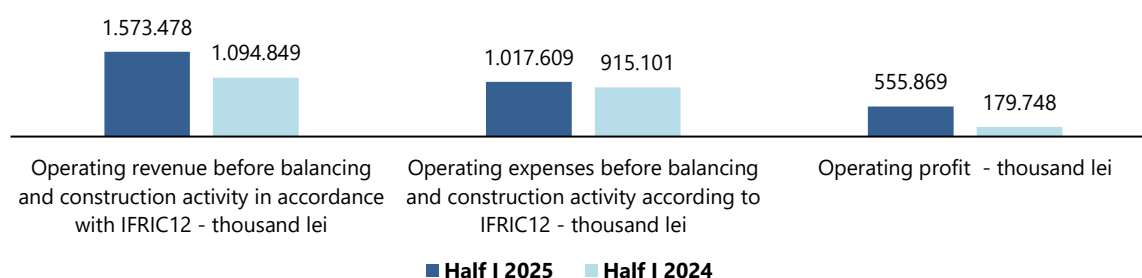
■ Half I 2025 ■ Half I 2024

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



■ Half I 2025 ■ Half I 2024

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



■ Half I 2025 ■ Half I 2024

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)



■ Half I 2025 ■ Half I 2024

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

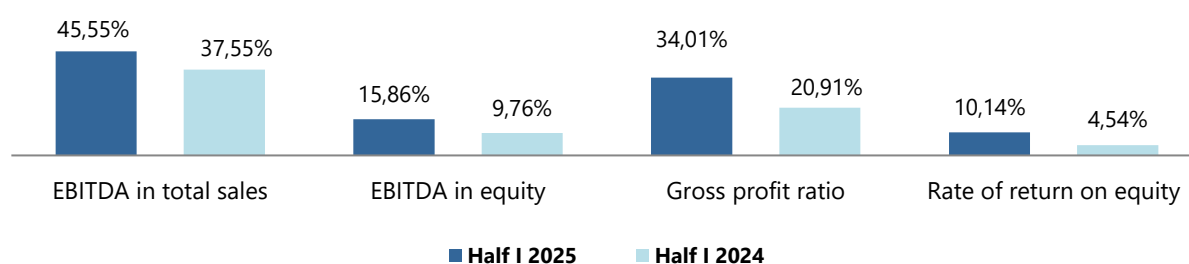


Chart 6 – Separate profitability indicators in Half I 2025 compared to Half I 2024

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 deferred 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

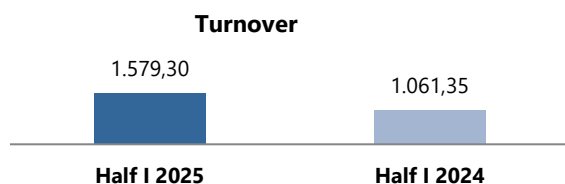


Chart 7-Turnover (individual) in Half I 2025 compared to Half I 2024 (mil. lei)

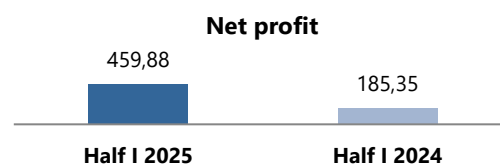


Chart 8 - Net profit (individual) in Half I 2025 compared to Half I 2024 (mil. lei)

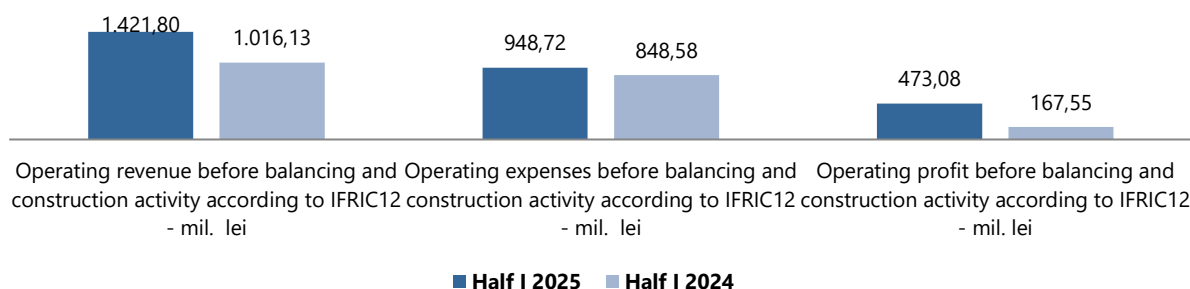


Chart 9 – Operating revenue, expense and profit before the construction activity according to IFRIC – in Half I 2025 compared to Half I 2024 (mil. lei)



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 instruments 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-sociala>.

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 commitment 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 17 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.

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, correlated 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 revenue of 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 normative 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 Mediaş 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 1 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) - Medieșu 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	Szegeed (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

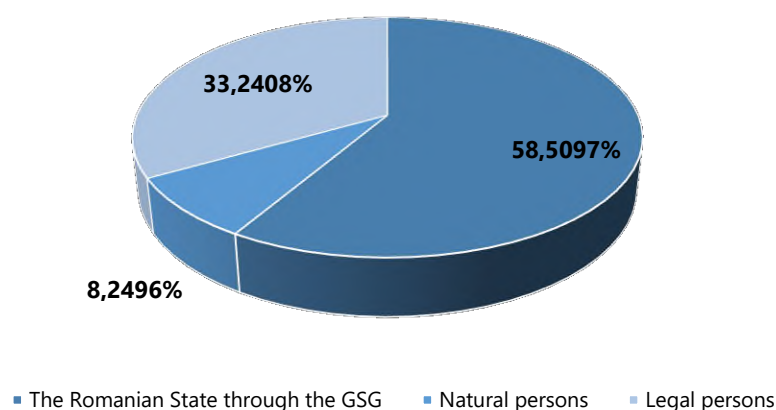


Chart 12 - Shareholding structure as at 25 June 2025

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.

