TRANSGAZ
MAGISTRALA ENERGIEI

CONSOLIDATED ADMINISTRATORS' REPORT FOR 2025

CONTENTS

THE ADMINISTRATORS' MESSAGE

The natural gas transmission sector has a long tradition in Romania and it is a strategic activity for the national economy and for its sustainable growth and development. The performance of the gas transmission activity increased year by year through the work, dedication and professionalism of those who have worked in this field and contributed to what SNTGN TRANSGAZ SA is – today -– the 4th company – in the top of natural gas Transmission System Operators (TSOs) of the European Union, according to the length of the managed transmission network, a Group of sustainable performance oriented companies with responsibility for the future, in which the corporate governance model has added and will add value and the transparency needed to increase the confidence of the stakeholders in the management and performance of the company.

By performance, transparency, openness to dialogue and application of good practices for corporate governance, SNTGN TRANSGAZ SA is a successful genuine brand today, a company that believes in its organizational values and concepts and that continuously invests in the education and professional development of its human resources. SNTGN TRANSGAZ SA is a company managed under a unitary system, with the current Board of Administrators appointed by the General Meeting of the Shareholders under Decision no. 6/29.04.2025 of the Ordinary General Meeting of the Shareholders according to the selection procedure provided for in Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as amended.

The strategic objectives established in respect of the management of SNTGN Transgaz SA for the period 2025-2029 *are in line with the objectives provided for in the* ***SHAREHOLDERS' LETTER OF EXPECTATIONS*** *and aim to achieve**: continuity of operational and investment activities, energy safety and security, operational efficiency and stability, sustainable development**, in accordance with the provisions of the Strategy of the European Energy Union on decarbonisation, energy efficiency, the internal energy market, research, innovation, digitization and competitiveness**, alignment of the company with modern performance and corporate governance standards supported by the OECD, optimisation of the company's performance,** increasing the international recognition of SNTGN Transgaz SA, its leading role in the regional energy market, maximising the efficiency of all existing and future opportunities, so that Romania can consolidate its position as an important natural gas energy corridor to Europe.*

We are aware of the essential role that Transgaz Group plays not only in the development, modernization, and consolidation of the energy infrastructure of Romania and the Republic of Moldova, but also in improving the standard of living and the effective transition of the entire society towards achieving all sustainable development goals.

For SNTGN Transgaz SA, an objective of strategic importance deriving from the European Green Deal for a transition to the green economy is the repurposing of the existing natural gas transmission infrastructure for the transmission of hydrogen in blends with natural gas, for decarbonization.

Recognizing the importance of TRANSGAZ Group both as a driver of economic activity and as a vector of economic growth, through its role in developing the national, regional and European energy sector and transforming Romania into an energy powerhouse in Europe, the company's administrators are committed to continuing the launch and implementation of one of the largest and most important natural gas transmission infrastructure development programs in Romania in the last 20 years, a program with investment projects estimated at EURO 9.1 billion.

Our guarantee for success in the face of the challenges and constraints of the external and internal context in which Transgaz Group operates and will operate is the link between the efficient administration and management strategies and the vast expertise and professional experience of the management, human resources employed to operationalize these strategies, the organizational values and concepts, the professionalism, reliability, transparency, and responsibility in the execution of all activities.

Yours sincerely,

ION STERIAN
Executive Administrator - Director - General

NICOLAE MINEA
Non-Executive Administrator, Chairman of the Board of Administration

ILINCA VON DERENTHALL
Non-Executive Administrator

ADINA LĂCRIMIOARA HANZA
Non-Executive Administrator

COSTIN MIHALACHE
Non-Executive Administrator (mandate starting on 30.04.2025)

PETRU ION VĂDUVA
Non-Executive Administrator (mandate termination on 29.04.2025)

1. REPORT AND ISSUER GENERAL DATA

Basis of the report	Report for 2025, prepared in accordance with the provisions of Law 24/2017 on issuers of financial instruments and market operations (Article 65) and FSA Regulation 5/2018 on issuers of financial instruments and market operations (Annex 15), as amended
Date of the report:	21 April 2026
Name of the issuer	The National Gas Transmission Company TRANSGAZ SA
Headquarters	Mediaș, 1 C.I. Motaș Square, code 551130, Sibiu county
Phone/fax	0269-803333/0269-839029
Web/e-mail	www.transgaz.ro / cabinet@transgaz.ro
Trade register number	J32/301/2000
Tax registration code	RO13068733
Regulated market on which the securities issued are traded	Bucharest Stock Exchange
Subscribed and paid-up share capital	1.883.815.040 lei
Main characteristics of securities issued	188.381.504 shares with a nominal value of 10 lei. The shares are registered, ordinary, indivisible, issued in dematerialised form and freely tradable since 2008 under the TGN stock exchange symbol

2. EXECUTIVE SUMMARY 2025

2.1. Presentation of the consolidated companies in the Transgaz group

SNTGN Transgaz SA is the first state-owned company in the energy sector to consolidate its international reputation and develop investor confidence by establishing the TRANSGAZ Group, thus becoming an active player in ensuring and strengthening regional energy security. The companies consolidated to form Transgaz Group are: SNTGN Transgaz SA, Eurotransgaz SRL, Vestmoldtransgaz SRL, and Petrostar SA.

TRANSGAZ, thus established, contributes both to the integration of the Republic of Moldova into future major gas infrastructure projects and to the expansion of operational capacities in the field of support and ancillary services for energy infrastructure, generating additional revenue from activities related to natural gas transmission.

		Share (%)
SNTGN Transgaz SA	Parent company	
Eurotransgaz SRL, the Republic of Moldova	Company held by SNTGN Transgaz SA	100%
Vestmoldtransgaz SRL, the Republic of Moldova	Company held by Eurotransgaz SRL and EBRD	75% 25%
Transport Romania Hidrogen SRL	Company held by SNTGN Transgaz SA	100%
Petrostar SA	Company held by SNTGN Transgaz SA Other shareholders	51% 49%

Eurotransgaz SRL

The establishment of the company EUROTRANSGAZ SRL on the territory of the Republic of Moldova was approved by Resolution no. 10/12.12.2017 of the Extraordinary General Meeting of the Shareholders (EGMS) for enabling successful participation in the privatization procedure of the State Enterprise Vestmoldtransgaz. Transgaz is the sole shareholder of EUROTRANSGAZ SRL.

Vestmoldtransgaz SRL

Since 2018, following the procurement of Vestmoldtransgaz SRL of the Republic of Moldova by Eurotransgaz SRL, Transgaz, as a parent company, prepares consolidated group financial statements.

As at 25.08.2021 the European Bank for Reconstruction and Development (EBRD) became a shareholder, holding a 25% interest in the share capital of the natural gas transmission company VESTMOLDTRANSGAZ SRL, a subsidiary of TRANSGAZ in the Republic of Moldova, which owns and operates the gas transmission pipeline Ungheni-Chisinau.

As of 19 September 2023 SNTGN TRANSGAZ SA, through Vestmoldtransgaz SRL (VMTG), its subsidiary in the Republic of Moldova, the company which operates, exploits and dispatches the Ungheni-Chișinău gas pipeline and is certified according to the ownership unbundling model, took over the operation, maintenance, dispatching and transmission of natural gas in the Republic of Moldova from Moldovatransgaz SRL.

As the operator of the gas transmission system in the Republic of Moldova, Vestmoldtransgaz S.R.L. is responsible for its operation and functioning in terms of quality, safety, economic efficiency, and environmental protection.

By the ANRE's Resolution No. 513 of 23 August 2024, SRL "Vestmoldtransgaz", holder of license Series AC No. 001561 of 6 January 2015 for natural gas transmission, valid until 6 January 2040, was certified according to the "Independent System Operator" model.

Vestmoldtransgaz S.R.L. fully complies with its legal and contractual obligations established by the applicable legislation, ensuring compliance with the provisions of Law No. 108/2016 on natural gas and the regulatory acts approved by ANRE, in accordance with the principles of ensuring the stability, reliability, security, and efficiency of the natural gas system.

The best practices in place within SNTGN Transgaz SA, having rendered the company a benchmark in Romania, are being adopted and implemented within the companies owned by Transgaz in the Republic of Moldova as well, resulting in:

- improvements in how the implementation of the NTS Maintenance Plan is monitored;
- efficient, real-time monitoring of the Procurement Plan by the setting up of an electronic/Excel database;
- effective prioritization of the Investment Plan;
- starting the implementation of the internal management control system for risk management, in order to provide reasonable assurance on achieving the planned targets and results. To this end, the Action Plan for the implementation of the internal management control system at Vestmoldtransgaz SRL is approved and continuously updated.

SNTGN Transgaz SA has become the only gas transmission system operator (TSO) in Europe that fully operates two national gas transmission systems in two different countries, one of which is an EU member state and the other a non-EU member state, in process of joining.

Transport Romania Hidrogen SRL (TRH)

In 2024 the limited liability company Transport Romania Hidrogen SRL (TRH) was established based on EGSM Resolution no. 5/05.06.2024 its main activity being hydrogen transmission. The company was established in accordance with the action plan for the implementation of the National Hydrogen Strategy 2030. The establishment of this company is proof of Transgaz' commitment to expand and upgrade the transmission infrastructure by tapping into the

potential of integrating hydrogen from renewable and low-carbon sources into the National Natural Gas Transmission System. TRH is fully (100%) owned by Transgaz.
Under BoA Resolution no. 32/29.08.2024 the temporary suspension of the business activity of Transport Romania Hidrogen SRL for a period of three years was approved.

Petrostar SA

By Resolution No. 5 of the Extraordinary General Meeting of the Shareholders of 9 April 2025, the acquisition of a 51% interest in the share capital of Petrostar S.A. was approved at a maximum price of lei 4.520.143. Petrostar S.A. is one of the oldest and most representative companies in Romania, operating in the field of research, technological engineering, and design for the oil and gas extraction industry.

The acquisition is part of Transgaz's development strategy, which aims to expand its operational capabilities in the area of support and auxiliary services for energy infrastructure, to generate additional revenue from activities related to natural gas transmission, and to capitalize on the complementarity between Transgaz's and Petrostar's areas of activity.

Petrostar S.A. is one of the oldest and most representative companies in Romania, operating in the research, technological engineering, and design fields for the oil and gas extraction industry. The acquisition is part of Transgaz' development strategy, aiming to expand its operational capabilities in the energy infrastructure support and auxiliary services area, to generate additional revenue from activities related to gas transmission, and to tap into the complementarity between Transgaz and Petrostar's activities.

Petrostar's main activities include:

- Preparation of feasibility studies for the exploitation of newly discovered and existing offshore and onshore oil and gas fields in Romania and abroad;
- Preparation of feasibility studies and comprehensive designs for the underground gas storage in depleted gas fields;
- Preparation of comprehensive studies and designs for drilling wells up to 10,000 m deep, offshore and onshore, in Romania and abroad;
- Preparation of specifications, technical and commercial proposals for design and execution activities;
- Process and detail engineering for primary, secondary, and tertiary exploitation of oil and gas fields, covering all disciplines involved in achieving oil field goals, such as: electrical, mechanical, construction, automation, SCADA, corrosion protection, water supply;
- Preparation of studies and comprehensive engineering designs for transportation and storage systems in the fields of crude oil, gas, petroleum products, and water;
- Preparation of topographical and trans-testing, hydrogeological, hydrotechnical, and geotechnical studies and documentation;
- Project development management and management of the execution of objectives in the fields of oil, gas, and related works;

2.2. Indicators of the consolidated economic and financial results

Consolidated standard performance indicators

The economic and financial activity of the National Gas Transmission Company Transgaz S.A. since the beginning of the year until 30 June 2025 was conducted based on the indicators included in the Revenue and Expense Budget (REB) approved by Resolution No. 4/09.04.2025 of the Extraordinary General Meeting of the Shareholders.

The value of the standard performance indicators on 31 December 2025 as compared to their value as at 31 December 2024 is as follows:

No.	Performance criteria	Performance objective	MU	Weighting factor	Achieved	
					2025	2024
1.	**Commissioned investments**	Plan achieved	Thousand lei	0,15	185.825	218.077
2.	**EBITDA**	EBITDA increase	Thousand lei	0,15	1.362.329	912.247
3.	**Labour productivity**	Increasing labour productivity in units of value (turnover / average no. of employees);	Thousand lei/ pers.	0,15	753	594
4.	**Outstanding payments**	Payments made during the contract duration (in current prices)	Thousand lei	0,15	0	0
5.	**Outstanding receivables**	Diminished amount of outstanding receivables (in current prices)	Thousand lei	0,10	717.412	668.872
6.	**NTS gas consumption**	Remaining within the gas quantities representing NTS gas consumption	%	0,15	62,14%	108,30%
7	**OPEX at lei 1000 operating revenue**	Diminishing of OPEX at lei 1000 operating revenue	lei	0,15	720	855

Table 1 - Consolidated standard performance indicators for 2025 compared to 2024

Consolidated profitability, liquidity, risk and activity ratios

The values of the profitability, liquidity, risk and activity ratios during 2021-2025:

No.	Indicators	Calculation formula	2021	2022	2023	2024	2025
1.	**Profitability ratios**						
	EBITDA margin	EBITDA / Turnover	28,53%	23,83%	28,68%	37,88%	43,59%
	EBITDA return on equity	EBITDA / Equity	12,40%	14,33%	15,25%	21,30%	27,69%
	Gross profit margin	Gross profit / Turnover	13,67%	17,19%	10,21%	20,10%	33,32%
	Return on equity	Net profit / Equity	4,56%	8,55%	5,07%	9,59%	17,90%
2.	**Liquidity ratios**						
	Current liquidity indicator	Current assets / Current liabilities	1,42	1,43	1,08	1,31	1,29
	Acid test ratio	Current assets - Inventories / Current liabilities	1,09	0,79	0,72	0,98	0,97
3.	**Risk ratios**						
	Leverage indicator	Borrowed capital* / Equity	49,01%	50,62%	51,46%	79,54%	77,82%
	Interest coverage ratio	EBIT** / Interest expense	9,93	3,82	1,99	3,97	5,16
4.	**Activity ratios**						
	Days' sales outstanding	Average trade receivables x 365 days / Turnover	165,09	123,09	151,39	146,95	117,75
	Days' payable outstanding	Average trade payables x 365 days	73,14	55,95	49,85	55,21	41,63

*) Calculated in accordance with FSA Regulation No. 5/2018, Annex 13 (Borrowed capital = Loans over 1 year)

**) Calculated in accordance with the 2021–2025 Management Plan (EBIT = Operating Profit + Interest Expense)

Table 2 - Consolidated profitability, liquidity, risk and activity ratios in the period 2021- 2025

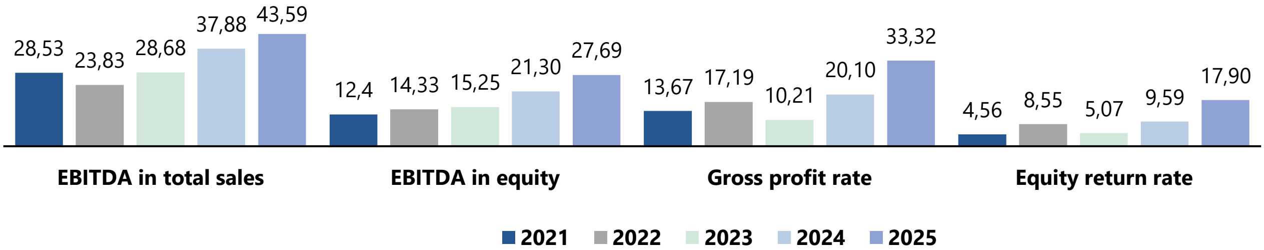

Chart 1 – Evolution of the consolidated profitability indicators in the period 2021-2025 (%)

The main consolidated economic and financial indicators achieved between 2021-2025 are as follows:

- thousand lei -

No.	Indicator	Achievements as at 31 December (thousand lei)					Change (%)
		2021	2022	2023	2024	2025	
0	1	2	3	4	5	6	7=6/5*100
1.	Turnover	1.683.775	2.440.916	2.101.092	2.408.559	3.125.354	129,76
2.	Operating revenue before balancing and the construction activity according to IFRIC12	1.364.950	1.579.284	1.784.240	2.305.477	2.916.566	126,51
3.	Revenue from balancing	442.200	1.005.544	458.811	249.300	366.016	146,82
4.	Revenue from the construction activity according to IFRIC12	704.027	299.868	182.450	1.876.822	1.263.636	67,33
5.	Financial revenue	152.208	498.370	258.397	212.906	361.232	169,67
6.	Operating cost before balancing and the construction activity according to IFRIC12	1.244.239	1.432.968	1.663.837	1.914.524	2.098.881	109,63
7.	Cost of balancing gas	442.200	1.005.544	458.811	249.300	366.016	146,82
8.	Cost of constructed assets according to IFRIC12	704.027	299.868	182.450	1.876.822	1.263.636	67,33
9.	Financial cost	42.669	225.110	164.230	119.841	137.445	114,69
10.	Gross profit	230.250	419.576	214.569	484.018	1.041.471	215,17
11.	Profit tax	53.445	72.709	14.138	73.286	160.751	219,35
12.	Net profit	176.805	347.068	200.432	410.732	880.720	214,43
13.	Total comprehensive result related to the period	224.237	341.124	221.687	403.796	864.232	214,03
14.	Transmitted gas -thousand cm-	14.026.269	13.032.066	13.055.920	13.197.787	14.652.083	111,70
15.	Investment cost	817.916	302.539	217.287	1.958.732	1.360.122	69,44
16.	Rehabilitation cost	18.717	21.341	44.111	114.172	134.155	117,50
17.	Technological consumption thousand lei	76.005	152.430	106.268	104.646	65.707	62,79
18.	Technological consumption thousand cm	70.188	70.739	57.690	65.773	37.404	56,87

Table 3 – Evolution of the main consolidated economic and financial indicators in the period 2021-2025

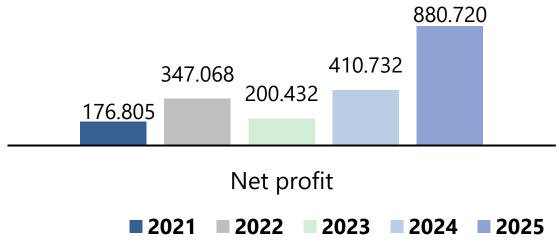

Chart 2 - Net profit in the period 2021-2025 (thousand lei)

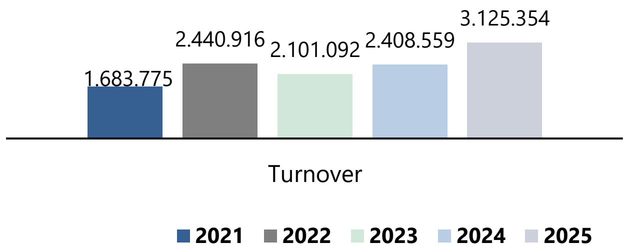

Chart 3 - Turnover (consolidated) in the period 2021-2025 (thousand lei)

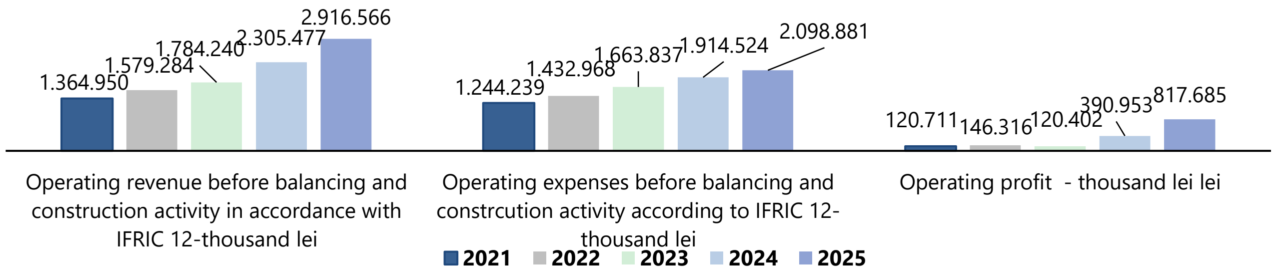

Chart 4 – Evolution of the operating revenue, expense and profit before the construction activity according to IFRIC 12 – consolidated – in the period 2021-2025 (thousand lei)

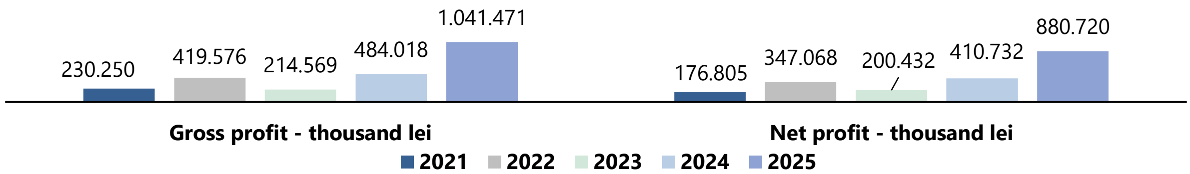

Chart 5 - Evolution of the gross profit and the net profit - consolidated – in the period 2021-2025

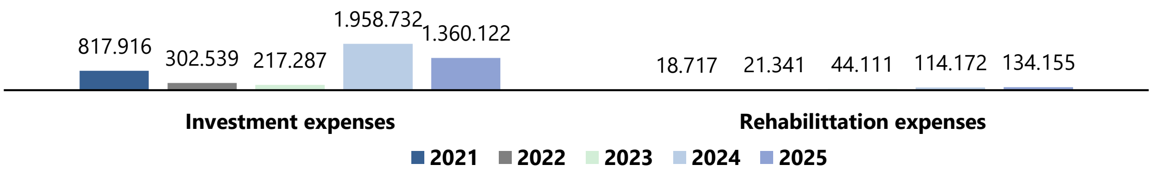

Chart 6 - Evolution of the investment and rehabilitation expenses – consolidated - in the period 2021-2025 (thousand lei)

2.3. Indicators of the separate economic and financial results

Standard performance indicators – separate statements

The economic and financial activity of the National Gas Transmission Company Transgaz S.A. from the beginning of the year until 31 December 2025 was conducted based on the indicators established in the Revenue and Expense Budget (REB) approved by Resolution 4/09.04.2025 of the Ordinary General Meeting of the Shareholders.

The comparative statement of the standard performance indicators at the end of 2025, compared to their value at the end of 2024, is as follows:

No.	Performance criteria	Performance objective	MU	Weighting factor	Achieved	
					2025	2024
1.	**Commissioned investments**	Plan achieved	Thousand lei	180.431		218.077
2.	**EBITDA**	EBITDA increase	Thousand lei	1.186.788		811.474
3.	**Labour productivity**	Increasing labour productivity in units of value (turnover / average no. of employees);	Thousand lei/ pers.	710		554
4.	**Outstanding payments**	Payments made during the contract duration (in current prices)	Thousand lei	0		0
5.	**Outstanding receivables**	Diminished amount of outstanding receivables (in current prices)	Thousand lei	678.593		668.872
6.	**Technological consumption**	Remaining within the gas quantities representing technological consumption	%	62,14%		108,30%
7.	**OPEX at lei 1000 operating revenue**	Diminishing of OPEX at lei 1000 operating revenue	lei	735		838

Table 4 - Separate standard performance indicators in 2025 compared to 2024

Profitability, liquidity, risk and activity ratios

The values of individual profitability, liquidity, risk and activity ratios in the period 2021-2025:

No.	Ratios	Calculation formula	2021	2022	2023 (restated)	2024	2025
1.	**Profitability ratios**						
	EBITDA margin	EBITDA / Turnover	28,83%	23,94%	27,61%	36,68%	41,95%
	EBITDA return on equity	EBITDA / Equity	12,48%	14,29%	14,17%	18,96%	24,49%
	Gross profit margin	Gross profit / Turnover	14,21%	17,95%	10,02%	20,71%	33,13%
	Return on equity	Net profit / Equity	4,81%	8,96%	4,69%	9,16%	16,26%
2.	**Liquidity ratios**						
	Current liquidity ratio	Current assets / Current liabilities	1,25	1,39	1,08	1,31	1,26
	Quick liquidity ratio	Current assets - Inventories / Current liabilities	0,92	0,75	0,70	0,96	0,90
3.	**Risk ratios**						

No.	Ratios	Calculation formula	2021	2022	2023 (restated)	2024	2025
	Leverage ratio	Borrowed capital* / Equity	44,02%	45,84%	47,10%	76,04%	76,12%
	Interest coverage ratio	EBIT ** / Interest expense	5,63	3,07	1,87	3,59	4,53
4.	**Activity ratios**						
	Days' sales outstanding	Average trade receivables x 365 days / Turnover	165,09	114,13	156,45	159,99	130,08
	Days' payable outstanding	Average trade payables x 365 days / Turnover	73,14	56,10	51,51	60,11	45,99

**) Calculated in accordance with FSA Regulation No. 5/2018, Annex 13 (Borrowed capital = Loans over 1 year)*
***) Calculated in accordance with the 2021–2025 Management Plan (EBIT = Operating Profit + Interest Expense)*

Table 5 - Separate profitability, liquidity, risk and activity ratios in the period 2021-2025

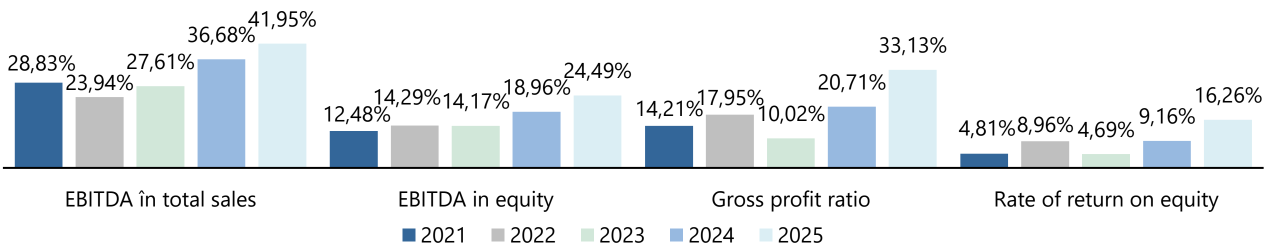

Chart 7 - Separate profitability indicators in the period 2021-2025

The main separate economic and financial indicators obtained in the period 2021-2025 are as follows:

No.	Indicator	Achievements as at 31 December (thousand lei)					Change (%)
		2021	2022	2023 Restated	2024	2025	
0	1	2	3	4	5	6	7=6/5*100
1.	Turnover	1.683.775	2.436.802	2.033.122	2.212.225	2.828.958	127,88
2.	Operating revenue before balancing and construction activity according to IFRIC12	1.364.511	1.575.186	1.711.286	2.105.069	2.618.362	124,38
3.	Revenue from balancing	442.200	1.005.544	458.811	248.967	359.936	144,57
4.	Revenue from the construction activity according to IFRIC12	704.027	299.868	182.450	1.876.822	1.263.636	67,33
5.	Financial income	130.013	461.287	230.123	203.923	349.180	171,23
6.	Operating expenses before balancing and construction activity according to IFRIC12	1.230.118	1.415.554	1.607.248	1.764.049	1.924.097	109,07
7.	Balancing gas expenses	442.200	1.005.544	458.811	248.967	359.936	144,57
8.	Cost of assets constructed according to IFRIC	704.027	299.868	182.450	1.876.822	1.263.636	67,33

No.	Indicator	Achievements as at 31 December (thousand lei)					Change (%)
		2021	2022	2023 Restated	2024	2025	
9.	Operating profit	134.393	159.633	104.039	341.020	694.265	203,58
10.	Financial expenses	25.138	183.446	130.533	86.838	106.285	122,39
11.	Gross profit	239.268	437.474	203.629	458.105	937.160	204,57
12.	Profit tax	52.327	71.921	41.381	67.714	138.867	205,08
13.	Deferred tax income	-	202	23.381	1.639	-10.136	X
14.	Net profit	186.941	365.755	185.629	392.030	788.157	201,04
15.	Total comprehensive income for the period	202.724	368.207	188.509	384.524	770.616	200,41
16.	Transmitted gas thousand cm	14.026.269	13.032.066	13.055.920	13.197.787	14.652.083	111,02
17.	Capital expenditure	803.509	333.988	223.123	1.915.219	1.309.650*	68,38
18.	Rehabilitation expenditure	18.561	21.002	22.879	39.977	55.748	139,45
19.	Technological consumption, thousand lei	76.005	152.430	106.268	104.646	63.204	60,40
20.	Technological consumption thousand cm	70.188	70.739	57.690	65.773	37.404	56,87

**) exclusively advances for non-current assets*

Table 6 - Main separate economic-financial indicators in the period 2021-2025

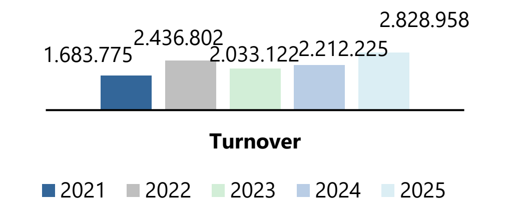

Chart 8 - Turnover (separate) in the period 2021-2025 (thousand lei)

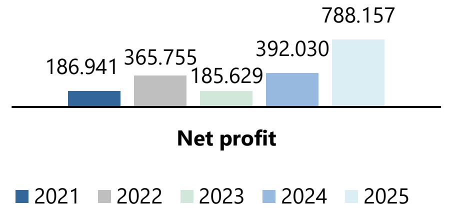

Chart 9 - Net profit (separate) in the period 2021-2025 (thousand lei

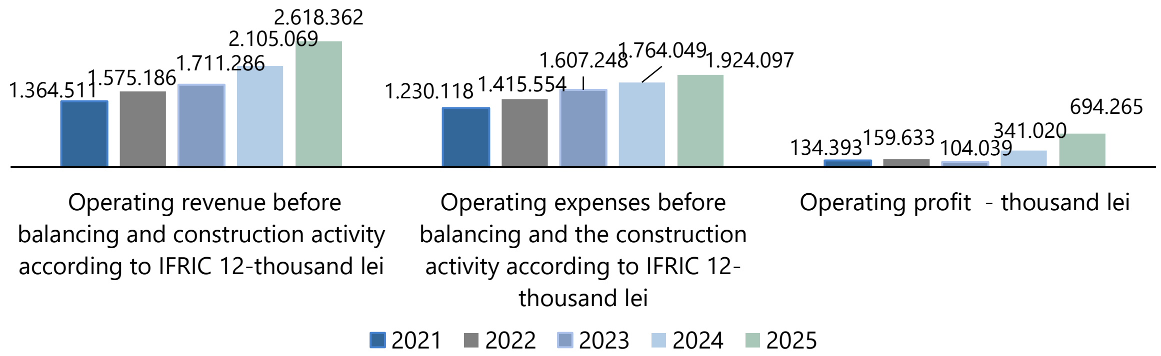

Chart 10 - Operating revenue, expense and profit before the construction activity according to IFRIC – separate statement – in the period 2021-2025 (thousand lei)

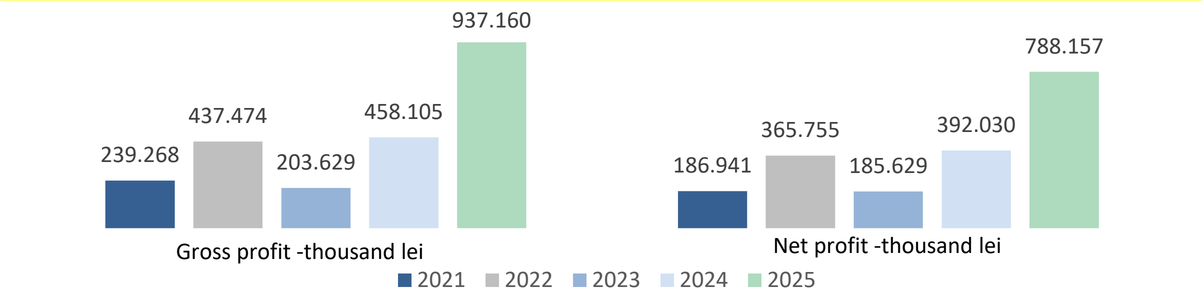

Chart 11 - Gross profit and net profit (separate statements) in the period 2021-2025 (thousand lei)

Transgaz holds the monopoly in Romania in terms of natural gas transmission and circulates approximately 90% of the total natural gas consumed.

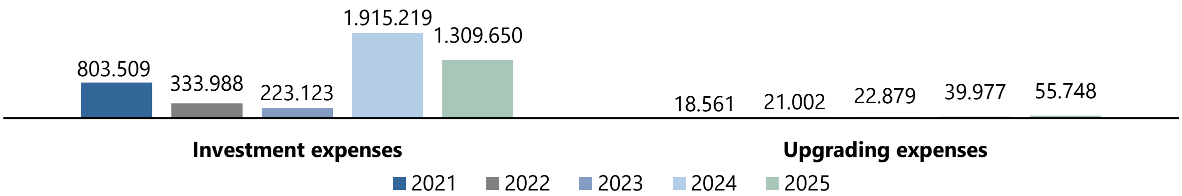

Chart 12 - Investment and rehabilitation costs – separate statements – in the period 2021-2025 (thousand lei)

2.4. Summary of the main achievements regarding sustainability in 2025

The consolidated sustainability statement for the financial year 2025 can be referred to in the attachment to the Consolidated Administrators' Report, in Annex 1, but also on the company's website www.transgaz.ro at the section Sustainability: https://www.transgaz.ro/ro/sustenabilitate/raport-de-sustenabilitate.

The reporting process has developed from year to year, integrating new assessment methods and being aligned with the Company's operational strategies, such as the integration into reporting of Petrostar SA, the new company in which Transgaz is the majority shareholder. Continuous improvement of data quality, transparency and internal validation flows remains at the heart of our actions.

In 2025, Transgaz, through its responsible organizational structures, continued to implement its sustainability objectives, strengthening internal processes and responding to new European and national requirements in the field of sustainability reporting.

Improving the procedural framework for sustainability reporting

In order to meet the increasingly complex requirements of European regulations (ESRS) and the CSRD Directive, SNTGN Transgaz S.A initiated a comprehensive process of reviewing and strengthening the procedural framework for sustainability statement.

Thus, the **Sustainability Consolidated Statement Operational Procedure** was developed – a tool that will provide a clear and effective framework for managing the entire ESG reporting process at the organizational level. It defines:

- The **responsibilities** of each structure involved in the process – from data collection to validation and approval of reported information;

- Information validation **flows**, by establishing internal verification stages and document circulation, so that accuracy and transparency are constantly verified and improved;
- The data collection **calendar**, to harmonize internal deadlines with those provided for by national and European legislation, thus ensuring the predictability and efficiency of reporting.

At the same time, the **Sustainability Statement Policy was prepared**, which serves as a framework document for the entire sustainability performance monitoring and communication system. Its main functions are as follows:

- **Ensuring** that internal practices are aligned with the explicit requirements of the European Sustainability Reporting Standards (ESRS) and the CSRD Directive.
- **Establishing** the principles and values that define Transgaz' commitment to transparency, accountability, and continuous improvement in the field of sustainability.
- **Clarifying** how to analyse, document, and report on ESG impacts, risks, and opportunities identified at the organizational level.
- **Defining** key performance objectives and indicators for sustainability reporting, as well as the methodology for monitoring progress.

The policy underlies all internal reporting procedures and facilitates the ongoing dialogue with stakeholders, regulators, and auditors, helping to strengthen an organizational climate focused on excellence and compliance.

By implementing these tools - **the Operational Procedure and Sustainability Statement Policy** - Transgaz laid the foundation for a robust, transparent, and adaptable procedural framework that effectively supports not only current reporting requirements but also future ones driven by changes in legislation and increasingly complex market expectations.

These steps are meant to reduce the risks associated with non-compliance, and to increase the confidence of investors and partners in the company's genuine commitment to sustainable development.

In the context of aligning with the new European requirements on sustainability reporting, improving the transparency and efficiency of the reporting process related to sustainability became a key focus within Transgaz. At the end of the previous reporting cycle, a series of priorities were established for 2025, reflecting Transgaz' commitment to continuous improvement and compliance with ESRS and CSRD standards.
In order to harmonize the presentation of Impacts, Risks, and Opportunities (IRO) with the methodologies and terminology provided by ESRS standards, including the development of an integrated approach to double materiality assessment. Transgaz set out to revise the relevant descriptions in its reports, explaining how IRO are identified, analysed, and managed according to the business model, development strategy, and value chain. Emphasis was also placed on the narrative consistency of these sections to ensure a correct interpretation in line with investors' expectations.
For the assessment of physical and transition climate risks, in line with the requirements of the European Sustainability Reporting Standard (ESRS E1 "Climate Change") and Regulation (EU) 2020/852 on the EU Taxonomy. It is necessary to prepare a Climate Study and Action Plan for climate risks to cover both its own activities and those of the companies in which it is the

majority shareholder to identify and assess climate risks over short, medium, and long-time horizons (until 2050), providing a structured framework for proactively managing climate vulnerabilities and implementing the necessary adaptation measures to ensure operational resilience. The company initiated steps in this direction.

Another area on which the company focused its attention in 2025 was the preparation of a comprehensive and transparent documentation of the validation circuits for ESG data and the internal approval processes for sustainability reports. Transgaz initiated the standardization of validation steps, the development of clear procedures, and the training of the teams involved, an approach aimed at establishing specific responsibilities for each stage of the verification flow, allowing for easy monitoring and verification of each ESG indicator or data set, and reducing the risks of non-compliance and errors that could affect the credibility of public reporting.

At the same time, another issue addressed was the alignment of the ESG policy framework at the level of Transgaz Group's companies located in the Republic of Moldova.

Given that Vestmoldtransgaz S.R.L. and Eurotransgaz S.R.L. operate in the jurisdiction of the Republic of Moldova, but report within the consolidated framework of the Transgaz Group according to the requirements of the CSRD, it is necessary to harmonize sustainability policies and procedures to ensure consistency of reporting at group level.

Transgaz initiated a process of reviewing and adapting existing policies, aiming to ensure that ESG principles, indicators and monitoring mechanisms are uniformly implemented both in Romania and in the Republic of Moldova, and the facilitation of homogeneous data collection, comparability of sustainability performance between entities and guaranteeing the compliance with European reporting standards in order to strengthen the integrity and credibility of the Transgaz Group's enhanced sustainability report.

The initiation of these measures represents a decisive step towards increasing the transparency, continuity, and accuracy of sustainability reporting. By centralising and digitising data, clarifying internal responsibilities and aligning with ESRS requirements, Transgaz wishes to strengthen stakeholder confidence and demonstrating a sustainable commitment to European best practices in non-financial reporting.

Strengthening the ESG policy framework: human rights and equal opportunities

In the context of aligning with national and European good practices, two fundamental strategic documents were developed at Transgaz level: the Human Rights Policy and the Equal Opportunities and Gender Policy.

Human Rights Policy is based on the UN Guiding Principles on Business and Human Rights and is aligned with recognized international standards, including the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the ILO Fundamental Conventions and the OECD Guidelines for Multinational Enterprises. The policy reflects the commitment to zero tolerance towards any human rights violation and applies to all Transgaz Group entities, as well as business partners, suppliers and third parties involved in the provision of services.

A priority objective in the development of these policies is to ensure uniform applicability throughout the Transgaz Group in the following period. By explicitly including these entities in its scope, Transgaz wishes in the future to ensure the uniform application of human rights and equal opportunities standards across all operating jurisdictions, facilitating the homogeneous collection of data for enhanced sustainability reporting and guaranteeing compliance with European reporting standards.

Future directions for consolidated Statement on sustainability in 2025

For 2026, Transgaz aims to complete the abovementioned actions initiated in 2025 on the development and implementation of strategic tools and dedicated sustainability policies, in line with the latest European requirements and industry best practices.

These new strategic tools will strengthen Transgaz' transition process towards operational activities that prioritize the climate context and will support alignment with European standards on environmental sustainability and non-financial reporting. This approach guarantees a unified, integrated, and measurable approach at the group level, maintaining Transgaz's performance and credibility with shareholders, partners, and the communities it serves.

Occupational health and safety

In 2025, the occupational health and safety activity was carried out in an organized manner, according to planning, aimed at reducing and/or eliminating the risks of occurrence of events, occupational accidents, dangerous incidents and occupational diseases at workplaces within the company, as well as the compliance with the legislative provisions in the field of safety and health at work, by implementing the measures included in the ***Prevention and Protection Plan for 2025*** and fulfilling the duties established by the Rules of procedure and organization of the company.

In 2025, no occupational diseases were reported/researched/declared.

Environmental management

The main environmental management activities in 2025 aimed at preventing pollution, reducing the risks of environmental incidents on the company's sites, as well as complying with the applicable legislative provisions.

Social responsibility

Corporate Social Responsibility within Transgaz is part of the corporate governance through which companies initiated a range of social responsibility actions that can be quantified in terms of sustainability and sustainable performance.
SNTGN TRANSGAZ SA, consistent with the principle of applying a responsible management in fulfilling the undertaken mission, is aware of the importance that sometimes financial support for a noble cause or for an important purpose is vital and, in this respect, through the programs and projects of social responsibility initiated, it is actively involved in community life, demonstrating its status as a *good citizen*.
Corporate social Responsibility is an aspect of corporate governance, with TRANSGAZ' key role in the energy field in Romania and Europe being naturally complemented by the desire to

support the real needs of all those who are constantly contributing to the smooth way of its activity.

The commitment undertaken by the company's management through the *Environmental Quality Management System Policy Statement* is a definite proof that TRANSGAZ acknowledges the importance of ensuring an organizational climate where all stakeholders: employees, shareholders, customers, suppliers, community and the environment can effectively and responsibly network both from an economic and social point of view.

The company's social responsibility policy is based on a set of principles that define this interaction between Transgaz on the one hand and employees, shareholders, partners, community and the environment on the other.

Detailed information on social responsibility is available on the Transgaz website at: https://www.transgaz.ro/ro/sustenabilitate/politica-csr/bilantul-actiunilor-csr

2.5. Integrated Management System. Internal Management Control System. Risk Management

Integrated Management System

On 31.12.2025, the following certificates were effective within the company and were obtained following surveillance audit no. 1 conducted in August-September 2025, **Certificate No. 3533/20.10.2025 relating to SR EN ISO 9001:2015:**

- **Certificate No. 529/20.10.2025 relating to SR EN ISO 14001:2015;**
- **Certificate No. 3276/20.10.2025 relating to SR ISO 45001:2023;**
- **Certificate No. 70/20.10.2025 relating to SR EN ISO 50001:2019 –certificate obtained in October 2025.**

The activity related to the Integrated Management System ensured/advised:

- implementation of the requirements provided for in SR EN ISO 9001:2015;
- implementation of the requirements provided for in SR EN ISO 14001:2015, SR EN ISO 45001:2023, and SR EN ISO 50001:2019 that are common to SR EN ISO 9001:2015;
- implementation of corrective actions and corrections related to the areas for improvement identified by SRAC during the previous audit;
- personnel awareness regarding their contribution to the effectiveness of the Integrated Management System;
- assessment of customer satisfaction,

so that during the assessment by the certification body – SRAC:

- as a result of surveillance audit no. 1 conducted in August-September 2025, SNTGN TRANSGAZ SA maintained its certification under SR EN ISO 9001:2015, SR EN ISO 14001:2015, and SR EN ISO 45001:2023,

- during the Energy Management System certification audit conducted in August–September 2025, SNTGN TRANSGAZ SA obtained the certification related to SR EN ISO 50001:2019.

2.6. Important events for 2025

30 April 2025 - by OGMS Resolution 6/29.04.2025, Article 12, the termination of the mandate of the administrators of S.N.T.G.N. Transgaz S.A., Mr. Ion STERIAN, Mr. Petru Ion VĂDUVA, Mr. Nicolae MINEA, Ms. Ilinca VON DERENTHALL, and the interim administrator, Ms. Adina Lăcrimioara HANZA, as of 30.04.2025.
Also, by the same OGMS Resolution, according to Art. 13, the appointment of the following administrators of SNTGN Transgaz SA was approved following the completion of the selection procedure: Mr. Ion STERIAN, Mr. Nicolae MINEA, Ms. Ilinca VON DERENTHALL, Ms. Adina Lăcrimioara HANZA, and Mr. Costin MIHALACHE.

27 May 2025 - SNTGN TRANSGAZ SA completed the full subscription of the shares issued by Petrostar S.A. for the share capital increase; following this operation, the total number of shares of Petrostar S.A. is 112.190, and Transgaz' interest represents 51% of the company's share capital, i.e. 57.217 shares.
The acquisition is part of Transgaz' development strategy aiming to expand its operational capabilities in the area of support and auxiliary services for energy infrastructure, to generate additional revenue from activities related to natural gas transmission, and to capitalize on the complementarity between Transgaz' and Petrostar's areas of activity.

4 June 2025 - Fitch Ratings revised SNTGN Transgaz SA's outlook from Stable to Positive and affirmed its long-term issuer default rating (IDR) at 'BBB-' and the standalone credit profile (SCP) at 'bbb-'. The outlook revision reflects a net leverage below positive sensitivity, improved EBITDA visibility due to the transition to a purely regulated TSO model, and improved liquidity.

27 June 2025 – At the headquarters of the Transgaz SA Representative Office in Bucharest, a Memorandum of Understanding was signed between JP Srbijagas of the Republic of Serbia and SNTGN Transgaz SA of Romania. The memorandum was signed on behalf of Transgaz by Mr. Ion Sterian, Director - General of the company, and on behalf of JP Srbijagas by Mr. Dušan Bajatović, Director - General of the energy company.
The construction of the Romania-Serbia interconnection is of major strategic importance for both countries, especially in the current energy context, given the need to diversify supply sources and increase the security of natural gas supply.

3 July 2025 – At this date, the undercrossing of the Danube River was completed, part of the infrastructure of the DN 1200/1000 mm natural gas transmission pipeline Black Sea – Podișor, the work representing a technological achievement of reference not only for Romania, but also for the whole of Europe. This crossing sets a new benchmark in horizontal directional drilling due to its diameter, geological complexity, and the size of the mobilized equipment.

4 November 2025 - within the meeting of the Regulatory Committee, on 04.11.2025, the National Energy Regulatory Authority (ANRE), in accordance with the provisions of art. 125, paragraph (8) of Power and Gas Law no. 123/2012, as amended, approved by Decision no.

2310/04.11.2025, *the Development Plan of the National Gas Transmission System for the period 2024-2033 - updated 2025*.

7 November 2025 - The gas transmission system operators DESFA S.A. (Greece), Bulgartransgaz EAD (Bulgaria), Transgaz SA (Romania), Vestmoldtransgaz SRL (Republic of Moldova), Gas TSO of Ukraine (Ukraine) together with ICGB AD, the independent operator of the Greece-Bulgaria Interconnector, signed a joint letter addressed to national energy regulators requesting approval for the launch of two new cross-border capacity products – Route 2 and Route 3.

The initiative marks another important step towards strengthening Europe's energy independence and connectivity along the Vertical Gas Corridor. The letter was signed within the Ministerial Meeting of the Partnership for Transatlantic Energy Cooperation (P-TEC), which was held in Athens on 6-7 November 2025.

12 January 2026 - commissioning of the gas pipeline Tuzla-Podisor, 308,3 km long, approximately EUR 500 million, which, following the BRUA and Onești-Ungheni-Chisinau gas pipelines, is the most important gas infrastructure project that Transgaz has constructed, being a strategic, vital project for energy security, its consolidation and the sustainable development of the national economy.
The Black Sea-Podisor natural gas transmission pipeline was completed in 2025, according to the execution schedule and will enable natural gas from the Black Sea to enter the NTS and thus reach economic operators and households in the localities connected to the system, being a strategic, vital project for energy security, its consolidation and the sustainable development of the national economy.

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In 2025 the activity of the Board of Administration of SNTGN Transgaz SA materialized in a number of 31 meetings, of which the following are pointed out as having been subject of analysis, approval and/or endorsement mainly, but not limited to:

16 January 2025

- By Board of Administration Resolution No. 1/16 January 2025, the 2025 Annual Sectoral Procurement Programme was approved.

29 January 2025

- By Board of Administration Resolution No. 2/29 January 2025, the following was approved:
  - Financing of the TYNDP 2024-2033;

14 February 2025

- By Board of Administration Resolution No. 3/14 February 2025, the following were approved:
  - The correction of the 2025 Revenue and Expenditure Budget of Eurotransgaz SRL and estimates for 2026-2027;
  - Submission of a letter of intent to Petrostar S.A. in which SNTGN Transgaz S.A. expresses its interest to acquire 51% of the share capital of Petrostar S.A.

5 March 2025

- By Board of Administration Resolution No. 5/5 March 2025, the following were approved:
    - The draft revenue and expenditure budget (REB) for 2025 and estimates for 2026-2027, for submission for approval to the Ordinary General Meeting of the Shareholders;
    - The new values of financial performance indicators included in the Management Plan of SNTGN Transgaz SA in 2021-2025, for submission for approval to the Ordinary General Meeting of the Shareholders;
    - Acquisition of a 51% interest in the share capital of Petrostar S.A. at a maximum price of lei 4.520.143. The subscription is conditional upon obtaining a 51% interest in the share capital of Petrostar SA;
    - Transgaz' Policy for granting sponsorships and financial support for 2025.

24 March 2025

- By Board of Administration Resolution No. 6/24 March 2025, the following were acknowledged, endorsed and/or approved:
    - The company's separate and consolidated annual financial statements for 2024;
    - Financial audit report on the separate annual financial statements for year 2024;
    - Financial audit report on the consolidated annual financial statements for year 2024;
    - SNTGN Transgaz SA administrators' annual consolidated report of for the activity carried out in 2024 and the Consolidated Sustainability Statement for 2024 (Annex 1 to the Consolidated Administrators' Report);
    - Distribution of net profit and gross dividend per share of 1,08 lei;
    - Assessment of the fulfilment of financial and non-financial performance indicators for 2024, annex to the mandate contracts of the non-executive administrators;
    - The remuneration report for 2024:
    - The financial statements of Eurotransgaz SRL for year 2024, prepared in accordance with the National Accounting Standards of the Republic of Moldova;
    - The separate financial statements of Eurotransgaz SRL for year 2024, prepared in accordance with the International Financial Reporting Standards;
    - Report of the independent auditor on the separate financial statements of Eurotransgaz SRL for year 2024, prepared in accordance with the International Financial Reporting Standards;
    - Report on the activity of Eurotransgaz SRL administrators for year 2024.
    - Report on the execution of the mandate of the Director General for 2024;
    - Report on the execution of the mandate of the Chief Financial Officer for 2024.

10 April 2025

- By Board of Administration Resolution No. 10/10 April 2025 the following were approved:
    - The Management Plan of SNTGN Transgaz SA for 2021-2025, updated
    - The consolidated financial statements for 2024 of Eurotransgaz, prepared in accordance with International Financial Reporting Standards.

- Report of the independent auditor on the consolidated financial statements for 2024 of Eurotransgaz, prepared in accordance with International Financial Reporting Standards.

13 May 2025

- By Board of Administration Resolution No. 13/13 May 2025, the following were approved:
  - Report on the execution of the mandate of the Director - General of SNTGN Transgaz SA for the Q I 2025;
  - Report on the achievement of financial and non-financial performance indicators for the Q 1 2025.

22 May 2025

- By Board of Administration Resolution No. 14/22 May 2024, the launch of the selection and appointment procedure for the Director - General and Chief Financial Officer of SNTGN Transgaz SA was approved.

28 May 2025

- By Board of Administration Resolution No. 15/28 May 2025, the following were approved:
  - The Administration Component of the SNTGN Transgaz SA Management Plan;
  - TYNDP 2024-2033 - updated in 2025.

3 June 2025

- By Board of Administration Resolution No. 16/03 June 2025, the Articles of Incorporation of SNTGN Transgaz SA were approved, updated in accordance with the new legislative amendments.

25 June 2025

- By Board of Administration Resolution No. 17/25 June 2025, the Board acknowledges:
  - Report No. DG51319/17.06.2025 on the approval of the regulated revenue and the adjusted regulated revenue for the regulatory year 1 October 2025 - 30 September 2026 for the natural gas transmission activity through the National Transmission System for the transmission system operator SNTGN Transgaz SA.
  - Report regarding the rating assigned to Transgaz by Fitch Ratings in the 2025 annual review.

24 July 2025

- By Resolution of the Board of Administration no. 20/24 July 2025, the following were approved:
  - Appointment of Mr. Ion Sterian as Director General starting with 27.07.2025 until 29.04.2029;
  - Appointment of Mr. Marius Vasile Lupean as Chief Financial Officer starting with 27.07.2025 until 29.04.2029;
  - Code of Ethics of SNTGN TRANSGAZ SA

18 August 2025

- By Resolution of the Board of Administration no. 21/18 August 2025, the following were endorsed/or approved:

- SNTGN Transgaz SA Administrators' Consolidated Report on the activity carried out in the first half of 2025;
- Report on the execution of the mandate of Transgaz' Director General for the first half of 2025;
- The company's individual and consolidated interim financial statements for the six-month period ended June 30, 2025;
- Report on the achievement of financial and non-financial performance indicators, for the first half of 2025, in order to submit them to the Public Supervisory Authority.

28 August 2025

- The Board of Administration, by Resolution no. 23/28 August 2025, acknowledges the Letter of Intent regarding Transgaz`s participation as an investor in the establishment of the new stock exchange of the Republic of Moldova.

22 September 2025

- Under Resolution of the Board of Administration no. 24/22 September 2025, the following were approved:
    - Management component of the Management Plan for the period 2025-2029;
    - Administration component of the Management Plan for the period 2025-2029;
    - Management plan of SNTGN Transgaz SA in the period 2025-2029.

26 September 2025

- Under Resolution of the Board of Administration no. 25/26 September 2025, the following were approved:
    - Financial, non-financial and non-commercial performance indicators for the period 2025-2029 to be submitted for approval the OGMS;
    - Revenue and Expenditure Budget (REB) of Vestmoldtransgaz SRL for 2026 and the estimates for 2027 and 2028.

30 September 2025

- Under Resolution of the Board of Administration no. 26/30 September 2025, the following were approved:
    - Regulated tariffs for activities related to the operation of the natural gas transmission system for the period 01 October 2025 – 30 September 2026;
    - The tariffs to be charged by the natural gas balancing market administrator during October 1, 2025 - September 30, 2026.

28 October 2025

- Under Resolution no. 27/28 October 2025, the Board of Administration elects Mr. Nicolae Minea as Chairman of the Board of Administration, for a period of 12 months, starting with 07.11.2025 and until 06.11.2026.
- approves the o Revenue and Expenditure Budget (REB) of Eurotransgaz SRL for 2026 and the estimates for 2027 and 2028.

18 December 2025

- Under Resolution of the Board of Administration no. 31/18 December 2025, the following were approved/endorsed:

- The company's investment programs for 2026 and the estimates for the period 2027-2028;
- Annual Employee Training and Development Program for 2026.
- Dividend policy of SNTGN Transgaz SA to be submitted to the OGMS for approval.
- Consolidated sustainability statement policy, to be submitted for approval to the OGMS.
- The diversity policy of the Board of Administration and executive management, to be submitted for approval to the OGMS.
- The policy for nominating the members of the Board of Administration to be submitted for approval to the OGMS.
- Policy and criteria for the remuneration of the members of the Board of Administration, the Director General and the Chief Financial Officer, to be submitted for approval to the OGMS
- Financing *of the Development Plan of the National Gas Transmission System during the period 2024-2033, updated 2025*, to be submitted for approval to the OGMS.

2.7. Main risks related to activity in Half I 2026

STRATEGIC RISKS: risks directly related to Transgaz's development strategy and associated with the company's strategic objectives:

Category - Politics

- **Changes in the macroeconomic and geopolitical framework**: Romania may undergo rapid and unforeseen political, legal, social, and economic changes, including periods of economic recession, significant fluctuations in inflation and exchange rates, major market imbalances, and significant changes in legislation, which may affect the company's operations.
- **Changes in the architecture of interconnections at the level of the European natural gas network** – the war in Ukraine requires a rethinking of the natural gas infrastructure architecture in the European Union.
- **Government intervention in the sector of activity** - The Romanian state's shares in companies in the Romanian energy sector are significant or controlling, and although European legislation is continuously transposed into national legislation, the risk of restrictive measures being imposed in the energy sector, such as price caps, price controls, taxes, and any other restrictions, cannot be ruled out.

Category – Regulations/Legislative

- **Change of natural gas price in Romania** - the increase in the price of natural gas in Romania may result in a decrease in natural gas consumption and, implicitly, may have an adverse impact on the financial performance of SNTGN Transgaz SA.
- **Non-recognition by ANRE of certain assets entered into Transgaz's patrimony as part of the regulated asset base (RAB)** - investments made without the approval of the competent authorities and exceeding the budgeted investment plan will not be accepted by ANRE in RAB, reducing the profitability of SNTGN Transgaz SA.

- **Low possibility of obtaining a profit higher than the regulated one within a regulatory period** - SNTGN Transgaz SA operates within a regulated framework. Laws, regulations, and policies adopted by the European Union, the Romanian Government, and ANRE may significantly affect the company's current operations, financial situation, and operating results.

Category - Commercial

- **Variations in the price of gas purchased by SNTGN Transgaz SA** - variations in the price of natural gas purchased by SNTGN Transgaz SA for NTS gas consumption will have an immediate positive or negative impact on the company's profit. In the event of a negative impact, the unachieved revenue should be included in the regulated revenue for the following year. Delayed or incomplete inclusion of this additional expense in the regulated revenue for the following year will have an impact on the company's profitability and share price.

Category - Sustainability

- **Restriction of funding for natural gas projects** - implementation of the Green Deal and directives that will ensure climate neutrality by 2050 (climate change; the measures provided for in the National Recovery and Resilience Plan may have an impact on the NTS development).
- **Delays in developing new technologies for green hydrogen transmission at a competitive level** - The National Hydrogen Strategy (NHS) approved by Government Decision 855/2025 and the 2025-2030 Action Plan guides Romania's energy transition, as well as its integration into the European infrastructure; the document emphasizes the importance of repurposing natural gas networks.
- **Insufficient knowledge about the sustainability and maintenance costs of hydrogen-repurposed infrastructure**: An important strategic direction of SNTGN Transgaz SA is the compliance with the European provisions on decarbonization – low-carbon energy. The Ministry of Energy has completed the development of the National Hydrogen Strategy (NHS) 2025-2030, with a perspective until 2050, together with the Action Plan for its implementation, marking a significant step in the country's energy transition. The long-term impact on existing pipelines and equipment is uncertain, which leads to the need for precise planning and continuous research to optimize processes.
- **Decrease in natural gas consumption due to the increase in the share of wind, solar, and nuclear energy** - The updated Integrated National Energy and Climate Plan 2021-2030 establishes as a support measure the promotion of investments in new low-carbon electricity generation capacities; given the indicative RES trajectory to be achieved by 2030, RES-E projects will be considered equally prioritized, aiming at the installation of additional wind and solar energy capacities; the cost of producing electricity from wind and solar energy has become increasingly competitive with the cost of electricity obtained from burning fossil fuels; decrease in the transported quantity with an impact in the reduction of the regulated revenue.
- **The NTS may be exposed to a series of natural climatic and geological hazards: earthquakes, floods, landslides, extreme temperatures, heavy snowfall** - climate

change in the form of extended droughts, unusual rainfall patterns and intensity, tornadoes, etc., is caused by human activity through greenhouse gas emissions; the increase in the frequency and severity of extreme weather events caused by the effects of global warming; the tariff setting methodology stipulates that any unforeseen operating expense that is not under the company's control shall be recognized and returned to it through the regulated revenue of the following year.
However, there is a risk that ANRE will not recognise these expenses if the effects of the acts of God could have been limited through investment and maintenance programmes.

Category – Capital market

- The Romanian capital market is sensitive to risk factors affecting international and European capital markets and to information provided by the company.

Category – Human resources

- **Loss of the technical expertise within the company -** SNTGN Transgaz SA relies to a significant extent on the professional contribution of key management personnel and highly specialized individuals, who, based on their skills and experience, are important for the execution of projects and for the development of SNTGN Transgaz SA. The ability to attract, motivate, and retain qualified resources, with a high level of diversity, in all geographical areas where Transgaz operates, is a crucial factor for success; otherwise, there will be negative effects on activities, prospects, and the economic, financial, and equity situation; lack of qualified personnel in certain areas.

Category – Cyber security

- **Handling, deletion/alteration or destruction of data in databases** – there is a risk of exploiting vulnerabilities with the potential for unauthorized access or data corruption.
- **Unauthorized access to IT systems, networks and services** – attacks on data security; exploitation of vulnerabilities in the network equipment.
- **Software vulnerabilities** – vulnerability of IT systems due to the high degree of interconnection.
- **Cyber attacks and/or infection with potentially destructive applications (virus, malware, etc.)** - Malware, ransomware, phishing, botnet, session hijacking attacks, denial of service attacks (DDoS), code injection.

FINANCIAL RISKS: Credit, Exchange rate, Interest rate, Liquidity, Financial indicators related to contracts - arising from the way in which the company's business is financed, given the sensitivity of the result to changes in funding conditions (lending, exchange rate fluctuations, interest rate changes, liquidity).

SIGNIFICANT OPERATIONAL RISKS: these are directly related to the activities carried out at the level of departments/offices, are associated with operational objectives and are escalated from the organizational structure level.

- **Failure to identify cyber vulnerabilities in a timely manner, either completely or adequately** – increased vulnerability of IT systems due to the growing degree of interconnection; exponential growth in the number and diversity of cyber threats.
- **Calculation of royalty value** – Applicable royalty rate.

The most appropriate **measures to minimize risks** are identified in accordance with risk management responsibilities so as to result in the lowest possible exposure to risk.

3. ABOUT SNTGN TRANSGAZ SA

3.1. Vision, mission, organizational values

Vision

The company aims to expand and consolidate its role as an internationally recognized operator in the field of natural gas transportation, as a leader in the region's energy market, with a modern national natural gas transmission system, integrated at European level, and with a competitive management system, in line with best corporate governance practices.

Vision as a message to the community

The responsible fulfilment of the public service mission, the safe operation of the National Gas Transmission System, high quality services, safe connection to the NTS under non-discriminatory and transparent conditions for all network users and the integration at European level of the national gas market.

Vision as a message to the shareholders

A proficient company oriented towards business excellence and continuous growth of the added value for the shareholders.

Vision as a message to employees

The company as an attractive, stable and motivating working environment with a continuous commitment to professional excellence

Mission

- **efficient, transparent, safe, and competitive implementation of the national energy strategy established for natural gas transmission, natural gas dispatching, and research and design in the field of natural gas transmission.**
- **safe and economically efficient operation of the NTS;**
- **rehabilitating, updating, and developing the NTS in the main consumption areas;**
- **connecting the NTS to the natural gas transmission systems of the neighbouring countries;**
- **developing new natural gas transmission infrastructures to Western Europe;**
- **developing natural gas transmission infrastructure for the transmission of natural gas and hydrogen blends, and for the transmission of hydrogen;**
- **ensuring non-discriminatory access to the NTS;**

- **implementing participatory management in all areas of the company's activity;**
- **developing organizational culture and professional performance;**
- **improving the computerization of natural gas transmission activities;**
- **integrating the principles of good corporate governance into business practice.**

1.1.2 Values and organisational concepts

Organizational values and concepts communicate the essential principles that govern the company's identity and activity and define the business ethics of SNTGN Transgaz SA and are clustered under the motto **"TRANSGAZ – A RESPONSIBLE COMPANY, A COMPANY OF THE FUTURE "** and when the group is referred to, under the motto **"TRANSGAZ' GROUP – RESPONSIBILITY FOR THE FUTURE"!**

The organizational values and concepts that Transgaz focuses on in its business strategy, in its human resources management strategy, and in all of its activities are:

- **Tradition, continuity, professionalism**
- **Visionary leadership, corporate governance**
- **Participatory management**
- **Focus on Excellence in Business**
- **Ethics, Transparency, Compliance**
- **Organizational learning**
- **Resilience and Flexibility**
- **Added value and performance**
- **Special emphasis on and for the quality of human resources**
- **Team spirit, effective communication, social dialogue**
- **Social responsibility / Community involvement**

Transgaz' core strengths:

- **The quality of licensed NTS operator - monopoly;**
- **The solid financial profile of the company;**
- **The continuity of the technical, economic and financial performance;**
- **The predictability of the cash-flow due to the regulated character of the gas transmission activity;**
- **Dividends granted to shareholders;**
- **good corporate governance practices;**
- **publicly traded company;**

- **Friendly and open organizational climate, motivating, results- and performance-oriented, recognition.**
- **BALDRIGE certification of the quality of the company's leadership and management**

3.2. The activity of the company

SNTGN TRANSGAZ SA is the technical operator of the National Gas Transmission System and ensures the performance in terms of efficiency, transparency, safety, non-discriminatory access and competitiveness of the core business regarding:

- **natural gas transmission;**
- **gas dispatching and research and design in the field of gas transmission**,

in compliance with European and national legislation, as well as quality, performance, environmental, and sustainable development standards.

SNTGN TRANSGAZ SA may additionally carry out other related activities to support its core business, according to the applicable laws and its own bylaws, and may purchase gas from domestic production or imports only for its own technological consumption or to balance the National Natural Gas Transmission System.

The activity of the company meets the requirements of European energy policy regarding:

- **ensuring the security of natural gas supply;**
- **increasing the degree of interconnection between the national natural gas transmission network and the European network;**
- **increasing the flexibility of the national natural gas transmission network;**
- **liberalization of the natural gas market;**
- **creation of an integrated natural gas market at European Union level;**
- **Ensuring third-party connection to the natural gas transmission system, in accordance with specific regulations, within the limits of transmission capacities and in compliance with technological regimes;**
- **Ensuring natural gas supply to localities in Romania;**
- **Ensuring connection to the natural gas network for new investments that generate jobs;**
- **development of the transmission system so that it is compatible with the gradual blending of hydrogen into natural gas, in line with European targets, based on detailed analyses that include relevant technical and economic aspects;**
- **the development of the company's strategy for connecting hydrogen ecosystems and industrial centres with the integrated hydrogen pipeline transport system at EU level (Hydrogen Backbone);**
- **Ensuring a phased transition to climate-neutral activity and strengthening resilience to climate change;**
- **Compliance with national and international requirements and regulations (on climate)/Integrated National Energy and Climate Change Plan.**

The natural gas transmission activity is carried out based on the Concession Agreement for the pipelines, installations, equipment and facilities related to NTS, in the public domain of the Romanian state, concluded with the National Agency for Mineral Resources (ANRM), as the representative of the Romanian state, approved by Government Resolution 668/20 June 2002 (published in Official Journal 486/8 July 2002), valid until 2032, as further amended and supplemented by nine addenda approved by Government resolutions, and based on the natural gas transmission system operating licence no. 1933/20.12.2013 issued by the National Energy Regulatory Authority (ANRE), effective until 08.07.2032.
By ANRE Order 3/22 January 2014 on the approval of the certification of the National Gas Transmission Company Transgaz - SA Mediaș as transmission system operator of the National Gas Transmission System the company was established *to be organized and operate as an `independent system operator`.*

The operation by SNTGN Transgaz SA of the National Gas Transmission System mainly includes the following activities:

- commercial balancing;
- contracting natural gas transmission services;
- dispatching and technological regimes;
- measurement and monitoring of gas quality;
- gas odorization and international gas transmission.

The quality of the gas transmission service is a constant concern of both SNTGN Transgaz SA and the National Energy Regulatory Authority. In order to monitor the quality of the natural gas transmission service based on specific indicators and minimum performance levels, starting with 1 October 2022, **ANRE Order 140/2021** on the **Performance Standard for the natural gas transmission service**, as amended, entered into force, repealing ANRE Order no.161/2015.

3.3. NTS infrastructure

Main components of the National Gas Transmission System at the end of 2025:

- **14.026 km*** of main gas transmission pipelines and connections for gas supply, of which BRUA pipeline - 481 km;
- **1.190** metering regulating stations (MRS) in operation (**1.297** metering directions);
- **60** valve control stations (VCS, TN);
- **8** gas metering stations for import/export (GMS) **(Giurgiu, Medieșu Aurit, Isaccea 1, Isaccea 2, Negru Vodă 1, Negru Vodă 2, Isaccea 3, Negru Vodă 3);**
- **9** gas compressor stations (CS) (**Șinca, Onești, Siliștea, Jupa, Podișor, Bibești, Onești M, Gherăești, Vințu de Jos);**
- **1.099** Cathodic protection stations (CPS);
- **1.153** gas odorization units (GOU).

** Note: On 12 January 2026, the 308,3-km Tuzla-Podișor natural gas transmission pipeline was commissioned, bringing the current total length of the NTS to approximately 14.334 km (to which 300 km currently under construction will be added); Within the territory of the Republic of Moldova, Transgaz operates a network of approximately 1.670 km of natural gas transmission pipelines.*

The National Transmission System (NTS) has coverage across the entire national territory and has a radial-ring structure. The domestic and international gas transmission capacity is ensured through a network of pipelines and supply connections with diameters between 50 mm and 1200 mm at pressures between 6 bar and 63 bar.

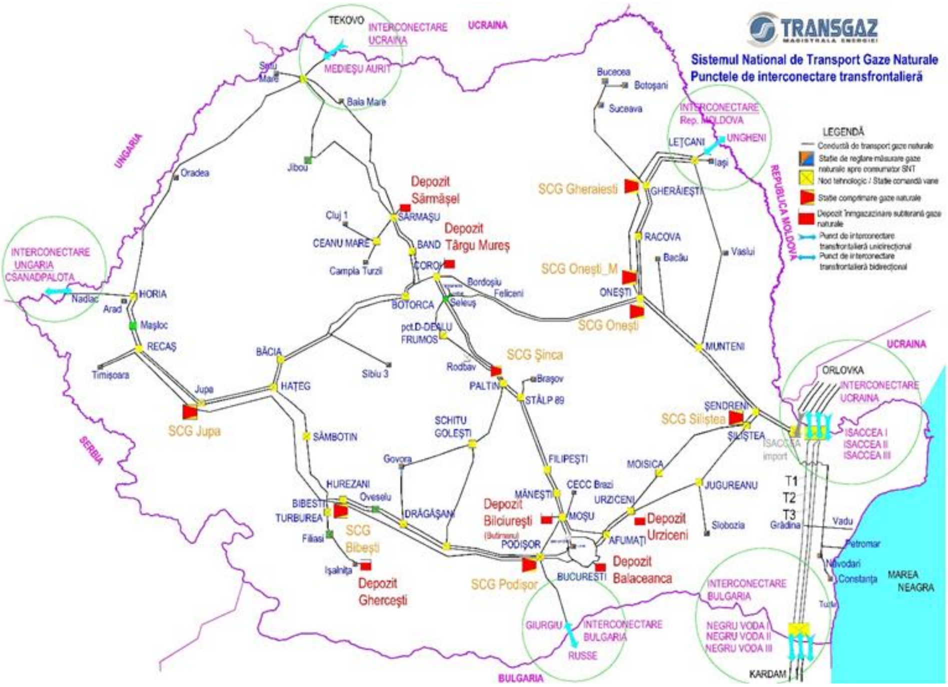


Figure 1 - Map of the National Gas Transmission System and the NTS cross-border interconnection points

Cross-border interconnection points

At the end of the year 2025, the import/export of natural gas to/from Romania was achieved by the 7 cross-border interconnection points, as follows:

Country	Interconnection pipeline	Technical specifications	Total technical capacity
UKRAINE	Orlovka (UA) - Isaccea (RO) * LLC GAS TSO UA → Transgaz	DN 1000, Pmax = 45 bar	6,85 Sbcm/y
	Tekovo (UA) - Medieşu Aurit (RO) ** LLC GAS TSO UA → Transgaz	DN 700, Pmax = 75 bar	2,71 Sbcm/y at Pmin=47 bar
	Isaccea 1 (RO) - Orlovka 1 (UA) Transgaz ↔ LLC GAS TSO UA	DN 1000, Pmax = 55 bar	6,85 Sbcm/y at import capacity at Pmin=46,5 bar 4,12 Sbcm/y export capacity*** at Pmin=35,4 bar
HUNGARY	Szeged (HU) - Arad (RO) - Csanádpalota (HU) FGSZ ↔Transgaz	DN 700, Pmax = 64 bar	2,72 Sbcm/y import capacity at Pmin=40 bar 2,72 Sbcm/y export capacity at Pmin=40 bar****
REPUBLIC OF MOLDOVA	Iași (RO) - Ungheni (MO) Transgaz↔ Vestmoldtransgaz	DN 500, Pmax =55 bar	2,19 Sbcm/y export capacity at Pmin=42,7 bar 0,73 Sbcm/y import capacity at Pmin=24 bar

BULGARIA	Giurgiu (RO) - Ruse (BG) Transgaz. ↔ Bulgartransgaz	DN 500, Pmax = 50 bar	1,50 Sbcm/y export capacity at Pmin=40 bar 0,92 Sbcm/y import capacity at Pmin=30 bar
	Kardam (BG) - Negru Vodă 1 (RO) Transgaz ↔ Bulgartransgaz	DN 1000, Pmax = 55 bar	6,36 Sbcm/y on export capacity at Pmin=31,5 bar (of which 2,31 Sbcm/year at Pmin 41 bar available from the NTS) ***** 5,31 Sbcm/y import capacity at Pmin=45 bar

** This interconnection point is not used since there is no Interconnection Agreement concluded. Gas import from Ukraine is currently performed through Isaccea 1.*
***For this point the Romanian TSO and the Ukrainian TSO are having discussions on the signature of a new Interconnection Agreement.*
****Capacity is available for transit conditional on the entry capacity booking at the Negru Vodă 1 IP, in the BG-RO direction.*
******The difference of capacity 6,36-2,31=4,05 billion Scm/year is available for transit, conditional on entry capacity booking at the Isaccea 1 IP in the UA-RO direction.*

3.4. Shareholding

As of 14 November 2019, the exercising of the rights and the fulfilment of the obligations arising from the quality of shareholder of the Romanian State at the National Gas Transmission Company Transgaz SA is performed by the Romanian State through the General Secretariat of the Government, following the transfer of shares from the account of the Romanian State through the Ministry of Economy, according to GEO 68/06.11.2019 on the establishment of measures at the level of the central public administration and for the amendment and supplementation of some normative acts.

According to the recordings of Depozitarul Central, on 31.12.2025 the consolidated structure of SNTGN Transgaz SA's shareholders is as follows:

Shareholder's name	Number of shares	Percentage %
The State of Romania represented by the General Secretariat of the Government	110.221.440	58,5096
Free float - Other shareholders (natural and legal persons) out of which:	78.160.064	41,4904
✓ legal persons	15.353.174	8,1500
✓ natural persons	62.806.890	33,3404
Total	**188.381.504**	**100**

Table 7 - Shareholding structure as at 31.12.2025

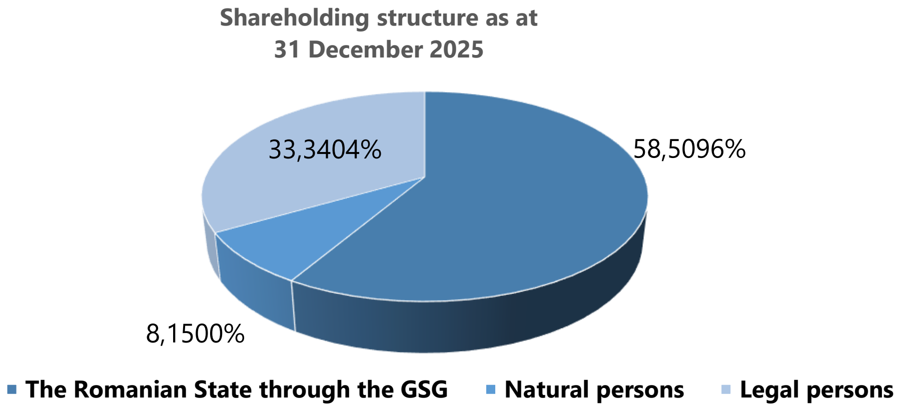


Chart 13 - Shareholding structure as at 31December 2025

Regarding the number of shareholders, as at 31 December 2025 the company had 21.904 TGN shareholders, which is 4.128 shareholders more than the ones registered on 31.12.2024.

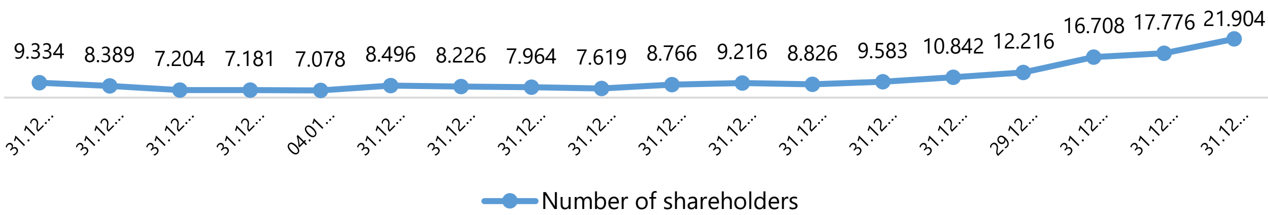


Chart 14 - Evolution of the number of Transgaz shareholders since BSE listing date and until 31.12.2025

3.5. Structure

SNTGN TRANSGAZ SA is structured into functional entities (divisions, units, departments, offices, compartments, etc.) and production entities (9 regional offices, sectors, laboratories, work units, etc.)

SNTGN Transgaz SA conducts its activity at the premises as follows:

MEDIAS, SIBIU county - Romania

- **Transgaz registered office**: 1 C.I. Motaş Square, code 551130;
- **Maintenance Division**: 11 George Enescu Street, code 551018;
- **Research and Design Division:** 6 Unirii Street, code 550173.

BUCHAREST - Romania

- **Transgaz Representative Office – Romania:** 55 Primaverii Blvd;
- **General Inspection Division**: 155 Victoriei Blvd., District 1, code 010073;
- **Bucharest Gas Market Operation Division**: 155 Victoriei Blvd., building D1, area 6, floor 11.

CHISINAU, THE REPUBLIC OF MOLDOVA

The SNTGN Transgaz SA subsidiaries in the Republic of Moldova are the following:

- EUROTRANSGAZ Limited Liability Company: 7/E Balcani Road, outside the build-up area, Ghidighici village;
- VESTMOLDTRANSGAZ Limited Liability Company: 7/E Balcani Road, outside the build-up area, Ghidighici village.

SNTG
N Transgaz SA has 9 regional offices and a subsidiary:

- **Arad Regional Office**, 56 Poetului Street, Arad, Arad County, code 310369;
- **Bacău Regional Office**, 63 George Bacovia Street, Bacău, Bacău County, code 600238;
- **Brăila Regional Office**, 5 Ion Ghica Street, Brăila, Brăila County, code 810089;
- **Braşov Regional Office**, 102A Griviței Bvd, Braşov, Braşov County, code 500449;
- **Bucharest Regional Office**, 24 Lacul Ursului Street, District 6, Bucharest, code 060594;
- **Cluj Regional Office**, 12 Crişului Street, Cluj-Napoca, Cluj County, code 400597;
- **Craiova Regional Office**, 33 Arhitect Ioan Mincu Street, Craiova, Dolj County, code 200011;
- **Constanţa Regional Office**, 2 bis Caraiman Street, Constanţa, Constanţa County, code 900117;
- **Mediaş Regional Office**, 29 George Coşbuc Street, Mediaş, Sibiu County, code 551027;
- **Mediaş Subsidiary**, 59 Sibiului Street, Mediaş, Sibiu County.

Figure 2 - Administrative map of SNTGN Transgaz SA

3.6. Management

THE ADMINISTRATIVE MANAGEMENT

The company is managed in a unitary system by the Board of Administration, consisting of 5 administrators, 1 executive administrator and 4 independent, non-executive administrators, appointed by the General Meeting of the Shareholders.

There is a **separation** between the non-executive, control function (non-executive administrator) and the executive function (directors) - mandatory separation, in the case of joint stock companies whose annual financial statements are subject to a legal auditing obligation.

Following the changes in 2025, determined by the completion of the selection procedure for the members of the company's Board of Administration in accordance with the provisions of GEO No. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented, for the 2025-2029 mandate, the composition of the Board of Administration as at 31.12.2025 was as follows:

- **ION STERIAN -** *Executive Administrator - Director – General;*
- **NICOLAE MINEA** - *Independent Non-Executive Administrator – Chairman of the Board of Administration*;
- **ILINCA VON DERENTHALL** - *Independent Non-Executive Administrator*;
- **ADINA LĂCRIMIOARA HANZA** - *Independent Non-Executive Administrator;*
- **COSTIN MIHALACHE** - *Independent Non-Executive Administrator.*

CVs of the administrators
The CVs of the members of Transgaz' Board of Administration are available on the company's website at: www.transgaz.ro/Despre noi/ Consiliul de Administrație

Arrangements/agreements or special family ties
According to the information provided by the administrators, there is no arrangement or family tie between the person in question and another person due to which the person in question was appointed administrator.

Participation of the administrators in Transgaz' share capital
The company's administrators do not hold shares in the company's share capital.

Litigations or administrative proceedings
In the last 5 years, there were no litigation or administrative proceedings involving persons who are part of the administrative or executive management.

EXECUTIVE MANAGEMENT

The Board of Administration delegated the management of the company to the Director - General of Transgaz. The Director - General of Transgaz represents the company in its relations with third parties and is responsible for taking all measures related to management, within the scope of activity of the company and in compliance with the exclusive powers established by law, the Articles of Incorporation or delegated by the Board of Administration and the General Meeting of the Shareholders.

The members of the executive management concluded individual labour contracts for an unlimited period of time.
The management and execution personnel within Transgaz is appointed, employed and discharged by the Director - General.

According to the information available, there is no agreement, arrangement, or family tie between the persons mentioned and any other person on the basis of which they were appointed as members of the executive management.

The members of the executive management holding shares at Transgaz on 31 December 2025:

Name and surname	Position	Number of shares on 31.12.2025	Interest share (%)
Marius Ioan Toderici	Director	1168	0,00006
Ion Tătaru	Director	400	0,00021
Marius Lupean	Director	320	0,00017
Alexandru Șai	Director	160	0,00008
Viorel Niță	Director	80	0,00004
Maria Carmen Pângăleanu	Director	32	0,00002

Table 8 - Members of Transgaz' executive management holding TGN shares as at 31.12.2025

The executive management of SNTGN Transgaz SA as at 31 December 2025:

No	Name and surname	Position	Division/Unit
1.	Ion Sterian	Director - General	SNTGN Transgaz SA
2.	Marius Vasile Lupean	Chief Financial Officer	SNTGN Transgaz SA
3.	Mihai Leontin Leahu	Director/Deputy Director - General-delegated	Research and Design Division
4.	Alexandru Iuga	Deputy Director-General	SNTGN Transgaz SA
5.	Ion Tătaru	Director/Deputy Director - General-delegated	Development Division
6.	Alexandru Adrian Simionescu	PMU 1 Project Manager NTS Developments in North- East/ Deputy Director - General-delegated	Project Management Unit
7.	Elisabeta Ghidiu	Director	Strategy and Corporate Management Division
8.	Angela Aneta Mateş	Director	HR Organization Division
9.	Ioan Fodor	Director/ Development Division Director -delegated	Development Division
10.	Florin Bunea	Director	Operation Division
11.	Irina Ștefan	Head of department/Division Director-delegated	EU Funds and International Relations Division
12.	Ionel Sârbu	Director	Land Regulation and Acquisition Division
13.	Sergiu Lascu	Director	Information Technology Division
14.	Paul Oancea	Director/ Exploitation Maintenance Division Director -delegated	Regional Operating Centre Mediaș
15.	Bogdan Avram Luca	Director	Sectoral Procurement and Contracting Division

16.	Dragoș Vasile Costea	Director	Gas Compression Division
17.	Cristina Daniela Iancu	Director of unit/ Legal Division Director delegated	Legal Division
18.	Dan Stroi	Chief Engineer Design/Research and Design Division delegated	Design and Research Division
19.	Alin Ene	Director	General Inspection Division
20.	Liudmila Gabriela Codreanu	Director	Internal Audit Unit
21.	Irina Dragoman	Director	Gas Regulation Unit
22.	Daniela Ciucu	Head of work team/Unit Director-delegated	Technical Economic Documentations Analysis, Checking and Endorsement Unit
23.	Emil Lupu	Director	Archaeological Unit
24.	Sebastian Caminschi	Expert/Director -delegated	Protection Security and Environment Unit
25.	Mihai Grosuleac	Economist/Director -delegated	Administration, Supply and Transport Unit
26.	Nicolae Adrian Voican	Subsidiary Director	Mediaș Subsidiary
27.	Ionel Alexandru	Regional office Director/Deputy Director Exploitation Manintenance Division -delegated	West area
28.	Eduard Schimdt-Hăineală	Regional office Director/Deputy Director Exploitation Manintenance Division -delegated	East area
29.	Cosmin Morariu	Engineer/Regional Office Director-delegated	Arad Regional Office
30.	Neculae Teodorescu	Chief Engineer/Regional Office Director-delegated	Bacău Regional Office
31.	Nicușor Dumitru	Director	Brăila Regional Office
32.	Vasile Cârstea	Engineer/Regional Office Director delegated	Brașov Regional Office
33.	Victorel Gurgu	Regional Office Director/PMU Project Manager delegated	Bucharest Regional Office
34.	Petru Goia	Sector Engineer/Regional Office Director delegated	Cluj Regional Office
35.	Ciprian Iulian Popescu	Head of Sector/Regional Office Director delegated	Constanta Regional Office
36.	Viorel Niță	Director	Craiova Regional Office
37.	Aurel Tiriba	Chief Engineer/Exploitation Director -delegated	Mediaș Regional Office

Table 9 - The executive management of Transgaz as at 31.12.2025

VESTMOLDTRANSGAZ SRL management:

	VESTMOLDTRANSGAZ	Name and Surname
1	Company Board	1. Mihai Leontin Leahu – Chairman on behalf of Transgaz 2. Bogdan Avram Luca - Member on behalf of Transgaz 3. Octavian Costas – Member on behalf of EBRD 4. Sanda Pop-Gîscă – Member on behalf of Transgaz 5. Cristina Iancu –Member on behalf of Transgaz
2	Company Administrator	Liviu Valentin Duminică

Table 10 - Vestmoldtransgaz SRL management as at 31.12.2025

EUROTRANSGAZ SRL management:

	EUROTRANSGAZ	Name and Surname
1	Administrator	Marius Vasile Lupean (until 28.10.2025)
2	Administrator	Elena Sasu (as of 28.10.2025)
3	Administrator	Vasilica Grăjdan
4	Administrator	Marius Stoica

Table 11 - Eurotransgaz SRL management as at 31.12.2025

TRANSPORT ROMÂNIA HIDROGEN SRL management:

	TRANSPORT ROMÂNIA HIDROGEN	Name and Surname
1	Administrator	Mihai Leahu
2	Administrator	Elisabeta Ghidiu
3	Administrator	Mirela Rancu-Pătru

PETROSTAR SA management:

	PETROSTAR	Name and Surname
1	Administrator	Elisabeta Ghidiu – Chairman of the Board of Administration (as of 16.10.2025)
2	Administrator	Gheorghe Doru Stioca (Acting Director General)
3	Administrator	Marius Vasile Lupean (until 28.08.2025)
4	Administrator	Vasile Cârstea (as of 16.10.2025)
5	Administrator	Daniel Rucăreanu (until 01.09.2025)

Table 12 - Petrostar SA management as at 31.12.2025

3.7. Human resources

The company's human resources strategy aims to cover the operational needs of the organization, through the efficient use of the human resources.

The optimal dimensioning of the number of personnel in the company is correlated with the real personnel needs required by the operational activities carried out by the company, with the modernizations and refurbishments realized for increasing the safety and efficiency in NTS operation and annex facilities, as well as the realization of the major development projects of the company.

As at 31 December 2025, Transgaz' Group had 4.148 employees, of which 3.950 employees within Transgaz, 78 employees within VMTG, 2 employees within ETG and 118 employees within Petrostar SA.

No.	Indicator	2021	2022	2023	2024	2025
1	Number of Transgaz employees	4.050	4.029	4.022	3.976	3.950
2	Number of VMTG employees	34	31	61	75	78
3	Number of Eurotransgaz employees	3	3	3	3	2
4	Number of Petrostar employees					118
TOTAL		**4087**	**4.063**	**4.086**	**4.054**	**4.148**

Table 13 - The evolution of the number of Transgaz Group personnel in 2025

The number of Transgaz' personnel during the period 2021-2025:

Specification	2021	2022	2023	2024	2025
Number of employees at the beginning of the period	4.145	4.050	4.029	4.022	3.976
Number of persons employed/resuming activity	210	243	258	198	207
Number of employees who terminated/suspended their working relations with the company	305	264	265	244	233
Number of employees at the end of the period	**4.050**	**4.029**	**4.022**	**3.976**	**3.950**

Table 14 - The evolution of the number of Transgaz' employees in the period 2021- 2025

SNTGN Transgaz SA employees structure as at 31 December 2025:

a) By category of studies

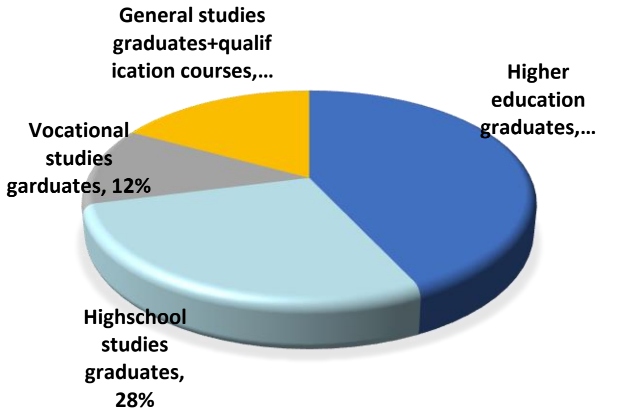


Chart 15 - Personnel structure by categories of studies as at 31 December 2025

b) By gender

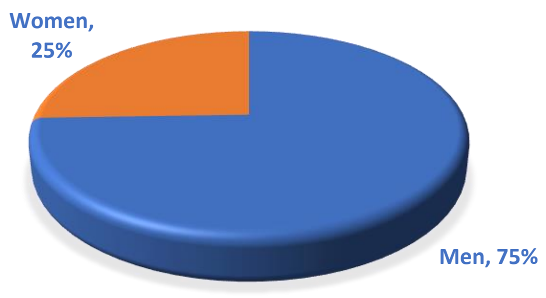


Chart 16 - Personnel structure by gender as at 31 December 2025

c) By headquarters and regional offices

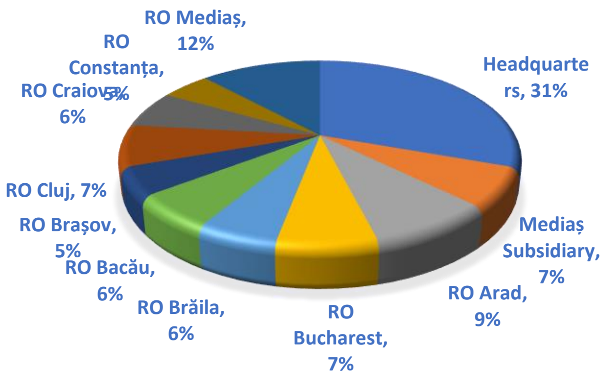


Chart 17 - Personnel structure by headquarters and regional offices (RO) as at 31 December 2025

d) By activities

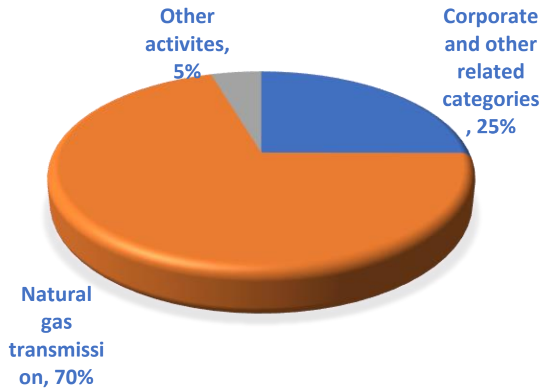


Chart 18 Personnel structure by activities as at 31 December 2025

e) By age categories

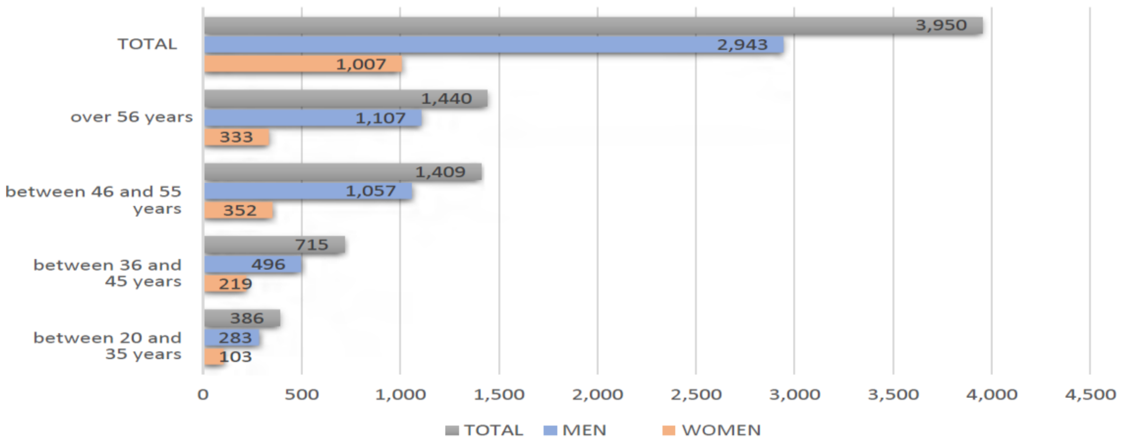


Chart 19 - Personnel structure by age categories as at 31 December 2025

The evolution of the personnel structure by category of studies reveals the interest of the company to cover the needs of personnel through the employment of highly qualified specialists as well as the continuous improvement of the existing personnel, considering the tendencies of increasing the number of employees with higher education in parallel with the decrease of the number of employed persons with secondary education and the number of employees with general education and in training.

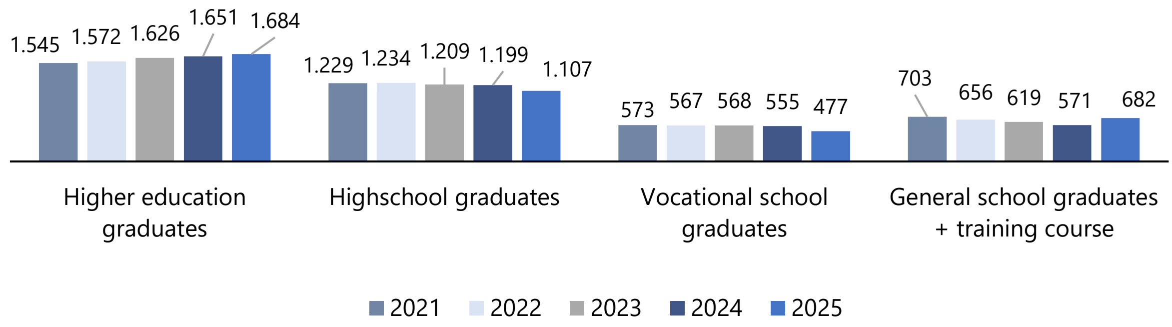


Chart 20 - The evolution of the personnel structure by categories of studies in the period 2021-2025

Improving personnel training, instruction and professional development

The high level of professional competence of employees is considered a prerequisite for achieving the objectives of any organisation, which is why investment in human resources is considered profitable in all areas of activity.

This is regulated by the following legislative documents: Law 53/2003 (Labour Code), republished, as amended; Government Ordinance No. 129/2000 on the professional training of adults, republished, as amended , approved by Law 375/2002, as amended; Law No. 227/2015 on the Fiscal Code, as amended.

The process of professional training of employees, with external professional training providers, is carried out in a continuous and planned manner, through the participation of employees in training programmes (courses, conferences, seminars, workshops and other similar events), hereinafter referred to as courses. The courses aim to develop theoretical and practical knowledge common to most professions and to develop theoretical and practical knowledge specific to certain fields of activity, both objectives being necessary for the performance of work tasks.

The training, improvement and professional development of the company's employees is carried out on the basis of the *`Annual training and professional improvement program for employees`*, drawn up at company level, taking into account the provisions of Articles 194 and 195 of Law 53/2003 (Labour Code), republished, as subsequently amended and supplemented, according to which the legal entity employer with more than 20 employees shall draw up annual training programs and shall ensure the participation of employees in courses at least once every two years.

In the field of training and professional development, the programs cover the areas of interest for the company's activity, namely, engineering, management of natural gas transmission systems, including SCADA, research and design, economics, legal, human resources, corporate strategy and management, information technology and communications and quality - environment, health and safety at work, security, safety, internal audit, internal and financial

management control, as well as other topics of general interest necessary for the company's activity.
In 2025, through the External Training and Career Management Unit, together with the Performance Evaluation and Improvement Office and the Authorization and Compliance Support Office, **109** training and professional development courses were initiated and carried out for **608** participants.

At the end of the 2025, **the degree of unionization of the labour force was 94,8 %.**

Within SNTGN Transgaz SA there are 4 trade union organizations that employees can choose to affiliate to, namely:

- The "Transport Gaz Mediaş" Trade Union;
- The "Metan" Mediaș Professional Trade Union;
- The "CERTEH" Mediaș Technological Research Trade Union;
- The SNTGN TRANSGAZ SA Mediaș Free Trade Union;

The "Transport Gaz Medias" Trade Union is the representative union at the unit level, according to Law 367/2022 of the Social Dialogue, Art. 54 (1) C, which is why they represent the employees of the company when concluding and carrying out the Collective labour contract concluded at the level of SNTGN TRANSGAZ SA.

The relations between the employer and the employees are regulated by the Collective Labour Contract at the company level as well as by the individual labour contracts. Since 25.06.2024 a new Collective Labour Contract entered into force at SNTGN TRANSGAZ SA, with a validity of 24 months, registered at the Territorial Labour Inspectorate Sibiu under no. 104/18.06.2024 in the Single Register of Records of Collective Labour Contracts.

The relations between the employer and the employees are in line with the legal provisions in force in 2025 and there are no conflicting elements connected to these relations.

3.8. Transgaz on the Bucharest Stock Exchange

TGN shares are an attractive investment option, supported by the company's monopoly status in natural gas transmission, its strategic position in the national and regional energy market, its financial strength, and its ability to generate stable and predictable revenues, coupled with consistent dividend distribution policies. At the same time, the quality of management and the National Natural Gas Transmission System Development Plan for the next decade, which includes major investments in the development, upgrading and expansion of infrastructure in line with European sustainability and energy security standards, contribute significantly to strengthening Transgaz's attractiveness among investors.

SNTGN Transgaz SA, through the efficient use of management tools and the responsible implementation of measures undertaken towards shareholders, investors, the business environment, and the community, has achieved remarkable performance on the capital market.

With an increase of approximately 180% in 2025, the company is consolidating its position as a leader in positive stock market developments among the top issuers on the Bucharest Stock Exchange, with Transgaz recording the highest return in the BET benchmark index structure.

Thus, at the end of 2025, Transgaz ranks 8th in the *Top 15 companies listed on the Bucharest Stock Exchange*, based on market capitalization, and 10th in the *Top 15 companies listed on the Bucharest Stock Exchange, based on traded value*, according to the Monthly Bulletin issued by the BSE.

For the financial year 2024, in accordance with the provisions of Resolution 6 of the Ordinary General Meeting of the Shareholders of 29 April 2025, the National Gas Transmission Company Transgaz SA makes dividend payments through Depozitarul Central SA and Banca Transilvania, the designated payment agent, as of 16 July 2025 (the payment date), for the shareholders registered as at 25 June 2025, the value of the gross dividend/share being lei 1,08.

TGN share

In 2025, Transgaz' shares recorded exceptional stock market performance, characterized by a steady and accelerated upward trend, with the company consolidating its position as one of the best-performing issuers listed on the Bucharest Stock Exchange.

Compared to 2024, when the closing price of TGN shares remained relatively stable (18,90–23,70 lei/share), 2025 marked a significant change in stock market dynamics, reflected in monthly increases in the share price of between approximately 25% and 187% compared to the same period of the previous year. The appreciation was supported by a combination of fundamental factors, such as solid financial results, growth prospects generated by strategic projects, and the company's positioning as a key player in regional energy infrastructure.

In January 2025, TGN shares closed at 24,00 lei, up 25% from 19,14 lei in the same month of 2024, driven by investors' favourable expectations regarding the financial results for the 2024 financial year, as well as the prospects related to the implementation of the projects in the National Development Plan.

With the publication of preliminary financial results as at 31 December 2024, investor interest increased and the price of TGN shares rose to 28,50 lei in February, an increase of 50% compared to February 2024. In March, following the publication of the materials for the General Meeting of the Shareholders and the proposal on the distribution of dividends, TGN shares closed the trading session at the end of the month at 29,50 lei, up 52% compared to March 2024 (19,42 lei).

In April 2025, the closing price of TGN shares recorded a slight correction to 28,25 lei/share, amid domestic political uncertainties and general financial market volatility, but still remained approximately 50% above the April 2024 level (18,90 lei).

May also marked the resumption of the positive trend, driven by the financial results for the first quarter of 2025, which exceeded analysts' expectations, but also by a favourable context on the local market, in contrast to the negative trend on European markets. In this context, the TGN share price reached 34,55 lei on 30 May 2025, up 54% from 22,45 lei in May 2024, and the trading volume increased significantly.

Subsequently, in anticipation of the record date for the payment of dividends for the 2024 financial year, the price of TGN shares continued its upward trend, reaching 35,10 lei/share on 6 June 2025, the highest level recorded to date.

By the end of the month, the stock had corrected slightly, closing at 34,30 lei, but maintaining a gain of approximately 45% compared to the same period of the previous year.

The positive momentum was reinforced by Fitch Ratings upgrading Transgaz' outlook from "stable" to "positive" and confirming its "BBB-" credit rating. Another important catalyst was the signing of the Memorandum of Understanding with Serbian operator JP Srbijagas, aimed at expanding regional cooperation and supporting the strategic Romania-Serbia interconnection project. This partnership aims to diversify supply sources, strengthen energy security, and facilitate cross-border gas flows, in line with European energy objectives.

In the third quarter, TGN shares entered a phase of accelerated growth, consolidating its position as the best-performing company in the energy sector listed on the Bucharest Stock Exchange. In July, the price rose to 41.80 lei/share, marking an increase of approximately 70% compared to July 2024 (24,55 lei).

In August, the interest of investors increased significantly, following the publication of positive half-year results, which confirmed the upward trend in revenues and net profit. Thus, TGN shares rose to 47,80 lei/share, up by almost 100% compared to August 2024 (24,05 lei). At the same time, trading volume intensified, signalling increased liquidity and solid market confidence in the company's development prospects. September continued this strong positive trend, with the price reaching 56,00 lei/share, the highest level recorded to date, equivalent to a 143% increase compared to September 2024 (23,00 lei).

The positive trend continued in the fourth quarter, with the most visible growth of the year occurring in October 2025, following the publication on 15 October 2025 of the press release announcing the completion and commissioning of the two pipelines. Following this announcement, the TGN share price rose by approximately 18% in less than two weeks, reaching its highest price in 2025, namely 66,50 lei/share. Subsequently, at the end of October, the TGN share closed at 61,60 lei, up 160% compared to October 2024 (23,70 lei).

In November 2025, the closing price of TGN shares reached 63.20 lei/share, up 187% compared to the same period in 2024 (22,05 lei), a trend supported by several relevant events: ANRE's approval of the 2024–2033 National Natural Gas Transmission System Development Plan, updated for 2025, as well as the publication of the financial report for the third quarter, which confirmed the maintenance of solid financial performance.

At the same time, on 7 November 2025, the operators of natural gas transmission systems in Greece, Bulgaria, Romania, the Republic of Moldova, and Ukraine signed a joint letter requesting regulatory authorities to approve capacity products related to Routes 2 and 3, a document signed within the Transatlantic Energy Cooperation Partnership (PTEC). This initiative underscored the strategic and geopolitical importance of the regional projects in which Transgaz is involved.

Subsequently, in December, TGN shares continued their upward trend, closing at 65,90 lei/share on the last trading day of the year, approximately 181% higher than the closing price on the last trading day of 2024, reflecting the market's high confidence in the company's development prospects.

Overall, during 2025, TGN shares repeatedly reached historic highs, consolidating TGN's position as a benchmark stock on the Romanian capital market. This development was driven by the company's solid and consistent financial results, as well as its attractive dividend policy, which stimulated demand among investors.

Furthermore, favourable growth prospects and general market interest in safe, steady-yielding securities contributed to these new historic highs.

Compared to the year of listing, when the closing price of TGN shares on the last trading day was 7,63 lei/share, in 2025 there was an appreciation of over 700%, which led to an increase in the value of the share of over 8 times. Thus, TGN has established itself as an important growth vector for the BET index, reflecting both the company's performance and strategy, as well as its central role on the Romanian stock market.

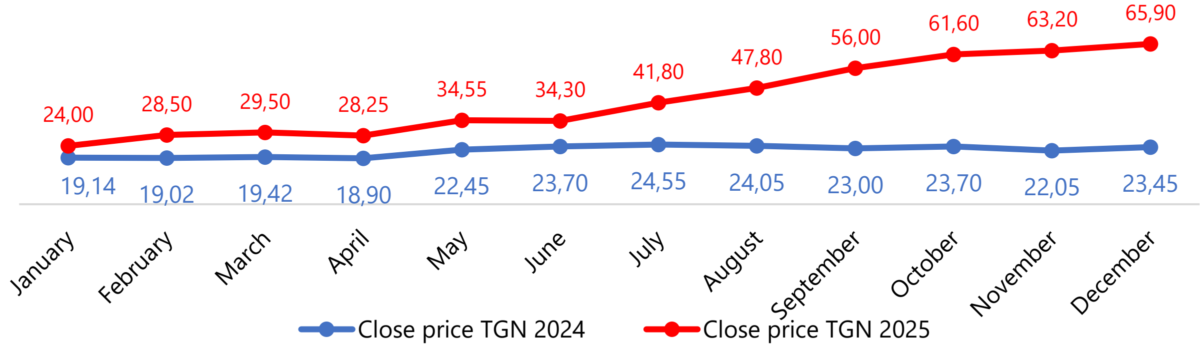


Chart 21 - The closing price of the TGN shares in the period 01.01.2025 – 31.12.2025 vs. 01.01.2024 – 31.12.2024

The volumes traded and the values of transactions in the period ended 31 December 2025 were mostly higher than those recorded in 2024, reflecting a marked investment interest in SNTGN Transgaz SA shares throughout the year.

Thus, in the first months of 2025, there was a significant intensification of trading activity, with consistently higher monthly volumes compared to the same period in 2024, against the backdrop of the company's solid stock market performance and positive investor perception. This trend continued and strengthened between May and August 2025, when trading volumes and values remained predominantly higher than in the previous year, despite a correction in June.

In the second half of the year, between September and December 2025, transactions involving Transgaz shares saw further growth, with significant peaks in volume in October and November, confirming sustained investor interest. A milestone moment in 2025 was reached on 28 November 2025, when the annual maximum trading volume of 318,768 shares was recorded, along with the maximum transaction value of 20,145,204.50 lei.

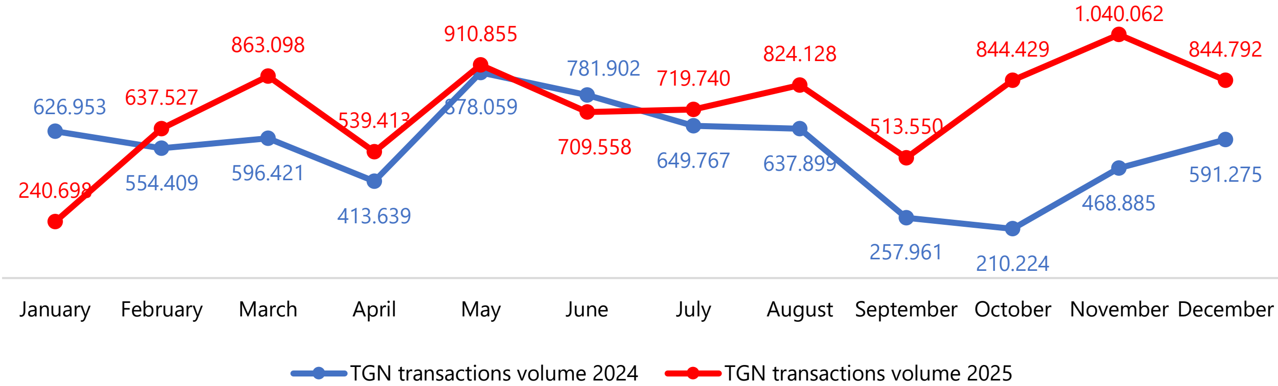


Chart 22 - TGN transactions volume in the period 01.01.2025 – 31.12.2025 vs. 01.01.2024 – 31.12.2024

In 2025, transaction values followed a similar trend to trading volumes, recording significant increases of between 33% and 940% compared to the same period in 2024, with the exception of January.

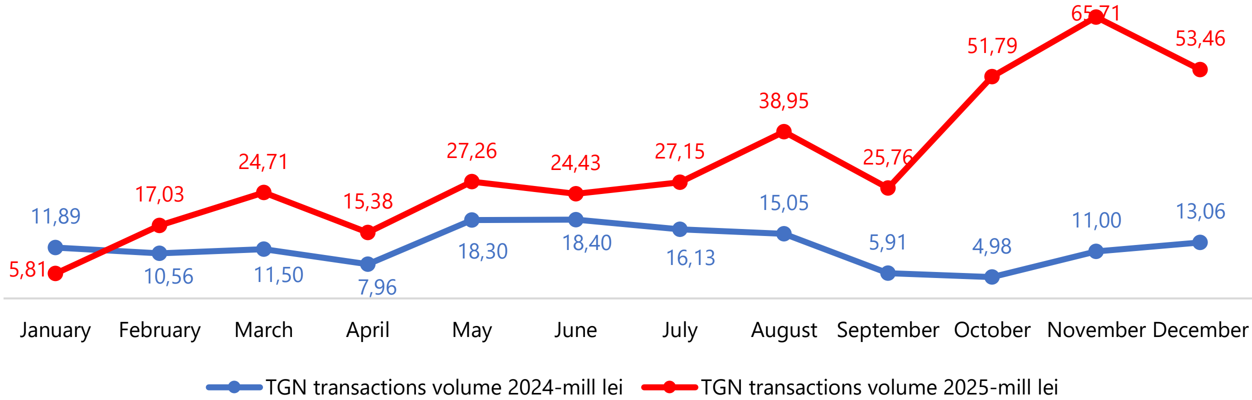
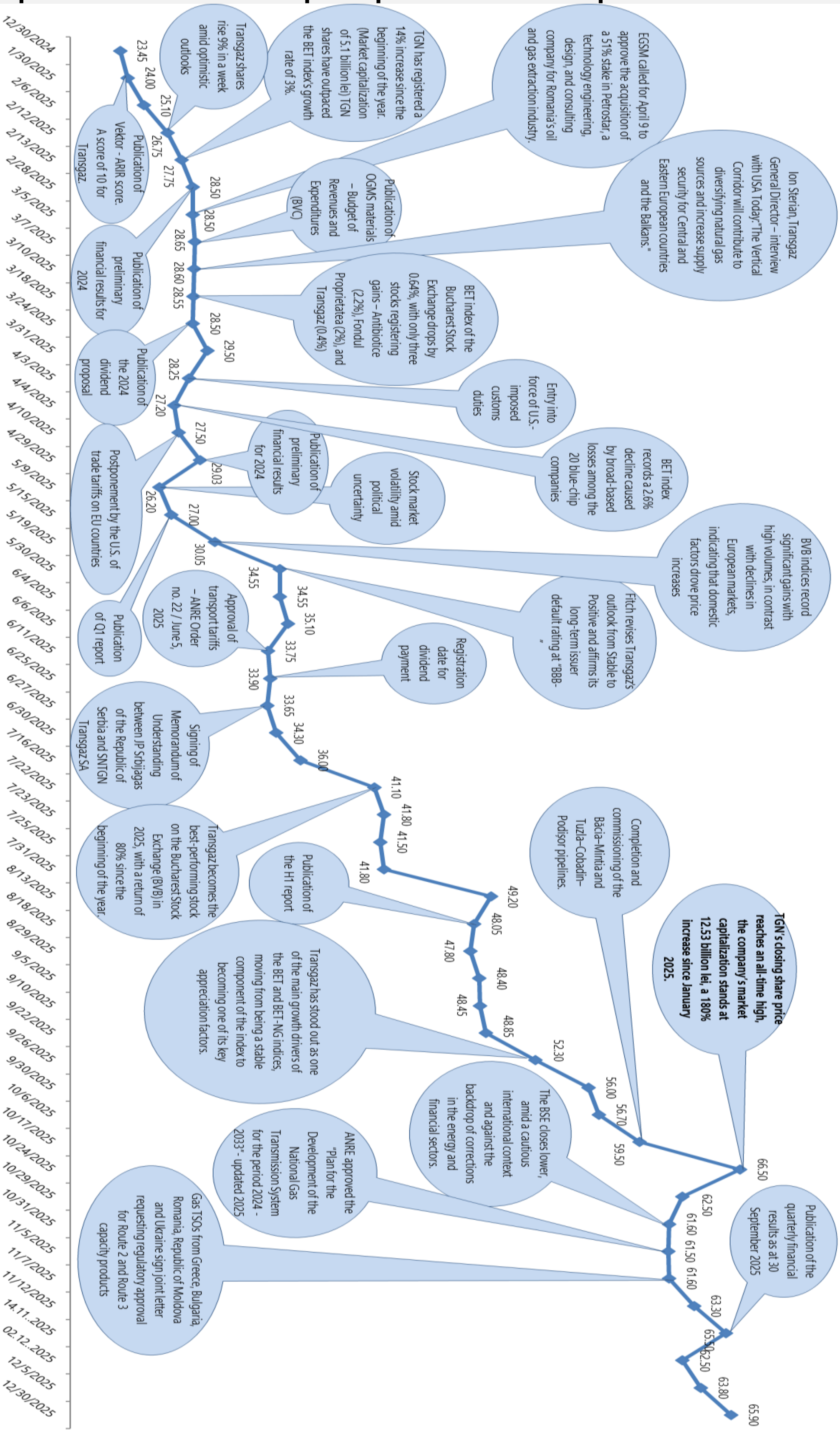


Chart 23 - TGN transactions value (mill lei) in the period 01.01.2025 – 31.12.2025 vs. 01.01.2024 – 31.12.2024

Main corporate events with an impact upon the TGN share price in 2025



Stock Market Indices: P/BV, EPS, PER, DIVY

Date	P/BV	PER*	DIVY	EPS
30.12.2025	2,74	17,88	1,64	3,69
30.12.2024	1,02	15,17	1,49	1,55

During the period ended 30 December 2025, **the P/BV stock market indicator** (the ratio of the price to the book value of a share) increased compared to the same period in 2024, reaching a value of 2.74 on 30 December 2025.

At the same time, **the PER ratio** (share price to earnings ratio) recorded a higher value compared to that recorded on 30 December 2024, reflecting investor confidence in the company's activity and optimistic market expectations.

The increase in **dividend yield (DIVY),** compared to the value recorded on 30.12.2024, is determined by the higher value of the gross dividend for the 2024 financial year, namely 1.08 lei/share (according to OGMS no. 6 of 29.04.2025) compared to 0.35 lei/share (according to OGMS no. 3 of 24.04.2024).

Also, from the data presented it results that the **EPS (earnings per share)** increased in the period ended on 30 December 2025, as compared to the same period of 2024, recording a value of 3,69.

TGN share in the stock market indices (BET, BET-BK, BET-NG, ROTX, BET-XT, BET-TR, BET-XT-TR)

On 30 December 2025, the last trading day of the year, the proportion of TGN shares in the composition of the stock market indices is as follows:

Name of stock market index	Place	Share in index
BET (BVB reference index, it represents the 10 most liquid companies listed on BVB)	6	6,18%
BET-BK (benchmark index, calculated as a price index weighted by the free float capitalisation of the most liquid companies listed on the regulated market of the BVB)	11	4,70%
BET-NG (sector index / energy - utilities)	4	10.56%
BET-XT (blue-chip index, tracks the price changes of the most liquid 25 traded companies)	6	6.06%
BET-TR (the first total return index, lunched by the Bucharest Stock Exchange, based on the structure of the market reference index, BET. BET-TR tracks both the price changes of the constituent companies and the dividends paid by them)	6	6,18%
BET-XT-TR (the total return version of BET-XT index, which includes the 25 most traded Romanian companies listed at BVB. BET-XT-TR tracks the price changes of its constituent companies and is adjusted to also reflect the dividends paid by them)	6	6.06%

Stock market capitalization

On 30 December 2025, the company's market capitalization recorded a significant increase, rising by approximately 181% compared to 30 December 2024. Thus, the company's market value tripled during this period, increasing by 8.0 billion lei (1.55 billion euros), from 4.42 billion lei (0.89 billion euros) on 30 December 2024, to 12.41 billion lei (2.44 billion euros) on 30 December 2025, a development that confirms investors' confidence in Transgaz' financial strength and strategic direction.

Currency	2025		2024	
	03.01.2025	30.12.2025	03.01.2024	30.12.2024
LEI	4.483.479.795	12.414.341.114	3.541.572.275	4.417.546.269
EURO	901.220.084	2.435.951.791	712.145.799	887.699.194
Euro/BNR exchange rate	4,9749	5,0963	4,9731	4,9764

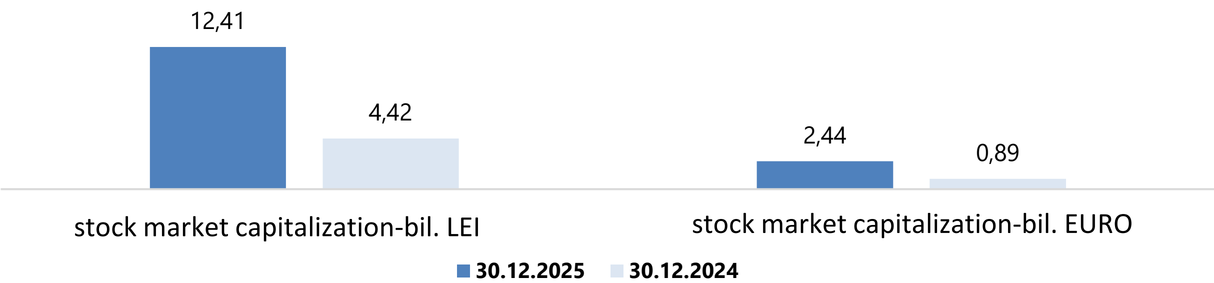
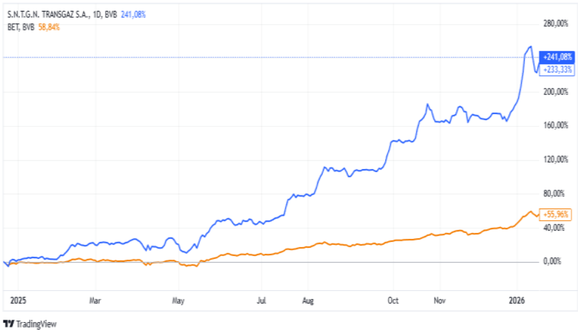


Chart 24 - Stock market capitalization of Transgaz on 30.12.2025 vs. 30.12.2024

Based on the market capitalization recorded by the company in December 2025, the Bucharest Stock Exchange ranked SNTGN Transgaz SA eighth in the Top 15 companies by market capitalization, consolidating its solid position and status as a recognized blue chip stock on the Romanian capital market.

The TGN share compared to BET, BET-BK, BET-TR, ROTX, BET-NG and BET-XT stock indices in 2025

TGN VERSUS BET



TGN VERSUS BET-BK

TGN VERSUS BET-TR

TGN VERSUS ROTX

TGN VERSUS BET-NG

TGN VERSUS BET-XT

Chart 25 - The TGN share evolution compared to stock exchange indices BET, BET-BK, BET-TR, ROTX, BET-NG and BET-XT in 2025

Source: www.bvb.ro

During 2025, Transgaz (TGN) shares recorded a superior performance compared to the main stock market indices, such as BET, BET-BK, BET-TR, ROTX, BET-NG, and BET-XT.

This performance reflects investors' increased confidence in the company's growth prospects, exceeding the market average and positioning Transgaz among the companies with the highest percentage growth within the BET index of the Bucharest Stock Exchange.

Transgaz distinguished itself as one of the main drivers of growth for the BET and BET-NG indices, moving from being a stable component of the index to one of its main drivers of appreciation. This development highlights the remarkable performance of TGN shares on the capital market, consolidating their status as a benchmark financial asset in their sector and reaffirming their blue chip position.

Dividend policy

In 2025 the value of the dividends for financial year 2024 was established according to GO 64/2001 on the distribution of profit to national enterprises, national companies and trading companies with full or majority state capital, as well as to autonomous administrations, as amended, the clarifications approved by MPF Order No. 144/2005 on the approval of the Clarifications for determining the amounts subject to profit distribution in accordance with GO 64/2001 on the distribution of profit to national enterprises, national companies and trading companies with full or majority state capital, as well as to autonomous administrations, approved by Law 769/2001, as amended, and Law 227/2015 on the Fiscal Code.

The distribution of net profit as dividends was made at a rate of 90,7079289%. The rate set out in the revenue and expense budget of SNTGN Transgaz SA for 2024, approved by OGMS Resolution No. 1/21.02.2024, was 50%.

According to Article 67 (2) of Law 31/1990 on trading companies, republished as amended, dividends are distributed to shareholders proportionally to their stake in the share capital.
In accordance with OGMS Resolution 6/29.04.2025, SNTGN Transgaz SA paid dividends related to the financial year 2024 through Depozitarul Central SA and Banca Transilvania, the appointed paying agent, starting from 16 July 2025 (the date of payment), for the shareholders registered at the registration date of 25 June 2025, the value of the gross dividend/share amounting to lei 1,08.

By the end of 2025, the company had paid shareholders net dividends for the 2024 financial year amounting to 183.165.757,12 lei for a total of 187.701.933 shares.

Transgaz's rating

From 2006 to March 2019, S&P Global Ratings rated and monitored the Transgaz rating. Getting this rating was a necessary step in addressing an openness policy to international capital markets, with a view to obtaining the most advantageous sources of funding and also providing a valuable instrument to investors in the IPO stock listing process as well as the SPO. Thus, S&P Global Ratings published the latest report in 2018, revising the outlook for Transgaz, from stable to negative, and, at the same time, it affirmed the company's credit rating at BB+. In 2019, following the internal analysis and in compliance with all the legal provisions regarding the procurement of rating services, the company concluded a credit rating contract with Fitch Ratings. Thus, following the evaluation, on 17 July 2019 the agency awarded Transgaz the 'BBB-' rating, Stable Outlook.

The latest assessment dated 04.06.2025, with Fitch Ratings revising SNTGN Transgaz SA's outlook from Stable to Positive and reaffirming its long-term issuer default rating (IDR) at "BBB-" and its standalone credit profile (SCP) at "bbb-".

According to the assessors' opinion presented in the rating report, *``The Outlook revision reflects Transgaz' projected net leverage at below its positive sensitivity, better EBITDA visibility due to its transition to a purely regulated TSO model and improved liquidity.*

It also reflects progress with Black Sea-Podisor, its largest capex project, which the company expects to be recognised in its regulatory asset base (RAB) in October 2025, leading to a substantial increase in RAB and EBITDA.``

3.9. List of entities where Transgaz holds shares

- **SC MEBIS SA Bistrita**, based in Bistrita, (J06/150/1991), where Transgaz owns 17,47% of the share capital, having as object the realization of metal structures and complex welded assemblies, assemblies and hydraulic products; is in liquidation proceedings, which is why the shareholding in SC MEBIS SA was fully provisioned. Transgaz has no obligations towards SC MEBIS SA;
- **SC EUROTRANSGAZ SRL** with headquarters in Chisinau, the Republic of Moldova, where Transgaz owns 100% of its share capital with the objective of production, transmission, distribution, storage and supplying natural gas, transmission through, storage as well as business consulting activities; management (establishment of this subsidiary was approved by EGMS Resolution no 10 of 12.12.2017); **in 2018, the subsidiary purchased State Enterprise Vestmoldtransgaz**.
- **Shareholding in TRANSPORT ROMÂNIA HIDROGEN SRL**
  By EGMS Resolution No. 5 of 05 June 2024 the establishment of a limited liability company with the object of activity of hydrogen transport, with sole shareholder SNTGN Transgaz SA, was approved.
- **Shareholding in PETROSTAR SA**
  By EGMS Resolution No. 5 dated April 9, 2025, the acquisition of a 51% stake in the share capital of Petrostar SA was approved. On May 27, 2025, SNTGN TRANSGAZ SA completed the full subscription of the shares issued by Petrostar S.A. for the increase of the share capital; following this operation, Transgaz share in the company’s share capital represents 51%, i.e. 57.217 shares.

