

**NATIONAL GAS TRANSMISSION COMPANY
TRANSGAZ S.A. GROUP**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS
ENDED ON 30 SEPTEMBER 2025**

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

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



		30 September 2025	31 December 2024	01 January 2024
	Note	(unaudited)	(audited)	(restated)*
ASSET				
Non-current assets				
Tangible Assets	7	671,658,186	710,016,488	768,831,213
Righth of use assets	7.1	126,769,428	156,238,537	173,445,968
Intangible assets	9	5,526,504,405	5,117,108,681	3,654,207,012
Financial assets		487,591	-	-
Goodwill	9.1	10,209,020	10,149,917	10,126,276
Other receivables	12	2,969,577,092	2,648,907,892	2,392,525,261
Long-term financial investments	13	31,092,000	-	-
Deferred tax	18	90,687,416	81,111,504	89,731,174
Restricted cash	13	<u>2,478,718</u>	<u>2,301,307</u>	<u>1,956,014</u>
		9,429,463,856	8,725,834,326	7,090,822,918
Current assets				
Inventories	11	701,861,268	514,142,628	582,637,571
Trade receivables	12.1	202,088,055	345,848,299	323,742,949
Other receivables	12.2	156,723,518	104,047,643	76,303,804
Income tax receivables		-	15,184,160	40,985,211
Short-term financial investments	13	77,730,000	-	-
Cash and cash equivalent	13	<u>743,411,669</u>	<u>1,064,299,187</u>	<u>710,857,030</u>
		1,881,814,510	2,043,521,917	1,734,526,565
Total assets		11,311,278,366	10,769,356,243	8,825,349,483
EQUITY AND LIABILITIES				
Equity				
Share capital	14	1,883,815,040	1,883,815,040	1,883,815,040
Hyperinflation adjustment of share capital	14	441,418,396	441,418,396	441,418,396
Share premium	14	247,478,865	247,478,865	247,478,865
Other reserves	15	1,265,796,861	1,265,796,861	1,265,796,861
Retained earnings	15	902,584,139	433,983,777	103,373,244
Foreign currency translation reserve		<u>11,014,647</u>	<u>9,922,595</u>	<u>9,485,774</u>
Equity attributable to shareholders of the Parent		4,752,107,948	4,282,415,534	3,951,368,180
Non-controlling interests	15	<u>130,647,322</u>	<u>107,136,408</u>	<u>100,320,862</u>
Total equity		4,882,755,270	4,389,551,942	4,051,689,042
Non-current liabilities				
Long-term borrowings	16	3,213,671,390	3,406,202,889	2,033,509,381
Deferred revenue	17	1,138,643,383	1,141,200,092	849,905,754
Lease liabilities	19	97,447,655	125,610,112	144,696,947
Provision for employee benefits	21	<u>149,478,475</u>	<u>144,260,768</u>	<u>137,152,905</u>
		4,599,240,903	4,817,273,861	3,165,264,987

Notes 1 to 34 are part of these financial statements.

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

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



	<u>Note</u>	<u>30 September</u> <u>2025</u> <u>(unaudited)</u>	<u>31 December</u> <u>2024</u> <u>(audited)</u>	<u>01 January</u> <u>2024</u> <u>(restated)*</u>
Current liabilities				
Short-term borrowings	16	928,849,329	368,781,400	466,584,710
Deferred revenue	17	105,070,953	103,676,018	113,993,591
Current tax payable	18	8,038,947	-	-
Trade payables	19.1.a	254,116,406	508,085,044	253,267,721
Other payables	19.1.b	395,612,747	389,921,373	581,393,678
Contract liabilities	19.1.c	45,906,002	97,965,975	68,717,054
Lease liability	19.2	43,548,536	37,415,435	31,756,889
Other provisions	20	25,054,532	39,650,849	76,184,914
Provision for employee benefits	21	<u>23,084,741</u>	<u>17,034,346</u>	<u>16,496,897</u>
		<u>1,829,282,193</u>	<u>1,562,530,440</u>	<u>1,608,395,454</u>
Total liabilities		<u>6,428,523,096</u>	<u>6,379,804,301</u>	<u>4,773,660,441</u>
Total equity and liabilities		11,311,278,366	10,769,356,243	8,825,349,483

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

Notes 1 to 34 are part of these financial statements.

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

**INTERIM CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**



(expressed in lei, unless otherwise stated)

	<u>Note</u>	The nine months ended 30 September 2025 (unaudited)	The nine months ended 30 September 2024 (restated)*
Revenue from the domestic transmission activity - Romania	22.1	1,789,314,319	1,271,535,895
Revenue from the transmission activity – Republic of Moldova	22.1	193,070,623	105,715,116
Other income	22.2	<u>115,113,606</u>	<u>118,555,373</u>
Operational revenue before the balancing and construction activity according to IFRIC12		2,097,498,548	1,495,806,384
Depreciation and amortization	7. 9	(408,531,793)	(389,150,938)
Employees costs	24	(509,120,655)	(462,953,799)
Natural gas consumption, materials and consumables used		(83,943,747)	(105,717,173)
Royalty costs		(205,771,147)	(146,226,629)
Maintenance and transmission costs		(98,574,103)	(79,152,375)
Taxes and duties		(96,836,414)	(68,223,550)
Income/ (Expenses) with other provisions		4,555,972	(9,220,576)
Receivables impairment (loss)/gain		7,831,315	(9,049,040)
Other operating expenses	23.1	<u>(110,133,511)</u>	<u>(105,213,936)</u>
Operational profit before the balancing and construction activity according to IFRIC12		596,974,465	120,898,368
Revenue from the balancing activity	22.1	291,572,511	160,273,401
Expenses with the balancing activity	23.2	(291,572,511)	(160,273,401)
Revenue from the construction activity according to IFRIC12	32	741,858,453	1,298,473,637
Cost of assets constructed according to IFRIC12	32	<u>(741,858,453)</u>	<u>(1,298,473,637)</u>
Operational profit		596,974,465	120,898,368
Interest income	25	65,751,332	55,275,029
Other Financial income	25	241,488,623	89,327,425
Financial cost	25	<u>(109,596,132)</u>	<u>(80,579,510)</u>
Financial income, net		197,643,823	64,022,944
Profit before tax		794,618,288	184,921,312
Income tax expense	7	<u>(112,673,482)</u>	<u>(40,226,724)</u>
Net profit for the period		681,944,806	144,694,588
Attributable to equity holders of the parent		666,689,242	149,420,058
Attributable to the non-controlling interests		15,255,564	(4,725,470)
Number of shares	28	188,381,504	188,381,504
Basic and diluted earnings per share (expressed in lei per share)		3,62	0,77
Actuarial gain/(loss) for the period		1,815,950	2,056,798
Exchange differences on translation of foreign operations		3,734,944	(1,113,402)
Total comprehensive income for the period		687,495,700	145,637,984
Attributable to equity holders of the the parent		671,306,400	150,641,805
Attributable to the non-controlling interests		16,189,300	(5,003,821)

Director - General
Ion Sterian

Chief Financial Officer
Marius Lupean

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

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



	Share Capital	Share capital adjustments	Share premium	Other reserves	Legal reserve	Profit reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance at 1 January 2024	1,883,815,040	441,418,396	247,478,865	1,265,796,861	55,765,430	17,275,596	180,516,142	26,916,902	4,118,983,232	97,130,535	4,216,113,767
Effect of accounting error corrections (corrected—note 32)	-	-	-	-	-	-	(150,183,924)	(17,431,128)	(167,615,052)	3,190,327	(164,424,725)
Balance at 1 January 2024 (restated)	1,883,815,040	441,418,396	247,478,865	1,265,796,861	55,765,430	17,275,596	30,332,218	9,485,774	3,951,368,180	100,320,862	4,051,689,042
Net profit for the period (restated*)	-	-	-	-	-	-	149,420,058	-	149,420,058	(4,725,470)	144,694,588
Actuarial Gain/(loss)	-	-	-	-	-	-	2,056,798	-	2,056,798	-	2,056,799
Foreign currency translation reserve	-	-	-	-	-	-	93,601	(873,641)	(780,040)	(392,450)	(1,172,490)
Total other items of comprehensive income	-	-	-	-	-	-	2,150,399	(873,641)	1,276,758	(392,450)	884,308
Total comprehensive income for the period	-	-	-	-	-	-	151,570,457	(873,641)	150,696,816	(5,117,920)	145,578,896
Dividends related to 2023	-	-	-	-	-	-	(65,933,526)	-	(65,933,526)	-	(65,933,526)
Balance at 30 September 2024 (restated)*	1,883,815,040	441,418,396	247,478,865	1,265,796,861	55,765,430	17,275,596	115,969,149	8,612,133	4,036,131,470	95,202,942	4,131,334,411
Net profit for the period	-	-	-	-	-	-	254,684,588	-	254,684,588	11,318,770	266,003,358
Actuarial gain / loss	-	-	-	-	-	-	(9,562,513)	-	(9,562,513)	-	(9,562,513)
Foreign currency translation reserve	-	-	-	-	-	-	(148,473)	1,310,462	1,161,989	614,696	1,776,686
Total other items of comprehensive income	-	-	-	-	-	-	(9,710,986)	1,310,462	(8,400,524)	614,696	(7,785,828)
Total comprehensive income for the period	-	-	-	-	-	-	244,973,602	1,310,462	246,284,064	11,933,466	258,217,531
Reinvested profit reserves	-	-	-	-	-	40,845,861	(40,845,861)	-	-	-	-
Legal reserve increase	-	-	-	-	22,905,250	-	(22,905,250)	-	-	-	-
Balance as at 31 December 2024	1,883,815,040	441,418,396	247,478,865	1,265,796,861	78,670,680	58,121,457	297,191,640	9,922,595	4,282,415,534	107,136,408	4,389,551,942
Net profit for the period	-	-	-	-	-	-	666,689,242	-	666,689,242	15,255,564	681,944,806
Actuarial gain (loss)	-	-	-	-	-	-	1,815,950	-	1,815,950	-	1,815,950
Foreign currency translation reserve	-	-	-	-	-	-	1,691,689	1,092,052	2,783,741	951,203	3,734,944
Total other items of comprehensive income	-	-	-	-	-	-	3,507,639	1,092,052	4,599,691	951,203	5,550,894
Total comprehensive income for the period	-	-	-	-	-	-	670,196,881	1,092,052	671,288,933	16,206,767	687,495,700
Non-controlling interests Petrostar	-	-	-	-	-	-	-	-	-	7,304,147	7,304,147
Reserves from reinvested profits	-	-	-	-	-	30,520,848	(30,520,848)	-	-	-	-
Increase in legal reserve	-	-	-	-	-	-	-	-	-	-	-
Reserve capital	-	-	-	-	-	-	1,855,505	-	1,855,505	-	1,855,505
Dividends related to 2024	-	-	-	-	-	-	(203,452,024)	-	(203,452,024)	-	(203,452,024)
Balance at 30 September 2025	1,883,815,040	441,418,396	247,478,865	1,265,796,861	78,670,680	88,642,305	735,271,154	11,014,647	4,752,107,948	130,647,322	4,882,755,270

Foreign currency translation reserves arise from translating to presentation currency of the financial statements of the subsidiary Eurotransgaz in the reporting (RON).

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

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

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

		The nine months ended 30 September 2025 (unaudited)	The nine months ended 30 September 2024 (restated)*
	Note		
Cash generated from operations	26	1,008,969,481	581,280,518
Income tax paid		<u>(102,729,665)</u>	<u>(57,887,666)</u>
Net cash generated from operating activities		906,239,816	523,392,852
Cash flow from investing activities			
Purchase of intangible assets		(1,102,341,857)	(1,007,753,909)
Purchase of property, plant and equipment		(13,074,230)	(9,458,821)
Receipt from the transfer of tangible assets		-	110,457
Interest received		16,124,387	11,571,378
Payments for financial investments		(108,822,000)	-
Net cash used in investing activities		<u>(1,208,113,700)</u>	<u>(1,005,530,895)</u>
Cash flow from financing activities			
Repayment of long term borrowings		(112,875,411)	(112,490,694)
Repayment of borrowings for working capital		144,223,678	5,976,754
Proceeds from long term borrowings		300,000,000	497,670,000
Payment of principal portion of lease liabilities		(34,326,006)	(38,599,851)
Receipt of connection fees		25,953,407	257,482,234
Interest paid		(138,943,847)	(97,209,453)
Dividends paid		<u>(203,045,455)</u>	<u>(66,001,407)</u>
Net cash generated from financing activities		<u>(19,013,634)</u>	<u>446,827,583</u>
Net change in cash and cash equivalents		<u>(320,887,518)</u>	<u>(35,310,460)</u>
Cash and cash equivalent as at the beginning of the year	13	<u>1,064,299,187</u>	<u>712,813,045</u>
Cash and cash equivalent as at the end of the year	13	<u>743,411,669</u>	<u>677,502,585</u>

Director – General
 Ion Sterian

Chief Financial Officer
 Marius Lupean

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**
(expressed in lei, unless otherwise stated)

1. GENERAL INFORMATION

Information on the S.N.T.G.N. Transgaz S.A. Group ("the Group") and its subsidiaries.

The Group consists of S.N.T.G.N. Transgaz S.A. ("the Company"/"Transgaz") as the parent company and its wholly-owned subsidiaries EUROTRANSGAZ S.R.L., VESTMOLDTRANSGAZ S.R.L and TRANSPORT ROMÂNIA HIDROGEN S.R.L.

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

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

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

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

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

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

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

On 18 December 2017, the limited liability company EUROTRANSGAZ SRL Chisinau (EUROTRANSGAZ S.R.L.) was established in the Republic of Moldova. SNTGN Transgaz SA Mediaş is the sole shareholder of EUROTRANSGAZ S.R.L. under EGMS Resolution no. 10/12 December 2017 on the establishment company.

The core business of EUROTRANSGAZ is:

1. Natural gas production; natural gas transmission; natural gas distribution; natural gas storage; natural gas supply
2. Transmission through pipelines
3. Storage
4. Business and management consulting activities.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**
(expressed in lei, unless otherwise stated)

The share capital of EUROTRANSGAZ S.R.L. as at 30 September 2025 is in the amount of MDL 728,034,705 (equivalent in RON of lei 187,323,330) and is wholly owned by SNTGN Transgaz SA Medias - the founder of the Company, as sole shareholder.

The Decision of the Board of Administration of March 2018 approved the signing of the Sale and Purchase Agreement of I.S. Vestmoldtransgaz and the payment of the price offered for the privatization and all taxes and fees related to the privatization process.

Based on the Decision no.39/05.09.2019, the Board of Administration of SNTGN Transgaz S.A. approved the authorization of Eurotransgaz (ETG) administrators to register the sale-purchase contract and the transfer of the property right on the single asset complex IS "Vestmoldtransgaz" and also to carry out any actions necessary for the reorganization procedure of Vestmoldtransgaz (VTMG) into a limited liability company.

Based on the Resolution no. 434 of the National Agency for Energy Regulation Board of Administration of 07.07.2023, S.R.L. Vestmoldtransgaz was appointed as operator of the natural gas transmission system in the Republic of Moldova as of 19.09.2023 on a temporary basis until the completion of the certification procedure.

Also, from 19.09.2023 SRL Vestmoldtransgaz became the successor of the rights and obligations of SRL Moldovatrangaz regarding the contracts with system users and interoperability agreements.

For the purpose of consolidating this set of financial statements, the non-controlling interest in the subsidiary's equity in amount of LEI 124,103,507 (MDL 478,979,184) represents EBRD's share in the total net assets of the Vestmoldtransgaz S.R.L. in statement as at 30 September 2025.

By EGMS Resolution 5 of 5 June 2024 the establishment of a limited liability company TRANSPORT ROMÂNIA HIDROGEN S.R.L. was approved, having as its core business the hydrogen transmission, with sole shareholder SNTGN Transgaz SA. The company's activity is suspended.

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

By EGMS Resolution no. 5 of April 09, 2025 the takeover of 51% of the PETROSTAR S.A. company was approved, having as its core business the engineering and related technical consultancy activities. The acquisition process was completed in May 2025, and now the Company holds 51% of the share capital of Petrostar S.A., one of the oldest and most representative companies in Romania, operating in the research, technological engineering, and design fields for the oil and gas extraction industry.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**
(expressed in lei, unless otherwise stated)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with OMF 2844/2016 for the approval of the Accounting Regulations in line with International Financial Reporting Standards as adopted by the European Union (OMF 2844/2016). OMF 2844/2016, complies with IFRS as adopted by the European Union, with the following exceptions:

- a) IAS 21 The effects of changes in foreign exchange rates on functional currency,
- b) IAS 20 Accounting for Government Grants on the recognition of revenue from green certificates,
- c) the exception of IAS 12 Income Taxes relating to the treatment of the minimum tax on turnover as an income tax expense.

These exceptions do not affect the compliance of the Company's financial statements with IFRS Accounting Standards as adopted by the EU.

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

Consumption of NTS gas, materials, and supplies would have increased by Lei 20,547,260 lei in the Q3 of 2025 (22,640,578 lei for the nine-month period ending 30 September 2024). Depreciation would have decreased by Lei 10,371,427 in the Q3 of 2025 (3,150,814 lei for the 9-month period ended 30 September 2024), Operating profit would have decreased by

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(expressed in lei, unless otherwise stated)

Lei 10,371,427 in the Q3 of 2025 (3,150,814 lei for the 9-month period ended 30 September 2024), and the value of the lines in the statement of financial position would have had the following effect: Intangible assets would have recorded a decrease of Lei 59,033,415 as at 30 September 2025 (36,099,145 lei as of 30 September 2024) and Retained earnings would have recorded a decrease of Lei 59,033,415 as at 30 September 2025 (36,099,145 lei as of 30 September 2024).

The financial statements have been prepared on the historical cost basis, except for financial assets that are measured at fair value through profit or loss or at fair value through other comprehensive income.

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

The material accounting policies applied in the preparation of these financial statements are presented below. These policies were consistently applied to all the financial years considered, unless otherwise stated.

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

The Group parent company must disclose non-controlling interests in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent company. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction .

Basis for Consolidation

Since 2017, the year in which EUROTRANSGAZ was established with SNTGN Transgaz S.A. as its founder, the company is required to prepare consolidated financial statements in accordance with IFRS 10-Consolidated Financial Statements, IFRS 12-Disclosure of Interests in Other Entities and IAS 21-The Effects of Changes in Foreign Exchange Rates.

As of 2018, following the acquisition of Vestmoldtransgaz SRL in Moldova by Eurotransgaz SRL, Transgaz, as the parent company, files consolidated group financial statements including the subsidiaries of Eurotransgaz SRL with Vestmoldtransgaz SRL in Moldova.

In accordance with the Accounting Law no. 82/1991 republished, as amended and supplemented, and with OMFP 2844/2016, as amended and supplemented, for the approval of accounting regulations in accordance with International Financial Reporting Standards, the parent company must prepare both its own separate financial statements and consolidated financial statements of the Group.

IFRS 10 sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee and also sets out the accounting requirements for the preparation of consolidated financial statements.

The parent company must prepare consolidated financial statements using uniform accounting policies for similar transactions and events in similar circumstances. Consolidation of an investee shall begin at the date when the investor obtains control and shall cease when the investor loses control of the investee.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(expressed in lei, unless otherwise stated)

Subsidiaries

The consolidated financial statements comprise the financial statements of Transgaz and its subsidiaries as at 30 September 2025.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other operating expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to

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continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

3. SUMMARY OF THE MATERIAL ACCOUNTING POLICIES

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

3.1 Standards/amendments

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

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

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- **IAS 21 The effects of changes in foreign exchange rates: lack of an official exchange rate (amendments).**

The amendments are effective for the annual reporting periods beginning on or after 1 January 2025, with earlier implementation permitted. The recently adopted IFRS accounting standard did not have a significant impact on the Company's accounting policies.

Standards issued but not yet in force and not adopted early

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

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

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

- **IFRS 18 Financial Statement Disclosures.** In April 2024, IASB issued IFRS 18 Presentation of Financial Statement Disclosures, which replaces IAS 1 - Presentation of Financial Statements, it is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. In subsequent reporting periods, Management will review the requirements of this newly issued standard and assess its impact.
- **IFRS 19 - Non-public Subsidiaries: Disclosures.** In May 2024, IASB issued IFRS 19 - Non-publicly Accountable Subsidiaries: Disclosure Requirements, which will be effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. In subsequent reporting periods, Management will review the requirements of this newly issued standard and assess its impact.
- **Amendment to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and the Associate or Joint Venture.** In December 2015, IASB indefinitely postponed the effective date of this amendment pending the outcome of its research project on the equity method.

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3.2 Segment reporting

The information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the gas transportation segment and other activities, including headquarter activities. The Directors of the Group have chosen to organize the Group around differences in activities performed.

Specifically, the Group is organized in the following segments:

- Domestic gas transmission segment for the gas transmission services in Romania
- International gas transmission segment – for the international gas transmissions using part of the NTS
- Balancing market segment – the Group is obliged to ensure balancing of the physical gas market, a profit neutral activity
- Republic of Moldova gas transmission segment – the services performed on the territory of Republic of Moldova by the Group's subsidiary, Vestmoldtransgaz
- Other activities

Transactions between the companies within the Group are at current market prices. Unrealized profits are eliminated in the financial statements.

All transactions between Group's segments within the same company (SNTN Transgaz SA) are at cost.

3.3 Foreign currency transactions

The Group's consolidated financial statements are presented in Romanian RON ("lei"), which is also the parent company's functional currency.

For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into lei at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

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3.4 Accounting for the effects of hyperinflation

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

Therefore, values reported in terms of purchasing power on 31 December 2003 are treated as basis for the accounting values of these financial statements.

3.5 Intangible Assets

Computer Software

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

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

Other fixed assets (for example international connectors)

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

3.6 Service concession agreement

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

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

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

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

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

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

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

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

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

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

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

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

Bifurcated model according to IFRIC 12

Initial application and recognition of intangible asset

Transgaz receives most of the benefits associated with the assets and is exposed to most of the risks, including the obligation to maintain network assets over a period at least equal to the remaining useful life, and the financial performance of the company is directly influenced by the state of the network.

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

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Due to the fact that the Service Concession Agreement (SCA) had nothing substantial changed in the way the Transgaz assets are operated (i.e.; cash flows changed only with the payment of royalties, but, on the other hand, the transmission tariff increased to cover the royalty), the intangible asset was measured at the remaining net value of the derecognized assets (classified in the financial statements as tangible assets on the date of application of IFRIC 12). Consequently, Transgaz continued to recognize the asset, but reclassified it as intangible asset. Transgaz tested the intangible assets recognized at that time for impairment, and no impairment resulted.

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

Financial Asset (Long term receivable) and intangible asset computation basis

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

The company applies the bifurcated model.

Under this model, the intangible asset is excess of the costs occurred over the financial asset (measured as per below). Said differently, the company recognized for the investments made until the balance sheet date an updated receivable related to the Regulated Asset Base remained undepreciated at the end of the concession agreement (2032), and an intangible asset for the value difference.

The present value of this long-term receivable is discounted using a discount rate equal to Romanian long-term government bonds, with a maturity close to the remainder of the concession agreement.

The initial measurement of the receivable is made at the fair value which reflects the credit risk which applies to the regulated amount remaining unamortized at the end of the contract, discounted using a risk-free rate - Romanian long term government bond rate. Subsequent valuation is done at amortized cost using the effective interest method. The actual interest rate used is based on historical data and does not change according to market interest rate.

