

## RELEASE

### regarding the economic and financial indicators at 30 June 2024

#### Overview

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

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

The revenue obtained by Transgaz results from the following activities:

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

For the period ended on 30 June 2024 the revenue obtained from the transmission activity is regulated by **ANRE Order 41/15 March 2019 on the approval of the Regulated Gas Transmission Tariff Setting Methodology**.

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

The following items are included into the total regulated revenue:

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

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

Law 244/9 November 2020 established the annual royalty rate paid by the gas transmission operator to 0,4% of the gross revenue achieved from gas transmission and transit operations through the national transmission systems, owned by the State. By Law 296/2023 on some fiscal-budgetary measures to ensure Romania's long-term financial sustainability, the provisions of Article 103(2) of the Electricity and Gas Law 123/2012 were repealed. As of 30 October 2023, the royalty rate was changed from 0,4% to 11,5% of the value of the gross revenue from transmission

and transit operations through the national transmission systems, according to Article 49(2)(b) of Petroleum Law 238/2004.

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

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

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

The substantiation of the regulated revenue is made by regulatory periods of 5 years (the current regulatory period started on 1 October 2019 and will end on 30 September 2024), and the regulated revenue is adjusted annually within the regulatory period, based on the annual inflation rate minus the growth factor of economic efficiency, the operational fixed assets value (through the related regulated depreciation and regulated profit) and on achieving or non-achieving the approved regulated revenue for the previous gas year, as follows:

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

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

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

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

From 1 October 2019 with the entry into force of ANRE Order 41/15 March 2019 the efficiency gain achieved by the TSO from the fourth regulatory period (1 October 2019 - 30 September

2024) will be 60% transferred by linearization to natural gas consumers and 40% will be retained by the TSO and the interest which was not capitalized according to the legal provisions, related to the bank credits contracted for the financing of the tangible fixed assets, for the establishing or extension of the transmission system is recovered through the regulated revenue.

GEO 27/2022 provides that in order to cover the additional costs related to own technological consumption and technological consumption, generated by the increase in prices on the wholesale market above the value taken into account by the regulator when calculating natural gas transmission tariffs in 2021, the Energy Regulatory Authority (ANRE) modifies the regulated tariffs, applicable from 1 April 2022. The resulting tariffs remain unchanged for the period 1 April 2022 - 30 September 2023. ANRE did not modify the transmission tariffs with the price increase substantiated by the company.

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

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

From 1 October 2024 the gas transmission tariffs approved by Order 17/29.05.2024 of the ANRE President are applied. The regulated revenue approved for gas transmission in 1 October 2024 – 30 September 2025 is lei 2.005.007 thousand.

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

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

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

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

## 1. Analysis of the economic and financial indicators achieved at 30 June 2024 compared to the indicators obtained at 30 June 2023

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

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

Transgaz is the sole shareholder of EUROTRANSGAZ SRL.

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

#### Consolidated companies in the Transgaz group:

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

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

*\*thousand lei\**

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME			
Indicator	Achieved H I 2024	Achieved H I 2023	%
0	1	2	3=1/2x100
Operating revenue before the balancing and construction activity, according to IFRIC12	1.104.669	761.091	145%
Revenue from the balancing activity	114.784	263.067	44%
Revenue from the construction activity according to IFRIC12	675.817	35.270	1916%
Financial revenue	108.334	140.742	77%
Operating costs before the balancing and construction activity, according to IFRIC12	924.901	728.224	127%
Balancing activity costs	114.784	263.067	44%
Cost of constructed assets according to IFRIC12	675.817	35.270	1916%
Financial costs	65.092	79.898	81%
<b>GROSS PROFIT, of which:</b>	<b>223.011</b>	<b>93.711</b>	<b>238%</b>
• from operation	179.769	32.867	547%
• from the financial activity	43.242	60.844	71%

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME			
Indicator	Achieved H I 2024	Achieved H I 2023	%
0	1	2	3=1/2x100
Income tax	46.641	22.892	204%
<b>NET PROFIT</b>	<b>176.370</b>	<b>70.819</b>	<b>249%</b>

Compared to 30 June 2023 the gross consolidated profit realized at 30 June 2024 increased by 238%, which is higher by lei 129.300 thousand, and the net consolidated profit increased by 249%, which is higher by lei 105.551 thousand.

