

No. 17763/04.03.2025

Submitted for approval in the OGMS of 9/10 April 2025

REPORT
on the approval of the revision of some financial performance indicators
included in the Management Plan of SNTGN Transgaz SA
for the period 2021- 2025

SUMMARY

By Resolution No. 8/6 December 2021 of the Ordinary General Meeting of the Shareholders the financial and non-financial performance indicators annexed to the administrators' mandate contracts were approved, and by Resolution No. 3/28 February 2022 of the Ordinary General Meeting of the Shareholders, Resolution No. 1/12 January 2023 of the Ordinary General Meeting of the Shareholders and Resolution No. 1/21 February 2024 of the Ordinary General Meeting of the Shareholders the revision of some financial performance indicators was approved.

As a result of legislative changes and new strategic directions for the development of the Company, the values of some financial performance indicators valid for the calculation of the variable component of the remuneration of the members of the Board of Administration changed.

PROPOSAL

According to Article 15 (3) (a¹) of the updated Articles of Incorporation, in conjunction with Article 20, Annex 2, of GR 639/2023 on the approval of the Methodological Rules for the application of Government Emergency Ordinance 109/2011 on the corporate governance of public companies, as amended, we submit to the approval of the Ordinary General Meeting of the Shareholders the new values of some financial performance indicators included in the Management Plan of SNTGN Transgaz SA for the period 2021-2025.

Detailed content

As a result of legislative changes and the new strategic directions for the development of the company, the values of some of some of the financial performance indicators valid for the calculation of the variable component of the remuneration of the Board of Administration members changed.

The rationale for changing the value of some financial performance indicators is described below:

According to Art 9 (1) (c) of GO 26/2013 as amended:

"When substantiating their revenue and expense budgets, economic operators shall take into account, but without limitation, the following: ...

c) the specific performance criteria and quantified objectives regarding the reduction of overdue payments and receivables, the reduction of loss, the increase in profit, turnover, as well as the increase in labour productivity, stipulated in the mandate contracts, established in correlation with the management strategy of the Board of Administration/Supervisory Board and the management plan of the directors/members of the board of directors of the economic operators".

The level of the "**EBITDA**" indicator foreseen in the 2025 Management Plan approved by Resolution No. 1/2024 of the Ordinary General Meeting of the Shareholders will not be achieved mainly as a result of the following factors:

- the exceeding of the operating expenditure foreseen in the 2025 Management Plan approved by Resolution No. 1/2024 of the Ordinary General Meeting of the Shareholders, mainly due to:
 - the increasing in taxes and duties expenditure by **lei 74.463 thousand** mainly due to the special construction tax introduced as of 1 January 2025 by Art. LXIV (16) of GEO 156 of 31 December 2024 *on some fiscal-budgetary measures in the field of public expenditure for the substantiation of the consolidated general budget for 2025, amending and supplementing some normative acts, as well as for the extension of some deadlines.*
 - the increasing of the expenditure on consumable materials by **lei 39.694 thousand**, mainly due to the programming in 2025 of the execution of repairs with own forces at a higher level compared to the estimates used for the substantiation of the management plan.

The level of the "**Operating Expenditure**" indicator foreseen in the 2025 Management Plan approved by Resolution No. 1/2024 of the Ordinary General Meeting of the Shareholders will not be achieved mainly as a result of the following factors:

- the increasing in taxes and duties expenditure by **lei 74.463 thousand**, mainly due to the special construction tax introduced as of 1 January 2025 by Art. LXIV (16) of GEO 156 of 31 December 2024 *on some fiscal-budgetary measures in the field of public expenditure for the substantiation of the consolidated general budget for 2025, amending and supplementing some normative acts, as well as for the extension of some deadlines.*
- the increasing in technological consumption expenditure by **lei 31.946 thousand** due to:
 - the estimation in 2025 a quantity of natural gas for technological consumption higher than the estimates used in the management plan by 29.996 MWh;

- the estimation in 2025 of a natural gas price for technological consumption higher than the estimates used to substantiate the management plan by lei 39/MWh;
- the increasing in expenditure on salaries by **lei 23.923 thousand**, mainly due to the influence of the salary indexations granted in 2024 and those planned for 2025, as well as the changes in the Collective Labour Contract that entered into force on 25.06.2024.
- the increasing of the expenditure on consumable materials by **lei 39.694 thousand**, mainly due to the programming in 2025 of the execution of repairs with own forces at a higher level compared to the estimates used for the substantiation of the management plan.

The new values of the financial performance indicators that have changed are shown in the table below:

lei thousand		
Indicator		2025
EBITDA	Draft REB 2025-2027	867.934
	Management Plan	947.532
	Differences	-79.597
Operating expenditure	Draft REB 2025-2027	1.782.027
	Management Plan	1.614.088
	Differences	167.939

According to Article 15 (3) (a¹) of the updated Articles of Incorporation, in conjunction with Article 20, Annex 2, of GR 639/2023 on the approval of the Methodological Rules for the application of Government Emergency Ordinance 109/2011 on the corporate governance of public companies, as amended, we submit to the approval of the Ordinary General Meeting of the Shareholders the new values of some financial performance indicators included in the Management Plan of SNTGN Transgaz SA for the period 2021- 2025.

**CHAIRMAN OF THE BOARD OF ADMINISTRATION
PETRU ION VĂDUVA**