

REPORT AND ISSUER IDENTIFICATION DATA

Quarterly report according to the provisions of art. 69 of Law no. 24/2017

Date of report: 15 May 2025

Company name: SNTGN TRANSGAZ SA

Headquarters: Medias, 1 Constantin I. Motas Square, code: 551130

Telephone/fax: 0269-803333/0269-839029

Tax identification code: RO13068733

Trade Register number: J32/301/2000

Subscribed and paid-up capital: lei 1.883.815.040

Regulated market on which issued securities are traded: Bucharest Stock Exchange

QUARTERLY REPORT
ON THE ECONOMIC AND FINANCIAL ACTIVITY
OF SNTGN TRANSGAZ SA
as at 31.03.2025
(the period 1 January-31 March 2025)

Overview

SNTGN Transgaz SA is a public limited liability company operated according to the Romanian laws and to the Articles of Incorporation.

According to Government Resolution 334/2000 and to the Articles of Incorporation, Transgaz aims at giving effect to the national strategic goals set for domestic and international gas transmission, dispatching, research and design, by performing trading acts according to its object of activity, in line with the Romanian laws in force.

The revenue obtained by Transgaz results from the following activities:

- 👉 **Domestic gas transmission**, which, due to its monopolistic feature, is regulated by the National Energy Regulatory Authority.

For the period ended on 31 March 2025 the revenue obtained from the transmission activity is regulated by **ANRE Order 41/15 March 2019** on the approval of the *Regulated Gas Transmission Tariff Setting Methodology*.

The above-mentioned methodology establishes the regulated revenue resulting from the transmission activity, based on which the regulated gas transmission tariffs are set, considering the capacities booked and the amounts of gas transmitted.

The following items are included into the total regulated revenue:

- ✂ *operating expense* allowed by the authority (materials, energy and water, technological consumption, salaries, maintenance and repair, and others);
- ✂ *pass-through costs*, which are beyond the control of the operator (national transmission system royalty, transmission licence fee, wage fund contributions, other taxes and duties).

According to ANRE Order 41/15 March 2019, from 1 October 2019 the monopoly tax is not recognised by ANRE at the pass-through costs and implicitly at the regulated revenue.

Law 244/9 November 2020 established the annual royalty rate paid by the gas transmission operator to 0,4% of the gross revenue achieved from gas transmission and

transit operations through the national transmission systems, owned by the State. By Law 296/2023 *on some fiscal-budgetary measures to ensure Romania's long-term financial sustainability*, the provisions of Article 103(2) of the Electricity and Gas Law 123/2012 were repealed. As of 30 October 2023, the royalty rate was changed from 0,4% to 11,5% of the value of the gross revenue from transmission and transit operations through the national transmission systems, according to Article 49(2)(b) of Petroleum Law 238/2004.

The oil royalty is an expense recognised in the regulated revenue related to the natural gas transmission activity and recoverable through the transmission tariff. The regulated revenue and the natural gas transmission tariffs approved by ANRE Order 68 of 30 May 2023 and applicable for 1 October 2023 - 30 September 2024 recognise the royalty determined as 0,4% of the value of the gross revenue from natural gas transmission and transit operations through the national transmission system.

The difference between 0,4% and 11,5% is recovered through the regulated revenue of 2024-2025.

- ✎ *regulated depreciation* of the assets related to the transmission activity;
- ✎ *regulated profit* set by applying the regulatory rate of return to the regulatory value of the assets used for the performing of the transmission activity.

The substantiation of the regulated revenue is made by regulatory periods of 5 years and the regulated revenue is adjusted annually within the regulatory period, based on the annual inflation rate minus the growth factor of economic efficiency, the operational fixed assets value (through the related regulated depreciation and regulated profit) and on achieving or non-achieving the approved regulated revenue for the previous gas year, as follows:

- if during the previous year the regulated revenue obtained is higher than the approved regulated revenue, the difference is subtracted from the regulated revenue of the following year;
- if during the previous year the regulated revenue obtained is lower than the approved regulated revenue, the difference is added to the regulated revenue of the following year.