Long term receivable adjusted with inflation rate

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

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

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

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

3.7 Property, plant and equipment

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

The Group's policy is to reflect property, plant and equipment at their cost at their cost less any accumulated depreciation and any impairment accumulated losses.

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

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

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

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

Number of years

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

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

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

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Gain and loss on disposal are determined by comparing amounts to be received with the book value and are recognized in the statement of comprehensive income in the period in which the sale took place.

Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of an asset with a long production cycle are capitalized as part of the cost of the respective asset. Borrowing costs attributable directly to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if expenses with the asset hadn't been made. To the extent that funds are borrowed specifically for obtaining a qualifying asset, the borrowing costs eligible for the capitalization of the respective asset is determined by the actual cost generated by that borrowing during the period, minus the income from the temporary investments of those borrowings. To the extent that funds are generally borrowed and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset.

The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the period, other than borrowings made specifically for obtaining the qualifying asset.

The costs of the funds borrowed for obtaining a qualifying asset (achievement of the investment) are capitalized by the company on the asset as a difference between the current leverage costs related to such loan during the period and any revenue from the investments obtained from the temporary investment of these loans.

Borrowing costs attributable to the commitment are recognized as an expense in the period in which they are incurred, unless the operator has a contractual right to receive an intangible asset, in which case the borrowing costs attributable to an agreement are capitalized during the development stage of the commitment.

3.8. Impairment of non-financial assets

Non-current assets must be recognized at the lower of the carrying amount and recoverable amount. If and only if the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset should be reduced to be equal to its recoverable amount. Such a reduction represents an impairment loss that is recognized in the result of the period.

Thus, at the end of each reporting period, the Group assesses whether there is any indication of impairment of assets. If such indication is identified, the Group tests the assets to determine whether they are impaired.

The Group's assets are allocated to cash-generating units. The cash-generating unit is the smallest identifiable asset group that generates independent cash inflows to a large extent from cash inflows generated by other assets or asset groups. The Group considers the National Transport System from Romania and Moldova as a separate cash-generating units.

No impairment indicators were identified as of 30 September 2025 or 2024.

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Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and machinery 3 to 15 years
- Motor vehicles and other equipment 3 to 5 years
- Leased gas transmission network in Moldova – 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

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After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings.

Short-term leases and leases of low-value assets. The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term

3.9 Financial assets

Financial assets and liabilities

The Company's financial assets include cash and cash equivalents, trade receivables, the long term receivable under the concession agreement other receivables, loans granted, bank deposits and government securities with a maturity from the date of incorporation/acquisition of more than three months and other investments in equity instruments.

Financial debts include interest-bearing bank loans, overdrafts, commercial debts and other debts.

For each item, the accounting policies on recognition and measurement are presented in this note.

Cash and cash equivalents include cash in hand and bank accounts and short-term bank deposits with a maturity of less than three months from the date of deposit.

The Company recognises a financial asset or a financial liability in the statement of financial position when and only when it becomes a party to the contractual provisions of the instrument. At initial recognition, financial assets are classified as measured at amortized cost or measured at fair value through profit or loss. The classification depends on the Company's business model for managing financial assets and their contractual cash flows.

The Company does not hold financial assets measured at fair value through other comprehensive income elements.

At initial recognition, financial assets and financial liabilities are measured at fair value plus or minus, in the case of assets measured at amortized cost, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Receivables arising from contracts with customers represent the Company's unconditional right to consideration. The right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. They are measured on initial recognition at the transaction price.

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The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method for each difference between the initial amount and the maturity amount and, for financial assets, modified for any adjustment for impairment.

Any difference between the entry value and the value at the maturity date is recognised in the statement of comprehensive income for the period of the loans, using the effective interest method.

Financial instruments are classified as liabilities or equity according to the nature of the contractual arrangement. Interest, dividends, gains and losses related to a financial instrument classified as debt are reported as expense or revenue. Distributions to holders of financial instruments classified as equity are recorded directly in equity.

Financial instruments are offset when the Company has an enforceable legal right to offset and intends to settle either on a net basis or to realize the asset and settle the obligation simultaneously.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are measured for impairment at the end of each reporting period.

With the exception of trade receivables, the loss adjustment related to a financial instrument shall be measured at an amount equal to the expected lifetime credit losses if the credit risk of that financial instrument has increased significantly since initial recognition. If, at the reporting date, the credit risk for a financial instrument has not increased significantly since initial recognition, the Company measures the loss adjustment for that financial instrument at an amount equal to the expected 12-month credit losses.

The adjustment for losses related to trade receivables arising from transactions within the scope of IFRS 15 is measured at an amount equal to the expected lifetime credit losses. The Company considers the risk or probability that a credit loss will occur by reflecting the possibility that a credit loss will occur and the possibility that a credit loss will not occur, even if the possibility of a credit loss is very remote.

The Company assesses the expected credit losses of a financial instrument in a manner that reflects reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The carrying amount of financial assets, other than those measured at fair value through the profit and loss account, is reduced by using an impairment adjustment account.

Derecognition of assets and liabilities

The Company derecognises a financial asset only when the contractual rights to the cash flows related to the assets expire, or when it transfers the financial asset and, substantially, all risks and rewards related to the asset to another entity.

The Company derecognizes financial liabilities if and only if the Company's obligations have been discharged or cancelled/expired.

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3.10. Inventories

Inventories are stated at the lower of cost and net achievable value.

The components recovered from disassembling and repairs of pipelines built by the company are recorded as inventories at a value determined by a technical committee. The amount so determined does not exceed the net realisable value.

The cost for spare parts bought is determined based on the first in, first out method. Where necessary, adjustment is made for obsolete and slow-moving inventories. Individually identified obsolete inventories are adjusted for the full value or written off. For slow moving inventory, an estimate is made of the age of each main category on inventory rotation.

The calculation of the general adjustment for the depreciation of stocks is made monthly depending on the age of the existing items in stock, applying the following percentages according to age: 0 - 12 months 0%; 1 - 2 years 10%; 2 - 3 years 30% - 40%; over 3 years 75% - 80%. The company holds a minimum safety stock of spare parts and materials.

The cost of natural gas used for the balancing activity related to the transmission system is determined based on the average weighted cost method.

The minimum gas stock that the company, as holder of the national natural gas transmission system operating license is required to have in underground storage facilities, is established by decision of the President of the National Energy Regulatory Authority (ANRE President). The Decision no. 656/08.04.2025 of the ANRE President established the obligation for the company to have a level of natural gas stock of 393,546.504 MWh as at 31 October 2025.

3.11. Trade receivables

Trade receivables are amounts due from customers for services rendered in the course of the company's ordinary activities. If the collection period is one year or less (or in the normal operating cycle of the business), they are classified as current assets.

Trade receivables are initially recognized at the transaction price and subsequently measured at amortized cost using the effective interest method, minus the adjustments for impairment.

The impairment adjustment policy according to IFRS9 is presented in note 12.

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(expressed in lei, unless otherwise stated)

3.12. Cash and cash equivalent

Cash and cash equivalents comprise cash on hand, cash in current accounts with banks, other short-term investments with high liquidity and with maturity terms of up to three months. In the statement of financial position, overdraft facilities are registered at loans, under current liabilities.

3.13. Equity

Share capital

Ordinary shares are classified as equity.

Additional costs directly attributable to the issue of new shares or options are registered at equity as a deduction, net of tax, from the receipts.

Dividends

Dividends are recognized as liabilities and deducted from equity at the end of the reporting period if they are declared before or at the end of the reporting period. Dividends are recognized when they are proposed before the end of the reporting period.

The company did not distribute partial dividends during the financial year.

Reserves

Reserves are accounted for by categories of reserves: legal reserves, statutory or contractual reserves, reserves from reinvested earnings and other reserves.

Legal reserves are established annually from the company's profits, in the proportions and within the limits laid down by law, and from other sources laid down by law. Legal reserves may be used only under the conditions provided for by law.

Retained earnings

Comprise the result carried forward from the takeover at the beginning of the current financial year of the profit and loss account result of the previous financial year and the result carried forward from the correction of accounting errors.

3.14. Borrowings

Borrowings are recognized initially at fair value, net of transaction costs recorded. Subsequently, borrowings are stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss during the borrowings, based on the effective interest method.

Borrowings are classified as current liabilities, unless the company has an unconditional right to defer payment of debt for no less than 12 months after the end of the reporting period.

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3.15. Current and deferred income tax

Tax expense for the period includes the current tax and the deferred tax and is recognized in profit or loss, unless it is recognized in other items of the comprehensive income or directly in equity because it relates to transactions that are, in turn, recognized in the same or in a different period, in other items of the comprehensive income or directly in equity.

Current income tax expense is calculated based on the tax regulations in force at the end of the reporting period. The company periodically evaluates situations where the applicable tax regulations are subject to interpretation and establishes provisions/ adjustments for impairment, where appropriate, for the amounts with accounting/fiscal impact.

The deferred income tax is recognized based on the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax arising from the initial recognition of an asset or liability in a transaction other than a business combination and at the time of the transaction does not affect the accounting profit and the taxable revenue is not recognized. The deferred income tax is determined based on tax rates (and legal regulations) in force until the end of the reporting period and which are expected to apply in the period in which the deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred revenue tax assets are recognized to the extent that it is probable that future taxable profit be derived from temporary differences.

3.16. Trade payables and other payables

Suppliers and other payables are recognized initially at transaction price and subsequently measured at amortized cost, using the effective interest method.

3.17. Deferred revenue

Deferred revenue is recorded for

- a) connection fees applied to customers upon their connection to the gas transmission network
- b) for the assets received free of charge (mainly land) and
- c) for government grants received.

The connection fees are billed to some large clients for their connection to the gas transmission network (additional connecting pipeline to be built by Transgaz). The fees billed to customer can cover partially or totally the cost of the pipes construction cost. These fees are considered to partially finance the construction of these additional connection pipelines, and are recognised as deferred revenue. The income from this deferred revenue is recognized straight line over the useful life of the asset financed. These additional pipelines are considered objective-specific, not customer specific.

The governmental subsidies are recognised at their market value when there is a reasonable assurance that they will be received and that the relevant conditions will be met.

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The company recognizes a right to collect the grant when there is reasonable assurance that it will comply with the conditions attached to its award and that the grant will be received. The Company considers that the reasonable assurance that the grant will be received can be confirmed by the fulfilment of the eligibility conditions in the funding applications, prior to the approval of the funding application.

The income from the grant is recognized proportionally from the amortization of the financed assets, applying the percentage of financing of the eligible expenses on the monthly amortization.

Cash inflows from government grant cashed or Connection fees are presented within financing cash flows in the Statement of Cash flows, as it is a the group's policy choice under IAS 7.

3.18. Employee benefits

In the normal course of business, the company makes payments to the Romanian state on behalf of its employees, for health funds, pensions and unemployment benefits. All the company employees are members of the pension plan of the Romanian state, which is a fixed contribution plan. These costs are recognized in the profit and loss account with the recognition of salary expenses.

Benefits granted on retirement

Under the collective agreement, the company must pay the employees on retirement a compensatory amount equal to a certain number of gross salaries, depending on the time worked in the gas industry, working conditions etc. The company recorded a provision for such payments (see Note 21). The obligation recognized in the balance sheet represents the present value of the obligation at the reporting date. The obligation is calculated annually by independent experts using the Projected Unit Credit Method. The present value is determined by discounting future cash flows with the interest rate of the long-term government bonds.

The current service cost is recognized in the profit and loss account in the employee costs. Interest expense is included in the profit and loss account in the financial costs.

Actuarial gain or loss due to changes in actuarial assumptions is recognized in the statement of comprehensive income (are debited/credited to retained earnings via other comprehensive income) in the period for which the actuarial calculation is made.

Social insurance

The company records expenses related to its employees, as a result of granting social insurance benefits. These amounts mainly include the implicit costs of employing workers and, therefore, are included in the salary expenses.

Profit sharing and bonuses

The company recognizes an obligation and expense for bonuses and profit sharing, based on a formula taking into account the profit attributable to the company's shareholders, after certain adjustments. The company recognizes an obligation where it is required under contract or where there is a past practice which created an implicit obligation.

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3.19. Provisions

The provisions are recognized when the company has a legal or implicit obligation as a result of past events, when for the settlement of the obligation an outflow of resources is required, which incorporates economic benefits and for which a credible estimate can be made in terms of the obligation value. Where there are similar obligations, the probability for an outflow of resources to be necessary for settlement is set after the assessment of the obligation class as a whole.

The provision is recognized even if the probability of an outflow of resources related to any item included in any obligation class is reduced.

Where the company expects the reversal of a provision, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is theoretically certain.

Provisions are measured at the discounted value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.20. Revenue recognition

The Company recognizes contracts with customers when all of the following criteria are met:

- the parties to the contract have approved the contract and undertake to fulfil their obligations;
- The Company may identify the rights of each party in relation to the goods or services to be transferred;
- The Company can identify the payment terms;
- the contract has commercial substance;
- it is likely that the Company will collect the value of the goods delivered and of the services provided.

Income from contracts with customers is recognised when, or as, the Company transfers the goods or provides services to the client, i.e. the client gains control over them.

Depending on the nature of the goods or services, revenue may be recognised over time or at a specific time.

Revenue is recognised over time if:

- the client simultaneously receives and consumes the benefits of obtaining the goods and services as the Company performs the obligation;
- the Company's performance creates or enhances an asset that the client controls to the extent that the asset is created or enhanced;
- the Company's performance does not create an asset with an alternative use for the Company.

All other revenue that does not meet the above criteria is recognised at a specific time.

In order for revenue to be recognized over time, the Company assesses progress towards the performance obligation using either outcome-based or input-based methods, depending on the nature of the good or service transferred to the client. Revenue is recognized only if the Company can reasonably estimate the outcome of the performance obligation, or, if the outcome cannot be

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estimated, only at the level of costs incurred that it expects to recover from the client.

Revenue from client contracts mainly relates to gas transmission services and balancing services. Revenues related to these contracts are recognized at a specific point in time, based on actual quantities, at the prices set in the contracts. Each NTS user receives and consumes the benefits offered by the operator simultaneously, as the operator provides NTS operating services, and the operator recognizes revenue over time.

1. The Group has the following revenue streams:

a) *Revenues linked to the concession agreement in Romania*

- Revenue from transmission services – Romania
- Revenue from the balancing activity -Romania
- Revenues from connection fees charged to clients upon their connection to the gas transmission network- Romania
- Revenue from construction activity according to IFRIC 12

b) *Revenues not linked to the concession agreement in Romania*

- Revenue from transmission services – republic of Moldova

The contracts entered into by the Company do not contain significant financing components.

a) *Revenue from transmission services-Romania*

Revenue from the domestic gas transmission results from the booking the transmission capacity and from the transmission through the National Transmission System of the determined quantities of natural gas, expressed in units of energy, during the validity of a gas transmission contract, and are recognized at the moment of their delivery. During the administration of the transmission contracts, the Company issues and submits to the clients, by day 15 of the month following the month for which the transmission service was provided.

b) *Revenue from the balancing activity-Romania*

In accordance with the applicable European and national provisions, Transgaz ensures the balancing activity for the National Transmission System (NTS). The balancing activity is carried out by Transgaz on the basis of ANRE Order no.160/2015 establishing the obligations regarding the balancing of the national transmission system, a financially neutral activity, any profit or loss from this activity being distributed on a monthly basis to the customers for which internal transmission services are provided.

The commercial, operational and physical balancing of the NTS defines a set of activities and procedures necessary to allocate the quantities of natural gas at network user level and to ensure the safe transmission of natural gas through the NTS. Commercial balancing takes the form of issuing Surplus invoices by network users, Deficit invoices by the transmission system operator and neutrality invoices respectively.

The balancing actions carried out by Transgaz imply the recording of revenues and expenses separately in the accounting records. The difference between the revenues and expenses related to the balancing actions carried out is allocated on a monthly basis to the network users, according to the methodology approved by ANRE, by applying a neutrality tariff.

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ANRE Order 85/2017 regulates the mechanism that ensures the cost and revenue neutrality of the natural gas transmission operator (TSO) and considers only the following categories:

- costs and revenues of the TSO as a result of paying or charging imbalance charges in relation to individual NUs;
- costs and revenues arising from the purchase/sale of gas by the TSO for the physical balancing of the NTS;
- costs and revenues arising from the activity of gas storage to ensure the physical balance of the transmission system;
- costs resulting from taking out a credit line to finance the physical and commercial balancing activity;
- costs and revenues resulting from contracting balancing services.

Transgaz presents separate line items for *Revenues from the balancing activity* and *Expenses from the balancing activity* in the statement of comprehensive income, which provides a better picture and understanding of Transgaz' financial results and performance and of the contribution of the balancing activity to the entity's performance.

The presentation of the line item *Revenues from the balancing activity* under operating revenue does not provide a fair and complete picture of Transgaz' financial performance. The financial neutrality required by the regulations makes it appropriate to present balancing revenues and expenses separately from the Transgaz' other operating revenues and expenses, separating the balancing activity that has zero regulated profit from the rest of the activities performed by Transgaz.

Revenue from transmission services – Republic of Moldova

Revenues from the provision of natural gas transmission services consist of the reservation of transmission capacity, nominations at interconnection points and the transport of natural gas through the transmission system of the allocated quantities to the exit points in the distribution networks, during the validity period of a natural gas transmission contract and are recognized at the time of their delivery.

During the administration of transmission contracts, the company issues and transmits by the 15th of the month following the month for which the transmission service was provided, an invoice for the transmission services provided for the previous month, drawn up based on the Delivery-Receipt Acts of the natural gas transmission service and the applicable tariffs provided by the National Agency for Energy Regulation (ANRE). Payment of invoices issued by the Transmission System Operator ("TSO") is made within 15 calendar days from the date of issue of the invoice.

c) *Revenues from connection fees charged to clients upon their connection to the gas transmission network*

These connection fees partially or fully finance the cost of construction works for connection to the National Gas Transmission System, are recognized as deferred revenues at the time of invoicing to the client and are recognized as revenue over the asset's useful life.

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d) Revenue from the sale of goods (including network balancing)

Revenue from the sale of goods is registered when the goods are delivered.

According to the Network Code for the National Natural Gas Transmission System, Transgaz sells natural gas as part of measures aimed at balancing differences between the quantities of natural gas delivered to the NTS and those taken by network users from it.

Revenue from the sale of waste materials is generated from the scrapping and capitalization of decommissioned assets.

e) Interest income

Interest income is recognized proportionally, based on the effective interest method.

f) Revenue from dividends

Dividends are recognized when the right to receive payment is recognized.

g) Revenue from penalties

Revenue from penalties for late payment is recognized when future economic benefits are expected for the company.

3.21. Contract liabilities

Contract liabilities are an obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional (ie. a receivable), before the Group transfers the good or service to the customer, the Group presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

3.22. Related parties

The Parties are considered related if one of the parties has the ability to control the other party, to exercise a significant influence over the other party in financial or operational decision making, if they are under the common control with another party, if there is a joint venture in which the entity is an associate or a member of the management as described in the IAS 24 `Related Party Disclosures`. In evaluating each possible related party relationship, the focus is on the essence of this relationship and not necessarily on its legal form. Related parties may enter into transactions which unrelated parties cannot conclude, and transactions between related parties will not apply the same terms, conditions and values as for unrelated parties.

4. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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performance of the company. The group does not use derivative financial instruments to protect itself from certain risk exposures.

(a) Market risk

(i) Currency risk

The group is exposed to currency risk by exposures to various foreign currencies, especially to EUR. Currency risk is associated to assets (Note 12) and recognized liabilities.

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

30 September 2025	<u>EUR</u> (RON)	<u>GBP</u> (RON)	<u>USD</u> (RON)	<u>MDL</u> (RON)	<u>RON</u> (RON)	<u>Total</u> (RON)
Financial assets						
Cash and cash equivalents (including restricted cash)	669,210	3,419	54,372	31,662,059	713,501,327	745,890,387
Long term receivable from concession agreement	-	-	-	-	2,969,577,092	2,969,577,092
Other financial assets	25,406	-	-	-	-	25,406
Long-term financial investments	-	-	-	-	-	-
Short-term financial investments	-	-	-	-	-	-
Trade and other receivables	<u>167,705,715</u>	<u>-</u>	<u>6,528,412</u>	<u>59,786,503</u>	<u>124,765,537</u>	<u>358,786,167</u>
Total financial assets	168,400,331	3,419	6,582,784	91,448,562	3,807,843,956	4,074,279,052
Financial liabilities						
Trade and other payables	23,030,350	-	3,571,759	28,605,561	640,427,483	695,635,153
Lease liabilities	-	-	-	119,970,692	21,025,499	140,996,191
Borrowings	<u>1,101,182,818</u>	<u>-</u>	<u>-</u>	<u>155,794,217</u>	<u>2,885,543,685</u>	<u>4,142,520,720</u>
Total financial liabilities	1,124,213,168	-	3,571,759	304,370,470	3,546,996,667	4,979,152,064
Net	(955,812,837)	3,419	3,011,025	(212,921,908)	260,847,289	(904,873,012)

31 December 2024	<u>EUR</u> (RON)	<u>GBP</u> (RON)	<u>USD</u> (RON)	<u>MDL</u> (RON)	<u>RON</u> (RON)	<u>Total</u> (RON)
Financial assets						
Cash and cash equivalents	24,822,570	1,583	36,200	70,648,049	971,092,092	1,066,600,494
Long term receivable from concession agreement	-	-	-	-	2,648,907,892	2,648,907,892
Other financial assets	24,870	-	-	-	-	24,870
Trade and other receivables	<u>156,256,143</u>	<u>-</u>	<u>7,210,886</u>	<u>-</u>	<u>286,404,043</u>	<u>449,871,072</u>
Total financial assets	181,103,583	1,583	7,247,086	70,648,049	3,906,404,027	4,165,404,328
Financial liabilities						
Trade and other payables	68,676,406	-	167,188	37,479,035	617,062,875	723,385,504
Lease liabilities	-	-	-	142,143,642	20,881,905	163,025,547
Borrowings	<u>1,275,685,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,499,299,073</u>	<u>3,774,984,289</u>
Total financial liabilities	1,344,361,622	-	167,188	179,622,677	3,137,243,853	4,661,395,340
Net	(1,163,258,039)	1,583	7,079,898	(108,974,628)	769,160,174	(495,991,012)

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As at 30 September 2025, the amount of Lei 174,831,535 (31 December 2024: Lei 163,516,769) representing trade receivables and other receivables net is expressed in foreign currency, of which 4% in USD (31 December 2024: 4%) and 96% in EUR (31 December 2024: 96%).

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

	<u>30 September</u> <u>2025</u> (unaudited)	<u>31 December</u> <u>2024</u>
<i>Impact on profit and loss and on equity of:</i>		
USD appreciation by 8%	1,296,752	566,392
USD depreciation by 8%	(1,296,752)	(566,392)
EUR appreciation by 2%	(22,085,961)	(23,264,663)
EUR depreciation by 2%	22,085,961	23,264,663

(ii) **Price risk**

The Group is exposed to the commodity price risk related to gas purchased for own consumption. If the gas price had been 5% higher/lower, the net profit related to the period would have been lower/higher by lei 2,984,821 (on December 2024: lei 6,161,452).

(iii) **Interest rate risk on cash flow and fair value**

The Group is exposed to interest rate risk by its bank deposits and variable and fixed interest borrowings. The regulatory framework governing the Company's activities ensures full coverage of interest rate risk. Interest expenses related to loans taken out to finance investment projects being recovered through regulated income for gas transmission activities, and the interest related to credit lines taken out to finance commercial balancing activities is recovered through the neutrality tariff.