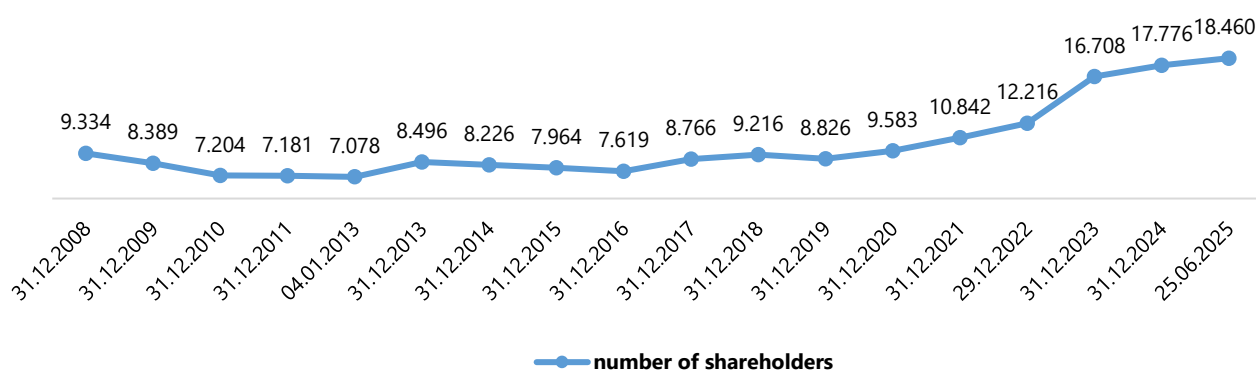


Chart 13 - Number of Transgaz shareholders since BSE listing date and until 25.06.2025

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 Griviţei 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
Lupeanu 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.	Lupeanu 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
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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

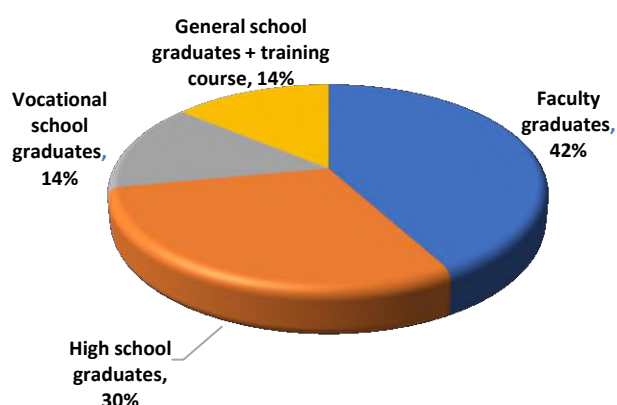


Chart 14 - Personnel structure by categories of studies as at 30 June 2025

b) By gender

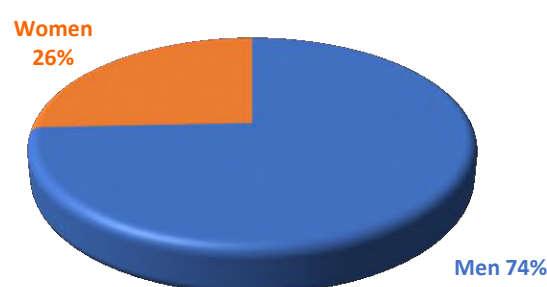


Chart 15 - Personnel structure by gender as at 30 June 2025

c) By headquarters and regional offices

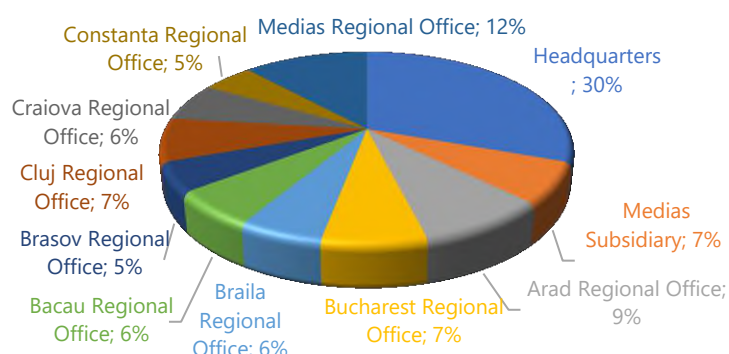


Chart 16 – Personnel structure by headquarters and regional offices as at 30 June 2025