Following regulation of the transmission activity according to the methodology above, the revenue from the transmission activity covers the costs generated by it and allows the possibility to obtain a regulated profit limited to 6,39% of the amount of capital invested in this activity for 1 October 2019 – 30 April 2020, starting from 13.05.2020.

For the capital invested in tangible and intangible assets, assets put into service/received in the fourth regulatory period, which are objectives of the gas transmission system, an incentive of 1 percentage point above the regulated rate of return on invested capital approved by ANRE for the natural gas transmission activity is granted.

By derogation from the previous provision for investments in tangible and intangible assets which are commissioned/accepted within the fourth regulatory period, representing natural gas transmission system facilities, achieved by equity in projects where EU grants were obtained as well, an incentive of 2 percentage points over the approved regulated rate of return on invested capital is established, except for investments in tangible and intangible assets made following the development of investment projects established in Regulation (EU) No. 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructures and repealing Decision No. 1364/2006/EC and amending Regulations (EC) No. 713/2009, (EC) No. 714/2009 and (EC) No. 715/2009, for which European grants were obtained.

From 1 October 2019 with the entry into force of ANRE Order 41/15 March 2019 the efficiency gain achieved by the TSO from the fourth regulatory period (1 October 2019 - 30 September 2024) will be 60% transferred by linearization to natural gas consumers and 40% will be retained by the TSO and the interest which was not capitalized according to the legal provisions, related to the bank credits contracted for the financing of the tangible fixed assets, for the establishing or extension of the transmission system is recovered through the regulated revenue.

GEO no. 27/2022 provides that in order to cover the additional costs related to own technological consumption and technological consumption, respectively, generated by the increase in prices on the wholesale market above the value taken into account by the regulator when calculating natural gas transmission tariffs in 2021, the Energy Regulatory Authority (ANRE) modifies the regulated tariffs, applicable from 1 April 2022. The resulting tariffs remain unchanged for the period 1 April 2022 - 30 September 2023. ANRE did not modify the transmission tariffs with the price increase substantiated by the company.

By Order 95/18.05.2022, ANRE extends the deadlines laid down in ANRE Order 32/2021 on the approval of the adjusted regulated revenue and transmission tariffs for the natural gas transmission activity through the National Transmission System until 30 September 2023 and establishes that the differences resulting from the recalculation of the regulated revenue and the adjusted regulated revenue for the fourth regulatory year, 1 October 2022 - 30 September 2023, of the fourth regulatory period, are determined and adjusted with the adjustment of the regulated revenue and the approval of the revenue for the last year of the fourth regulatory period, i.e. for 1 October 2023 - 30 September 2024.

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

Starting with 1 October 2024, the natural gas transmission tariffs approved by ANRE President Order no.17 of 29.05.2024 are applicable. The approved regulated revenue related to natural gas transmission in the period 1 October 2024 - 30 September 2025 is lei 2,005,007 thousand.

At the end of 2020, the legacy transmission contract regarding the Isaccea 3 - Negru Vodă 3 pipeline was terminated by the conclusion of an Agreement for the termination of the legacy contract between SNTGN Transgaz SA and Gazprom Export LLC, which created the necessary framework for the conclusion of the interconnection agreements for the Isaccea 2,3 and Negru Vodă/Kardam 2,3 Interconnection Points, for ensuring the free access of third party to the capacity booking on the T2 and T3 transit pipelines and for the collection of the remaining amounts to be paid under the legacy contract.

The validity of the Termination Agreement of the legacy Contract between SNTGN Transgaz SA and Gazprom Export LLC, concluded at the end of 2020, expired on 31 December 2023.

👉 **balancing activity** performed as at 1 December 2015 based on ANRE Order 160/2015 establishing the obligations of the company on the balancing of the national transmission system, a financially neutral activity, any profit or loss from this activity following to be distributed to the customers for which the domestic transmission services are provided.

The total revenue from other activities with a small contribution to the turnover, such as asset sales, renting and royalty, interest revenue and foreign exchange gains, and the operating revenue and the financial revenue related to the debt for the regulated value remaining unamortised of the regulated asset base at the end of the Concession Agreement complete the total revenue of the company.

1. Analysis of the economic and financial indicators achieved as at 31 March 2025 compared to the indicators obtained as at 31 March 2024

The main economic and financial indicators during the 1 January 2025 – 31 March 2025 reporting period

| No. | Indicator | 31.03.2025 | Consolidated statements result | Individual statements result |
|-----|-----------------------------|---|--------------------------------|------------------------------|
| 1. | Current liquidity indicator | Current assets/Current liabilities | 1,36 | 1,31 |
| 2. | Leverage indicators | | | |
| 2.1 | Leverage indicator 1 | Borrowed capital/Equity | 64,09% | 61,70% |
| 2.2 | Leverage indicator 2 | Borrowed capital/Invested capital | 39,06% | 38,16% |
| 3. | Days' sales outstanding | Average accounts receivable x 90 / Turnover | 75,41 | 82,72 |
| 4. | Fixed assets turnover | Turnover/Fixed assets | 0,133 | 0,126 |

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

The establishment of the company EUROTRANSGAZ SRL on the territory of the Republic of Moldova was approved by Extraordinary General Meeting of the Shareholders Resolution No. 10/12.12.2017 for enabling participation in the privatization procedure of the State Enterprise VESTMOLDTRANSGAZ.

Transgaz is the sole shareholder of EUROTRANSGAZ SRL.

Since 2018, following the procurement of VESTMOLDTRANSGAZ SRL of the Republic of Moldova by EUROTRANSGAZ SRL, SNTGN Transgaz SA, as a parent company, prepares consolidated group financial statements.

Consolidated companies in the Transgaz group:

| | | Share (%) |
|----------------------|-----------------------------------|-----------|
| SNTGN Transgaz SA | Parent company | |
| Eurotransgaz SRL | Company held by SNTGN Transgaz SA | 100% |
| Vestmoldtransgaz SRL | Company held by Eurotransgaz SRL | 75% |
| | EBRD | 25% |

As at 25.08.2021 the European Bank for Reconstruction and Development (EBRD) became a shareholder, holding a 25% stake in the share capital of the natural gas transmission company VESTMOLDTRANSGAZ SRL, a subsidiary of TRANSGAZ in the Republic of Moldova, which took over from Moldovatrangaz SRL the activity of operation, exploitation, dispatching and transmission of natural gas in the Republic of Moldova.

thousand lei

| STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME | | | |
|--|-------------------|-------------------|-----------|
| Indicator | Achieved Q I 2025 | Achieved Q I 2024 | % |
| 0 | 1 | 2 | 3=1/2x100 |
| Operating revenue before the balancing and construction activity, according to IFRIC12 | 1.053.140 | 706.556 | 149% |

| STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME | | | |
|--|----------------------|----------------------|-------------|
| Indicator | Achieved Q I 2025 | Achieved Q I 2024 | % |
| 0 | 1 | 2 | 3=1/2x100 |
| Revenue from the balancing activity | 160.819 | 62.887 | 256% |
| Revenue from the construction activity according to IFRIC12 | 116.221 | 223.547 | 52% |
| Financial revenue | 78.867 | 85.028 | 93% |
| Operating costs before the balancing and construction activity, according to IFRIC12 | 501.516 | 444.959 | 113% |
| Balancing activity costs | 160.819 | 62.887 | 256% |
| Cost of constructed assets according to IFRIC12 | 116.221 | 223.547 | 52% |
| Financial costs | 25.530 | 32.143 | 79% |
| GROSS PROFIT, of which: | 604.961 | 314.482 | 192% |
| • from operation | 551.624 | 261.597 | 211% |
| • from the financial activity | 53.337 | 52.885 | 101% |
| Income tax | 88.380 | 56.591 | 156% |
| NET PROFIT | 516.581 | 257.891 | 200% |