For the average exposure of the period, if the interest rates had been lower/higher by 50 basis points, with all the other variables maintained constant, the profit related to the period and equity would have been higher/lower by lei 12,187,660 (December 2024: lei 10,863,638 higher / lower) as a result of reducing the interest rate for variable interest loans and the interest rate on the bank deposits.

The value of 50 basis points represents management's assessment of the reasonable change in interest rates.

(b) **Credit risk**

Credit risk is especially related to cash and cash equivalents and trade receivables. The Group drew up a number of policies, through their application ensuring that sales of products and services are made to proper customers. The carrying amount of receivables, net of adjustments for loss allowance, represents the maximum value exposed to credit risk. The Group's credit risk in respect of trade receivables is concentrated on the 5 main customers, which together account for 47% of the trade receivable balances as at 30 September 2025 (31 December 2024: 42%). Although the collection of receivables can be

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influenced by economic factors, the management believes that there is no significant risk of loss exceeding the already made adjustments.

As the long-term concession receivable is guaranteed by the Romanian State, the Group considered that the potential impairment using the ECL model is not significant for these financial statements.

To cover credit risk the Company requests payment guarantees for gas transmission and commercial balancing contracts. As at 30 September 2025 the payment guarantees available to the Group from clients amounting to lei 494,250,506 (2024: lei 614,828,887 Lei) - mainly in form of bank guarantee letters and guarantee deposits.

Cash and the deposits (short and long term) are placed with financial institutions, which are considered as associated to a minimum performance risk.

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Without rating	32,084,988	71,598,559
BBB-	669,608,622	890,375,218
BBB+	42,929,389	101,888,737
A+	133,690	134,273
AA-	<u>326,478</u>	<u>157,385</u>
	<u>745,083,167</u>	<u>1,064,154,172</u>

All the financial institutions are presented in the Fitch rating or equivalent.

(c) *Liquidity risk*

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

The Group projects cash flows. The financial function of the company continually monitors the company's liquidity requirements to ensure that there is sufficient cash to meet operational requirements, while maintaining a sufficient level of unused borrowing facilities (Note 16) at any time, so the company does not violate the limits or loan agreements (where applicable) for any of its borrowing facilities. These projections take into account the company's debt financing plans, compliance with agreements, compliance with internal targets on the balance sheet indicators and, where appropriate, external regulations or legal provisions.

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

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

Maturity analysis of financial liabilities as at 30 September 2025 is as follows:

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	<u>Total amount</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
Borrowings	5,343,487,059	1,114,498,615	2,017,959,774	2,211,028,670
Trade payables and other payables	534,686,486	534,686,486	-	-
Lease liabilities	164,369,325	49,586,633	114,782,692	-
Other debts	<u>116,551</u>	<u>116,551</u>	<u>-</u>	<u>-</u>
	6,042,659,421	1,698,888,285	2,132,742,466	2,211,028,670

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

	<u>Total amount</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
Borrowings	4,920,901,783	534,841,486	2,142,499,066	2,243,561,231
Trade payables and other payables	723,385,504	723,385,504	-	-
Lease liabilities	187,376,694	42,254,606	145,122,088	-
Other debts	<u>194,293</u>	<u>194,293</u>	<u>-</u>	<u>-</u>
	<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 payables and other payables include trade payables, suppliers of non-current assets, dividends payable, payables and other payables (see Note 19) and are not included: payables generated as a result of the legal provisions imposed by the authorities, payables to the employees and advance registered revenue.

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

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

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

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

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Capital risk management

The Group's objectives related to capital management refer to keeping the company's capacity to continue its activity to provide compensation to shareholders and benefits to the other stakeholders and to maintain an optimal structure of the capital, as to reduce capital expenditure. There are no capital requirements imposed from outside.

As for the other companies in this sector, the company monitors the capital based on the leverage degree. This coefficient is calculated as net debt divided by total capital. The net debt is calculated as total borrowings (including `current and long-term borrowings`, according to the statement of financial position), except for cash and cash equivalent. The total capital is calculated as `equity`, according to the statement of the financial position.

The net leverage degree at 30 September 2025 and at 31 December 2024 is reflected in the table below:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Total borrowings	4,142,520,719	3,774,984,289
Except: cash and cash equivalents (Note 13)	<u>(743,411,669)</u>	<u>(1,064,299,187)</u>
Net debt	<u>3,399,109,050</u>	<u>2,710,685,102</u>
Equity capital	4,882,755,270	4,389,551,942
Leverage ratio	0.70	0.62

Fair value estimate

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

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

5. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES IN APPLYING ACCOUNTING POLICIES

Critical accounting estimates and assumptions

The company develops estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors, including predictions of future events considered reasonable under certain circumstances.

The resulting accounting estimates will, by definition, seldom equal the actual results. Estimates and assumptions that have a significant risk of causing an important material adjustment to the carrying amount of assets and liabilities within the next financial year are presented below.

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5.1 Assumptions for the determination of the provision for retirement benefits

The key assumptions for the computation of this provision are the inflation rate and the investment return %, variation of these inputs resulting in significant effect on the liability as at 30 September 2025 (and 31 December 2024)

This provision was calculated based on estimates of the average wage, the average number of employees and the average number of wage payment at retirement, as well as based on the benefits payment scheme. The provision was brought to the present value by applying a discount factor calculated based on the risk-free interest rate (i.e. interest rate on government bonds).

The present value of the obligations at 30 September 2025 is of lei 171,158,716 (at 31 December 2024: lei 160,073,832) (Note 21).

The presentation of the current value for the 2024 depending on the following variables (having potential effect in Other comprehensive income, representing actuarial gains/losses):

	<u>30 September</u>	<u>31 December 2024</u>
	<u>2025</u>	
	(unaudited)	
Inflation rate +1%	13,955,985	20,648,236
Inflation rate -1%	(12,432,301)	(5,571,698)
Investment return +10%	(8,317,765)	(1,439,562)
Investment return -10%	9,106,451	15,786,013

Analysis of the maturity of benefits payments:

	<u>30 September</u>	<u>31 December 2024</u>
	<u>2025</u>	
	(unaudited)	
Up to one year	21,963,422	11,165,196
Between 1 and 2 years	8,337,397	5,121,283
Between 2 and 5 years	24,844,737	14,378,356
Between 5 and 10 years	129,148,689	109,307,865

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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5.2 The accounting treatment of the concession agreement

As indicated in Note 8, in May 2002 the company concluded a Concession Agreement with the National Agency for Mineral Resources (‘ANRM’), which entitles the company to use the main pipelines of the national gas transmission system for a period of 30 years.

Scope of IFRIC 12 - applicability

The Grantor - National Agency for Mineral Resources (‘ANRM’) is a public sector entity and it granted concession to Transgaz. Transgaz being owned by the Romanian State, can be considered also a public entity.

While IFRIC 12 doesn't specifically state its applicability to "public-to-public concession" it does applies to any such arrangement where infrastructure is provided to the public and involves a **concession arrangement**, regardless of whether the operator is in the private or public sector.

IFRIC 12 applies to service concession arrangements where:

- i. the grantor is a public sector entity;
- ii. the operator is a private sector entity (or, in some cases, a public sector entity); and
- iii. the operator is granted the right to operate the infrastructure used to provide services to the public."

Based on the above details, upon detailed analysis , management of Transgaz considered the Concession Agreement signed with ANRM is in scope of IFRIC 12.

Scope of IFRIC 12 – bifurcated model

Transgaz has the following rights:

- a) To charge users of the national Transport system with a tariff which is approved by ANRE and which is based on its Regulated Asset Base (basically pipes, compression stations, etc – which forms the infrastructure called National Gas Transport System
- b) If the concession contract is terminated for any reason, or upon contract termination, the investment made by the national transmission system operator shall be transferred to the national transmission system owner or another grantor on payment of compensation equal to the Regulated Asset Base which was not depreciated fixed by ANRE (according to provisions of Law 127/2014 entered into force on 5 October 2014 states) – basically undepreciated NBV at the end of concession (using regulated depreciation periods which approximates economic useful lives). All the parameters were known since the enactment of the law, and as such, it represents an unconditional right to receive cash at the end of the cencession.

As such, these two points above, represent two separate assets under IFRIC 12. One representing the unconditional right to receive cash (financial asset) and the other representing the right to charge tariffs for the gas transmission.

Therefore, in this arrangement it is necessary to divide the two components of the contract asset - and measured as a long term financial asset and an intangible asset accordingly.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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5.3 The accounting treatment of royalties payable for using the national gas transmission system

As indicated in Note 8, the company pays royalties, calculated as percentage of the gross revenue achieved from the operation of pipelines of the national gas transmission system. These costs were recognized as expenses, rather than deduction from revenue, because they are not of the nature of taxes collected from customers and sent to the state, given the nature of activity and the regulatory framework:

- the company's revenue is based on tariffs approved by another regulator than the one setting the level of royalties;
- expense with royalties is an item taken into consideration at the calculation of the transmission tariff;

As of 1 January 2020, according to ANRE Order no. 1/2020, the company has the obligation to pay annually to ANRE a tariff amounting to 0.062 lei MWh applied to the quantity of natural gas transmitted for carrying out activities in the natural gas sector based on a license.

5.4 Accounting treatment of the lease agreement between VestmoldTransgaz and Moldovatrangaz

On 04.09.2023, Lease Agreement No. 70-SJ was concluded between Moldovatrangaz and Vestmoldtransgaz.

The lease agreement is presented in accordance with IFRS 16, its arguments for being included in IFRS 16 being:

- a. The contract concluded with Moldovatrangaz ensures only the transmission for use of the transmission network, not the right to provide the public service. The goods (infrastructure) are not public goods, they are leased by Moldovatrangaz.
- b. Moldovatrangaz is not a public sector entity in order to be associated with the Regulatory Authority of the Republic of Moldova, which grants Vestmoldtransgaz the right to provide the public service.
- c. The risks related to maintenance, as well as the decisions regarding capital repairs remain with Moldovatrangaz, respectively Moldovatrangaz has the obligation to carry out all capital repairs in order to maintain the Transmission Network in accordance with their destination.
- d. ANRE is not a party to the lease agreement and as a result cannot have a residual interest in the assets that are the subject of the lease agreement (the gas transmission network).

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6. INFORMATION ON SEGMENTS

Reporting segments are set according to the nature of the activities conducted by the company: the regulated activity, the unregulated activity and other activities, plus a geographical criteria as the Romanian and Moldovan transport operations are separate in nature (each one operated only in its host country). As transmission system operator, the Group reported annually to the National Regulatory Authority on the activity performed on the four reporting segments.

The segment information provided to the Board of Administration, which makes strategic decisions for reportable segments, for the 9 months period ended 30 September 2025 is:

	Domestic gas transmission	Balancing	Unallocated	Moldova domestic gas transmission and Petrostar activity	Total
Revenue from domestic transmission	1,789,314,319	-	-	193,070,623	1,982,384,942
Other revenue	<u>99,957,507</u>	<u>-</u>	<u>13,326,446</u>	<u>1,829,653</u>	<u>115,113,606</u>
Operating revenue before the balancing and the construction activity according to IFRIC12	<u>1,889,271,826</u>	<u>-</u>	<u>13,326,446</u>	<u>194,900,276</u>	<u>2,097,498,548</u>
Depreciation	(368,216,408)	-	(1,318,411)	(38,996,974)	(408,531,793)
Operating expenses other than depreciation	(1,011,628,694)	-	(5,786,472)	(74,577,124)	(1,091,992,290)
Profit from operation before the balancing and construction activity according to IFRIC12	<u>509,426,724</u>	<u>-</u>	<u>6,221,563</u>	<u>81,326,178</u>	<u>596,974,465</u>
Revenue from the balancing activity	-	288,737,224	-	2,835,287	291,572,511
Cost of balancing activity	-	(288,737,224)	-	(2,835,287)	(291,572,511)
Revenue from the construction activity according to IFRIC12	741,858,453	-	-	-	741,858,453
Cost of constructed assets according to IFRIC12	(741,858,453)	-	-	-	(741,858,453)
Operating profit	<u>509,426,724</u>	<u>-</u>	<u>6,221,563</u>	<u>81,326,178</u>	<u>596,974,465</u>
Net financial gain	-	-	-	-	197,643,823
Profit before tax	-	-	-	-	794,618,288
Income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(112,673,482)</u>
Net profit	-	-	-	-	681,944,806
Assets on segments	9,477,828,714	311,335,265	853,682,916	668,431,471	11,311,278,366
Liabilities on segments	5,573,106,875	535,990,848	11,987,674	307,437,699	6,428,523,096
Capital expenditure - increases in assets in progress	758,699,286	-	2,703,105	-	761,402,391
Non-monetary expenses other than depreciation	(22,196,529)	(9,360,867)	(146,106)	-	(31,703,502)

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In 2025, the Eurotransgaz SRL and Vestmoldtransgaz subsidiaries carried out transmission activities, their assets amounting to lei 655,396,704, and Petrostar SA carried out engineering and technical consulting activities related to these, their registered assets being worth Lei 15,017,454 and the of liabilities for Eurotransgaz SRL and Vestmoldtransgaz subsidiaries being worth Lei 307,757,656, respectively, while those of Petrostar SA amount to Lei 1,662,730.

Assets shown for the two main operating segments mainly comprise tangible and intangible assets, inventories and receivables, and mainly exclude cash and bank accounts. Assets shown for the balancing segment comprise mainly gas stocks procured for NTS balancing and trade receivables from the balancing activity.

The assets presented in the segment Domestic gas transmission Moldova include the value of the lease contract of natural gas transmission networks no.70-SJ of 04.09.2023 concluded between Moldovatrangaz SRL and Vestmoldtransgaz SRL recorded as the right of use of the leased assets.

Unallocated assets include:

30 September 2025

Tangible and intangible assets	28,795,857
Right of use lease assets	19,629,859
Cash	712,260,441
Other assets	326,656
Deferred tax	<u>92,670,103</u>
	853,682,916

Unallocated liabilities include:

Dividends payable	1,355,929
Tax payable	8,038,947
Lease liabilities	144,539
Other debts	<u>2,448,259</u>
	11,987,674

The liabilities presented for the two main operating segments consist of payables and borrowings contracted by the company for the acquisition of assets for the respective segments. Liabilities shown for the balancing segment comprise mainly trade payables from the balancing activity and the borrowings contracted to finance the balancing activity.

Non-cash expenses other than depreciation consist of the expense with the impairment of receivables and the inventory write-downs, provisions for risks.

Transmission services are performed for several domestic and foreign clients.

	<u>Domestic</u> <u>Clients</u>	<u>Foreign</u> <u>Clients</u>	<u>Moldova</u> <u>domestic</u> <u>transmission</u> <u>and Petrostar's</u> <u>activity</u>	<u>Total</u>
Revenue from the domestic transmission	1,671,853,392	117,460,927	193,070,623	1,982,384,942
Other revenue	<u>109,799,609</u>	<u>3,484,344</u>	<u>1,829,653</u>	<u>115,113,606</u>
	<u>1,781,653,001</u>	<u>120,945,271</u>	<u>194,900,276</u>	<u>2,097,498,548</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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<i>Domestic clients with over 10% of the total revenue include:</i>	<u>Percentage of the total revenue</u>
OMV PETROM SA	12%
SNGN ROMGAZ SA.	7%
ENGIE ROMANIA SA.	4%

All of the assets of the parent company are located in Romania. All of the activities of the parent company are carried out in Romania.

The company has external trade receivables amounting to lei 197,570,739 (31 December 2024: 182,319,227).

The *domestic gas transmission* segment includes information related to the activity of domestic gas transmission, which is regulated by the National Regulatory Authority as well as the operating and financial income related to the claims for the regulated value of the regulated asset base remained undepreciated at the end of the Concession Agreement; *the balancing* segment includes expenses and revenue related to the national transmission system balancing activity developed starting with 1 December 2015, neutral in financial terms, any profit or loss from this activity will be distributed to clients for whom domestic transmission services are provided; the *unallocated* segment includes activities with a low share in the company's revenue such as sales of assets, rents, royalties.

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The information on segments provided to the Board of Administration, who makes strategic decisions for the reporting segments, related to the financial year ended 30 September 2024, is as follows:

	Domestic gas transmission	International gas transmission	Balancing	Unallocated	Domestic transmission on Moldova	Total
Revenue from						
domestic transmission	1,377,251,011	-	-	-	-	1,377,251,011
Revenue from international transmission	-	-	-	-	-	-
Other revenue	104,367,750	18,225,486	-	5,792,332	-	128,385,568
Operating revenue before the balancing and the construction activity according to IFRIC12	1,481,618,761	18,225,486	-	5,792,332	-	1,505,636,579
Depreciation	(366,155,874)	(21,630,684)	-	(1,333,108)	-	(389,119,666)
Operating expense other than depreciation	(970,794,666)	(19,882,400)	-	(4,910,204)	-	(995,587,270)
Profit from operation before the balancing activity according to IFRIC12	144,668,221	(23,287,598)	-	(450,980)	=	120,929,643
Revenue from the balancing activity	-	-	160,273,401	-	-	160,273,401
Cost of balancing activity	-	-	(160,273,401)	-	-	(160,273,401)
Revenue from the construction activity according to IFRIC12	-	-	-	1,298,473,637	-	1,298,473,637
Cost of constructed assets according to IFRIC12	-	-	-	(1,298,473,637)	-	(1,298,473,637)
Profit from operation	144,668,221	(23,287,598)	-	(450,980)	-	120,929,643
Net financial gain	-	-	-	-	-	64,022,942
Profit before tax	-	-	-	-	-	184,952,585
Income tax	-	-	-	-	-	(40,744,328)
Net profit	-	-	-	-	-	144,208,257
31 December 2024						
Assets on segments	8,528,027,748	130,955,393	338,748,903	1,127,630,941	643,993,258	10,769,356,243
Liabilities on segments	5,435,772,698	638,897	563,844,255	23,909,482	355,638,969	6,379,804,301
Capital expenditure - increases in assets in progress	1,898,780,539	16,712,846	-	164,104	-	1,915,657,489
Non-cash costs other than depreciation	42,422,867	(11,888,026)	1,589,217	(206,023)	-	31,918,035

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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Assets indicated for the two main operating segments mainly comprise tangible and intangible assets, inventories and receivables, and mainly exclude cash and bank accounts. The presented assets for the balancing segment are mainly gas stocks procured for NTS balancing and trade receivables from the balancing activity. The assets presented in the segment Domestic gas transmission Moldova include the value of the lease contract of natural gas transmission networks no.70-SJ of 04.09.2023 concluded between Moldovatrangaz SRL and Vestmoldtrangaz SRL recorded as the right of use of the leased assets.

Unallocated assets include:

30 September 2024

Tangible and intangible assets	186,387,682
Right of use of leased assets	162,973,912
Goodwill	10,078,993
Cash	679,642,584
Other assets	33,580,850
Deferred tax	<u>2,541,761</u>
	1,075,205,782

Unallocated liabilities include:

Dividends payable	1,027,651
Other debts	<u>177,131,039</u>
	178,158,690

The liabilities presented for the two main operating segments consist of payables and borrowings contracted by the company for the acquisition of assets for the respective segments. Liabilities shown for the balancing segment comprise mainly trade payables from the balancing activity.

Non-cash expenses other than depreciation consist of the expense with the impairment of receivables and the expense with the inventory of write-downs, other provisions for risks.

International transmission services are provided for several foreign customers, while the domestic transmission activity is performed for several domestic customers.

	<u>Domestic Clients</u>	<u>Foreign Clients</u>	<u>Domestic gas transmission Moldova</u>	<u>Total</u>
Revenue from domestic transmission	1,161,926,406	215,324,605	-	1,377,251,011
Other revenue	<u>109,842,715</u>	<u>18,542,853</u>	<u>-</u>	<u>128,385,568</u>
	1,271,769,121	233,867,458	-	1,505,636,579

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<i>Domestic clients with over 10% of the total revenue include:</i>	<u>Percentage of the total revenue</u>
OMV PETROM S.A.	19%
SNGN ROMGAZ SA	14%
ENGIE ROMANIA S.A.	14%
E.ON ENERGIE ROMANIA S.A.	10%

All of the assets of the parent company are located in Romania. All of the activities of the parent company are carried out in Romania.

The company has external trade receivables amounting to lei 195,755,919 (31 December 2023: lei 169,254,185).

The *domestic gas transmission* segment includes information related to the activity of domestic transmission of natural gas that is regulated by the National Regulatory Authority, as well as the operating and financial income related to the receivable for the unamortized regulated value of the regulated asset base at the end of the Concession Agreement; the *international gas transmission* segment includes information related to the activity carried out through pipelines without transshipment on the territory of Romania and similar; the *balancing* segment comprises expenses and revenue related to the activity of balancing the national transmission system, an activity carried out since 1 December 2015, financially neutral, any profit or loss from this activity will be distributed to customers for which domestic transmission services are provided; the unallocated segment comprises activities with a low share in the company's revenue such as: asset sales, rents, royalties.

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7. PROPERTY, PLANT AND EQUIPMENT

The category Other fixed assets include measuring, controlling and regulating equipment and installations, means of transport, furniture, office equipment, equipment for the protection of human and material values and other tangible assets.