d) By activities

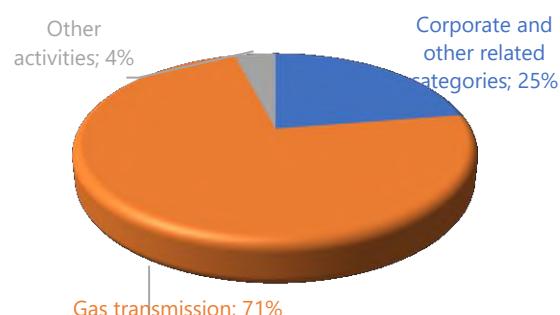


Chart 17 - Personnel structure by activities as at 30 June 2025

e) By age categories

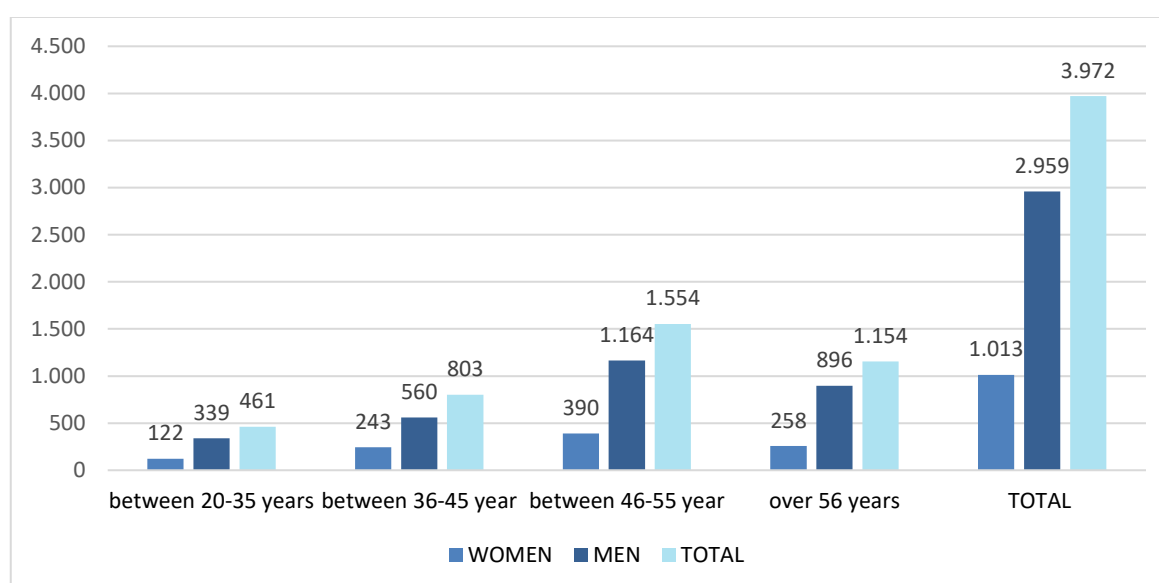


Chart 18 - Personnel structure by age categories as at 30 June 2025

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.

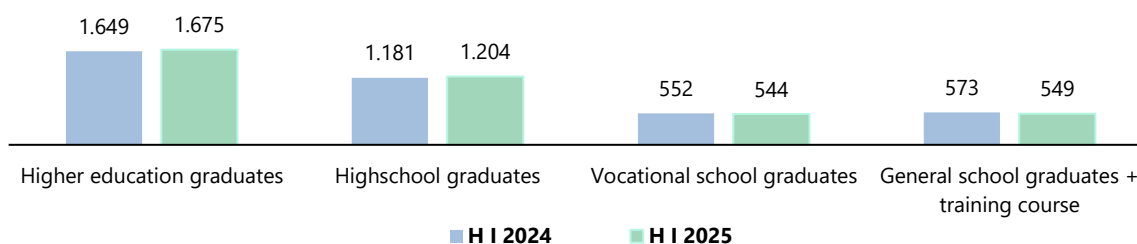


Chart 19 - The evolution of the personnel structure by categories of studies in Half I 2025 compared to Half I 2024

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 Mediaș" 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 Mediaș" 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 maximum 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.

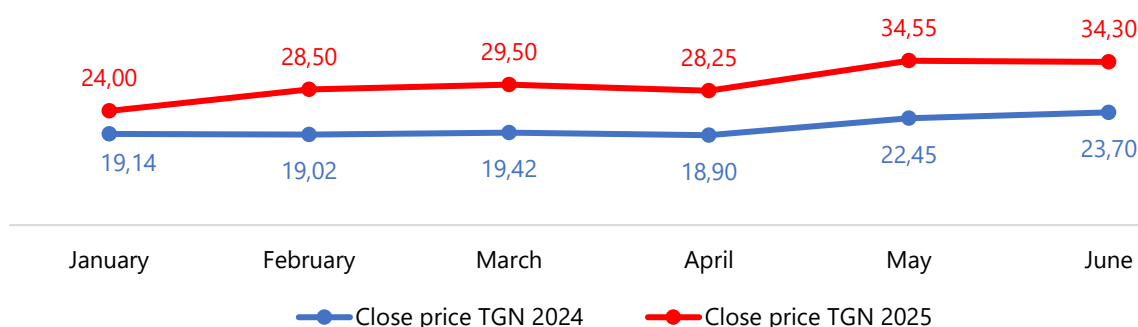


Chart 20 - The closing price of the TGN shares in 01.01.2024 – 30.06.2024 vs. 01.01.2025 – 30.06.2025

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.

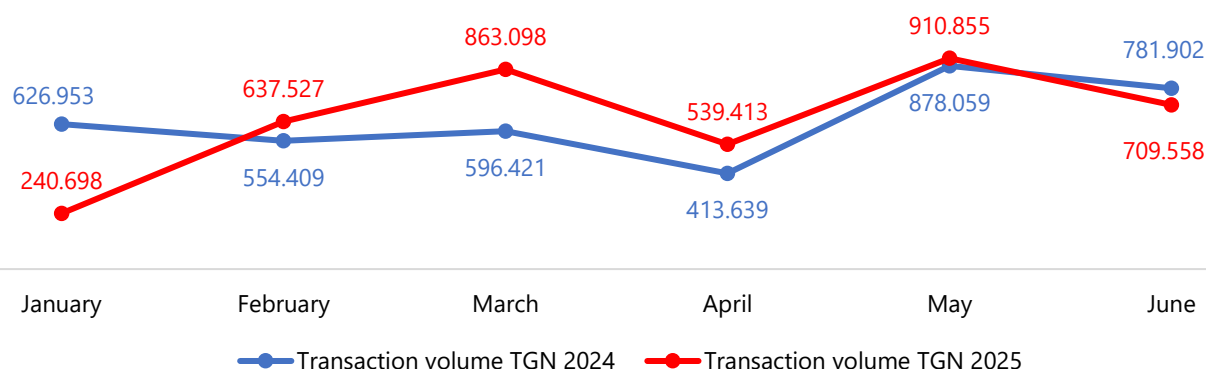


Chart 21 - TGN transactions volume in 01.01.2024 – 30.06.2024 vs. 01.01.2025 – 30.06.2025

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.