thousand lei

| STATEMENT OF CONSOLIDATED FINANCIAL POSITION | | | |
|--|----------------------|-------------------|-------------|
| Indicator | Achieved Q I 2025 | Achieved 2024 | % |
| 1 | 2 | 3 | 4=2/3x100 |
| Fixed assets | | | |
| Tangible assets | 688.071 | 710.016 | 97% |
| Rights of use of the leased assets | 145.479 | 156.239 | 93% |
| Intangible assets | 5.169.396 | 5.117.109 | 101% |
| Goodwill | 10.083 | 10.150 | 99% |
| Trade receivables and other receivables | 2.722.570 | 2.648.908 | 103% |
| Deferred tax | 77.113 | 81.112 | 95% |
| Restricted cash | 2.409 | 2.301 | 105% |
| Total fixed assets | 8.815.120 | 8.725.834 | 101% |
| Current assets | | | |
| Inventories | 554.784 | 514.143 | 108% |
| Commercial receivables | 351.961 | 345.848 | 102% |
| Receivables on income tax | 0 | 15.184 | 0% |
| Other receivables | 111.092 | 104.048 | 107% |
| Cash and cash equivalent | 964.818 | 1.064.299 | 91% |
| Total current assets | 1.982.656 | 2.043.522 | 97% |
| Total assets | 10.797.776 | 10.769.356 | 100% |
| Equity | 4.781.194 | 4.282.416 | 112% |
| Non-controlling interests | 122.928 | 107.136 | 115% |
| Long-term debts | | | |
| Long-term loans | 3.064.348 | 3.406.203 | 90% |

| STATEMENT OF CONSOLIDATED FINANCIAL POSITION | | | |
|--|----------------------|-------------------|-------------|
| Indicator | Achieved Q I 2025 | Achieved 2024 | % |
| 1 | 2 | 3 | 4=2/3x100 |
| Other long-term debts | 1.373.659 | 1.411.071 | 97% |
| Total long-term debts | 4.438.007 | 4.817.274 | 92% |
| Current debts | | | |
| Short-term loans | 373.953 | 368.781 | 101% |
| Other short-term debts | 1.081.694 | 1.193.749 | 91% |
| Total current debts | 1.455.647 | 1.562.530 | 93% |
| Total debts | 5.893.654 | 6.379.804 | 92% |
| Equity and debts | 10.797.776 | 10.769.356 | 100% |

The variation of the consolidated economic and financial indicators achieved as at 31 March 2025, compared to quarter I 2024 is mainly determined by the variation of the individual economic-financial indicators recorded by SNTGN Transgaz SA at 31 March 2025 compared to the indicators achieved in quarter I 2024.

In quarter I 2025 Vestmoldtransgaz SRL of the Republic of Moldova provided natural gas delivery services amounting to lei 103.023 thousand.

As of 19 September 2023, according to ANRE MD Resolution 434/2023, Vestmoldtransgaz SRL of the Republic of Moldova was appointed as operator of the entire gas transmission system in the Republic of Moldova.

On 04.09.2023 Lease Contract for Natural Gas Transmission Networks No.70-SJ of 04.09.2023 was signed between Moldovatrangaz Ltd. and Vestmoldtransgaz Ltd. This contract entered into force on 19.09.2023 and was concluded for a period of 5 years.

On 18.09.2023 Maintenance Contract No. 25/23 was signed between Moldovatrangaz Ltd. and Vestmoldtransgaz Ltd. for ensuring the proper technical and industrial safety operation of the natural gas transmission networks. The Maintenance Contract was concluded for the period 19.09.2023 - 31.12.2024 and was subsequently extended for a period of 12 months. The value achieved from the Contract is disclosed in the Comprehensive Result under the category "Maintenance and transport".

On 18.09.2023 the Technical Operation Contract No. 26/23 was signed between Moldovatrangaz Ltd. and Vestmoldtransgaz Ltd., having as subject the interconnection and interoperability of the natural gas transmission network managed by Vestmoldtransgaz and the natural gas transmission network managed by Moldovatrangaz. The Technical Operation Contract entered into force on 19 September 2023, is valid until 31.12.2024 and is automatically extended for each subsequent year if neither Party notifies the other Party of its termination within 15 days. The value achieved from the Contract is presented in the Comprehensive Result under the category "Maintenance and transport".

Indicators of the SNTGN Transgaz SA individual economic and financial results

The main economic and financial indicators achieved at 31 March 2025, compared to the indicators achieved in the same period of 2024 are as follows:

| STATEMENT OF INDIVIDUAL COMPREHENSIVE INCOME | | | |
|--|----------------------|----------------------|-------------|
| Indicator | Achieved Q I 2025 | Achieved Q I 2024 | % |
| 0 | 1 | 2 | 3=1/2x100 |
| Operating revenue before the balancing and construction activity, according to IFRIC12, of which | 950.116 | 643.816 | 148% |
| -revenue from domestic transmission | 907.762 | 607.208 | 149% |
| Operating costs before the balancing and construction activity, according to IFRIC12 | 470.349 | 407.005 | 116% |
| Operating profit before the balancing and construction activity, according to IFRIC12 | 479.767 | 236.810 | 203% |
| Revenue from the balancing activity | 160.196 | 62.887 | 255% |
| Balancing activity costs | 160.196 | 62.887 | 255% |
| Revenue from the construction activity according to IFRIC12 | 116.221 | 223.547 | 52% |
| Cost of constructed assets according to IFRIC12 | 116.221 | 223.547 | 52% |
| Operating profit | 479.767 | 236.810 | 203% |
| Financial revenue | 76.144 | 77.931 | 98% |
| Financial costs | 16.084 | 21.481 | 75% |
| Financial result | 60.060 | 56.450 | 106% |
| GROSS PROFIT | 539.827 | 293.260 | 184% |
| Income tax | 86.527 | 51.322 | 169% |
| NET PROFIT | 453.300 | 241.938 | 187% |

Operating revenue before the balancing and construction activity, according to IFRIC12 registered an increase by **148%** compared to the revenue achieved at 31 March 2024, namely an increase of lei 306.300 thousand.

From 1 October 2023, the natural gas transmission tariffs approved by the Order 68 of 30.05.2023 of the ANRE President were applied. The approved regulated revenue for natural gas transmission for 1 October 2023 - 30 September 2024 is lei 1.647.347.820.

As of 1 October 2024, the natural gas transmission tariffs approved by ANRE President Order no.17 of 29.05.2024 were applied. The approved regulated revenue related to natural gas transmission in the period 1 October 2024 - 30 September 2025 is 2.005.006.850 lei.

The revenue was influenced mainly by the following factors:

- **revenue from capacity booking** higher by **lei 274.453 thousand** due to:
 - *capacity booking tariff* higher by lei cu 1,89/MWh, with a positive influence of lei 209.966 thousand;
 - *booked capacity* higher by 9.090.965 MWh, with a positive influence of lei 43.009 thousand;
 - *capacity overrun revenue* higher by lei 18.980 thousand. Capacity overrun revenue at 31 March 2024 amounted to lei 48.711 thousand, and at 31 March 2025 to lei 67.691 thousand;
 - *revenue from the auction premium* higher by lei 2.498 thousand following the capacity booking auctions performed according to the CAM-NC by interconnection points; revenue from the auction premium at 31 March 2024 amounted to lei 12.383 thousand, and at 31 March 2025 to lei 14.881 thousand.