*\*thousand lei\**

STATEMENT OF CONSOLIDATED FINANCIAL POSITION			
Indicator	Achieved H I 2024	Achieved 2023	%
1	2	3	4=2/3x100
<b>Fixed assets</b>			
Tangible assets	739.497	769.080	96%
Rights of use of the leased assets	156.461	173.446	90%
Intangible assets	4.145.343	3.643.272	114%
Goodwill	10.221	10.126	101%
Trade receivables and other receivables	2.522.065	2.423.669	104%
Deferred tax	4.004	5.116	78%
Restricted cash	2.060	1.956	105%
<b>Total fixed assets</b>	<b>7.579.650</b>	<b>7.026.666</b>	<b>108%</b>
<b>Current assets</b>			
Inventories	571.949	583.515	98%
Commercial receivables and other receivables	289.296	441.071	66%
Cash and cash equivalent	1.177.397	710.857	166%
<b>Total current assets</b>	<b>2.038.642</b>	<b>1.735.443</b>	<b>117%</b>
<b>Total assets</b>	<b>9.618.292</b>	<b>8.762.109</b>	<b>110%</b>
<b>Equity</b>	<b>4.232.396</b>	<b>4.118.983</b>	<b>103%</b>
Non-controlling interests	98.734	97.131	102%
<b>Long-term debts</b>			
Long-term loans	2.450.674	2.033.509	121%
Other long-term debts	1.210.661	1.109.410	109%
<b>Total long-term debts</b>	<b>3.661.334</b>	<b>3.142.919</b>	<b>116%</b>
<b>Current debts</b>			
Short-term loans	448.099	448.070	100%
Other short-term debts	1.177.728	955.007	123%
<b>Total current debts</b>	<b>1.625.828</b>	<b>1.403.076</b>	<b>116%</b>
<b>Total debts</b>	<b>5.287.162</b>	<b>4.545.996</b>	<b>116%</b>
<b>Equity and debts</b>	<b>9.618.292</b>	<b>8.762.109</b>	<b>110%</b>

The variation of the consolidated economic and financial indicators at 30 June 2024, compared to the indicators achieved in the similar period of 2023 is mainly determined by the variation of the individual economic-financial indicators recorded by SNTGN Transgaz SA at 30 June 2024 compared to the indicators achieved in the similar period of 2023.

In 1 January 2024 – 30 June 2024 Vestmoldtransgaz SRL of the Republic of Moldova provided natural gas delivery services amounting to lei 77.238 thousand.

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

On 4.09.2023 Lease Contract for Natural Gas Transmission Networks No.70-SJ of 04.09.2023 was signed between Moldovatrangaz Ltd. and Vestmoldtransgaz Ltd. This contract entered into force on 19.09.2023, was concluded for a period of 5 years and the amount of annual lease is MDL 165 mln., VAT excluded.

On 18.09.2023 Maintenance Contract No. 25/23 was signed between Moldovatrangaz Ltd. and Vestmoldtransgaz Ltd. for ensuring the proper technical and industrial safety operation of the natural gas transmission networks. The Maintenance Contract was concluded for the period 19.09.2023 - 31.12.2024, with the possibility of extension for periods of 12 months if neither Party notifies the other Party about its termination. The value of the Contract may not exceed MDL 350.000 thousand VAT excluded and is composed of the value of the fixed component plus the value of the variable component.

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

### Indicators of the SNTGN Transgaz SA individual economic and financial results

The main economic and financial indicators achieved at 30 June 2024, compared to the indicators achieved in the same period of 2023 are as follows:

*\*thousand lei\**

<b>STATEMENT OF INDIVIDUAL COMPREHENSIVE INCOME</b>			
<b>Indicator</b>	<b>Achieved H I 2024</b>	<b>Achieved H I 2023</b>	<b>%</b>
0	1	2	3=1/2x100
Operating revenue before the balancing and construction activity, according to IFRIC12, of which	1.016.130	757.139	134%
-revenue from domestic transmission	942.107	631.170	149%
-revenue from international transmission and similar	0	58.872	x
Operating costs before the balancing and construction activity, according to IFRIC12	848.582	717.504	118%
<b>Operating profit before the balancing and construction activity, according to IFRIC12</b>	<b>167.548</b>	<b>39.636</b>	<b>423%</b>
Revenue from the balancing activity	114.784	263.067	44%