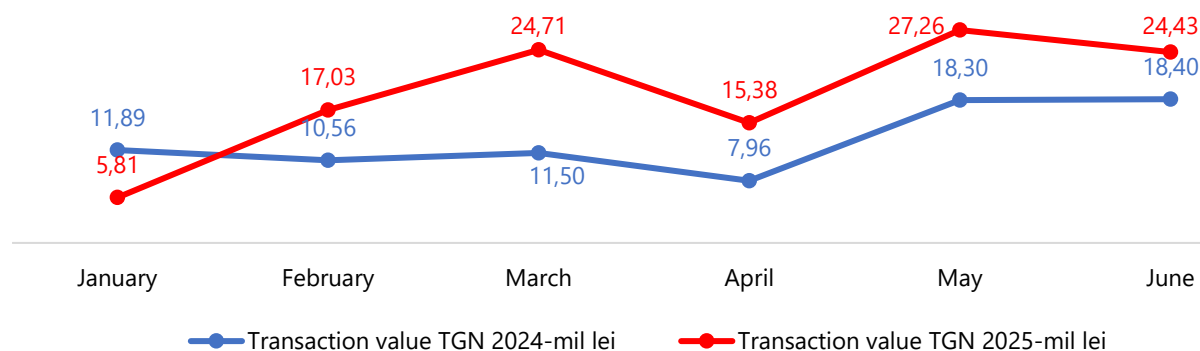
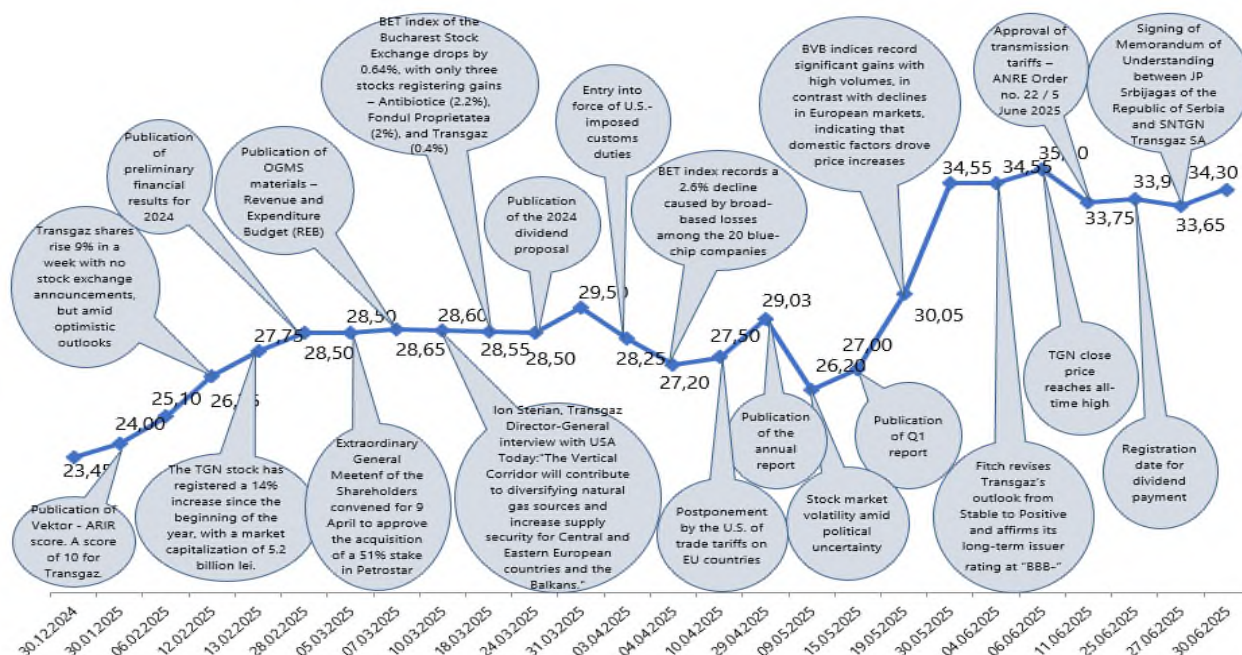


Chart 22 - TGN transactions value in 01.01.2024 – 30.06.2024 vs. 01.01.2025 – 30.06.2025

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, launched 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

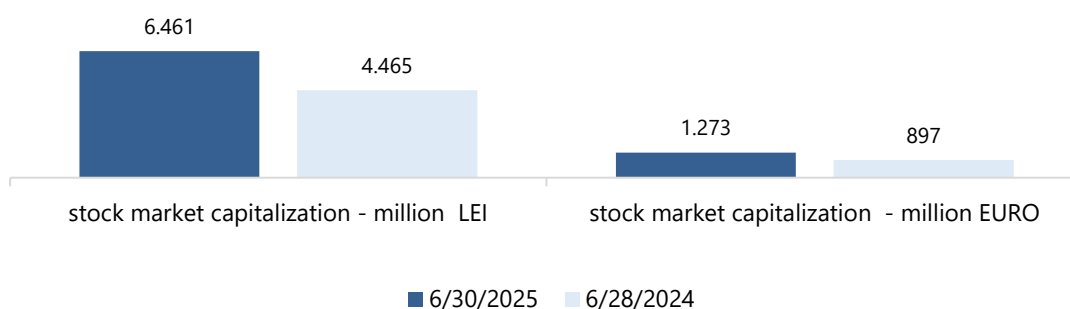


Chart 23 - Stock market capitalization of Transgaz on 30.06.2025 vs. 30.06.2024

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





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

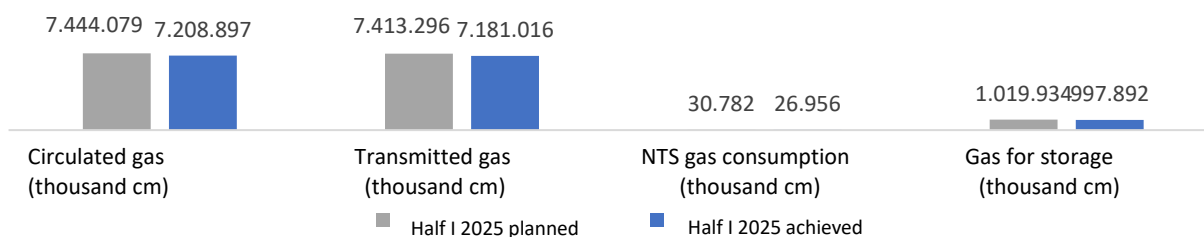


Chart 25 - Gas quantities circulated, transmitted, stored and NTS consumption planned vs. achieved in Half I 2024