- *commodity revenue* higher by **lei 26.101 thousand** due to:
 - *the commodity transmission tariff* higher by lei 0,30 lei/MWh, with a positive influence of lei 14.039 thousand;
 - *the gas transmitted capacities* higher as compared with quarter I 2024 by 7.399.900 MWh with a positive influence of lei 12.062 thousand, detailed by categories of consumers as follows:

| | | 3 months 2025 | 3 months 2024 | Differences |
|---|-------------------------|---------------|---------------|-------------|
| Quantity transmitted for direct consumers | MWh | 15.097.030 | 10.098.625 | 4.998.405 |
| | thousand m ³ | 1.346.777 | 930.595 | 416.182 |
| Quantity transmitted for distribution | MWh | 31.699.956 | 29.298.461 | 2.401.495 |
| | thousand m ³ | 2.964.968 | 2.742.330 | 222.638 |
| Total | MWh | 46.796.986 | 39.397.086 | 7.399.900 |
| | thousand m ³ | 4.311.745 | 3.672.925 | 638.820 |

- *other operating revenue* higher by **lei 5.747 thousand**.

The revenue from the balancing activity was higher by **lei 97.309 thousand** based on the following factors:

- trading price higher by lei 99,18 /MWh, with a positive influence of lei 61.234 thousand;
- quantity higher by 225.071 MWh with a positive influence of lei 36.076 thousand;

The revenue from the construction activity lower by **lei 107,326 thousand**, recorded 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 recorded, must be acknowledged in line with IAS 11, Construction Contracts;

The financial revenue has a negative influence of **lei 1.787 thousand**.

Operating costs before the balancing and construction activity according to IFRIC12 registered an increase by **116%** as compared to 31 March 2024, which is higher by **lei 63.344 thousand**.

The company made savings of lei 3.509 thousand to expenses with provision for risks and charges.

Overruns of lei 66.854 thousand were recorder to the following cost elements:

- transmission system gas consumption of lei 2.835 thousand due to:
 - the quantity of natural gas for NTS gas consumption higher by 28.456 MWh as compared to 31 March 2024, with a negative influence of lei 4.392 thousand;
 - the average purchase price achieved lower by lei 49,45/MWh as compared to the one achieved at 31 March 2023, with a positive influence of lei 7.620 thousand;
- other operating expenses: lei 4.504 thousand, mainly due to impairment adjustments on current assets;
- cost of maintenance and transport: lei 1.492 thousand.
- employee costs: lei 9.349 thousand;
- cost of royalty: lei 34.564 thousand;
- cost of depreciation: lei 6.612 thousand, based on the completion and commissioning of investments projects;
- cost of auxiliary materials: lei 3.203 thousand;
- cost of taxes and duties: lei 4.295 thousand.

The financial cost is lower by lei 5.397 thousand.

Compared to the achievements as at 31 March 2024 the gross profit achieved as at 31 March 2025 registered an increase by 184% respectively by lei 246.566 thousand and the net profit achieved increased by 187%, respectively lei 211.361 thousand.

** thousand lei **

| STATEMENT OF INDIVIDUAL FINANCIAL POSITION | | | |
|--|----------------------|------------------------|-------------|
| Indicator | Achieved Q I 2025 | Achieved 31.12.2024 | Increase |
| 1 | 2 | 3 | 4=2/3x100 |
| Fixed assets | | | |
| Tangible assets | 318.076 | 333.770 | 95% |
| Rights of use of the leased assets | 18.961 | 19.695 | 96% |
| Intangible assets | 5.169.393 | 5.117.106 | 101% |
| Financial assets | 177.644 | 177.644 | 100% |
| Trade receivables and other receivables | 2.722.570 | 2.648.908 | 103% |
| Deferred tax | 80.594 | 82.718 | 97% |
| Restricted cash | 2.409 | 2.301 | 105% |
| Total fixed assets | 8.489.647 | 8.382.143 | 101% |
| Current assets | | | |
| Inventories | 548.219 | 508.219 | 108% |
| Commercial receivables | 311.586 | 322.973 | 96% |
| Receivables on income tax | 0 | 17.148 | 0% |
| Other receivables | 91.807 | 82.997 | 111% |
| Cash and cash equivalent | 872.498 | 993.072 | 88% |
| Total current assets | 1.824.109 | 1.924.409 | 95% |
| Total assets | 10.313.756 | 10.306.552 | 100% |
| Equity | 4.732.117 | 4.278.817 | 111% |
| Long-term debts | | | |
| Long-term loans | 2.919.751 | 3.253.800 | 90% |
| Other long-term debts | 1.274.275 | 1.302.429 | 98% |
| Total long-term debts | 4.194.026 | 4.556.229 | 92% |
| Current debts | | | |
| Short-term loans | 358.081 | 350.727 | 102% |
| Other short-term debts | 1.029.532 | 1.120.780 | 92% |
| Total current debts | 1.387.613 | 1.471.506 | 94% |
| Total debts | 5.581.639 | 6.027.735 | 93% |
| Equity and debts | 10.313.756 | 10.306.552 | 100% |