	<u>Lands and buildings</u>	<u>Transmission system assets</u>	<u>Other non-current assets</u>	<u>Assets in progress</u>	Total
On 30 September 2024					
Cost	341,352,606	986,500,401	756,342,778	12,534,893	2,096,730,678
Accumulated depreciation	(192,141,145)	(792,467,359)	(340,667,061)	-	(1,325,275,565)
Accumulated impairment charge	-	-	-	(1,656,182)	(1,656,182)
Foreign currency translation reserve	(107,979)	-	(859,739)	-	(967,718)
Initial net book value	<u>149,103,482</u>	<u>194,033,042</u>	<u>414,815,978</u>	<u>10,878,711</u>	<u>768,831,213</u>
Additions	-	-	-	10,889,267	10,889,267
Reclassification	72,734	(3,340,200)	(216,400)	(133,866)	(3,617,732)
Transfers	1,930,648	930,534	8,091,735	(10,952,917)	(1)
Disposals (net value)	(219,260)	(3,878)	(65,317)	-	(288,455)
Expense with depreciation	(6,739,136)	(23,184,031)	(29,313,617)	-	(59,236,783)
Foreign currency translation reserve	(169,881)	-	(1,537,920)	-	(1,707,801)
Final net book value as at 30 September 2024	<u>144,021,308</u>	<u>168,435,467</u>	<u>391,980,610</u>	<u>10,681,196</u>	<u>715,118,581</u>
Cost	319,288,048	984,059,610	758,060,606	12,337,378	2,073,745,642
Accumulated depreciation	(175,338,318)	(815,624,143)	(366,629,050)	-	(1,357,591,511)
Accumulated impairment charge	-	-	-	(1,656,182)	(1,656,182)
Foreign currency translation reserve	71,578	-	549,054	-	620,632
Final net book value	<u>144,021,308</u>	<u>168,435,467</u>	<u>391,980,610</u>	<u>10,681,196</u>	<u>715,118,581</u>
As at 31 December 2024					
Initial net book value	<u>144,021,308</u>	<u>168,435,467</u>	<u>391,980,610</u>	<u>10,681,196</u>	<u>715,118,581</u>
Additions	-	-	(400,791)	12,697,042	12,296,251
Reclassification	-	-	-	133,817	133,817
Transfers	892	-	24,090,336	(12,997,390)	11,093,838
Disposals (net value)	-	-	(25,647)	-	(25,647)
Expense with depreciation	(3,709,925)	(7,886,855)	(20,195,494)	-	(31,792,274)
Foreign currency translation reserve	1,753,130	-	1,445,049	(6,257)	3,191,922
Final net book value as at 31 December 2024	<u>142,065,405</u>	<u>160,548,612</u>	<u>396,894,063</u>	<u>10,508,406</u>	<u>710,016,488</u>
Cost	319,264,271	984,059,609	772,876,440	12,164,590	2,088,364,910
Accumulated depreciation	(177,198,866)	(823,510,997)	(375,982,377)	-	(1,376,692,240)
Accumulated impairment charge	-	-	-	(1,656,182)	(1,656,182)
Final net book value as at 31 December 2024	<u>142,065,405</u>	<u>160,548,612</u>	<u>396,894,063</u>	<u>10,508,408</u>	<u>710,016,488</u>
As at 30 September 2025					
Initial net book value as at 1 January 2025	<u>142,065,405</u>	<u>160,548,612</u>	<u>396,894,063</u>	<u>10,508,408</u>	<u>710,016,488</u>
Additions	5,990,684	-	126,484	13,208,417	19,325,585
Reclassification	72,734	(3,340,200)	(216,399)	(115,270)	(3,599,135)
Transfers	3,926,928	121,642	9,044,580	(13,093,150)	-
Disposals (net value)	(132,159)	(1,672)	(18,576)	-	(152,407)
Expense with depreciation	(5,970,783)	(20,231,124)	(29,835,071)	-	(56,036,978)
Foreign currency translation reserve	208,245	-	1,896,388	-	2,104,633
Final net book value as at 30 September 2025	<u>146,161,054</u>	<u>137,097,258</u>	<u>377,891,469</u>	<u>10,508,405</u>	<u>671,658,186</u>
Cost	328,677,442	984,155,395	776,779,077	12,164,587	2,101,776,501
Accumulated depreciation	(182,449,048)	(847,058,137)	(398,383,754)	-	(1,427,890,939)
Accumulated impairment charge	-	-	-	(1,656,182)	(1,656,182)
Foreign currency translation reserve	(67,341)	-	(503,854)	-	(571,194)
Final net book value	<u>146,161,054</u>	<u>137,097,258</u>	<u>377,891,469</u>	<u>10,508,405</u>	<u>671,658,186</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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The gross book value of the fully depreciated assets, still used, is lei 397,386,302 (31 December 2024: lei 382,303,036). As at 30 September 2025 no advances granted for the procurement of tangible assets are registered.

Regarding the assets developed by the company, which are complementary to the provision of services according to the concession agreement, the State has the option to acquire these assets at the end of the concession agreement. The company does not have the obligation to keep these assets until the end of the concession agreement and it is allowed to sell them. These assets do not fall within the scope of IFRIC 12. All the other assets related to the domestic transmission activity and which are part of the national gas transmission system, including improvements made after signing the concession agreement and which must be handed over to the ANRM at the end of the concession agreement fall within the scope of IFRIC 12.

Impairment adjustments have been established for work in progress whose completion and commissioning are uncertain.

The company has no pledged non-current assets.

7.1. The rights of use of the leased assets (IFRS 16)

The Group applies IFRS 16 for the leasing contracts complying with the recognition criteria and recognized the intangible asset as a right of use related to the leasing contract:

	Leases according to IFRS16
Cost on 1 January 2025	221,649,781
Accumulated depreciation	(65,411,244)
Net book value as at 01 January 2025	156,238,537
Additions	3,243,743
Disposals	(157,688)
Depreciation	<u>(32,555,164)</u>
Final net book value on 30 September 2025	126,769,428
Cost as at 30 September 2025	186,015,784
Accumulated depreciation as at 30 September 2025	(59,246,356)

Detailed information on IFRS 16 as at 30 September 2025:

	30 September 2025 of which:	Forestry conventions	Lease contract VMTG
Right of use assets	186,015,784	19,359,755	142,106,261
Right of use asset- accumulated depreciation	(59,246,357)	(7,846,182)	(34,966,692)
Interest expense on lease liability	15,330,161	226,756	14,443,728
Lease liability	140,996,191	12,499,776	119,970,692
Of which:			
Short term	43,548,536	1,649,515	39,711,657
Long term	97,447,655	10,850,261	80,259,035

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Detailed information on IFRS 16 as at 31 December 2024:

	Leases according to IFRS16
Cost on 1 January 2024	201,790,462
Accumulated depreciation	(28,344,494)
Net book value as at 01 January 2024	173,445,968
Additions	21,446,921
Disposals	(1,535,971)
Depreciation	<u>(37,118,382)</u>
Final net book value on 31 December 2024	156,238,537
Cost as at 31 December 2024	221,701,412
Accumulated depreciation as at 31 December 2024	(65,462,875)

	31 December 2024 of which:	Forestry conventions	Lease contract VMTG
Right of use assets	221,701,412	16,683,915	180,877,944
Right of use asset- accumulated depreciation	(55,892,636)	(6,712,689)	(34,764,260)
Interest expense on lease liability	15,264,231	445,744	14,360,110
Lease liability	163,025,547	10,889,456	142,143,642
Of which:			
Short term	37,415,435	1,320,203	33,501,878
Long term	125,610,112	9,569,253	108,641,764

Lease liability according to IFRS 16 is presented in the balance sheet at long-term and short-term leasing payables.

The group of forestry agreements includes contracts of temporary occupation of forest land under private ownership, concluded on the basis of Law no.185/2016 on some measures necessary for the implementation of projects of national importance in the field of natural gas.

On 04 September 2023 the gas transmission network lease contract No.70-SJ of 04.09.2023 between Moldovatrangaz Ltd. and Vestmoldtrangaz Ltd. was signed. This contract entered into force on 19.09.2023. The lease was concluded for a period of 5 years. The amount of annual rent is 42.6/ 165 mil. lei/MDL. The lease contract was recognized as an asset related to the right of use and a corresponding liability on the date the asset was leased and became available for use by Vestmoldtrangaz. On 19.08.2024 the Addendum Agreement No.1 was signed on amendments and additions to the above mentioned contract, namely the amount of annual rent for 2024 was increased and constitutes the amount of Lei (MDL) 45,636.6/176,612.31 thousand lei/thousand MDL.

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8. SERVICE CONCESSION AGREEMENT

In May 2002, the company concluded a Service Concession Agreement (`SCA`) with the ANRM, which entitles the company to operate the main pipelines of the national gas transmission system for a period of 30 years. All modernizations and improvements made by the company to the system are considered part of the system and become property of the ANRM at the end of their useful life. The company cannot sell or discard any asset part of the national transmission system; withdrawals can only be made with the approval of the state.

At the expiration of the agreement, the assets belonging to the public domain, existing upon signing the agreement and all investments made in the system will be returned to the State. The company owns and will develop other assets that are not directly part of the national gas transmission system, but are complementary assets for gas transmission operations. The ANRM has the option to buy these assets at the end of the concession agreement, at the fair value.

The main terms of the Concession Agreement are the following:

- The company is entitled to operate directly the assets subject to the concession agreement and to apply and collect tariffs for domestic and international transmission from clients in exchange for services provided; the company is the only entity authorized to operate the pipelines of the national gas transmission system, no sub-concession being allowed;
- Any change of tariffs must be proposed by the company and then approved by the ANRE;
- The company is exempt from the payment of import duties for the assets acquired for operation, improvement or development of the system;
- The company must annually publish by 30 October the available capacity of the system for the following year;
- The company must annually respond to the clients' orders by 30 November and the ANRM must be informed on all rejected orders decided by the company's management;
- The company must keep a specific level of functioning (guaranteed through a mandatory minimum investment programme);
- Royalties are paid as percentage (as of 30 October 2023: 11.5%) of the gross revenue from the operation of the national transmission system (domestic and international transmission);
- All operating expenses for operating the system are incurred by the company;
- The company may cancel the agreement by notifying the ANRM 12 months in advance;
- The ANRM may cancel the agreement by a 6-month prior notice, if the company fails to comply with the contractual conditions; it also has the option to cancel the agreement with a 30-day prior notice for `national interest` reasons; in this case, the company will receive compensation equal to the average net profit of the past 5 years multiplied by the remaining duration of the agreement.

The Concession Agreement does not include an automatic renewal clause.

By GD 906/28 September 2023, the amendment of Annex No 22 to Government Decision No 1 was approved. 1.705/2006 for the approval of the centralized inventory of goods in the public domain of the State, as subsequently amended and supplemented, by including the goods resulting from the completion of the investment objective "Interconnection pipeline of the National Gas Transmission System of Romania with the National Gas Transmission System of the Republic of Moldova on the direction Iasi (Romania)-Ungheni (Republic of Moldova), electricity supply, automation, data procurement, burglary and fire surveillance" and the transfer of these goods to the administration of the National Agency for Mineral Resources and to the concession of the National Gas Transmission Company "TRANSGAZ" - S.A.

No changes were made to the terms of the Concession Agreement after June 2003, except for the approval of the minimum investment plans.

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9. INTANGIBLE ASSETS

	Assets related to the Service Concession Agreement	Goodwill from consolidation	Software	Intangible assets in progress	Total
On 30 September 2024					
Cost as at 1 January 2024	8,421,229,990	9,413,102	87,826,328	373,525,658	8,891,995,078
Accumulated depreciation as at 01 January 2024	(5,154,741,097)	-	(64,490,232)	-	(5,219,231,329)
Adjustments for impairment	-	-	-	(9,142,777)	(9,142,777)
Foreign currency translation effect	-	713,174	(858)	-	712,316
Net book value as at 01 January 2024	3,266,488,893	10,126,276	23,335,238	364,382,881	3,664,333,288
Additions	-	-	25,218,319	1,303,465,030	1,328,683,349
Reclassifications	3,483,866	-	-	-	3,483,866
Transfers	17,869,777	-	1,611,683	(30,416,028)	(10,934,568)
Disposals	-	-	-	-	-
	(293,757,514)	-	(7,658,478)	-	(301,415,992)
Depreciation	-	-	-	-	-
Foreign currency translation effect	-	(47,283)	22	-	(47,261)
Final net book value 30 September 2024	2,994,085,022	10,078,993	42,506,784	1,637,431,883	4,684,102,682
Cost as at 30 September 2024	9,997,751,671	-	114,656,082	1,646,574,660	11,758,982,413
Accumulated depreciation as at 30 September 2024	(7,003,666,649)	-	(72,149,808)	-	(7,075,816,457)
Adjustment for impairment	-	-	-	(9,142,777)	(9,142,777)
Goodwill from consolidation	-	9,413,102	-	-	9,413,102
Foreign currency translation effect	-	665,891	510	-	666,401
Final net book value 30 September 2024	2,994,085,022	10,078,993	42,506,784	1,637,431,883	4,684,102,682
At 31 December 2024					
Initial net book value 01 January 2025	2,994,085,022	10,078,993	42,506,784	1,637,431,883	4,684,102,682
Additions	-	-	16,767,784	590,203,144	606,970,928
Reclassifications	-	-	-	(1,590,732)	(1,590,732)
Transfers	106,814,308	-	(41,405)	(164,403,891)	(57,630,988)
Disposals	-	-	-	-	-
Depreciation	(100,296,650)	-	(2,314,892)	-	(102,611,542)
Adjustment for impairment	-	-	-	(2,059,121)	(2,059,121)
Foreign currency translation effect	-	70,924	6,325	122	77,371
Final net book value as at 31 December 2024	3,000,602,680	10,149,917	56,924,596	2,059,581,405	5,127,258,598
Cost	8,547,606,509	-	131,383,145	2,070,783,181	10,749,772,835
Accumulated depreciation	(5,547,003,829)	-	(74,458,038)	-	(5,621,461,867)
Adjustment for impairment	-	-	-	(11,201,898)	(11,201,898)
Goodwill from consolidation	-	9,413,102	-	-	9,413,102
Foreign currency translation effect	-	736,815	(512)	122	736,425
Net book value as at 31 December 2024	3,000,602,680	10,149,917	56,924,596	2,059,581,405	5,127,258,598
At 30 September 2025					
Initial net book value 01 January 2025	3,000,602,680	10,149,917	56,924,596	2,059,581,405	5,127,258,598
Additions	-	-	20,779,810	748,193,972	768,973,782
Reclassifications	-	-	(282,312)	282,312	-
Transfers	69,454,641	-	757,780	(111,443,666)	(41,231,245)
Disposals	-	-	-	-	-
Depreciation	(304,626,711)	-	(13,890,871)	-	(318,517,582)
Foreign currency translation effect	-	59,103	-	170,769	229,872
Final net book value as at 30 September 2025	2,765,430,610	10,209,020	64,289,003	2,696,784,792	5,536,713,425
Cost	8,617,061,150	-	152,638,423	2,707,815,799	11,477,515,372
Accumulated depreciation	(5,851,630,540)	-	(88,348,905)	-	(5,939,979,445)
Adjustment for impairment	-	-	-	(11,201,898)	(11,201,898)
Goodwill from consolidation	-	10,209,020	-	-	10,209,020
Foreign currency translation effect	-	-	(515)	170,891	170,376
Net book value as at 30 September 2025	2,765,430,610	10,209,020	64,289,003	2,696,784,792	5,536,713,425

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*Transfers - due to the use of the bifurcated model under IFRIC 12, when an improvement or expansion of NTS is put into operation, the respective value is split between a long-term financial asset (note 12.3) and an intangible asset (note 9).

In accordance with IFRIC12, in the Current intangible assets category the investment projects carried out by the Company for the development and modernization of the national gas transmission system are presented, which will be handed over to the grantor at the end of the Concession Agreement (Note 8).

The project "Development of the Southern Transmission Corridor on Romanian territory for the offtake of natural gas from the Black Sea coast" has the largest share in the value of the additions in 2024.

The minimum NTS gas quantity required to ensure the pressures and flow rates for the end consumers under the contractual conditions (NTS pipeline stock) is recognized in the value of the right to use, as an intangible asset. At 30 September 2025 the line pack quantity is 935,174 MWh and has a value of 79,881,573 lei, of which the NTS pipeline stock is 798,715 MWh and amounts to 64,213,153 lei. At 31 December 2024 the line pack quantity is 820,296 MWh and has a value of 65,143,903 lei, of which the NTS pipeline stock is 693,293 MWh and has a value of 55,713,584 lei.

In 2025, the Company capitalized interest expense amounting to lei 74,806,939 (in 2024 it capitalized interest expenses amounting to 30,176,746), for National Transmission System assets (NTS assets).

As at 30 September 2025 and advances are granted in the amount of lei 806 and at 31 December 2024 there are advances amounted to 806 lei granted for the procurement of national gas transmission system development works are presented in the intangible assets in progress.

The remaining life of the intangible assets is presented in Note 3.5 and Note 3.8.

As at 30 September 2025, the Company capitalized additional costs for the procurement of natural gas, incurred between 1 January 2025 – 31 March 2025 amounting to lei 20,547,260 (41,986,083 lei on 31 December 2024), in order to cover its own technological consumption compared to the costs included in the regulated tariffs, in accordance with the provisions of the Order of the Ministry of Finance no. 5378/12 December 2023 and the Order of the President of ANRE no.128 /12 October 2022.

As a result of the acquisition of Vestmoldtransgaz SRL (VTMG) by Eurotransgaz SRL (ETG), goodwill calculated as the difference between the value of the shareholding and the value of the equity of VTMG weighted by the percentage of shareholding held, i.e. 100%, was recognized in the consolidated financial statements as intangible assets. The calculation of goodwill was performed at the acquisition date, i.e. March 2018, and is presented in the consolidated financial statements at the closing rate.

Impairment adjustments were made for work in progress for which completion and commissioning is uncertain.

9.1. Goodwill

On 28 March 2018 the Moldovan company Eurotransgaz S.R.L. owned by "SNTGN Tansgaz" S.A. Romania, concluded as buyer with the Public Property Agency of the Republic of Moldova, the contract for the sale and purchase of the single asset complex - state-owned enterprise Vestmoldtransgaz, the resulting goodwill being RON 10,082,934.

The company has carried as at 31/12/2024 out an impairment test in respect of the goodwill for its investment of the Moldova operations and did not identify any elements that would lead to goodwill impairment.

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10. FINANCIAL ASSETS

Financial assets consist of shares in unlisted companies. The fair value of these investment as at 30 September 2025 and 31 December 2024 is zero:

<u>Company</u>	<u>Activity</u>	<u>% Percentage owned 2025</u>	<u>% Percentage owned 2024</u>	<u>30 September 2025</u>	<u>31 December 2024</u>
Resial SA	Production	-	-	-	-
Mebis SA	Gas production distribution and supply	17.47	17.47	-	-

Shares in Resial SA

Shares owned in Resial SA were obtained in December 2003, as a result of a procedure for the recovery of claims due from a client. Resial SA went into liquidation in 2006; the procedure is carried out by a bailiff appointed by the court.

According to the Insolvency Proceedings Bulletin no. 19144/24.11.2023, the bankruptcy proceedings of Resial SA were closed by Decision no. 230/F/16.11.2023, which became final by Decision 50/21.05.2024, Resial SA being struck off the Commercial Register without Transgaz recovering any amounts from the value of the shareholding.

Shares in Mebis SA

Shares owned in Mebis SA were obtained in February 2004, as a result of a procedure for the recovery of claims due from a client. Mebis SA is in the liquidation procedure, which is why the stake in Mebis SA was fully adjusted. The company has no obligations to Mebis SA.

In case of the financial assets held by Transgaz, i.e. Mebis SA and Resial SA, the application of IFRS 9 has no impact whatsoever, as such assets are measured at the fair value by the profit and loss account

11. INVENTORIES

	<u>30 September 2025</u> <u>(unaudited)</u>	<u>31 December 2024</u>
Gas inventories for balancing purposes	290,305,569	307,812,978
Gas for technological consumption	89,392,579	105,370,085
Spare parts and materials	157,674,445	156,576,284
Materials in custody at third parties	233,343,867	1,914,056
Adjustments for inventory write-downs	<u>(68,855,192)</u>	<u>(57,530,775)</u>
	<u>701,861,268</u>	<u>514,142,628</u>

ANRE Order 160/2015 sets the obligations of Transgaz, as the transmission system operator, regarding the balancing of the national transmission system.

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According to the provisions of ANRE Order No. 16/2013 (Network Code), in order to ensure the physical balance of the NTS, Transgaz must have a sufficient gas quantity as gas linepack and/or as balancing gas stored in underground storage facilities.

By Decision No. 656/08.04.2025 ANRE established the minimum level of gas that the TSO must have in storage facilities by 31 October 2025, namely of 393,546.504 MWh. The gas stock stored by S.N.T.G.N. TRANSGAZ in storage facilities for the NTS's physical balancing is of 618,912.143 MWh as at 30 September, 2025.

The network users have the obligation to balance their own portfolios. The balancing actions are carried out according to the order of merit of, imposed by Article 9 of Regulation (EU) 312/2014, gas withdrawal from storage facilities being the last priority in the balancing actions list.

The Group does not hold any restricted inventories and has established safety inventories amounting to Lei 6,948,086 as at 30 September 2025 (12,471,393 lei as at 31 December 2024).

Discharge for the balancing activity is achieved by applying the weighted average cost method, and for the remaining operations by applying the first-in-first-out method (FIFO).

Movements in the adjustments for inventory write-downs account are analysed below:

	<u>30 September</u> <u>2025</u> <u>(unaudited)</u>	<u>31 December 2024</u>
Adjustment for inventory write-downs on 1 January	57,530,774	46,494,077
expense with adjustment for inventory write-downs (Note 23)	<u>11,324,418</u>	<u>11,036,698</u>
Adjustment at the end of the period	<u>68,855,192</u>	<u>57,530,775</u>

In 2025 adjustments for inventory write-downs were established according to Note 3.10.

Since 2022 the company has recorded a provision for the negative difference between the quantities of natural gas invoiced as initial imbalance and the final monthly imbalances, which will be requested to ANRE for recovery through the neutrality tariff.

12. TRADE RECEIVABLES AND OTHER RECEIVABLES

12.1 Trade receivables

	<u>30 September</u> <u>2025</u> <u>(unaudited)</u>	<u>31 December 2024</u>
Trade receivables	868,694,615	1,017,843,820
Adjustment of impairment of trade receivables	<u>(666,606,560)</u>	<u>(671,995,521)</u>
	202,088,055	345,848,299

At 30 September 2025, the amount of 174.831.535 lei (31 December 2024: 163,531,609 lei) of trade and other receivables net is denominated in foreign currency of which 4% in USD (31 December 2024: 4%) and 96% in EUR (31 December 2024: 96%).

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12.2 Other receivables

	<u>30 September</u> <u>2025</u> (unaudited)	<u>31 December</u> <u>2024</u>
Advance payments to suppliers for goods and services	412,129	339,131
State budget receivables	25,037,663	50,694,980
Other receivables	137,620,517	116,030,598
Non-refundable loans as subsidies	55,616,415	906,984
Adjustment of impairment of other receivables	<u>(61,963,206)</u>	<u>(63,924,050)</u>
	<u>156,723,518</u>	<u>104,047,643</u>

In 2020, the Company administratively challenged the tax decision regarding additional fiscal payment obligations amounting to lei 7,642,671 issued by ANAF in 2020 consisting of income tax and VAT and constituted an adjustment, which was maintained in 2023.

In 2024 the amount of the tax assessment decision was reduced to lei 2,806,218 being reduced by the Company the amount of the adjustment.

In July 2022 the Company paid the amount of 29,277,726 lei, to which it was bound by Arbitral Award no. 39/06.06.2022, rendered by the Arbitral Tribunal in case no. 107/2018, following the conclusion of the arbitration proceedings concerning the non-fulfilment of obligations under the supply contract for "Software Licences for Additional I/Os/Bandwidth Upgrade for SCADA System", a contract concluded by Transgaz with the Association consisting of RMG REGEL UND MESSTECHNIK GmbH Germany, IDS GmbH Germany and General Fluid S.A. Bucharest. The company appealed the arbitral tribunal's decision in court and recorded an impairment allowance of 29,277,726 lei as at 31 December 2022. This adjustment was maintained as at 30 September 2025 as well.

The advance payments granted to the company in the context of the contractual relationships are guaranteed by the suppliers by letters of bank guarantee.

12.3 Other receivables related to the Concession Agreement

	<u>30 September</u> <u>2025</u> (unaudited)	<u>31 December 2024</u>
Receivable related to the regulated value remaining unamortized at the end of the concession agreement	<u>2,969,577,092</u>	<u>2,648,907,892</u>

According to ANRE Order no. 41/2019 the value of the assets recognised in the Regulated Asset Base is adjusted to the inflation. The Company recalculated the amount of the receivable related to the Concession Agreement and recognized a gain amounting to 229,677,083 lei in accordance with IFRS 9 (31 December 2024: 127,698,456 lei).

According to IFRS 9.B5.4.5 in cases where there is an inflation adjustment embedded in the cash flows of a financial instrument, the adjustment for inflation is typically treated as part of the total contractual cash flows and is included in the effective interest rate calculation. As such, the inflation adjustment will contribute to the recognition of interest income over time.

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In practice, the inflation adjustment will be reflected in the interest income recognized in profit or loss, as part of the overall effective interest rate calculation, which takes into account both the nominal interest rate and any inflation-related adjustments that affect the cash flows of the instrument.