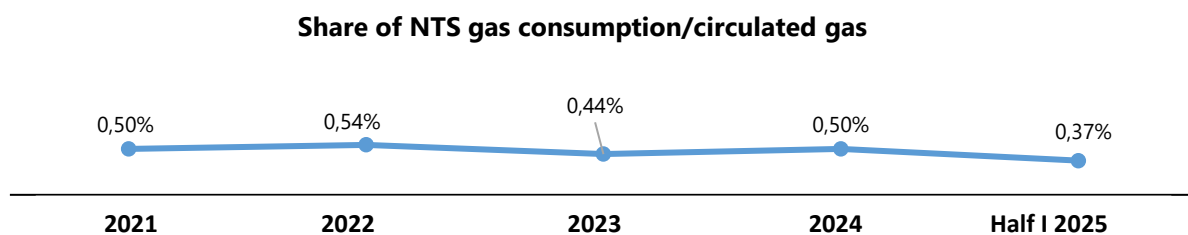


Chart 26 – The evolution of the share of NTS gas consumption in total circulated gas in 2021-Half I 2025

	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:

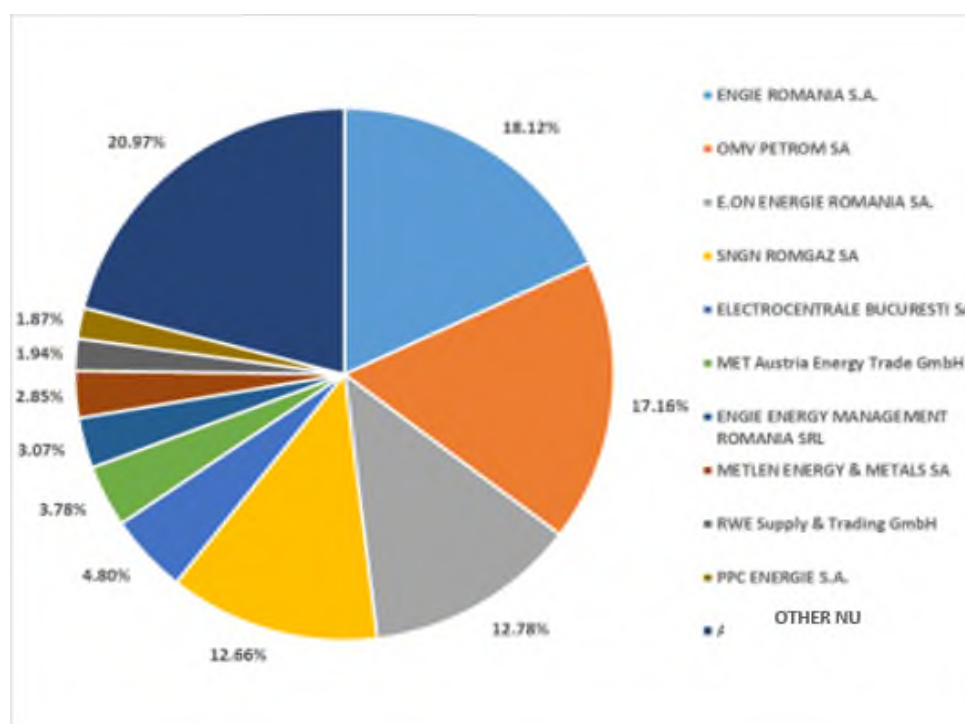


Chart 27 - The share of the main NTS users in Half I 2025

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.	<i>Adaptation to the field of the measurement lines to be installed through the Investment Modernisation and Development Program and technological nodes automation</i>	17.536	592	3,37%
1.2.	<i>Data Acquisition Control System</i>	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.	<i>Natural gas transmission pipelines</i>	184.138	24.628	13,37%
2.2.	<i>Increasing the transmission capacity of the NTS</i>	731.156	301.597	41,25%
2.3.	<i>Construction and above-ground installation works for MRSs</i>	78.452	2.672	3,41%
2.4.	<i>Cathodic protection stations</i>	901	190	21,08%
2.5.	<i>Investments related to information technology and telecommunications</i>	17.768	1.504	8,47%
2.6.	<i>Construction and above-ground installation works for odorization installations</i>	0	0	0,00%
2.7.	<i>Works to natural gas transmission pipelines in operation located in incident risk areas</i>	2.193	0	0,00%
2.8.	<i>Electrical installations and networks</i>	3.577	1.313	36,70%
2.9.	<i>Archaeology services</i>	18.000	137	0,76%
2.10.	<i>Biodiversity monitoring services</i>	1.439	0	0,00%
Ch. B	Modernization and development works to own assets	82.791	7.127	8,61%
1.	<i>Other works</i>	34.191	454	1,33%
1.1.	<i>Connections, networks, and thermal installations at administrative headquarters and MRSs</i>	276	0	0,00%
1.2.	<i>Administrative offices and production bases at Regional Operating Centres</i>	26.876	454	1,69%
1.3.	<i>Security and surveillance systems</i>	7.039	0	0,00%
2.	<i>Independent equipment</i>	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