**STATEMENT OF INDIVIDUAL COMPREHENSIVE INCOME**

<b>Indicator</b>	<b>Achieved H I 2024</b>	<b>Achieved H I 2023</b>	<b>%</b>
0	1	2	$3=1/2 \times 100$
Balancing activity costs	114.784	263.067	44%
Revenue from the construction activity according to IFRIC12	675.817	35.270	1.916%
Cost of constructed assets according to IFRIC12	675.817	35.270	1.916%
<b>Operating profit</b>	<b>167.548</b>	<b>39.636</b>	<b>423%</b>
Financial revenue	102.995	125.418	82%
Financial costs	48.633	63.781	76%
<b>Financial result</b>	<b>54.363</b>	<b>61.637</b>	<b>88%</b>
<b>GROSS PROFIT</b>	<b>221.910</b>	<b>101.272</b>	<b>219%</b>
<b>Income tax</b>	<b>45.900</b>	<b>22.451</b>	<b>204%</b>
<b>NET PROFIT</b>	<b>176.011</b>	<b>78.820</b>	<b>223%</b>

**Operating revenue before the balancing and construction activity, according to IFRIC12** increased by **134%** compared to the one achieved at 30 June 2023, which is higher by lei 258.990 thousand.

In 1 October 2021 - 30 September 2023 the gas transmission tariffs were not updated, being applied the transmission tariffs approved by ANRE Order 32/2021, corresponding to a regulated tariff of lei 1.041.465,61 thousand.

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

**The revenue was influenced mainly by the following factors:**

- *revenue from capacity booking* higher by **lei 274.541 thousand** due to:
  - *capacity booking tariff* higher by lei cu 1,77/MWh, with a positive influence of lei 313.038 thousand;
  - *booked capacity* lower by 5.942.489 MWh, with a negative influence of lei 14.226 thousand;
  - *capacity overrun revenue* higher by lei 17.036 thousand. Capacity overrun revenue at 30 June 2023 amounted to lei 46.555 thousand, and at 30 June 2024 to lei 63.591 thousand;
  - *revenue from the auction premium* lower by lei 41.308 thousand following the capacity booking auctions performed according to the CAM-NC by interconnection points; revenue from the auction premium at 30 June 2023 amounted to lei 69.302 thousand, and at 30 June 2024 to lei 27.994 thousand.
- *commodity revenue* higher by **lei 36.396 thousand** due to:
  - *the commodity transmission tariff* higher by lei 0,52 lei/MWh, with a positive influence of lei 36.118 thousand;
  - *the gas transmitted capacities* higher by 250.753 MWh as compared to 30 June 2023, with a positive influence of lei 278 thousand, detailed by categories of consumers as follows:

		6 months 2024	6 months 2023	Differences
Quantity transmitted for direct consumers	MWh	31.953.073	27.862.470	4.090.603
	thousand m <sup>3</sup>	2.965.517	2.496.396	469.121
Quantity transmitted for distribution	MWh	37.504.154	41.344.004	-3.839.850
	thousand m <sup>3</sup>	3.507.416	3.867.568	-360.152
Total	MWh	69.457.227	69.206.474	250.753
	thousand m <sup>3</sup>	6.472.933	6.363.964	108.969

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

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

- *other operating revenue* higher by **lei 6.925 thousand**.

*The revenue from the balancing activity* was lower by **lei 148.282 thousand** based on the following factors:

- trading price lower by lei 121,34/MWh, with a negative influence of lei 90.155 thousand;
- quantity lower by 210.732 MWh with a negative influence of lei 58.127 thousand;

*The revenue from the construction activity* higher by **lei 640.547 thousand**, recorded in line with IFRIC 12, according to which revenue and costs related to the construction activity or the improvement of the transmission network, in exchange of which the intangible asset is recorded, must be acknowledged in line with IAS 11, Construction Contracts;

*The financial revenue* has a negative influence of **lei 22.423 thousand**, mainly due to the recording of the updating of the regulated assets value with the inflation rate of 2,57% at 30 June 2024 as compared to 4,19% at 30 June 2023 (lei 63.931 thousand at 30 June 2024 as compared to lei 92.384 thousand at 30 June 2023).

**Operating costs before the balancing and construction activity according to IFRIC12** increased by **118%** as compared to 30 June 2023, which is higher by **lei 131.078 thousand**.

**The company made savings of lei 36.904 thousand** to the following cost elements:

- other operating expenses: lei 36.287 thousand. On 30 June 2024 the company capitalized the amount of lei 22.641 thousand (lei 3.682 thousand at 30 June 2023), representing the difference between the costs of technological consumption realized over the one approved in the transmission tariff, in accordance with GEO 27/2022;
- cost of maintenance and transport: lei 617 thousand;

**A surplus amounting to lei 167.982 thousand** was recorded to the following cost elements:

- transmission system gas consumption of lei 330 thousand due to:



- the average purchase price achieved higher by lei 4,01/MWh as compared to the one achieved at 30 June 2023 with a negative influence of lei 1.308 thousand;
- the quantity of natural gas for NTS gas consumption lower by 5.262 MWh as compared to 30 June 2023, with a positive influence of lei 978 thousand;
- employee costs: lei 20.424 thousand;
- cost of provision for risks and charges: lei 31.542 thousand;
- cost of royalty: lei 105.582 thousand; By Law 296/2023 on some fiscal-budgetary measures to ensure Romania's long-term financial sustainability, Article 103(2) of Electricity and Gas Law 123/2012 was repealed. As of 30 October 2023, the royalty rate was changed from 0,4% to 11,5% of the value of the gross revenue from transmission and transit operations through the national transmission systems, according to Article 49(2)(b) of Petroleum Law 238/2004;
- cost of depreciation: lei 5.832 thousand, based on the completion and commissioning of investments projects;
- cost of auxiliary materials: lei 1.496 thousand;
- cost of taxes and duties: lei 2.776 thousand.

**The financial cost is lower by lei 15.149 thousand.**

**Compared to 30 June 2023 the gross profit realized at 30 June 2024 increased by 219%, which is higher by lei 120.638 thousand, and the net profit increased by 223%, which is higher by lei 97.189 thousand.**

*\* thousand lei \**

<b>STATEMENT OF INDIVIDUAL FINANCIAL POSITION</b>			
<b>Indicator</b>	<b>Achieved H I 2024</b>	<b>Achieved 31.12.2023</b>	<b>%</b>
1	2	3	4=2/3x100
<b>Fixed assets</b>			
Tangible assets	352.403	377.640	93%
Rights of use of the leased assets	13.038	14.501	90%
Intangible assets	4.147.699	3.643.263	114%
Financial assets	177.619	177.619	100%
Trade receivables and other receivables	2.519.705	2.423.669	104%
Deferred tax	1.332	1.734	77%
Restricted cash	2.060	1.956	105%
<b>Total fixed assets</b>	<b>7.213.881</b>	<b>6.640.382</b>	<b>109%</b>
<b>Current assets</b>			
Inventories	565.326	577.081	98%
Commercial receivables and other receivables	264.148	400.845	66%
Cash and cash equivalent	1.131.258	675.601	167%
<b>Total current assets</b>	<b>1.960.732</b>	<b>1.653.526</b>	<b>119%</b>
<b>Total assets</b>	<b>9.174.613</b>	<b>8.293.909</b>	<b>111%</b>
<b>Equity</b>	<b>4.235.787</b>	<b>4.123.653</b>	<b>103%</b>
<b>Long-term debts</b>			
Long-term loans	2.290.310	1.865.388	123%
Other long-term debts	1.092.324	976.922	112%

<b>STATEMENT OF INDIVIDUAL FINANCIAL POSITION</b>			
<b>Indicator</b>	<b>Achieved H I 2024</b>	<b>Achieved 31.12.2023</b>	<b>%</b>
1	2	3	4=2/3x100
<b>Total long-term debts</b>	<b>3.382.633</b>	<b>2.842.310</b>	<b>119%</b>
<b>Current debts</b>			
Short-term loans	432.336	432.316	100%
Other short-term debts	1.123.856	895.629	125%
<b>Total current debts</b>	<b>1.556.192</b>	<b>1.327.945</b>	<b>117%</b>
<b>Total debts</b>	<b>4.938.826</b>	<b>4.170.255</b>	<b>118%</b>
<b>Equity and debts</b>	<b>9.174.613</b>	<b>8.293.909</b>	<b>111%</b>

### ***Tangible assets***

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

***Tangible assets decreased by lei 25.236 thousand*** as compared to the value as at 31.12.2023, mainly due to the fact that the tangible assets entries did not exceed the depreciation cost for tangible assets.

### ***Rights of use of leased assets***

As at 1 January 2019 the company applies IFRS 16 for lease contracts complying with the recognition criteria and recognized as intangible asset right of use related to the lease contracts. **The rights of use of leased assets decreased by lei 1.463 thousand as compared to 31 December 2023** due to the fact that the initial value of the leased assets contracts was lower than the depreciation cost.

### ***Intangible assets***

#### *IT Programs*

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

#### *Service concession agreement*

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

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

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

**Intangible assets increased by lei 502.075 thousand** as compared with the value as at 31.12.2023, this increase being mainly due to the fact that the intangible assets entries exceeded the cost of amortization of intangible assets.

#### ***Financial assets***

**Financial fixed assets increased compared to the amount recorded at 31.12.2023 with lei 25.000, representing** the share capital of *TRANSPORT ROMÂNIA HIDROGEN S.R.L.*, having as scope of activity hydrogen transmission, with the sole shareholder SNTGN Transgaz SA with the registered office in Bucharest, established by EGMS Resolution No. 5/5 June 2024 of SNTGN Transgaz SA..

#### ***Trade receivables and other receivables/ Fixed assets***

**The receivables regarding the right to collect the regulated value remaining unamortized at the end of the concession agreement on 30 June 2024 increased by the amount of lei 98.396 thousand**, receivables recorded according to Law 127/2014 of 5 October 2014, which states that in case of termination of the concession agreement for any reason, or upon termination, the investment of the national transmission system operator shall be transferred to the owner of the national transmission system or another concession provider on payment of a compensation equal to the regulated value remaining not amortized, established by ANRE.

The increase of lei 98.396 thousand compared to the value at 31 December 2023 is mainly due to the updating of the receivables with the changes recorded in the regulated asset base and the adjustment of the regulated value of the assets with the inflation rate starting with 2019, as per ANRE Order 41/2019. Fixed assets recognised in the regulated asset base in a gas year are discounted with the rate of inflation from the following gas year.

#### ***Inventories***

**On 30 June 2024 inventories decreased by lei 11.755 thousand** compared to the value as at 31 December 2023, due to the decreasing by lei 2.175 thousand of the value of the natural gas procured within the balancing activity, the decreasing by lei 20.492 thousand of the stored gas procured to cover technological consumption, and the increasing by lei 10.912 thousand of the stocks of raw and other materials.

#### ***Commercial receivables and other receivables***

**On 30 June 2024**, the balance of the commercial receivables and other receivables **decreased by lei 136.697 thousand** as compared to 31 December 2023, mainly due to the following factors:

- decrease of the client receivables balance by lei 163.514 thousand mainly generated by the collection of the balance of the receivables from domestic transmission and balancing;
- increase of the provisions for the impairment of the trade receivables and of other receivables by lei 21.952 thousand;
- increase of the claims against the state budget by lei 26.923 thousand;
- increase of the balance of other receivables by lei 21.846 thousand.

#### ***Cash at hand and in bank***

**On 30 June 2024 the company's cash increased by lei 455.657 thousand** as compared to the end of 2023. Cash in bank accounts in lei increased by lei 276.745 thousand and cash in bank accounts in foreign currency increased by lei 178.863 thousand. Other cash and cash equivalents increased by lei 49 thousand compared to 2023.

### **Debts to be paid over a one-year period**

In the structure of debts to be paid over a one-year period, the following changes were recorded compared to 31 December 2023:

- increase of the balance of the commercial debt and other debt by lei 259.958 thousand;
- decrease of the balance of the debts related to the rights of use of leased assets by lei 1.034 thousand;
- decrease of the provision for risks and charges by lei 14.932 thousand mainly on account of the reversal of the provision for employee profit-sharing recorded in 2023;
- decrease in the current part of the provision for employee benefits in the amount of lei 6.275 thousand;
- decrease of the deferred revenue over the short term by lei 9.490 thousand;
- increase of short-term loans by lei 20 thousand.

### **Long-term debts**

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

- increase of long-term loans by lei 424.921 thousand;
- increase of the provision for employees benefit in the amount of lei 30.932 thousand;
- increase of deferred revenue and of the subsidies by lei 84.940 thousand;
- decrease of the debts related to the rights of use of leased assets in the amount of lei 470 thousand.

### **Equity**

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

Retained earnings increased by lei 112.134 thousand due to the recording of the profit related to Half I 2024.

## **2. Analysis of the revenue and expense realized at 30 June 2024 compared to the revenue and expense budget approved by OGMS Resolution 12/21 February 2024**

The main economic and financial indicators realized in 01.01.- 30.06.2024, compared to the revenue and expense budget approved by OGMS Resolution 1/21 February 2024:

<i>*thousand lei*</i>				
No.	Indicator	REB H I 2024	Achieved H I 2024	%
0	1	2	3	$4=3/2 \times 100$
1.	Operating revenue before the balancing and construction activity, according to IFRIC12	994.131	1.016.130	102%
2.	Revenue from the balancing activity	238.420	114.784	48%
3.	Revenue from the construction activity, according to IFRIC12	248.102	675.817	272%
4.	Financial revenue	104.849	102.995	98%
5.	Operating costs before the balancing and construction activity, according to IFRIC12	956.316	848.582	89%
6.	Costs from the balancing activity	238.420	114.784	48%
7.	Cost of constructed assets according to IFRIC12	248.102	675.817	272%

No.	Indicator	REB H I 2024	Achieved H I 2024	%
8.	Financial costs	53.862	48.633	90%
9.	<b>GROSS PROFIT</b> , of which:	<b>88.802</b>	<b>221.910</b>	<b>250%</b>
	• from operation	37.815	167.548	443%
	• from the financial activity	50.987	54.363	107%
	<b>Income tax</b>	<b>21.986</b>	<b>45.900</b>	<b>209%</b>
	<b>NET PROFIT</b>	<b>66.817</b>	<b>176.011</b>	<b>263%</b>

**Operating revenue before the balancing and construction activity according to IFRIC12** increased by **lei 21.998 thousand** as compared to the REB.

The revenue was influenced by the following:

- Gas transmission services increased by **lei 31.307 thousand** due to:
  - *capacities booked* higher by 10.572.662 MWh with a positive influence of **lei 46.007 thousand**;
  - *average capacity booking tariff, determined by the structure of the booked products*, higher by lei 0,126/MWh, with a positive influence of **lei 23.269 thousand**
  - *the gas transmitted capacities* lower than planned by 23.293.927 MWh with a negative influence of **lei 37.969 thousand**;
- Other operating revenue decreased by **lei 9.308 thousand** as compared to the REB; the financial statements of Transgaz do not present the value of revenue from the production of tangible assets or the amount of the relevant expenses according to Order 2.844/2016 on the approval of the Accounting Regulations in accordance with International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market.

**Revenue from the balancing** activity decreased by **lei 123.636 thousand** based on the following:

- trading price lower by lei 95,53/MWh, with a negative influence of lei 70.977 thousand;
- quantity lower by 210.615 MWh with a negative influence of lei 52.659 thousand.

**Financial revenue** decreased by **lei 1.854 thousand** as compared to the REB.

**Operating costs before the balancing and construction activity according to IFRIC12** decreased by **lei 107.734 thousand** as compared to the REB.

**Savings amounting to lei 131.185 thousand** were recorded mainly the following cost elements:

- employee costs: lei 47.184 thousand;
- auxiliary materials and other material costs: lei 24.259 thousand;
- cost of maintenance and transport: lei 12.208 thousand;
- cost of taxes and duties: lei 16.736 thousand;
- cost of depreciation: lei 4.620 thousand;
- other operating costs: lei 26.178 thousand.

**A surplus of lei 23.451 thousand** was recorded mainly in relation to the following cost elements:

- transmission system gas consumption: lei 263 thousand;
- cost of NTS concession royalty: lei 3.600 thousand;
- cost of provision for risks and charges: lei 19.588 thousand.

**The financial cost** is lower by **lei 5.229 thousand** as compared to the REB.

***The gross profit*** increased by lei 133.108 thousand as compared to the REB, which is higher by 250% and the net profit increased by lei 109.194 thousand as compared to the REB, which is higher by 263%.

### **3. Investment plan achievement**

***The capital expenditure*** achieved at 30 June 2024 amounted to ***lei 687.440 thousand***.

Investments amounting to lei 23.878 thousand were commissioned in the analysed period.

Until 30 June 2024 instalments were reimbursed for the loans taken by the company to finance the investment works amounting to lei 66.158 thousand.

### **4. Receivables and arrears**

On 30 June 2024 the outstanding receivables amounted to lei 661.312 thousand, which is higher by lei 20.871 thousand as compared to 31 December 2023.

On 30 June 2024 Transgaz has no outstanding payments.

**DIRECTOR - GENERAL  
ION STERIAN**

**Chief Financial Officer  
Marius Lupean**