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Initial balance	2,648,907,892	2,392,525,261
Additions	41,231,245	76,202,595
Interest accrued	49,760,872	59,648,308
Inflation update	229,677,083	127,698,456
Disposals	-	(7,166,728)
	<u>2,969,577,092</u>	<u>2,648,907,892</u>

* Transfers / Additions - due to the use of the bifurcated model under IFRIC 12, when an improvement or extension of an NTS is commissioned, the respective value is split between a long-term financial asset (note 12.3) and an intangible asset (note 9).

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

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

The long term concession receivable being guaranteed by the Romanian state, the Group considered the potential impairment using ECL model to be immaterial for these financial statements.

12.4 Analysis of receivable impairment

The trade receivables analysis according to IFRS9 is as follows:

Trade receivables

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Unimpaired gross amounts		
Transit receivables	166,003,770	154,558,999
Receivables with customers in insolvency procedures	156,029,064	153,388,965
Related party receivables	181,249,544	300,049,254
Other trade receivables	<u>365,412,237</u>	<u>409,846,602</u>
Total	868,694,615	1,017,843,820
Impairment by categories		
Transit receivables	166,003,770	154,558,999
Receivables with customers in insolvency procedures	155,594,677	153,388,969
Related party receivables	102,863,335	151,830,188
Other trade receivables	<u>242,144,778</u>	<u>212,217,368</u>
Total impairment	666,606,560	671,995,524
Total trade receivables net of provision	202,088,055	345,848,296

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Receivables from various debtors

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Unimpaired –gross amount		
Receivables from various debtors	58,736,308	61,150,527
Impairment		
Receivables from various debtors	56,744,284	55,798,255
Total debtors' receivables net of provision	1,992,024	5,352,272

On 24.12.2020, the Agreement on the Termination of the Legacy Contract on the T3 transit pipeline was signed between SNTGN Transgaz S.A. and Gazprom Export LLC for the period 01.12.2020 - 31.12.2023, which ensures the collection of the outstanding amounts under the historical contract and allows the booking of transmission capacities on entry/exit points in/out of the NTS and on international transmission pipelines. The transit receivables category includes invoices issued on the basis of the Agreement on Termination of the Legacy Contract after October 2022, invoices that have not been paid by Gazprom Export LLC and for which Transgaz has initiated legal proceedings necessary to recover the outstanding debt recorded.

IFRS 9 applies a new model for expected impairment loss based on the estimated loss. This model entails the expected recognition of the loss from receivables impairment. The standard requires entities to recognize the expected impairment loss on receivables from the time of initial recognition of financial instruments, and to recognize the anticipated impairment loss over their lifetime. The amount of expected loss will be updated for each reporting period so as to reflect changes in credit risk as compared to initial recognition.

For the application of IFRS 9 on the held receivables, based on a loss estimation model, the client's categories were reconsidered starting from the IFRS 9 principle for the anticipation of a non-cashing in risk related to the current receivables.

Risk exposure for trade and receivables and other debtors:

<u>30 September 2025</u>	<u>Gross value</u>	<u>Expected loss rate</u>	<u>Expected lifetime loss</u>
Current receivables including invoices to be issued	207,742,620	8%	16,434,733
Overdue by up to 30 days	7,608,981	10%	729,898
Overdue by up to 60 days	2,561,170	20%	512,234
Overdue by up to 90 days	2,908,371	30%	872,511
Overdue by up to 120 days	1,572,203	35%	550,271
Overdue by up to 150 days	1,965,952	60%	1,179,571
Overdue by over 150 days	<u>703,071,626</u>	100%	<u>703,071,626</u>
Total receivables	927,430,923		723,350,844

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31 December 2024	<u>Gross value</u>	<u>Expected loss rate</u>	<u>Expected lifetime loss</u>
Current receivables including invoices to be issued	352,405,304	1%	4,390,655
Overdue by up to 30 days	1,285,026	85%	1,552,016
Overdue by up to 60 days	1,914,542	88%	1,683,383
Overdue by up to 90 days	466,405	87%	404,894
Overdue by up to 120 days	6,744,777	54%	3,632,829
Overdue by up to 150 days	1,662,473	97%	1,614,178
Overdue by over 150 days	714,515,820	100%	<u>714,515,824</u>
Total receivables	1,078,994,347		727,793,779

The company constantly analyses the customers' situation and records adjustments whenever there are indications of an increase in the non-collection risk.

As at 30 September 2025, the Company has recorded adjustments for receivables with an increased risk of non-collection, mainly for Gazprom Export LLC LLC (11,469,649 lei), Liberty Galați SA (11,825,424 lei), Black Sea Oil&Gas SA (829,043 lei), due to the financial situation of these customers and the ongoing litigations concerning these receivables and has decreased the adjustment for Electrocentrale Constanța (28,376,359 lei).

The payment of the equivalent value of the invoices for the natural gas transmission services, issued according to the provisions of the Network Code, is made within 15 calendar days from the date of issuing the invoice. If the due date is a non-working day, the deadline is considered fulfilled on the next working day.

Movements in the provision account are analysed below:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Adjustment on 1 January	738,124,720	747,288,265
Expense with the adjustment for contingent clients (Note 23)	22,708,613	47,156,660
(Reversing the adjustment for contingent clients (Note 23)	(14,924,005)	(44,694,467)
Adjustment at the end of the period	<u>730,340,112</u>	<u>735,919,571</u>

Top 5 clients by balance at 30 September 2025:

CLIENT	Client balance	Adjustment made
GAZPROM EXPORT	166,003,770	166,003,770
ELECTROCENTRALE CONSTANTA	103,403,211	78,403,211
OMV PETROM SA	47,631,218	-
NORTH CHEMICAL COMPLEX SRL	44,401,056	44,401,056
BLACK SEA OIL&GAS SA	41,953,692	41,748,336

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Top 5 clients by balance at 31 December 2024:

CLIENT	Client balance	Adjustment made
GAZPROM EXPORT	155,715,477	155,715,477
ELECTROCENTRALE CONSTANTA	106,779,570	106,779,570
E.ON ENERGIE ROMANIA SA.	85,306,029	-
ENGIE ROMANIA S.A.	75,315,856	-
OMV PETROM SA	51,217,004	-

13. CASH AND CASH EQUIVALENT

Cash at bank in foreign currency is mostly denominated in EUR.

	30 September 2025 (unaudited)	31 December 2024
Cash at bank in lei	723,566,986	1,053,754,754
Cash at bank in foreign currency	9,271,490	10,424,349
Other cash equivalents	<u>10,573,193</u>	<u>120,084</u>
	<u>743,411,669</u>	<u>1,064,299,187</u>

	30 September 2025 (unaudited)	31 December 2024
Restricted cash (administrators guaranties)	2,478,718	2,301,307

The weighted average of the effective interest rate related to short-term bank deposits was of 5.45% on 30 September 2025 (3.31% on 31 December 2024).

Short term and long term financial investments:

The Group opened a deposit for a period of 1800 days in the amount of 30,876,000 RON (120,000,000 MDL) at Moldova Agroindbank. The interest rate is 5.5% fixed for the first 365 days, thereafter a variable interest rate based on National Bank of Moldova reference interest rate.

The Group concluded a deposit agreement with Victoriabank in the amount of RON 77,190,000 (300,000,000 MDL) for a term 12 months with an annual interest rate of 6.5%.

14. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Share capital	Share premium	Total
On 31 December 2024	188,381,504	1,883,815,040	247,478,865	2,131,293,905
On 30 September 2025	<u>188,381,504</u>	<u>1,883,815,040</u>	<u>247,478,865</u>	<u>2,131,293,905</u>
Capital adjustment to the hyperinflation accumulated on 31 December 2003	<u>-</u>	<u>441,418,396</u>	<u>-</u>	<u>441,418,396</u>
On 31 December 2024	<u>188,381,504</u>	<u>2,325,233,436</u>	<u>247,478,865</u>	<u>2,572,712,301</u>
On 30 September 2025	<u>188,381,504</u>	<u>2,325,233,436</u>	<u>247,478,865</u>	<u>2,572,712,301</u>

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The authorized number of ordinary shares registered at the National Trade Registry Office is 188,381,504 (31 December 2024: 188,381,504) with a nominal value of LEI 10 each. Each share represents one vote.

The ownership structure registered with Depozitarul Central on 30 September 2025 is the following:

	<u>Number of ordinary shares</u>	<u>Statutory value (lei)</u>	<u>Percentage (%)</u>
The Romanian state, represented by the General Secretariat of the Government	110,221,453	1,102,214,528	58,5097
Other shareholders	<u>78,160,051</u>	<u>781,600,512</u>	<u>41,4903</u>
	<u>188,381,504</u>	<u>1,883,815,040</u>	<u>100,0000</u>

The ownership structure registered with Depozitarul Central on 31 December 2024 is the following:

	<u>Number of ordinary shares</u>	<u>Statutory value (lei)</u>	<u>Percentage (%)</u>
The Romanian state, represented by the General Secretariat of the Government	110,221,440	1,102,214,400	58,5097
Other shareholders	<u>78,160,064</u>	<u>781,600,640</u>	<u>41,4903</u>
	<u>188,381,504</u>	<u>1,883,815,040</u>	<u>100,0000</u>

In the statutory accounting, before 1 January 2012, the company included in the share capital certain reserves from revaluation for revaluations made before 31 December 2001. In order to prepare these financial statements according to Order no. 2844/2016 of the Minister of Finance, such increases were not recognized, because adjustments to hyperinflation for non-current assets were annually recognized in the statement of comprehensive income by 31 December 2003. Therefore, in this financial statements, the company recorded only the share capital from cash or in-kind contribution, adjusted to inflation from the date of the initial contribution on 31 December 2003 and the increase in the share capital that took place after 1 January 2004 was recognized in nominal terms.

15. OTHER RESERVES, LEGAL RESERVE AND RETAINED EARNINGS

Other reserves

Before IFRIC 12, a proper reserve related to assets belonging to the public domain (Notes 3.6 and 5.2) was included in equity as `Reserve of the public domain` at the value of the respective assets restated depending on inflation until 1 January 2004. It was renamed `Other reserves` at the adoption of IFRIC 12 (Note 3.5), to reflect the change in the statute of the related assets. The Company does not intend to change the allocation of deferred income arising from the first-time adoption of IAS 29.

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Legal reserve

In accordance with the Romanian law and the company's Articles of Incorporation, the Transgaz must transfer five percent of the profit from the statutory financial statements in a statutory reserve of up to 20% of the statutory share capital. The balance of the statutory reserve, which is not available for allocation on 30 September 2025, amounts to lei 78,670,680 (31 December 2024: 78,670,680 lei).

The legal reserve is included in the `Retained earnings` in these financial statements. The company does not intend to change the allocation of the legal reserve.

Reserve relating to reinvested profit

The balance of the invested profit reserve as at 30 September 2025 is lei 88,839,656 (31 December 2024 lei 58,121,457).

The Company recorded the 2024 profit a reserve in the amount of 30,520,848 lei representing tax incentives provided for by Law 227/2015 on the Tax Code on the profit invested in technological equipment-machinery, machinery and work installations, electronic computers and peripheral equipment, cash register, control and invoicing machines and appliances, as well as in software, produced and/or purchased and put into operation, used for the purpose of carrying out the economic activity, amended in 2023 by GO 16/2022 which extended the exemption from payment of reinvested profits also for some categories of assets related to the refurbishment.

Dividend allocation

In 2025, the company declared a dividend of lei 1.08 /share, related to the profit of the previous year (2024: lei 0.35 /share). The total dividends declared from the profit of 2024 are lei 203,452,024 (dividends declared from the profit of 2023: lei 65,933,526).

Non controlling interest

For the purpose of consolidating this set of financial statements, the non-controlling interest in the Vestmoldtransgaz equity of lei 141,246,672 (MDL 478,979,184) on 30 September 2025, lei 106,827,168 (MDL 414,701,738) on 31 December 2024 represents EBRD's share in the total net assets of Vestmoldtransgaz S.R.L. (lei 0.2576 on 31 December 2024) and a non controlling interest in newly acquired entity Petrostar representing the share held by other shareholders of 49% in the equity of Petrostar.

	<u>30 September 2025</u>	<u>31 December 2024</u>
Non-controlling interests	(unaudited)	
Opening balance	107,136,408	100,320,862
Net profit for the period	15,255,564	6,601,772
Petrostar shares	7,304,147	-
Foreign currency translation reserve	<u>951,203</u>	<u>213,774</u>
Non-controlling interests	130,647,322	107,136,408

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Summary financial statements of Vestmoldtransgaz, where the amount of non controlling interest is material:

	30 September 25 (unaudited)	31 December 24
Non current assets	508,443,711	516,289,301
Current assets	138,340,335	115,530,832
Non current liabilities	95,720,674	142,080,351
Current liabilities	70,898,494	77,974,429
Equity	480,164,877	411,765,353
	30 September 25 (unaudited)	31 December 24
Revenues	194,500,190	199,177,703
Net profit	65,406,962	26,373,199

16. LONG-TERM BORROWINGS

Loans breakdown by maturity range:

	<u>30 September 2025 (unaudited)</u>	<u>31 December 2024</u>
Within 1 year	897,445,094	346,864,337
Over 1 year	<u>3,213,671,390</u>	<u>3,406,202,889</u>
Total	<u>4,111,116,484</u>	<u>3,753,067,226</u>

The carrying amount of long-term loans recorded by the Company as at 30 September 2025:

	<u>30 September 2025 (unaudited)</u>	<u>31 December 2024</u>
BEI 83644RO	156,497,880	166,134,940
BEI 88825RO	178,077,798	189,203,207
BEI 89417RO	254,055,000	248,705,000
BEI 90512RO	508,110,000	497,410,000
BEI ETG 90703	155,708,508	168,155,419
BCR 20190409029	111,600,000	126,480,000
BCR 20201028056	244,800,000	259,200,000
BCR 20210817030	66,666,664	74,999,998
BCR 20211124044	155,833,333	165,000,000
BERD	166,762,800	188,997,840
Syndicated BCR	316,250,616	238,484,071
Syndicated BT	316,250,616	238,484,071
Syndicated CEC	113,850,222	85,854,265
Syndicated Raiffeisen	316,250,616	238,484,071
Syndicated Unicredit	157,397,931	118,693,522
BT	408,021,906	280,668,392
Raiffeisen Bank	286,182,594	269,312,430
BRD GSG	<u>198,800,000</u>	<u>198,800,000</u>
Total	<u>4,111,116,484</u>	<u>3,753,067,226</u>

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As at 30 September 2025, the balance of interest due on the loans contracted by the company is 31,404,235 lei, detailed by loan as follows:

	30 September 2025 (unaudited)	31 December 2024
BEI 83644RO	620,656	433,204
BEI 88825RO	975,207	1,502,740
BEI 89417RO	1,087,595	1,377,066
BEI 90512RO	1,758,682	2,224,708
BEI ETG 90703	85,707	2,302,359
BCR 20190409029	3,076,000	744,492
BCR 20201028056	6,426,812	2,533,485
BCR 20210817030	363,361	1,410,411
BCR 20211124044	3,903,945	799,685
BERD	1,347,304	1,253,055
Syndicated BCR	2,787,749	1,631,448
Syndicated Unicredit	1,387,463	811,971
Syndicated BT	2,787,749	1,631,448
Syndicated CEC	1,003,590	587,321
Syndicated Raiffeisen	2,787,749	1,631,448
BRD	<u>1,004,666</u>	<u>1,042,222</u>
	<u>31,404,235</u>	<u>21,917,063</u>

The European Investment Bank (EIB)

The company signed with the European Investment Bank the following loans for the financing of the project `Development on the Romanian territory of the National Gas Transmission System on the Bulgaria – Romania – Hungary – Austria corridor` (BRUA Phase 1).

- Loan Agreement no. 83644RO concluded on 27.10.2017 for the amount of EUR 50 million, fixed interest rate, maturity of 15 years, grace period of 3 years at principal repayment.
- Loan Agreement no.88825RO concluded on 14.12.2017 for the amount of EUR 50 million, with disbursements in lei or EUR (at the choice of the company), with fixed or variable interest (at the choice of the company), maturity of 15 years, the grace period of 3 years of repayment of the principal.

The company signed with the EIB the following loans for the financing of the project `Development on the Romanian territory of the Southern Transmission Corridor for taking over Black Sea gas` (Black Sea - Podișor):

- the Loan Agreement no.89417RO dated 17.12.2018 for the amount of EUR 50 million, maturity of 15 years, grace period of 3 years at principal repayment.
- the Loan Agreement no. 90512RO dated 24 January 2019 for the amount of EUR 100 million, maturity of 15 years, grace period of 3 years at principal repayment.

On 24 January 2019, the Company signed a loan agreement with the European Investment Bank for an amount of EUR 38 million, maturity of 15 years, grace period of 3 years for the repayment of the principal, for the purpose of financing the project "Construction of the pipeline interconnecting the national natural gas transmission system of the Republic of Moldova with the natural gas transmission system of the European Union, through Romania, in the direction Ungheni - Chisinau".

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The financial commitments undertaken by the loan agreements requires the company to comply with the negotiated limits of the following financial indicators: the ratio of the total net debts to the Borrower's RAB, the net leverage ratio and the Interest coverage rate.

The Borrower's own RAB means the Borrower's undepreciated regulated asset base, as recognized by the National Energy Regulatory Authority (ANRE).

Below we present the accepted limits of the indicators and the calculation formula, noting that for the reporting periods ended 30 September 2025 and 31 December 2024 reporting periods all indicators have been met:

Indicator name	Calculation formula	Commitment
Ratio of total net debt to RAB	Total net debt/RAB	Max. 0.70x
Net debt ratio	Total net debt/EBITDA	Max. 5.00x
Interest coverage ratio	Cash flow from operating/financing charges	Min. 3.00x

In 2017 the company received the first tranche of Loan Agreement number 83644RO of EUR 15 million issued by EIB on 30 November 2017, in 28 February 2018 the second tranche of the loan amounting to EUR 15 million and on 30 April 2018, the third tranche of the loan amounting to EUR 20 million was received.

The maturity of the loan 83644RO from the EIB is presented below:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Within 1 year	20,324,400	19,896,400
Between 1 and 5 years	81,297,600	79,585,600
Over 5 years	<u>54,875,880</u>	<u>66,652,940</u>
	<u>156,497,880</u>	<u>166,134,940</u>

In 2019 the company received under Loan Agreement no. 88825RO two tranches totalling EUR 50 million.

The maturity of the loan 88825RO from the EIB is presented below:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Within 1 year	20,260,587	19,833,930
Between 1 and 5 years	81,042,348	79,335,724
Over 5 years	<u>76,774,863</u>	<u>90,033,553</u>
	<u>178,077,798</u>	<u>189,203,207</u>

In July 2023 the company received under Loan Agreement no. 89417RO the first tranche of EUR 25 million and in June 2024 the final tranche of EUR 25 million.

The maturity of the loan 89417RO from the EIB is presented below:

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	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Within 1 year	2,592,398	-
Between 1 and 5 years	77,771,939	63,445,153
Over 5 years	<u>173,690,663</u>	<u>185,259,847</u>
	<u>254,055,000</u>	<u>248,705,000</u>

In July 2023 the company received under Loan Agreement no. 90512 RO the first tranche of EUR 25 million and in June 2024 the final tranche of EUR 75 million.

The maturity of the loan 90512 RO from the EIB is presented below:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Within 1 year	2,592,398	-
Between 1 and 5 years	150,359,081	119,276,887
Over 5 years	<u>355,158,521</u>	<u>378,133,113</u>
	<u>508,110,000</u>	<u>497,410,000</u>

At 24 April 2020, the Company received the first tranche of EUR 22 million from the EIB loan No 90703RO and on 22 January 2021, the second tranche of EUR 16 million.

The EBRD 90703RO loan maturity is presented below:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Within 1 year	16,089,103	15,752,300
Between 1 and 5 years	64,356,416	63,009,201
Over 5 years	<u>75,262,989</u>	<u>89,393,918</u>
	<u>155,708,508</u>	<u>168,155,419</u>

The European Bank for Reconstruction and Development (EBRD)

At 23 February 2018 Transgaz signed with EBRD a contract amounting to lei 278 million, the equivalent of EUR 60 million, for the financing of the BRUA Project.

The loan was fully disbursed by two equal disbursements: on 29 April 2020 and on 29 May 2020.

The EBRD loan maturity is presented below:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Within 1 year	22,235,040	22,235,040
Between 1 and 5 years	88,940,160	88,940,160
Over 5 years	<u>55,587,600</u>	<u>77,822,640</u>
	<u>166,762,800</u>	<u>188,997,840</u>

The carrying amount of loans approximates their fair value as they bear a variable interest rate.

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The Romanian Commercial Bank (BCR)

The company signed on 24.04.2019 the contract no. 20190409029 with the Romanian Commercial Bank for committing the financing in the amount of 186 million lei, the equivalent of 40 million EUR, with drawing and repayment in lei, maturity 15 years, grace period for principal repayment of 3 years, variable interest for the financing of the project Development on the Romanian territory of the National Gas Transmission System on the Bulgaria – Romania – Hungary – Austria corridor` (BRUA Phase 1).

The BCR loan no. 20190409029 is fully disbursed and its maturity is presented below:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Within 1 year	14,880,000	14,880,000
Between 1 and 5 years	59,520,000	59,520,000
Over 5 years	<u>37,200,000</u>	<u>52,080,000</u>
	<u>111,600,000</u>	<u>126,480,000</u>

On 29.10.2020, the Company signed contract no.20201028056 with Banca Comercială Română contemplating the Company's benefiting from a lei 360 million loan for a period of 13 years, destined to refinance two major projects carried out by Transgaz: "National Transmission System Developments in the North Eastern part of Romania (Onești - Gherăești - Lețcani)" and "The interconnection of the National Transmission System with the international gas transmission pipeline T1 and reverse flow at Isaccea Phase II (Onești - Siliștea)".

BCR loan no. 20201028056 is fully collected and its maturity is presented below:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Within 1 year	28,800,000	28,800,000
Between 1 and 5 years	115,200,000	115,200,000
Over 5 years	<u>100,800,000</u>	<u>115,200,000</u>
	<u>244,800,000</u>	<u>259,200,000</u>

On 17.08.2021, the Company signed contract no. 20210817030 with Banca Comercială Română contemplating the Company's benefiting from a lei 100 million loan for a period of 12 years, destined to refinance the project "National Transmission System Developments in the North Eastern part of Romania (Onești - Gherăești - Lețcani)".

BCR loan no. 20210817030 is fully collected and its maturity is presented below:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Within 1 year	8,333.334	8,333.334
Between 1 and 5 years	33.333.336	33.333.336
Over 5 years	<u>24.999.994</u>	<u>33.333.328</u>
	<u>66,666,664</u>	<u>74,999,998</u>

On 24.11.2021, the Company signed contract no. 20211124044 with Banca Comercială Română contemplating the Company's benefiting from a lei 220 million loan for a period of 12 years,

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destined to refinance the project: "National Transmission System Developments in the North Eastern part of Romania (Onești - Gherăești - Lețcani)".