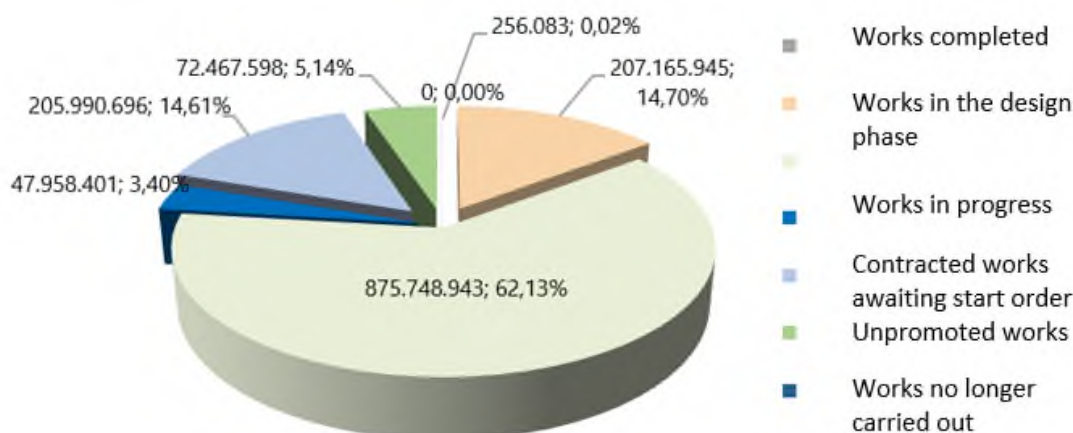


Chart 28 – Modernization and Development Plan 2025 status – January 2025

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

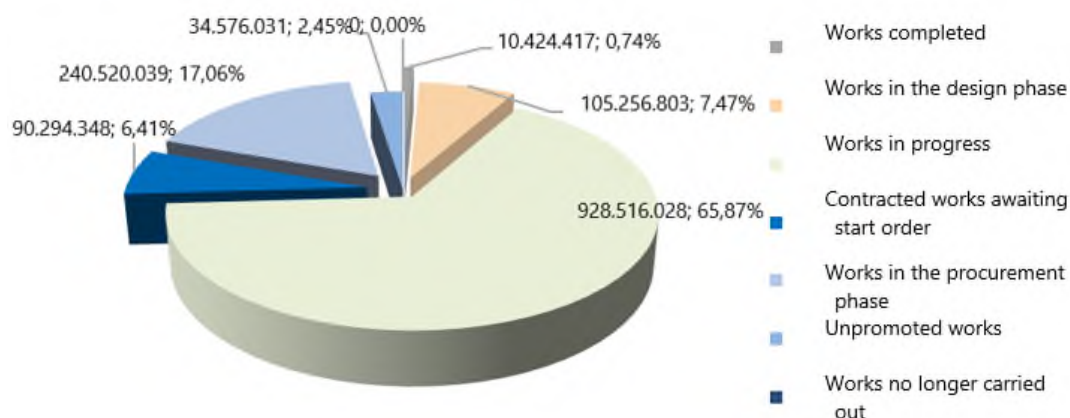


Chart 29 – Modernization and Development Plan 2025 status – June 2025

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 - Bălătești gas transmission pipeline, Neamț county;
- Securing Arieș River abovecrossing with DN 500 Ozd - Câmpia Turzii gas transmission pipeline in the Lunca 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 Măgherauș-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 Adjutul 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 Cârliși 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 Ciurmeșiu, Bihor county;
- Connection and PRMS Budești, Vâlcea county;
- Connection and PRMS Zănești, Neamt county;
- Connection pipeline capacity increase and PRMS Luna, Cluj county;
- Connection and PRMS Asphalt station S.C. FAR FOUNDATION S.R.L., Bistrița-Năsăud county;
- Connection and PRMS Valea Mare Pravăț, Argeș county;
- MRS Moinești I (Dealul 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 Brezoele, Dâmbovița county;
- PRMS Roznov capacity increase, Neamț county;
- Connection and PRMS Sălărd, 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 Mediaș, 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.

**PLRRM 2025-Repair and rehabilitation works for NTS maintenance
June 2025**

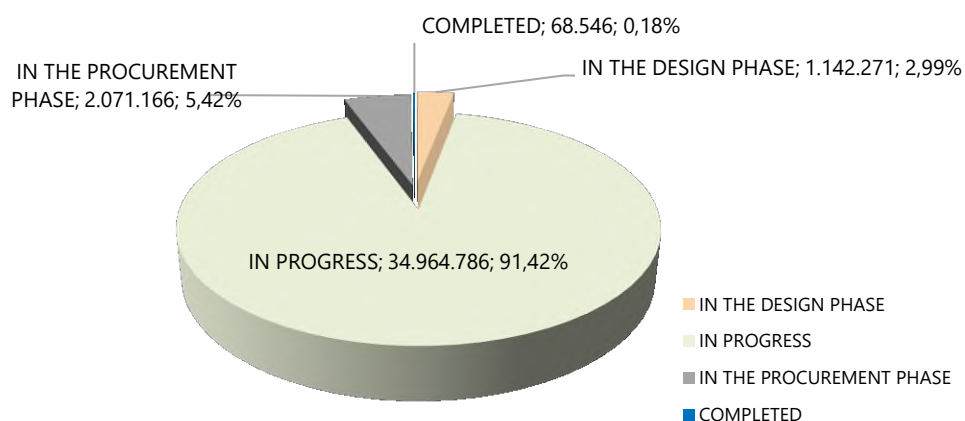


Chart 30 - PLRRM 2025 - Repair and rehabilitation works for NTS maintenance - June 2025

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.

**PLRRM 2025-Repair and rehabilitation works on main pipelines
June 2025**

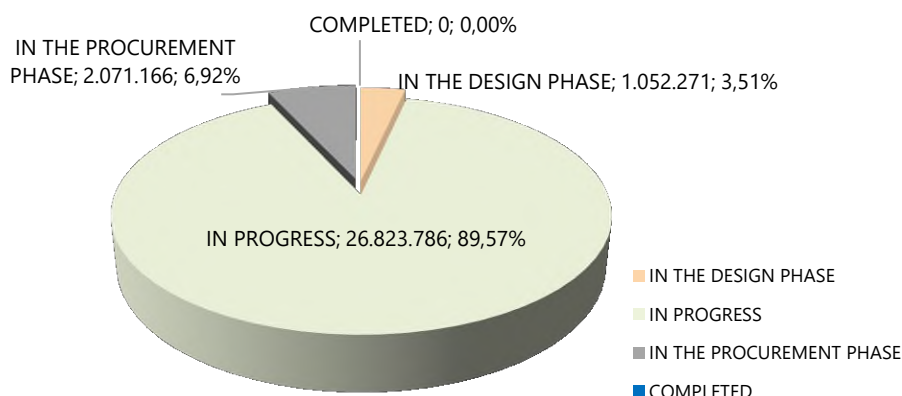


Chart 31- PLRRM 2025 - Repair and rehabilitation works on main pipelines - June 2025

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 Seleuş Cristur Băţani gas transmission pipeline and transformation into a piggable pipeline - phase 2B (Harghita county);
- preparation of DN500 Munteni - Bârlad pipeline for transformation into a piggable pipeline
- repair of DN 500 Maşloc-Caransebeş pipeline, following smart pig inspection;
- repair of DN500 Drăgăşani - 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 Sărmăşel - 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 transformation into a piggable pipeline, Linde Gaz-Moara Domneasca section;
- repair of DN1200 Isaccea - Negru Vodă, Transit 2, pipeline following smart pig inspection;
- repair of DN 800 Şendreni – 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 (Mediaş 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.

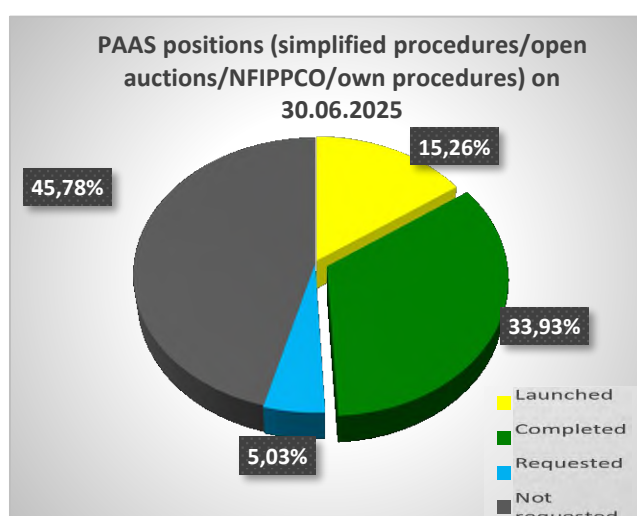
The Annual Sectoral Procurement Plan for 2025 (PAAS 2025) had an assigned value of **lei 2.519.630.812,29**.

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

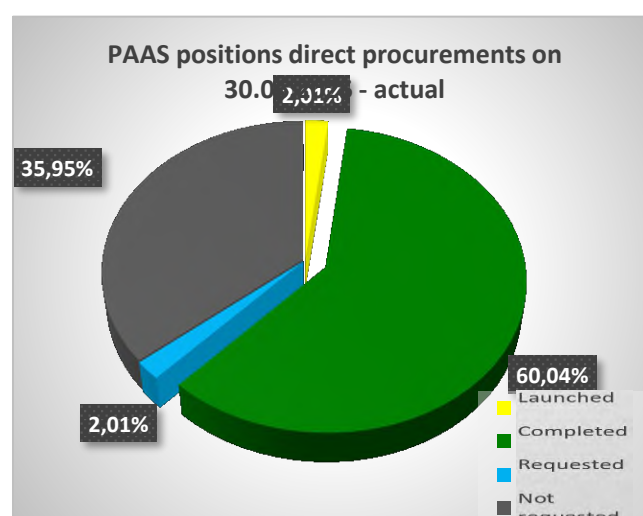


Chart 32 – Actual status of procurement procedures on 30 June 2025

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 Slovakia, Gastrade Grecia, GTSOU Ukraine, Vestmoldtransgaz The Republic 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, Botaş-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

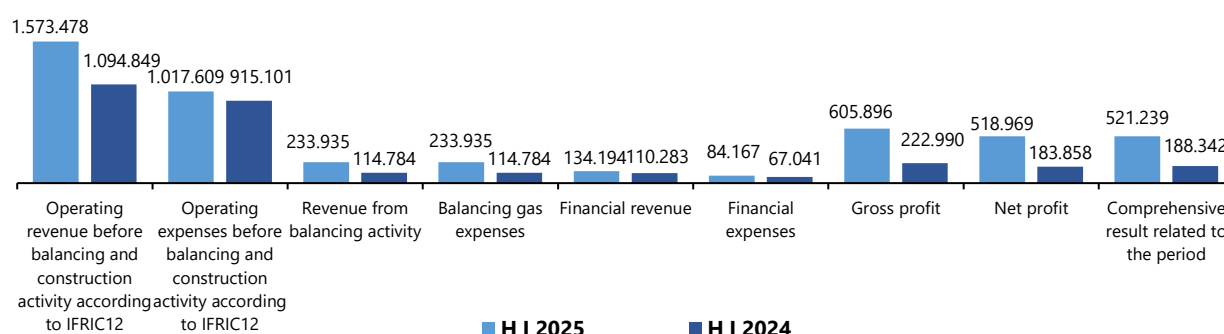


Chart 34 - Consolidated financial results in Half I 2025 compared to Half I 2024 (thousand lei)

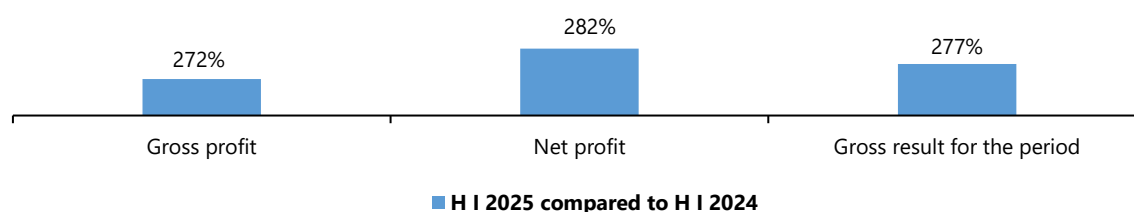


Chart 35 - Consolidated financial results in Half I 2025 compared to Half I 2024 (%)