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 15.694 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 decreased by lei 734 thousand as compared to 31 December 2024** due to the fact that the initial value of the leased assets contracts was lower 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 recorded.

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 authority 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 52.287 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 are at the same level compared to the value recorded at 31.12.2024 and is the share in 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 transmission of hydrogen, with sole shareholder SNTGN Transgaz SA with registered office in Bucharest, established by the AGEA Decision no. 5 of 05 June 2024 of SNTGN Transgaz SA.

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 31 March 2025 increased by the amount of lei 73.662 thousand, receivables recorded 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 73.662 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 31 March 2025 inventories increased by lei 40.000 thousand compared to the value as at 31 December 2024, being mainly determined by the increase in the stock of raw materials and materials by lei 60.479 thousand and the decrease in the stock of natural gas purchased to cover the technological consumption by lei 20.480 thousand.

Commercial receivables and other receivables

On 31 March 2025, the balance of the commercial receivables and other receivables **decreased by lei 11.387 thousand** as compared to 31 December 2024, mainly due to the following factors:

- decrease of the client receivables balance by lei 7.359 thousand;
- increase of the provisions for the impairment of the trade receivables by lei 4.028 thousand;

Other receivables

As at 31 March 2025 the balance of trade and other receivables increased by **lei 8,810 thousand** compared to 31 December 2024, this increase being mainly due to the following factors:

- increase in the balance of other receivables by lei 13.850 thousand;
- decrease of the provisions for the impairment of other receivables by lei 1.297 thousand;
- decrease of the claims against the state budget by lei 6.337 thousand;

Cash at hand and in bank

On 31 March 2025 the company's cash decreased by lei 120.574 thousand as compared to the end of 2024. Cash in bank accounts in lei decreased by lei 124.261 thousand and cash in bank accounts in foreign currency increased by lei 3.755 thousand. Other cash and cash equivalents increased by lei 39 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 of the balance of the commercial debt and other debt by lei 161.935 thousand;
- decrease of the balance of the debts related to the rights of use of leased assets by lei 215 thousand;
- increase of the provision for risks and charges by lei 2.224 thousand mainly on account of recording the employee profit sharing;
- recording the profit tax payable in the amount of lei 67.254 thousand;
- increase of the deferred revenue over the short term by lei 1.424 thousand;
- increase of short-term loans by lei 7.354 thousand.

Long-term debts

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

- decrease of long-term loans by lei 334.049 thousand;
- decrease of deferred revenue and of the subsidies by lei 27.702 thousand;
- decrease of the debts related to the rights of use of leased assets in the amount of lei 452 thousand.

Equity

There was no change in the subscribed and paid-up capital. Retained earnings increased by lei 453.300 thousand.

2. Analysis of the revenue and expense achieved as at 31 March 2025 compared to the revenue and expense budget approved by OGMS Resolution no. 4 of 09 April 2025

The main economic and financial indicators realized as at 31 March 2025, compared to the revenue and expense budget approved by OGMS Resolution no. 4 of 09 April 2025 are as follows:

thousand lei

| No. | Indicator | REB Q I 2025 | Achieved Q I 2025 | % |
|-----|--|-----------------|----------------------|-------------|
| 0 | 1 | 2 | 3 | 4=3/2x100 |
| 1. | Operating revenue before the balancing and construction activity, according to IFRIC12 | 890.856 | 950.116 | 107% |
| 2. | Revenue from the balancing activity | 87.327 | 160.196 | 183% |
| 3. | Revenue from the construction activity, according to IFRIC12 | 651.227 | 116.221 | 18% |
| 4. | Financial revenue | 62.910 | 76.144 | 121% |
| 5. | Operating costs before the balancing and construction activity, according to IFRIC12 | 576.280 | 470.349 | 82% |
| 6. | Costs from the balancing activity | 87.327 | 160.196 | 183% |
| 7. | Cost of constructed assets according to IFRIC12 | 651.227 | 116.221 | 18% |
| 8. | Financial costs | 24.410 | 16.084 | 66% |
| 9. | GROSS PROFIT , of which: | 353.076 | 539.827 | 153% |
| | • from operation | 314.576 | 479.767 | 153% |
| | • from the financial activity | 38.500 | 60.060 | 156% |
| | Income tax | 17.730 | 86.527 | 488% |
| | NET PROFIT | 335.346 | 453.300 | 135% |

Operating revenue before the balancing and construction activity according to IFRIC12 increased by **lei 59.261 thousand** as compared to the REB.

The revenue was influenced by the following:

- Gas transmission services increased by **lei 77.848 thousand** due to:
 - *capacities booked* higher by 12.261.166 MWh with a positive influence of **lei 88.017 thousand**;
 - *average capacity booking tariff, determined by the structure of the booked products*, lower by lei 0,071/MWh, with a negative influence of lei **8.165 thousand**
 - *the gas transmitted quantities* lower than planned by 1.038.300 MWh with a negative influence of **lei 2.004 thousand**;
- Other operating revenue decreased by **lei 18.587 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 72.869 thousand** based on the following factors:

- trading price higher by lei 36,88/MWh, with a positive influence of lei 22.773 thousand;
- quantity higher by 225.071 MWh with a favourable influence of lei 50.096 thousand;

Financial revenue increased by **lei 13.234 thousand** as compared to the REB, mainly due to the inflation adjustment of 2,08% as at 31 March 2025 of fixed assets included in the regulated asset base.

Operating costs before the balancing and construction activity according to IFRIC12 are lower by **lei 105.930 thousand** as compared to the provisions of REB.

Savings amounting to lei 114.883 thousand were recorded mainly the following cost elements:

- employee costs: lei 15.820 thousand;
- transmission system gas consumption: lei 16.948 thousand;
- auxiliary materials and other material costs: lei 18.003 thousand;
- cost of maintenance and transport: lei 8.537 thousand;
- cost of taxes and duties: lei 22.033 thousand;
- cost of depreciation: lei 12.425 thousand;
- other operating costs: lei 17.030 thousand.
- expenses with provision for risks and charges: lei 4.087 thousand

A surplus of lei 8.952 thousand was recorded at the cost of NTS concession royalty

The financial cost is lower than the level provided for in the REB by **lei 8.326 thousand**.

The gross profit increased by lei 186.751 thousand as compared to the REB.

3. Investment plan achievement

The capital expenditure achieved at 31 March 2025 amounted to **lei 138.632 thousand**.

Investments amounting to lei 7.343 thousand were commissioned in the analysed period.

In Q I 2025 instalments were reimbursed for the loans taken by the company to finance the investment works amounting to lei 30.667 thousand.

4. Receivables and arrears

On 31 March 2025 the outstanding receivables amounted to lei 689.782 thousand, which is higher by lei 20.910 thousand as compared 31 December 2024.

On 31 March 2025 Transgaz has no outstanding payments.

**DIRECTOR - GENERAL
ION STERIAN**

**Chief Financial Officer
Marius Lupean**