BCR loan no. 20211124044 is fully collected and its maturity is presented below:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Within 1 year	18,333,333	18,333,333
Between 1 and 5 years	73,333,333	73,333,333
Over 5 years	<u>64,166,667</u>	<u>73,333,334</u>
	<u>155,833,333</u>	<u>165,000,000</u>

Transilvania Bank (BT)

On 15 July 2020, as a result of a competitive negotiation procedure, the company signed a contract with Transilvania Bank allowing the company to benefit from a credit facility amounting to lei 300 million, for 2 years, to cover the necessary working capital and partly to issuing letters of guarantee. By Addendum No. 1/20.12.2021, Addendum No. 4/22.03.2023 and Addendum No. 5/14.06.2024 the parties agreed successive extensions of the final maturity date of the loan agreement until 13.06.2026.

Under the Addendum No. 6, signed on 27 November 2024, the cash limit of the facility was increased by LEI 153,000,000, to a new value of LEI 453,000,000.

On 30 September 2025, out of the total credit line, the amount of 44,978,094 lei was used to cover the working capital requirements to cover three bank guarantee letters issued in favor of third parties, the amount of lei 408,021,906 remaining at the Company's disposal to finance its current activity.

RAIFFEISEN BANK

The company signed on 14 July 2022, following a competitive negotiation procedure, an agreement with Raiffeisen Bank under which it benefits from a credit facility of 300 million lei for a period of 2 years, intended to finance working capital for the commercial balancing activity. By Addendum No. 1/11.07.2024, the loan term was extended by 24 months as of the execution date.

As at 30 September 2025 the credit facility is drawn down to the level of 286,182,594 lei (2024: lei 269,312,430).

BRD GROUPE SOCIETE GENERALE

The company signed on 2 August 2023, following a competitive negotiation procedure, an agreement with BRD Groupe Societe Generale, whereby it benefits from a credit facility of 200 million lei for a period of 2 years, intended to finance working capital for the commercial balancing activity. By Addendum No. A001 dated 30.07.2025, the facility was extended until 02.08.2027.

As at 30 September 2025 the credit facility is drawn down to the maximum level of 198,800,000 (2024: 198,800,000) lei. The obligation is presented under short-term loans.

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SYNDICATED LOAN

On 31.07.2024, the company signed a syndicated loan agreement for a total amount of lei 1,928,850,000 to ensure the financing of investment projects included in the National Natural Gas Transmission System Development Plan. The banks participating in the transaction are Banca Transilvania, Banca Comercială Română, Raiffeisen Bank, UniCredit Bank and CEC Bank.

At the reporting date the amount drawn from this loan is lei 1,220,000,000.

The maturity of the amount drawn from the BCR syndicated loan is shown below:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Within 1 year	12,650,025	-
Between 1 and 5 years	101,200,197	66,775,540
Over 5 years	<u>202,400,394</u>	<u>171,708,531</u>
	<u>316,250,616</u>	<u>238,484,071</u>

The maturity of the amount drawn from the BT syndicated loan is shown below:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Within 1 year	12,650,025	-
Between 1 and 5 years	101,200,197	66,775,540
Over 5 years	<u>202,400,394</u>	<u>171,708,531</u>
	<u>316,250,616</u>	<u>238,484,071</u>

The maturity of the drawn amount of the syndicated CEC loan is shown below:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Within 1 year	4,554,009	-
Between 1 and 5 years	36,432,071	24,039,194
Over 5 years	<u>72,864,142</u>	<u>61,815,071</u>
	<u>113,850,222</u>	<u>85,854,265</u>

The maturity of the drawn amount of the syndicated Raiffeisen Bank loan is shown below:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Within 1 year	12,650,025	-
Between 1 and 5 years	101,200,197	66,775,540
Over 5 years	<u>202,400,394</u>	<u>171,708,531</u>
	<u>316,250,616</u>	<u>238,484,071</u>

The maturity of the drawn amount of the Unicredit syndicated loan is shown below:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Within 1 year	6,295,917	-
Between 1 and 5 years	50,367,338	33,234,186
Over 5 years	<u>100,734,676</u>	<u>85,459,336</u>
	<u>157,397,931</u>	<u>118,693,522</u>

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Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	30 September 2025		31 December 2024		1 January 2024	
	Accounting value	Fair value	Accounting value	Fair value	Accounting value	Fair value
Variable interest rate loans	3,954,618,604	3,546,596,698	3,586,932,286	3,586,934,511	2,295,529,071	2,295,529,071
Fixed interest rate loans	<u>156,497,880</u>	<u>145,774,222</u>	<u>166,134,940</u>	<u>147,813,795</u>	<u>186,050,040</u>	<u>158,294,282</u>
Total	<u>4,111,116,484</u>	<u>3,692,370,920</u>	<u>3,753,067,226</u>	<u>3,734,748,306</u>	<u>2,481,579,111</u>	<u>2,453,823,353</u>

The fair value of fixed-rate borrowings was determined based on discounted cash flow analyses, using observable market interest rates for similar instruments with similar credit risk and maturities. As such, the fair value measurement is classified within **Level 2** of the fair value hierarchy under IFRS 13 *Fair Value Measurement*.

There were no transfers between levels of the fair value hierarchy during the period.

	Long-term loans	Working capital	Leasing debt	Total
Balance as at 01.01.2024	1,741,279,652	749,057,802	146,564,072	2,636,901,526
Net cash flows	1,269,578,990	2,174,192	(13,182,770)	1,258,570,413
Exchange rate differences	(177,974)	-	-	(177,974)
New leasing contracts	-	-	133,518,506	133,518,506
Leasing adjustments	-	-	-	-
Interest expense	81,216,571	1,056,158	717,128	82,989,857
Capitalized interest	30,176,746	29,484,565	-	59,661,311
Paid interest	(106,556,067)	(31,949,674)	7,581,380	(130,924,362)
Balance as at 31 December 2024	3,014,952,203	749,823,044	244,872,796	4,009,648,043
Balance as at 01.01.2025	3,014,952,203	749,823,044	244,872,796	4,009,648,043
Net cash flows	197,333,630	144,223,677	(20,949,757)	320,607,550
Exchange rate differences	26,669,062	-	2,578,390	29,247,451
New leasing contracts	-	-	3,243,743	3,243,743
Leasing adjustments	-	-	-	-
Interest expense	50,627,963	394,997	6,648,084	57,671,045
Capitalized interest	74,806,939	22,651,668	1,006	97,459,613
Paid interest	(115,878,242)	(23,084,221)	(7,034,007)	(145,996,471)
Balance as at 30 September 2025	3,248,511,554	894,009,165	148,340,706	4,290,861,425

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17. DEFERRED REVENUE

Based on the connection contracts, the necessary infrastructure is built to ensure the estimated transmission capacity to be used over the duration of the concession agreement.

Connections	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Initial balance	136,266,747	135,223,335
Increases	481,007	15,332,544
Revenue from connection fees (Note 22)	<u>(10,927,165)</u>	<u>(14,289,132)</u>
Final balance	<u>125,820,589</u>	<u>136,266,747</u>

Non-reimbursable funding	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Initial balance	1,025,577,142	741,382,632
Increases	77,240,550	369,637,301
Income from non-reimbursable funds -grants (Note 22)	<u>(64,062,994)</u>	<u>(85,442,791)</u>
Final balance	<u>1,038,754,698</u>	<u>1,025,577,142</u>

Assets received free of charge	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Initial balance	83,032,221	87,293,377
Increases	135,481	1,222,046
Income from goods taken over free of charge (Note 22)	<u>(4,028,653)</u>	<u>(5,483,202)</u>
Final balance	<u>79,139,049</u>	<u>83,032,221</u>

The balance of the deferred revenue consists of:

	<u>30 September 2025</u> (unaudited)	<u>31 December 2024</u>
Connections	125,820,589	136,266,747
Assets received free of charge	79,139,049	83,032,221
Grants	<u>1,038,754,698</u>	<u>1,025,577,142</u>
	<u>1,243,714,336</u>	<u>1,244,876,110</u>

The connections and other assets taken over free of charge from third parties (MRSs, pipelines) do not result from investments made by TRANSGAZ and are classified as Transgaz' own assets.

The company obtained from the European Union through the Innovation and Networks Executive Agency (INEA), for the BRUA project, a grant amounting to 1,519,342 Euro, representing 50% of the estimated eligible expenses, awarded to finance the design for the three compressor stations of

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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the project (Podișor, Bibești and Jupa) and a grant amounting to 159,449,379 Euro, representing 40% of the estimated eligible expenses, awarded to finance the implementation works of the BRUA Phase I project.

The following amounts were received as pre-financing to finance the implementation of the BRUA Phase I project: EUR 25,834,489.60 (in 2016) and EUR 13,839,087.37 (in 2018) and EUR 29,192,463.92 (in 2019), EUR 37,740,347 (in 2020) and EUR 20,953,114.91 in 2021. On 19 July 2022 the amount of EUR 21,129,634.05 was received from INEA.

On 22 November 2018, the company signed Financing Agreement No. 226 with the Ministry of European Funds AM POIM, which provides non-reimbursable financing for the implementation of project code MYSMIS 2014 – 122972 " NTS developments in the north-east of Romania in order to improve the natural gas supply in the area as well as to ensure transmission capacities to the Republic of Moldova" under Specific Objective 8.2 - to increase the degree of interconnection of the Natural Gas Transmission System with other neighbouring states. The value of the non-reimbursable funding is 214,496,026.71 lei, i.e. 32.53% of the eligible expenses.

For the financing of the works for the implementation of the project NTS developments in North-East Romania for enhancing gas supply to the area and for ensuring transmission capacities to the Republic of Moldova, the amount of lei 203,657,168 was collected as eligible expenses grant funding.

On 18.06.2020 the company signed Grant Agreement no. HCOP/685/3/8/132556 on the implementation of the project „TransGasFormation” Code 132556 for the amount of LEI 701,259.60 with the Ministry of European Funds, as Management Authority for the Human Capital Operational Programme.

In 2024, the company concluded three grant agreements for the projects: Black Sea - Podișor natural gas transmission pipeline, for which it received pre-financing in February amounting to lei 243,216,983.06 and Ghercești-Jitaru natural gas transmission pipeline (including power supply, cathodic protection and fiber optics) and the gas pipeline to supply the Mintia Power Plant (including other industrial and household consumers). The contracts were concluded based on EC Decision No C(2023) 3643 of 30.05.2023, by which the projects were allocated grants under the Modernization Fund in total amount of EUR 100,409,717:

- Black Sea - Podișor natural gas transmission pipeline: EUR 85,544,422;
- Ghercești-Jitaru natural gas transmission pipeline (including power supply, cathodic protection and optical fiber): EUR 8,038,348.
- Natural gas transmission pipeline to supply the Mintia Power Plant (including other industrial and household customers): EUR 6,826,947

As at 27 September 2024, the Company concluded with the Ministry of Energy the financing contract for "Increasing the transmission capacity of the NTS and the security of natural gas supply of the Țălnița Electrocentrale branch (Dolj County) and the Turceni Electrocentrale branch (Gorj County)". The financing is provided from the Modernization Fund and amounts to approximately EUR 8.5 million.

On 04.09.2024 the Government Decision no.1102/04.09.2024 (published in the Official Gazette no. 904/06.09.2024) approved the financing from the Environment Fund of three natural gas transmission projects worth 500,000,000 lei, for which Transgaz has concluded financing contacts in 2024, namely:

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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- Gas transmission pipeline Prunișor - Orșova - Băile Herculane-Jupa (including electricity supply, cathodic protection and fiber optics): lei 229,108,514.31 lei;
- Gas transmission pipeline Tetila - Horezu - Râmnicu Vâlcea (including power supply, cathodic protection and fiber optics) lei 101,713,128.45;
- Gas transmission pipeline DN 600 Mihai Bravu - Siliștea and transformation into a piggable pipeline lei 169,178,357.24.

18. INCOME TAX

Income tax expense

	The nine months ended 30 September 2025 (unaudited)	The nine months ended 30 September 2024 (restated)*
Expense with the income tax - current	122,249,395	38,188,238
Deferred tax - impact of temporary differences	<u>(9,575,913)</u>	<u>2,038,486</u>
Income tax expense	<u>112,673,482</u>	<u>40,226,724</u>

In Q3 2025 and Q3 2024 the Company calculated the income tax at the rate of 16% applied to the profit determined in accordance with the Romanian laws.

	The nine months ended 30 September 2025 (unaudited)	The nine months ended 30 September 2024 (unaudited)
Income before tax	729,449,382	198,886,078
Income/loss (ETG-VMTG)	65,168,906	(13,964,766)
Theoretical expense with the tax the statutory rate of 16% (2021: 16%)	126,741,120	34,501,010
Non-deductible expenses/non taxable income, net	<u>(14,067,638)</u>	<u>5,725,714</u>
Income tax expense	<u>112,673,482</u>	<u>40,226,724</u>

Depreciation of tangible assets hyperinflation adjustments is a deductible expense with the adoption of EU IFRS as framework of statutory reporting.

At Eurotransgaz the current expenses regarding income tax is calculated based on the taxable income in the statutory financial statements. For tax purposes, the deductibility of certain expenses, such as protocol expenses, is limited to a certain percentage of the profit specified in the tax legislation. On 30 September 2025 the standard rate of income tax was set at 12% (31 December 2024: 12%).

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Deferred tax

Deferred tax payment and recoverable tax are valued at the actual tax rate of 16% on 30 September 2025 (31 December 2024: 16%). Deferred tax payment and recoverable tax, as well as expenses with/(revenue from) deferred tax recognized in the statement of comprehensive income are attributable to the following items:

)	<u>30 September</u> <u>2025</u> <u>(unaudited)</u>	<u>Movement</u>	<u>31 December 2024</u>	<u>Movement</u>	<u>30 September</u> <u>2024</u> <u>(restated)*</u>	<u>Movement</u>	<u>01 January</u> <u>2024</u> <u>(restated)*</u>
Deferred tax payment							
Tangible and intangible assets	52,824,574	4,478,898	48,345,676	(7,735,684)	56,081,360	790,169	55,291,191
Recoverable deferred tax							
Provision for							
Employee benefits	(27,549,565)	(5,051,473)	(22,498,092)	5,973,055	(28,471,147)	(7,479,532)	(20,991,615)
Other provisions	(14,867,038)	(3,572,874)	(11,294,165)	(1,876,080)	(9,418,085)	5,591,035	(15,009,119)
Receivables and other assets	<u>(101,095,387)</u>	<u>(5,430,464)</u>	<u>(95,664,923)</u>	<u>10,219,894</u>	<u>(105,884,817)</u>	<u>3,136,814</u>	<u>(109,021,631)</u>
	(90,687,416)	(9,575,913)	(81,111,504)	6,581,185	(87,692,688)	2,038,486	(89,731,174)

Deferred revenue tax liability related to tangible and intangible assets is determined by the fact that: a) the fiscal value of intangible assets does not include inflation update; and b) the nature of public domain property does not represent depreciable assets from a tax perspective, regardless of how they are reflected in the accounts. Temporary differences for receivables and other assets arise from impairment adjustments for bad debts.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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The amounts presented in the statement of the financial position include the following:

30 September
2025 (unaudited) **31 December 2024**

Deferred tax liabilities/receivables in more than 12 months as reported	(90,687,416)	(81,111,504)
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19. TRADE PAYABLES AND OTHER PAYABLES

19.1 Short term payables

19.1.a Trade payables

30 September 2025
(unaudited) **31 December 2024**

Trade payables	152,289,735	302,569,512
Suppliers of non-current assets	101,826,671	205,515,532
	<u>254,116,406</u>	<u>508,085,044</u>

19.1.b Other payables

30 September
2025 (unaudited) **31 December 2024**

Dividends payable	1,412,220	949,359
Payables related to royalties	51,260,066	78,505,674
Other taxes	35,630,150	33,266,523
Amounts payable to employees	21,814,322	22,408,093
Non-exemptible VAT	7,126,432	3,020,830
VAT payable	4,603,575	
Transmission service guarantees	132,700,976	109,569,064
Tender guarantees	95,184,126	105,731,396
Other debts	45,880,880	36,470,434
	<u>395,612,747</u>	<u>389,921,373</u>

19.1.c Contract liabilities

30 September
2025 (unaudited) **31 December 2024**

Clients advances	11,869,577	565,930
Transmission service advances	34,036,425	97,400,045
	<u>45,906,002</u>	<u>97,965,975</u>

At 30 September 2025, of the total trade payables and other debts the amount of lei 69,545,405 (31 December 2024: lei 68,523,705) is expressed in foreign currency, especially in EUR.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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19.2 Lease liability

	30 September 2025 (unaudited)	31 December 2024
Initial balance	162,804,827	177,330,399
Inflows	(389,982)	21,484,161
Interest expense	9,755,308	15,308,827
Leasing payments	(31,173,962)	(51,097,840)
Final balance, of which:	<u>140,996,191</u>	<u>163,025,547</u>
Long-term debts	97,447,655	125,610,112
Short-term debts	43,548,536	37,415,435

As at 04.09.2023, the lease contract for natural gas transmission networks no. 70-SJ of 04.09.2023 concluded between SRL Moldovatrangaz and SRL Vestmoldtrangaz was signed. This contract entered into force on 19.09.2023. The lease contract was concluded for a period of 5 years. The amount of the annual rent is lei 42.6 mil. / 165 mln. MDL, VAT excluded. The lease contract was recognized as a right-of-use asset and a corresponding liability on the date the asset was leased and became available for use by Vestmoldtrangaz.

20. PROVISIONS

	30 September 2025 (unaudited)	31 December 2024
<i>Current provision</i>		
Provision for litigation	3,973,985	3,973,985
Provision for BoA remuneration	-	3,416,984
Provision for employee participation in profits	19,485,975	22,648,080
Other provision	<u>1,594,572</u>	<u>9,611,800</u>
	<u>25,054,532</u>	<u>39,650,849</u>

Employees` participation in the profit is calculated within the limit of 10% of the net profit, but not more than a monthly average salary achieved in the relevant financial year according to the provisions of GO 64/2001 and the Collective Labour Agreement.

Following the conclusion of the arbitration proceedings which had as dispute the restitution of the quantity of natural gas from the Transit 1 pipeline, the arbitral tribunal admitted Bulgargaz EAD's action, and a provision for litigation in the amount of Lei 1,673,984, the equivalent in Lei for legal interest and incidental expenses was established. The arbitral tribunal's decision was appealed, and the action for annulment was registered with the Bucharest Court of Appeal.

The company also made provisions for the dispute with Blue Star SRL for the MRS Timisoara I - Timisoara pipeline in the amount of Lei 2,300,000.

The Company records provisions for untaken leave at the end of the financial year.

The Company has recorded provisions for untaken leave in the amount of lei 1,594,572 relating to the period ended 30 September 2025.

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21. PROVISION FOR EMPLOYEE BENEFITS

Employee benefits

The present value of the provision was determined based on the Projected Unit Credit Method. Retirement benefits received by an employee were first raised by the contributions of the employer and then every benefit was updated taking into account the rotation of employees, layoffs and the probability of survival until retirement. The number of years until retirement was calculated as the difference between retirement age and age at time of reporting. The expected average of the remaining work period was calculated based on the number of years until retirement, also taking into account the rate of layoffs, employee rotation rate and the probability of survival.

Assumptions 2024 and September 2025

The amount of the provision has been calculated individually for each distinct employee/beneficiary of the company using the actuarial calculation method and taking into account International Accounting Standards, in particular the IAS 19. The provision is calculated taking into account the long-term liabilities undertaken by the company under the collective labour contract. The calculation assumptions and specifications for the calculation model were established based on the company's previous experience and a set of assumptions about the company's future experience. The most important actuarial assumptions used are as follows:

- for the benefit consisting of basic salaries paid at retirement, this benefit is paid for company employees who reach retirement;
- Employee rotation considers seniority and staff rotation within the company;
- the mortality of the entity's employees is calculated according to the data provided by the National Institute of Statistics for the years 2014-2023;
- The employee turnover rate is calculated as a function of departures from the company and a probability has been assigned to each age group and gender;
- Employee turnover was calculated for each age and gender group for both female and male gender;
- The method used is the projected credit factor method, with values allocated to each employee and discounted to 12/31/2024, and respectively to 30 September 2025;
- The plan is unfunded by the entity and the employees;
- The age of retirement was considered as 65 years for men and 63 years for women, but the percentage of early retirement at certain ages was also taken into account.
- The plan is unfunded by the entity and the employees.
- For the death compensation for retired former employees of S.N.T.G.N. TRANSGAZ SA in the first year after retirement, the mortality at the age of 66 for men and 64 for women was used by simplification;
- Data provided by the beneficiary for the years 2018 - 2025 were analysed

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Financial assumptions

The discount rate is the interest rate curve in lei without adjustments of variations provided by EIOPA for the month of December 2024 and respectively for September 2025. For the calculation for the year 2024, according to the National Institute of Statistics, the long-term wage growth rate is considered equal to the forecast inflation rate for lei and is 2.5%, while the short-term wage growth rate is considered equal to the forecast inflation rate for lei and is 3.88% in the first year and 3.33% in the second year for both men and women.

For the calculation for 30 September 2025, according to the National Institute of Statistics, the long-term salary growth rate is considered equal to the forecasted inflation rate for lei and is 2.5%, and in the short term it is considered equal to the forecasted inflation rate for lei and is 4.93% in the first year and 4.4% in the second year and 2.93% in the third year for both genders.

Movement in the provision for employee benefits

1 January 2024 (restated)*	<u>153,649,801</u>
of which:	
Short-term	16,496,896
Long-term	137,152,905
Interest cost	9,056,425
Current service cost	9,347,924
Payments from provisions during the year	(18,264,751)
Actuarial gain/loss related to the period	7,505,716
31 December 2024	<u>161,295,114</u>
of which:	
Short-term	17,034,346
Long-term	144,260,768
Interest cost	11,155,645
Current service cost	8,823,923
Payments from provisions during the year	(6,905,273)
Actuarial gain/loss related to the period	(1,815,950)
30 September 2025	<u>172,553,459</u>
of which:	
Short-term	23,076,951
Long-term	149,476,508

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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22. REVENUE

22.1 Revenue from contracts with customers

22.2 Other income

	The nine months ended 30 September 2025 (unaudited)	The nine months ended 30 September 2024 (unaudited)
Income from penalties applied to clients for delay payments	16,279,906	17,860,073
Income from leases	1,081,243	1,077,917
Income from recovered materials	7,457,522	2,235,011
Income from connection fees	10,927,165	7,071,868
Income from the sale of residual materials	222,421	1,037,368
Income from grants and goods taken free of charge	68,091,647	71,907,393
Bargain purchase gain (Petrostar purchase)		
Gain from remeasurement of previously held interest (Petrostar purchase)		
Other operating income	<u>11,053,702</u>	<u>17,365,743</u>
	<u>115,113,606</u>	<u>118,555,373</u>

As at 30 September 2025 and 30 September 2024 there is no intra-group income to be eliminated.