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

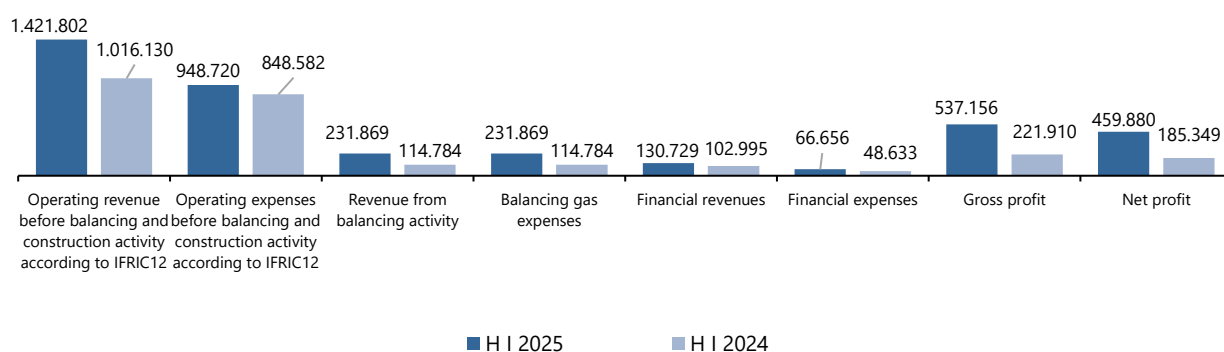


Chart 36 Separate financial results in H I 2025 compared to H I 2024 (thousand lei)

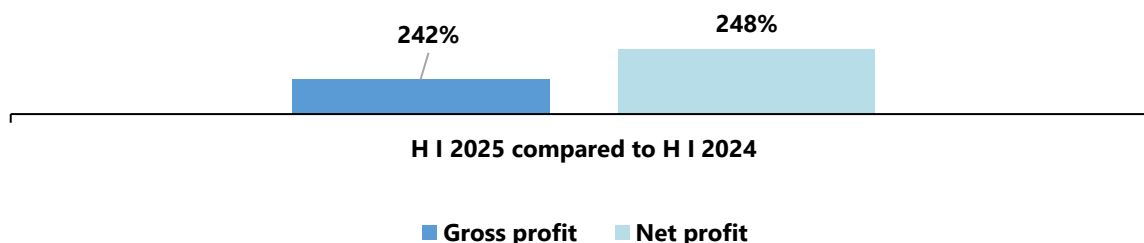


Chart 37 - Individual financial results in H I 2025 compared to H I 2024 (%)

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 (%)

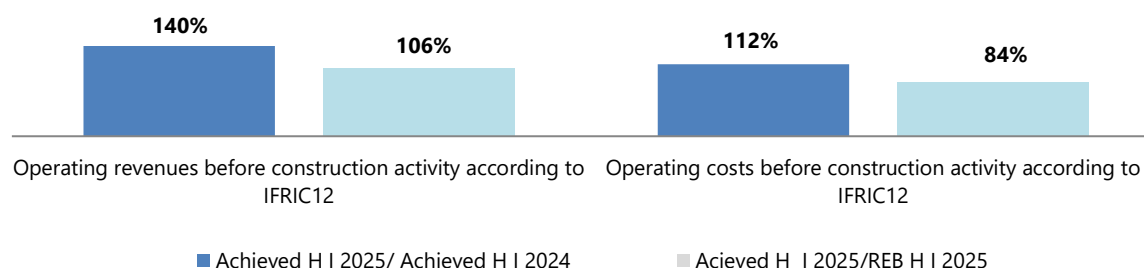


Chart 38 – Individual achievements Half I 2025 compared to individual achievements Half I 2025 and Individual Achievements Half I 2025 compared to REB Half I 2025

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 attributable 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
<i>Adjustments for:</i>		
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
<i>Impact on profit and loss and on equity of:</i>		
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	<u>1.064.154.172</u>

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	-	-
	<u>5.899.162.126</u>	<u>1.848.592.490</u>	<u>2.002.561.833</u>	<u>2.047.484.316</u>

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	-	-
	<u>5.831.858.274</u>	<u>1.300.675.889</u>	<u>2.287.621.154</u>	<u>2.243.561.231</u>

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	<u>(740.006.655)</u>	<u>(1.064.299.187)</u>
Net debt	<u>2.976.758.617</u>	<u>2.710.685.102</u>
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
<i>Adjustments for:</i>		
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	<u>164.868.901</u>	-	<u>6.540.791</u>	<u>137.389.381</u>	<u>308.799.074</u>
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	<u>1.108.501.327</u>	-	-	<u>2.442.762.603</u>	<u>3.551.263.930</u>
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	<u>156.281.013</u>	-	<u>7.210.886</u>	<u>259.601.242</u>	<u>423.093.141</u>
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	<u>1.106.990.865</u>	-	-	<u>2.497.535.646</u>	<u>3.604.526.511</u>
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
<i>Impact on profit and loss and on equity of:</i>		
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	<u>21.273.960</u>	<u>3.785.045</u>	<u>17.488.915</u>	<u>-</u>
	<u>5.530.519.334</u>	<u>1.757.808.145</u>	<u>1.818.740.479</u>	<u>1.953.970.710</u>

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	<u>20.881.905</u>	<u>3.913.557</u>	<u>16.968.348</u>	<u>-</u>
	<u>5.483.769.313</u>	<u>1.273.738.633</u>	<u>2.070.688.168</u>	<u>2.139.342.512</u>

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. 138² 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 Resolution 8/25.09.2024.

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 (8¹) 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 instruments 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. 209¹ 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	<i>Maintenance of the outstanding payments at zero.</i>	0	0	100%
2.	Operating expenses (less depreciation, balancing, construction activity and provisions for impairment of assets and for risks and charges) (thousand lei)	<i>Maintenance of the operating expenses at the level under the Management Plan</i>	1.782.027	699.343	255%
3.	Liquidity ratio	<i>Liquidity ratio to record annual values higher than 1</i>	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 (2024-2023) <i>I = (achieved+initiated actions)/proposed actions</i>				
		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%20toleranta%C8%9B%C4%83%20%202025%20Transgaz.pdf - <u>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.</u> - <u>The Declaration - Commitment of the Director - General on Risk Management, 2021-2025 did not require revision.</u>	
	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 1100 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)

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