4 ACTIVITY ANALYSYS

4.1. Operation activity

Domestic gas transmission ensures the fulfilling of all obligations of Transgaz to provide NTS access to network users in equivalent, non-discriminatory and transparent conditions and contract clauses.

In the reference period (January - December 2025) a total of 1.300 contracts were concluded and signed with network users, of which 1.280 contracts for domestic points and 20 contracts for cross-border interconnection points, for gas transmission services, including annual, quarterly, monthly, daily, within-day capacity products for National Gas Transmission System entry/exit points, including for the Csanadpalota, Ruse - Giurgiu, Negru Vodă 1/Kardam and Isaccea 1/Orlovka and Ungheni interconnection points.

The total number of gas contracts concluded for gas transmission with capacity booking at the domestic NTS entry/exit points, concluded in 2025, by booking period:

Contract type	Annual	Quarterly	Monthly	Daily	Total
No. of contracts	95	177	971	37	**1.280**

The gas quantities circulated and transmitted through the National Transmission System (NTS) and the technological consumption in 2025 was as follows:

Indicator	UM	2021	2022	2023	2024	2025
1	2	3	4	5	6	7
Circulated gas	thousand cm	14.098.211	13.106.226	13.110.875	13.265.284	14.695.116
Transmitted gas	thousand cm	14.026.269	13.032.066	13.055.920	13.197.787	14.652.083
NTS gas consumption	thousand cm	70.188	70.739	57.690	65.773	37.404
Share of NTS gas consumption/circulated gas	%	0,50%	0,54%	0,44%	0,50%	0,25%

Table 15 - Gas quantities circulated, transmitted and NTS consumption in 2021- 2025

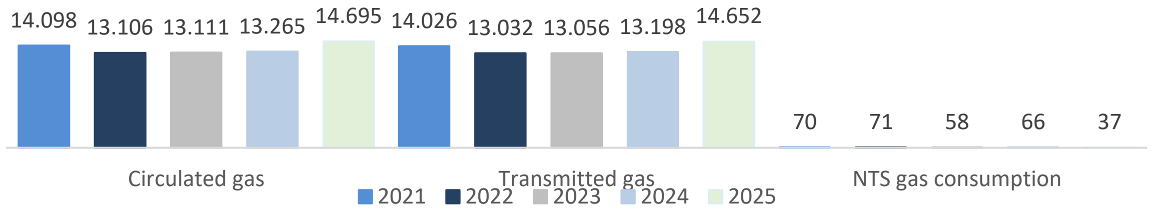


Chart 26 - Gas quantities circulated, transmitted and NTS consumption in 2021-2025

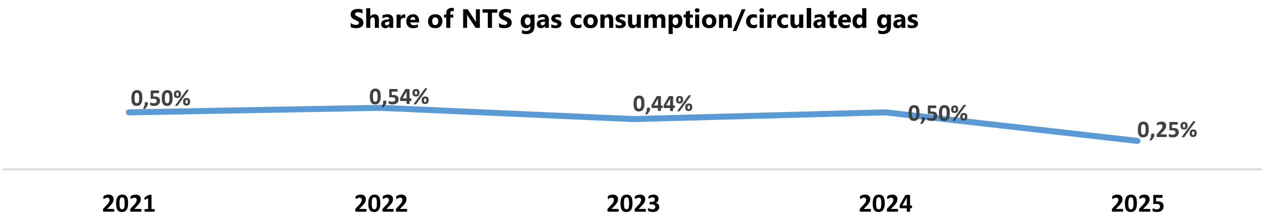


Chart 27 - The share NTS gas consumption in total circulated gas in 2021- 2025

	2021	2022	2023	2024	2025
PLANNED NTS GAS CONSUMPTION–thousand cm	79.423	86.136	60.880	58.493	65.773
ACHIEVED NTS GAS CONSUMPTION–thousand cm	70.188	70.739	57.690	65.773	37.404

Table 16 - Gas quantities as NTS gas consumption achieved vs planned in 2021- 2025

The main beneficiaries of the gas transmission service in 2025:

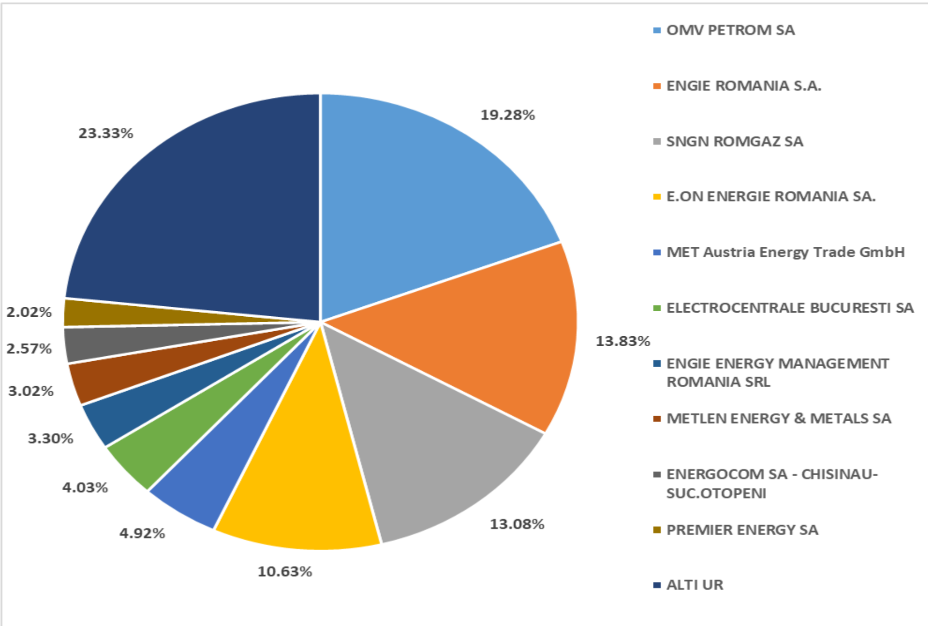


Chart 28 - The share of the main NTS users in 2025

Through the transmission services contracted in 1 January – 31 December 2025, the total quantity of 157.383.452,3 MWh (14.652.083,36 thousand cubic meter) was transmitted to:

	MWh	thousand cm	%
Distribution	73.957.216,65	6.907.378,02	46,99
Direct customers	24.989.877,93	2.343.457,48	15,88
Storage	25.729.114,54	2.396.791,59	16,35
Export Csanadpalota, Giurgiu, Ruse, Negru Vodă 1, Ungheni	32.707.243,165	3.004.456,28	20,78

4.2. The investment activity

The investment activity is mainly directed towards the modernization and development of the NTS in order to improve efficiency, to increase its capacity and to develop new consumption areas.

The amount of Modernisation and Investment Development Programme funds for 2025, approved in the revenue and expense budget was lei **1.143.105.884** according to Board of Administration Resolution 23/28.08.2025.
The value of the achievements at the end of 2025 is **lei 884.591.077.**

The achievement of the 2025 Modernisation and Investment Development Programme is presented below:

-thousand lei-

Chapter	Category of work	Programme 2025	Achieved 2025	%
Chap. A	***NTS modernisation and development works***	**885.741**	**741.020**	**83,55**
1.	**Modernization and Retrofitting of the National Natural Gas Transmission System**	**9.689**	**7.700**	**78,75**
1.1.	*Adaptation to field of the metering lines to be installed under the SCADA programme and technological nodes automations*	4.224	2.631	61,01
1.2.	*Data acquisition control system*	5.465	5.069	92,75
2.	**DEVELOPMENT OF THE GAS TRANSMISSION SYSTEM AND RELATED FACILITIES**	**876.052**	**733.302**	**83,60**
2.1.	*Gas transmission pipelines*	137.437	81.483	59,29
2.2.	*Increasing NTS transmission capacity*	681.044	615.265	90,25
2.3.	*Aboveground construction and installation works for MRS*	28.897	12.793	43,99
2.4.	*Cathodic protection stations*	850	879	80,70
2.5.	*Investments related to information technology and telecommunications*	14.535	13.589	93,49
2.6.	*Aboveground installation and construction works for odorization installations*	0	0	0
2.7.	*Works at gas transmission pipelines locating in risk-bearing areas*	273	2	0
2.8.	*Electrical installations and networks*	3.577	1.359	37,98
2.9.	*Archaeological services*	8.000	7.949	99,36
2.10.	*Biodiversity monitoring services*	1.439	0	0
Chap. B	***Modernization and Development Works of Own Assets***	**85.920**	**22.472**	**26,15**
1.	Other works	**24.851**	**1.369**	**5,51**
1.1.	Connections, networks, and thermal installations at administrative headquarters and MRSs	0	0	0

Chapter	Category of work	Programme 2025	Achieved 2025	%
1.2	Administrative headquarters and production bases at regional offices	19.291	767	3,98
1.3	Security and surveillance systems	5.560	600	10,80
2.	Independent equipment	**61.069**	**21.103**	**34,56**
Chap. C	***NTS access works***	**52.591**	**27.403**	**52,11**
Chap. D	***NTS development according to Law 123/2012 (updated) Art. 132 (e1) and (e2)***	**117.682**	**93.697**	**79,62**
TOTAL PMDI		**1.143.105**	**884.591**	**77,38%**

Table 17 - Achievement of Investment Programme in 2025

Compared to the total value of the program of **lei 1.143.105 mii lei**, **thousand**, the total value of achievements is **lei 884.591 thousand**, which is a programme fulfilment of **77,38%.**

In January 2025 the structure of the Modernisation and Investment Development Programme was as follows: 62,13% works in progress from 2024, 14,70% works in the design phase, 14,61% works in the procurement procedure, 5,14% works not requested and 3,40% contracted works awaiting order to commence.

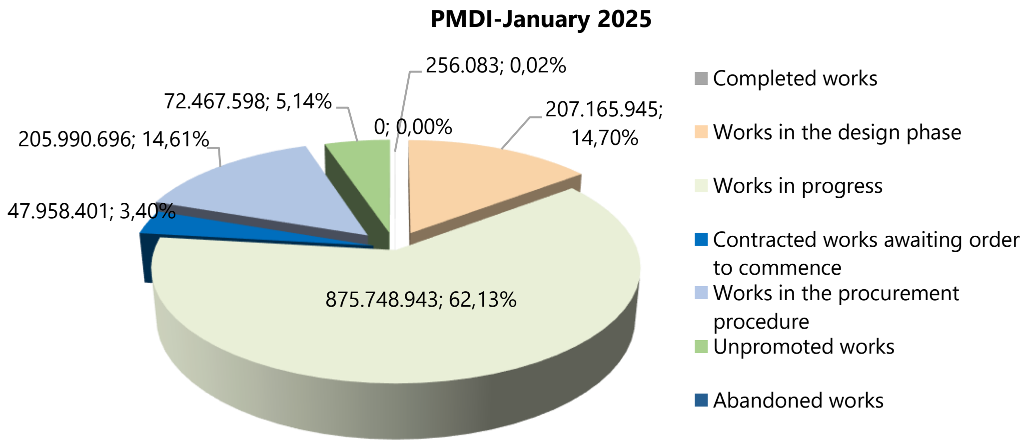


Chart 29 - PMDI 2025 - January 2025

At the end of 2025 the structure of the Modernisation and Investment Development Plan was as follows: 85,36% works in progress, 6,25%, works in the procurement procedure, 4,02% completed works, 2,78% works in the design phase, 1,20% contracted works awaiting order to commence, and 0,38% works not requested.

Compared with the situation of the works at the end of January, the percentage of works in progress increased, mainly in conjunction with a decrease in the percentage of works in the design and procurement phase.

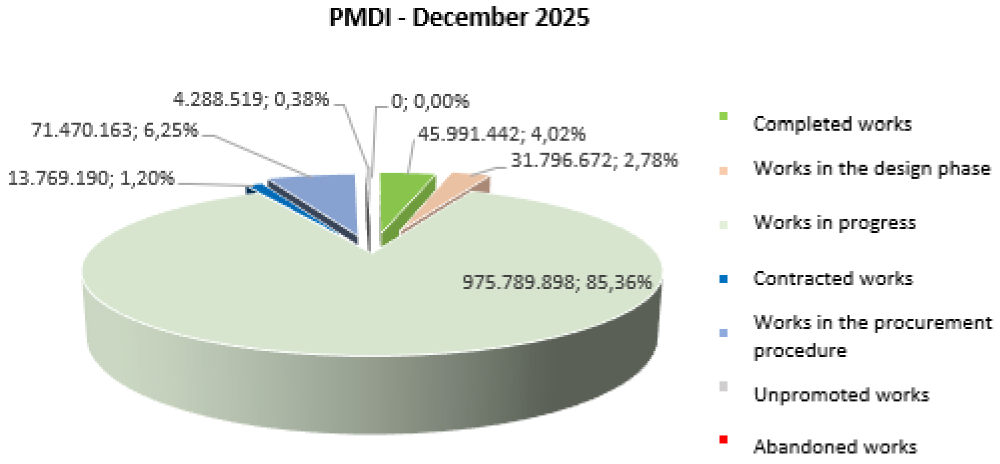


Chart 30 - PMDI 2025 - December 2025

The main investment objectives completed in 2025 are the following:

- Securing DN 800 BRUA gas pipeline in the Jupânești area, Gorj County;
- Securing DN700 Platou Izvor Sinaia- Filipești gas transmission pipeline, Ghioșești Comarnic area, Prahova county;
- Securing Arieș River abovecrossing with DN 500 Ozd-Câmpia Turzii gas transmission pipeline, Luncani area, Cluj county;
- Securing DN 700 Tăuții Măgherăuș-Ulmeni gas transmission pipeline at the Lăpuș River undercrossing, Bușag area, Maramureș county;
- Securing DN 500 Schitul Golești-Govora gas transmission pipeline, Slănic area, Argeș county;
- Securing DN400 Campina-Nedelea and DN 500 Posada-Bobolia gas transmission pipelines, Vrăjitoarea area, Prahova county;
- Securing Paloș Stream abovecrossing with DN300 Beia-Hoghiz gas transmission pipeline, CPS Paloș area, Brașov county;
- Securing Cibin River undercrossing with DN 400 gas transmission pipeline at the Alba-Sibiu counties boundary, Orlat area, Sibiu county;
- Cathodic protection station Șercaia, Brașov county;
- Connection and PRMS Costișa, Neamț county;
- Connection and PRMS Borcea, Călărași county;
- Connection and PRMS Târgu Trotuș, Bacău county; Connection and PRMS Vișina, Olt county;
- Connection and PRMS Copălău, BT;
- Connection and PRMS Borlești, Neamț county;
- Connection and PRMS Valea Mare Pravăț, Argeș county;
- Connection and PRMS Budești, Vâlcea county;
- PRMS Biharia capacity increase, Bihor county;
- Connection and PRMS Niculești, Dâmbovița county;
- MS Sofert II Bacău (THERMOENERGY), Bacău county;
- Modernization of Bacau Regional Office headquarter building;

- Relocation of DN800 Onești-Han Domnești and DN500 Onești Adjudu Vechi pipelines, Căiuți area, Bacău county;
- Power supply and indoor electrical installations at MRS Vestem;
- Power supply and indoor electrical installations at MRS Mohu;
- Upgrading MRS Pașcani II;
- Lightning protection system, with lightning rod and grounding system to protect the mechanical and electrical installations belonging to the MRS Saes facility - Medias Regional Office:
- Lightning protection system, with lightning rod and grounding installation to protect the mechanical and electrical installations belonging to the MRS Rora Sighișoara facility - Mediaș Regional Office;
- Lightning protection system, with lightning rod and grounding installation to protect the mechanical and electrical installations belonging to the MRS Mediaș III - Mediaș Regional Office;
- Cathodic protection of DN400 pipeline Gas supply connection MRS Vaslui;
- Power supply to key consumers TN Podișor;
- Power supply to the 0.4 kV TN Gănești;
- Târgu Neamț-Bălțătești gas transmission pipeline, Neamț county;
- Mounting of regulating valve at TN Hurezani in the Hurezani-Corbu-Buchares direction, piggable pipeline;
- Air conditioning and control system for command and control rooms.

The main investment objectives completed in 2025 and awaiting acceptance upon completion of the works are:

- Securing Ghimbășel River abovecrossing with DN 700 Paltin-Gura Diham-Mediaș Regional Office Section gas transmission pipeline, Râșnov Construction Site area, Brașov county;
- MRS Timișoara I – MRS Timișoara III gas transmission pipeline (including power supply, cathodic protection and optical fibre);
- Development on the Romanian territory of the Southern Corridor for taking over Black Sea gas, Tuzla – Podisor gas transmission pipeline;
- Ariniș-Oarța de Jos gas transmission pipeline (including power supply, cathodic protection and optical fibre);
- Timișoara-Deta-Denta-Moravița gas transmission pipeline, Timiș county;
- Securing Corunca-Coroi-Șinca Bucharest DN700-DN600-DN500 Izvor Plateau Sinaia-Filipești gas transmission pipeline, Valea Târsei area, Prahova county, Farm point;
- Connection and PRMS Ionești, VL;
- Modernisation Technological Installation PMRS Arad I.

The main works in progress:

- Gas transmission pipeline to supply Mintia Plant (including power supply, cathodic protection and optical fibre);
- Orlat-Gura Râului gas transmission pipeline;

- Procurement of a centrifugal compressor for: to increase the transmission capacities in the NTS for gas supply to the Mintia, Ișalnița and Turceni power plants, including the Territorial Administrative Units and other industrial consumers in the area.;
- Ghercești - Jitaru gas transmission pipeline;
- Securing DN800 Onesti-Han Domnesti and DN 500 Onesti Adjudul Vechi gas transmission pipelines, Stefan cel Mare area;
- Securing DN 300 gas transmission pipeline Piatra Neamt bypass, Valeni area, and installation of gas pressure regulation equipment, Savinesti area, Neamt county;
- Securing Nadișa River abovecrossing with DN 500 Helegiu-Racova gas transmission pipeline, lines F1 and F2, Enachesti area, Bacău county;
- Bentu gas transmission pipeline, Siliștea Bucharest-Cotu Ciorii gas transmission pipeline;
- Modernisation of TN Jugureanu, including power supply for the facility, actuators and automation components, Brăila county;
- Connection and PRMS Almăj, Dolj county;
- Connection and PRMS Fertilplant Crizbav, Brașov county;
- Connection and PRMS Toplița, Harghita county;
- PRMS Cârligi capacity increase, NT;
- Connection and PRMS Cefin 2 județul Ilfov;
- Connection and PRMS Țimișești Neamț county;
- Connection and PRMS Segarcea, DJ;
- Connection and PRMS Bălteni, Vaslui county;
- Connection and PRMS Scornicești, Olt county;
- PRMS Brătuleni Vorovești capacity increase, Iași county;
- Connection and PRMS Ciumeghiu, Bihor county;
- Connection and PRMS Zănești, Neamț county;
- PRMS Luna and connection capacity increase, Cluj county;
- Connection and PRMS Brezoaele, Dâmbovița county;
- Connection and PRMS Asphalt station S.C. FAR FUNDATION S.R.L., Bistrița-Năsăud county;
- MRS Moinești I (Dealu Mare) connection to national gas transmission system and to gas distribution system; Modernisation MRS Sighișoara;
- Replacement of technological installationMRS Fântânele Arad county;
- Power supply for actuation and automation components at TN Munteni- power line and transformer station;
- Power supply to actuation, automation and supervision components at the TN Dealul Frumos;
- Attic conversion into office space at the Sibiu Sector Headquarters;
- Mounting DN 500 pig trap on the Munteni–Bârlad pipeline;
- Prunișor-Orșova-Băile Herculane-Jupa – LOT1 gas transmission pipeline;
- Prunișor-Orșova-Băile Herculane-Jupa – LOT3 gas transmission pipeline;
- Prunișor-Orșova-Băile Herculane-Jupa – LOT4 gas transmission pipeline.

The main works with signed contract but awaiting order to commence:

- Râmnicu Vâlcea - Tetila gas transmission pipeline (including power supply, cathodic protection and optical fibre);

- Rehabilitation and modernization of the Transgaz building in 30 Dorobanți Road Bucharest;
- Mounting DN600/ANSI400 pig receiving trap at TN RECAȘ;
- Connection and PRMS Roserv Green Energy Onești, Bacău county;
- Replacement of MRS Măgurele Bucharest;
- PRMS Tămășeni (current) capacity increase, Neamț county.

The main works under procurement:

- Increasing the transmission capacity of the NTS and the security of gas supply of the Electrocentrale Ișalnița Branch (Dolj county) and the Electrocentrale Turceni Branch (Gorj county);
- DN600 Mihai Bravu - Siliștea gas transmission pipeline (without Danube);
- Prunișor - Orșova - Baile Herculane - Jupa - LOT 2 gas transmission pipeline;
- Lugașu–Huedin gas transmission pipeline;
- Segarcea-Băilești–Calafat gas transmission pipeline;
- PRMS Roznov capacity increase, Neamț county;Connection and PRMS Sălard, Bihor county;
- Connection and PRMS Vatra Dornei, Suceava county;
- MRS Craiova Sud-Podari, connection to the NTS;
- Upgrading of MRS Onești, Bacău county;
- Securing abovecrossing of the Târnava Mare River with the DN 700 Seleuș - Hetiur - Iașu gas transmission pipeline, Secuieni area, Harghita county;
- Increasing the energy efficiency of TN Sendreni;
- Transformation of the Dn 700 Isaccea - Sendreni pipeline into a piggable pipeline DALI+PT;
- Expansion of the Podișor and Bibești compressor stations in order to increase the transmission capacity in the NTS for gas supply to the Mintia, Ișalnița and Turceni power plants, including the Territorial Administrative Units and other industrial consumers in the area;
- Connection and PRMS Petrăchioaia, Ilfov county.

The main works under the preparation of the technical and design documentation phase:

- Techirghiol - Ovidiu gas transmission pipeline;
- DN700 Gănești - Botorca transmission pipeline and interconnections between the new DN700 Coroi - Gănești pipeline and the DN700 Band - Idrifaia and DN600 Coroi - Botorca - Băcia (West II), pipelines, Bahnea and Gănești area;
- Interconnection pipeline between the DN800 BRUA gas transmission pipeline and the DN500 Vest II gas transmission pipeline, Hațeg – Boutari section, Totești area, Hunedoara county (including CPS DN500 Vest 1 and Vest 2, Copaci area, Hunedoara county);
- Expansion of the Jupa Compressor Station and construction of the gas transmission pipeline in the TN Recaș – TN Horia direction in order to increase the transmission capacity and security of gas supply in Western Romania;

- Procurement of centrifugal compressor for: Expansion of the Jupa Compressor Station in order to increase the transmission capacity and security of gas supply in Western Romania;
- DN 500 Horia–Borș gas transmission pipeline;
- DN 800 Bordoșiu - Coroi gas transmission pipeline (including power supply, cathodic protection and optical fibre);
- CS Coroi;
- DN 700 Săușa-Azomureș - Târgu Mureș gas transmission pipeline;
- Interconnection between the National Gas Transmission System of Romania and the similar gas transmission system of the Republic of Serbia (including power supply, cathodic protection and optical fibre);
- Mihaileni - Lunca de Sus gas transmission pipeline (including power supply, cathodic protection and optical fibre);
- PRMS Panciu capacity increase, Vrancea county;
- Connection and PRMSBacău 2;
- Connection and PRMS Fabrica de var Corbu, Constanța county;
- Mounting control valve for subsystem supply Corbu-Turnu Măgurele in TN Corbu;
- Ghergheasa–Focșani gas transmission pipeline;
- Vladimirescu–Lipova gas transmission pipeline;
- Runc - Borsec gas transmission pipeline (including power supply, cathodic protection and optical fibre).

MAJOR PROJECTS

For compliance with Art. 22 of European Directive EC/73/2009 on the obligation of all EU gas transmission system operators to prepare **TYNDPs,** SNTGN Transgaz SA Mediaş, as the technical operator of the National Gas Transmission System of Romania, prepared the **Development Plan for the gas transmission system for 2024-2033, 2025 updated, approved by ANRE by Decision No.1944/01.11.2022 updated and approved by ANRE by Decision No. 2310/ 04.11.2025.**

Through the proposed strategic investment projects, the company aims to become an energy hub in Eastern Europe both from the perspective of achieving a gas transmission network strongly interconnected with similar gas transmission networks in the region, and form the perspective of gas supplying.

Development on the Romanian territory of the Southern Transmission Corridor for taking over the Black Sea gas (Tuzla–Podișor pipeline)

Project description:

The main objective of this investment was the construction of a 308,3-km long, DN 1.200 and DN 1.000 natural gas transmission pipeline Tuzla-Podișor, connecting the Black Sea natural gas with the BULGARIA-ROMANIA-HUNGARY-AUSTRIA corridor, thus enabling natural gas transmission to Bulgaria and Hungary through the existing Giurgiu-Ruse (with Bulgaria) and Nădlac-Szeged (with Hungary) interconnections.

The pipeline has been designed to transmit natural gas at a pressure of 63 bar, is located in the south-eastern part of the country, and its route follows the general direction from south-east to west, crossing the Constanta, Calarasi and Giurgiu counties.

The pipeline has two sections:

- Section I, Black Sea–Amzacea, 32,4-km long, Ø48" (Dn1200) and has a technical capacity of 12 bcma;
- Section II, Amzacea–Podișor, 275,9-km long, Ø40" (Dn1000) and has a technical capacity of 6 bcma.

Impact on the cross border-capacity:

A phased capacity increase of the Bulgaria-Romania-Hungary-Austria bi-directional transmission corridor, which currently provides 2,63 bcma of transmission capacity with Hungary. Three levels of capacity development with Hungary at 2,98 bcma, 4,38 bcma and 5,32 bcma are proposed in the incremental capacity process for gas transmission on the Vertical Corridor.

Project status:

The Administrative Order to Commence Works was issued on 16 June 2023.

The Black Sea Shore–Podișor gas transmission pipeline was completed in 2025 according to the execution schedule and was officially accepted on 12.01.2026. The pipeline enables the takeover of natural gas from the Black Sea into the National Transmission System and its transmission to economic operators and households in the localities connected to the system. It is a strategic and vital project for energy security, strengthening this security, and the sustainable development of the national economy

The **Tuzla-Podișor gas transmission pipeline, 308,3-km long,** amounting to approximately **EUR 500 million,** and which, after the BRUA and Onești-Ungheni-Chișinău gas pipelines, is the most important gas infrastructure project that Transgaz has constructed, is a strategic project, vital for energy security, its consolidation, and the sustainable development of the national economy.

The works were performed by the company KALYON INSAAT SANAYI VE TICARET ANONIM SIRKETI, TURKEY, on the basis of the works contract number 51/05.02.2021 and the Construction Authorization No. 5 dated 17.05.2018 issued by the Ministry of Energy.

The natural gas transmission contracts concluded as a result of the procedure on the booking of incremental capacity in the NTS with ROMGAZ BLACK SEA LIMITED and OMV PETROM were signed.

4.3. Maintenance activity

Repair and Rehabilitation Works Programme for NTS Maintenance

The **Repair and Rehabilitation Work Plan for NTS Maintenance (PLRRM) 2025** had an allocated value of **lei 38.246.768,69**.

The implementation of the Repair and Rehabilitation Works Programme for NTS Maintenance in 2025 compared to the planned level is as follows:

No.	Chapter	Programme 2025	Achieved 12 months 2025	%
0	1	2	3	4=3/2*100
Chap. A. REPAIR AND REHABILITATION WORKS FOR NTS MAINTENANCE (lei)				
1.	Main pipelines repair and rehabilitation works	29.674.089,41	26.436.340,35*	89,09%
2.	Metering Regulating Stations (MRS) repair works	-	-	-
3.	Technological nodes repair works	-	-	-
4.	Compressor stations repair works	5.068.637,50	4.915.820,64	96,99%
5.	MRS and VCS special constructions repair works	68.545,78	68.545,78	100,00%
6.	Cathodic protection systems (CPS) repair works	-	-	-
7.	Repair works to TC installations and equipment	-	-	-
8.	Building repair works	3.434.496,00	2.191.033,79	63,78%
TOTAL WORKS		**38.246.768,69**	**33.611.740,56**	**87,88%**

Table 18 - The completion of the Repair and Rehabilitation Work Programme for NTS Maintenance (PLRRM)-December 2025

**for the work "Repair of the DN800 Șendreni – Butimanu pipeline following smart pig inspection (Șendreni Urziceni section)" included in Annex 1, at Chapter II Pipeline Rehabilitation - Repairs of Inspected Pipelines, item B.8, carried out in-house by the Mediaș Subsidiary, materials amounting to lei 7.558.192,10 were recorded.*

On 31.12.2025 the works in the Repair and Rehabilitation Works Programme for NTS Maintenance (PLRRM) 2025 were at different stages: 64,60% works in progress, 32,80% completed works,1,82% works in the procurement phase and 0,78% works in the design phase .

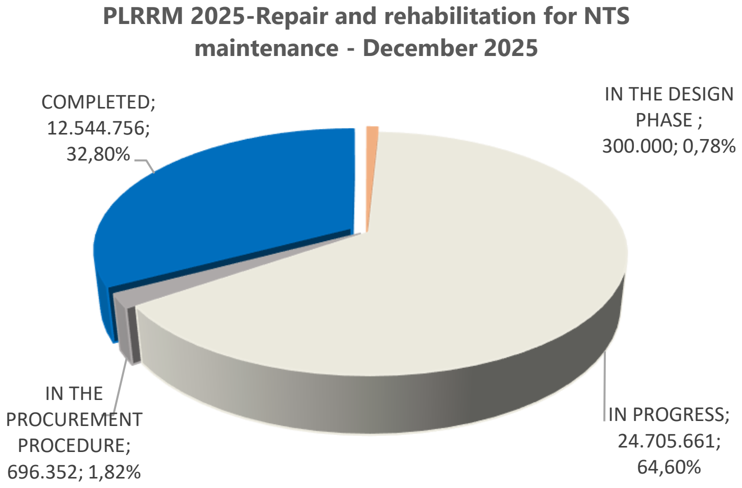


Chart 31 - PLRRM 2025 - Repair and rehabilitation works for NTS maintenance - December 2025

Main pipelines repair and rehabilitation works

Repair and rehabilitation works on main pipelines, amounting to lei 29.674.089,41 represent 77,59% of the allocated budget.

On 31.12.2025 these works were at various stages of completion, as follows: 78,82% in progress, 18,70% completed works, 1,47% in the procurement phase and 1,01% in the design phase.

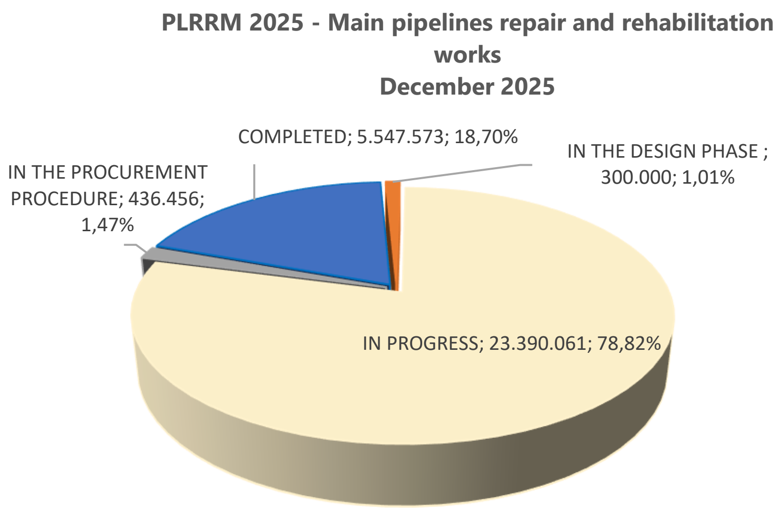


Chart 32 - PLRRM 2025 - Main pipelines repair and rehabilitation works - December 2025

The repair and rehabilitation works for NTS maintenance in progress in 2025 are as follows:

- preparation of DN500 Munteni - Bârlad pipeline for transformation into a piggable pipeline
- repair of DN 500 Mașloc-Caransebeș pipeline, following smart pig inspection;
- repair of DN500 Drăgășani - Căldăraru pipeline, following smart pig inspection;
- repair of DN800 Șendreni – Butimanu pipeline, following smart pig inspection.
- repair/painting works for abovecrossings Bacău II Regional Office (Onești Comănești);
- repair/painting works for abovecrossings Brașov I Regional Office (Sector Sighișoara);
- repair/painting works for abovecrossings Bucharest Regional Office (Sălcioara);
- repair/painting works for abovecrossings Constanța Regional Office;
- repair/painting works for abovecrossings Arad II Regional Office (Marga Oțelul Roșu);
- repair/painting works for abovecrossings Arad III Regional Office (Crivina);
- repair/painting works for abovecrossings Cluj Regional Office (Sărmășel Satu Mare, Sucutard);
- repair/painting works for abovecrossings Brăila Regional Office (Albești TN and CD Dunăre Șendreni);
- pipeline insulation repair works at fixed stations.

The repair and rehabilitation works for NTS maintenance in the procurement phase in 2025 are as follows:

- rehabilitation of DN 700 Bucharest Ring pipeline. Preparation for transformation into a piggable pipeline, Linde Gaz-Moara Domnească section;
- repair of DN1200 Isaccea - Negru Vodă, Transit 2, pipeline following smart pig inspection.

The repair and rehabilitation works for NTS maintenance in the design phase in 2025 are as follows:

- preparation of DN508 Sărmășel - Ceanu Mare Cluj I pipeline for trasformation into a piggable pipeline - Phase I;
- preparation of DN400 Micfalău - Sfântu Gheorghe pipeline for trasformation into a piggable pipeline.

Lucrările de reparații și reabilitare pentru mentenanța SNT finalizate în anul 2025 sunt următoarele:

- preparation of DN 700 Seleuș Cristur Bățani gas transmission pipeline for transformation into a piggable pipeline - phase 2B (jud. Harghita).
- repair/painting works for abovecrossings Bacău I Regional Office (Fălticeni și Iași);
- repair/painting works for abovecrossings Craiova I Regional Office (Gorj area);
- repair/painting works for abovecrossings Mediaș Regional Office (Târnăveni Sector);
- repair/painting works for abovecrossings Brăila Regional Office (TN Ialomița and TN Moisica);
- repair/painting works for abovecrossings Brașov II Regional Office (Bățani Sector);
- repair/painting works for abovecrossings Craiova II Regional Office (Pitești Corbu);
- repair/painting works for abovecrossings Arad I Regional Office.

Preventive works are the works preparing the pipelines for diagnosis, followed by targeted rehabilitation works designed on the basis of diagnosis to restore nominal gas transmission capacity.

Preparing pipelines for the cleaning and diagnostic equipment is achieved by replacing or reconsidering components that do not allow running of such equipment.

The technological activity of internal pipeline cleaning has also the aim of maintaining the pipeline at its original gas transmission capacity by periodically removing impurities (solid and liquid).

All these activities are oriented towards achieving maintenance based on the principle of operational risk assessment.

As described above, an important category of the **repair works is that based on diagnosis**, resulting from the interpretation and evaluation of the reports obtained by analysing the information provided by running intelligent pigs, which resulted in spot or area repair projects carried out using welding or seamless technologies.

With regard to the efficiency and effectiveness of the process of carrying out the repair and rehabilitation works on main pipelines, the main external factors with a negative impact were as follows:

- late delivery of the materials (pipes and valves) needed to carry out the work in the current economic and political context;
- lack or expiry of the necessary permits; lack of landowner agreements.

In order to resolve the obstacles to the completion of repair and rehabilitation works, the following measures were adopted:

- documentation for obtaining permits/authorisations was re-drafted and submitted to the competent authorities;
- in some more difficult areas, in terms of obtaining agreements from landowners or at the request of local administrations, it was taken the decision to re-design the pipeline route and the technical solutions for construction;
- the priority works were achieved inhouse (Mediaș Subsidiary and regional offices).

4.4 The procurement activity

The **Annual Sectoral Procurement Plan** (PAAS) includes all contracts that the company is to award during a year, following the conduct of procurement procedures, direct procurement and framework agreements based on which subsequent contracts are awarded, in accordance with the provisions of Law 99/2016 on sectoral procurement, as amended.

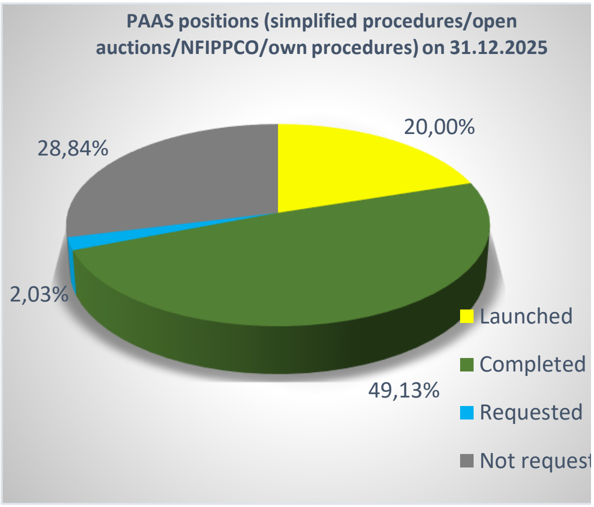
The Annual Sectoral Procurement Plan for 2025 (PAAS 2025) had an assigned value of **lei 2.519.630.812,29,** approved by Board of Administration Resolution 1/16.01.2025. Following the amendments to PAAS 2025, which became necessary as a result of the revision of the implementation programmes that formed the basis for the REB, the total value of PAAS became lei 3.074.761.698,82.

The status of the procurement procedures is summarized in the table below.:

Procedure summary (physical-no. of positions)		
Total procedures as at 31.12.2025, of which:	**690**	% PAAS accomplished (procedures section)
- launched	138	20,00%
- completed	339	49,13%
- not launched	14	2,03%
- not requested	199	28,84%

The situation of the actual implementation of procurement procedures is as follows:

SIMPLIFIED PROCEDURES/OPEN BIDS/ NFIPPCO/OWN PROCEDURES



DIRECT PROCUREMENTS

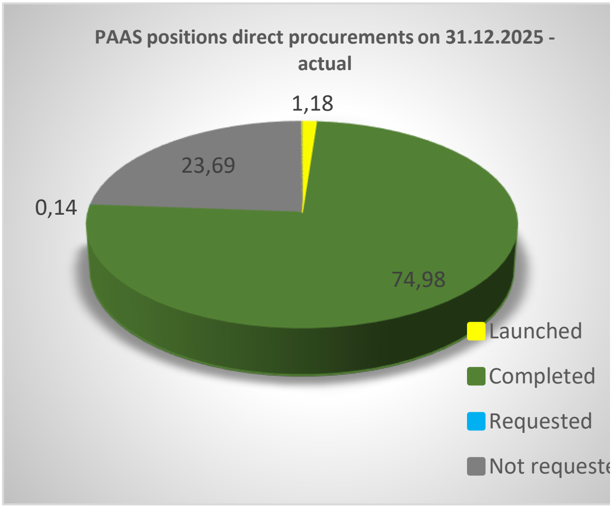


Chart 33 - Actual status of procurement procedures on 31 December 2025

4.5. The legal assistance and representation activity

The activity of legal assistance and representation of SNTGN Transgaz SA before the courts and other bodies with jurisdictional activity aimed mainly at:

- ensuring legal assistance before courts of all levels of jurisdiction and other bodies with jurisdictional activity;
- initiating legal actions, establishing claims, filing statement of defence, preparing answers to statements of defence, examinations, setting objectives of expertise and / or objecting to judicial expertises approved by the court, administration of evidence, etc.
- promoting remedies at law;
- enforcement of the enforceable titles obtained;

- assistance and legal representation of Transgaz within the enforcement procedure (formulation of enforcement requests and any other steps specific to the enforcement procedure);
- preparation of various reports/evidence on the state of litigation to which the company is a party;
- participation in commissions set up to evaluate tenders submitted under the sectoral procurement procedures;
- participation in various working groups/committees in order to support normative acts promoted by various public institutions with an impact on Transgaz's activity.

According to case registry records in 2025 there were a total of **116 new cases** in which SNTGN Transgaz SA was plaintiff and defendant as follows:

- **84 cases** as plaintiff;
- **32 cases** as defendant.

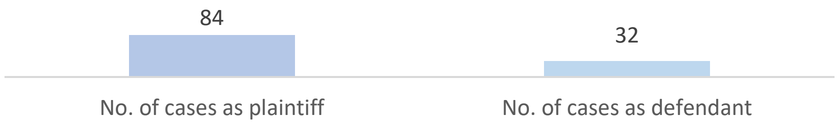


Chart 34** - **Structure and number of cases in which the company was involved in 2025

Final decisions served:

- **46** SNTGN Transgaz SA **favourable decision cases** ;
- **18** SNTGN Transgaz SA **unfavourable decision cases**.

4.6. International cooperation activity

In 2025 the international cooperation activity was mainly focused on:

- cooperation with Natural Gas Transmission Operators from neighbouring countries (Bulgaria, Hungary, Ukraine, Moldova, Serbia) in order to jointly establish and operate cross-border interconnections;
- collaboration with European and neighbouring Transmission System Operators within the Trans-Balkan Corridor Project;
- cooperation with European and neighbouring Transmission System Operators within the Vertical Gas Corridor Project (Transgaz, DESFA Greece, ICGB, Bulgartransgaz Bulgaria, FGSZ Hungary, Eustream Slovacia, Gastrade Grecia, GTSOU Ukraine, Vestmoldtransgaz The Republic of Moldova);
- cooperation with national and international bodies, the European Commission and other institutional relations;

working with Regional Gas Transmission Operators to develop new partnerships with relevance to the energy sector and conclude cooperation agreements or memoranda.

In order to expand its activity, **TRANSGAZ is considering the development of new partnerships with various international companies relevant to the energy sector** and, in this regard, is actively discussing the signing of cooperation agreements.

Over the years, SNTGN Transgaz SA has initiated contacts with natural gas transmission operators in the European Union and beyond, with the aim of developing partnerships for exchanging experiences and analysing the potential of bilateral cooperation for the promotion of possible joint projects (Gaz-System Poland, ICGB - the company managing the Greece-Bulgaria Interconnection project, Botaș-Turkey, GasConnect Austria, CEGH Austria, FGSZ - Hungary, SOCAR - Azerbaijan, EGAS Egypt, Energy Community Secretariat (SEEGAS initiative), etc.).

In 2025, correspondence was exchanged with the neighbouring transmission system operators, the European Commission and the network users who concluded transmission contracts and contracts for balancing and access to the VTP with the company or who expressed interest in developing a cooperation relationship with Transgaz.

With the support of the European Investment Bank (EIB), SNTGN Transgaz SA developed a Climate and Decarbonization Strategy for a phased transition to climate-neutral operations and enhanced resilience to climate change, taking into account best practices and national and international climate change policies and regulations.

The project was developed in the context of the European Investment Advisory Hub (EIAH) and benefited from the technical support of RINA Consulting. The overall objective of the strategy is twofold, referring to decarbonization and climate issues.

4.7. Internal audit

According to the approved Audit Plan for 2025, by BoA Resolution 44/19.12.2024, in 2025 nine internal audit assignments were planned to be carried out and one assignment to be initiated. In 2025 an ad hoc internal audit assignment was also requested.

The situation of the assignments as of 31.12.2025 is as follows:

Internal audit assignment	Planned assignment	Ad-hoc assignment	Performance period
Assessment of the activity of the Topography Department	x		Completed (Report approved by the Director - General and endorsed by BoA Resolution 11/28.04.2025).
Assessment of the procurement activity	x		Completed (Report approved by the Director - General and endorsed by BoA Resolution 11/28.04.2025).
Assessment of the debt recovery activity, representative office support, and special projects	x		Completed (Report approved by the Director - General and endorsed by BoA Resolution 11/28.04.2025).
Assessment of the activity of the NTS Works and Technological Consumption Records Office	x		Completed (Report approved by the Director - General and endorsed by BoA Resolution 11/28.04.2025).

Internal audit assignment	Planned assignment	Ad-hoc assignment	Performance period
Assessment of the activity of the European Funds Unit	x		Completed (Report approved by the Director - General and endorsed by BoA Resolution 11/28.04.2025).
Assessment of the cathodic protection activity	x		Completed (Report approved by the Director - General and endorsed by BoA Resolution 23/28.08.2025)
Assessment of the corruption prevention system, 2025	x		Completed (Report approved by the Director - General and endorsed by BoA Resolution 23/28.08.2025)
Assessment of the activity of the National Gas Dispatching Centre	x		Completed (Report approved by the Director - General and endorsed by BoA Resolution 29/26.11.2025)
Assessment of the activity of the Technical and Economic Documentation Verification and Approval Unit	x		Completed (Report approved by the Director - General and endorsed by BoA Resolution 31/18.12.2025)
Assessment of the activity of the carried out by VESTMOLDTRANSGAZ employees in 2025, including those with an impact on the revenue and expenditure budget		x	Assignment in the on-site intervention phase

The audit reports prepared following the verifications carried out and endorsed by the Director-General were sent to the Audit Committee within the Board of Administration.

A permanent concern of the internal audit structure is to monitor the implementation of the recommendations made in the audit reports and to increase the efficiency of their implementation, as well as compliance with the implementation deadlines set in the action plan.

4.8. Investor relations

SNTGN TRANSGAZ SA has a specialised organisational structure dedicated to managing capital market activities – the Investor Relations and Sustainability Unit, within which the Investor Relations Department operates. The activity of this structure is exclusively focused on ensuring efficient and transparent communication with the company's investors and shareholders. The personnel of the Investor Relations Department receive continuous professional training in areas specific to shareholder relations, corporate governance, management and customer relations, in order to ensure compliance with the highest standards of transparency and corporate responsibility.

Placing particular importance on the financial and non-financial reporting process, and considering informational transparency a key pillar of good corporate governance, SNTGN TRANSGAZ SA conducts its reporting activity in accordance with capital market regulations and the requirements of the Bucharest Stock Exchange and the Financial Supervisory Authority, while also ensuring compliance with the highest international standards in the field.

Transgaz's reporting is structured both on a periodic and ongoing basis. Periodic reports include the annual, semi-annual and quarterly financial statements, presenting economic results, operational performance, the evolution of financial indicators and development prospects. At the same time, the company submits current reports whenever significant events occur that may affect its activity, results or share price, ensuring prompt and fair communication with investor.

At the beginning of each year, Transgaz prepares the Financial Communication Calendar, a document establishing and announcing the publication dates of financial reports, the dates of the General Meetings of Shareholders, as well as the periods dedicated to meetings with financial analysts, placement consultants, brokers and institutional investors. This approach ensures predictability and equal access to information for all market participants.

In order to ensure transparent information for investors, SNTGN Transgaz SA carried out the following activities in 2025:

- conference call organised with financial analysts and investors to present the preliminary financial results for 2024, on 6 March 2025;
- conference call organised with financial analysts and investors to present the interim financial results for the Quarter I 2025, on 21 May 202;
- conference call organised with financial analysts and investors to present the interim financial results for the Half I 2025, on 21 August 2025;
- conference call organised with financial analysts and investors to present the interim financial results for the nine-month period ended 30 September 2024, on 19 November 2025.
- provision of responses to information requests received from financial analysts and investors.

All reports are prepared in accordance with the International Financial Reporting Standards (IFRS) and are published in the European Single Electronic Format (ESEF), which facilitates comparability and accessibility of data at European level. In addition to financial reporting, Transgaz also publishes annually a sustainability report prepared in accordance with the European Sustainability Reporting Standards (ESRS), which includes information on the company's environmental performance, social aspects and corporate governance (ESG).

On its website (www.transgaz.ro), the company has created a dedicated Investor Relations section where essential information regarding the company's capital market activity is published in Romanian and English. This section also includes information on the convening notices and related documentation for the General Meetings of Shareholders, participation and voting procedures, current reports, financial statements, the financial calendar, corporate governance information, dividend distribution, the company's rating and transaction notifications. All materials are permanently updated and are also available on the websites of the Bucharest Stock Exchange and the Financial Supervisory Authority, contributing to ensuring transparency and fair communication with investors and shareholders.

4.9. The tariff setting methodology

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

From 1 October 2024 the natural gas transmission tariffs approved by the Order 17/ 29.05.2024 of the ANRE President were applied. The approved regulated revenue for natural gas transmission for 1 October 2024 – 30 September 2025 is lei 2.005.006.850.

From 1 October 2025 the natural gas transmission tariffs approved by the Order 22/05.06.2025 of the ANRE President were applied. The approved regulated revenue for natural gas transmission for 1 October 2025 – 30 September 2026 is lei 2.301.699.490.

The adjusted regulated revenue and the transmission tariffs for the first year of the fifth regulatory period, 1 October 2025 - 30 September 2026 were substantiated and approved based on the provisions of the natural gas transmission service regulated tariff setting methodology approved by ANRE Order 7/12 March 2025.

4.10 Consolidated financial results (consolidated factorial analysis of the activity)

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

Consolidated companies in Transgaz's Group:

		Shareholding (%)
SNTGN Transgaz SA	Parent company	
Eurotransgaz SRL	Company held by SNTGN Transgaz SA	100%
Vestmoldtransgaz SRL	Company held by Eurotransgaz SRL EBRD	75% 25%
Transport România Hidrogen SRL	Company held by SNTGN Transgaz SA	100%
Petrostar SA	Company held by SNTGN Transgaz SA Other shareholders	51% 49%

(thousand lei)

Indicator	Consolidated statements 2025	Transgaz separate statements	ETG, VMTG, Petrostar adjustments
0	1=2+3	2	3
Revenue from the domestic transmission activity	2.460.922	2.460.922	0
Revenue from the transmission activity the Republic of Moldova	286.959	0	286.959
Other revenue	168.684	157.440	11.245
Operating revenue before the balancing and construction activity according to IFRIC12	**2.916.566**	**2.618.362**	**298.204**
Depreciation	544.644	492.523	52.121
Employees costs	695.222	677.448	17.774
Technological consumption, materials and consumables used	119.388	116.885	2.503
Royalty expense	283.109	283.006	103
Maintenance and transport	155.570	77.164	78.406
Taxes and duties due to the state	121.985	121.128	857
Income / (Expenses) from provisions	21.230	3.902	17.329
Loss / (Gain) from impairment of receivables	16.804	16.804	0
Other operating expenses	140.928	135.236	5.691
Operating profit before the balancing and construction activity, according to IFRIC12	**817.685**	**694.265**	**123.419**
Revenue from the balancing activity	366.016	359.936	6.079
Cost of balancing gas	366.016	359.936	6.079
Revenue from the construction activity according to IFRIC12	1.263.636	1.263.636	0
Cost of constructed assets according to IFRIC12	1.263.636	1.263.636	0
Operating profit	**817.685**	**694.265**	**123.419**
Interest income	347.540	342.602	4.939
Financial income	13.692	6.578	7.114
Financial costs	137.445	106.285	31.161
Net financial income	**223.787**	**242.895**	**-19.109**
Profit before tax	**1.041.471**	**937.160**	**104.311**
Income tax expense	160.751	149.004	11.747
Net profit related to the period	**880.720**	**788.157**	**92.564**
Attributable to owners of the parent	**857.791**	**795.883**	61.908
Attributable to non-controlling interests	**22.930**		22.930
Foreign currency translation differences	1.052		1.052
Actuarial gain/loss related to the period	-17.541	-17.541	0
Total comprehensive income related to the period	**864.232**	**770.616**	**93.616**

Table 19 - Indicators of consolidated economic and financial results

Consolidated achievements 2025 compared to consolidated achievements 2024

The consolidated financial results achieved as at 31 December 2025 as compared to 2024 are presented in the table below:

(thousand lei)

No.	Indicator	Achieved 2025	Achieved 2024	Change (%)
0	1	2	3	4=2/3x100
1.	Operating revenue before the balancing and construction activity, according to IFRIC12	2.916.566	2.305.477	127%
2.	Revenue from the balancing activity	366.016	249.300	147%
3.	Revenue from the construction activity according to IFRIC12	1.263.636	1.876.822	67%
4.	Financial income	361.232	212.906	170%
5.	Operating expenses before the balancing and construction activity, according to IFRIC12	2.098.881	1.914.524	110%
6.	Balancing activity costs	366.016	249.300	147%
7.	Cost of constructed assets according to IFRIC12	1.263.636	1.876.822	67%
8.	Financial costs	137.445	119.841	115%
9.	**GROSS PROFIT,** of which:	**1.041.471**	**484.018**	**215%**
	• from operation	817.685	390.953	209%
	• from the financial activity	223.787	93.065	240%
10.	**Income tax**	160.751	73.286	219%
11.	**NET PROFIT**	**880.720**	**410.732**	**214%**
12.	**Foreign currency translation differences**	**1.052**	**570**	**185%**
13.	**Actuarial gain/loss for the period**	-17.541	-7.506	**x**
14.	**Total comprehensive income for the period**	**864.232**	**403.796**	**214%**

Table 20 - Consolidated financial results in 2025 compared to 2024

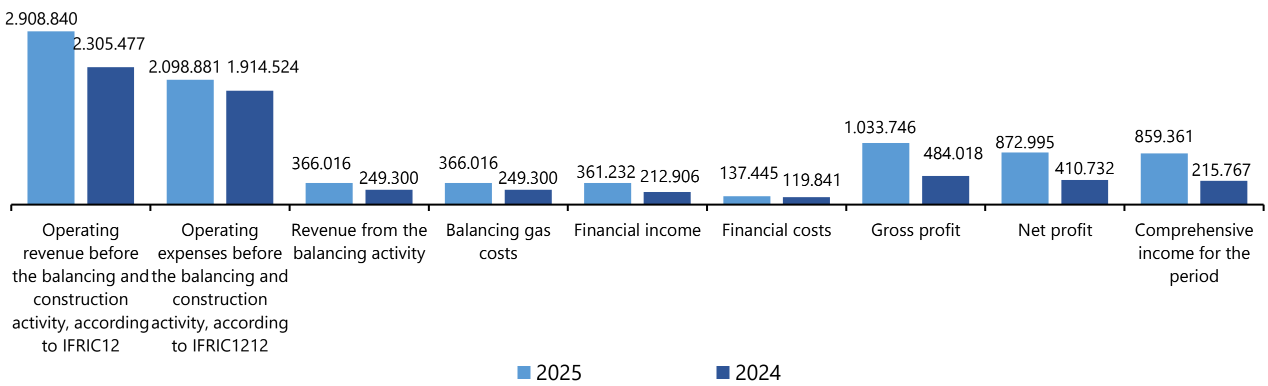


Chart 35 - Consolidated financial results in 2025 compared to 2024 (thousand lei)

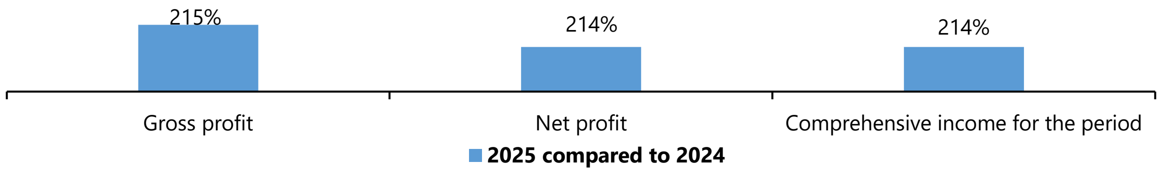


Chart 36 - Consolidated financial results in 2025 compared to 2024 (%)

In 2025, the subsidiaries in the Republic of Moldova recorded preliminary operating revenue amounting to lei 287.077 thousand and financial income of lei 12.010 thousand.
Preliminary operating revenue increased by **143%** compared to the revenue achieved at 31 December 2024, which is higher by lei 86.668 thousand.

Revenue was mainly influenced by revenue from the natural gas transmission activity achieved by Vestmoldtransgaz from the provision of the natural gas transmission service, amounting to lei 286.959 thousand.

Preliminary operating expenses increased by 105% compared to 31 December 2024, being higher lei 7.108 thousand, the net financial income increased by lei 4.173 thousand, this leading to an increase of the gross profit by lei 84.733 thousand.

4.11. Separate financial results (factorial analysis of the individual activity)

Separate achievements 2025 compared to achievements 2024

The statement of separate financial results achieved in 2025 compared to 2024 is presented in the table below:

(thousand lei)

Indicator	Achieved 2025	Achieved 2024	Change
0	**1**	**2**	**3=1/2x100**
Operating revenue before the balancing and construction activity, according to IFRIC12	2.618.362	2.105.069	124%
Revenue from the balancing activity	359.936	248.967	145%
Revenue from the construction activity according to IFRIC12	1.263.636	1.876.822	67%
Financial income	349.180	203.923	171%
Operating expenses before the balancing and construction activity, according to IFRIC12	1.924.097	1.764.049	109%
Balancing gas costs	359.936	248.967	145%
Cost of constructed assets according to IFRIC12	1.263.636	1.876.822	67%
Financial costs	106.285	86.838	122%
Total GROSS PROFIT, of which:	**937.160**	**458.105**	**205%**
• from operation	694.265	341.020	204%
• from the financial activity	242.895	117.085	207%
Income tax	149.004	66.075	226%

Indicator	Achieved 2025	Achieved 2024	Change
0	1	2	3=1/2x100
NET PROFITUL	**788.157**	**392.030**	**201%**
Other elements of the comprehensive income	-17.541	-7.506	X
Total comprehensive income for the period	**770.616**	**384.524**	**200%**

Table 21 - Separate achievements 2025 compared to 2024

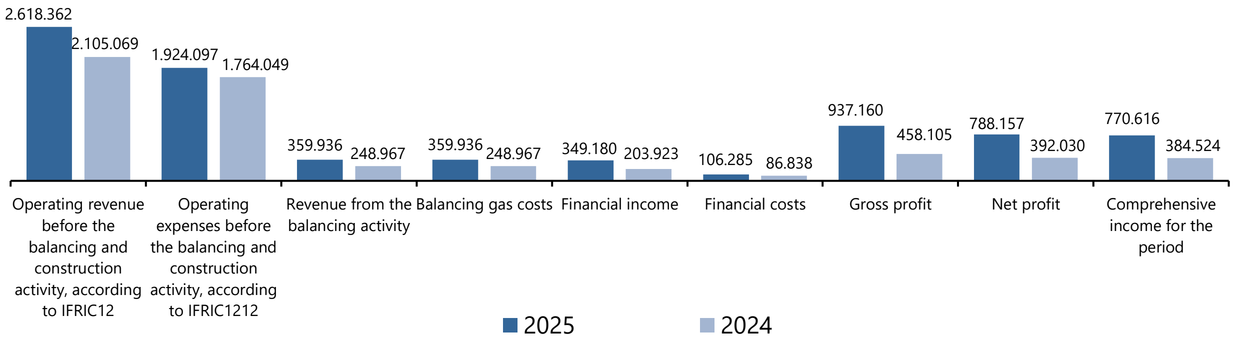


Chart 37 - Separate financial results in 2025 compared to 2024 (thousand lei)

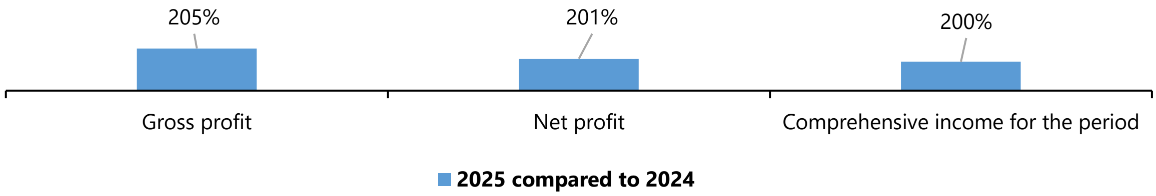


Chart 37 - Separate financial results in 2025 compared to 2024 (%)

Operating revenue before the balancing and construction activity, according to IFRIC12 increased by **124%** compared to the one achieved at 31 December 2024, which is higher by lei 513.293 thousand.

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

From 1 October 2024 the natural gas transmission tariffs approved by the Order 17/ 29.05.2024 of the ANRE President were applied. The approved regulated revenue for natural gas transmission for 1 October 2024 – 30 September 2025 is lei 2.005.006.850.

From 1 October 2025 the natural gas transmission tariffs approved by the Order 22/05.06.2025 of the ANRE President were applied. The approved regulated revenue for natural gas transmission for 1 October 2025 – 30 September 2026 is lei 2.301.699.490.

The revenue was influenced mainly by the following factors:

- *revenue from capacity booking* higher by **lei *450.884* thousand** due to:
  - *capacity booking tariff* higher by lei 0,913 lei/MWh, with a positive influence of lei 334.127 thousand;
  - *booked capacity* higher by 24.514.335 MWh, with a positive influence of lei 107.384 thousand;
  - *capacity overrun revenue* higher by lei 10.143 thousand. Capacity overrun revenue at 31 December 2024 amounted to lei 154.354 thousand, and at 31 December 2025 to lei 164.497 thousand;
  - *revenue from the auction premium* lower by lei 770 thousand following the capacity booking auctions performed according to the CAM-NC by interconnection points; revenue from the auction premium at 31 December 2024 amounted to lei 60.343 thousand, and at 31 December 2025 to lei 59.574 thousand.
- *commodity revenue* higher by **lei *55.844* thousand** due to:
  - *the commodity transmission tariff* higher by lei 0,17 lei/MWh, with a positive influence of lei 27.762 thousand;
  - *the gas transmitted capacities* higher by 16.577.153 MWh as compared to 12 months 2024, with a positive influence of lei 28.082 thousand, detailed by categories of consumers as follows:

		2025	2024	Differences
Quantity transmitted for direct consumers	MWh	84.273.412	71.714.751	12.558.661
	thousand m^3	7.744.705	6.658.533	1.086.172
Quantity transmitted for distribution	MWh	73.957.217	69.938.725	4.018.492
	thousand m^3	6.907.378	6.539.254	368.124
Total	MWh	158.230.629	141.653.476	16.577.153
	thousand m^3	14.652.083	13.197.787	1.454.296

- *other operating revenue* higher by **lei 6.565 thousand.**

The revenue from the balancing activity was higher by **lei 110.970 thousand** based on the following factors:

- trading price higher by lei 50,37/MWh, with a positive influence of lei 80.524 thousand;
- quantity higher by 174.203 MWh with a positive influence of lei 30.446 thousand.

The revenue from the construction activity lower by **lei 613.186 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 income has a positive influence of **lei 145.257 thousand**, Primarily attributable to the recognition of the regulated asset value adjustment with the inflation rate of 9,27% at 31 December 2025 (8,45% at 30 September 2025 and the inflation rate approved by ANRE for the update of the regulated asset base, effective from 1 October 2025 at 3,01% per year) as compared to 5,14% at 31 December 2024 (lei 257.121 thousand at 31 December 2025 as compared to lei 128.489 thousand at 31 December 2024).

Operating expenses before the balancing and construction activity according to IFRIC12 increased by **109%** as compared to 31 December 2024, which is higher by **lei 160.048 thousand**.

***The company made savings* of lei *117.806* thousand** to the following cost elements:

- transmission system gas consumption of lei 41.442 thousand due to:
    - the quantity of natural gas for NTS gas consumption lower by 278.226 MWh as compared to 31 December 2024 with a positive influence of lei 41.807 thousand;
    - the average purchase price achieved higher by lei 0,87 /MWh as compared to the one achieved in 31 December 2024 with a negative influence of lei 365 thousand;

  According to Government Emergency Ordinance No. 119/1 September 2022, amending and supplementing Government Emergency Ordinance No. 27/2022, the natural gas transmission service provider is required to capitalize on a quarterly basis the additional costs incurred for the purchase of natural gas between 1 January 2022 and 31 March 2025 in order to cover technological consumption, compared to the costs included in the regulated tariffs. On 31 March 2025, the Company capitalised the amount of lei 20.548 thousand.
- other operating expenses: lei 76.364 thousand.

Overruns of lei 277.854 thousand were recorded in the following cost categories:

- cost of maintenance and transport: lei 18.580 thousand;
- employee cost: lei 50.755 thousand;
- royalty expense: lei 58.274 thousand.
- depreciation expense: lei 22.070 thousand based on the completion and commissioning of investments projects;
- cost of auxiliary materials: lei 11.517 thousand;
- provision expense: lei 51.458 thousand;
- loss/gain on impairment of receivables: lei 33.606 thousand;
- cost of taxes and duties: lei 31.594 thousand.

The financial cost is higher by **lei 19.446 thousand**, mainly due to the foreign exchange loss.

Compared to 31 December 2024 gross profit realized at 31 December 2025 increased by 205% which is higher by lei 479.055 thousand and the realized net profit increased by 201% which is higher by lei 396.127 thousand.

Separate achievements 2025 compared to the REB 2025

The main economic and financial indicators realized in 2025, compared to the revenue and expense budget approved by OGMS Resolution 4 of 09 April 2025:

(thousand lei)

Indicator	REB 2025	Achieved 2025	Change %
0	1	2	3=2/1x100
Operating revenue before the balancing and construction activity, according to IFRIC12	2.631.579	2.618.362	99%
Revenue from the balancing activity	392.225	359.936	92%
Revenue from the construction activity, according to IFRIC12	2.214.149	1.263.636	57%
Financial income	231.299	349.180	151%
Operating expenses before the balancing and construction activity, according to IFRIC12	2.303.090	1.924.097	84%
Balancing gas costs	392.225	359.936	92%
Cost of constructed assets according to IFRIC12	2.214.149	1.263.636	57%
Financial costs	143.864	106.285	74%
Total GROSS PTOFIT, of which :	**415.925**	**937.160**	**225%**
• from operation	328.489	694.265	211%
• from the financial activity	87.435	242.895	278%
Income tax	**70.919**	**149.004**	**210%**
NET PROFIT	**345.006**	**788.157**	**228%**

Table 22 - Separate financial results in 2025 compared to the Budget for 2025

Operating revenue before the balancing and construction activity according to IFRIC12 decreased by **lei 13.218 thousand** as compared to the REB.

The revenue was influenced by the following:

- Gas transmission services increased by **lei 99.442 thousand** due to:
  - *capacities booked* higher by 33.305.588 MWh with a positive influence of **lei 193.703 thousand**;
  - *average capacity booking tariff, determined by the structure of the booked products* lower by lei 0,147 /MWh, with a negative influence of **lei 56.060 thousand**;
  - *the gas transmitted capacities* lower than planned by 19.194.019 MWh with a negative influence of **lei 36.428 thousand**;
  - *average commodity tariff* lower by lei 0,011 /MWh, with a negative influence of **lei 1.773 thousand**
- Other operating revenue decreased by **lei 112.659 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 32.288 thousand** based on the following:

- quantity lower by 188.013 MWh with a negative influence of lei 41.273 thousand;
- trading price higher by lei 5,62/MWh, with a positive influence of lei 8.984 thousand.

Financial income increased by **lei 117.881 thousand** as compared to the REB, mainly due to adjustment with the inflation rate recorded on 31 December 2025 in the amount of 9,27%, for the assets added to the regulated asset base (the inflation used to substantiate the REB for 2025 was 3,8%).

Operating expenses before the balancing and construction activity according to IFRIC12 decreased by **lei 378.993 thousand** as compared to the REB.

Savings amounting to lei 407.233 thousand were recorded mainly the following cost elements:

- employee costs: lei 62.165 thousand;
- transmission system gas consumption: lei 90.491 thousand;
- auxiliary materials and other material costs: lei 65.695 thousand;
- cost of maintenance and transport: lei 33.411 thousand;
- cost of taxes and duties: lei 72.094 thousand;
- depreciation expense: lei 44.422 thousand;
- provision expense: lei 11.169 thousand.
- other operating expenses: lei 27.786 thousand.

A surplus of lei 28.239 thousand was recorded to the following cost elements:

- NTS concession royalty expense: lei 11.436 thousand;
- loss/(gain) on impairment of receivables: lei 16.804 thousand.

The financial cost is lower by **lei 37.579 thousand** as compared to the REB, due to the capitalisation of a higher amount of borrowing costs than that provided for in the budget.

***The gross profit* increased by lei 521.236 thousand as compared to the REB, which is higher by 225%, and the net profit is lei 443.151 thousand higher than the one foreseen in the REB, which is higher by 228%.**

	Achieved 12 months 2025 compared to Achieved 12 months 2024	Achieved 12 months 2025 compared to REB 12 months 2025
Operating revenue before the balancing and construction activity, according to IFRIC12	124%	99%
Operating expenses before the balancing and construction activity, according to IFRIC12	109%	84%
Gross result	205%	225%
Income tax	226%	210%
Net profit	201%	228%

Table 23 - 12 months 2025 achievements compared to 12 months 2024 achievements and 12 months 2025 achievements compared to REB (%)

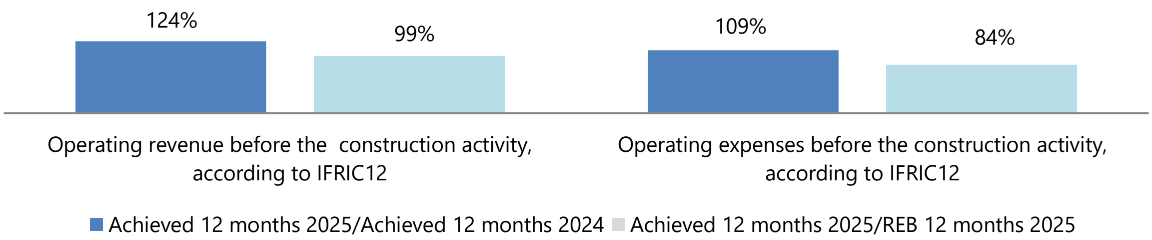


Chart 38 - Separate achievements 12 months 2025 compared to separate achievements 12 months 2025 and Separate Achievements 12 months 2025 compared to REB 12 months 2025

Separate achievements 2025 compared to the Management Plan 2025

The key financial performance indicators were substantiated on the basis of data from the company's Revenue and Expense Budget approved by Resolution 4/2025 of the General Meeting of the Shareholders.

The level of the achieved financial performance indicators compared to those set out in the Management Plan is presented in the table below:

(thousand lei)

No.	Performance criteria	Management Plan 2021 - 2025	Achieved 2025	Percentage
1.	Outstanding payments-thousand lei	0	0	100%
2.	Operating expenses (less depreciation, balancing, construction activity and provisions for impairment of assets and for risks and expenses)-thousand lei	1.782.027	1.408.051	127%
3.	Acid test ratio	1	1,26	126%
4.	Net leverage	5	2,81	178%
5.	EBITDA-thousand lei*	867.934	1.186.788	137%

**) EBITDA calculated in accordance with the 2021–2025 Management Plan (EBITDA = Operating Revenue – (Operating Expenses – Depreciation))*

Table 24 - Separate achievements in 2025 compared to the Management Plan 2021- 2025

Separate achievements 2025 compared to the Management Plan 2025-2029

The financial performance indicators for 2025-2029 were approved by Resolution 8/2025. The level of the achieved financial performance indicators compared to those set out in the Management Plan is presented in the table below:

No.	Performance criteria	Management Plan 2025-2029	Achieved 2025	Percentage
1.	Capital expenditure ratio	11,52%	11,87%	103%
2.	Current ratio	1,10	1,26	114%
3.	Debt/EBITDA ratio*	6,09	4,38	139%
4.	Asset turnover ratio	25,35%	26,17%	103%
5.	Net profit margin	13,61%	27,86%	205%
6.	Return on assets	3,36%	6,97%	207%
7.	Dividend payout ratio	50%	50,91%	101,82%

**) EBITDA calculated in accordance with the 2025-2029 Management Plan (EBITDA = Net Profit + Interest Expense + Tax Expense + Depreciation + Amortisation)*

Table 25 – Separate achievements 2025 compared to the Management Plan 2025-2029

5. CONSOLIDATED ECONOMIC AND FINANCIAL STATEMENT

5.1 Consolidated financial position

According to Article 1 of Order 881/25 June 2012 of the Ministry of Public Finance on the application of the International Financial Reporting Standards by companies having securities admitted to trading on a regulated market, starting with financial year 2012, the companies having securities admitted to trading on a regulated market are obliged to apply the International Financial Reporting Standards (IFRS) upon preparation of the annual financial statements.

The statement of the consolidated financial position as at 31.12.2025 as compared to 31.12.2024 is as follows:

Indicator	31.12.2025 (thousand lei)	31.12.2024 (thousand lei)	Change (%)
0	1	2	3=1/2
Tangible assets	686.480	710.016	97%
Right-of-use assets	119.761	156.239	77%
Intangible assets	5.957.234	5.117.108	116%
Goodwill	10.166	10.150	100%
Trade and other receivables	3.033.954	2.648.908	115%
Long-term financial investments	30.960	0	
Deferred tax	71.315	81.112	88%
Restricted cash	2.212	2.301	96%
Non-current assets	**9.912.083**	**8.725.834**	**114%**
Inventories	496.444	514.143	97%
Trade and other receivables	386.007	345.848	112%

Indicator	31.12.2025 (thousand lei)	31.12.2024 (thousand lei)	Change (%)
0	1	2	3=1/2
Income tax receivables	0	15.184	0%
Other receivables	110.080	104.048	106%
Short-term financial investments	143.279	0	x
Cash and cash equivalents	839.493	1.064.299	79%
Current assets –TOTAL	**1.975.303**	**2.043.522**	97%
TOTAL ASSETS	**11.887.386**	**10.769.356**	**110%**
Current liabilities	1.526.606	1.562.530	98%
Non-current liabilities	5.298.684	4.817.274	110%
Total liabilities	**6.825.290**	**6.379.804**	**107%**
Equity attributable to owners of the parent	**5.062.096**	**4.389.552**	**115%**
Non-controlling interests	**142.493**	**107.136**	**133%**
Equity	**4.919.603**	**4.282.416**	**115%**
Share capital	1.883.815	1.883.815	100%
Adjustments to share capital for hyperinflation	441.418	441.418	100%
Share premium	247.479	247.479	100%
Other reserves	1.265.797	1.265.797	100%
Retained earnings	1.071.368	433.984	247%
Foreign currency translation differences from consolidation	9.726	9.923	98%
Total equity and liabilities	**11.887.386**	**10.769.356**	**110%**

Table 26 - Statement of consolidated financial position in 2025 compared to 2024

Tangible assets

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

***Tangible assets* decreased by lei 23.536 thousand** as compared to the value as at 31.12.2024, mainly due to the fact that the tangible assets entries were exceeded by the depreciation cost for tangible assets.

Rights of use 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 36.478 thousand as compared to 31 December 2024 due to the fact that the initial value of the leased assets contracts was lower compared to the depreciation expense.

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 parent company started to apply IFRIC 12, ***Service Concession Arrangements***, adopted by the EU.

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

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

Intangible assets increased by lei 840.127 thousand as compared with the value as at 31.12.2024, this increase being mainly determined by the fact that additions to intangible assets exceeded the amortization expense of intangible assets.

Financial assets

Trade and other receivables/Non-current assets

***The receivables regarding the right to collect the regulated value remaining unamortized at the end of the concession agreement* on 31 December 2025 increased by the amount of lei 385.046 thousand**. The receivables are 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 385.046 thousand compared to the value at 31 December 2024 is mainly due to the updating of the receivables with the changes recorded in the regulated asset base and the adjustment of the regulated value of the assets with the inflation rate starting with 2019, as per ANRE Order 41/2019. Non-current assets recognised in the regulated asset base in a gas year are discounted with the rate of inflation from the following gas year.

Inventories

On 31 December 2025 inventories decreased by lei 17.699 mii lei thousand compared to the value as at 31 December 2024, due to the decreasing by lei 118.782 thousand of the value of natural gas procured for the balancing activity, the increasing by lei 59.112 thousand of the stored gas procured to cover technological consumption, the increasing by lei 44.747 thousand of the materials held in custody by third parties, the increasing by lei 1.090 thousand of the raw materials and supplies inventory, and the increasing by lei 3.866 thousand of the in the allowance for inventory impairment.

Trade receivables

On 31 December 2025 the balance of the trade receivables **increased by lei 40.159 thousand** as compared to 31 December 2024, mainly due to the following factors

- increase in trade receivables balance by lei 28.219 thousand, mainly driven by the collection of receivables arising from domestic transmission and balancing activities;
- decrease in allowances for impairment of trade and other receivables by lei 11.910 thousand;

Other receivables

On 31 December 2025 trade and other receivables balance **increased by lei 6.032 thousand** compared to 31 December 2024, mainly due to the following:

- decrease in receivables from the state budget by lei 23.966 thousand;
- increase of the balance of other receivables by lei 31.376 thousand.
- increase in allowances for impairment of trade and other receivables by 1.378 thousand;

Cash at hand and in bank

On 31 December 2025 the company's cash decreased by lei 224.806 thousand as compared to the end of 2024. Cash in bank accounts in lei decreased by lei 236.660 thousand and cash in bank accounts in foreign currency decreased by lei 6.204 thousand. Other cash and cash equivalents increased by lei 18.058 thousand compared to 2024.

Liabilities due within one year

The following changes were recorded in the composition of current liabilities compared to 31 December 2024:

- decrease of balance of trade payables by lei 269.718 thousand;
- increase in the balance of other liabilities by lei 114.073 thousand;
- increase in contract liabilities by lei 10.577 thousand;
- increase in provisions by lei 20.563 thousand;
- recognition of income tax payable in the amount of lei 1.298 thousand;
- increase in the provision for employee benefits by lei 6.856 thousand;
- increase in short-term deferred income by lei 2.130 thousand;
- increase in short-term borrowings by lei 73.793 thousand.
- increase in current liabilities related to the lease liabilities of right-of-use assets by lei 4.502 thousand;

Non-current liabilities

The evolution of the non-current liabilities is due to the following aspects:

- increase in long-term borrowings by lei 422.462 thousand;
- increase in deferred income and subsidies by lei 70.723 thousand;
- increase in the provision for employee benefits by lei 24.275 thousand;
- decrease in non-current liabilities related to the lease liabilities of right-of-use assets by lei 36.050 thousand.

Equity

Subscribed and paid-in capital remained unchanged. Retained earnings increased by lei 637.384 thousand due to the recognition of the profit allocation for 2024 and the recording of the profit for 2025.

5.2 Consolidated comprehensive income

The situation of the profit and loss account – consolidated statement – as at 31 December 2025 compared to 31 December 2024:

-thousand lei-

Specification	Achieved (thousand lei)		Change (%)
	31.12.2025	31.12.2024	
1	2	3	4=2/3*100
TOTAL revenue of which:	**4.907.450**	**4.644.506**	**105%**
Operating revenue before the construction activity, according to IFRIC12 and balancing	2.916.566	2.305.477	127%
Revenue from the balancing activity	366.016	249.300	147%
Revenue from the construction activity according to IFRIC12	1.263.636	1.876.822	67%
Financial income	361.232	212.906	170%
TOTAL expenses, of which:	**3.865.978**	**4.160.488**	**93%**
Operating expenses before the construction activity, according to IFRIC12, and balancing	2.098.881	1.914.524	110%
Expenses from balancing activities	366.016	249.300	147%
Cost of constructed assets according to IFRIC12	1.263.636	1.876.822	67%
Financial expenses	137.445	119.841	115%
GROSS PROFIT, of which:	**1.041.471**	**484.018**	**215%**
Operating result	817.684	390.953	209%
Financial result	223.787	93.065	240%
INCOME TAX	**160.751**	**73.286**	**219%**
NET PROFIT	**880.720**	**410.732**	**214%**
Attributable to owners of the parent	857.791	404.130	212%
Attributable to the non-controlling interests	22.930	6.602	347%
Number of shares	188.381.504	188.381.504	
Other comprehensive income items			
Basic and diluted earnings per share (in lei per share)	4,68	2,18	
Actuarial (gain)/loss for the period	-17.541	-7.506	234%

Specification	Achieved (thousand lei)		Change (%)
	31.12.2025	31.12.2024	
Foreign currency translation differences	1.052	570	184%
Total comprehensive income for the period	**864.232**	**403.796**	**214%**
Attributable to owners of the parent	840.640	397.052	212%
Attributable to the non-controlling interests	23.592	6.744	350%

Table 27 - Consolidated profit and loss account in 2025 compared to 2024

5.3 Consolidated cash flow statement

The consolidated cash flow statement on 31 December 2025 is as follows:

Indicator	*Financial year ended 31 December (thousand lei)*	
	2025	2024
Profit before tax	**1.041.471**	**484.018**
Adjustments for:		
Depreciation	544.644	521.294
Impairment of intangible assets	0	2.059
Gain/(loss) on disposal of non-current assets	152	182
Other provisions	21.230	-35.772
Income from connection fees, non-reimbursable grants, and assets received free of charge	-105.421	-105.215
Adjustment of receivable under the Concession Agreement	-257.121	-127.698
Loss on receivables and other debtors	30.538	25.267
Loss/(gain) from inventory impairment	3.864	11.035
Allowances for impairment of receivables	-13.735	-10.120
Provisions for employee benefits	715	8.227
Effect of discounting provisions for employee benefits	12.582	9.056
Interest income	-90.461	-71.595
Interest expense	79.690	97.607
Effect of exchange rate fluctuations on items other than operating items	30.281	-483
Gains from bargain acquisitions	-7.725	
Other income/expenses	-1.234	-170
Operating profit before changes in working capital	1.289.471	807.691
Increase/(decrease) in trade and other receivables	-18.032	-116.328
Increase/(decrease) in inventories	14.205	64.418
Increase/(decrease) in trade and other payables	99.347	-18.209
Cash generated from operations	**1.384.991**	**737.573**
Income tax paid	-123.020	-35.637
Net cash generated from operating activities	**1.261.970**	**701.935**
Cash flows from investing activities		
Acquisition of intangible assets	-1.487.277	-1.754.582
Acquisition of tangible assets	-24.772	-21.681
Proceeds from disposal of tangible assets	0	110

Indicator	Financial year ended 31 December (thousand lei)	
	2025	**2024**
Interest received	18.889	12.493
Payments for financial investments	-173.326	0
Net cash used in investing activities	**-1.666.485**	**-1.763.659**
Cash flows from financing activities		
Repayment of long-term loans	-148.296	-148.091
Drawings of short-term loans for working capital	31.356	2.174
Drawings of long-term loans	555.000	1.417.670
Payment of lease liabilities principal	-49.894	-51.107
Cash from connection fees and non-reimbursable grants	171.348	399.138
Interest paid	-176.475	-138.539
Dividends paid	-203.331	-66.080
Net cash used in financing activities	**179.709**	**1.415.166**
Net increase/(decrease) in cash and cash equivalents	**-224.806**	**353.442**
Cash and cash equivalents at the beginning of the year	**1.064.299**	**710.857**
Cash and cash equivalents at the end of the period	**839.493**	**1.064.299**

Table 28 - Consolidated cash flow statements in 2025 compared to 2024

The analysis of the cashflow in 2025 show a **decrease of liquid assets by lei 224.806 thousand** as compared to 2024.

The changes to the structure of the cash flow are:

- cash flow from operation is of lei 1.261.970 thousand, higher by lei 560.035 thousand than in 2024;
- cash flow from the investment activity is of lei -1.666.485 thousand, higher by lei 97.174 thousand than in 2024;
- cash flow used in the financing activity is of lei 179.709 thousand, lower by lei 1.235.457 thousand than in 2024.

5.4 Evaluation of the activity related to the financial risk management

Financial risk factors

By the nature of the activities performed, the company is exposed to various risks, which include: market risk (including currency risk, interest rate risk on fair value, interest rate risk on cash flow and price risk), credit risk and liquidity risk.
The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.
The Company does not use derivative financial instruments to protect itself from certain risk exposures.

Market risk

Currency risk

The Group is exposed to currency risk by exposures to various foreign currencies, especially to EUR. Currency risk is associated to assets and recognized liabilities.

The Group does not perform formal actions to minimize the currency risk related to its operations; so the Group does not apply hedge accounting.

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

31 December 2025	EUR	GBP	USD	MDL	RON	Total
	(RON)	(RON)	(RON)	(RON)	(RON)	(RON)
Financial assets						
Cash and cash equivalents (including restricted cash)	58.911	2.862	71.135	54.370.072	787.202.402	841.705.382
Short-term financial investments	-	-	-	143.278.777	-	143.278.777
Long-term financial investments	-	-	-	30.960.000	-	30.960.000
Receivable relating to the remaining undepreciated regulated value upon termination of the concession agreement	-	-	-	-	3.033.953.960	3.033.953.960
Other financial assets	25.493	-	-	-	-	25.493
Other receivables	-	-	-	-	51.447.658	51.447.658
Trade receivables	170.986.035	-	6.554.075	2.840.153	205.601.295	385.981.558
Total financial assets	**171.070.439**	**2.862**	**6.625.210**	**231.449.002**	**4.078.205.315**	**4.487.352.828**
Financial liabilities						
Trade payables	14.198.698	-	2.076.513	11.469.563	210.622.101	238.366.875
Other payables	-	-	-	244.361	282.226.571	282.470.932
Lease liabilities	-	-	-	107.919.302	23.559.019	131.478.321
Borrowings	1.092.535.784	-	-	157.921.637	3.020.782.098	4.271.239.519
Total financial liabilities	**1.106.734.482**	-	**2.076.513**	**277.554.863**	**3.537.189.789**	**4.923.555.647**
Net	**(935.664.043)**	**2.862**	**4.548.697**	**(46.105.861)**	**541.015.526**	**(436.202.819)**

31 December 2024	EUR	GBP	USD	MDL	RON	Total
	(RON)	(RON)	(RON)	(RON)	(RON)	(RON)
Financial assets						
Cash and cash equivalents	24.822.570	1.583	36.206	71.202.316	970.537.819	1.066.600.494
Receivable relating to the remaining undepreciated regulated value upon termination of the concession agreement					2.648.907.892	2.648.907.892
Other financial assets	24.870	-	-	-	-	24.870
Other receivables	-	-	-	258.069	51.131.536	51.389.605
Trade receivables	156.256.143	-	7.210.886	22.874.864	159.481.535	345.823.428
Total financial assets	**181.103.583**	**1.583**	**7.247.092**	**94.335.249**	**3.830.058.782**	**4.112.746.289**
Financial liabilities						
Trade payables	68.356.517	-	167.188	21.454.519	418.106.820	508.085.044
Other payables					215.300.460	215.300.460
Lease liabilities	-	-	-	142.143.642	20.881.905	163.025.547
Borrowings	1.106.990.865	-	-	170.457.778	2.497.535.646	3.774.984.289
Total financial liabilities	**1.175.347.382**	-	**167.188**	**334.055.939**	**3.151.824.831**	**4.661.395.340**
Net	**(994.243.799)**	**1.583**	**7.079.904**	**(239.720.690)**	**678.233.951**	**(548.649.051)**

As of 31 December 2025, the amount of lei 177.540.110 (31 December 2024: Lei 163.491.899) representing trade receivables and other receivables net is expressed in foreign currency, of which 4% in USD (31 December 2024: 4%) and 96% in EUR (31 December 2024: 96%).

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

	31 December 2025	31 December 2024
Impact on profit and loss and on equity of:		
USD appreciation by 8%	1.611.120	566.392
USD depreciation by 8%	(1.611.120)	(566.392)
EUR appreciation by 2%	(21.738.697)	(23.264.663)
EUR depreciation by 2%	21.738.697	23.264.663

Price risk

The group is exposed to commodity price risk for the gas purchased for its own consumption. If the gas price had been 5% higher/lower, the net profit related to the period would have been lower/higher by lei 3.520.457 (December 2024: 6.161.452 lei).

Interest rate risk on cash flow

The Group is exposed to interest rate risk by deposits with banks and loans with variable and fixed interest taken. 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 by 30 December 2025 through regulated income for natural gas transmission activities, and interest related to credit lines taken out to finance commercial balancing activities is recovered through the neutrality tariff.

The neutrality tariff ensures that the difference between the expenses and revenues recorded by the National Transmission System Operator as a result of activities carried out to fulfil its obligations regarding the balancing of the natural gas transmission network is allocated to network users.

For the average exposure of the period, if the interest rates had been by 50 basis points lower/higher, with all the other variables maintained constant, the profit related to the period and equity would have been higher/lower by lei 15.343.077 (December 2024: higher/lower by lei 10.863.638), as a net result of the change of interest rate for variable interest loans and interest rate for bank deposits.

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

Credit risk

Credit risk is especially related to cash and cash equivalents and trade receivables. The Group prepared a number of policies ensuring that products and services are sold to proper customers.

The accounting value of the receivables without the adjustments for loss allowance represents the maximum value exposed to credit risk.

The Group's credit risk related to trade receivables is concentrated on the five main customers, which together account for 49% of the trade receivable balances as at 31 December 2025 (31 December 2024: 42%). Although the collection of receivables can be influenced by economic factors, the management believes that there is no significant risk of loss exceeding the adjustments already made.

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

In order to cover credit risk the Company requests payment guarantees for natural gas transmission and commercial balancing contracts. On 31 December 2025 the Group has off-balance payment guarantees from clients amounting to lei 564.735.358 (2024: 614.828.887 RON) mainly in the form of bank guarantee letters and cash guarantee deposits.

The cash and deposits (long and short term) is placed in financial institutions which are considered to be associated with a minimum performance risk.

	31 December 2025	31 December 2024
Without rating	228.985.214	71.598.559
BBB-	592.677.651	890.375.218
BBB+	191.560.427	101.888.737
A+	133.591	134.273
AA-	233.939	157.385
	1.013.590.822	**1.064.154.172**

All financial institutions are presented to Fitch rating or equivalent.
The financial institutions based in the Republic of Moldova where the subsidiary's cash is held do not have a rating.

Liquidity risk

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

The Group forecasts cash flows. The financial structure of the Company continuously monitors the Company's liquidity requirement to make sure there is enough cash to meet the operational requirements, maintaining at the same time a sufficient level of unused borrowing facilities at any time, so that the Company does not break the limits or breach loan agreements (where applicable) for any of its credit facilities.

Such forecasts consider the Company's debt financing plans, compliance with agreements, compliance with internal objectives on the balance sheet indicators and, if appropriate, external regulations or provisions.

The Financial Division of the Group invests extra cash in interest bearing current accounts and term deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide the appropriate framework, established under the provisions mentioned above.
The table below shows the obligations as at 31 December 2025 in terms of remained contractual maturity. The amounts disclosed in the maturity table are contractual undiscounted cash flows.

The analysis of financial liabilities on 31 December 2025 in terms of maturity is as follows:

	Total amount	Less than 1 year	1-5 years	Over 5 years
Loans	5.505.718.409	601.681.662	2.565.572.526	2.338.464.221
Trade debts and other debts	238.366.873	238.366.873	-	-
Other liabilities	282.325.857	282.325.857		
Lease liabilities	148.770.972	50.504.755	94.118.296	4.147.921
	6.175.182.111	1.172.879.147	2.659.690.822	2.342.612.142

The analysis of financial liabilities on 31 December 2024:

	Total amount	Less than 1 year	1-5 years	Over 5 years
Loans	4.920.901.783	534.841.486	2.142.499.066	2.243.561.231
Trade debts and other debts	723.385.504	723.385.504	-	-
Other liabilities	215.300.460	215.300.460	-	-
Lease liabilities	187.376.694	42.254.606	145.122.088	-
	6.046.964.441	1.515.782.056	2.287.621.154	2.243.561.231

Trade and other debts comprise trade payables, suppliers of fixed assets, dividends payable and other debts which are not included: debt generated as a result of the legal provisions imposed by the authorities, debts to employees and deferred revenue.
ANRE Order no. 130/2020 regulates two types of guarantee deposits, namely the auction participation guarantee, established before the entry into capacity auctions and the financial payment guarantee, established after the auctions close, for the booked capacity products.

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

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

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

Capital risk management

The Group's objectives related to capital management refer to maintaining the Company's capacity to continue its activity in order to provide compensation to shareholders and benefits to the other stakeholders and maintain an optimal structure of the capital, as to reduce capital expenditure.

There are no capital requirements imposed from outside. Like the other companies in this sector, Transgaz monitors the capital based on the debt leverage. This factor is calculated as net debt divided by total capital.

The net debt is calculated as total borrowings (including `current and long-term borrowings`, as indicated in the statement of financial position), except cash and cash equivalent. The total capital is calculated as `equity`, according to the statement of financial position, plus the net debt.

The net leverage at 30 June 2025 and at 31 December 2025 is as follows:

	31 December 2025	31 December 2024
Total loans	4.271.239.519	3.774.984.289
Less: cash and cash equivalents	(841.705.382)	(1.064.299.187)
Net debt	3.429.534.137	2.710.685.102
Equity	5.062.096.573	4.389.551.942
Leverage	0,68	0,62

Fair value estimate

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

Financial instruments in the balance sheet include trade and other receivables, cash and cash equivalents, other financial assets, trade payables, and interest-bearing loans. The estimated values of these instruments approximate their carrying amounts. Carrying amounts represent the Company's maximum exposure to credit risk for existing receivables.

6. SEPARATE ECONOMIC AND FINANCIAL STATEMENT

6.1 Separate financial position

According to Article 1 of Order 881/25 June 2012 of the Ministry of Public Finance on the application of the International Financial Reporting Standards by companies having securities admitted to trading on a regulated market, starting with financial year 2012, the companies having securities admitted to trading on a regulated market are obliged to apply the

International Financial Reporting Standards (IFRS) upon preparation of the separate annual financial statements.

The statement of the financial position as at 31.12.2025 as compared to 31.12.2024 is as follows:

-thousand lei-

Indicator	31.12.2025	31.12.2024	Change (%)
0	1	2	3=1/2x100
Tangible assets	308.044	333.770	92%
Right-of-use assets	22.067	19.695	112%
Intangible assets	5.956.785	5.117.106	116%
Financial assets	182.164	177.644	103%
Trade and other receivables	3.033.954	2.648.908	115%
Deferred tax	70.457	82.718	85%
Restricted cash	2.212	2.302	96%
Non-current assets	**9.575.684**	**8.382.143**	**114%**
Inventories	494.036	508.219	97%
Trade receivables	378.042	322.973	117%
Other receivables	83.633	82.997	101%
Current tax to be recovered	0	17.148	0%
Cash and cash equivalents	784.336	993.072	79%
Current assets –TOTAL	**1.740.047**	**1.924.409**	**90%**
TOTAL ASSETS	**11.315.731**	**10.306.552**	**110%**
Current liabilities	1.382.092	1.471.506	94%
Non-current liabilities	5.087.659	4.556.229	112%
Total liabilities	**6.469.751**	**6.027.735**	**107%**
Equity	**4.845.980**	**4.278.817**	**113%**
Share capital	1.883.815	1.883.815	100%
Adjustments to share capital for hyperinflation	441.418	441.418	100%
Share premium	247.479	247.479	100%
Other reserves	1.265.797	1.265.797	100%
Retained earnings	1.007.471	440.308	229%
Total equity and liabilities	**11.315.731**	**10.306.552**	**110%**

Table 29 - Statement of separate financial position in 2025 compared to 2024

Tangible assets

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

***Tangible assets* decreased by lei 25.726 thousand** as compared to the value as at 31.12.2024, mainly due to the fact that the tangible assets entries did not exceed the depreciation cost for tangible assets.

Rights of use 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 assets increased by lei 2.372 thousand as compared to 31 December 2024 due to the fact that the initial value of the leased assets contracts was higher than the depreciation expense.

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 839.679 thousand as compared with the value as at 31.12.2024, this increase being mainly determined by the amount of expenditure on major investment projects under implementation that exceeded the cost of depreciation.

Financial assets
Financial assets increased compared to the amount recorded as at 31 December 2024 by lei 4.520 thousand, representing the acquisition of a 51% equity interest in Petrostar SA, whose main business activity consists of engineering and technical consultancy services related thereto. The equity interest in the share capital of EUROTRANSGAZ SRL Chișinău, the Republic of Moldova — established under EGMS Resolution no. 10/12 December 2017 of SNTGN

Transgaz SA — and the share capital of TRANSPORT ROMÂNIA HIDROGEN S.R.L., whose main activity is hydrogen transportation and whose sole shareholder is SNTGN Transgaz SA Bucharest, established under EGMS Resolution no. 5/5 June 2024 of SNTGN Transgaz SA, remained unchanged as at 31 December 2025.

Trade and other receivables/ Non-current assets

The receivables regarding the right to collect the regulated value remaining unamortized at the end of the concession agreement **on 31 December 2025 increased by the amount of lei 385.046 thousand**. The receivables are 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 385.046 thousand compared to the value at 31 December 2024 is mainly due to the updating of the receivables with the changes recorded in the regulated asset base and the adjustment of the regulated value of the assets with the inflation rate starting with 2019, as per ANRE Order 41/2019, as amended. Non-current assets recognised in the regulated asset base in a gas year are discounted with the rate of inflation from the following gas year.

Inventories

On 31 December 2025 inventories decreased by lei 14.183 thousand compared to the value as at 31 December 2024, due to the decreasing by lei 57.580 thousand of the stored gas procured to cover technological consumption and the balancing activity, the increasing by lei 1.466 thousand of the inventory of raw materials and other materials, increasing by lei 44.748 thousand in the inventory of materials in custody, and recording of an increase by lei 2.817 thousand in the allowance for inventory impairment.

Trade receivables

On 31 December 2025, the balance of the trade receivables **increased by lei 55.069 thousand** as compared to 31 December 2024, mainly due to the following factors:

- increase of the client receivables balance by lei 42.712 thousand;
- decrease of the provisions for the impairment of the trade receivables by lei 12.357 thousand.

Other receivables

On 31 December 2025, trade receivables and other receivables balance **increased by lei 636 thousand** compared to 31 December 2024, mainly due to the following:
increase of the balance of other receivables by lei 28.302 thousand;

- increase in provisions for impairment of other receivables by lei 1.378 thousand;
- decrease in receivables from the state budget by lei 29.044 thousand.

Cash at hand and in bank

On 31 December 2025 the company's cash decreased by lei 208.736 thousand as compared to the end of 2024. Cash in bank accounts in lei decreased by lei 198.931 thousand and cash in bank accounts in foreign currency decreased by lei 9.799 thousand. Other cash and cash equivalents decreased by 6 thousand compared to 2024.

Liabilities due within one year

In the structure of liabilities to be paid over a one-year period, the following changes were recorded compared to 31 December 2024:

- decrease of balance of trade payables and other liabilities by lei 260.229 thousand;
- increase in the balance of other liabilities by lei 98.972 thousand;
- decrease in contract liabilities by lei 16.642 thousand;
- increase in lease liabilities by lei 645 thousand;
- increase in provisions by lei 3.456 thousand mainly attributable to the provision for employee profit-sharing;
- recognition of current income tax payable in the amount of lei 1.298 thousand.
- increase in the current portion of the provision for employee benefits by lei 6.919 thousand;
- increase in short-term borrowings by lei 74.036 thousand;
- increase in the current portion of deferred income by lei 2.130 thousand.

Non-current liabilities

The evolution of the non-current liabilities is due to the following aspects:

- increase in long-term borrowings by lei 434.756 thousand;
- increase in deferred income and subsidies by lei 70.723 thousand;
- increase in the provision for employee benefits by lei 23.919 thousand;
- increase in lease liabilities related to right-of-use assets amounting to lei 2.033 thousand.

Equity

There was no change in the subscribed and paid-up capital. Retained earnings increased by lei 567.163 thousand, thousand, attributable to the recognition of profit for 2025 which exceeded the profit allocated for 2024.

6.2 Separate comprehensive income

The situation of the profit and loss account in 2025 compared to 2024:

Specification	Achieved (thousand lei)		Change (%)
	31.12.2025	31.12.2024	
1	2	3	4=2/3*100
TOTAL revenue of which:	**4.591.114**	**4.434.781**	**104%**
Operating revenue before the balancing and construction activity, according to IFRIC12	2.618.362	2.105.069	124%
Revenue from the balancing activity	359.936	248.967	145%

Specification	Achieved (thousand lei)		Change (%)
	31.12.2025	31.12.2024	
1	2	3	4=2/3*100
Revenue from the construction activity according to IFRIC12	1.263.636	1.876.822	67%
Interest income	342.602	199.089	172%
Financial income	6.578	4.834	136%
TOTAL expenses, of which:	**3.653.954**	**3.976.676**	**92%**
Operating expenses before the balancing an construction activity, according to IFRIC12	1.924.097	1.764.049	109%
Expenses from balancing activities	359.936	248.967	145%
Cost of constructed assets according to IFRIC12	1.263.636	1.876.822	67%
Financial expenses	106.285	86.838	122%
GROSS PROFIT, of which:	**937.160**	**458.105**	**205%**
Operating result	694.265	341.020	204%
Financial result	242.895	117.085	207%
INCOME TAX	149.004	66.075	226%
NET PROFIT	**788.157**	**392.030**	**201%**
Other comprehensive income items	**-17.541**	**-7.506**	**234%**
Total comprehensive income for the period	**770.616**	**384.524**	**200%**

Table 30- Separate profit and loss account in 2025 compared to 2024

Operating revenue

Operating revenue before the balancing and construction activity, according to IFRIC12, achieved in 2025 compared to 2024, is as follows:

No.	Specification	Achievements (thousand lei)		Change (%)
		2025	2024	
0	1	2	3	4=2/3*100
1.	**Revenue from the transmission activity**			
	- thousand lei	2.460.922	1.954.194	125,93
	- MWh	158.230.629	141.653.476	111,70
	- lei/MWh	15,55	13,80	112,74
2.	**Other operating revenue**			
	- mii lei	157.440	150.875	104,356
TOTAL OPERATING REVENUE before balancing and the construction activity according to IFRIC12		**2.618.362**	**2.105.069**	**124,38**

Table 31 - Operating revenue-Achievements 2025 compared to Achievements 2024

Operating expenses

Operating expenses incurred in 2025 compared to 2024:

No.	SPECIFICATION	(thousand lei)		Change (%)
		2025	2024	
0	1	2	3	4=2/3*100
1.	Depreciation	492.523	470.454	104,69
2.	Wages, salaries, other salary-related expenses and employee benefits	677.448	626.693	108,10
3.	Gas consumption within the NTS, materials and consumables used, of which:	116.885	146.810	79,62
	- Gas consumption within the transmission system	63.204	104.646	60,40
	quantity of gas consumed in the NTS (MWh)	418.195	696.420	60,05
	- Auxiliary materials	48.915	37.492	130,47
	- Other material expenses	4.766	4.672	102,03
4.	Royalty expenses	283.006	224.732	125,93
5.	Maintenance and transport expenses, of which	77.164	58.584	131,72
	- Works and services performed by third parties	55.748	39.977	139,45
6.	Taxes and other amounts payable to the state, of which:	121.128	89.534	135,29
	- License fee for gas transmission and international transit	10.296	8.667	118,80
	- Monopoly tax	79.028	67.951	116,30
7.	Expenses related to provisions	3.902	-47.556	X
8.	Loss/(gain) from impairment of receivables	16.804	-16.802	x
9.	Other operating expenses	135.236	211.600	63,91
TOTAL OPERATING EXPENSES before balancing and the construction activity according to IFRIC12		**1.924.097**	**1.764.049**	**109,07**

Table 32- Operating expenses achieved in 2025 compared to 2024

6.3 Separate cash flow statement

The cash flow statement on 31 December 2025 is as follows:

Indicator	Financial year ended 31 December	
	2025	2024
Profit before tax	**937.160**	**458.105**
Adjustments for:		
Depreciation	492.523	470.454
Gain/(loss) on disposal of non-current assets	152	182
Other provisions	3.456	-36.534
Provisions for employee benefits	715	8.227
Impairment adjustments for investments	0	2.059
Income from connection fees, non-reimbursable grants, and assets received free of charge	-105.421	-105.215

Indicator	Financial year ended 31 December	
	2025	2024
Loss on receivables and other debtors	30.538	25.267
Allowances for impairment of receivables	-13.735	-18.237
Write-downs of inventories	2.817	11.035
Interest income	-85.481	-71.391
Interest expense	60.552	72.155
Unwinding of discount on Concession Agreement Receivable	-257.121	-127.698
Effect of exchange rate fluctuations on items other than operating items	24.457	71
Effect of restatement of employee benefits provision	12.582	9.056
Other expenses and income	-209	-144
Operating profit before changes in working capital	1.102.987	697.390
Decrease in trade and other receivables	-32.578	-104.833
Decrease in inventories	11.366	64.856
Decrease/increase in trade and other payables	82.815	-27.851
Cash generated from operations	**1.164.590**	**629.563**
Income tax paid	-119.087	-35.637
Net cash generated from operating activities	**1.045.503**	**593.925**
Cash flows from investing activities		
Payments for the acquisition of fixed assets	-1.487.029	-1.754.554
Payments for the acquisition of tangible assets	-24.560	-21.681
Proceeds from disposal of tangible assets	0	110
Financial investments/shareholdings	-4.520	-25
Interest received	14.809	12.493
Net cash used in investing activities	**-1.501.300**	**-1.763.657**
Cash flows from financing activities		
Drawings of long-term loans	555.000	1.417.670
Repayment of long-term loans	-132.312	-132.316
Drawdowns/Repayments of working capital credit facility	31.356	2.174
Cash from connection fees and non-reimbursable grants	171.348	399.138
Lease payments (IFRS 16)	-6.416	-5.611
Interest paid	-168.584	-127.773
Dividends paid	-203.331	-66.080
Net cash used in financing activities	**247.061**	**1.487.203**
Net increase/(decrease) in cash and cash equivalents	**-208.736**	**317.471**
Cash and cash equivalents at the beginning of the year	993.072	675.601
Cash and cash equivalents at the end of the period	**784.336**	**993.072**

Table 33 - Separate cash flow statements in 2025 compared to 2024

The analysis of the cashflow as at 31 December 2025 show a decrease of liquid assets by lei 208,736 thousands compared to 31 December 2024.

The changes to the structure of the cash flow are:

- cash flow from operation is of lei 1.045.503 thousand, higher by lei 451.578 thousand than in 2024;
- cash flow from the investment activity is of lei -1.501.300 thousand, higher by lei 262.356 thousand than in 2024;
- cash flow used in the financing activity is of lei 247.061 thousand, lower by lei 1.240.142 thousand than in 2024.

On 31 December 2025, the balance of cash held in the company's bank accounts was 786.433 thousand, of which 0,93% was foreign currency - denominated cash, most of it in EUR.

6.4 Evaluation of the activity related to the financial risk management

Financial risk factors

By the nature of the activities performed, the company is exposed to various risks, which include: market risk (including currency risk, interest rate risk on fair value, interest rate risk on cash flow and price risk), credit risk and liquidity risk.

The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company. The Company does not use derivative financial instruments to protect itself from certain risk exposures.

Market risk

Currency risk

The Company is exposed to currency risk by exposures to various foreign currencies, especially to EUR. Currency risk is associated to assets and recognized liabilities.

The Company does not perform formal actions to minimize the currency risk related to its operations. The company does not apply hedge accounting.

31 December 2025	EUR	GBP	USD	RON	Total
	(RON)	(RON)	(RON)	(RON)	(RON)
Financial assets					
Cash and cash equivalents	58.911	2.862	71.134	786.414.598	786.547.505
Other financial assets	25.493	-	-	-	25.493
Receivable relating to the remaining undepreciated	-	-	-	3.033.953.960	3.033.953.960

31 December 2025	EUR	GBP	USD	RON	Total
	(RON)	(RON)	(RON)	(RON)	(RON)
regulated value upon termination of the concession agreement					
Other receivables				51.447.658	51.447.658
Trade receivables	170.986.035	-	6.554.075	200.476.337	378.016.447
Total financial assets	**171.070.439**	**2.862**	**6.625.209**	**4.072.292.553**	**4.249.991.063**
Financial liabilities					
Trade payables	14.198.700	-	2.076.513	210.126.569	226.401.782
Other payables	-	-	-	282.081.496	282.081.496
Lease liabilities	-	-	-	23.559.019	23.559.019
Borrowings	1.092.535.784	-	-	3.020.782.098	4.113.317.882
Total financial liabilities	**1.106.734.484**	**-**	**2.076.513**	**3.536.549.182**	**4.645.360.179**
Net	**(935.664.045)**	**2.862**	**4.548.696**	**535.743.371**	**(395.369.116)**

31 December 2024	EUR	GBP	USD	RON	Total
	(RON)	(RON)	(RON)	(RON)	(RON)
Financial assets					
Cash and cash equivalents	24.822.570	1.583	36.206	970.512.819	995.373.178
Other financial assets	24.870	-	-	-	24.870
Receivable relating to the remaining undepreciated regulated value upon termination of the concession agreement	-	-	-	2.648.907.892	2.648.907.892
Current tax recoverable	-	-	-	17.147.652	17.147.652
Other receivables	-	-	-	51.131.536	51.131.536
Trade receivables	156.256.142	-	7.210.886	159.481.536	322.948.564
Total financial assets	**181.103.582**	**1.583**	**7.247.092**	**3.847.181.435**	**4.035.533.692**
Financial liabilities					
Trade payables	68.356.517	-	167.188	418.106.821	486.630.526
Other payables	-	-	-	215.300.460	215.300.460
Lease liabilities	-	-	-	20.881.905	20.881.905
Borrowings	1.106.990.865	-	-	2.497.535.646	3.604.526.511
Total financial liabilities	**1.175.347.382**	**-**	**167.188**	**3.151.824.832**	**4.327.339.402**
Net	**(994.243.800)**	**1.583**	**7.079.904**	**695.356.603**	**(291.805.710)**

As of 31 December 2025, the amount of lei 177.591.095 (31 December 2024: Lei 163.516.769) representing trade receivables and other receivables net is expressed in foreign currency, of which 4% in USD (31 December 2024: 4%) and 96% in EUR (31 December 2024: 96%).

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

	31 December 2025	**31 December 2024**
Impact on profit and loss and on equity of:		
USD appreciation by 8%	363.896	566.392
USD depreciation by 8%	(363.896)	(566.392)
EUR appreciation by 2%	(18.712.771)	(19.884.379)
EUR depreciation by 2%	18.712.771	19.884.379

Price risk

The company is exposed to commodity price risk for the gas purchased for its own consumption. If the gas price had been 5% higher/lower, the net profit related to the period would have been lower/higher by lei 3.521.948 (December 2024: lei 6.161.452).

Interest rate risk on cash flow and fair value

The company is exposed interest rate risk by deposits with banks and loans with variable interest taken.

The regulatory framework governing the Company's activities ensures coverage of interest rate risk, interest expenses related to loans taken out to finance investment projects being recovered through regulated income for natural gas transmission activities, and interest related to credit lines taken out to finance commercial balancing activities is recovered through the neutrality tariff.

For the average exposure of the period, if the interest rates had been by 50 basis points lower/higher, with all the other variables maintained constant, the profit related to the period and equity would have been higher/lower by lei 14.614.252 (December 2024: higher/lower by lei 10.098.260 as a net result of the change of interest rate for variable interest loans and interest rate for bank deposits.

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

Credit risk

Credit risk is especially related to cash and cash equivalents and trade receivables. The Company prepared a number of policies ensuring that products and services are sold to proper customers.

The carrying amount of receivables, net of adjustments for loss allowance, represents the maximum value exposed to credit risk. The company's credit risk in respect of trade receivables is concentrated on the 5 main customers, which together account for 49% of the trade receivable balances as at 31 December 2025 (31 December 2024: 42%).

Although the collection of receivables can be influenced by economic factors, the management believes that there is no significant risk of loss exceeding the already made impairment adjustments.

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

To cover credit risk, the Company requires payment guarantees for natural gas transmission and commercial balancing contracts.

At 31 December 2025 the payment guarantees available to the company from clients amounting to lei 564.735.358 (at 31 December 2024: 614.828.887 lei).

Cash is placed with financial institutions, which are considered as associated to a minimum performance risk

(lei)

	31 December 2025	**31 December 2024**
Without rating	381.670	401.496
BBB-	592.592.869	890.375.218
BBB+	190.879.789	101.883.477
A+	133.591	134.273
AA-	233.939	157.385
Total	**784.221.858**	**992.951.849**

All financial institutions are presented to Fitch rating or equivalent.

Liquidity risk

Cautious liquidity risk management involves keeping enough cash and funds available by a proper value of committed credit facilities. The company forecasts the cash flows.

The financial structure of the Company continuously monitors the Company's liquidity requirement to make sure there is enough cash to meet the operational requirements, maintaining at the same time a sufficient level of unused borrowing facilities at any time, so that the Company does not break the limits or breach loan agreements (where applicable) for any of its credit facilities.

Such forecasts consider the Company's debt financing plans, compliance with agreements, compliance with internal objectives on the balance sheet indicators and, if appropriate, external regulations or provisions.

The Company's Finance Department invests the extra cash in current interest bearing accounts and term deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide the appropriate framework, established under the provisions mentioned above.

The table below shows the obligations as at 31 December 2025 in terms of remained contractual maturity. The amounts disclosed in the maturity table are contractual undiscounted cash flows.

The analysis of financial liabilities on 31 December 2025 in terms of maturity is as follows:

(lei)

	Total amount	Less than 1 year	1-5 years	Over 5 years
Borrowings	5.316.963.002	579.423.176	2.482.989.461	2.254.550.365
Trade payables	226.401.781	226.401.781	-	-
Other payables	282.081.496	282.081.496		
Lease liabilities	27.372.714	5.818.280	17.406.514	4.147.920
	5.852.818.993	**1.093.724.733**	**2.500.395.975**	**2.258.698.285**

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

(lei)

	Total amount	Less than 1 year	1-5 years	Over 5 years
Borrowings	4.703.903.245	510.840.913	2.053.719.820	2.139.342.512
Trade payables and other payables	486.630.525	486.630.525	-	-
Other liabilities	215.300.460	215.300.460	-	-
Lease liabilities	20.881.905	3.913.557	16.968.348	-
	5.426.716.135	**1.216.685.455**	**2.070.688.168**	**2.139.342.512**

Commercial and other debts comprise trade payables, suppliers of fixed assets, dividends payable and other debts which are not included: debt generated as a result of the legal provisions imposed by the authorities, debts to employees and deferred revenue.

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

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

Contract payment guarantees shall be established, in accordance with the provisions of the Framework Transmission Contract, after the capacity products have been booked and shall be increased or reduced according to the value of the contracted products.

They shall be returned 45 days after the termination of the contract by the due date, if the Network User ("NU") has honoured all payment obligations.

The category Trade and other receivables does not include the receivables related to employees and payables registered in advance are not included.

Capital risk management

The company's objectives related to capital management refer to maintaining the Company's capacity to continue its activity in order to provide compensation to shareholders and benefits to the other stakeholders and maintain an optimal structure of the capital, as to reduce capital expenditure.

There are no capital requirements imposed from outside. Like the other companies in this sector, Transgaz monitors the capital based on the debt leverage. This factor is calculated as net debt divided by total capital.

The net debt is calculated as total borrowings (including `current and long-term borrowings`, as indicated in the statement of financial position), except cash and cash equivalent. The total capital is calculated as `equity`, according to the statement of financial position.

The net leverage at 30 June 2025 and at 31 December 2024 is as follows:

(lei)

	31 December 2025	31 December 2024
Total loans (interest excluded)	4.065.509.140	3.584.911.807
Less: cash and cash equivalents	(786.547.505)	(995.373.172)
Net cash position	3.278.961.635	2.589.538.635
Equity	4.845.980.504	4.278.816.797
Leverage	0,68	0,61

Fair value estimate

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

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

7. CORPORATE GOVERNANCE

Corporate governance is a key element in improving the company's efficiency and economic growth, as well as increasing investor confidence. It provides the framework/context through which the company's objectives are set and the means by which these objectives are achieved. The existence of an effective system in this regard, both within the company and the economy at large, provides the confidence necessary for the proper functioning of the market economy. Sustainable corporate governance is a guarantee that the company provides value for its stakeholders over the long term. A priority for the boards of administration is to identify the company's relevant stakeholders, including customers, investors, regulators and suppliers, as well as local communities. It should also be considered that different stakeholder groups are not homogeneous, and a wide range of views and interests may exist within each stakeholder group. It also sets guidelines to help governing bodies clarify purpose and values, ensure that the strategy is aligned with this intent and that it generates value for all relevant stakeholders to strategically achieve the purpose in line with the values.

Responsibility at all levels is another principle of good governance, both the members of the administrative and executive management and those to whom management was delegated must enforce and supervise compliance with the legislation in force. The management of the company is responsible for the actions and omissions of the organisation, therefore the governing bodies must ensure that they define roles and responsibilities and have a functioning reporting and accountability system. As they move towards sustainable business strategies, companies need to ensure that non-financial indicators and targets are as important and meaningful as financial indicators, financial targets and financial reporting.

Non-financial reporting and financial reporting must be integrated so that when the company announces its annual results, they incorporate all types of values generated by the business.
Sustainability should be seen as an important part of setting strategy and objectives at company level, with a high level of focus on sustainability issues at both strategic and operational levels.

At SNTGN Transgaz SA level, the development of corporate governance is carried out taking into account its impact on economic performance, market integrity, as well as the context it creates for market participants and the proportion of transparent and efficient markets. Sustainability is an integral part of the company's purpose and strategy, environmental, social and governance (ESG) issues are embedded in the company's culture and taken into account in the decision-making process at every level as well as in the reports issued by the company.
Shareholders have the right to be informed and to participate in the decision-making on fundamental changes within the company, to consult with other shareholders on issues concerning their rights.

The members of the Board of Administration make decisions and act on the basis of complete information and in the interest of the company and its shareholders. At the same time, the Board operates with high ethical standards and integrity, taking into account the interests of shareholders, stakeholders, sustainability and sustainable development issues.

The Corporate Governance Rules of SNTGN TRANSGAZ SA were approved by the Ordinary General Meeting of the Shareholders on 2 March 2011, by GMS Resolution 1/2011 (Art. 4), and the latest updating of the document was approved in the Board of Administration meeting of 24.08.2023 according to the Code of Corporate Governance of the Bucharest Stock Exchange. The updated corporate governance reference document has a structure in line with corporate governance requirements and has **7 chapters**, as follows:

Chap.1 - **Corporate governance structures**: the administration system, the Board of Administration, advisory committees, Executive Management;
Chap.2 – **Board of Administration:** Role and obligations of the Board of Administration, Structure of the Board of Administration, Election of members of the Board of Administration, Remuneration of the members of the Board of Administration;
Chap.3 – **Shareholders' rights:** Shareholders' rights, shareholders' treatment;
Chap.4 - **Transparency and Reporting, Internal Audit and Risk Management** transparency and reporting, internal control, risk management;
Chap.5 – **Conflicts of interest and significant related party transactions:** SNTGN Transgaz SA Code of Ethics, conflict of interest; significant related party transactions;
Chap.6 – **Corporate information regime**
Chap.7 – **Sustainability**

7.1 CORPORATE GOVERNANCE STATEMENT

I. STATEMMENT ON COMPLIANCE WITH THE CODE

II. ELEMENTS OF THE CORPORATE GOVERNANCE STATEMENT

- Section A – Governing Bodies
- Section B - Risk Management and Internal Control Framework
- Section C – Performance, Motivation and Reward
- Section D – Reporting and Investor Relations
- Section E – Sustainability and Stakeholders

I. STATEMENT ON COMPLIANCE WITH THE CODE

SNTGN Transgaz SA as a company listed on BSE in the Premium category, voluntarily adopted the provisions of the Corporate Governance Code of the Bucharest Stock Exchange and had been reporting since 2010 total or partial compliance with its provisions by the *Statement of Compliance or Non-Compliance with the Code of Corporate Governance*, included in the annual Consolidated Administrators' Report.

In 2024, the Bucharest Stock Exchange and the European Bank for Reconstruction and Development worked together to revise the BSE Corporate Governance Code, aligning it with recent regulatory changes, current international standards and the priorities of market participants.

The purpose of the revised Code is to promote effective governance and accountability in companies whose shares are admitted to trading on the regulated market of the BSE and the underlying practices aim to achieve this through several means, namely by ensuring that the Board of Administration and management of the company have the necessary power and responsibilities, as well as the necessary skills, experience and objectivity to perform their functions for the effective development of the company's strategy and oversight of its implementation and by ensuring transparency about the way in which the company is organized and run.

The revised Code reflects changes to the legal framework and developments in corporate governance practice that have taken place since the publication of the previous edition in 2015 and sets out expected standards comparable with those in other EU and OECD member states.

The document is divided into five main sections, each of which addresses a different aspect of the Corporate Governance system, namely: section A - "Governing Bodies", section B - "Risk Management and Internal Control Framework", section C - "Performance, Motivation and Reward", section D - "Reporting and Investor Relations" and section E - "Sustainability and Stakeholders".

The Code applies the 'comply or explain' principle, providing the companies with flexibility in the adoption of governance practices. The alignment to the revised Code starts from 1 January 2025 and the annual report for 2025 represents the first reporting according to the new provisions.

In this context, the Comply of Explain Statement related to the BSE Corporate Governance Code was approved within the meeting of the Board of Administration held on 01.04.2026, under BoA Resolution no. 8, art. 4, in order for it to be included in the Consolidated Administrators' Report for 2025, as presented below.

Comply-or-Explain Statement (CES)

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
A: GOVERNING BODIES							
A: GOVERNING BODIES	**A.1. The Board should ensure the Company's long-term success and sustainability for the best interest of the Company and its shareholders and taking into account the interests of other stakeholders. The Board should clearly define**	A.1., 1	The Board should have an internal regulation that formalises and clearly states its roles and responsibilities. The articles of association, Board's internal regulation and other internal regulations should clearly delineate the	**X**			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
	and disclose the full scope of its roles and responsibilities.		roles and competencies among the Board, general meeting of shareholders (GMS) and executive management.				
A: GOVERNING BODIES	**A.1. The Board should ensure the Company's long-term success and sustainability for the best interest of the Company and its shareholders and taking into account the interests of other stakeholders. The Board should clearly define and disclose the full scope of its roles and responsibilities.**	A.1., 2	Board's internal regulation should include, among others, the Board's responsibilities as well as fiduciary duties of directors to act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company, its shareholders and taking into account the interests of other stakeholders in line with legal requirements.	**X**			
A: GOVERNING BODIES	**A.1. The Board should ensure the Company's long-term success and sustainability for the best interest of the Company and its shareholders and taking into account the interests of other stakeholders. The Board should clearly define and disclose the full scope of its roles and responsibilities.**	A.1., 3	To sustain the Company's long-term viability and success, the Board should: · Oversee the development and approve the Company's strategy and ensure that it also integrates sustainability aspects, including environmental and social (E&S) considerations and climate-related risks and opportunities; · Appoint and dismiss CEO and other executives to whom executive management responsibilities were delegated (called executive	**X**			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
			management) and ensure their succession planning; · Oversee the management performance, management role in addressing material sustainability risks and opportunities and align the remuneration of executive management with the long-term interests and sustainability of the Company, according to the provisions of the Company's remuneration policy; · Ensure there is a sound framework for internal controls and risk management; · Ensure that the Company has in place procedures to enable effective communication with shareholders and other stakeholders.				
A: GOVERNING BODIES	**A.1. The Board should ensure the Company's long-term success and sustainability for the best interest of the Company and its shareholders and taking into account the interests of other stakeholders. The Board should clearly define and disclose the full scope of its roles and responsibilities.**	A.1., 4	Duration of appointment of Board and executive management should be set clearly and should, to the extent possible, foster stability and predictability.	X			https://www.transgaz.ro/en/about-us/board-administration
A: GOVERNING BODIES	**A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge**	A.2., 1	The Board should have at least five members.	X			https://www.transgaz.ro/en/about-us/board-

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
	and independence to enable it to effectively perform its duties and responsibilities.						administration
A: GOVERNING BODIES	**A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.**	A.2., 2	The Board should have in place a policy on Board and executive management diversity and should ensure that diversity requirements in terms of gender, age, experiences and skills are incorporated in the Nomination Policy.	X			https://www.transgaz.ro/sites/default/files/users/user360/Diversity%20Policy%20of%20the%20BoA%20and%20of%20the%20executive%20management..pdf
A: GOVERNING BODIES	**A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.**	A.2., 3	The Board should develop a Board profile which specifies the desired characteristics and traits of its members including factors such as independence, diversity, integrity, specific skills and experience, industry knowledge, ability and willingness to devote adequate time and effort to Board responsibilities in the context of the needs of the Board and its committees and their exercise of the Board's strategic and oversight roles. The Board profile can be part of the Nomination Policy.	X			https://www.transgaz.ro/en/about-us/board-administration
A: GOVERNING BODIES	**A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively**	A.2., 4	The majority of the members of the Board should be non-executives. At least a third of the Board members should be independent. Each	X			https://www.transgaz.ro/en/about-us/board-administration

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
	perform its duties and responsibilities.		independent member of the Board should submit a declaration regarding his/her independence at the time of his/her nomination for election or re-election as well as when any change in his/her status arises, as per the criteria of independence defined in law and in Appendix A to the Code.				
A: GOVERNING BODIES	**A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.**	A.2., 5	The Nomination and Remuneration Committee (or the entire Board if there is no Nomination and Remuneration Committee) should assess whether the directors can be considered independent under the factors taken into account, by examining whether there are any business or other personal relationships that could materially affect the independence and objectivity of the director and his/her ability to act in the best interests of the Company, its shareholders and stakeholders.	**X**			
A: GOVERNING BODIES	**A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.**	A.2., 6	The positions of Chairperson and Chief Executive Officer (CEO) are recommended to be held by different individuals.	**X**			-

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
A: GOVERNING BODIES	**A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.**	A.2., 7	If the Chairperson and CEO functions are performed by the same person, it is recommended that the Board appoints an independent Vice-Chairperson.			X	Not applicable. The positions of Chair of the Board of Directors and Chief Executive Officer are held by different individuals.
A: GOVERNING BODIES	**A.3. The Board should ensure that a formal, rigorous and transparent procedure is put into place regarding the nomination of new members to the Board.**	A.3., 1	The Company should develop and disclose a board nomination policy ("Nomination Policy") that should define the processes and procedures for the nomination, election or replacement of a director. The Nomination Policy, approved by the competent governance body, shall describe how the Company receives and evaluates nominations from shareholders (including minority shareholders) or from members of the Board, including in relation to the board profile, independence and diversity.	X			https://www.transgaz.ro/sites/default/files/users/user360/Policy%20for%20the%20Nomination%20of%20the%20Members%20of%20the%20BoA.pdf
A: GOVERNING BODIES	**A.3. The Board should ensure that a formal, rigorous and transparent procedure is put into place regarding the nomination of new members to the Board.**	A.3., 2	The Board, through its Nomination and Remuneration Committee, if established, should monitor the nomination process of candidates for the position of Board member.	X			
A: GOVERNING BODIES	**A.3. The Board should ensure that a formal,**	A.3., 3	The Company should disclose to	X			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Parti al	No	Explanation (text and url link if document is on website)
	rigorous and transparent procedure is put into place regarding the nomination of new members to the Board.		shareholders information on the experiences and CV of the director candidates that they require to make an informed decision on the appointment or reappointment of the directors including the following: · candidates' professional commitments and engagements, including executive and non-executive positions in companies, public authorities, not-for-profit bodies or other organisations; · any existing or potential conflicts of interest including whether they have business, family or other relationships that could affect their performance as directors on the Board; · which shareholder or member of the Board proposed each candidate for the Board positions.				
A: GOVERNING BODIES	**A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.**	A.4.,1	The Board shall establish an Audit Committee to enhance its oversight capability over the financial reporting, internal control framework, internal and external audit processes, and compliance with applicable laws and regulations. Where a separate risk management committee is not	X			The responsibilities of the Audit Committee are set out in the Internal Regulations of the Advisory Committees , available at the following

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Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
			required by law or already established, the Audit Committee will also include oversight responsibilities for the efficiency of the risk management framework.				link: https://www.transgaz.ro/sites/default/files/users/user360/Regulament%20intern%20Comitete%20Consultative%20modificat%20mai%202025%20-Trad.%20eng.pdf
A: GOVERNING BODIES	**A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.**	A.4. 2	The Audit Committee is recommended to be composed of non-executive directors. The majority of the Committee members is recommended to be independent, including the Committee chairperson. The Audit Committee, as a whole, should have competencies relevant to the Company's area of operations. The Committee and its members should comply with the applicable national and European legislation.	**X**			The composition of the Advisory Committees is available at the following link: https://www.transgaz.ro/sites/default/files/users/user360/Componenta%20comitete%20consultative%20eng_0.pdf
A: GOVERNING BODIES	**A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.**	A.4.,3	The Boards of Premium Tier companies should set up a Nomination and Remuneration Committee formed of non-executive directors. The majority of the Committee members is recommended to be independent, including the Committee chairperson. The Board	**X**			The composition of the Advisory Committees is available at the following link: https://www.transgaz.ro/sites/default/files/users/

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
			may also establish a separate Nomination Committee and a separate Remuneration Committee if the Board composition accommodates it and if this is justified given the Company's size and complexity of its business and governance structures.				user360/Componenta%20comitete%20consultative%20eng_0.pdf
A: GOVERNING BODIES	**A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.**	A.4. 4	In addition to its specific responsibilities as provided under this Code, the Nomination and Remuneration Committee should: i. Review and recommend to the Board the size and composition of the Board and lead the development and ongoing review of the Board profile; ii. Identify individuals qualified to become Board members and members of the executive management, if requested; evaluate the candidates for executive management roles; evaluate the candidates proposed by the shareholders or by Board members for a director role and inform the GMS accordingly; iii. Make recommendations to the Board concerning committee appointments (other than the Nomination and Remuneration Committee);	X			The responsibilities of the Nomination and Remuneration Committee are set out in the Internal Regulations of the Advisory Committees, available at the following link: https://www.transgaz.ro/sites/default/files/users/user360/Regulament%20intern%20Comitete%20Consultative%20modificat%20mai%202025%20-Trad.%20eng.pdf

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
			iv. Coordinate an annual evaluation of the Board, directors and committees in line with provisions set out in Principle A.5.; v. Assist the Board in fulfilling its responsibilities related to the Company's remuneration policy; vi. Assist the Board in the development of the succession plans for executive management, as well as the emergency succession plans and CEO search process, as required; vii. Oversee the administration of the Company's compensation and benefits plans.				
A: GOVERNING BODIES	**A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.**	A.4.,5	The role and responsibilities of Board committees should be defined in separate internal regulation (operating regulations) and disclosed on the Company's website. If the Company chooses not to establish any of the Board committees not required by law, the corresponding tasks and responsibilities shall be done by the Board and should be adequately stated in the Board's internal regulation.	X			https://www.transgaz.ro/sites/default/files/users/user360/Regulament%20intern%20Comitete%20Consultative%20modificat%20mai%202025%20-Trad.%20eng.pdf

Section	Principle	Prov. No.	Provision (detailed)	Yes	Parti al	No	Explanation (text and url link if document is on website)
A: GOVERNING BODIES	**A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.**	A.4. 6	The evaluation of independence for the members of the committees, including when the members of the committees are appointed by the GMS, shall be carried out according to the same procedure applicable to the independent members of the Board.	**X**			
A: GOVERNING BODIES	**A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.**	A.4., 7	The chairpersons of the Audit Committee and Nomination and Remuneration Committee should not be the Chairperson of the Board or of any other committee, unless this is justified by the size of the Board.	**X**			The composition of the Advisory Committees is available at the following link: https://www.transgaz.ro/sites/default/files/users/user360/Componenta%20comitete%20consultative%20eng_0.pdf
A: GOVERNING BODIES	**A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.**	A.5., 1	The Board Chairperson is primarily responsible for ensuring that the Board functions properly. The Board's internal regulation should contain the role and responsibilities of the Board Chairperson and the Board Chairperson, at a minimum, should: • Determine the agenda of the Board meetings, chair such meetings and ensure that minutes are kept of such meetings; • Ensure the Board	**X**			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Parti al	No	Explanation (text and url link if document is on website)
			receives accurate, timely, useful, succinct information to enable the Board to make sound decisions; • Ensure the Board has sufficient time for consultation and decision-making; • Enable the Committees to function properly and that there is effective communication with Board committees, including actionable, insightful reports of committees back to the full Board; • Ensure the performance of the Board is evaluated and discussed at least once a year and disclosed as per provision D.1.3; • Ensure that the Board has proper working relationship with the executive management. The CEO and the Chairman of the Board (if positions are held by different individuals) shall meet regularly; • Address and manage internal disputes and conflicts of interest concerning Board members.				
A: GOVERNING BODIES	**A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to**	A.5., 2	The Board should meet as often as necessary but not less than six (6) times a year.	**X**			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
	effectively deliver their responsibilities.						
A: GOVERNING BODIES	**A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.**	A.5., 3	The Board can request to designate the Corporate Secretary who should assist the Board in complying with its obligations under law, Board internal regulation and other policies. The Corporate Secretary should be a senior officer in the Company tasked with assisting the Board and its committees in organising their activities, in preparing for the meetings, annual Board and committee performance evaluation and director training programs, if the case.	**X**			
A: GOVERNING BODIES	**A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.**	A.5., 4	The Board should clearly define the rights and responsibilities, scope of authority and other issues related to the Corporate Secretary.	**X**			
A: GOVERNING BODIES	**A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.**	A.5., 5	The Board and its committees should develop and approve an annual internal work plan identifying topics to address during the year before the end of the previous year. The plan should take into account decisions that need to be proposed to the GMS, reporting by	**X**			

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Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
			management and internal control functions, the required frequency of Board and Committee meetings, and should be reviewed by the Chairperson, assisted by the Corporate Secretary.				
A: GOVERNING BODIES	**A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.**	A.5., 6	The Board should conduct an annual evaluation of the composition, activity and dynamics of the Board and its committees, individually and as a whole, and which should be coordinated by the Nomination and the Remuneration Committee.	X			
A: GOVERNING BODIES	**A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.**	A.5., 7	The Nomination and Remuneration Committee should share the results of the Board evaluation with the whole Board and should then set follow up actions, if any, including professional development and training plans for the Board to fill gaps.	X			
A: GOVERNING BODIES	**A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.**	A.5., 8	The Board's internal regulation should require Company orientation (induction) programmes for newly appointed directors, ensured by internal staff of the Company. The Board's internal regulation can also include references for ongoing director education program, if needed. The	X			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
			implementation of any orientation and ongoing trainings programmes for directors (as per the Board decision) is made under the oversight of the Nomination and Remuneration Committee, with the support of the Corporate Secretary. Based on the results of the annual board evaluation, the Nomination and Remuneration Committee jointly with the Board Chairperson shall develop professional development programmes focusing on the areas where capacity should be built among Board members.				
A: GOVERNING BODIES	**A.6. Executive management is responsible for day-to-day management of the Company. The Board should ensure that the executive management is capable of effectively running the Company and that its composition, competence, roles and management incentives support the successful implementation of Company's strategy and plans.**	A.6., 1	Executive management should run the Company and be accountable to the Board. Division of responsibilities between the Board and the executive management and between different members of the executive management should be clearly articulated in the Company's by-laws and the internal regulations of the Company.	X			The Company's Articles of Association set out, in Chapter 20, the responsibilities of the Board of Directors, the Chief Executive Officer, and the executive directors, available at the following link: https://www

Section	Principle	Prov. No.	Provision (detailed)	Yes	Parti al	No	Explanation (text and url link if document is on website)
							.transgaz.ro/sites/default/files/users/user360/ACTUL%20CONSTITUTIV%20actualizat%20in%20ian%202026%20-%20DTIC-EN_0.pdf
A: GOVERNING BODIES	**A.6. Executive management is responsible for day-to-day management of the Company. The Board should ensure that the executive management is capable of effectively running the Company and that its composition, competence, roles and management incentives support the successful implementation of Company's strategy and plans.**	A.6., 2	When Board Chairperson and CEO roles are exercised by one individual, the different responsibilities of the Board Chairperson and CEO should be clearly defined and distinguished in the Company by-laws.			X	Not applicable. The roles of Chair of the Board and Chief Executive Officer are not performed by the same individual.
A: GOVERNING BODIES	**A.6. Executive management is responsible for day-to-day management of the Company. The Board should ensure that the executive management is capable of effectively running the Company and that its composition, competence, roles and management incentives support the successful implementation of Company's strategy and plans.**	A.6., 3	The Board should ensure that the executive management is comprised of persons with adequate knowledge, skills, diversity and experience to support successful Company performance and that there are measures in place to provide for the orderly succession of executive management.	X			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
A: GOVERNING BODIES	**A.6. Executive management is responsible for day-to-day management of the Company. The Board should ensure that the executive management is capable of effectively running the Company and that its composition, competence, roles and management incentives support the successful implementation of Company's strategy and plans.**	A.6., 4	The Board, with the support of the Nomination and Remuneration Committee, should annually evaluate executive management's performance, the effectiveness of its cooperation with the Board, including the information provided to the Board.	X			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK							
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.**	B.1., 1	The Board determines the nature and extent of the risks the Company is willing to take necessary for the achievement of Company's strategic objectives (i.e., the Company's risk appetite) and should ensure there are clear structures, policies and procedures in place that identify, evaluate, report, manage and monitor significant and emerging risks, including risks related to sustainability, cybersecurity and the use of digital technologies. The Board should explain in the annual report the mechanisms and processes in place to identify and manage risks.	X			
B: RISK MANAGEMENT AND INTERNAL	**B.1. The Company should have an adequate and effective**	B.1., 2	The Board should adopt a formal risk management policy, to	X			https://www.transgaz.ro/en/about-

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
CONTROL FRAMEWORK	**internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.**		ensure accurate, complete and timely identification, measurement and reporting of risks, adequate and feasible risk control measures as well as integration of an E&S risks into the risk management framework in support of the Company's strategy implementation.				us/risk-management
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.**	B.1., 3	The Board and Audit Committee should understand emerging information technology and artificial intelligence-related changes so to mitigate cybersecurity risks. Time should be given to the AI risks and opportunities and cybersecurity on Board agenda to ensure understanding of cyber protection.	**X**			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.**	B.1., 4	The Company is recommended to establish a risk management function responsible for ensuring accurate, complete and timely identification of the risks, ensuring that adequate and feasible risk control measures are in place and monitoring the risk management procedures. The risk management function, through the Chief Risk Officer (CRO), where present, should have a	**X**			The relevant information is provided in the document "Risk Management Analysis at the Level of SNTGN Transgaz SA – 2026," available at the following link: https://www.transgaz.ro/sites/default

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
			direct communication and functional reporting to the Board and Audit Committee (if there is no separate Risk Committee).				/files/Downloads/2026%20-%20Analysis%20of%20SNTGN%20TRANSGAZ%20SA%20Risk%20Management.pdf
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.**	B.1., 5	The Board with the assistance from the Audit Committee should at least annually assess the adequacy and effectiveness of Company's risk management and internal control framework (including operational and compliance controls) and make relevant recommendations. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and compliance, internal control reports, if they are required by applicable legislation, to the Audit Committee, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and submission of relevant reports to the Board.	X			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.**	B.1., 6	The Company should develop and make available on a free of charge basis on the Company's website a whistle-blowing mechanism which would enable employees and stakeholders to make reports about suspected breaches or wrongdoings as per the applicable legislation in place.	X			The mechanism for the reporting of violations of the law by whistleblowers in the public interest can be found at the following link: https://www.transgaz.ro/sites/default/files/users/user360/mecanismul%20de%20raportare%20pentru%20avertizorii%20in%20interes%20public%20EN.pdf
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.2. The Audit Committee should assist the Board with ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework and maintaining an appropriate relationship with the Company's external auditors.**	B.2., 1	In addition to its responsibilities mentioned in legislation and elsewhere in the Code, the Audit Committee should: · Review the Company's internal controls and risk management frameworks; · Oversee the development and application of the Company's policies on conflicts of interests and related party transactions; · Ensure independence and review the effectiveness of the Company's internal audit function and	X			The responsibilities of the Audit Committee are outlined in the Internal Regulations of the Advisory Committees, available at the following link: https://www.transgaz.ro/sites/default/files/users/user360/Regulament%20intern%2

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
			make a recommendation to the Board; · Oversee the internal audit function; · Oversee the preparation of sustainability-related reports and information included in them, unless this task is assigned to another committee; · Oversee the framework for ensuring the Company's compliance with applicable legal and regulatory requirements and internal regulations of the Company (like the procedures for reporting breaches of the law or the Company's Code of Conduct), unless this task is assigned to another committee.				0Comitete%20Consultative%20modificat%20mai%202025%20-Trad.%20eng.pdf
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.2. The Audit Committee should assist the Board with ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework and maintaining an appropriate relationship with the Company's external auditors.**	B.2., 2	Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by regular (at least annual) or ad-hoc reports to the Board.	**X**			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.2. The Audit Committee should assist the Board with ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework and maintaining an appropriate relationship with the Company's external auditors.**	B.2., 3	The Audit Committee should monitor the independence and objectivity of the external auditor. The Committee should approve a policy on the provision of permitted non-audit services by the external auditor in line with legal requirements and enforce implementation of that policy. Committee's findings regarding the independence of the external auditor should be disclosed in the annual report.	X			https://www.transgaz.ro/sites/default/files/users/user360/Policy%20on%20the%20provision%20of%20non-audit%20services%20permitted%20by%20the%20external%20auditor_0.pdf
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.2. The Audit Committee should assist the Board with ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework and maintaining an appropriate relationship with the Company's external auditors.**	B.2., 4	The Audit Committee should discuss the annual audit work plan with the external auditor covering the scope and materiality of the activities to be audited. The audit committee should meet the external auditor as needed to discuss issues identified and to monitor the quality of the services provided.	X			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.3. The Board should ensure the independence of the internal audit function. Company's internal audit function should provide independent and objective assurance on the effectiveness of risk management framework and internal control framework.**	B.3., 1	The Board should ensure that the internal audit has the authority, resources and procedures adequate to assist the Board in ensuring effectiveness and efficiency of the Company's risk management and internal control framework.	X			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.3. The Board should ensure the independence of the internal audit function. Company's internal audit function should provide independent and objective assurance on the effectiveness of risk management framework and internal control framework.**	B.3., 2	To ensure fulfilment of the core functions of the internal audit function, the head of the function should be appointed by and report functionally directly to the Board via the Audit Committee, who shall be tasked with approving his/her appointment and dismissal. This is without prejudice to administrative reporting to the CEO and sharing information with the Company's executive management, in line with legal requirements and professional standards.	X			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.3. The Board should ensure the independence of the internal audit function. Company's internal audit function should provide independent and objective assurance on the effectiveness of risk management framework and internal control framework.**	B.3., 3	The internal audit function should be established in line with applicable legal requirements and industry standards (e.g., Institute of Internal Auditors). The internal audit authority, composition, remuneration, annual budget, working procedures and other relevant matters shall be regulated in separate internal audit's internal regulation approved by the Board, following the recommendation of the Audit Committee.	X			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.3. The Board should ensure the independence of the internal audit function. Company's internal audit function should provide independent and objective assurance on the effectiveness of risk management framework and internal control framework.**	B.3., 4	The Audit Committee should agree an annual internal audit work plan with the internal auditor, receive internal audit reports, updates on key audit issues, monitor implementation of recommendations of the internal audit and provide necessary guidance.	X			
C: PERFORMANCE, MOTIVATION AND REWARD							
C: PERFORMANCE, MOTIVATION AND REWARD	**C.1. Members of the Board shall receive remuneration corresponding to the volume and weight of powers and their responsibilities, rather than the performance of management or the Company. The structure and amount of director's remuneration should enable the Company to attract, retain and motivate the competent and qualified directors.**	C.1., 1	Board members should receive remuneration, as per the Remuneration Policy of the Company. Members who also serve on Board committees should receive additional remuneration for this work. But in no circumstances should the remuneration be linked to the number of board or committee meetings.		X		The members of the Board of Directors of SNTGN Transgaz SA do not receive additional remuneration for their participation in the advisory committees established at the Board level. The remuneration of the Board members is determined in accordance with the Remuneration Policy and criteria for the Directors, General Manager, and Chief Financial

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
							Officer of SNTGN Transgaz, available at the following link: https://www.transgaz.ro/en/guvernanta-corporativa/documents-for-corporate-governance
C: PERFORMANCE, MOTIVATION AND REWARD	**C.2. The Board shall ensure there is a formal and transparent policy and procedure for determining the remuneration of executive management that aligns with the long-term interests of the Company and the Company's strategy. This policy shall be presented, subject for approval, to the GMS in line with legal requirements.**	C.2., 1	The Board should determine the annual remuneration of the executive management, based on the recommendations of the Nomination and Remuneration Committee and in accordance with the Company's remuneration policy. The remuneration policy should be prepared in accordance with the relevant legal requirements.	X			https://www.transgaz.ro/sites/default/files/users/user360/Remuneration%20Policy%20and%20Criteria%20for%20Administrators%2C%20DG%20and%20CFO.pdf
C: PERFORMANCE, MOTIVATION AND REWARD	**C.2. The Board shall ensure there is a formal and transparent policy and procedure for determining the remuneration of executive management that aligns with the long-term interests of the Company and the Company's strategy. This policy shall be presented, subject for approval, to the GMS in**	C.2., 2	Levels of remuneration for executive management members and key performance indicators taken into account when determining variable (performance-based) part of the remuneration should be set in advance and be measurable and appropriate in relation to the agreed strategy and risk appetite, the	X			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
	line with legal requirements.		economic environment within which the Company operates, and the pay and conditions of employees within the Company. In particular, they should include indicators related to non-financial performance and appropriate sustainability objectives.				
C: PERFORMANCE, MOTIVATION AND REWARD	**C.2. The Board shall ensure there is a formal and transparent policy and procedure for determining the remuneration of executive management that aligns with the long-term interests of the Company and the Company's strategy. This policy shall be presented, subject for approval, to the GMS in line with legal requirements.**	C.2., 3	Company's shares and/or share purchase options should represent a significant part (e.g., not less than 10%) of the executive management member's total variable remuneration.			X	In accordance with the provisions of EGO No. 109/2011 on the corporate governance of public enterprises and Government Decision No. 639/2023 for the approval of the Methodological Norms for the implementation of Emergency Ordinance No. 109/2011, the variable component of remuneration is based exclusively on the achievemen

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
							t of key performance indicators approved by the Company's shareholders, as annexed to the mandate contract. The Remuneration Policy and criteria for the Directors, General Manager, and Chief Financial Officer of SNTGN TRANSGAZ S.A. do not provide for the possibility of granting any portion of the executive management's variable remuneration in the form of shares and/or purchase options.
D: DISCLOSURE AND INVESTOR RELATIONS							
D: DISCLOSURE AND INVESTOR RELATIONS	**D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and**	D.1., 1	The Company should make sure to provide accurate, complete and timely financial and operational information, including	X			https://www.transgaz.ro/en/investitori/raportari_financiare

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
	establish adequate systems for financial and sustainability reporting.		quarterly, half-yearly and annual reports, as well as current reports. Companies should ensure all relevant information is easily accessible to investors, including through the Company website and other public information sources, as the case may be.				
D: DISCLOSURE AND INVESTOR RELATIONS	**D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.**	D.1., 2	The Company is recommended to have an Investor Relations (IR) function and should appoint a dedicated person in charge of IR function. The contact details of the person or persons charged of the IR function shall be available on the Company's website. The IR function will report directly to the CEO/CFO, underscoring its significance within the Company's hierarchy and emphasizing its central role in managing and communicating the Company's capital market engagements and status. The Company should organise induction and regular training/courses, if needed, for the IR function, tailored to its specific needs and responsibilities.	X			https://www.transgaz.ro/en/investors/contact

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
D: DISCLOSURE AND INVESTOR RELATIONS	**D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.**	D.1., 3	The Company should include on its corporate website a dedicated Investor Relations section, with all relevant information of interest for investors, available both in Romanian and English.	X			
D: DISCLOSURE AND INVESTOR RELATIONS	**D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.**	D.1., 3	The company should include on its Investor Relations section: • Main corporate regulations: updated articles of association, GMS procedures, board's internal regulation and board committees' internal regulations.	X			
D: DISCLOSURE AND INVESTOR RELATIONS	**D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.**	D.1., 3	The company should include on its Investor Relations section: • List of current members of the Board, Board's Committees and executive management, providing an up-to-date information on independence status , professional CVs (containing at least: name, surname, gender, nationality, age; work experience by year, position and Company; studies, field of study and academic or professional institution granting the diploma), other professional commitments, including executive and non-executive Board positions in companies, not-for-profit institutions and	X			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
			state institutions; relationship with shareholders holding at least 5% of the voting rights/shares issued by the Company; the duration of the appointment of the members of the Board, the Committees and the executive management, specifying the date from which they were appointed.				
D: DISCLOSURE AND INVESTOR RELATIONS	**D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.**	D.1., 3	The company should include on its Investor Relations section: • Current reports and periodic reports (quarterly, semi-annual and annual reports).	X			https://www.transgaz.ro/en/investitori/raportari financiare
D: DISCLOSURE AND INVESTOR RELATIONS	**D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.**	D.1., 3	The company should include on its Investor Relations section: • Information related to GMS: the agenda, supporting materials and the decisions taken; procedure for running the GMS; the Nomination Policy; candidates' professional CVs (containing at least: name, surname, gender, nationality, age; work experience by year, position and Company; studies, field of study and academic or professional institution granting the diploma), as well as any other information presented at A.3.3;	X			https://www.transgaz.ro/en/investitori/hotarari-si-materiale-agoa

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
			communication channel(s) for shareholders to address questions; answers to shareholders' questions related to the agenda; declarations of independence for board candidates and evaluations made by Nomination and Remuneration Committee/Board for candidates, including their compliance with independence criteria.				
D: DISCLOSURE AND INVESTOR RELATIONS	**D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.**	D.1., 3	The company should include on its Investor Relations section: • Information on Board evaluation, made as per Provision A.5.7, including evaluation criteria and process, as well as a summary result of the evaluation and actions that have been or will be undertaken as a result of the evaluation.	X			
D: DISCLOSURE AND INVESTOR RELATIONS	**D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.**	D.1., 3	The company should include on its Investor Relations section: • Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be	X			https://www.transgaz.ro/en/investitori/dividende

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
			published within a timeframe that enables investors to make investment decisions.				
D: DISCLOSURE AND INVESTOR RELATIONS	**D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.**	D.1., 3	The company should include on its Investor Relations section: • Corporate policies, among which code of conduct, dividend policy, remuneration policy, forecast policy, policy for communication with investors, the corporate social responsibility (CSR)/sponsorship policy, policy for related parties' transactions, policy for diversity, equity and inclusion, and whistleblowing policy (if not already part of the Code of Conduct).	**X**			The corporate policies are available on the Transgaz website at the following link: https://www.transgaz.ro/en/guvernanta-corporativa/documents-for-corporate-governance
D: DISCLOSURE AND INVESTOR RELATIONS	**D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.**	D.1., 4	The Company should organise at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the Company website at the time of the meetings/conference calls.	**X**			The Company organizes four meetings/conference calls with analysts on the occasion of presenting the preliminary annual, quarterly, and semi-annual financial statements and publishes the related materials,

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
							available at the following link: https://www.transgaz.ro/en/investitori/raportari_financiare?field_data_value%5Bmin%5D=&field_data_value%5Bmax%5D=&field_tip_raportare_target_id=All
D: DISCLOSURE AND INVESTOR RELATIONS	**D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.**	D.1., 5	The Company should disclose the material and reportable non-financial and sustainability issues with emphasis on the disclosure of environmental, social and governance (ESG) issues of its business and operations in line with the recognized standard of sustainability reporting. The Company's sustainability statements shall be disclosed on its website.	X			https://www.transgaz.ro/en/sustainability/sustainability-report
D: DISCLOSURE AND INVESTOR RELATIONS	**D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.**	D.1., 6	The Company should have a CSR/sponsorship policy to guide the activity in the area of supporting CSR activities and sponsorship.	X			https://www.transgaz.ro/sites/default/files/users/user360/Politica%20de%20acordare%20a%20sponsoriz%C4%83rilor%20la%20niv

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
							elul%20SNTGN%20Transgaz%20SA%20pe%20anul%202026%20.eng .pdf
D: DISCLOSURE AND INVESTOR RELATIONS	**D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.**	D.2., 1	The Company should have a dividend policy as a set of directions the Company intends to follow regarding the distribution of net profit.	**X**			https://www.transgaz.ro/sites/default/files/users/user360/Dividend%20policy%2028.01.2026.pdf
D: DISCLOSURE AND INVESTOR RELATIONS	**D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.**	D.2., 2	The procedure for running the GMS should not restrict the participation of shareholders in GMS and the exercise of their rights. Amendments of the procedure for running the GMS should take effect, at the earliest, as of the next GMS.	**X**			
D: DISCLOSURE AND INVESTOR RELATIONS	**D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.**	D.2., 3	The external auditors should attend the shareholders' meetings where their reports are presented, in order to respond to shareholders' questions.	**X**			
D: DISCLOSURE AND INVESTOR RELATIONS	**D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.**	D.2., 4	The Board should present to the annual GMS a summary of the assessment of the adequacy and effectiveness of the risk management and internal control framework, as per the related information	**X**			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Parti al	No	Explanation (text and url link if document is on website)
			included in the annual report.				
D: DISCLOSURE AND INVESTOR RELATIONS	**D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.**	D.2., 5	The Company should stimulate engagement with shareholders and investors by: • Encouraging active shareholder participation in GMS, like ensuring conditions for virtual participation. • Holding regular briefings and updates for investors, especially during significant corporate events. • Establishing channels for shareholders to provide feedback and ask questions, ensuring responses are timely and comprehensive.		X		The Company currently does not provide the option for shareholders to participate virtually in the General Shareholders' Meetings (GSM). Possibilities for enabling virtual participation of shareholders in the GSM will be analysed. Transgaz organizes meetings/conference calls to present the Company's financial results, which are available on the Company's website in the Investor Relations/Financial Reporting section. For correspondence, the address relatii.investitori@transg

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
							az.ro can be used. Additionally, shareholders/investors can subscribe on the Company's website to receive notifications regarding Transgaz communications, available at the following link: https://www.transgaz.ro/en/investors/contact
D: DISCLOSURE AND INVESTOR RELATIONS	**D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.**	D.2., 6	Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairperson of the Board. Accredited journalists may also participate in the GMS, unless the Chairperson decides otherwise.	**X**			
E: SUSTAINABILITY AND STAKEHOLDERS							
E: SUSTAINABILITY AND STAKEHOLDERS	**E.1. The Company should integrate sustainability aspects in its strategy and mitigate any material negative environmental and social impacts of its operations, to the possible extent.**	E.1., 1	The Board should ensure that sustainability, environmental and social considerations are integrated in the Company's strategy and operations, risk management and remuneration practices	**X**			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
			and shall oversee this integration. A specialised sustainability committee or one of the standing committees of the Board shall assist the Board with these tasks.				
E: SUSTAINABILITY AND STAKEHOLDERS	**E.1. The Company should integrate sustainability aspects in its strategy and mitigate any material negative environmental and social impacts of its operations, to the possible extent.**	E.1., 2	The Board should ensure that Company's operations run according to the national and international E&S standards and Company's E&S policies are consistent with its long-term objectives. In particular, the Company shall have internal acts relating to its responsibilities for environmental and social issues and policies and procedures that enable it to identify material factors and assess the impact on the Company's activities.	X			
E: SUSTAINABILITY AND STAKEHOLDERS	**E.1. The Company should integrate sustainability aspects in its strategy and mitigate any material negative environmental and social impacts of its operations, to the possible extent.**	E.1., 3	Whenever a decision to be approved by the Board has potential material and negative E&S impact, the Board should receive from the executive management (i) an analysis on how this decision is aligned with the Company's sustainability objectives and E&S policies or (ii) proposal of the measures to mitigate negative E&S impacts.	X			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
E: SUSTAINABILITY AND STAKEHOLDERS	**E.2. The Company should have in place a process for identifying the stakeholders affected by Company's operations. The Board should take into consideration stakeholders' interests and ensure there is active communication between the Company and its stakeholders.**	E.2., 1	The Board should ensure that there is a formal stakeholder identification process for Company's stakeholders including investors, creditors, clients, employees and suppliers, as well as targeted approaches for engaging with its priority stakeholders.	X			
E: SUSTAINABILITY AND STAKEHOLDERS	**E.3. The Board should adopt a Code of Conduct with adequate scope including guiding principles which reflect the Company's commitment to ethics, integrity and quality of performance.**	E.3., 1	The Board should develop a purpose statement and a vision statement as well as articulate Company's values, so the entire organisation understands the Company's strategic direction.	X			
E: SUSTAINABILITY AND STAKEHOLDERS	**E.3. The Board should adopt a Code of Conduct with adequate scope including guiding principles which reflect the Company's commitment to ethics, integrity and quality of performance.**	E.3., 2	The Board should adopt a Code of Conduct for Board members, executive management and Company employees, with clear provisions aimed at preventing and sanctioning fraud and bribery. The Board should not permit any waiver of any ethics requirement by any director, executive manager or employee.	X			https://www.transgaz.ro/sites/default/files/users/user360/Code%20of%20Ethics%20of%20%20SNTGN%20TRANSGAZ%20S.A.%202025.pdf
E: SUSTAINABILITY AND STAKEHOLDERS	**E.3. The Board should adopt a Code of Conduct with adequate scope including guiding principles which reflect the Company's commitment to ethics, integrity and quality of performance.**	E.3., 3	The Board should ensure that the Code of Conduct policies are integrated into Company's practices and incorporated into the onboarding process for new hires. The Board should ensure the efficient implementation and	X			

Section	Principle	Prov. No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)
			monitoring of compliance with the Code of Conduct and periodically review it.				

II. ELEMENTS OF THE CORPORATE GOVERNANCE STATEMENT

Section A – Governing bodies

Management System

Transgaz has a unitary management system and is managed by a Board of Administration. It has the general competence to take out all necessary actions in order to successfully carry out the activity of the company, except for the issues that are within the competence of the General Meeting of the Shareholders according to the provisions of the Articles of Incorporation updated on 03.06.2025, or of the applicable laws.

The management of Transgaz is provided by a Board of Administration formed mostly by non-executive and independent administrators within the meaning of Art. 138^2 of the Law no. 31/1990 on companies, republished, as amended.

The Board of Administration is composed of 5 members that guarantee the efficiency of the supervisory, analysing and evaluating capacity of the company as well as the fair treatment of the shareholders.

Members of the Board of Administration are elected by the General Meeting of Shareholders for a four-year term. Depending on the extent to which they have fulfilled their duties, the administrators' mandates may be renewed or revoked, the decision being taken by the ordinary general meeting.

The Members of the Board of Administration may be shareholders. The Transgaz Board of Administration is chaired by a Chairman appointed by the Board of Administration, from among its, which ensures the optimal functioning of the company's bodies. Members of the Board of Administration will participate in all the General Meetings of the Shareholders and will exercise their mandate in good faith and knowledge for the interest of the Company with prudence, without disclosing the confidential information and trade secrets of the Company during the term of office and after its termination.
The Articles of Incorporation of Transgaz, updated on 03.06.2025 and approved by the Board of Administration by Resolution 16/03.06.2025, regulates the duties, responsibilities and powers of the Board of Administration as well as the obligations of the company's administrators.

The Board of Administration operates in accordance with its own regulations and legal regulations in force. Following the amending GEO 109/2011, on the corporate governance of public companies, a number of changes were made regarding the organization, composition, as well as the powers of the Board of Administration and advisory committees, which required the amendment of the ROF of the Board of Administration, its approval by Art. 2 of the OGMS Resolution8/25.09.2024.

The structure of Transgaz' Board of Administration ensures a balance between executive and non-executive members, so that no individual or small group of individuals can dominate the Board's decision-making process. it will remain a collective responsibility of the Board of Administration, which will be held jointly and severally liable for all decisions taken in the exercise of its powers.
The resignation of independent administrators from their mandate will be accompanied by a detailed statement of the reasons for such resignation.

The members of the Board of Administration will continuously improve their skills and knowledge regarding the company's activity, as well as regarding best corporate governance practices for fulfilling their role.

Members of the Board of Administration of SNTGN Transgaz SA

By OGMS Resolution No. 6 of 29 April 2025, the following persons were appointed as Administrators of SNTGN Transgaz SA for a period of 4 years, from 30.04.2025 to 29.04.2029: by OGMS Resolution No. 12 of 7 May 2025, Mr. Nicolae Minea, administrator, was appointed Chairman of the Board of Directors for a period of 6 months, namely until 6 November 2025.

Subsequently, based on the provisions of Article 23 of the Board of Administration Resolution No. 27/28.10.2025, Mr. Nicolae Minea, administrator, was appointed Chairman of the Board of Administration for a term of 12 months, starting with 07.11.2025 until 06.11.2026.
The CVs of the members of the Board of Administration of SNTGN Transgaz SA are available on the company's website at: https://www.Transgaz.ro/ro/despre-noi/consiliul-de-administratie

The composition of the company's Board of Administration is as follows:

- **Ion Sterian,** Executive Administrator (term of office: 4 years, from 30.04.2025 to 29.04.2029, selection procedure); Director General (term of office: 4 years, until 26.07.2025, selection procedure);
- **Nicolae Minea,** Non-executive, independent administrator (term of office: 4 years, from 30.04.2025 to 29.04.2029, selection procedure) - Chairman of the Board of Administration (for a term of 6 months, from 07.05.2025 to 06.11.2025, followed by an appointment for a term of 12 months, from 07.11.2025 to 06.11.2026) - Non-executive administrator;
- **Ilinca Von Derenthall,** Non-executive, independent administrator (term of office: 4 years, from 30.04.2025 to 29.04.2029, selection procedure);

- **Adina Lăcrimioara Hanza,** , Non-executive, independent administrator (term of office: 4 years, from 30.04.2025 to 29.04.2029, selection procedure;
- **Costin Mihalache,** Non-executive, independent administrator (term of office: 4 years, from 30.04.2025 to 29.04.2029, selection procedure).

Role and obligations of the Board of Administration

Transgaz shall be managed by a Board of Administration, which shall meet at the company's registered office or at another place to be determined by it, as often as necessary but at least once every 3 months.

The Board of Administration shall be chaired by the Chairman. If the chairman is temporarily unable to perform his duties during that state of incapacity, the Board of Administration may entrust another administrator with the duties of chairman.

Within the organizational structure of the company, the Board of Administration and GMS Secretariat Division has been set up to support the work of the Board of Administration.

Meetings of the Board of Administration may be held by telephone or by video-conference or other means of communication, whereby all persons participating in the meeting can hear each other, and attendance at such a meeting is considered participation in person for the purpose of fulfilling the requirements regarding quorum and voting conditions.

During the year 2025, 31 meetings of the Board of Administration were held, and the attendance of the members of the Board of Administration at such meetings was as follows:

Administrator	Attendance at the meetings	
	In person	In absentia (by proxy)
ION STERIAN	31	-
COSTIN MIHALACHE	20**	-
NICOLAE MINEA	31	-
ILINCA VON DERENTHALL	31	-
ADINA-LĂCRIMIOARA HANZA	31	-
VADUVA PETRU ION	11	-

*Mr. Petru Ion Văduva attended the first 11 meetings in 2025 until the end of his mandate on 29 April 2025.
**Mr. Costin Mihalache attended the following 20 meetings as of 30 April 2025, from the start of his mandate to the end of 2025.

The discussions shall be recorded in the minutes of the meeting, which shall contain the names of the participants, the order of deliberations, the decisions taken, the number of votes cast and the separate opinions. The minutes shall be signed by the chairperson of the meeting and at least one other director. On the basis of the minutes, the Secretary of the Board of Administration shall draw up the decision of the Board, which shall be signed by the Chairman.

The Board of Administration may delegate the management of the company to the Director - General of SNTGN Transgaz SA, which is not the Chairman of the Board of Administration. The Director - General of the National Gas Transmission Company Transgaz S.A. represents the company in its relations with third parties.

The Director General prepares and submits to the Board of Administration a proposal for the management component of the management plan for the duration of the mandate in order to achieve the financial and non-financial performance indicators.

The Board of Administration may require that the management plan be amended or revised if it does not provide for measures to achieve the objectives set out in the letter of expectation and does not include the expected results to ensure the assessment of the financial and non-financial performance indicators.

After the approval of the management plan by the Board of Administration, the management component or, as appropriate, the approved financial and non-financial performance indicators are an annex to the mandate contract concluded with the Director. The assessment of the directors' activity by the Board of Administration will concern both the execution of the mandate contract and the management plan management component.

The Director - General prepares and submits to the Board of Administration the reports provided by law. The Director - General submits to the Board of Administration for approval the transactions concluded by the company with the administrators or directors, employees or shareholders holding control over Transgaz or with a company controlled by them, if the transaction has, individually or in a series of transactions, a value of at least the equivalent in lei of EUR 50,000.

The executive directors and the directors of subsidiaries are appointed by the Director-General and are subordinate to him, are officials of TRANSGAZ S.A., carry out its operations and are accountable to it for the performance of their duties under the same conditions as the members of the Board of Administration.

The duties of the executive directors and of the directors within the subsidiaries are established by Transgaz' Rules of Procedure. Persons who are incompatible under the Companies Law no. 31/1990, republished, as amended, may not act as executive directors or Subsidiary directors.

According to Art. 19 (81) of the Articles of Incorporation, updated on 03.06.2025, the Board of Administration reports, at the first general meeting of the shareholders following the conclusion of the legal act regarding the following:

- Carrying out any transaction with the administrators or with the directors, the employees, the shareholders who control the company or with a company controlled by them;
- Carrying out any transactions concluded with the spouse, with relatives or kin up to the 4th degree including any of the persons above;
- Carrying out any transaction concluded between TRANSGAZ S.A. and another public

undertaking or with the public supervisory body, if the transaction has the value, individually or in a series of transactions, of at least the RON equivalent of EUR 100,000.

The Board of Administration has the obligation to provide the general meeting of the shareholders and the financial auditors with the documents of TRANSGAZ S.A. and the activity reports in accordance with the law.

Liability of administrators

The liability of administrators is governed by the legal provisions relating to the mandate, as well as by the special provisions of the Law on Companies no. 31/1990, republished, with subsequent amendments and additions.

Incompatibilities

The persons provided for in the Law on Companies no. 31/1990, republished, with subsequent amendments and additions, are incompatible with the office of member of the Board of Administration.

The Director General of SNTGN TRANSGAZ SA may not be a person who is incompatible with the office of director, according to the Law on Companies no. 31/1990, republished, as amended and supplemented.

The responsibilities of the Board of Administration

The Board of Administration has, mainly, the following responsibilities:

- setting the company's main lines of business and development, preparing the policies of Transgaz S.A., according to the applicable laws;
- preparing the management plan, including the management strategy related to their mandate, for the achievement of the objective and the performance criteria set by the mandate contracts;
- approving the internal rules of organization and procedure of the advisory committees established within the board of administration and their members;
- setting the accounting policies and the financial control system and approving the financial planning;
- approving the organizational structure and the rules of organization and procedure of TRANSGAZ S.A.;
- appointing and revoking the Director-General of TRANSGAZ and setting his/her remuneration;
- approving the management plan during the mandate and for the first year of the mandate of the Director-General of TRANSGAZ S.A.;
- supervising the activity of the Director-General;
- preparing the annual report, organizing the general meetings of the shareholders and implementing their decisions;
- submitting the application for the initiation of TRANSGAZ's insolvency proceedings according to the applicable laws;
- approving the level of guarantees for persons acting as managers;
- concluding legal acts by which to acquire, dispose of, lease, exchange or pledge as security property belonging to TRANSGAZ S.A., with the approval of the general meeting of the

shareholders, when required by law;
- approving the competences of the subsidiaries by field of activity (economic, commercial, technical, managerial, financial, legal, etc.) in order to comply with TRANSGAZ' core business;
- approving the amendment of TRANSGAZ' secondary core business;
- approving the setting up or closing down of the secondary offices: subsidiaries, agencies, representative offices or other similar units without legal personality as well as of the operational units – facilities related to the NTS;
- approving the execution of any contract for which it has not delegated the competence to TRANSGAZ' Director-General;
- submitting TRANSGAZ' activity report, balance sheet and profit and loss account for the previous year to the general meeting of the shareholders annually after the closure of the financial year;
- submitting the activity program and the draft revenue and expense budget for the following year to the general meeting of the shareholders;
- convening the general meeting of the shareholders whenever necessary;
- establishing TRANSGAZ' employees' rights, obligations and responsibilities, according to the approved organizational structures;
- deciding on the contracting of bank loans, including foreign bank loans; determining the powers and the level of contracting of domestic and foreign bank loans, commercial loans and guarantees, including by pledging shares in other companies, in accordance with the law; approving the release of guarantees.
- approving the number of jobs and the rules for establishing the operating and production units;
- approving the production, research, development and investment programs;
- approving the environmental protection and occupational security policies according to the applicable laws;
- approving the modification of the revenue and expense budget structure, within limits of the budget approved by the general meeting of the shareholders and of the competences for which it is mandated;
- negotiating the collective employment contract by mandating the Director-General, and approving of the personnel regulations;
- ensuring and bearing the responsibility for the carrying out of any other duties and obligations set by the general meeting of the shareholders or provided by the laws in force;
- deciding on behalf of and for the general meeting of the shareholders of the limited liability company on the territory of the Republic of Moldova;
- adopting any other decision regarding the activity of the company, except for those which fall under the competence of the general meeting of the shareholders.

Appointment of the members of the Board of Administration

The members of the Board of Administration shall be appointed by the General Meeting of the Shareholders on the proposal of the selection and nomination committee, which shall submit to the public supervisory authority, with a view to making proposals for appointment to the General Meeting of the Shareholders, a short list for each post of administrator of the public company, on the basis of the selection criteria communicated publicly by announcement, in the order of the ranking of the candidates for the post in question. The appointment of the members of the board of administration shall be made by the general meeting of shareholders from the short list of candidates drawn up by the selection and nomination committee. If the short list contains only one candidate, that candidate shall be proposed for the position. Where there is more than one candidate included on the short list, the appointment to the post will be made in the order of the ranking. If there are no candidates on the short-list or if no candidate qualifies, the selection process will be repeated.

In the event of a vacancy on the Board of Administration, the election of a new member shall be carried out in accordance with the conditions laid down by law. The period for which the new director is elected to fill the vacancy shall be equal to the remainder of the term of office of his/her predecessor.

Advisory committees set up at the level of the Board of Administration

Following the publication of Law no. 187 of 28 June 2023, amending and supplementing the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, in accordance with the provisions of Article 34 paragraph (1) and paragraph (2^1), the Risk Management Committee is required to be established. Therefore, art. 3 of the Resolution of the Board of Administration no.23/24.08.2023 approved the amendment of the Internal Regulation on the organization and functioning of the Advisory Committees constituted at the level of the Board of Administration of SNTGN Transgaz SA and their composition, the change of the name of some Advisory Committees and the establishment of the Risk Management Committee, as follows:

- The Nomination and Remuneration Committee;
- The Audit Committee;
- The Risk Management Committee;
- The NTS Regulatory, Safety and Security Committee;
- The Corporate Governance and Sustainability Committee

Following their appointment, based on OGMS Resolution No. 6 dated 29.04.2025, as members of the Board of Administration of SNTGN Transgaz SA with a term of office of 4 years from 30.04.2025 to 29.04.2029, following the completion of the selection procedure, Mr. Ion Sterian, Mr. Nicolae Minea, Mr. Costin Mihalache, and Ms. Ilinca Von Derenthall and Ms. Adina – Lăcrimioara Hanza, it was necessary to update and amend the composition of the Advisory Committees and the Internal Regulations on the organization and functioning of the Advisory Committees set up at the level of the Board of Administration of SNTGN Transgaz SA in order to update the composition of the Advisory Committees.

The Internal Regulation on the organization and functioning of the consultative committees constituted at the level of the Board of Administration of SNTGN Transgaz SA, updated on 07.05.2025, can be found on the company's website, in the section https://www.Transgaz.ro/guvernanta-corporativa/documente-de-guvernanta-corporativa.

ADVISORY COMMITTEE	NOTES	TASKS
THE NOMINATION AND REMUNERATION COMMITTEE	▪ the committee will be composed of at least two members of the Board of Administration in accordance with the provisions of art.140^2 paragraph (1) of the Law no.31/1990 on companies, republished, as subsequently amended and supplemented; ▪ the committee shall be composed of non-executive administrators, at least one of the members of the committee shall be an independent non-executive administrator in accordance with Article 140^2 paragraph (2) of the Company Law republished, as amended and supplemented and the Article 34 paragraph (2) of GEO 109/2011 on corporate governance of public enterprises, as amended and supplemented..	▪ assesses the combination of professional skills, knowledge and experience at the level of the Board of Administration, Directors and other management positions; ▪ develops and proposes to the Board of Administration the procedure for the selection of candidates for Director and other management positions; ▪ recommends candidates for the listed positions to the Board of Administration; ▪ applies the best corporate governance practices by improving the knowledge of the company's activities and constantly updating the professional skills of the members of the Board of Directors; ▪ develops the remuneration policy for administrators and directors; ▪ submit this remuneration policy to the General Meeting of Shareholders for approval on the occasion of each significant change and in any case at least every 4 years; ▪ organizes training sessions for Board members; ▪ makes proposals for the remuneration of directors and executives, in compliance with the remuneration policy submitted by AMEPIP; ▪ informs about the Remuneration Policy in the company's Corporate Governance Regulation; ▪ disclose in the Annual Report the total remuneration broken down by component, the relative proportion of fixed and variable remuneration, an explanation of how the total remuneration complies with the remuneration policy adopted, including how it contributes to the long-term performance of the issuer, and information on how the performance criteria have been

ADVISORY COMMITTEE	NOTES	TASKS
		applied; in determining the remuneration of non-executive administrators, it shall comply with the principle of proportionality of remuneration to the responsibility and time dedicated to the performance of their duties; ▪ produce a clear and understandable annual report on the remuneration and other benefits granted to administrators and directors, which provides a comprehensive overview of remuneration, including all benefits in whatever form granted or due during the last financial year, to individual managers, including new recruits and former managers in accordance with the remuneration policy; ▪ support the Board in assessing its own performance, as well as the performance of the executive management, covering both the execution of the mandate contract and the management component of the management plan; ▪ evaluates the effectiveness of the executive management's cooperation with the Board, including the information provided to the Board; ▪ shares the results of the assessment with the entire Board and determines further action, if necessary, including professional development and training plans for the Board to fill any gaps; ▪ may, if necessary, seek assistance from external experts to perform the required tasks.
THE AUDIT COMMITTEE	▪ the committee shall be composed of at least three members of the Board of Administration and the majority of the members must be independent, in accordance with Article B.1.	▪ provides advice and recommendations to the Administrative Board on proposals for the establishment of the accounting and financial control system and approves the financial-budgetary planning; ▪ monitors the effectiveness of internal audit systems in relation to the audited

ADVISORY COMMITTEE	NOTES	TASKS
	of the BSE Corporate Governance Code; ▪ the committee shall be composed of non-executive administrators, the majority of the administrators being independent, in accordance with the art. 140^2 paragraph (2) of the Companies Law, republished, as amended and supplemented and the art. 34 paragraph (4^1) of GEO 109/2011 on corporate governance of public enterprises, as amended and supplemented; ▪ is competent to be a member of the audit committee of a public interest entity, within the meaning of Article 65 para. (3) of Law no. 162/2017, as amended, and the person who has at least 3 years of experience in statutory audit acquired through participation in statutory audit missions in Romania, in another Member State, in an EFTA State, in Switzerland or in the United Kingdom of Great Britain and Northern Ireland or within the Audit Committees formed at the level of the Boards of Administration/supervisory boards of public interest companies/entities, proven by documents; ▪ the chairman of the committee must be an independent non-executive member, in accordance with the art.B.2. of the BSE Corporate Governance Code;	entity's financial reporting, without infringing on its independence; ▪ monitor the statutory audit of the annual financial statements and the annual consolidated financial statements, in particular the conduct thereof, taking into account the findings and conclusions of the competent authority, in accordance with Article 26(26)(a) of the Financial Regulation. (6) of EU Regulation 537/2014; ▪ evaluates the conflicts of interest in connection with transactions of the company and its subsidiaries with related parties; ▪ monitors the application of legal standards and generally accepted internal auditing standards; ▪ receives and evaluates the reports of the internal audit team; ▪ ensures the independence and reviews the effectiveness of the Company's internal audit function and submits recommendations to the Board; ▪ oversees the internal audit function; ▪ reports regularly to the Administrative Board; ▪ develops and submits to the Board of Administration for approval a policy opinion to ensure that any transaction of the company with any of its closely related companies whose value equals or exceeds 5% of the company's net assets (as per the latest financial report) is approved by the Board; ▪ meets as often as necessary, but at least twice a year on the occasion of the half-yearly and annual results, when it shall ensure their dissemination to shareholders and the general public; ▪ verifies the compliance of the audit reports prepared with the approved company audit; ▪ supports the Board of Administrations in monitoring the credibility and completeness of the financial information provided by the company, in particular by reviewing the relevance

ADVISORY COMMITTEE	NOTES	TASKS
	▪ the chairman of the committee is appointed by its members or by the Board of Administration of the audited entity and is independent from the audited entity, in accordance with the Article 65 paragraph (5) of Law no.162/2017 on statutory audit of annual financial statements and consolidated annual financial statements and amending some normative acts.	and consistency of the accounting standards applied by the company; ▪ cooperates with the company's external financial auditors, who will provide it with a report describing all the relations between the latter on the one hand and the company and the group to which it belongs on the other side; ▪ is responsible for the selection procedure of the financial auditor or audit firm and recommends to the general meeting of shareholders the financial auditor or audit firm(s) to be appointed in accordance with the Article 16 of EU Regulation 537/2014, unless Article 16(8) of EU Regulation 537/2014 applies; ▪ assess and monitor the independence of financial auditors or audit firms in accordance with the Articles 21-25, 28 and 29 of Law no.162/2017 on statutory audit of annual financial statements and consolidated annual financial statements and amending some normative acts and the Article 6 of EU Regulation no.537/2014 and, in particular, the appropriateness of providing non-audit services to the audited entity in accordance with the Article 5 of that Regulation; ▪ informs the Board members of the audited entity of the results of the statutory audit and explain how the statutory audit contributed to the integrity of the financial reporting and what the role of the committee was in this process; ▪ monitors the financial reporting process and make recommendations or proposals to ensure its integrity; ▪ monitors and analyses the fulfilment of the performance indicators of the transmission system and economic-financial performance of the company's activity; ▪ monitors the degree of achievement of the financial and non-financial performance indicators resulting

ADVISORY COMMITTEE	NOTES	TASKS
		from the management plan for the company's directors and managers; ▪ fulfils the tasks set out in the Article 34 paragraph (3) of GEO 109/2011;
THE RISK MANAGEMENT COMMITTEE	▪ the committee shall be composed of non-executive administrators, at least one of the members of the committee shall be an independent non-executive administrator, in accordance with art. 140^2 paragraph (2) of the Companies Law, republished, as amended and supplemented and art. 34 paragraph (2^1) of GEO 109/2011 on corporate governance of public enterprises, as amended and supplemented.	▪ ensures that control activities are consistent with the risks arising from the activities and processes subject to control; ▪ identifies, analyses, evaluates, monitors and reports the risks identified, the plan of measures to mitigate or anticipate them, other measures taken by the executive management; ▪ shall be responsible for measuring the solvency of the public undertaking by reference to its usual duties and obligations and shall inform or, where appropriate, make proposals to the Board of Administration in this respect; ▪ carry out an annual assessment of the internal control system and submit relevant reports to the Board of Administration; ▪ monitors the risk management on sustainability issues, ESG issues, industry developments and the implementation of effective crisis management policies; ▪ monitors sustainability reporting and the related processes within the Company to identify information reported in accordance with relevant sustainability reporting standards; ▪ informs the Board of Administration on the outcome of the sustainability reporting; ▪ assists the Board of Administration in defining the Company's ESG (Environmental, Social and Governance) strategy by understanding how the Company is able to create value taking into account ESG influences; ▪ monitors external ESG trends, understands the associated risks and

ADVISORY COMMITTEE	NOTES	TASKS
		opportunities, and the expectations of the Company's major stakeholders in this respect; ▪ monitors the company's impact on the natural environment and its adaptation to climate change; ▪ monitors the company's interactions with its employees, shareholders and the communities in which it operates, including applicable workplace policies (e.g. employee relations and involvement, diversity, non-discrimination and equal treatment, health, safety and welfare), any social or community projects undertaken by the Company; ▪ oversees the Company's policies, practices and performance on ESG issues; ▪ reports to the Board of Administration on current and emerging topics related to ESG issues that may affect the Company's business, operations, performance or public image or that are relevant to the Company and its shareholders; ▪ monitors and provides guidance on actions or initiatives taken to prevent, mitigate and manage risks related to ESG issues that may have a material adverse impact on the Company or are otherwise relevant to shareholders; ▪ analyses the risks and opportunities associated with social, environmental and economic impacts, measured from a stakeholder perspective; ▪ updates the company's sustainability risk matrix; ▪ shall review risk assessment and mitigation plans and informs the Board of Administration thereof;
THE COMMITTEE ON NTS REGULATION, SAFETY AND SECURITY	▪ the committee shall consist of at least two members of the Board of Administration in accordance with the provisions of Article 140[2]	▪ regularly analyses the list of Transgaz' critical infrastructure objectives and the established security measures;

ADVISORY COMMITTEE	NOTES	TASKS
	paragraph (1) of the Companies Act, republished, as amended; ▪ at least one of the members of the committee shall be an independent non-executive administrator, in accordance with Article 140² paragraph (2) of the Companies Act, republished, as amended.	▪ monitors/analyses the activity to reduce technological consumption at NTS level; ▪ monitors/analyses the activity of the Working Group for the preparation of draft revisions of the Network Code for the National natural gas Transmission System necessary for the configuration of a natural gas market model on the entry-exit system with the use of the virtual trading point (VTP); ▪ ensures the necessary conditions for the implementation of protection measures for all critical infrastructure objectives of the company or under the authority/coordination of the company; ▪ monitors/updates its own programs to prevent and combat terrorism through optimal physical and organizational protection measures, with recommendations in this regard to the Board of Administration; ▪ monitors the fulfilment of the maintenance and upgrading and development programs of the NTS as well as the compliance with the technical standards for operation and maintenance of production capacities; ▪ analyses new investment projects that contribute to the realization of a sustainable natural gas transmission system in order to monitor and operate the NTS in a safe, efficient and environmentally friendly manner; ▪ monitors the natural gas purchase contracts necessary to balance the NTS, as well as the evolution of purchase prices; ▪ monitors the expansion, development and upgrading of natural gas transmission infrastructure; ▪ assists the Board of Administration in analysing the regulatory activity and the legal obligations of the company in this field;

ADVISORY COMMITTEE	NOTES	TASKS
		▪ monitors the fulfilment by the company of the obligations provided for by the regulations related to the activity carried out; ▪ analyses and submits to the Board of Administration proposals on the creation of a common regulatory framework, a common strategy and vision for the development of the national system with the European natural gas transmission system in order to create an integrated energy market; ▪ monitors the collaborative relations with the public authorities and assists the Board of Administration in setting and managing the collaboration policy.
THE CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE	▪ the committee shall be composed of at least two members of the Board of Administration in accordance with the art.140[2] paragraph (1) of the Companies Act, republished, as amended; ▪ at least one of the members of the committee shall be an independent non-executive administrator, in accordance with Article 140[2] paragraph (2) of the Companies Act, republished, as amended.	▪ assesses the company's overall performance and regularly compares the results achieved with those planned; ▪ monitors the effectiveness/efficiency of governance practices in the company; ▪ monitors and resolves potential conflicts of interest; ▪ recommends to the Board of Administration improvements to the Company's corporate governance processes; ▪ assists the Board of Administration in the fulfilment of its responsibilities in the area of elaborating and updating the overall development strategy of the company; ▪ analyses identified business development opportunities and makes recommendations to the Board of Administration on them; ▪ analyses and assists the Board of Administration in the company's international development and cooperation directions; ▪ monitors and analyses the fulfilment of the strategic and action

ADVISORY COMMITTEE	NOTES	TASKS
		plans/programs related to Transgaz' obligations as a technical operator of the NTS and issuer on the stock exchange; ▪ develops proposals for improving and streamlining strategic, development and collaborative work; ▪ makes recommendations to the Board of Administration on the effective operationality of the strategic and action plans/programs, namely the Upgrading Program, Investment Development Program, NTS Repair and Rehabilitation and Maintenance Program, Design Program, Research Program, Supply Program, Program on other services performed by third parties; ▪ analyses the proposals to amend the organizational structure of SNTGN Transgaz SA, in order to streamline and optimise the company's activities; ▪ analyses the proposals contained in the Employee Training and Development Program and monitors its implementation; ▪ regularly reviews the stage of implementation of the Annual Sectoral Procurement Program approved at company level; ▪ analyses the Policy on granting sponsorships and social aid at SNTGN Transgaz SA; ▪ analyses/monitors the evolution of the stock without movement and the degree of achievement of the plan of measures to reduce the stock without movement at SNTGN Transgaz SA, in order to streamline the activity within the company; ▪ analyses the proposals regarding the establishment/closing down of working facilities within SNTGN "TRANSGAZ" SA;" ▪ analyses the Sustainability Report of SNTGN Transgaz SA, for compliance

ADVISORY COMMITTEE	NOTES	TASKS
		with European and national legislation on non-financial reporting; ▪ makes recommendations to the Board on the structure and responsibilities of the Advisory Committees set up at the level of the Board of Administration; ▪ provides oversight on significant public policy issues regarding the Company's relationships with shareholders, employees, customers, competitors, suppliers and the communities in which it operates; ▪ reviews the company's Code of Ethics, including its programs to promote ethical conduct, and provides recommendations to the Board of Administration regarding approval of the Code of Ethics; ▪ assists the Board of Administration in developing the Management Plan.

Composition of advisory committees set up at the level of the company's Board of Administration

At its meeting on May 7, 2025, the Board of Administration appointed the members of the advisory committees as follows, by BOA Resolution No. 12:

Name of the Advisory Committee	Composition of the Committee	
Nomination and remuneration committee	ILINCA VON DERENTHALL	non-executive administrator, independent, **chairman of the committee**
	NICOLAE MINEA	non-executive administrator
	ADINA-LĂCRIMIOARA HANZA	non-executive administrator
Audit committee	ADINA-LĂCRIMIOARA HANZA	non-executive administrator, independent, **chairman of the committee**
	NICOLAE MINEA	non-executive administrator
	ILINCA VON DERENTHALL	non-executive administrator
	COSTIN MIHALACHE	non-executive administrator, independent, **chairman of the committee**

Name of the Advisory Committee	Composition of the Committee	
Risk management committee	ILINCA VON DERENTHALL	non-executive administrator
	NICOLAE MINEA	non-executive administrator
NTS regulatory, security and safety committee	COSTIN MIHALACHE	non-executive administrator, independent, **chairman of the committee**
	ION STERIAN	executive administrator
	ADINA-LĂCRIMIOARA HANZA	non-executive administrator
Corporate governance and sustainability committee	ILINCA VON DERENTHALL	non-executive administrator, independent, **chairman of the committee**
	ION STERIAN	executive administrator
	ADINA-LĂCRIMIOARA HANZA	non-executive administrator

The work carried out in 2024 by the five advisory committees set up at the level of the Board of Administration was carried out under the provisions of:

- **Companies' Law no. 31/1990,** republished, as amended, art. 138^1 para. 2, art. 138^2 para. 2, art. 140^2 para. (1) and para. (2);
- **GEO no. 109/2011** on the corporate governance of public enterprises, art. 34 and art. 55 para. (2) and para. (3), as amended;
- **Law no. 162/2017** on the statutory audit of the annual financial statements and of the consolidated annual financial statements and for the amendment of normative acts;
- **Corporate Governance Code** of the Bucharest Stock Exchange**;**
- **The Articles of Incorporation of SNTGN Transgaz SA,** updated Chap.V, art.19 point 11**;**
- **Resolutions of the Board of Administration**: BOA Resolution nr. 12/07.05.2025; BOA Resolution nr. 31/14.08.2024; BOA Resolution nr. 32/31.10.2023; BOA Resolution nr. 23/24.08.2023; BOA Resolution nr. 37/08.12.2022; BOA Resolution nr. 20/20.06.2022; BOA Resolution nr. 19/23.06.2021; BOA Resolution nr. 16/10.05.2021; BOA Resolution nr. 10/28.02.2018; BOA Resolution nr. 22/11.07.2017; BOA Resolution nr. 15/16.05.2017; BOA Resolution nr. 39/17.12.2015; BOA Resolution nr.43/19.11.2014; BOA Resolution nr.21/ 16.06.2014; BOA Resolution nr.2/ 10.02.2014; BOA Resolution nr.13/ 29.07.2013; BOA Resolution nr.7/ 27.05.2013; BOA Resolution nr.16/ 30.10.2009; BOA Resolution nr.13/ 24.09.2009,

and aimed at monitoring the actions carried out by the members of the Advisory Committees in accordance with the areas in which they have been appointed and is concretized in their half-yearly/annual activity report, which highlights:

- how the members of the Advisory Committees consulted the materials and documents of the different organizational structures of SNTGN Transgaz SA;

- the analyses carried out by the members of the Advisory Committees on the content of the submitted documents and materials, as well as additional information or clarifications requested;
- the proposals/measures/recommendations of the members of the Advisory Committees on the content of the materials and documents submitted for analysis and endorsement/approval to the Board of Administration
- the documents by which the Board of Administration, in its plenary session, has decided on the content and the issues addressed in the documents submitted for examination/ endorsement/ approval.

The structure of the activity report drawn up at the level of the advisory committees set up at the level of the Board of Administration in 2024 and the first half of 2025 has been designed in such a way as to reflect accurately and comprehensively all the activity relating to the analysis, consultation and decision-making process concerning the company's activity.

No.	Description	In charge	Composition of the Committee
1.	Activity Report of the Advisory Committee on Nomination and Remuneration from 1 January to 30 June 2025	Nomination and Remuneration Advisory Committee	**Until 29.04.2025:** - **Petru Ion Văduva,** non-executive administrator - **Nicolae Minea,** non-executive administrator, independent, chairman of the committee - **Adina-Lăcrimioara Hanza,** non-executive, independent, interim administrator **As of 07.05.2025:** - **Ilinca Von Derenthall,** non-executive administrator, independent, chairman of the committee - **Nicolae Minea,** non-executive, independent administrator - **Adina-Lăcrimioara Hanza,** non-executive, independent administrator
2.	Activity Report of the Risk Management Advisory Committee, for the period 1 January - 30 June 2025	Risk Management Advisory Committee	**Until 29.04.2025:** - **Petru Ion Văduva,** non-executive administrator - **Nicolae Minea,** non-executive administrator, independent, chairman of the committee - **Ilinca Von Derenthall,** non-executive, independent administrator **As of 07.05.2025:**

			- **Costin Mihalache,** non-executive administrator, independent, chairman of the committee - **Ilinca Von Derenthall,** non-executive, independent administrator - **Nicolae Minea,** non-executive, independent administrator
3.	Activity Report of the Advisory Committee on Corporate Governance and Sustainability, for the period 1 January - 30 June 2025	Corporate Governance and Sustainability Advisory Committee	**Until 29.04.2025:** - **Ion Sterian,** executive administrator - **Ilinca Von Derenthall,** non-executive, independent administrator, chairman of the committee - **Adina-Lăcrimioara Hanza,** non-executive, independent, interim administrator **As of 07.05.2025:** - **Ilinca Von Derenthall,** non-executive, independent administrator, chairman of the committee - **Ion Sterian,** executive administrator - **Adina-Lăcrimioara Hanza,** non-executive, independent administrator
4.	Activity Report of the Advisory Committee on NTS Regulation, Safety and Security from 1 January to 30 June 2025	NTS Regulatory, Safety and Security Advisory Committee	**Until 29.04.2025:** - **Ion Sterian,** executive administrator - **Petru Ion Văduva,** non-executive administrator - **Adina-Lăcrimioara Hanza,** non-executive, independent, interim administrator, chairman of the committee **As of 07.05.2025:** - **Costin Mihalache,** non-executive, independent, administrator, chairman of the committee - **Ion Sterian,** executive administrator - **Adina-Lăcrimioara Hanza,** non-executive, independent, administrator

5.	Activity Report of the Audit Advisory Committee, 1 January - 30 June 2025	Audit Advisory Committee	**Until 29.04.2025:** - **Nicolae Minea,** non-executive, independent administrator, chairman of the committee - **Văduva Petru-Ion,** non-executive administrator - **Adina-Lăcrimioara Hanza,** non-executive, independent, interim administrator **As of 07.05.2025:** - **Adina-Lăcrimioara Hanza,** non-executive, independent administrator, chairman of the committee - **Nicolae Minea,** non-executive, independent administrator - **Ilinca Von Derenthall,** non-executive, independent administrator
6.	Activity Report of the Advisory Committee on Nomination and Remuneration for the period 1 January - 31 December 2024	Nomination and Remuneration Advisory Committee	**Nicolae Minea – Chairman of the committee** **Petru Ion Văduva** **Adina-Lăcrimioara Hanza**
7.	Activity Report of the Risk Management Advisory Committee, 1 January - 31 December 2024	Risk Management Advisory Committee	**Nicolae Minea - Chairman of the committee** **Petru Ion Văduva** **Ilinca Von Derenthall**
8.	Activity Report of the Advisory Committee on Corporate Governance and Sustainability from 1 January to 31 December 2024	Corporate Governance and Sustainability Advisory Committee	**Ilinca Von Derenthall - Chairman of the committee** **Adina-Lăcrimioara Hanza** **Ion Sterian**
9.	Activity report of the NTS Safety, Security and Regulatory Advisory Committee for the period 1 January - 31 December 2023	NTS Regulatory, Safety and Security Advisory Committee	**Adina-Lăcrimioara Hanza - Chairman of the committee** **Ion Sterian** **Petru Ion Văduva**
10.	Activity Report of the Audit Advisory Committee from 1 January to 31 December 2024	Audit Advisory Committee	**Nicolae Minea - Chairman of the committee** **Adina-Lăcrimioara Hanza** **Petru Ion Văduva**

Section B - Risk Management and Internal Control Framework

An *Audit Committee* is established at the level of the Board of Administration of Transgaz in order to regularly review the compliance of financial reporting, internal control and risk management system and rating of the company. The Audit Committee must consist of at least three members and the majority of the members must be independent. The chairman of the audit committee must be an independent non-executive member.

The majority of the members, including the chairman, must have demonstrated that they have appropriate qualifications relevant to the functions and responsibilities of the committee.

Committee members assist and make recommendations to the Board of Administration on the establishment of the accounting and financial control system as well as financial-budgetary planning.

The Committee carries out audit analyses and prepares audit reports on the basis of these analyses and verifies the degree of fulfilment/realization of the approved audit plan at the company level. The Internal Audit Department is functionally subordinated to the Board of Administration.

The Committee assists the members of the Board of Administration in monitoring the credibility and completeness of the financial information provided by the company, in particular by reviewing the relevance and consistency of the accounting standards applied by the company.

The Committee shall collaborate with the external financial auditors of the company, who shall provide it with a report describing all the relationships existing between the latter on the one hand, and the company and the group to which it belongs on the other.

The Audit Committee shall monitor the independence and fairness of the financial auditor in particular by monitoring the rotation of the company's dedicated partners in the audit firm and shall make recommendations to the Board of Administration on the selection, appointment, replacement of the financial auditor and the terms and conditions of his remuneration.

Conflict of interest

The members of the Board of Administration will make decisions in the sole interest of the company and will not take part in the debates or decisions that create a conflict between their personal interests and those of the company or the subsidiaries controlled by it. In this respect, the Board of Administration approved the *Conflict of Interest Management Policy* in order to comply with Art. A.2. of the Corporate Governance Code of the BSE - 2015 edition, and was approved at Art. 2 by the OGMS Resolution 4 of 23 June 2016.

Transactions with involved persons

Each member of the Board of Administration shall ensure that there is no conflict of interest either directly or indirectly with the company or a subsidiary controlled by it, and in the event of such conflict, it will refrain from debating and voting on those matters, in accordance with the legal provisions in force.
In order to ensure the procedural fairness of the transactions with the parties involved, the members of the Board of Administration resort to the following criteria, but not limited to:
- retaining the competence of the Board of Administration or the GMS, as appropriate, to approve the most important transactions;
- asking for a prior opinion on the most important transactions from internal control structures;
- entrusting negotiations relating to these transactions to one or more independent administrators or to administrators who have no links with the concerned parties;

the use of independent experts.

Section C – Performance, Motivation, and Reward

At the level of the Board of Administration the company established a Nomination and Remuneration Committee approved by Board of Administration Resolution 7 of 27.05.2013, which, in accordance with Law 24/2017 on issuers of financial instruments and market operations, republished, as amended, develops the Remuneration Policy for Transgaz' Administrators', Director-General and Chief Financial Officer, and assists the Board of Administration in establishing/supervising the remuneration policies and practices. In accordance with the provisions of Article 37 of GEO 109/2011 on the corporate governance of public enterprises, as amended, the General Meeting of the Shareholders establishes the remuneration of the Board of Administration members.

Based on the legal provisions in force and in line with the Bucharest Stock Exchange Governance Code, Article 6 of HAGOA No. 1/28.01.2026, the **Remuneration Policy and Criteria for the Administrators, Director General, and Financial Director of SNTGN "TRANSGAZ" S.A.** was approved, which mainly defines the following aspects:

1. Legal framework
2. Scope, coverage, field of application and objectives
3. Decision-making process
4. Nomination and Remuneration Committee
5. General principles underlying the remuneration policy
6. Remuneration policy for Administrators
7. Remuneration policy for the Director General and Financial Director of SNTGN "TRANSGAZ" S.A.
8. Other types of benefits
9. Duration of the mandate contracts, applicable notice periods, conditions of termination/termination of contracts
10. Making payments
11. Conflict of interest

12. Policy derogations

The remuneration policy aims to motivate, attract, increase the confidence and commitment of the administrators, the director general and the financial director in achieving the objectives set and approved by the company's development strategy, measured with a view to optimising performance at company level.

The remuneration and other benefits provided to administrators and directors are disclosed in the annual financial statements and in the annual report of the nomination and remuneration committee on remuneration and other benefits provided to administrators and directors.

The remuneration policy sets the general framework for the remuneration of the administrators, director general and the financial director in the company, which is supplemented in its implementation by the legal provisions applicable to the core business, the provisions of the Collective Labour Contract of SNTGN "TRANSGAZ" SA, the mandate contracts as well as the resolutions of the Board of Administration and of the General Meeting of the Shareholders.

STATEMENT ON THE IMPLEMENTATION OF THE REMUNERATION POLICY IN 2025

The remuneration policy of SNTGN "TRANSGAZ" S.A. , approved by Resolution 1/28.01.2026 of the Ordinary General Meeting of the Shareholders, Art.6, is based on the good national and international practices as well as on the applicable legislative amendments.

The remuneration policy is consistent with the company's business strategy, objectives, values and long-term interests and includes measures to avoid conflicts of interest and ensure the company's effective corporate governance.

The general principles for establishing the remuneration policy for administrators, the director general, and the financial director are as follows:

- attracting, retaining, and motivating the best candidates for the positions of administrators, director general, and financial director;
- ensuring the long-term sustainability of the company's profits and activities and generating long-term value;
- rewarding the achievement of objectives;
- maintaining competitiveness;
- aligning remuneration with good governance recommendations;
- promoting transparency regarding remuneration and the criteria for determining it;
- maintaining a fair balance between fixed and variable remuneration components.

The remuneration and benefits provided under the law or the mandate contract to the administrators, the director general and the financial director under the unitary system shall be disclosed in the annual financial statements, the annual report of remuneration and the annual report of the administrators.

The Nomination and Remuneration Committee assists the Board of Administration in establishing and supervising remuneration policies and practices. The Nomination and Remuneration Committee is responsible for developing and proposing the remuneration policy, supervising its implementation, and ensuring that conflicts of interest are avoided.

The remuneration policy of SNTGN "TRANSGAZ" S.A. aims at stimulating the growth of financial and operational efficiency and sustainable development of the company, in compliance with the principles of good corporate governance.

Section D – Reporting and Investor Relations

All holders of financial instruments issued by Transgaz of the same type and class of securities receive equal treatment and the company always makes sustained efforts to achieve effective, active and permanent communication in order to exercise rights in a fair manner.

All Transgaz shareholders will be treated fairly. All issued shares give the holders equal rights and any modification of the rights conferred by them will be subject to the approval of the holders directly affected in the special meetings of the respective holders.

Transgaz makes every effort to facilitate the participation of shareholders in the works of the General Meetings of the Shareholders, the dialogue between shareholders and members of the Board of Administration and/or management, as well as the full exercise of their rights.

The participation of the shareholders in the works of the General Meetings of the Shareholders is fully encouraged, and shareholders who cannot participate in the meetings are given the possibility of voting in absentia - on a special proxy basis, or by correspondence.

The Company created a special section, called *Investor Relations*, on its own website, where relevant information on procedures for access to and participation in the general meetings of the shareholders , convenings, supplementations of agenda, exercise of voting rights , materials for the issues on the agenda, special proxy templates, resolutions, current reports, company financial statements, information regarding dividends, financial calendar, corporate governance are constantly updated and accessible, thus contributing to transparent and fair information to all interested parties.
At the same time, Transgaz set up a specialized organizational structure for the management of the capital market activity, namely the *Investor Relations Department*, whose activity is dedicated to the relationship with investors and shareholders. The personnel of the department is permanently instructed / prepared / professionally trained on issues related to the company's relationship with its shareholders, the capital market institutions as well as the principles of corporate governance.

Transparency

Transgaz performs regular continuous reports on the important events related to the company, including, without limitation, the financial standing, performance, ownership structure and management both in mass media and on its own webpage (www.transgaz.ro).

The company prepares and disseminates regular continuous and relevant information in accordance with International Financial Reporting Standards and other reporting standards, namely environmental, social and governance (ESG). The information is disseminated both in Romanian and English.

The company organizes regular meetings with financial analysts, brokers, market specialists and investors for the presentation of the financial results (annual, quarterly, half-yearly), relevant meetings in their investment decision.
Transgaz' administrators appreciate that, acting in the spirit of the best corporate governance practices, the proposed objectives can be attained and the stakeholders' confidence can be increased in the capabilities of the company to maximize the efficiency of the activity.

The general and specific strategic objectives of SNTGN TRANSGAZ SA are set in the context of alignment with the requirements of the new European energy policy on energy security and security, sustainable development and competitiveness.
In this context, the implementation and development of corporate governance principles, the development of responsible, transparent business practices, is increasingly becoming a necessity in substantiating and implementing corporate business strategies and policies.

Section E – Sustainability and Stakeholders

SNTGN Transgaz SA is strengthening its commitment to transparency, accountability, and sustainable development by implementing a consolidated sustainability statement policy in line with national and European legal requirements (CSRD, ESRS, EU Taxonomy, and applicable national legislation). ESG reporting is carried out at a consolidated level, including both its own activities and those of its subsidiaries, and covers the entire value chain, ensuring transparency, comparability, and verifiability for all stakeholders.

The policy provides for measures such as continuous training in ESG, improving organizational culture, annual publication of the consolidated sustainability report, regular updating of the double materiality analysis, monitoring of legislative changes, and automation of reporting processes. The implementation of the policy is assessed annually, and the reported data is subject to independent external audit.

Complementing the governance framework, the Code of Ethics of SNTGN Transgaz SA is an essential tool for promoting professional conduct based on integrity, impartiality, responsibility, and loyalty to the public interest and to society.
The Code of Ethics defines the values, principles, and rules of conduct that are mandatory for all contractual staff, both in the performance of their activities within the company and in

external relations with all categories of the public, thus contributing to maintaining a positive organizational climate and strengthening the company's reputation and notoriety.

Through these policies and mechanisms, SNTGN Transgaz SA aims to integrate sustainability and ethics into its development strategy, ensuring responsible governance focused on creating long-term value for all stakeholders.

Transgaz's intention to acquire own shares
Not applicable.

Number and nominal value of shares issued by the parent company held by subsidiaries
Not applicable.

Bonds and/or other debt securities
Not applicable.

Significant mergers or reorganizations
By Resolution of the Extraordinary General Meeting of Shareholders no. 5 / 9 April 2025, the acquisition of a 51% stake in the share capital of Petrostar S.A. was approved at a maximum price of lei 4.520.143.

7.2. Legal documents concluded under the terms of Article 52(1) and (6) of GEO No. 109/30.11.2011

In 2025, an addendum to the financing agreement with Banca Transilvania was concluded, extending the term of the agreement by two years and reducing the loan margin, without changing the other contractual terms. The above-mentioned financing agreement was brought to the attention of all interested parties in the current report dated July 16, 2020.

7.3. Main transactions concluded between affiliated parties

(pursuant to Article 108 of Law No. 24/2017 on issuers of financial instruments and market operations, republished)

In accordance with the provisions of Article 108 of Law No. 24/2017 on issuers of financial instruments and market operations and Article 2091 of ASF Regulation No. 5/2018 on issuers of financial instruments and market operations, Transgaz reported in 2025 updated information on the values realized in relation to the contracts concluded with SNGN Romgaz SA (affiliated party)

Details of these transactions, containing information about the date of conclusion, the nature of the transaction, the description of the subject matter, the amount of the transaction, the expiry date, the reciprocal claims and liabilities, the securities provided, the stipulated penalties, the terms and conditions of payment are presented in the current reports published on: 09.04.2025, 16.04.2025 and 01.09.2025.

No.	SNGN Romgaz SA – Contracting Party	Contract scope	Reported estimated value* (LEI)	Achieved value** (LEI, including VAT)
1.	**Contract no. 35T/26.08.2024** (01.10.2024 – 01.01.2025)	Provision of natural gas transmission services for the quarterly capacity product related to the NTS entry points	695.471,70	695.786,69
2.	**Contract no. 36T/26.08.2024** (01.10.2024 – 01.01. 2025)	Provision of natural gas transmission services for the quarterly capacity product related to the NTS exit points	266.093,90	202.468,29
3.	**Contract no. 1535/08.04.2024** (01.04.2024 – 31.03.2025)	Provision of underground gas storage services, meaning the set of activities and operations carried out by the Provider for or in connection with the booking of storage capacity in underground storages	6.902.801,69	10.345.954,95
4.	**Contract no. 1506/28.03.2024** (01.04.2024 – 31.03.2025)	Provision of underground gas storage services, meaning the set of activities and operations carried out by the Provider for or in connection with the booking of storage capacity in underground storages	6.942.551,56	7,615,466.36
5.	**Contract no. 151L/23.10.2024** (01.11.2024 – 01.12.2024)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the entry points into the NTS.	-	4.877.312,58
6.	**Contract no. 153L/23.10.2024** (01.11.2024 – 01.12.2024)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of quantities of natural gas, expressed in energy units, to the exit points of the NTS.	-	97.864,67
7.	**Contract no. 271L/20.11.2024** (01.12.2024 – 01.01.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the entry points into the NTS.	-	11.474.021,39
8.	**Contract no. 272L/20.11.2024** (01.12.2024 – 01.01.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of quantities of natural gas, expressed in energy units, to the exit points of the NTS.	-	254.151,61

No.	SNGN Romgaz SA – Contracting Party	Contract scope	Reported estimated value* (LEI)	Achieved value** (LEI, including VAT)
9.	**Contract no. 296L/18.12.2024** (01.01.2025 – 01.02.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of quantities of natural gas, expressed in energy units, to the exit points of the NTS.	-	4.048.294,44
10.	**Contract no. 298L/18.12.2024** (01.01.2025 – 01.02.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the entry points into the NTS.	-	4.203.114,53
11.	**Contract no. 90T/12.11.2024** (01.01.2025 – 01.04.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the entry points into the NTS.	-	19.686.491,35
12.	**Contract no. 97T/12.11.2024** (01.01.2025 – 01.04.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of quantities of natural gas, expressed in energy units, to the exit points of the NTS.	-	393.002,35
13.	**Contract no. 480L/22.01.2025** (01.02.2025 – 01.03.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the entry points into the NTS.	-	3.208.286,51
14.	**Contract no. 481L/22.01.2025** (01.02.2025 – 01.03.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of quantities of natural gas, expressed in energy units, to the exit points of the NTS.	-	2.418.176,49
15.	**Contract no. 109T/11.02.2025** (01.04.2025 – 01.07.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of	-	14.214,36

No.	SNGN Romgaz SA – Contracting Party	Contract scope	Reported estimated value* (LEI)	Achieved value** (LEI, including VAT)
		transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of quantities of natural gas, expressed in energy units, to the exit points of the NTS.		
16.	**Contract no. 578L/19.02.2025** (01.03.2025 – 01.03.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the entry points into the NTS.	**-**	2.273.016,87
17.	**Contract no. 579L/19.02.2025** (01.03.2025 – 01.04.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of quantities of natural gas, expressed in energy units, to the exit points of the NTS.	**-**	2.000.441,62
18.	**Contract no. 651L/19.03.2025** (01.04.2025 – 01.05.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the entry points into the NTS.	**-**	1.454.187,74
19.	**Contract no. 652L/19.03.2025** (01.04.2025 – 01.05.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of quantities of natural gas, expressed in energy units, to the exit points of the NTS.	**-**	53.341,64
20.	**Contract no. 725L/24.04.2025** (01.05.2025 – 01.06.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of quantities of natural gas, expressed in energy units, to the exit points of the NTS.	**-**	51.803,39
21.	**Contract no. 727/24.04.2025** (01.05.2025 – 01.06.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of	-	1.100.290,36

No.	SNGN Romgaz SA – Contracting Party	Contract scope	Reported estimated value* (LEI)	Achieved value** (LEI, including VAT)
		transmission capacity at the entry points into the NTS.		
22.	**Contract no. 163T/13.05.2025** (01.07.2025 – 01.10.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of quantities of natural gas, expressed in energy units, to the exit points of the NTS.	209.041,43	-
23.	**Contract no. 785L/21.05.2025** (01.06.2025 – 01.07.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of quantities of natural gas, expressed in energy units, to the exit points of the NTS.	**-**	985.387,85
24.	**Contract no. 830L/18.06.2025** (01.07.2025 – 01.08.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the entry points into the NTS.	**-**	319.776,50
25.	**Contract no. 831L/18.06.2025** (01.07.2025 – 01.08.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of quantities of natural gas, expressed in energy units, to the exit points of the NTS.	**-**	1.250.594,90
26.	**Contract no. 886L/23.07.2025** (01.08.2025 – 01.09.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the entry points into the NTS.	841.868,81	-
27.	**Contract no. 887L/23.07.2025** (01.08.2025 – 01.09.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of	2.061.782,58	-

No.	SNGN Romgaz SA – Contracting Party	Contract scope	Reported estimated value* (LEI)	Achieved value** (LEI, including VAT)
		quantities of natural gas, expressed in energy units, to the exit points of the NTS.		
28.	**Contract no. 915L/20.08.2025** (01.09.2025 – 01.10.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the entry points into the NTS.	694.961,69	-
29.	**Contract no. 916L/20.08.2025** (01.09.2025 – 01.10.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of quantities of natural gas, expressed in energy units, to the exit points of the NTS.	1.690.420,90	-
30.	**Contract no. 29/25.08.2025** (01.10.2025 – 01.10.2026)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the entry points into the NTS.	291.172.098,46	-
31.	**Contract no. 79/25.08.2025** (01.10.2025 – 01.10.2026)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of quantities of natural gas, expressed in energy units, to the exit points of the NTS.	18.893.066,99	-
32.	**Contract no. 30T/25.08.2025** (01.10.2025 – 01.01.2026)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the entry points into the NTS.	458.766,42	-
33.	**Contract no. 31T/25.08.2025** (01.10.2025 – 01.01.2026)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of quantities of natural gas, expressed in energy units, to the exit points of the NTS.	4.129.484,31	-

No.	SNGN Romgaz SA – Contracting Party	Contract scope	Reported estimated value* (LEI)	Achieved value** (LEI, including VAT)
34.	**Contract no. 27Z/03.03.2025** (04.03.2025 – 01.10.2025)	Provision of natural gas transmission services, meaning the set of activities and operations carried out by the TSO for or in connection with the reservation of transmission capacity at the exit points of the NTS and the transmission through the National Transmission System (NTS) of quantities of natural gas, expressed in energy units, to the exit points of the NTS.	-	2.148,13
35.	**Contract no. 48RBP/30.12.2021** (03.01.2022 – 01.10.2037)***	Provision of natural gas transmission services at the interconnection points of the SNT in Romania with the natural gas transmission systems of Romania's neighbouring countries, in accordance with the provisions of the interconnection agreements.	-	5.272.745,08
36.	**Contract no. OR24/29.04.2025**	Technological consumption for the period 01.04.2025 - 31.10.2025	47.391.221,25	-
		DEPO ROMGAZ		
	Contract no. 1862 /2025	Natural gas storage services for technological consumption for the period 01.04.2025 - 31.03.2026	5.298.177,50	-
	Contract no. 1863/2025	Natural gas balancing storage services for the period 01.04.2025-31.03.2026	8.626.544,13	-

* Estimated reported value – represents the value calculated at the time of signing the contract
** Achieved value – represents the final invoiced value at the time of contract completion

8. KEY PERFORMANCE INDICATORS ESTABLISHED IN THE MANDATE CONTRACTS

KEY PERFORMANCE INDICATORS – FINANCIAL for the calculation of the variable component of remuneration (separate)

- **according to the updated 2021-2025 Management Plan**

No.	Indicator	Objective	2025		Achievement degree
			Budgeted	Achieved	
1.	**Outstanding payments**	*Maintenance of the outstanding payments at zero.*	0	0	100%
2.	**Operating expenses** (less depreciation, balancing, construction activity and provisions for impairment of assets and for risks and charges) (**thousand lei**)	*Maintenance of the operating expenses at the level under the Management Plan*	1.782.027	1.408.051	127%
3.	**Liquidity ratio**	*Liquidity ratio to record annual values higher than 1*	1	1,26	126%
4.	**Net leverage rate**	Maintenance of a net leverage rate below the limits set for obtaining bank financing, i.e.: 5-2021, 5,5-2022, 5 – 2023-2024, 4,5 2025	5	2,81	178%
5.	**EBITDA* (thousand lei)**	Achievement of the EBITDA target under the Management Plan	867.934	1.186.788	137%

**) EBITDA calculated in accordance with the 2021-2025 Management Plan (EBITDA = Operating Revenue – (Operating Expenses – Depreciation))*

Table 34 - Key financial performance indicators for calculating the variable component of remuneration in 2025 compared to the target values for 2025 according to the 2021-2025 Management Plan

KEY PERFORMANCE INDICATORS – FINANCIAL

- **according to the 2025-2029 Management Plan**

No.	Indicator	Objective	M.U.	2025		Achievement degree
				Budgeted	Achieved	
1.	**Capital expenditure ratio**	Implementation of investment projects included in the company's development program in compliance with the applicable legal framework and efficiency principles, aiming to ensure security of natural gas supply and increase the degree of interconnection of the national natural gas transmission network to the European network	%	11,52	11,87	103%
2.	**Current liquidity ratio**		Number	1,10	1,26	114%
3.	**Debt/EBITDA* ratio**		Number	6,09	4,29	142%
4.	**Asset turnover ratio**	Ensuring sustainable financial and economic performance and operational stability	%	25,35	26,17	103%
5.	**Return on assets (ROA)**		%	13,61	27,86	205%
6.	**Net profit margin**		%	3,36	6,97	207%
7	**Dividend payout ratio**		%	50	50,91	101,82%

**) EBITDA calculated in accordance with the 2025-2029 Management Plan* (EBITDA = Net Profit + Interest Expense + Tax Expense + Depreciation + Amortisation)

Table 35 - Key financial performance indicators for the calculation of the variable component of remuneration in 2025 compared to the target values for 2025 according to the 2025-2029 Management Plan

KEY NON-FINANCIAL PERFORMANCE INDICATORS for the calculation of the variable component of the remuneration

- **according to the updated 2021-2025 Management Plan**

No.	Indicator	Objective	No.	2025		Achievement degree
				Planned	Achieved in 12 months	
Operational						
6	**Monitoring Investment strategy and implementation**	***Achievement of the FID projects under the TYNDP (2024-2033)*** *I = (achieved+initiated actions)/proposed actions*				
		Development on the Romanian territory of the Southern Transmission Corridor for taking over the Black Sea gas	6.1	Construction 2023-2025 Completion date - 2025.	On 16 June 2023, the works commencement order was signed. The work was completed.	*100%*

		Development of the SCADA system for the National Gas Transmission System	6.2	Project implementation 2024-2025 (completion date 2026)	The work is in progress according to the schedule.	*100%*
7	**Increasing energy efficiency**	*Maintaining the share of the NTS gas consumption in the total circulated gas below 1%*	7.1	<1	0,25%	*100%*
8	**Customer satisfaction**	*Achievement of the targets established in the management plan (According to PP SA 02 - Customer satisfaction assessment, a score between 6-8 represents the fact that the services offered met accordingly the requirements of the customers)*	*8.1*	8	**Achieved – 8** Report SSMI/ 19290/06.03.2026 on the evaluation of SNTGN Transgaz SA clients satisfaction for 2025.	100% *Annual monitoring*
9	**Strengthening and diversifying cooperation and collaboration relations with European gas transmission system operators**	*Conclusion of memoranda of cooperation and collaboration with European gas transmission system operators (minimum 5 operators) regarding the collaboration on hydrogen injection*	9.1	1	A joint Memorandum of Understanding was signed between four gas transmission system operators in Central Europe (Transgaz - Romania, Gaz-System - Poland, Eustream - Slovakia and FGSZ – Hungary), on exploring the possibilities of decarbonising their operations, transmitting green gas and investigating the potential of transmitting CO_2.	*100%*
Public service oriented						
10	**Performance indicators related to the gas transmission service**	*Achievement of the targets established in the Performance Standard for the gas transmission service (ANRE Order 140/2021 entered into force as at 1 October 2022).*	*10.1*	$IP_0^1 \geq 90\%$	*99,69%*	*100 %*
			10.2	$IP_1^1 \geq 90\%$	*100%*	
			10.3	$IP_1^2 \geq 95\%$	*	
			10.4	$IP_1^3 \geq 95\%$	*	
			10.5	$IP_1^4 \geq 95\%$	*100%*	
			10.6	$IP_1^5 \geq 95\%$	*100%*	
			10.7	$IP_2^1 \geq 95\%$	*100%*	
			10.8	$IP_3^1 \geq 95\%$	*97,62%*	
			10.9	$IP_3^2 \geq 95\%$	*	
			10.10	$IP_4^1 \geq 95\%$	*	
			10.12	$IP_5^1 \geq 98\%$	*100%*	
			10.12	$IP_5^2 \geq 98\%$	*100%*	
			10.13	$IP_6^1 \geq 98\%$	*100%*	
			10.14	$IP_6^2 \geq 98\%$	*100%*	
Corporate governance						
11	**Optimization of internal/**	*Implementing the provisions of GSG*	1.1	Development of the internal	***Achieved***	*100 %*

	management control system	*Order 600/2018 for the approval of the Internal/Management Control Code of public enterprises as amended.* *I = implemented standards/ standards provided for in the Order 600/2018*100* *Implementation of the measures established in the* internal/management control system *Implementation Plan* *I = Implemented measures /proposed measures *100*		/management control system for maintaining it at a level considered compliant with the standards included in the Internal/Management Control Code.	*- Monitoring Committee Decision 424/01.04.2025;* *- letter to GSG 5899/ 27.01.2025, entry no. to GSG 2246/28.01.2025 regarding the submission of the following* internal/management control system *reporting documents:* ▪ *Report of the Director General on the Internal/Managerial Control System as at 31 December 2024, no. 5899/27.01.2025;* ▪ *Centralizing report on the implementation and development of the internal/managerial control system within SNTGN Transgaz SA, as at 31 December 2024, no. 5899/ 27.01.2025.* *The data provided for in the above documents are uploaded in the SCIM (Internal Management Control System) – GSG (The General Secretariat of the Government) IT Platform. The General Secretariat of the Government notifies the approval of the forms uploaded in the IT Platform by e-mail dated 11.03.2025);* *- SCI/M (Internal Management Control System) development programme, updated for the year 2025, no. DSMC/17231/03.03.2025;* *- Report on the state of implementation of the internal/managerial control system at Transgaz level for the year 2024, no. DSMC/12957/ 17.02.2025;* *- Report on performance monitoring at Transgaz level for 2024, no. DSMC/16175/ 26.02.2025;* *- Report to the Director General on the monitoring of performance and the progress of SCIM implementation at Transgaz for 2024, by Letter no. 28018/02.04.2025;* *- the Board of Administration took note of Report DG/31903/14.04.2025 on "The progress of implementation of the internal control/management system and the monitoring of performance", for 2024 by BoA Resolution 11/28.04.2025.* *-The "SCI/M Management" System Procedure has been drafted.*	
			11.2	Streamline the processing and management of SCI/M documentation by implementing an SCI/M web platform (preparation of procurement documents).	***Achieved*** *- Tender book no. 43806/08.06.2021 for the design and implementation of the SCI/M web platform . The analysis, diagnosis, assessment of the Internal/Managerial Control System is included in Chapter 2 of the Specifications.* *- Necessity report no. DSMC/61781/22.08.2023 on the budgeting of the product 'Automated Information System dedicated to the development, management and continuous monitoring of the Internal/Managerial Control System;* *-The implementation of the platform was postponed for 2026.*	*100%*

12	**Optimization of risk management process**	*Implementation of the requirements of Standard 8 of GSG Order no. 600/2018 for the approval of the internal/management Control Code of public entities as further amended.* *Moving to a 5-step risk assessment scale*	*12.1*	*Continuous monitoring and adaptation of the organisational, conceptual and methodological framework of the risk management process*	***Achieved*** *- EGR Decision No 331/ 14.03.2025;* *-EGR Decision no. 721/22.05.2025;* *- Risk Management Strategy, 2021-2025; no. DSMC/38586/ 19.05.2021 was approved by Board of Administration Resolution. 25/31.08.2021;* *- The Risk Management Strategy, 2025-2029, at the level of SNTGN Transgaz SA, no. DSMC/89993/22.10.2025, was approved at the Board of Administration meeting on November 26, 2025, by BOA resolution no. 29/2025;* *- the meeting of the Board of Administration held on 28 April 2025 (BoA Resolution 11/2025) took note of the "Report no. DG/31902/14.04.2025 on the analysis of the achievement of the specific objectives and action directions set out in the Program for the implementation of the measures set out in the Risk Management Strategy, 2021-2025, at the level of Transgaz, period under review - 2021-2024";* *- the 5-step risk tolerance limit for 2025 no. DSMC/12923/17.02.2025 was approved in the Board of Administration meeting held on 26 February 2025 by BoA Resolution 4/2025.* *- the 5-step risk tolerance limit for 2025 no. DSMC/12923/17.02.2025, circulated by Letter DSMC/20304/11.03.2025 and published in the public area::*https://portal.intranet.transgaz.ro/zonapublica/scim/Managementul%20riscurilor/06.%20Limita%20de%20toleranta/8.%20Limita%20de%20toleran%C8%9B%C4%83%20_%202025%20Transgaz.pdf *- The Risk Appetite Statement for 2025 at SNTGN Transgaz SA was approved at the Board of Administration meeting held on 26 February 2025 through BoA Resolution no. 4/2025.* *- The Risk Management Commitment Statement, 2025-2029, has been approved; it has been distributed to all organizational structures via the Mailbox (e-mail dated 06.02.2026) and by publication in the public area at:* *https://portal.intranet.transgaz.ro/zonapublica/scim/Forms/AllItems.aspx?web=1&id=%2Fzonapublica%2Fscim%2FManagementul%20riscurilor%2F02%2E%20Declaratie%5FAngajament%20a%20Directorului%20General%20privind%20Managementul%20Riscului* *- within the Board of Administration meeting held on February 26, 2025 (BOA Resolution 4/2025), the Risk Management Analysis at SNTGN Transgaz SA was approved based on Report No. DSMC.12919/17.02.2025. The document was published on the company's intranet page.*	*100%*

			12.2	*Systematic analysis of risks associated with operational objectives at the level of organisational structures.*	***Achieved*** *In accordance with the letter No. DSMC/20304/11.03.2025 all organizational structures have posted in the dedicated area:* *- the list of operational objectives, activities and risks, year 2025;* *- The Risk Registers at service and departmental level, year 2025;* *- The plans of measures to minimize risks at service, departmental level, year 2025;* *According to Letter No. DSMC/102463/02.12.2025 all organizational structures have posted the revised Risk Registers, December 2025, and Risk Management Report, year 2025 at the level of the divisions, independent units, independent departments and offices, regional offices, the Medias Subsidiary.*	
			12.3	*Implementation of risk management policy, procedures and legal requirements and monitoring their application at company level.*	***Achieved*** *- Company-wide Risk Register, 2024, No. DSMC/20439/ 31.12.2024, REVISED December 2024;* *-Company-wide Risk Register, year 2025, no. DSMC/17235/03.03.2025, approved by Board of Administration Resolution 11/28.04.2025 (Report no. DSMC /32284 /14.04.2025);* *- Company-wide Risk Register, 2025, No. DSMC/17235/03.03.2025, REVISED December 24, 2025 (approved by the Monitoring Committee in its meeting, Minutes No. 1830/13.01.2026);* *-Risk Minimization Measures Plan, at company level, year 2025, no. DSMC/17233/03.03.2025, approved by Board of Administration Resolution 11/28.04.2025 (Report no. DSMC /32284 /14.04.2025);* *- Report to the Director -General on risk management and monitoring, within SNTGN Transgaz SA, for the year 2024, by Letter no. 28018/02.04.2025;* *- The Board of Administration acknowledged Report no. DG/31901/14.04.2025 on risk management and monitoring within SNTGN Transgaz SA, 2024, by BoA Resolution 11/28.04.2025;* *- the risk profile, December 2024 No DSMC/12923/ 17.02.2025 approved by Board of Administration Resolution 4/26.02.2025.*	
13	**Timely reporting of the performance indicators**	*Compliance with the legal deadlines for reporting* *I = actual reporting deadlines/reporting deadlines provided *100*	*13.1*	*Calendar for Financial communication to BSE*	***Achieved*** *(see the company`s website)* https://www.transgaz.ro/ro/calendar-financiar-2025	*100%*
			13.2	*Report on the status of implementation of the 10-Year Development Plan of the*	**Achieved** Letter *DSMC/14996/23.02.2026* *ANRE entry number/28820/24.02.2026* *Reported annually.*	

				National Gas Transmission System		
			13.3	Internal/management control system *reporting*	***Achieved*** *It was sent to the General Secretariat of the Government by Letter no. DSMC/ 5899/27.01.2025 , entry no. GSG 2246/28.01.2025,* *- Centralized Progress Report on the implementation and development of the internal/management control system in SNTGN Transgaz SA on 31 December 2024* *-Report on the internal/managerial control system as at 31 December 2024, no. 5899/27.01.2025. It was sent to the General Secretariat of the Government by letter no. 6536/27.01.2026, ref. no. SGG 2209/28.01.2026:* *Centralized report on the implementation and development status of the internal/management control system in SNTGN Transgaz SA, on December 31, 2025, no. 6592/27.01.2026;* *-Report on the internal/managerial control system as at 31 December 2025 no. 6537/27.01.2026.*	
			13.4	*Reporting related to the achievement of the performance indicators of the gas transmission service*	***Achieved*** *Letter 98351/18.11.2025 ANRE report for gas year 2024-2025* *It is reported annually (November)*	
			13.5	*Reporting form S1100 on the monitoring of the application of the provisions of GEO No. 109/2011*	***Achieved*** *- Letter no. 520/08.01.2025 H I100 reporting for H II 2024;* *By OMFP No. 4232/2024, the submission of form S1100 was repealed.*	
14	**2021-2025 NAS implementation**	*Implementation of the measures established in the NAS* *I = measures achieved within the deadline /proposed measures *100*	*14.1*	*Achievement of the objectives under the Integrity Plan for the implementation of the Anti-Corruption Strategy 2021-2025*	***Achieved*** *The measures foreseen in the Integrity Plan for the implementation of the National Anti-Corruption Strategy 2021-2025, for 2025, were realized:* *- elaboration, submission to the GSG (The General Secretariat of the Government) and publication on the Intranet page of the Report on the status of the implementation of the measures envisaged in the SNA 2021-2025 for 2024, at the level of S.N.T.G.N. Transgaz S.A.;* *- preparation, submission to the General Secretariat of the Government and publication on the Intranet page of Transgaz' Integrity Incident Assessment Report for 2025, at the level of S.N.T.G.N. Transgaz S.A.;* *-preparation, submission to A.N.I. and publication on the Intranet page of the*	*100%* *It is monitored annually*

					Report on the application of Law no. 361/2022 on the protection of the public interest warnings in 2024, at S.N.T.G.N. Transgaz S.A. level; - *Preparation of the Corruption Risk Monitoring Report;* - *Review of the Corruption Risk Register;* - *Verification, through sampling, of how the Declaration of Confidentiality and Impartiality is completed in procurement procedures;* - *Anti-corruption training was provided to 60 people, 30 of whom hold management positions;* - *Participation in a working meeting within the Business Environment Cooperation Platform organized by the Technical Secretariat of the SNA;* - *The composition of the Working Group for the Prevention of Corruption was updated and steps were taken to carry out training activities on corruption prevention mechanisms within the company (identifying persons for whom priority training is necessary, preparing topics, administrative steps);* - *the database of companies that have not properly performed their contracts with S.N.T.G.N. Transgaz S.A. was continuously updated and used as a permanent working tool.*	

Table 36 - Achievement of key non-financial performance indicators according to the 2021-2025 Management Plan for calculating the variable component of remuneration

Note: *Given that in the period analysed for the performance indicators of the gas transmission service marked * no requests/notifications/complaints were registered, we conclude that the potential risk did not materialize, and, therefore, it results that the indicators are met according to the requirements established in the Performance Standard, although the degree of fulfilment of these indicators cannot be determined by mathematical calculation.*

▪ according to the 2025-2029 Management Plan

No.	Non-financial objectives	Category of non-financial indicators	Non-financial indicators	Calculation formula	M.U.	2025	
						Target values	Achieved
Public enterprise strategy							
1.	Increasing customer, business partner, and supplier satisfaction and the quality of services provided	Customer-related indicators	Customer satisfaction score	Customer satisfaction score_t = total number of ratings of 4 and 5_t/total number of ratings_t-1	%	95	96,94%
2.		Focused on public services	Monitoring Development Strategy*	Implementation of FID projects in the 10-year development plan = actions completed + actions started / actions proposed	%	100	100

No.	Non-financial objectives	Category of non-financial indicators	Non-financial indicators	Calculation formula	M.U.	2025	
						Target values	Achieved
3.			Performance indicators for natural gas transmission services	Achievement of the targets set out in the Performance Standard for Natural Gas Transmission and System Services for the indicators $IP_0^1 \geq 90\%$, $IP_1^1 \geq 90\%, IP_1^2 \geq 95\%, IP_1^3 \geq 95\%, IP_1^4 \geq 95\%, IP_1^5 \geq 95\%, IP_2^1 \geq 95\% IP,_3^1 \geq 95\% I, P_3^2 \geq 95\%, IP_4^1 \geq 95\%, IP_5^1 \geq 98\%, IP_5^2 \geq 98\%, IP_6^1 \geq 98\%, IP_6^2 \geq 98\%.$	%	100	100
4.	Improving the process of training, instruction, and professional development of staff.	Employee-related indicators	Average number of training hours per employee	Average number of training hours per employee = Total number of training hours_t/Total number of employees_t	Number	21	22,97
5.	Responsible management, sustainable strategies, and maintaining Integrated Management certification for Quality, Environment, Health, and Occupational Safety		Establishment of an employee safety system	YES/NO	Confirmation of the establishment of the system	YES	YES
6.	Optimizing the implementation process of corporate governance, ethics, and integrity principles	Governance-related indicators	Percentage of independent members on the board of directors	Percentage of independent members on the board of administration_t = Total number of non-executive and independent members on the board of administration_t/ Total number of members on the board of administration_t	%	60	80
7.			Number of board meetings	Number of board meetings_t = Number of board meetings held during the year_t	Number	12	31

No.	Non-financial objectives	Category of non-financial indicators	Non-financial indicators	Calculation formula	M.U.	2025	
						Target values	Achieved
8.	Optimization of the risk management process		Establishing risk management policies	YES/NO	Confirmation of policy establishment	YES	YES

Table 37 - Achievement of key non-financial performance indicators according to MP 2025-2029

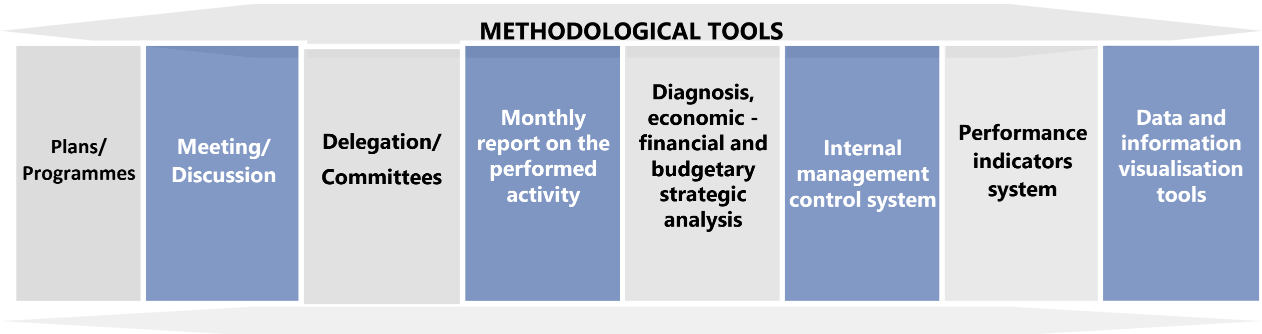
PERFORMANCE INDICATORS - NON-COMMERCIAL

- **according to the 2025-2029 Management Plan**

No.	Non-financial objectives	Category of non-financial indicators	Non-financial indicators	Calculation formula	M.U.	2025	
						Target values	Achieved
Public enterprise strategy							
1.	Optimal sizing of human resource requirements in relation to the actual activity and development needs of the company	Job creation	Full-time equivalent number of employees	Number of full-time equivalent employees_t = Total number of working hours for all employees according to contract_t/ Number of working hours for a full-time employee_t	Number	4.005	4.014
2.		Gender equality	Percentage of female senior managers	Percentage of female senior managers = Number of female directors_t/Total number of directors_t	%	31	32,79

Table 38 - Achievements of non-commercial key performance indicators according to PA 2025-2029

In order to optimize the company's activities, the administrators and management will continue to act with the utmost responsibility and will efficiently use modern administration/management methods and techniques, appropriate for improving and enhancing the performance of all processes and activities carried out by the company, as presented below:



ION STERIAN – Executive Administrator – Director-General

NICOLAE MINEA – Non-Executive Administrator

ILINCA VON DERENTHALL – Non-Executive Administrator

ADINA LĂCRIMIOARA HANZA – Non-Executive Administrator

COSTIN MIHALACHE – Non-Executive Administrator (mandate start as of 30.04.2025)

PETRU ION VĂDUVA – Non-Executive Administrator (mandate termination as at 29.04.2025)

LIST OF TABLES

LIST OF CHARTS

LIST OF FIGURES

1-1. ANNEX 1 TO THE CONSOLIDATED ADMINISTRATORS REPORT

CONSOLIDATED SUSTAINABILITY STATEMENT

TRANSGAZ
2025

TABLE OF CONTENTS

Dear partners,

In a European context marked by profound transformations in the energy sector, extreme geopolitical and geostrategic challenges, SNTGN Transgaz SA reaffirms its essential role in Romania's firm commitment to the common objectives of the European Union regarding security of supply, diversification of sources and consolidation of the common European market for natural gas on the one hand and to the objectives of sustainable development and economic growth of the entire Romanian society, on the other hand.
Within this strategy, SNTGN Transgaz SA implements major investment projects aimed at increasing the resilience and flexibility of the energy infrastructure of Romania and the Republic of Moldova. By developing regional natural gas transmission corridors and preparing the NTS for the takeover of new natural gas sources, including those in the Black Sea, Transgaz is a regional energy security provider and actively contributes to the stability and balance of the gas market in South-Eastern Europe.

Sustainable development and decarbonization strategies
SNTGN Transgaz SA (Transgaz) has developed with the financial support of the European Investment Bank (EIB) theclimate and decarbonization strategy of the activities carried out. This strategy includes an Investment Plan and measures to reduce greenhouse gas emissions to meet the decarbonisation targets set for the short term (2030), medium (2040) and long term (2050). Transgaz's proactive approach to ensuring the supply of affordable, clean, low-carbon energy is based on visionary, responsible and innovative leadership, on a high-performance and solid corporate management and governance system.
In this context, Transgaz, as the operator of the National Gas Transmission System, has a major responsibility: to ensure the safe and continuous operation of the NTS, at the highest quality and environmental standards, and to maintain a balance between decarbonization objectives and security of energy supply.
A major commitment of the company aims **to strengthen regional interconnectivity** and integrate Romania into European energy corridors. By modernizing and strengthening bidirectional flows at interconnection points with neighboring states (Hungary, Bulgaria, the Republic of Moldova and Ukraine), the company is aligned with the EU's objectives on the integrated internal market and energy solidarity, being able to efficiently manage any crises or supply disruptions. At the same time, SNTGN Transgaz SA has taken concrete steps to **attract and use non-reimbursable European funds** for the development of energy infrastructure, through projects submitted for financing under the Modernization Fund, the Environmental Fund and other loans from international financial institutions. These strategic investments allow for the development of additional transport capacities and the modernisation of existing infrastructure, contributing to both energy security and the operational efficiency of the system. The company also has a strategic role in **preparing the necessary infrastructure** for the takeover and transport of natural gas from the Black Sea. By developing dedicated pipelines and adapting the national network, SNTGN Transgaz SA supports Romania's goal of becoming a regional energy security provider and the restart of chemical and fertilizer production facilities.

In parallel, the company supports the implementation of European policies on maintaining adequate levels of gas storage before the cold season. By **coordinating the operational** flows and ensuring the flexibility of the network, the company contributes to the stability of the national energy system and the protection of consumers in times of market volatility. During the energy transition period, Romania will

rely on natural gas due to its lower emissions compared to coal and also due to its technical capacity to ensure the balancing of the transmission network, while pursuing the objective of increasing the share of less carbon-intensive energy sources in the national energy system.
Last but not least, through **its active participation in the European networks** of transmission system operators and through constant dialogue with the European institutions, SNTGN Transgaz SA contributes to the harmonization of regulations and to the strengthening of cross-border cooperation. This engagement strengthens Romania's position in the European energy architecture and supports the common objectives regarding the security and sustainability of the natural gas sector.

Main milestones of 2025 - Increasing financial performance
The year 2025 was an important one for SNTGN Transgaz SA, marked by solid financial results, the development and expansion of strategic investments, the consolidation of the company's role in regional energy security. The financial results obtained, reflected in the tripling of the company's value and implicitly the value of Transgaz's shares, demonstrated both the operational efficiency and the positive impact of the timely investments made in the natural gas transmission infrastructure, strengthening the company's position as a strategic player in the national and regional energy sector.

Continuation of the major investment program
In 2025, the company continued to implement the extensive investment program dedicated to the development, modernization and expansion of the National Gas Transmission System, advancing strategic projects provided for in the long-term development plan, in order to increase transmission capacity, modernize existing infrastructure and strengthen energy security. For Transgaz, the major challenge is to maintain the reliability of the current, natural gas-based system, while strategically analyzing the potential for the infrastructure to be aligned with future energy requirements.

Development of the regional gas transmission corridor
Another important milestone of 2025 was the continuation of projects that strengthen Romania's role as a regional energy hub. We have initiated, supported and promoted the concept of the Vertical Corridor, a component of the South-North Corridor within the 3 Seas Initiative, a corridor meant to reduce the total dependence on Russian gas and to facilitate the integration of gas resources from the Black Sea, the Caspian Sea and LNG from the terminals in Turkey and Greece into the National Transmission System, to develop the necessary infrastructure for their transport to the markets of Central and South-Eastern Europe, Republic of Moldova and Ukraine, thus contributing to the diversification of energy sources and regional energy security.
The Vertical Corridor is one of the most ambitious regional projects in the field of natural gas transmission. It has the potential to fundamentally reconfigure energy flows in Central and Eastern Europe, creating new transport corridors and diversifying supply sources for the entire region;
The efforts to fully operationalize this Corridor are supported by concerted efforts, at the level of the European Commission, carried out together with the other transmission and system operators in the countries that are part of this transport corridor, for the allocation of sufficient non-reimbursable funds to materialize the common objective of reducing energy dependence on a single supplier.

Integration of energy markets In 2025, SNTGN Transgaz SA intensified cooperation with gas transmission and system operators in the region, developing strategic partnerships aimed at improving the interconnectivity of their energy systems. In this context, the collaboration with the Serbian company Srbijagas, the only one of Romania's neighboring countries with which we do not have natural gas interconnection points, aimed at developing cross-border infrastructure projects, aimed at facilitating bidirectional gas flows and supporting the integration of energy markets in South-Eastern Europe.

Alignment with European operational requirements

Transgaz is focused on expanding and modernizing existing infrastructure by integrating green gas, especially renewable and low-carbon hydrogen, into the natural gas transmission system, in line with the European Commission's commitments to the European Green Deal and the Hydrogen Strategy.

Diversification of activities and strengthening operational capacities

During 2025, SNTGN Transgaz SA continued to diversify its activities and expand its operational capacities, including through development initiatives and strategic partnerships in the field of services related to energy infrastructure. In this context, the takeover of the majority stake of Petrostar SA, one of the most representative companies in Romania, operating in the field of research, technological engineering and design for the oil and gas extractive industry, an approach that contributes to the consolidation of technical skills and the development of complementary activities to the transportation of natural gas.

Looking to the future, the strategic objectives of SNTGN Transgaz SA remain clear: the development of a modern, European-integrated, safe, competitive national gas transmission system that is safe, competitive and adapted to the transition to a low-emission economy. We will continue to provide the company with competent and motivated employees, which will allow the efficient achievement of objectives and the increase of performance, we will continue to work closely with our partners to support strategic investments and ensure the continuous growth of added value for shareholders, the sustainable development of energy infrastructure, the development and sustainable growth of the national economy. The company has the resources, expertise and determination to turn current challenges into opportunities for growth and regional leadership in the energy field.

Today, Transgaz is a high-performance group of companies consisting of: SNTGN Transgaz SA, Transport România Hidrogen SRL and Petrostar SA from Romania and Eurotransgaz SRL and Vestmoldtransgaz SRL from the Republic of Moldova, being the only natural gas transmission and system operator operating entirely on the territory of two different countries: Romania, EU member and Republic of Moldova, non-EU (in the process of accession). A high-performance group oriented towards the continuous growth of the surplus value for shareholders.

Thank you for your continued trust and support in achieving the objectives of SNTGN Transgaz SA's strategy on ensuring and strengthening national, regional and European energy security, sustainable development of natural gas transmission infrastructure and increasing the competitiveness of the national economy.

Ion Sterian
General Director
SNTGN TRANSGAZ SA

GENERAL DISCLOSURES

ESRS 2 – Basis for preparation

General basis for preparation of sustainability statements

BP-1

The National Gas Transport Company Transgaz S.A. (hereinafter referred to as the "Company" or SNTGN Transgaz SA) is the technical operator of the National Gas Transmission System (NTS) in Romania and ensures the fulfillment in conditions of efficiency, transparency, safety, non-discriminatory access and competitiveness of the national strategy regarding the domestic and international transport of natural gas, the dispatching of natural gas, as well as research and design in the specific field of its activity, in compliance with the requirements of European and national legislation, quality, performance, environment and sustainable development standards. Transgaz is a joint-stock company, with majority state capital and carries out its activity in accordance with the national legislation in force, having the financial statements prepared in accordance with OMFP 2844/2016.

SNTGN Transgaz SA has the right to operate the main pipelines of the National Gas Transmission System for a period of 30 years, until 2032, based on the Concession Agreement concluded with the National Agency for Mineral Resources - NAMR), approved by Government Decision no. 668/2002 regarding the approval of the concession agreement for the main pipelines, installations, equipment and endowments related to the National Gas Transmission System and the operating activity of the National Gas Transmission System, concluded between the National Agency for Mineral Resources and SNTGN Transgaz SA. All upgrades or improvements made by the Company with regard to the national natural gas transmission system are considered part of the system and become the public property of the state, through ANRMPSG, at the end of their useful life or at the end of the concession agreement. The company cannot sell or dispose of any asset that is part of the national natural gas transmission system, and the exits can only be made with the approval of the State.

"Vestmoldtransgaz" S.R.L. ("VMTG") was founded in the form of the state-owned enterprise "Vestmoldtransgaz" by the Ministry of Economy of the Republic of Moldova, in accordance with the Government Decision no. 501 of 01.07.2014 and registered at the State Registration Chamber on July 16, 2014 with headquarters at 180 Stefan cel Mare Blvd., Chisinau municipality, Republic of Moldova. In order to carry out the natural gas transmission activity, based on the provisions of the Law on Natural Gas, "Vestmoldtransgaz" S.R.L., has obtained, from the National Agency for Energy Regulation, an Activity License with Series AA and no. 087187 valid for 25 years, from January 6, 2015 to January 6, 2040.

The Company's core business is the transportation of natural gas in accordance with the conditions of the license, applicable technical and regulatory norms. The company is owned by Eurotransgaz SRL and the European Bank for Reconstruction and Development.

Eurotransgaz SRL is a company incorporated in the Republic of Moldova, owned by the National Gas Transport Company Transgaz S.A. It is a shareholder of Vestmoldtransgaz, with a 75% stake, along with the EBRD which holds 25%. This is a holding company with only 4 employees.

Through the HAGEA no. 5 of June 5, 2024, the establishment of a limited liability company TRANSPORT ROMANIA HIDROGEN S.R.L. was approved, with the sole shareholder SNTGN Transgaz SA. The company's activity is suspended.

Petrostar S.A. (hereinafter referred to as "Petrostar") is the leading technological engineering, design and consulting company for the oil and gas extractive industry in Romania. The company provides a full range of services necessary for the materialization of projects, such as: feasibility studies, technical projects, basic design and other details, engineering services, research and consulting services, field engineering, environmental protection studies. The company was acquired by SNTGN Transgaz SA during 2025, as part of the entity's development strategy aimed at expanding operational capabilities in the area of support and auxiliary services to energy infrastructure. The four companies consolidate and form Transgaz, which is structured on functional entities (departments, directorates, services, offices, compartments, etc.) and production entities (territorial exploitations, sectors, laboratories, workshops, etc.).

In the context of consolidated data for Romania and the Republic of Moldova, the name "Transgaz" will be used. Regarding the specific activities carried out on the territory of Romania, reference will be made to SNTGN Transgaz SA and Petrostar S.A., respectively Vestmoldtransgaz S.A. and Eurotransgaz for entities from the Republic of Moldova.

Transgaz prepares the individual financial statements for each entity and the consolidated financial statements, which are audited by an independent auditor, and the results are published on the company's website and presented in the Consolidated Report of the Administrators. The annual reporting is prepared in accordance with the requirements of the Order of the Minister of Finance 2844/2016, Chapter 7, Non-financial information and sustainability information. This report is aligned with these requirements, taking into account the provisions of chap. 7 of the Order of the Minister of Finance no. 85/2024, according to which:

'*The parent companies of a large group shall include in the consolidated directors' report the information necessary to understand the impact of the group on sustainability issues and the information necessary to understand how sustainability issues affect the development, performance and position of the group.*'

Transgaz reports for 2025, based on the requirements of the ESRS standards, the Order of the Minister of Public Finance no. 2844/2016 with subsequent amendments and completions and of the Methodology for Sustainability Reporting - Romanian Sustainability Code, of 16.11.2023, which is an integral part of Decision no. 1117/2023 on the approval of the Methodology for sustainability reporting, as subsequently amended.

This report presents Transgaz's activity data for the period 01.01.2025 – 31.12.2025. Reporting is not limited to companies' own operations, as information from the upstream and downstream value chain is also included. The materiality assessment includes the analysis of the impacts related to Transgaz's own operations and the value chain, including its products and services, as well as its business relationships. Within each chapter, the specific presentation requirements for each topic that resulted as material are addressed, respectively the relevant impacts, risks and opportunities are presented. Information on the value chain (the company's customers and suppliers) is mentioned in the topical standards chapters.

Transgaz has not omitted information that corresponds to intellectual property, know-how or innovation results.

The annual reporting covers all Transgaz activities in Romania and the Republic of Moldova. All Transgaz's main activities are included in the scope of application: natural gas transmission, a regulated monopoly activity, with tariffs established based on the methodology issued by the National Energy Regulatory Authority and the engineering and consultancy activity for the oil and gas extractive industry.

Transgaz's consolidated sustainability report reflects the commitment to sustainable development and to the achievement of its objectives. Transgaz aims to support the preservation of the environment, improve well-being in the local community, provide high-quality services and develop sustainable partnerships with customers, authorities and the local community. More information about Transgaz can also be found on the website: https://www.transgaz.ro/en/node/2186 .

SNTGN Transgaz SA is a joint stock company, the shareholders being: 58.5097% the Romanian State through the General Secretariat of the Government and 41.4903% other shareholders (individuals and legal entities).

Disclosures in relation to specific circumstances

BP-2

Transgaz publishes the second consolidated sustainability report, which includes information for the period January 1, 2025 – December 31, 2025. Between 2020 and 2023, the parent company SNTGN Transgaz SA issued sustainability reports. The sustainability report for the financial year 2023 was the first year in which the SNTN Transgaz SA entity reported according to ESRS standards. That year, SNTGN Transgaz SA was evaluated and voluntarily published the ESG rating obtained from the Bucharest Stock Exchange. The ESG score aims to assess the sustainability of listed companies, taking into account three main criteria: environmental impact, social governance and corporate governance. For 2023, SNTGN Transgaz SA has chosen to report voluntarily based on the new ESRS standards, according to the Order of the Minister of Finance 85/2024, which implements the Corporate Sustainability Reporting Directive (CSRD).

The ESG score measures the extent of ESG risks not managed by the company. A lower score means a more limited magnitude of unmanaged ESG risks. ESG Risk Rating Score indicates the company's ranking at the level of the sub-industry in which it is classified according to the methodology used. A higher ranking means better ESG performance compared to similar companies in the universe covered by Sustainalytics, the partner company of the Bucharest Stock Exchange, which performs the independent valuation of companies. For more details, you can access the ESG-Rating section on the Transgaz website.

For 2024, SNTGN Transgaz SA obtained an ESG Risk Score of 27.2, corresponding to the MEDIUM risk level, a level similar to that for 2023.

The sustainability report for the financial year 2025 was prepared based on the ESRS standards and covers all entities of the Transgaz group, i.e. SNTGN Transgaz SA, Petrostar SA, Eurotransgaz SRL and Vestmoldtransgaz SRL.

For the financial year 2025, Transgaz fulfills the legal reporting obligations according to the new ESRS standards, in accordance with the Order of the Minister of Finance 2844/2024, which transposes the Corporate Sustainability Reporting Directive (CSRD). Sustainability reporting allows Transgaz to present its performance with regards to the environment, social and governance aspects and to strengthen its commitment to sustainable development in a way that can be demonstrated to internal and external stakeholders. The sustainability report is prepared based on the results of the double materiality analysis (also referred to as the significance assessment in the ESRS).

The double materiality analysis was carried out according to the ESRS standards, in order to comply with the provisions of the Corporate Sustainability Reporting Directive (CSRD).

Time horizons

For the preparation of the Sustainability Report, Transgaz used short, medium or long-term time horizons, as defined in ESRS 1:

- Short-term time horizon: the reporting year (2025)
- Medium-term time horizon: 1-5 years.
- Long-term time horizon: more than 5 years (as considered by the ESRS).

Value chain estimation

The sustainability report is not limited to Transgaz's own operations, but also includes relevant information from the value chain, both upstream and downstream. The double materiality analysis included the assessment of the impacts associated with Transgaz's own operations, products and services, as well as its business relationships.

For the 2025 financial year, the assessment of impacts, risks and opportunities was made taking into account own operations and the significant value chain, while the policies, sustainability targets and actions cover own operations.

For the current reporting period, only Scope 3 metrics were considered in relation to the value chain. Transgaz currently estimates Scope 3 emissions using industry averages and applying recognized calculation methodologies, such as those set by the Greenhouse Gas Protocol.

For Scope 3 emissions, Category 3 – Fuel and energy related activities (not included in Scope 1 or Scope 2), and Scope 1 emissions fugitive methane emissions, the quantities of natural gas from unintentional leaks caused by leaks or malfunctions along the gas network, as well as the quantities of natural gas released by equipment from operational requirements or from the repair, rehabilitation and/or development of the natural gas transmission system, are estimated using the formulas and provided for by the relevant national regulatory framework (Order no. 85/2023, CT methodology and Order no. 41/2019).

In order to identify, monitor and manage these emissions from unintentional gas leaks, Transgaz implements a set of operational measures that include periodic pedestrian inspections, aerial surveillance by helicopter, with GIS support to identify areas with potential risk. These activities contribute to reducing the risk of unintentional leaks and improving the management of emissions associated with the value chain. This approach allows us to assess the emissions associated with our value chain, although there is a certain degree of uncertainty in the estimate. The identified metric, the basis for preparation, the level of accuracy achieved and the actions planned to improve accuracy in the future are described in detail in the relevant material topic.

In the next 2 years, Transgaz aims to obtain as much information as possible from partners in the value chain regarding emissions from Scope 3.

Estimation of emissions from refrigerants (Scope 1)

For Vestmoldtransgaz, greenhouse gas emissions from the use of refrigerants were estimated by applying a standardised leakage coefficient of 0.3%, provided for by Order no. 2641/2023, to the total quantity of refrigerant installed in refrigeration and air conditioning equipment. The total amount of refrigerant was determined based on the technical data sheets of the equipment, and the calculation of emissions used the GWP values corresponding to each type of refrigerant.

Estimation of emissions from fuel consumption – Scope 1

To determine emissions from fuel consumption related to the vehicle fleet, Transgaz uses an estimation methodology based on the number of kilometers traveled and the average standard consumption specific to each vehicle. This approach is provided for in the Regulation on the management, operation and use of vehicles and equipment within SNTGN Transgaz SA and is applied consistently across all operations.

Changes in the preparation or presentation of sustainability information

S1-13 – Training and skills development metrics

For the year 2024, the indicators "Average number of training hours per employee", "Average number of training hours allocated to employees – women", and "Average number of training hours allocated to employees – men" were recalculated by applying a calculation methodology aligned with that used for the reporting year and for the years preceding the 2024 reporting period. The recalculation was carried out in order to ensure the comparability and consistency of the data reported over time, as a result of harmonising the methodological approach.

	Unit of measurement	2024 - Initial	2024 - Recalculated	Diferenta
Average number of hours of training / employee	ore	12.88	14.42	1.54

Average number of hours of training allocated to employees - women	ore	84	6.79	-77.2
Average number of hours of training allocated to employees - men	ore	98	17.02	-80.9

S1-16 Remuneration indicators

In the current reporting exercise, Transgaz Group updated the calculation methodology for the metrics in S1-16 - Remuneration indicators. In order to ensure better alignment with the ESRS requirements, the formulas applied for the remuneration indicators in 2025 were updated compared to the approach used in 2024. The calculation of the gender pay gap now uses the average hourly remuneration level, while in 2024 the calculation was based on the average salaries of women and men. In order to ensure comparability of information, the indicators relating to 2024 were recalculated by applying the updated methodology.

In 2025, it was decided to present the metrics regarding the total remuneration rate at an aggregate level, and not disaggregated by types of remuneration, in order to simplify the presentation of information and improve the readability of the consolidated sustainability reporting, avoiding details that do not bring significant additional value to the users of the report. This approach is allowed by ESRS, disaggregation being optional. The presentation was also modified for 2024 for comparability.

Also, during the current year, the annual remuneration rate related to the ESRS S1-16 indicator was recalculated for 2024, following a methodological review of the determination formula, carried out to ensure a more rigorous and consistent application of the ESRS requirements, as well as a better alignment with the definitions and assumptions used in the internal remuneration policies and to ensure the comparability of the data with the current reporting year in which the same methodology was used. The recalculation aimed to improve the accuracy and comparability of the reported information, in the context of consolidating the data collection and validation processes.

At the same time, in 2025, in order to ensure the completeness and transparency of the reported information, the corresponding indicators for Eurotransgaz were calculated and presented. In the previous year, this entity was excluded from the calculation perimeter, given the very small size of the workforce, which could have significantly and disproportionately influenced the aggregate values of the remuneration indicators at Group level.

Metric	2024 Romania – Value	2024 Republic of Moldova – Value	2024 Romania – Value adjusted for methodological changes	2024 Republic of Moldova – Value adjusted for methodological changes
Total remuneration gap (%)	**-3.6**	**0**	**-4.2**	**3.7**
Annual total remuneration ratio	**7.4**	**0**	**7.8**	**3.5**

E1-6 Scope 3

In the current reporting exercise, Transgaz Group revised the methodology for calculating Greenhouse Gas emissions from Scope 3, which resulted in the recalculation of emissions for 2024, in order to improve the accuracy, completeness and comparability of the reported information. Thus, for category 3.1 – Purchased products and services, more types of products and services were included compared to the previously applied approach as a result of a more detailed analysis of expenses. Also, for category 3.2 – Capital goods, emissions for 2024 were recalculated by including all additions of tangible and intangible assets presented in the Notes to the financial statements, in order to align with the methodology applied for 2025 and with the approach used within the EU Taxonomy. The most significant change is brought by the inclusion of capitalizations related to infrastructure development projects, which were not considered in the previous reporting exercise. Accordingly, the Scope 3 emissions calculations have been recalculated for 2024 for comparability. In addition, the 2024 DEFRA emission factors for categories 3.1 and 3.2 have been updated, in line with the latest published values.

	Initial - 2024	Updated - 2024	Difference tCO2e
1. Purchased Goods and Services	22,209	17,148	5,061
2. Capital Goods	9,744	112,084	-102,341
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	0.00	13,396	-13,396
Total gross indirect GHG emissions (scope 3) (tCO2 equivalent)	32,555	143,230	-110,675
Total GHG emissions			
Total GHG emissions (location-based) (tCO2 equivalent)	188,405	299,080	-110,675
Total GHG emissions (market-based) (tCO2 equivalent)	193,653	304,329	-110,675
GHG intensity per net revenue			
Total GHG emissions (based on location) per net revenue (tCO2 equivalent/ RON thousand)	0.081721	0.129726	-0.05
Total GHG emissions (market-based) per net income (tCO2 sequivalent/ RON thousand)	0.083997	0.132003	-0.05

Disclosure of information stemming from other legislation or generally accepted sustainability reporting pronouncements

The applicable standards and legislation specific to Transgaz's activity are presented in the report, where applicable.

Incorporation by reference

References to additional documents or references to information that are included in other topical standards are mentioned in this report.

Governance and business practices

The role of the administrative, management and supervisory bodies

GOV-1

SNTGN Transgaz SA is organized and operates as a joint stock company, pursuant to the provisions of Law no. 31/1990, on commercial companies, republished and its Articles of Incorporation of organization and functioning approved by Government Decision no. 334/2000.

SNTGN Transgaz SA is the second largest company with majority state capital in the utilities sector which, in order to materialize its strategic objectives, promoted, in 2008, an initial public offering for the sale of shares, respectively 10% of the increased share capital, as established by Government Decision no. 1329/2004 [1] regarding the mandate of the public institution involved and the approval of the privatization strategy by public offering of some companies in the portfolio of the Ministry of Economy and Trade, amended by Government Decision no. 708/2005[2].

Subsequently, in accordance with the provisions of GD no. 827/2010, SNTGN Transgaz SA sold on the capital market a package of shares representing 15% of the company's share capital, through a secondary public offering for the sale of shares.

Risk management as identified within the ESRS is integrated into the overall Transgaz risk process. Sustainability risks are considered as potential factors to accentuate the other types of risks, factors that could contribute to the materialization of risks, to increase the frequency of occurrence or to increase the impact generated by the occurrence of the event. To manage them, Transgaz has incorporated ESG factors into its risk assessment methodologies. The impacts and opportunities, as identified in the double materiality process, will be taken into account in Transgaz's business strategy, as the internal ESRS governance framework is strengthened. These include assessing the impacts on operations and identifying opportunities to develop more sustainable energy solutions or continue the commitment to sustainable solutions. By integrating these aspects, Transgaz aims to improve long-term resilience and align its business objectives with sustainability requirements. Also, at the moment, there is no set deadline for the integration of other ESG factors.

Details on the monitoring of impacts and opportunities are presented in ***the section "Material impacts, risks and opportunities and their interaction with strategy and business model.***"

[1] Decision no. 1329/2004 regarding the mandate of the public institution involved and the approval of the privatization strategy by public offer of some companies in the portfolio of the Ministry of Economy and Trade

[2] Decision no. 708 of 12 July 2005 for the amendment of items 1 and 2 of the annex to the Government Decision no. 1.329/2004 regarding the mandate of the public institution involved and the approval of the strategy of privatization by public offer of some companies in the portfolio of the Ministry of Economy and Trade

The Board of Directors has overall responsibility for ensuring that risks are adequately managed, including those related to ESG. In doing so, the Risk Management Committee submits relevant reports to the Board whenever necessary. The framework for the operation of risk management is provided by the General Director. Monitoring is carried out through periodic reporting to the General Director and the Board of Directors, updating the risk register and involving the risk management structures of all group companies.

The General Director of Transgaz is regularly informed by the Monitoring Commission, assisted by the Risk Management Team, about the risk monitoring. The process of identifying and analyzing impacts, risks and opportunities is carried out with the involvement of the heads of departments/directorates/services. As regards the responsibilities related to the impacts, risks and opportunities identified in the double materiality analysis, they are in the process of being integrated into the governance documents. Thus, by applying the Double Materiality Analysis procedure, ESG risks are managed and monitored half-yearly or whenever deemed necessary. The risk register officer shall convene the meeting for the analysis of the identified risks. In this regard, Transgaz's risk profile is updated annually and/or ad-hoc if significant changes in the operational, strategic or sustainability context appear, which may influence the company's level of risk exposure.

The monitoring of the targets takes place through the Monitoring Committee's regular reporting to the General Director and the annual reporting to the Management Board on progress against the indicators and targets.

Petrostar informs the management bodies through periodic reports: the board of directors is informed annually by the CEO about significant impacts, risks and opportunities, the implementation of the due diligence, the results of policies and actions, but also the effectiveness of the indicators and progress towards the targets. The General Director and the Design Director receive annually the report on significant climate risks, related opportunities, significant risks, measures adopted to deal with risks, but also opportunities related to them, with overall responsibility for these analyses assigned to the Risk Register Responsible. In addition, the General Director is informed quarterly by the OHSC on occupational health and safety aspects.

Within Petrostar, people responsible for overseeing impacts, risks and opportunities are: Iliescu Monica for process risks and Cioc Catalina for occupational health and safety risks. The General Director and design director analyze and approves the risk register, the risk profile, the risk tolerance limit and the information on the development of the risk management process at Petrostar level. Responsibility is delegated, with three levels of responsibility identified. Supervision is excersised through annual reporting, during the analysis carried out by management. Regarding the reporting lines, the following levels of responsibility have been established and implemented, according to the risk management procedure:

- The first level includes the heads of departments, the persons responsible for carrying out the activities in the job descriptions and the risks associated with them (identified risks or new risks). These are the risk owners, who are present in all activity departments;
- The second level refers to the Risk Management Team (EGR) at the Petrostar level; Risk managers are members of the risk management team. The risk and risk management officer is appointed;

- The third level refers to the General Director and design director, who analyzes and approves the risk register, the risk profile, the risk tolerance limit and the information on the development of the risk management process at Petrostar level.

Petrostar manages risks using the procedure PO-6100 - Risk Management, which refers to identified process risks, and PS-4310 - Hazard Identification, Risk and Opportunity Assessment, which refers to occupational health and safety. The risk minimization is achieved through internal audit and the results of the implemented measures are reported annually, during the analysis meeting carried out by the management.

In the context of the development of the capital market, the listing on the Bucharest Stock Exchange of the only licensed operator for the transmission of natural gas in Romania was a strategic decision of great importance both for the future of the company and for the increase of the market capitalization of the capital market. In accordance with the unbundling requirements of the Third Energy Legislative Package, Transgaz has obtained certification as an independent system operator.

Eurotransgaz SRL was established on December 18, 2017, based on the decision of the Chisinau Public Services Agency and was registered in the State Register of Legal Entities with no. 375436.
Currently, the company is represented by two administrators, and the founder of Eurotransgaz is the National Gas Transport Company. Transgaz is the sole shareholder of Eurotransgaz SRL.

The limited liability company "Vestmoldtransgaz" (VMTG) is established by reorganization of the State Enterprise "Vestmoldtransgaz" and registered under number 1014600024244.
On September 10, 2018, as a result of the reorganization of the S.E. "Vestmoldtransgaz" and the transfer of ownership in favor of "Eurotransgaz" S.R.L., the Limited Liability Company "Vestmoldtransgaz" was registered, having as sole shareholder "Eurotransgaz" S.R.L.

As a result of the capital contribution starting with 2021, VMTG associates are:

- The limited liability company "**EUROTRANSGAZ",** a legal entity incorporated on December 28, 2017 and which carries out its activity in accordance with the legislation of the Republic of Moldova, state registration number - fiscal code 1017600052071, having its headquarters located at: Șoseaua Balcani, nr. 7/E, Ghidighici village, mun. Chisinau, MD 2088, Republic of Moldova, hereinafter referred to as 'ETG',
- **The European Bank for Reconstruction and Development**, an international organisation established by the Agreement establishing the European Bank for Reconstruction and Development, headquartered at One Exchange Square, London, EC2A 2JN, United Kingdom.

Vestmoldtransgaz SRL has an internal structure that implies the existence of a supreme deliberation and decision-making body, a collegial supervisory body, an executive body and a control body, as follows:

- The sole shareholder;
- the Board of the Company (the collegial supervisory body);
- Administrator (executive body);

Petrostar SA is a joint stock company, the shareholders being: 51% SNTGN Transgaz SA and 49% other shareholders (individuals and legal entities). The company's Board of Directors is made up of three people, a president and two members, and the board of directors is represented by the General Director (who is subordinated to committees, departments, services, offices and the laboratory of analysis and testing in the construction activity) and the Design Director (who is subordinated to three services).

The share capital of SNTGN Transgaz SA on December 31, 2025 was RON 1,883,815,040 and was divided into 188,381,504 registered shares, each share having a nominal value of RON 10. Each share gives the holder a voting right, under the conditions provided by law.

The exercise of the rights and fulfillment of the obligations arising from the capacity of shareholder of the Romanian State in the National Gas Transmission Company Transgaz SA is carried out, starting with November 14, 2019, by the Romanian State through the General Secretariat of the Government, as a result of the transfer of shares from the account of the Romanian State through the Ministry of Economy, pursuant to GEO no. 68/06.11.2019 on the establishment of measures at the level of the central public administration and for the modification and completion of some normative acts.

According to the registration from the Central Depository on 31.12.2025, the consolidated synthetic structure of Transgaz's holders of financial instruments was as follows:

Shareholder name	**Percentage (%)**
The Romanian State through the General Secretariat of the Government	58.5097%
Free float - Other shareholders (individuals and legal entities), of which:	41.4903%

The management body of SNTGN Transgaz SA, according to the provisions of the Company's Articles of Incorporation, is made up of the General Meeting of Shareholders, the Board of Directors and the General Director, respectively:

- The General Meeting of Shareholders "*is the management body that decides on its activity and on its economic policy*" - art. 15.1.;
- The company will be "*managed by a board of directors that will have general competence, except for the aspects that are within the competence of the general meeting of shareholders according to the provisions of the Articles of Incorporation or applicable laws*" - art. 19.1.1.;
- The General Director, appointed by the Board of Directors, "shall apply Transgaz's development strategy and policies, *established by the Board of Directors*" - art. 2.2.;
- The Board of Directors delegated the executive management of the company to the General Director, an executive director who represents the company in relation to third parties.

There is a separation between the non-executive control function (non-executive director) and the executive function (directors) – mandatory separation, in the case of joint-stock companies whose annual financial statements are subject to legal auditing requirements. The General Director of Transgaz represents the company in relations with third parties and is responsible for taking all measures related to the management of the company, within the limits of the company's object of activity and in compliance with the exclusive powers reserved by law or in the Articles of Incorporation or expressly assigned by the Board of Directors and the General Meeting of Shareholders.

The CVs of the members of the Board of Directors of SNTGN Transgaz SA are available on the company's website at: https://www.transgaz.ro/en/about-us/board-administration .

At the level of SNTGN Transgaz SA, according to the provisions of the national legislation and the internal regulatory framework, support committees have been established for the Board of Directors that provide strategic advice to the members of the board. In 2025, 5 committees functioned in addition to the Board of Directors, namely the Nomination and Remuneration Committee, the Audit Committee, the Risk Management Committee, the SNT Regulatory, Safety and Security Committee and the Corporate Governance and Sustainability Committee.

The Nomination and Remuneration Committee organizes training sessions for the members of the board, formulates proposals for the remuneration of directors and administrators, in compliance with the remuneration policy, and supports the board in evaluating its own performance, as well as the performance of the executive management, according to GEO no. 109/2011, on the corporate governance of public enterprises, with subsequent amendments and completions. In the event that a seat on the Board of Directors becomes vacant as a result of the resignation of a member, the election of a new member shall be carried out under the conditions provided by law. The term for which the new administrator is appointed to fill the vacancy shall be equal to the period remaining until the expiry of his predecessor's term of office.

Composition and diversity of the members of the Board of Directors of Transgaz

Crt. No.	Name	Function	Relevant experience	Date of appointment	Political affiliation	Status
1.	Ion STERIAN	Executive Director and General Director	General management, expertise in the field of natural gas	HAGOA nr.6/29.04.2025 administrator mandate, starting with **30.04.2025** up to **29.04.2029** HCA no.20/24.07.2025mandate of General Director, starting with **27.07.2025** up to **29.04.2029**	No political affiliation	Final
2.	Nicolae MINEA	Non-Executive Director, Independent,	Executive management, corporate governance and	HAGOA nr.6/29.04.2025	No political affiliation	Final

This version of the report 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

		Chairman of the Board of Directors	state asset management	administrator mandate, starting with **30.04.2025** up to **29.04.2029**		
3.	Ilinca VON DERENTHALL	Non-Executive Director, Independent	Corporate governance, investments and financial-banking strategy at international level.	HAGOA nr.6/29.04.2025 administrator mandate, starting with **30.04.2025** up to **29.04.2029**	No political affiliation	Final
4.	Adina Lăcrimioara HANZA	Non-Executive Director, Independent	Corporate governance, strategic management and organizational development.	HAGOA nr.6/29.04.2025 administrator mandate, starting with **30.04.2025** up to **29.04.2029**	No political affiliation	Final
5.	Costin MIHALACHE	Non-Executive Director, Independent	Executive management, public policies and strategic coordination in transport and energy infrastructure	HAGOA nr.6/29.04.2025 administrator mandate, starting with **30.04.2025** up to **29.04.2029**	Political Affiliate	Final

	Transgaz
Number of members with executive functions	1
Number of members with non-executive functions	4
Percentage of board members with administrative, executive, management and supervisory roles	20%
Gender percentage of the board (*calculated as the average ratio of female to male board members)*	40%
Percentage of independent board members	80%

Composition and diversity of the members of the Board of Directors of Petrostar

	Petrostar
Number of members with executive functions	1

Number of members with non-executive functions	2
Percentage of board members with administrative, executive, management and supervisory roles, female gender	33%
Percentage of board members with administrative, executive, management and supervisory roles, male gender	66%

Transgaz ensures the representation of employees and other workers through existing trade union organizations, which function as the main channel of dialogue with the Board of Directors and executive management. Trade unions are involved in decision-making and are consulted in cases that could have a significant impact on employees, such as renegotiation of wages and working conditions, restructuring procedures or any issues related to the rights and interests of staff. Further information is provided in Section S1.

Members of management bodies are not formally appointed by the trade union or employee representative structures. The representation of employees is carried out through trade union organizations.

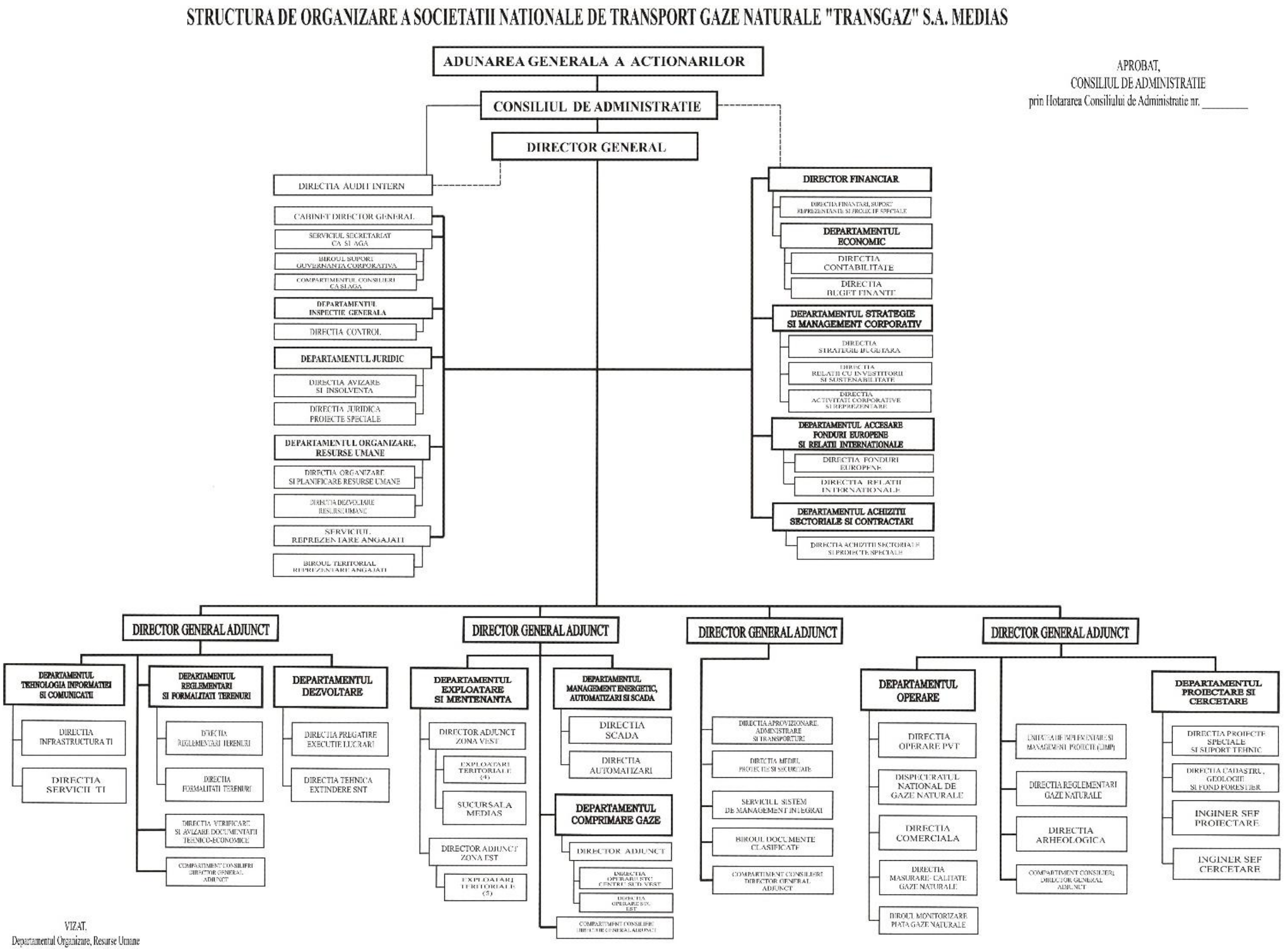
Section S1-8 details the representation of employees and other workers, including information on the four trade unions within Transgaz to which they can join.

Considering the nature of the services offered by SNTGN Transgaz SA, as well as the composition of the shareholding, interaction with public authorities is frequent (reporting, obtaining authorizations, etc.). The General Director of the company is invested with the authority to represent the company in all legal acts carried out. This authority may be delegated to other employees within the company.

According to the Principles of Transgaz's Operating Model, each organizational structure has attributions and responsibilities in the field of sustainability. They have a single reporting line to ensure operational agility and a responsible team.

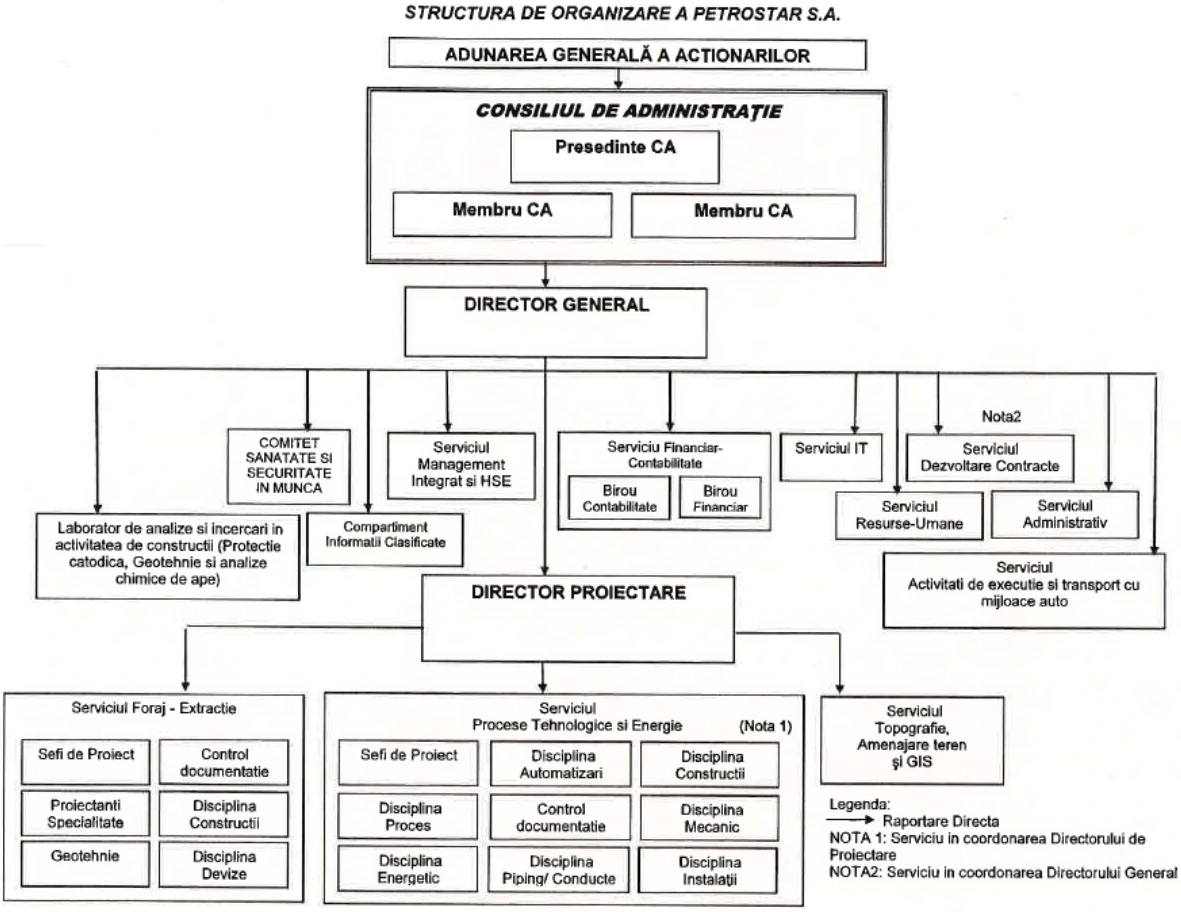
Reporting can be made directly to the General Director of Transgaz and/or to the Board of Directors through the Board of Directors and GSM Secretariat Service:

The organizational structure of SNTGN Transgaz SA is as follows:

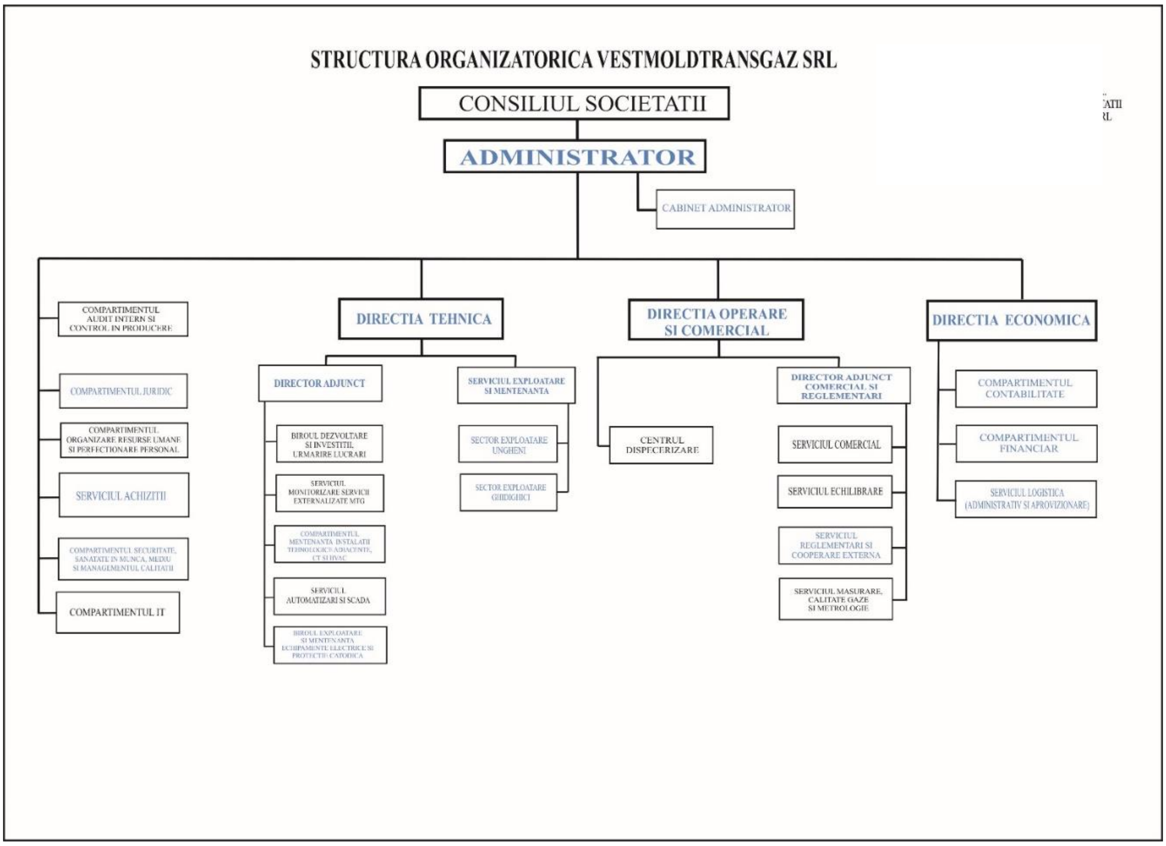


The organizational structure of Petrostar SA is as follows:

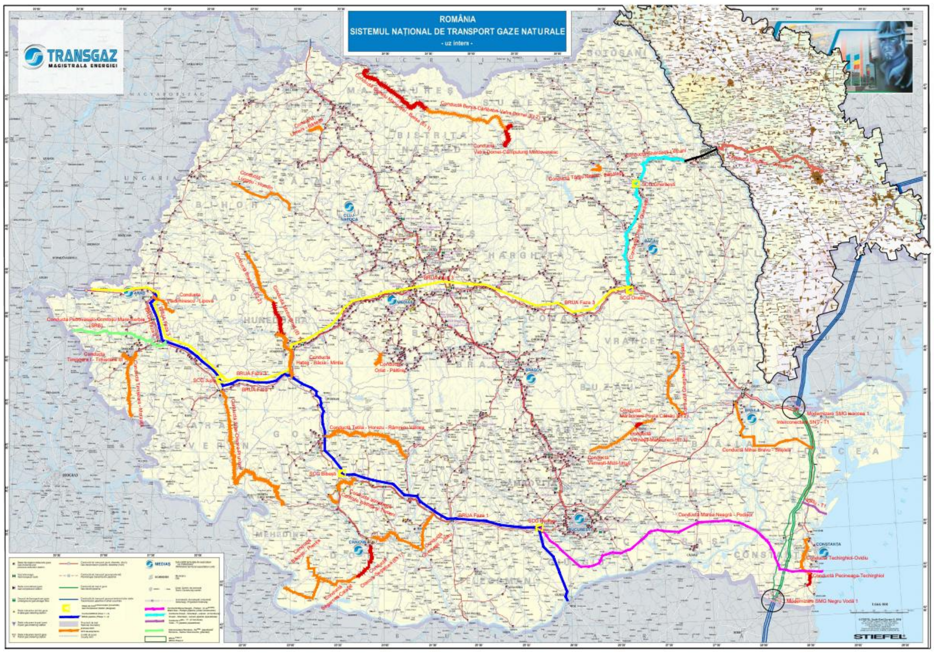
This version of the report is a translation from the original, which was prepared in Romanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language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


STRUCTURA DE ORGANIZARE A PETROSTAR S.A.
ADUNAREA GENERALĂ A ACTIONARILOR
CONSILIUL DE ADMINISTRAȚIE
Presedinte CA
Membru CA
Membru CA
DIRECTOR GENERAL
COMITET SANATATE SI SECURITATE IN MUNCA
Serviciul Management Integrat si HSE
Serviciu Financiar-Contabilitate
Birou Contabilitate
Birou Financiar
Serviciul IT
Nota2
Serviciul Dezvoltare Contracte
Serviciul Resurse-Umane
Serviciul Administrativ
Laborator de analize si incercari in activitatea de constructii (Protectie catodica, Geotehnie si analize chimice de ape)
Compartiment Informatii Clasificate
Serviciul Activitati de executie si transport cu mijloace auto
DIRECTOR PROIECTARE
Serviciul Foraj - Extractie
Sefi de Proiect
Control documentatie
Proiectanti Specialitate
Disciplina Constructii
Geotehnie
Disciplina Devize
Serviciul Procese Tehnologice si Energie (Nota 1)
Sefi de Proiect
Disciplina Automatizari
Disciplina Constructii
Disciplina Proces
Control documentatie
Disciplina Mecanic
Disciplina Energetic
Disciplina Piping/ Conducte
Disciplina Instalații
Serviciul Topografie, Amenajare teren și GIS
Legenda:
Raportare Directa
NOTA 1: Serviciu in coordonarea Directorului de Proiectare
NOTA2: Serviciu in coordonarea Directorului General

The organizational structure of Vestmoldtransgaz SRL is as follows:



At the territorial level, Transgaz operates at various branches depending on the territorial operation served:



This version of the report 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

Regarding the employees' expertise on sustainability issues, Transgaz's management ensures that the personnel employed have the appropriate expertise and competence to supervise environmental, social and governance aspects according to legal requirements. In the event that external resources are needed, Transgaz concludes and holds contracts with various experts outside the company, with experience in the relevant areas of interest. For the next period, Transgaz aims to ensure through its own employees and/or external experts that it has the necessary expertise on the new requirements of the ESRS standards regarding the impact, risks and significant opportunities of Transgaz.

The members of the Board of Directors have the necessary competence and training to implement and justify sustainability initiatives, to contribute to improving the ecological and social impact of society and to meet legal and ethical requirements in a responsible manner. A Board member graduated from the Corporate Governance Program for Independent Directors at Stanford University, USA. Another person from the Board of Directors is a PhD student with the thesis Land Improvement after Gas Pipeline Works at USAMV Bucharest and a graduate of the Professional Training Program on Implementation, Development and Self-Assessment of the Internal/Managerial Control System Risk Management - Corporate Governance.

Within Petrostar, there are training plans intented to develop members' sustainability skills.

Within Transgaz, the supervision of sustainability impacts, risks and opportunities (ESG) is carried out by the Risk Management Committee, an advisory structure that assists the Board of Directors in monitoring ESG aspects, including the progress made through relevant indicators.

The members of the Board of Directors participated in at least one ESG-themed event during 2025. The administrative, management and supervisory bodies, as well as their own employees, were informally evaluated in the double materiality analysis and the identification of material IROs.

GOV-2 Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

Within Transgaz, the management team regularly informs the Board of Directors about progress and changes related to impacts, risks and opportunities, as well as other ESG aspects. This constant communication ensures that the Council is well informed of any changes or advances in these areas. Transgaz is working on creating a more defined framework to assess these aspects.

In 2025, the Board of Directors took note of the following information:

- Information no. DG/31901/14.04.2025 on risk management and monitoring within SNTGN Transgaz SA Mediaș, for the year 2024. The purpose of this Disclosure is to capitalize on the results of risk management, year 2024, in order to establish the risk approach and the tolerance limit for the year 2025;
- Information no. DG/31902/14.04.2025 on the analysis of the achievement of the specific objectives and directions of action set out in the "Programme for the implementation of the measures set out in the Risk Management Strategy, 2021-2025,

at the level of SNTGN Transgaz SA" – the period analysed year 2024. Based on this analysis, the Risk Management Strategy for the period 2025-2029 was developed;

- Report on December 2024 Risk Profile and the Tolerance Limit for 2025, no. DSMC/12923/17.02.2025;
- Report no. DSMC/32284/14.04.2025, regarding the approval of the Risk Register and the Plan of Measures for Risk Minimization, at the level of SNTGN Transgaz SA, for 2025;
- Report on the assessment of the adequacy and effectiveness of the risk management and internal/managerial control framework no. DSMC/64622/30.07.2025. The report is prepared in order to establish the level of effectiveness of the management of risks and specific activities of internal/managerial control and to determine whether its own policies and procedures fully comply with the specific legal requirements of internal/managerial control and to determine whether its policies and procedures fully comply with legal requirements.

The Monitoring Commission, established by an act of Decision of the General Director, is composed of a president and the directors of the organizational structures. This Commission is responsible for establishing the necessary measures for both improving the risk management process and minimizing risks, and the Risk Management Office will monitor the implementation of these measures.

Also, the risk assessment within SNTGN Transgaz SA is carried out periodically, according to the PS 05 SMI Risk Management system procedure, as well as by applying the Double Materiality Analysis procedure.

In this regard, SNTG Transgaz SA is responsible for the tasks and obligations incumbent on it as technical operator of SNT, obligations included both in the objectives of Romania's Energy Strategy 2025-2030[3], with the perspective of 2050 on energy safety and security, competitiveness and sustainable development, and in the provisions of European legislation on the safety and security of natural gas supply.

The risk management process implemented within SNTG Transgaz SA is an integral part of general management, being a continuous, proactive and systematic process of identifying, assessing and managing risks within the limits accepted by the company (risk tolerance limit), carried out in order to provide reasonable assurances regarding the achievement of the company's objectives.

Responsibility for risk is imperative for the organization and operation of a risk management system, with the following levels of responsibility being established and implemented:

- **The first level** comprises the persons responsible for carrying out the activities in the job descriptions and the risks associated with them (identified risks or new risks). These are the risk owners, who are present in all areas and sectors of activity;
- **The second level** is represented by the Risk Management Groups at the level of the departments/directorates/independent services/Mediaș Branch/Territorial Operations. The heads of services within the departments/Territorial Operations/Mediaș Branch are members of the Risk Management Groups;

[3] https://energie.gov.ro/strategiei-energetice-a-romaniei-2022-2030-cu-perspectiva-anului-2050/

- **The third level** refers to the company-wide Risk Management Team (EGR); it supports the Monitoring Committee in managing the entire risk management process. Within each department/directorate/independent service/Mediaș Branch/Territorial Exploitations, the Risk Officer and with responsibilities in the field of risk management is appointed. The risk managers are the Risk Management Team Members;
- **The fourth level** refers to the Monitoring Commission (CM), which analyzes and approves the Risk Profile, the Risk Tolerance Limit and the Information on the development of the risk management process at the company level. The directors of the departments/independent directorates/independent services/Territorial Exploitations/Mediaș Branch are the Members of the Monitoring Commission;
- **The fifth level**, the highest level, is represented by the General Director of Transgaz. The General Directorapproves the Risk Profile and Risk Tolerance Limit, the Risk Register and the Risk Minimisation Action Plan, as well as the Risk Management System Procedure. Through regular briefings, the General Director shall ensure that risks are identified, assessed, monitored and properly mitigated.

Transgaz continuously reassesses its risk portfolio in a structured, systematic and up-to-date framework that is supported by the following pillars:

- **The Risk Management Strategy**, whose time horizon is 2021-2025, sets out both the actions necessary to optimize the risk management process and the framework for identifying, assessing, monitoring and controlling significant risks, in order to maintain them at acceptable levels according to the risk tolerance limit;
- **Statement – Commitment of the General Director' regarding Risk Management**, for the period 2021-2025;
- **Risk profile:** provides an overview, including the overall, documented and prioritised assessment of the identified risks the company faces;
- **Risk tolerance limit:** represents the level of risk exposure assumed by the company;

Transgaz's approach to risk management combines the knowledge, expertise and experience of its staff to respond to current risks and anticipate those of the future.

At the level of 2025, no new strategic risks associated with environmental, social and/or governance (*Sustainability*) aspects have been identified that would require reporting to Transgaz's management body, respectively to the General Director or to the Corporate Governance and Sustainability Committee and/or the Board of Directors.

Integration of sustainability-related performance into incentive schemes

GOV-3

During 2025, Transgaz developed the Remuneration Policy and Criteria for[4] the Administrators, General Director and Economic Director of Transgaz valid for the 2025-2029 mandate.

Based on the internal regulatory framework, performance indicators have been established to evaluate the achievement of the objectives set by the members of the management body and by the Chief Financial Officer, in order to determine the level of the variable component that can be granted following the performance evaluation.

The part of the remuneration that depends on the fulfillment of the key performance indicators is approved by the Ordinary General Meeting of Shareholders and contained in the annex to the mandate contracts.

Within the remuneration policies applicable to the Transgaz Group, key performance indicators (KPIs) are monitored and evaluated according to the management's mandate. In 2025, two sets of indicators were tracked, following the transition from the 2021-2025 mandate to the 2025-2029 mandate.

A performance indicator explicitly aligned with ESRS requirements and ESG targets or impacts has not been established. However, steps have been taken to include sustainability-relevant indicators in the calculation of the variable component of management remuneration, as follows:

Under the 2021–2025 mandate, key performance indicators relevant to the sustainability dimension included:

- Increasing energy efficiency – monitored by keeping the quantitative share of technological consumption in total natural gas transported below 1%. This indicator aims to reduce operational losses in the transmission network and indirectly contributes to the decarbonization objectives, although its calculation and monitoring method is not directly correlated with ESG targets or impacts and is not aligned with the Group's Decarbonization Strategy.
- Customer satisfaction – tracked by achieving a score of at least 8 out of 10 in the annual evaluations, with relevance to the social dimension of performance (quality of services provided to users of the transport network).
- Strengthening and diversifying cooperation relations with European operators – by concluding memoranda on collaboration on hydrogen injection, an indicator with relevance for the energy transition.
- Implementation of the NAS 2021–2025 – governance indicator, following the implementation of the measures of the National Anticorruption Strategy, with a weight in the variable component of the remuneration of non-executives of 10%.
- Optimization of the internal/managerial control system – with relevance to the governance dimension, implemented by the requirements of SGG Order no. 600/2018.

[4] https://www.transgaz.ro/sites/default/files/users/user359/Policy%20and%20criteria%20for%20the%20remuneration%20of%20Administrators%20Director%20General%20and%20Economic%20Director%20of%20SNTGN%20TRANSGAZ%20%20SA.pdf

- Performance indicators of the natural gas transmission service (according to ANRE Order 161/2015) – relevant for the dimension oriented towards public services and the quality of the service to network users.

Within the 2025–2029 mandate, the structure of the KPI was revised in accordance with the provisions of GD no. 639/2023 and AMEPIP Order no. 651/2024, including a distinct category of non-commercial indicators. The indicators relevant to sustainability are:

- Customer satisfaction score – target of 95% in 2025, with progressive annual growth to 95.8% in 2029, calculated as the share of favorable ratings (4 and 5) in the total ratings received. It has relevance for the social dimension – the quality of the relationship with customers and users of the network.
- Average number of training hours per employee (target: 21 hours in 2025, with annual increase to 25 hours in 2029) – an indicator with direct relevance to the social dimension, in particular for professional development and workforce training.
- Establishment of an employee safety system – indicator with relevance to occupational health and safety, in line with ESRS S1-14 requirements on health and safety at work.
- Rate of independent members on the board of directors (target: 60%, compared to the regulated minimum of 50%) – governance indicator on the independence and structure of the management body.
- Full-time equivalent number of employees (target: 4,005 in 2025, gradually increasing to 4,025 in 2029) – indicator with relevance to the social dimension, reflecting commitment to the stability and maintenance of the workforce.
- The rate of female senior management (target: 31% in 2025, with annual increase to 33% in 2029, compared to the regulated minimum of 30%) – an indicator with relevance for diversity and equal opportunities.
- The performance indicators of the natural gas transmission service (according to ANRE Order 140/2021, target 100%) – are relevant for the quality of the public service provided and for the social dimension regarding the users of the transmission network.
- Monitoring of the Development Strategy (FID projects from the 10-year Development Plan, 100% target) – has relevance for the energy transition and security of supply, indirectly contributing to the Group's climate and infrastructure objectives.

No indicator in the 2025–2029 KPI structure is explicitly correlated with decarbonization targets or quantifiable climate impacts, and the calculation of indicators with potential environmental relevance is not directly aligned with the Group's Decarbonization Strategy.

The indicators taken into account for granting the variable component established for the members of the board of directors, the General Director and the financial director, take into account the following:

- the financial component;
- the non-financial component, with a share of 10%, aims to monitor the implementation of the projects provided for in the 10-year Development Plan and the implementation of the strategic actions undertaken, to improve the training and professional development processes by increasing the average number of training hours per employee, to strengthen corporate governance by ensuring an adequate level of

independence within the Board of Directors and to maintain an efficient management framework by monitoring the work of advisory committees and Council meetings.

- The operational component that aims at the optimal dimensioning of the human resources needs in relation to the real needs of activity and development of the company.

For the non-executive members of the Board of Directors, the remuneration policy also includes non-financial indicators, aligned with the strategy of the public enterprise and the governance framework, with a weight of 10%. They cover monitoring the implementation of strategic objectives, improving training processes, maintaining an adequate level of independence on the board and ensuring the efficient functioning of advisory committees and related administrative activities.

Although the set of non-financial indicators includes indicators with ESG relevance, they are not directly correlated with Transgaz's Decarbonization Strategy and do not condition the achievement of specific decarbonization objectives. The indicators used for remuneration are independent of the implementation of the decarbonisation strategy.

At Petrostar level, remuneration schemes do not include sustainability-related incentives and members' performance is not assessed against specific sustainability goals or targets. The performance indicators used are exclusively part of Petrostar's general policy, without dedicated ESG components, and sustainability indicators are not integrated into the remuneration policies.

Risk management and control systems

Statement on due diligence

GOV-4

Transgaz's due diligence/verification process is designed to identify, prevent, mitigate and respond to current and potential negative impacts on the environment and people.

Also, the verification of compliance and application of internal policies and regulations is done by the internal team or by the departments designated for this purpose (for example, for the risk area, there is the Risk Management System Procedure, through which the General Director ensures that risks are identified, analyzed, tracked and mitigated.

SNTG Transgaz SA has implemented an integrated management policy to systematically achieve performance in the field of quality, environment, occupational health and safety and energy. In addition, Transgaz implements a due diligence process to identify, prevent, mitigate and report negative impacts on the environment and people. This process includes, in addition to employees, a supply chain check at suppliers, as well as stakeholder involvement. The operation of the integrated management system is ensured in accordance with the reference standards for which the company holds certifications. SNTG Transgaz SA has implemented and developed an integrated management system through which it ensures effective control over processes, as well as minimizing risks and identifying opportunities. The integrated management system also contributes to obtaining results that contribute to the sustainable development of the business and a high level of customer satisfaction.

Vestmoldtransgaz SRL started in May 2024 the implementation of the internal managerial control system within the company in order to manage risks, in order to provide reasonable assurance on the achievement of the planned objectives and results.

To this end, the Action Plan for the implementation of the internal managerial control system at the level of Vestmoldtransgaz SRL is approved and permanently updated. The SNCI 9 Risk Management Internal Management Standard will be implemented by 2026 at the latest.

Integrated Management System for Quality, Environment, Health and Safety at Work, Energy (IMS QEOHSE).

SNTGN TRANSGAZ SA has developed an Integrated Management System (IMS), through which it ensures effective control over processes, minimizing risks and identifying opportunities for improvement. The improvement of the Integrated Management System contributes to achieving results that support the sustainable development of the business and a high level of customer satisfaction.

As a result of continuous efforts to increase competitiveness and improve organizational performance, S.N.T.G.N. TRANSGAZ S.A. maintains its certification following the surveillance audit no. 1 of August 2025 in accordance with:

- with the international quality standard – SRAC SR EN ISO 9001:2015;
- with the international environmental standard – SRAC SR EN ISO 14001:2015;
- with the international OSH standard – SRAC SR EN ISO 45001:2023.

Also, in October 2025, S.N.T.G.N. TRANSGAZ S.A obtained certification according to the reference standard SRAC SR EN ISO 50001:2019 - Energy Management Systems, as a result of the implementation of a high-performance energy management system, which demonstrates S.N.T.G.N. TRANSGAZ S.A.'s continuous commitment to optimizing energy consumption, reducing environmental impact and aligning with the best international practices in the field.

When substantiating the Quality, Environment and Occupational Health, Safety, Energy Internal Audit Program for 2025, objectives were set taking into account risk-based thinking.

In order to maintain the effectiveness of the Integrated Management System, the Quality, Environment and Health, Occupational Safety, Energy Internal Audits Program for 2025 was implemented.

The analysis of the effectiveness of the Quality, Environment and Health, Occupational Safety, Energy Internal Audit Program for 2025 was carried out by the team of auditors of SRAC CERT SRL at the surveillance audit no. 1 of the IMS QEOHSE, respectively the certification audit of the SME and in the IMS QEOHSE management analysis.

The annual customer satisfaction assessment was an opportunity to know their needs and expectations, in order to improve the natural gas transmission and system service in accordance with the requirements of the regulated field in which SNTGN TRANSGAZ SA operates.

The process-based approach has been integrated both in the internal audits of Quality, Environment and Health, Occupational Safety, Energy and in the documentation/review of the documented information of the Integrated Management System.

Raising staff awareness of their contribution to the effectiveness of the Integrated Management System has been a strategic priority for the company.

SNTGN TRANSGAZ SA has established the Monitoring Program for Sources of Pollution with an Impact on the Environment for 2026, in accordance with the requirements of the relevant authorizations in force. The communication of information and the fulfillment of compliance obligations to the competent authorities are carried out through the company's Annual Environmental Report.

SNTGN TRANSGAZ SA has attached particular importance to the continuous improvement of occupational safety and health performance by:

- identification of hazards for each workplace/workstation;
- by controlling one's own risks;
- assessing the results of risk treatment and capitalizing on opportunities;
- meeting objectives and ensuring compliance with legal requirements;
- applying corrective actions for identified non-compliances.

In order to prevent work-related injuries and illnesses, and to ensure safe and healthy working conditions, the company carried out the following activities:

- monitoring the health status of workers;
- improving working conditions, health promotion programmes and medical services;
- eliminating hazards and threats by identifying them and preventing, controlling or reducing risks to an acceptable level;
- providing personal protective equipment and hygienic-sanitary materials;
- carrying out the planned controls in order to improve health and safety at work;
- continuous training on occupational safety and health risks for workers, contractors and visitors.

The implementation and certification of the Energy Management System has provided greater confidence to all stakeholders regarding the ability to carry out business processes while minimizing energy consumption and continuously improving energy performance.

The Energy Management System aimed to reduce greenhouse gas emissions and environmental impact, as well as reduce energy costs through systematic consumption management.

In order to ensure the adequacy and effectiveness of the IMS QEOHSE, SNTGN TRANSGAZ SA monitors the implementation of the approved annual programmes.

The conclusions of the certification body SC SRAC CERT SRL showed that:

- the integrated management system applied by the company is described, properly implemented, according to the requirements of the reference standards and is effective;
- the ability of the management system to meet the applicable requirements and achieve the expected results has been demonstrated during the audit and the internal audit and management review processes are effective.

The mission of the Internal Audit Directorate is to provide assurances and advice on the effectiveness of risk management, control and governance systems.

Petrostar S.A. both through its management at the highest level and through its employees offers technical design solutions, which comply with the legal requirements and other regulations applicable to the design field in the oil and gas industry, so that the company is ready to offer customers solutions appropriate to their requirements, according to the specifications.

Petrostar maintains its certification as a result of the recertification audit in January 2025, in accordance with:

- international quality standard – SRAC SR EN ISO 9001:2015;
- international environmental standard - SRAC SR EN ISO 14001:2015;
- the international standard of HSM - SRAC SR EN ISO 45001:2023.

Petrostar S.A. continuously improves the effectiveness and performance of the integrated quality, environmental, health and safety management system, described by a coherent integrated system of policies, procedures and processes.

Risk-based thinking is essential for management at the highest level in the decision-making, business and protection process of the organization, and must respond to the objectives and priorities of the organization.
The company's activity, in accordance with this integrated management system, is materialized in carrying out a rigorous control of projects and providing technologies to our customers, which:

- Prevents potential causes of environmental pollution;
- Eliminate or reduce the negative impact on the environment;
- Ensure the safety and operational safety of the designed installations.

Process control and quality are implemented in a systematic and planned manner, which ensures consistency in a:

- Exceed customer expectations by understanding each other and meeting their requirements;
- Set measurable targets, which monitor the company's achievements, regarding the predefined objectives;
- Ensure the necessary resources and adequate working conditions;
- Monitor, audit and analyze the integrated system to identify areas for continuous improvement.

In order to put into practice the concern of Petrostar S.A. regarding the protection, conservation and continuous restoration of the environment, the company aims to efficiently use energy, natural resources, materials, and to ensure waste management at source.

The company's priority is to protect the health and safety of all persons (employees, employees of subcontractors, etc.) who work for Petrostar. Hazards and threats are identified to prevent, control and reduce risks to an acceptable level.

Regarding the implementation of projects, risk management plans are drawn up at the level of Petrostar SA, from the bidding phase and are updated throughout the projects. These plans deal with general risks (technical, economic, external, commercial/contractual, organizational/operational, political/regulator-induced, risks associated with the demand for change during design/construction, etc.) for both the design period and for construction in the case of turnkey projects;

In the Republic of Moldova, the Internal Audit Directorate carries out its activity based on an annual audit plan approved by the General Director, which is sent for information to the Board of Directors through the Audit Committee. The audit plan is developed based on a risk assessment methodology, the priorities set by the company's management, and the frequency of internal audit missions is determined by the risk profile of each auditable structure.

The Internal Audits Program for Quality, Environment, Health and Safety at Work is developed annually within Eurotransgaz S.R.L. and Vestmoldtransgaz S.R.L., taking into account the risks and opportunities so that the audits are properly addressed and is approved by the General Director.

External audits:

- The Court of Accounts, based on the Activity Program, carries out the action *Control of the situation, evolution and administration of the public and private patrimony of the state, as well as the legality of the achievement of revenues and expenses at SNTGN Transgaz SA* (every 3 years). Within this action, the internal managerial control system is evaluated;
- The Romanian Society for Quality Assurance (SRAC) conducts the certification and supervision audits of the Integrated Quality, Environment, Health and Safety at Work System, on the established deadlines.

The reports on Transgaz's activity are analyzed by the management at the highest level and also ensure the monitoring of the status of the measures to be implemented to achieve the environmental objectives and targets. Following the data analysis, the company's management concludes and orders, depending on the result of the analysis, the allocation of the necessary resources to maintain the performance of the certified management system.

Also, SNTGN Transgaz SA has received the ISO 50001:2019 certification, which confirms that an energy management system according to this standard is implemented and maintained at the company level. The certification is valid until 2028.

Main elements of the due diligence process	Sustainability report points
a) Inclusion of due diligence in governance, strategy and business model	ESRS 2 GOV-2 Information provided to the company's administrative, management and supervisory bodies and the sustainability issues addressed by them, ESRS 2 GOV-3 Integration of sustainability-related performance into incentive schemes, ESRS 2 SBM-3 Material impacts, risks

Main elements of the due diligence process	Sustainability report points
	and opportunities and their interaction with strategy and business model
b) Working with affected stakeholders at all key stages of the due diligence process	ESRS 2 GOV-2 Information provided to the company's administrative, management and supervisory bodies and the sustainability issues addressed by them, ESRS 2 SBM-2 Interests and views of stakeholders, ESRS 2 IRO-1 Description of processes for identifying and assessing significant impacts, risks and opportunities, ESRS 2 GOV-3 Integrating sustainability-related performance into incentive schemes
c) Identification and assessment of negative impacts	ESRS 2 IRO-1 Description of processes for identifying and assessing significant impacts, risks and opportunities ESRS 2 SBM-3 Significant Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model
d) Taking action to address these negative impacts	E1-3 Actions and resources related to climate change policies, E4-3 Actions and resources related to biodiversity and ecosystems S1-4 Taking action on significant impacts on its own workforce, S4-4 Taking action on significant impacts on consumers and end-users
e) Monitoring the effectiveness of these efforts and communicating	E1-4 Climate Change Mitigation and Adaptation Targets, E4-4 Biodiversity and Ecosystems Targets S1-5 Targets related to the management of significant adverse impacts, the promotion of positive impacts and the management of significant risks and opportunities, S4-5 Targets related to the management of significant adverse impacts, the promotion of positive impacts and the management of significant risks and opportunities

Risk management and internal controls over to sustainability reporting

GOV-5

At the level of Transgaz, the presentation of the main categories of risks is made periodically in the Risk Management Report.

The risks presented in ESRS Chapter 2, "Material impacts, risks and opportunities and their interaction with strategy and business model", of this report, which are reproduced at the level of each significant topics and sub-topics, are the result of the double materiality analysis, according to the ESRS Standards.

According to the requirements of the ESRS, material topics must be included in the report together with the related risks and opportunities and targets set by the company. The double materiality analysis carried out in November 2025 identified the material impacts, risks and opportunities confirmed in the previous year. Transgaz has a risk register developed according to the risk management procedures adopted and implemented at the company level, risks that have been included, merged and related to the impact according to the ESRS.

The identified risks are included in the Risk Register, and the Risk Management Activity has the role of transforming uncertainty into an advantage for the company and limiting the level of threats and their potential impact. Any measure adopted by the company for the purpose of reacting to risks is integrated into risk management. Good organizational risk management leads to organizational resilience, which means that Transgaz is able to navigate uncertainty in a stronger position. The results of the implemented measures or ad-hoc, as the case may be, are reported annually to the board of directors. The Risk Register is also reviewed if necessary.

Risk management is a continuous cycle within which all Transgaz structures carry out the following documented stages annually:

- Stage I: establishing the context in which they carry out their activity;
- Stage II: setting the objectives in accordance with the principle of derivation established by the procedure;
- Stage III: identification of risks closely related to the activities under the objectives, risk analysis and assessment;
- Stage IV: establishing the risk response and, if necessary, implementing minimization measures to reduce the probability of risk occurrence but also measures to minimize the impact;
- Stage V: monitoring the implementation of risk minimisation measures;
- Stage VI: annual risk review and reporting.

The risks managed within Transgaz are classified by risk categories. Risk categories provide a structured and manageable overview of the risks faced by the company. By using risk categories, the risk monitoring function is improved and helps Transgaz to:

- determine the common causes that lead to the highest concentrations of risks;
- develop better risk responses;
- think in a structured and targeted way during the risk identification phase;
- covers all possible aspects of the risk conditions;
- improve the effectiveness of internal/managerial control systems;
- risk reporting between organisational structures.

Transgaz's risk portfolio includes the following main categories of strategic risks and their relationship with material issues (environmental, social, economic and governance):

- political (international conflicts, policies with a possible impact on infrastructure and international connections);
- regulatory/legislative (frequent changes in national and European legislation can create difficulties in compliance and adaptation, slow approval process for infrastructure projects can lead to delays and additional costs);
- commercial (unexpected changes in gas demand can affect revenues and operational planning);

- sustainability (extreme phenomena, greenwashing - the risk of sustainability measures being perceived as superficial or misleading can damage the company's reputation, requests for more sustainable practices may require significant changes in operations and strategy);
- financial (lending, exchange rate, interest rate, liquidity, capital market).

Having the status of natural monopoly and operator of the National Gas Transmission System, Transgaz applies mitigation strategies adapted to a highly regulated environment, which include continuous monitoring of the national and European legislative framework, active participation in relevant public consultations and gradual adaptation of internal processes for compliance with EU regulations.

For political and geopolitical risks, mitigation strategies include cooperation with state authorities, maintaining a permanent dialogue with regulators and infrastructure operators in the region, and planning alternative scenarios in discontinuity situations.

Petrostar integrates sustainability aspects into its strategy through four main directions. In the decarbonization area, Petrostar aims to make the headquarters more efficient and reduce the carbon footprint, facing challenges from costs and legislative changes, addressed through partnerships and training programs, including the project to install photovoltaic panels, an element correlated with the risk of increasing compliance costs. In the circular economy, Petrostar aims to reduce paper consumption, in the context of the challenge related to market acceptance, through digital solutions and projects such as the implementation of the electronic signature, an aspect related to the risk of lack of data and environmental indicators. In the area of diversity, the aim is to increase innovation and efficiency of teams, having as challenges resistance to change and unconscious prejudices, for which training programs and collaborations with educational institutions are proposed. In terms of inclusion, a fair working environment is also pursued in accordance with anti-discrimination legislation, with challenges and risks related to ESG compliance, addressed through transparent recruitment rules and KPI monitoring.

In the case of commercial risks, mitigation is based on adjusting transport forecasts, periodically analysing the market and adapting operational plans so as to maintain safe operation, even in the context of variable consumption.

For sustainability risks, measures such as continuous climate impact assessment, updating internal procedures in line with CSRD/ESRS requirements, and strengthening internal capacity for managing ESG reporting are applied.

As regards the risks related to sustainability reporting, Transgaz carries out informal verifications on these aspects, at the same time as collecting data and preparing the documents themselves, compared to the information provided in the previous year as well as in line with the requirements of the ESRS standards.

The Operational Procedure on Consolidated Sustainability Reporting was approved internally, which mentions that each data holder ensures the compliance of the data with the legislation, but also with European standards.

Internal controls are informal and include the ESG team's review of the information, validation with primary sources, and management's involvement in the approval of interim versions of the report.

If material errors, incorrect, incomplete information, etc., are noticed, they are disclosed in the report under preparation, as the case may be.

No errors were identified in sustainability reporting compared to the previous year.

Company, business model and stakeholder engagement

Strategy, business model and value chain

SBM-1

SNTGN Transgaz SA carries out the following activities:

- natural gas transmission – a regulated monopoly activity, with tariffs established based on the methodology issued by the National Energy Regulatory Authority;
- gas dispatching, research and design in the field of natural gas transmission;
- technological engineering, design and consulting services for the oil and gas extractive industry in Romania

There were no significant changes regarding the products and services offered by Transgaz during 2025 or within the significant markets or customer groups served, the only exception being the acquisition of Petrostar SA.

SNTGN Transgaz SA may carry out, on a complementary basis, other related activities to support the main object of activity, in accordance with the legislation in force and its Articles of Association, and may purchase gas from domestic production or import, for its own technological consumption or the balancing of the National Gas Transmission System.

In 2025, SNTGN Transgaz SA acquired 51% of the share capital of Petrostar SA. The acquisition is part of Transgaz's development strategy, which aims to expand its operational capabilities in the area of support and auxiliary services to the energy infrastructure, generate additional revenues from activities related to the transmission of natural gas as well as capitalize on the complementarities between the activities of Transgaz and Petrostar.

As a result of the acquisition of Petrostar SA, Transgaz can also offer technological engineering and design services for the oil and gas extractive industry in Romania.

Also, through the presence of the company "Vestmoldtransgaz" S.R.L. within Transgaz, the group ensures the transportation of natural gas on the territory of the Republic of Moldova, in accordance with the conditions of the operating license obtained.

Petrostar provides technological engineering, design, consulting and technical assistance services for industrial facilities in the oil and gas sector, such as: gas and petroleum products transmission and distribution systems; transport and storage systems for oil and derivatives; mixing lines and manifolds; separator stations; pumping stations for crude oil and petroleum products; compressor stations; gas dehydration plants; de-sealing and degasolinisation installations; cogeneration plants for electricity and heat; as well as crude oil treatment plants.

Petrostar's main contribution consists of technical expertise specialized in the design of systems that are safe, efficient and compliant with environmental and safety regulations.

Petrostar's approach involves the use of international standards (ISO, API, ASME), advanced design software (Caesar II, Pipenet, PVELITE, ProgeCAD, AutoCAD, Acrobat Pro DC and ETAP for electrical calculations) and interdisciplinary collaboration between specialists in technological processes, construction, mechanics, electrical and automation. Quality assurance is carried out through internal technical verification procedures (PO-7300 Design and Development Control; PO-7370 Control of changes in design; PO-7200 Customer Relations), periodic audits and through the implementation of ESG policies on safety, environment and professional ethics. Petrostar's main suppliers are those that offer engineering licenses and software (Microsoft, AspenTech, Intergraph, ESRI, Axel Soft, Consoft, Sonrise Systems, Cadware Engineering, Autodesk, etc.), IT equipment, servers and digital infrastructure, as well as providers of administrative services (electricity, telecommunications, logistics). Their selection is based on criteria such as quality, technical expertise, compliance with safety standards and compliance with ESG requirements. Petrostar's main customers are companies in the gas and petroleum products sector (Romgaz, Transgaz, OMV-Petrom), as well as energy infrastructure operators. The final products and services include feasibility studies, technical projects, execution details, environmental impact studies, technical assistance and supervision.

Petrostar's activity does not include transportation services that generate revenue..

Further details about the status of each Transgaz company and their activities are presented in the section "General basis for preparation of sustainability statements ".

At Transgaz level, a strategy that refers to sustainability aspects was developed in 2023, which targets the climate aspects of ESRS standards. The policies, objectives, action plans and resources implemented by the Group in 2024 and 2025 for the implementation of strategic decisions cover the information required under the ESRS only on for climate topic. The Company is in the process of aligning the other material topics under the ESRS through its internal regulatory framework, including internal policies and procedures.

Clear climate commitments, action plans and targets extending to 2050 have been set in 2024 to meet stakeholder expectations. The climate targets for 2030, 2040 and 2050 will be complemented by commitments and targets for the other sustainability focus areas and progress will be monitored. For the other material topics, Transgaz is considering defining the related targets as the internal processes, data collection capacity and alignment with ESRS requirements continue to mature; it is estimated that this process will progressively advance in the next period, although no formally approved timeline is currently in place.

Within Transgaz, a Climate and Decarbonization Strategy for SNTG Transgaz SA was developed, finalized in December 2023, with the support of the European Investment Bank (EIB), which includes initial assessment reports, short, medium and long-term action plans, strategic objectives and stakeholder engagement plan, a highly complex climate study, as well as the investment plan for the achievement of the planned strategic objectives.

Within SNTGN Transgaz SA, the National Gas Transmission System (NTS) Development Plans are developed for a period of 10 years, in accordance with the provisions of Law no. 123/2012 on electricity and natural gas with subsequent amendments and completions, with the objectives proposed in the Energy Strategy of Romania, and meet the requirements of the European energy policy regarding:

- ensuring security of natural gas supply;
- increasing the degree of interconnection of the national gas transmission network to the European network;
- increasing the flexibility of the national gas transmission network;
- liberalization of the natural gas market;
- the creation of the integrated natural gas market at the level of the European Union;
- ensuring the connection of third parties to the natural gas transmission system, according to specific regulations, within the limits of transmission capacities and in compliance with technological regimes;
- ensuring the supply of natural gas to the localities in Romania;
- developing the transmission system so that it is compatible with the gradual blending of hydrogen into natural gas, in line with European targets, based on detailed analyses including relevant technical and economic aspects;
- developing the company's strategy for coupling hydrogen ecosystems and industrial centres with the EU-wide integrated hydrogen pipeline transport system (Hydrogen Backbone);
- ensuring a phased transition to climate-neutral activity and building resilience to climate change;
- meeting national and international (climate) requirements and regulations/National Integrated Energy and Climate Change Plan;
- ensuring the connection of new job-generating investments to the natural gas network.

The domestic and international transportation of natural gas is a regulated monopoly activity, therefore, Transgaz is responsible for aligning with the requirements of the European energy policy by developing the infrastructure to ensure a continuous and safe flow of natural gas, reducing the risks of interruptions, interconnection of networks, investments in network expansion to ensure access to natural gas in underserved areas, adapting existing infrastructure to enable the blending and transport of hydrogen, in line with EU decarbonisation targets, implementing measures to ensure that carbon emissions are reduced and energy efficiency increased, thereby contributing to national and international climate objectives, and ensuring compliance with all national and international regulations and requirements, including those on climate change and sustainability. This involvement is a priority in Romania, as it is a member of the European Union, and the Sustainability Strategy, which includes climate-related aspects, aligns Transgaz with the direction of the European Union.

On 11 December 2019, the European Commission presented the 'Green Deal', an ambitious package of measures that promotes resource efficiency, the circular economy and the fight against climate change, in support of the objectives of the Paris Treaty. Hydrogen has become an important driver for the decarbonisation of the energy sector in line with EU targets.

On 8 July 2020, the EU adopted the Energy Systems Integration Strategy and the Hydrogen Strategy, which aim for a more efficient and interconnected energy sector. These strategies support investments in clean energy, in alignment with the European Green Deal and the Next Generation EU economic recovery plan, and highlight the role of hydrogen in the decarbonisation of industry and transport.

Emphasizing the importance of establishing a national strategy on hydrogen, a strategy for the implementation of the European Green Deal, in the current European and national context, at the level of Transgaz, the sustainable development strategy of SNTGN Transgaz SA for the coming years, requires a reset of the objectives, a reconfiguration of the development model so that it allows the implementation of the provisions of the Green Deal.

The research activities on the feasability of hydrogen mix in the NTS and on the ways to introduce it into the NTS, as well as the implementation of a strategy to modernize and adaptat the existing natural gas transmission infrastructure for the use of hydrogen and other green gases for decarbonization continues in the current and future period; the pilot project in this area is still underway.

In 2023, with the support of the European Investment Bank (EIB), SNTG Transgaz SA developed the Climate and Decarbonisation Strategy to initiate an effective decarbonisation plan for commercial activities and strengthen its resilience to climate change, taking into account best practices, as well as national and international climate policies and regulations. The general objective of the strategy is dual and includes the direction and objectives to be followed, so that Transgaz meets its national and international requirements and regulations in terms of climate action and decarbonization.

The decarbonization strategy includes:

- a comprehensive assessment of the carbon footprint of the current operating process;
- ambitious quantitative short- and medium-term emission reduction targets and the proposed high-level actions and measures needed to achieve these targets;
- long-term decarbonisation options;
- an explanation of the role of carbon offsets and their impact on stakeholders;
- the stakeholder engagement strategy, including SNTGN Transgaz SA's possibilities to cooperate with stakeholders (downstream and upstream of the natural gas transmission system) in projects that contribute to decarbonisation;
- necessary actions by SNTGN Transgaz SA to meet national and international (climate) requirements and regulations, such as the National Integrated Energy and Climate Change Plan.

The climate strategy includes:

- high-level climate vulnerability assessment for SNTG Transgaz SA and its key stakeholders;
- necessary actions so that SNTG Transgaz SA aligns with the EU Taxonomy and the EU Corporate Sustainability Reporting Directive, as well as with the requirements set out under the EIB PATH framework;

- an assessment of investment needs, potential sources of investment and their eligibility.

The climate targets included in the Climate Strategy are reported under Chapter E1 – Climate Change.

Regarding the value chain, suppliers have an important role to play in ensuring the continuity of high-quality services. Transgaz collaborates with both domestic and foreign market suppliers.

Within the upstream value chain, the following types of raw materials, equipment and services are purchased by SNTGN Transgaz SA, Petrostar SA, Vestmoldtransgaz and Eurotransgaz for their own operations:

- Gas for consumption in the NTS, materials and equipment for the activity carried out, materials for the Maintenance, Environment, Health and Safety, Occupational Safety, and Fire Protection programmes, consultancy, audit, prevention and protection, security and guarding services, IT&C operational services, administrative services, services specific to the communication, shareholder relations, advertising and marketing activities

Transgaz's main suppliers are:

- KALYON INSAAT SANAYI VE TICARET ANONIM SIRKETI ISTANBUL-BUCHAREST BRANCH
- COMTECH CO SRL
- SNGN ROMGAZ SA
- ROMANIAN COMMODITY EXCHANGE
- E.ON Energie Romania SA
- SUTECH SRL
- CIS GAZ SA
- GAZPET INSTAL SRL
- ENGIE ROMANIA SA
- KIT METAL SRL

SNTGN Transgaz SA awards the procurement contracts in compliance with the provisions of Law no. 99 of 19 May 2016 on sectoral procurement, subsequently amended and supplemented. The award of sectoral contracts is done by applying the criteria "best value for money" and "lowest price". Also, the estimated term for contracting is between 6 and 12 months.

The main beneficiaries of the natural gas transmission service in 2025 were:

- OMV PETROM SA
- ENGIE ROMANIA SA
- SNGN ROMGAZ SA

- E.ON ENERGIE ROMANIA SA
- MET Austria Energy Trade GmbH

As a rule, contracts with customers are signed for one year for the annual capacity product (example: October 1, 2025 – October 1, 2026).

Within the gas year, quarterly, monthly, and daily contracts are also signed (the daily contracts are also signed for a period of 1 gas year). There are also special contracts of 15 years and 30 years. Framework contracts on the Regional Booking Platform (RBP) usually have a period of 15 years. All contracts are defined in the Network Code.

The Annual Sectoral Procurement Program (ASPP) includes all the contracts that the company plans to award during the year, following procurement procedures, direct procurement, as well as framework agreements based on which subsequent contracts are awarded, in accordance with the provisions of Law no. 99/2016 on sectoral procurement, with subsequent additions and updates.

The customers of the natural gas transmission companies at Transgaz level (SNTGN Transgaz SA and Vestmoldtransgaz SRL) are legal entities, mainly natural gas suppliers, of which a small part is made up of legal entities and consumers directly connected to the National Transmission System. The main distribution channels and end users are distributors, underground gas storage, export, direct customers.

With regards to the activity of Petrostar SA, the company offers services mainly to legal entities, companies operating in the field of energy or the oil and gas industry, and there are very few Petrostar design services delivered to individuals, which refer to design and/or execution services for water well drilling.

Eurotransgaz's activity is specific to a holding company, having as its main object of activity the holding of participations in other companies, in particular Vestmoldtransgaz SRL. Eurotransgaz does not carry out commercial activities as such, and is managed exclusively by the Board of Directors, which ensures governance and legal representation.

Transgaz's strategy is based on the premise of sustainable growth in added value for the company, its employees and shareholders and long-term resilience. The business strategy currently includes sustainability elements, but these are not yet fully aligned with the results of the double materiality analysis carried out in 2025. Specifically, Transgaz's strategy addresses climate aspects, and the transport of green energy (hydrogen). Transgaz operates as a natural gas transmission operator, focusing on efficiency and sustainability. By modernizing the infrastructure and expanding the network, the company provides economic and environmental benefits to customers and investors, ensuring long-term stability and growth.

In 2025, Transgaz operated on the regulated market, where it carried out natural gas distribution activities, as well as underground gas storage. In addition, after the acquisition of Petrostar SA, design and engineering activities were carried out for the oil and gas extractive industry, as well as activities ancillary to this industry, namely analysis and testing activities within the Construction Analysis and Testing Laboratory with profiles in Cathodic Protection, Geotechnics and Water Chemical Analysis as well as employee transportation for business purposes using their own vehicle fleet.

The total revenues for the financial year 2025, as included in Transgaz's individual financial statements, are presented in the table below:

Operating revenue before balancing and construction, of which (RON)	2,618,361,659
- revenues from domestic transport activity (Romania)	2,460,922,108
- other revenue	157,439,551

Furthermore, the total revenues for the financial year 2025, as included in Transgaz's consolidated financial statements, are presented in the table below:

Operating revenue before balancing and construction, of which (RON)	2,916,565,538
- revenues from domestic transport activity (Romania and the Republic of Moldova)	2,747,881,240
- other revenue	168,684,298

Transgaz entities in the Republic of Moldova are registered and operate in both Romania and the Republic of Moldova; at the end of 2025, the total number of employees was 82. Regarding the regional distribution of employees across Romania and Moldova, as of 31.12.2025, the following aspects can be noted:

Geographical area:	Number of people
Moldova	82
Romania	4,066
Total	4,148

Interests and views of stakeholders

SBM-2

Transgaz is ethically committed to conducting business transparently and responsibly, with transparency and communication being values which are integrated into Transgaz's activity.

The relationship with stakeholders is another important aspect of Transgaz's ethical framework, and the adoption of internal regulations regarding both transparency and communication, as well as the management of conflicts of interest, the granting of sponsorships, reflects management's interest in ensuring that all interested parties are frequently informed in order to create and maintain an accurate image of Transgaz's sustainable development, while improving the quality of life of employees and their families, as well as of the communities and society in which they operate.

Petrostar maintains an active collaboration with key stakeholders, using category-specific mechanisms to identify impacts, collect feedback, and ensure operational and legal compliance. Customers are consulted through surveys, periodic meetings and working groups, and the results are analyzed by the Development-Contracts department and included in reports used for management review. Employees participate through questionnaires and semi-annual meetings with the Occupational Safety and Health Committee (OHSC), and the conclusions are analyzed by the employees' representatives and reported to the General Director, being recorded in the OHSC minutes.

In relation to legal and regulatory authorities, Petrostar continuously monitors legislative updates in order to develop compliant projects related to greenhouse gas emissions, conduct climate impact assessments and to implement pollution prevention measures. Compliance is audited and included in the relevant reports. As for suppliers and partners, their evaluation is carried out through questionnaires, and those validated are included on the approved supplier list, which is updated based on the analyses carried out by the administrative department.

Within Petrostar, the General Director presents on a quarterly basis a summary to the meeting of the Board of Directors of the feedback received from the affected stakeholders and of the identified impact-related risks.

Transgaz's activity is regulated and controlled by the public environmental authorities and is subject to ongoing scrutiny by supervisory bodies, non-governmental organizations, the media and the public. Transgaz implements internal instruments to ensure compliance with applicable national legislation in the field of environmental protection, in order to protect the environment, personnel and population. The Environmental Officer ensures that the necessary reports are sent to the authorities as per the law.

Also, working with other companies to develop joint projects supports sustainable economic growth at national and regional level and contributes to job creation and stimulation of local economic activity.

Through these partnerships, innovative and sustainable solutions are identified to address challenges faced by the community, such as the conservation of natural resources, pollution reduction or infrastructure development.

Finally, the active involvement of companies in supporting the community and collaborating with other business entities can help create a favorable environment for the regional economic and social development, having a positive impact on all residents. Thus, corporate social responsibility becomes an essential element for building a more equitable and sustainable society.

In this regard, information on the impact of Corporate Social Responsibility (CSR) is available on the Company’s website. The last project dates back to 2022 and is called 'CSR Project-Increasing Energy Efficiency at the level of SNTGN Transgaz SA'.

For the entities operating in the Republic of Moldova, no CSR-related information is currently available.

In 2025, the objectives in the field of human resources were mainly focused towards their optimization, with the aim of increasing and improving the efficiency and effectiveness of functions, the continuation of educational projects, while sponsorships were directed towards areas of social interest.

As part of the double materiality analysis carried out in 2025, Transgaz identified the main categories of stakeholders, detailed below:

- Employees
- Management
- Shareholders
- Financial institutions
- Customers
- Ministries
- Central and local public authorities
- Suppliers
- Media
- local communities and the general public
- NGOs

As a technical operator of the National Gas Transmission System in Romania and Moldova, including a provider of related and ancillary services, Transgaz has an essential role in its operating environment in and is committed to respecting and integrating into its strategy sustainability aspects that are important for stakeholder groups.

Dialogue with stakeholders contributes to better communication and transparency in the organization's activities, which is essential for building trust and supporting sustainable development projects undertaken by the company.

Employees are involved informally, throughout the year, to collect their feedback and integrate it into Transgaz's strategy and business model. They are also part of trade unions, which communicate with management to convey any concerns. In addition, employees have access to the following internal platforms and dedicated resources:

- by e-mail, at integritate@transgaz.ro;
- in writing, in hard copy format.

The envelope containing the completed form must clearly and visibly include the following:

- the mention " PUBLIC INTEREST DISCLOSURE";
- the capacity of the recipient (according to the law, the envelope may be addressed, at the whistleblower’s choice to the "General Director of SNTGN Transgaz SA", "to the person designated according to Law no. 361/2022 at the level of SNTGN Transgaz SA" or "Integrity Officer of SNTGN Transgaz SA");
- the recipient's address.

Persons who request confidential advice in relation to making a report can do so as follows:

- by e-mail to integritate@transgaz.ro;
- by phone, at the numbers 1590 or 1450, between 07.00 and 15.00.

A report may be submitted by any person who has an employment or service relationship with SNTGN Transgaz SA, pursuant to the ordinary or special legal provisions, and performs work in exchange for remuneration, if the information regarding violations of the law was obtained in a professional context (current or previous professional activities of any nature, remunerated or not, carried out within SNTGN TRANSGAZ SA, according to the provisions of art. 2 of Law no. 361/2022, based on which individuals can obtain information regarding violations of the law and may be subject to retaliation for reporting them).

The reporting of information on violations of the law, knowing such information to be false, constitutes a contravention and is sanctioned with a fine ranging from RON 2,500 to RON 30,000, if the act was not committed under circumstances that would qualify it as a criminal offence under the law.

Management is actively involved throughout the year in the various committee meetings.

At the level of SNTGN Transgaz SA, a specialized organizational structure is established for the management of the capital market activity, namely the Investor Relations and Sustainability Directorate - Investor Relations Department – a structure whose activity is dedicated to the relationship with investors and shareholders. The Company carries out periodic and continuous reports on significant events, including but not limited to financial position, performance, ownership and management, both in the media and on its own website (www.transgaz.ro).

Transgaz prepares and disseminates relevant periodic and continuous information in accordance with OMFP 2844/2016, the European Electronic Single Format (ESEF) and other environmental, social and governance (ESG) reporting standards. They are published on the BVB, ASF and Transgaz websites in both Romanian and English. Transgaz organizes meetings with financial analysts, brokers, market specialists and investors, upon the publication of its financial statements, on which occasion it publishes relevant materials for investment decision-making.

The relationship with the Ministries is governed by periodic meetings.

The relationship with banks and financial institutions is conducted on a case-by-case basis and are focused on supporting the company's strategic initiatives, ensuring an adequate level of transparency and collaboration. Financing criteria, including ESG criteria, are taken into account by the company when defining strategic directions.

Customer relationship management is governed by internal procedures. The categories of customers in the portfolio consist mainly of gas supply companies and companies operating in the oil field, with continuous contact maintained with their representative.

The collaboration with suppliers is governed and supported through permanent informal communications. Transgaz maintains an active dialogue with suppliers through questionnaires and meetings whenever necessary.

Transgaz maintains an open relationship with press representatives, providing up-to-date information about its activity through press releases, launch events, interviews, media collaborations, and its website.

Transgaz supports communities (non-profit organizations, community members, town halls, educational institutions, hospitals, etc.) through social responsibility initiatives that include partnerships with non-profit organizations, educational institutions such as universities and high schools, and community members. The actions aim to develop education and support vulnerable groups through donations and awareness programs. At the same time, in order to maintain ongoing engagement, dialogue with communities takes place periodically, through meetings, joint projects or local campaigns or when Transgaz's development projects have an impact on the community. For any complaints, the community members also have at their disposal the following communication channels with Transgaz: https://www.transgaz.ro/en/node/2427.

Petrostar has had partnerships in the past with the Petrol-Gaze University of Ploiesti. The most recent partnerships concluded by Petrostar S.A. were:

- Between 05.05.2025-23.05.2025 - framework agreements for internship placements within the bachelor and master's degree programs (2 master's students from the Petrol-Gaze University of Ploiesti);
- Between 08.07.2025 and 25.07.2025 - framework agreements for internship placements within the bachelor's degree programs (7 students from the Petrol-Gaze University of Ploiesti).

Dialogue with the University is maintained through the participation of Petrostar delegates in events organized by UPG and through periodic direct discussions between Petrostar and the Rector, Mr. Alin Dinita, the Dean, Mr. Marius Badicioiu, Prof. Mrs. Cristina Dusescu-Vasile etc.

The official formalities related to the internship programs are carried out through Petrostar's Human Resources department.

Through the active involvement of stakeholders, Transgaz is able to build strong partnerships and maximize the positive impact of its community initiatives. The organization is open to the opinions and suggestions of those involved and assumes shared responsibility together with them for the achievement of common Sustainable Development Goals.

The identification and prioritization of stakeholders were carried out through internal and external consultations, with the involvement of representatives from Transgaz's management; as part of this process, a list of relevant stakeholders was developed, taking into account all the categories with which the company interacts or whose interests are affected by it. During the same internal consultation, following stakeholder mapping, a discussion took place related to their expectations, as well as their level of interest and influence over Transgaz.

The expectations of stakeholders regarding Transgaz's activity are:

- **Central Authorities, Local Authorities, Regulatory and Control Authorities**: Transgaz is expected to comply with the legal requirements (i.e. compliance obligations in permits, approvals, etc. or specific requirements imposed by authorities) and to operate the owned facilities within the limits and conditions imposed by the regulatory acts held. Transgaz is also expected to deliver natural gas safely and with appropriate quality.
- **Business partners, shareholders, financial institutions** (customers, legal entities and consumers, suppliers, individuals): Transgaz is expected to provide natural gas transmission services in compliance with all legal requirements related to environmental protection and voluntarily implements the latest standards in the field of environment and occupational health and safety in its operating systems, thus

fostering trust and successful business partnerships. All agreements concluded with these parties in terms of environmental protection become compliance obligations.

- **NGO, Public, Media, Local Community:** expectations that the organization carries out its activity with care for the environment and the population, and the interested parties are provided with relevant information regarding the activity carried out by Transgaz, in compliance with all legal requirements in the field of environmental protection. The above-mentioned expectations represent compliance obligations for Transgaz towards these entities. They are also expected to be regularly informed about their environmental performance, to be consulted on future projects, and involved in the permitting process, in accordance with the rights granted under the national legislative framework. They also expect responses to information requests and concerns expressed through the communication channels with Transgaz, including through the information centers and public relations departments.
- Transgaz **employees** expect their work to be recognized and rewarded according to performance expectations, and that they benefit from a healthy and safe work environment. All agreements signed with service or product contractors in terms of environmental protection become compliance obligations.

The views and requirements of stakeholders, as well as the applicable legal and regulatory requirements, are integrated into the processes, activities and documentation of the integrated management system, and the overall verification, monitoring and control activities aim not only to meet these requirements, but also to increase stakeholder satisfaction.

These perspectives are also collected within the double materiality analysis, which is subject to information, review and approval by the administrative, management and supervisory bodies. No changes were made to the strategy or business model during the reporting period.

Petrostar maintains an active dialogue with key stakeholders. In the relationship with customers, the collaboration is carried out through satisfaction surveys, periodic meetings and working groups of the project teams, with the objective of identifying the impacts and collecting feedback on the products, the results being analyzed by the Development-Contracts department and integrated into the Activity Report used in management analysis. With respect to employees, the consultation takes place through dedicated questionnaires and through the semi-annual meetings of the OHSC, aimed at identifying the impacts of management decisions; the conclusions are analyzed by the employees' representatives, reported to the General Director, and the discussions within the OHSC are recorded in the relevant minutes.

Interaction with legal and regulatory authorities involves the continuous monitoring of legislative changes published on their websites and on the EUR-Lex platform, with the aim of developing projects that comply with greenhouse gas emissions legislation, carrying out climate impact assessments for major projects and implementing measures to prevent pollution and manage climate risks; compliance is verified through audits, and the findings are included in the Audit Report. Collaboration with suppliers and partners involves the use of evaluation questionnaires and the inclusion of accepted suppliers in the Approved Supplier List, in order to identify the impacts, the results being analyzed by the Administrative Department, which updates and maintains the list.

Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3

Information on Transgaz's significant impact, risks and opportunities management is provided in each specific ESRS topical chapter and is aligned with the minimum disclosure requirements on internally established policies, actions and targets.

Impacts, risks and opportunities related to environmental, social and governance aspects were identified and assessed as part of the double materiality analysis process, through an internal workshop and consultation of other relevant sources, such as the permits required for the proper functioning of the sites. The ESG IROs identified according to the double materiality analysis are analyzed and will be integrated into Transgaz's internal regulatory framework, as the internal ESRS governance framework continues to be strengthened. Transgaz's business strategy is aligned with its climate commitments and includes the elements of Transgaz's Climate and Decarbonization Strategy, taking into account climate-related physical and transition risks associated with the shift to a low-carbon economy, in relation to the risks identified in Transgaz's Climate and Decarbonization Strategy (see E1).

Transgaz addresses significant impacts and risks, as well as opportunities related to the transition to a more sustainable future, through a comprehensive analysis highlighting its resilience. This included the assessment of risks and opportunities, focusing on environmental, social, political and market aspects, and in particular on the climate-related considerations, through Transgaz's decarbonization strategy and plan.

Transgaz aims to base its strategy and business model on resilience principles, with the intention of developing the capacity to manage significant impacts and risks and to capitalize on opportunities that may arise. The process of managing impacts, risks and opportunities under double materiality assessment (IROs) is expected to be integrated into the business strategy, to facilitate the alignment of sustainability priorities with the overall development objectives, as the ESRS framework becomes further clarified and consolidated at European level. Transgaz will continue to gradually align these results with existing strategic processes, so that sustainability priorities are coherently integrated with the company's overall development objectives.

The financing of specific initiatives and measures for the implementation of this strategy is mainly carried out from internal sources, using revenues generated from Transgaz's current operations. Professionalism and performance, team spirit, mutual respect, and responsibility for people and the environment are fundamental values that guide our activity and help us achieve excellence in all our initiatives.

Sustainability is integrated into all Transgaz operations, in line with the strict legislative requirements to which Transgaz is subject. The materiality assessment helps to prioritize risks in the annual review process. Transgaz has systematic procedures in place to assess and address the material environmental, social and governance impacts of its operations and business relationships. Transgaz's sustainability activity is based on daily practices in all operations. Corporate sustainability priorities are based on material impacts within the business, the growing expectations of customers, investors and other stakeholders, as well as the commitment to the Transgaz Code of Ethics and to internationally recognised sustainability principles.

The analysis included both Transgaz's direct and indirect impacts and dependencies, as well as the risks and opportunities in the upstream and downstream value chain, as well as its own operations.

The consolidated analysis also includes entities acquired during 2025, including Petrostar. The impacts, risks and/or opportunities (IRO) generated by Petrostar's activity have been integrated into the consolidated categories, and are reported separately only when they are significant and differ from those already identified at Transgaz group level.

The link between the identified impacts and the associated risks and opportunities (IROs) are presented for each topic/sub-topic according to the ESRS, however, to date, no detailed quantification of the anticipated financial effects in monetary terms has been carried out.

The company has assessed the level of impact and established specific risk mitigation and management measures, and the effectiveness of these measures is analysed at the end of the year, in relation to the risk incidents manifested during the reporting period, to the extent that incidents have been identified.

Impacts

Topic	Sub-topic	Description	Location in the value chain	Anticipated time horizon of impact
Climate change	Climate change mitigation	1. Negative impact on climate change resulting from methane losses in the transport network	Own operations	Short term, medium term
		2. Negative impact resulting from the consumption of natural gas and other fuels with CO_2 emissions	Own and downstream operations	Short term, medium term
		3. Negative impact resulting from electricity consumption associated with the combustion of fuel for electricity production	Upstream	Short term, medium term
		4. Negative impact on global warming through Scope 1 and 2 greenhouse gas emissions generated by energy consumption within Petrostar and Petrostar's Scope 3 activities due to employee travel.	Own operations	Short term, medium term
	Climate Change Adaptation	1. Potential negative impact (low/medium) as a result of the degradation of the Transgaz group's infrastructure due to climate-	Own operations	Medium, long term

Topic	Sub-topic	Description	Location in the value chain	Anticipated time horizon of impact
		related hazards (extreme heat, extreme rainfall, drought, floods).		
		2. Potential negative impact on pipelines and facilities due to increased thermal stress on concrete components causing expansion, breakage and cracking of infrastructure.	Own operations	Medium, long term
		3. Potential negative impact due to the decrease in the availability of water resources for different processes required for above-ground components.	Own and upstream operations	Medium, long term
	Energy	1. Impact on electricity consumption if no energy efficiency measures are taken	Own operations	Short, medium, long term
		2. Impact on substantial fossil fuel consumption if measures are implemented	Own operations	Short, medium, long term
		3. Additional energy consumption associated with the use of equipment and building owned by Petrostar, including electricity, fuel.	Own operations	Short, medium, long term
Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	1. Potential negative impact during the construction phase, if the conditions of the environmental permits are not respected, local biodiversity can be impacted.	Own and upstream operations	Short term
		2. Potential negative impact during the operational phase on local biodiversity, if the environmental protection conditions are not respected during the maintenance period of pipelines and gas transmission facilities.	Own operations	Short term
		3. The potential negative impact on biodiversity in certain protected natural areas, where the NTS is located or has interests. In general, this impact is minimal, temporary, and reversible during construction works	Own operations	Short term

Topic	Sub-topic	Description	Location in the value chain	Anticipated time horizon of impact
		4. Minimal negative impact during operation on biodiversity/organisms over very limited land areas required for surface installations (e.g. valve stations)..	Own operations	Short term
Own workforce	Working conditions	1. Potential negative impact on a large scale, if the rights of its own employees and the legal requirements on working conditions applicable to employees (working hours, adequate remuneration, work-life balance, etc.) are not respected, which can negatively affect employees' financial and personal well-being, job satisfaction and mental health.	Own operations	Short, medium, long term
		2. Petrostar's activity involves working in design offices, laboratories and on-site, in industrial environments. This can generate occupational stress, exposure to noise, vibration, extreme temperatures, or chemicals. Working conditions directly influence the physical and mental health of employees, as well as staff productivity and retention.	The entire value chain	Short, medium, long term
	Equal treatment and opportunities for all	1. Positive impact on the inclusive and diverse work environment, through internal policies that ensure opportunities for development and equal treatment for all employees. These policies have an impact on employees' working conditions through measures to protect against harassment, abuse or sexual, physical and psychological threats (e.g. grievance mechanisms for discrimination-related issues)	Own operations	Short, medium, long term
	Other work-related rights	1. Positive impact on the labor-related rights of its employees through policies ensuring the confidentiality of employee information. This impacts the working environment and	Own operations	Short, medium, long term

Topic	Sub-topic	Description	Location in the value chain	Anticipated time horizon of impact
		Transgaz's reputation as an employer		
Consumers and end-users	Information-related impacts for consumers and/ or end-users	1. Transgaz has a potential positive impact on informing stakeholders, and thus they can benefit from access to and quality of information of interest, especially for final gas consumers. Considering the fact that SNTGN Transgaz SA is listed on the stock exchange, it has a significant potential impact on the information that capital market participants benefit from.	Downstream	Short, medium, long term
	Personal safety of consumers and/or end-users	1. The quality and safety of the design and engineering services offered by Petrostar directly influence the performance and safety of the operations of customers in the oil and gas industry. Any deficiency that is not communicated in a timely manner can affect the continuity of their activities and the company's reputation.	Downstream	Short, medium term
Business conduct	Corporate culture	1. Positive impact on the working environment within Transgaz by promoting and complying with the Code of ethics and internal procedures.	Own and upstream operations	Short, medium, long term
	Protection of whistle-blowers	1. Potential negative impact on employees and the work environment. Potential impact on employee motivation resulting from a potential lack of trust in the Group.	Own and upstream operations	Short, medium, long term
	Management of relationships with suppliers including payment practices	1. Potential negative impact on the relationship with suppliers and the stability of the supply chain. Potential negative impact on the negotiating power and project completion timelines.	Own and upstream operations	Short, medium, long term
	Corruption and bribery	1. Potential negative impact on the relationship with investors and regulatory authorities.	Own and upstream operations	Short, medium, long term

Topic	Sub-topic	Description	Location in the value chain	Anticipated time horizon of impact
		Potential negative impact on the group's reputation.		
	Political engagement and lobbying activities	1. Transgaz is part of associations such as the Oil and Gas Employers' Federation and the Energy Employers' Federation, which act as "strong interfaces for dialogue with representatives of the Government and Parliament, as well as with the Regulatory Authorities in the field" and which "contribute to the dialogue necessary to create a supporting legislative framework for the development of the energy sector" while "supporting and representing the interests expressed by representatives of the energy industry energy". They have a potential positive impact on societal development, through energy security.	Own operations	Short, medium, long term

Risks & Opportunities

Theme	Subtopics	Risk description Or opportunity	Financial effect
Climate change	Climate change mitigation	1. **(R)** Financial risk associated with methane losses on the network, fines, disputes related to non-compliances and reputational risks associated with methane losses. There is a risk of possible negative campaigns in the press/social media. The risk of Transgaz's revenues falling/ Transgaz's market value declining due to network losses. The gas transmission activity is also exposed to the risk of declining revenues/ market value due to the decrease in the demand for natural gas. There is also a risk of a negative perception of the oil and natural gas industry.	(R&O) 1 – 5 Financial performance Access to finance Financial effect on the cost of capital in the short and medium term
		2. **(R)** Moderate financial risk associated with the price of natural gas consumed by Transgaz and other fuels that will	

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Theme	Subtopics	Risk description Or opportunity	Financial effect
		include the embedded price of carbon emissions.	
		3. **(R)** Financial risk associated with the cost of carbon emissions in electricity generation (upstream carbon costs are expected to be borne by Transgaz group companies). Potential negative financial impact as a result of increased GHG emission requirements where external investment/limited access to external investment is involved	
		4. **(O)** Opportunity related to the possibility for Transgaz to maintain its competitiveness in order to ensure the transport of other types of renewable resources (biofuels, hydrogen, ethanol, etc.)	
		5. **(O)** The opportunity related to the installation of photovoltaic panels on administrative buildings with the aim of replacing gas-fired thermal power plants with electric thermal power plants.	
	Climate Change adaptation	1. **(R)** Financial risk associated with increased capital costs for the improvement and repair of transport infrastructure	(R) 1-3 Financial performance Financial effect on the cost of capital in the short and medium term Capital flows
		2. **(R)** Risks related to cost increases associated with the increase in costs required for potential gas infrastructure repairs	
		3. **(R)** Risks related to rising insurance costs as a result of increased climate risks	
		4. **(R)** Financial risk associated with cost increases to ensure water needs in other more remote areas with sufficient resources or risk of delays in the supply of water needed	
	Energy	1. **(R)** Low/medium financial risk due to rising electricity costs	(R&O) 1-4 Financial performance Access to finance Capital Flow
		2. **(R)** Risk of non-compliance with strict legislative requirements, which may generate additional costs.	

Theme	Subtopics	Risk description Or opportunity	Financial effect
		3. **(R)** Risk from rising fossil fuel costs resulting from rising carbon costs	
		1. **(O)** Opportunities for significant long-term savings through the reduction of own energy consumption and associated costs, and opportunities related to sustainable financing sources. Opportunities related to investments in energy efficiency can ensure the reduction of consumption, as well as compliance with the new strict legislative requirements on carbon emissions and the use of energy resources, thus avoiding fines and penalties.	
		2. **(O)** Fleet renewal and replacement of fossil fuel consumers and replacement with renewable energy, photovoltaic panels, etc.	
Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	1. **(R)** 1-4 Risk: reputational and contraventional if the conditions of the regulatory acts are not complied with, both during the construction and operational phases.	(R) 1-4 Financial performance Access to finance (O) 1-4 Financial performance
		2. **(R)** Risk of accidental spillage of various chemicals (oils, paints, etc.) This can be translated into subsequent fines for the Group.	
		3. **(O)** 1 - 4. The use of natural gas as a transitional fuel for residential heating, instead of wood, coal, fuel oil, etc., brings a number of benefits from the point of view of environmental protection, including from the perspective of biodiversity protection.	
Own workforce	Working conditions	1. **(R)** 1. Non-compliance with occupational health and safety (OSH) rules represents a potentially significant risk for both employees and the group. For employees, this risk manifests itself in an increased likelihood of workplace accidents and occupational diseases, which can lead to serious injury, disability, or even loss of life. For the group, the consequences include considerable financial losses due to compensation and legal fines, decreased productivity due to the absence of injured employees, damage to the reputation and employee morale, as well as potential litigation.	(R) Financial performance, access to finance, capital flow (O) Financial performance

Theme	Subtopics	Risk description Or opportunity	Financial effect
		In addition, non-compliance with OSH regulations can attract sanctions from the competent authorities, negatively affecting the company's operations and long-term sustainability.	
		2. **(O)** Transgaz ensures appropriate working conditions, equipment, protective clothing, specific equipment and/or machinery, etc. The proper management of employees' rights is ensured through specific internal procedures that are properly applied. Working conditions are continuously improving.	
		3. **(R)** Poor ergonomics, prolonged or unclear working hours, lack of adequate protective equipment in the field can lead to accidents, occupational illnesses or absenteeism. In addition, non-compliance with labor laws can lead to sanctions and reputational damage.	
	Equal treatment and opportunities for all	1. **(O)** Diversity and inclusion within teams, including people with disabilities, is ensured; the company offers equal opportunities to all employees, there is a policy of non-discrimination and equal treatment, remuneration is similar for both women and men, as well as regular training courses for employees.	(O) Impact on enterprise development, financial performance (impacted by workforce retention).
	Other work-related rights	1. **(O)** The Transgaz Group has policies on the prohibition of forced labour, OSH and respect for employee confidentiality.	(O) Impact on enterprise development, financial performance (impacted by workforce retention).
Consumers and end-users	Information-related impacts for consumers and/or end-users	1. **(R)** If the right to privacy, freedom of expression and access to quality information of end users is not respected, there is a risk that Transgaz's activity may affect end users in its area of activity at the same time create reputational risks for the group.	(R) Financial impact on the financial performance, access to financing, financial position of SNTGN Transgaz SA on the stock exchange.
Business conduct	Corporate culture	1. **(O)** Opportunity related to workforce retention within the Group and maintaining a positive image, which can attract new investments.	(O) Financial impact on the financial position of SNTGN Transgaz SA on the stock exchange.
	Protection of whistle-blowers	1. **(R)** Damage to the reputation of the Transgaz Group and violation of legal requirements.	(R) Financial impact on the financial performance, financial position of SNTGN Transgaz SA on the stock exchange.

Theme	Subtopics	Risk description Or opportunity	Financial effect
	Management of relationships with suppliers including payment practices	1. **(R)** Damage to the reputation of the Transgaz Group and financial risk for suppliers in case of breach of contractual conditions.	(R) Financial impact on the financial performance, financial position of SNTGN Transgaz SA on the stock exchange.
	Corruption and bribery	**1.** **(R)** Damage to the reputation of the Transgaz Group and violation of legal requirements, which has a financial risk on the group.	(R) Financial impact on the financial performance, financial position of SNTGN Transgaz SA on the stock exchange.

Materiality analysis and results according to the concept of double materiality

Description of the processes to identify and assess material impacts, risks and opportunities

IRO-1

Double materiality/significance analysis

Transgaz annually conducts the double materiality analysis and assesses the sustainability-related impact, risks and opportunities in accordance with the concepts of the ESRS standards. The assessment is validated internally by a special committee set up by Transgaz and is approved, prior to the publication of the sustainability report, at Board of Directors level.

The materiality assessment was based on the contributions of Transgaz's sustainability and financial experts, depending on their responsibilities for climate change, environmental protection, occupational health and safety, social responsibility, human resources, diversity and inclusion, compliance with related provisions and risk management.

The double materiality analysis was not limited to Transgaz's own operations, as it also included the upstream and downstream value chain.

In the analysis process, Transgaz complied with the fundamental principles of the double materiality analysis, i.e. it analyzed:

- The materiality over the short, medium and long-term for positive and negative impacts that Transgaz has or may have on the environment and society.
- Financial materiality, to determine how sustainability aspects can influence Transgaz's financial performance in the short, medium and long-term.

For the impact assessment process, Transgaz used a combination of quantitative and qualitative criteria, including the scale of the impact, the scope, the remediability (only for negative impacts) and the likelihood of the occurrence of the impact, in the short, medium and long-term. Quantitative thresholds were established to determine the relevance of the topics, and the qualitative criteria provided context for the interpretation of the results. The assumptions used in the analysis are based on the information made available to the workshop participants, as well as on that obtained from relevant media sources and literary studies. In particular, such sources were used to assess the impact in the value chain.

For the analysis of the financial materiality, the probability of the risks and/or opportunities of the impact of material topics on Transgaz's activities was determined during the internal consultation and interviews with the representatives of each Transgaz entity.

In the impact assessment process, the direct and indirect effects generated by Transgaz's activities were analyzed, taking into account the positive and negative impacts. The qualitative characteristics analyzed included the location of the impact, whether it manifested upstream, in Transgaz's own activities or downstream, and the time horizon, respectively short, medium or long-term. A key aspect was the determination of potential human rights impacts, which were prioritised in line with the requirements of the ESRS.

Once an impact, risk or opportunity has been identified as material, the relevant information to be taken into account for reporting under ESRS is identified.

As part of the obligations derived from the transposition of the ESRS, Transgaz has updated the Double Materiality Analysis (significance analysis), after which the material aspects (referred to as topics) were established in terms of impact, risks and opportunities.

Sustainability reporting provides accurate and relevant information on the impacts, risks and opportunities (IROs) related to environmental, social and governance aspects that are considered significant from an impact perspective or from a financial perspective, or both.

The materiality of the impact is assessed in terms of actual and potential sustainability impacts generated by Transgaz's own activities and/or business relationships in the upstream and downstream value chain (suppliers and customers), including both negative and positive sustainability impacts, actual and potential.

The assessment of the financial effect was carried out taking into account opportunities or risks and the negative reputational, financial or commercial consequences for Transgaz.

The assessment also includes the upstream and downstream value chain, so it is not limited to the company's own operations. Once an impact, risk or opportunity has been identified as material, Transgaz:

- refers to the ESRS requirements to identify the relevant information to be taken into account for that reporting, or
- where the impact, risk or opportunity is covered or insufficiently covered by the ESRS, it shall develop a relevant entity-specific disclosure.

The materiality of information consists in the criteria that supports the identification of the information to be disclosed and is based on:

- the significance of the information in relation to the matter it describes, or
- its decision-making usefulness.

In order to prepare the sustainability report for Transgaz entities, in accordance with ESRS standards, Transgaz applies the specific principles of the Double Materiality analysis. For the financial year 2025, the double materiality analysis included the consultation of stakeholders and an assessment of whether the material topics required updating compared to the previous year, taking into account the relevant developments in the company's activity in 2025. In this process, the economic, social and environmental impacts were analysed, together with the potential financial effects on Transgaz, as well as the associated risks and opportunities along the entire value chain were analyzed. The process of identifying, assessing and managing sustainability impacts and risks is not yet fully integrated into the overall risk management framework, with integration underway in 2025.

The double materiality assessment process included the following key steps:

- analysis of relevant internal and external stakeholders
- conducting an internal consultation, during a workshop, with the management representatives of each relevant department in order to assess and represent each Transgaz entity, for each material topic in the ESRS, the impact on environmental, social and governance aspects, as well as the assessment of the potential financial effects on the company as a result of climate change. The nature of the actual and potential, negative and positive, short, medium and long-term impacts generated on environmental, social and governance aspects was analyzed. The financial effects were also analyzed, and the probability of occurrence and the potential magnitude of the financial effects contribute to the assessment of the significance of the risks and opportunities within the company;
- Based on the results of the internal analysis carried out and the fact that no new stakeholders were identified compared to the previous year, the results of previous external consultations obtained by distributing a questionnaire to representatives of all categories of stakeholders were used for the financial year 2025. Following the conclusion of the survey session, it was found that 769 responses were received, of which 689 were submitted by its own employees, and 80 responses were submitted by the other categories of stakeholders.
- materiality analysis carried out for other operators in the industry (*peers analysis*);
- evaluating the strategic documents prepared by the company;
- benchmarking on global trends in the literature, as well as data collected on Transgaz's history or other relevant sources as appropriate.
- interviews with top management representatives during which the results of the evaluation were presented for review, confirmation and update, if necessary.

The final list of material topics was determined based on an assessment of the significance of impact, risks and opportunities. A topic is material if it meets the defined criteria for materiality of impact or financial materiality, or both.

According to the principle of double materiality applied in the analysis, a sustainability aspect is material, if it either has an actual or potential positive or negative impact on people or the environment, or when it has significant financial effects on the company, or in both cases at the same time.

Depending on the relevance of the material topics, the following were assessed: the scale, scope, remediability and the likehlihood of occurrence of the positive or negative impact, actual or potential, of Transgaz's activities, according to the materiality procedure, using the scales below:

- Scale for assessing the scope of the topic's impact: from 1 to 5, 1 representing a small-scale impact on the environment and society, and 5 representing the large-scale impact related to the topic on the environment and society.
- Remediability (only for negative impact): from 1 to 5, 1 representing 'Very high - The potential negative impacts of Transgaz can be fully prevented', and 5 is 'Very low - Irremediable - the negative impacts could not be remedied'

- Scale for assessing the likelihood of occurrence of the topic's impact (only for potential impact): from 1-5, with 1 representing a very low probability of occurrence (only once in the next 10 years), and 5 representing a very high probability of occurrence (in less than 1 year).

For the financial materiality analysis, the likelihood of occurrence of risks and/or opportunities deriving from the impact of material topics on Transgaz's activities was determined using the following scales:

- Actual or potential magnitude scale: from 0-5, 0 referring to the fact that there is no financial effect related to the topic, and 5 representing a very high financial effect (over 3.0% of turnover);
- Risk/opportunity likelihood scale: from 1-5, 1 representing a very low probability (only once in the next 10 years), and 5 being a very high probability (in less than 1 year).

As part of the double materiality analysis procedure, the following thresholds were established:

- **Impact materiality threshold** – the materiality threshold set is +3 or -3
- **Financial effect materiality threshold** – A threshold for the materiality of the financial effect applies, above 0.7% of turnover and below 2% of turnover – considered significant (score 3)

The double materiality analysis resulted in topics and sub-topics that are addressed in this report. For sub-topics that have both scores below the threshold set by 3, inclusion in material sub-topics can be decided:

- whether there is a legal requirement to report, or
- if it was the result of a correction made by Transgaz management

For topic E1 – Climate change, the materiality threshold was lowered to 2, considering that this topic poses the risk of non-compliance with the methane legislation. In view of the significant impact of methane emissions on global warming and the associated stringent regulations, it was considered essential to use a lower materiality threshold of 2 instead of 3. By lowering the materiality threshold, Transgaz demonstrates its interest in reporting the information required by the ESRS regarding its impact on the environment and compliance with regulatory rules, contributing to long-term sustainability.

It is also important for Transgaz to report on aspects related to the impact on GHG emissions, aspects related to adaptation to climate change and energy. For the reasons mentioned, a materiality threshold of 2 instead of 3 will be used specifically for E1.

The risks and opportunities identified were analysed to understand whether they stem from dependencies or impacts. The quantitative assessment included analysis of continued resource use, resource dependency and critical relationships within the value chain, and other effects on future cash flows.

As part of the process of analyzing material impacts, risks and opportunities, the assessment was updated to reflect Transgaz's consolidated structure, including recently acquired entities such as Petrostar. The analysis was carried out in accordance with the requirements of the ESRS, and the impacts, risks and opportunities identified at entity level in scope were integrated into the consolidated assessment. In situations where certain impacts or risks specific to the acquired entities have distinct or significantly different characteristics from those identified at Transgaz level, they are presented separately in the report.

The table below presents the topics, sub- topics and sub-sub- topics that are addressed in the 2025 Sustainability Report and a brief justification for the non-material topics that were not taken into account in the report's content.

ESRS Thematic	Sustainability topics – Sustainability Report 2025 ("DR")			
	Topic	Subtopic	Sub-subtopics	Explanations
ESRS E1	Climate change	Climate change mitigation Climate Change Adaptation Energy	—	They are addressed in the SR
ESRS E2	Pollution	Pollution of air	—	The result is below the materiality threshold.
		Pollution of water	—	The result is below the materiality threshold.
		Pollution of soil	—	The result is below the materiality threshold.
		Pollution of living organisms and food resources	—	Transgaz's activity does not involve a direct impact on living organisms or food resources.
		Substances of concern	—	This is not the case, Transgaz does not use substances that are of particular concern – namely substances considered very dangerous.
		Substances of very high concern	—	This is not the case, Transgaz does not use substances that are of particular concern – namely substances considered very dangerous.
		Microplastics	—	This is not the case, Transgaz does not produce, use, market or generate microplastics in its activity.
ESRS E3	Water and marine resources	Water	Water consumption	This is not the case, as water extraction is immaterial.
			Water withdrawals	This is not the case, as water consumption is

ESRS Thematic	Sustainability topics – Sustainability Report 2025 ("DR")			
	Topic	Subtopic	Sub-subtopics	Explanations
				minimal within the company's activity.
			Water discharge	This is not the case, as there are no discharges into surface waters.
		Marine resources	Discharge of water into the oceans Extraction and use of marine resources	This is not the case, water from marine sources is not used and water is not discharged into the oceans.
ESRS E4	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Climate change	They are addressed in E1
			Changing the land use and changing the use of the sea	They are addressed in RS
			Direct exploitation	This is not the case, there are no activities to exploit biodiversity or ecosystems.
			Invasive alien species	This is not the case in the areas where Transgaz operates.
			Pollution	This is not the case.
		Impacts on the state of species	Population size of the species	This is not the case, the activity is local.
			Global risk of species extinction	This is not the case, the activity is local.
		Impacts on the extent and condition of ecosystems	Soil degradation	This is not the case.
			Desertification	This is not the case – there is no direct activity on areas at risk of desertification.
			Soil sealing/waterproofing	This is not the case, the activity is not associated with the footprint in protected areas.
ESRS E5	Circular economy	Resources inflows, including resource use	—	The result is below the materiality threshold. The gas is not Transgaz's property.
		Resource outflows related to products and services	—	The result is below the materiality threshold.
		Waste	—	The result is below the materiality threshold.

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ESRS Thematic	Sustainability topics – Sustainability Report 2025 ("DR")			
	Topic	Subtopic	Sub-subtopics	Explanations
ESRS S1	Own workforce	Working conditions	Secure employment	They are addressed in the SR
			Working time	They are addressed in the SR
			Adequate wages	They are addressed in the SR
			Social Dialogue	They are addressed in the SR
			Freedom of association, the existence of works councils and the information, consultation and participation rights of workers.	They are addressed in the SR
			Collective bargaining, including rate of workers covered by collective agreements	They are addressed in the SR
			Work-life balance	They are addressed in the SR
			Health and safety	They are addressed in the SR
		Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	They are addressed in the SR
			Training and skills development	They are addressed in the SR
			Employment and inclusion of persons with disabilities	They are addressed in the SR
			Measures against violence and harassment at work	They are addressed in the SR
			Diversity	It is addressed in the SR
		Other work-related rights	Child labour	This is not the case in Romania and the Republic of Moldova.
			Forced labor	This is not the case in Romania and the Republic of Moldova.
			Adequate housing	This is not the case in Romania and the Republic of Moldova.
			Privacy	It is addressed in the DR
ESRS S2	Workers in the value chain	Working conditions	Secure employment	Transgaz is active in transport services that do not involve substantial upstream or downstream activity.

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ESRS Thematic	Sustainability topics – Sustainability Report 2025 ("DR")			
	Topic	Subtopic	Sub-subtopics	Explanations
				The result is below the materiality threshold.
			Working Time	Transgaz is active in transport services that do not involve substantial upstream or downstream activity. The result is below the materiality threshold.
			Adequate wages	Transgaz is active in transport services that do not involve substantial upstream or downstream activity. The result is below the materiality threshold.
			Social Dialogue	Transgaz is active in transport services that do not involve substantial upstream or downstream activity. The result is below the materiality threshold.
			Freedom of association, including the existence of work councils	Transgaz is active in transport services that do not involve substantial upstream or downstream activity. The result is below the materiality threshold.
			Collective bargaining	Transgaz is active in transport services that do not involve substantial upstream or downstream activity. The result is below the materiality threshold.
			Work-life balance	Transgaz is active in transport services that do not involve substantial upstream or downstream activity. The result is below the materiality threshold.
			Health and safety	Transgaz is active in transport services that do not involve substantial upstream or downstream activity. The result is below the materiality threshold.
			Gender equality and equal pay for work of equal value	Transgaz is active in transport services that do not involve

ESRS Thematic	Sustainability topics – Sustainability Report 2025 ("DR") Topic	Subtopic	Sub-subtopics	Explanations
		Equal treatment and opportunities for all		substantial upstream or downstream activity. The result is below the materiality threshold.
			Training and skills development	Transgaz is active in transport services that do not involve substantial upstream or downstream activity. The result is below the materiality threshold.
			The employment and inclusion of persons with disabilities	Transgaz is active in transport services that do not involve substantial upstream or downstream activity. The result is below the materiality threshold.
			Measures against violence and harassment in the workplace	Transgaz is active in transport services that do not involve substantial upstream or downstream activity. The result is below the materiality threshold.
			Diversity	Transgaz is active in transport services that do not involve substantial upstream or downstream activity. The result is below the materiality threshold.
		Other work-related rights	Child labour	Transgaz is active in transport services that do not involve substantial upstream or downstream activity. The result is below the materiality threshold.
			Forced labor	Transgaz is active in transport services that do not involve substantial upstream or downstream activity. The result is below the materiality threshold.
			Adequate housing	Transgaz is active in transport services that do not involve substantial upstream or downstream activity. The result is below the materiality threshold.

ESRS Thematic	Sustainability topics – Sustainability Report 2025 ("DR")			
	Topic	Subtopic	Sub-subtopics	Explanations
			Privacy	Transgaz is active in transport services that do not involve substantial upstream or downstream activity. The result is below the materiality threshold.
ESRS S3	Affected communities	Communities' economic, social and cultural rights	Adequate housing	This is not the case – it is not the object of Transgaz's activity .
			Adequate food	This is not the case – it is not the object of Transgaz's activity .
			Water and sanitation	This is not the case – it is not the object of Transgaz's activity .
			Land-related impacts	It is not significant considering that the impact is temporary, during construction.
			Security-related impacts	The result is below the materiality threshold.
		Communities' civil and political rights	Freedom of expression	The result is below the materiality threshold.
			Freedom of assembly	The result is below the materiality threshold.
			Impact on human rights defenders	The result is below the materiality threshold.
		Rights of indigenous peoples	Free, prior and informed consent Self-determination Cultural rights	This is not the case – it is not the subject of the activity. There are no indigenous populations in Romania and the Republic of Moldova.
ESRS S4	Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	It is addressed in RS
			Freedom of expression	It is addressed in RS
			Access to (quality) information	It is addressed in RS
		Personal safety of consumers and/or end-users	Health and safety	This is not the case – legal entity customers.
			Security of a person	This is not the case – it is not the subject of the activity.
			Protection of children	This is not the case – the activity does not

ESRS Thematic	Sustainability topics – Sustainability Report 2025 ("DR")			
	Topic	Subtopic	Sub-subtopics	Explanations
				involve interaction with children.
		Social inclusion of consumers and/or end-users	Non-discrimination	This is not the case – legal entity customers.
			Access to products and services	This is not the case – legal entity customers.
			Responsible marketing practices	This is not the case – legal entity customers.
ESRS G1	Professional conduct	Corporate culture	—	It is addressed in the SR
		Protection of whistle-blowers	—	This is not the case.
		Animal welfare	—	This is not the case. Transgaz does not conduct animal experiments.
		Political engagement and lobbying activities	—	It is addressed in the SR
		Management of relationships with suppliers including payment practices	—	It is addressed in the SR
		Corruption and bribery	Prevention and detection, including training	The result is below the materiality threshold.
			Incidents	The result is below the materiality threshold.

No material topics other than those under the ESRS standards were identified.

Details on the impacts, risks and opportunities identified for each material topic are presented in the chapter corresponding to each material ESRS topic. Transgaz management has reviewed and validated the final list of material topics.

Disclosure requirements in ESRS covered by the undertaking's sustainability statement

IRO-2

Information on Transgaz's significant impact, risks and opportunities management is provided in each chapter specific to ESRS topics and is correlated with the minimum disclosure requirements on policies, actions and targets set at company level.

The list of disclosure requirements for this report is included in the table below:

Standard	Submission Requirements (CP)	Applicable data points
ESRS 2	BP-1 – General basis for sustainability reporting	5 (a), 5 (b) i., 5 (c), 5 (d)
	BP-2 – Disclosures in relation to specific circumstances	9 (a), 10 (a), 10 (b), 10 (c), 10 (d), 13 (a), 13 (b), 13 (c), 15, 16
	GOV-1 – Role of administrative, management and supervisory bodies	21 (a), 21 (b), 21 (c), 21 (d), 21 (e), 22 (a), 22 (b), 22 (c) i., 22 (c) ii., 22 (c) iii., 22 (d), 23 (a), 23 (b)
	GOV-2 – Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them	26 (a), 26 (b), 26 (c)
	GOV-3 – Integrating sustainability-related performance into incentive schemes	29 (a), 29 (b), 29 (c), 29 (d), 29 (e)
	GOV-4 – Due Diligence Statement	30, 32
	GOV-5 – Risk management and internal controls related to sustainability reporting	36 (a), 36 (b), 36 (c), 36 (d), 36 (e)
	SBM-1 – Strategy, Business Model and Value Chain	40 (a) i., 40 (a) ii., 40 (a) iii., 40 (b),, 40 (e), 40 (f), 40 (g), 42 (a), 42 (b), 42 (c), AR 12
	SBM-2 – Interests and views of stakeholders	45 (a) i., 45 (a) ii., 45 (a) iii., 45 (a) iv., 45 (a) v., 45 (b), 45 (c), 45 (d)
	SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	48 (a), 48 (b), 48 (c) i., 48 (c) ii., 48 (c) iii., 48 (c) iv., 48 (d), 48 (e) i., 48 (e) ii., 48 (f)
	IRO-1 – Description of the processes for identifying and assessing significant impacts, risks and opportunities	53 (a), 53 (b) i., 53 (b) ii., 53 (b) iii., 53 (b) iv., 53 (c) i., 53 (c) ii., 53 (c) iii., 53 (d), 53 (e), 53 (f), 53 (g), 53 (h)
	IRO-2 – ESRS reporting requirements covered by the Enterprise Sustainability Report	56, 59
	MDR-P Policies – Policies adopted for the management of significant sustainability issues	65 (a), 65 (b)
	MDR-A Actions – Actions and resources on significant sustainability issues	72
	MDR-M – Indicators on Significant Sustainability Issues	75, 77 (a), 77 (c)
	MDR-T targets – tracking the effectiveness of policies and actions through targets	81 (b) i., 81 (b) ii.
ESRS E1 Climate change	ESRS 2 GOV-3 Integration of sustainability-related performance into incentive schemes	13
	E1-1 – Climate Change Mitigation Transition Plan	16 (a), 16 (b), 16 (c), 16 (d)
	ESRS 2 SBM-3	18 ,19 (a), 19 (b), AR 7 (b), 19 (c), AR 8 (b)
	ESRS 2 IRO-1	20 (a), AR 9, 20 (b), AR 11 (a), AR 11 (b), AR 11 (c), AR 11 (d), 20 (c), 21, AR 13 (b), AR 15
	E1-2 – Mitigation policies	24, 25

Standard	Submission Requirements (CP)	Applicable data points
	climate change and adaptation	
	E1-3 – Actions and resources related to climate change policies	28, 29 (a), 29 (b), AR 21, 29 (c) i, 29 (c) ii,16 (c), 29 (c) iii,16 (c)
	E1-4 – Climate change mitigation and adaptation targets	32, 33, 34 (a), 34 (b), , 34 (d), 34 (e), 16 (a), 34 (f), 16 (b), AR 24, AR 26, AR 30 (a-c)
	E1-5 – Energy consumption and energy mix	37 (a), 37(b), 37 (c) i., 37 (c) ii., 37 (c) iii., 38 (a), 38 (b), 38 (c), 38 (e), 39, 40, 42, 43, AR 34, AR 38 (b)
	E1-6 – Gross GHG emissions categories 1, 2, 3 and total GHG emissions	46, 48 (a), 48 (b), 49 (a), 49 (b), 51, 53, AR 39 (b), AR 39 (c), AR 43 (c), AR 45 (b), AR 45 (e), AR 46 (d), AR 47 (b), AR 48, 52 (a), 52 (b), 44, AR55, 55, 53s
	E1-7 – GHG removals and GHG emission mitigation projects financed by carbon credits	Omitted
	E1-8 – Setting the internal carbon price	Omitted
	E1-9 – Anticipated financial effects of significant physical and transition risks and potential climate-related opportunities	Omitted
ESRS E4 Biodiversity and ecosystems	E4-1 – Transition plan and consideration of biodiversity and ecosystems in the strategy and business model	Omitted
	ESRS 2 SBM-3	16 (a), 16 (b), 16 (c)
	ESRS 2 IRO-1	17 (a), 17 (b), 17 (c), 17 (d), 17 (e. ii), 19 (a)s
	E4-2 – Biodiversity and ecosystem policies	ESRS 2 MDR-P 62
	E4-3 – Actions and resources related to biodiversity and ecosystems	ESRS 2 MDR-A 62
	E4-4 – Biodiversity and ecosystem targets	ESRS 2 MDR-T 72
	E4-5 – Impact indicators related to biodiversity and ecosystem change	35
	E4-6 – Financial effects	Omitted
ESRS S1 Own workforce	ESRS 2 SBM-2	12
	ESRS 2 SBM-3	13 (a.i), 13 (a.ii), 14 (a), 14 (b), 14 (c), 14 (d), 15, 16
	S1-1 – Own Labour Policies	19, 20 (a), 20 (b), 20 (c), 21, 22, 23, 24 (a), 24 (b), 24 (c), 24 (d)
	S1-2 – Processes for working with own workers and workers' representatives on Impacts	27 (a), 27 (b), 27 (c), 27 (d), 27 (e), 28
	S1-3 – Processes to address adverse impacts and channels through which their own workers can express concerns	32 (a), 32 (b), 32 (c), 32 (d), 32 (e), 33
	S1-4 – Taking action on significant impacts on their own workforce, and	37, 38 (a), 38 (c), 38 (d), 39, 40 (a), 40 (b), 41, 43

Standard	Submission Requirements (CP)	Applicable data points
	approaches to mitigate significant risks and track significant opportunities related to their own workforce, and the effectiveness of these actions	
	S1-5 – Targets related to the management of significant adverse impacts, the promotion of positive impacts and the management of significant risks and opportunities	ESRS 2 81
	S1-6 – Characteristics of the company's employees	50 (a), 50 (b) i., 50 (b) ii., 50 (b) iii., 50 (c), 50 (d), AR 55
	S1-7 – Characteristics of non-employees in the company's own workforce Enterprise	N/A
	S1-8 – Collective bargaining coverage and social dialogue	60 (a), 60 (b), 60 (c), 63 (a), 63 (b)
	S1-9 – Diversity Indicators	66 (a), 66 (b)
	S1-10 – Adequate Salaries	69
	S1-11 – Social protection	74 (a), 74 (b), 74 (c), 74 (d), 74 (e)
	S1-12 – Persons with disabilities	79
	S1-13 – Training and skills development indicators	83 (a), 83 (b)
	S1-14 – Health and Safety Indicators	88 (a), 88 (b), 88 (c), 88 (d), 88 (e), 90, AR 91
	S1-15 – Work-Life Balance Indicators	93 (a), 93 (b)
	S1-16 – Remuneration Indicators (Pay Gap and Total Remuneration)	97 (a), 97 (b), 97 (c), AR 100, AR 101 (a)
	S1-17 – Incidents, Complaints, and Serious Human Rights Issues and Incidents	103 (a), 103 (b), 103 (c), 104 (a), 104 (b)
ESRS S4 Consumers and end-users	ESRS 2 SBM-2	8
	ESRS 2 SBM-3	9 (a), 9 (b), 10 (a), 10 (b), 10 (c), 10 (d), 11, 12
	S4-1 – Consumer and end-user policies	15, 16 (a), 16 (b), 16 (c), 17, AR 13
	S4-2 – Processes for engaging with consumers and end-users on impacts	20, 22
	S4-3 – Negative Impact Remediation Processes and Channels for Consumers and End-Users to Express Concerns	25 (a), 25 (b), 25 (c), 25 (d), 26, AR 19
	S4-4 – Taking action on significant impacts on consumers and end-users and approaches to managing significant risks and pursuing significant opportunities related to consumers and end-users, and the effectiveness of these measures	30, 31 (a), 31 (b), 31 (c), 32 (a), 32 (b), 32 (c), 33 (a), 34 35, 37, ESRS 2 62
	S4-5 – Targets related to managing significant adverse impacts, promoting positive impacts, and managing significant risks and opportunities	ESRS 2 81 (1), 81 (b)
ESRS G1 Professional conduct	ESRS 2 GOV-1	5(a), 5(b)s
	ESRS 2 IRO-1	6
	G1-1 – Corporate Culture and Policies on Professional Conduct and Corporate Culture	7, 9, 10 (a), 10 (c) i., 10 (c) ii., 10 (d), 10 (e), 10 (g), 10 (h)
	G1-2 – Managing Supplier Relationships	15 (a), 15 (b)
	G1-3 – Preventing and detecting corruption and bribery	18 (a), 18 (b), 18 (c), 20, 21 (a), 21 (b), 21 (c)

Standard	Submission Requirements (CP)	Applicable data points
	G1-4 – Confirmed cases of corruption or bribery	24 (a), 24 (b), 25 (a), 25 (b), 25 (c)
	G1-5 – Political influence and lobbying	29(a), 29(b), 30
	G1-6 – Payment practices	33 (a), 33 (b), 33 (c), 33 (d)

Minimum disclosure requirement on policies and actions

Policies adopted to manage material sustainability matters

MDR-P

Transgaz manages material issues through a series of internally established policies and processes. The policies are also included in Transgaz's ISO integrated management systems, and ensure compliance with legal requirements and alignment with international best practices.

The policies and actions required for each material topic are outlined in ESRS report sections E1-E5, S1-S4, and G1. If there are no policies or actions included in the internal documents, Transgaz has specified this and may present a time frame in which it intends to adopt them.

Actions and resources in relation to material sustainability matters

MDR-A

The actions required for each material topic are presented in ESRS report sections E1-E5, S1-S4, and G1. If applicable, specify whether the implementation of an action plan requires significant operational expenditure (OPEX) and/or capital expenditure (CAPEX) in the Taxonomy Report, which provides the amount of current financial resources and explains how they relate to the most relevant values presented in the financial statements.

Through its decarbonization policy and alignment with the objectives associated with European policies on environmental protection and climate change, Transgaz has accessed financing for the expansion/modernization of the natural gas transmission infrastructure. These pipelines are also suitable for transporting natural gas mixed with hydrogen according to the studies carried out. Thus, by financing the projects submitted by Transgaz, in accordance with the PNIESC and the Romanian Energy Strategy, the orientation towards sustainable development, environmental protection and energy security is confirmed, obtaining the co-financing of the projects from the budget of ETS certificates traded at European level and managed by DG Climate and the European Investment Bank.

Metrics and targets

Tracking effectiveness of policies and actions through targets

MDR-M

Indicators and targets on significant sustainability issues are presented in the sections of the report (ESRS E1-E5, S1-S4, and G1), which are allocated to each material topic. If there are no indicators and targets adopted, Transgaz presents the reasons why they have not been adopted and may present a time frame in which it intends to adopt them.

The indicators are also presented in the report section - 1.4 *ESRS reporting requirements covered by the company's sustainability report*, which centralizes the material topics, presentation requirements and material/significant data points, related to the material topics and indicators that Transgaz uses to assess performance and effectiveness in relation to impact topics, significant risk or opportunities.

Tracking the effectiveness of policies and actions through targets

MDR-T

Transgaz tracks the effectiveness of its actions to address significant impacts, risks and opportunities, through annual performance monitoring and sustainability reporting reporting, including performance on the indicators it uses for this purpose presented in the section of the report - ESRS reporting requirements covered by the corporate sustainability report.

Transgaz's performance, indicators, and targets for each material topic are presented in detail in ESRS report sections E1-E5, S1-S4, and G1. If there are no measurable, results-oriented and time-framed targets adopted, the time frame in which Transgaz intends to adopt them shall be presented in the sections of the report related to ESRS E1-E5 and S1-S4, and G1, including whether such targets will not be set and the reasons why the company does not intend to set such targets. It indicates whether and how the effectiveness of policies and actions related to each material topic is pursued.

Data points stemming from other EU legislation

Reporting requirement and related data point	SFDR Reference[5]	Pillar 3 reference[6]	Benchmark Benchmark Regulation[7]	EU Climate Law Reference[8]	Location in report
	This is not the case	**This is not the case**			
ESRS 2 GOV-1 Gender diversity in	Indicator no. 13 of Table 1 of Annex 1		Commission Delegated Regulation (EU)		ESRS 2 - General information

[5] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).

[6] Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) no. 648/2012 (Capital Requirements Regulation, 'CRR') (OJ L 176, 27.6.2013, p. 1).

[7] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 2016/2016. 596/2014 (OJ L 171, 29.6.2016, p. 1).

[8] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) no. 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

Reporting requirement and related data point	SFDR Reference[5]	Pillar 3 reference[6]	Benchmark Benchmark Regulation[7]	EU Climate Law Reference[8]	Location in report
management bodies point 21(d)			2020/1816[9], Annex II		
ESRS 2 GOV-1 Percentage of members of management bodies who are independent point 21(e)			Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2 - General information
ESRS 2 GOV-4 Declaration on Due diligence process paragraph 30	Indicator no. 10 of Table 3 of Annex 1				ESRS 2 - General information
ESRS E1-4 Greenhouse gas emission reduction targets Paragraph 34	Indicator no. 4 of Table 2 of Annex 1	Article 449a Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Model 3: Banking Portfolio - Climate Change Transition Risk: Alignment Indicators	Delegated Regulation (EU) 2020/1818, Article 6		E1-4 Climate change mitigation and adaptation targets
ESRS E1-5 Fossil energy consumption in Disaggregated sources depending on the source (only sectors with a high climate impact) Paragraph 38	Indicator no. 5 of Table 1 and indicator no. 5 of Table 2 of Annex 1				E1-5 Energy consumption and energy mix
ESRS E1-5 Energy consumption and energy mix paragraph 37	Indicator no. 5 of Table 1 of Annex 1				E1-5 Energy consumption and energy mix

[9] Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ 2020 L 406, 3.12.2020, p. 1).

Reporting requirement and related data point	SFDR Reference[5]	Pillar 3 reference[6]	Benchmark Benchmark Regulation[7]	EU Climate Law Reference[8]	Location in report
ESRS E1-5 Energy intensity associated with Activities in the sectors with a high impact on the climate Paragraphs 40 to 43	Indicator no. 6 of Table 1 of Annex 1				E1-6 Gross GHG emissions categories 1, 2, 3 and total GHG emissions
ESRS E1-6 Gross values from 1, 2, 3 and total GHG emissions paragraph 44	Indicators no. 1 and no. 2 of Table 1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Model 1: Banking portfolio - Climate change transition risk: credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6 and 8(1)		E1-6 Gross GHG emissions categories 1, 2, 3 and total GHG emissions
ESRS E1-6 Gross GHG emissions intensity Paragraphs 53 to 55	Indicator no. 3 of the table 1 of Annex 1	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Model 3: Banking Portfolio - Climate Change Transition Risk: Alignment Indicators	Delegated Regulation (EU) 2020/1818, Article 8(1)		E1-6 Gross GHG emissions categories 1, 2, 3 and total GHG emissions
ESRS E1-7 GHG removals and Carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	E1-7 GHG removals
ESRS E1-9 Benchmark portfolio exposure on climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		This is not the case
ESRS E1-9 Disaggregation of monetary values		Article 449a of Regulation (EU) No. 575/2013; Commission Implementing			This is not the case

Reporting requirement and related data point	SFDR Reference[5]	Pillar 3 reference[6]	Benchmark Benchmark Regulation[7]	EU Climate Law Reference[8]	Location in report
according to acute and chronic physical risk point 66(a) ESRS E1-9 Location of significant assets who are subject to significant physical risk point 66(c).		Regulation (EU) 2022/2453, paragraphs 46 and 47; Model 5: Banking portfolio – Physical risk from climate change: exposures subject to physical risk.			
ESRS E1-9 Breakdown book value of real estate assets by efficiency classes Energy point 67(c).		Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Form 2: Banking Portfolio – Climate Change Transition Risk: Real Estate Secured Loans – Energy Efficiency of Collateral.			This is not the case
ESRS E1-9 Degree of exposure of portfolio to the opportunitie s climate-related paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		This is not the case
ESRS E2-4 Amount of each pollutant listed in Annex II to the E-PRTR Regulation (European Pollutant Register for Emitted and Transferred Pollutants) emitted to air, water and soil, paragraph 28	Indicator no. 8 of Table 1 of Annex 1 Indicator no. 2 of Table 2 of Annex 1 Indicator no. 1 of Table 2 of Annex 1 Indicator no. 3 of Table 2 of Annex 1				It's not material

This version of the report 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

Reporting requirement and related data point	SFDR Reference[5]	Pillar 3 reference[6]	Benchmark Benchmark Regulation[7]	EU Climate Law Reference[8]	Location in report
ESRS E3-1 Water and marine resources, point 9	Indicator no. 7 of Table 2 of Annex 1				It's not material
ESRS E3-1 Specific policy point 13	Indicator no. 8 of Table 2 of Annex 1				It's not material
ESRS E3-4 Total water recycled and reused, point 28(c)	Indicator no. 6.2 of Table 2 of Annex 1				It's not material
ESRS E3-4 Total water consumption consumed in cubic meters per net income from own operations Paragraph 29	Indicator no. 6.1 of Table 2 of Annex 1				It's not material
ESRS 2- IRO-1 - E4 point 16(a)(i)	Indicator no. 7 of Table 1 of Annex 1				It's not material
ESRS 2- IRO-1 - E4 point 16(b)	Indicator no. 10 of Table 2 of Annex 1				This is not the case
ESRS 2- IRO-1 - E4 point 16(c)	Indicator no. 14 of Table 2 of Annex 1				This is not the case
ESRS E4-2 Sustainable land/agriculture practices or policies point 24(b)	Indicator no. 11 of Table 2 of Annex 1				It's not material
ESRS E5-5 Non-recycled waste, point 37(d)	Indicator no. 13 of Table 2 of Annex 1				It's not material
ESRS E5-5 Hazardous waste and radioactive waste, point 39	Indicator no. 9 of Table 1 of Annex 1				It's not material
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator no. 9 of Table 3 and indicator no. 11 of Table 1 of Annex I				This is not the case

Reporting requirement and related data point	SFDR Reference[5]	Pillar 3 reference[6]	Benchmark Benchmark Regulation[7]	EU Climate Law Reference[8]	Location in report
ESRS S1-1 Due diligence policies on issues addressed by Fundamental Conventions 1-8 of the International Labour Organisation paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		S1-1 Own Workforce Policies
ESRS S1-1 Processes and measures to prevent trafficking in human beings Paragraph 22	Indicator no. 11 of Table 3 of Annex I				This is not the case
ESRS S1-1 Occupational accident prevention policy or management system point 23	Indicator no. 1 of Table 3 of Annex I				This is not the case
ESRS S1-3 Complaint/complaint mechanisms point 32(c)	Indicator no. 5 of Table 3 of Annex I				This is not the case
ESRS S1-14 Number of deaths and number and rate of work-related accidents, point 88(b) and (c)	Indicator no. 2 of Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		S1-14 Health and Safety Indicators
ESRS S1-14 Number of days lost due to injuries, accidents, deaths or illnesses Paragraph 88(e)	Indicator no. 3 of Table 3 of Annex I				This is not the case
ESRS S1-16 Gender pay gap in	Indicator no. 12 of Table 1 of Annex I		Delegated Regulation (EU)		S1-16 Remuneration indicators (pay

Reporting requirement and related data point	SFDR Reference[5]	Pillar 3 reference[6]	Benchmark Benchmark Regulation[7]	EU Climate Law Reference[8]	Location in report
unadjusted form Paragraph 97(a)			2020/1816, Annex II		gap and total remuneration)
ESRS S1-16 An excessive level of the ratio between the remuneration of the Director-General and that of the workers point 97(b)	Indicator no. 8 of Table 3 of Annex I				This is not the case
ESRS S1-17 Incidents of discrimination point 103(a)	Indicator no. 7 of Table 3 of Annex I				This is not the case
ESRS S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD Guidelines point 104(a)	Indicator no. 10 of table 1 and indicator no. 14 of Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12(1)		S1-17 Incidents, Complaints, and Serious Human Rights Issues and Incidents
ESRS 2- SBM-3 – S2 Significant risk of child labour or forced labour in the value chain point 11(b)	Indicators no. 12 and no. 13 of Table 3 of Annex I				It's not material
ESRS S2-1 Human rights policy commitments Paragraph 17	Indicator no. 9 of Table 3 and indicator no. 11 of Table 1 of Annex 1				It's not material
ESRS S2-1 Value Chain Worker Policies paragraph 18	Indicators no. 11 and no. 4 of Table 3 of Annex 1				It's not material
ESRS S2-1 Non-compliance	Indicator no. 10 of Table 1 of Annex 1		Delegated Regulation (EU)		It's not material

Reporting requirement and related data point	SFDR Reference[5]	Pillar 3 reference[6]	Benchmark Benchmark Regulation[7]	EU Climate Law Reference[8]	Location in report
with the UN Guiding Principles on Business and Human Rights and OECD Guidelines paragraph 19			2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12(1)		
ESRS S2-1 Due diligence policies on issues addressed by Fundamental Conventions 1-8 of the International Labour Organisation paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		It's not material
ESRS S2-4 Human rights issues and incidents related to its upstream and downstream value chain paragraph 36	Indicator no. 14 of Table 3 of Annex 1				It's not material
ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator no. 9 of Table 3 of Annex 1 and indicator no. 11 of Table 1 of Annex 1				It's not material
ESRS S3-1 Failure to comply with the UN Guiding Principles on Business and Human Rights, ILO Principles and/or OECD Guidelines Paragraph 17	Indicator no. 10 of Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12(1)		It's not material
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator no. 14 of Table 3 of Annex 1				It's not material

Reporting requirement and related data point	SFDR Reference[5]	Pillar 3 reference[6]	Benchmark Benchmark Regulation[7]	EU Climate Law Reference[8]	Location in report
ESRS G1-1 United Nations Convention against Corruption item 10(b)	Indicator no. 15 of Table 3 of Annex 1				This is not the case
ESRS G1-1 Whistleblower Protection point 10(d)	Indicator no. 6 of Table 3 of Annex 1				This is not the case
ESRS G1-4 Fines for violating anti-corruption and anti-bribery laws point 24(a)	Indicator no. 17 of Table 3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		G1-4 Combating corruption and bribery
ESRS G1-4 Anti-corruption and anti-bribery standards point 24(b)	Indicator no. 16 of Table 3 of Annex 1				This is not the case

ESRS E1 – Climate Change

Strategic orientation and concepts for climate protection

Transition plan for climate change mitigation

E1-1

Transgaz, as a natural gas transmission operator in Romania with activity in the Republic of Moldova, plays an essential role in the decarbonization of the entire Romanian energy system. In this regard, in December 2023, the Climate and Decarbonization Strategy of SNTGN Transgaz SA was developed in order to meet national and international requirements and regulations on (climate) policies, including alignment with the provisions of the Paris Agreement on limiting global warming to 1.5 °C.

The strategy is applicable to the entire Transgaz group, however, the specific objectives are currently applicable only to Romania. These will be expanded at group level in the next 2 years. Transgaz's Climate and Decarbonization Strategy can be consulted here: https://www.transgaz.ro/sites/default/files/Downloads/2023.12.27%20Transgaz%20Climate%20%20Decarbonization%20Strategy_Transgaz%20clean.pdf.

Transgaz has carried out an assessment of the impact of climate change on its operations and infrastructure, using climate scenarios. During the reporting period, Transgaz started the process of developing a unitary Climate Transition Plan, the result of the transition activities already planned. The completion of this plan is planned in the next two years. The climate transition plan is being drawn up, but the organisation has already defined a number of interim measures to substantiate it. In the first stage, Transgaz carried out an analysis of the short, medium and long-term transition risks, assessing the risks from the four perspectives envisaged by the ESRS: political and legal, technological, market and reputation, at a consolidated level. Based on this analysis, the first risks, measures and actions were identified, which will later be integrated into the full transition plan.

Until the transition plan is finalized, its climate and decarbonization strategy works as a substitute, directing the company's efforts towards managing climate risks and emerging opportunities.

The decarbonization strategy complies with both national and international regulations in the field of climate change, as well as in broader areas of environmental management.

The decarbonization strategy includes:

- an assessment of the carbon footprint of the current operating process;
- quantitative short- and medium-term emission reduction targets, proposed high-level actions and measures needed to achieve these targets;
- long-term decarbonisation options;
- explanation of the role of compensation and its impact on stakeholders;
- the stakeholder engagement strategy, including Transgaz's possibilities to cooperate with stakeholders (downstream and upstream of the natural gas transmission system) in projects that contribute to decarbonisation;

- necessary actions by Transgaz to meet national and international (climate) requirements and regulations, such as the National Integrated Energy and Climate Change Plan (Romania).
- an assessment of investment needs, potential sources of investment and their eligibility.

The Climate Strategy presents a spectrum of the most relevant physical and transition risks, which could be of interest to Transgaz's assets, and provides an assessment of climate change mitigation measures. The analysis was carried out at the level of all Transgaz activities, the location of the project being Romania.

The targets proposed in the Decarbonisation Strategy to reduce greenhouse gas (GHG) emissions are set according to the 2020 base year and are defined in the short term (until 2030), medium term (2040) and long term (2050). The short, medium and long-term horizons used in the Company's Decarbonization Strategy (2030–2050) differ from the definitions set out in the ESRS. According to the ESRS methodology, these time horizons are considered long-term.

With reference to the regulatory framework in the Republic of Moldova, the authorities have assumed the objective of achieving carbon neutrality by 2050, by adopting the National Strategy for Sustainable Development by 2030 and the National Integrated Energy and Climate Plan by 2030. Also, the Republic of Moldova is a party to the Paris Agreement and has submitted the NDC (Nationally Determined Contribution at Country Level) in which it assumes the commitment to reduce greenhouse gas emissions by at least 68.6% by 2030, relative to 1990 levels To achieve this objective , the Ministry of Energy has set several priorities, including developing policies and programs to support energy efficiency and decarbonization in the country.

The National Integrated Energy and Climate Plan (PNIESC) for the period 2025-2030 (unique number 763/MEn/2024) has been approved by the competent authorities and validated by the European Commission, confirming Romania's commitment to reduce net greenhouse gas emissions by 85% by 2030 and to achieve climate neutrality before 2045. The document includes 89 additional policies and measures, aimed at increasing the share of renewables to 38% of gross final energy consumption and implementing innovative solutions in all economic sectors. Within this framework, Transgaz, as the operator of the National Gas Transmission System, contributes to the achievement of the objectives of the PNIESC by ensuring energy security, developing regional interconnections and adapting infrastructure for the integration of low-carbon gases.

Following the approval of the National Integrated Energy and Climate Plan (PNIEC) of the Republic of Moldova, "Vestmoldtransgaz" S.R.L. initiated the process of compliance with the applicable regulatory norms. In this context, the compliance stage can be highlighted by the actions taken based on the provisions of the PNIEC for the period 2025–2030, approved by Government Decision no. 86 of 26.02.2025.

Regarding the general objective of the PNIEC – diversifying routes, reducing technical limitations for the transmission of natural gas in the west-east direction and increasing the flexibility of the national energy system – Vestmoldtransgaz S.R.L. has included in the Investment Plan for 2025 the following investment projects relevant to the compliance process:

- Design and construction of the gas transmission network on the NE–SE direction of Chisinau municipality;
- Design and construction of the gas transmission network in the direction of the Prut River – SMG Ungheni – PMG Todirești;
- Construction of the CM RI – CM ȘDKRI connection in the SC Vulcănești area, km 292–293;
- Construction of the CM RI – CM ȘDKRI connection in the SMG Causeni area, km 173–174;
- Reconstruction of the Causeni Gas Metering Station to ensure the reverse operation of two metering lines.

By including these projects, "Vestmoldtransgaz" S.R.L. aims to contribute to increasing the resilience and flexibility of the transmission system.

In addition, although there are no Transgaz decarbonization targets set for Petrostar SA and Moldovan entities, through the implementation of the 2023-2032 Development Plan, "Vestmoldtransgaz" S.R.L. aims to increase the efficiency and quality of its activity (subsidiarily reducing greenhouse gas emissions) by building new natural gas transmission networks, rebuilding and modernizing existing networks. The impact of Petrostar SA on carbon emissions is insignificant compared to gas transmission entities, which is why it is not included in the decarbonization targets at Transgaz level (0.07% of the total Scope 1, 0.61% of the total Scope 2 depending on the location and 0.19% of the total Scope 3 in 2025).

Targets for reducing GHG emissions in the short, medium and long term compared to the 2020 base year. The annual progress against these targets is presented in Section E1-6.

Scope	2030 targets	2040 targets	2050 targets
Scope 1*	30%	40%	90%
Scope 2**	70%	90%	
Scope 3***	20%	30%	

** For Scope 1, the following are considered as sources of emissions: methane emissions, natural gas combustion, combustion of liquid fuels and emissions resulting from refrigerant leakage.*
*** For Scope 2, emissions from electricity purchased from the grid are considered as sources of emissions.*
****For Scope 3, the following categories are considered as sources of emissions: purchased goods and services, capital goods, waste generated, business trips*

Within this decarbonization strategy, a series of 22 measures included in the short, medium and long-term action plans aimed at reducing greenhouse gas emissions have been established. One of the long-term measures is to prepare the infrastructure (pipelines, compressor stations, metering stations, auxiliary equipment, etc.) for the transport of large quantities of alternative fuels, such as biomethane or hydrogen.

The Decarbonization Strategy of SNTGN Transgaz SA was developed with 2020 as a reference point for the total greenhouse gas (GHG) emissions associated with the company's activities, which were 103,483 t CO_2e per year. Within this strategy, SNTGN Transgaz SA has identified an ambitious level of decarbonization, with clear emission reduction objectives, mentioned below. Key decarbonisation and adaptation actions include assessing the carbon footprint of current operations, setting quantitative emission reduction targets in the short and medium term, and implementing climate change adaptation measures. The strategy also includes working with stakeholders to develop projects that contribute to decarbonisation and aligning with national and international climate regulations.

Summary of the emission reduction measures proposed under the SNTG Transgaz SA Decarbonization Strategy:

Measure - Short Term	Measure - Medium term	Measure - Long term
Regularly implemented leak detection and repair (LDAR) in accordance with EN 15446, US EPA Method 21 and OGMP Level 5	Use of hot-tapping technology for pipe connection and exhaust gas recovery at compressor stations using stationary compressors	Use of gas recompression technology in pipelines to recompress gases instead of discharging them during networked maintenance/construction work
Reducing the pressure in the pipeline to the lowest possible level to reduce the flow of gas from leaks, in accordance with the National Network Code	Replacing diesel with biodiesel as fuel for emergency generator sets	Recovery of the NG/N2 mixture currently burned in compressor stations and its reuse in boilers used for gas heating
Replacement of high-loss devices, if present, to reduce methane emissions from the grid	Conversion of the potential energy of compressed gases at delivery facilities, where the pressure drop and gas flow are higher (expanders)	Replacement of some of the natural gas used in turbochargers and boilers for biomethane or hydrogen gas heating
Implementation of an energy monitoring system for all installations (both consumption and production), taking advantage of the existing SCADA	Replacement of heating solutions/processes based on the combustion of natural gas with electric heat pumps powered by 100% renewable electricity or, where appropriate, with heat demand-based cogeneration, if possible, using biogas or a mixture of natural gas and hydrogen	Installation of energy recovery systems based on ORC modules or conventional steam cycles, capable of producing electricity from the heat energy available in the exhaust gases of turbochargers
Purchase of certified electricity from renewable sources	Implementation of SCS (separation, compression and sequestration/storage) of CO2 or sale of CO2 to industry	Replacing existing diesel/petrol vehicles with electric vehicles, charged with 100% renewable electricity, or powering existing vehicles with biodiesel and bioethanol
Installation of photovoltaic panels at the company's headquarters	Commissioning of the wind turbine in SRM Navodari and installation of new ones in other suitable locations	Actions to reduce greenhouse gas emissions associated with employee commuting
Reducing GHG emissions associated with purchased goods and services by integrating sustainability requirements into supplier procurement and evaluation processes, including specific assessments and audits along the value chain, requesting	Implementation of energy efficiency actions on company assets to reduce electricity and heat consumption	Actions to reduce greenhouse gas emissions associated with business travel

Measure - Short Term	Measure - Medium term	Measure - Long term
information on GHG emissions and their management measures		
		Compensating residual GHG emissions (after implementing other actions), by purchasing certificates on the market corresponding to verified GHG emission reduction projects only if the result does not ensure the achievement of the proposed objectives.

The implementation of these measures will substantially contribute to the decarbonization of Transgaz's natural gas transmission activity in the short, medium and long term, when gas will still be a transition fuel. Significant operational expenditure (OpEX) and/or capital expenditure (CapEX) required for the implementation of the action plan shall be referred to in sections IRO-1 and SBM-3.

The development of the climate strategy was structured on a bottom-up approach, based on the following steps:

1. Identification of climate pattern variation;
2. Description of specific changes;
3. Estimation of the associated effects due to the changes;
4. Physical and transition risk assessment;
5. Proposing adaptation measures to be taken into account by the Company for adaptation to potential future climate scenarios (by the year 2100);
6. Assessment of residual risk and potential financial risk.

The Climate and Decarbonisation Strategy (composed of 6 documents) was finalised in December 2023:

- Report 1 - Basic Evaluation Report
- Report 2 - Short-Term Decarbonisation Action Plan
- Report 3 - High-Level Action Plan for Decarbonisation in the Medium and Long Term
- Report 4 - Transgaz's decarbonization strategy including the Stakeholder Engagement Plan
- Report 5 - High-Level Assessment of Climate Vulnerability
- Report 6 - Short, Medium and Long Term Investment Plan

The action plan for the implementation of the measures set out in the strategy adopted in order to decarbonize the activities of Transgaz entities was developed in 2025 and will be approved in 2026. It includes structures with responsibilities, responsible persons and deadlines for implementation and has been submitted for approval by the Board of Directors.

The time horizons of the measures in the action plan were established relative to the time of its development and approval (2025–2026), taking into account the maturity level of the measures and the identified operational dependencies.

At VMTG level, the document "Main requirements for the implementation of internal managerial control standards" has been developed, based on which the Action Plan with deadlines and responsibilities was established.

According to the update of the Action Plan of November 25, 2025, the "Control Environment" component on the issue of personal and professional integrity, management and personnel ethics, leadership style, management methods and techniques, organizational structure, including delegation of responsibilities and establishment of reporting lines, is implemented at VMTG level.

VMTG is in the stage of establishing specific and operational objectives, performance indicators, an essential prerequisite for identifying and defining risks, and the procedure for recording, sending, drafting, classifying, filing, protecting and archiving internal and external documents.

During 2025, the **Balancing Code** was implemented. Regulation (EU) no. 312/2014 of the Commission of 26 March 2014 establishing a network code on the balancing of gas transmission networks was transposed into the Network Code approved by ANRE Decision no. 420/2019 and into the Natural Gas Market Rules, approved by ANRE Decision no. 534/2019. At the same time, ANRE approved on August 23 the second report on the provisional balancing measures for VMTG, according to the provisions of the Network Code (ANRE Decision no. 516/2024).

The Methodology for calculating payments for neutrality was also developed and approved by ANRE Decision no. 565 of 27.09.24.

These regulatory developments are relevant as balancing mechanisms, neutrality and market functioning influence the operational efficiency of the gas transmission system and can contribute to reducing emissions associated with gas imbalances and losses in the network.

The reports made by Transgaz to the authorities and other obligations, established according to the requirements of the national legislation - Law no. 121/2014 on energy efficiency, with subsequent amendments and completions (aligned with European directives and regulations) - are as follows:

- The declaration of total annual energy consumption and the energy analysis questionnaire of the energy consumer (Annex 2 and 3) – to be submitted annually, by June 30 of each year;
- Energy efficiency improvement programme including short, medium and long-term measures – submission deadline 30 September.

In addition, according to the requirements of the national legislation, the following actions were taken at the level of Transgaz:

- Carrying out energy audit missions, every 4 years, on the energy consumption contour established by the economic operator; the audit is carried out by a natural or legal person authorized under the law and is the basis for establishing and applying measures to improve energy efficiency;
- Appointment of an energy manager, certified by the Ministry of Energy or the National Energy Regulatory Authority, according to the legislation in force. Specific

responsibilities were assigned at the level of the Energy Service within the Energy Management, Automation and SCADA Department, the head of the service being appointed energy manager.

At the level of Transgaz's activities, the main operational assets, in particular the long-life infrastructure and equipment essential for current processes, can generate potential locked-in GHG emissions, as their operation depends on existing technologies that cannot completely eliminate the inherent emissions. Such emissions can affect the pace of emission reductions in the long term, with the potential to slow progress towards Transgaz's climate targets and contribute to transition risks associated with the need to modernise or replace energy-intensive assets.

Therefore, some of the future emissions are considered *locked-in emissions*, inherent in the operation of the grid.

The entity shall not be assessed against a Paris-Aligned Benchmark and, accordingly, the exclusion criteria set out in the EU Paris Aligned Benchmarks framework -shall not apply.

Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3, IRO-1

The process for identifying IROs on climate change is presented in ESRS 2 – General information, under the sub-chapter entitled **Description of processes for identifying and assessing significant impacts, risks and opportunities.**

The identification of the IRO at the level of Transgaz was carried out through the consultation and expertise of the representatives of the entities included in the Group (SNTGN Transgaz S.A., Petrostar S.A., Vestmoldtransgaz S.A. and Eurotransgaz S.R.L.), responsible for competences in environmental, social and corporate governance aspects and covered both its own operations and the upstream and downstream value chain. Transgaz has applied the fundamental principles of the Double Materiality Analysis, assessing the positive and negative impacts on the environment and society, as well as their influence on financial performance reflected in short, medium and long-term risks and opportunities. The methodology combined quantitative and qualitative criteria to establish the relevance of sustainability topics, using data available from workshops and relevant external sources, with a particular focus on value chain impacts and human rights, as required by the ESRS.

Transgaz adopts a forward-looking management style for its risk management process, which anticipates the risk factors that may arise as a result of changes in the internal or external context in which the company operates, including the impacts, risks and opportunities related to climate change.

All Transgaz processes are supported by well-defined responsibilities and roles that facilitate the mitigation of risks associated with specific work activities. Risk Management is an integral part of decision-making at all levels and adds sustainable value, both by increasing the likelihood of achieving objectives in an efficient and effective way, and by reducing the negative impact of operational activities on the environment, while intensifying the positive effects for people and nature.

Details on the risk management and control systems, including information on the responsible structures, reporting lines to the Management Board, are presented in the dedicated section of ESRS Chapter 2.

At the company level, "Vestmoldtransgaz" S.R.L. does not have separate risk management systems in place. The development of management systems for the company "Vestmoldtransgaz" S.R.L. is planned. Their development and implementation is planned for 2026.

At the company level, Vestmoldtransgaz SRL started in May 2024 the implementation of the internal management control system for risk management, in order to provide reasonable assurance on the achievement of the planned objectives and results.

To this end, the Action Plan for the implementation of the internal managerial control system at the level of Vestmoldtransgaz SRL is approved and permanently updated. The SNCI 9 Risk Management Internal Management Standard will be implemented by 2026 at the latest.

In the Risk Register, the following physical risk has been identified: SNT may be exposed to a number of natural climatic and geological hazards: earthquakes, floods, landslides, extreme temperatures, massive snowfall – rated at medium level.

For each entity in the scope of consolidation, an analysis of sensitivity and exposure to climate risks was carried out, using a unitary approach applied at regional level. The assessment classified the risks into three levels, depending on the sensitivity of the assets and the degree of exposure to relevant climatic events. A climate vulnerability analysis was also carried out, integrating regional climate change projections and identifying physical risks with potential impact on operations.

The climate change assessment focuses on the analysis of climate models in Romania and the Republic of Moldova, including observed trends for temperature, precipitation, drought, wind and dangerous climatic phenomena in recent years and projections for the coming decades. Transgaz defined these timeframes as follows:

- Short term: until 2030
- Medium term: until 2040
- Long term: until 2050

As mentioned above, the short, medium and long term horizons differ from the definitions set out in the ESRS. According to the ESRS methodology, these time horizons are considered long term.

This selection of timeframes balances the need to explore physical risks over extended periods, capturing the effects of climate change, with the practice of using shorter, predictable periods for strategic planning and capital allocation. The selected time frames effectively cover most of the lifetime of Transgaz's activities, recognizing that significant changes in the frequency and magnitude of physical risks occur over longer durations.

Transgaz has not yet conducted a formal resilience analysis on its business model and strategy. However, detailed assessments have been carried out of significant physical climate risks, identified as high or medium level of vulnerability in gas transmission activities, as well as transitional risks, including those related to legislative developments, technological pressures and market changes, which may influence exposure in the short, medium and long term. All Transgaz assets and pipelines were fully included in the climate analysis, based on the scenarios and sources used.

For climate change, Transgaz has identified a number of impacts, risks and opportunities in the double materiality analysis, which are presented in ESRS 2 – General Information, under the sub-chapter entitled **Material impacts, risks and opportunities and their interaction with strategy and business model.**

Also, during the 2025 financial year, Transgaz revised the Climate Vulnerability Study to include all consolidated entities and subsequently developed the Covering Action Plan for Significant Risks to be approved in 2026.

Within the study, Transgaz identified and prioritized the physical and transition risks related to climate change, relevant to Transgaz's operations, reassessing the study previously developed for SNTGN Transgaz SA, also including the consolidated entities – Petrostar SA, Vestmoldtransgaz SRL and Eurotransgaz SA. At the time of reporting, this study is under development and has not yet been finalized or approved. It is expected to be completed in 2026.

The climate hazards presented in the existing analysis were aligned with those in the EU Taxonomy Regulation and the CSRD Sustainability Reporting Directive.

The physical risk assessment methodology applied consisted of two stages: **assessing the sensitivity** of the company's activities to each climate hazard to determine whether its occurrence could significantly affect the company's activity and **assessing the exposure** of the company's assets and operations to climate hazards. On the basis of these, **vulnerability** to climate change was established, which refers to the extent to which a system is likely and unable to manage the negative impacts of climate change, including variability and extreme events. The methodology used follows the Technical Guidelines on Immunising Infrastructure to Climate Change 2021–2027, covering both pillars (mitigation and adaptation).

Sensitivity x Exposure = Vulnerability

At a consolidated level, the climate vulnerability analysis carried out for the Transgaz Group highlights differences in sensitivity and exposure between entities in Romania and the Republic of Moldova, given the operational specificity and regional particularities of climate change. Overall, the Group has high vulnerability to flood risk and medium vulnerability to landslides and heat stress, while the other climate hazards have low relevance. The adaptation plan related to significant climate risks was developed for the natural gas transmission activity and includes measures for the next five years, in line with the risks identified in Romania and the Republic of Moldova.

At the level of the Transgaz Group, the transition risk analysis was structured and aligned with the requirements of the ESRS, assessing the potential impacts from the four recommended perspectives: political and legal, technological, market and reputational. As a result of the enhanced assessment, no net significant transition risks were identified, taking into account the existing and planned measures of the Group. The conclusions indicate that the transition risks are low and manageable in the context of the current strategic and operational framework. Following the assessment, Transgaz did not identify any assets or business activities that could be incompatible with the transition to a climate-neutral economy.

Climate transition risks

No.	Categories	Risk	Risk description	Measures and actions
1	**Legal compliance risks (political and legal)** Increasingly stringent efficiency regulations, emission limits and circularity requirements, along with higher carbon prices	High level of taxation for greenhouse gas emissions	Increase in operating costs Increase in insurance costs Increase in natural gas costs Decrease in demand for electricity from non-renewable sources Decrease in company revenues Requirements for the preparation, verification and publication of GHG reports Delays in the process of approving and validating design documentation (new regulations may lead to an extension of the process of approving design documentation, especially if it involves detailed environmental impact analyses or additional checks)	Timely identification of changes in regulatory requirements from the preparation phase. Strategic planning and adequate control of greenhouse gas emissions (using all reasonable tools). Preparation, verification and periodic publication of GHG emissions reports. Detailed assessment of climate risks for the project location (e.g. risk sheets for floods, extreme temperatures, landslides, etc.).
2		Possible lawsuits for high GHG emissions		
3		Regulations on the dispatching of electricity		
4		New regulations		
5		Reporting obligations		
6	**Technological risks** Changes in consumer preferences, competition from low-carbon products, market disruptors (e.g. innovations in design, materials, services) and new business models (e.g. sales or subscription market, rental or leasing) Failures, breakdowns that may occur as a result of significant physical risks	Declining demand for natural gas-based fuel-based technologies due to preference for other products and other energy sources with lower greenhouse gas emissions	Decrease in the Company's market value Installed equipment quickly becomes obsolete Technical standards, including safety, not adapted quickly enough Capital costs of transitioning to technologies with lower greenhouse gas emissions Process optimization costs Research and development costs	Periodic market studies to identify new emerging technologies or consumer preferences for different energy sources and products. Development of multifactorial financial models for efficient cost management. Efficient production management with control of improvement opportunities. Taking into account research results in company management and planning. Research and development with a preliminary assessment of costs and risks. Adaptation of transport capacities for new gases and easy connection of producers to the transport infrastructure.
7		New technologies for the production and storage of natural gas		
8		The need to transition to technologies with lower GHG emissions (e.g. use of hydrogen mixed with natural gas, syngas, biogas)		
9		Failed investments in new technologies		

10		Malfunctions/breakdowns that may occur as a result of extreme heat/heat events (related to a physical risk)	Costs associated with fixing equipment failures and breakdowns	Appropriate design to prevent the potential effects of these acute phenomena. Analyzing and planning the acquisition of equipment adapted to operate in extreme weather conditions (heat waves), depending on risk assessments and investment priorities. Preventive maintenance to keep surface pipes, buildings, components and equipment in working order. Procedures and qualified personnel to ensure manual control intervention in places where control equipment is affected by extreme heat. Implement a worker health awareness program to educate workers (and contractors) on the importance of drinking water and identifying early signs of stroke/dehydration due to heat. Securing the necessary funds for such events
11		Malfunctions/breakdowns that may occur as a result of flooding (related to a physical hazard)	Costs associated with accelerated degradation of materials. Business interruption	Locating surface operations, gauging stations and other operations outside flood zones. Ensuring upstream flood protection such as levees and other structures. Adequate design to prevent the potential effects of these phenomena. Means of intervention and equipment to deal with floods. Insurance covering damage caused by bad weather (including extreme events). Analyzing the need to identify and mobilize adequate financial resources in the event of extreme climate events.
12		Malfunctions/damages that may occur as a result of landslides, avalanches, landslides (related to a physical risk)	Damage to the components of the natural gas transmission equipment. Reduced access to assets for maintenance. Damage to electrical equipment.	Appropriate design to prevent the potential effects of these phenomena. Increased use of sonar to monitor ground movements. Securing the necessary funds for such events
13		Risks of conflict between sustainability objectives and technical constraints of the project	The occuranceof additional costs generated by the identification of technical solutions that meet the sustainability objectives and that can impact the profitability of the project.	Identification of compromise solutions that minimize the impact on the environment without compromising the technical and economic performance of the project
14	**Market risk** Competition from low-carbon technologies	Uncertainty about market trends	Poor management efficiency due to an inaccurate forecast of natural gas demand.	Regular market studies to identify new emerging natural gas consumption technologies or consumer preferences for different energy sources.
15		Changes in consumer behaviour in the use of energy and services	Declining demand for natural gas. Decrease in the Company's revenues.	
16	Reputational risk	Negative attitude of stakeholders towards the unchanged level of GHG emissions	Strict requirements for the publication of the	Planning and evaluating effective external investment.

	Growing expectations for responsible conduct from stakeholders, including investors, creditors, consumers and workers		Company's GHG management reports. Limited access to foreign investment. Increased GHG emission requirements where external investment is involved.	Strategic planning and adequate control of greenhouse gas emissions (using all reasonable tools). Preparing, verifying and regularly publishing greenhouse gas emissions reports and sustainability reports.
17		Negative public perception of the oil and gas industry	Difficulties in recruiting staff. Failure to meet sustainability commitments can lead to reputational damage because the company may appear uncommitted to making the transition.	

Not all measures and actions included in this table were implemented in the 2025 reporting period, some of which are being planned or will be implemented in subsequent periods, depending on the results of risk assessments and the allocation of necessary resources.

In the investment plan of SNTGN Transgaz SA resulting from the Decarbonization Strategy at the level of the Romanian entity, 22 measures were established (7 short-term, 7 medium-term and 8 long-term), and their implementation will contribute to the reduction of greenhouse gas emissions. In the short-term phase (2030), with an allocated investment of over 16,2 million euros, Transgaz aims to achieve a tangible reduction in greenhouse gas emissions of 50,200 tCO_2/year. By 2040, as part of the medium-term measures, Transgaz will invest €19,3 million to achieve an additional reduction in GHG emissions of 12,456 tCO_2/year. If SNTGN Transgaz SA moves towards the long-term horizon, by 2050, it is estimated that an additional investment commitment of €186 million will lead to an additional reduction in GHG emissions of 37,723 tCO_2/year.

For 2025, the Investment Plan of "Vestmoldtransgaz" S.R.L., available online on page vtmg.md in the Activities - Investment Plan section , includes a set of actions that will further support the reduction of emissions, classified indicatively according to technical complexity, design/execution duration and investment volume:

Short-term measures (1–2 years) - Actions achievable in a relatively short timeframe, focused on upgrades, repairs and installations of systems:

- Capital repair of the Chisinau–Ribnita main pipeline, Dn 530 mm, km 46.1–46.4;
- Automation of the linear part of the main pipe by installing telemetry systems;
- Implementation of the automated electrochemical protection system.

Long-term measures (2–5 years or more) - Actions requiring substantial investment, complex design, obtaining permits and long-term execution:

- Design and construction of the gas transmission network on the NE–SE direction of Chisinau municipality;
- Design and construction of the gas transmission network in the direction of the Prut River – SMG Ungheni – PMG Todirești;
- Reconstruction of the Causeni Delivery Station (SP);
- Reconstruction of the Briceni Delivery Station (SP);
- Capital repair of g/b SP Comrat, Dn 200, km 0–20;

- Capital repair of the g/b towards SP Cahul, Dn 273 mm, km 0–21.
- Refurbishment of SMG Ungheni – design and installation of the flow regulation installation;
- Modernization of the local automation system within SMG Ungheni;
- Modernization of the fiscal supervision and measurement system at SMG Ungheni.

The impact of the implementation of the above measures on the level of greenhouse emissions has not been determined.

At the level of Petrostar SA, there is a risk management system that ensures the implementation within the company of the internal managerial control system in order to manage all risks, in order to provide reasonable assurance on the achievement of the planned objectives and results. The rules relating to the internal management control system are not aligned with the ESRS. The procedure PO 6100 Risk Management *has been developed* in which the entire process is defined. Following the identification of a new risk, *the Risk Identification Form* is filled in and the Risk Register and the Opportunity Plan are updated.

During the reporting period, the SWOT Analysis, the Risk Register and the Opportunities Treatment Plan were updated taking into account the impact of climate change on Petrostar SA's activity. Also, 8 climate risk sheets were drawn up (risk, affected area, affected sub-area/type of installation, impact on people (population/employees), consequences/mode of manifestation, combat/adaptation measures). The climate risk sheets were prepared taking into account Petrostar's experience in the field of activity regarding design in the oil and gas industry and are based on the observations of GD no. 1.010/2024 for the approval of the National Strategy on Adaptation to Climate Change for the period 2024-2030, with a perspective of 2050 (chapter 5.2.9, 6.9, 7.9), IPCC Assessment Report (AR6), using the high emissions scenario SSP5-8.5. With the specification that these climate risks together with the combating/adaptation measures are identified in the design phase of the objective, and the beneficiary will establish the concrete way of implementation in relation to the constraints imposed by the location, budget, technical reality on the ground, etc.

Given the financial situation of the company at the reporting date, the implementation of the planned investments for SNTGN Transgaz, Vestmoldtransgaz and Petrostar is at an early stage, with only a limited part of the aforementioned investments being completed. The decarbonization action plan is not yet implemented, being in a development phase, and not being, at this time, systematically monitored or fully integrated into the Group's decarbonization strategy. In this context, the measures are to be consolidated, realigned and, where appropriate, readapted, depending on the evolution of the strategic framework, the investment capacity and the identified operational priorities, so that they can be implemented in a coherent and efficient manner.

Policies related to climate change mitigation and adaptation

E1-2

Transgaz does not currently have a policy dedicated to climate change according to the requirements of ESRS E1-2, and the existing policies (including the Integrated Management System Policy) do not explicitly cover the management of climate change, but systematically integrateperformance in various areas, including the environment. Through the aforementioned policy, Transgaz undertakes to ensure, among other things:

- Preventing pollution by reducing emissions, promoting and implementing the best available techniques for adapting to climate change, as well as mitigating its effects;
- Continuous improvement of energy performance, acting sustainably to reduce the consumption of electricity and fuels used in Transgaz's activities;
- Consideration of energy performance improvements in new projects and investments.

Current policies and actions include:

- compliance with local/national legal requirements in the field of the environment;
- implementation of ISO 14001:2015 - the internationally recognized standard for the implementation and maintenance of environmental management systems (EMS). The standard allows Transgaz to integrate environmental management practices by supporting environmental protection, preventing pollution, minimizing the amount of waste generated by the activity, as well as reducing energy and material consumption;
- initiation of steps for the implementation of ISO 50001:2018 – is the international standard that specifies the requirements for the establishment, implementation, maintenance and improvement of an energy management system (EnMS), in order to create the premises to achieve continuous improvement of energy performance, which includes energy efficiency, energy use and energy consumption.

The policy does not directly address the impacts, risks and opportunities as defined in the ESRS report, but covers the environmental aspects mentioned above.

At Transgaz level, the person with the highest level in the organization responsible for the implementation of climate change policies is the Deputy General Director – Leahu Mihai Leontin.

Although financing for natural gas infrastructure is diminished, natural gas remains an essential component of the energy mix for many EU member countries, including Romania. They can help reduce local emissions of pollutants and CO2 by replacing more harmful fuels. The emergence of new gases, such as biomethane and hydrogen, poses challenges for current infrastructure, requiring investment in the development and proper operation of networks. These investments include technological upgrading, digitalization and smart data sharing – all of which are essential for Transgaz in efficiently managing networks and contributing to climate goals.

In this context, it is crucial for Transgaz to ensure a suitable financing framework for innovative projects in the field of hydrogen energy and natural gas transmission. Research, technological upgrading of infrastructure and digitalization are essential for Transgaz to support the transition to a low-carbon economy and promote the use of renewable hydrogen.

At the level of Petrostar SA, there is a management commitment on climate change integrated into the **Integrated Management System Policy**. According to it , the design of equipment for the oil and gas industry will comply with the minimum requirements specified for air emissions, greenhouse gases and climate change. Petrostar S.A. recognizes the impact of the oil and gas industry on the environment and takes responsibility for adopting sustainable practices in its design activities. Thus, the designed facilities will be optimized with the objective of reducing energy consumption and operational losses.

Also, at the company level there is a Plan for the implementation of requirements related to climate change.

Actions and resources in relation to climate change policies

E1-3

At the Transgaz level, measures are to be adopted to establish an action plan for the implementation of the Short, Medium and Long-Term Investment Plan established in the Climate and Decarbonization Strategy, a document that was finalized in December 2023 and updated in January 2024. The transition plan was due to be initiated and approved in 2025, but at the time of writing the process is still ongoing. The extension of the climate study to the entire consolidated region was an essential first step in substantiating this transition plan, providing the necessary analytical basis for defining future adaptation and decarbonization measures. Its completion will strengthen the adaptation and decarbonization directions assumed by Transgaz.

Transgaz is in the process of implementing climate change mitigation and adaptation actions, according to its decarbonization strategy. Key mitigation actions include detecting and repairing gas leaks, reducing pressure in pipelines, replacing high-loss devices, and purchasing electricity from renewable sources. In terms of adaptation to climate change, Transgaz focuses on assessing climate vulnerability and adapting infrastructure to transport alternative fuels such as biomethane and hydrogen, thus ensuring a safe and sustainable energy transition. According to the IRO, Transgaz has identified an opportunity related to the possibility for the group to maintain its competitiveness in order to ensure the transport of other types of renewable resources (biofuels, hydrogen, ethanol, etc.).

The action plan to reduce greenhouse gas emissions is defined with a horizon of 2030. During the reporting period, the measures identified have not yet been implemented and indicators for monitoring progress have not been established. Investments and progress tracking mechanisms will be developed and implemented in subsequent reporting periods.

Measure - Short Term (2030)	**Proposed CAPEX* €**	**Costs (-) or savings (+) €/year**	**Reduction of greenhouse gas emissions tCO_2e/year**	**Cost per unit of avoided CO_2emissions €/tCO_2e**
Regularly implemented leak detection and repair (LDAR) in accordance with EN 15446, US EPA Method 21 and OGMP Level 5	-	- 1,600,000	22,385	71
Reducing the pressure in the pipeline to the lowest possible level to reduce the flow of gas from leaks, in accordance with the National Network Code	200,000	-	2,239	4.5
Replacement of high-loss devices, if present, to reduce methane emissions from the grid	9,000,000	-	18,655	24

Measure - Short Term (2030)	Proposed CAPEX* €	Costs (-) or savings (+) €/year	Reduction of greenhouse gas emissions tCO_2e/year	Cost per unit of avoided CO_2emissions €/tCO_2e
Implementation of an energy monitoring system for all installations (both consumption and production), taking advantage of the existing SCADA	800,000	186,00	879	-166
Purchase of certified electricity from renewable sources	-	- 117,000	1,200	98
Installation of photovoltaic panels at the company's headquarters	6,174,000	765,000	942	-474
Actions to reduce GHG emissions associated with purchased goods and services	n.e.	n.e.	3,900	n.e.

* The values presented in the table are extracted from the Short-Term Decarbonization Action Plan (2030), which includes estimates of investments (CAPEX and OPEX) and emission reductions related to the analyzed measures.

***Market-based Scope 2 (tCO_2e)*

****the value of investments in 2025 are also presented in the Taxonomy Report. CAPEX amounts during the year are presented in the annual consolidated financial statements under Fixed Asset Additions.*

GHG emission reduction achieved	**Emissions**	It has not yet been monitored, the emissions reduction strategy is still in its early stages.
Expected GHG emission reduction	**Emissions**	See table above (expected annual reductions) after implementation of all measures 50,200 tCO_2e/year reduction

The Modernization Fund (FM) consists of the revenues obtained by auctioning on the market 2% of the greenhouse gas (GHG) emission certificates at EU level, for the period 2021-2030, Romania having allocated a percentage of 11.98%, respectively a budget of over 15 billion euros that can be used until 2030.

In the geopolitical context we are going through, it is vital that projects to strengthen the natural gas transmission infrastructure (*hydrogen ready*) obtain the financing allocated to Romania. In this regard, the projects were prepared to meet the legal, technical, environmental and financial requirements for the financing conditions from the Modernization Fund.

Targets related to climate change mitigation and adaptation

E1-4

In setting the emission reduction targets for Scope 1, Scope 2 and Scope 3, SBTi (absolute emission reduction approach) was used as a reference methodology, but the final targets were adjusted based on a comparative analysis with other companies in the natural gas transmission sector.

Within the Climate and Decarbonization Strategy of SNTGN Transgaz SA, 2020 was selected as the reference year and 2030 as the target year for the Short-term Action Plan for Decarbonization.

The actions and targets were developed for Romania, for SNTGN Transgaz SA, being aligned with the Energy Strategy of Romania 2022-2030, with the adopted 2050 perspective, as well as the Integrated National Plan for Energy and Climate Change (PNIESC). The companies from the Republic of Moldova are to be integrated, after the strategic objectives at country level will be communicated in the Republic of Moldova.

In the process of defining the objectives, a series of variables that could jeopardize their achievement were considered, such as:

- the activity sector of SNTGN Transgaz SA;
- geographical and political context;
- the typology of GHG emission sources and the breakdown between Scope 1, 2 and 3;
- the technological level of existing assets;
- a solution to reduce GHG emissions, also based on cost-benefit analysis and the applicability of the best available technologies;
- the experience of other gas transmission companies and benchmark analysis, as well as the U.S. EPA and the Oil and Gas Methane Partnership (OGMP) ;
- objectives required from official methodologies such as SBTi or TPI, and taking into account potential future development.

Transgaz has set targets for the reduction of greenhouse gas (GHG) emissions. The specific targets by 2030 are: 30% for Scope 1 (direct emissions), 70% for Scope 2 (indirect emissions from electricity consumption) and 20% for Scope 3 (other indirect emissions). For 2040, the reduction targets are 40% for Scope 1, 90% for Scope 2 and 30% for Scope 3. By 2050, Transgaz aims for a 90% reduction for all three Scopes. The climate targets are set for SNTGN Transgaz, Vestmoldtransgaz and Eurotransgaz, using the same perimeter as the GHG inventory of these entities; Petrostar emissions are reported in the consolidated report, but are insignificant and do not affect the delimitation used to set the targets.

The underlying scenarios and policies are aligned with national and international climate change regulations, and the decarbonization strategy, including targets, were developed with the support of the European Investment Bank (EIB). At present, these targets have not been certified by an external party.

The table below shows specific data and targets for the following years[10]:

	Reference year 2020	Target for 2030	Target for 2040	Target for 2050
GHG emissions (tCO2e)*	103,483	72,351	61,750	10,349
Absolute GHG emission reduction (tCO2e)	-	31,132	41,733	93,134

[10] The data up to and including 2023 present information about SNTGN Transgaz SA. After 2024 inclusive, the data include the entire Transgaz group.

	Reference year 2020	Target for 2030	Target for 2040	Target for 2050
Percentage of GHG emission reduction – out of emissions in a reference year – %	-	-30.08%	-40.33%	-90%
Percentage of GHG emission reduction – of emissions in a reference year – Scope 1 - %	-	-30%	-40%	-90%
Percentage of GHG emission reduction – out of emissions in a reference year – Scope 2 - %	-	-70%	- 90%	-90%
Percentage of GHG emission reduction – out of emissions in a reference year – Scope 3 - %	-	-20%	-30%	-90%

Given the evolution of emissions in the period 2020–2025, which indicates a significant increase in Scope 1, 2 and 3 emissions compared to the reference year 2020, as well as the lack of substantial progress in the implementation of reduction measures, achieving the decarbonization targets set for 2030 appears to be difficult to achieve under the current conditions. In this context, given the delays in the implementation of the planned measures and the limited time horizon remaining until 2030, it is envisaged to revise these targets, so that they realistically reflect the current level of emissions, the implementation capacity and the development prospects of natural gas transmission activities.

In the period between the reference year (2020) and the analyzed year (2025), the National Natural Gas Transmission System of Romania has experienced extensive development and modernization, through the construction of new pipeline routes and the modernization of existing work points. The most relevant in this context is the increase in the number of natural gas compressor stations (3 on the BRUA pipeline and 2 on the pipeline that interconnects with the Republic of Moldova). The other 3 compressor stations used in the operation of the NTS have also been modernized.

Currently, Transgaz does not have a formalized climate transition plan in accordance with the requirements of the ESRS. However, the company recognises the importance of addressing the risks and opportunities associated with climate change and intends to take progressive steps towards the development, implementation and monitoring of such a plan.

Energy consumption and mix

E1-5

According to the data presented in the table below regarding energy consumption and the structure of the energy mix, during the reporting period, increases in consumption were recorded at the level of the main components of the energy mix, as well as an unfavorable evolution of the absolute and intensity energy consumption indicators compared to the previous year. At the same time, the share of energy from renewable sources, already low, decreased in 2025. These developments reflect the operational specifics of the activities carried out and the conditions existing in the analyzed period. In this context, Transgaz recognizes the need to strengthen efforts to reduce energy consumption and limit the associated impact on the environment, with the measures identified in this regard to be analyzed and implemented gradually, depending on technical and operational feasibility and in correlation with the decarbonization strategy.

Also, starting with 2025, reporting on energy consumption and the energy mix also includes the consumption of Petrostar.

The increase in energy, gas and crude oil consumption during the reporting period is correlated with the expansion and intensification of the operational activities of the National Natural Gas Transportation System. Also, SNTGN Transgaz SA changed its energy supplier in the last quarter of 2024, and the new contractual arrangement influenced the structure of the energy sources used, the effect of this change being cumulatively reflected in the fourth quarter of 2024 and during three quarters of 2025.

The energy consumption reported according to ESRS E1-5 is not subject to separate external validation, apart from the limited assurance of the sustainability report.

**The share (fossil/nuclear/renewable) depends on the electricity supplier.*

Energy consumption and energy mix	Comparative 2024	Year 2025	Difference 2025 vs 2024	Percentage difference
(1) Fuel consumption from coal and coal products (MWh)	0	0	0	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	12,645	15,427	2,781	22%
(3) Fuel consumption from natural gas (MWh)	253,771	302,661	48,891	19%
(4) Fuel consumption from other fossil sources (MWh)	0	0	0	0%
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	16,165	22,000	5,835	36%
(6) **Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)**	**282,581**	**340,088**	**57,507**	**20%**
Share of fossil sources in total energy consumption (%)	99.98	99.99	0.01	0%
(7) Consumption from nuclear sources (MWh)	-*	0	0	*0*
Share of consumption from nuclear sources in total energy consumption (%)	-*	0	0	*0*
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0	0	0	0
(9) Consumption of purchased or acquired electricity, heat, steam, and	-*	0	0	*0*

Energy consumption and energy mix	Comparative 2024	Year 2025	Difference 2025 vs 2024	Percentage difference
cooling from renewable sources (MWh)				
(10) The consumption of self-generated non-fuel renewable energy (MWh)	61.32	45.99	-15.33	-25%
(11) **Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)**	**61.32**	**45.99**	**-15.33**	**-25%**
Share of renewable sources in total energy consumption (%)	0.02%	0.01%	-0.01%	-50%
Total energy consumption (MWh) (calculated as the sum of lines 6, and 11)	**282,642**	**340,134**	**57,492**	**20%**

The table below illustrates the production of own energy from renewable and non-renewable sources:

Production of energy from non-renewable sources (MWh)	0
Renewable energy production (MWh)	45.99

In Romania, the electricity used from the supplier Tinmar Energy SA between 01.01.2025 and 31.12.2025 was 20,977 MWh, and from the supplier Electrica Furnizare, 140 MWh. In the Republic of Moldova, the amount of electricity consumed was 140 MWh. Transgaz carries out a high-risk economic activity (natural gas transmission sector). The information in the table below is from the consolidated financial statements:

Energy intensity per net revenue	Comparative 2024	N 2025	Percentage difference 2025 vs 2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/RON thousand)	0.0123	0.0117	-5%
Total energy consumption from activities in climate-high economic sectors (MWh)	282,642	340,134	20%
Net revenue from activities in climate-intensive economic sectors used to calculate energy intensity (RON)	2,305,477,037	2,916,565,538	27%
Net revenue from other activities in economic sectors with a high climate impact (monetary unit)	0	0	0
Total Net Revenue (financial statements-operating income) (RON)	2,305,477,037	2,916,565,538	27%

Gross Scopes 1, 2, 3 and Total GHG emissions

E1-6

For the calculation of GHG emissions related to Scopes 1, 2 and 3, Transgaz uses the GHG Protocol methodology (Corporate Standard and Corporate Value Chain Standard), applied uniformly to all emission categories. The emission factors used come from recognised official sources, namely the IPCC, Defra/BEIS and the European Environment Agency (EEA), and supplier-specific emission factors are used for electricity.

The calculation of direct GHG emissions (Scope 1) includes three main categories of emissions:

- Gases burned in the technological process;
- Fugitive emissions resulting from gas losses;
- Fugitive emissions resulting from refrigerant losses;
- Fossil fuels burned in combustion engines;

In 2025, the organizational perimeter used for calculating GHG emissions changed compared to 2024 by including Petrostar S.A. in consolidation.

Scope 1 emissions - Flue gases

In order to determine the volume of natural gas consumed, the data from Transgaz's records on technological consumption and invoiced natural gas are used.

Scope 1 emissions from flue gas are calculated by converting the volume of gas consumed (in cubic meters) into energy (kWh), and then applying the coefficient of 0.202t CO_2e/MWh (emission factor for flue natural gas) to determine total CO_2e emissions.

Scope 1 emissions – Fugitive emissions from gas losses

Fugitive emissions are generated by gas leaks and losses during maintenance, development and accident operations. To determine the volume of lost gas, data from Transgaz's gas loss records are taken. The volume of lost gas is established according to the "Methodology for calculating the technological consumption in the natural gas transport system" (Annex to ANRE Order no. 85/20.09.2023). This volume is converted into mass using the density of methane (0.717 kg/m^3), and the resulting emissions are converted into CO_2e by applying the factor (Global warming potential of 29.8).

Scope 1 emissions – Fugitive emissions from refrigerant losses

Scope 1 emissions also include fugitive emissions resulting from losses of refrigerants (coolants) used in air-conditioning and cooling equipment. These emissions occur as a result of accidental leaks or losses recorded during the operation, maintenance or decommissioning of equipment. Emissions are calculated based on the quantities of refrigerants lost during the reporting period, which are converted into CO_2 equivalent by applying the global warming potential (GWP) factors corresponding to each type of refrigerant, according to the most recent values published by the IPCC (AR6).

Scope 1 emissions - fuels burned in combustion engines

To determine fuel consumption, relevant data from Transgaz's fuel consumption records of the vehicle fleet and equipment are taken. To determine fuel consumption, Transgaz uses a methodology based on the number of kilometers traveled and the average standard consumption specific to each vehicle. This approach is provided for in the Regulation on the management, operation and use of vehicles and equipment within SNTGN Transgaz SA and is applied consistently across all operations.

For each vehicle and equipment, CO_2e emissions are calculated by multiplying the amount of fuel consumed (expressed in liters) by the emission factor specific to each type of fuel (expressed in kg CO_2e/liter).

Total Scope 1 emissions are calculated by summing the three categories.

The calculation of Scope 2 emissions are associated with electricity consumption. Each electricity supplier presents an energy label, in which each kWh supplied has an amount of greenhouse gas emissions associated with it. There is also an emission index associated with electricity calculated at national level. The most recent available energy label, publicly presented by the electricity supplier, was used for the calculation, and at the national level, emission coefficients specific to suppliers in Romania and the Republic of Moldova were used.

For **the calculation of the Scope 3 emissions**, an assessment of the significance of Scope 3 categories was carried out based on the related expenses and the applicability of each category, in the absence of primary data from the supplier. A threshold of 5% of total expenses was used to determine the relevance of a category. According to the GHG Protocol and ESRS standards, only significant categories above the set financial threshold were reported. Thus, the significant categories reported are categories 1, 2, 3, 5 and 6, of which only category 5 is quantity-based. The share of category 5 emissions in total carbon emissions is 0.01%. In the context of Transgaz's main activity, namely natural gas transporter, the main resource (gas) is not Transgaz's property throughout the transmission. Therefore, unlike other entities in the oil and gas sector whose Scope 11 emissions are significant, in the case of Transgaz, they are not material. The calculation of Scope 3 emissions was carried out using the same organizational perimeter applied for Scope 1 and Scope 2, based on the principle of operational control, including all entities and activities under Transgaz's control.

In the case of Petrostar, whose business model is relatively different from the other two entities, scope 1 emissions include fugitive emissions generated by gas leaks and losses during maintenance, operation, decommissioning operations. Scope 1 emissions include emissions from the combustion of natural gas in thermal power plants, freon emissions from air conditioners, emissions related to the fuel consumption of the car fleet. The total emissions of Petrostar scope 1 gases are 21.5 tCO_2e, which is insignificant compared to pipeline emissions.

Scope 1, Scope 2 and Scope 3 emissions were calculated according to the GHG Protocol, using relevant activities (fuel consumption, gas losses, electricity consumption and value chain data). Emission factors from recognised sources were used for all categories, including the IPCC, DEFRA/UK GHG Conversion Factors, the EEA database and energy sector-specific factors from Romania, where they were available. Transgaz does not generate biogenic emissions, which are not relevant to the activities carried out.

The measurement of reported greenhouse gas emissions is not validated by an external body.

In 2025, compared to 2024, at the Transgaz level, the evolution of greenhouse gas emissions was determined by different factors for each Scope. Emissions related to Scope 1 remained broadly at a similar level to the previous year. Emissions related to Scope 2 recorded an increase, mainly determined by the change of electricity supplier in the fourth quarter of 2024, with an impact on three quarters of 2025, as well as by the increase in energy consumption. Regarding Scope 3, the variation in emissions is mainly determined by the decrease in expenses related to category 1 – purchased goods and services and decrease in capitalized amounts in category 2 – capital goods, while the other relevant categories remained, in general, at levels comparable to the previous year.

Transgaz	**Retrospective**				**Milestones and target years**			
	Year 2020	**Year 2024**	**Year 2025**	**Percentage difference 2025 vs 2024**	**2030**	**2040**	**2050**	**Percentage difference 2025 vs 2020**
GHG Emissions – Scope 1								
Gross GHG emissions - Scope 1 (tCO_2e)	91,767	152,904	150,238	-1.7%	64,163	54,757	9,177	63.7%
Category 1 Percentage GHG emissions from regulated emissions trading schemes (%)	0	0	0	0%	0	0	0	0.00%
GHG Emissions - Scope 2								
Gross GHG emissions - Scope 2 by site (tCO2e)	2,621	2,946	4,149	40.9%	1,835	1,573	262	58%
Gross GHG emissions – Scope 2 by market (tCO2e)	2,519	8,195	7,782	-5%	756	252	252	209%
GHG Emissions - Scope 3								
Gross GHG emissions - **Scope 3** (tCO_2 e)	9,197	143,231	104,051	-27.4%	7,358	6,438	920	1031%
1 Purchased Goods and services \	no data	17,148	14,739	-14.1%	-	-	-	-
2 Capital goods	no data	112,084	74,376	-33.6%	-	-	-	-
3 Fuel and energy-related activities Activities (not included in Scope 1 or Scope 2)	no data	13,396	14,661	9.4%	-	-	-	-
5 Waste generated during operations	no data	0,77	1,47	92.5%	-	-	-	-
6 Business travel	no data	601	274	-54.4%	-	-	-	-

Transgaz	Retrospective				Milestones and target years			
Total GHG emissions								
Total GHG emissions (by location)* (tCO_2e)	103,585	299,080	258,438	-13.6%	72,351	61,750	10,349	150%
Total GHG emissions (by market)** (tCO_2e)	103,484	306,329	262,071	-13.9%	74,381	63,790	12,399	153%

*Total Location-Based GHG emissions $_{\text{by location}}$ (tCO2e) = Gross GHG emissions Scope 1 + Gross GHG emissions Scope 2 $_{\text{by location}}$ + Gross GHG emissions Scope 3 $_{\text{by location}}$

**Total GHG Emissions $_{\text{Market-Based}}$ (tCO2e) = Gross Scope 1 GHG Emissions + Gross Scope 2 GHG Emissions $_{\text{Market-Based}}$ + Gross Scope 3 GHG Emissions $_{\text{Market-Based}}$

Scope 2: GHG emissions are calculated mainly from the measured electricity consumption from the national grid (by location) and supplier-specific emission factors (market-based).

GHG intensity[11] per net revenue	Comparative 2024	N 2025	Percentage difference 2025 vs 2023
Total GHG emissions (location-based) per net revenue (tCO_2e/RON thousand)	0.129726	0.0886104	-32%
Total GHG emissions (market-based) per net revenue (tCO_2e/RON thousand)	0.132003	0.0898560	-32%

Net revenues used to calculate GHG intensity (RON)	2,916,565,538
Net revenue (other)	0
Total net revenue(in financial statements*)	2,916,565,538

*Operating revenue before balancing and construction activity in accordance with IFRIC12

The Republic of Moldova aims to reduce greenhouse gas (GHG) emissions by 25% by 2020, compared to 1990 levels, as part of its obligations under the Energy Community Treaty and the European Union's energy acquis. In the context of ESRS requirements, the country must take into account gross GHG emissions. To meet these goals, the Republic of Moldova intends to adopt a new energy mix and improve energy efficiency, measures that will help reduce emissions, even in the absence of precise percentage targets for renewables and energy efficiency by 2030.

In the calculation of emissions for Scope 2, the label currently available from Transgaz suppliers in Romania and the Republic of Moldova was considered, respectively the label of the energy supplied in 2024. At national level, the average emissions were 179.72 g/kWh for Romania and 473.88g/kWh for the Republic of Moldova.

[11] Transgaz's activity falls into the category of economic sector with high climate impact.

GHG removals and GHG mitigation projects financed through carbon credits

E1-7

Offsetting residual greenhouse gas emissions is one of the long-term decarbonisation measures. However, this is the last option that can be obtained to achieve net-zero targets, when all other decarbonization measures have been implemented and only residual emissions that are difficult to eliminate are still present, which is inevitable given the nature of Transgaz's activity. There were no GHG removals within Transgaz and no projects to mitigate GHG emissions financed by carbon credits in 2025.

The headline figures for this measure envisaged in the strategy are determined by taking into account the potential amount of residual greenhouse gas emissions generated by Transgaz's activity, after the implementation of the proposed reduction measures and a cost of €30/tCO2 for the purchase of carbon credits on the market, which is higher than the current market value, but which represents the expected value for the next 20-30 years.

Internal carbon pricing

E1-8

In 2025, Transgaz has not yet set an internal carbon price. The evolution on the European market is followed through press releases/newsletters.

Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

E1-9

Within the Climate and Decarbonization Strategy of SNTGN Transgaz SA, climate-related physical risks were assessed according to danger, exposure and vulnerability. The residual physical risk and the potential financial risk were assessed taking into account the potential magnitude of the financial effects of each climate risk, while also considering the implementation of the proposed adaptation measures. However, quantification in monetary terms has been complemented in particular by qualitative assessments, due to the complexity of defining the exact values for potential risk scenarios. Thus, the potential financial risk of the effects of physical risks was assessed as very low and low, with no medium or high risk identified.

As part of the climate strategy, physical and transitional risks related to climate change were analysed, using a methodology in line with EP4 requirements and TCFD recommendations. The scenarios analysed include a Net Zero 2050 'favourable scenario' and a 'reasonable worst-case scenario', based on nationally determined contributions. The anticipated financial effects of these risks and opportunities include the need for significant investments to adapt Transgaz's infrastructure, which, while costly, provides opportunities to address the transition risks associated with reduced gas demand. In addition, demand for natural gas is expected to increase, which could have a positive impact on financial profitability, but the increase in the availability of renewable energy could diminish the market for conventional natural gas. A detailed analysis of the anticipated financial effects of material physical risks and significant transition risks is not presented in detail.

The table above, in the *section Material impacts, risks and opportunities and their interaction with strategy and business model,* called *Potential Physical and Financial Risks to the Climate,* presents the significant physical risks that have been identified, along with the proposed climate change adaptation measures. It is mentioned that Transgaz's climate risks are for the entire transmission network, they are not just certain locations, because the transmission network connects risk locations, and can be affected over long distances as an asset by local events. Also, during the reporting period, the climate change risk analysis was extended to all Transgaz entities. Details of its findings are presented in the *section Material impacts, risks and opportunities and their interaction with strategy and business model* of this chapter.

Integration of sustainability-related performance into incentive schemes

GOV-3

Within Transgaz, for the financial year 2025, a performance indicator aligned with the ESRS has not been established, but there are non-financial indicators for calculating the variable component of the remuneration of both executive and non-executive management members. More information is reported in the ESRS2 chapter.

ESRS E4 – Biodiversity and ecosystems

SNTGN Transgaz SA and Vestmoldtransgaz ensure the transport of natural gas on the territory of Romania and the Republic of Moldova through a specific infrastructure and, thus, take into account the analysis of ecosystems in the areas related to the gas networks and the influence this activity may have on biodiversity. In addition, through Petrostar SA, the consolidated Transgaz benefits from expertise in design and engineering, as well as environmental protection studies, to support sustainable development and compliance with environmental requirements.

In Romania, the services offered by SNTGN Transgaz SA are provided through the infrastructure that was developed according to the National Gas Transmission System Development Plan[12], a plan that was subject to evaluation within the environmental procedure, including the evaluation in relation to biodiversity and ecosystems.

With reference to the activity of "Vestmoldtransgaz" S.R.L., all the Company's development objectives are subject to the environmental impact assessment procedure at the time of initiating the projects, in accordance with the environmental legislation specific to biodiversity, in force.

Considering the specificity of Petrostar SA's activity (research, technological engineering and design services for the oil and gas extractive industry in Romania, respectively elaboration of feasibility studies, technical projects, execution details, technical assistance, etc., services for which the verification and analysis of the overlap with sensitive areas from the point of view

[12] https://www.transgaz.ro/sites/default/files/Downloads/PDSNT%202024-2033%20EN.pdf

of biodiversity is the responsibility of the beneficiary), there are no biodiversity-sensitive areas in which the company carries out activities, and the company does not have direct relationships with natural ecosystems that generate risks or related impacts.

Transgaz's main activity, gas transportation, can affect biodiversity, especially in the implementation phase of projects for the development of the natural gas transmission network. This potential impact is due to the fact that some portions of the route are on the territory of protected natural areas or in their vicinity. Transgaz aims at the time of carrying out the projects to ensure that the impact on biodiversity is minimal.

Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3

Transgaz aims to apply all measures to prevent, reduce and compensate for adverse effects on biodiversity when implementing projects that may have an influence on protected natural areas. Also, all the conditions set by the competent authorities and the administrators of these protected areas are strictly observed. Each Transgaz project goes through an environmental impact assessment before execution, in order to identify all forms of impact and establish specific measures to reduce it.

Transgaz has assessed the potential negative impacts on the environment, which can occur during construction and operation if environmental conditions are not respected. These include affecting the conservation status of habitats caused by accidental spills of chemicals with effects on biodiversity, especially in protected areas. The impact is generally temporary and reversible in the construction phase, and insignificant in the long term during operation, due to the minimum land requirements for installations. Potential dependencies on biodiversity and ecosystems, including disturbed ecosystem services, are identified and assessed, on the basis of the criteria of the European Directives for Environmental Impact Assessment and Appropriate Assessment, according to the legislation. In the case of Transgaz, no dependencies related to biodiversity and ecosystems were identified in the studies carried out by independent environmental experts in the environmental procedures for Transgaz's development projects.

The activity carried out does not significantly impact the environment in terms of biodiversity. Environmental permits for the activities carried out and the regulatory acts related to the projects are granted by the environmental authorities under the conditions laid down by national legislation and, sometimes, if the latter deem it necessary, measures are imposed to condition the obtaining of the regulatory act. Transgaz may decide, following the correspondence with the authorities, to deviate from the route initially proposed for the location of the pipelines.

No sensitive areas have been identified from the point of view of biodiversity that would be continuously negatively impacted by the natural gas transmission activity, the sensitive areas consisting of Natura 2000 sites, Natural Areas of National Interest, Natural Areas of International Interest. The potential impact is temporary, during construction, mitigated by measures established in the EIA and EA procedure following studies carried out according to European directives.

The evaluation of Transgaz projects is developed with certified persons, depending on the legal requirements, through environmental impact studies for development projects and for modernization projects. For ongoing projects, consultations were carried out according to the legal environmental impact assessment (EIA) procedure.

Below is a list of Transgaz's development projects in execution in 2025 that intersect protected natural areas:

Site name	Intersecting protected natural areas Sites of Community Interest	Status of obtaining environmental agreement (EIM procedure)
Natural gas transmission pipeline Black Sea Shore - Podișor area	ROSPA0039 Danube Ostroave/ROSCI0022 Danube Canarales (overlap in the project area) - the areas are undercrossed by horizontal directional drilling ROSPA0012 Borcea Arm/ ROSCI0319 Fetești Swamp (overlapping in the project area) - partially undercrossed by horizontal directional drilling ROSPA0105 Valea Mostiștea/ ROSCI0131 Oltenița – Mostiștea – Chiciu (overlap in the project area) ROSPA0022 Comana/ROSCI0043 Comana/RONPA0928 Comana Natural Park (overlap in the project area)	Environmental agreement 1/10.05.2018 issued by ANPM
Ghercești-Jitaru natural gas transmission pipeline	ROSPA0106 Lower Olt Valley/ ROSCI0376 Olt River between Mărunței and Turnu Măgurele (overlapping in the project area) - partially undercrossed by horizontal directional drilling	Environmental agreement 6/25.05.2022 issued by APM Olt
Natural gas transmission pipeline in the direction of Prunișor – Orșova – Baile Herculane – Jupa (Batch 1 and 4)	ROSCI0198 Mehedinti Plateau/RONPA0931 Mehedinti Plateau Geopark (overlapping in the project area) ROSCI0385 Timiș River between Rusca and Prisaca ROSCI0069 Domogled – Cerna Valley/Iardașița Nature Reserve (overlapping in the project area)	Environmental agreement 4/18.07.2022 issued by APM Mehedinti

All comments from the public were addressed during the consultations in the EIA procedure, carried out by the competent authorities for environmental protection, in accordance with the requirements of Law no. 292/2018.

No impacts related to land degradation, desertification or soil sealing have been identified during construction or exploitation activities.

In Romania, the categories of regulatory acts issued by the environmental authorities for Transgaz gas transmission projects and activities are the following:

- For projects: Classification of the notification/Decision of the classification phase/Environmental agreement;
- Activities carried out by Transgaz: Environmental Permits and Water Management Permits;
- Approvals issued by the Administrators of protected natural areas for projects/activities that could generate an impact on protected areas. These opinions are obtained in the framework of regulatory procedures for projects/activities.

The breakdown of sites according to biodiversity-related impacts and dependencies is not relevant, due to the extensive national presence of the Transgaz network.

Detailed information on the procedures carried out in order to obtain the regulatory acts in the field of environment/biodiversity applicable to the activities of SNTGN Transgaz SA are presented below:

1. In the case of specific projects:

Each Transgaz gas transmission project is subject to an environmental impact assessment to identify and reduce possible negative environmental impacts. This process ensures the sustainability of projects and the protection of local ecosystems. The assessment complies with Directive 2014/52/EU, transposed in Romania by Law no. 292/2018. The environmental authorities lead the procedure, involving other relevant authorities for a comprehensive analysis. The assessment takes into account the protected natural areas, according to the Emergency Ordinance no. 57/2007.

The evaluation process includes several stages. Initially, it is determined whether the project requires a full environmental impact assessment. Then, the scope of evaluation is established, identifying the aspects that will be analyzed in detail. Finally, the quality of the evaluation report is analysed to ensure that all relevant aspects are covered.

The initial evaluation of the project includes the analysis of the location in relation to the protected areas and a hydrological evaluation, according to the Water Law no. 107/1994, in order to obtain the necessary approvals. For more detailed information about a specific project, you can consult the documentation available on the official Transgaz website at https://www.transgaz.ro/activitati/proiecte address or contact the company directly.

The construction activities of the company's objectives can negatively affect sensitive areas from the point of view of biodiversity, which are affected only during the execution of works in these areas. In order to avoid or reduce the impact, from the beginning of the project, the adoption of work technologies or the choice of the most appropriate execution periods is considered, the reduction of the affected areas and the shortening of the execution time, and at the end of the works the affected surfaces are returned to their original state/restored.

In 2025, measures to mitigate the impact on biodiversity were applied to the execution of 3 projects. Details on the general measures to prevent/reduce the impact of these projects on biodiversity are presented in the section '*Biodiversity and Ecosystem Protection – Impact Indicators related to biodiversity and ecosystem changes*'.

Through the Podișor environmental agreement, measures have been established to reduce the impact on flora and fauna species, which are monitored during implementation, and at the end of the project, ecological reconstruction will be carried out (bringing the site back to its original state). Measures will also be taken during operation, after the completion of the investment/project.

As regards the activities of Petrostar SA of sampling for geotechnical studies (Laboratory of Analysis and Tests in Constructions – Cathodic Protection and Geotechnical) and execution works (cathodic protection stations, water well drilling etc.), no significant risks in the field of biodiversity were found. The environmental impact of these activities is reduced, no biodiversity resources are used, and there are no direct risks or threats to habitats and biodiversity (such as habitat loss, overexploitation of species, introduction or spread of invasive species, or transmission of diseases).

Soil waste generated during laboratory sampling activities is minimal and non-hazardous. The execution activities (cathodic protection stations, water well drilling, etc.) are not carried out in protected areas (most are carried out in industrial areas and very rarely on private properties) and do not produce significant or hazardous waste quantities.

2. In the case of the activities carried out by SNTGN Transgaz SA:

Environmental permits are obtained according to national legislation, at the level of each Territorial Exploitation ("TE").

The environmental permit at the level of each Territorial Exploitation of SNTGN Transgaz SA **was issued in compliance with** certain conditions imposed by the authorities in the field of biodiversity:

- compliance with the conditions provided in the opinions of the custodians/administrators of the protected natural areas;
- ensuring the technical and organisational conditions for the activities carried out, so as not to affect the protected species and habitats, as well as their conservation status;
- prohibition of the discharge of hazardous substances used in watercourses or on the ground;
- Prohibition of the landfilling of waste resulting from the maintenance and operation of the pipeline in protected natural areas and watercourses, the waste will be periodically collected and disposed of at nearby authorized landfills;
- carrying out maintenance works on the pipeline sections that cross protected natural areas, in compliance with the following conditions:
    - the working corridor will correspond to the space intended for the protection corridor (6 m on both sides of the pipeline axis), not being allowed to occupy additional areas of land, using the available space to the maximum, thus avoiding affecting the neighboring surfaces;
    - no deforestation will be carried out;
    - the existing forest roads will be used;
    - exit routes for animals will be provided to prevent wildlife from being trapped in captivity;
    - any animals trapped in captivity in equipment/in pits/ditches will be identified and released;
    - any direct contact with the existing fauna as well as the hunting of animals is prohibited;

- welding works near vegetation are prohibited.

In case of damage/explosion on the sections crossing the protected natural areas, the dynamics of the affected areas will be monitored, and for the areas identified with problems, restoration works will be carried out on the affected habitats. The planning of the maintenance works of the sections that cross the protected natural areas will be done in such a way as to avoid the nesting periods of the birds or during the breeding periods of the other designated species. The maintenance works on the pipes that intersect/neighbor the protected natural areas will be carried out only with the prior notification of the custodian/administrator of each protected natural area and with the observance of the conditions imposed by them. The maintenance works of the passage, exploitation and safety lanes will be carried out in compliance with the strictest measures to reduce the negative impact on the protected species and habitats existing in the area.

For terrestrial, aquatic and underground species of wild plants and animals, provided for in GEO no. 57/2007 on the regime of protected natural areas, the conservation of natural habitats, wild flora and fauna, with subsequent amendments and completions, the following are prohibited:

- any form of harvesting, capturing, killing, destroying or harming specimens in their natural environment, at any stage of their biological cycle;
- intentional disturbance during the period of reproduction, growth, hibernation and migration;
- damage, destruction and/or intentional collection of nests and/or eggs from nature;
- damage and/or destruction of breeding or resting places;
- harvesting flowers and fruits, intentionally harvesting, cutting, uprooting or destroying these plants in their natural habitats, at any stage of their biological cycle.

In order to initiate a development project at "Vestmoldtransgaz" S.R.L., it is necessary to comply with the EU legislation on environmental impact assessment. This includes obtaining the ecological approval, which determines the need for an ecological expertise according to Law no. 851/1996. If the planned activities have not been evaluated according to Law no. 86/2014, the state ecological expertise of the documentation is mandatory. This involves submitting an application with detailed information about the project and the beneficiary, and an urban planning certificate with the necessary annexes.

Also, various approvals and technical conditions are required, such as those from the "Apele Moldovei" Agency, the Moldsilva Agency, the State Administration of Roads, IGP, SIS and the National Agency for Public Health, along with a sanitary opinion and the environmental agreement.

Environmental agreement (within the environmental impact assessment procedure) - a permissive act that establishes the conditions and measures for the prevention and reduction of the negative impact on the environment from public or private projects or type of planned activity, which consists of the construction of new objects, extension, reconstruction, modernization, reprofiling, planning of new types of activity, acquisition or use of natural resources, influence on the territory or land untouched or slightly altered by human activity, as well as other actions the performance or final result of which may have a significant impact on the environment.

Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

IRO-1

In order to provide an adequate representation of Transgaz's activities, its performance and the impact generated, an analysis of the double materiality analysis according to the requirements of the new sustainability standards was carried out during an internal meeting. The company's management employees (management representatives) were actively involved in this process of double materiality analysis. In addition, various sources of information were consulted, such as the reports of economic operators operating in an industry similar to Transgaz, the regulatory acts in force and other internal documents such as the internal risk register and various standards in the field.

No significant upstream and downstream impacts in the value chain were identified, given Transgaz's business model.

The process of identifying and assessing biodiversity-related impacts, risks and opportunities consisted of the following:

- an internal evaluation was carried out according to the principle of double materiality analysis based on the analysis of the environmental studies carried out to obtain the regulatory acts in the course of the EIA and EA procedures according to the transposed directives, carried out by independent experts, on the criteria for the impact assessment of the extension of the network aligned with the requirements of the mentioned European Directives. In 2025, no consultations were carried out with local communities.

- an external consultation of stakeholders and consultation of literature sources, verification of the internal risk register and other internal documents was also carried out.

Thus, for Transgaz's activity, only the aspect *of Determining factors of direct impact on biodiversity decline*, sub-sub-topic *Pollution,* as a result of the potential actions that can generate pollution in the respective areas, especially during the construction period, resulted as "material".

No systemic risks were identified in the activities carried out by Transgaz.

The conclusions of the double-materiality analysis on the impacts, risks and opportunities for biodiversity are summarised in ESRS 2 – General Information, in the sub-chapter **Material impacts, risks and opportunities and their interaction with strategy and business model**. Within Transgaz, no situations have been identified in 2025 that would generate the application of sanctions by the authorities for non-compliance with the legal provisions in the field of biodiversity.

In the case of all development projects - implemented by Transgaz, appropriate measures have been adopted to avoid, reduce, restore and/or compensate for adverse effects on the environment and biodiversity, as well as additional measures to enhance the positive effects of the projects on the environment and biodiversity, in accordance with regulatory acts, legislative provisions, specific project requirements and national strategies/plans and good practices in the field.

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

E4-1

In Romania, the development projects of gas transmission pipelines are subject to the environmental impact assessment procedure, which also integrates the appropriate assessment of the impact on protected natural areas of community interest, the conservation of natural habitats, wild flora and fauna, in accordance with the environmental legislation in force, namely:

- GEO no. 195/2005 on environmental protection, as subsequently amended and supplemented;
- GEO no. 57/2007 on the regime of protected natural areas, conservation of natural habitats, wild flora and fauna approved by Law no. 49/2011 – with subsequent amendments and completions;
- Law no. 292/2018 on the assessment of the impact of certain public and private projects on the environment;
- MMAP Order no. 1682/2023 for the approval of the methodological guide on the adequate assessment of the potential effects of plans or projects on protected natural areas of community interest, with subsequent amendments and completions;
- Normative acts for the establishment of the regime of protected natural areas.
- Management plans of protected natural areas and specific conservation objectives set for species and habitats of community interest.
- The environmental impact assessment procedure is conducted by the competent authority for environmental protection, with the participation of central or local public authorities that have specific attributions and responsibilities in the field of environmental protection and with the consultation and involvement of stakeholders, and is applied to all Transgaz projects from the moment of their initiation.

Currently, Transgaz does not have a specific transition plan to address the impacts, dependencies, risks and opportunities related to biodiversity and ecosystems as of 2025. However, the company plans to develop such a plan in the next 2 years.

With reference to the activity of "Vestmoldtransgaz" S.R.L., all the Company's development objectives are subject to the environmental impact assessment procedure at the time of initiating the projects, in accordance with the environmental legislation specific to biodiversity, in force, namely:

- Law no. 86 of 29.05.2014 on environmental impact assessment
- Minister's Order no.37 of 05 April 2017 on the approval of the procedural norms for environmental impact assessment
- Law no. 160 of 22.07.2011 on the regulation by authorization of the entrepreneurial activity
- Order no. 219 of 01.10.2018 on the approval of the Guide on carrying out the procedures on the strategic environmental assessment

- Land Code
- Forest Code
- Water Code
- Law no. 1538 of 25 February 1998 on the fund of natural areas protected by the State
- Law no. 1422 of 17.12.1997 on atmospheric air protection
- Law no. 29 of 05.04.2018 on the delimitation of public property
- Law no. 94 of 05.04.2007 on the ecological network
- Law no. 209 of 29.07.2016 on waste
- Law no. 851 of 29.05.1996 on ecological expertise
- Law no. 272 of 23.12.2011 Water
- Law no. 11 of 02.03.2017 on the Strategic Environmental Assessment
- Law no.1540 of 25.02.1998 on payment for environmental pollution
- Law no. 1515 of 16.06.1993 on the protection of the environment
- Law no. 239 of 08.11.2007 of the plant Kingdom
- Law no. 439 of 27.04.1995 of the animal kingdom
- Law no. 1102 of 06.02.1997 on natural resources
- Law no. 325 of 15 December 2005 on the Red Book of the Republic of Moldova
- GD RM no. 950 of 25.11.2013 for the approval of the Regulation on the requirements for collection, treatment and discharge of wastewater in the sewerage system and/or in water bodies for urban and rural localities
- GD RM no. 167 of 12.03.1992 on the creation of the state nature reserve "Plaiul Fagului"
- GD RM no. 782 of 03.08.2000 for the approval of the framework regulations of national parks, nature monuments, resource reserves and biosphere reserves
- GD RM no. 27 of 19.01.2004 for the approval of the Regulation on the authorization of felling in the forest fund and forest vegetation outside the forest fund

Thus, at the time of applying for the environmental agreement, biodiversity and ecosystem aspects are assessed in detail and specific measures are established to ensure that the impact is minimised.

For a gas transmission company, addressing the impact on biodiversity and ecosystems is essential, especially in the construction and maintenance phases of gas transmission facilities. Adapting the strategy and business model in relation to biodiversity involves carrying out environmental assessments, implementing mitigation measures, involving stakeholders at the time of initiating projects and encouraging continuous innovation. This approach can help avoid damage to ecosystem integrity and net biodiversity losses.

Transgaz does not currently have a detailed resilience strategy to the impacts, risks and opportunities related to biodiversity and ecosystems. However, it is planned to carry out a strategy in the next 2 years, including a transition plan. The goal will be to identify vulnerabilities and opportunities to adapt to environmental changes, in order to ensure Transgaz's sustainability.

Within the development projects of the gas transmission network, Transgaz provides robust monitoring systems to track the impact on biodiversity and ecosystems throughout the life cycle of its projects. Pipeline development projects are subject to environmental impact assessment and appropriate assessment, in the procedure for obtaining environmental agreements and no biodiversity restoration measures are imposed through these regulatory acts.

Thus, no remedial or restoration measures are necessary and, therefore, it can be considered that Transgaz's activity does not impact the objectives set out in the EU Nature Restoration Plan by Regulation (EU) 2024/1991 on nature restoration or the EU Biodiversity Strategy for 2030.

"Vestmoldtransgaz" S.R.L. monitored, in accordance with the applicable legal norms and the requirements imposed by the EBRD, the impact on biodiversity and ecosystems during the life cycle of its projects.

In Romania:

In accordance with the provisions of Article 22 of the European Directive EC/2009/73 on the obligation to annually develop the 10-year Development Plan for all operators of natural gas transmission systems in the European Union, Transgaz, as technical operator of the National Gas Transmission System in Romania, has developed the Development Plan of the National Gas Transmission System for the period 2021-2030, plan that has been subjected to the strategic environmental assessment.

As part of the environmental assessment for PDSNT 2021-2030, the Adequate Assessment Study and the Environmental Impact Report were drawn up, documents prepared by NaturalNet S.R.L. in collaboration with certified experts for the elaboration of environmental studies, with the support of the EIB.

Transgaz integrates environmental aspects, including those related to biodiversity, into the current gas transmission activity, as well as in development, using the following approaches:

- Managing environmental responsibilities, in relation to requirements and practices used by industry at international level;
- Using environmental assessment to facilitate the integration of environmental considerations into the work carried out.
    - Thus, sustainable decisions are taken that minimise the negative impact on the environment, specific measures to mitigate the effects are identified and a framework is established for the subsequent evaluation of projects from an environmental protection point of view.
- Implementation of the biodiversity impact mitigation hierarchy (avoidance, minimization, rehabilitation and offsetting of impact) by adopting measures to reduce adverse effects on all environmental components (air, water, soil, climate, biodiversity, natural resources, landscape, cultural heritage, population and human health), at all stages of activity: planning, design, construction, operation, decommissioning.

In the Republic of Moldova:

In accordance with the provisions of art. 42 of Law no. 108 of 27.05.2016 on natural gas in the Republic of Moldova:

(2) ... The transmission system operator is obliged, taking into account the energy strategy and the integrated national energy and climate plan, current and forecasted supply and demand,

to develop and, after prior consultation with all stakeholders, submit to the Agency for approval a 10-year plan for the development of natural gas transmission networks. The development plan must contain effective measures to guarantee the reliability of the natural gas system and the security of natural gas supply and indicate to natural gas market participants the main natural gas transmission networks that are expected to be rebuilt or rehabilitated in the next 10 years, contain information on investments already established, to identify new investments to be made in the next 3 years and to provide a time frame for investment projects. The development plan must contain, but is not limited to:

a) description of the existing infrastructure, its current state and the degree of wear, the list of interventions carried out in the last year, as well as the results obtained from the studies carried out on the development of natural gas transmission networks and the installation of metering equipment;

b) description of the natural gas transmission networks and the related objectives that need to be built, modernized in the next 10 years;

c) the calendar for the investment projects planned to be carried out in the next 10 years;

d) estimating the necessary capacities, forecasting the evolution of cross-border exchanges, the quantities of natural gas produced and supplied, the consumption of natural gas, as well as energy efficiency measures;

e) the description of the means and investments necessary to meet the forecasted demand for natural gas;

f) the description of the investments that have been approved and that are to be approved and carried out in the next 3 years, as well as the calendar for the implementation of these projects;

g) the objectives and financial effects planned to be obtained following the implementation of the development plan, in particular with regard to the impact of the investments on the tariffs for the natural gas transmission service and for other system services provided by the transmission system operator, capacity utilization, reduction of the duration of interruptions, stability of natural gas pressure in natural gas transmission networks, reducing technological consumption and natural gas losses in natural gas transmission networks and fulfilling other quality indicators of the natural gas transmission service.

(4) The transmission system operator is obliged to submit the development plan to the Agency for examination and approval. When examining the development plan, the Agency shall, if necessary, request the transmission system operator to consult public authorities, gas undertakings and certain existing or potential system users on the development plan and to provide the Agency with information on the results of the consultations**.** The Agency requests the transmission system operator to amend the development plan, including if it does not correspond to the investment needs identified in the consultation process.

Respectively, the Development Plan of "Vestmoldtransgaz" S.R.L. for the years 2023-2032, was approved by ANRE (H CA ANRE no. 820 of 22.12.2023) without consulting with environmental authorities being requested.

Regarding the projects for the development of the gas transmission network, at the level of Transgaz, the proactive hierarchical approach to biodiversity and ecosystems within the strategy and business model consists in the application of the following measures:

1. Avoiding impact by spatially adjusting the route of natural gas pipelines so that they do not intersect with areas of high biodiversity value;

2. Minimising the impact by applying the best technologies and management practices currently available (e.g. minimising disturbance of soil, watercourses);

3. Restoration of biodiversity and affected habitats where adverse effects on biodiversity cannot be avoided or minimised, whereby affected ecosystems and species are rehabilitated *in situ*, thus restoring the affected biodiversity to the same place where it was adversely affected;

4. Biodiversity compensation shall consist of the implementation of compensatory measures where the opportunity to implement the previous stages of the biodiversity mitigation hierarchy has been exhausted and the residual impact is present.

This approach to the business model in relation to the environment allows us to reduce the impact and potential risks that could be generated by the activity carried out on the environment and biodiversity.

Biodiversity and ecosystem concepts and measures

Policies related to biodiversity and ecosystems

E4-2

Transgaz has not separately developed a biodiversity policy in accordance with the ESRS standard.

The natural gas transmission activity is organized and carried out in accordance with the Policy of the Integrated Management System on Quality, Environment and Occupational Health and Safety adopted at the Company's level. In order to apply the SMI in the activities carried out by the Company, documents have been developed and implemented to ensure control in terms of quality and performance: system procedures, process procedures, regulations, methodologies, work instructions, process sheets, etc. Transgaz is certified in terms of the integrated quality management system, Environment and Occupational Health and Safety in accordance with SR EN ISO 9001:2015, SR EN ISO 14001:2015, SR EN ISO 45001:2023 and SR EN ISO 50001:2019. In October 2025 S.N.T.G.N. TRANSGAZ S.A. obtained certification according to the reference standard SR EN ISO 50001:2019 - Energy Management Systems, as a result of the implementation of a high-performance energy management system, which demonstrates the continuous commitment of S.N.T.G.N. TRANSGAZ S.A. to optimize energy consumption, reduce environmental impact and align with the best international practices in the field.

Petrostar SA carries out its activity in accordance with the Integrated Management System Policy on quality, environment, health and safety at work, which includes compliance with legal requirements and applicable regulations for environmental protection. The company is certified according to SR EN ISO 9001:2015, SR EN ISO 14001:2015 and SR EN ISO 45001:2023 standards, which confirms its commitment to reducing environmental impact and promoting sustainable development.

According to the internal procedures regarding the identification and reporting of emergency, OSH and environmental situations, all environmental incidents are reported to the authorities with responsibilities in the field, namely the National Environmental Guard, the County Environmental Protection Agencies, the Water Basin Administrations (as the case may be). During 2025, there has been no environmental incident impacting protected natural areas.

Transgaz's activity does not interfere with the provisions of the Nagoya Protocol and the Convention on Biological Diversity (CBD), regarding "access to genetic resources" and "fair and equitable sharing of benefits" generated by the use of these resources.

Transgaz operates the main pipelines of the national natural gas transmission system, in compliance with the requirements of European and national legislation, quality, performance, environmental and sustainable development standards. In carrying out its activity, Transgaz does not use biodiversity resources and does not generate direct risks and threats to habitats and biodiversity (habitat loss, overexploitation of species, introduction and/or spread of invasive species, introduction and/or spread of diseases). With regard to the risks and impact of climate change on biodiversity, Transgaz has adopted the Decarbonization Strategy, which aims at the transition to climate neutrality, in line with national and international climate action requirements and regulations.

In the context of the specifics of Petrostar SA's activity, the company has not developed any separate policy on biodiversity and ecosystems, but the monitoring and continuous improvement of environmental performance, including the protection of biodiversity and ecosystems, constitutes a general objective for the protection of the environment within the company, according to the Petrostar Policy on the Integrated Management System for quality, environment, health and safety at work.

In the Republic of Moldova, "Vestmoldtransgaz" S.R.L. does not have certifications regarding quality, environment, health and safety at work, but it aligns with and complies with all the provisions of the legal regulatory norms in force and applicable to this case. In addition, in the near future, the company intends to implement all certifications regarding quality, environment, health and safety at work and at the level of "Vestmoldtransgaz" S.R.L.

During the reporting period, no environmental incidents were identified at the level of "Vestmoldtransgaz" S.R.L. that would impact the protected natural areas.

Biodiversity management in the construction of natural gas transmission pipeline projects is based on a proactive approach to the issue of biodiversity, i.e. the implementation of the biodiversity impact mitigation hierarchy (avoidance, minimization, rehabilitation and compensation of the impact), in order to reduce the impact and environmental risks, including on biodiversity.

Actions and resources related to biodiversity and ecosystems

E4-3

Currently, Transgaz does not have actions implemented explicitly aligned with ESRS requirements on biodiversity and ecosystems. In Romania, the key activities carried out by SNTGN Transgaz SA in order to comply with the conditions imposed by the legislation and the regulatory acts issued by the competent authorities for the protection of the environment regarding the management of biodiversity when implementing the projects for the construction-assembly of gas transmission pipelines, consist of:

- the inclusion in the technical projects/documentation regarding the procurement of the execution works of the gas transmission pipelines of the requirements provided for in the legislation and in the related regulatory acts on biodiversity management, the detailed technical specifications regarding the monitoring of biodiversity and the responsibilities and obligations incumbent on contractors and/or specialists providing biodiversity monitoring services when implementing the projects;
- developing, through its own specialists and/or external consultants, the Biodiversity Management Plan and other specific documents, which present the biodiversity management and conservation requirements applicable to SNT development projects, the actions and measures to avoid and reduce the impact of the works on biodiversity that the contractor must carry out (e.g. Biodiversity Action Plans, Procedures/Working Instructions for Biodiversity Management, etc.);
- reviewing and updating project documents related to biodiversity whenever the situation requires it;
- assessing and ensuring that the contractor's tender complies with the requirements of the procurement documentation regarding environmental protection;
- the inclusion in its own structure responsible for the implementation and monitoring of SNT development projects of qualified specialists, with roles and responsibilities regarding the management of environmental protection aspects, including those specific to biodiversity;
- training its own staff involved in the activities of supervising the execution of the works on site on the requirements and commitments of the project related to the environment and biodiversity and making available to them the project documents in the field of environmental protection;
- initial training of management staff and contractors' workers on project requirements and commitments related to the environment and biodiversity;
- making available to contractors the project documents in the field of environmental protection;
- periodic monitoring, verification and auditing of the activity and performance of contractors and specialists who carry out biodiversity monitoring with regard to the management of environmental aspects, including biodiversity, in the execution of construction-assembly works of gas transmission pipelines;
- monitoring and reporting of risks, non-conformities, incidents related to biodiversity management, follow-up of the remediation of situations by contractors and/or specialists in biodiversity monitoring;

- centralizing and managing documents, reports and information on biodiversity management developed by contractors and reporting to the company's management, competent authorities for environmental protection, administrators/custodians of protected natural areas, as the case may be;
- verification and approval of the documents developed by the contractors/biodiversity specialists (work plans, work delivery schedules, monitoring methodologies, data collection sheets and reporting of monitoring results, biodiversity management plans, biodiversity action plans, measures to prevent and mitigate the impact of the project works on biodiversity, biodiversity compensation strategies/plans, activity reports, work reports and supporting documents, etc.);
- registration, communication of environmental incidents and cooperation with authorities and contractor for their investigation;
- carrying out control, verification, audit actions of the activities related to the project, by control authorities, external auditors, etc. and preparing the information, presentations and documents requested by them during the actions or subsequently;
- applying environmental provisions and requirements related to change management, in cases where changes occur in the implementation of projects (change of the initial technical solution, occurrence of unforeseen situations or force majeure, etc.);
- notification and reporting to the competent authorities for environmental protection and the administrators/custodians of the protected natural areas regarding the start of the construction works of the projects, periodic reporting on the monitoring of biodiversity and reporting on the completion of the biodiversity monitoring activity at the execution of the projects.

Biodiversity and environmental impact management activities included both common measures applied to all projects and specific actions for each investment.

Measures common to all projects

- Optimization of routes to avoid protected areas, forests and sensitive areas;
- Execution of works outside the restriction periods for the protection of species;
- Budgeting for the necessary works according to environmental agreements;
- Monitoring of biodiversity in the pre-construction, construction and post-construction stages by certified experts;
- Prior verification of the working corridor for the identification and relocation of species, nests and habitats;
- Absence of cases of mortality or injury of fauna, according to specialists' reports;
- Monitoring of the works by subcontracted biodiversity specialists and the environmental officer.

Project-specific actions

1. Black Sea Shore – Podișor Pipeline

- Realization of 3 horizontal directed boreholes (FOD) for the undercrossing of watercourses.

2. Ghercești – Jitaru Pipeline

- Realization of the FOD for the undercrossing of the Olt River and the ROSCI0376 site.

3. Prunișor – Orșova – Băile Herculane – Jupa Pipeline (Batch 1 and 4)

- Carrying out works in sensitive areas during strictly permitted periods, according to local limitations.
- Realization of a horizontal directed drilling (FOD) for the undercrossing of the Iardaștița Nature Reserve

The company's activities and projects are properly managed to have a minimal impact on protected habitats and species in natural areas. In order to reduce the impact on biodiversity, the company implements measures to avoid affecting protected areas from the early stage of projects. When the impact cannot be avoided, appropriate measures are taken to reduce it and the affected land is subject to ecological restoration.

Other actions related to biodiversity and ecosystems:

- Budgeting in the projects for the execution of the gas pipelines of the works in compliance with the legal provisions or in applicable environmental regulatory acts of the project;
- Elaboration of biodiversity action plans, drawn up mainly for major projects, which present the specific, practical and effective actions and measures to manage biodiversity and avoid and/or mitigate adverse effects on it that apply during the execution of the works, in accordance with those provided for in the project documents (environmental agreement, supplementary environmental and social assessment report, Biodiversity Management Plan). The biodiversity action plans also envisage measures to reduce the impact on protected natural areas and sites of high ecological value located in the area of influence of the works and measures to reduce the impact on species designated as critical habitats or priority biodiversity features, located in the area of influence of the project, without being strictly limited to these.
- Within Transgaz, no specific actions related to biodiversity and ecosystems have been established according to the minimum disclosure requirements of ESRS 2 MDR-A. There is also a lack of detailed descriptions of the resources allocated to these actions, the time horizons for their completion, the correlation with significant sustainability aspects, as well as details on monitoring efficiency and measuring progress. Transgaz plans to implement these actions in the next 3 years

All measures communicated by the authorities to obtain environmental permits are carried out according to the requirements formulated. These actions are managed at the level of each project by the project teams established by decisions of the executive management. The national/local environmental authorities carry out, where appropriate, the final assessment (on-site) in order to verify the conditions imposed by the environmental agreement.

In addition, at the level of each Territorial Exploitation there is an environmental inspector who has responsibilities for monitoring the conditions imposed by the environmental permit.

The possible impact that the company's projects can have on biodiversity is reflected in their location, on some sections of the route, on the territory of protected natural areas or in their vicinity. Transgaz pays special attention to this aspect, the activities carried out being managed in such a way as to generate a minimum impact on the flora and fauna in the protected natural areas or to be totally avoided.

In order to achieve this goal, SNTGN Transgaz SA, through its specialized environmental and design structures, from the design stage, adopts the optimal route of the new natural gas transmission objectives/pipelines, in order to avoid as much as possible the crossing of protected natural areas. Each project of the company is subject, prior to its execution, to the environmental impact assessment procedure, through which all the associated forms of impact are identified and the specific measures to reduce the impact are established.

The implementation of projects that may have an influence on protected natural areas is carried out with the application of all measures to prevent, reduce and compensate for adverse effects on biodiversity, as well as with strict compliance with the conditions imposed in the opinions issued by the competent authorities and administrators of protected natural areas.

Within Transgaz there are environmental studies carried out for the Development Plan, in order to identify the relevant environmental objectives. Impact assessments are prepared as part of the environmental impact assessment procedure, in the case of projects for which the environmental authority has decided the need to prepare them (Environmental Impact Report; Appropriate Assessment Study).

Biodiversity monitoring is carried out in 2 ways:

- framework agreement concluded by Transgaz, for a period of 4 years, for biodiversity monitoring services during the implementation of projects (studies carried out by Transgaz through experts certified as service providers);
- studies carried out by the builder through expert teams, in situations where the builder is responsible for monitoring biodiversity.

The information described above is also applicable to "Vestmoldtransgaz" S.R.L., under the conditions of the applicable legislation in force in the Republic of Moldova.

In the Republic of Moldova, "Vestmoldtransgaz" S.R.L. aims to ensure that as a result of its activity, the impact on protected habitats and species in natural areas is minimal and complies with all the provisions of the legal regulatory norms in force and applicable to this case.

The Company complies with all the provisions of the legal regulatory norms in force and applicable to this case. All measures communicated by the authorities to obtain environmental permits are carried out according to the requirements formulated.

These actions are managed at the level of each project by the project teams established by decisions of the executive management.

"Vestmoldtransgaz" S.R.L. pays special attention to this aspect, the activities carried out being managed in such a way as to generate a minimum impact on the flora and fauna in the protected natural areas or to be totally avoided.

In order to achieve this goal, "Vestmoldtransgaz" S.R.L., when elaborating the Specifications for the design/execution of works, from the stage of approval of the award documentation for the acquisition of the design/execution of works services, adopts special requirements to avoid as much as possible the crossing of protected natural areas. Each of the Company's projects is subject, prior to execution, to the environmental impact assessment procedure, which identifies all associated forms of impact and establishes specific measures to reduce the impact.

The environmental studies and approvals obtained by SNTGN Transgaz SA for the Development Plan – PDSNT are the following:

- Environmental Report - PDSNT 2021-2030;
- Appropriate Assessment Study prepared for the PDSNT 2021-2030;
- Environmental Notice no. 59 of 15.10.2021 for PDSNT 2021-2030, issued by the Ministry of Environment;
- The decision of the classification stage no. 1/14.02.2022 on the proposal to amend the National Gas Transmission System Development Plan 2021 – 2030 (PDSNT 2021 - 2030);
- The decision of the classification stage no. 3/12.05.2022 on the proposal to amend the PDSNT 2021-2030 (modification of the implementation period of the Plan from 2021-2030 to 2022-2031).

In 2025, there was no need for the use of compensatory measures for biodiversity loss. There have been no situations where the outcome of the appropriate assessment for projects reveals a significant negative impact on protected natural areas of Community interest requiring the adoption of compensatory measures to protect the coherence of the Natura 2000 network. According to the provisions of Law no. 108 of 27.05.2016 on natural gas in the Republic of Moldova, it was not requested to obtain environmental studies for the approval of the 2023-2032 Development Plan, but each development project at initiation will be treated in the light of the environmental and biodiversity legislation applicable in the Republic of Moldova.

The projects implemented by SNTGN Transgaz SA in 2025 did not generate a residual impact on biodiversity, which would require the adoption of compensatory measures.

In order to reduce the potential impact on biodiversity, Petrostar SA together with its customers has defined general measures to prevent/avoid the damage to protected areas from the early stage of the projects. Projects are properly managed to have minimal impact on protected habitats and species in natural areas, where there is interaction with them. When the impact cannot be avoided, the project specifies appropriate measures to reduce it, and the affected land is subject to ecological restoration. The implementation of projects that may have an influence on protected natural areas is carried out with the application of all measures to prevent, reduce and compensate for adverse effects on biodiversity, as well as with strict compliance with the conditions imposed in the opinions issued by the competent authorities and administrators of protected natural areas.

Targets related to biodiversity and ecosystems

E4-4

Activities in the field of environmental protection (and implicitly those related to biodiversity and ecosystems) are addressed based on the principles underlying environmental legislation, thus pursuing, among others, *the principle of conservation of biodiversity and ecosystems specific to the natural biogeographical framework*. It involves the conservation and protection of natural habitats and species of wild flora and wild fauna, which are essential community objectives and of general interest. As such, in order to reduce the impact on biodiversity, especially in the case of developed projects, measures are applied to avoid, as far as possible, the impact on protected natural areas, measures to reduce it when it cannot be avoided and measures for the ecological restoration of the land. However, there have not yet been cases that required the ecological restoration of protected areas; there are no sites negatively affected by Transgaz, according to the issued documents.

In carrying out its activity, Transgaz does not use resources related to biodiversity and does not generate direct risks and threats to habitats and biodiversity (habitat loss, overexploitation of species, introduction and/or spread of invasive species, introduction and/or spread of diseases). With regard to the risks and impacts of climate change on biodiversity, Transgaz has adopted the Decarbonization Strategy, which aims at the company's transition to climate neutrality, in accordance with national and international climate policy requirements and regulations.

No specific biodiversity and ecosystem targets have been set. In the case of Transgaz, they have not yet been defined, as the process of setting measurable objectives is phased in and requires the progressive development of internal methodologies, appropriate indicators and monitoring mechanisms, with such targets and objectives expected to be set in the next 2 years.

Protection of biodiversity and the ecosystem

Impact metrics related to biodiversity and ecosystems change

E4-5

For protected areas, specific prevention and reduction measures are developed at site/project level. According to the environmental assessment (appropriate assessment study[13] for the National Gas Transmission System Development Plan 2021-2030) it was assessed that the areas on which the potential impacts may take place are relatively small.

During the reporting period, the activity of SNTGN Transgaz SA also involved the development of three projects located in protected or sensitive areas from the point of view of biodiversity, namely:

1. Natural gas transmission pipeline project Black Sea Shore area – Podișor
2. Ghercești-Jitaru Natural Gas Transmission Pipeline Project
3. Project Natural gas transmission pipeline in the direction of Prunișor – Orșova – Baile Herculane – Jupa (Batch 1 and 4)

The impact indicators related to biodiversity and climate change contain, for each project, the period, the name of the site/location, the regulatory act, the type of area, the site code/identifier, the total area of the protected area, the affected area, the type of impact, the description of the impact, the threatened species affected, the number of affected specimens and measures to prevent/reduce the impact.

The methodology for reporting the total area involves the sum of the total areas of the projects defined in the environmental agreements issued, to which are added the areas of the projects

[13] https://www.mmediu.ro/app/webroot/uploads/files/EA%20rev%202%20final.pdf

that overlap with those covered by the environmental agreements issued for Transgaz's development projects.

In the case of the 3 projects, Biodiversity Monitoring was carried out in the pre-construction, construction and post-construction stages (depending on the stage of execution of the project) by certified experts to carry out these activities, the results of the activities being documented in Biodiversity Monitoring Reports. The conclusion of the analysis of these indicators highlighted the fact that during the execution of the works, there were no threatened species affected.

The total area occupied by the above-mentioned projects in the protected natural areas is 215.589 ha, the impact being predominantly temporary (only during the execution of the construction works), which represents a small area compared to the total area of 441006.1 ha of the protected areas. These areas resulted from the sum of the areas occupied in each protected area, without considering the overlaps existing in certain areas for several categories of protected areas.

Among the general measures to prevent/reduce the impact of the above-mentioned projects on biodiversity and ecosystems, the following can be mentioned:

- Conducting horizontal directed drilling (FOD) for the undercrossing of the most important watercourses;
- Conducting a horizontal directed drilling (FOD) for the undercrossing of the Iardaștița Nature Reserve;
- Optimization of the pipeline route to avoid crossing protected areas, forests, etc.;
- Narrowing of the working corridor when crossing the forest fund;
- Carrying out works in environmentally sensitive areas outside the restriction periods;
- Inclusion and budgeting in the technical projects of the works necessary to comply with the environmental agreement;
- Monitoring of biodiversity in the pre-construction, construction and post-construction stages by certified experts for carrying out these activities.

In some cases, on the recommendation of the team of biodiversity specialists, a series of measures have been taken to prevent the damage to the species/specimens:

- Relocation of specimens in the project area by the biodiversity monitoring team,
- Installation of fences to prevent fauna from entering the corridor;
- Narrowing of the working corridor in some areas, so as not to affect the protection area of the animal colony reported by the biodiversity monitoring team;
- Leaving the work corridor uncovered in the narrowing area of the corridor, for better protection of the area and a faster return to the initial state after carrying out the construction-assembly works, respectively the storage of the soil and rock resulting from the excavation of thetrench, on the right side of the trench, in the direction of flow;
- Monitoring the execution of the construction-assembly works by the Contractor through the subcontracted biodiversity specialists and the environmental officer;

Already at the design stage, activities and measures were foreseen in order to reduce the impacts and risks generated by the execution of the three projects on environmental factors and biodiversity, in order to comply with the requirements of the environmental agreements issued by the competent authorities.

Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities

E4-6

In the work carried out at Transgaz level regarding the management of associated risks, no significant risks in the field of biodiversity were identified and, consequently, the potential financial effects were not estimated.

ESRS S1 – Own workforce

Human capital is an essential element for the success of a company, significantly influencing innovation, productivity and business growth. In order to achieve the organization's objectives and provide the highest quality services, it is essential for Transgaz to attract, retain, motivate and continuously develop human resources. Competent, engaged, responsible and dedicated employees can contribute to the development and implementation of process improvement ideas, thus generating efficiency, productivity and cost reduction. **Investing in employee professional development can boost motivation, performance, and job satisfaction.**

The information presented in Chapter S1 interacts with ESRS 1 General Principles and ESRS 2 General Disclosures (SBM-2, SBM-3). Also, this standard is interpreted in conjunction with G1 – corporate culture.

The main objectives focus on promoting talents, recruiting and integrating staff for vacant positions, training and continuous development of employees, objective evaluation and reward of their performance, encouraging internal mobility, reviewing compensation and benefits policies to ensure internal equity and external competitiveness, advancing the process of automation and digitization of human resources activities, ensuring succession for key roles, developing and implementing customized development programs for potential successors, continuing collaboration in educational projects (such as dual school and internships) and strengthening partnerships with target universities.

Within Transgaz, the rights and responsibilities of employees, as set out in the Collective Labour Agreement (CLA) and the Organisation and Functioning Regulations, are formulated in accordance with respect for human rights and the right to labour, in accordance with the principles contained in the International Bill of Human Rights and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. They are transposed into labour relations legislation and are governed by the principles of consensuality and good faith, which underpin labour relations.

Within Transgaz, the Organization and Human Resources Department operates, with the following structures:

- Human Resources Administration Service
- Payroll Service
- Human Resources Organization and Planning Directorate
    - Organization Service
        - Organizational Management Office
        - Bureau of Labor Standardization
    - Human Resources Planning Service
        - Social Partners Relations Office
- Human Resources Development Directorate (Transgaz Academy)
    - External Training and Career Management Service
        - Office of Performance Evaluation and Improvement
        - Office of Authorizations and Compliance
    - Internal Training and Professional Development Service

- Qualification and Improvement Office School of Trades
  - Induction and Specialization Office
- Center for Administration of Spaces for Restoration of Work Capacity and Vocational Training

The mission of the Organization and Human Resources Department is to attract and retain competent and motivated employees within the company, in order to ensure the efficient achievement of organizational objectives and increased performance.

The Human Resources Organization and Planning Directorate develops and implements the human resources policy in accordance with Transgaz's Management Plan and Management Plan, is responsible for ensuring, developing, motivating and maintaining human resources, as well as for the application of labor and social protection legislation within the company.

The Human Resources Development Department ensures the fulfillment of the company's objectives regarding the training and improvement of employees, the evaluation of professional performance, career management and organizational development, as well as the administration of the spaces for the restoration of work capacity and professional training within the company.

Regarding **the main duties of the department in the field of human resources**, they are:

- Personnel administration
- Administration of salary rights
- Organization of activity and work
- Standardization of work and personnel employed
- Planning and tracking personnel expenses
- Managing relations with social partners
- Professional development of the employed staff
- Employee Career Management
- Administration of spaces for the restoration of work capacity and professional training
- Management of the mandate contracts of the Chief Executive Officer and the directors
- Establishment and monitoring of managerial performance indicators.

Strategy and concepts related to one's own workforce

Interests and views of stakeholders

ESRS 2 SBM-2

In order to create an inclusive environment where every employee feels safe, involved and appreciated, Transgaz is constantly focusing on developing and improving the organizational culture. Transgaz's procedures and policies related to human resources are developed and belong to specific departments, being employee-centered, offering them opportunities for promotion and access to professional development programs adapted to the specifics of their activity. In addition, Transgaz encourages employees to communicate openly with both colleagues and Transgaz's management team, as it believes that only through effective communication can internal objectives and those established in the relationship with Transgaz employees be achieved.

Transgaz, as an employer, is constantly concerned with compliance with national and European legislation in the field of labor relations, relations with social dialogue partners, information and consultation of employees. The relations between the employer and the employees are regulated by the Collective Labor Agreement at the company level, as well as by the employees' individual employment contracts.

At SNTGN Transgaz SA level, there has been a Collective Labor Agreement permanently, since its establishment, which is negotiated and registered according to the provisions of the Social Dialogue Law.

For Petrostar SA, a Collective Labor Agreement is in force, registered with ITM Prahova under no. 253/12.08.2024, valid for the period 2024–2026, with the possibility of extension for a maximum of 12 months. At the level of Vestmoldtransgaz, a Collective Labor Agreement is concluded in accordance with the legislation of the Republic of Moldova, a contract that is registered with the Labor Inspectorate of Chisinau.

Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3

For its own workforce, Transgaz has identified a series of IROs within the double materiality analysis, which are presented in ESRS 2 – General Information, under the subchapter entitled Material impacts, risks and opportunities and their interaction with strategy and business model.

Transgaz's strategy and business model are interconnected with the actual and potential impacts on the workforce, which come from different facets of decisions and the strategic framework. Transgaz recognizes the importance of respecting employee rights and legal requirements, while promoting development opportunities and ensuring confidentiality. These impacts are continuously assessed so that Transgaz can adapt its strategy and business model, keeping them aligned with workforce considerations.

In this context, Transgaz focuses on identifying and managing significant risks, such as non-compliance with human rights, which could have serious consequences for both employees and the company. To prevent these risks, proactive measures are implemented, ensuring appropriate working conditions, equipment, protective clothing, specific equipment and/or machinery, etc. Adequate management of employees' rights is ensured through specific internal procedures that are properly applied. Working conditions are continuously improving.

Transgaz's business model is based on human resources, which underlines the importance of managing risks related to respect for human rights. Thus, Transgaz 's dependence on human labor requires the management of any risk related to human rights.

In terms of material impacts, risks and opportunities, Transgaz includes all employees in its workforce who could be significantly affected by its business activities. Transgaz has no self-employed workers.

Within Petrostar SA there is a risk management system that ensures the implementation of internal managerial control, aiming at effective risk management and providing reasonable assurance on the achievement of the planned objectives and results. The process is detailed in the procedure PO 6100 "Risk Management", which describes the complete steps. When a new risk is identified, the risk identification form is filled in and the Risk Register and the Opportunity Plan are updated accordingly.

Transgaz implements policies that guarantee equal treatment and professional development opportunities for all employees.

At Transgaz level, there is a policy of respecting employee confidentiality. There are also internal policies that ensure development opportunities and equal treatment for all employees. Downstream, companies have a potentially positive impact. The policies are applied uniformly in all regions of activity and promote a standard of ethics and social responsibility, considered essential for long-term success. Within Petrostar there is the Equal Opportunities Policy and the Operational Procedure-6240 that regulate these aspects.

The risks and opportunities identified stem from Transgaz's dependence on the human workforce.

Transgaz operates with a firm commitment to respect for human rights and international ethical standards. In the operations carried out by Transgaz, there are no significant risks of incidents of forced labour or child labour.

The risks and opportunities arising from dependencies on one's own workforce refer to all Transgaz personnel.

Risks related to own workforce affect all staff equally. No individuals with specific characteristics were identified who could be exposed to a different (greater or less) risk of harm.

Policies related to own workforce

ESRS S1-1

Transgaz's activity consists of Pipeline Transport according to NACE 4950 and Engineering and other technical consultancy activities according to NACE 7112, activities that are carried out in Romania and the Republic of Moldova. Transgaz assesses the potential negative effects associated with their operations, including with regards to GDPR, corruption, referrals/complaints/claims, collective bargaining and other important social topics identified as material. All operational policies and procedures apply to all Transgaz entities, and the General Director of Transgaz is responsible for the implementation of the policies.

Transgaz's workforce policies, aligned with the UN Guiding Principles on Business and Human Rights, focus on respecting and protecting human rights, promoting non-discrimination and diversity, ensuring fair and safe working conditions, and promoting social dialogue. Transgaz establishes mechanisms for reporting human rights violations, and these are included in Transgaz's Code of Ethics which is available to all employees.

In addition to its commitment to human rights and fair working conditions, Transgaz strengthens its responsibility through the QHSE (Quality, Health, Safety and Environment) Policy, which sets standards for quality, health, safety and environmental protection in all its activities.

In 2025, this policy was extended to include entities in the Republic of Moldova, reflecting the company's commitment to operate in a sustainable way and according to the highest standards. The policy will be implemented throughout 2026. We also mention that entities in the Republic of Moldova do not yet hold ISO certifications.

The document focuses on complying with legal requirements and relevant standards, continuously improving performance and preventing negative impacts on the environment, health and safety at work. The policy is available to all employees and is supported by control, monitoring and training measures for employees and partners.
The Board of Directors oversees the implementation and the executive management coordinates compliance measures. In this context, Petrostar has its own Quality-Environment-Health-Safety Policy, aligned with Transgaz's principles, in order to maintain uniform standards in all operations.

Through this approach, Transgaz aims to strengthen a safe and efficient operating model, contributing to the sustainable development of the energy sector. Transgaz also demonstrates a constant commitment to sustainability and corporate responsibility, contributing to the sustainable development of the energy sector and the well-being of the communities served.

In 2025, there were no reported cases of gender discrimination, gender-based violence or labor exploitation of minors in the two countries where Transgaz operates (Romania and Moldova), except for possible cases in family contexts (unofficial abuse in households, which is either not reported or regulated as formal work). The Romanian Constitution provides that minors under the age of 15 cannot be employed as employees, and the exploitation and use of minors in activities that would harm their health, morals or endanger their life or normal development are prohibited. Currently, in Romania, there are no reports from UNICEF or other NGOs indicating the existence of cases of labor exploitation of minors. In the Constitution of the Republic of Moldova, according to Article 50 (4), the exploitation of minors, their use in activities that would harm their health, morals or endanger their life or normal development are prohibited. Transgaz does not employ minors.

Transgaz's approach in the field of human resources aims to cover the operational needs of the organization, through the efficient use of human resources. In this area, it is envisaged to define the requirements by developing the regulations for the basic activities, identifying and removing any restrictive limits of the availability of human resources which, by their nature, could affect the implementation and conduct of the projects in progress.

Transgaz's positive impact is reflected in the creation of an inclusive and diverse work environment, supported by internal policies that ensure equal development opportunities and fair treatment for all employees. These policies contribute to improving working conditions through measures to protect against harassment, abuse or sexual, physical and psychological threats, including dedicated discrimination reporting mechanisms.

The company also has a positive impact on the respect of the labor rights of its employees, through policies that guarantee the confidentiality of personal data and protect their integrity.

These actions strengthen Transgaz's working environment and reputation as a responsible employer.

To support these commitments, personnel policy aims to provide the necessary human resources in correlation with the company's development objectives, to anticipate possible fluctuations of shortage or surplus of personnel. The policy applies at the level of SNTGN Transgaz. The main directions of action are:

- attracting, training professionals within professional development plans and maintaining qualified personnel with the necessary skills, expertise and competences;
- reducing dependence on external recruitment, when there is a shortage of qualified personnel in the fields of activity in which new technologies are applied, by carrying out employee training programs;
- development by managers of organizational structures, using principles and mentoring programs, of well-trained and flexible teams, teams capable of adapting to a dynamic, constantly changing environment;
- promoting constructive discussions and the exchange of knowledge and information related to the activity, in order to increase solidarity within Transgaz;
- Improving staff utilization by introducing flexible organizational models.

Transgaz respects and supports internationally recognized human rights and implements fair rewards (meritocracy) and equal opportunities for all its employees, without discrimination and respecting the diversity of its staff. This commitment is set out in the Code of Ethics.

Petrostar SA has an Equal Opportunities Policy, which aims to promote fair treatment and non-discrimination within the organization, ensuring equal access to employment opportunities, professional development and working conditions, regardless of gender, age, ethnicity or other protected criteria.

With regard to the risks related to the right to privacy of its employees, a policy for the processing of personal data has been developed at the level of SNTGN Transgaz and the entities in the Republic of Moldova, and the persons whose data are processed receive an information note in this regard. Transgaz, as a personal data controller, is consistently concerned with ensuring a high level of security with regard to the processing of personal data it carries out, in accordance with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC. The role of the notification sent is to inform the person to whom it is addressed how their personal data is used and to present the purpose for which they are used.

Also, in the Republic of Moldova, the protection of personal data is regulated by Law no. 133/2011, which transposes European regulations, including Regulation (EU) 2016/679 (GDPR). It ensures requirements for transparency, consent and data security. The National Authority for Personal Data Protection (ANPDP) is responsible for supervising the application of this legislation. For each specific case, a commission is organized and a report is drawn up presenting the conclusions and measures to be taken.

Petrostar has its own Operational Procedure regarding the protection of personal data through PO-7500 Processing and protection of personal data.

Transgaz's human resources policy is also applicable in Moldovan subsidiaries, with the permanent concern of management to increase the level of employee development and alignment with European standards.

Transgaz does not have specific policy commitments related to inclusion or positive action for people from groups at high risk of vulnerability within its workforce.

Within **Petrostar**, internal policies strengthen the company's commitment to quality, sustainability and respect for employee rights. These include:

- **Quality, environmental, OSH and sustainability policy**, which sets standards for environmental protection, occupational health and safety, as well as operational performance.
- **Equal opportunities policy**, which promotes fair treatment and non-discrimination in all human resources processes.
- **Code of Professional Conduct and Ethics**, which defines the principles of integrity and responsible behavior.
- **Procedure PO-6250 on preventing and combating harassment in the workplace**, aimed at protecting employees against any form of abuse or intimidation.
- **Whistleblower procedure PO-6240**, which provides secure mechanisms for reporting irregularities and protecting whistleblowers.

These policies contribute to the creation of a safe, ethical and inclusive working environment, in line with Transgaz principles and European standards.

Within Vestmoldtransgaz there are specific occupational health and safety instructions on workstations, training is done at employment, at work and periodically.

In the Republic of Moldova - Law no. 186/2008 on occupational safety and health is the fundamental law regulating occupational safety and health in the Republic of Moldova. The law lays down the obligations of employers and employees in terms of creating a safe working environment, assessing risks, protecting workers, training and informing them about occupational risks and measures to prevent occupational accidents and diseases.

In the Code of Ethics of Vestmoldtransgaz there are provisions on non-discrimination and equal opportunities, treatment regarding the personal development of all staff. Petrostar has its own code of conduct and professional ethics that covers these aspects.

To this end, within Transgaz, discrimination through the use of practices that disadvantage people of a certain sex, ethnicity, colour, sexual orientation, disability, age, religion, political opinions, national origin or any other origin in relation to social and professional relations is prohibited. The implementation of these policies has a positive impact on the labor rights of Transgaz employees by ensuring their confidentiality. It also helps to create a fair working environment and improves the employer’s reputation.

Equal treatment and opportunities for all

Processes for engaging with own workers and workers' representatives about impacts

S1-2

Transgaz strictly complies with the laws and international treaties that regulate human rights, both within the company and in its relations with its partners and collaborators.

The general rights and obligations of Transgaz employees are specified in the Collective Bargaining Agreements (CLA), resulting from social dialogue and collective bargaining between management and employee representatives. The General Director of Transgaz negotiates and concludes collective labor agreements within the term of office given by the Board of Directors (according to the TRANSGAZ Articles of Incorporation).

In addition, Transgaz has implemented an Internal Regulation, applicable to all employees of SNTGN Transgaz SA and Vestmoldtransgaz, which establishes the rules of organization and discipline of work, as well as the rights and obligations of both the employer and the employees. Petrostar has its own Internal Regulation. These regulations ensure a uniform framework for operation, promoting compliance with the law, professional integrity and a safe and fair working environment. They complement internal policies by providing clear mechanisms for managing labour relations, preventing conflicts and protecting employees' rights.

Each employee has access to the content of the Collective Labor Agreement through the employees' representatives or the persons with responsibilities in the field of human resources within the organizational structures in which they carry out their activity.

According to the Collective Labor Agreement of SNTGN Transgaz SA, **social dialogue is a continuous activity**, mainly focused on improving working conditions and maintaining competitiveness in the workplace. In this dialogue, the parties inform each other, consult and negotiate in order to reach agreements on issues of common interest. In order to ensure a climate of social stability, the CLA shall maintain the mechanisms for consultation and permanent dialogue between the social partners, with the following aims:

- establishing levels of social dialogue within society;
- defining the general rules and principles that structure consultation and negotiation between the parties;
- conflict prevention.

Engagement in a permanent dialogue with employees is an important objective for Transgaz. Job satisfaction is directly correlated with job performance. Thus, questionnaires are periodically applied to measure employees' job satisfaction, an important feedback tool, through which they can express their opinion about the bosses / organization / work environment / team. Given that this information can often be sensitive, the completed questionnaires are anonymous.

Transgaz strives to understand the views of members of the workforce, especially those who may be marginalised, such as women, migrants and people with disabilities.

At Transgaz level, there is a Code of Ethics aimed at eliminating discrimination, including harassment, and at promoting equal opportunities and other ways to improve diversity, ensuring a fair working environment for everyone.

At the level of Vestmoldtransgaz there is a Collective Labor Agreement applicable in accordance with the legislation of the Republic of Moldova. The employees are members of the Primary Trade Union Organization of Vestmoldtransgaz, an organization that will negotiate the Collective Labor Agreement with the management of Vestmoldtransgaz upon the expiration of the one currently in force.

In the Republic of Moldova there is Law no. 102 of 2017 on the promotion of social dialogue which regulates the way in which social dialogue between employers, employees and trade unions is promoted, in order to ensure fair working conditions and the protection of workers' rights.

Processes to remediate negative impacts and channels for own workers to raise concerns

S1-3

The Internal Regulation of SNTGN Transgaz SA contains the rights and obligations of employees and employers, including rules on compliance with non-discrimination and violation of human dignity, rules on conflict of interest, disciplinary procedure or on the resolution of employee requests or complaints. This regulation is brought to the attention of the employees and is signed by them once they become aware of the provisions.

Also, at the level of the company, **the Code of Ethics** is adopted, a document that defines the values, principles and norms that the contractual staff must respect and apply:

- in the activity carried out within the company – in accordance with the values and objectives of the company, in order to maintain a positive organizational climate;
- in the activity carried out outside the company – in the relationships it develops with all categories of public, in order to increase the notoriety and the reputation of Transgaz.

Any person within SNTGN Transgaz SA who has knowledge or reasonable grounds to believe that a violation of the Code of Ethics has taken place has the duty to immediately bring this information to the attention of the Ethics Counselor.

The contractual staff within Transgaz who **notifies or suspects** the violation of the provisions of the Code of Ethics can address directly the Ethics Advisor at the level of the company or at the level of the Territorial Exploitation or at the e-mail address etica@transgaz.ro, mentioning in the subject of the e-mail "Notification of violation of the Code of Ethics". The email address will be managed by the company's Ethics Counselor. Also, the notifications can be sent through any of the following communication channels:

- by mail, to the address SNTG Transgaz SA, Piața C.I. Motaș, nr. 1, CP 551130, Sibiu County, Romania with the mention "To the attention of the Ethics Advisor designated at the level of the company";
- by fax to the number displayed on the website;

- by registry in a sealed envelope with the mention "Notification to the attention of the Ethics Counselor";
- personal submission of the complaint to the Ethics Counselor.

The Ethics Counselor addresses in an independent and objective manner all the issues that are brought to their attention and treats all the information brought to their attention with maximum discretion. The identity of the authors of the non-compliance complaints will not be revealed to the person(s) who are the subject of the reported violations and will remain confidential, unless there are legal provisions to the contrary.

In the case of alerts that fall within the scope of compliance (corruption, influence peddling, anti-competitive practices, violations of environmental legislation, money laundering, terrorist financing or violations of human rights legislation), the Ethics Commission analyzes the notifications and complaints and proposes to the company's CEO a sanction or a solution to resolve/close the complaint/notification. The Ethics Commission carries out its activity within Transgaz. After the acquisition of Petrostar in May, actions were started to extend the competences of the Ethics Commission over the subsidiary. By the end of the year, the integration process is underway, with the objective of implementing a unitary compliance and ethics framework at the level of the entire group.

Throughout the performance of the specific activity, the ethics counsellor shall cooperate and consult with the integrity counsellor appointed by decision of the General Director. The integrity advisor manages the way of reporting irregularities on the integrity line, as well as the monitoring of the cases notified according to the PS 06 SMI "Prevention of corruption" procedure.

The acts that are the subject of the notifications, but not limited to them, may include:

- acts of corruption, as defined in criminal law;
- facts related to accounting, financial-accounting control or internal audit;
- violations of procurement procedures;
- preferential or discriminatory practices or treatment in the exercise of duties;
- violation of the provisions on incompatibilities and conflicts of interest;
- misuse of the material or human resources of society;
- incompetence or negligence in service;
- non-objective evaluations of staff in the process of recruitment, selection, promotion, demotion and dismissal;
- non-competitive practices;
- violations of procedures or establishing internal procedures in violation of the law;
- issuing administrative or other acts that serve interests contrary to the interests of society;
- violations that endanger employees, the company's relationship with third parties or the company's reputation;
- any other violation of the legislation or of the company's internal rules of ethics and business conduct;
- any other violations of the rules of conduct.

In addition, SNTGN Transgaz SA may be notified by its staff about the coercion or threat exerted on the employee who submits the complaint, in order to determine him to violate the legal provisions in force or to apply them inappropriately.

A complaint must contain, at least, the following information:

- the name of the person making the complaint, with the mention of whether he wishes to maintain the confidentiality of his identity;
- description of the fact found, with possible implications for society;
- the date/period of the occurrence of the acts of violation of the law or internal norms;
- persons considered guilty;
- any other information deemed relevant.

Notifications and complaints from within the company are centralized by the Ethics Counselor in an electronic database necessary to identify the causes that determine the violation of the rules of the Code of Ethics, to identify the ways to prevent the violation of the rules of conduct of the Code of Ethics and to adopt measures to reduce and eliminate cases of non-compliance with the provisions of the Code of Ethics.

The Ethics Counselor shall send to the Ethics Commission the notifications received and it shall order, under the conditions of the law and internal regulations, the verification of the acts and facts for which it has been notified. The Ethics Commission, depending on the information presented regarding suspicions of violation of the Code of Ethics, may propose several solutions, as the case may be:

- the closure of the complaint, when it considers that there is no violation of the rules of ethics;
- advising the employee when the misconduct is not significant and is not subject to a disciplinary investigation;
- the initiation of an internal control/audit mission, in order to establish whether the legislative rules have been violated and to quantify the damage;
- setting up a multidisciplinary commission to investigate/analyze the reported facts;
- setting up the disciplinary commission in case of disciplinary misconduct;
- notifying the competent institutions of the state when the deviation is within the competence of these institutions.

The complaints will be resolved within 20 working days from the date of their registration. The General Director may approve the exceeding of the deadline for good reasons, at the request of the Ethics Commission designated to handle the notification. The decision on how to solve each complaint will be based on the specific facts and circumstances, the degree of guilt of the employee, the general behavior in the service of the employee. The violation of any rule of conduct provided by this Code by the contractual staff of SNTGN Transgaz SA may constitute a disciplinary offense depending on the seriousness of the act and may also entail, in addition to disciplinary liability according to the Labor Code and the Internal Regulations (including the disciplinary termination of the employment contract), also legal action. Also, the company's staff can be held patrimonially liable, according to the law, if, through the acts committed, they have caused damage to the company or other partners of the company. There is no formal monitoring system regarding the average resolution time. Targeted users are regularly involved depending on the stakeholder group they come from in ensuring effectiveness as described in ESRS Chapter 2.

The company clearly prohibits any retaliation against the employee who, in good faith, reports an act of violation of the rules of conduct, known or suspended. The exercise of any type of retaliation will lead to disciplinary action in relation to those found guilty. The same measures will be taken in relation to persons who have intentionally provided false information in the complaint.

The processes for remedying the negative impacts and the channels through which employees can express their **concerns in the field of occupational safety and health** are established by the Collective Labor Agreement. Employees can express their occupational health and safety concerns directly to their representatives.

In order to optimize efficient and direct communication, Transgaz provides all its employees with various communication tools, through its representatives and trade unions. Information on the availability of these communication channels is also transmitted by employee representatives and trade unions.

The evaluation of the effectiveness of corrective measures in the field of Occupational Safety and Health is carried out through focused analyses carried out in a documented manner through OSH Programme Progress Reports and the Annual OSH Report. The conclusions and any resulting actions are recorded in the Minutes of the meetings of the internal audit missions and in the Action Plan assumed at the level of SNTGN Transgaz SA.

At the level of Vestmoldtransgaz there is an Internal Regulation developed in accordance with the legislation of the Republic of Moldova. The Code of Ethics of Vestmoldtransgaz contains provisions regarding notifications and complaints regarding the violation of the Code of Ethics as well as the ways of analyzing and solving them.

Transgaz's Internal Audit Department also carried out verification actions at Vestmoldtransgaz according to the audit plan approved by the company's management. In addition, after the acquisition of Petrostar in 2025, preliminary verifications and actions to align with the group's procedures were initiated, a process that gradually continues for full integration into Transgaz's internal control system.

During the reporting period, **zero complaints** were submitted through the channels available to people in the company's own workforce to express their dissatisfaction (including through complaint-handling mechanisms).

Currently, the Company does not employ a person responsible for internal audit, but according to the State of Functions, there is concern for hiring a person responsible for internal audit.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

S1-4

The Collective Labor Agreement provides for the obligation of SNTGN Transgaz SA to take all necessary measures to protect the life and health of employees, and if the envisaged measures, which aim to improve working conditions and appropriate protection according to the legal provisions in force, are not possible, monetary or other compensations are made, under the conditions of the law. Thus, the company provides, at no cost to employees, for those jobs where working conditions require it, personal protective equipment. Details on the provision of personal protective equipment are set out in the section *Working conditions - Taking* *measures on significant impacts and approaches to mitigate significant risks and pursue significant opportunities related to one's own workforce, as well as the effectiveness of these actions and approaches.*

Formally, a strategy with targets or a time horizon plan for Transgaz's own workforce has not been adopted. Transparent recruitment processes are carried out that offer equal opportunities to all participants, regardless of their gender, nationality or age.

Transgaz offers equal opportunities and equal treatment for both current employees and those who want to join the company. The concepts of equal opportunities and equal treatment are also applied to the processes of promotion of personnel within both executive and management departments. A crucial component of ensuring equality in the workplace is providing training and awareness sessions to employees and managers on the importance of equality and eliminating discrimination. This includes training sessions on unconscious patterns of behaviour, diversity and inclusion.

For the Republic of Moldova, in 2025, technical courses were organized for 68 people, a course on IFRS Standards for 2 people, a public procurement course according to EU standards for 3 people, a labor law course for one person and an OSH training course for 14 people. It is also essential to implement monitoring and reporting systems to assess the effectiveness of the policies and procedures adopted. Thus, SNTGN Transgaz SA pays attention to monitoring the composition of the work teams, the results of the opinion polls conducted, the employee retention rate and any other relevant metrics.

SNTGN Transgaz SA respects the dignity of all staff in a climate free from any manifestation and form of exploitation, humiliation, contempt, threat or intimidation. The company's contract staff are obliged to adhere to the values of tolerance towards differences between people, between opinions, beliefs and intellectual preferences.

According to the GDPR Policy, the personal data of its employees that are processed by Transgaz are identification data (e.g. name, surname, C.N.P., etc.), contact details, place of work and function, studies, professional experience, medical situation, family data and other data necessary for the personnel file, according to the company's legal obligations. The GDPR policy is communicated to all employees.

The personal data of the employees are collected on the occasion of the conclusion of the employment contract with Transgaz or whenever there are changes in the documents that are part of the personnel file. After the acquisition of Petrostar, the process of alignment with the group's GDPR Policy is underway, and it will be gradually extended to the level of the subsidiary, in order to ensure a unitary framework for the protection of personal data.

Maintaining a safe working environment is a daily priority for Transgaz. The focus is on identifying and improving processes related to workplace safety and security management. In addition, training, awareness and employee engagement programs are actively promoted. SNTGN Transgaz and the entities in the Republic of Moldova have implemented an Integrated Quality, Environmental, Health and Safety Management System at Work in accordance with the standards SR EN ISO 9001:2015, SR EN ISO 14001:2015 and SR EN ISO 45001:2023. Petrostar has its own Quality-Environment-Health-Safety Policy.

In order to maintain and improve the performance of occupational safety and health, Transgaz has established, planned and monitored the OSH objectives for the relevant functions and levels, in line with the occupational safety and health policy, which are measurable and compliant with the requirements of the SR EN ISO 45001:2023 standard.

Particular importance is attached to proactively improving occupational health and safety performance by:

- identifying the risks and opportunities associated with the activities included in the Occupational Health and Safety Management System;
- establishing and planning actions to address these risks and opportunities;
- integration and implementation of the established actions as well as the evaluation of the effectiveness of these actions.

Also, in order to maintain and improve the performance regarding safety and health at work, at Transgaz level, the risks and opportunities associated with the activities included in the OSH MS were identified, measures to deal with risks and opportunities were established. The evaluation of the effectiveness of the Occupational Health and Safety Management System is done at planned intervals. In order to ensure an effective Occupational Health and Safety Management System, risks and prevention activities are identified at all stages of the work process from design to operationalization, designed to ensure the performance of the activity in conditions of maximum safety, health and integrity of workers in the work process.

The indicator "Degree of research of events produced in 2025" is calculated by relating the number of investigated events to the total number of events produced, the result being expressed as a percentage.

In accordance with the legal regulations and the established methodological framework, the investigation of work incidents is essential to ensure the health and safety of employees. The methodology states that the employer has the responsibility to investigate the incidents that caused temporary incapacity for work, while the Territorial Labour Inspectorate deals with events with more serious consequences, such as disability, death or collective accidents. The Labour Inspectorate intervenes according to the methodology in the case of collective accidents caused by exceptional events, such as breakdowns or explosions. Incidents are classified according to their severity, including accidents causing temporary incapacity for work, disability, death and occupational diseases.
These measures are fundamental in the methodological framework for mitigating significant risks related to one's own workforce and for assessing the effectiveness of the actions taken in this regard.

The registration of work accidents and dangerous incidents at SNTGN Transgaz SA is done through investigation reports, in the single registers. These minutes are processed and transmitted to the organizational structures for the training of employees in occupational safety. Monitoring is done through planned inspections to prevent similar events, without validation of the indicators by an external body. For 2024-2025, no occupational diseases were reported. Occupational diseases can be reported by doctors and require confirmation from competent health units, and if confirmed, they are communicated to employers and included in the workers' annual health reports.

In 2025, the activity in the field of occupational safety and health was carried out in a planned and organized manner, aiming at eliminating the risks of occurrence of events, work accidents, dangerous incidents and occupational diseases at the workplace, as well as complying with the legislative provisions in the field of occupational safety and health, by carrying out the measures contained in the "Prevention and Protection Plan" and fulfilling the duties established by the Occupational Safety and Health Regulation. Organization and Operation of the company.

The "Prevention and Protection Plan" developed by the Logistics Department, through the Environment, Protection and Safety Directorate, respectively the Occupational Health and Safety Service and the Environment, Protection and Security Directorate has attributions and is responsible in the following areas: environmental protection, security and protection of objectives, identification, designation and protection of critical infrastructure, emergency situations, prevention and protection of employees. The management ensures the fulfillment of its objectives within the company regarding:

- prevention of pollution, accidents and incidents for all persons involved in the work process;
- waste reduction, optimal management and verification of waste resulting from its own activities;
- ensuring physical security and integrity of the objectives;
- prevention and assessment of emergency situations;
- protection of critical infrastructure;
- providing human and material resources in crisis or war situations;
- compliance with the legislation in the field of security and protection, emergency situations;
- implementing and maintaining an Occupational Health and Safety Management System;
- ensuring the safety and health of workers;
- staff training;
- monitoring of the Annual Environmental Management Program and the Prevention and Protection Plan.

In accordance with the provisions of the above-mentioned plan, Transgaz has adopted a series of measures and actions to mitigate the significant risks related to its workforce, implicitly ensuring a safe working environment, including:

- ensuring the contracting of services for the performance of the occupational medicine medical check-up and, as the case may be, traffic safety;
- reviewing the equipment with fire extinguishers, supplementing their number according to the nature and characteristics of the workplaces, placing them in easily accessible and properly signaled places;
- conducting periodic staff trainings, with content specific to the PSI theme;
- purchase of first aid kits, kits kits and medicines;
- organization of first aid courses by specialized personnel;
- purchasing personal protective equipment and wearing it according to the job;

- installation of signage/warning panels to prevent events;
- conducting OSH training and testing sessions and distributing course materials (brochures, books, magazines, DVDs) with specific materials.

These actions contribute to reducing risks, protecting the health of employees and maintaining compliance with the legislation in force.

In total, in 2025, Transgaz Group had expenses of RON 57 million, and in 2024, RON 55 million, according to financial information. These amounts exclude salaries and refer to expenses for insurance and social protection, professional training and education services, medical services, treatment and rest services for employees and members, other services for employees (for illnesses, various aids).

In order to carry out the activity within Transgaz, various services are required that are not directly related to the functioning of the National Gas Transmission System. These include consulting services, engineering services, services specific to the heritage activity, as well as communication, shareholding, advertising and advertising services. Audit, prevention and protection, environmental, security and security services, as well as IT&C operational services are also required. In addition, maintenance services for IT&C equipment and applications, administrative protocol services, accommodation and other services are included. In order to budget and monitor the expenses associated with these services, the "Programme on other services performed by third parties" is developed annually.

Petrostar SA Policy (OSH) Petrostar SA has an Occupational Health and Safety (OSH) Policy, which has as its main objective the protection of the health and safety of employees in all activities carried out. This includes measures to prevent accidents at work, reduce occupational risks, regularly train staff and provide adequate protective equipment. The policy aims to comply with national legislation and European standards, helping to maintain a safe and healthy working environment.

In the Republic of Moldova, the applicable legislation in the field of occupational health and safety, GD RM no. 95 of 05.02.2009 for the approval of some normative acts regarding the implementation of the Law on Occupational Safety and Health no. 186-XVI of 10 July 2008: Regulation on the manner of organizing the activities of protection of workers at the workplace and prevention of occupational risks, according to Annex no. 1; The Framework Regulation on the organization and functioning of the Committee on Safety and Health at Work, according to Annex no. 2 and other specific normative acts, while the legislation in the field of labor relations is mainly regulated by the Labor Code of the Republic of Moldova. These acts set out the rights and obligations of employers and employees, including rules on the protection of workers' health and safety, working regime, collective bargaining and working conditions.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S1-5

Transgaz is in the process of defining specific targets for its own workforce. At the time ofreporting, no formal targets have been set, but management has set the goal of implementing a coherent set of targets for this topic over the next two years.

Currently, the company applies a series of Codes of conduct, management systems, policies and procedures that include indicators and annual targets in key areas, such as:

- respect for employees' right to privacy;
- ensuring safety and health at work;
- protection of staff during operations;
- compliance with legal requirements;
- maintaining the health of the staff;
- compliance with the training program.

These mechanisms are the foundation on which Transgaz will build strategic targets, aimed at strengthening performance and social responsibility towards employees.

Diversity and equal opportunities

Characteristics of the undertaking's employees

S1-6

Transgaz team is made up of professionals with experience, skills and solid technical knowledge, and considers necessary, in addition to continuous development, to encourage the transfer of knowledge of these key employees, in order to ensure the long-term success of the company.

The optimal sizing of the number of personnel is correlated with the real personnel needs imposed by the operational activities carried out by Transgaz, with the modernizations and refurbishments carried out to increase safety and efficiency in the operation of the NTS (National Gas Transmission System) and the annexed facilities, as well as with the objectives set for the achievement of the company's major development projects.

The reported indicators are calculated using standardised methodologies, based on the following assumptions and methodologies:

- **Regular training of OSH workers**: It is measured by the ratio between the number of training sheets checked and the number of sheets planned. The limitation of this methodology is that the measurement is based solely on the completed documents and does not reflect the actual effectiveness of the training.
- **Training of visitors and collaborators**: The indicator is determined by the number of trained visitors in relation to the total number of visitors. A possible limitation is that it is not possible to verify the degree of assimilation of information by visitors.
- **Obtaining workers' feedback on workplace safety**: It is measured by the number of questionnaires completed by employees on safety measures. Limitations include the subjectivity of the answers and the degree of involvement of employees in filling out questionnaires.

- **Compliance with the proposed targets for safety and health**: Comparison between the values achieved and the objectives set. A limitation is that differences may arise between the implementation of the measures and the employees' perception of them.

Furthermore, '**Periodic training of workers in the field of occupational safety and health'**, measures employees' compliance with mandatory training requirements.

Training of visitors and collaborators on safety rules indicates the degree of awareness of safety measures among outsiders.

Obtaining workers' feedback on workplace safety assesses employees' perception of the work environment and the safety offered.

Framing into the proposed safety and health targets looks at whether the safety targets have been achieved during the reporting period.

Transgaz aims to ensure a homogeneous team, with a balanced structure both in terms of age groups and gender categories, however, taking into account the operational nature of the activity, the number of male employees represents 73% of the total.

For the presentation of the data, the headcount as of December 31, 2025 was used, this being the representative figure related to the workforce in the consolidated financial reports on the same date.

The data presented regarding the Transgaz personnel records are exported from the internal database, which is checked monthly. The indicators are not labelled, they are extracted according to the ESRS standard. Also, the data is not audited by a third party.

Breakdown of employees by gender

Year	Gender	Romania	Republic of Moldova	Total
2024	Women	1,021	19	1,040
	Men	2,955	56	3,011
	Other	0	0	0
	Not reported	0	0	0
	Total	**3,976**	**75**	**4,051**
2025	Women	1,060	24	1,084
	Men	3,006	58	3,064
	Other	0	0	0
	Not reported	0	0	0
	Total	**4,066**	**82**	**4,148**

Employee breakdown (contract types)

Year	Gender	Permanent	Temporary	Non-guaranteed hours
2024	Women	953	87	0
	Men	2,823	188	0
	Other	0	0	0
	Not reported	0	0	0
	Total	**3,776**	**275**	**0**
2025	Women	1,004	80	0
	Men	2,864	200	0
	Other	0	0	0
	Not reported	0	0	0
	Total	**3,868**	**280**	**0**

Full-time equivalent (FTE)

Year	Gender	Romania		Republic of Moldova		Total	
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
2024	Female	1,014	7	15	4	1,029	11
	Men	2,943	12	46	10	2,989	22
	Other	0	0	0	0	0	0
	Not reported	0	0	0	0	0	0
	Total	3,957	19	61	14	4,018	33
2025	Female	1,050	10	20	4	1,070	14
	Men	2,981	25	52	6	3,033	31
	Other	0	0	0	0	0	0
	Not reported	0	0	0	0	0	0
	Total	4,031	35	72	10	4,103	45

Out of the total of 4,148 individual employment contracts active in 2025, 45 contracts are part-time and 4,103 are full-time. Full-time is considered 40 hours/week, and part-time is considered 4 hours/day/20 hours/week and/or 6 hours/day/30 hours/week.

In the table below, the data reported for the period 2020-2023 includes only SNTGN Transgaz SA. The quantitative data for the year 2024 and 2025 include all Transgaz entities. The differences in the number of employees in 2025 come mainly from the consolidation of the Petrostar entity, acquired in 2025.

Total percentage of female employees

	2020	2021	2022	2023	2024	2025
Total percentage of women employed within Transgaz	24%	24.4%	24.5%	25%	25.7%	26.1%
Total percentage of women on the Board of Directors	0%	20%	20%	40%	40%	40%
Total percentage of women in executive management	33%	30%	32%	28%	31.7%	37,7%

The total percentage of female employees within Transgaz shows a constant trend, mainly influenced by the specifics of the jobs in the services sector offered by the company. These jobs, by the nature of the availability and effort requirements, are mostly occupied by men.

	Transgaz
Number of employees who left the company	249
Staff turnover rate	6,00%
Number of voluntary departures	98
Number of retirements	73

In 2025, a total of 249 employees left the company. The staff turnover rate was 6.00%, which is comparable to 2024 (the staff turnover rate in 2024 being 6.11%). Regarding the causes that generated the termination of employment relationships, there is a significant share of exits from the organization through voluntary departure, respectively 2.33%, while the share of employees who terminated employment as a result of retirement was 1.13% of the total number of employees who left the organization.

Characteristics of non-employees in the undertaking's own workforce

ESRS S1-7

Under Transgaz, there are no self-employed persons (people with contracts with the undertaking to supply labour ("self-employed people") or people provided by undertakings primarily engaged in "employment activities").

Collective bargaining coverage and social dialogue

S1-8

In Romania, at Transgaz level, there are four trade union organizations to which employees can join. These are:

1. Trade Union "Transport Gaz Mediaș"
2. "Metan" Professional Union Mediaș
3. "CERTEH" Research and Technology Union
4. Free Trade Union TRANSGAZ SA Mediaș

Out of the total of 4,148 employees, 3,934 are union members, resulting in a unionization rate of 94.8%, compared to 97.7% - percentage for the financial year 2024. The determination of the degree of unionization was done by dividing the number of union members by the total number of employees and multiplying by 100. This percentage has been rounded to ensure clarity in the interpretation of the data.

Within Transgaz there is no agreement with employees represented by a European Works Council (EWC), a works council of Societas Europaea (SE) or a works council of Societas Cooperativa Europaea (SCE). The employees are represented by the 4 unions legally constituted at the level of the company. Also, employees are represented in the Occupational Health and Safety Committee.

The "Transport Gaz Mediaș" trade union is the representative union at the unit level, according to the provisions of Law no. 367/2022 of the Social Dialogue, art. 54. para. (1) item C, which is why it represents the company's employees at the conclusion and performance of the Collective Labor Agreement concluded at the level of SNTGN Transgaz SA.

Also, the **Gaz Mediaș Transport Union** is a founding member of **the Federation of Trade Unions "Gaz România",** (F.S.G.R.)

The internal affiliations of the F.S.G.R. are as follows:

- founding member and vice-president of the ATLAS Federative Union, the largest trade union entity in the field of energy (oil, gas, electricity) in the negotiation of the Collective Labor Agreement at the level of the energy branch in Romania;

- the vice-presidency of the National Confederation of Trade Unions FRATIA (approximately one million members), the largest confederation in Romania;

- member of the Commission for the negotiation of the Collective Labor Agreement at national level and at the level of units.

F.S.G.R. is externally affiliated to the following organizations:

- E.P.S.U. (European Public Services Utilities), the largest European federation - 8 million members;

- E.M.C.E.F. (European Mine Chemical and Energy Workers' Federation), European federation of energy trade unions - 2 million members;

- has three full members, three alternate members and the Deputy Secretary General of the European Works Council of GDF SUEZ,

- has three full members, three alternate members of the European committee of E.ON Gaz International.

In the field of CSR Corporate Social Responsibility, F.S.G.R. is a signatory of the Agreement on Corporate Social Responsibility at the level of one of the European multinationals (with a subsidiary in Romania) operating in the field of natural gas, together with the others. Transgaz SNTGN S.A, with a validity period of 24 months, registered with the Sibiu Territorial Labor Inspectorate under no. 104/18.06.2024 in the Single Register of Evidence.

The Collective Labor Agreement within SNTGN Transgaz SA regulates individual and collective labor relations, as well as the rights and obligations of the parties regarding:

- the conclusion, execution, modification, suspension and termination of the Individual Employment Contracts;
- working conditions, safety and health at work;
- vocational training;
- working time and rest time;
- payroll;
- service rights and obligations, labor discipline;
- social protection of employees;
- other rights and obligations arising from employment relations;
- mutual recognitions, rights and obligations of the employer and trade union organisations.

The relations between the employer and the employees fall within the legal provisions in force, in 2025 no conflicting elements being identified in relation to these relationships.

Petrostar SA applies the provisions of the Collective Labor Agreement, which regulates individual and collective labor relations, establishing the rights and obligations of the parties in terms of:

- conclusion, execution, modification, suspension and termination of individual employment contracts;
- working and rest time;
- salary and other salary rights;
- working conditions, safety and health at work;
- vocational training;
- reimbursement of delegation or secondment expenses;
- special protection measures and facilities for employees;
- rights and obligations of service, labor discipline;
- other rights provided for by law.

The company promotes a constant dialogue between employees and management to identify and solve social and labor problems. This dialogue is achieved by:

- employee representatives;
- the Occupational Safety and Health Committee (OHSC), which meets quarterly;
- Employee consultation procedure.

Currently, Petrostar does not have a union, but three employee representatives are appointed, according to Law no. 367/2022, following the elections recorded in the minutes of 14.06.2024.

Eurotransgaz does not have a Collective Labor Agreement, having only three administrators as employees.

Within Vestmoldtransgaz there is an applicable Collective Labor Agreement. The Collective Agreement regulates individual and collective labor relations, as well as the rights and obligations of the parties regarding:

- the conclusion, execution, modification, suspension and termination of the Individual Employment Contracts;
- working conditions, safety and health at work;
- vocational training;
- working time and rest time;
- payroll;
- service rights and obligations, labor discipline;
- social protection of employees;
- other rights and obligations arising from employment relations;
- mutual recognitions, rights and obligations of the employer and trade union organisations.

	Collective bargaining coverage		**Social Dialogue**
Coverage Rate	Employees - EEA (for countries with >50 employees, representing >10% of total employees)	Employees – non-EEA (for regions with >50 employees, representing >10% of total employees)	Representation in the workplace (EEA only, for countries with >50 employees, representing >10% of total employees)
0-19%		Republic of Moldova	
20-39%			
40-59%			
60-79%			
80-100%	Romania		Romania

Diversity metrics

S1-9

Diversity aspects within Transgaz structures are reported to the executive and administrative management and are presented annually in the Sustainability Report, as part of the management's commitment to increase the level of diversity at the societal level. The aspects presented include indicators that measure the proportion of young people under 30 employed and maintained within the company, the proportion between male and female employees, the structure of the staff by categories of studies and the number of employees with disabilities.

Transgaz supports and encourages diversity among employees, both at the level of executive and management functions. During the reporting period, **the ratio is approximately 1:3 women vs. men**, which is mainly justified by the nature of the company's activity, which is predominantly technical.

Details on the diversity indicators at Transgaz level are highlighted in the tables below. The values presented are based on data from the human resources system as of December 31, 2025.

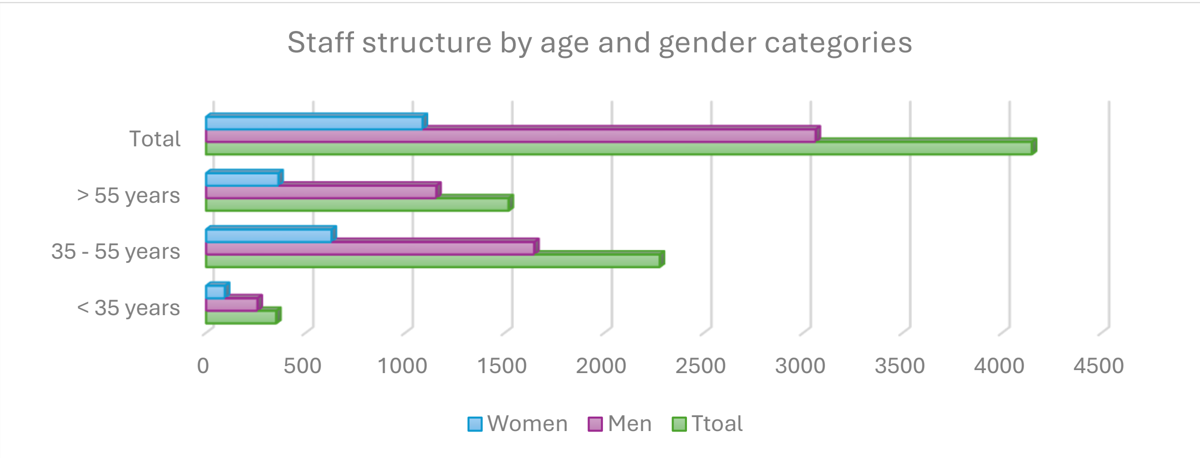
Gender distribution at top management level		
	Numeric value	%
Age		
< 35	3	6.25%
35 - 55	19	39.58%
> 55	26	54.13%
Gender		
Women	17	35.42%
Men	31	64.58%
Other	0	0
Total	48	100%

When developing the gender disclosure at the level of top management, Transgaz uses the definition of senior management as being one and two levels below the level of the management and supervisory bodies.

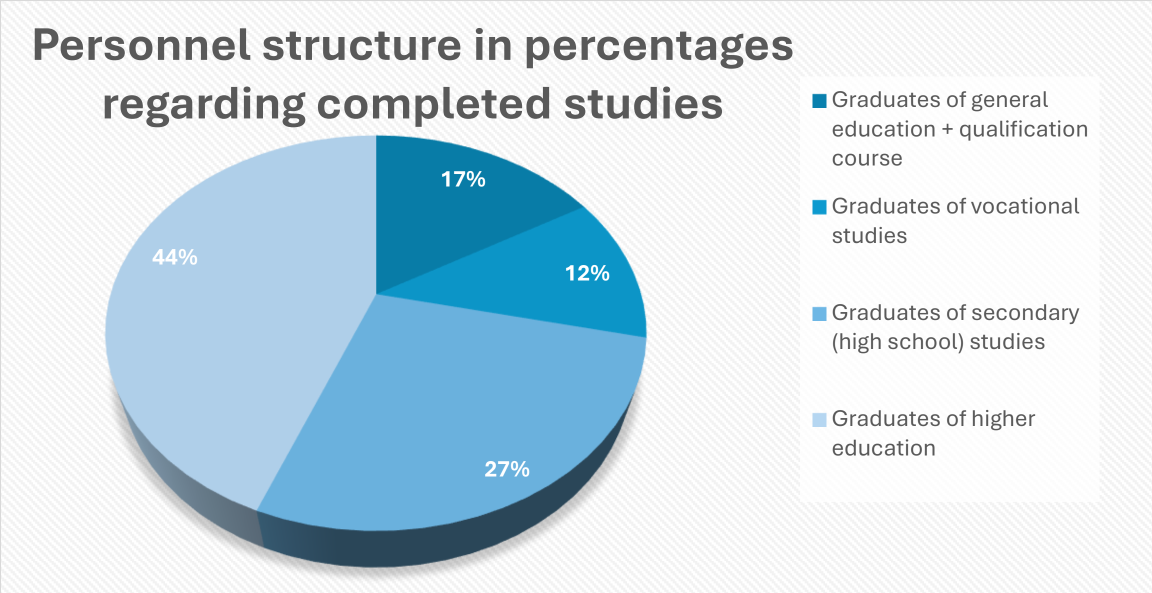
Distribution of employees by age groups

2025	< 35 YEARS OLD	35 - 55 YEARS OLD	> 55 YEARS OLD	TOTAL
Number of employees by age groups	352	2,277	1,519	4,148

The age categories used in this report (<35 years, 35-55 years, >55 years) differ from those specified in paragraphs S1-9 66. (b) of the European Sustainability Reporting Standards (ESRS), which provide for the categories <30 years, 30-50 years, >50 years. This approach was adopted to maintain consistency with internal reporting practices and to better align with the historical analysis of the company's demographics.



During the reporting period, out of the total number of own employees, the largest share (44.01%) is of people who are graduates of higher education. This reflects and confirms the characteristic of the human resources policy to attract and retain the most prepared categories of specialists in the field in which we operate.



The evolution of the personnel structure by categories of studies reflects the company's interest in covering the personnel needs by hiring highly qualified specialists, as well as the continuous improvement of the existing staff, the trends of increasing the number of employees with higher education being evident, in parallel with the decrease in the number of employees with secondary education and the number of employees with general education and in the process of qualification.

Adequate wages

S1-10

In Romania, Transgaz approved the **Policy on the remuneration criteria of the Administrators, the General Director and the Chief Financial Officer of Transgaz,** which was supplemented in implementation by the legal provisions applicable to the field of activity, by the provisions of the company's Collective Labor Agreement, by the mandate contracts, as well as by the decisions of the Board of Directors and the General Meeting of the Company. Shareholders. The policy on remuneration criteria was extended in 2025 within entities in the Republic of Moldova. Petrostar does not have such a policy, but the group's remuneration policy will be gradually extended to this subsidiary, in order to ensure a unitary framework aligned with Transgaz standards.

For the entities in Romania, respectively SNTGN Transgaz and Petrostar, the applicable minimum wage is the one provided by Law no. 283/2024, which transposes Directive 2022/2041 on adequate minimum wages, and in the Republic of Moldova, it is established according to Law no. 1432/2000

The remuneration policy, approved at the level of the Ordinary General Meeting of Shareholders, is harmonized with the company's business strategy, objectives, values and long-term interests, includes measures to avoid conflicts of interest and to ensure effective corporate governance of the company. Also, the purpose of the remuneration policy is to stimulate the increase in financial and operational efficiency and the sustainable development of the company, respecting the principles of good corporate governance.

In order to monitor the implementation of the requirements set out in the remuneration policy, the Nomination and Remuneration Committee was set up, an advisory committee established at the level of the Board of Directors. The role of the Nomination and Remuneration Committee is to assist the Board of Directors in establishing and supervising remuneration policies and practices and is also assigned responsibilities for formulating proposals regarding the application of the remuneration policy, supervising its implementation and ensuring the avoidance of the occurrence/manifestation of conflicts of interest. The remuneration conditions of the members of the Board of Directors, the General Director and the Chief Financial Officer of Transgaz are established on the basis of a study, prepared by a specialized company, carried out on the recommendation of the Nomination and Remuneration Committee.

Regarding the reporting to the company's management structures, we specify that the remuneration method and other advantages offered to directors and directors are highlighted in the annual financial statements, audited by an independent external auditor and are presented in the annual remuneration report.

The remuneration of SNTGN Transgaz SA staff is regulated unitarily by the Collective Labor Agreement (CLA). The CLA includes a hierarchy of functions and professions within the company, establishing salary limits for each hierarchical level, depending on the complexity of the work, the degree of technicality and the professional competence required for the positions in the company's organizational chart.

When negotiating salaries, the requirements specified in the Job Description (annex to the Individual Employment Contract) are taken into account, as well as a comparative assessment with the average income levels for similar activities, both nationally and internationally. Thus, the salary is established in accordance with the limits of the Nomenclature of Hierarchy of Functions provided for in the Collective Labor Agreement. In determining these limits, the average levels achieved in similar activities at national and international level were taken into account. The company currently uses a standard Individual Employment Contract, both for employees employed for a fixed period and for those employed for an indefinite period. The Individual Employment Contract implemented through the CLA, contains provisions in accordance with the national legislation applicable in the field and complies with the clauses stipulated by Order no. 64/2003 regarding the approval of the framework model of the Individual Employment Contract.

Within Petrostar, the Collective Bargaining Agreement establishes salary rights and obligations, ensuring that no employee is remunerated below the reference level of the corresponding salary.

Eurotransgaz does not have a Collective Labor Agreement, the company having only 2 administrators (1 female and 2 male) and 2 councils, both male.

Within Vestmoldtransgaz there is an applicable Collective Labor Agreement. The Collective Agreement regulates individual and collective labor relations, as well as the rights and obligations of the parties regarding payroll.

At the level of Transgaz there are no employees who earn below the reference level of the adequate salary applicable at national level, both on the Romanian and Moldovan territory.

Social protection

S1-11

The social protection of employees is a priority in a company that carries out natural gas transmission activities and engineering services. It is intended to ensure the well-being of staff and maintain a stable, safe and responsible working environment. The measures implemented include comprehensive occupational safety and health policies, ensuring working conditions in line with industry standards, access to healthcare services and social assistance programs. In addition, the company promotes initiatives that support work-life balance, helping to reduce the risks associated with technical and operational activities. Through these actions, the organization reaffirms its commitment to protecting the health of employees and creating a sustainable work environment. The company is committed to complying with all legal regulations on social protection, providing health and accident insurance, pensions, sick leave, and other benefits that support employees in case of need. Training and awareness programs for the prevention of occupational risks are also promoted and a constant dialogue between employees and management is encouraged to identify and solve social and labor problems. This creates a climate of safety and trust, which is essential for the smooth running of activities in such a critical and specialized sector.

According to the Collective Labor Agreements (CLA), Transgaz employees benefit from social protection at work (including benefits offered against income losses caused by illness, unemployment, injury at work and acquired disability, retirement). All Transgaz employees have the right to maternity / paternity / parental leave, in accordance with the legislation in force and the provisions of the Collective Labor Agreement, applicable to all employees.

Transgaz is a responsible employer and offers employees, in addition to the employment salaries and negotiated bonuses, a series of benefits provided for in the Collective Labor Agreements. The benefits are granted to employees in accordance with the provisions of the Collective Labor Agreements, specific to each country and in compliance with the legislation in the field in each country.

The main categories of benefits offered additionally to employees refer to:

- professional development opportunities;
- multiple training and improvement programs;
- meal vouchers;
- expenses incurred by the employer on behalf of employees in voluntary pension schemes;
- expenses incurred by the employer with employees' voluntary health insurance premiums;
- holiday allowance, salary increases, employees' participation in profit, depending on the company's financial situation;

- material benefits granted on the occasion of special events and/or for leave/treatment tickets;
- benefits and discounts to cover transportation expenses for commuting employees;
- Reduction of working time for pregnant employees.

Petrostar is committed to complying with all legal regulations on social protection, providing health and accident insurance, pensions, sick leave and other benefits that support employees in case of need.

According to the provisions of the Collective Labor Agreements (CLA), Petrostar ensures the social protection of employees through benefits designed to reduce the impact of income losses caused by illness, work accidents or acquired disabilities. In addition, the company offers a number of advantages that support the professional development and well-being of the staff, such as:

- training and upskilling opportunities;
- training and continuous development courses;
- meal vouchers;
- holiday allowance and profit sharing, depending on the financial performance of the company;
- paid days off for special events or family situations.

To ensure a safe and healthy working environment, Petrostar implements training and awareness programs on the prevention of occupational risks, comprehensive occupational safety and health measures, as well as working conditions in line with industry standards. Employees benefit from personal protective equipment, hygienic-sanitary materials and access to occupational health medical services, thus strengthening the company's commitment to the safety and health of staff.

Persons with disabilities

S1-12

Transgaz is committed to supporting the inclusion of people with disabilities. However, it is important to note that certain jobs within Transgaz have specific health requirements, according to the applicable legal regulations. The health status of the staff is certified at the time of employment and periodically, by the specialized occupational medicine service provided by Transgaz, so that the health status of the staff is corresponding to the identified occupational risk factors, for each position in the organizational chart.

As of 31.12.2025, of Transgaz employees, 35 people are disabled (21 men and 14 women). The indicators are not audited by an external body. Within Petrostar, 2 employees with disabilities were reported. There are no persons with disabilities among employees who are subject to legal restrictions on data collection.

2024	Female	Male	Total
Number of employees with disabilities	12	21	33
Total percentage of employees with disabilities			0.83 %

2025	Female	Male	Total
Number of employees with disabilities	14	21	35
Total percentage of employees with disabilities			0.84%

Training and skills development metrics

S1-13

Transgaz offers opportunities for human resource development through continuous training and evaluation. The high level of professional competence of employees is considered a prerequisite for achieving the objectives of any organization, as Transgaz's business model depends on human strength.

The training, improvement and professional development of the employees within the company is carried out on the basis **of the "Annual Program for Training and Professional Development of Employees",** developed at the level of SNTGN Transgaz SA, taking into account the provisions of art. 194 and art. 195 of Law no. 53/2003 (Labor Code), republished, with subsequent amendments and completions, according to which, the legal entity employer that has more than 20 employees develops annual professional training programs and has the obligation to ensure the participation of employees in courses at least once every two years.

In the field of continuous training and development, the theme of the programs focuses on the areas of interest for the development of the company's activity, namely the field of engineering, management of natural gas transmission systems, including SCADA, research and design, economics, legal, human resources, corporate strategy and management, information and communication technology and quality-environment, occupational safety and health, security, internal audit, internal and financial management control, as well as other topics of general interest necessary for the company's activity.

In 2025, through the External Training and Career Management Service, together with the Performance Evaluation and Improvement Office and the Authorizations and Compliance Office, a number of 109 training and professional development courses (including Insemex seminars/examinations) were initiated and carried out within SNTGN Transgaz SA, for a number of 608 participants.

The staff performance evaluation reported in this report refers to employees for whom the evaluation period was 2024. The evaluation process for 2024 was carried out in 2025 and was completed in June 2025, in accordance with the applicable internal procedures. At the reporting date, the performance review period for 2025 is ongoing and has not yet ended, which is why the results for 2025 are not yet completed.are currently available.

The training activities with own resources (with internal trainers) supported by the Internal Training and Professional Development Service, together with the Induction and Specialization Office and the Qualification and Improvement Office, continued in 2025 by developing the activities that were successful in 2024, but also through activities designed to ensure the need for qualified personnel in disciplines and trades for which there are needs or opportunities and at the same time by starting the training course. Specialist specialization in the Coaching activity, the Manager specialization course, authorized courses with COR code, as well as the First Aid and Wealth Declarations training courses, all supported with internal trainers for the company's employees.

The refresher courses are held as in previous years, within the organized framework of the territorial subunits (ETs and sectors), with their own specialized lecturers, appointed by internal decision by the management of each Territorial Exploitation.

During 2025, the Internal Training and Professional Development Service conducted 16 training sessions with internal trainers in order to develop professional skills, for a total of 1113 employees, the average number of training hours per employee being 71.53%.

Among the main categories of courses organized, we mention:

- Corruption Prevention Course - 5 people

- Provisions of the Competition and Corruption Prevention Law - 10 persons

- Competition Law and Prevention of Corruption - 44 persons

In the Republic of Moldova, Vestmoldtransgaz has carried out in 2025 an extensive series of training programs dedicated to various categories of personnel, as follows:

- Training for technical-engineering staff (6 employees) at the Office for Spatial Planning, Urban Planning, Construction and Housing.
- Training programs for 4 employees of the technical-engineering staff at the Technical Center for Industrial Safety and Certification.
- Courses for 10 employees (technical-engineering staff / locksmith) at the Technical Center for Industrial Safety and Certification.
- Individual training for 1 employee at Odiseu SRL.
- Participation of 2 employees in AO E-Circular Training and Consulting Center programs.
- Courses for 9 employees at I.P. OATUCI.
- UTM trainings for 2 people × 2 training sessions (technical-engineering staff).
- Training for 4 other employees at the Technical Center for Industrial Safety and Certification.
- Training of the Technical Directorate (30 employees) at the Technical Center for Industrial Safety and Certification.
- Courses for the Economic Directorate (3 employees) on IFRS Standards.
- Training for the Procurement Service (3 employees) on public procurement according to EU standards.
- Training for Human Resources (1 employee) on labor law.
- Training of the OSH department (14 employees) in the field of occupational safety and health (OSH).

The number of hours, course participants and courses are recorded in the records developed and completed in the Microsoft Excel program and managed by the External Training and Career Management Department, respectively the Internal Training and Professional Development Department. Other information regarding the participants is extracted from the MAIS Information System. The reports are extracted with a pivot.

Details about the training sessions organized at Transgaz level are presented below. The quantitative data for the period 2021 – 2023 include only the entity SNTGN Transgaz SA. The quantitative data presented for the years 2024 and 2025 include all Transgaz entities. The higher number of courses recorded in 2025 compared to 2024 reflects both the expansion of internal training programs and the increase in the need for professional development generated by legislative changes and new operational requirements. The company also encouraged participation in upskilling and reskilling programs, which led to greater employee engagement and a higher volume of reported training hours.

	Unit of measurement	2021	2022	2023	2024	2025
Number of hours allocated for company-wide courses/trainings	hours	34,030	82,428	62,110	57,612	94,865
Number of employees who attended the courses	No	1,040	1,173	1,006	861	1,668
Average number of hours of training / employee	hours	8.31	20.54	29.98	14.42	22.86
Average number of hours of training allocated to employees - women	hours	4.43	7.55	3.86	6.79	14.59
Average number of hours of training allocated to employees - men	hours	9.54	24.75	11.68	17.02	25.82
Number of hours of training allocated to employees in management positions	hours	2,748	2,828	2,500	6,252	7,354
Number of hours of training allocated to TESA staff	hours	14,244	11,372	11,044	16,272	30,906
Number of hours of training allocated to workers	hours	17,038	68,228	48,566	35,088	58,507

Performance Evaluation

Transgaz employees are annually involved in a performance evaluation process, an action that aims to strengthen the bond between employees and managers. The main objective of this iterative process is to measure and improve employees' performance at work, in order to increase their potential and value for the company, emphasizing positive performance indicators and establishing steps to achieve better results for the next evaluation interval.

The evaluation of employees' professional performance is carried out according to the internal procedure and has the following objectives:

- assessing how employees perform their duties in relation to the established criteria;
- establishing the directions and ways of professional development of employees and increasing their performance;
- the evaluation of individual professional performance is based on the systematic and objective assessment of the performance, quality of work, behavior, initiative, efficiency and creativity for each employee, and the criteria according to which the evaluation is carried out are relevant and with an important impact on the sustainable development of our company;
- Training and skills development measures.

The quantitative training and skills development indicators recorded during the reporting period for all Transgaz employees are presented in the table below:

Transgaz - employees 2025			
	FEMALE	MALE	TOTAL
Total number of employees	1,060	3,006	4,066
Periodic evaluation participation	967	2,920	3,887
% employees who participated in the periodic evaluation	89.3%	95.4%	n/a
Participation in professional training	337	1,310	1,647
% employees who have participated in vocational training	31.1%	42.8%	n/a

For the Republic of Moldova, in 2025 there were only technical courses for 82 people.

Within Petrostar, in 2025, no technical courses were organized.

Onboarding of new employees

The integration of new employees influences organizational structure, social interactions, and psychological well-being. It is essential that they quickly adapt to the company's values, procedures, and culture, facilitating collaboration and reducing anxiety. In order to make the integration of new employees easier and more comfortable, a guide with useful information has been developed and implemented, which is sent to each new employee of the company.

The guide contains information on the object of activity, the way of organization, the place occupied in the socio-economic context, the facilities offered to the staff, as well as information regarding the position held, the working conditions, the expected behavior, the people with whom it will collaborate, etc.

Employee welfare and development measures

Health and safety metrics

S1-14

In order to ensure a unitary approach and to streamline the training process of workers at the level of SNTGN Transgaz SA, the training program **'The situation of workplace accidents '** in the field of occupational health and safety at the level of the company and training topics for all phases of training in the field of OHS (general introductory training - at the level of employment, on-the-job training, periodic training and supplementary periodic training). Staff training at all levels was ensured for all newly hired employees, as well as third-party staff performing work in the company's objectives.

100% of own workforce is covered by the health and safety management system.

In accordance with the provisions of Law no. 319/2006 on occupational health and safety, at all workplaces within Transgaz, the hazards are identified and the risks are assessed for each component of the work system, namely, the worker, the work task, the work equipment and the work environment. These assessments are available to all workers and are included in the annual occupational health and safety training theme.

"The level of investigation of events in 2025" indicator is determined by comparing the number of events analyzed with the total events ocurred, and the result is expressed as a percentage.

In accordance with the provisions of Law no. 319/2006 on occupational health and safety and the Methodological Norms for the application of this law, the events occured in the labor system are immediately communicated to the interested parties, researched, recorded and reported in line with the applicable legal requirements.

Overview of occupational accidents occurring within Transgaz units during the reporting period

Details regarding the work incidents within Transgaz are presented below, 15 incidents being reported, 5 representing recordable work-related accidents with work incapacity of more than 3 days.

Work events	2024	2025
Identified	5	15
Analyzed	5	15
Resolved	5	15

As for the work-related events recorded in 2025, the analyses carried out indicated that they were specifically generated by the decrease in the level of vigilance during the performance of activities, influenced by the repetitive nature of the tasks and the operational routine, which led to the underestimation or ignorance of the existing hazards in the workplace. Considering the events analyzed in 2025, 7 were caused by pathological factors unrelated to the activity performed, and 3 were traffic accidents. The remaining incidents had contextual and operational causes, including situations such as exposure to external factors, slips or accidental falls, as well as failure to follow certain work duties.

Within the company, procedures for analyzing and resolving work-related events are developed and implemented. These procedures include steps for investigating incidents, distributing the reports drafted following the event to all organizational structures, analyzing and reassessing the risks of accidents and occupational illnesses, setting a deadline for revising the medical check-up for employees involved in work-related events, and/or completing training sessions upon resuming activity.

The situation regarding the occupational health and safety activity has evolved as follows:

Criteria	Indicator	Target	Achieved Value
Ensuring the protection of personnel during the activities within Transgaz	Rate of recordable work-related accidents	0	0.76
Compliance with legal requirements regarding OHS	Degree of compliance (%)	100%	100%
Fulfillment of the OHS program	Measures Implemented/Measures Planned (%)	100%	100%
Ensuring the health condition of personnel	Occupational illness rate (referring to conditions caused by working conditions, such as exposure to chemicals or noise)	0	0
Completion of actions	Completion rate of measures and actions as scheduled	100%	100%
Meeting OHS objectives	Degree of objectives accomplishment	100%	100%
Compliance with the OHS training program	Conducting the training according to the schedule (no. of trainings performed/ no. of trainings planned)	100%	100%

In the table below, the data reported for the period 2020 – 2023 include only SNTGN Transgaz SA. The quantitative data for 2024 and 2025 include all Transgaz entities.

ISO 45001 Certification	2020	2021	2022	2023	2024	2025
Certification coverage for Transgaz units	100%	100%	100%	100%	98.14%	97.5%

Within Transgaz, 97.5% of employees are covered by the ISO 45001 health and safety management system.

ISO 45001 certification is in place only for 2 entities: Petrostar, 83% and SNTGN Transgaz SA 100%.

The situation of work-related accidents that occurred at the workplaces withinTransgaz units, between 2024 and 2025

Events	2024	2025
No. of work-related accidents resulting in temporary work incapacity (own employees)	3	5
No. of recorded cases of work-related ill health	0	0
No. of work-related accidents resulting in disability (own employees)	0	0
No. of work-related accidents resulting in fatalities (own employees)	0	0
Total events (own employees)	3	5
No. of work-related accidents resulting in fatalities (contractors)	0	0

Number of fatalities as a result of work-related accidents

2025			
Location	Fatalities of own employees	Contractor fatalities	Total fatalities as a result of work-related accidents
Transgaz locations	0	0	0

Number of fatalities due to work-related ill health

2025			
Location	Fatalities of own employees	Contractor fatalities	Total fatalities due to work-related ill health
Transgaz locations	0	0	0

The situation presented contains only the situation of fatalities as a result of work-related accidents.

During the reporting period, Transgaz did not register any work-related accidents resulting in disability, and accidents resulting in temporary work incapacity remain at a low level. Also, in 2025, no work-related ill health were reported/investigated/declared.

The situation of work-related accidents that occurred at the workplaces within Transgaz units, in the period 2024-2025

Year	Location	Accidents - temporary work incapacity	Accident - disability	Accident - fatality
2024	Transgaz locations	3	0	0
2025	Transgaz locations	5	0	0

The absenteeism rate resulting from work-related accidents and fatalities caused by work-related accidents, work-related ill health, and fatalities caused by ill health.

2024

Location	Accidents - temporary incapacity for work	Total number of hours worked	Absenteeism rate*
Transgaz locations	3	6,699,625	0.45

2025			
Location	Accidents - temporary incapacity for work	Total number of hours worked	Absenteeism rate*
Transgaz locations	5	6,565,184	0.76

For the indicator regarding the absenteeism rate resulting from work-related accidents and fatalities caused by occupational accidents and ill health, the reporting included only SNTGN Transgaz SA, as cases of accidents resulting in temporary work incapacity during the reporting period were recorded exclusively within this entity.

During the reporting period, 551 calendar days of temporary incapacity for work were recorded, caused by work-related accidents of our own employees who were involved in the 5 work-realted accidents mentioned in the section "The situation of work-realted accidents that occurred at workplaces within Transgaz units". In 2024, 107 days were recorded, a lower level determined by the reduction in the number of work accidents and shorter durations of hospitalization or sick leave.

The 2024 – 2025 Lost time incident rate (LTIR) is calculated according to the standard formula:

LTIR = (number of accidents × 1,000,000) / total number of hours worked in the reference year, the values related to this indicator being presented in the aggregated tables above.*

Number of employees trained in the field of Occupational Health and Safety

The training of SNTGN Transgaz SA employees on occupational health and safety is carried out in accordance with the provisions of Law no. 319/2006 on employment, at the workplace, periodically and additionally, when necessary, based on programs and themes established differentiated by jobs and professions. All employees are required to complete mandatory OHS training, at employment, at work, periodic and supplementary when necessary. Specialized personnel with specific responsibilities in the field of OHS are trained by participating in training programs dedicated to the responsibilities held within the internal Occupational Safety services organized at company level.

	2024	2025
Competent OHS specialists and employees with specific responsibilities in the field of OHS (number of people)	34	38
General trained staff including OHS topics (number of people)	3,976	4,081

The health status of Petrostar employees is assessed upon employment and periodically, through the specialized occupational medicine service provided by the company, in

order to guarantee compliance with the occupational risk factors specific to each position in the organizational chart.

In order to maintain and improve performance in the field of occupational health and safety, Petrostar establishes, plans and monitors OHS objectives at the level of the relevant functions and departments, in accordance with the requirements of the **SR EN ISO 45001:2023** standard.

The company places particular importance on the proactive improvement of performance through:

- Risks and opportunities identification associated with activities;
- Planning and implementing actions toaddress them;
- Evaluation of the effectiveness of the measures adopted.

From the perspective of occupational health and safety risks, Petrostar has:

- risk assessments for each work-place;
- specific prevention measures;
- annual prevention and protection plan;
- thematic trainings and periodic tests;
- operational procedure **PS 4310 rev. 5** on hazard identification, risk and opportunity assessment.

Within the projects, the company develops risk management plans from the bidding phase, updated during the course of the projects. They cover general risks – technical, economic, external, commercial, organizational, political or generated by the authorities – both for the design stage and for the construction in the case of "turnkey" projects. Specific documentation includes assessments and plans for technological, occupational health and safety risks, as well as environmental risks and associated impacts (HAZID, HAZOP, ALARP, HSSE Risk Assessment, HSSE Risk Register, OHS Plan for the respective project).

Regarding the companies in the Republic of Moldova, one OHS (Occupational Health and Safety) training course was organized. For fire prevention (PSI), the company has implemented specific instructions, a collaboration agreement with the General Inspectorate for Emergency Situations and a register of fire extinguishers.

As the integration process progresses, these practices will be harmonized at the level of the Transgaz group, in order to ensure a unified framework of occupational health and safety.

Regarding the measures adopted for the prevention of work-related events, we specify that these have taken into account at least the following: reviewing / updating the protection and prevention plans drawn up for 2025, supplementing the training programs in the field of health and safety at work, processing at the level of all employees the provisions of the internal regulatory framework issued in the field of health and safety at work, stepping up controls and/or assigning additional responsibilities for carrying out regular checks.

Transgaz did not register any disputes following the work events identified in 2025 and it was not necessary to pay damages following their manifestation.

Work-life balance metrics

S1-15

Transgaz wants to attract specialists to its teams, to whom it offers, in addition to the salary part, an extended package of benefits established according to the annual budgets.

Employees have the right to be absent from work in unforeseen situations, determined by a family emergency situation caused by illness or accident, which make their immediate presence indispensable, under the conditions of prior information to the employer and with the recovery of the period of absence until the full coverage of the normal duration of the employee's working hours.

In the event of special family events, employees are entitled to paid days off, which are not included in the duration of the leave. Special family events and the number of paid days off are established by law, by the applicable collective labor agreement or by the internal regulations, according to the Labor Code.

The data are extracted from reports generated by the internal MAIS platform, the platform built specifically for SNTGN Transgaz SA. For companies in the Republic of Moldova, the internal program C1 is used.

Through the collective labor agreement, unique at national level, applicable to all companies, **employees have the right to paid days off for special family events or for other situations, as follows:**

- the employee's marriage – 5 days;
- marriage of a child of the employee – 2 days;
- birth of a child – 5 days + 10 days if the child's father attended a childcare course;
- death of spouse, child, parents, in-laws – 3 days;
- death of grandparents, brothers, sisters – 1 day;
- blood donors – 1 day;
- change of job within the same company, with the move of domicile to another locality – 5 days; 30 days of unpaid leave for preparing and defending the diploma thesis in higher education.

2025			
	FEMALE	MALE	TOTAL
Total number of employees	1,084	3,064	4,148
Employees entitled to take family-related leave	1,084	3,064	4,148
Employees who have taken maternity, paternity or parental leave	42	17	59

Employees who have taken carers' leave	28	8	36
Percentage of employees entitled to take family-related leave	100%	100%	100%
% of employees who took family-related leave	6.45%	0.82%	2.29%
% of employees who have taken maternity, paternity or parental leave	3.87%	0.55%	1.42%
% of employees who took carers' leave	2.58%	0.26%	0.87%

In addition, in 2025, at the level of SNTGN Transgaz SA, maternity leave was extended – pre-natal and post-natal, for female or male employees or for adopted children regardless of the sex of the parents, in a total amount of RON 453,973, the total number of hours of maternity leave granted to employees in 2025 being 7,472 hours.

In the Republic of Moldova, maternity leave includes prenatal leave of 70 calendar days and postnatal leave of 56 calendar days, for a total of 126 calendar days.
The establishment of the maternity allowance is carried out by the National Social Insurance Agency based on the information in the maternity medical certificate, sent by the medical service providers through secure intersystemic connections.

At Petrostar, all employees benefit from the right to maternity and paternity leave for raising a child, in accordance with the legislation in force and the provisions of the Collective Labor Agreement, applicable to all staff.

Compensation metrics (pay gap and total compensation)

S1-16

The remuneration of Transgaz personnel is regulated in a unified manner by the Collective Labor Agreement (CLM), which includes a hierarchy of functions and jobs within the company. Here, salary limits are mentioned for each hierarchical level, established according to the complexity of the work, the degree of technicality and professional competence specific to the positions in the organizational chart.

When negotiating the salary, the requirements contained in the Job Description, annexed to the CLM, are taken into account, a comparative assessment with the average levels of income achieved in similar activities nationally and internationally, thus resulting in a salary whose value will be established in accordance with the limits in the Nomenclature of Hierarchy of Functions provided for in the CLM.

In compiling the information and figures below, for the difference in remuneration between female and male employees, Transgaz used the methodology within the ESRS standard.

The gender pay gap is presented in the table below:

Total pay gap	2025	2024
România	-4%	-4.2%

Total pay gap	2025	2024
Republica Moldova	8%	3.7%

The variation in the total gender pay gap in the Republic of Moldova has increased by 4%, which is due to the general increase in salaries from one year to the next, but also to the employment of people in higher positions (men), who have a salary corresponding to the position.

The annual remuneration rate is presented in the table below:

Remuneration ratio	2025	2024
România	8.4	7.8
Republica Moldova	4.3	3.5

The remuneration rate increased in 2025 in both Romania and Moldova as a result of salary increases from one year to the next.

The measurement of remuneration indicators is not validated by an external body other than the insurance provider.

Protection of human rights

Incidents, complaints and severe human rights impacts

S1-17

Equal opportunities and equal treatment among Transgaz employees are basic pillars of the way current activities are carried out, which is why discrimination based on gender, religion, nationality, age, sexual orientation, disability or political affiliation is also firmly prohibited within Transgaz. In the financial year 2025, there were no incidents of discrimination or harassment among the company's employees and no employee complaints regarding occupational health and safety.

There were also no labour-related incidents and/or complaints or serious human rights impacts (e.g. forced labour, trafficking in human beings or child labour) within their own workforce. The company did not receive any significant fines, sanctions or compensation in relation to human rights or its workforce in 2025.

Transgaz recorded zero cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Companies during the reporting period**.**

Incidents of human rights violations

2025	
Number of incidents of human rights violations	0
Number of employee complaints about human rights	0

Number of employee complaints about OSH	0

Incidents of discrimination and harassment

2025	
Total number of incidents of discrimination, including harassment	0
Number of complaints submitted through the channels through which people in the company's own workforce can voice their concerns	0
Total amount of fines, penalties and compensation for damage caused by incidents	0
Remedial actions	0

ESRS S4 – Consumers and end-users

Interests and views of stakeholders

SBM-2

Consumers and/or end users represent a main group of stakeholders for Transgaz, presented in the list of stakeholders under the category "Customers and users of the infrastructure" and are represented by entities that are located in the Municipality of Bucharest and in each county in the country. The gas does not belong to Transgaz. In addition to the transmission service, Transgaz also offers engineering services for gas producers, which include design, technical consultancy, feasibility studies and supervision of works; These manufacturers are the direct customers, while the end users are the customers of the distributors.

The interests and points of view of customers and end-users of a natural gas transmission company and engineering services are varied and complex, reflecting both economic, social and environmental needs. These can be summarised into several main categories, such as:

- **Continuity of service:** End users, regardless of the category they belong to, want to have uninterrupted access to natural gas.
- **System safety:** Customers are concerned about the safety of the transmission network, wanting to avoid the risks of explosions, gas leaks or other accidents.
- **Competitive tariffs:** Customers want affordable and competitive tariffs for the transmission of natural gas, given the direct impact on production costs and their budgets.
- **Cost transparency:** End users appreciate transparency in the pricing structure and clarity in billing.

- **Quality standards:** Ensuring a high level of quality of services, including reaction times to requests and promptness in solving problems are appreciated by end beneficiaries and consumers.
- **Reducing emissions:** Customers are increasingly concerned about their environmental impact and prefer companies that take action to reduce emissions of greenhouse gases and other pollutants.
- **Compliance with legislation:** End users want to be sure that the carrier complies with all applicable regulations and legal standards.
- **Ethics and responsibility:** Transparency and ethics in the company's operation, including respect for consumer rights and social responsibility, are topics of interest to customers.
- **Community impact:** Customers are interested in how the company's activities affect local communities and the company's positive contribution to their development.
- **Dialogue and collaboration:** The company's openness to communicate and collaborate with local communities and authorities is appreciated by these categories of stakeholders.

These views and interests are essential to our company's strategies and operations, influencing both customer satisfaction and the long-term success of Transgaz. No changes have been implemented for 2025. From a commercial point of view, customer feedback can be considered the one obtained in the process of measuring their satisfaction. Among the aspects appreciated by customers are improvements to the user experience, such as the translation of the menu in GMOIS, which made it easier for non-resident customers to access and use the platform. Such optimizations help to increase satisfaction and improve interaction with our services.

Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3

Transgaz's activities are carried out in such a way that the impacts on consumers and end users are positive in the long term, contribute to the development of society and properly manage the risks arising from the interaction with customers. Transgaz's activity is B2B and its customers are companies in the energy field, also exemplified in the graph in subchapter S4-1 *Policies related to consumers and end users*.

Also, Transgaz's strategy and business model, through its listing on the stock exchange, ensures transparency and access to quality information, which has a positive impact on gas end consumers and capital market participants. In addition, through the transparency it offers in its reports, Transgaz effectively manages risks.

In terms of significant positive impacts, Transgaz respects the right to privacy, freedom of expression and access to quality information of its customers. This helps to improve the accessibility of information for all consumers and end-users.

The impacts identified in relation to Petrostar do not alter Transgaz's strategy or business model, as Petrostar's activities are complementary to existing and integrated services in the value chain. The double materiality analysis did not reveal any significant risks requiring the strategy to be adapted.

In this regard, both the General Data Protection Regulation (GDPR) of the European Union and the Code of Ethics of the organization are complied with, as well as the Regulation on the processing of personal data SNTGN Transgaz SA.

As part of the double materiality analysis, Transgaz assessed all its direct customers who may be affected by the group's operations or who may generate significant impacts. Transgaz's customers are exclusively legal entities, mainly natural gas suppliers, distributors, storage operators, export entities and a small number of industrial consumers directly connected to the National Transmission System.

Transgaz does not have a direct contractual relationship with individual end users, which is why specific groups of end users in the classic sense have not been identified. However, the potential impacts on end-users were analysed through the value chain.

As part of the double materiality analysis, Transgaz identified the risk that non-compliance with the right to privacy, freedom of expression and access to quality information would affect end users in the area of activity, while generating a reputational risk for the group. These risks have not led to changes in strategy or business model, but have been integrated into the governance and monitoring process to ensure regulatory compliance and maintain the trust of all stakeholders. In 2025, preventive actions have been initiated, such as the development of data protection and transparency policies, which will help reduce these risks in the medium and long term.

As part of the double materiality analysis, Transgaz strengthened the understanding of how end-users may be exposed to an increased risk of injury. The risks identified were assessed at a general level, targeting all end-users, without focusing on a specific category or group. No isolated incidents were reported for 2025 and the measures taken were aimed at initiating the process of developing data protection and transparency policies, with the aim of mitigating potential risks and strengthening the trust of all end-users.

The negative impact identified in 2025 was analyzed at a comprehensive level, given the interdependence between risks, opportunities and Transgaz's strategy, and not as isolated events or individual business relationships.

The impact and risks associated with consumers and end-users are identified and assessed as part of the double materiality analysis process, in an internal workshop, as well as through consultation with external stakeholders and other literature sources. These are summarised in ESRS 2 – General Information, under the sub-chapter entitled **Material impacts, risks and opportunities and their interaction with strategy and business model**. Thus, even if there are no established processes within Transgaz for communicating with end users about impacts, the ethical approach is an essential factor in any interactions.

Managing impacts, risks and opportunities

Policies related to consumers and end-users

S4-1

SNTGN Transgaz SA demonstrates a strong commitment to quality, safety and responsibility by adopting international certifications. By implementing ISO 14001, the company shows its concern for environmental management, contributing to the well-being of consumers by reducing environmental impact. At the same time, the ISO 45001 certification, which focuses on occupational health and safety, reflects the attention paid to safety, both for employees and end users. In addition, ISO 9001 guarantees a consistent quality of products and services, meeting consumer expectations and increasing consumer satisfaction.

Through these standards, Transgaz promotes transparency and accountability, strengthening consumer trust and encouraging innovation and continuous improvement for the benefit of end users.

Transgaz has the Internal Regulation on the processing of personal data applicable to the processing carried out within SNTGN Transgaz SA. The Regulation sets out the principles, responsibilities and procedures for data protection, covering issues such as the legal bases for processing, the rights of data subjects, technical and organisational security measures, data retention and the role of the compliance officer.

The Regulation applies to the processing of personal data carried out by automatic and non-automatic means within the National Gas Transmission Company "Transgaz" SA. Regulation (EU) 2016/679 (GDPR) and Law no. 190/2018 on measures to implement the GDPR. The interests of employees and collaborators are taken into account, ensuring the protection of personal data and the respect of their rights. Also, the policy is communicated internally through periodic trainings and is accessible to employees and collaborators on the Transgaz website (for Romania) and on the Vestmoldtransgaz website (for the Republic of Moldova). The policy on the protection of personal data was extended in 2025 to entities in the Republic of Moldova.

In the case of Vestmoldtransgaz, the Regulation on the protection of personal data was drafted in 2025, to be formally approved and implemented during 2026.

Also, on the Transgaz website there is a section dedicated to the Protection of personal data, where users and end consumers can find information and forms for exercising the right of access, exercising the right to rectification of personal data and other rights provided by the GDPR (https://www.transgaz.ro/en/public-interest/protection-personal-data).

Transgaz plans to develop and implement in the next 2 years a strategic plan aimed at managing the significant impacts, risks and opportunities associated with consumers and end users. At the moment, such a plan is not available. Currently, Transgaz does not have a dedicated policy for managing the negative impact of engineering services.

Transgaz has not implemented specific policies for areas already regulated by legislation, but is committed to respecting and implementing the UN Guiding Principles on Business and Human Rights, as well as the OECD guidelines. Transgaz also ensures that its activities comply with the ILO Declaration on Fundamental Principles and Rights at Work, thus aligning with international human rights standards.

In 2025, no cases of non-compliance with the International Labour Organization (ILO) Declaration, the UN Principles or the OECD Guidelines were identified and reported in the downstream value chain of the Transgaz Group.

In 2025, Transgaz completed the elaboration of the Human Rights Policy at a consolidated level that addresses the observance of fundamental principles and includes mechanisms to prevent and remedy impacts. Its drafting took into account recognized international standards and guidelines, such as the International Bill of Human Rights, the ILO Declaration and Conventions, the UN Guiding Principles, the Global Compact, the Sustainable Development Goals and OECD guidelines. The Human Rights Policy was designed in 2025 and will be adopted in the course of 2026.

Procedure PO 7200 on customer relations describes how projects are contracted and carried out, including the means of communication used with customers. This procedure ensures a transparent and efficient relationship with the beneficiaries, from the bidding stage to the handover of the project.

The Code of Professional Conduct and Ethics defines the standards that guide Petrostar's activity, based on values such as professionalism, compliance with legal and contractual requirements, impartiality, non-discrimination, freedom of thought and expression, confidentiality, moral integrity, fairness and loyalty. These principles ensure ethical and responsible behaviour in all professional relationships.

Petrostar's policy on the protection of personal data establishes the company's commitment to comply with the applicable legislation in the field, ensuring the protection of the data of employees, customers, suppliers, external auditors and partners who interact with the company. This policy regulates the way in which data is processed and protected so that its confidentiality and security are guaranteed.

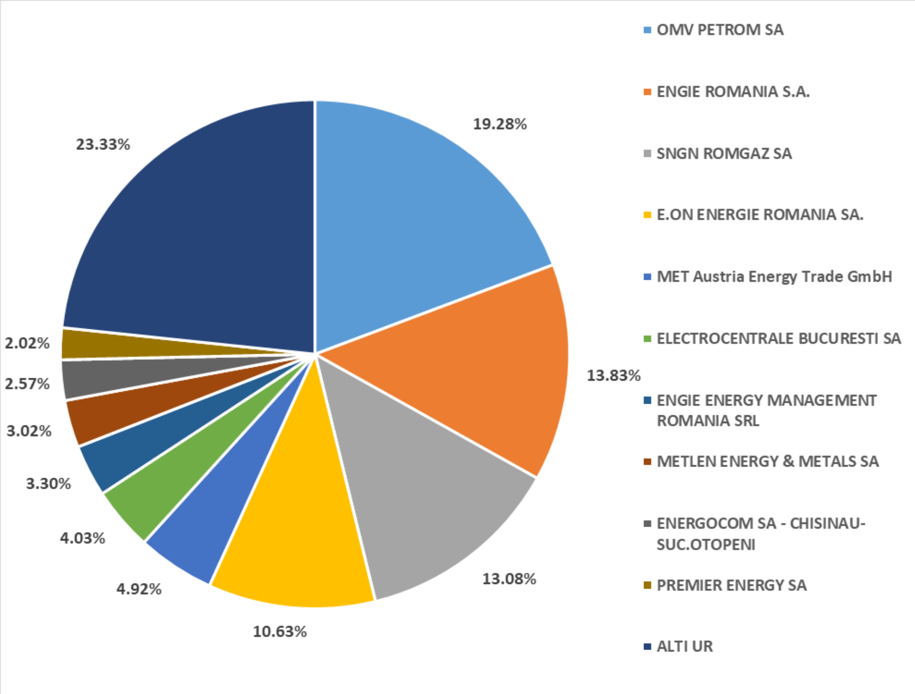
Regulation (EU) 2016/679 (GDPR) and Law no. 190/2018, mentioned as legislative landmarks, provide the legal framework for the protection of personal data, and Petrostar aligns its activity with these provisions, ensuring the compliance of all data processing processes.

Procedure PO-7500 on the processing and protection of personal data describes the concrete way in which Petrostar handles personal data, both by automated means and by manual processing. The procedure sets out the protection and security measures, as well as the internal rules applicable to all persons involved in the processing of such data.

The Personal Data Security Incident Record Register contains information on any data security breach, being an essential tool for monitoring, investigating and preventing possible future incidents.

The Constitution of both Romania and the Republic of Moldova include provisions on fundamental human rights, being aligned with international standards, helping to guarantee their observance within the respective jurisdictions.

The main beneficiaries of the natural gas transmission service in 2025 are presented below:



At the level of SNTGN Transgaz SA there is the "Processing Record Register", a document in which the information on the processing of personal data at the level of the company (collected, processed and stored) is centralized, as well as the persons designated within each structure as a point of contact with the DPO. The register is updated annually or according to the changes in the organizational structure of SNTGN TRANSGAZ SA according to the existing organizational chart.

Example of forms used within the company that is an integral part of the Internal Regulation: the declaration of agreement on data protection, consent for the processing of personal data, the privacy statement, information note on the processing of personal data collected through electronic timekeeping / access control and video surveillance systems. The documents through which advice is provided or the technical/organizational measures are monitored: Register of persons trained/advised by GD.

An annual advice and monitoring plan for the DPO is developed and training sessions are held, counseling for the staff processing personal data, during which the relevant aspects of the legislation on the processing of personal data are presented. The monitoring of the correct implementation is carried out by verifying the documents (physical and electronic) within each structure that processes personal data.

Transgaz, Petrostar and Vestmoldtransgaz act on the basis of distinct Codes of Ethics, which establish the general framework of conduct applicable in relation to end users and in internal activities. The detailed description of each Code of Ethics is presented in Chapter G1 – *Professional Conduct*.

It is envisaged to comply with the legal requirements for obtaining regulatory acts from the authorities. Consultations with consumers and end-users take place mainly in the context of the process of obtaining environmental permits and permits, where they are needed.

Transgaz ensures the veracity and accuracy of the information provided to customers through a well-defined procedural and ethical framework. The operative communication between the Operational Directorates and the Network Users is mainly carried out through the GMOIS computer application, where users have direct access to official data on commercial processes, including capacity reservations, physical and virtual points, allocations of transported gas quantities and any imbalances. In addition, the information is also transmitted through written communications – e-mails and official addresses issued according to the System Procedure on External Communication, which establishes clear standards for the formulation, approval and transmission of messages to interested parties.

At the same time, the company's Code of Ethics obliges all staff to provide correct, complete information that is in line with reality, avoiding any form of misinformation or intentional error. Through the integrated use of the GMOIS application, internal communication procedures and ethical rules, Transgaz ensures a high level of transparency, accuracy and responsibility in the relationship with customers.

Consultation processes are aimed at the general public, including consumers and end-users, and are organised as needed, as there is no dedicated consultation process.

The information included in the report reflects the fact that, in 2025, the Human Rights Policy was developed taking into account the relevant international standards (ILO Declaration, UN Principles, OECD guidelines), which are integrated through an analysis of international requirements and good practices. The alignment process was achieved by reviewing the applicable legislative framework and by internal linkage with existing policies and procedures. For 2025, Transgaz did not carry out formal processes of consultation with customers or end users on human rights issues, and the report mentions that no situations were identified that would require mechanisms to remedy the impacts during the reporting period.

Processes for engaging with consumers and end-users about impacts

S4-2

At Transgaz level, no general procedures have been established to interact directly with consumers and end users regarding the impacts of the company's activities. This aspect is determined by the specifics of Transgaz's activity, which operates exclusively in a business-to-business (B2B) regime and does not have direct relations with end consumers. All relevant information to the public is communicated transparently through publication on the company's online platform, including press releases and legislative updates.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

S4-3

Within Transgaz, there is no process for evaluating remedial measures. Transgaz did not register any warnings/sanctions/fines/recommendations from the National Supervisory Authority during 2025, with no violations, thefts or loss of personal data of individuals employed or collaborators. The requests for anonymization/deletion of personal data were solved by blurring (obfuscation by total marking) of the information on the letter or electronic support, the withdrawal of documents from the electronic communication channels.

The contact details are present on the www.transgaz.ro website http://www.transgaz.ro/ , in the section dedicated to the protection of personal data. The requests of the data subjects can be submitted to the Company's Registry in C.I. Motaș Square no. 1, Mediaș Municipality, Sibiu County - Document Management and GDPR Service, can be sent to the e-mail address: dpo@transgaz.ro or by mail to the headquarters of SNTGN Transgaz SA, with registered office in P-ța C.I.Motaş, Nr.1, code 551130, Mediaș, Sibiu County. The dpo@transgaz.ro address mailto:dpo@transgaz.ro is managed by the company's data protection officer. In the "Internal DPO Complaints Register" you can see how to solve a case involving the request for personal data.

In 2025, the efficiency of the channels for reporting concerns and complaints regarding affected communities has been ensured through the continuous functioning of existing mechanisms, accessible to stakeholders, which allow the transmission, registration and analysis of complaints, without reporting significant malfunctions or bottlenecks in their use.

Transgaz also has internal procedures for the protection of whistleblowers in the public interest, which ensure the availability and functioning of reporting channels. These procedures are applicable to entities in Romania and the Republic of Moldova, and further details are presented in Chapter G1.

Although Transgaz does not collaborate directly with consumers and end users, on the public website there is a section regarding complaints regarding the natural gas transmission and system service according to ANRE order 140/2021. Also, on the Petrostar website there is a section dedicated to complaints regarding the engineering services offered. Through it, Transgaz seeks to maintain a commitment to corporate responsibility and transparency.

Petrostar has implemented and used the procedure no. PO-8211 "Handling of complaints". According to it, complaints regarding Petrostar's products, services and activities, officially received from customers or other interested parties are analyzed and followed up by the head of the Integrated Management department and the HSE, together with the General Director. Complaints related to environmental protection and OSH are analyzed and followed up by the Environmental Officer and the OSH Specialist, together with the head of the service responsible for generating the environmental/OSH problem under the supervision of the design director. In order to prevent risks associated with the quality and safety of design and engineering services, Petrostar applies a rigorous set of internal procedures and operational mechanisms that ensure the technical compliance of the works. The processes are carried out based on its own design, verification and technical approval procedures, as well as the quality management system implemented at the company level.uThe quality of the technical documentation is ensured through internal checks in successive stages, which include the analysis of design solutions, the assessment of technical risks and the validation of compliance with the rules and regulations applicable in the oil and gas industry. The documentation is endorsed by designated specialists and subject to managerial control before being sent to customers.

In the execution phase, Petrostar monitors the implementation of the designed solutions and maintains an active flow of communication with the beneficiaries, so that any non-compliance or necessary changes are identified and communicated promptly. By consistently applying these measures, Petrostar ensures a high level of quality, safety and reliability of its design and engineering services.

At Vestmoldtransgaz, the responsible persons who verify the notifications or complaints received are the Compliance Officer or, as the case may be, the Legal Department.

Consumer and end-user trust was not assessed in the referral channels.

Transgaz constantly updates the information available on the online platform on issues of public interest, such as press releases and legislative changes.

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions

S4-4

In 2025, no complaints or notifications were made to the National Supervisory Authority for Personal Data Processing and requiring the submission of answers or clarifications regarding the violation of the confidentiality of employees and collaborators.

Transgaz did not register warnings/sanctions/fines/recommendations from the National Supervisory Authority for Personal Data Processing, and internally no risk incidents were identified generated by non-compliance with the provisions of the internal regulations issued for data protection purposes. Also, in 2025 there were no incidents related to human rights violations.

The objective of the actions carried out in the field of data protection and human rights is to prevent incidents from occurring, to ensure compliance with the applicable legislation and to protect employees, collaborators and customers by implementing standardized and preventive processes.

The company's management is periodically informed about the processes implemented regarding the aspects related to the protection and management of personal data through periodic reports and presentations. Monitoring is carried out through regular reports from process managers, internal assessments and risk analyses, and management uses this information to decide whether procedures need to be updated or additional measures to be implemented.

The degree of customer satisfaction is a very important indicator for Transgaz. On an annual basis, Transgaz asks customers for feedback on the quality of the products and services provided, through satisfaction questionnaires.

The importance of this feedback is also highlighted by the inclusion of the Board of Directors in the remuneration policy. Thus, by the OGMS Decision no. 8/6.12.2021, the financial and non-financial performance indicators for the period 2021 - 2025 were approved, which constitute an annex to the directors' mandate contracts.

In this regard, the level of customer satisfaction is also taken into account when calculating the variable composition of the remuneration of the members of the Board of Directors. The objective involves the achievement of the targets set out in the management plan (According to PP 165 Customer satisfaction assessment, a score between 6-8 means that the services offered have adequately satisfied the customers' requirements).

The results of the customer satisfaction assessment processes are regularly reviewed to determine the effectiveness of the measures implemented, and the conclusions and possible directions for improvement are included in the reports to the management and the relevant authorities.

Within Transgaz, activities are permanently carried out that lead to the continuous improvement of personal data protection management processes. Procedures, forms, plans, continuous records of processing, staff training for the implementation of the GDPR have become essential in the process of awareness and responsibility, as key points in complying with the standards provided for in the EU Regulation. These measures are part of the internal control system, helping to prevent risks and maintain an adequate level of data protection.

In order to mitigate the risk regarding the right to privacy, Transgaz ensures that this policy is put into practice and reviewed annually. The evaluation of the effectiveness of the measures implemented is carried out through internal checks, analysis of possible signs of non-compliance and updating of procedures when necessary.

The customer satisfaction evaluation process is managed by the Integrated Management System Service, based on the procedure PP SA 01 – *Customer satisfaction evaluation*, edition and revision in force. The evaluation for the year 2025 generated two distinct reports: one for the General Director and one for the Agency for Monitoring and Evaluation of the Performance of Public Enterprises (AMEPIP). Both reports include the findings, conclusions and measures proposed to improve the customer experience, accompanied by a Summary Table obtained based on the information from the questionnaires completed by the customers who responded to the company's request. The standard customer satisfaction assessment questionnaire was the basis of the entire analysis process, allowing the feedback received to be structured and compared. The results of the evaluation for 2025 indicate a high level of customer satisfaction with the services offered by SNTGN TRANSGAZ SA.

As regards the organization of courses with specific themes, in the reporting year, programs dedicated to the development of skills in the field of personal data protection were carried out. Thus, two employees – the Compliance Officer and the Archivist – participated in the "Personal Data Protection Officer" course.

Transgaz also includes in its training programs regular counseling, training and awareness sessions on the risks associated with non-compliance with the General Data Protection Regulation (GDPR). These are carried out by the Data Protection Officer (DPO), within the annual advisory and monitoring plan, being documented through the registers with trained personnel. In 2025, the training targeted TESA staff handling personal data across all ETs, with the aim of strengthening accountability and reducing operational risks associated with data processing. The results of these activities are evaluated by the degree of coverage of the trainings and the informal feedback of the participants.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S4-5

The adoption of specific targets related to Transgaz's consumers and beneficiaries/end-users (including impacts related to their information) has not yet been achieved in an internal process based on materiality analysis. However, the company has implemented policies and procedures that ensure confidentiality, freedom of expression, and access to quality information for this category of stakeholders.

There is currently no formal process to monitor the effectiveness of these policies and actions. Transgaz is in the process of establishing a set of measurable targets for managing impacts and risks related to consumers and end-users, in line with the requirements of ESRS standards.

ESRS G1 - Business Conduct

The role of the administrative, supervisory and management bodies

ESRS 2 GOV-1

Transgaz's professional conduct is influenced by the requirements of European energy policies regarding energy safety and security, sustainable development and competitiveness. Thus, Transgaz has developed principles of corporate governance and responsible, transparent business, as a necessity in the application of Transgaz's business strategy and policies. The aim is to ensure a rigorous framework for sizing and regulating corporate governance at Transgaz level.

The Board of Directors of SNTGN Transgaz SA carries out its activity based on the provisions of GEO no. 109/2011 on the corporate governance of public enterprises, with subsequent amendments and completions. The Board of Directors delegated the management of the company to a General Director who is also a director, becoming an executive director. The Board of Directors of SNTGN Transgaz SA has general competence to perform all the necessary acts for the successful performance of Transgaz's activities, being composed of 5 members who ensure the efficiency of the capacity to manage, analyze and evaluate the company's activity as well as the fair treatment of shareholders. The role and powers of the Board of Directors are provided for in the Rules of Organization and Functioning of the Board of Directors.

The expertise of the members of the General Meeting of Shareholders in the field of governance conduct is essential for creating an organizational culture based on integrity. Members have a solid knowledge of international legal norms and standards and business conduct, being familiar with governance principles that promote transparency, accountability and fairness. In this context, they have adopted a Code of Ethics and detailed policies within G1, which regulate professional conduct. By upholding ethical values, members contribute significantly to protecting Transgaz's reputation and maintaining an ethical, professional and responsible work environment.

The members of Transgaz's Board of Directors and Executive Management are elected on the basis of their diverse skills and experience, in accordance with the principles of ethics and integrity stipulated in the legislation applicable to commercial companies.

Also, for each entity, there is a Board of Directors that has the necessary expertise to meet the selection requirements.

Petrostar's corporate governance is based on compliance with applicable legislation and the implementation of an integrated quality, environmental, health and safety management system at work. The company's policies aim to comply with legal requirements, transparency and accountability in design and engineering activities, prevent pollution and reduce environmental impact, as well as protect the health and safety of employees. The management structure includes the Board of Directors and the Chief Executive Officer, who ensures the implementation of strategic policies and performance monitoring.

Currently, Transgaz is in the process of setting measurable results-oriented targets for the next 3 years, also taking into account the requirements and updates of sustainability reporting standards. Moreover, a formal process is being worked on to monitor the effectiveness of the company's policies and actions.

The General Meeting of Associates of Vestmoldtransgaz SRL is the governing body that decides on its activity and its economic policy. The General Assembly of Associates meets in ordinary meetings at least once a year and in extraordinary meetings whenever necessary, on its own initiative or at the convocation of the Company Board. Vestmoldtransgaz SRL has a collegial supervisory body, namely the Company Board, and is managed by a sole Director acting as the executive body. The Board of Vestmoldtransgaz is composed of five members who carry out their activity in accordance with the provisions of the Company's Articles of Association and, as applicable, based on the Regulations of the Board approved by the General Meeting of Associates. The members of the Board of the Company and its President are appointed for a term of four (4) years and may be dismissed at any time. Four members of the Board are appointed by the Eurotransgaz SRL Associate, while the fifth member is appointed by the EBRD Associate. The President of the Board is appointed by the General Meeting of Associates from among the members of the Board of the Company.

The General Meeting of Shareholders of Petrostar SA is the supreme decision-making body of the company, having the competence to establish the strategic directions and economic policy. Ordinary meetings are held at least once a year, and extraordinary meetings whenever necessary, on their own initiative or at the convocation of the Board of Directors. The management of the company is carried out by the Board of Directors, led by President Elisabeta Ghidiu, in accordance with the provisions of the Articles of Association and the applicable legislation. The General Director, Doru Gheorghe Stoica, ensures the executive leadership and implementation of strategic decisions. The rules on the organization and functioning of the General Shareholders' Meeting, including the voting and representation modalities, are provided for in the Company's Articles of Association, guaranteeing compliance with the principles of transparency and the protection of shareholders' rights.

Description of the processes to identify and assess material impacts, risks and opportunities

ESRS 2, IRO-1

The associated impact, risks and opportunities are identified and assessed in the materiality analysis through internal consultation and other sources. As part of the double materiality process, all Transgaz activities and locations were taken into account in the identification of impacts, risks and opportunities.

Specifically, the risk assessment is carried out based on the **Risk Management Strategy** 2021-2025 and the SCIM principles, according to Order no. 600 of April 20, 2018 on the approval of the Code of Internal Managerial Control of Public Entities.

The Risk Management Advisory Committee has several responsibilities related to the company's risk management system. It deals with identifying, analyzing, assessing, monitoring and reporting risks. It also develops and supervises plans of measures to mitigate or anticipate risks and carries out an annual assessment of the internal control system, submitting relevant reports to the Board of Directors. The Committee monitors risk management in the context of sustainability, with a focus on ESG (environmental, social and governance) aspects, industry developments and the implementation of effective crisis management policies. It reports to the Board of Directors on current and emerging ESG-related topics that may influence the company's business, operations, performance or public image and that are relevant to shareholders. The committee also oversees initiatives aimed at preventing, mitigating and managing ESG risks that may have a significant negative impact and provides guidance in this regard. Transgaz regularly monitors the risk portfolio in a structured manner, through the following processes/activities:

- Revision of the Risk Management Strategy, 2021-2025, which addresses Transgaz's attitude and approach to risks, the risk tolerance limit, the risk response, the vision, the specific objectives and the measures necessary to carry them out;
- Documentation of the PS 05 SMI Risk Management system procedure, which sets unitary rules for risk management and for the preparation and updating of the Risk Register;
- Documentation of the PS 06 SMI Corruption Prevention system procedure, which sets a unitary set of rules for carrying out activities to prevent fraud, acts of corruption and reporting of violations of the law or internal norms;
- Updating the company's risk profile (annually) and risk tolerance limits;
- Review of internal decisions on the appointment of persons with responsibilities in the activities carried out in order to manage the risk and the Organizational and Operational Regulations of the Monitoring Commission and the Risk Management Team;
- Revision of the Statement – Commitment on Risk Management 2021-2025.

The legislation of the Republic of Moldova does not provide for the mandatory implementation of the internal managerial control system (SCIM), but, nevertheless, being part of Transgaz, Vestmoldtransgaz is in the process of implementing the SCIM. Thus, it is intended in the next 2 years to take over the standards that apply to SNTGN Transgaz SA and adapt them to Vestmoldtransgaz.

Petrostar has implemented an integrated management system, based on the SR EN ISO 9001:2015 standards; SR EN ISO 14001:2015; SR EN ISO 45001:2023. With the change of legal status by taking over the 51% stake by Transgaz, Petrostar became a public enterprise, Petrostar falling under the provisions of SGG Order no. 600/2018 on the approval of the Code of Internal Managerial Control of Public Entities, making it necessary to implement and develop the Internal Managerial Control System, according to the legal requirements in force. The implementation will be carried out in stages according to a SCIM implementation program within Petrostar.

The impacts, risks and opportunities associated with governance are identified and assessed as part of the double materiality analysis process, in an internal workshop, as well as through consultation with external stakeholders and other sources of literature. These are summarised in ESRS 2 – General Information, under the sub-chapter entitled **Material impacts, risks and opportunities and their interaction with strategy and business model**.

The short, medium and long-term **financial effects** on Transgaz of the significant risks and opportunities arising from the associated impacts are assessed as low to medium (between

0.7% and 1.0% of annual turnover) for business conduct risks, as assessed in the double materiality analysis process.

Business conduct policies and corporate culture

G1-1

The Code of Ethics of SNTGN Transgaz SA (adopted by the Decision of the Board of Directors no. 39/20.12.2021 of Transgaz) includes all the values and principles of conduct, responsibilities and obligations that define the quality of the professional activity. This code serves as a mandatory line of conduct and encourages the responsibility and involvement of Transgaz's contractual staff, so that they carry out a competent and responsible activity, in accordance with professional ethics.

Transgaz promotes and evaluates the corporate culture through the Code of Ethics for both SNTGN Transgaz SA and Petrostar SA, as well as for Vestmoldtransgaz SRL. It encompasses all the values and principles of conduct, responsibilities and obligations that define the quality of professional activity.

Those policies address relevant impacts, risks and opportunities related to ethical conduct, integrity, compliance and the prevention of fraud and corruption, contributing to the management of operational and reputational risks. Policy implementation and compliance are monitored through internal audit, periodic controls and dedicated reporting mechanisms. The policies are communicated to employees and are made available to relevant stakeholders through the company' s official communication channels.

Thus, the principles governing the professional conduct of Transgaz's contractual staff are centered on:

- **Professionalism**: Employees must perform their job duties responsibly, competently, efficiently, fairly, and conscientiously.
- **Impartiality and non-discrimination**: Staff must have an objective attitude, neutral towards any political, economic, religious or other interest, in the exercise of the duties of the job.
- **Freedom of thought and expression**: Staff can express and substantiate their opinions, in compliance with the rule of law and good morals.
- **Confidentiality**: The staff has the obligation not to transmit confidential data or information that they became aware of during the execution of the contract with Transgaz, but also after its termination.
- **Priority of the company's interest**: Employees have the duty to consider the company's interest above personal interest, in the exercise of the duties incumbent on the position.
- **Moral integrity**: It is forbidden for employees to request or accept, directly or indirectly, for themselves or others, any moral or material advantage or benefit, or to engage in activities, directly or indirectly, that would give rise to a conflict of interest.
- **Honesty and fairness:** Staff must be in good faith and act for the proper performance of their job duties.

- **Loyalty**: Staff must behave loyally towards the company, and the company encourages and ensures access to professional training and continuous development, stimulating and rewarding performance at work.

The Code of Ethics defines the values, principles and norms that Transgaz's contractual staff must respect and apply:

- in the activity carried out within the company;
- in line with the company's values and objectives, in order to maintain a positive organizational climate;
- in the activity carried out outside the company;
- in the relationships it develops with all categories of public, in order to develop notoriety and maintain the reputation of the company.

Petrostar S.A. applies a Code of Conduct and Professional Ethics that reflects the same fundamental values of integrity, responsibility and professionalism. The Petrostar Code emphasizes compliance with legislation and technical standards, the integrity of the services provided, the accuracy of financial documents and the avoidance of any conflict of interest. It establishes zero tolerance for bribery and corruption, clearly regulates interaction with business partners, prohibits undue benefits and promotes fair competition. At the same time, the code sets out strong principles on privacy, data protection, compliance with trade regulations, responsible asset management and the prevention of money laundering. A central pillar is the commitment to health and safety at work, as well as environmental protection, principles carefully monitored through dedicated structures. The implementation of the code is mandatory for all staff, being supported by clear reporting mechanisms, managerial responsibility, continuous training and compliance procedures, thus ensuring Petrostar's alignment with the culture of ethics and corporate governance promoted throughout the Transgaz Group.

A number of internal procedures and policies have been implemented to address the impacts, risks and opportunities related to professional conduct and related actions. Internal procedures of SNTGN Transgaz SA which include aspects related to professional conduct and the way in which it promotes its corporate culture:

- Anti-Fraud and Anti-Corruption Policy Statement;
- Anti-fraud and anti-corruption policy;

The Declaration and Policy set out a clear framework for preventing, detecting and combating fraud and corruption risks. This policy applies to all employees, members of the Board of Directors, suppliers and business partners, with the aim of promoting an organizational culture based on transparency, integrity and accountability. The implementation and compliance of the policy are supervised by the Board of Directors, and the coordination of compliance measures is ensured by the General Director and the Compliance Advisory Committee.

Petrostar does not currently have a single governance code with a specific content for companies with majority state capital, but a set of policies and procedures that meet the standards of internal managerial control, documents drawn up for the quality of private economic agent. As part of the Transgaz group, the process of alignment with the corporate governance principles and requirements applicable to entities with majority state capital is underway. In the coming period, these policies will be harmonized and supplemented, so that

Petrostar gradually adopts a unitary governance framework, according to the group's standards and relevant legislation.

Monitoring mechanisms include internal and external audits, confidential reporting channels for whistleblowers and training sessions for employees and partners, ensuring an effective risk prevention and management system. The policy is updated in accordance with national and international legislative requirements, thus contributing t the protection of the company's assets and reputation. SNTGN Transgaz SA promotes a zero-tolerance approach to any form of fraud and corruption, thus strengthening stakeholder trust and compliance with the principles of responsible governance.

- Declaration on adherence to the fundamental values, principles, objectives and monitoring mechanism of the National Anticorruption Strategy 2021-2025;
- Methodology for assessing integrity incidents;
- Integrity plan for the period 2022 – 2025.

The Integrity Plan of SNTGN TRANSGAZ SA for 2022-2025 establishes essential measures to prevent corruption and promote transparency, in accordance with the National Anticorruption Strategy 2021-2025. It applies to all employees, management, partners and suppliers, with the aim of reducing fraud risks through prevention, training and periodic auditing mechanisms. The implementation is supervised by the General Director, the General Inspection Department and the coordinators of the internal structures, and its effectiveness is monitored through annual evaluations, half-yearly reports and biennial internal audit, with periodic updates depending on the risks identified.

- Decision approving the Integrity Plan of SNTGN Transgaz SA;
- Register of corruption risks at the level of SNTNG Transgaz SA;
- System procedure for the protection of whistleblowers in the public interest;
- Decision on the designation of persons with powers related to the receipt, registration and examination of whistleblowers in the public interest;
- Declaration on compliance with competition rules;
- Decision on the appointment of the Compliance Advisory Committee;
- SNTGN Transgaz SA's policy of compliance with competition rules;
- Strategy for the implementation of the Competition Compliance Policy;

All the documents described are applied to all employees of SNTGN Transgaz SA. It is committed to respecting and enforcing competition rules through a compliance strategy aimed at preventing and combating anti-competitive practices. The compliance policy aims to adjust the company's competitive behavior in order to maintain a fair and competitive business environment. The strategy includes prevention mechanisms through risk analysis and training of employees, mechanisms for detecting possible anti-competitive practices and appropriate response measures.

Through these actions, SNTGN Transgaz SA aims to strengthen an organizational culture based on ethics and compliance with competition legislation. The highest level responsible for the implementation of the Competition Compliance Policy within SNTGN Transgaz SA is the General Director, who ensures compliance with competition legislation and the application of compliance measures. The implementation is coordinated by the Compliance Advisory

Committee (CCC), through a designated Director, who has the role of developing, monitoring and implementing the compliance strategy, including risk analysis, staff training and prevention and response mechanisms. The Director of the General Inspection Department also contributes to the supervision of compliance and the implementation of the necessary measures.

Petrostar S.A. has its own procedure regarding whistleblowers PO-6240, which regulates the reporting and resolution of complaints regarding violations of the law, establishing internal and external reporting channels, minimum requirements for the validation of complaints and the obligation to maintain the confidentiality of the whistleblower's identity. The procedure includes strong measures to protect against retaliation, the right to challenge abusive measures and clear deadlines for reporting the actions taken, ensuring a functional and secure mechanism for reporting irregularities.

At Vestmoldtransgaz there is no nominal person designated for the prevention of anti-competitive acts. At the same time, in case of the occurrence of anti-competitive facts, they are analyzed by the Legal Department, the Procurement Service or other departments, each specific case being multidisciplinarily examined under the coordination and responsibility of the Administrator.

Within the Transgaz Group, compliance with the code of ethics and internal procedures contributes to maintaining a working environment based on integrity and transparency. These mechanisms reduce the risk of non-compliant behaviour and support employee motivation by promoting a climate of trust and accountability.

During the webinar on ethics and compliance, topics related to reporting channels for whistleblowers were addressed. Also, at the moment there is no specific policy within Transgaz for trainings for employees on business conduct.

Actions that can affect supplier relationships and supply chain stability can also impact bargaining power and extend project completion deadlines. They can influence relations with investors, regulators and other entities, having a negative effect on Transgaz's reputation.

There is also documentation regarding the functions within the Company that are most at risk of corruption and bribery.

Listed below are the positions within the company that are at risk of corruption:

- Employees with an executive function (high level of decision-making) who ensures control and prevention: Integrity inspectors; Financial controller; Internal auditors; Quality/environment/Occupational Health and Safety (OSH) auditors; The function that involves verifying the activities/documents in the procurement process.
- Employees with an executive function (high level of decision-making) in the Sector Procurement and Contracting Department: The position involved in the management of tangible assets.
- Employees of the Concessions Office involved in the annual inventory of the assets;
- Employees of the Heritage Office involved in the valuation and capitalization of the company's assets: Managers; Position representing the company in external relations for design and execution projects

- Employees with an executive function (high level of decision-making) involved in the implementation of technical projects: Site managers; The function involved in the management of financial funds.
- Employees empowered by internal decision to exercise his/her own preventive control: Cashier; The function involved in granting sponsorships.
- Employees with an executive function (high level of decision-making) who runs the sponsorship process.
- Chairman of the Commission for the Analysis of Sponsorship Applications.
- The position that involves a high level of decision in the recruitment process and competitions for new employees.
- Employees with an executive function (high level of decision-making) who plans human resources and manages the hiring process.

From a financial point of view, Transgaz's policies are an opportunity to maintain the workforce and a positive image, which can bring new investments. The risks related to the damage to Transgaz's reputation and other financial risks related to fines and litigation are also minimized.

With regard to **conflicts of interest**, the members of the Board of Directors have an obligation of loyalty to the company and will avoid conflicts of interest, when their personal or professional interests make it difficult to adopt objective measures in the interest of the company or shareholders, and to fulfill their role as Director. The Audit Committee is the body that ensures that there are no conflicts of interest between the main functions and professional activities of the members of the Board of Directors. The company also has notification processes in place for significant transactions, which prevent an affiliated party from taking advantage of its position and protect the interests of SNTGN Transgaz SA. Thus, at the level of SNTGN Transgaz SA there is a **specific conflict of interest management policy, an** instrument that supports compliance with the provisions of the Corporate Governance Code issued by the Bucharest Stock Exchange.

At the level of SNTGN Transgaz SA, a system procedure (PS 21 SMI) on the Protection of whistleblowers in the public interest was developed and approved at the level of the executive management. This procedure aims to establish the reporting channels at the company level, to regulate at internal level the mechanism established for the protection of whistleblowers, to establish responsibilities, control procedures, the responsibilities of the commissions established for the analysis and resolution of the reports received, as well as to inform the management. A mechanism has also been created to protect the identity of whistleblowers in the public interest, which will not be disclosed and will remain confidential unless there are legal provisions to the contrary.

Warnings in the public interest can be sent to the e-mail address integritate@transgaz.ro, by mail or by direct report, to the person designated according to the law.

The contractual staff within Transgaz who notifies or suspects the violation of the provisions of the Code of Ethics can contact directly the Ethics Advisor at the level of the company or at the level of the Territorial Exploitation or at the e-mail address etica@transgaz.ro. The notifications received on this address are sent to a commission for analysis.

Transgaz ensures the protection against retaliation and maintains their anonymity according to internal procedures. The protection measures consist of multiple established obligations, as well as the provisions included in the Integrated Management System.

The mechanism for protecting the identity of the whistleblower in the public interest provided for in the PS 21 SMI system procedure for the protection of whistleblowers in the public interest, is as follows:

- the establishment, through procedure, of reporting channels;
- establishing, by procedure, the procedure for receiving, registering and solving whistleblowings;
- designation of responsible persons, according to the law;
- upon receipt of the notification, the opening of the envelope marked 'Public interest disclosure' shall be carried out exclusively by the addressee (as the case may be: the General Director, the Integrity Advisor, the person designated according to Law no. 361/2022 at the level of SNTGN Transgaz SA) - item 5.2.3.1 letter c) of PS 21 SMI;
- registration in the computer application is done generically ("warning in public interest no.") - item 5.3 letter d) of PS 21 SMI;
- the resolution based on a generic document (Information), which does not include the identity of the whistleblower in the public interest nor information that may lead to his identification - item 5.6.1 letter a) and b) of PS 21 SMI;
- the correspondence related to the resolution of the Information includes mentions regarding the obligation of confidentiality and the basis of this obligation - item 5.3.1 letter b) of PS 21 SMI;
- providing for the obligation of confidentiality for all members of the Multidisciplinary Commission (if it is constituted for resolution) - item 5.7.2 letter b) of PS 21 SMI;
- extension of protection measures (physical, identity and retaliation) including for facilitators, third parties who have links with the whistleblower, legal entities owned by the whistleblower - item 7.5 of PS 21 SMI;
- Setting up a mechanism for physical protection of the disclosure - item 7.6 of PS 21 SMI;
- Establishment of an identity protection mechanism - item 7.7 of PS 21 SMI in conjunction with the aforementioned provisions.

The mechanism for protection against retaliation consists of the multiple measures/obligations established for the protection of identity, as well as the following provisions of the PS 21 SMI system procedure for the protection of whistleblowers in the public interest:

- Providing, in the procedure, all forms of retaliation, for the complete information of the employer, as express prohibitions - item 7.2 of PS 21 SMI;
- Expressly mentioning, in the procedure, the legal measures regarding the protection against retaliation, as well as the reparative rights - item 7.3 of PS 21 SMI;
- Extension of protection measures (physical, identity and retaliation) including for facilitators, third parties linked to the whistleblower, legal entities owned by the whistleblower - item 7.5 of PS 21 SMI;
- Setting up a mechanism for the physical protection of the public interest disclosure - item 7.6 of PS 21 SMI;

- Establishment of an identity protection mechanism - item 7.7 of PS 21 SMI in conjunction with the aforementioned provisions.

During 2025, no complaints regarding the violation of the code of ethics were registered.

Petrostar does not currently have a single governance code with a specific content for companies with majority state capital, but a set of policies and procedures that meet the standards of internal managerial control (documents drawn up in line with private-sector quality management standards, before the takeover of the 51% stake by Transgaz).

Petrostar has its own Code of Conduct and Professional Ethics. Petrostar's Code of Professional Conduct and Ethics establishes the fundamental principles of integrity, respect and responsibility in professional activity, as well as the obligation to comply with applicable legislation and regulations. The document promotes a working environment based on transparency, confidentiality and equal opportunities, while providing mechanisms for reporting irregularities.

In 2025, Vestmoldtransgaz developed a policy on the prevention of corruption and the protection of whistleblowers, which provides for reporting procedures and measures to protect against retaliation. The policy is to be implemented at the level of entities in the Republic of Moldova, but its application is still being operationalized in 2026.

Regarding the training policy on business conduct, Vestmoldtransgaz does not have a separate document dedicated to this policy. However, the responsibilities related to the formation and observance of business conduct are integrated into the duties of the Administrator and the heads of subdivisions, according to the provisions of the Statute and the Organization and Functioning Regulations. These documents establish clear competencies for ensuring compliance and promoting ethical conduct within the organization.

The Code of Ethics adopted by Vestmoldtransgaz is a collection of rules in extension of those established by norms, which are considered necessary for the preservation and maintenance of moral values, with the role of establishing and regulating principles and customs by which those to whom it is addressed can orient themselves. The document supports actions impartially, with integrity and loyal to the public interest and to society.

The Code of Ethics of Vestmoldtransgaz SRL is a guide for the company's employees and includes all the values and principles of conduct, responsibilities and obligations that define the quality of the professional activity, having the role of serving as a mandatory line of conduct and increasing the responsibility and involvement of the contractual staff within Vestmoldtransgaz SRL, so that they carry out a competent and responsible activity, in accordance with professional ethics.

Supplier management

Management of relationships with suppliers

G1-2

In order to ensure continuity in providing quality services, Transgaz collaborates with both suppliers on the Romanian market and those on the foreign market.

In order to ensure a fair procurement process, SNTGN Transgaz SA has decided that all procurement procedures will be carried out entirely online. This involves submitting bids by electronic means and carrying out the entire bidding and evaluation process through SEAP (Electronic Public Procurement System). In accordance with the provisions of Law no. 99/2016 on sectoral procurement, Transgaz publishes **tender notices and simplified tender notices** in SEAP, attaching the entire award documentation to allow the preparation and submission of bids. Through SEAP, any interested economic operator is assured direct, unrestricted and full access to the content of the award documentation. Sectoral contract award procedures are carried out entirely online, including the submission of bids and requests for clarifications in SEAP, thus ensuring total transparency of the entire procurement process.

In the process of submitting bids, in order to ensure compliance with the applicable legislative framework, all suppliers are required to fill in a "**Declaration regarding the compliance with the mandatory regulations in the fields of environment, social, labor relations and labor protection, according to the provisions of art. 64 paragraph. 2 of Law no. 99/2016, on sectoral procurement**", which ensures that the submitted offers are in accordance with:

- obligations in the field of environmental law, as referred to in national law, procurement documents and Article 18(2) of Directive 2014/24/EU;
- obligations in the field of social law, as referred to in national law, procurement documents and Article 18(2) of Directive 2014/24/EU;
- obligations in the field of labour law, as referred to in national law, procurement documents and Article 18(2) of Directive 2014/24/EU.

Petrostar SA and Vestmoldtransgaz SRL have their own internal procurement procedures, tailored to the entity's operational specifics, which regulates the stages of supplier selection, bid evaluation and contract performance, in accordance with the applicable legislation and integrity standards. In the case of Vestmoldtransgaz, it is aligned with the legislation specific to the Republic of Moldova.

The internal procurement procedure of Petrostar S.A. establishes the stages of planning, evaluation, approval and carrying out the procurement of products and services, in compliance with ISO standards on quality, environment and occupational health and safety. The process includes defining technical needs and requirements, evaluating and selecting suppliers based on criteria such as price, capability, compliance, environmental and OSH guarantees and requirements, as well as analysing bids and approving suppliers. The procedure regulates the methods of ordering, receiving and verifying the conformity of products and services, as well as document management, making payments and periodically monitoring the performance of suppliers. The system requires the maintenance of a list of accepted suppliers and the application of a continuous evaluation mechanism to improve the procurement process.

At Vestmoldtransgaz, regarding the company's approach to its relations with suppliers, they are based on contracts and deadlines for carrying out works, delivering goods, providing services. Although the company has contracts that provide for penalties, it applies them only in well-founded cases and if the violations are systematic or very serious. The Supplier Code of Conduct is currently in the process of being developed.

Suppliers go through eligibility criteria imposed by the contract award documentation. As a rule, all purchases are made as a result of public procurement procedures.

There is also an annex dedicated to the procurement procedure, applicable to all Transgaz entities, which establishes the framework for the evaluation and monitoring of suppliers on sustainability criteria (ESG – environmental, social and governance). This annex aims to integrate ESG principles into all stages of the procurement process, for both local and international suppliers, and to ensure compliance with national and European legislative requirements.

The evaluation of suppliers is carried out through a structured process, and suppliers are classified according to the level of risk and significance. Depending on this classification, random audits are carried out on suppliers with significant or high-risk contracts to verify compliance with sustainability requirements. This approach allows for effective monitoring of the supply chain and ensures compliance with applicable internal policies and regulations.

Labour exploitation of minors or gender discrimination are not relevant issues for Romania or the Republic of Moldova, given the fact that no reported cases of gender discrimination, gender-based violence or labour exploitation of minors are identified, except for cases in family contexts. According to the Romanian Constitution, the exploitation and use of minors in activities that would harm their health, morals or endanger their lives or normal development are prohibited. Although there are no reports from UNICEF or other NGOs indicating cases of child labour exploitation at present, Transgaz assesses the potential negative effects associated with their operations, including GDPR, corruption, referrals/complaints, collective bargaining and other important social topics.

In the Republic of Moldova, the Constitution stipulates in Article 5 item (4) that "The exploitation of minors, their use in activities that would harm their health, morality or endanger their life or normal development are prohibited". According to the Labor Code, art.46 stipulates that the employment of persons up to 15 years of age is prohibited, the work capacity is from the age of 16, art. 60 of the Labor Code provides that work is prohibited to minors under the age of 16, minors between the ages of 16 and 18 can be employed, but only under certain strict conditions, which ensure their protection.

There are no detailed regulations on the employment of minors in the Constitution of the Republic of Moldova, but their protection is guaranteed by fundamental rights, as well as by articles that establish the state's obligations to protect children and young people. The details of the employment of minors are regulated in the Labour Law and the Law on the Protection of the Rights of the Child, which set out clear restrictions on the minimum age of employment and special working conditions for young people.
No litigation files related to the observance of human rights at Transgaz level in 2025 have been identified.

Transgaz does not have a specific policy to prevent late payments to small and medium-sized enterprises (SMEs), but each department manager is responsible for monitoring late payments for contracts related to the department he leads, including those signed with small and medium-sized enterprises. Compliance with the payment deadlines is the responsibility of the contract manager, according to the established attributions. The list of contracts, together with the persons designated as responsible, is available.

Anti-corruption and fair competition

Preventing and detecting corruption and bribery

G1-3

The perception of organizational integrity is influenced by the cumulative effect of the integrity publicly presented by individuals within an organization, both within and outside it. Although the apparent level of influence of the company's staff can complicate this process, it contributes to the creation of an identifiable value: the integrity that others, both inside and outside the organization, perceive as an attribute of the organization. This process is bidirectional. The integrity identified within an organization is not the result of a single decision, but has been built over time (although it can be destroyed much more quickly) as an intrinsic component of the organizational culture and is affected by the conduct manifested, either explicitly or implicitly, by all individuals in the organization.

Preventing and combating fraud and corruption is a priority for Transgaz's management, which shows a continuous concern to improve the quality of the managerial act by introducing effective measures to reduce corruption. In this regard, Transgaz has undertaken, in recent years, several steps to strengthen integrity, the message being "*Zero tolerance for fraud and corruption of any type and in any circumstances*". We remind you of the following, which are presented in detail below:

- **the public commitment of General Director**[1] on the Anti-Fraud and Anti-Corruption Policy, as well as adherence to the values of the National Anti-Corruption Strategy;
- Implementing mechanisms and tools to reduce bureaucracy and increase transparency.

SNTGN Transgaz SA has adopted the "**Anti-Fraud and Anti-Corruption Policy**" and publicly stated this fact through the "Anti-Fraud and Anti-Corruption Policy Statement" dated 30.05.2018. Petrostar S.A. does not have its own Anti-Fraud and Anti-Corruption Policy. At Petrostar level, relevant integrity and compliance results are collected internally and periodically reported to executive management through existing internal monitoring and reporting processes.

At Vestmoldtransgaz, the procedures in force through the Code of Ethics are procedures for: prevention, detection, resolution of accusations or incidents related to corruption and bribery, including related training. If the investigators or the investigative committee are separated from the management chain involved, investigations are carried out by a commission made up of employees of the company. If they are not independent, investigations are taken over by persons appointed by the Administrator, with no links to the case, to ensure impartiality. Also, during 2025, Vestmoldtransgaz developed an Anti-Fraud and Anti-Corruption Policy, which will be implemented during 2026.

The process of reporting the results to the administrative, management and supervisory bodies is carried out according to the statutory provisions, through the Vestmoldtransgaz Administrator, who transmits the information to the Supervisory Board and the General Meeting of Shareholders.

The company communicates its policies to those relevant for accessibility and understanding of the implications is through the information system published on the Vestmoldtransgaz website.

Transgaz publishes on its official website the policies on the prevention, detection and investigation of online incidents, ensuring employee access to these documents. These documents include lists of the persons responsible for these activities, specifying the functions they hold and their contact information.

Transgaz's position on corruption was reaffirmed after the adoption of the National Anticorruption Strategy 2021 – 2025, by publishing the Declaration on the assumption of an organizational integrity agenda, registered under no. 21850/18.03.2022, which was posted on the company's website, the link can be accessed https://www.transgaz.ro/en/sustainability/institutional-integrity.

In addition, following the adoption of Government Decision no. 1269/17 December 2021 on the approval of the National Anticorruption Strategy (NAS) 2021-2025, several activities were carried out at the level of SNTGN Transgaz SA in conjunction with the objectives of the Strategy:

- Adherence to the fundamental values, principles, objectives and monitoring mechanism of the NAS 2021-2025;
- Designation of the persons responsible for providing the technical secretariat for the implementation of NAS 2021-2025;
- Elaboration of the Corruption Risk Register for SNTGN Transgaz SA and its update for 2025;
- Elaboration of the Integrity Plan of SNTGN Transgaz SA and its update for 2025;
- Elaboration of the Corruption Risk Monitoring Report at the level of SNTGN Transgaz SA entities;
- Facilitating Transgaz employees' access to the new NAS portal;
- Elaboration and approval of the Declaration of Compliance with the Competition Rules, Competition Policy;
- Participation in working sessions for the adoption of the Methodology for monitoring the implementation of the National Anticorruption Strategy 2021-2025;
- Informing the company's employees about all the changes made and publishing the documents on the company's intranet.

Among the specific objectives set by the National Anti-Corruption Strategy 2021-2025 and taken over by Transgaz, there are:

- implementation of integrity measures;
- improving the capacity to manage management failure by correlating tools that have an impact on the early identification of institutional risks and vulnerabilities;
- increasing integrity, reducing vulnerabilities and corruption risks in public procurement;
- increasing integrity, reducing vulnerabilities and corruption risks in the business environment;
- strengthening the capacity of the administrative control structure to identify institutional risks and vulnerabilities, implicitly those related to integrity issues.

Also, the following responsibilities have been designated:

- By the *Decision of the General Directorno. 841/16.06.2022*, provisions were adopted to lead to the implementation of the approved measures and **the coordinator of the implementation** of the integrity plan was appointed, as well as the contact persons;
- By *the Decision of the General Directorno. 723/21.05.2024*, the compliance officer **was appointed** for the implementation of the Integrity Plan, according to the provisions of art. 58^1 of the Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, with subsequent amendments and completions
- The job description of the head of the Anti-Fraud and Anticorruption Service stipulates the duties related to the specific activities of the technical secretariat.

The management of the risks highlighted in the Corruption Risk Register takes into account:

- Identification and assessment of corruption risks. According to the latest update (carried out in the course of 2025), the risk exposure was considered low, for 18 risks, and medium, for 2 of the identified risks;
- Establishing intervention measures;
- Monitoring the effectiveness of the established measures and reporting to the management body. The activity of evaluating the effectiveness of the established measures is currently being evaluated, and the Corruption Risk Register will be revised, depending on the results of this activity. Also, the monitoring is carried out on two levels: 1. institutional reaction in case of an integrity incident or corruption deed (according to PS 06 SMI) and 2. annual assessment (according to PS 06 SMI). The Corruption Risk Monitoring Report, the Integrity Incident Assessment Report, the Corruption Risk Reassessment Report and the Corruption Risk Register are subject to the approval of the Director-General.

During 2024, the Corruption Risk Monitoring Report at the level of SNTGN Transgaz SA entities was developed, updated annually, and based on it, the Corruption Risk Register at the level of SNTGN Transgaz SA was revised.

The annual corruption risk assessment within SNTGN Transgaz SA is an essential process for the prevention and management of organizational vulnerabilities. It is carried out under the coordination of the General Inspection Department - Anti-Fraud and Anticorruption Service, in collaboration with the working group for the prevention of corruption acts. The process involves monitoring and reviewing the identified risks, reassessing the organization's exposure to corruption factors and updating prevention and control measures.

Every year, until 1-st of December, quantitative and qualitative evaluation reports are drawn up, which analyse the effectiveness of the measures applied, the changes in the levels of probability and impact, as well as any incidents of corruption found. In the event of the emergence of new risks or changes to existing risks, the identification and assessment sheets shall be updated and the Working Group shall propose additional measures to reduce the organisation's exposure to such risks.

Based on these analyses, the General Inspection Department centralizes the data in a revised Corruption Risk Registry, a document that underpins the Integrity Plan and is used for the continuous improvement of the company's anti-corruption strategy. This systematic and proactive approach reflects SNTGN Transgaz SA's commitment to transparency, ethics and compliance, ensuring a robust and honest operational framework.

SNTGN Transgaz SA has also adopted measures to prevent acts of corruption, at the organizational level and at the employee level.

Organizational

- Computerization of internal processes;
- Identifying vulnerable areas and corruption risks;
- Implementation of a corruption risk management system;
- Establishment a system for managing and evaluating complaints (questionnaires to measure customer satisfaction/feedback), aimed at process improvement.

Employees

- Increasing the level of professional and civic education of employees, as well as assuming the obligations of conduct and professional ethics;
- Informing employees on how to report corruption and institutions dealing with preventing and combating corruption;
- Creating a strong organizational culture to deter corruption;
- Strict rejection of any undue advantages offered in exchange for defective performance or non-fulfillment of service duties (sums of money, goods, services, advantages, etc.);
- Inventory of vulnerable points and assessment of the risk of corruption;
- Implementation of tools for integrity management, within the human resources management framework, with emphasis on internal communication and performance.

The actions and measures described and undertaken in the financial year 2025 are planned to be continued in the following year.

The company "Vestmoldtransgaz" S.R.L. does not currently have a risk management system in place. In this regard, the company plans to develop and implement a risk management system that includes the identification, assessment and monitoring of potential risks.

At "Vestmoldtransgaz" it is mentioned in the Code of Ethics, which in Art. 15 provides for the prohibition on requesting gifts, services and advantages, Art. 18 - Abusive use of the duties of the position/profession held, Art.19 - Limitation of participation in acquisitions, concessions or rentals, Art.20 Avoidance of conflicts of interest and incompatibilities, Art. 23 - Monitoring of notified cases. The Ethics Counselor.

Robust risk management systems are implemented at Petrostar level , documented in the HSSE (Health, Security, Safety and Environment) Plan related to the projects. These include structural hazard identification and risk assessment processes (risk studies), specific prevention measures for high-risk activities (working at height, excavations, operating machinery, handling of hazardous substances, electrical works), as well as the mandatory use of work permit systems (PTWs) for critical activities. The plan establishes roles and responsibilities, procedures for reporting and investigating incidents, personnel training requirements, periodic equipment checks and technical measures for accident prevention, according to the applicable national legislation and OMV Petrom standards. These mechanisms ensure the systematic and continuous management of operational risks at Petrostar level.

Currently, there is no person responsible for verifying reports of violations of the law, and until a responsible person is appointed, this task is the direct responsibility of the Company's Administrator.

The current mechanism for investigating complaints is designed in such a way as to normally ensure an adequate degree of independence in their analysis and resolution. However, given the limitations on the mandate of the internal structures involved, there is currently no separate internal process to ensure the independence of the investigation in the specific situation where a referral would target the management responsible for the investigation process. In such cases, the complaints are escalated directly to the National Integrity Agency, in accordance with the applicable legal framework.

Initial plans include consulting with experts in the field to develop customized policies and procedures that meet the specific needs of the company and alignment with international risk management standards. Training sessions for staff are also planned, ensuring that all employees are aware of the importance and correct application of risk management measures. It is intended to implement training sessions for staff, prevention, investigation and anti-corruption procedures in the next 3 years.

Employees who are suspected of violating the law or internal rules can report possible misconduct or crimes to their email address integritate@transgaz.ro.

The Code of Ethics and Conduct establishes the principles governing the ethics and professional conduct of Transgaz employees.

Anti-corruption policy defines the terms corruption and bribery.

The integrity incident assessment methodology aims to assess integrity incidents by obtaining and analysing relevant information and proposing prevention and control measures. The methodology provides for the regulatory framework, obtaining information on the integrity incident, the content of the analysis of integrity incidents, verifying the implementation of the recommendations, capitalizing on the information in the process of assessing corruption risks.

The person responsible for assessing integrity incidents is not part of Transgaz's management body.

The analysis and reporting are carried out by the Person responsible for implementing the methodology for assessing integrity incidents, according to Chapter 6 of the Methodology for assessing integrity incidents (annex to Decision no. 1409/2018). Also, obtaining information on integrity incidents is done according to item 5.1.3.1 letter f) of PS 06 SMI and chapter 5 of the Methodology for assessing integrity incidents (annex to Decision no. 1409/2018).

Integrity incidents are notified, by the structures that, due to the nature of their job duties, obtain/hold data in this regard, to the person responsible for implementing the Methodology for assessing integrity incidents (annex to Decision no. 1409/2018).

Also, the structures of SNTGN Transgaz SA at the level of which integrity incidents occur report to the General Inspection Department - Anti-Fraud and Anticorruption Service (the director of the General Inspection Department is designated the person responsible for implementing the Methodology for evaluating integrity incidents) the occurrence of an integrity incident by sending a report of the direct supervisor of the employee who committed the deed, endorsed by the hierarchical head, containing information on the prevention and control measures adopted after the integrity incident and assessments on the causes underlying the commission of the act that constitutes an integrity incident, the identification, description and assessment sheet of corruption risks, as well as the revised Register, corresponding to the materialized risk.

In order to ensure the independence of the person responsible for implementing the Integrity Incident Assessment Methodology in the integrity incident investigation activity, the following provisions were included in the methodology:

- the express mention of the aspects concerned in the investigation of integrity incidents – section 6 para. (1) of the Methodology;
- the express provision of the right of the person responsible for the application of the Methodology to request information from the National Integrity Agency, the National Anticorruption Directorate, the Prosecutor's Office attached to the High Court of Cassation and Justice, as well as other public authorities or institutions that hold information on the integrity incident – section 5 para. (2) of the Methodology;
- presentation of the final report only to the management of SNTGN Transgaz SA – section 6 para. (3) of the Methodology.

In addition, the activity of the person responsible for the implementation of the Integrity Incident Assessment Methodology is audited every two years, according to measure 11 of the Integrity Plan of SNTGN Transgaz SA for the period 2022 - 2025 (updated 2023).

At SNTGN Transgaz SA, according to the System Procedure COD PS 11 SMI, the document Identification of Functions at Risk (sensitive functions) was issued, as well as the Plan for ensuring the mitigation of the risks associated with the functions. The procedure is implemented by the heads of the organizational structures/entities, applies to all functions within SNTGN Transgaz SA and is approved at the level of the executive management.

Within the Commission for the monitoring and evaluation of the functions exposed to risk, the indicators for estimating the impact in the event of the materialization of the risks associated with the sensitive functions are monitored and the following documents are validated annually:

- the list of employees who occupy positions at risk at Transgaz level
- the plan to mitigate the risks to which the risk functions within Transgaz are exposed

As regards Competition Policy, the following were adopted:

- Declaration of compliance with competition rules – no.59338/27.07.2022
- Competition Policy – no. 1069/27.07.2022
- Competition Compliance Strategy and Action Plan

This policy applies both at the level of SNTGN Transgaz SA and to entities in the Republic of Moldova, ensuring compliance with the principles of fair competition and compliance with the relevant legislation in all jurisdictions in which the group operates.

At the level of SNTGN Transgaz SA, the management assumed the responsibility of promoting, protecting, respecting and imposing business ethics, as well as the "rules of the game" in the market economy. Also, an entity responsible for the implementation of the Competition Policy was created. In this regard, Transgaz's management has publicly expressed its firm commitment (through Declaration no. 59338/2022) to adopt the necessary internal measures and approved the Competition Rules Compliance Policy. This policy sets clear rules, both for employees and for the company's business partners, in order to promote the values and principles of fair competition.

As regards the anti-competitive behavior, there was a file no. 76/2/2021, which was definitively resolved during 2025. Other cases are not registered.

The training program of SNTGN Transgaz SA includes internal courses to present the main components of the ethics program, as well as the anti-corruption policy.

Within SNTGN Transgaz SA, the functions at risk are defined in relation to the degree of decision and responsibility in the management of the company's critical resources and processes. The criteria used to identify these functions include:

High level of decision and control - Functions that involve strategic or operational decision-making that can directly influence the use of the company's financial and material resources are considered at risk. For example:

- Employees involved in verifying compliance with legal provisions and internal regulations on the use of company resources.
- Financial controllers, internal auditors and quality/environmental/occupational health and safety auditors.

Access to financial and material resources – Functions that directly manage the company's funds, assets or assets are at risk due to the possibility of their misuse. These features include:

- Managers and employees involved in organizing the heritage inventory.
- Cashiers and employees empowered to exercise their own preventive control over financial funds.

Procurement and contracting process – Functions that are in charge of evaluating and conducting procurement processes are considered at risk due to conflicts of interest or unfair practices. This category includes:

- Employees from the Sectoral Procurement and Contracting Department.

Involvement in strategic projects and external relations – Functions that interact with external factors and are responsible for carrying out major projects involve a high risk, as the decisions made can have a significant impact on the company and stakeholders. Examples include:

- Site supervisors and employees involved in the implementation of technical projects.

Involvement in sponsorships and recruitment – The functions that manage sponsorships and the recruitment process are at risk due to undue or favored influence. These include:

- Chairman of the Commission for the Analysis of Sponsorship Applications.
- Employees responsible for human resource planning and staff recruitment.
- 210 people were identified as being at risk at a minor level, considering the above aspects. Within Petrostar, there were no people who were exposed to corruption. Members of administrative, management and supervisory structures did not receive specific anti-corruption training during 2025, as in the case of persons at risk. The plan is for next year. At the level of SNTGN Transgaz SA, in2025, the main components of the ethics program, as well as those of the anti-corruption policy were presented to the employees of SNTGN Transgaz SA on several levels, as follows:

Through training/improvement courses with external trainers – 3 courses, 35 people (all being sensitive functions), as follows:

- Course "Internal Public Audit Added Value for Management" – 6 people;
- Course "Practical workshop on planning the internal public audit activity" – 6 people;
- Course "Ethics and Integrity in Public Entities" – 23 people.
- Corruption Prevention Course – 5 people;
- Provisions of the Competition and Corruption Prevention Law – 10 persons;
- Competition law and corruption prevention – 44 people;

The percentage of positions at risk covered by the training programs is 28.57%.

At Vestmoldtransgaz the programs against corruption and bribery that are offered or imposed are:

- Code of Ethics
- Organization and Functioning Regulations
- Internal Rules

The management bodies of Vestmoldotransgaz are subject to Transgaz-aligned training programs.

The briefing material addressed various perspectives on the definition of corruption, including issues related to the relevant legislation, its forms, causes and effects, as well as practical examples. Measures to prevent and combat corruption were also discussed. These sessions, mainly held by the heads of service, address topics such as corruption, anti-corruption, as well as the declaration of gifts or conflicts of interest.

In 2025, the training programs did not include companies from the Republic of Moldova or Petrostar SA.

There were no integrity incidents during 2025 and no notification in this regard.

Confirmed incidents of corruption or bribery

G1-4

During the reporting period, no confirmed incidents of corruption or bribery were identified and no fines or sanctions were applied within SNTGN Transgaz SA, Petrostar SA, Vestmoldtransgaz SRL or Eurotransgaz SA. In this respect, no specific actions were needed to address breaches of anti-corruption and anti-bribery procedures and standards during this period.

Total number and nature of confirmed incidents of corruption or bribery	0
Number of confirmed incidents in which own employees have been fired or disciplinary investigated for incidents related to corruption or bribery	0
Number of confirmed incidents relating to contracts with business partners that have been terminated or not renewed due to violations related to corruption or bribery	0

Political influence and lobbying activities

G1-5

Transgaz maintained neutrality towards political parties and candidates for public office. Transgaz does not participate in political activities and does not make corporate donations to political parties or candidates. Transgaz's name and assets will not be used to promote the interests of political parties or candidates.

Transgaz is not involved in activities related to political influence. Therefore, there is no information to be provided on lobbying activities or political influences related to significant impacts, risks and opportunities for Transgaz.

In accordance with the transparency requirements regarding activities related to political influence and political contributions, Transgaz declares that it does not carry out lobbying activities and does not have political commitments or contributions. Thus, there are no types and purposes of lobbying activities to report. This statement underlines Transgaz's commitment to transparency and integrity in all aspects of its activity.

Transgaz maintains a dialogue with stakeholders who influence and participate in the legislative processes relevant to Transgaz, including the Energy Employers' Federation. The involvement of the Energy Employers’ Federation is to facilitate social dialogue at national level, contributing to the dialogue necessary to create a legislative framework conducive to the development of the energy sector. Those responsible for supervising these activities are experts in the legislative field and public relations.

These representatives are dedicated to monitoring and coordinating Transgaz's interactions with FPE and other relevant entities, ensuring that all information exchanges and discussions are geared towards achieving the company's strategic objectives. The activity covers legislative regulations, innovation and technology, social aspects, all of which cover the energy sector, not directly linked to the IROs identified according to the ESRS.

There are no cases of appointment of members who have held a similar position in the public administration in the two years prior to their appointment.

Payment practices

G1-6

According to the established contractual terms, Transgaz makes payments to suppliers every 30 days, and this deadline applies in more than 95% of cases, including for small and medium-sized enterprises.

The Days payable outstanding (DPO) in 2025 was 42,05 days for Transgaz. This indicator shows the number of lending days that the group obtains from suppliers and is calculated as follows: *Average Supplier Balance / Turnover * 365 days.*

At SNTGN Transgaz SA, performance indicators are established to monitor compliance with payment deadlines. Thus, during 2025 there were no delays compared to the contractual deadlines agreed by the parties.

No litigation files were identified related to the delay of SNTGN Transgaz SA's payment deadlines in 2025.

Petrostar maintains payment practices characterized by contractual terms between 5 and 30 days for SMEs and ancillary service providers and between 15 and 30 days for large suppliers, with an average effective payment term of 15-20 days, depending on the category. 99% of payments are made within the standard deadline, and only 1% are late, based on a representative analysis of 560 invoices processed by 31.10.2025. Only one ongoing legal proceeding related to late payment to an SME has been identified, while for large providers and ancillary services there are no open disputes. Within Petrostar, compliance with the payment deadline is monitored based on the contract for the provision of financial and accounting services by Ionel Dinu - expert accountant.

Also, payments are made every 30 days within Petrostar.

According to the established contractual terms, payments are made by Vestmoldtransgaz every **30** days, and this term applies, including for small and medium-sized enterprises. There was only one late payment with a large (corporate) supplier, but there were no issues of litigation in this case.

In Transgaz, each department that manages contracts/invoices/other payment obligations is responsible for submitting the documents for payment within the due deadline.

According to *the Procedure on the organization and exercise of their own preventive financial control,* the specialized departments that approve transactions from the point of view of reality, legality and regularity must specify in the invoices the payment deadline.

This deadline entered in the invoices by the person responsible for the contract will be respected in the process of planning financial resources and making payments by the Economic Department.

ANNEX 2 EU Taxonomy

Transgaz

SNTGN TRANSGAZ SA

Eurotransgaz SRL

Vestmoldtransgaz SRL

Petrostar SA

Report pursuant to Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council (the 'Taxonomy Regulation')

Financial Year 2025 (January 1, 2025 – December 31, 2025)

Introduction

Taxonomy reporting has been prepared at Transgaz consolidated level in accordance with the provisions of Article 8 of Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investments (Taxonomy Regulation[14]). This section sets out how and to what extent the company's economic activities are associated with activities considered environmentally sustainable, as well as the related key performance indicators as defined in that Regulation and the related delegated regulations[15].

The EU Taxonomy is a classification system that defines economic activities that can be considered environmentally sustainable. The Taxonomy Regulation is a key element of the European Commission's action plan, which aims to redirect capital flows towards a more sustainable and greener economy. This regulation defines the criteria and standards necessary to classify sustainable investments, thus facilitating the allocation of financial resources to projects and economic activities that contribute to achieving sustainability and environmental protection objectives. The EU Taxonomy is a classification system that sets six environmental objectives:

- climate change mitigation
- climate change adaptation
- sustainable use and protection of water and marine resources
- transition to a circular economy
- pollution prevention and control
- protection and restoration of biodiversity and ecosystems

The information complies with the requirements set out in Delegated Regulation (EU) 2026/73, which amends Delegated Regulations (EU) 2021/2178, (EU) 2021/2139 and (EU) 2023/2486 in order to simplify reporting requirements for environmentally sustainable activities. The reporting is also aligned with the specific requirements set out in Delegated Regulation (EU) 2022/1214, Delegated Regulation (EU) 2023/2485 and Delegated Regulation (EU) 2023/2486.

An 'eligible' economic activity is an activity that corresponds to the description of one of the activities defined in Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2022/1214, Delegated Regulation (EU) 2023/2485, Delegated Regulation 2023/2486 and Delegated Regulation (EU) 2024/3215. An 'eligible' activity has the potential to be considered environmentally sustainable (i.e. 'aligned') if it also fulfils the additional criteria listed in the delegated acts under the Regulation. More specifically, an economic activity is eligible regardless of whether it already meets one or all of the technical screening criteria laid down. An 'aligned' activity must comply with the following 4 conditions, as set out in Article 3 of EU Regulation 2020/852:

- contributes substantially to one or more of the six environmental objectives.
- does not cause significant harm to any of the other five environmental objectives.

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[14] Regulation (EU) 2020/852 of the European Parliament and of the Council, published in the Official Journal of the European Union of 22 June 2020

[15] Delegated act on climate change (Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021) and Delegated act on disclosures (Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021)

- comply with minimum social safeguards[16] relating to human rights due diligence, the fight against corruption and bribery, fair taxation and fair competition.
- comply with the technical screening criteria that have been established by the EU and are listed in the delegated acts

Eligibility and compliance with the EU taxonomy must be reported in financial terms, as a percentage of a company's total revenues, total capital expenditure (CapEx) and selected operating expenditure (OpEx). The data presented are extracted from the Consolidated Financial Statements.

For the financial year 2025, Transgaz has assessed the degree of eligibility and alignment of economic activities in accordance with the regulatory framework of the European Union Taxonomy, using the legal acts adopted pursuant to Regulation (EU) 2020/852 of the European Parliament and of the Council (Article 8) on establishing a framework to facilitate sustainable investment (the "EU Taxonomy Regulation"), as well as the related documentation. In this respect, the analysis was carried out taking into account the relevant delegated acts, including Delegated Regulation (EU) 2021/2139, as amended, which sets out the technical screening criteria for climate change mitigation and adaptation objectives, and Delegated Regulation (EU) 2021/2178, which defines the key performance indicators (KPIs) and the reporting requirements for activities eligible and aligned with the EU Taxonomy.

The EU Taxonomy itself is subject to regular review and the interpretation of the taxonomy and its criteria may change over time, which could lead to different results in terms of eligibility and alignment with the EU Taxonomy in future reporting periods. Financial data includes turnover, CapEx, OpEx at consolidated level, after the elimination of inter-company transactions.

Also, as part of the European Commission's efforts to simplify sustainability reporting under the Omnibus package, Transgaz aligned its reporting on the EU Taxonomy with the adoption of the Simplification Regulation (EU Regulation 2026/73) and updated reporting templates were used. In line with these changes, an eligibility assessment was carried out based on a comprehensive analysis of economic activities against those listed in the annexes to the climate and environment delegated acts. The EU Taxonomy framework allows entities to optionally apply the 10% threshold for reporting eligible or aligned activities. Transgaz chose to report all activities identified above the materiality threshold indicated by the regulation. This approach allows the report to focus on activities relevant to Transgaz's business and ensure compliance with all applicable regulatory requirements.

[16] Minimum safeguards are procedures implemented by a company engaged in an economic activity with the aim of ensuring compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the International Declaration of Human Rights. Human Rights.

Overview

Transgaz includes 4 entities, SNTGN TRANSGAZ SA, Petrostar SA, Eurotransgaz SRL, Vestmoldtransgaz SRL, however, eligible activities have been identified only for the Romanian company, SNTGN Transgaz S.A., which is the technical operator of the National Gas Transmission System and ensures the fulfillment in conditions of efficiency, transparency, safety, non-discriminatory access and competitiveness of the object of activity regarding:

- domestic transportation of natural gas;
- international transportation of natural gas;
- natural gas dispatching;
- research and design in the field specific to its activity, in compliance with the requirements of European and national legislation, as well as the standards of quality, performance, environment and sustainable development.

The operation by SNTGN Transgaz S.A. of the National Gas Transmission System mainly includes the following activities:

- trade balancing;
- contracting natural gas transmission services;
- dispatching and technological regimes;
- measurement and monitoring of natural gas quality;
- natural gas odorization and international natural gas transportation.

The table below shows the proportion of non-eligible, eligible and aligned economic activities from the perspective of the Taxonomy for Transgaz, according to art. 8, para. (2) The Taxonomy Regulation in conjunction with Art. 10 para. (2) of the Delegated Act.

Share of turnover, CapEx and OpEx from products or services associated with taxonomy-eligible or taxonomy-aligned economic activities – information provided for 2025 (synthetic KPIs)

Financial year (2025)	Year 2025				Breakdown of environmental objectives of Taxonomy aligned activities										
KPI	Total	Proportion of taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of taxonomy-aligned activities	Climate change mitigation	Climate Change Adaptation	Water	Circular economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Non assessed activities considered non-material	Taxonomy-aligned activities in previous financial year (N-1)	Proportion of taxonomy-aligned activities in previous financial year (N-1)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Text	*RON*	*%*	*RON*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*RON*	*%*
Turnover	2,916,565,538	0%	**0**	0%	%	%	%	%	%	%	%	%	**0%**	**0**	0%
CapEx	1,367,058,891	98%	**0**	0%	%	%	%	%	%	%	%	%	**1%**	**0**	0%
OpEx	626,932,458	0%	**0**	0%	%	%	%	%	%	%	%	%	**1%**	**0**	0%

Description of activities

Assessment of eligibility for the EU taxonomy for the financial year 2025

In order to assess whether Transgaz activities are eligible under the EU taxonomy, the descriptions of the activities and/or services offered were compared with the descriptions of the activities in the taxonomy that contribute to the 6 objectives. The main activity consists of providing "Pipeline Transport" services (which also includes equipping the pipelines with fans, compressors, pumps and other equipment), according to NACE code 4950 (NACE equivalent H49.50), with over 95% of the revenues coming from the transport of fossil gases.

Main activity

Transgaz's main activity corresponds to activity 4.14. Transmission and distribution networks for renewable and low-carbon gases, in Annex no. 1 of the Delegated Regulation no. 2021/2139. Thus, Transgaz S.A. in Romania, it has identified its main activity related to NACE code 4950 as eligible, meeting the requirements of the Delegated Regulation contained in the description of the activity.

In 2025 the transmission activity was strictly related to fossil gas (the turnover being generated by the transport of fossil gas), and therefore there is no turnover or OPEX eligible operating expenses associated with the gas transmission services offered in 2025. However, technical studies have been carried out and it has been concluded that the grid in Romania could be capable of transporting a gas mixture with up to 10% hydrogen. The share of hydrogen contributes to a low-carbon gas mix, which can also be combined with biogas – renewable gases/biogas. Based on this, Romania's investments in networks (CapEx) were considered eligible, because they can be used in the future for the transport of hydrogen and other renewable gases. Transgaz SA's activity related to 2025 also includes investments (CapEx) in the development and modernization of natural gas infrastructure, infrastructure that may have the potential to transport a mixture of gases and hydrogen as mentioned above.

All the economic activities carried out by Transgaz were examined in order to see which of them are eligible and aligned according to Annexes I and II of the Climate Delegated Act and which are above the materiality threshold indicated on December 31, 2025.

In 2025, the eligible activities are exclusively of SNTGN Transgaz S.A. The financial data, including turnover and capital expenditures (CAPEX), are extracted from the group's consolidated financial statements and are reconciled with the totals in order to prevent double counting. Also, the acquisitions included in CapEx do not include intra-group activities, thus eliminating the associated double-counting risks.

The table below shows the activity identified as eligible and above the materiality threshold within SNTGN Transgaz SA.

Economic activity eligible for the EU Taxonomy

Eligible activity	Description
Activity 4.14 Transmission and distribution networks for renewable and low-carbon gases	The activity consists of the modernization of gas transmission and distribution networks that allow the integration of hydrogen and other low-carbon gases into the grid, including any gas transmission or distribution activity that allows the increase of the mixture of hydrogen or other low-carbon gases in the gas system. The work involves detecting and repairing leaks from existing gas pipelines and other network components to minimize methane emissions.

Unlike Transgaz's 2024 reporting and in accordance with the updated regulation, economic activities that do not reach the 10% threshold were excluded. This generates a minor reduction in the eligible activities proportion of the KPIs. No other key factor generated annual changes in KPIs.

In accordance with Delegated Regulation (EU) 2026/73, the company may not assess the eligibility or alignment of economic activities when, for the relevant KPI , the cumulative values related to those activities are less than 10% of the denominator of that KPI.

For turnover, the company may not assess the eligibility/alignment of those activities for which the cumulative turnover is <10% of the turnover KPI denominator.

For CapEx, the company may not assess the eligibility/alignment of those activities for which the cumulative CapEx is <10% of the denominator of the CapEx KPI.

For OpEx, if OpEx is not significant to the business model, the company may not assess OpEx eligibility/alignment for all activities, provided that it publishes the total value of the OpEx KPI denominator and explains why OpEx is not significant. If the OpEx is, in principle, significant for the business model, the company may not assess the eligibility/alignment of those activities for which the cumulative OpEx is <10% of the OpEx KPI denominator.

The excluded economic activities are: (i) Transport by motorcycles, cars and light commercial vehicles and (ii) Renovation of existing buildings. These activities are eligible according to Regulation 2026/73, but were considered insignificant within the meaning of Article 2(1b) as they contribute less than 10% to the relevant KPI denominators (turnover, CapEx or OpEx). As a result, they have not been evaluated in detail and are not included in the tables and presentations of the Taxonomy.

Activities that do not fall under the above derogations remain subject to full assessment and reporting for the relevant KPIs . The turnover, CapEx and OpEx related to the activities for which the derogations/simplifications apply shall be reported separately as turnover, capital expenditure or insignificant (non-material) operating expenses.

Following the above analysis, the environmental objective assessed was Climate Change Mitigation and DNSH for the other five environmental objectives.

Determining the alignment of the eligible economic activity of SNTGN Transgaz SA.

To be considered sustainable or aligned, eligible economic activities must substantially contribute to at least one of the six environmental objectives listed in Article 9 of the EU Taxonomy Regulation, not significantly harm any of the other environmental objectives, and comply with the minimum social safeguards referred to in Article 18 of the Regulation.

Substantial contribution and DNSH analysis result

Activity 4.14 - Transmission and distribution networks for renewable and low-carbon gases

Environmental objectives assessed according to technical criteria Substantial contribution	Result
Climate change mitigation	**Yes** – Meets the criteria. The network in which it is invested is capable of transporting hydrogen or other gases with low carbon dioxide emissions - biogas. Rigorous studies have been carried out and it has been concluded that the grid could be capable of transporting a gas mixture with up to 10% hydrogen. The share of hydrogen contributes to a low-carbon gas mix, which can also be combined with biogas – renewable gases/biogas.

Environmental objectives assessed according to the DNSH principle	Result
Adaptation to climate change	**Yes** – Meets the criteria. There is no significant climate risk at SNTGN Transgaz S.A. locations. following the vulnerability study carried out. There is a plan of adaptation measures, adopted together with the Decarbonization Strategy of SNTGN Transgaz S.A.
Sustainable use and protection of water and marine resources	**Yes** – no prejudice
Circular economy, including waste prevention and recycling	**N/A** – there are no DNSH requirements for this lens
Prevention and control of air, water or soil pollution	**It was not demonstrable by the end of 2025**
Protecting and restoring biodiversity and ecosystems	**Yes -– Meets the criteria.**

Turnover, CAPEX and OPEX

Key performance indicators ("KPIs") include the turnover KPI, the CapEx KPI and the OpEx KPI. For the reporting period, KPIs must be disclosed for Taxonomy-Aligned/Taxonomy-Aligned and Non-Taxonomy-Eligible activities.

We determine the eligible KPIs for the taxonomy in accordance with legal requirements and describe our accounting policy in this regard as follows:

Turnover KPI

Definition - The share of Taxonomy-eligible/Taxonomy-aligned economic activities in our total turnover was calculated as part of the net turnover derived from products and services associated with Taxonomy-eligible/Taxonomy-aligned economic activities (numerator) divided by net turnover (denominator), in each case for the financial year 01.01.2025 to 31.12.2025.

The denominator of the turnover KPI is based on the net turnover in accordance with the Consolidated Statements of the Profit or Loss Account and other elements of the comprehensive result for the year ended December 31, 2025, prepared in accordance with OMFP 2844/2016, the Operating Income Before Balancing Lines, having a total amount of RON 2,916,565,538.

The turnover KPI numerator is defined as the net turnover derived from products and services associated with economic activities eligible for the Taxonomy.

KPI CapEx

Definition – CapEx KPI is defined as CapEx (numerator) eligible/aligned for taxonomy divided by total CapEx. The amount represents increases and entries during the year found in Notes 7 – Tangible Assets, 7.1 – Rights-of-use for leased assets (IFRS 16) and 9 – Intangible Assets of the Consolidated Financial Statements in accordance with OMFP 2844/2016, having a total amount of RON 1,367,058,891.

In 2025, Transgaz made investments for the modernization and refurbishment of gas pipelines. Thus, CAPEX eligible investments were identified, representing 98% (1,337,676,299 RON) of the total investments made.

At Transgaz level, certain investments in renovations of existing buildings and transportation by motorcycles, cars and light commercial vehicles were identified, but these represent an insignificant percentage, namely **1%** (8,309,768 Ron) of the total investments, so they were classified as non-eligible CapEx, according to Delegated Regulation 2026/73.

Although Transgaz does not have, at the reporting date, a CapEx plan dedicated to aligning economic activities with the requirements of the EU Taxonomy, the company has a business investment plan, developed in accordance with its operational and development strategy. This CapEx plan reflects the operational and strategic needs of the company and will be subject to further analysis from the perspective of the requirements of the EU Taxonomy, in order to assess the eligibility and, where appropriate, the alignment of the planned investments. The process of correlating the business investment plan with the classification and alignment criteria provided by the EU Taxonomy will be carried out gradually, as regulatory requirements are clarified and the internal approach to sustainability reporting matures.

KPI OpEx

Definition – The OpEx KPI is defined as taxonomy-eligible/aligned OpEx (numerator) divided by total OpEx.

For eligible activity 4.14, the company does not record OpEx related to the transportation of low-carbon gasses, because the activity is not currently operational. The investments related to the adaptation of the network for the transport of low carbon/hydrogen gases are exclusively in the investment phase, and the current legislative framework does not yet allow hydrogen operation in the National Transportation System. In the absence of operation, there is no operational technological flow, which implies the absence of operational expenses related to the eligible activity (including uncapitalised maintenance, repairs or other operational costs).

The OpEx expenses, having a total amount of RON 626,932,458 (related to the accounts - external benefits 602 - related to spare parts used for assets and short-term rents, 611, 612, 628 - related to other direct expenses related to the maintenance of assets and personnel - those for maintenance - 641) are presented in the Consolidated Financial Statements in accordance with OMFP 2844/2016, in the Profit and loss account, part of the Operating expenses line.

Also, in accordance with Commission Delegated Regulation (EU) 2026/73 of 4 July 2025, Transgaz has identified certain potentially eligible activities. These activities, mainly associated with the renovation of existing buildings and the transport by motorcycles, cars and light commercial vehicles, cumulatively represent **1%**, the equivalent of 6,502,903 Ron of the total OpEx. Given the low percentage and below the materiality threshold of 10%, the operating expenses are considered immaterial and will not be presented, in line with the new Omnibus legislation.

Turnover

Share of Turnover from products or services associated with taxonomy-eligible or taxonomy-aligned economic activities – information provided for year (N) (breakdown by activity)

Total Turnover	**2,916,565,538**												
Financial year (2025)	**2025**				**Environmental objective of Taxonomy aligned activities**								
Economic activities	**Code**	**Taxonomy-eligible KPIs (Proportion of taxonomy-eligible Turnover)**	**Taxonomy-aligned KPI (monetary value of Turnover)**	**Taxonomy-aligned KPIs (Proportion of Turnover)**	**Climate change mitigation**	**Climate Change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Enabling activity**	**Transitional activity**	**Proportion of taxonomy-aligned in taxonomy eligible**
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**	**(12)**	**(13)**	**(14)**
Text		*%*	*RON*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*(F, as the case may be)*	*(T, as applicable)*	*%*
Transmission and distribution networks for renewable and low-carbon gases;	CCM4.14	0%	**0**	-	-	-	-	-	-	-			0%
			0	-	-	-	-	-	-	-			0%
			0	-	-	-	-	-	-	-			
Sum of activity or aligned part per objective					%	%	%	%	%	%			
Total KPI (Turnover)		0%	**0**	-	-	-	-	-	-	-	%	%	0%

CapEX

Share of CapEx from products or services associated with taxonomy-eligible or taxonomy-aligned economic activities – information provided for year (N) (breakdown by activity)

CapEx Total	**1,367,058,891**												
Financial year (2025)	**2025**				**Environmental objective of Taxonomy aligned activities**								
Economic activities	**Code**	**Taxonomy-eligible KPIs (Proportion of taxonomy-eligible CapEx)**	**Taxonomy-aligned KPI (monetary value of CapEx)**	**Taxonomy-aligned KPIs (Proportion of CapEx)**	**Climate change mitigation**	**Climate Change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Enabling activity**	**Transitional activity**	**Proportion of taxonomy-aligned in taxonomy eligible**
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**	**(12)**	**(13)**	**(14)**
Text		*%*	*RON*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*(F, as the case may be)*	*(T, as applicable)*	*%*
Transmission and distribution networks for renewable and low-carbon gases;	CCM4.14	98%	**0**	-	-	-	-	-	-	-			0%
			0	-	-	-	-	-	-	-			0%
			0	-	-	-	-	-	-	-			
Sum of activity or aligned part per objective					%	%	%	%	%	%			
Total KPI (CapEx)		98%	**0**	-	-	-	-	-	-	-	%	%	0%

OpEX

Share of OpEx from products or services associated with taxonomy-eligible or taxonomy-aligned economic activities – information provided for year (N) (breakdown by activity)

OpEx Total	**626,932,458**												
Financial year (2025)	**2025**				**Environmental objective of Taxonomy aligned activities**								
Economic activities	**Code**	**Taxonomy-eligible KPIs (Proportion of taxonomy-eligible OpEx)**	**Taxonomy-aligned KPI (monetary value of OpEx)**	**Taxonomy-aligned KPIs (Proportion of OpEx)**	**Climate change mitigation**	**Climate Change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Enabling activity**	**Transitional activity**	**Proportion of taxonomy -aligned in taxonomy eligible**
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**	**(12)**	**(13)**	**(14)**
Text		*%*	*RON*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*(F, as the case may be)*	*(T, as applicable)*	*%*
Transmission and distribution networks for renewable and low-carbon gases;	CCM4.14	0%	**0**	-	-	-	-	-	-	-			0%
			0	-	-	-	-	-	-	-			0%
			0	-	-	-	-	-	-	-			
Sum of activity or aligned part per objective					%	%	%	%	%	%			
Total KPI (OpEx)		0%	**0**	-	-	-	-	-	-	-	%	%	0%

Ernst & Young Assurance Services SRL
Bucharest Tower Center Building, 21st Floor
15-17 Ion Mihalache Blvd., District 1
011171 Bucharest, Romania

Tel: +40 21 402 4000
Fax: +40 21 310 7193
office@ro.ey.com
ey.com

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT FOR THE FINANCIAL YEAR 2025

To the Shareholders of SNTGN Transgaz SA

Limited assurance conclusion

We have conducted a limited assurance engagement on the Consolidated Sustainability Statement included in Annex 1 to the Consolidated Administrators' Report of the Entity as at 21 April 2026 and for the period from 01 January 2025 to 31 December 2025, prepared by SNTGN Transgaz SA ("the Entity"), with social premises registered in Romania, Address no.1, Constantin I. Motas Square Medias, Fiscal Identification Number RO13068733, Trade Register number J32/301/2000.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement of SNTGN Transgaz SA from 21 April 2026 and for the period from 01 January 2025 to 31 December 2025 is not prepared, in all material respects, in accordance with the applicable statutory sustainability reporting framework included in MF Order 2844/2016, Chapter 7^1, section $7^1.3$, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Consolidated Sustainability Statement (the "Process") is in accordance with the description set out in chapter "General Information ESRS 2 – Basis for preparation", subsection "IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities"; and
- compliance of the taxonomy disclosures detailed in the Environmental Section, Annex 2 EU Taxonomy of the Consolidated Sustainability Statement with the applicable reporting requirements of Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulations").

Basis for conclusion

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information".

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under this standard are further described in the Practitioner's Responsibilities section of our report.

We are independent of the Company in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements that are relevant to our assurance engagement of the Consolidated Sustainability Statement in Romania, including Law 162/2017 with subsequent amendments ("The Law"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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Our firm also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities for the Consolidated Sustainability Statement

Management of the Company is responsible for designing, implementing and maintaining a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS and for disclosing this process in chapter "General Information ESRS 2 – Basis for preparation", subsection "IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities" of the Consolidated Sustainability Statement.

This responsibility include:

- understanding the context in which the Company's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- developing methodologies and making assumptions that are reasonable in the circumstances.

Management of the Company is further responsible for the preparation of the Consolidated Sustainability Statement, in accordance with the the applicable statutory sustainability reporting framework foreseen in MF Order 2844/2016, Chapter 7^1, sections 7^1.3, including:

- compliance with the European Standards for Reporting on Sustainability;
- preparing the taxonomy disclosures of the Consolidated Sustainability Statement, in the Environmental Section, Annex 2 EU Taxonomy, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation"); and
- designing, implementing and maintaining such internal controls that are necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the SNTGN Transgaz SA sustainability reporting process.

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Inherent limitations in preparing the Consolidated Sustainability Statement

In reporting a forward-looking information in accordance with European Standards for Reporting on Sustainability, the management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Consolidated Sustainability Statement, the management of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Auditor's Responsibilities for the limited assurance engagement

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process, chapter "General Information ESRS 2 – Basis for preparation", subsection "IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities".

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- Obtaining an understanding of the entity's control environment, processes, and information systems relevant to the preparation of the Consolidated Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error.
- Designing and performing procedures responsive to disclosures in the Consolidated Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - Inspecting/Examining the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process of the Company was consistent with the description of the Process set out in chapter "General Information ESRS 2 – Basis for preparation", subsection "IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities".

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we have:

- Obtained an understanding of the Company's reporting processes relevant to the preparation of its Consolidated Sustainability Statement;
- Evaluated whether material information identified by the Process to identify the information reported in the Consolidated Sustainability Statement is included in the Consolidated Sustainability Statement;
- Evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the European Standards for Reporting on Sustainability;
- Performed inquires of relevant personnel and analytical procedures on selected disclosures in the Consolidated Sustainability Statement;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Consolidated Sustainability Statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and evaluated the regulatory compliance with of Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulations") of the information provided in the Consolidated Sustainability Statement.

On behalf of,
Ernst & Young Assurance Services SRL
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania
Registered in the electronic Public Register under No. FA77

Name of the Auditor / Partner: Verona Cojocaru
Registered in the electronic Public Register under No. AF1568

Bucharest, Romania
Date: 21 April 2026

THE NATIONAL GAS TRANSMISSION COMPANY
TRANSGAZ S.A.

SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 DECEMBER 2025

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

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.

SEPARATE FINANCIAL STATEMENTS

Contents **Page**

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

	Note	31 December 2025	31 December 2024
ASSET			
Non-current assets			
Tangible Assets	7	308.044.165	333.770.260
Right of use assets	7.1	22.066.878	19.695.092
Intangible assets	9	5.956.785.352	5.117.106.134
Investments in subsidiaries	10.1	182.164.288	177.644.145
Receivables from Concession Agreement	12.3	3.033.953.960	2.648.907.892
Deferred tax	18	70.457.300	82.718.086
Restricted cash	13	2.211.942	2.301.308
		9.575.683.885	**8.382.142.917**
Current assets			
Inventories	11	494.035.918	508.219.412
Trade receivables	12.1	378.041.940	322.973.435
Other receivables	12.2	83.633.842	82.996.924
Income tax receivables	18	-	17.147.652
Cash and cash equivalents	13	784.335.563	993.071.864
		1.740.047.263	**1.924.409.287**
Total assets		**11.315.731.148**	**10.306.552.204**
EQUITY AND LIABILITIES			
Equity			
Share capital	14	1.883.815.040	1.883.815.040
Hyperinflation adjustment of share capital	14	441.418.396	441.418.396
Share premium	14	247.478.865	247.478.865
Other reserves	15	1.265.796.861	1.265.796.861
Retained earnings	15	1.007.471.342	440.307.635
		4.845.980.504	**4.278.816.797**
Non-current liabilities			
Long-term loans	16	3.688.555.452	3.253.799.769
Deferred revenue	17	1.211.922.715	1.141.200.092
Lease liabilities	0.2	19.000.885	16.968.348
Provision for employee benefits	21	168.179.654	144.260.768
		5.087.658.706	**4.556.228.977**

Notes 1 to 33 are part of these financial statements.

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

	Note	31 December 2025	31 December 2024
Current liabilities			
Short-term loans	16	424.762.430	350.726.742
Deferred revenue	17	105.806.400	103.676.018
Current tax payable	18	1.298.495	-
Trade payables	0.1.a	226.401.782	486.630.526
Other payables	0.1.b	488.346.334	389.374.125
Client contract liabilities	0.1.c	64.979.850	81.621.549
Lease liability	19.2	4.558.134	3.913.557
Other provisions	20	43.106.749	39.650.849
Provision for employee benefits	21	22.831.764	15.913.064
		1.382.091.938	**1.471.506.430**
Total liabilities		**6.469.750.644**	**6.027.735.407**
Total equity and liabilities		**11.315.731.148**	**10.306.552.204**

Endorsed and signed on behalf of the Board of Administration on 21 April 2026 by:

Chairman of the Board of Administration
Nicolae Minea

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

Notes 1 to 33 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.

STATEMENT OF COMPREHENSIVE INCOME

(expressed in lei, unless otherwise stated)

	Note	Year ended 31 December 2025	Year ended 31 December 2024
Revenue from the domestic transmission activity	22.1	2.460.922.108	1.954.193.929
Other income	22.2	157.439.551	150.874.817
Operational revenue before the balancing and construction activity according to IFRIC12		**2.618.361.659**	**2.105.068.746**
Depreciation and amortization	7, 9	(492.523.375)	(470.453.678)
Employees costs	24	(677.447.879)	(626.692.761)
NTS gas consumption, materials and consumables used		(116.885.187)	(146.810.051)
Expenses with royalties		(283.006.043)	(224.732.303)
Maintenance and transmission		(77.164.205)	(58.583.894)
Taxes and duties		(121.128.271)	(89.534.186)
Income/ (Expenses) with other provisions		(3.901.712)	47.555.993
Receivables impairment loss/(gain)		(16.803.589)	16.802.439
Other operating expenses	23.1	(135.236.367)	(211.600.351)
Operational profit before the balancing and construction activity according to IFRIC12		**694.265.031**	**341.019.954**
Revenue from the balancing activity	22.1	359.936.488	248.966.900
Cost of balancing activity	23.2	(359.936.488)	(248.966.900)
Revenue from the construction activity according to IFRIC12	22.1	1.263.636.142	1.876.822.070
Cost of assets constructed according to IFRIC12	31	(1.263.636.142)	(1.876.822.070)
Operational profit		**694.265.031**	**341.019.954**
Interest Income	25	342.601.666	199.089.280
Financial income	25	6.578.225	4.833.972
Financial cost	25	(106.284.581)	(86.838.195)
Financial income, net		**242.895.310**	**117.085.057**
Profit before tax		**937.160.341**	**458.105.011**
Income tax expense	18	(149.003.765)	(66.075.061)
Net profit for the period		**788.156.576**	**392.029.950**
Shares number		188.381.504	188.381.504
Basic and diluted earnings per share (expressed in lei per share)	27	4,18	2,08
Other items of comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax)			
Actuarial gain / loss for the period		(17.540.845)	(7.505.716)
Total comprehensive income for the period		**770.615.731**	**384.524.234**

Chairman of the Board of Administration
Nicolae Minea

Director - General
Ion Sterian

Chief Financial Officer
Marius Lupean

Notes 1 to 33 are integral part of these financial statements.

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

	Note	Share Capital	Share capital adjustments for hyperinflation	Share premium	Other reserves	Legal reserve	Reinvested profit reserve	Retained earnings	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**	**48.675.901**	**3.960.226.089**
Elements of the comprehensive income									
Net profit for the period (restated-note 32)*		-	-	-	-	-	-	392.029.950	392.029.950
Actuarial gains and losses								(7.505.716)	(7.505.716)
Total other comprehensive income		-	-	-	-	-	-	(7.505.716)	(7.505.716)
Total comprehensive income for the period								**384.524.234**	**384.524.234**
Increasing Legal reserves		-	-	-	-	22.905.250		(22.905.250)	-
Establishing tax reserves		-	-	-	-	-	40.845.861	(40.845.861)	-
Shareholder transactions:	15	-	-	-	-	-	-	(65.933.526)	(65.933.526)
Dividends for 2023		**1.883.815.040**	**441.418.396**	**247.478.865**	**1.265.796.861**	**78.670.680**	**58.121.457**	**303.515.498**	**4.278.816.797**
Balance at 31 December 2024									
Elements of the comprehensive income									
Net profit for the period		-	-	-	-	-	-	788.156.576	788.156.576
Actuarial gains and losses								(17.540.845)	(17.540.845)
Total other comprehensive income		-	-	-	-	-	-	(17.540.845)	(17.540.845)
Total comprehensive income for the period								**770.615.731**	**770.615.731**
Increasing Legal reserve		-	-	-	-	46.858.017		(46.858.017)	-
Establishing tax reserves		-	-	-	-	-	30.520.848	(30.520.848)	-
Shareholder transactions:									
Dividends related to 2024	15	-	-	-	-	-	-	(203.452.024)	(203.452.024)
Balance at 31 December 2025		**1.883.815.040**	**441.418.396**	**247.478.865**	**1.265.796.861**	**125.528.697**	**88.642.305**	**793.300.340**	**4.845.980.504**

Chairman of the Board of Administration
Nicolae Minea

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

Notes 1 to 33 are integral part of these financial statements.

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

	Note	Year ended 31 December 2025	Year ended 31 December 2024
Profit before tax		937.160.341	458.105.011
Depreciation		492.523.375	470.453.678
Gain/(loss) on transfer of non-current assets		152.407	181.501
Other provisions		3.455.900	(36.534.065)
Provisions for employee benefit		715.009	8.226.642
Adjustments for impairment of intangible assets		-	2.059.121
Income from connection fees, grants and goods taken free of charge		(105.421.053)	(105.215.125)
Sundry debtors and receivable loss		30.538.398	25.267.170
Adjustments for the receivable's impairment		(13.734.809)	(18.237.158)
Adjustments for inventory impairment		2.817.290	11.034.501
Interest income		(85.480.500)	(71.390.823)
Interest expenses		60.551.524	72.154.500
Update of the Receivable regarding the Concession Agreement		(257.121.166)	(127.698.456)
Effect of exchange rate fluctuation on other items than from operation		24.456.661	70.719
Effect of restatement of the provision for employee benefits		12.581.731	9.056.425
Other expenses and income		(208.566)	(143.803)
Operating profit before the changes in working capital		**1.102.986.542**	**697.389.838**
Decrease in trade and other receivables		(32.578.056)	(104.833.149)
Decrease in inventories		11.366.204	64.856.443
(Decrease/Increase in trade payables and other debts		82.815.302	(27.850.545)
Cash generated from operations		**1.164.589.992**	**629.562.587**
Income tax paid		(119.087.074)	(35.637.362)
Net cash inflow from operating activities		**1.045.502.918**	**593.925.225**
Cash flow from investing activities			
Payments to acquire intangible assets		(1.487.029.317)	(1.754.554.227)
Payments to acquire tangible assets		(24.560.205)	(21.680.950)
Receipts from the disposal of tangible assets		-	110.457
Financial investments/shareholdings		(4.520.143)	(25.000)
Interest received		14.809.208	12.492.847
Net cash used in investing activities		**(1.501.300.457)**	**(1.763.656.873)**

Notes 1 to 33 are part of these financial statements.

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

	Note	Year ended 31 December 2025	Year ended 31 December 2024
Cash flow from financing activities			
Long-term loans withdrawals		555.000.000	1.417.670.000
Long term loans repayments		(132.312.037)	(132.316.032)
Credit repayments for working capital		31.356.161	2.174.192
Cash flow from connection fees and grants		171.348.336	399.138.282
Lease Payments (IFRS 16)		(6.416.298)	(5.611.248)
Interest paid		(168.584.040)	(127.772.619)
Dividends paid		(203.330.884)	(66.079.699)
Net cash (used in)/ generated from financing activities		**247.061.238**	**1.487.202.876**
Net change in cash and cash equivalents		**(208.736.301)**	**317.471.228**
Cash and cash equivalent as at the beginning of the year	13	**993.071.864**	**675.600.636**
Cash and cash equivalent as at the end of the period	13	**784.335.563**	**993.071.864**

Chairman of the Board of Administration
Nicolae Minea

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

Notes 1 to 33 are part of these financial statements.

1. GENERAL INFORMATION

The National Gas Transmission Company - SNTGN Transgaz SA (`company`) has as main activity the transmission of natural gas. Also, the company maintains and operates the national gas transmission system and carries out research and design activities in the area of natural gas transmission. At 31 December 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, 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.

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

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

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.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Statement of compliance

The Company's financial statements were prepared in accordance with the Order of the Minister of Public Finance no. 2.844/2016, as amended ("OMF 2844/2016") for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards (IFRS Accounting Standards), as adopted by the European Union, applicable to companies whose real shares are admitted for trading on a regulated market.

OMF 2844/2016 complies with IFRS Accounting Standards as adopted by the European Union with the following exceptions:

- IAS 21 The Effects of Changes in Foreign Exchange Rates regarding the functional currency, IAS 20 Accounting for Government Grants regarding the recognition of revenue from green certificates, the exception of IAS 12 Income Taxes related to the treatment of 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.
- IFRS 15 Revenue from contracts with customers regarding the revenue from connection fees to the distribution grid. The Company's policy on connection fee income, described in Note 3.17, does not affect the compliance of the Company's financial statements with IFRS Accounting Standards as adopted by the EUwith 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.
- 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, under 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 year period. These provisions are not in accordance with IFRS Accounting Standards. If the 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 consumables* would have recorded an increase by Lei 20.547.260 in 2025 (41.986.105 lei in 2024), *Depreciation* would have recorded a decrease by Lei 14.196.455 in 2025 (5.152.947 lei in 2024), Operating profit would have recorded a decrease by Lei 6.350.805 in 2025 (36.833.158 lei in 2024), and the value of the lines in the statement of the financial position would have recorded the following effect: Intangible assets would have decreased by lei 55.208.388 as at 31 December 2025 (48.857.582 lei as of 31 December 2024) and Retained result would have recorded a reduction of Lei 48.857.582 as at 31 December 2025 (12.024.425 lei as of 31 December 2024).

The financial statements were prepared based on the historical cost convention, except for the financial assets which are measured at fair value by the profit and loss account or at the fair value by other elements of the comprehensive income.

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

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.

3. SUMMARY OF THE MATERIAL ACCOUNTING POLICIES

The main accounting policies applied in the preparation of these financial statements are presented 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:

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments).** The amendments are effective for annual reporting periods beginning on or after 1 January 2025. The newly adopted IFRS Accounting Standard did not have a material 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 endorsed 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.

- **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. During this period, the Company is assessing the impact on its reporting processes, investor communications, and business strategy in order to implement the requirements of this standard and ensure accuracy and transparency in its reporting.

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

- **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, This standard has no impact on separate financial statements.
- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (amendments).** In November 2025, the IASB issued amendments to Translation to a Hyperinflationary Presentation Currency, which amend IAS 21 The Effects of Changes in Foreign Exchange Rates, and which are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. Management has assessed that these amendments will not have a significant 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.

3.2 Subsidiaries

A subsidiary is an entity controlled by the Company. In determining whether control exists, the Company assesses the following:
• whether it has authority over the investee;
• whether it has exposure to or rights to variable returns based on its interest in the investee;
• whether it has the ability to use its authority over the investee to influence the Company's results.
Investments in subsidiaries are recognized at cost less any accumulated impairment losses, as applicable.
The Company assesses as at the date of the financial statements whether there are any indications of impairment of investments in subsidiaries. If, in prior periods, the carrying amount of an investment in a subsidiary has been recovered through dividends received from that subsidiary, the investment is recognized at cost without further testing for impairment. If the investment in a subsidiary has not been recovered in prior periods, the Company assesses the current and future economic environment in comparison with the conditions existing at the date of the investment in that subsidiary; a deterioration in economic conditions (e.g., selling price, tax environment) may necessitate an impairment test.

3.3 Reporting on segments

Reporting on business segments is made consistently with the internal reporting by the main operating decision-maker. The main operating decision-maker, which is in charge with resource allocation and assessment of business segments' performance, was identified as being the Board of Administration, which makes the strategic decisions.

3.4 Transactions in foreign currency

a) *Functional currency*

The items included in the financial statements of the company are valued using the currency of the economic environment where the entity operates (`functional currency`). The financial statements are presented in Romanian leu (`lei`), which is the functional currency and the currency of company presentation.

b) *The rounding level used in the presentation of the financial statements*

In the financial statements the value is presented rounded by units.

c) *Transactions and balances*

Transactions in foreign currency are converted into functional currency using the exchange rate valid on the date of transactions or valuation at the reporting date. Profit and loss resulting from foreign currency translation reserve following the conclusion of such transactions and from the conversion at the exchange rate at the end of the reporting period of monetary assets and liabilities denominated in foreign currency are reflected in the statement of the comprehensive income.

3.5 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.

3.6 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.

Service Concession Agreement

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

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.

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 established, 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 reduced by non-refundable funds used to finance CAPEX, 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 (National Energy Regulatory Authority) is the natural gas sector regulatory authority that has regulatory responsibility, the control and oversight of the natural gas transmission business. 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 tarrif methodology applicable during the fourth regulatory period (1 October 2019 – 30 September 2025) approved by ANRE Order 41/2019 in Article 17 and in the methodology applicable for the fifth regulatory period (1 October 2025 – 30 September 2030) approved by ANRE Order No. 7/2025, in Article 21 is mentioned the computation formula of RAB included in the tariff. The BAR used to determine the tariffs applicable to the next gas year is based on the results achieved up to the date of calculation and on estimated values expected to be achieved by the end of the gas year preceding the one for which the transmission tariffs are being determined.

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 ANRM at the end of the concession agreement.

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 it is entitled to at the end of the concession. This amount, as per the law, represent an unconditional receivable, and according to 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 occured 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 interest rate used does not change thereafter.

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 in the profit or loss account.
This method is in accordance with IFRS 9.B5.4.6, 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 amortization 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 Tangible Assets

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

The company's policy is to reflect ntangible assets at their cost at their cost less any accumulated depreciation and any impairment accumulated losses.

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

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

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 company 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.

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.

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).

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.

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.

3.8 Impairment of non-financial assets

Depreciated assets are reviewed for impairment loss whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The impairment loss is the difference between the carrying amount and the recoverable amount of the asset. The recoverable amount is the greater of the asset's fair value minus costs to sell and value in use. An impairment loss recognized for an asset in prior periods is reversed if there are changes in the estimates used to determine the recoverable amount of the asset at the date the last impairment loss was recognized. For the calculation of this impairment, assets are grouped at the lowest levels for which there are identifiable independent cash flows (cash generating units).

Depreciated non-financial assets are reviewed for possible reversal of the impairment at each reporting date.

Leased assets

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

The Company as a lessee

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

i) Right-of-use assets

The Company recognizes 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 recognized lease liabilities, initial direct costs incurred and lease payments made on or before the commencement date, less any lease inducements 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 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 Company 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

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 Company’s lease liabilities are included in Interest-bearing loans and borrowings.

Short-term leases and leases of low-value assets The Company 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 call 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 by 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.

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. At the end of each reporting period, the company assesses whether there are any indications of impairment of assets. If such indications are identified, the company estimates the asset's recoverable amount.

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 paid,

(i) Assets measured at cost

The share held at Eurotrangaz SRL is recognized at cost according to Art.10.a-IAS 27-Separate Financial Statements:

In 2025 and 2024 the company evaluated the stake held in Eurotrangaz SRL in order to identify any possible impairment losses No impairments were found.

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 stocks at a value determined by a technical committee. The amount so determined does not exceed the net achievable value.

The cost for spare parts bought is determined based on the first in, first out method, except for the cost of gas used in the national transmission system balancing activity which is determined based on the weighted average cost 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 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 ANRE established the minimum level of natural gas that the TSO must have in its storage facilities by 31 October 2025, namely 393.546,504 MWh.

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 fair value and subsequently measured at amortized cost using the effective interest method, minus the adjustments for impairment.

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 and overdrafts from banks. 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 partially distribute 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.

The company did not distributed interim dividends during the financial year.

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 , 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.

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 fair value 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, and

c) for government grants received.

Tthe connection fees are billed to some 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 constructioncost. 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.

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

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 Company’s policy choice under IAS 7.

Assets received free of charge from third parties (SRMs, pipelines, connections) are classified as owned assets because they do not result from investments made by the company. They are recorded at fair value. Following the receiving free of charge of assets belonging to the National Transmission System, these assets are included in the Company's patrimony at fair value, determined based on the asset handover protocol.

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.

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

Revenue from client contracts mainly relates to natural gas transmission services. Each NTS user simultaneously receives and consumes the benefits provided by the operator as the operator provides the NTS operating services and therefore the operator recognises revenue over time

The Company 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

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

a) *Revenue from services*

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 invoices 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*

In accordance with 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 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 the Company 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.

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 Network Users (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.

The Company 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 the Company's 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 the Company's financial performance. The financial neutrality required by the regulations makes it appropriate to present balancing revenues and expenses separately from the Company's other operating revenues and expenses, separating the balancing activity that has zero regulated profit from the rest of the activities performed by the Company.

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 prepaid revenues at the time of invoicing to the client and are recognized as revenue over the asset's useful life.

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 Gas Transmission System, Transgaz sells natural gas within the actions aimed at balancing the differences between the quantities of natural gas delivered to the NTS and those taken over by the 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 Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (ie. a receivable), before the Company transfers the good or service to the customer, the Company 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 performance of the company. The company does not use derivative financial instruments to protect itself from certain risk exposures.

(a) *Market risk*

(i) Currency risk

The company is exposed to currency risk by exposures to various foreign currencies, especially to EUR. Currency risk is associated to monetary assets 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.

31 December 2025	**EUR**	**GBP**	**USD**	**RON**	**Total**
Financial assets	(RON)	(RON)	(RON)	(RON)	(RON)
Cash and cash equivalents	58.911	2.862	71.134	786.414.598	786.547.505
Other financial assets	25.493	-	-	-	25.493
The receivable related to the regulated value remaining undepreciated upon termination of the concession agreement	-	-	-	3.033.953.960	3.033.953.960
Other receivables	-	-	-	51.447.658	51.447.658
Trade receivables	170.986.035	-	6.554.075	200.476.337	378.016.447
Total financial assets	**171.070.439**	**2.862**	**6.625.209**	**4.072.292.553**	**4.249.991.063**
Financial liabilities					
Trade payables	14.198.700	-	2.076.513	210.126.569	226.401.782
Other payables	-	-	-	282.081.496	282.081.496
Lease liabilities	-	-	-	23.559.019	23.559.019
Loans	1.092.535.784	-	-	3.020.782.098	4.113.317.882
Total financial liabilities	**1.106.734.484**	**-**	**2.076.513**	**3.536.549.182**	**4.645.360.179**
Net	**(935.664.045)**	**2.862**	**4.548.696**	**535.743.371**	**(395.369.116)**

31 December 2024	**EUR**	**GBP**	**USD**	**RON**	**Total**
Financial assets	(RON)	(RON)	(RON)	(RON)	(RON)
Cash and cash equivalents	24.822.570	1.583	36.206	970.512.819	995.373.178
Other financial assets	24.870	-	-	-	24.870
The receivable related to the regulated value remaining undepreciated upon termination of the concession agreement	-	-	-	2.648.907.892	2.648.907.892
Current tax receivable	-	-	-	17.147.652	17.147.652
Other receivables	-	-	-	51.131.536	51.131.536
Trade receivables	156.256.142	-	7.210.886	159.481.536	322.948.564
Total financial assets	**181.103.582**	**1.583**	**7.247.092**	**3.847.181.435**	**4.035.533.692**
Financial liabilities					
Trade payables	68.356.517	-	167.188	418.106.821	486.630.526
Other payables	-	-	-	215.300.460	215.300.460
Lease liabilities	-	-	-	20.881.905	20.881.905
Loans	1.106.990.865	-	-	2.497.535.646	3.604.526.511
Total financial liabilities	**1.175.347.382**	**-**	**167.188**	**3.151.824.832**	**4.327.339.402**
Net	**(994.243.800)**	**1.583**	**7.079.904**	**695.356.603**	**(291.805.710)**

As at 31 December 2025, the amount of lei 177.540.110 (31 December 2024: RON 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 company, with all variables held constant and takes into account the maximum market fluctuation of the exchange rate of each currency during the reporting periods:

	31 December 2025 RON	31 December 2024 RON
Impact on profit and loss and on equity of:		
USD appreciation by 8%	363.896	566.392
USD depreciation by 8%	(363.896)	(566.392)
EUR appreciation by 2%	(18.712.771)	(19.884.379)
EUR depreciation by 2%	18.712.771	19.884.379

(ii) Price risk

The company 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 3.521.948 (on December 2024: lei 6.161.452).

(iii) Interest rate risk on cash flow

The company is exposed to interest rate risk by its bank deposits and variable interest loans.

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 by 30 September 2025 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.

The neutrality tariff ensures that the difference between the expenses and revenue recorded by the National Transmission System Operator as a result of activities carried out to fulfill its obligations to balance the natural gas transmission network is allocated to network users.

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 14.614.252 (December 2024: lei 10.098.260 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 company 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, represents the maximum value exposed to credit risk. The company's credit risk in respect of trade receivables is concentrated on the 5 main customers, which together account for 49% of the trade receivable balances as at 31 December 2025 (31 December 2024: 42%). Although the collection of receivables can be influenced by economic factors, the management believes that there is no significant risk of loss exceeding the already made impairment adjustments.

As the long-term concession receivable is guaranteed by the Romanian State, the Company considered that the potential impairment using the ECL (Expected Credit Losses) 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 31 December 2025 the payment guarantees available to the Group from clients amounting to lei 564.735.358 (as at 31 December 2024: lei 614.828.887).

Cash is placed with financial institutions, which are considered as associated to a minimum performance risk.

	31 December 2025	31 December 2024
Without rating	381.670	401.496
BBB-	592.592.869	890.375.218
BBB+	190.879.789	101.883.477
A+	133.591	134.273
AA-	233.939	157.385
Total	**784.221.858**	**992.951.849**

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 company 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 company 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 31 December 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 31 December 2025 is as follows:

	Total amount	Less than 1 year	1-5 years	Over 5 years
Borrowings	5.316.963.002	579.423.176	2.482.989.461	2.254.550.365
Trade payables	226.401.781	226.401.781	-	-
Other payables	282.081.496	282.081.496		
Lease liabilities	27.372.714	5.818.280	17.406.514	4.147.920
	5.852.818.993	1.093.724.733	2.500.395.975	2.258.698.285

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

	Total amount	Less than 1 year	1-5 years	Over 5 years
Borrowings	4.703.903.245	510.840.913	2.053.719.820	2.139.342.512
Trade payables	486.630.525	486.630.525	-	-
Other payables	215.300.460	215.300.460	-	-
Lease liabilities	20.881.905	3.913.557	16.968.348	-
	5.426.716.135	1.216.685.455	2.070.688.168	2.139.342.512

Trade payables and other payables include trade payables, suppliers of non-current assets, dividends payable, payables and other payables (see Note 19.1) 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 guarantees, 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 (“NU”) 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.

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.

The category Trade and other receivables does not include the receivables related to employees and payables registered in advance are not included.

Capital risk management

The company's objectives related to capital management refer to 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 31 December 2025 and at 31 December 2024 is reflected in the table below:

	31 December 2025	31 December 2024
Total borrowings (interest excluded)	4.065.509.140	3.584.911.807
Except: cash and cash equivalents (Note 13)	(786.547.505)	(995.373.172)
Net cash position	3.278.961.635	2.589.538.635
Equity capital	4.845.980.504	4.278.816.797
Leverage ratio	0,68	0,61

Fair value estimate

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

On-balance sheet financial instruments include trade and other receivables, cash and cash equivalents, other financial assets, trade payables, interest-bearing loans. The estimated values of these instruments approximate their their carrying amount due to the short maturity. The carrying amount 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.

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 interest rate, variation of these inputs resulting in significant effect on the liability as at 31 December 2025 and 31 December 2024.

The provision 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 31 December 2025 is of lei 191.011.418 (at 31 December 2024: lei 160.073.832) (Note 21).

The presentation of the current value for 31 December 2025 and 31 December 2024 depending on the following variables (having potential effect in Other comprehensive income, being actuarial gains/losses):

	31 December 2025	31 December 2024
Inflation rate +1%	206.592.192	180.722.068
Inflation rate -1%	177.149.496	154.502.134
Interest rate+10%	182.426.612	158.634.270
Interest rate -10%	200.396.693	175.859.845

Analysis of the maturity of benefits payments:

	31 December 2025	31 December 2024
Up to one year	21.161.369	11.165.196
Between 1 and 2 years	8.377.493	5.121.283
Between 2 and 5 years	22.005.839	14.378.356
Between 5 and 10 years	139.466.717	109.307.865

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:

(a) the grantor is a public sector entity;

(b) the operator is a private sector entity (or, in some cases, a public sector entity); and

(c) 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 Agrement 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 (accordinto 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 enactement of the law, and as such, it represents an unconiditional 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.

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.

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. As transmission system operator, the company 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 period ended 31 December 2025 is:

	Domestic gas transmission	Balancing	Unallocated	Total
Revenue from domestic transmission	2.460.922.108	-	-	2.460.922.108
Other income	139.904.441	-	17.535.110	157.439.551
Operating revenue before the balancing and the construction activity according to IFRIC12	**2.600.826.549**	**-**	**17.535.110**	**2.618.361.659**
Depreciation	(490.753.368)	-	(1.770.007)	(492.523.375)
Allowances, salaries, and other payroll expenses	(672.278.327)	-	(5.169.552)	(677.447.879)
NTS gas consumption, materials, and supplies used	(116.440.824)	-	(444.363)	(116.885.187)
Royalty expenses	(283.006.043)	-	-	(283.006.043)
Maintenance and transportation	(76.942.054)	-	(222.151)	(77.164.205)
Taxes and other amounts owed to the state	(120.630.883)	-	(497.388)	(121.128.271)
Expenses related to the provision for risks and expenses	(3.901.712)	-	-	(3.901.712)
Loss/(gain) from the impairment of receivables	(16.803.589)	-	-	(16.803.589)
Other operating expenses	(133.866.027)	-	(1.370.340)	(135.236.367)
Profit from operation before the balancing and construction activity according to IFRIC12	**686.203.722**	**-**	**8.061.309**	**694.265.031**
Revenue from the balancing activity	-	359.936.488	-	359.936.488
Cost of balancing activity	-	(359.936.488)	-	(359.936.488)
Revenue from the construction activity according to IFRIC12	1.263.636.142	-	-	1.263.636.142
Cost of constructed assets according to IFRIC12	(1.263.636.142)	-	-	(1.263.636.142)
Operating profit	**686.203.722**	**-**	**8.061.309**	**694.265.031**
Net financial gain	-	-	-	242.895.310
Profit before tax	-	-	-	**937.160.341**
Income tax	-	-	-	(149.003.765)
Net profit	-	-	-	**788.156.576**
Assets on segments	10.009.227.674	238.133.461	1.068.370.013	11.315.731.148
Liabilities on segments	6.023.630.643	441.380.533	4.739.468	6.469.750.644
Capital expenditure - increases in assets in progress	1.335.484.122	-	3.030.583	1.338.514.705
Non-monetary expenses other than depreciation	(36.308.525)	-	(64.994)	(36.373.519)

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.

Unallocated assets include:	
	31 December 2025
Tangible and intangible assets	28.541.121
Right of use assets	454.965
Investment in subsidiaries	182.164.288
Cash	786.547.505
Other assets	204.834
Deferred tax	70.457.300
	1.068.370.013
Unallocated liabilities include:	
Payable tax	1.298.495
Dividends payable	1.070.500
Lease liabilities	501.279
Other debts	1.869.194
	4.739.468

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.

Unallocated tangible and intangible assets are assets held by the Company that do not contribute to the conduct of gas transmission or balancing activities.

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.

	Domestic Clients	**Foreign Clients**	**Total**
Revenue from the domestic transmission	2.192.881.172	268.040.936	2.460.922.108
Other income	157.439.551	-	157.439.551
	2.350.320.723	268.040.936	2.618.361.659

Domestic clients with over 10% of the total revenue include:	**Percentage of the total revenue**
OMV PETROM SA	13%

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

The company has external trade receivables amounting to lei 197.766.387 (31 December 2024: lei 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.

The information on segments provided to the Board of Administration, who makes strategic decisions for the reporting segments, related to the financial year ended 31 December 2024, is as follows:

	Domestic gas transmission	International gas transmission	Balancing	Unallocated	Total
Revenue from domestic transmission	1.954.193.929	-	-	-	1.954.193.929
Revenue from international transmission	-	-	-	-	-
Other trade income	1.524.538	-	-	-	1.524.538
Other income	115.529.747	20.980.114	-	12.840.418	149.350.279
Operating revenue before the balancing and the construction activity according to IFRIC12	**2.071.248.214**	**20.980.114**	**-**	**12.840.418**	**2.105.068.746**
Depreciation	(439.657.823)	(29.021.714)	-	(1.774.141)	(470.453.678)
Allowances, salaries, and other payroll expenses	(621.398.850)	(1.532.947)	-	(3.760.964)	(626.692.761)
NTS gas consumption, materials, and supplies used	(135.674.151)	(10.645.157)	-	(490.743)	(146.810.051)
Royalty expenses	(224.732.303)	-	-	-	(224.732.303)
Maintenance and transportation	(58.110.485)	(236.046)	-	(237.363)	(58.583.894)
Taxes and other amounts owed to the state	(88.975.545)	(17.354)	-	(541.287)	(89.534.186)
Expenses related to the provision for risks and expenses	47.690.140	(33.254)		(100.893)	47.555.993
Loss/(gain) from the impairment of receivables	36.798.168	(19.926.417)		(69.312)	16.802.439
Other operating expenses	(218.510.165)	7.961.455	-	(1.051.641)	(211.600.351)
Profit from operation before the balancing activity according to IFRIC12	**368.677.200**	**(32.471.320)**	**-**	**4.814.074**	**341.019.954**
Revenue from the balancing activity	-	-	248.966.900	-	248.966.900
Cost of balancing activity	-	-	(248.966.900)	-	(248.966.900)
Revenue from the construction activity according to IFRIC12	1.876.822.070	-	-	-	1.876.822.070
Cost of constructed assets according to IFRIC12	(1.876.822.070)	-	-	-	(1.876.822.070)
Profit from operation	**368.677.200**	**(32.471.320)**	**-**	**4.814.074**	**341.019.954**
Net financial gain	-	-	-	-	117.085.057
Profit before tax	-	-	-	-	**458.105.011**
Income tax	-	-	-	-	(66.075.061)
Net profit	-	-	-	-	**392.029.950**
Assets on segments	8.550.707.687	130.955.393	338.748.903	1.286.140.221	10.306.552.204
Liabilities on segments	5.459.626.218	638.897	563.844.255	3.626.037	6.027.735.407
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	11.175.072	(11.877.503)	-	(170.205)	(872.636)

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.

Unallocated assets include:	**31 December 2024**
Tangible and intangible assets	29.530.805
Right of use of leased assets	560.227
Financial investments	177.644.145
Cash	995.373.172
Other assets	313.786
Deferred tax	82.718.086
	1.286.140.221
Unallocated liabilities include:	
Dividends payable	949.359
Lease liabilities	598.460
Other debts	2.078.218
	3.626.037

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.

Unallocated tangible and intangible assets are assets held by the Company that do not contribute to the conduct of gas transmission or balancing activities.

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.

Transmission services are provided for several domestic and foreign customers.

	Domestic Clients	**Foreign Clients**	**Total**
Revenue from domestic transmission	1.798.017.926	156.176.003	1.954.193.929
Other incomee	140.525.943	10.348.874	150.874.817
	1.938.543.869	166.524.877	2.105.068.746

Domestic clients with over 10% of the total revenue include:	**Percentage of the total revenue**
OMV PETROM S.A.	18%
ENGIE ROMANIA S.A.	14%
SNGN ROMGAZ S.A.	13%
E.ON ENERGIE ROMANIA S.A.	11%

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

7. TANGIBLE ASSETS

	Lands and buildings	Transmission system assets	Other non-current assets	Assets in progress	Total
Cost	296.158.004	986.500.401	360.605.141	12.534.893	1.655.798.439
Accumulated depreciation	(186.698.994)	(792.467.359)	(297.336.205)	-	(1.276.502.558)
Adjustments for impairment	-	-	-	(1.656.182)	(1.656.182)
Initial net book value as at 1 January 2024	**109.459.010**	**194.033.042**	**63.268.936**	**10.878.711**	**377.639.699**
Inflows	-	-	(456.825)	23.580.049	23.123.224
Reclassification	72.734	(3.340.200)	(216.400)	(49)	(3.483.915)
Transfers	1.931.539	930.535	21.088.232	(23.950.306)	-
Outflow (net value)	(219.260)	(3.880)	(68.819)	-	(291.959)
Expense with depreciation	(6.877.421)	(31.070.884)	(25.268.484)	-	(63.216.789)
Final net book value as at 31 December 2024	**104.366.602**	**160.548.613**	**58.346.640**	**10.508.405**	**333.770.260**
Cost	273.964.156	984.059.610	376.181.015	12.164.587	1.646.369.368
Accumulated depreciation	(169.597.554)	(823.510.997)	(317.834.375)	-	(1.310.942.926)
Adjustments for impairment	-	-	-	(1.656.182)	(1.656.182)
Final net book value at 31 December 2024	**104.366.602**	**160.548.613**	**58.346.640**	**10.508.405**	**333.770.260**
Initial net book value as at 1 January 2025	**104.366.602**	**160.548.613**	**58.346.640**	**10.508.405**	**333.770.260**
Inflows	-	-	-	29.836.918	29.836.918
Reclassification	-	4.414.224	705.523	2.738.650	7.858.397
Transfers	6.810.514	121.642	23.770.937	(30.703.093)	-
Outflow (net value)	(132.159)	(1.672)	(18.576)	-	(152.407)
Expense with depreciation	(5.718.924)	(31.444.475)	(26.105.604)	-	(63.269.003)
Final net book value as at 31 December 2025	**105.326.033**	**133.638.332**	**56.698.920**	**12.380.880**	**308.044.165**
Cost	280.007.342	988.568.726	393.075.715	14.037.062	1.675.688.845
Accumulated depreciation	(174.681.309)	(854.930.394)	(336.376.795)	-	(1.365.988.498)
Adjustments for impairment	-	-	-	(1.656.182)	(1.656.182)
Final net book value as at 31 December 2025	**105.326.033**	**133.638.332**	**56.698.920**	**12.380.880**	**308.044.165**

The category Other non current 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.

The gross book value of the fully depreciated assets, still used, is lei 428.245.239 (31 December 2024: lei 382.303.036). As at 31 December 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 were made for work in progress for which completion and commissioning is uncertain.

The company and has no pledged non-current assets.

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

The company 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	**Of which related to the group - Forestry Agreements**
Cost on 1 January 2025	40.823.468	16.683.915
Accumulated depreciation	(21.128.376)	(6.712.689)
Net book value	**19.695.092**	**9.971.226**
Inflow	6.936.642	4.661.640
Outflow	(157.688)	(27.908)
Depreciation	(4.407.168)	(1.654.770)
Final net book value on 31 December 2025	**22.066.878**	**12.950.188**

Detailed information on IFRS 16 as at 31 December 2025:

	31 December 2025	**Of which related to - Forestry conventions**
Right of use assets	47.602.422	21.317.647
Right of use assets- Accumulated depreciation on	(25.535.544)	(8.367.459)
Interest expense on lease liability	1.247.868	540.234
Lease liability	23.559.019	13.979.850
Of which:		
Short term	4.558.134	2.058.361
Long term	19.000.885	11.921.489

	Leases according to IFRS16	Of which related to - Forestry conventions
Cost on 1 January 2024	32.903.879	16.251.498
Accumulated depreciation	(18.403.176)	(5.346.271)
Net book value	14.500.703	10.905.227
Inflow	9.455.560	432.417
Outflow	(1.535.971)	-
Depreciation	(2.725.200)	(1.366.419)
Final net book value on 31 December 2024	19.695.092	9.971.225

Detailed information on IFRS 16 as at 31 December 2024:

	31 December 2024	Of which related to - Forestry conventions
Right of use assets	40.823.468	16.683.915
Right of use asset- accumulated depreciation	(21.128.376)	(6.712.689)
Interest expense on lease liability	904.121	445.744
Lease liability	20.881.905	10.889.456
Of which:		
Short term	3.913.557	1.320.203
Long term	16.968.348	9.569.253

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

Assets accounted for in accordance with IFRS 16, other than those classified as forestry agreements, are classified as buildings and land and are recorded based on lease agreements with terms of 2 to 5 years and temporary land use agreements entered into for the term of the concession agreement.

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.

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 develops 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 (b 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. 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.

9. INTANGIBLE ASSETS

	Assets related to the ACS	Software and other intangible assets	Intangible assets under developmentn	Total
On 31 December 2024				
Cost	8.421.229.990	92.433.377	373.525.658	8.887.189.026
Accumulated amortization	(5.154.741.098)	(69.107.242)	-	(5.223.848.341)
Adjustments for impairment	-	-	(9.142.777)	(9.142.777)
Final net book value as at 1 January 2024	**3.266.488.893**	**23.326.135**	**364.382.881**	**3.654.197.909**
Inflow	-	41.986.104	1.892.077.440	1.934.063.544
Reclassifications	3.483.866	-	-	3.483.866
Transfers*	125.181.264	1.570.278	(194.819.917)	(68.068.375)
Outflow	-	-	-	-
Amortization	(394.551.343)	(9.960.346)	-	(404.511.689)
Adjustments for impairment	-	-	(2.059.121)	(2.059.121)
Final net book value as at 31 December 2024	**3.000.602.680**	**56.922.171**	**2.059.581.283**	**5.117.106.134**
Cost	8.547.606.509	135.989.759	2.070.783.181	10.754.379.449
Accumulated amortizatization	(5.547.003.830)	(79.067.588)	-	(5.626.071.418)
Adjustment for impairment	-	-	(11.201.898)	(11.201.898)
Final net book value as at 31 December 2024	**3.000.602.680**	**56.922.171**	**2.059.581.283**	**5.117.106.134**
At 31 December 2025				
Initial net book value as at 01 January 2025	**3.000.602.680**	**56.922.171**	**2.059.581.283**	**5.117.106.134**
Inflow	-	20.547.260	1.308.677.787	1.329.225.047
Reclassifications	(5.119.748)	(50.815)	2.342.345	(2.828.218)
Transfers*	91.682.336	1.605.948	(155.121.556)	(61.833.272)
Outflow	-	-	-	-
Amortization	(405.942.265)	(18.942.074)	-	(424.884.339)
Adjustment for impairment	-	-	-	-
Final net book value as at 31 December 2025	**2.681.223.003**	**60.082.490**	**3.215.479.859**	**5.956.785.352**
Cost	8.634.169.097	153.431.873	3.226.681.757	12.014.282.727
Accumulated amortization	(5.952.946.094)	(93.349.383)	-	(6.046.295.477)
Adjustment for impairment	-	-	(11.201.898)	(11.201.898)
Final net book value as at 31 December 2025	**2.681.223.003**	**60.082.490**	**3.215.479.859**	**5.956.785.352**

*Transfers - due to the use of the bifurcated model under IFRIC 12, when an improvement or expension 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 the category Intangible assets in progress are presented, in accordance with IFRIC12, the investment projects carried out by the Company for the development and upgrading of the national natural gas transmission system, which will be handed over to the grantor at the end of the Concession Agreement (Note 8).

The project "Development of the Southern Transportation Corridor in Romania to take over natural gas from the Black Sea coast" accounts for the largest share in the value of the additions in 2025 totaling 607.934.443 lei

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 31 December 2025 the line pack quantity is 987.666 MWh and has a value of 111.827.346 lei, of which the NTS pipeline stock is 874.382 MWh and has a value of 98.331.129 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 106.557.396 lei (in 2024 it capitalized interest expenses amounting to 30.176.746 lei, for NTS (National Transmission System) assets.

The remaining life of the intangible assets is presented in Note 3.6 and Note 3.8.

As at 31 December 2025, the Company capitalized additional costs for the procurement of natural gas, incurred between 1 January 2025 – 31 March 2025 amounting to 20.547.260 lei (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. These are included in the category of software and other intangible assets.

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

10.1 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries consist of unlisted stakes in the following companies:

Company	Activity	% Percentage owned 2025	% Percentage owned 2024	31 December 2025	31 December 2024
Eurotransgaz SRL	Gas transmission	100	100	177.619.145	177.619.145
Transport România Hidrogen S.R.L.	Transmission by pipelines	100	100	25.000	25.000
Petrostar SA	Engineering activities and related technical consulting	51	-	4.520.143	-
				182.164.288	177.644.145

Participation in the Limited liability company Eurotransgaz Ltd.

By EGMS Resolution 10/12.12.2017 the establishment of the company EUROTRANSGAZ Ltd. on the territory of the Republic of Moldova was approved for the successful participation in the privatization of the State Enterprise Vestmoldtransgaz.

After the company was incorporated, Transgaz participated in multiple share capital increases reaching an investment value of lei 177.619.145 as at 31 December 2025 (2024: 177.619.145 lei).

The equity securities held at Eurotransgaz S.R.L represent a capital investment recognized according to IFRS 9, at the date of the transaction being measured at its fair value at the date of the transaction, and assessed, after the initial recognition, at the cost.

For 31 December 2025 and 31 December 2024 the Company has carried out the valuation of the shareholding in Eurotransgaz S.R.L. and Vestmoldtransgaz SRL, for the estimation of the fair value of the shareholders' equity of the two companies the Adjusted Net Assets method was applied and did not identify any elements that would lead to investment impairment.

Shareholding in TRANSPORT ROMÂNIA HIDROGEN S.R.L

By EGMS resolution no. 5 of 05 June 2024 the establishment of a limited liability company with the activity of hydrogen transport, with sole shareholder SNTGN Transgaz SA, was approved.

Interest in PETROSAR SA

EGMS Resolution No. 5 of 9 April 2025 approved the acquisition of a 51% interest in the share capital of Petrostar S.A.

The acquisition process was completed in May 2025, and the Company now holds 51% of the share capital of Petrostar S.A.

Petrostar S.A. is one of the oldest and most representative companies in Romania, operating in the research, technological engineering, and design fields for the oil and gas extraction industry.

10.2. FINANCIAL ASSETS

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

Company	Activity	Percentage owned 2025	Percentage owned 2024	31 December 2025	31 December 2024
Mebis SA	Gas production distribution and supply	17,47	17,47	-	-

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, 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

	31 December 2025	31 December 2024
Gas inventories for balancing purposes	187.843.094	307.812.978
Gas for technological consumption	164.482.383	102.091.149
Spare parts and materials	154.454.241	152.989.061
Materials in custody at third parties	46.661.322	1.914.056
Adjustments for inventory write-downs	(59.405.122)	(56.587.832)
	494.035.918	508.219.412

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

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 393.546,504 MWh as at 31 December, 2025 (31 December 2024: 618.912,143 MWh). In 2025, the Company reduced its balancing inventory by transferring the quantity exceeding the level established by Decision no. 656/08.04.2025—namely, 225.365,639 MWh—to gas for technological consumption.

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 company does not hold any restricted stocks and has established safety stocks amounting to Lei 5.247.233 as at 31 December 2025 (12.471.393 lei as at 31 December 2024).

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

	31 December 2025	31 December 2024
Adjustment for inventory write-downs on 1 January	56.587.832	45.553.332
(Revenue)/expense with adjustment for inventory write-downs (Note 23)	2.817.290	11.034.500
Adjustment at the end of the period	59.405.122	56.587.832

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

12 TRADE RECEIVABLES AND OTHER RECEIVABLES

12.1 Trade receivables

	31 December 2025	31 December 2024
Trade receivables	1.029.588.029	986.876.570
Adjustment of impairment of trade receivables	(651.546.089)	(663.903.135)
	378.041.940	322.973.435

At 31 December 2025, the amount of 177.591.095 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%).

12.2 Other receivables

	31 December 2025	31 December 2024
Advance payments to suppliers for goods and services	9.788.179	150.421
State budget receivables	1.928.385	30.971.424
Receivables from sundry debtors	61.776.846	61.150.527
Other receivables	66.684.205	53.741.618
Non-refundable loans as subsidies	6.002.515	906.984
Impairment adjustments for other long-term receivables	(5.218.923)	(8.125.795)
Adjustment of impairment, sundry debtors	(57.327.365)	(55.798.255)
	83.633.842	82.996.924

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 has appealed the arbitral tribunal's decision in court and has recorded an impairment adjustment of 29.277.726 lei as at 31 December 2022. This adjustment was maintained at 31 December 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 Receivable related to the Concession Agreement

	31 December 2025	31 December 2024
Receivable related to the regulated value remaining unamortized at the end of the concession agreement	3.033.953.960	2.648.907.892

According to ANRE Order no. 41/2019 the value of the assets recognised in the Regulated Asset Base is adjusted to the inflation for the period 01.10.2019–30.09.2025, and according to the methodology applicable for the fifth regulatory period (1 October 2025 – 30 September 2030) approved by ANRE Decision no. 7/2025, the value of assets recognized in the Regulated Asset Base is adjusted for inflation using the rate applied by ANRE in setting the regulated rate of return of 3.01%. The Company recalculated the amount of the receivable related to the Concession Agreement and recognized a gain amounting to 257.121.166 lei in accordance with IFRS 9 (31 December 2024: 127.698.456 lei).

In accordance with IFRS 9.B5.4.6, in cases where there is an inflation adjustment incorporated in the cash flows of a financial instrument, the adjustment for inflation is usually treated as part of the contractual cash flows and is included in the calculation of the effective interest rate. Thus, the adjustment for inflation will contribute to the recognition of interest income over time, and the recognized income is adjusted to reflect changes in the principal's purchasing power.

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

	31 December 2025	31 December 2024
Initial balance	2.648.907.892	2.392.525.261
Inflow	63.231.360	76.202.595
Interest	70.669.822	59.648.308
Inflation update	257.121.166	127.698.456
Outflow	(5.976.280)	(7.166.728)
	3.033.953.960	2.648.907.892

In 2019, the ANRE's Order no. 41/2019 provided for the adjustment of the Regulated Assets Base to the inflation rate for the period 01.10.2019–30.09.2025, and according to the methodology applicable for the fifth regulatory period (1 October 2025 – 30 September 2030) approved by ANRE Decision no. 7/2025, the value of assets recognized in the Regulated Asset Base is adjusted for inflation using the rate applied by ANRE in setting the regulated rate of return of 3.01%.

The Company records the present value of the contractual cash flows recalculated as a result of adjusting the Regulated Asset Base to the annual inflation rate and recognizes a gain or loss from this change in the income statement.

This method, in accordance with IFRS 9.B5.4.6, is based on the traditional approach to accounting for floating rate debt instruments. Instead of taking into account expectations of future inflation, it takes into account inflation only during the reporting period.

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

12.4 Analysis of receivable impairment

Trade receivables analysis according to IFRS9 is as follows:

Trade receivables

	31 December 2025	31 December 2024
Non-impaired gross amounts		
Transit receivables	169.278.262	154.558.999
Receivables with customers in insolvency procedures	200.594.643	145.296.579
Related party receivables	213.945.900	300.049.254
Other trade receivables	445.769.224	386.971.738
	1.029.588.029	986.876.570
Impairment by category		
Transit receivables	169.278.262	154.558.999
Bad and insolvency debts	200.594.643	145.296.579
Related party receivables	68.240.502	151.830.188
Other trade receivables	213.432.682	212.217.369
Total impairment	651.546.089	663.903.135
Total trade receivables net of provision	378.041.940	322.973.435

Receivables from various debtors

	31 December 2025	31 December 2024
Unimpaired –gross amount		
Receivables from various debtors	61.776.846	61.150.527
Impairment		
Receivables from various debtors	57.327.365	55.798.255
Total debtors' receivables net of provision	4.449.481	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 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.

Risk exposure for trade receivables:

31 December 2025	**Gross value**	**Expected loss rate**	**Expected lifetime loss**
Current receivables including invoices to be issued	382.410.904	4%	16.392.517
Overdue by up to 30 days	2.879.254	10%	287.925
Overdue by up to 60 days	1.174.566	20%	234.913
Overdue by up to 90 days	2.624.395	30%	787.318
Overdue by up to 120 days	9.080.675	35%	3.178.236
Overdue by up to 150 days	1.882.635	60%	1.129.580
Overdue by over 150 days	629.535.600	100%	629.535.600
Total receivables	1.029.588.029		651.546.089

Risk exposure for other receivables:

31 December 2025	**Gross value**	**Expected loss rate**	**Expected lifetime loss**
Current receivables including invoices to be issued	3.372.125	32%	1.067.454
Overdue by up to 30 days	1.307.272	10%	130.727
Overdue by up to 60 days	848.294	20%	169.659
Overdue by up to 90 days	-	-	-
Overdue by up to 120 days	-	-	-
Overdue by up to 150 days	724.074	60%	434.444
Overdue by over 150 days	55.525.081	100%	55.525.081
Total receivables	61.776.846		57.327.365

Risk exposure for trade receivables:

31 December 2024	**Gross value**	**Expected loss rate**	**Expected lifetime loss**
Current receivables including invoices to be issued	325.681.942	1%	3.234.177
Overdue by up to 30 days	1.660.403	93%	1.539.554
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	2.055.405	97%	1.991.549
Overdue by up to 150 days	1.662.473	97%	1.614.178
Overdue by over 150 days	653.435.400	100%	653.435.400
Total receivables	986.876.570		663.903.135

Risk exposure for other receivables:

31 December 2024	Gross value	Expected loss rate	Expected lifetime loss
Current receivables including invoices to be issued	3.348.498	35%	1.156.479
Overdue by up to 30 days	124.623	10%	12.462
Overdue by up to 60 days	-	-	-
Overdue by up to 90 days	-	-	-
Overdue by up to 120 days	4.689.372	35%	1.641.280
Overdue by up to 150 days	-	-	-
Overdue by over 150 days	52.988.034	100%	52.988.034
Total receivables	61.150.527		55.798.255

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

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 adjustments account are analysed below:

	31 December 2025	31 December 2024
Adjustments on 1 January	729.597.533	747.834.691
Expense with the adjustment for doubtful assets	33.516.326	37.356.903
Reversal of adjustment for doubtful assets	(49.021.482)	(55.594.061)
Adjustments at the end of the period	714.092.377	729.597.533

Top 5 clients by balance at 31 December 2025:

CLIENT	Client balance	Adjustment made
GAZPROM EXPORT	170.463.663	170.463.663
ELECTROCENTRALE CONSTANTA	104.263.591	79.263.591
OMV PETROM SA	102.522.288	-
E.ON ENERGIE ROMANIA SA	70.813.293	-
ENGIE ROMANIA S.A.	61.908.676	-

Top 5 clients by balance at 31 December 2024:

CLIENT	Client balance	Adjustment made
GAZPROM EXPORT LLC	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	-

As at 31 December 2025, the Company has recorded adjustments for receivables with an increased risk of non-collection, mainly for Gazprom Export LLC (14.748.186 lei), Liberty Galati SA (21.058.563 lei), Black Sea Oil&Gas SA (2.417.904 lei), due to the financial situation of these customers and the ongoing litigations concerning these receivables and reduced the adjustment for Electrocentrale Constanța (27.515.979 lei), Aik Energy Ltd London Bucharest Branch SRL (11.554.123 lei) and Secenergy Hungary Kft.(12.963.644 lei).

13 CASH AND CASH EQUIVALENT

Most of the foreign currency cash at the bank is denominated in EUR.

	31 December 2025	31 December 2024
Cash at bank in lei	784.148.876	983.079.612
Cash at bank in foreign currency	72.982	9.872.237
Other cash equivalents	113.705	120.015
	784.335.563	993.071.864

	31 December 2025	31 December 2024
Restricted cash (administrators guaranties)	2.211.942	2.301.308

The weighted average of the effective interest related to short-term bank deposits opened during the year was of 5,45% on 31 December 2025 (3,31% on 31 December 2024) and these deposits have a maximum maturity of 30 days.

14 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Share capital	Share premium	Total
On 31 December 2024 and 2025	188.381.504	1.883.815.040	247.478.865	2.131.293.905
Capital adjustment to the hyperinflation accumulated on 31 December 2025 and 2024	-	441.418.396	-	441.418.396
On 31 December 2024 and 2025	188.381.504	2.325.233.436	247.478.865	2.572.712.301

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 31 December 2025 is the following:

	Number of ordinary shares	Statutory value (lei)	Percentage (%)
The Romanian state, represented by the General Secretariat of the Government	110.221.440	1.102.214.400	58,5097
Other shareholders	78.160.064	781.600.640	41,4903
	188.381.504	1.883.815.040	100,0000

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

	Number of ordinary shares	Statutory value (lei)	Percentage (%)
The Romanian state, represented by the General Secretariat of the Government	110.221.440	1.102.214.400	58,5097
Other shareholders	78.160.064	781.600.640	41,4903
	188.381.504	1.883.815.040	100,0000

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 Accounting Standards approved by 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 2022, 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 (Note 3.5 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.

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 31 December 2025, amounts to lei 125.528.697 (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 31 December 2025 is lei 88.839.656 (31 December 2024 lei 58.121.457).

The Company will submit for approval by the Ordinary General Meeting of Shareholders the establishment from the 2025 profit of a reserve in the amount of 38.746.667 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. The accounting recognition of the reserve for reinvested profits is made following the approval of the profit distribution by the general meeting of shareholders, in accordance with the law.

The Company will submit for approval by the Ordinary General Meeting of Shareholders the establishment from the 2024 profit of 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).

16 LONG-TERM BORROWINGS

The carrying amount of the long-term loans recorded by the company on 31 December 2025:

	31 December 2025	31 December 2024
BEI 83644RO	149.895.900	166.134.940
BEI 88825RO	173.605.126	189.203.207
BEI 89417RO	254.925.000	248.705.000
BEI 90512RO	509.850.000	497.410.000
BCR 20190409029	111.600.000	126.480.000
BCR 20201028056	230.400.000	259.200.000
BCR 20210817030	66.666.664	74.999.998
BCR 20211124044	146.666.667	165.000.000
BERD	166.762.800	188.997.840
BCR syndicated	382.352.179	238.484.071
BT syndicated	382.352.179	238.484.071
CEC syndicated	137.646.784	85.854.265
Raiffeisen syndicated	382.352.179	238.484.071
Unicredit syndicated	190.296.679	118.693.522
BT	406.994.072	280.668.392
Raiffeisen Bank	174.242.911	269.312.430
BRD GSG	198.900.000	198.800.000
	4.065.509.140	3.584.911.807

As at 31 December 2025, the balance of interest due on the loans contracted by the company is 47.808.742 lei, detailed by loan as follows:

	31 December 2025	31 December 2024
BEI 83644RO	815.415	433.204
BEI 88825RO	526.712	1.502.740
BEI 89417RO	1.111.041	1.377.066
BEI 90512RO	1.806.590	2.224.708
BCR 20190409029	2.524.730	744.492
BCR 20201028056	722.948	2.533.485
BCR 20210817030	1.516.091	1.410.411
BCR 20211124044	771.426	799.685
BERD	1.252.898	1.253.055
BCR sindicalizat	9.258.824	1.631.448
Unicredit sindicalizat	4.608.117	811.971
BT sindicalizat	9.258.824	1.631.448
CEC sindicalizat	3.333.177	587.321
Raiffeisen sindicalizat	9.258.824	1.631.448
Raiffeisen Bank	-	-
BRD GSG	1.043.125	1.042.222
	47.808.742	19.614.704

Loans breakdown by maturity range:

	31 December 2025	31 December 2024
Within 1 year	376.953.688	331.112.038
Interest to be paid	47.808.742	19.614.704
	424.762.430	350.726.742
Over 1 year	3.688.555.452	3.253.799.769
Total loan and interest	4.113.317.882	3.604.526.511

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 - Podişor):

- 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.

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 2025 and 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:

	31 December 2025	31 December 2024
Within 1 year	20.394.000	19.896.400
Between 1 and 5 years	81.576.000	79.585.600
Over 5 years	47.925.900	66.652.940
	149.895.900	166.134.940

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:

	31 December 2025	31 December 2024
Within 1 year	20.329.969	19.833.930
Between 1 and 5 years	81.319.874	79.335.724
Over 5 years	71.955.283	90.033.553
	173.605.126	189.203.207

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:

	31 December 2025	31 December 2024
Within 1 year	5.202.551	-
Between 1 and 5 years	80.639.541	63.445.153
Over 5 years	169.082.908	185.259.847
	254.925.000	248.705.000

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:

	31 December 2025	31 December 2024
Within 1 year	5.202.551	-
Between 1 and 5 years	158.677.806	119.276.887
Over 5 years	345.969.643	378.133.113
	509.850.000	497.410.000

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

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:

	31 December 2025	31 December 2024
Within 1 year	22.235.040	22.235.040
Between 1 and 5 years	88.940.160	88.940.160
Over 5 years	55.587.600	77.822.640
	166.762.800	188.997.840

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:

	31 December 2025	31 December 2024
Within 1 year	14.880.000	14.880.000
Between 1 and 5 years	59.520.000	59.520.000
Over 5 years	37.200.000	52.080.000
	111.600.000	126.480.000

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 (Oneşti - Gherăeşti - Leţcani)”and “The interconnection of the National Transmission System with the international gas transmission pipeline T1 and reverse flow at Isaccea Phase II (Oneşti - Siliştea)”.

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

	31 December 2025	31 December 2024
Within 1 year	28.800.000	28.800.000
Between 1 and 5 years	115.200.000	115.200.000
Over 5 years	86.400.000	115.200.000
	230.400.000	259.200.000

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 (Oneşti - Gherăeşti - Leţcani)".

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

	31 December 2025	31 December 2024
Within 1 year	8.333.334	8.333.334
Between 1 and 5 years	33.333.336	33.333.336
Over 5 years	24.999.994	33.333.328
	66.666.664	74.999.998

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, destined to refinance the project: "National Transmission System Developments in the North Eastern part of Romania (Oneşti - Gherăeşti - Leţcani)".

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

	31 December 2025	31 December 2024
Within 1 year	18.333.333	18.333.334
Between 1 and 5 years	73.333.334	73.333.333
Over 5 years	55.000.000	73.333.333
	146.666.667	165.000.000

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, Addendum no. 5/14.06.2024 and Addendum No. 7/23.12.2025 the parties agreed successive extensions of the final maturity date of the loan agreement until 23.12.2027.

By Addendum no. 6 signed on 27.11.2024 the facility cash threshold was increased by lei 153.000.000 up to the new value of lei 453.000.000.

On 31 December 2025, out of the total credit line, the amount of lei 406.994.072 (2024: lei 280.668.392) was used to cover the working capital requirements - the amount of lei 44.978.094 (2024: 12.250.000 lei) to cover three bank guarantee letters issued in favor of third parties, the amount of lei 1.027.834 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 31 December 2025 the credit facility is drawn down to the level of lei 174.242.911 (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 July 2025, the facility was extended until 2 August 2027.

As at 31 December 2025 the credit facility is drawn down to the maximum level of lei 198.900.000 (2024: lei 198.800.000). The obligation is presented under long-term loans.

SYNDICATED LOAN

As at 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.

As at reporting date, the amount drawn on this loan is of 1.475.000.000 lei.

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

	31 December 2025	31 December 2024
Within 1 year	15.294.087	-
Between 1 and 5 years	122.352.698	66.775.540
Over 5 years	244.705.394	171.708.531
	382.352.179	238.484.071

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

	31 December 2025	31 December 2024
Within 1 year	15.294.087	-
Between 1 and 5 years	122.352.698	66.775.540
Over 5 years	244.705.394	171.708.531
	382.352.179	238.484.071

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

	31 December 2025	31 December 2024
Within 1 year	5.505.871	-
Between 1 and 5 years	44.046.971	24.039.194
Over 5 years	88.093.942	61.815.071
	137.646.784	85.854.265

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

	31 December 2025	31 December 2024
Within 1 year	15.294.087	-
Between 1 and 5 years	122.352.698	66.775.540
Over 5 years	244.705.394	171.708.531
	382.352.179	238.484.071

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

	31 December 2025	31 December 2024
Within 1 year	7.611.867	-
Between 1 and 5 years	60.894.937	33.234.186
Over 5 years	121.789.875	85.459.336
	190.296.679	118.693.522

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

	31 December 2025		31 December 2024	
	Accounting value	Fair value	Accounting value	Fair value
Variable interest rate loans	3.915.613.240	3.915.613.240	3.418.776.867	3.418.776.867
Fixed interest rate loans	149.895.900	140.029.074	166.134.940	147.813.795
	4.065.509.140	4.055.642.314	3.584.911.807	3.566.590.662

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.

The fair value of the Company's fixed-rate loans (borrowed from the EIB) was estimated by discounting future cash flows using the average of the current interest rates applicable to the three variable-rate loans the Company has taken out from the EIB.

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

Reconciliation of liabilities arising from financing activities:

	Long term loans	Working capital	Leasing debt	Total
Balance as at 01.01.2024	1.564.216.276	749.057.803	15.542.003	2.328.816.082
Net cash flows	1.285.353.968	2.174.192	(5.611.248)	1.281.916.912
Exchange rate differences	(318.920)	-	-	(318.920)
New leasing contracts	-	-	9.455.560	9.455.560
Leasing adjustments	-	-	-	-
Interest expense	71.098.342	1.056.158	898.319	73.052.819
Capitalized interest	30.176.746	-	5.802	30.182.548
Interest on balancing activities recovered from the neutrality tariff		29.484.565		29.484.565
Paid interest	(95.822.945)	(31.949.674)	591.469	(127.181.150)
Balance as at 31 December 2024	2.854.703.467	749.823.044	20.881.905	3.625.408.416
Balance as at 01.01.2025	2.854.703.467	749.823.044	20.881.905	3.625.408.416
Net cash flows	422.687.962	31.356.161	(6.416.298)	447.627.825
Exchange rate differences	26.555.228	-	-	26.555.228
New leasing contracts	-	-	6.936.642	6.936.642
Leasing adjustments	-	-	-	-
Interest expense	59.660.262	891.262	1.244.253	61.795.777
Capitalized interest	106.557.396	-	3.614	106.561.010
Interest on balancing activities recovered from the neutrality tariff		29.667.140		29.667.140
Paid interest	(138.026.540)	(30.557.500)	-	(168.584.040)
Other financial expenses under IFRS 16			908.903	908.903
Balance as at 31 December 2025	3.332.137.775	781.180.107	23.559.019	4.136.876.901

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	31 December 2025	31 December 2024
Initial balance	136.266.747	135.223.335
Increases	481.007	15.332.544
Revenue from connection fees (Note 22)	(14.628.886)	(14.289.132)
Final balance	122.118.868	136.266.747

Non-reimbursable funding	31 December 2025	31 December 2024
Initial balance	1.025.577.142	741.382.632
Increases	172.537.822	369.637.301
Income from non-reimbursable funds and goods taken over free of charge (Note 22)	(85.417.311)	(85.442.791)
Final balance	1.112.697.653	1.025.577.142

Assets received free of charge	31 December 2025	31 December 2024
Initial balance	83.032.221	87.293.377
Increases	5.255.229	1.222.046
Income from non-reimbursable funds and goods taken over free of charge (Note 22)	(5.374.856)	(5.483.202)
Final balance	82.912.594	83.032.221

The balance of the deferred revenue consists of:

	31 December 2025	31 December 2024
Connection fees	122.118.868	136.266.747
Assets received free of charge	82.912.594	83.032.221
Grants	1.112.697.653	1.025.577.142
	1.317.729.115	1.244.876.110

The connections financed through the connection fees 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 the Company's own assets.

In 2014 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 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 for the financing of the implementation works of the BRUA Phase I project: EUR 25.834.489,60 (in 2016), EUR 13.839.087,37 (in 2018), 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. Since the project's actual cost was lower than the estimated cost, the grant received was reduced proportionally

On 22.11.2018 the company signed with the Ministry of European Funds AM POIM Financing Contract 226 for non-reimbursable financing for the implementation of the draft project code MYSMIS 2014-122972 NTS developments in North-East Romania for enhancing gas supply to the area and for ensuring transmission capacities to the Republic of Moldova within the Specific objective 8.2 – Increasing the interconnectivity of the National Transmission System with neighbouring states. The amount of the grant is lei 214.496.026,71, namely 32,53% of the value 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. Since the project's actual cost was lower than the estimated cost, the grant received was reduced proportionally.

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 grant agreements for the projects: Black Sea - Podișor natural gas transmission pipeline, for which it received pre-financing amounting to lei 243.216.983,06 and Gherceşti-Jitaru natural gas transmission pipeline (including power supply, cathodic protection and fiber optics). The natural gas transmission pipeline supplying the Mintia Power Plant (including other industrial and residential consumers) and the expansion of the NTS's transmission capacity and the security of natural gas supply to the Ișalnița Power Plant Branch (Dolj County) and the Turceni Power Plant Branch (Gorj County). 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 108.874.197:

- Black Sea - Podișor natural gas transmission pipeline: EUR 85.544.422. The amount received in 2025 is Lei 54.709.431 (in 2024: 370.899.732 lei);
- Gherceşti-Jitaru natural gas transmission pipeline (including power supply, cathodic protection and optical fiber): EUR 8.038.348. The amount received in 2025 is Lei 11.997.958 (in 2024: 11.970.958 lei).
- Natural gas transmission pipeline to supply the Mintia Power Plant (including other industrial and household customers): EUR 6.826.947. The amount received in 2025 is Lei 10.191.062 and the amount remaining to be received in 2026 from financing applications submitted in 2025 is 5.095.530 lei.
- Increasing the transmission capacity of the NTS and the security of natural gas supply to Ișalnița Power Plant Branch (Dolj County) and Turceni Power Plant Branch (Gorj County) – EUR 8.464.480.

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:

- Gas transmission pipeline Prunișor - Orșova - Băile Herculane-Jupa (including electricity supply, cathodic protection and fiber optics): lei 229.108.514,31 lei. The amount received in 2025 is Lei 85.428.393;

- Gas transmission pipeline Tetila - Horezu - Râmnicu Vâlcea (including power supply, cathodic protection and fiber optics) lei 101.713.128,45. The amount received in 2025 is Lei 5.001.796;
- Gas transmission pipeline DN 600 Mihai Bravu - Siliştea and transformation into a piggable pipeline lei 169.178.357,24. The amount received in 2025 is Lei 113.652.

18. INCOME TAX

Income tax expense

	Year ended 31 December 2025	Year ended 31 December 2024
Expense with the income tax - current	136.742.979	62.672.066
Deferred tax - impact of temporary differences	12.260.786	3.402.995
Income tax expense	149.003.765	66.075.061

In the year ended 31 December 2025 and 2024, the company calculated the income tax at the rate of 16% applied to the profit determined in accordance with the Romanian laws.

	Year ended 31 December 2025	Year ended 31 December 2024
Profit before tax	937.160.341	458.105.011
Theoretical expense with the tax the statutory rate of 16% (2024: 16%)	149.945.655	73.296.802
Non-taxable expenses/non-taxable revenues or deductions, net	(941.890)	(7.221.741)
Income tax expense	149.003.765	66.075.061
Income tax liability/receivable, current	1.298.495	(17.147.653)

Depreciation of tangible assets hyperinflation adjustments is a deductible expense with the adoption of Accounting standards as adopted by Order no. 20244/2016 of the Minister of Finance.

Deferred tax

Deferred tax payment and recoverable tax are valued at the actual tax rate of 16% on 31 December 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 or in other components of comprehensive income, based on the nature of the transaction that gave rise to the temporary difference are attributable to the following items:

	31 December 2025	Movement	31 December 2024	Movement	1 January 2024
Deferred tax payment					
Tangible assets	30.818.036	(3.630.112)	34.448.148	(8.351.916)	42.800.064
Intangible assets	9.304.313	(1.867.730)	11.172.043	1.618.695	9.553.348
Recoverable deferred tax					
Provision for					
Employee benefits	(30.561.827)	(8.211.551)	(22.350.276)	(1.399.492)	(20.950.784)
Other provisions	(6.897.080)	3.425.998	(10.323.078)	4.539.171	(14.862.249)
Receivables and other assets	(73.120.742)	22.544.181	(95.664.923)	6.996.536	(102.661.459)
	(70.457.300)	12.260.786	(82.718.086)	3.402.994	(86.121.080)

Deferred income 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.

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

	31 December 2025	31 December 2024
Deferred tax liabilities/receivables	(70.457.300)	(82.718.086)

19. TRADE PAYABLES AND OTHER PAYABLES

19.1 Short term payables

19.1.a Trade payables

	31 December 2025	31 December 2024
Trade payables	175.388.819	281.114.994
Suppliers of non-current assets	51.012.963	205.515.532
	226.401.782	**486.630.526**

19.1.b Other payables

	31 December 2025	31 December 2024
Dividends payable	1.070.500	949.359
Debts related to royalties	77.234.896	78.505.674
Other taxes	33.465.732	33.266.523
Amounts payable to employees	22.204.576	22.408.093
VAT payable	10.244.928	-
Non-exemptible VAT	24.207.610	3.020.830
Transmission service guarantees	196.166.888	109.569.064
Tender guarantees	85.914.608	105.731.396
Other debts	37.836.596	35.923.186
	488.346.334	**389.374.125**

19.1.c Clients contract liabilities

	31 December 2025	31 December 2024
Clients advances	1.101.990	565.930
Transmission service advances	63.877.860	81.055.619
	64.979.850	**81.621.549**

At 31 December 2025, of the total trade payables and other debts the amount of lei 85.152.838 (31 December 2024: lei 68.523.705) is expressed in foreign currency, especially in EUR.

19.2 Lease liability

	31 December 2025	31 December 2024
	Land and buildings	Land and buildings
Initial balance	20.881.905	15.542.003
Inflows	6.936.642	9.455.560
Interest expense	1.247.868	904.121
Leasing payments	(5.507.396)	(5.019.779)
Final balance, of which:	23.559.019	20.881.905
Long-term debts	19.000.885	16.968.348
Short-term debts	4.558.134	3.913.557

20. OTHER PROVISIONS

	31 December 2025	31 December 2024
Current provision		
Provision for litigation	3.973.985	3.973.985
Provision for BoA remuneration	1.893.368	3.416.984
Provision for employee participation in profits	27.358.399	22.648.080
Other provision	9.880.997	9.611.800
	43.106.749	39.650.849

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, the action is being retried, the action for annulment has been granted, and the arbitration will resume.

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 9.880.997 relating to the period ended 31 December 2025.

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 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 period between 2015-2024;
- Employee rotation is calculated based on leaves from the company and a probability was assigned to each age group and gender;
- The method used is the projected credit factor method, the amounts being allocated to each employee and updated to 31.12.2024 and respectively to 31 December 2025;
- Retirement age at retirement was considered 65 for men and 63 for women, but the share of early retirements at certain ages was also considered;
- The plan is not funded by the entity and employees.
- For the death compensation for pensioners former employees of S.N.T.G.N. TRANSGAZ SA in the first year after retirement, the mortality at the age of 66 years for men and 64 years for women was used by simplification;
- Data provided by the beneficiary for the period between 2018 - 2025 were analysed

Financial assumptions

The discount rate is the interest rate curve in lei without adjustments of variations provided by EIOPA for December 2024 and respectively for December 2025. For the calculation for the year 2024, 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 3,88% in the first year and 3,33% in the second year for both genders.

For the calculation for 31 December 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 6,50% in the first year and 3,07% in the second year for both genders.

Movement in the provision for employee benefits

1 January 2024	153.288.122
of which:	
Short-term	16.135.217
Long-term	137.152.905
Interest cost	9.056.425
Current service cost	8.226.642
Payments from provisions during the year	(17.903.073)
Actuarial gain/loss related to the period	7.505.716
31 December 2024	160.173.832
of which:	
Short-term	15.913.064
Long-term	144.260.768
Interest cost	12.581.731
Current service cost	9.728.950
Payments from provisions during the year	(9.013.940)
Actuarial gain/loss related to the period	17.540.845
31 December 2025	191.011.418
of which:	
Short-term	22.831.764
Long-term	168.179.654

22. REVENUE AND OTHER INCOME

22.1 Revenue from contracts with customers

	Year ended 31 December 2025	Year ended 31 December 2024
Revenues from domestic transmission activity - Romania	2.460.922.108	1.954.193.929
Balancing revenues	359.936.488	248.966.900
Revenue from construction activities according to IFRIC12	1.263.636.142	1.876.822.070
Operating revenue within the scope of IFRS 15	**4.084.494.738**	**4.079.982.899**

22.2 Other income

	Year ended 31 December 2025	Year ended 31 December 2024
Income from penalties applied to clients for delay payments	22.021.631	25.280.403
Income from leases	1.408.393	1.436.399
Income from recovered materials	7.790.384	3.008.572
Income from the sale of residual materials	375.727	1.111.684
Other income from operation	20.422.363	15.457.342
Income from connection fees	14.628.886	14.289.132
Income from receivables of the Concession Agreement	-	(634.708)
Income from grants and goods taken free of charge	90.792.167	90.925.993
	157.439.551	150.874.817

23. OTHER OPERATING EXPENSES

23.1 Other operating expenses

	Year ended 31 December 2025	Year ended 31 December 2024
Utilities	19.815.702	15.263.515
Insurance premium	1.842.200	1.883.768
Security and protection expenses	44.790.518	39.421.217
Maintenance costs	64.659	54.913
Professional training	472.569	1.995.105
Telecommunications	3.382.717	3.204.884
Bank charges and other fees	223.530	1.549.491
Rents	4.877.798	4.055.744
Marketing and protocol costs	644.438	866.914
Penalties and fines	391.853	35.201.142
Gas storage capacity booking	4.587.129	6.819.108
Sponsorship costs	4.214.897	3.527.250
Loss/(gain) on impairment of inventories	2.817.290	11.034.501
Computer service	10.740.542	10.102.083
Expenses related to the impairment of intangible assets	-	2.059.121
Other	36.370.525	74.561.595
	135.236.367	211.600.351

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.

	Year ended 31 December 2025	Year ended 31 December 2024
Expenses on balancing gas	324.310.017	213.209.786
Expenses on balancing financing line	29.619.359	29.425.417
Expenses on balancing gas storage	6.007.112	6.331.697
	359.936.488	248.966.900

24. EMPLOYEE COSTS

	Year ended 31 December 2025	Year ended 31 December 2024
Salaries and benefits	628.422.747	579.477.275
Cost of insurance and social security	34.676.196	33.266.230
Other employee costs	14.348.936	13.949.256
	677.447.879	626.692.761

Employee expenses are presented as net of the amount capitalized in self-constructed tangible and intangible assets. In 2025, the capitalized amount of employee expenses was 40.247.303 lei (36.234.653 lei in 2024).

Average number of employees in financial year:

	Year ended 31 December 2025	Year ended 31 December 2024
Blue collars	2.118	2.161
White collars	1.865	1.835
	3.983	3.996

25. NET FINANCIAL INCOME/(LOSS)

	Year ended 31 December 2025	Year ended 31 December 2024
Interest income	85.480.500	71.390.823
Income from the update of the Receivable regarding the Concession Agreement	257.121.166	127.698.457
Total interest income	342.601.666	199.089.280
Foreign exchange income	6.576.760	4.833.632
Other financial income	1.465	340
Total other financial income	6.578.225	4.833.972
Total financial income	349.179.891	203.923.252
Foreign exchange loss	(31.907.073)	(4.728.951)
Interest expense to IFRS16	(1.244.254)	(898.319)
Interest expense	(60.551.523)	(72.154.500)
Effect of updating the employee benefits provision	(12.581.731)	(9.056.425)
	(106.284.581)	(86.838.195)

According to ANRE Order no. 41/2019 the value of the assets recognised in the Regulated Asset Base is adjusted to the inflation for the period 01.10.2019–30.09.2025, and according to the methodology applicable for the fifth regulatory period (1 October 2025 – 30 September 2030) approved by ANRE Decision no. 7/2025, the value of assets recognized in the Regulated Asset Base is adjusted for inflation using the rate applied by ANRE in setting the regulated rate of return of 3.01%. The company recalculated the value of the Concession Agreement receivables and recognized gains amounting to lei 257.121.166 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.

26. 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.

In the periods ended 31 December 2025 and 31 December 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

	Year ended 31 December 2025	**Year ended 31 December 2024**
Salary paid to the members of the Board of Administration and management	28.129.139	25.134.233
Social contribution of the company	632.906	565.520
	28.762.045	25.699.753

In the periods ended 31 December 2025 and 31 December 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

	Relationship	Year ended 31 December 2025	Year ended 31 December 2024
SNGN Romgaz	Entity under common control	312.776.547	281.269.907
Electrocentrale Bucureşti SA	Entity under common control	95.772.501	82.341.443
Termo Calor Confort	Entity under common control	3.562.665	2.644.694
Complex Energetic Oltenia	Entity under common control	2.247.220	2.943.297
E.ON Energie Romania	Entity under significant influence	256.080.160	225.628.342
		670.439.093	594.827.683

iii) Sales of other goods and services

	Relationship	Year ended 31 December 2025	Year ended 31 December 2024
SNGN Romgaz	Entity under common control	13.536	42.664
Electrocentrale Bucuresti	Entity under common control	40.894	59.188
Electrocentrale Constanța	Entity under common control	4.250.550	3.548.122
E.ON Energie Romania	Entity under significant influence	3.990	4.376
Complex Energetic Hunedoara	Entity under common control	694.613	719.537
Complex Energetic Oltenia	Entity under common control	5.044	5.093
		5.008.627	4.378.980

iv) Gas sales – the balancing activity (VAT excluded)

	Relationship	Year ended 31 December 2025	Year ended 31 December 2024
SNGN Romgaz	Entity under common control	3.892.870	1.117.350
Electrocentrale București	Entity under common control	6.604.301	3.800.709
Termo Calor Confort	Entity under common control	2.726.126	3.195.299
Complex Energetic Oltenia	Entity under common control	2.369.467	2.228.729
E.ON Energie Romania	Entity under significant influence	30.744.566	29.177.088
		46.337.330	39.519.175

v) Receivables from related parties (without the adjustment)

	Relationship	Year ended 31 December 2025	Year ended 31 December 2024
SNGN Romgaz	Entity under common control	31.960.517	40.800.418
Complex Energetic Hunedoara	Entity under common control	-	7.951
Electrocentrale Bucureşti	Entity under common control	16.948.498	20.361.191
Termo Calor Confort	Entity under common control	-	(28.200)
E.ON Energie Romania	Entity under significant influence	66.740.876	81.185.043
Complex Energetic Oltenia	Entity under common control	-	610.908
		115.649.891	142.937.312

vi) Client receivables – the balancing activity ((net of adjustments)

	Relationship	Year ended 31 December 2025	Year ended 31 December 2024
SNGN Romgaz	Entity under common control	17.540	35.350
Electrocentrale Constanţa	Entity under common control	-	1.625.072
Complex Energetic Oltenia	Entity under common control	57.182	958.556
Electrocentrale Bucureşti	Entity under common control	327.945	228.842
Termo Calor Confort	Entity under common control	73.959	707
Complex Energetic Hunedoara	Entity under common control	-	39.548
E.ON Energie Romania	Entity under significant influence	4.072.417	4.194.725
		4.549.043	7.082.800

vii) Procurement of services from related parties (other services)

	Relationship	Year ended 31 December 2025	Year ended 31 December 2024
SNGN Romgaz	Entity under common control	17.075.547	17.560.683
Complex Energetic Oltenia	Entity under common control	3.964	4.206
Electrocentrale Bucureşti	Entity under common control	13.213	10.791
		17.092.724	17.575.680

viii) Procurement of gas – the balancing activity

	Relationship	Year ended 31 December 2025	Year ended 31 December 2024
SNGN Romgaz	Entity under common control	3.632.770	5.554.159
Electrocentrale București	Entity under common control	5.234.065	4.391.269
Electrocentrale Constanţa	Entity under common control	-	40.515
Termo Calor Confort	Entity under common control	4.788.150	2.141.869
Complex Energetic Oltenia	Entity under common control	721.343	478.421
E.ON Energie Romania	Entity under significant influence	63.225.465	56.425.924
		77.601.793	69.032.158

ix) Procurement of natural gas

	Relationship	Year ended 31 December 2025	Year ended 31 December 2024
SNGN Romgaz	Entity under common control	97.568.078	66.417.745
		97.568.078	66.417.745

x) Debts to gas suppliers – balancing activity

	Relationship	31 December 2025	31 December 2024
SNGN Romgaz	Jointly controls entities	-	13.178.154
		-	13.178.154

xi) Debts to affiliated parties from services (other services)

	Relationship	31 December 2025	31 December 2024
SNGN Romgaz	Entity under common control	1.523.961	656.989
Complex Energetic Oltenia	Entity under common control	-	520
Electrocentrale București	Entity under common control	1.900	799
		1.525.861	658.308

xii) Debts to suppliers – balancing activity

	Relationship	31 December 2025	31 December 2024
SNGN Romgaz	Entity under common control	1.504.068	1.052.433
Electrocentrale București	Entity under common control	637.768	3.528.452
Electrocentrale Constanța	Entity under common control	-	48.213
Termo Calor Confort	Entity under common control	1.507.567	139.207
E.ON Energie Romania	Entity under significant influence	8.679.498	19.632.327
Complex Energetic Oltenia	Entity under common control	20.806	187.691
		12.349.707	24.588.324

xiii) Guarantees from affiliates

	Relationship	31 December 2025	31 December 2024
SNGN Romgaz	Entity under common control	1.000	1.000
Termo Calor Confort	Entity under common control	1.206.333	2.071.448
E.ON Energie Romania	Entity under significant influence	504.300	504.300
Complex Energetic Oltenia	Entity under common control	1.104.055	286.544
		2.815.688	2.863.292

xiv) Guarantees from affiliates (bank guarantee letter)

	Relationship	31 December 2025	31 December 2024
SNGN Romgaz	Entity under common control	2.909.124	2.909.124
E.ON Energie Romania	Entity under significant influence	68.446.125	86.722.180
Electrocentrale Bucureşti	Entity under common control	18.100.000	15.999.992
		89.455.249	105.631.296

Guarantees to affiliated parties

The Company acts as guarantor under the loan agreement entered into on 24 January 2019 between the European Investment Bank and Eurotransgaz, amounting to EUR 38 million, for the purpose of financing the construction by Vestmoldtransgaz SRL of the Ungheni–Chișinău natural gas transmission pipeline.

27. 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.

	Year ended 31 December 2025	Year ended 31 December 2024
Profit attributable to the company's equity holders	788.156.576	392.029.950
Weighted average of the number of shares	188.381.504	188.381.504
Basic and diluted earnings per share (lei per share)	4,18	2,08

28. MATERIAL NON-CASH TRANSACTIONS

Compensations

Approximately 1,91 % of the receivables were settled by transactions that haven't involved cash outflows during the period ended 31 December 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.

29. 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.

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 owner of the national transmission system or to another grantor in exchange for compensation equal to the unamortized regulated value established by ANRE, as presented in Note 3.6.

As at 31 December 2025 the value of the contractual firm obligations of parent Company for the purchase of tangible and intangible assets is of lei 635.726.893 lei (31 December 2024: lei 1.956.778.277).

Eurotransgaz SRL, the company established and owned by Transgaz in Republic of Moldova, was appointed the winner of the privatization investment contest for the single patrimonial complex State Enterprise Vestmoldtransgaz operating the Iasi-Ungheni gas transmission pipeline on the territory of Republic of Moldova.

The company is a guarantor of the loan agreement concluded on 24 January 2019 between the European Investment Bank and Eurotransgaz, in total amount of Euro 38 million, for the funding of the construction by Vestmoldtransgaz of the Ungheni-Chisinau gas transmission pipeline.

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.

See the existing litigation referring to oil royalty detailed in the chapter "Court and other actions".

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 31 December 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. Transition risks pose a low level of vulnerability and are manageable within the current strategic and operational framework. Following the assessment conducted, Transgaz has not identified any assets or business activities incompatible with the transition to a climate-neutral economy. Transgaz does not have a formalized transition plan in accordance with ESRS requirements. However, Transgaz recognizes the importance of addressing the risks and opportunities related to climate change and intends to take progressive steps toward developing, implementing, and monitoring such a plan. 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. The management has analyzed the impact of climate risk on the figures included in the financial statements, particularly on asset impairments and provisions recognized, and considers that there is no significant impact.

v) Lawsuits and other actions

During the normal activity of the company, various litigations in which the Company is a defendant or plaintiff have been registered with the courts. The company has pending disputes for the lack of use of some lands occupied with NTS objectives, commercial and labour disputes. Based on its own estimates and internal and external consulting, the company's management believes there will be no material loss exceeding the provisions established in these financial statements and is not aware of circumstances that give rise to potentially significant obligations in this regard.

As of 6 June 2016, the company 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. For the retrial of the case, the Bucharest Court of Appeal upheld Transgaz' request and referred the case back to the arbitration court 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. 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 claimed the illegality of Decision no. 27/P/12.09.2023 on the settlement of preliminary complaint No. 4538/13.01.2023, lodged by Transgaz against Mandatory Order No. 6009/253087/IEF/14.12.2022. The High Court of Cassation and Justice upheld Transgaz' appeal and referred the case back to the Bucharest Court of Appeal for retrial. It also rejected the plea of illegality of the Decision no. 27/P/12.09.2023.The Company paid in 2024 the amount of lei 213.041.251 representing the above mentioned oil royalty and an 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 amount of the petroleum royalty is recovered through the regulated revenue of natural gas transmission, through the component relating to the pass through costs but the amount of the accessorial amounts, not being recovered through the regulated revenue, would represent a loss for the company that was avoided by applying the mechanism approved by GEO 107/2024. Amending returns were also filed for the period not covered by the tax audit and comparatives were restated for this amount.

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 October 1, 2024, the natural gas transmission tariffs approved by ANRE Presidential Order No. 17 of May 29, 2024 shall apply. The approved regulated revenue for natural gas transmission during the period October 1, 2024 – December 31, 2025 is lei 2.005.006.850.

As of October 1, 2025, the gas transmission tariffs approved by ANRE President Order no.22 of 05.06.2025 were applicable. The approved regulated revenue related to gas transmission between 1 October 2025 - 31 December 2026 is 2.301.699.490 lei.

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 TSOs 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;

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.

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.

30. FEES OF THE STATUTORY AUDITOR

In 2025, the contractual fees for the statutory audit of the annual consolidated and individual financial statements of the Company and its subsidiaries are lei 543.327 and non-audit services related to the limited assurance of the Sustainability Report for the year ended 31 December 2025 is lei 239.651, services provided by Ernst & Young Assurance Services SRL ('E&Y').

Other non-audit services for 2025 provided by Ernst & Young Assurance Services SRL ("E&Y") amounted to lei 182.493. 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

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

31. 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.

	Year ended 31 December 2025	**Year ended 31 December 2024**
Revenue from the construction activity according to IFRIC12	1.263.636.142	1.876.822.070
Cost of assets constructed according to IFRIC12	(1.263.636.142)	(1.876.822.070)

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.

32. EVENTS SUBSEQUENT TO THE BALANCE DATE

On 02.03.2026, following an update to its corporate rating criteria, Fitch Ratings confirmed the Company's "BBB-" rating with a Positive outlook.

By the Decision no. 6/2026 of the Chairman of ANRE, amendments and supplements to the Decision no. 36/2016 of the Chairman of the National Energy Regulatory Authority were approved, on establishing the method for annually determining the minimum natural gas stock level for holders of licenses to operate natural gas transmission systems.

At the end of February 2026, a significant geopolitical event occurred in the Middle East, leading to heightened regional tensions and increased uncertainty. As a result, there was a significant rise in market volatility, as well as fluctuations in energy, oil, and natural gas prices. Inflationary pressures, disruptions in global supply chains, and a slowdown in economic growth are anticipated.
The Company has no direct exposure to affiliates and/or customers or suppliers in the affected region.
The Company considers these events to be post-reporting date events that do not require balance sheet adjustments, the quantitative effect of which cannot be estimated with sufficient certainty as at the date of authorisation for the issuance of these separate financial statements.

Chairman of the Board of Administration
Nicolae Minea

Director-General	Chief Financial Officer
Ion Sterian	Marius Lupean

NATIONAL GAS TRANSMISSION COMPANY
TRANSGAZ S.A. GROUP

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 DECEMBER 2025

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

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.

Contents **Page**

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

	Note	31 December 2025	31 December 2024
ASSET			
Non-current assets			
Tangible Assets	7	686,480,217	710,016,488
Rigth of use assets	7,1	119,761,305	156,238,537
Intangible assets	9	5,957,234,399	5,117,108,681
Financial assets	10	-	-
Goodwill	9,1	10,165,677	10,149,917
Other receivables	12	3,033,953,960	2,648,907,892
Long-term financial investments	13	30,960,000	-
Deferred tax	18	71,315,446	81,111,504
Restricted cash	13	2,211,942	2,301,307
		9,912,082,946	**8,725,834,326**
Current assets			
Inventories	11	496,444,235	514,142,628
Trade receivables	12,1	386,007,051	345,848,299
Other receivables	12,2	110,079,886	104,047,643
Income tax receivables		-	15,184,160
Short-term financial investments	13	143,278,777	-
Cash and cash equivalent	13	839,493,440	1,064,299,187
		1,975,303,389	**2,043,521,917**
Total assets		**11,887,386,335**	**10,769,356,243**
EQUITY AND LIABILITIES			
Equity			
Share capital	14	1,883,815,040	1,883,815,040
Hyperinflation adjustment of share capital	14	441,418,396	441,418,396
Share premium	14	247,478,865	247,478,865
Other reserves	15	1,265,796,861	1,265,796,861
Retained earnings	15	1,071,367,897	433,983,777
Foreign currency translation reserve		9,726,218	9,922,595
Equity attribuable to shareholders of the Parent		**4,919,603,277**	**4,282,415,534**
Non-controlling interests	15	142,493,296	107,136,408
Total equity		**5,062,096,573**	**4,389,551,942**
Non-current liabilities			
Long-term borrowings	16	3,828,665,050	3,406,202,889
Deferred revenue	17	1,211,922,715	1,141,200,092
Lease liabilities	19	89,560,397	125,610,112
Provision for employee benefits	21	168,536,238	144,260,768
		5,298,684,400	**4,817,273,861**

Notes 1 to 34 are part of these financial statements.

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

	Note	31 December 2025	31 December 2024
Current liabilities			
Short-term borrowings	16	442,574,469	368,781,400
Deferred revenue	17	105,806,400	103,676,018
Current tax payable	18	1,298,495	-
Trade payables	19.1.a	238,366,875	508,085,044
Other payables	19.1.b	503,993,973	389,921,373
Contract liabilities	19.1.c	108,542,826	97,965,975
Lease liability	19.2	41,917,924	37,415,435
Other provisions	20	60,213,686	39,650,849
Provision for employee benefits	21	23,890,714	17,034,346
		1,526,605,362	**1,562,530,440**
Total liabilities		**6,825,289,762**	**6,379,804,301**
Total equity and liabilities		**11,887,386,335**	**10,769,356,243**

Endorsed and signed on behalf of the Board of Administration on 21 April 2026 by:

Chairman of the Board of Administration
Nicolae Minea

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

Notes 1 to 34 are part of these financial statements.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(expressed in lei, unless otherwise stated)

	Note	The year ended 31 December 2025	The year ended 31 December 2024
Revenue from the domestic transmission activity - Romania	22.1	2,460,922,108	1,954,193,929
Revenue from the transmission activity – Republic of Moldova	22.1	286,959,132	195,999,908
Other income	22.2	168,684,298	155,283,200
Operational revenue before the balancing and construction activity according to IFRIC12		**2,916,565,538**	**2,305,477,037**
Depreciation and amortization	7. 9	(544,644,323)	(521,294,380)
Employees costs	24	(695,222,119)	(636,820,190)
Natural gas consumption, materials and consumables used		(119,387,971)	(146,810,051)
Royalty costs		(283,109,149)	(224,732,303)
Maintenance and transmission costs		(155,570,456)	(132,779,302)
Taxes and duties		(121,985,261)	(89,962,659)
Income/ (Expenses) with other provisions		(21,230,375)	46,793,919
Receivables impairment (loss)/gain		(16,803,589)	8,684,921
Other operating expenses	23.1	(140,927,799)	(217,604,161)
Operational profit before the balancing and construction activity according to IFRIC12		**817,684,496**	**390,952,831**
Revenue from the balancing activity	22.1	366,015,631	249,300,337
Expenses with the balancing activity	23.2	(366,015,631)	(249,300,337)
Revenue from the construction activity according to IFRIC12	32	1,263,636,142	1,876,822,070
Cost of assets constructed according to IFRIC12	32	(1,263,636,142)	(1,876,822,070)
Operational profit		**817,684,496**	**390,952,831**
Interest income	25	347,540,382	199,293,694
Other Financial income	25	13,691,865	13,612,485
Financial cost	25	(137,445,470)	(119,841,192)
Financial income, net		**223,786,777**	**93,064,988**
Profit before tax		**1,041,471,273**	**484,017,819**
Income tax expense	7	(160,750,797)	(73,285,983)
Net profit for the year		**880,720,476**	**410,731,836**
Attributable to equity holders of the parent		857,790,536	404,130,064
Attributable to the non-controlling interests		22,929,940	6,601,772
Number of shares		188,381,504	188,381,504
Basic and diluted earnings per share (expressed in lei per share)	28	4.68	2.18
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)			
Exchange differences on translation of foreign operations		1,051,889	570,305
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax)			
Actuarial gain/(loss) for the year		(17,540,846)	(7,505,715)
Total comprehensive income for the year		**864,231,519**	**403,796,426**
Attributable to equity holders of the the parent		840,639,767	396,980,880
Attributable to the non-controlling interests		23,591,752	6,815,546

Chairman of the Board of Administration
Nicolae Minea

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	oreign 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**	**30,332,218**	**9,485,774**	**3,951,368,180**	**100,320,862**	**4,051,689,042**
Net profit for the period	-	-	-	-	-	-	404,130,063	-	404,130,063	6,601,772	410,731,836
Actuarial Gain/(loss)	-	-	-	-	-	-	(7,505,715)	-	(7,505,715)	-	(7,505,715)
Foreign currency translation reserve (*)	-	-	-	-	-	-	(80,289)	436,821	356,532	213,774	570,305
Total other items of comprehensive income	-	-	-	-	-	-	(7,586,004)	436,821	(7,149,183)	213,774	(6,935,410)
Total comprehensive income for the period	-	-	-	-	-	-	**396,544,059**	**436,821**	**396,980,880**	**6,815,546**	**403,796,426**
Reinvested profit reserves	-	-	-	-	-	40,845,861	(40,845,861)	-	-	-	-
Increase in legal reserve	-	-	-	-	22,905,250	-	(22,905,250)	-	-	-	-
Transactions with shareholders											
Dividends related to 2023	-	-	-	-	-	-	(65,933,526)	-	(65,933,526)	-	(65,933,526)
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	-	-	-	-	-	-	857,790,536	-	857,790,536	22,929,940	880,720,476
Actuarial gain (loss)	-	-	-	-	-	-	(17,540,846)	-	(17,540,846)	-	(17,540,846)
Foreign currency translation reserve (*)	-	-	-	-	-	-	586,454	(196,377)	390,077	661,812	1,051,889
Total other items of comprehensive income	-	-	-	-	-	-	(16,954,392)	(196,377)	(17,150,769)	661,812	(16,488,957)
Reserve capital											
Total comprehensive income for the period	-	-	-	-	-	-	**840,836,144**	**(196,377)**	**840,639,767**	**23,591,752**	**864,231,519**
Non-controlling interests for Petrostar	-	-	-	-	-	-	-	-	-	**11,765,136**	**11,765,136**
Reserves from reinvested profits	-	-	-	-	-	30,520,848	(30,520,848)	-	-	-	-
Increase in legal reserve	-	-	-	-	46,858,017	-	(46,858,017)	-	-	-	-
Transactions with shareholders											
Dividends related to 2024	-	-	-	-	-	-	(203,452,024)	-	(203,452,024)	-	(203,452,024)
Balance at 31 December 2025	**1,883,815,040**	**441,418,396**	**247,478,865**	**1,265,796,861**	**125,528,697**	**88,642,305**	**857,196,895**	**9,726,218**	**4,919,603,277**	**142,493,296**	**5,062,096,573**

(*) Foreign currency translation reserves arise from translating the financial statements of the subsidiary Eurotransgaz from its functional currency (MDL) in the reporting currency (RON).

Chairman of the Board of Administration
Nicolae Minea

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

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

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

	Note	The year ended 31 December 2025	The year ended 31 December 2024
Profit before tax		**1,041,471,273**	**484,017,819**
Adjustments for:			
Depreciation		544,644,323	521,294,380
Adjustments for impairment of intangible assets		-	2,059,121
Gain/(loss) on transfer of non-current assets		151,991	181,501
Other Provisions		21,230,375	(35,771,991)
Income from connection fees, grants and goods taken free of charge		(105,421,053)	(105,215,125)
Adjustment of the Receivable regarding the Concession Agreement		(257,121,166)	(127,698,456)
Sundry debtors and receivable loss		30,538,398	25,267,170
Impairment loss / (gain) on inventory		3,864,429	11,034,501
Adjustments for the receivable's impairment		(13,734,809)	(10,119,640)
Provisions for employee benefits		715,009	8,226,642
Effect of restatement of the provision for employee benefits		12,581,731	9,056,425
Interest income		(90,461,086)	(71,595,238)
Interest expenses		79,689,942	97,607,177
Effect of exchange rate fluctuation on other items than from operation		30,281,014	(482,755)
Gain from a bargain purchase		(7,725,203)	-
Other income / expenses		(1,234,065)	(170,466)
Operating profit before the changes in working capital		**1,289,471,103**	**807,691,064**
Increase/(decrease) in trade and other receivables		(18,031,996)	(116,327,845)
Increas/(decrease) in inventories		14,204,606	64,418,055
Increase/(decrease) in trade payables and other debts		99,346,797	(18,208,683)
Cash generated from operations	26	**1,384,990,510**	**737,572,591**
Income tax paid		(123,020,156)	(35,637,362)
Net cash generated from operating activities		**1,261,970,354**	**701,935,229**
Cash flow from investing activities			
Purchase of intangible assets		(1,487,276,989)	(1,754,581,537)
Purchase of property, plant and equipment		(24,771,592)	(21,680,950)
Receipt from the transfer of tangible assets		-	110,457
Interest received		18,889,253	12,492,847
Payments for financial investments		(173,325,602)	-
Net cash (used in) investing activities		**(1,666,484,930)**	**(1,763,659,183)**

Notes 1 to 34 are part of these financial statements.

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

	Note	The year ended 31 December 2025	The year ended 31 December 2024
Cash flow from financing activities			
Repayment of long term borrowings		(148,296,152)	(148,091,010)
Proceeds from short term borrowings for working capital		31,356,161	2,174,192
Proceeds from long term borrowings		555,000,000	1,417,670,000
Payment of principal portion of lease liabilities		(49,893,591)	(51,106,577)
Cash from connection fees and grants		171,348,336	399,138,282
Interest paid		(176,475,041)	(138,539,073)
Dividends paid		(203,330,884)	(66,079,699)
Net cash (used in)/ generated from financing activities		**179,708,829**	**1,415,166,115**
Net change in cash and cash equivalents		**(224,805,747)**	**353,442,157**
Cash and cash equivalent as at the beginning of the year	**13**	**1,064,299,187**	**710,857,030**
Cash and cash equivalent as at the end of the year	**13**	**839,493,440**	**1,064,299,187**

Chairman of the Board of Administration
Nicolae Minea

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

Notes 1 to 34 are part of these financial statements.

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 subsidiaries EUROTRANSGAZ S.R.L., VESTMOLDTRANSGAZ S.R.L, TRANSPORT ROMÂNIA HIDROGEN S.R.L. and Petrostar SA.

The National Gas Transmission Company - SNTGN Transgaz SA (`Company` or `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 31 December 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.

The share capital of EUROTRANSGAZ S.R.L. as at 31 December 2025 is in the amount of MDL 728,034,705 (equivalent in RON of lei 187,832,954) 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 Moldovatransgaz 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 132,094,350 (MDL 511,993,606) represents EBRD's share in the total net assets of the Vestmoldtransgaz S.R.L. in statement as at 31 December 2025, as well as the stake held by other shareholders, amounted to Lei 10,398,946 of the total net assets of Petrostar S.A..

Non-controlling interests 31 December 2025	**Ownership percentage**	**Amount in MDL**	**Amount in LEI**
The EBRD’s share of the total net assets of Vestmoldtransgaz S.R.L.	25%	511.993.606	132.094.350
The share owned by other shareholders in the total net assets of Petrostar SA	49%	-	10.398.946

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.

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.

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.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation

The Group's consolidated inancial statements have been prepared in accordance with OMFP 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) 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 2025 (41,986,105 lei for the year ended 31 December 2024). Depreciation would have decreased by Lei 14,196,455 in 2025 (5,152,947 lei for the year ended 31 December 2024), Operating profit would have decreased by Lei 6,350,805 in 2025 (36,833,158 lei for the year ended 31 December 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 55,208,388 as at 31 December 2025 (48,857,582 lei as of 31 December 2024) and Retained earnings would have recorded a decrease of Lei 48,857,582 as at 31 December 2025 (12,024,425 lei as of 31 December 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's 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

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.

Subsidiaries

The consolidated financial statements comprise the financial statements of Transgaz and its subsidiaries as at 31 December 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 asincurred 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 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:

- **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.
- **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. During this period, the Company is assessing the impact on its reporting processes, investor communications, and business strategy in order to implement the requirements of this standard and ensure accuracy and transparency in its reporting.

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

- **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.
- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (Amendments).** In November 2025, the IASB issued amendments to Translation to a Hyperinflationary Presentation Currency which amend IAS 21 The Effects of Changes in Foreign Exchange Rates, and they become effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. Management has assessed that these amendments will not have a material 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.

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 transporation 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
- 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.

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.

3.6 Service concession agreeement

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

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.
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 established, 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 reduced by non-refundable funds used to finance CAPEX, 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 (National Energy Regulatory Authority) is the natural gas sector regulatory authority that has regulatory responsibility, the control and oversight of the natural gas transmission business. 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 tarrif methodology applicable during the fourth regulatory period (1 October 2019 – 30 September 2025) approved by ANRE Order 41/2019 in Article 17 and in the methodology applicable for the fifth regulatory period (1 October 2025 – 30 September 2030) approved by ANRE Order No. 7/2025, in Article 21 is mentioned the computation formula of RAB included in the tariff.

The BAR used to determine the tariffs applicable to the next gas year is based on the results achieved up to the date of calculation and on estimated values expected to be achieved by the end of the gas year preceding the one for which the transmission tariffs are being determined.

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 ANRM at the end of the concession agreement.

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 ad 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, represent an unconditional receivable, and 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 occured 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 interest rate used does not change thereafter.

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 in the profit or loss account.

This method is in accordance with IFRS 9.B5.4.6, 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 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 y77cost 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.

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.

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).

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 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.

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 in 2025 or 2024.

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.

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 Group'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 Group 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.

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 Group 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. At the end of each reporting period, the company assesses whether there are any indications of impairment of assets. If such indications are identified, the company estimates the asset’s recoverable amount.

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

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 Group 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. 56/08.04.2025 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.

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, 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.

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 and
c) for government grants received.

Tthe connection fees are billed to some 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 constructioncost. 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.

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.

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 the Group's policy choice under IAS 7.

Assets received free of charge from third parties (SRMs, pipelines, connections) are classified as owned assets because they do not result from investments made by the Company. Following the receiving free of charge of assets belonging to the National Transmission System, these assets are included in the Company's patrimony at fair value, determined based on the asset handover protocol.

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.

3.19. Provisions

The provisions are recognized when the Group 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 Group 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 Group 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 Group may identify the rights of each party in relation to the goods or services to be transferred;
- The Group 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 Group 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 Group performs the obligation;
- the Group's performance creates or enhances an asset that the client controls to the extent that the asset is created or enhanced;

- the Group'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 Group 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 Group can reasonably estimate the outcome of the performance obligation, or, if the outcome cannot be 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.

The contracts concluded by the Group do not contain any significant financing components.

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.

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.

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 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 Group concludes sales and purchase contracts in the national currency.

31 December 2025	**EUR** (RON)	**GBP** (RON)	**USD** (RON)	**MDL** (RON)	**RON** (RON)	**Total** (RON)
Financial assets						
Cash and cash equivalents	58,911	2,862	71,135	54,370,072	787,202,402	841,705,382
Short-term financial investments	-	-	-	143,278,777	-	143,278,777
Long-term financial investments	-	-	-	30,960,000	-	30,960,000
Receivables related to the remaining regulated amount remained undepreciated at the end of the concession agreement	-	-	-	-	3,033,953,960	3,033,953,960
Other financial assets	25,493	-	-	-	-	25,493
Other receivables					51,447,658	51,447,658
Trade receivables	170,986,035	-	6,554,075	2,840,153	205,601,295	385,981,558
Total financial assets	**171,070,439**	**2,862**	**6,625,209**	**231,449,002**	**4,078,205,316**	**4,487,352,828**
Financial liabilities						
Trade payables	14,198,698	-	2,076,513	11,469,563	210,622101	238,366,875
Other payables				244,361	282,226,571	282,470,932
Lease liabilities	-	-	-	107,919,302	23,559,019	131,478,321
Borrowings	1,092,535,784	-	-	157,921,637	3,020,782,098	4,271,239,519
Total financial liabilities	**1,106,734,482**	-	**2,076,513**	**277,554,863**	**3,537,189,789**	**4,923,555,647**
Net	(935,664,043)	**2,862**	**4,548,697**	**(46,105,861)**	**541,015,526**	**(436,202,819)**

31 December 2024	**EUR** (RON)	**GBP** (RON)	**USD** (RON)	**MDL** (RON)	**RON** (RON)	**Total** (RON)
Financial assets						
Cash and cash equivalents	24,822,570	1,583	36,206	71,202,316	970,537,819	1,066,600,494
Receivables related to the remaining regulated					2,648,907,892	2,648,907,892

amount remained undepreciated at the end of the concession agreement						
Other financial assets	24,870	-	-	-	-	24,870
Other receivables	-	-	-	258,069	51,131,536	51,389,605
Trade receivables	156,256,143	-	7,210,886	22,874,864	159,481,535	345,823,428
Total financial assets	**181,103,583**	**1,583**	**7,247,092**	**94,335,249**	**3,830,058,782**	**4,112,746,289**
Financial liabilities						
Trade payables	68,356,517	-	167,188	21,454,519	418,106,820	508,085,044
Other payables					215,300,460	215,300,460
Lease liabilities	-	-	-	142,143,642	20,881,905	163,025,547
Borrowings	1,106,990,865	-	-	170,457,778	2,497,535,646	3,774,984,289
Total financial liabilities	**1,175,347,382**	-	**167,188**	**334,055,939**	**3,151,824,831**	**4,661,395,340**
Net	**(994,243,799)**	**1,583**	**7,079,904**	**(239,720,690)**	**678,233,951**	**(548,649,051)**

As at 31 December 2025, the amount of Lei 177,540,110 (31 December 2024: Lei 163,491,899) representing trade receivables and other receivables net is expressed in foreign currency, of which 4% in USD (31 December 2024: 4%) and 96% in EUR (31 December 2024: 96%).

The following table shows the sensitivity of profit or loss and equity, to reasonably possible changes in exchange rates applied 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:

	31 December 2025	31 December 2024
Impact on profit and loss and on equity of:		
USD appreciation by 8%	1,611,120	566,392
USD depreciation by 8%	(1,611,120)	(566,392)
EUR appreciation by 2%	(21,738,697)	(23,264,663)
EUR depreciation by 2%	21,738,697	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 3,520,457 (on December 2024: lei 6,161,452).

(iii) Interest rate risk on cash flow

The Group is exposed to interest rate risk by its bank deposits and variable and fixed interest borrowings. The regulatory framework governing the Transgaz' 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.

The neutrality tariff ensures that the difference between the expenses and revenue recorded by the National Transmission System Operator as a result of activities carried out to fulfill its obligations to balance the natural gas transmission network is allocated to network users.

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 15,343,077 (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, 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 49% of the trade receivable balances as at 31 December 2025 (31 December 2024: 42%). Although the collection of receivables can be influenced by economic factors, the management believes that there is no significant risk of loss exceeding the already made adjustments.

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

To cover credit risk the Group requests payment guarantees for gas transmission and commercial balancing contracts. As at 31 December 2025 the payment guarantees available to the Group from clients amounting to lei 564.735.358 (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.

	31 December 2025	31 December 2024
Without rating	228,985,214	71,598,559
BBB-	592,677,651	890,375,218
BBB+	191,560,427	101,888,737
A+	133,591	134,273
AA-	233,939	157,385
	1,013,590,822	**1,064,154,172**

All the financial institutions are presented in the Fitch rating or equivalent.
The financial institutions based in the Republic of Moldova where the subsidiary’s cash is held are without a rating.

(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 Group continually monitors the Group'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 Group does not violate the limits or loan agreements (where applicable) for any of its borrowing facilities. These projections take into account the Group'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 31 December 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 31 December 2025 is as follows:

	Total amount	Less than 1 year	1-5 years	Over 5 years
Borrowings	5,505,718,409	601,681,662	2,565,572,526	2,338,464,221
Trade payables	238,366,873	238,366,873	-	-
Other payables	282,325,857	282,325,857		
Lease liabilities	148,770,972	50,504,755	94,118,296	4,147,921
	6,175,182,111	1,172,879,147	2,659,690,822	2,342,612,142

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

	Total amount	Less than 1 year	1-5 years	Over 5 years
Borrowings	4,920,901,783	534,841,486	2,142,499,066	2,243,561,231
Trade payables	723,385,504	723,385,504	-	-
Other payables	215,300,460	215,300,460	-	-
Lease liabilities	187,376,694	42,254,606	145,122,088	-
	6,046,964,441	1,515,782,056	2,287,621,154	2,243,561,231

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 guarantees, 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.

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

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

Capital risk management

The Group's objectives related to capital management refer to keeping the Group'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 Group 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 31 December 2025 and at 31 December 2024 is reflected in the table below:

	31 December 2025	31 December 2024
Total borrowings	4,271,239,519	3,774,984,289
Except: cash and cash equivalents (Note 13)	(841,705,382)	(1,064,299,187)
Net debt	3,429,534,137	2,710,685,102
Equity capital	5,062,096,573	4,389,551,942
Leverage ratio	0.68	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 Group'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 Group 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.

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 interest rate, variation of these inputs resulting in significant effect on the liability as at 31 December 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 31 December 2025 is of lei 192,426,952 (at 31 December 2024: lei 161,295,114) (Note 21).

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

	31 December 2025	31 December 2024
Inflation rate +1%	207,871,701	180,722,068
Inflation rate -1%	178,654,527	154,502,134
Interest rate +10%	183,929,326	158,634,270
Interest rate -10%	201,676,063	175,859,845

Analysis of the maturity of benefits payments:

	31 December 2025	31 December 2024
Up to one year	21,608,921	11,165,196
Between 1 and 2 years	8,510,424	5,121,283
Between 2 and 5 years	22,645,552	14,378,356
Between 5 and 10 years	139,662,055	109,307,865

5.2 The accounting treatment of the concession agreement

As indicated in Note 8, in May 2002 Transgaz 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:

a) the grantor is a public sector entity;

b) the operator is a private sector entity (or, in some cases, a public sector entity); and

c) 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 Agrement 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 (accordinto 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 enactement of the law, and as such, it represents an unconiditional 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.

5.3 The accounting treatment of royalties payable for using the national gas transmission system

As indicated in Note 8, Transgaz 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 Moldovatransgaz

On 04.09.2023, Lease Agreement No. 70-SJ was concluded between Moldovatransgaz 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 Moldovatransgaz 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 Moldovatransgaz.

b. Moldovatransgaz 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 Moldovatransgaz, respectively Moldovatransgaz 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).

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 6 months period ended 31 December 2025 is:

	Domestic gas transmission	Balancing	Unallocated	Moldova domestic gas transmission and Petrostar activity	Total
Revenue from domestic transmission	2,460,922,108	-	-	286,959,132	2,747,881,240
Other income	139,904,443	-	17,535,108	11,244,747	168,684,298
Operating revenue before the balancing and the construction activity according to IFRIC12	**2,600,826,551**	**-**	**17,535,108**	**298,203,879**	**2,916,565,538**
Depreciation	(490,753,368)	-	(1,770,008)	(52,120,948)	(544,644,324)
Allowances, salaries, and other payroll expenses	(672,278,327)		(5,169,552)	(17,774,240)	(695,222,119)
Gas consumption, materials, and supplies used	(116,440,824)		(444,363)	(2,502,784)	(119,387,971)
Royalty expenses	(283,006,043)		-	(103,106)	(283,109,149)
Maintenance and transportation	(76,942,054)		(222,151)	(78,406,251)	(155,570,456)
Taxes and other amounts owed to the state	(120,630,883)		(497,388)	(856,990)	(121,985,261)
Income/(Expenses) from provisions for risks and expenses	(3,901,712)		-	(17,328,663)	(21,230,375)
Loss/(gain) from the impairment of receivables	(16,803,589)		-	-	(16,803,589)
Other operating expenses	(133,866,029)	-	(1,370,338)	(5,691,431)	(140,927,798)
Profit from operation before the balancing and construction activity according to IFRIC12	**686,203,722**	**-**	**8,061,308**	**123,419,466**	**817,684,496**
Revenue from the balancing activity	-	359,936,488	-	6,079,143	366,015,631
Cost of balancing activity	-	(359,936,488)	-	(6,079,143)	(366,015,631)
Revenue from the construction activity according to IFRIC12	1,263,636,142	-	-		1,263,636,142
Cost of constructed assets according to IFRIC12	(1,263,636,142)	-	-		(1,263,636,142)
Operating profit	**686,203,722**	**-**	**8,061,308**	**123,419,466**	**817,684,496**

Net financial gain	-	-	-	-	223,786,777
Profit before tax	-	-	-		**1,041,471,273**
Income tax	-	-	-	-	(160,750,797)
Net profit	-	-	-		**880,720,476**
Assets on segments	10,009,227,674	238,133,461	886,230,725	753,794,475	11,887,386,335
Liabilities on segments	6,023,630,643	441,380,533	4,739,468	355,539,118	6,825,289,762
Capital expenditure - increases in assets in progress	1,335,484,124	-	3,030,583	60,669	1,338,575,376
Non-monetary expenses other than depreciation	(36,308,525)	-	(64,994)	-	(36,373,519)

In 2025, the Eurotransgaz SRL and Vestmoldtransgaz subsidiaries carried out transmission activities, their assets amounting to lei 729,196,684, and Petrostar SA carried out engineering and technical consulting activities related to these, their registered assets being worth Lei 12,732,379 and the of liabilities for Eurotransgaz SRL and Vestmoldtransgaz subsidiaries being worth Lei 353,979,815, respectively, while those of Petrostar SA amount to Lei 1,071,715.

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 Moldovatransgaz SRL and Vestmoldtransgaz SRL recorded as the right of use of the leased assets.

Unallocated assets include:	**31 December 2025**
Tangible and intangible assets	28,541,121
Right of use lease assets	454,965
Cash	786,572,505
Deffered tax	70,457,300
Other assets	204,834
	886,230,725
Unallocated liabilities include:	
Tax payable	1,298,495
Dividends payable	1,070,500
Lease liabilities	501,279
Other debts	1,869,194
	4,739,468

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.

Unallocated tangible and intangible assets are assets held by the Company that do not contribute to the conduct of gas transmission or balancing activities.

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.

	Domestic Clients	Foreign Clients	Moldova domestic transmission and Petrostar's activity	Total
Revenue from the domestic transmission	2,192,881,172	268,040,936	286,959,132	2,747,881,240
Other income	157,439,551	-	11,244,747	168,684,298
	2,350,320,723	**268,040,936**	**298,203,879**	**2,916,565,538**

Domestic clients with over 10% of the total revenue include:	**Percentage of the total revenue**
OMV PETROM SA	13%

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 Group has external trade receivables amounting to lei 197,766,387 (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.

The information on segments provided to the Board of Administration, who makes strategic decisions for the reporting segments, related to the financial year ended 31 December 2024, is as follows:

	Domestic gas transmission	International gas transmission	Balancing	Unallocated	Domestic transmission Moldova	Total
Revenue from domestic transmission	1,954,193,929	-	-	-	195,999,908	2,150,193,837
Revenue from international transmission and similar activities	-	-	-	-	-	-
Other trade revenue	1,524,538					1,524,538
Other income	115,529,747	20,980,114	-	12,840,418	4,408,383	153,758,662
Operating revenue before the balancing and the construction activity according to IFRIC12	**2,071,248,214**	**20,980,114**	**-**	**12,840,418**	**200,408,291**	**2,305,477,037**
Depreciation	(439,657,823)	(29,021,714)	-	(1,774,141)	(50,840,702)	(521,294,380)
Allowances, salaries, and other payroll expenses	(621,398,849)	(1,532,947)	-	(3,760,965)	(10,127,429)	(636,820,190)
NTS gas consumption, materials, and supplies used	(135,674,151)	(10,645,157)	-	(490,743)	-	(146,810,051)
Royalty expenses	(224,732,303)	-		-	-	(224,732,303)
Maintenance and transportation	(58,110,485)	(236,046)	-	(237,363)	(143,071)	(58,726,965)
Taxes and other amounts owed to the state	(88,975,545)	(17,354)	-	(541,287)	(428,473)	(89,962,659)
Expenses related to the provision for risks and expenses	47,690,140	(33,254)	-	(100,893)	(762,074)	46,793,919
Loss/(gain) from the impairment of receivables	36,798,168	(19,926,417)	-	(69,312)	(8,117,518)	8,684,921
Other operating expenses	(218,510,165)	7,961,455	-	(1,051,641)	(80,056,147)	(291,656,498)
Profit from operation before the balancing activity according to IFRIC12	**368,677,201**	**(32,471,320)**	**-**	**4,814,073**	**49,932,877**	**390,952,831**
Revenue from the balancing activity	-	-	249,300,337	-		249,300,337
Cost of balancing activity	-	-	(249,300,337)	-		(249,300,337)

Revenue from the construction activity according to IFRIC12	1,876,822,070	-	-	-		1,876,822,070
Cost of constructed assets according to IFRIC12	(1,876,822,070)	-	-	-		(1,876,822,070)
Profit from operation	**368,677,201**	**(32,471,320)**	**-**	**4,814,074**	**49,932,877**	**390,952,831**
Net financial gain						93,064,988
Profit before tax						**484,017,819**
Income tax	-	-	-	-	-	(73,285,983)
Net profit	-	-	-	-		**410,731,836**
Assets on segments	8,550,707,687	130,955,393	338,748,903	1,108,521,076	643,993,258	10,769,356,243
Liabilities on segments	5,459,626,218	638,897	563,844,255	3,626,037	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	11,175,072	(11,877,503)	-	(170,205)	-	(872,636)

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 Moldovatransgaz SRL and Vestmoldtransgaz SRL recorded as the right of use of the leased assets.

Unallocated assets include:	**31 December 2024**
Tangible and intangible assets	29,530,805
Right of use of leased assets	560,227
Cash	995,373,172
Other assets	313,786
Deferred tax	82,718,086
	1,108,521,076
Unallocated liabilities include:	
Lease liabilities	949,359
Dividends payable	598,460
Other debts	2,078,218
	3,626,037

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.

Unallocated tangible and intangible assets are assets held by the Company that do not contribute to the conduct of gas transmission or balancing activities.

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.

Transmission services are provided for several foreign customers.

	Domestic Clients	Foreign Clients	Domestic gas transmission Moldova	Total
Revenue from domestic transmission	1,798,017,926	156,176,003	195,999,908	2,150,193,837
Other income	140,525,943	10,348,874	4,408,383	155,283,200
	1,938,543,869	**166,524,877**	**200,408,291**	**2,305,477,037**

Domestic clients with over 10% of the total revenue include:	**Percentage of the total revenue**
OMV PETROM S.A.	19%
SNGN ROMGAZ SA	15%
ENGIE ROMANIA S.A.	14%
E.ON ENERGIE ROMANIA S.A.	11%

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.

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.

	Lands and buildings	Transmission system assets	Other non-current assets	Assets in progress	Total
On 31 December 2024					
Initial net book value as at 1 January 2024	**149,103,482**	**194,033,042**	**414,815,978**	**10,878,711**	**768,831,213**
Additions	-	-	(400,791)	23,580,049	23,179,258
Reclassification	72,734	(3,340,201)	(216,402)	(49)	(3,483,918)
Transfers	1,931,539	930,534	21,088,232	(23,950,305)	-
Disposals (net value)	(219,260)	(3,878)	(90,964)	-	(314,102)
Expense with depreciation	(8,921,975)	(31,070,884)	(39,165,747)	-	(79,158,606)
Foreign currency translation reserve	98,885	-	863,758	-	962,643
Final net book value as at 31 December 2024	**142,065,405**	**160,548,613**	**396,894,064**	**10,508,406**	**710,016,488**
Cost	319,264,270	984,059,610	772,876,442	12,164,588	2,088,364,910
Accumulated depreciation	(177,222,472)	(823,510,997)	(376,162,962)	-	(1,376,896,431)
Accumulated impairment adjustment	-	-	-	(1,656,182)	(1,656,182)
Foreign currency translation reserve	23,607	-	180,584	-	204,191
Final net book value as at 31 December 2024	**142,065,405**	**160,548,613**	**396,894,064**	**10,508,406**	**710,016,488**
As at 31 December 2025					
Initial net book value as at 1 January 2025	**142,065,405**	**160,548,613**	**396,894,064**	**10,508,406**	**710,016,488**
Additions		-	474,049	29,897,588	30,371,637
Petrostar Acquisition	17,151,492		51,387		17,202,879
Reclassification	-	4,414,225	705,523	2,738,650	7,858,398
Transfers	6,810,514	121,642	23,770,937	(30,703,093)	-
Disposals (net value)	(132,159)	(1,672)	(18,576)	-	(152,407)
Expense with depreciation	(8,060,584)	(31,444,475)	(39,855,838)	-	(79,360,897)
Foreign currency translation reserve	53,329	-	490,790	-	544,119
Final net book value as at 31 December 2025	**157,887,997**	**133,638,333**	**382,512,336**	**12,441,551**	**686,480,217**
Cost	346,046,805	988,568,727	794,745,805	14,097,733	2,143,459,070
Accumulated depreciation adjustment	(188,134,173)	(854,930,394)	(412,049,960)	-	(1,455,114,527)
Accumulated impairment charge	-	-	-	(1,656,182)	(1,656,182)
Foreign currency translation reserve	(24,635)	-	(183,509)	-	(208,144)
Final net book value	**157,887,997**	**133,638,333**	**382,512,336**	**12,441,551**	**686,480,217**

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.

The gross book value of the fully depreciated assets, still used, is lei 428,245,239 (31 December 2024: lei 382,303,036). As at 31 December 2025 no advances granted for the procurement of tangible assets are registered.

Regarding the assets developed by Transgaz, 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. Transgaz 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 Group 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 of which:	**Forestry Agreements**	**VMTG Lease Agreement**
Cost on 1 January 2025	**221,701,412**	**16,683,915**	**180,877,944**
Accumulated depreciation	(65,462,875)	(6,712,689)	(44,334,499)
Net book value as at 01 January 2025	156,238,537	9,971,226	136,543,445
Additions	6,936,642	4,661,640	
Disposals	(2,979,573)	(27,908)	(2,821,885)
Depreciation	(40,434,301)	(1,654,770)	(36,027,133)
Final net book value on 31 December 2025	**119,761,305**	**12,950,188**	**97,694,427**
Cost as at 31 December 2025	191,121,107	21,317,647	143,518,684
Accumulated depreciation as at 31 December 2025	(71,359,802)	(8,367,459)	(45,824,257)

Detailed information on IFRS 16 as at 31 December 2025:

	31 December 2025 of which:	**Forestry conventions**	**Lease contract VMTG**
Right of use assets	225,939,348	21,317,647	178,336,926
Right of use asset-accumulated depreciation	(106,178,043)	(8,367,459)	(80,642,499)
Interest expense on lease liability	13,101,985	540,234	11,854,117
Lease liability	131,478,321	13,979,850	107,919,302
Of which:			
Short term	41,917,924	2,058,361	37,359,790
Long term	89,560,397	11,921,489	70,559,512

Detailed information on IFRS 16 as at 31 December 2024:

	Leases according to IFRS16 of which:	Forestry Agreements	VMTG Lease Agreement
Cost on 1 January 2024	**201,790,462**	**16,251,498**	**168,886,583**
Accumulated depreciation	(28,344,494)	(5,346,271)	(9,570,240)
Net book value as at 01 January 2024	173,445,968	10,905,227	158,945,265
Additions	21,446,921	432,417	11,991,361
Disposals	(1,535,971)	-	-
Depreciation	(37,118,382)	(1,366,419)	(34,764,260)
Final net book value on 31 December 2024	**156,238,537**	**9,971,225**	**136,172,366**
Cost as at 31 December 2024	221,701,412	16,683,915	180,506,866
Accumulated depreciation as at 31 December 2024	(65,462,875)	(6,712,690)	(44,334,500)

	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.

Assets accounted for in accordance with IFRS 16 fall under the category of buildings and land; they are recorded based on lease agreements with terms of 2 to 5 years and temporary land use agreements concluded for the period of the concession agreement, and they are distinct from those falling under the category of forestry agreements.

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 Moldovatransgaz Ltd. and Vestmoldtransgaz 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

Vestmoldtransgaz. 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. On 7 May 2025, Addendum No. 2 was signed to amend and supplement the aforementioned contract; namely, the annual rent for 2025 was reduced to 173.2 million Moldovan Lei (MDL).

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 develops 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. 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.

9. INTANGIBLE ASSETS

	Assets related to the Service Concession Agreement	Goodwill from consolidation	Software and other intangible assets	Intangible assets in progress	Total
On 1 January 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	-	-	41,986,105	1,892,077,440	1,934,063,545
Reclassifications	3,483,866	-	-	-	3,483,866
Transfers	122,892,653	-	1,570,278	(194,819,917)	(70,356,986)
Disposals	-	-	-	-	-
Depreciation	(392,262,732)	-	(9,966,944)	-	(402,229,676)
Adjustment for impairment	-	-	-	(2,059,121)	(2,059,121)
Foreign currency translation effect	-	23,641	41	-	23,682
Final net book value as at 31 December 2024	**3,000,602,680**	**10,149,917**	**56,924,718**	**2,059,581,283**	**5,127,258,598**
Cost	8,547,606,509	9,413,102	131,382,835	2,070,783,181	10,759,185,627
Accumulated depreciation	(5,547,003,829)	-	(74,458,274)	-	(5,621,462,103)
Adjustment for impairment	-	-	-	(11,201,898)	(11,201,898)
Foreign currency translation effect	-	736,815	157	-	736,972
Net book value as at 31 December 2024	**3,000,602,680**	**10,149,917**	**56,924,718**	**2,059,581,283**	**5,127,258,598**
At 31 December 2025					
Initial net book value 01 January 2025	**3,000,602,680**	**10,149,917**	**56,924,718**	**2,059,581,283**	**5,127,258,598**
Additions	-	-	21,072,824	1,308,677,788	1,329,750,612
Reclassifications	(5,119,748)	-	(50,815)	2,342,344	(2,828,219)
Transfers	91,682,336	-	1,605,948	(155,121,556)	(61,833,272)
Disposals	-	-	(27,637)	-	(27,637)
Depreciation	(405,942,264)	-	(18,993,494)	-	(424,935,758)
Foreign currency translation effect	-	15,760	(8)	-	15,752
Final net book value as at 31 December 2025	**2,681,223,004**	**10,165,677**	**60,531,536**	**3,215,479,859**	**5,967,400,076**
Cost	8,634,169,098	9,413,102	154,951,634	3,226,681,757	12,025,215,591
Accumulated depreciation	(5,952,946,094)	-	(94,419,966)	-	(6,047,366,060)
Adjustment for impairment	-	-	-	(11,201,898)	(11,201,898)
Foreign currency translation effect	-	752,575	(132)	-	752,443
Net book value as at 31 December 2025	**2,681,223,004**	**10,165,677**	**60,531,536**	**3,215,479,859**	**5,967,400,076**

*Transfers - due to the use of the bifurcated model under IFRIC 12, when an improvement or expension 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 Transgaz 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 2025 amounting to 607,934,443 lei.

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 31 December 2025 the line pack quantity is 987,666 MWh and has a value of 111,827,346 lei, of which the NTS pipeline stock is 874,382 MWh and amounts to 98,331,129 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, Transgaz capitalized interest expense amounting to lei 106.557.396 (in 2024 it capitalized interest expenses amounting to 30,176,746), for National Transmission System assets (NTS assets).

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

As at 31 December 2025, Transgaz 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. These are included in the category of software and other intangible assets.

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 10.165.678 as at 31 December 2025.

The Company has carried as at 31.12.2025 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.

As at 31 December 2025, the Company prepared an acquisition price allocation report for its investment in Petrostar SA. As shown in Note 33, this acquisition did not generate goodwill.

10. FINANCIAL ASSETS

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

Company	Activity	% Percentage owned 2025	% Percentage owned 2024	31 December 2025	31 December 2024
Mebis SA	Gas production distribution and supply	17.47	17.47	-	-

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, 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

	31 December 2025	31 December 2024
Gas inventories for balancing purposes	189,030,800	307,812,978
Gas for technological consumption	164,482,383	105,370,085
Spare parts and materials	157,666,715	156,576,284
Materials in custody at third parties	46,661,321	1,914,056
Adjustments for inventory write-downs	(61,396,984)	(57,530,775)
	496,444,235	**514,142,628**

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

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 393,546.504 MWh as at 31 December, 2025 (31 December 2024: 618,912.143 MWh). In 2025, the Company reduced its balancing inventory by transferring the quantity exceeding the level established by Decision no. 656/08.04.2025—namely, 225,365.639 MWh—to gas for technological consumption.

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 5,247,233 as at 31 December 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:

	31 December 2025	31 December 2024
Adjustment for inventory write-downs on 1 January	57,530,775	46,494,077
Expense with adjustment for inventory write-downs (Note 23)	3,866,209	11,036,698
Adjustment at the end of the period	**61,396,984**	**57,530,775**

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

12. TRADE RECEIVABLES AND OTHER RECEIVABLES

12.1 Trade receivables

	31 December 2025	31 December 2024
Trade receivables	1,046,092,479	1,017,843,820
Adjustment of impairment of trade receivables	(660,085,428)	(671,995,521)
	386,007,051	345,848,299

At 31 December 2025, the amount of 177,540,110 lei (31 December 2024: 163,491,899 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%).

12.2 Other receivables

	31 December 2025	31 December 2024
Advance payments to suppliers for goods and services	9,788,179	339,131
State budget receivables	26,728,546	50,694,980
Receivables from various debtors	61,867,699	61,150,527
Other receivables	68,239,234	54,880,071
Non-refundable loans as subsidies	6,002,515	906,984
Provisions for impairment of other long-term receivables	(5,218,922)	
Adjustment of impairment, sundry debtors	(57,327,365)	(63,924,050)
	110,079,886	104,047,643

In July 2022 Transgaz 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 31 December 2025 as well.

The advance payments granted to the Group 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

	31 December 2025	31 December 2024
Receivable related to the regulated value remaining unamortized at the end of the concession agreement	3,033,953,960	2,648,907,892

According to ANRE Order no. 41/2019 the value of the assets recognised in the Regulated Asset Base is adjusted to the inflation for the period 01.10.2019–30.09.2025, and according to the methodology applicable for the fifth regulatory period (1 October 2025 – 30 September 2030) approved by ANRE Decision no. 7/2025, the value of assets recognized in the Regulated Asset Base is adjusted for inflation using the rate applied by ANRE in setting the regulated rate of return of 3.01%. The Company recalculated the amount of the receivable related to the Concession Agreement and recognized a gain amounting to 257,121,166 lei in accordance with IFRS 9 (31 December 2024: 127,698,456 lei).

According to IFRS 9.B5.4.6 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, and the recognized income is adjusted to reflect changes in the principal's purchasing power.

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.

	31 December 2025	31 December 2024
Initial balance	2,648,907,892	2,392,525,261
Additions	63,231,360	76,202,595
Interest accued	70,669,822	59,648,308
Inflation update	257,121,166	127,698,456
Disposals	(5,976,280)	(7,166,728)
	3,033,953,960	2,648,907,892

* 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 the Regulated Assets Base to the inflation rate for the period 01.10.2019–30.09.2025, and according to the methodology applicable for the fifth regulatory period (1 October 2025 – 30 September 2030) approved by ANRE Decision no. 7/2025, the value of assets recognized in the Regulated Asset Base is adjusted for inflation using the rate applied by ANRE in setting the regulated rate of return of 3.01%.

This method is in accordance with IFRS 9.B5.4.6, 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

	31 December 2025	31 December 2024
Unimpaired gross amounts		
Transit receivables	169,278,262	154,558,999
Receivables with customers in insolvency procedures	209,133,982	153,388,965
Related party receivables	213,945,900	300,049,254
Other trade receivables	453,734,335	409,846,602
Total	1,046,092,479	1,017,843,820
Impairment by categories		
Transit receivables	169,278,262	154,558,999
Receivables with customers in insolvency procedures	209,133,982	153,388,969
Related party receivables	68,240,502	151,830,188
Other trade receivables	213,432,682	212,217,368
Total impairment	660,085,428	671,995,524
Total trade receivables net of provision	386,007,051	345,848,296

Receivables from various debtors

	31 December 2025	31 December 2024
Unimpaired –gross amount		
Receivables from various debtors	61,867,699	61,150,527
Impairment		
Receivables from various debtors	57,327,365	55,798,255
Total debtors' receivables net of provision	4,540,334	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 receivables:

31 December 2025	**Gross value**	**Expected loss rate**	**Expected lifetime loss**
Current receivables including invoices to be issued	390,376,015	4%	16,392,516
Overdue by up to 30 days	2,879,254	10%	287,925
Overdue by up to 60 days	1,174,566	20%	234,913
Overdue by up to 90 days	2,624,395	30%	787,318
Overdue by up to 120 days	9,080,675	35%	3,178,236
Overdue by up to 150 days	1,882,634	60%	1,129,580
Overdue by over 150 days	638,074,940	100%	638,074,940
Total receivables	1,046,092,479		660,085,428

Risk exposure for other receivables:

31 December 2025	**Gross value**	**Expected loss rate**	**Expected lifetime loss**
Current receivables including invoices to be issued	3,462,978	31%	1,067,454
Overdue by up to 30 days	1,307,272	10%	130,727
Overdue by up to 60 days	848,294	20%	169,659
Overdue by up to 90 days	-	-	-
Overdue by up to 120 days	-	-	-
Overdue by up to 150 days	724,075	60%	434,445
Overdue by over 150 days	55,525,080	100%	55,525,080
Total receivables	61,867,699		57,327,365

Risk exposure for trade receivables:

31 December 2024	Gross value	Expected loss rate	Expected lifetime loss
Current receivables including invoices to be issued	348,556,807	1%	3,234,178
Overdue by up to 30 days	1,660,403	93%	1,539,554
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	2,055,405	97%	1,991,549
Overdue by up to 150 days	1,662,473	97%	1,614,178
Overdue by over 150 days	661,527,785	100%	661,527,785
Total receivables	1,017,843,820		671,995,524

Risk exposure for other receivables:

31 December 2024	Gross value	Expected loss rate	Expected lifetime loss
Current receivables including invoices to be issued	3,348,499	35%	1,156,480
Overdue by up to 30 days	124,623	10%	12,462
Overdue by up to 60 days	-	-	-
Overdue by up to 90 days	-	-	-
Overdue by up to 120 days	4,689,372	35%	1,641,280
Overdue by up to 150 days	-	-	-
Overdue by over 150 days	52,988,033	100%	52,988,033
Total receivables	61,150,527		55,798,255

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

As at 31 December 2025, the Group has recorded adjustments for receivables with an increased risk of non-collection, mainly for Gazprom Export LLC LLC (14,748,186 lei), Liberty Galați SA (21,058,563 lei), Black Sea Oil&Gas SA (2,417,904 lei), due to the financial situation of these customers and the ongoing litigations concerning these receivables and has decreased the adjustment for Electrocentrale Constanța (27,515,979 lei), Aik Energy Ltd London Bucharest branch SRL (11,554,123 lei) si Secenergy Hungary Kft,(12,963,644 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:

	31 December 2025	31 December 2024
Adjustment on 1 January	735,919,571	747,288,265
Expense with the adjustment for contingent clients	33,963,695	47,156,660
Reversing the adjustment for contingent clients	(47,251,550)	(44,694,467)
Adjustment at the end of the period	722,631,716	735,919,571

Top 5 clients by balance at 31 December 2025:

CLIENT	Client balance	Adjustment made
GAZPROM EXPORT	170,463,663	170,463,663
ELECTROCENTRALE CONSTANTA	104,263,591	79,263,591
OMV PETROM SA	102,522,288	-
E.ON ENERGIE ROMANIA SA	70,813,293	-
ENGIE ROMANIA S.A.	61,908,676	-

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 and SHORT-TERM AND LONG-TERM FINANCIAL INVESTMENTS

13.a) Cash and cash equivalent

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

The Group entered into a deposit agreement with MAIB Bank in the amount of 18,060,000 lei (70,000,000 MDL) for a term of up to 3 months at an annual interest rate of 5.5%.

	31 December 2025	31 December 2024
Cash at bank in lei	817,094,989	1,053,754,754
Cash at bank in foreign currency	4,219,884	10,424,349
Short-term bank deposits with a maturity of < 3 months	18,060,000	-
Other cash equivalents	118,567	120,084
	839,493,440	**1,064,299,187**

	31 December 2025	31 December 2024
Restricted cash (administrators guaranties)	2,211,942	2,301,307

13.b) Short-term financial investments

	31 December 2025	31 December 2024
Short-term financial investments	143,278,777	-

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

The Group concluded a deposit agreement with Victoribank in the amount of 77,400,000 LEI (300,000,000 MDL) with a term of up to 12 months and an annual interest rate of 6.5%.

On 28 November 2025, the Group concluded a foreign currency deposit agreement with Victoriabank in the amount of 2,800,000 EUR, equivalent to 55,327,160 MDL (14,274,407 LEI) as at 31 December 2025, for a term of 6 months with an annual interest rate of 1.35%.

On 14 November 2025, the Group concluded two foreign currency deposit agreements with Victoriabank in the amount of 600,000 USD, equivalent to 10,075,500 MDL (2,599,489 LEI) as at 31 December 2025, for a term of 12 months with an annual interest rate of 2.60%.

On 12 November 2025, the Group concluded two foreign currency deposit agreements with Victoriabank in the amount of 1,200,000 USD, equivalent to 40,302,000 MDL (10,397,916 LEI) as at 31 December 2025, for a term of 12 months with an annual interest rate of 2.60%.

On 28 November 2025, the Group concluded three deposit agreements with Victoriabank in the amount of 77,500,000 MDL (19,995,000 LEI) for a term of up to 6 months with an annual interest rate of 6.50%.

On 3 December 2025, the Group concluded three deposit agreements with Agroindbank, each in the amount of 35,000,000 MDL (9,030,000 LEI) for a term of up to 270 days with an annual interest rate of 6.70%.

On 28 November 2025, the Group concluded a deposit agreement with Agroindbank in the amount of 33,600,000 MDL (8,668,800 LEI) for a term of up to 365 days, with an annual interest rate of 6.80%.

13.c) Long term financial investments:

The Group opened a deposit for a period of 1800 days in the amount of 30,960,000 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.

	31 December 2025	31 December 2024
Long term financial investments	30,960,000	-

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 31 December 2025	188,381,504	1,883,815,040	247,478,865	2,131,293,905
Capital adjustment to the hyperinflation accumulated on 31 December 2005 and 2024	-	441,418,396	-	441,418,396
On 31 December 2024	188,381,504	2,325,233,436	247,478,865	2,572,712,301
On 31 December 2025	188,381,504	2,325,233,436	247,478,865	2,572,712,301

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 31 December 2025 is the following:

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

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

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

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.

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 31 December 2025, amounts to lei 125,528,697 (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 31 December 2025 is lei 88,642,305 (31 December 2024 lei 58,121,457).

The Company will submit for approval by the Ordinary General Meeting of Shareholders the establishment from the 2025 profit of a reserve in the amount of 38,746,667 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. The accounting recognition of the reserve for reinvested profits is made following the approval of the profit distribution by the general meeting of shareholders, in accordance with the law.

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 Vestmoldtrangaz equity of lei 141,246,672 (MDL 478,979,184) on 31 December 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 0.2580 on 31 December 2025) and a non controling interest in newly acquired entity Petrostar representing the share held by other shareholders of 49% in the equity of Petrostar.

	31 December 2025	31 December 2024
Non-controlling interests		
Opening balance	107,136,408	100,320,862
Net profit for the period	22,929,940	6,601,772
Petrostar SA shares purchase	11,765,136	-
Foreign currency translation reserve	661,812	213,774
Non-controlling interests	142,493,296	107,136,408

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

	31 December 2025	31 December 24
Non-current assets	496,241,443	516,289,301
Current assets	225,793,307	115,530,832
Non-current liabilities	83,377,771	142,080,351
Current liabilities	126,459,741	77,974,429
Equity	512,197,237	411,765,353

	31 December 2025	31 December 24
Revenue	287,086,425	199,177,703
Net profit	98,947,036	26,373,199

Summary of Petrostar SA's financial statements, where the value of the non-controlling interest is significant:

	31 December 2025	31 December 24
Non-current assets	17,932,962	-
Current assets	6,697,538	-
Long-term liabilities	-	-
Current liabilities	3,408,161	-
Equity	21,222,339	-

	31 December 2025	31 December 24
Revenue	3,392,251	-
Net loss	(3,687,385)	-

16. LONG-TERM BORROWINGS

Loans breakdown by maturity range:

	31 December 2025	31 December 2024
Within 1 year	393,097,363	346,864,337
Interest payable	49,477,106	21,917,063
Over 1 year	442,574,469	368,781,400
Total	3,828,665,049	3,406,202,889
	4,271,239,519	**3,774,984,289**

The carrying amount of long-term loans recorded by the Group as at 31 December 2025:

	31 December 2025	31 December 2024
BEI 83644RO	149,895,900	166,134,940
BEI 88825RO	173,605,126	189,203,207
BEI 89417RO	254,925,000	248,705,000
BEI 90512RO	509,850,000	497,410,000
BEI ETG 90703	156,253,273	168,155,419
BCR 20190409029	111,600,000	126,480,000
BCR 20201028056	230,400,000	259,200,000
BCR 20210817030	66,666,664	74,999,998
BCR 20211124044	146,666,667	165,000,000
BERD	166,762,800	188,997,840
Syndicated BCR	382,352,179	238,484,071
Syndicated BT	382,352,179	238,484,071
Syndicated CEC	137,646,784	85,854,265
Syndicated Raiffeisen	382,352,179	238,484,071
Syndicated Unicredit	190,296,679	118,693,522
BT	406,994,072	280,668,392
Raiffeisen Bank	174,242,911	269,312,430
BRD GSG	198,900,000	198,800,000
Total	**4,221,762,413**	**3,753,067,226**

As at 31 December 2025, the balance of interest due on the loans contracted by the Group is 49,477,106 lei, detailed by loan as follows:

	31 December 2025	31 December 2024
BEI 83644RO	815,416	433,204
BEI 88825RO	526,712	1,502,740
BEI 89417RO	1,111,041	1,377,066
BEI 90512RO	1,806,590	2,224,708
BEI ETG 90703	1,668,363	2,302,359
BCR 20190409029	2,524,730	744,492
BCR 20201028056	722,948	2,533,485
BCR 20210817030	1,516,091	1,410,411
BCR 20211124044	771,426	799,685
BERD	1,252,898	1,253,055
Syndicated BCR	9,258,824	1,631,448
Syndicated Unicredit	4,608,117	811,971

Syndicated BT	9,258,824	1,631,448
Syndicated CEC	3,333,177	587,321
Syndicated Raiffeisen	9,258,824	1,631,448
BRD	1,043,125	1,042,222
	49,477,106	**21,917,063**

The European Investment Bank (EIB)

The parent 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 parent 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 - Podişor):

- 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 Parent 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".

The financial commitments undertaken by the loan agreements requires the group 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 31 December 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 parent 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:

	31 December 2025	31 December 2024
Within 1 year	20,394,000	19,896,400
Between 1 and 5 years	81,576,000	79,585,600
Over 5 years	47,925,900	66,652,940
	149,895,900	**166,134,940**

In 2019 the parent 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:

	31 December 2025	31 December 2024
Within 1 year	20,329,969	19,833,930
Between 1 and 5 years	81,319,874	79,335,724
Over 5 years	71,955,283	90,033,553
	173,605,126	**189,203,207**

In July 2023 the parent 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:

	31 December 2025	31 December 2024
Within 1 year	5,202,551	-
Between 1 and 5 years	80,639,541	63,445,153
Over 5 years	169,082,908	185,259,847
	254,925,000	**248,705,000**

In July 2023 the parent 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:

	31 December 2025	31 December 2024
Within 1 year	5,202,551	-
Between 1 and 5 years	158,677,806	119,276,887
Over 5 years	345,969,643	378,133,113
	509,850,000	**497,410,000**

At 24 April 2020, the parent 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:

	31 December 2025	31 December 2024
Within 1 year	16,143,675	15,752,300
Between 1 and 5 years	64,574,700	63,009,201
Over 5 years	75,534,898	89,393,918
	156,253,272	**168,155,419**

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:

	31 December 2025	31 December 2024
Within 1 year	22,235,040	22,235,040
Between 1 and 5 years	88,940,160	88,940,160
Over 5 years	55.587.600	77,822,640
	166.762.800	**188,997,840**

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

The Romanian Commercial Bank (BCR)

The parent 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:

	31 December 2025	31 December 2024
Within 1 year	14,880,000	14,880,000
Between 1 and 5 years	59,520,000	59,520,000
Over 5 years	37,200,000	52,080,000
	111,600,000	**126,480,000**

On 29.10.2020, the parent Company signed contract no.20201028056 with Banca Comercială Română contemplating the parent 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 (Oneşti - Gherăeşti - Leţcani)"and "The interconnection of the National Transmission System with the international gas transmission pipeline T1 and reverse flow at Isaccea Phase II (Oneşti - Siliştea)".

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

	31 December 2025	31 December 2024
Within 1 year	28,800,000	28,800,000
Between 1 and 5 years	115,200,000	115,200,000
Over 5 years	86,400,000	115,200,000
	230,400,000	**259,200,000**

On 17.08.2021, the parent Company signed contract no. 20210817030 with Banca Comercială Română contemplating the parent 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 (Oneşti - Gherăeşti - Leţcani)".

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

	31 December 2025	31 December 2024
Within 1 year	8,333,334	8,333,334
Between 1 and 5 years	33,333,336	33,333,336
Over 5 years	24,999,994	33,333,328
	66,666,664	**74,999,998**

On 24.11.2021, the parent Company signed contract no. 20211124044 with Banca Comercială Română contemplating the parent Company's benefiting from a lei 220 million loan for a period of 12 years, destined to refinance the project: "National Transmission System Developments in the North Eastern part of Romania (Oneşti - Gherăeşti - Leţcani)".

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

	31 December 2025	31 December 2024
Within 1 year	18,333,334	18,333,333
Between 1 and 5 years	73,333,333	73,333,333
Over 5 years	55,000,000	73,333,334
	146,666,667	**165,000,000**

Transilvania Bank (BT)

On 15 July 2020, as a result of a competitive negotiation procedure, the parent 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, Addendum No. 5/14.06.2024 and Addendum No. 7/23.12.2025 the parties agreed successive extensions of the final maturity date of the loan agreement until 23.12.2027.

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 31 December 2025, out of the total credit line, the amount of 406,994,072 lei was used to cover the working capital requirements and the amount of 44,978,094 lei to cover three bank guarantee letters issued in favor of third parties, the amount of lei 1,027,833 remaining at the parent Company's disposal to finance its current activity.

RAIFFEISEN BANK

The parent 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 31 December 2025 the credit facility is drawn down to the level of 174,242,910 lei (2024: lei 269,312,430).

BRD GROUPE SOCIETE GENERALE

The parent 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 31 December 2025 the credit facility is drawn down to the maximum level of 198,800,000 (2024: 198,900,000) lei. The obligation is presented under short-term loans.

SYNDICATED LOAN

On 31.07.2024, the parent 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 1,475,000,000.

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

	31 December 2025	31 December 2024
Within 1 year	15,294,087	-
Between 1 and 5 years	122,352,698	66,775,540
Over 5 years	244,705,394	171,708,531
	382,352,179	**238,484,071**

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

	31 December 2025	31 December 2024
Within 1 year	15,294,087	-
Between 1 and 5 years	122,352,698	66,775,540
Over 5 years	244,705,394	171,708,531
	382,352,179	**238,484,071**

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

	31 December 2025	31 December 2024
Within 1 year	5,505,871	-
Between 1 and 5 years	44,046,971	24,039,194
Over 5 years	88,093,942	61,815,071
	137,646,784	**85,854,265**

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

	31 December 2025	31 December 2024
Within 1 year	15,294,087	-
Between 1 and 5 years	122,352,698	66,775,540
Over 5 years	244,705,394	171,708,531
	382,352,179	**238,484,071**

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

	31 December 2025	31 December 2024
Within 1 year	7,611,867	-
Between 1 and 5 years	60,894,937	33,234,186
Over 5 years	121,789,875	85,459,336
	190,296,679	**118,693,522**

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:

	31 December 2025		31 December 2024	
	Accounting value	Fair value	Accounting value	Fair value
Variable interest rate loans	4,071,866,513	4,071,866,512	3,586,932,286	3,586,934,511
Fixed interest rate loans	149,895,900	140,029,074	166,134,940	147,813,795
Total	4,221,762,413	4,211,895,586	3,753,067,226	3,734,748,306

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.

The fair value of the Company's fixed-rate loans (from the EIB) was estimated by discounting future cash flows using the average of the current interest rates applicable to the three variable-rate loans the Company has contracted with the EIB.

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

Reconciliation of liabilities arising from financing activities:

	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	-	-	30,176,746
Interest on the recovered balancing activity	-	29,484,565	-	29,484,565
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	406,703,847	31,356,161	(49,893,591)	388,166,417
Exchange rate differences	30,316,442	-	-	30,316,442
New leasing contracts	-	-	6,936,642	6,936,642
Leasing adjustments	-	-	(2,823,736)	(2,823,736)
Interest expense	66,942,709	891,263	13,100,223	80,934,195
Capitalized interest	106,608,209	-	3,614	106,611,823
Interest on the recovered balancing activity	-	29,667,140	-	29,667,140
Paid interest	(145,937,728)	(30,557,501)	-	(176,495,229)
Other financial expenses under IFRS 16	-	-	908,903	908,903
Balance as at 31 December 2025	3,479,585,682	781,180,107	213,104,850	4,473,870,639

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.

Connection fees	31 December 2025	31 December 2024
Initial balance	136,266,747	135,223,335
Increases	481,007	15,332,544
Revenue from connection fees (Note 22)	(14,628,886)	(14,289,132)
Final balance	**122,118,868**	**136,266,747**

Non-reimbursable funding	31 December 2025	31 December 2024
Initial balance	1,025,577,142	741,382,632
Increases	172,537,822	369,637,301
Income from non-reimbursable funds -grants (Note 22)	(85,417,311)	(85,442,791)
Final balance	**1,112,697,653**	**1,025,577,142**

Assets received free of charge	31 December 2025	31 December 2024
Initial balance	83,032,221	87,293,377
Increases	5,255,229	1,222,046
Income from goods taken over free of charge (Note 22)	(5,374,856)	(5,483,202)
Final balance	**82,912,594**	**83,032,221**

The balance of the deferred revenue consists of:

	30 September 2025	31 December 2024
Connection fees	122,118,868	136,266,747
Assets received free of charge	82,912,594	83,032,221
Grants (non reimbursable funding)	1,112,697,653	1,025,577,142
	1,317,729,115	**1,244,876,110**

The connections financed through the connection fees 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.

In 2024 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 the project (Podişor, Bibeşti 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. Since the actual cost of the project was lower than the estimated cost, the grant received was reduced proportionally

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. Since the actual cost of the project was lower than the estimated cost, the grant received was reduced proportionally.

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 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), The natural gas transmission pipeline supplying the Mintia Power Plant (including other industrial and residential consumers) and the expansion of the NTS's transmission capacity and the security of natural gas supply to the Ișalnița Power Plant Branch (Dolj County) and the Turceni Power Plant Branch (Gorj County). 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 93,582,770:

- Black Sea - Podişor natural gas transmission pipeline: EUR 85,544,422. The amount received in 2025 is Lei 54,709,431 (in 2024: LEI 370,899,732);
- Gherceşti-Jitaru natural gas transmission pipeline (including power supply, cathodic protection and optical fiber): EUR 8,038,348. The amount received in 2025 is Lei 11,997,958 (in 2024: LEI 11,970,958).
- Natural gas transmission pipeline to supply the Mintia Power Plant (including other industrial and household customers): EUR 6,826,947. The amount received in 2025 is Lei 10,191,062 and the amount remaining to be received in 2026 from financing applications submitted in 2025 is 5,095,530 lei.

- Increasing the transmission capacity of the NTS and the security of natural gas supply to Işalniţa Power Plant Branch (Dolj County) and Turceni Power Plant Branch (Gorj County) – EUR 8,464,480.

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:

- Gas transmission pipeline Prunişor - Orşova - Băile Herculane-Jupa (including electricity supply, cathodic protection and fiber optics): lei 229,108,514.31 lei. The amount received in 2025 is Lei 85,428,393
- Gas transmission pipeline Tetila - Horezu - Râmnicu Vâlcea (including power supply, cathodic protection and fiber optics) lei 101,713,128.45. The amount received in 2025 is Lei 5,001,796;
- Gas transmission pipeline DN 600 Mihai Bravu - Siliştea and transformation into a piggable pipeline lei 169,178,357.24. The amount received in 2025 is Lei 113,652

18. INCOME TAX

Income tax expense

	The year ended 31 December 2025	The year ended 31 December 2024
Expense with the income tax - current	152,803,597	64,666,312
Deferred tax - impact of temporary differences	7,947,200	8,619,671
Income tax expense	160,750,797	73,285,983

In the year ended 31 December 2025 and the year ended 31 December 2024 the Company calculated the income tax at the rate of 16% applied to the profit determined in accordance with the Romanian laws.

	The year ended 31 December 2025	The year ended 31 December 2024
Income before tax	1,041,471,273	484,017,819
Theoretical expense with the tax the statutory rate of 16% (2021: 16%)	165,611,511	66,189,714
Non-deductibleexpenses/non taxeable income, net	(4,860,714)	7,096,269
Income tax expense	160,750,797	73,285,983

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 31 December 2025 the standard rate of income tax was set at 12% (31 December 2024: 12%).

Deferred tax

Deferred tax payment and recoverable tax are valued at the actual tax rate of 16% on 31 December 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 or in other components of comprehensive income, based on the nature of the transaction that gave rise to the temporary difference are attributable to the following items:

	31 December 2025	Expense/Revenue	Petrostar acquisition	31 December 2024	Movement	1 January 2024
Deferred tax payment						
Tangible assets	33,336,964	(5,685,526)	1,848,857	37,173,633	(8,564,210)	45,737,843
Intangible assets	9,304,313	(1,867,730)		11,172,043	1,618,694	9,553,349
Recoverable deferred tax						
Provision for employee benefits	(30,561,827)	(8,063,735)	-	(22,498,092)	(1,506,477)	(20,991,615)
Other provisions	(10,274,154)	1,020,010	-	(11,294,164)	3,714,955	(15,009,119)
Receivables and other assets	(73,120,742)	22,544,181	-	(95,664,923)	13,356,708	(109,021,631)
	(71,315,446)	**7,947,200**	**1,848,857**	**(81,111,504)**	**8,619,671**	**(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.

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

	31 December 2025	31 December 2024
Deferred tax liabilities/receivables in more than 12 months as reported	(71,315,446)	(81,111,504)

19. TRADE PAYABLES AND OTHER PAYABLES

19.1 Short term payables

19.1.a Trade payables

	31 December 2025	31 December 2024
Trade payables	187,353,912	302,569,512
Suppliers of non-current assets	51,012,961	205,515,532
	238,366,873	**508,085,044**

19.1.b Other payables

	31 December 2025	31 December 2024
Dividends payable	1,126,791	949,359
Payables related to royalties	77,234,896	78,505,674
Other taxes	33,824,509	33,266,523
Amounts payable to employees	22,451,484	22,408,093
VAT payable	10,366,855	-
Non-exemptible VAT	24,207,610	3,020,830
Transmission service guarantees	196,166,888	109,569,064
Tender guarantees	85,914,608	105,731,396
Other debts	52,700,332	36,470,434
	503,993,973	**389,921,373**

19.1.c Contract liabilities

	31 December 2025	31 December 2024
Clients advances	1,101,990	565,930
Transmission service advances	107,440,836	97,400,045
	108,542,826	**97,965,975**

At 31 December 2025, of the total trade payables and other debts the amount of lei 85,152,838 (31 December 2024: lei 68,523,705) is expressed in foreign currency, especially in EUR.

19.2 Lease liability

	31 December 2025	31 December 2024
Initial balance	163,246,267	176,829,506
Inflows	4,114,757	21,446,921
Interest expense	13,101,985	15,264,231
Leasing payments	(48,984,688)	(50,515,111)
Final balance, of which:	131,478,321	163,025,547
Long-term debts	89,560,397	125,610,112
Short-term debts	41,917,924	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 Moldovatransgaz and SRL Vestmoldtransgaz 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 Vestmoldtransgaz.

20. PROVISIONS

	31 December 2025	31 December 2024
Current provision		
Provision for litigation	20,889,834	3,973,985
Provision for BoA remuneration	1,893,368	3,416,984
Provision for employee participation in profits	27,549,487	22,648,080
Other provision	9,880,997	9,611,800
	60,213,686	39,650,849

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, the action is being retried, the action for annulment has been granted, and the arbitration shall resume.

The Group 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 Group 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 9,880,997 relating to the period ended 31 December 2025.

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 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 2015-2024;
- 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;
- The method used is the projected credit factor method, with values allocated to each employee and discounted to 12/31/2024, and respectively to 31 December 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.
- 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

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 fo December 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 31 December 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 6.50% in the first year and 3.07% in the second year for both genders.

Movement in the provision for employee benefits

1 January 2024	153,649,801
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	(18,264,752)
Actuarial gain/loss related to the period	7,505,716
31 December 2024	161,295,114
of which:	
Short-term	17,034,346
Long-term	144,260,768
Interest cost	12,607,343
Current service cost	11,926,144
Payments from provisions during the year	(11,706,142)
Actuarial gain/loss related to the period	18,304,493
31 December 2025	192,426,952
of which:	
Short-term	23,890,714
Long-term	168,536,238

22. REVENUE

22.1 Revenue from contracts with customers

	Note	The year ended 31 December 2025	The year ended 31 December 2024
Revenue from domestic transmission activity - Romania		2,460,922,108	1,954,193,929
Revenue from transmission activity – Republic of Moldova		286,959,132	195,999,908
Revenue from balancing activities		366,015,631	249,300,337
Revenue from construction activities in accordance with IFRIC12	32	1,263,636,142	1,876,822,070
Operating revenue within the scope of IFRS 15		**4,377,533,013**	**4,276,316,244**

22.2 Other income

	The year ended 31 December 2025	The year ended 31 December 2024
Income from penalties applied to clients for delay payments	22,029,296	25,280,403
Income from leases	1,415,496	1,436,399
Income from recovered materials	7,790,384	3,008,572
Income from the sale of residual materials	375,727	1,111,684
Income from connection fees	14,628,886	14,289,132
Income from grants and goods taken free of charge	90,792,167	90,925,993
Revenue from receivables related to the Concession Agreement	-	(634,708)
Revenue from advantageous acquisitions (Petrostar)	7,725,203	
Other operating income	23,927,139	19,865,725
	168,684,298	155,283,200

As at 31 December 2025 and 31 December 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 year ended 31 December 2025	The year ended 31 December 2024
Utilities	20,817,019	15,821,362
Insurance premium	1,852,064	1,883,768
Maintenance costs	212,297	58,875
Security and protection expenses	45,590,595	40,020,440
Professional training	473,849	1,995,105
Telecommunications	3,391,932	3,204,884
Bank charges and other fees	321,307	1,598,000
Rents	4,884,960	4,055,744
Loss/(gain) from impairment of inventories	3,864,429	11,034,501
Marketing and protocol costs	648,419	866,914
Penalties and fines	392,081	35,201,142
Gas storage capacity booking	5,056,298	7,278,149
Expenses on impairment of intangible assets		2,059,121
Sponsorship expenses	4,214,897	3,527,250
Computer service	10,740,542	10,102,083
Other expenses	38,467,110	78,896,823
	140,927,799	**217,604,161**

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 Parent 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.

	The year ended 31 December 2025	The year ended 31 December 2024
Expenses on balancing gas	330,389,160	213,543,223
Expenses on balancing financing line	29,619,359	29,425,417
Expenses on balancing gas storage	6,007,112	6,331,697
	366,015,631	**249,300,337**

24. EMPLOYEE COSTS

	The year ended 31 December 2025	The year ended 31 December 2024
Salaries and benefits	639,119,461	583,854,491
Cost of insurance and social security	34,807,743	33,266,230
Other employee costs	21,294,915	19,699,469
	695,222,119	**636,820,190**

Employee expenses are presented as net of the amount capitalized in self-constructed tangible and intangible assets. In 2025, the capitalized amount of employee expenses was 40,247,303 lei (36,234,653 lei in 2024).

Average number of employees in financial year:

	The year ended 31 December 2025	The year ended 31 December 2024
Blue collars	2,118	2,164
White collars	1,865	1,914
	3,983	4,078
Eurotransgaz S,R,L,	4	3
Vestmoldtransgaz S,R,L,	83	58
	87	61
Petrostar SA	83	-

25. NET FINANCIAL INCOME/(LOSS)

	The year ended 31 December 2025	The year ended 31 December 2024
Interest income from bank deposits	90,419,216	71,595,239
Income from the update of the Receivable regarding the Concession Agreement	257,121,166	127,698,456
Total interest income	347,540,382	199,293,695

Other financial income

	The year ended 31 December 2025	The year ended 31 December 2024
Foreign exchange income	13.648.530	13.612.145
Other financial income	43.335	340
Total other financial income	13.691.865	13.612.485
Total financial income	361.232.247	212.906.180

Financial expenses	The year ended 31 December 2025	The year ended 31 December 2024
Foreign exchange loss	(43,929,544)	(13,177,590)
Interest expense	(79,689,941)	(96,708,858)
Interest expense related to IFRS16	(1,244,254)	(898,319)
Effect of restatement of the provision for employee benefits	(12,581,731)	(9,056,425)
	(137,445,470)	(119,841,192)

According to ANRE Order no. 41/2019 the value of the assets recognised in the Regulated Asset Base is adjusted to the inflation for the period 01.10.2019–30.09.2025, and according to the methodology applicable for the fifth regulatory period (1 October 2025 – 30 September 2030) approved by ANRE Decision no. 7/2025, the value of assets recognized in the Regulated Asset Base is adjusted for inflation using the rate applied by ANRE in setting the regulated rate of return of 3.01%. The parent company recalculated the value of the Concession Agreement receivables and recognized gains amounting to lei 257,121,166 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.

26. 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 31 December 2025 and 31 December 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

	The year ended 31 December 2025	The year ended 31 December 2024
Salary paid to the members of the Board of Administration and management	28,681,291	27,258,531
Social contribution of the parent company	632,906	565,520
	29,314,197	27,824,051

In the periods ended 31 December 2025 and 31 December 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)

	Relationship	The year ended 31 December 2025	The year ended 31 December 2024
SNGN Romgaz	Entity under common control	312,776,547	281,269,907
Electrocentrale Bucureşti SA	Entity under common control	95,772,501	82,341,443
Termo Calor Confort	Entity under common control	3,562,665	2,644,694
Complex Energetic Oltenia	Entity under common control	2,247,220	2,943,297
E,ON Energie Romania	Entity under significant influence	256,080,160	225,628,342
		670,439,093	594,827,683

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

	Relationship	The year ended 31 December 2025	The year ended 31 December 2024
SNGN Romgaz	Entity under common control	13,536	42,664
Electrocentrale Bucuresti	Entity under common control	40,894	59,188
Electrocentrale Constanța	Entity under common control	4,250,550	3,548,122
E,ON Energie Romania	Entity under significant influence	3,990	4,376
Complex Energetic Hunedoara	Entity under common control	694,613	719,537
Complex Energetic Oltenia	Entity under common control	5,044	5,093
		5,008,627	4,378,980

iv) Gas sales – balancing activity (VAT excluded)

	Relationship	The year ended 31 December 2025	The year ended 31 December 2024
SNGN Romgaz	Entity under common control	3,892,870	1,117,350
Electrocentrale București	Entity under common control	6,604,301	3,800,709
Termo Calor Confort	Entity under common control	2,726,126	3,195,299
Complex Energetic Oltenia	Entity under common control	2,369,467	2,228,729
E,ON Energie Romania	Entity under significant influence	30,744,566	29,177,088
		46,337,330	39,519,175

v) Receivables from related parties (net of adjustments)

	Relationship	31 December 2025	31 December 2024
SNGN Romgaz	Entity under common control	31,960,517	40,800,418
Comple energetic Hunedoara	Entity under common control	-	7,951
Electrocentrale Bucureşti	Entity under common control	16,948,498	20,361,191
Termo Calor Confort	Entity under common control	-	(28,200)
E,ON Energie Romania	Entity under significant influence	66,740,876	81,185,043
Complex Energetic Oltenia	Entity under common control	-	610,908
		115,649,891	142,937,312

vi) Client receivables – the balancing activity (net of adjustments)

	Relationship	31 December 2025	31 December 2024
SNGN Romgaz	Entity under common control	17,540	35,350
Electrocentrale Constanța	Entity under common control		1,625,072
Complex Energetic Oltenia	Entity under common control	57,182	958,556
Electrocentrale Bucureşti	Entity under common control	327,945	228,842
Termo Calor Confort	Entity under common control	73,959	707
Complex Energetic Hunedoara	Entity under common control	-	39,548
E,ON Energie Romania	Entity under significant influence	4,072,417	4,194,725
		4,549,043	7,082,800

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

	Relationship	The year ended 31 December 2025	The year ended 31 December 2024
SNGN Romgaz	Entity under common control	17,075,547	17,560,683
Complex Energetic Oltenia	Entity under common control	3,964	4,206
Electrocentrale Bucureşti	Entity under common control	13,213	10,791
		17,092,724	17,575,680

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

	Relationship	The year ended 31 December 2025	The year ended 31 December 2024
SNGN Romgaz	Entity under common control	3,632,770	5,554,159
Electrocentrale București	Entity under common control	5,234,065	4,391,269
Electrocentrale Constanţa	Entity under common control	-	40,515
Termo Calor Confort	Entity under common control	4,788,150	2,141,869
Complex Energetic Oltenia	Entity under common control	721,343	478,421
E,ON Energie Romania	Entity under significant influence	63,225,465	56,425,924
		77,601,793	69,032,158

ix) Procurement of natural gas (VAT excluded)

	Relationship	The year ended 31 December 2025	The year ended 31 December 2024
SNGN Romgaz	Entity under common control	97,568,078	66,417,745
		97,568,078	66,417,745

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

	Relationship	The year ended 31 December 2025	The year ended 31 December 2024
SNGN Romgaz	Entity under common control	-	13,178,154
		-	13,178,154

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

	Relationship	31 December 2025	31 December 2024
SNGN Romgaz	Entity under common control	1,523,961	656,989
Complex Energetic Oltenia	Entity under common control	-	520
Electrocentrale București	Entity under common control	1,900	799
		1,525,861	658,308

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

	Relationship	31 December 2025	31 December 2024
SNGN Romgaz	Entity under common control	1,504,068	1,052,433
Electrocentrale București	Entity under common control	637,768	3,528,452
Electrocentrale Constanța	Entity under common control	-	48,213
Termo Calor Confort	Entity under common control	1,507,567	139,207
E,ON Energie Romania	Entity under significant influence	8,679,498	19,632,327
Complex Energetic Oltenia	Entity under common control	20,806	187,691
		12,349,707	24,588,324

xiii) Guarantees from affiliates

	Relationship	31 December 2025	31 December 2024
SNGN Romgaz	Entity under common control	1,000	1,000
Termo Calor Confort	Entity under common control	1,206,333	2,071,448
E.ON Energie Romania	Entity under significant influence	504,300	504,300
Complex Energetic Oltenia	Entity under common control	1,104,055	286,544
		2,815,688	2,863,292

xiv) Guarantees from affiliates (bank guarantee letter)

	Relationship	31 December 2025	31 December 2024
SNGN Romgaz	Entity under common control	2,909,124	2,909,124
E,ON Energie Romania	Entity under significant influence	68,446,125	86,722,180
Electrocentrale Bucureşti	Entity under common control	18,100,000	15,999,992
		89,455,249	105,631,296

Guarantees to affiliated parties

The Company acts as guarantor under the loan agreement entered into on 24 January 2019 between the European Investment Bank and Eurotransgaz, amounting to EUR 38 million, for the purpose of financing the construction by Vestmoldtransgaz SRL of the Ungheni–Chișinău natural gas transmission pipeline.

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.

	The year ended 31 December 2025	The year ended 31 December 2024
Profit attributable to the company's equity holders	880,720,476	410,731,836
Weighted average of the number of shares	188,381,504	188,381,504
Basic and diluted earnings per share (lei per share)	4.68	2.18

29. MATERIAL NON-CASH TRANSACTIONS

Compensations

Approximately 1.91 % of the receivables were settled by transactions that haven't involved cash outflows during the period ended 31 December 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 31 December 2025 the value of the contractual firm obligations for the purchase of tangible and intangible assets is of lei 635,726,893 (31 December 2024: lei 1,956,778,277),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".

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 31 December 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. Transition risks pose a low level of vulnerability and are manageable within the current strategic and operational framework. Following the assessment conducted, Transgaz has not identified any assets or business activities incompatible with the transition to a climate-neutral economy. Transgaz does not have a formalized transition plan in accordance with ESRS requirements. However, Transgaz recognizes the importance of addressing the risks and opportunities related to climate change and intends to take progressive steps toward developing, implementing, and monitoring such a plan. 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.

The management has analyzed the impact of climate risk on the figures included in the financial statements, particularly on asset impairments and provisions recognized, and considers that there is no significant impact.

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 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. In the retrial of the case, the Bucharest Court of Appeal upheld Transgaz' request and referred the case back to the arbitration court 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. 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 High Court of Cassation and Justice upheld Transgaz's appeal and referred the case back to the Bucharest Court of Appeal for retrial. It also rejected the objection of illegality of Decision No. 27/P/12.09.2023.

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 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 dispute is currently under appeal. (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.

Completion date: Half 1 of 2026.

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.

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 - 31 December 2025 is lei 2,005,006,850.

As of 1 October 2025, the natural gas transmission tariffs approved by the Order of the President of ANRE no.22 of 05.06.2025 were applicable. The approved regulated revenue related to natural gas transmission for the period from 1 October 2025 to 31 December 2026 is lei 2.301.699.490.

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 Sysytem 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;

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 2025, the contractual fees for the statutory audit of the annual consolidated and individual financial statements of the Company and its subsidiaries are lei 543,327 and non-audit services related to the limited assurance of the Sustainability Report for the year ended 31 December 2025 are lei 239,651, services provided by Ernst & Young Assurance Services SRL ('E&Y').

Other non-audit services for 2025 provided by Ernst & Young Assurance Services SRL ("E&Y") amounted to lei 182,493. 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.

In 2024, the contractual fees for the statutory audit of the annual consolidated and individual financial statements of the Company and its subsidiaries are 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.

32. 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 year ended 31 December 2025	The year ended 31 December 2024
Revenue from the construction activity according to IFRIC12	1,263,636,142	1,876,822,070
Cost of assets constructed according to IFRIC12	(1,263,636,142)	(1,876,822,070)

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.

33. BUSINESS COMBINATIONS

Acquisition of Petrostar SA

On 21 May 2025 Transgaz acquired control of Petrostar SA through two successive and related transactions: the subscription to a new share capital issuance, whereby Petrostar SA issued 57,217 new shares, of which 54,905 new shares for a total consideration of RON 4,337,495, which were fully subscribed by Transgaz SA. At the same time, Transgaz acquired an additional 4% stake in Petrostar SA. 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.

A purchase price allocation report, prepared by an external valuation expert was prepared on 31 December 2025.

Consideration Transferred

Description	Amount (RON)
Cash paid to subscribe new shares (47% stake)	RON 4,337,495

Recognized Amounts of Identifiable Net Assets Acquired

As at 31 May 2025, the fair values of the identifiable assets and liabilities of Petrostar S.A. were as follows:

Description	Amount (RON)
Tangible assets	17,202,879
Intangible assets	404,525
Financial assets	286,030
Inventories	5,038,347
Trade receivables and other receivables	536,255
Cash and cash equivalents	4,570,350
Liabilities	
Trade payables and other liabilities	(2,201,475)
Deferred income tax	(1,826,429)
Net assets at fair value at the acquisition date	**24,010,482**

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%×24,010,482 RON =11,765,136 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
Minus the fair value of the acquired assets and liabilities (51%)	(12,245,346)
Bargain purchase	**(7,725,203)**

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 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.

34. EVENTS SUBSEQUENT TO THE BALANCE DATE

On 02.03.2026, following an update to its corporate rating criteria, Fitch Ratings confirmed the Company's "BBB-" rating with a Positive outlook.

By the Decision no. 6/2026 of the Chairman of ANRE, amendments and supplements to the Decision no. 36/2016 of the Chairman of the National Energy Regulatory Authority were approved, on establishing the method for annually determining the minimum natural gas stock level for holders of licenses to operate natural gas transmission systems.

At the end of February 2026, a significant geopolitical event occurred in the Middle East, leading to heightened regional tensions and increased uncertainty. As a result, there was a significant rise in market volatility, as well as fluctuations in energy, oil, and natural gas prices. Inflationary pressures, disruptions in global supply chains, and a slowdown in economic growth are anticipated.

The Group has no direct exposure to affiliates and/or customers or suppliers in the affected region.

The Group considers these events to be post-reporting date events that do not require balance sheet adjustments, the quantitative effect of which cannot be estimated with sufficient certainty as at the date of authorisation for the issuance of these separate financial statements.

Chairman of the Board of Administration
Nicolae Minea

Director – General
Ion Sterian

Chief Financial Officer
Marius Lupean

Ernst & Young Assurance Services SRL
Bucharest Tower Center Building, 21st Floor
15-17 Ion Mihalache Blvd., District 1
011171 Bucharest, Romania

Tel: +40 21 402 4000
Fax: +40 21 310 7193
office@ro.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Societatea Nationala de Transport Gaze Naturale TransGaz SA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Societatea Nationala de Transport Gaze Naturale TransGaz SA (the "Company") and its subsidiaries (together referred to as "the Group") with official head office in P-ta. Constantin I. Motas nr.1, loc. Medias, jud. Sibiu, Romania, identified by sole fiscal registration number 13068733, which comprise the consolidated statement of financial position as at December 31, 2025, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 2844/2016, approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 ("Regulation (EU) No. 537/2014") and Law 162/2017 („Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to the audit of the financial statements of public interest entities in Romania, including Regulation (EU) No. 537/2014 and Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Description of the key audit matter and our procedures performed to address the matter

Key audit matter	How our audit addressed the key audit matter
Application of IFRIC 12 – Split Model The information presented by the Group regarding the application of IFRIC 12 is included in note 3.6 "Service Concession Agreement", in note 5 "Material Accounting Judgments and Estimates in Applying Accounting Policies", point 5.2 and in note 12 "Trade and other receivables", point 12.3	
Accounting for service concession arrangements involves a high degree of complexity and the application of professional judgment. The Group entered into a concession agreement in 2002 for a period of 30 years for the operation of the national gas transport system. In accordance with IFRIC 12 "Service Concession Arrangements", modernization or expansion works carried out on the concessioned infrastructure give rise to an intangible asset, a financial asset, or a combination of the two (the split model). Law 127/2014 states that, in the event of termination of the concession contract for any reason or upon expiration of the contract, the investments made by the operator are transferred to the grantor of the infrastructure or to another operator in exchange for compensation equal to the remaining unamortized regulated value established by the National Energy Regulatory Authority ("ANRE"). According to Order 41/2016 regarding the methodology for establishing regulated tariffs, the Group has obtained the right to adjust the remaining regulated value for inflation. The Group has been applying IFRIC 12, the split model, since 2010, which has led to the recognition of an intangible asset with a carrying amount of 5,957 million lei and a long-term financial asset with a carrying amount of 3,034 million lei as of December 31, 2025. Revenues from concession related activities include an amount of 1,264 million lei in 2025, relating to the construction costs for modernization and expansion works carried out on the concessioned infrastructure.	Our audit procedures included, among others: a) We obtained a thorough understanding of the terms and conditions related to the concession agreement. For this, we: ➢ read the service concession agreement concluded in 2002 to understand the rights and obligations of the operator, as well as the specific legislation that complements the contractual provisions; ➢ conducted interviews with the Group's management to understand the judgement applied in determining the values recorded in the financial statements as result of IFRIC 12 standard application. b) We evaluated together with IFRS Accounting Standards internal specialists, the correctness of the IFRIC 12 standard and respectively of the split model application by the management against the specifications from the concession agreement; c) We analysed the recognition criteria of the recorded financial asset, as well as its measurement; d) In particular, we analysed the algorithm for determining the remaining regulated value, we involved our internal valuation specialists to assist with the analysis of the discount rate applied; e) We verified the mathematical accuracy of the model, as well as the correctness of the hypothesis used in the model against the contractual and/or legislative specifications.

Given the size of the carrying amount of these assets as of December 31, 2025, the complexity of the applicable legislative framework, and the judgments and estimates used in the application of IFRIC 12 by the Group's management, this is considered a key audit matter.	We also evaluated the adequacy of the disclosures made by the Group in relation to the requirements of IFRIC 12 and OMFP 2844/2016.

Other information

The other information comprises the Consolidated Administrators' Report as well as Remuneration Report, but does not include the consolidated financial statements and our auditors' report thereon. Management is responsible for the other information.

Our audit opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Order of the Minister of Public Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of audit work for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Reporting on Information Other than the Consolidated Financial Statements and Our Auditors' Report Thereon

In addition to our reporting responsibilities according to ISAs described in section "Other information", with respect to the Consolidated Administrators' Report and Remuneration Report, we have read these reports and report that:

a) in the Consolidated Administrators' Report we have not identified information which is not consistent, in all material respects, with the information presented in the accompanying consolidated financial statements as at December 31, 2025;
b) the Consolidated Administrators' Report, except the sustainability statement which is subject to a separate assurance reporting, includes, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments, Annex 1 articles 15 – 19 and 26-27;
c) based on our knowledge and understanding concerning the Group and its environment gained during our audit of the consolidated financial statements as at December 31, 2025, we have not identified information included in the Consolidated Administrators' Report (excluding the Consolidated Sustainability Statement which is subject to a separate assurance reporting) that contains a material misstatement of fact.
d) the Remuneration Report identified above includes, in all material respects, the required information according to the provisions of article 107 (1) and (2) from Law 24/2017 on issuers of financial instruments and market operations.

Other requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014 of the European Parliament and of the Council

Appointment and Approval of Auditor

We were appointed as auditors of the Group by the General Meeting of Shareholders 5 March 2023 to audit the consolidated financial statements for the financial year end December 31, 2025. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for two years, covering the financial years ending December 31, 2024 and December 31, 2025.

Consistency with Additional Report to the Audit Committee

Our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of the Group, which we issued on the same date as this report.

Provision of Non-audit Services

No prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided by us to the Group and we remain independent from the Group in conducting the audit.
In addition to statutory audit services and services disclosed in the consolidated financial statements, no other services which were provided by us to the Group, and its controlled undertakings.

Shape the future
with confidence

Report on the compliance of the electronic format of the consolidated financial statements, with the requirements of the ESEF Regulation

We have performed a reasonable assurance engagement on the compliance of the electronic format of the consolidated financial statements of Societatea Nationala de Transport Gaze Naturale TransGaz SA (the "Company") and its subsidiaries (together referred to as "the Group") for the year ended 31 December 2025, included in the attached electronic file „254900R11L2IUTHIZ779-2025-12-31-1-en.xbri "(identified with the key e01d4f2655b273f42c882ada5698657d1069687648dff3901b0e415ad3fb2953) with the requirements of the Commission Delegated Regulation (EU) 2019 /815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation). Our opinion is expressed only in relation to the electronic format of the consolidated financial statements and does not extend to the other information included in the Consolidated Administrators' report.

Description of the subject matter and the applicable criteria

The Management has prepared electronic format of consolidated financial statements of the Group for the year ended 31 December 2025 in accordance and to comply with ESEF Regulation requirements. The requirements for the preparation of the consolidated financial statements in ESEF format are specified in the ESEF Regulation and represent, in our opinion, applicable criteria for us to express an opinion providing reasonable assurance.

Responsibilities of the Management and Those Charged with Governance

The Management of the Group is responsible for the compliance with the requirements of the ESEF Regulation in the preparation of the electronic format of the consolidated financial statements in XHTML format. Such responsibility includes the selection and application of appropriate iXBRL tags using the taxonomy specified in the ESEF Regulation, ensuring consistency between the human-readable layer of electronic format of the consolidated financial statements and the audited consolidated financial statements. The responsibility of Group's Management also includes the design, implementation and maintenance of such internal control as determined is necessary to enable the preparation of the consolidated financial statements in ESEF format that are free from any material non-compliance with the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process for the preparation of consolidated financial statements of the Group, including the application of the ESEF Regulation.

Auditor's Responsibility

Our responsibility is to express an opinion providing reasonable assurance on the compliance of the electronic format of the consolidated financial statements with the requirements of the ESEF Regulation.

We have performed a reasonable assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform our engagement to obtain reasonable assurance about whether the electronic format of the consolidated financial statements of the Group is prepared, in all material respects, in accordance with the applicable criteria, specified above. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material non-compliance with the requirements of the ESEF Regulation, whether due to fraud or error.

Reasonable assurance is a high level of assurance, but it is not guaranteed that the assurance engagement conducted in accordance with ISAE 3000 (revised) will always detect material non-compliance with the requirements when it exists.

Our Independence and Quality Management

We apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, which requires that we design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have maintained our independence and confirm that we have met the ethical and independence requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code).

Summary of procedures performed

The objective of the procedures that we have planned and performed was to obtain reasonable assurance that the electronic format of the consolidated financial statements is prepared, in all material respects, in accordance with the requirements of ESEF Regulation. When conducting our assessment of the compliance with the requirements of the ESEF Regulation of the electronic (XHTML) reporting format of the consolidated financial statements of the Group, we have maintained professional skepticism and applied professional judgement. We have also:

- obtained an understanding of the internal control and the processes related to the application of the ESEF Regulation in respect of the consolidated financial statements of the Group, including the preparation of the consolidated financial statements of the Group in XHTML format and its tagging in machine readable language (iXBR);
- tested the validity of the applied XHTML format;
- checked whether the human-readable layer of electronic format of the consolidated financial statements (XHTML) corresponds to the audited consolidated financial statements;
- assessed the completeness of the tagging of information in the consolidated financial statements while using the machine-readable language (iXBRL) under the requirements of the ESEF Regulation;
- assessed the appropriateness of the applied iXBRL tags selected from the core taxonomy and the creation of extensions to the elements in the extended taxonomy specified in the ESEF Regulation when there were no suitable elements in the core taxonomy;
- evaluated the anchoring of the taxonomy extensions to the elements in the extended taxonomy specified by the ESEF Regulation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the compliance of the electronic format of the consolidated financial statements with the requirements of the ESEF Regulation

Based on the procedures performed, in our opinion, the electronic format of the consolidated financial statements of the Group for the year ended 31 December 2025 is prepared, in all material respects, in accordance with the requirements of ESEF Regulation.

On behalf of,
Ernst & Young Assurance Services SRL
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania
Registered in the electronic Public Register under No. FA77

Name of the Auditor / Partner: Verona Cojocaru
Registered in the electronic Public Register under No. AF1568

Bucharest, Romania
21 April 2026

Ernst & Young Assurance Services SRL
Bucharest Tower Center Building, 21st Floor
15-17 Ion Mihalache Blvd., District 1
011171 Bucharest, Romania

Tel: +40 21 402 4000
Fax: +40 21 310 7193
office@ro.ey.com
ey.com

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Societatea Nationala de Transport Gaze Naturale TransGaz SA

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Societatea Nationala de Transport Gaze Naturale TransGaz SA (the "Company") with official head office in P-ta. Constantin I. Motas nr.1, loc. Medias, jud. Sibiu, Romania, identified by sole fiscal registration number 1306873, which comprise the statement of financial position as at December 31, 2025, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 2844/2016, approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments ("OMFP 2844/2016").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 ("Regulation (EU) No. 537/2014") and Law 162/2017 („Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audit of financial statements of public interest entities, together with the ethical requirements that are relevant to the audit of the financial statements of public interest entities in Romania, including Regulation (EU) No. 537/2014 and Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the separate financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate financial statements.

Description of the key audit matter and our procedures performed to address the matter

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Application of IFRIC 12 – Split Model
The information presented by the Company regarding the application of IFRIC 12 is included in note 3.6 "Intangible Assets", section "Service Concession Agreement", in note 5 "Material Accounting Judgments and Estimates in Applying Accounting Policies", point 5.2 and note 12 "Trade receivables and other receivables", point 12.3</td></tr>
<tr><td>Accounting for service concession arrangements involves a high degree of complexity and the application of professional judgment.

The Company entered into a concession agreement in 2002 for a period of 30 years for the operation of the national gas transport system. In accordance with IFRIC 12 "Service Concession Arrangements", modernization or expansion works carried out on the concessioned infrastructure give rise to an intangible asset, a financial asset, or a combination of the two (the split model).

Law 127/2014 states that, in the event of termination of the concession contract for any reason or upon expiration of the contract, the investments made by the operator are transferred to the grantor of the infrastructure or to another operator in exchange for compensation equal to the remaining unamortized regulated value established by the National Energy Regulatory Authority ("ANRE"). According to Order 41/2016 regarding the methodology for establishing regulated tariffs, the Company has obtained the right to adjust the remaining regulated value for inflation.

The Company has been applying IFRIC 12, the split model, since 2010, which has led to the recognition of an intangible asset with a carrying amount of 5,957 million lei and a long-term financial asset with a carrying amount of 3,034 million lei as of December 31, 2025. Revenues from concession related activities include an amount of 1,264 million lei in 2025, relating to the construction costs for modernization and expansion works carried out on the concessioned infrastructure.</td><td>Our audit procedures included, among others:

a) We obtained a thorough understanding of the terms and conditions related to the concession agreement. For this, we:
➢ read the service concession agreement concluded in 2002 to understand the rights and obligations of the operator, as well as the specific legislation that complements the contractual provisions;
➢ conducted interviews with the Company's management to understand the judgement applied in determining the values recorded in the financial statements as result of IFRIC 12 standard application.
b) We evaluated together with IFRS Accounting Standards internal specialists, the correctness of the IFRIC 12 standard and respectively of the split model application by the management against the specifications from the concession agreement;
c) We analysed the recognition criteria of the recorded financial asset, as well as its measurement;
d) in particular, we analysed the algorithm for determining the remaining regulated value, we involved our internal valuation specialists to assist with the analysis of the discount rate applied;
e) we verified the mathematical accuracy of the model, as well as the correctness of the hypothesis used in the model against the contractual and/or legislative specifications.</td></tr>
</table>

Given the size of the carrying amount of these assets as of December 31, 2025, the complexity of the applicable legislative framework, and the judgments and estimates used in the application of IFRIC 12 by the Company's management, this is considered a key audit matter.	We also evaluated the adequacy of the disclosures made by the Company in relation to the requirements of IFRIC 12 and OMFP 2844/2016.

Other information

The other information comprises the Consolidated Administrators' Report as well as Remuneration Report, but does not include the separate financial statements and our auditors' report thereon. Management is responsible for the other information.

Our audit opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with the Order of the Minister of Public Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Reporting on Information Other than the Separate Financial Statements and Our Auditors' Report Thereon

In addition to our reporting responsibilities according to ISAs described in section "Other information", with respect to the Consolidated Administrators' Report and Remuneration Report, we have read these reports and report that:

a) in the Consolidated Administrators' Report we have not identified information which is not consistent, in all material respects, with the information presented in the accompanying separate financial statements as at December 31, 2025;

b) the Consolidated Administrators' Report, except the sustainability statement which is subject to a separate assurance reporting, includes, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments, Annex 1 articles 15 – 19;
c) based on our knowledge and understanding concerning the Company and its environment gained during our audit of the separate financial statements as at December 31, 2025, we have not identified information presented in the Consolidated Administrators' Report (excluding the Consolidated Sustainability Statement which is subject to a separate assurance reporting), that contains a material misstatement of fact.
d) the Remuneration Report identified above includes, in all material respects, the required information according to the provisions of article 107 (1) and (2) from Law 24/2017 on issuers of financial instruments and market operations.

Other requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014 of the European Parliament and of the Council

Appointment and Approval of Auditor

We were appointed as auditors of the Company by the General Meeting of Shareholders on 5 March 2023 to audit the separate financial statements for the financial year end December 31, 2025. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for two years, covering the financial period ending December 31, 2024 and December 31, 2025.

Consistency with Additional Report to the Audit Committee

Our audit opinion on the separate financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on the same date as the issue date of this report.

Provision of Non-audit Services

No prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided by us to the Company and we remain independent from the Company in conducting the audit.
In addition to statutory audit services and services disclosed in the separate financial statements, no other services which were provided by us to the Company, and its controlled undertakings.

Report on the compliance of the electronic format of the separate financial statements, with the requirements of the ESEF Regulation

We have performed a reasonable assurance engagement on the compliance of the separate financial statements presented in XHTML format of Societatea Nationala de Transport Gaze Naturale TransGaz SA (the "Company") for the year ended 31 December 2025, with the requirements of the Commission Delegated Regulation (EU) 2019 /815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation).

These procedures refer to testing the format and whether the electronic format of the separate financial statements (XHTML) corresponds to the audited separate financial statements and expressing an opinion on the compliance of the electronic format of the separate financial statements of the Company for the year ended 31 December 2025 with the requirements of the ESEF Regulation. In accordance with these requirements, the electronic format of the separate financial statements should be presented in XHTML format.

Responsibilities of the Management and Those Charged with Governance

The Management of the Company is responsible for the compliance with the requirements of the ESEF Regulation in the preparation of the electronic format of the separate financial statements in XHTML format and for ensuring consistency between the electronic format of the separate financial statements (XHTML) and the audited separate financial statements.

The responsibility of the Management also includes the design, implementation and maintenance of such internal control as determined is necessary to enable the preparation of the separate financial statements in ESEF format that are free from any material non-compliance with the ESEF Regulation. Those charged with governance are responsible for overseeing the financial reporting process for the preparation of separate financial statements, including the application of the ESEF Regulation.

Auditor's Responsibility

Our responsibility is to express an opinion providing reasonable assurance on the compliance of the electronic format of the separate financial statements with the requirements of the ESEF Regulation.

We have performed a reasonable assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform our engagement to obtain reasonable assurance about whether the electronic format of the separate financial statements of the Company is prepared, in all material respects, in accordance ESEF regulation. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material non-compliance with the requirements of the ESEF Regulation, whether due to fraud or error.

Reasonable assurance is a high level of assurance, but it is not guaranteed that the assurance engagement conducted in accordance with ISAE 3000 (revised) will always detect material non-compliance with the requirements when it exists.

Our Independence and Quality Management

We apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, which requires that we design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have maintained our independence and confirm that we have met the ethical and independence requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code).

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Summary of procedures performed

The objective of the procedures that we have planned and performed was to obtain reasonable assurance that the electronic format of the separate financial statements is prepared, in all material respects, in accordance with the requirements of ESEF Regulation. When conducting our assessment of the compliance with the requirements of the ESEF Regulation of the electronic reporting format (XHTML) of the separate financial statements of the Company, we have maintained professional skepticism and applied professional judgement. We have also:

- obtained an understanding of the internal control and the processes related to the application of the ESEF Regulation in respect of the financial statements of the Company, including the preparation of the separate financial statements of the Company in XHTML format;
- tested the validity of the applied XHTML format;
- checked whether the electronic format of the separate financial statements (XHTML) corresponds to the audited separate financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the compliance of the electronic format of the separate financial statements with the requirements of the ESEF Regulation

Based on the procedures performed, our opinion is that the electronic format of the separate financial statements is prepared, in all material respects, in accordance with the requirements of ESEF Regulation.

On behalf of,
Ernst & Young Assurance Services SRL
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania
Registered in the electronic Public Register under No. FA77

Name of the Auditor / Partner: Verona Cojocaru
Registered in the electronic Public Register under No. AF1568

Bucharest, Romania
21 April 2026

SOCIETATEA NAȚIONALĂ DE TRANSPORT GAZE NATURALE "TRANSGAZ" SA
Capital social: 1.883.815.040,00 lei
ORC: J32/301/2000; C.I.F.: RO 13068733
P-ța C.I. Motaș, nr.1, cod 551130, Mediaș, Jud. Sibiu
Tel: 0040 269 803333, 803334, Fax: 0040 269 839029
http://www.transgaz.ro; E-mail: cabinet@transgaz.ro

STATEMENT

According to art. 65, paragraph (2), letter c of Law no. 24/2017 regarding issuers of financial instruments and market operations, we declare that, to the best of our knowledge, the annual financial statements as at 31 December 2025, prepared in accordance with the International Financial Reporting Standards adopted by the European Union present, in all material respects, a true and fair view of the company's financial position, financial performance, and assets and liabilities, and the consolidated report of the administrators provides a truthful representation of the development and performance of the company and of the entities included in the consolidation, as well as a description of the main risks and uncertainties associated with the business conducted, both having been prepared in accordance with the sustainability reporting standards under Article 29b of Directive 2013/34/EU, with the provisions adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 and with the additional requirements established by Order of the Minister of Finance No. 85/2024.

Nicolae MINEA - Non-Executive Administrator – Chairman of the Board of Administration

Ion STERIAN - Director General, Executive Administrator

Ilinca VON DERENTHALL - Non-executive Administrator

Adina Lăcrimioara HANZA - Non-executive Administrator

Costin MIHALACHE - Non-executive Administrator