23. OTHER OPERATING EXPENSES

23.1 Other operating expenses - for the provision of the transmission service

	The nine months ended 30 September 2025 (unaudited)	The nine months ended 30 September 2024 (unaudited)
Utilities	15,934,241	10,422,030
Insurance premium	1,376,712	1,312,112
Maintenance costs	39,557	48,930
Security and protection expenses	30,690,991	25,969,469
Professional training	202,340	1,438,668
Telecommunications	2,132,446	2,153,489
Bank charges and other fees	1,299,277	8,049,824
Rents	3,707,091	3,665,166
Loss on amounts receivable	40,538	1,434,719
Loss/(gain) from impairment of inventories	10,529,143	5,084,408
Marketing and protocol costs	349,775	490,192
Penalties and fines	186,187	903,011
Gas storage capacity booking	3,091,962	7,147,664
Sponsorship expenses	1,812,500	2,672,000
Computer service	8,422,241	7,991,076
Other expenses	<u>30,318,510</u>	<u>26,431,178</u>
	<u>110,133,511</u>	<u>105,213,936</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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23.2 Balancing activity expenses

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

	<u>30 September 2025</u> <u>(unaudited)</u>	<u>30 September 2024</u> <u>(unaudited)</u>
Expenses on balancing gas	264,022,818	133,104,575
Expenses on balancing financing line	22,616,962	22,452,490
Expenses on balancing gas storage	<u>4,932,731</u>	<u>4,716,336</u>
	<u>291,572,511</u>	<u>160,273,401</u>

24. EMPLOYEE COSTS

	<u>The nine months ended</u> <u>30 September 2025</u> <u>(unaudited)</u>	<u>The nine months ended</u> <u>30 September 2024</u> <u>(unaudited)</u>
Salaries and benefits	466,471,249	422,435,131
Cost of insurance and social security	26,055,313	24,576,559
Other employee costs	<u>16,594,093</u>	<u>15,942,109</u>
	<u>509,120,655</u>	<u>462,953,799</u>

Average number of employees in financial year:

	<u>The nine months ended</u> <u>30 September 2025</u> <u>(unaudited)</u>	<u>The nine months ended</u> <u>30 September 2024</u> <u>(unaudited)</u>
Blue collars	2,133	2,170
White collars	<u>1,945</u>	<u>1,913</u>
	<u>4,078</u>	<u>4,083</u>
Eurotransgaz S,R,L,	3	3
Vestmoldtransgaz S,R,L,	<u>58</u>	<u>79</u>
	<u>61</u>	<u>82</u>
Petrostar SA	<u>78</u>	<u>-</u>

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25. NET FINANCIAL INCOME/(LOSS)

	The nine months ended 30 September 2025 (unaudited)	The nine months ended 30 September 2024 (unaudited)
Interest income from bank deposits	65,751,332	55,275,029
Income from the adjustment of the Concession	<u>229,677,083</u>	<u>93,633,374</u>
Total interest income	295,428,415	148,908,403
Other financial income		
	The nine months ended 30 September 2025 (unaudited)	The nine months ended 30 September 2024 (unaudited)
Foreign exchange income	11,784,034	(4,306,195)
Other financial income	<u>1,463</u>	<u>246</u>
	11,785,497	(4,305,949)
Foreign exchange loss	(37,361,537)	256,487
Interest expense	<u>(60,193,524)</u>	<u>(73,314,611)</u>
	(97,555,061)	(73,058,124)

According to ANRE Order no. 41/2019 the value of the assets recognised in the Regulated Asset Base is adjusted to the inflation. The company recalculated the value of the Concession Agreement receivables and recognized gains amounting to lei 229,677,083 according to IFRS 9 (31 December 2024: Lei 127,698,456).

Non-current assets recognized under regulated assets within a gas year are updated with the inflation rate starting from the next gas year. The income from the adjustment of the receivable related to the Concession Agreement is a non-monetary item (Note 26).

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26. CASH FROM OPERATION

	The nine months ended 30 September 2025 (unaudited)	The nine months ended 30 September 2024 (unaudited)
Profit before tax	794,618,288	184,921,312
<i>Adjustments for:</i>		
Depreciation	408,531,793	389,150,938
Gain/(loss) on transfer of non-current assets	152,407	177,998
Other Provisions	(15,641,330)	(17,321,886)
Income from connection fees, grants and goods taken free of charge	(79,018,812)	(78,979,261)
Adjustment of the Receivable regarding the Concession Agreement	(229,677,083)	(93,633,374)
Sundry debtors and receivable loss	40,538	1,434,719
Impairment loss / (gain) on inventory	10,529,143	(366,069)
Adjustments for the receivables impairment	(7,831,731)	7,851,144
Provisions for employee benefits	1,919,852	19,793,785
Effect of restatement of the provision for employee benefits	11,155,645	6,919,559
Interest income	(65,777,376)	(55,275,029)
Interest expenses	82,845,191	110,638,082
Other expenses and income	576,634	(143,801)
Bargain purchase gain (Petrostar purchase – note 33)	(2,668,524)	-
Gain from remeasurement of non-controlling interest (petrostar purchase-note 33)	(413,609)	-
Effect of exchange rate fluctuation on other items than from operation	<u>29,112,657</u>	<u>3,299,969</u>
Operating profit before the changes in working capital	<u>938,453,683</u>	<u>478,468,086</u>
Increase/(decrease) in trade and other receivables	23,856,330	(24,661,704)
Increase/(decrease) in inventories	32,693,626	26,410,771
Increase/(decrease) in trade payables and other debts	<u>13,965,842</u>	<u>101,063,365</u>
Cash generated from operations	1,008,969,481	581,280,518

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27. TRANSACTIONS WITH RELATED PARTIES

The prices / tariffs related to the transport and balancing contracts are approved by the National Energy Regulatory Authority (ANRE), are regulated and are not established under market conditions.

Procurement is carried out in compliance with the legal regulations on public procurement.

Transactions with Vestmoldtransgaz were concluded at the market value established by the cost-plus method and represent services provided by specialized personnel for the conduct of the procurement and equipment rental procedures.

In the periods ended 30 September 2025 and 30 September 2024, the following transactions with related parties were performed and the following balances were payable/receivable from related parties at the respective dates.

- i) Compensation granted to the members of the Board of Administration and of the management

	<u>30 September 2025</u> <u>(unaudited)</u>	<u>30 September 2024</u> <u>(unaudited)</u>
Salary paid to the members of the Board of Administration and management	23,404,467	21,049,978
Social contribution of the company	<u>489,213</u>	<u>437,285</u>
	<u>23,893,680</u>	<u>21,487,263</u>

In the periods ended 30 September 2025 and 30 September 2024, no advance payments and loans were granted to the company's administrators and management, except for advance payments from salaries

and those for business trips, and they don't owe any amount from such advance payments to the company at the end of the period .

The company has no contractual obligations related to pensions towards the current administrators and directors.

The provision for the mandate contract is presented in Note 20.

The company has no contractual obligations related to pensions towards the former administrators and directors.

- ii) **Revenue from related parties – services supplied (VAT excluded)**

		<u>The nine months ended</u> <u>30 September</u> <u>2025</u> <u>(unaudited)</u>	<u>The nine months ended</u> <u>30 September</u> <u>2024</u> <u>(unaudited)</u>
	<u>Relationship</u>		
SNGN Romgaz	Entity under common control	237,386,934	196,005,246
Electrocentrale București SA	Entity under common control	62,911,825	49,256,839
Electrocentrale Constanța	Entity under common control	-	-
Termo Calor Confort	Entity under common control	2,383,375	1,392,641
Complex Energetic Oltenia	Entity under common control	1,430,320	1,417,439
E.ON Energie Romania	Entity under significant influence	<u>182,085,146</u>	<u>140,287,954</u>
		<u>486,197,599</u>	<u>388,360,119</u>

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iii) Sales of other goods and services (VAT excluded)

	<u>Relationship</u>	The nine months ended 30 September 2025 (unaudited)	The nine months ended 30 September 2024 (unaudited)
SNGN Romgaz	Entity under common control	8,958	40,079
Electrocentrale Bucuresti	Entity under common control	2,702	2,558
Electrocentrale Constanța	Entity under common control	3,240,171	3,548,122
E,ON Energie Romania	Entity under significant influence	2,791	3,583
Complex Energetic Hunedoara	Entity under common control	694,613	719,537
Complex Energetic Oltenia	Entity under common control	<u>2,286</u>	<u>3,162</u>
		<u>3,951,521</u>	<u>4,317,041</u>

iv) Gas sales – balancing activity (VAT excluded)

	<u>Relationship</u>	The nine months ended 30 September 2025 (unaudited)	The nine months ended 30 September 2024 (unaudited)
SNGN Romgaz	Entity under common control	3,863,521	830,085
Electrocentrale București	Entity under common control	4,822,347	3,087,135
Electrocentrale Constanța	Entity under common control	-	-
Termo Calor Confort	Entity under common control	1,779,992	715,698
Complex Energetic Oltenia	Entity under common control	1,732,014	1,263,734
E,ON Energie Romania	Entity under significant influence	<u>23,678,981</u>	<u>22,887,126</u>
		<u>35,876,856</u>	<u>28,783,778</u>

v) Receivables from related parties (gross amounts)

	<u>Relationship</u>	30 September 2025 (unaudited)	31 December 2024 (unaudited)
SNGN Romgaz	Entity under common control	25,764,193	40,800,418
Comple energetic Hunedoara	Entity under common control	34,121	7,951
Electrocentrale București	Entity under common control	3,641,583	20,361,191
Termo Calor Confort	Entity under common control	(1,029)	(28,200)
E,ON Energie Romania	Entity under significant influence	23,068,039	81,185,043
Complex Energetic Oltenia	Entity under common control	<u>105,014</u>	<u>610,908</u>
		<u>52,611,922</u>	<u>142,937,312</u>

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vi) Client receivables – the balancing activity (gross amounts)

	<u>Relationship</u>	<u>30 September 2025</u> <u>(unaudited)</u>	<u>31 December 2024</u> <u>(unaudited)</u>
SNGN Romgaz	Entity under common control	7,100	35,350
Electrocentrale Constanța	Entity under common control	-	1,625,072
Complex Energetic Oltenia	Entity under common control	55,625	958,556
Electrocentrale București	Entity under common control	532,635	228,842
Termo Calor Confort	Entity under common control	16,120	707
Complex Energetic Hunedoara	Entity under common control	243,724	39,548
E.ON Energie Romania	Entity under significant influence	<u>357,567</u>	<u>4,194,725</u>
		<u>1,212,772</u>	<u>7,082,800</u>

vii) Procurement of services from related parties (other services – VAT excluded)

	<u>Relationship</u>	<u>The nine months ended</u> <u>30 September 2025</u> <u>(unaudited)</u>	<u>The nine months ended</u> <u>30 September 2024</u> <u>(unaudited)</u>
SNGN Romgaz	Entity under common control	4,049,947	13,508,000
Complex Energetic Oltenia	Entity under common control	3,158	3,037
Electrocentrale București	Entity under common control	<u>7,860</u>	<u>7,521</u>
		<u>4,060,965</u>	<u>13,518,558</u>

viii) Procurement of gas – the balancing activity (VAT excluded)

	<u>Relationship</u>	<u>The nine months ended</u> <u>30 September 2025</u> <u>(unaudited)</u>	<u>The nine months ended</u> <u>30 September 2024</u> <u>(unaudited)</u>
SNGN Romgaz	Entity under common control	2,915,852	4,475,199
Electrocentrale București	Entity under common control	4,587,345	1,193,550
Electrocentrale Constanța	Entity under common control	-	-
Termo Calor Confort	Entity under common control	3,538,868	853,989
Complex Energetic Oltenia	Entity under common control	702,179	274,415
E.ON Energie Romania	Entity under significant influence	<u>51,103,842</u>	<u>35,445,939</u>
		<u>62,848,086</u>	<u>42,243,092</u>

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ix) Procurement of natural gas (VAT excluded)

	<u>Relationship</u>	<u>The nine months ended 30 September 2025 (unaudited)</u>	<u>The nine months ended 30 September 2024 (unaudited)</u>
SNGN Romgaz	Entity under common control	89,575,270 <u>89,575,270</u>	52,093,465 <u>52,093,465</u>

x) Debts to gas suppliers – balancing activity (VAT included)

	<u>Relationship</u>	<u>30 September 2025 (unaudited)</u>	<u>31 December 2024</u>
SNGN Romgaz	Entity under common control	18,678,092 <u>18,678,092</u>	13,178,154 <u>13,178,154</u>

xi) Debts to affiliated parties from services (other services - VAT included)

	<u>Relationship</u>	<u>30 September 2025 (unaudited)</u>	<u>31 December 2024</u>
SNGN Romgaz	Entity under common control	608,426	656,989
Complex Energetic Oltenia	Entity under common control	416	520
Electrocentrale București	Entity under common control	976 <u>609,818</u>	799 <u>658,308</u>

xii) Debts to suppliers – balancing activity (VAT included)

	<u>Relationship</u>	<u>30 September 2025 (unaudited)</u>	<u>31 December 2024</u>
SNGN Romgaz	Entity under common control	1,550,833	1,052,433
Electrocentrale București	Entity under common control	24,201	3,528,452
Electrocentrale Constanța	Entity under common control	48,213	48,213
Termo Calor Confort	Entity under common control	81,737	139,207
E.ON Energie Romania	Entity under significant influence	8,025,969	19,632,327
Complex Energetic Oltenia	Entity under common control	12,236 <u>9,743,190</u>	187,691 <u>24,588,324</u>

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xiii) Guarantees from affiliates (bank guarantee letter)			
	<u>Relationship</u>	<u>30 September 2025</u> <u>(unaudited)</u>	<u>31 December 2024</u>
SNGN Romgaz	Entity under common control	2,909,124	2,909,124
E.ON Energie Romania	Entity under significant influence	40,689,264	86,722,180
Electrocentrale București	Entity under common control	<u>11,122,997</u>	<u>15,999,992</u>
		<u>54,721,385</u>	<u>105,631,296</u>

xiv) Loans and interest to be reimbursed			
	<u>Relationship</u>	<u>30 September 2025</u> <u>(unaudited)</u>	<u>31 December 2024</u>
EUROPEAN BANK FOR RECONSTRUCTION	Jointly controls entities	<u>168,113,253</u>	<u>190,250,896</u>
		<u>168,113,253</u>	<u>190,250,896</u>

xv) Transactions during the period			
	<u>Relationship</u>	<u>The nine months ended 30 September 2025</u> <u>(unaudited)</u>	<u>The nine months ended 30 September 2024</u> <u>(unaudited)</u>
EUROPEAN BANK FOR RECONSTRUCTION	Jointly controls entities	<u>10,193,148</u>	<u>10,863,021</u>
		<u>10,193,148</u>	<u>10,863,021</u>

28. EARNINGS PER SHARE

The company shares are listed on the first category of the Bucharest Stock Exchange.

Basic earnings per share are calculated by dividing the profit attributable to the company's equity holders to the average number of ordinary shares existing during the year.

	<u>The nine months ended 30 September 2025</u> <u>(unaudited)</u>	<u>The nine months ended 30 September 2024</u> <u>(unaudited)</u>
Profit attributable to the company's equity holders	681,944,806	144,694,588
Weighted average of the number of shares	188,381,504	188,381,504
Basic and diluted earnings per share (lei per share)	3.62	0.77

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29. MATERIAL NON-CASH TRANSACTIONS

Compensations

Approximately 2.63 % of the receivables were settled by transactions that haven't involved cash outflows during the period ended 30 September 2025 (31 December 2024: 4.55%). Transactions mainly represent offsets with clients and suppliers within the operating cycle and offsets between tax debts and receivables registered with the state budget.

30. CONTINGENCIES, COMMITMENTS AND OPERATIONAL RISKS

i) Commitments

The Service Concession Agreement (S.C.A. - Note 8) provides that, at the end of the agreement, the ANRM is entitled to receive back, all goods of public property existing when the agreement was signed and all investments made into the national transmission system, in accordance with the investment program stipulated in the service concession agreement. The company also has other obligations related to the concession agreement, which are described in Note 8.

As at 30 September 2025 the value of the contractual firm obligations for the purchase of tangible and intangible assets is of lei 350,986,400 (30 September 2024: lei 819,746,282), and subsidiary Eurotrangaz SRL has no capital commitments.

ii) Taxation

The taxation system in Romania is in a phase of consolidation and harmonization with the European law. However, there are still various interpretations of the tax law. In Romania, the tax year remains open for fiscal verification for 5 years. The company's management believes that fiscal obligations included in these financial statements are properly presented and that it is not necessary for any additional provisions to be established to cover the uncertainties related to tax treatment.

The royalty rate for the use of gas transmission pipelines is set by the government. Since October 2007, the royalty has been set at 10% of revenue. After the entry into force of Art. 103 para. 2 of the Law no. 123/2012, starting from 12 November 2020 the fee was set at 0.4% of the domestic and international gas transmission services value performed by the company. ANRM (transformed in 2024 into ANRMPSG) requests Transgaz to calculate and pay the royalty by applying the percentage of 10% according to Law 238/2004, for the period between November 2020 – December 2021. The company considers that it is obliged to calculate and pay a single royalty at the rate of 0.4% established by the special law, namely Law 123/2012. Law 248/July 2022 approving GEO 143/2021 amending and supplementing the Electricity and gas Law 123/2012 sets the royalty percentage at 0.4% of the gross revenue from natural gas transmission and the specialist report drawn up by the specialist committees of the Chamber of Deputies clarifies that the Electricity and gas Law 123/2012 is a special regulation in the field of natural gas, in relation to Oil Law 238/2004. Administrative and judicial dispute settlement is detailed in the chapter "Court and other actions".

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The tax system in Moldova is subject to different interpretations and continuous changes, which may have retroactive effect. The tax authorities' interpretation of the tax legislation on the Group's transactions may differ from that of management. As a result, the tax authorities may question certain transactions as giving rise to additional taxes, penalties or interest, which may be significant.

iii) Insurance policies

The company does not have insurance policies related to operations, complaints on products, or for the public debt. The company has insurance policies for buildings and mandatory civil liability policies for the car fleet. Moreover, the company has contracted professional liability insurance services for the members of the Board of Administration and for 59 managers in 2025 (58 managers in 2024).

iv) Environmental aspects

Environmental regulations are under development in Romania and the company did not record any obligation on 30 September 2025 and on 31 December 2024 related to anticipated expenses that include

legal and consulting fees, analysis of locations, preparing and implementing recovery measures related to environmental protection. The management of the company believes there are no significant obligations related to environmental aspects.

Transgaz, as natural gas transmission operator in Romania, plays a key role in decarbonizing the entire Romanian energy system. To this end, in December 2023, Transgaz' Climate and Decarbonization Strategy was developed in order to meet national and international (climate) policy requirements and regulations.

The Strategy is intended for Romania and will be extended to the other entities after Transgaz' first consolidated reporting exercise. This is planned to take place in the next two years, after the assessment of the first report that will establish the baseline situation for Transgaz. The strategy is also applicable for Transgaz as a whole, but the specific objectives are only for Romania. Transgaz's Climate and Decarbonization Strategy can be consulted at: <https://www.transgaz.ro/ro/sustenabilitate/strategia-climatica-si-de-decarbonizare>.

Transgaz has conducted an assessment of the impacts of climate change on its operations and infrastructure using climate scenarios. Transgaz does not currently have a detailed transition plan to address the impacts of climate change in 2024. However, Transgaz intends to develop such a plan within the next three years. In the absence of a transition plan, its climate and decarbonization strategy acts as a substitute, directing the company's efforts towards managing climate risks and emerging opportunities.

v) Lawsuits and other actions

During the normal activity of Transgaz, there were complaints against it. Transgaz has pending disputes for the lack of use of lands occupied with NTS objectives, commercial and labour disputes. Based on its own estimates and internal and external consulting, the Transgaz's management believes there will be no material loss exceeding the provisions established in these financial

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statements and is not aware of circumstances that give rise to potentially significant obligations in this regard.

As of 6 June 2016, Transgaz was subject to an inspection carried out by the European Commission - Directorate General for Competition under Art. 20 (4) of Council Regulation (EC) No 1/2003 on the implementation of the rules on competition laid down in Articles 81 and 82 of the EC Treaty, which became Articles 101 and 102 of the Treaty on the Functioning of the European Union. In 2020, the European Commission approved the Company's commitments to address concerns related to a possible breach of Article 102 of the Treaty on the Functioning of the European Union, namely:

- to provide a minimum export capacity of 1.75 billion cubic meters per year at the interconnection point between Romania and Hungary (Csanádpalota);
- to make available minimum export capacities of 3.7 billion cubic meters per year in total at two interconnection points between Romania and Bulgaria (Giurgiu / Ruse and Negru Vodă I / Kardam);
- to make sure that the tariffs to be proposed to the Romanian Energy Regulatory Authority (ANRE) will not make any difference between the export and the domestic markets, thus avoiding interconnection tariffs that render exports commercially non-feasible;
- refrain from using any other means of obstructing exports.

The company meets its commitments and, based on its own estimates, the company's management considers that there are no circumstances that would give rise to significant potential liabilities in this regard.

Following the conclusion of the arbitration proceedings with Bulgargaz EAD, the arbitral tribunal upheld Bulgargaz EAD's claim and ordered the restitution of the quantity of natural gas of 6,733,433 cm and, if restitution in kind is not possible, the reimbursement of the monetary equivalent of the linepack, and statutory interest (Note 20). The decision of the arbitral tribunal has been appealed and the action for annulment has been registered with the Bucharest Court of Appeal. The action for annulment was dismissed as unfounded. Transgaz lodged an appeal. The Court of Cassation of the Court of Justice has admitted Transgaz' appeal, the case being sent to the Bucharest Court of Appeal for retrial.

The dispute between ANRM and Transgaz was the subject of a tax inspection of the royalty which ended with the issuance of a mandatory order to pay two royalty rates, namely 10% and 0.4% of the value of domestic and international natural gas transmission services performed by the company. The company lodged a preliminary complaint against the mandatory provision no. 6006/250938/IEF/14.04.2022 issued by the Ministry of Finance, by which Transgaz S.A. was charged with the payment of the amount of 152,964,894 lei, representing the royalty due to the state budget and ancillaries. The preliminary complaint was upheld and the Ministry of Finance, by decision 82/P/2022, ordered the annulment in its entirety of binding order No 6006/250938/IEF/14.04.2022 and the issue of a new order taking into account the considerations put forward by the Ministry of Finance in the decision. Following decision no 85/P/2022 issued by the Ministry of Finance, binding order No 6009/253087/IEF of 14.12.2022 was issued, which only supplements the recitals of the first decision, maintaining the same amount payable by Transgaz. The company lodged a preliminary complaint against this new provision, which was rejected by the settlement body. An appeal was also lodged with the court, within the legal time-limit, against the administrative act consisting of mandatory order 6009/253087/IEF., seeking its full annulment.

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The application for the annulment of the mandatory injunction 6009 was decided on the merits by the Bucharest Court of Appeal, which rejected it. Transgaz lodged an appeal in which it invoked the illegality of Decision No. 27/P/12.09.2023 regarding the resolution of preliminary complaint No. 4538/13.01.2023, lodged by Transgaz against Mandatory Order No. 6009/253087/IEF/14.12.2022. The case is currently pending before the ICCJ. Transgaz has lodged an appeal, currently pending before the ICCJ.

The Company paid in 2024 the amount of lei 213,041,251 representing the above-mentioned oil royalty and the additional amount for the period between Quarter 4 2020 and 25 July 2022, in order to eliminate, according to the provisions of GEO no. 107/2024, the risk of payment of the amount of lei 65,452,508 representing accessories for the claim on the additional oil royalty, in case it loses the appeal in court. The value of the oil royalty is recovered through the regulated income from natural gas transmission, through the component relating to directly incurred costs, but the value of the accessories, not being recovered through regulated income, would represent a loss for the company, which was avoided by applying the mechanism approved by GEO 107/2024. Corrective statements were also submitted for the period not covered by the tax audit, and the comparatives relating to this amount were restated.

Litigations of Vestmoldtransgaz subsidiary:

VMTG v ANRE: partial annulment of ANRE Decision 432/2021 and ANRE Decision 447/12.10.2021 (and ANRE Decision on the Preliminary Application) with the obligation to issue new decisions in these parts regarding the inclusion of total depreciation for the Iași-Ungheni Interconnector, including for the unapproved period of 2014-2021, with the approval for tariff purposes of the amount of MDL 2,100,000, as well as the amendment of ANRE Board of Directors Decision No. 432 of 28.09.2021 to include the total depreciation value for the Iași-Ungheni Interconnector.

The court of first instance dismissed the action. Subsequently, an appeal without statement of reasons was lodged. Once the reasoned judgment has been communicated, VMTG will formulate and lodge an appeal with statement of reasons within the legal time limit of 30 days.

Chances of winning or losing: difficult to estimate.

Completion deadline: first quarter of 2026.

SC Totalgaz Industrie v. VMTG: collection of alleged debts and compensation for legal costs; in this case, the financial claims relate to the collection from VMTG of the sum of MDL 1,644,956.46, collection of the amount withdrawn for the execution of the Performance Bond (SGBE) of EUR 1,849,750.00 and collection of the state fee in the amount of MDL 50,000.

The dispute is currently in the preparatory phase for examination on the merits.

Chances of winning or losing: Totalgaz will lose the dispute 100%, given the completely unfounded nature of the claim, based on legal and contractual provisions. Furthermore, the dispute is time-barred (the limitation period for filing the claim has expired – more than 3 years).

Completion deadline: end of 2025.

Moldovagaz SA/Plaintiff vs ANRE/Defendant, VMTG/third party, CET Nord/third party, Moldovatrangaz SRL/third party, Bălți Gaz/third party: Subject matter of the dispute: challenge to the administrative act, in this case, ANRE CA Decision No. 433 of 28.09.2021 regarding the

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obligation of Moldovagaz SA to apply a regulated price for CET Nord SA as a non-domestic end consumer connected to the exit point of the natural gas transport network (quoted from ANRE 433/2021).

The dispute is currently in the phase of examination on the merits.

Chances of winning or losing: difficult to estimate.

Note: It will not impact VMTG financially in any manner.

Completion deadline: end of 2025.

Chişinău Municipal Council v. Government of the Republic of Moldova (expropriator within the meaning of Law No. 105/2017), third parties: UCIPE, VMTG, ARFC, and DGAURF of Chişinău City Hall: Subject of the dispute – disagreement with the amount of compensation for the expropriated land of the Chişinău City Hall.

The dispute is currently in the preparatory stage for examination on its merits.

Note:

Chances of winning or losing: difficult to estimate. VMTG is not physically involved in this dispute and has requested the examination in its absence. This will not impact VMTG financially in any manner.

Completion deadline: end of 2025.

POLIMER GAZ CONDUCTE SRL – claimant, INDPRODCOM SRL MOCIRA CHIŞINĂU BRANCH and INDPRODCOM BAI A MARE SRL – defendants, VMTG – accessory intervener: Subject matter of the dispute – the claimant is seeking payment of the sum of LEI 1,051,385.47, penalties amounting to LEI 409,697.53, the application of a preventive seizure on the defendants' assets and the recovery of legal costs.

The dispute is currently at the stage of preparation for examination on the merits.

Chances of winning or losing: difficult to estimate.

Note: This will not impact VMTG financially in any manner.

Completion deadline: end of 2025.

VMTG vs EAST GAS ENERGY TRADING S.R.L: Subject matter of the dispute – issuance of a court order based on the attached documents, with a view to collecting from the defendant EGET the debt in the amount of LEI 31,414,543.41, contractual penalties, and court costs.

The dispute is currently at the stage of filing the claim with the court (repeated, after the simplified procedure for confirming the settlement agreement was rejected).

The court of first instance dismissed the action without justification. An appeal against the dismissal was lodged. (repeated, after the simplified procedure for confirming the Settlement Agreement was rejected)

Chances of winning or losing: the liabilities are confirmed by documents, so the chances of winning are high.

Note: The action was dismissed without grounds, appeal filed.

Completion date: first quarter of 2026.

Joint-stock company "ENERGOCOM" vs. Limited Liability Company "VESTMOLDTRANSGAZ" -

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Actions arising from contracts for works and services.

The action has not been pursued at this phase, most likely because a deadline has been set for the removal of the identified shortcomings. If ENERGOCOM remedies the shortcomings within the set deadline, the action shall be brought to court, and VMTG shall receive a copy of the action and the corresponding summons for presentation in court.

Completion deadline: impossible to estimate.

vi) Government policies in the gas sector in Romania

ANRE is an autonomous public institution and sets tariffs for the natural gas transmission activity charged by the company. It is likely that the Agency decides the implementation of changes of the government strategies in the gas sector, determining changes in the tariffs approved for the company and, thus, having a significant impact on the company's revenue. At the same time, the Romanian government could decide to change the royalty applied to the company for using the assets part of the public domain according to SCA.

Currently, the effects cannot be determined, if they exist, of the future government policies in the gas sector in Romania on the company's asset and liability.

There are various interpretations of the legislation in force. In certain situations, ANRE may treat differently certain aspects, proceeding to the calculation of additional tariffs and of delay penalties. The company's management believes that its obligations to ANRE are properly presented in these financial statements.

ANRE Order no.126/12.2021 approved the modification of the contractual clauses for the balancing activity and access to the PVT which allows the Company to terminate access to the virtual trading point (VTP) and to terminate balancing contracts, for network users who register cumulative imbalances of the Deficit type during the month higher than the guarantees established.

As of 1 October 2023, the natural gas transmission tariffs approved by the Order of the President of ANRE no.68 of 30.05.2023 were applicable. The approved regulated revenue related to natural gas transmission for the period from 1 October 2023 to 30 September 2024 is lei 1,647,347,820.

Starting with 1 October 2024, the natural gas transmission tariffs approved by ANRE President Order no.17 of 29.05.2024 are applicable. The approved regulated revenue related to natural gas transmission in the period 1 October 2024 - 30 September 2025 is lei 2,005,006,850.

According to GEO no. 119/1 September 2022 amending and supplementing Government Emergency Ordinance no. 27/2022 on measures applicable to end customers in the electricity and natural gas market for the period from 1 April 2022 to 31 March 2023, the natural gas transmission service provider is required to capitalise on a quarterly basis the additional costs for the procurement of natural gas incurred during the period from 1 January 2022 to 31 March 2025 to cover technological consumption, compared to the costs included in the regulated tariffs, and the assets resulting from the capitalisation shall be recognised in the accounting records and financial statements in accordance with the instructions issued by the Ministry of Finance.

By Order 111/24 August 2022, ANRE stipulates, as of 1 October 2022, that the mechanism ensuring cost and revenue neutrality of the Transport System Operator ("Transgaz" or "TSO")s take into account the following categories of costs and revenues:

a) costs and revenues of the TSO as a result of the payment or collection of imbalance charges under the provisions of the Network Code in relation to individual NUs;

b) costs and revenues arising from the purchase/sale of gas by the TSO for the physical balancing of the NTS, in compliance with the procedure on the operating limits of the NTS, approved by the TSO and endorsed by ANRE;

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c) costs and revenues resulting from the activity of natural gas storage intended to ensure the physical balance of the transmission system in accordance with the provisions of Article 130(1) of the Law no. 123/2012 on electricity and natural gas, as amended;

d) costs arising from the taking out of a credit line to finance physical and commercial balancing activity;

e) costs and revenues arising from the contracting of balancing services, in accordance with the provisions of Article 832 of the Network Code and Article 6(3) b of Regulation (EU) No 312/2014.

Eurotransgaz has fulfilled all its obligations under the Contract for Sale and Purchase of the State Enterprise Vestmoldtransgaz, concluded between Eurotransgaz S.R.L. on the one hand and the Public Property Agency ("APP") and the Ministry of Economy and Infrastructure ("MEI").

vii) The military conflict in Ukraine

As of 24 February 2022 a military conflict is taking place on the territory of Ukraine. Gas flows can be redirected through the Negru Voda entry point and other interconnection points with transmission operators in Bulgaria and Hungary. The Company considers that no additional adjustments to those disclosed in the financial statements are necessary.

31. FEES OF THE STATUTORY AUDITOR

In the first three quarters of 2025, the contractual fees for limited review services for the consolidated and separate financial statements prepared for the first half of 2025 for the Company and its subsidiaries amount to lei 99,750, and non-audit services related to statutory audit services for transactions reported in accordance with Article 225 of Law 297/2004 amount to lei 20,000, services provided by Ernst & Young Assurance Services SRL ("E&Y").

In 2024, the contractual fees for the statutory audit of the annual consolidated and individual financial statements of the Company and its subsidiaries is lei 654,000 and non-audit services related to the limited assurance of the Sustainability Report for the year ended 31 December 2024 is lei 274,150, services provided by Ernst & Young Assurance Services SRL ("E&Y").

Other non-audit services for 2024 provided by Ernst & Young Assurance Services SRL ("E&Y") amounted to lei 65,000. The non-audit services contracted by the Company are for the issuance of supplementary audit reports, statutory audit services for transactions reported pursuant to art. 225 of Law 297/2004, audit services of financing agreements and audit services of the remuneration report.

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32. THE EFFECT OF VOLUNTARY CHANGES IN PRESENTATION OF STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME ITEMS AND OF ERROR CORRECTION

The company prepared and presented financial statements for the year ended 31 December 2023. Comparative figures in the financial statements prepared by the company for the year ended 31 December 2023 differ from those in the previously presented financial statements as follows:

In the separate statements of the parent company

Note 1: Adjustment of the receivable for the regulatory value remaining unamortized upon termination of the Concession Agreement

The Company reanalyzed and adjusted the long-term receivables and intangible assets recognized in connection with Concession Agreement by removing the amount related to own assets previously recognized in the regulated asset base (administrative buildings and other assets), as well as the value of the works for the connection to the National Natural Gas Transmission System financed by third parties which are not included in the regulated asset base.

These assets are not covered by the Concession Agreement and ANRM has no obligation to repurchase them at the end of the concession period, as such the concession grantor has no significant residual interest in these assets. The adjustment consisted of a reduction in long-term receivables, mirroring an increase in intangible assets, with the associated impact of inflation and discounting.

Given that the group does not have an unconditional right to receive cash or a financial asset linked to the residual value of those assets, The adjustment comprises in a reduction of the long-term receivables of RON 31 mil as of 31 December 2023 (1 Jan 2023: RON 28 mil), and a mirrored increase in the intangible assets of RON 11 mil as of 31 December 2023 (1 Jan 2023: RON 12 mil) with the associated financial impacts arising from discounting and inflation in 2023 in profit and loss of RON 4 mil and retained earnings of RON 16 mill.

Note 2: Recording of additional oil royalty

During 2020 a tax inspection carried out by the National Agency for Fiscal Administration (ANAF) ended with tax inspection report 210/25.10.2020. Mandatory Ruling 6006/250938/IEF/2022 resulted in additional royalties (oil royalty) amounting to 143,279,599 lei for the period October 2020-December 2021 (note 30.v) court actions, dispute with ANRM)

The Company's management re-examined the available information related to the ongoing litigation and decided to pay to ANAF the amount of Lei 213,041,251 representing Lei 143,279,599 for the above mentioned Mandatory Provision 6006 and Lei 69,761,652 representing additional royalty for the period January 2022 - July 2022 not covered by the tax audit, in which the applicable legislation was identical to that the Company had the same obligations as in the controlled period. Also, amended tax returns were filed in 2024 in respect of the period January 2022 - July 2022 to avoid additional exposure.

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Note 3: Adjustment of the calculation of the deferred tax related to property, plant and equipment and intangible assets, taking into account the adjustment for the depreciation of concessions IFRIC12

Transgaz updated and reviewed the calculation of tax base deferred tax onfor items property, plant and equipment and intangible assets for the years 2023 and 2022. In doing so, it concluded that the tax basis did not take compared to the previous period taking into account the adjustment for the depreciation of concessions IFRIC12, thus resulting to an erroneous calculation of the temporary differences. Correcting this error resulted to an increase/decrease in Deferred tax asset of RON 84,386,841 for 2022 and RON 63,946,626 for 2023 and RON 2,454,102 for the nine months period ended 30 September 2024.

Note 4: Adjustment of the provision for employee benefits

The Company runs a voluntary employment termination program and in the previous periods established a provision only within the amount provided for in the revenue and expense budget approved by the GMS. The calculation of the provision for voluntary employment termination calculated by the actuary as part of the provision for employee benefits differs from the amount of the provision recorded by the Company for past periods, because it considers the assumptions underlying the actuarial calculation (Note 21). Management adjusted the comparatives to reflect the actuarial calculation.

Note 5: Adjustment of balancing gas inventory differences

The Company analyzed the inventory differences identified in the past and concluded that certain adjustments need to be made. Accordingly, a derecognition adjustment was recorded in comparatives, as well as a provision value adjustment for the negative difference between the initial imbalance invoiced natural gas quantities and the final monthly imbalances to reflect the change in gas prices at the end of 2023.

In the consolidated financial statements of the subsidiary Eurtransgaz Ltd.

Note 6: Adjustment of the value of non-controlling interests

The Group recalculated the amount of non-controlling interests for prior periods, which resulted in the correction of the corresponding amounts for the period between 1 January 2024.

Note 7: Adjustment of the provision for slow-moving inventories

Upon review of inventories, management concluded that the provision for slow-moving, physically or morally worn inventory was not determined in accordance with existing policies and, as such, the value of inventories was overstated in the prior year. The inventory balance as at 1 January 2024 has been corrected to reflect the additional provision required.

Note 8: Adjustment of the incorrect tax base used to determine deferred tax

The Group incorrectly determined the useful life of tangible assets for tax purposes. This therefore influenced the calculation of depreciation for tax purposes and also resulted in the incorrect

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determination of tax losses. Management recalculated the depreciation of tangible assets for tax purposes and corrected the amount of tax losses. Accordingly, deferred tax was recalculated resulting in an adjustment as at 1 January 2024.

Note 9: Adjustment of the presentation of contractual liabilities in the balance sheet

The Group did not present the contractual liabilities existing at 31 December 2023 and 1 January 2023 separately in the face of the balance sheet, but as part of trade payables. A correction has been made to reflect them separately in the balance sheet.

Note 10: Impairment of capitalized interest on the EIB loan

The Group reflected the impairment of capitalized interest on the EIB loan in the value of the Ungheni-Chișinău gas pipeline and recalculated the net value of fixed assets as at 1 January 2024.

Note 11: Separate presentation of liabilities by nature

The Group presented separately the Provision for employee benefits, Liabilities to the budget, and Other liabilities as at 1 January 2024. Previously, these were included in Liabilities to employees and Liabilities related to short-term leasing operations.

Note 11: Lease liabilities

As at 1 January 2024, the Group incorrectly reported the amount of short-term lease liabilities. A correction was made to reflect the correct balance as at 1 January 2024.

Note 12: Presentation of financial revenues and expenses

The Group recorded eliminations of revenues related to translation differences on the line of expenses related to translation differences and vice versa, distorting the turnover of the two accounts. In 2024, the comparative figures were restated to accurately reflect the revenues and expenses related to translation differences.

Note 13: Presentation of other operating revenue and operating expenses related to provisions for receivables

The Group presented separately in other operating revenues the reversal of adjustments made for receivables prior to the statement as at 30 September 2024, and in operating expenses related to provisions for receivables created in the statement as at 30 September 2024.

Note 14: Changes in presentation

In the previous period, the Group presented interest income and other financial income on a cumulative basis. In the current period, in order to align with the presentation in the parent company's financial statements, the Group presented the two categories on separate lines. Comparisons have been adjusted to be in line with the current period.

Similarly, trade receivables and other receivables were presented cumulatively in the previous period and have been separated as of 30 September 2025. Comparisons have also been adjusted to

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be in line with the current period.

The effect of the restatement on the statement of financial position:

	Note	1 January 2024 (before restatement)	Restatement effect	01 January 2024 (restated)
Intangible assets	1	3,643,272,446	10,934,566	3,654,207,012
Other receivables	1	2,423,669,228	(31,143,967)	2,392,525,261
Trade and other payables	2	708,874,765	213,041,251	921,916,016
Deferred tax – receivable	3. 8	5,116,271	84,615,422	89,731,693
Provision for employee benefits	4	114,807,183	22,345,722	137,152,905
Other provisions	4	84,246,083	(7,698,800)	76,547,283
Inventories	5. 7	583,515,292	(859,396)	582,655,896
Retained earnings		253,557,168	(167,624,831)	85,932,337
Non-controlling interests	6	97,130,535	3,197,776	100,328,311

The effect of restatement on the statement of comprehensive income:

	Note	Period ended 30 September 2024 (before restatement)	Effect of accounting errors correction	Period ended 30 September 2024 (restated)
Income tax expense	18	(40,744,328)	517,604	(40,226,724)
Net profit for the period	4	144,208,257	486,331	144,694,588
Total comprehensive income for the period		145,151,655	486,331	145,637,984

Changes in the presentation of elements in the financial statements

The Company changed the presentation of elements in the statement of financial position and the statement of comprehensive income to provide more relevant and reliable information to the users of the financial statements.

The line item in the Statement of Financial Position, Trade and other receivables, was presented in detail in the following lines: *Trade receivables, Income tax receivables and Other receivables*.

The line item in the Statement of Financial Position, Trade and other payables, was presented in detail in the following lines: *Trade payables, Other payables and Liabilities relating to contracts with customers*.

	01 January 2024 (before change)	01 January 2024 (changed)	01 January 2024 (restated)
Trade receivables and other receivables	441,070,694	-	-
Trade receivables	-	323,742,949	323,742,949
Income tax receivable	-	40,985,211	40,985,211
Other receivables	-	76,303,804	76,303,804

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	01 January 2024 (before change)	01 January 2024 (changed)	01 January 2024 (restated)
Trade and other payables	708,874,765	-	-
Trade payables	-	253,267,721	253,267,721
Other payables	-	368,352,427	581,393,678
Client contract payables	-	68,717,054	68,717,054
Short-term borrowings	-	18,514,981	18,514,981

	The nine months ended 30 September 2024 (before change)	The nine months ended 30 September 2024 (changed)	The nine months ended 30 September 2024 (changed)
Loss/(gain) on impairment of receivables	-	(9,049,040)	(9,049,040)
Other operating expenses	(124,093,168)	18,879,232	(105,213,936)
Interest income		55,275,029	55,275,029
Financial income	156,096,414	(66,768,988)	89,327,425
Financial expenses	(92,073,472)	11,493,962	(80,579,510)

33. REVENUE AND COSTS FROM THE CONSTRUCTION OF ASSETS

In accordance with IFRIC 12 the revenue and costs of network construction should be recognized in accordance with IFRS 15 Revenue from Contracts with Customers.

	The nine months ended 30 September 2025 (unaudited)	The nine months ended 30 September 2024 (unaudited)
Revenue from the construction activity according to IFRIC12	741,858,453	1,298,473,637
Cost of assets constructed according to IFRIC12	(741,858,453)	(1,298,473,637)

The related costs were equal to the revenue, the company did not obtain any profit from the construction activity.

More than 90% of the construction works are carried out by third companies, under contracts concluded as a result of public procurement procedures by electronic public procurement system, with the cost of the works approximating fair value.

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33. BUSINESS COMBINATIONS

Acquisition of Petrostar SA

On 21 May 2025 Transgaz acquired **control of Petrostar SA** through a subscription to a new share capital issuance. As part of the transaction, Petrostar SA issued 57,217 new shares, of which **54,905 new shares** for a total consideration of **RON 4,337,495**, were fully subscribed by Transgaz SA. Transgaz acquired an additional 4% stake in Petrostar SA, which is accounted for as a financial asset at fair value in profit or loss. As a result, Transgaz SA increased its shareholding to **51%** and obtained control over Petrostar SA. The acquisition is accounted for as a business combination in accordance with **IFRS 3 – Business Combinations**.

Given that at the date of acquisition and until the date the current financial statements were authorized to issue, no purchase price allocation report was prepared, the Group used the book value of assets and liabilities of Petrostar purchased to compute the bargain purchase gain.

A purchase price allocation report, prepared by an external valuation expert will be prepared until 31 December 2025.

Consideration Transferred

Description	Amount (RON)
Cash paid to subscribe new shares	RON 4,337,495

Recognized Amounts of Identifiable Net Assets Acquired

At the acquisition date, the provisional fair values of the identifiable assets and liabilities of Petrostar S.A. were as follows:

Description	Amount (RON)
Assets	
Cash and cash equivalents	227,472
Property, plant and equipment	6,192,220
Trade and other receivables	6,170,066
Liabilities	
Trade and other payables	(1,382,646)
Other liabilities	(638,185)
Net identifiable assets before share capital increase	10,568,927
Add: Share capital increase subscribed by Transgaz	4,337,495
Total identifiable net assets at acquisition date	14,906,422

The acquisition date provisional fair value of the trade receivables amounts to RON 6,170,066. The gross amount of trade receivables is RON 6,170,066 and it is expected that the full contractual amounts can be collected.

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Non-controlling Interests

The Group elected to measure the non-controlling interests in Petrostar SA using the **proportionate share of net assets method**. The NCI at the acquisition date was calculated as:

$$49\% \times 14,906,422 \text{ RON} = 7,304,147 \text{ RON}$$

Gain on Bargain Purchase

The resulting gain on bargain purchase (negative goodwill) is calculated as follows:

Description	Amount (RON)
Consideration transferred	4,337,495
FV of purchased interest	596,257
% of ownership of the net identifiable assets	7,304,147
Less FV of net assets	(14,906,422)
Bargain purchase	(2,668,524)

The gain on remeasurement of the previously held interest is as follows:

	Amount (RON)
FV of purchased interest	596,257
Initial investment by Transgaz (at cost)	182,648
Gain on remeasurement of purchased interest	413,609

The gain on bargain purchase was recognized in the consolidated income statement within **"Other income"**, after reassessing all assumptions in accordance with **IFRS 3.34**.

The gain on remeasurement is presented within **"Other gains and losses"** in the consolidated income statement.

The net cash flow on acquisition of subsidiary

	Amount (RON)
Net cash acquired with the subsidiary	
Cash paid (share capital increase+ additional shares)	(4,520,143)
Net cash acquired with the subsidiary (after control)	4,520,143
Net cash inflow/outflow	-

The gain on the bargain purchase arose because the acquired entity was in financial difficulty and needed to sell its assets urgently. The seller was facing liquidity problems and accepted an offer below the fair value of the net assets in order to expedite the sale.

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34. EVENTS SUBSEQUENT TO THE BALANCE DATE

At the Regulatory Committee meeting held on 4 November 2025, by Decision No. 2310/04.11.2025, and in accordance with the provisions of Article 125(8) of Law No. 123/2012 on electricity and natural gas, as amended, the National Energy Regulatory Authority (ANRE) approved the Development Plan for the National Gas Transmission System for 2024-2033 - updated in 2025, prepared by SNTGN Transgaz S.A..

The National Energy Regulatory Agency approved, by Decision No. 271 of May 27, 2025, new regulated entry/exit tariffs for natural gas transmission, which shall enter into force on 1 October 2025.

On 15 October 2025, Vestmoldtransgaz SRL contracted a loan from OTP Bank S.A. as a revolving credit line up to MDL 25,000,000. The loan was contracted to finance the working capital needed to balance the natural gas transmission system. The loan was contracted for a period of 24 months, until 15 October 2027.

By the Decision No. 14 of 28 October 2025, the Sole Shareholder of Eurotransgaz approved the Income and Expenses Budget of Eurotransgaz for 2026 and estimates for 2027 and 2028.

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean