BULGARGAZ EAD

INTERIM ACTIVITY REPORT
INTERIM CONDENSED FINANCIAL STATEMENT

31 March 2025

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of

BULGARGAZ EAD

as at 31 March 2025

This report on Bulgargaz EAD's operations as at 31 March 2025 presents a comment and analysis of the financial statements and other material information regarding the financial position of the Company's operations, including and comparing the results as at 31 March 2025 with the results as at 31 December 2024.

The report has been prepared in accordance with the requirements of Article 39 of the Accounting Act, Article 187e, Article 247, Paragraphs 1, 2 and 3 of the Commercial Act, and Article 100(n), Paragraph 7, Subparagraph 2 of the Public Offering of Securities Act.

I. GENERAL INFORMATION ABOUT THE COMPANY

Bulgargaz EAD is a sole owner joint stock company, registered in accordance with the Commerce Act with registered office and address of management in the Republic of Bulgaria, Sofia region, Sofia Capital Municipality, Serdika district, Sofia 1000, 47 Petar Parchevich St.

The Company has no registered branches in the country or abroad.

The registered capital is divided into 231,698,584 ordinary, registered, non-preference shares with voting rights with a nominal value of BGN 1 (one) each. The Company's capital is subscribed and fully paid up by the sole owner of the capital — Bulgarian Energy Holding EAD. The ownership rights of the State, as the sole owner of the capital of Bulgarian Energy Holding EAD, shall be exercised by the Minister of Energy.

The company is active in public supply of natural gas and trade in natural gas, as well as the related purchase and sale, purchase of natural gas for storage in a gas storage facility, market research and analysis of the natural gas market in the country.

The Company does not carry out research and development activities.

Bulgargaz EAD holds a license for public supply of natural gas on the territory of the country issued by the State Energy and Water Regulatory Commission (EWRC) on 29 November 2006 for a period of 35 years.

Pursuant to Article 21, paragraph 1, item 1 and in connection with Article 39, paragraph 1, item 5, second proposal of the Energy Act, with a decision of the Energy and Water Regulatory Commission (EWRC) dated 16 September 2021, No Л-548-15 [L-548-15] a license for trade in natural gas No A0435 for a period of 10 years is issued to Bulgargaz EAD.

The Company also holds a license for trading in natural gas in the territory of the Hellenic Republic under Decision No 247/2020 and Decision No 311/2022 for trading in natural gas in the territory of the Hellenic Republic for a period of 20 years.

On 20 June 2023, by Decision No 0024/2023/P-PE of the Vice President of the Regulatory Office for Network Industries, Slovak Republic, a Permit No 2023P 0370 was issued to Bulgargaz EAD for carrying out activities in the energy sector — gas supply. The validity period of the permit is indefinite.

By Decision No 2274/29 October 2024 of the President of the National Agency for Energy and Water Regulation (ANRE), the economic operator Bulgargaz EAD was confirmed the right to participate in the natural gas markets in Romania for the supply of natural gas activity. The decision is for a period of 1 (one) year.

On 12 December 2024 by Decision No H4955/2024 the Hungarian Energy and Public Utility Regulatory Authority granted Bulgargaz EAD a licence to trade in natural gas in Hungary. This licence shall be valid from the date of notification for an indefinite period of time, provided that the licence holder is actually and lawfully

carrying on gas trading activities in a Member State of the European Union or in another State party to the Agreement on the European Economic Area and holds an operating licence for a specified period of time.

Bulgargaz EAD is a registered user of the gas transmission networks of Bulgartransgaz EAD-Bulgaria, DESFA SA-Greece, TRANSGAZ SA-Romania, ICGB Bulgaria, GASTRANS d.o.o. -Serbia.

The main European and national regulations applicable to the Company's activities are as follows:

- Energy Act (EA), promulgated in SG, issue No 107 of 9 December 2003, amend. No 26 of 27 March 2025, effective from 27 March 2025;
- Ordinance No 2 of 19 March 2013 on Natural Gas Price Regulation, issued by the State Energy and Water Regulatory Commission, promulg. State Gazette, Issue No 33 of 5 April 2013, amended and supplemented, No 100 of 26 November 2024, in force from 26 November 2024 (Ordinance 2 of 19 March 2013);
- Ordinance No 3 of 21 March 2013 on Licensing the Activities in the Energy Sector, issued by the President of the State Energy and Water Regulatory Commission, promulgated by the State Gazette, No 33 of 5 April 2013, last amended No 28 of 2 April 2024, in force from 2 April 2024 (Ordinance No 3 of 21 March 2013);
- Rules for trading with natural gas, adopted by the EWRC by decision under Minutes No 137 of 7 July 2015 under item 1, promulg. SG, No 59 of 4 August 2015, amend. No 57 of 19 July 2019;
- Energy Efficiency Act (EEA), promulgated in SG, issue No 35 of 15 May 2015, effective from 15 May 2015, last amend. No 86 of 13 October 2023, effective from 13 October 2023;
- Ordinance No E-РД-04-3 [E-RD-04-3] of 4 May 2016 on the eligible measures for energy savings in final consumption, the ways of proving the achieved energy savings, the requirements to the methods for their assessment and the ways of their confirmation, promulgated in SG No 38 of 20 May 2016, effective as at 20 May 2016, last amended and supplemented, No 102 of 23 December 2022;
- Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC; Regulation (EU) No 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010;
- Council Regulation (EU) 2022/1369 of 5 August 2022 on coordinated demand-reduction measures for gas;
- Council Regulation (EU) 2022/2578 of 22 December 2022 establishing a market correction mechanism to protect Union citizens and the economy against excessively high prices;
- Council Regulation (EU) 2022/2576 of 19 December 2022 on enhancing solidarity through better coordination of gas purchases, reliable price benchmarks and exchanges of gas across borders;
- Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005;
- Commission Regulation (EU) No 312/2014 of 26 March 2014establishing a Network Code on Gas Balancing of Transmission Networks;
- Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013.

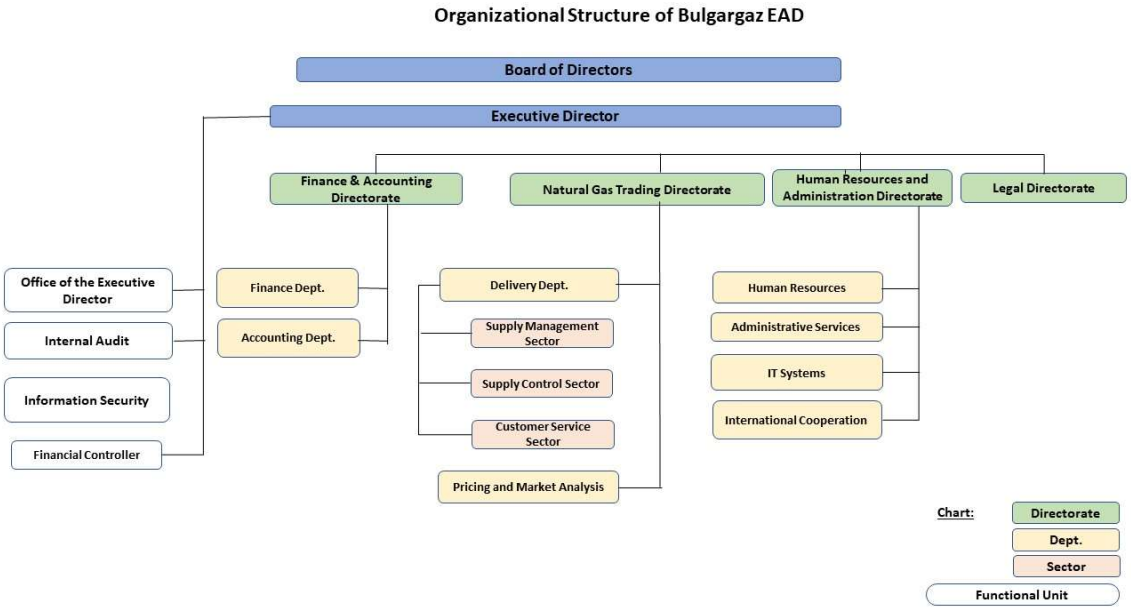
1. STRUCTURE OF THE COMPANY

Bulgargaz EAD has a one-tier management system. The governing bodies of the Company are:

- The sole owner of the capital who decides on the issues within the competence of the General Meeting;
- Board of Directors.

On 17 April 2024 by Decision No 41-2024/17 April 2024 of the Board of Directors of Bulgarian Energy Holding EAD the following new members of the Board of Directors of Bulgargaz EAD were elected:

Ivan Dimitrov Topchiysky	Chairman and member of the Board of Directors
Veselin Sashev Sinabov	Member of the Board of Directors and Executive Director
Mihail Mariov Milkov	Member of the Board of Directors
Byanka Svetlozar Racheva	Member of the Board of Directors
Marin Asenov Filipovski	Member of the Board of Directors



2. RESPONSIBILITY OF MANAGEMENT

The Company's management confirms that consistent accounting policies have been applied in the preparation of the interim financial statement as of 31 March 2025 and the statements have been prepared on a going concern basis. By decision of the Board of Directors of Bulgargaz EAD dated 13 September 2023 and decision of the Board of Directors of Bulgarian Energy Holding EAD, as at 1 January 2023, the Accounting Policy of Bulgargaz EAD was amended, reflecting an updated approach in accounting for the cost of sales in accordance with the methodology for pricing according to Ordinance No 2 of 19 March 2013 for the regulation of natural gas prices by market segments — regulated and free market. To overcome the inconsistencies between the new market situation, the new operating model of the company and the preserved regulatory framework, the Company took steps to amend the accounting policy for 2023 when determining the cost of sales and natural gas injected into UGS Chiren. The objectives of the proposed change in accounting policy are:

- as a result of the new business model of the Company, to ensure comparability to the maximum extent when reporting the Company's income and expenses for the reporting period;
- to preserve the delivery value of the natural gas pumped into Chiren, which is withdrawn at a later stage and whose cost price is included as a pricing element as well as the Company's capital recovery through the price mechanisms of the market;
- meeting the regulatory requirements of Article 37 of the Energy Act, according to which energy companies must keep separate accounting records for:
    - any activity subject to licensing under this law;
    - activities at regulated and freely negotiated prices.

A change has also been introduced to the reference price used to test the net realizable value of natural gas as a material stock — instead of the previously applied sales price stated by the Energy and Water Regulatory Commission for regulated market for the first period following the reporting period, a comparison is made with the TTFfm market levels according to the published futures on argusmedia.com for the month of January of the following (calendar/financial) year.

Management is responsible for the proper bookkeeping of accounting records for the proper management of assets and for taking the necessary measures to avoid and detect possible misuse and other irregularities.

3. INFORMATION ON ACQUISITION AND HOLDING OF SHARES OF THE COMPANY BY THE MEMBERS OF THE BOARD OF DIRECTORS

The Company does not possess own shares.

The members of the Board of Directors do not own shares of the Company. They are not provided with privileges or exclusive rights to acquire shares and bonds of the Company. All shares are owned by Bulgarian Energy Holding EAD.

Information on the participation of the members of the Board of Directors in companies as unlimited partners, the ownership of more than 25 percent of the capital of another company, as well as their participation in the management of other companies or cooperatives such as procurators or board members (in compliance with the requirements of Article 247, paragraph 2, item 4 of the Commerce Act):

Veselin Sashev Sinabov — Executive Director and Member of the Board of Directors since 17 April 2024

- does not participate as a general partner in business companies;
- owns more than 25 percent of the capital of business companies;
- does not participate in the management of other cooperative companies as a procurator manager or a member of a board.

Ivan Dimitrov Topchiysky — Chairman and Member of the Board of Directors since 17 April 2024:

- does not participate as a general partner in business companies;
- does not own more than 25 percent of the capital of business companies;
- does not participate in the management of other cooperative companies as a procurator manager or a member of a board.

Marin Asenov Filipovski — Member of the Board of Directors since 17 April 2024:

- does not participate as a general partner in business companies;
- does not own more than 25 percent of the capital of business companies;
- does not participate in the management of other cooperative companies as a procurator manager or a member of a board.

Byanka Svetlozar Racheva — Member of the Board of Directors since 17 April 2024:

- does not participate as a general partner in business companies;
- does not own more than 25 percent of the capital of business companies;
- does not participate in the management of other cooperative companies as a procurator manager or a member of a board.

Mihail Mariov Milkov — Member of the Board of Directors since 17 April 2024:

- does not participate as a general partner in business companies;
- does not own more than 25 percent of the capital of business companies;
- does not participate in the management of other cooperative companies as a procurator manager or a member of a board.

4. INFORMATION ABOUT THE CONTRACTS UNDER ARTICLE 240B OF THE COMMERCE ACT CONCLUDED DURING THE YEAR

As at 31 March 2025, the Board of Directors or other related persons have not concluded contracts under Article 240B of the Commerce Act on behalf of the Company, which go beyond its usual activities or significantly deviate from market conditions.

II. RESULTS FROM THE ACTIVITY OF THE COMPANY AS AT 31 March 2025

As at 31 March 2025, Bulgargaz EAD carries out its activities in compliance with all regulations and decisions determined by the sole owner of the capital. As at 31 March 2025 the financial result of the Company is a loss of3 BGN 2,443 thousand (as at 31 March 2024: loss is in the amount of BGN 100,896 thousand) The loss is mainly due to the cost of unused capacity under the agreement with the Turkish gas company Botaş (BGN 46,547 thousand), and the financial interest expenses accrued on borrowings amounting to BGN 13,538 thousand.

The gross result from natural gas sales in the first quarter of 2025 is a profit of BGN 12,631 thousand (as at 31 March 2024 it is loss of BGN 37,742 thousand)

FACTORS AFFECTING THE ACTIVITY OF THE COMPANY

- ***Legal and regulatory framework***

The activity of Bulgargaz EAD being public supply of natural gas and trade in natural gas is regulated by the Energy Act and the statutory regulations. Ordinance No 2 of 19 March 2013 determines the procedure for submission and approval of the regulated price used in sales on a regulated market. Prices in a free market are set on a market basis.

By the amendment of Article 30, paragraph 1, item 7 of the Energy Act (EA) promulgated in State Gazette No 79 of 2019, the circle of persons to whom Bulgargaz EAD sells natural gas at a regulated price is significantly narrowed. The change entered into force as at 1 January 2020, and Bulgargaz EAD, as a public supplier, sells natural gas at regulated prices only to:

(i) end suppliers of natural gas;

(ii) persons who have been issued a license for the production and transmission of heat.

By an Act for Amendment and Supplement of the Energy Act (AAS of the Energy Act) adopted on 25 September 2019 by the National Assembly and promulgated in State Gazette No 79 of 2019 it was established an organized stock market for natural gas, and its operation and the role of market participants thereon has been regulated.

From 16 September 2021, Bulgargaz EAD acquired license No A0435 for trading in natural gas, for a period of 10 years, which allows expanding the scope of the Company's activities by making sales at freely negotiated prices in the conditions of a liberalized domestic market and the newly built interconnections at regional and international level.

Following the amendments in the legislation, Bulgargaz EAD operates as follows:

- at prices regulated by the EWRC — on a regulated market;
- at freely negotiated prices — on the free market under the following varieties:
    - contracts with customers directly connected to the gas transmission system;
    - an organized stock market (in the country and in countries where the company has a 'Trading License');
    - organized stock market (on the domestic market and on the international markets);
    - sale of services (SWAP operations, secondary market of capacity products and others);

Bulgargaz EAD holds license for natural gas trade in the territory of the Republic of Greece under Decision No 247/2020 — indefinite and Decision No 311/2022 for wholesale trade in natural gas in the territory of the Republic of Greece, for a period of 20 years. Since 26 May 2023 Bulgargaz trades natural gas on the Greek Energy Exchange (ENEX) after registering and opening a clearing account at the National Bank of Greece.

On 20 June 2023, by Decision No 0024/2023/P-PE of the Vice President of the Regulatory Office for Network Industries, Slovak Republic, a Permit No 2023P 0370 was issued to Bulgargaz EAD for carrying out activities in the energy sector — gas supply. The validity period of the permit is indefinite.

By Decision No 2274/29 October 2024 of the President of the National Agency for Energy and Water Regulation (ANRE), the economic operator Bulgargaz EAD was confirmed the right to participate in the natural gas markets in Romania for the supply of natural gas activity. The Decision shall enter into force from the date of notification, for a period of 1 (one) year, but not later than the date of suspension/revocation/termination of the Natural Gas Trading License No Л-549-15 [L-549-15] dated 20 September 2021 issued by the Energy and Water Regulatory Commission of the Republic of Bulgaria.

On 12 December 2024 by Decision No H4955/2024 the Hungarian Energy and Public Utility Regulatory Authority granted Bulgargaz EAD a limited licence to trade in natural gas in Hungary. This licence shall be valid from the date of notification for an indefinite period of time, provided that the licence holder is actually and lawfully carrying on gas trading activities in a Member State of the European Union or in another State party to the Agreement on the European Economic Area and holds an operating licence for a specified period of time.

Bulgargaz EAD is a registered user of the gas transmission networks of Bulgartransgaz EAD-Bulgaria, DESFA SA-Greece, TRANSGAZ SA-Romania, ICGB Bulgaria, GASTRANS d.o.o. -Serbia.

Ordinance No 2/19 March 2013 on the regulation of the price of natural gas sets out the rules under which Bulgargaz EAD as a public supplier shall prepare and submit for approval to the EWRC the estimates for determining the regulated price for the month. According to the Ordinance:

- Bulgargaz EAD should form a 'mix' of supplies of natural gas quantities, in accordance with the principle of **least cost in the formation of the price of natural gas at the input of the gas transmission networks**, to cover the needs of the regulated and free market. In compliance with this requirement of Ordinance No 2 for the regulation of natural gas price, supplies with the highest delivery prices remain for sale on the exchange market or for injecting into the gas storage facility at UGS Chiren. These injected

quantities are included in the mix determining the regulated price when they are withdrawn from storage during the winter months and only then can the company recover its costs of purchasing them. With the significant dynamics in natural gas prices that characterised 2022, the company injected the highest priced volumes into the UGS Chiren and during the withdrawal period these volumes were already at uncompetitive price levels. As at 1 January 2023, the Company changed the model of formation of the acquisition price of natural gas, applying the principle of formation of the cost of natural gas in two stages — specific-delivery price and formation of the weighted average cost by sales markets. The purpose of this change is to align the costing model to the maximum extent possible with the statutory pricing methodology for the regulated market and to reflect the effect on the Company's sales in other markets, subject to compliance with the regulatory requirements of Ordinance No 2.

- In addition to the price determined above, a 'public supply' component is calculated, set at a maximum of 2.5% per annum. This component is calculated on the basis of the Company's notional fixed costs for the year forecasted as at 1 January 2024. The component does not include financial expenses for interest, expenses from foreign exchange transactions, expenses on issued guarantees, etc.
- An average exchange rate is used from quotations 45 days before the beginning of the month in which Bulgargaz submits an application for approval of the gas price. Bulgargaz EAD shall submit an application for price approval 20 days before the end of the month preceding the month of price application, while final invoices from suppliers shall be received after the end of the delivery month. The actual exchange rate at which the supply is paid deviates significantly from that used in the calculation of the price submitted for approval by the Energy and Water Regulatory Commission. At the end of 2024, an amendment to the Ordinance was adopted concerning the calculation of the average exchange rate, which is calculated as the average rate of the BNB quotations for the month preceding the month of filing of the application.

The presented legal and regulatory framework under which Bulgargaz EAD operates on the market leads to some negative effects on the company's activity:

- The Energy Act obliges Bulgargaz EAD to supply natural gas to the heating and gas distribution companies, but they are not obliged to purchase gas from Bulgargaz EAD and may prefer other suppliers, as they may also purchase gas from the gas exchange. On this grounds, surpluses are reached.
- The Energy Act obliges Bulgargaz EAD to provide a service of public interest, which cannot be denied, regardless of when it is requested and whether the customer in question has obligations overdue to the public supplier Bulgargaz. This leads to inability to plan the deliveries, respectively to additional financial burdens for the company.
- The application of Ordinance No 2/19 March 2013 with the set requirements for the quantities with the lowest delivery costs to be directed to the market at regulated prices, for sale at freely negotiated prices on the exchange market, in the capacity of Bulgargaz EAD as a trader, remain the quantities with the highest delivery price, often uncompetitive on the market.
- The announcement of the regulated price 20 days before the beginning of the respective month leads to misleading the market due to the volatility of the pricing indices, as well as to advantages for competing suppliers offering alternative supplies at a discount to the price announced by Bulgargaz.

➢ ***Operational activity***

The development of the natural gas market in 2025 will continue to follow the trend that began from 2022 of an increase in the share of LNG supplies, in view of the reduced supplies of pipeline gas from Russia to Europe.

Consumption constraints imposed on natural gas consumption in Europe, combined with significantly increased LNG supplies, gas storage requirements according to Regulation (EU) 2022/1032 of the European Parliament and of the Council of 29 June 2022 amending Regulation (EU) 2017/1938 and

Regulation (EU) No 715/2009 to meet storage fill targets, and high stored gas prices, will limit withdrawal from storage in the winter of 2022—2023, resulting in storage fill rates by mid-2023 at levels significantly higher than average.

From the beginning of 2025, there was a trend of high natural gas prices in European gas markets due to:

- Emptying gas storage at a faster pace;
- Provision of alternative LNG supplies;
- The relatively cold winter;

The prices at which Bulgargaz EAD supplies natural gas in 2025 refer to the TTF index 'month ahead' when purchasing spot LNG cargoes, while the supplies from the Azerbaijani company are made under the terms of the contract signed in 2013.

✓ *Supply of pipeline natural gas*

Bulgargaz receives supplies of pipeline natural gas under the 2013 contract with the Azerbaijan Gas Company, under the terms of equal daily deliveries and the 'take or pay' clause. The long-term contract for the supply of natural gas defines the delivery point as the interconnection point between TAP and the interconnector Greece — Bulgaria (IGB) — Komotini, Greece.

On 1 October 2022, the IGB interconnector was put into commercial operation and the deliveries of the full amounts under the contract with Azerbaijan are made at the price formula of the contract. Bulgargaz EAD signed an agreement for natural gas transmission with ICGB AD (operator of the Greece-Bulgaria interconnector), which coincides with the agreed daily and annual supply quantities from the Azeri company and has a term of 25 years.

✓ *Supply of LNG*

In 2022, as a result of the changed geopolitical situation and the premature termination of supplies from OOO Gazprom Export, Bulgargaz EAD changed its business model from supplying under a long-term pipeline gas contract (with high daily/monthly/annual supply flexibility from Gazprom Export), to supplying under multiple LNG and Azeri pipeline gas purchase contracts, with equal supplies, i.e. without flexibility and application of a take or pay clause.

✓ *Diversification of supply routes*

Bulgargaz EAD ensures the supply of natural gas through a long-term contract for the supply of Azerbaijani natural gas from the Shah Deniz gas field through the IGB (Greece-Bulgaria interconnection) gas pipeline with Azerbaijan Gas Supply Company (AGSC), concluded in 2013, with validity period of 25 years from the date of the first delivery — 31 December 2020. Bulgargaz EAD has reserved long-term capacity on the IGB gas pipeline, corresponding to the agreed quantities of Azerbaijani gas for delivery.

In line with the state strategy for diversification of the country's natural gas supply routes and sources and the Decision No 166 of 10 March 2020 of the Council of Ministers, Bulgargaz EAD has reserved the capacity of the LNG terminal near Alexandroupolis for the supply of 5,300,000 MWh/year for a period of 10 years. Pursuant to Decision No 661 of 15 September 2022 of the Council of Ministers (CM), Bulgargaz EAD has reserved additional capacity at the LNG terminal near the town of Alexandroupolis, Hellenic Republic — Gaztrade S.A., in the amount of 5,300,000 MWh/year (≈ 500 mcm/year) for a period of 10 years starting from the year of the commercial operation of the terminal (from 2024), bringing the total reserved capacity to 10,600,000 Mwh/year (≈ 1 bcm/year).

At the end of 2022, an Agreement was signed between Bulgargaz EAD and the Turkish state gas company BOTAŞ BORU HATLARI İLE PETROL TAŞIMA A.Ş, whereby Bulgargaz EAD secures access to the LNG regasification terminals in the Republic of Turkey for 1.5 billion cubic meters per year and the subsequent transfer of supplied quantities of liquid natural gas to the interconnection point between the Bulgarian and Turkish gas transmission networks — Strandzha/Malkochlar, for the period 2023 — 2035. The Agreement with Botaş provides a security of the supplies through diversification of the sources of supply. This provides Bulgargaz EAD with the opportunity for gaining access to three entry points from LNG terminals located in the Aegean Sea — Turkey, Revithoussa and Alexandroupolis. The agreement entered into force after its approval by Decision No 26 of 12 January 2023 by the Council of Ministers of the Republic of Bulgaria.

The Minister of Energy has been assigned by the Resolution of the National Assembly of 19 April 2024 with the taking the necessary actions to renegotiate the Agreement between Bulgargaz EAD and Botaş. Bulgargaz EAD and Botaş are in active negotiations for the renegotiation of the Agreement, with the Ministry of Energy providing the necessary institutional and political support.

✓ *Storage of natural gas*

The main part of the available quantities in the UGS Chiren are injected in 2022 at a price significantly above the current 2025 market price. These quantities are injected in accordance with the adopted Contingency Action Plan and the issued Orders of the Minister of Energy in connection with the imposition of additional public service obligations on Bulgargaz EAD, as well as in accordance with Regulation (EU) 2022/1032 of the European Parliament and the Council of 29 June 2022 amending Regulation (EU) 2017/1938 and Regulation (EC) No 715/2009 in relation to gas storage to meet the target of filling 80% of local gas storage capacity.

In the period January – April 2024, Bulgargaz EAD withdrew volumes, as the price set for withdrawal was significantly below their acquisition price. This way, the company was able to reduce its stored quantities and market them. This resulted in a large loss for the first quarter of 2024, which was partially offset by the compensation received in September 2024 in the amount of BGN 157 million under the Enterprise Compensation Program.

The quantities of natural gas that Bulgargaz EAD failed to withdraw from UGS Chiren by 15 April 2024 were transferred as fulfilment of the obligation under the Contingency Plan for the gas year 2024/2025.

After completion of the withdrawal season in April 2024, for accounting purposes, the quantities of natural gas injected into UGS Chiren were formed as two separate batches – the Contingency Plan (Plan) Quantities Batch and the Commercial Quantities (Commercial) Batch. This separation was necessitated by the high purchase price of the quantities injected under the 2022 Plan and more adequate subsequent accounting for these specific quantities of natural gas acquired. The remainder of available natural gas that is injected for current commercial use is accounted for in the Commercial Quantities batch, which is acquired at market prices and can be sold on the market.

According to the provision of IAS 2, respectively the accounting policy of the company, when determining the net realizable value of inventories as at the end of 2024, The company has recognized a loss from depreciation of the available natural gas in the amount of BGN 36,385 thousand.

As at 31 December 2024, the accumulated impairment loss on the available quantities of natural gas withdrawn under the Contingency Plan amounts to BGN 109,736 thousand. Despite the impairments, the price of the injected natural gas in the Plan batch continued to be significantly above current market levels. According to the accounting policy of Bulgargaz EAD, no stock impairment test is performed on a quarterly basis.

In the first quarter of 2025, some of the quantities available with BOTAŞ BORU HATLARI İLE PETROL TAŞIMA A.Ş., which were impaired in a prior period in accordance with the provisions of IAS 2, were realized. This resulted in an impairment reversal of BGN 13,826 thousand.

✓ *Analysis of the natural gas market and the activities of Bulgargaz EAD as at 31 March 2025.*

As a result of the actions taken by the Ministry of Energy, in connection with the introduction of the mechanism for compensation of part of the volumes injected in 2022 at high prices in UGS Chiren and fulfilling the condition of the mechanism — the volumes to be delivered to final customers and/or final suppliers in the European Economic Area, in the period from January 2024 to April 2024, Bulgargaz included in its pricing mix and withdrew from the underground storage facility part of the quantities injected in 2022, which had a high cost, their sale was at market prices, resulting in significant losses for the Company in the first quarter of 2024, which were covered by the compensation.

The Alexandroupolis terminal suffered a major failure in January 2025, suspending operations indefinitely. This necessitated that the quantity delivered by BP Gas Marketing be moved from the payment terminal in Alexandroupolis to another terminal at the Turkish state-owned gas company BOTAŞ BORU HATLARI İLE PETROL TAŞIMA A.Ş., in order to avoid daily losses of LNG in the tanks of the damaged terminal. As a result, the first quarter of 2025 saw a 40% capacity utilisation rate under the Botaş agreement.

In the first quarter of 2025, there is a trend of increased demand for natural gas from customers compared to the quantities requested in their annual programs. This is due to three main reasons:

- Stopping the transit of Russian gas through Ukraine and directing all free volumes from the exchange there;
- Bulgargaz EAD provided competitive prices to its freely contracted customers thanks to a flexible pricing policy;
- The current delivery prices at which Bulgargaz EAD receives the volumes under its long-term contract with the Azeri company are lower than the current prices of the European gas hubs, which enables the company to form a mix between the volumes under the long-term contract and the spot LNG supply contracts at prices close to market levels.

The reduction in the annual quantities requested for 2025 by the Company's customers under bilateral contracts at the outlet points compared to the annual quantities requested for 2024 is approximately 10%, as in the first 3 months of 2025 . This is mainly due to the following reasons:

- *the presence on the regional market of natural gas producers*, which leads to increasing competition on the Bulgarian market. A key example is the competition between the Azeri gas company SOCAR and licensed European traders buying Russian-origin gas at a significant discount. It should be noted that most of the gas companies in the region, including state-owned ones, still have a supply contract in place with Gazprom export.

- *expectation that the prices on the short-term market of the Bulgarian gas exchanges will be lower than the selling price of Bulgargaz EAD. The company's customers intend to purchase a part of the volumes they need on* the short-term segment on the Gas Hub Balkan EAD platform at a price lower than the price of Bulgargaz EAD.

Consumption of natural gas at exit points of the gas transmission network in Bulgaria					
Year	**Total gas consumption in Bulgaria**	**Change**	**Share of Bulgargaz EAD (excluding quantities sold under PGE)**		**Change**
	Million MWh	**%**	**%**	**Million MWh**	**%**
2019	30.7	-	88.93%	27.3	-
2020	30.7	0.00%	79.15%	24.3	-11.00%
2021	35.3	15.00%	71.95%	25.4	4.50%
2022	28.1	-20.40%	76.16%	21.4	-15.70%
2023	26.3	-6.40%	76.05%	20	-6.50%
2024	26.1	-0.80%	64.44%	16.82	-15.90%
As at 31 March 2025,	8.88	-	67.76%	6.02	-

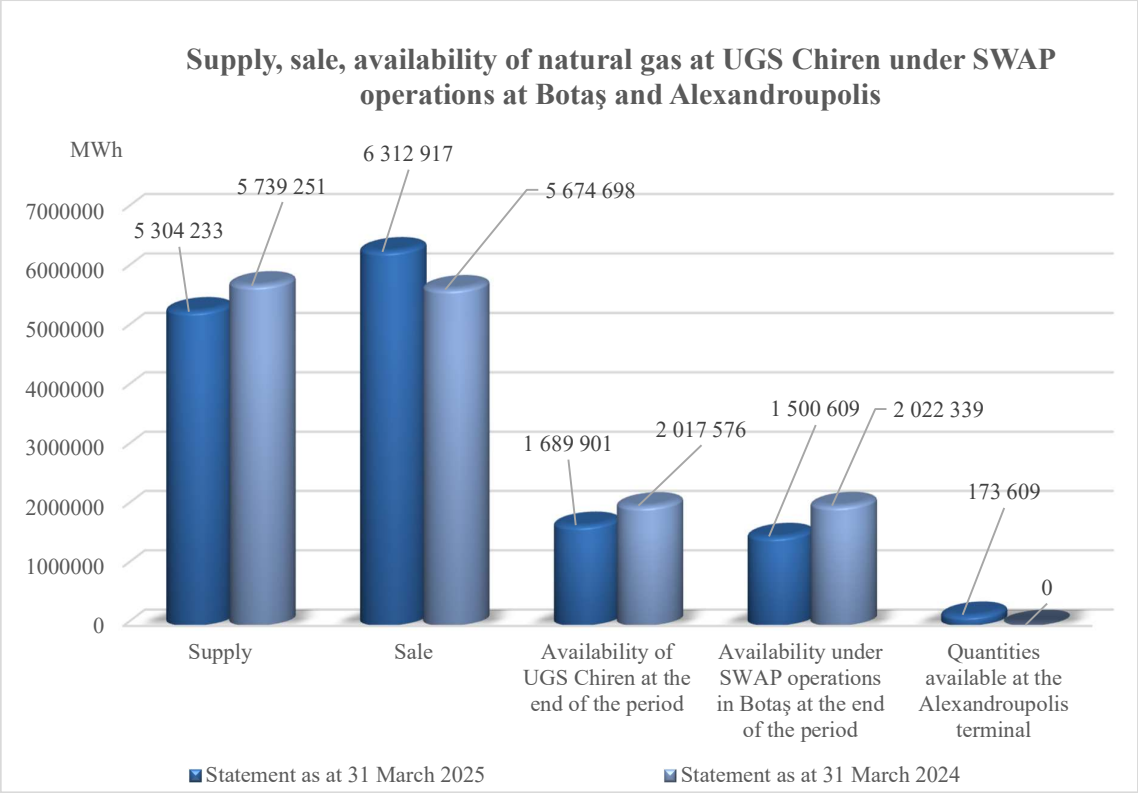
2. PERFORMANCE OF QUANTITATIVE INDICATORS

2.1. Purchased and sold amounts of natural gas

The amounts of natural gas purchased and sold as at 31 March 2025, compared to 31 March 2024, are presented in Table 1:

Table No 1 *MWh*

Type of delivery	Unit	As at 31 March 2025	As at 31 March 2024	Change in amounts	Change in (%)
Supply	MWh	5,304,233	5,739,251	(435,018)	(7.58%)
Sale	MWh	6,312,917	5,674,698	638,219	11.25%
Availability of UGS Chiren at the end of the period	MWh	1,689,901	2,017,576	(327,675)	(16.24%)
Availability in Botaş at the end of the period	MWh	1,500,609	2,022,339	-521,730	(25.80%)
Availability in Alexandroupolis at the end of the period	MWh	173,609	0	173,609	-



During the reporting period, total gas amounts delivered were 5,304,233 MWh (31 March 2024: 5,739,251 MWh), which is a decrease of 435,018 or 7.58%.

Natural gas sold as of 31 March 2025 is 6,312,917 MWh compared to 5,674,698 MWh as at 31 March 2024, a decrease of 638,219 MWh or 11.25%.

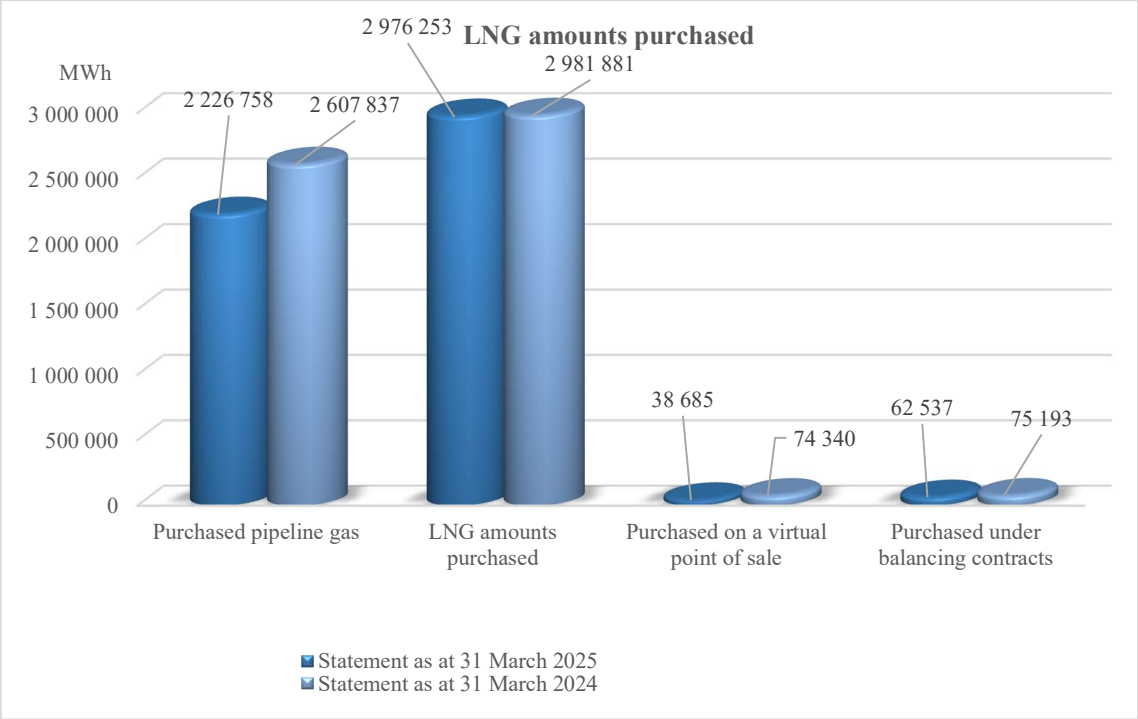
The increase in the quantities sold is due to the more favourable price conditions offered by Bulgargaz EAD to customers after the suspension of the Russian transit of natural gas through Ukraine. Furthermore, the colder winter have led to greater consumption of natural gas. Natural gas sold as of 31 March 2025 is 176,120 MWh compared to 103,110 MWh as at 31 March 2024, which is an increase of 73,010 MWh or 70,81%.

1.2 LNG amounts purchased

Purchased amounts of natural gas as at 31 March 2025 and 31 April 2023 are shown in Table 2.

Table No 2 *MWh*

Type of delivery	Statement as at 31 March 2025	Statement as at 31 March 2024	Change in amounts	Change in (%)
TOTAL for the period	**5,304,233**	**5,739,251**	**(435,018)**	**(7.58%)**
Purchased pipeline gas	2,226,758	2,607,837	(381,079)	(14.61%)
LNG amounts purchased(LNG)	2,976,253	2,981,881	(5,628)	(0.19%)
Purchased on a virtual point of sale	38,685	74,340	(35,655)	(47.96%)
Purchased under balancing contracts	62,537	75,193	(12,656)	(16.83%)



In order to ensure the natural gas needs of its customers as at 31 March 2025, Bulgargaz EAD has purchased 5,304,233 MWh of natural gas (31 March 2024: 5,739,251 MWh).

The purchased quantities of piped natural gas as of 31 March 2025 are in the amount of 2,226,758 MWh, liquefied natural gas 2,976,253 MWh, purchased at a virtual trading point 38,685 MWh and purchased natural gas under balancing contracts 62,537 MWh.

The main supplies of natural gas guaranteeing the consumption of the Company's customers are secured through:

- ✓ The LNG supply contracts for 2025 concluded as a result of tender procedures, deliveries in January and February were made at the terminals in Turkey and Greece (Alexandroupolis).
  In order to secure the supply routes from the LNG terminals to the Bulgarian gas transmission network, Bulgargaz EAD participates in tenders and reserves uninterruptible capacity products at entry-exit points of the Bulgarian gas transmission network. For the entry points where there is a risk of interruption of capacity products (points where only interruptible products are offered), Bulgargaz EAD was able to deliver through swap transactions, thus avoiding the risk of interruption of capacity products.
- ✓ A long-term contract concluded with Azerbaijan Gaz Supply Company (AGSC), which is implemented in full from 01 October 2022 with the launch of the IGB interconnection;
- ✓ Agreement for the purchase and sale of natural gas with Botaş, providing capacity for regasification and transmission to Bulgaria at the Strandzha 1/Malkochlar point.
- ✓ On 1 October 2024, the Alexandroupolis terminal was commissioned and liquefied natural gas (LNG) supplies to the Bulgarian market were launched. The capacity reserved by Bulgargaz EAD for the next 10 years is 10,600,000 MWh/year. At the end of January 2025, an accident occurred at the Alexandroupolis terminal, whereupon it ceased operations. The expected date of resumption of work is 15 August 2025.

1.3 Withdrawal and injection of natural gas

In order to guarantee the security and continuity of natural gas supplies and to cover the irregularity for its customers, Bulgargaz EAD uses the capacity of the underground gas storage facility in the UGS Chiren, owned by the combined operator Bulgartransgaz EAD.

The operation of the gas storage facility is cyclical, with the natural gas injection period being May—October, and the withdrawal period being November—April.

In accordance with the Contingency Plan for the storage of natural gas amounts to compensate for the seasonal unevenness of its customers, Bulgargaz EAD is obliged to inject, store and withdraw natural gas amounts by participating in Bulgartransgaz EAD's public procedure for the allocation of storage capacity at the UGS Chiren.

The withdrawn and injected amounts of natural gas in the UGS Chiren as at 31 March 2025 versus 31 March 2024 are presented in Table No 3.

Table No 3 *MWh*

Withdrawn and injection	As at 31 March 2025	As at 31 March 2024	Change in MWh	Change in %
Amounts available at the beginning of the period	**2,570,234**	**3,213,387**	**(643,153)**	**(20.01%)**
Withdrawal	910,333	1,208,277	**(297,944)**	**(24.66%)**
Injection	30,000	12,467	**17,533**	**140.64%**
Amounts available at the end of the period	**1,689,901**	**2,017,576**	**(327,675)**	**(16.24%)**

The extracted amounts of natural gas as at 31 March 2025 are 910,333 MWh, which is 297,944 MWh or 24,66% less compared to the previous period (31 March 2024: 1,208,277 MWh). The higher withdrawal during the first quarter of 2024 is related to the condition that the quantities of natural gas subject to compensation must be produced and delivered to final customers and/or final suppliers in the European Economic Area, according to the application of the compensation mechanism under the Program for providing compensation to companies that injected natural gas into the underground gas storage in the period 1 May 2022—11 October 2022. The quantities of natural gas injected as at 31 March 2025 are 17,533 MWh more compared to 31 March 2024 when they were 12,467 MWh.

As at 31 March 2025, the Company has 1,689,901 MWh of gas available at UGS Chiren, which is a decrease of 327,675 MWh or 16.24% compared to the previous period.

III. SALE OF NATURAL GAS

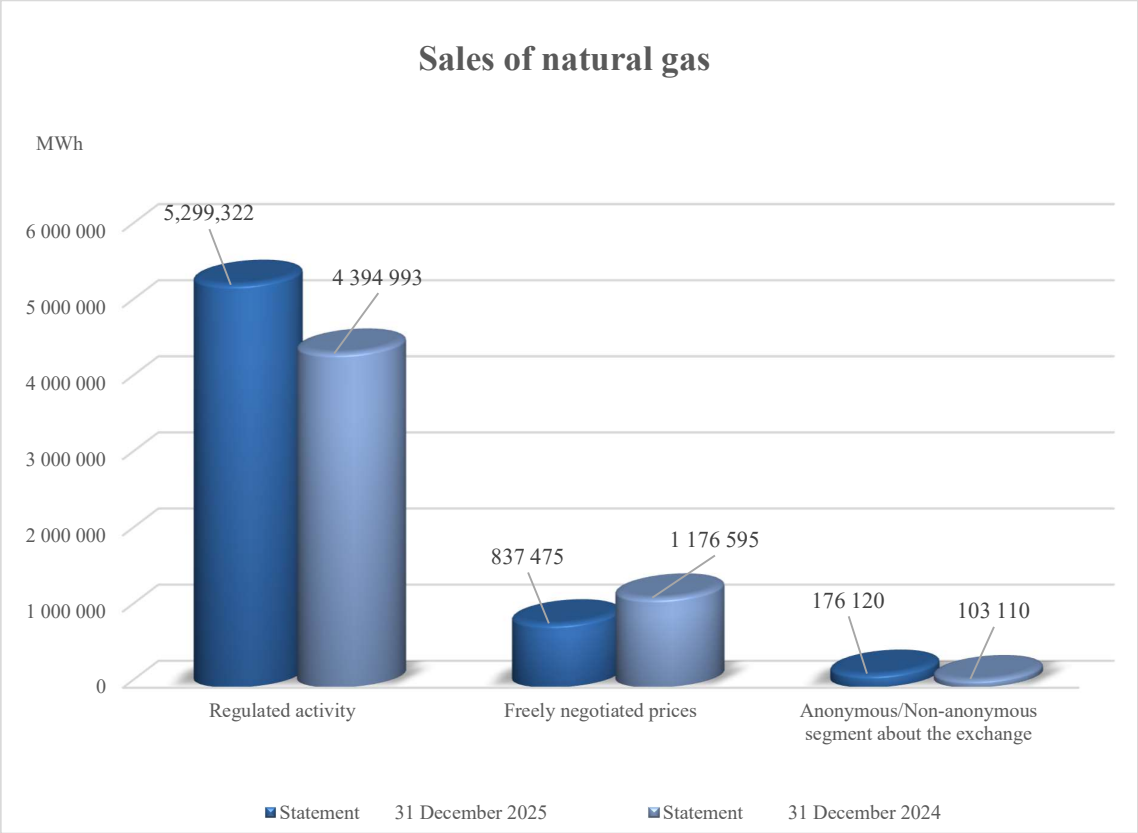
1. Sales

Bulgargaz EAD ensures security and continuity of supply of natural gas to its customers in the country in accordance with contractual requirements. As at 31 March 2025, 6,312,917 MWh of natural gas have been sold, representing an increase of 638,219 MWh or 11.25 % compared to the quantities sold as at 31 March 2024 – 5,674,698 MWh.

Natural gas sales for the reporting period are presented in Table No 4:

Table No 4 *MWh*

Sales	As at 31 March 2025	As at 31 March 2024	Change in amounts	Change in (%)
Regulated activity	5,299,322	4,394,993	904,330	**20.58%**
Freely negotiated prices	837,475	1,176,595	(339,120)	**(28.82%)**
Anonymous/Non-anonymous segment about the exchange	176,120	103,110	73,010	**70.81%**
Total	**6,312,917**	**5,674,698**	**638,219**	**11.25 %**



2. Structure of sales

Amounts of natural gas sold to the Company's customers by main sectors of the economy as at 31 March 2025 and 31 March 2024 are presented in Table No 5.

Table No 5

Industry sector	**As at 31 March 2025** MWh	**As at 31 March 2024** MWh	**Change in amounts** MWh	**Change in (%)**
Energy	3,499,866	3,262,458	237,408	7.28%
Distribution companies	1,778,166	1,160,723	617,443	53.19%
Glass and porcelain	303,378	422,826	(119,448)	(28.25%)
Exchange sales	176,120	103,110	73,010	70.81%
Chemistry	152,815	157,130	(4,315)	(2.75%)
Metallurgy	103,604	252,635	(149,031)	(58.99%)
Building materials and construction	61,538	73,912	(12,374)	(16.74%)
Other	237,430	241,904	(4,474)	(1.85%)
Total	**6,312,917**	**5,674,698**	**638,219**	**11.25%**

As at 31 March 2025, the sales, compared to those as at 31 March 2024, increased by 638,219 MWh or by 11.25%.

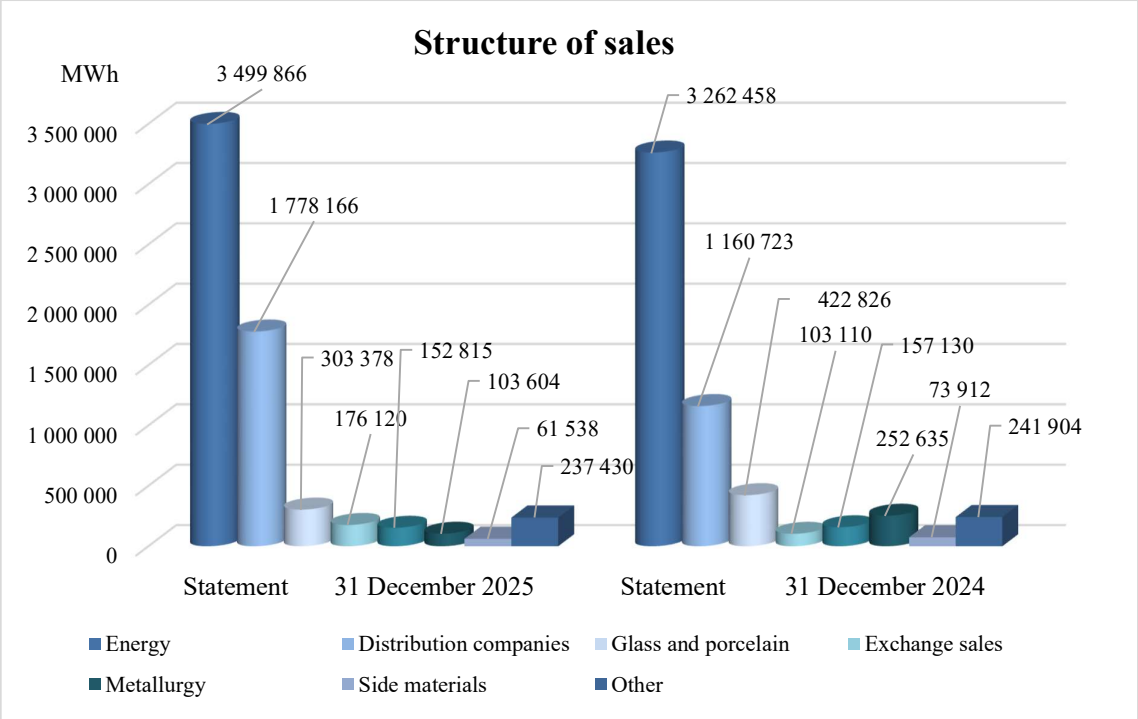
In its capacity of a Public supplier, Bulgargaz EAD provides a service of public interest — supply of natural gas to a range of persons stipulated in the Energy Act, at prices approved by the EWRC ('regulated prices'). Regulated prices are determined pursuant to Ordinance No 2 of 19 March 2013 on the regulation of natural gas prices.

Bulgargaz EAD, according to the License, is obliged to ensure a continuous and high-quality supply of natural gas, maintaining financial stability.

For all other customers connected to the gas transmission network — production enterprises, thermal power plants, greenhouses, etc. ('industrial customers'), Bulgargaz EAD supplies natural gas at freely negotiated prices. Under contracts with customers at freely negotiated prices, Bulgargaz EAD performs the function of a natural gas trader on competitive market terms.

According the legislative amendments, Bulgargaz EAD operates as follows:

- on a regulated market — at prices regulated by the Energy and Water Regulatory Commission (EWRC);
- on a free market – at freely negotiated prices;
- on an organized exchange market — at freely negotiated prices;
- organized stock market (on the domestic market and on the international markets) — at freely negotiated prices.



The data presented in Table No 5 shown in the graph above show the following trend in the structure of natural gas consumption:

- ✓ the main consumers of natural gas remain the enterprises in the field of energy and distribution companies to end consumers;
- ✓ exchange sales increase by 70.81%, compared to the sales in the first quarter of 2024.
- ✓ the decrease in sales in the metallurgy sector is the most significant 58.99 %, compared to sales in the first quarter of 2024.
- ✓ a 28.25% decrease in sales in the Glass & Porcelain sector compared to sales in the first quarter of 2024.

IV. RISK FACTORS

The main risk factors in the activity of the Company are: regulatory/price risk, currency risk, credit risk and liquidity risk.

The following types of risks exist in carrying out the Company's activities:

1. Regulatory/Price Risk

The specificity of activity of Bulgargaz EAD stems from the fact that the Company is both a Public Supplier and a Trader of natural gas. The Company purchases natural gas at market prices by selling some of the amounts purchased at regulated prices. The discrepancy between the purchase price based on market levels and the sales price based on the lowest cost to purchase natural gas exposes the Company to the risk of losses and liquidity shortfalls in meeting its functional obligations. If regulated prices which are lower than the delivery prices are validated, sales revenue would not be sufficient to cover the actual cost for purchasing natural gas and the Company would experience difficulties in paying their liabilities towards suppliers.

2. Currency Risk

Currency risk is associated with changes in foreign exchange rates that result in a gain or loss on the revaluation of foreign currency assets.

The main risk for Bulgargaz EAD stems from the need to buy natural gas in US dollars and sell it in BGN. Thus, the Company is exposed to the risk of changes in the exchange rate. The approved marginal price set by the Energy and Water Regulatory Commission for each regulatory period is determined at a fixed exchange rate of the US dollar against Bulgarian lev, averaged for 45 days prior to the month of submission of the application for approval of the EWRC selling price for the next price period. Also, the Company is exposed to the risk of realizing a loss from the revaluation of its foreign exchange exposures due to the dynamic movement of the US dollar exchange rate. The change in the Ordinance concerning the method of calculation of the pricing rate, adopted at the end of 2024 as a result of repeated requests made by Bulgargaz EAD to change it, mitigates this risk.

3. Credit risk

The credit risk for the Company arises from receivables from customers and the risk of financial loss in cases where the customer does not fulfil its contractual obligations to pay for the gas supplied. The main customers of the Company are the district heating companies, which commonly claim to have issues with the collection of their receivables from customers and accordingly experience serious difficulties in repaying their liabilities due to maturity. The Company carries out current monitoring and analysis of its receivables, while monitoring the behaviour of its customers and reports in detail the activities of its major debtors. Additional rescheduling agreements are concluded with some of the costumer who have difficulties in repaying their current liabilities after providing financial security. As a last resort, the supply of natural gas has been suspended and the receivables of Bulgargaz EAD were collected through the court.

4. Liquidity risk

Liquidity risk arises when the Company is unable to meet its current obligations and financial commitments. They are reflected in the short-term liabilities of the Company, namely liabilities for transfer and storage, liabilities to the state in the form of taxes and excise duties, liabilities under trade loans and regular payments related to operating activities. Short-term liabilities require precise planning of cash flows based on monthly forecasts.

5. Regulatory risk

Regulatory risk arises in periods of unstable local political situation and/or the geopolitical situation which has a direct, significant effect on the Company's activity, as well as lack of updated applicable legislation and by-laws that regulate the Company's activity, and do not correspond to the changing business environment in which it operates.

European Commission policies:

- ✓ leading to responsibilities of member states which will be transferred for implementation to local companies (for Bulgaria — Bulgargaz in particular), without providing for the corresponding financial compensation for the companies.
- ✓ imposing a voluntary limitation of the consumption of natural gas, which may lead to the impossibility of the Company to sale the quantities under concluded long-term supply contracts.

6. Inflation risk

In case of inflation exceeding the one set in the macro framework and in the instructions of Bulgarian Energy Holding EAD, there is a risk that the set costs dependent on inflation will not be sufficient and create difficulties for securing the commercial activity.

7. Lack of trained personnel

Human resources are the most important corporate asset and a key factor in achieving efficiency, economic growth and competitiveness. The frequent change of teams and/or the lack of sufficient experience in the implementation of liquefied natural gas supplies (as a result of a change in market models — switching from pipeline supplies to LNG supplies), in participating in capacity tenders or other operational activities of the Company may lead to managerial and functional risks for Bulgargaz EAD.

V. STRATEGIC, MARKET, FINANCIAL AND NON-FINANCIAL GOALS

The development of the Company is related to the realization of the strategic and market goals.

The main strategic goals of BULGARGAZ EAD are related to the responsibilities and obligations for continuity and reliability of the supplies. Guaranteeing the supply of natural gas is of key importance for the energy security of the Republic pf Bulgaria. In order to achieve these goals, Bulgargaz EAD makes every effort to provide alternative sources and routes for the supply of natural gas to help increase the security and reliability of gas supplies. This is related to maintaining constant financial stability and increasing the economic efficiency of the Company's operations, under the conditions of market uncertainty in the country and high intercompany indebtedness.

The market goals of Bulgargaz EAD are related to maintaining its market position in the country and entering new regional gas markets. In order to achieve these objectives, Bulgargaz EAD should register as a natural gas trader and access to the gas transmission networks of neighbouring countries, as well as offer flexible and competitive commercial terms.

The financial objectives of Bulgargaz EAD are related to ensuring the financial stability of the Company.

- As regards the regulated market, the regulatory framework regulates the pricing of Bulgargaz EAD for sales on the regulated market. Ordinance No 2 of 19 March 2013 for the regulation of natural gas prices sets an upper limit for the component for the 'public supply' activity to 2.5% per year, which should ensure a return on the Company's costs and capital. However, this component does not include a large part of the company's financial costs.

- With regard to the free market, after 01 January 2020, Bulgargaz EAD, in order to ensure a level playing field between the Company's customers, proposed a uniform approach to the formation of the prices at which it supplies natural gas on the regulated market and, respectively, the prices under the contracts, which were initially concluded under the conditions of regulated prices, and after the entry into force of the Act for amending and supplementing the EA should be executed at freely negotiated prices. In order to ensure a smooth transition and to protect the interests of both parties to the maximum extent, Bulgargaz EAD proposed to its customers that the formation of the sales prices under the Contracts be carried out in accordance with the provisions of Ordinance 2 of 19 March 2013. From 2022, the components forming the sales price set by the Ordinance shall include a surcharge covering the costs of Bulgargaz EAD which are not included in the calculation of the regulated price. The approach applied by the Company ensures the objective and transparent formation of the gas price. The non-financial goals of Bulgargaz EAD are related to the Company's activities in the context of social responsibility and sustainable development, as well as the results achieved in these directions. Investments in the Company's social policy, as well as publicity and transparency of the activities, development of an integrated and competitive energy market.

- Updating the administrative structure and developing human resources. Human resources are the most important corporate asset and a key factor in achieving efficiency, economic growth and competitiveness.

  Creating a strategy for HR management means making a targeted effort by creating rules and mechanisms for their management. A clear concept of HR management goals and outcomes is needed. Sufficient financial resources are also needed to improve the professional qualifications of employees and obtain specific knowledge related to the new conditions of the natural gas market, the diversification of sources

and delivery routes, the specifics of concluding LNG transactions and applying European and national legislation.

VI. FINANCIAL AND ECONOMIC POSITION

The financial and economic position of Bulgargaz EAD has been reviewed and analysed on the basis of the annual financial statements, which comprise the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of equity of the Company as at 31 March 2025 compared to the same period in 2024.

The main financial and economic results of the Company's activities as at 31 March 2025 and as at 31 March 2024 are presented as follows:

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Indicators	31 March 2025	31 March 2024	Change	Change (%)
Total operating revenue	586,356	444,002	142,354	32.06%
Total operating expenses	(611,815)	(532,762)	(79,053)	14.84%
EBITDA	**(25,459)**	**(88,760)**	**63,301**	**71.32%**
EBIT	**(25,564)**	**(88,871)**	**63,307**	**71.23%**
EBT	**(32,443)**	**(100,896)**	**68,453**	**67.85%**

Indicators	31 March 2025	31 December 2024	Change	Change (%)
Fixed tangible assets	187	223	(36)	(16.14%)
Total assets	1,979,244	1,899,646	79,598	4.19%
Current assets	1,954,607	1,874,953	79,654	4.25%
Current liabilities	1,578,108	1,466,067	112,041	7.64%
Cash balances	**3,308**	**1,254**	**2,054**	**163.80%**
Working capital	**376,499**	**408,886**	**(32,387)**	**(7.92%)**
Equity	**(222,814)**	**(190,371)**	**(32,443)**	**(17.04%)**
Share capital	231,698	231,698	0	0.00%
Reserves	21,133	21,133	0	0.00%
Accumulated loss/ Retained earnings	(443,202)	(127,313)	(315,889)	248.12%
Loss for the current period	**(32,443)**	**(315,889)**	**283,446**	**89.73%**
Number of personnel	**55**	**56**	**(1)**	**(1.79%)**

VII. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

000'BGN

STATEMENT OF COMPREHENSIVE INCOME	As at 31 March 2025		As at 31 March 2024		Change	
	000'BGN	% of the total	000'BGN	% of the total	000'BGN	%
Revenue	**586,356**	**100.00%**	**444,002**	**100.00%**	**142,354**	**32.06%**
Revenues from sale of natural gas	**576,566**	**100.00%**	**425,542**	**95.84%**	**144,839**	**34.04%**
Regulated activity	468,076	79.83%	325,795	73.38%	142,281	43.67%
Unregulated activity freely negotiated prices	70,805	12.08%	87,341	19.67%	(16,536)	(18.93%)
Organized stock market/ Anonymous segment	-	0.00%	4,946	1.11%	(4,946)	(100.00%)
Organised stock market/ Non-anonymous segment	16,119	2.75%	-	0.00%	16,119	-
LNG for technological needs at the Alexandroupolis terminal	6,185	1.05%	-	-	6,185	-
Related parties — BTG sale of natural gas for balancing	7,176	1.22%	2,948	0.66%	4,228	143.42%
Other penalties — sanctions for amounts	8,205	1.40%	4,512	1.02%	3,693	81.85%
Other revenue	**9,790**	**1.67%**	**18,460**	**4.16%**	**(8,670)**	**(46.97%)**
— penalties on overdue receivables/payables	9,189	1.57%	18,764	4.23%	(9,575)	(51.03%)
— other revenue	601	0.10%	(304)	(0.07%)	905	(297.70%)
Expenses by economic elements	**(611,815)**	**100.00%**	**(532,762)**	**100.00%**	**(79,053)**	**14.84%**
Prime cost of natural gas sold	**(563,933)**	**92.17%**	**(463,284)**	**86.96%**	**(100,649)**	**21.73%**
Regulated activity	(466,229)	76.20%	(362,038)	67.95%	(104,191)	28.78%
Unregulated activity freely negotiated prices	(67,207)	10.98%	(92,582)	17.38%	25,375	(27.41%)
Organized stock market/ Anonymous segment	-	0.00%	(5,074)	0.95%	5,074	(100.00%)
Organised stock market/ Non-anonymous segment	(16,053)	2.62%	-	0.00%	(16,053)	-
LNG for technological needs at the Alexandroupolis terminal	(6,185)	(1.05%)	-	-	(6,185)	-
Related parties — BTG at cost of natural gas for balancing	(8,259)	1.35%	(3,590)	0.67%	(4,669)	130.06%
Recovered/(accrued) impairment of assets	**13,873**	**-2.27%**	**1**	**0.00%**	**13,872**	**1387200.00%**
Recovered/(accrued) impairment of receivables, net	13,873	(2.27%)	1	0.00%	13,872	1387200.00%
Cost of materials	**(9)**	**0.00%**	**(12)**	**0.00%**	3	(25.00%)

STATEMENT OF COMPREHENSIVE INCOME	As at 31 March 2025		As at 31 March 2024		Change	
	000'BGN	% of the total	000'BGN	% of the total	000'BGN	%
— fuels and lubricants	(2)	0.00%	(2)	0.00%	-	0.00%
— office supplies and consumables	(4)	0.00%	(6)	0.00%	2	(33.33%)
— sanitary materials	(2)	0.00%	(2)	0.00%	-	0.00%
— other materials	(1)	0.00%	(2)	0.00%	1	(50.00%)
Hired services expenses	**(3,217)**	**0.53%**	**(3,911)**	**0.73%**	**694**	**(17.74%)**
— costs for storage of natural gas	(2,968)	0.49%	(2,757)	0.52%	(211)	7.65%
— LNG gas transmission services adjustment	-	0.00%	(18)	0.00%	18	(100.00%)
— costs under BEH management contracts	(18)	0.00%	(61)	0.01%	43	(70.49%)
— license fees	(210)	0.03%	(337)	0.06%	127	(37.69%)
— fees for Gas Hub Balkan	(11)	0.00%	(74)	0.01%	63	(85.14%)
— insurances	(87)	0.01%	(83)	0.02%	(4)	4.82%
— rents	(65)	0.01%	(65)	0.01%	-	0.00%
— court fees and costs	2,101	(0.34%)	(3)	0.00%	2,104	(70133.33%)
— consulting and auditing services	(1,647)	0.27%	(188)	0.04%	(1,459)	776.06%
— communications	(95)	0.02%	(79)	0.01%	(16)	20.25%
— remunerations of audit committee members	(17)	0.00%	(42)	0.01%	25	(59.52%)
— building maintenance	(3)	0.00%	-	0.00%	(3)	-
— utilities	(12)	0.00%	(12)	0.00%	-	0.00%
— subscription service	(9)	0.00%	(5)	0.00%	(4)	80.00%
— repair and technical maintenance	-	0.00%	(3)	0.00%	3	(100.00%)
— parking spaces and other costs for motor vehicles	(5)	0.00%	(5)	0.00%	-	0.00%
— visa and translation services	(3)	0.00%	(6)	0.00%	3	(50.00%)
— security	(35)	0.01%	(39)	0.01%	4	(10.26%)
— occupational medicine	(4)	0.00%	(4)	0.00%	-	0.00%
— fees — EWRC for price approval	(4)	0.00%	(3)	0.00%	(1)	33.33%
— other services	(125)	0.02%	(127)	0.02%	2	(1.57%)
Costs for unused capacity	**(55,371)**	**9.05%**	**(64,278)**	**12.07%**	**8,907**	**(13.86%)**
Employee benefits and social security expenses	**(1,157)**	**0.19%**	**(1,242)**	**0.23%**	**85**	**(6.84%)**
— employee benefits expenses	(1,032)	0.17%	(1,124)	0.21%	92	(8.19%)
— social security expenses	(125)	0.02%	(118)	0.02%	(7)	5.93%
Recognized (accrued) provision expenses	-	0.00%		0.00%	-	-
Other expenses	**(2,000)**	**0.33%**	**(36)**	**0.01%**	**(1,965)**	**5458.33%**
— business trips and entertainment costs	(9)	0.00%	(10)	0.00%	1	(10.00%)
— trainings	(3)	0.00%	(1)	0.00%	(2)	200.00%
— one-off taxes	(18)	0.00%	(21)	0.00%	3	(14.29%)

STATEMENT OF COMPREHENSIVE INCOME	As at 31 March 2025		As at 31 March 2024		Change	
	000'BGN	% of the total	000'BGN	% of the total	000'BGN	%
— membership in the organization	(12)	0.00%	(1)	0.00%	(11)	1100.00%
— donations	-	0.00%	(3)	0.00%	3	(100.00%)
- Costs for reinvoiced capacity	(1,958)	0.32%	-	0.00%	(1,958)	-
Profit before interest depreciation taxes	**(25,459)**		**(88,760)**		**63,301**	**71.32%**
Depreciation charges	**(105)**	**0.02%**	**(111)**	**0.02%**	**6**	**(5.41%)**
Profit/(loss) from operating activities	**(25,564)**		**(88,871)**		**63,307**	**71.23%**
Financial income/(expenses)-net	**(6,879)**		**(12,025)**		**5,146**	**42.79%**
Financial income	**1**	**100.00%**	**-**	**-**	**1**	**-**
— Interest income on cash and cash equivalents	1	100.00%	-	-	**1**	**-**
Financial costs	**(13,538)**	**100.00%**	**(11,680)**	**100.00%**	**(1,858)**	**15.91%**
— interest expense on loans from related entities — Ministry of Energy	(4,000)	29.55%	(4,109)	35.18%	109	(2.65%)
— interest expense on loans to related entities — BEH	(5,158)	38.10%	(5,176)	44.32%	18	(0.35%)
— interest expense on loans to banks	(2,289)	16.91%	(831)	7.11%	(1,458)	175.45%
— interest expenses under rental agreements	(1)	0.01%	(2)	0.02%	1	(50.00%)
— other interest expenses	(254)	1.88%	-	-	(254)	-
— bank guarantee costs	(528)	3.90%	-	0.00%	(528)	-
— bank fees	(1,307)	9.65%	(1,562)	13.37%	255	(16.33%)
Other financial revenues/expenses — currency differences	**6,657**	100.00%	**(345)**	100.00%	7,002	(2029.57%)
Foreign exchange rate gain/loss	6,657	100.00%	(345)	100.00%	7,002	(2029.57%)
Profit/(loss) before tax	**(32,443)**		**(100,896)**		**68,453**	**(67.85%)**
Income from/(expenses on) profit taxes	-				-	
Net profit/(loss) for the period	**(32,443)**		**(100,896)**		**68,453**	**(67.85%)**

1. Revenue

The Company's revenues are formed from the sales of natural gas at regulated and freely negotiated prices. The sale at freely negotiated prices includes the sale at exit points to customers directly connected to the transmission network and sale on the exchange market.

The Company has realized revenues in the amount of BGN 586,356 thousand as at 31 March 2025 (as at 31 March 2024 BGN 444,002 thousand). The increase is BGN 142,354 thousand or 32.06% compared to the previous reporting period, and it is due to the higher sales volume in the regulated activity. The net result from the sale of natural gas as at 31 March 2025 amounts to BGN -12,633 thousand (as at 31 March 2024 it was BGN -37,742 thousand), which makes an increase of BGN 25,109 thousand.

2. Expenses

Expenses by economic elements include: cost of natural gas sold, impairment losses, costs of materials, costs of external services, depreciation charges, employee benefits expenses, expenses for remunerations of key management staff, social security and allowance expenses, provision expenses and others. As at 31 March 2025, they amount to BGN 611,815 thousand (as at 31 March 2024: BGN 532,762 thousand), which makes an increase by BGN 79,053 thousand or 84%.

- The largest relative share of the total expenses is the cost of natural gas sold as at 31 March 2025 in the amount of BGN 563,933 thousand (as at 31 March 2024: BGN 463,284 thousand).
- In the first quarter of 2025, some of the quantities stored with BOTAŞ that were impaired in prior periods were withdrawn and as a result, an impairment charge of BGN 13,826 thousand was reversed.
- The cost of materials as at 31 March 2025 is BGN 9 thousand (as at 31 March 2024: BGN 12 thousand), which makes an increase of BGN 3 thousand or 25.00%. Materials costs include stationery and supplies, sanitary materials, auto parts, tires and other materials.
- The hired services expenses as at 31 March 2025 are BGN 3,217 thousand (as at 31 March 2024: BGN 3,911 thousand), which makes a decrease of BGN 694 thousand or 17.74%.
- The cost of unused capacity as at 31 March 2025 are BGN 55,371 thousand (as at 31 March 2024: BGN 64,278 thousand), which makes a decrease of BGN 8,907 thousand or 13.86%. This decrease is due to the higher utilisation of the reserved capacity under the agreement with BOTAŞ, which reached 40% of the contract volume in the first quarter of 2025. The amount of costs as at 31 December 2025 includes the unused capacity from Botaş, ICGB, Desfa and Gastrasde.
- Expenses for remuneration and insurance as at 31 March 2025 amount to BGN 1,157 thousand (as at 31 March 2024: BGN 1,242 thousand), which makes a decrease of BGN 85 thousand or 6.84%.
- Other expenses as at 31 March 2025 are in the amount of BGN 2,001 thousand (as at 31 March 2024: BGN 36 thousand), which makes an increase of BGN 1,965 thousand. This increase is due to the cost of re-invoiced capacity in the amount of BGN 1,958 thousand.

The result from operating activities is a loss of BGN 25,564 thousand as at 31 March 2025 (as at 31 March 2024: the loss amounted to BGN 88,871 thousand), which is a decrease of the loss by BGN 63,307 thousand. The loss for the period is due to the cost of unused capacity.

After reflecting the financial income and expenses as at 31 March 2025, the financial result before taxes is loss of BGN 32,443 thousand (as at 31 March 2024: loss: BGN 100,896 thousand), which is a decrease of the loss by BGN 68,453 thousand or 67.85%.

VIII. STATEMENT OF FINANCIAL POSITION

As at 31 March 2025, the Company's assets amount to BGN 1,954,607 thousand (as at 31 December 2024: BGN 1,899,646 thousand). The changes in the structure of assets for both periods are shown in the following table:

000'BGN

Assets	As at 31 March 2025		As at 31 December 2024		Change	
	000'BGN	% of the total	000'BGN	% of the total	000'BGN	%
Non-current assets						
Plant and equipment	187	0.76%	223	0.90%	(36)	(16.14%)
Intangible assets	293	1.19%	313	1.27%	(20)	(6.39%)
Deferred tax assets	24,157	98.05%	24,157	97.83%	-	0.00%

Assets	As at 31 March 2025		As at 31 December 2024		Change	
	000'BGN	% of the total	000'BGN	% of the total	000'BGN	%
Total amount of non-current assets	**24,637**	**100.00%**	**24,693**	**100.00%**	**(56)**	**(0.23%)**
Current assets						
Inventories	**221,846**	**11.35%**	**305,980**	**16.32%**	**(84,134)**	**(27.50%)**
— natural gas	221,835	11.35%	305,969	16.32%	(84,134)	(27.50%)
— materials	11	0.00%	11	0.00%	-	0.00%
Trade and other receivables and contract assets	**1,729,453**	**88.48%**	**1,567,719**	**83.61%**	**161,734**	**10.32%**
— trade receivables from sale of natural gas	1,129,540	57.79%	953,765	50.87%	175,775	18.43%
— contract assets	20,532	1.05%	37,014	1.97%	(16,482)	(44.53%)
— court and awarded receivables, net	40,816	2.09%	33,565	1.79%	7,251	21.60%
— Advance payments	**461,460**	**23.61%**	**456,017**	**24.32%**	**5,443**	**1.19%**
— prepaid advances for natural gas delivery	441,227	*22.57%*	*453,424*	24.18%	(12,197)	*(2.69%)*
— prepaid services	20,233	*1.04%*	*2,593*	0.14%	17,640	*680.29%*
— prepaid advances for delivery of fixed assets	0	*0.00%*	-	0.00%	-	
— receivables under a contract with Gazprom	19,685	1.01%	21,861	1.17%	(2,176)	(5.44%)
— receivables from related parties (natural gas, deposits and guarantees)	39,345	2.01%	40,007	2.13%	(662)	(1.65%)
— other receivables	18,075	0.92%	25,490	1.36%	(7,415)	(29.09%)
Cash and cash equivalents	**3,308**	**0.17%**	**1,254**	**0.07%**	**2,054**	163.80%
Total amount of current assets	**1,954,607**	**100.00%**	**1,874,953**	**100.00%**	**79,654**	**4.25%**
Total assets	**1,979,244**		**1,899,646**		**79,598**	**4.19%**

1. Non-current assets

As at 31 March 2025 they amount to BGN 24,637 thousand (as at 31 December 2024 they are BGN 24,693 thousand), which represents a decrease by BGN 56 thousand or 0.23%. Non-current assets during the reporting period are formed by non-current tangible and intangible assets in the amount of BGN 480 thousand and deferred tax assets for BGN 24,157 thousand.

2. Current assets

The current assets of the Company as at 31 March 2025 amount to BGN 1,954,607 thousand (as at 31 December 2024 – BGN 1,874,953 thousand), which represents an increase of BGN 79,654 thousand or 4.25% mainly as a result of a decrease in inventories.

- *Receivables from sales of natural gas*

Receivables from sales of natural gas are on the rise due to Toplofikacia Sofia EAD's delay in repaying its obligations regularly and on time. As of 31 March 2025, the outstanding gross receivables under the natural gas supply contract of Toplofikatsia Sofia EAD to Bulgargaz EAD amount to BGN 1,249,319 thousand (31 December 2024: BGN 985,525 thousand).

In order to overcome the indebtedness of the district heating company, in September 2022 a Tripartite Agreement was signed between Toplofikacia Sofia EAD, the Electricity System Security Fund, Bulgarian Energy Holding EAD and Bulgargaz EAD, under which the monthly amounts from the Fund's payments are redirected to Bulgargaz EAD and Bulgarian Energy Holding EAD in an 80/20 ratio. The settlement has improved collection rates, but the amount of receivables remains substantial.

- *Inventories*

As at 31 March 2025, inventories amount to BGN 221,846 thousand (31 December 2024: BGN 305,980 thousand), which makes a decrease of BGN 84,134 thousand or 27.50%. This decrease is due to the withdrawal in the first quarter of 2025 from the UGS Chiren. The usual seasonal nature of the activity implies that in the summer period of the year the Company injects natural gas into UGS Chiren, and during the winter months produces it for sale. During the period January – December 2024, the company withdrew significant amounts of 2,199,675 MWh from UGS Chiren and continued withdrawing in the first quarter of 2025, which reduced the amount of inventory built up from previous years at prices higher than the current market ones.

- *Prepaid advances*

The prepaid advances as at 31 March 2025 amount to BGN 461,460 thousand (31 December 2024: BGN 456,017 thousand), which makes an increase of BGN 5,443 thousand or 1.19%. For the most part, these advances represent stocks of liquefied natural gas delivered by the company to Turkish terminals, located in the gas transmission network of Botaş, available for delivery to the Bulgarian gas transmission network, which as at 31 March 2025 is in the amount of 1,501 thousand. MWh (as at 31 December 2024: 1,030 thousand MWh).

- *Cash*

The Company's cash in current accounts at the end of the reporting period amounted to BGN 3,308 thousand (as at 31 December 2024: BGN 1,254 thousand), which is an increase by BGN 2,054 thousand or 163.80%.

Bulgargaz EAD uses overdrafts from commercial banks to cover its operating expenses – five bank overdrafts with the suretyship of the Buglarian Energy Holding with a total limit of BGN 219,900 thousand and two state guaranteed overdrafts with a total limit of BGN 234,700 thousand. As at 31 March 2025, the disbursements from the overdrafts are as follows:

— bank loans of an overdraft type — drawn-down funds as at 31 March 2025 in the amount of BGN 108,464 thousand. (as at 31 December 2024, the drawn-down funds amounted to BGN 0).

— state guaranteed loans of an overdraft type – as at 31 March 2025, the drawn-down funds used amounted to BGN 234,317 thousand. (as at 31 December 2024, the drawn-down part is BGN 199,020 thousand.

3. Changes in the structure of capital and liabilities

000'BGN

Equity and liabilities	As at 31 March 2025		As at 31 December 2024		Change	
	000'BGN	% of the total	000'BGN	% of the total	000'BGN	%
Equity						
Share capital	231,698	(103.99%)	231,698	-121.71%	-	0.00%
Reserves	**21,133**	(9.48%)	**21,133**	**-11.10%**	-	0.00%
incl. statutory reserves	21,166	(9.50%)	21,166	-11.12%	-	0.00%
Other reserves	(33)	0.01%	(33)	0.02%	-	0.00%

Equity and liabilities	As at 31 March 2025		As at 31 December 2024		Change	
	000'BGN	% of the total	000'BGN	% of the total	000'BGN	%
Accumulated loss/Retained earnings	(443,202)	198.91%	(127,313)	66.88%	(315,889)	(248.12%)
Profit/loss for the current period	(32,443)	14.56%	(315,889)	165.93%	283,446	89.73%
Total equity	**(222,814)**	**100%**	**(190,371)**	**100%**	**(32,443)**	**(17.04%)**
Liabilities						
Non-current liabilities						
Loans:	**570,000**	**91.35%**	**570,000**	**91.35%**	**-**	**0.00%**
— Short-term loans from related parties BEH	570,000	91.35%	570,000	91.35%	-	0.00%
Lease obligation	59	0.01%	59	0.01%	-	0.00%
Provisions	53,715	8.61%	53,715	8.61%	-	0.00%
Retirement benefits obligations	176	0.03%	176	0.03%	-	0.00%
Total amount of non-current liabilities	**623,950**	**100.00%**	**623,950**	**100.00%**	**-**	**0.00%**
Current liabilities						
Borrowings	**1,204,611**	**76.33%**	**1,060,603**	**72.34%**	**144,008**	**13.58%**
— related party received loans payable	861,453	54.59%	861,453	58.76%	-	0.00%
— bank overdraft loans payable	343,136	21.74%	199,020	13.58%	144,116	72.41%
— bank overdraft loans payable	22	0.00%	130	0.01%	(108)	(83.08%)
Trade and other payables	**373,369**	**23.66%**	**405,304**	**27.65%**	**(31,935)**	**(7.88%)**
— trade payables	274,955	17.42%	293,471	20.02%	(18,516)	(6.31%)
— liabilities to related parties	8,731	0.55%	10,210	0.70%	(1,479)	(14.49%)
— advances received from customers for the sale of natural gas	18,217	1.15%	36,421	2.48%	(18,204)	(49.98%)
— VAT payable	38,669	2.45%	40,557	2.77%	(1,888)	(4.66%)
— excise duty payable	705	0.04%	1,412	0.10%	(707)	(50.07%)
— payables to employees	177	0.01%	208	0.01%	(31)	(14.90%)
— liabilities to insurance companies	112	0.01%	115	0.01%	(3)	(2.61%)
— other liabilities	31,803	2.02%	22,910	1.56%	8,893	38.82%
Lease obligation	**97**	**0.01%**	**129**	**0.01%**	**(32)**	**(24.81%)**
Retirement benefits obligations	**31**	**0.00%**	**31**	**0.00%**	**-**	**0.00%**
Total amount of current liabilities	**1,578,108**	**100.00%**	**1,466,067**	**100.00%**	**112,041**	**7.64%**
Total liabilities	**2,202,058**		**2,090,017**		**112,041**	**5.36%**
Total equity and liabilities	**1,979,244**		**1,899,646**		**79,598**	**4.19%**

3.1. Capital structure

The registered share capital as at 31 March 2025 amounted to BGN 231,698 thousand, as there is no change compared to the previous reporting period.

As at 31 March 2025, the accrued loss from past years amounted to BGN 443,202 thousand (as at 31 December 2024: the accrued loss is BGN 127,313 thousand). The change as at 31 March 2025 is BGN 315,889 thousand.

The financial result for 31 March 2025 is a loss of BGN 32,443 thousand (the loss for 2024 is in the amount of BGN 315,889 thousand), resulting in a negative value of equity. The loss is mainly due to unused capacity costs as well as financial costs for interest on extended loans.

3.2. Non-current liabilities

The Company's non-current liabilities as at 31 March 2025 amounted to BGN 623,950 thousand, as there is no change compared to the previous reporting period. Non-current liabilities are formed by two loans received from the sole owner BEH EAD, an accrued provision for a legal liability related to *Case COMP/B1/AT.39849 — BEH gas*, a lease liability and retirement benefit obligations.

- *Borrowed funds*

As at 31 March 2025, the Company has utilized cash loans from the sole owner BEH EAD for the amount of BGN 630,000 thousand, of which BGN 570,00 thousand in the form of non-current liabilities.

- *Provision related to Case COMP/B1/AT.39849-BEH Gas*

The provision accrued as at 31 December 2024 in Case COMP/B1/AT.39849-BEH Gas is BGN 52,720 thousand, representing one third of the total amount of the pecuniary sanction imposed on BEH EAD, Bulgartransgaz EAD and Bulgargaz EAD. Case COMP/B1/AT.39849 — BEH gas concerns a possible violation of Article 102 of the Treaty on the Functioning of the European Union (TFEU) in connection with allegations by the European Commission (EC) concerning the actions of Bulgarian Energy Holding EAD and its subsidiaries — Bulgargaz EAD and Bulgartransgaz EAD aimed at:

- preventing their competitors from gaining an access to key gas infrastructure (gas transmission network and natural gas storage facility) in the Republic of Bulgaria, such as explicitly or implicitly denying third parties access or causing delays;
- preventing competitors from gaining an access to the main import pipeline by reserving capacity that remains unused. The proceedings were instituted in 2013 with a view to adopting a decision under Chapter 3 (Articles 7 to 10) of Regulation 1/2003. On 23 March 2015, the European Commission issued a Statement of Objections. Bulgarian Energy Holding EAD and its gas subsidiaries submitted their respective responses to the European Commission on 9 July 2015 (Bulgargaz EAD), 10 July 2015 (Bulgarian Energy Holding EAD) and 17 July 2015 (Bulgartransgaz EAD).

On 24 November 2017, a decision was adopted by the 44th National Assembly (NA) of the Republic of Bulgaria to take the necessary actions to close Case COMP/B1/AT.39849 — BEH gas, whereby the National Assembly supported the closure of the case under Article 7 of Regulation (EC) No 1/2003 without acknowledging the infringements alleged by the European Commission and without taking responsibility for them, fulfilling the obligations arising from a possible prohibition decision, including a possible financial penalty.

On 26 July 2018, a decision was adopted by the 44th National Assembly (NA) of the Republic of Bulgaria to take action to close Case COMP/B1/AT.39849 — BEH gas under Article 9 of Regulation (EC) No 1/2003 by undertaking commitments on the part of Bulgaria and reaching an agreement with the European Commission. The second decision of the National Assembly was motivated by the development of case COMP/B1/AT.39816 between the European Commission and PJSC Gazprom and OOO Gazprom Export, on which on 24 May 2018 the Commission announced that an agreement had been reached and closed under the provisions of Article 9 of Regulation (EC) No 1/2003 without imposing a financial sanction on PJSC Gazprom and OOO Gazprom Export.

On 17 December 2018, the European Commission announced its adopted Decision C(2018)8806 in Case COMP/B1/AT.39849–BEH Gas, whereby the European Commission imposed a fine on Bulgarian Energy Holding EAD (BEH EAD), its supply subsidiary Bulgargaz EAD and its gas infrastructure subsidiary Bulgartransgaz EAD (BEH Group) in the amount of EUR 77,068 thousand for allegedly blocking competitors' access to key gas infrastructure in Bulgaria in violation of EU antitrust rules. The decision was received in the offices of the three companies on 19 December 2018, which determines the beginning of the period for appealing the EC Decision (two months and ten days from notification of the Decision to the Parties) and for payment of the fine (three months from the notification of Decision to the Parties), set out therein.

Appealing the decision does not stop the execution of the decision and the corresponding sanction.

On 18 March 2019 a bank guarantee was issued by a selected banking institution through a procedure conducted by Bulgarian Energy Holding EAD. The bank guarantee covers 2/3 of the total amount of the fine in the amount of EUR 77,068 thousand, which secures the obligations of Bulgarian Energy Holding EAD and Bulgargaz EAD under the imposed fine.

On 4 July 2019, the Bulgarian state, through the Ministry of Foreign Affairs, submitted an application to intervene in the case.

On 26 August 2019, the European Commission presented its defense before the General Court in response to an appeal lodged by Bulgarian Energy Holding EAD, Bulgargaz EAD and Bulgartransgaz EAD.

On 29 November 2019, Bulgarian Energy Holding EAD, Bulgargaz EAD and Bulgartransgaz EAD filed a Response against the Defense of the European Commission.

On 20 February 2020 within the specified period by the General Court of the European Union the Republic of Bulgaria through the Ministry of Foreign Affairs (MFA) filed the official position of the Republic of Bulgaria in case T-136/19, provided to the Ministry of Foreign Affairs by the Ministry of Energy, whereby the Bulgarian state intervenes in support of Bulgarian Energy Holding EAD, Bulgargaz EAD and Bulgartransgaz EAD v. European Commission before the General Court of the European Union.

The General Court examined additional documents and requested information in order to clarify all the circumstances attached to the case. By letter of 14 March 2022, the Court requested the European Commission to provide non-confidential versions of the documents listed by the Court. A response from the European Commission is expected.

On 29 September 2022 a hearing on the Case BEH Gas (Case T-136/19 of the General Court of the EU) was held, at which the Court heard the parties and Bulgaria's position on the case was presented. After the hearing, the court asked the parties to submit additional documents, and the deadline for this was extended to 25 November 2022.

On 25 October 2023, the Court of First Instance rendered a judgment in favour of Bulgarian Energy Holding EAD, Bulgartransgaz EAD and Bulgargaz EAD, by which the Court of First Instance annulled in full the fine imposed by the European Commission on the three companies of the BEH Group, which the European Commission amounted to EUR 77,068 thousand.

On 10 January 2024, an appeal was lodged by the European Commission against the judgment of the Court of First Instance, seeking to set aside the judgment of the General Court in its entirety. Due to the retaliatory actions taken by the EC and the appeal of the European Court of Justice's decision, the management of BEH Group has decided not to reimburse the recognised provision until the case is finally resolved. This decision is supported by

the opinion of an independent legal advisor. The Company has recognised interest expense of BGN 615 thousand. (2022: BGN 754 thousand) as an increase in the amount of the interest provision related to the maintenance of collateral in the form of a bank guarantee.

As at 31 December 2023, the bank guarantee securing the obligations of Bulgarian Energy Holding EAD, Bulgartransgaz EAD and Bulgargaz EAD has been released.

The carrying amount of the provision in the lawsuit is BGN 53,715 thousand, including principal of BGN 50,244 thousand (31 December 2023: BGN 50,244 thousand), representing one third of the total amount of the fine imposed and interest thereon as at 25 October 2023 amounting to BGN 3,471 thousand. (31 December 2023: BGN 3,471 thousand). Management's expectation is that final resolution of the dispute will occur more than 12 months from the balance sheet date. In 2024, no interest was charged on the fine imposed.

3.3. Current liabilities

As at 31 March 2025, the Company's current liabilities amount to BGN 1,578,108 thousand (as at 31 December 2024: BGN 1,466,067 thousand), which is an increase of BGN 112,041 thousand.

- *Borrowed funds*

As at 31 March 2025, the Company has withdrawn loans in the total amount of BGN 1,204 611 thousand (as at 31 December 2024: BGN 1,060,603 thousand), which is an increase of BGN 144,008 thousand. This increase is due to the drawn-down portion of the additional overdrafts drawn in the first quarter of 2025 to secure the natural gas supplies.

- *Trade payables*

As at 31 March 2025, trade and other liabilities decreased by BGN 31,935 thousand or 7.88% compared to 31 December 2024 mainly due to the net effect of:

- ✓ decrease in trade liabilities by BGN 18,516 thousand or by 6.31% compared to 31 December 2024.
- ✓ a decrease in advances received from customers for the sale of natural gas by BGN 18,204 thousand or by 49.98% more compared to 31 December 2024.

IX. STATEMENT OF CASH FLOWS

The table shows data on changes in cash flows as at 31 March 2025, compared to 31 March 2024:

Statement of cash flows	As at 31 March 2025	As at 31 March 2024	Change	
	000'BGN	000'BGN	000'BGN	%
Net cash flows from operating activity	(126,385)	(46,568)	(79,817)	**(63.15%)**
Net cash flows from investing activity	(94)	(135)	42	**43.62%**
Net cash flows from financing activity	128,963	94,117	34,847	**(27.02%)**
Net change in cash and cash equivalents during the period	**2,483**	**47,414**	**(44,927)**	**1809.54%**
Cash and cash equivalents at the beginning of the period	**1,255**	**2,270**	**(1,015)**	**80.88%**
Exchange profit/loss on cash and cash equivalents	**(429)**	**(148)**	**(281)**	**(65.50%)**

Statement of cash flows	As at 31 March 2025	As at 31 March 2024	Change	
	000'BGN	000'BGN	000'BGN	%
Impairment of cash under IFRS	(1)	(4)	3	300.00%
Cash and cash equivalents at the end of the period	3,308	49,532	(46,220)	1397.34%

The net cash flow from operating activities of the Company as at 31 March 2025 was negative in the amount of BGN 126,385 thousand (as at 31 March 2024: negative in the amount of BGN 46,568 thousand) It is formed by the difference between the proceeds from customers for natural gas sold and the amounts paid to natural gas suppliers for the period.

Net cash flows from investing activities are negative in the amount of BGN 94 thousand, which represents an increase by BGN 42 thousand compared to 31 March 2024.

Net cash flows from financial activities are positive in the amount of BGN 128,963 thousand (as at 31 March 2024: Positive in the amount of BGN 94,117 thousand), which is due to proceeds from banks on overdrafts.

X. FINANCIAL RATIOS

These are indicators based on the financial statements that aim to provide an overall assessment of the financial position, the profitability and the efficiency in the use of assets to meet operational goals.

1. Liquidity

Liquidity ratios represent the ability of the Company to repay its current liabilities with available current assets.

Indicators	As at 31 March 2025	As at 31 December 2024
Current liquidity ratio	1.24	1.28
Quick liquidity ratio	1.10	1.07

The current liquidity ratio as at 31 March 2025 is 1.24, which shows that the available current assets can cover one time the current liabilities of the Company (as at 31 December 2024: 1.28).

The quick liquidity ratio is 1.07, which shows that the available current assets reduced by inventories can cover one time the current liabilities of the Company (as at 31 December 2023: 2.35)

2. Solvency

The indicators of solvency show the degree of financial autonomy (solvency) of the Company from creditors and its ability to meet payments on all liabilities in the long run.

Indicators	As at 31 March 2025	As at 31 December 2024
Solvency ratio	-0.10	-0.09
Debt ratio	-9.88	-10.98

When the financial autonomy ratio is below 1 (one) there is an excess of liabilities to equity. In this case, the existing liabilities are not sufficiently secured by the equity of the Company.

When the ratio is above 1 (one) it shows the degree of solvency from the use of foreign funds. The solvency ratio as at 31 March 2025 is -0.10 (as at 31 December 2023: -0.09).

The debt ratio expresses the degree of dependence of the Company on creditors. When the ratio is greater than 1 (one), the Company's dependence on external sources of funds is greater. This indicator as at 31 March 2025 is -9.88 (as at 31 December 2024: -10.98).

3. Cost-effectiveness ratio

Indicators	As at 31 March 2025	As at 31 December 2024
Cost-effectiveness ratio	0.958	0.833

The results of the calculation of cost-effectiveness ratios allow to determine how much revenue the enterprise receives from the use of a unit of expenditure for the same activity. The coefficient is assumed to be a minimum. It is favourable for the enterprise that the cost efficiency ratio grows.

XI. FINDINGS AND CONCLUSIONS

The information as presented and analysed in the Activity Report of Bulgargaz EAD as at 31 March 2025 shows that the Company fulfils its license obligations as a public supplier and a trader of natural gas on the territory of the Republic of Bulgaria in full compliance with the requirements of the regulations.

The activity is directly dependent on the business environment, the regulatory requirements and the financial security of the Company.

Regardless of the dynamic market conditions during the period under consideration, Bulgargaz EAD strives to respond adequately to market challenges.

XII. EVENTS AFTER THE BALANCE SHEET DATE

The following significant non-adjusting events have occurred after the balance sheet date 31 March 2025:

1/ Pursuant to an agreement entered into in 2020 with a banking institution, the Company has been granted a credit product in the form of a bank guarantee issued in favour of a natural gas supplier. The term is renewed periodically, every six months, and at the last reference — until 11 August 2025 and the amount is USD 140,362 thousand.

2/ In April 2025, Bulgargaz EAD started selling natural gas volumes on the platform of the Romanian exchange Bursa Romana de Marfuri.

3/ At the end of June, Bulgargaz EAD registered its subsidiary for trading in natural gas on the territory of the Republic of Moldova. Furthermore, a trading license of the Republic of Moldova is expected to be obtained.

4/ In order to secure the natural gas volumes during the summer months, Bulgargaz organizes a tender for the delivery of 1 cargo of LNG to a terminal in Turkey. The tender was won by RWE Supply & Trading GmbH.

There are no adjusting and other non-adjusting events occurring after the reporting period date that require additional disclosure or adjustments as of 31 March 2025.

Date: 11 July 2025

Signature: /illegible/	*Signature: /illegible/*
Iliyana Teneva	**Veselin Sinabov**
Chief Accountant	Executive Director

BULGARGAZ EAD

INTERIM CONDENSED FINANCIAL STATEMENT

31 March 2025

BULGARGAZ EAD
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
31 March 2025

(All amounts are in BGN'000)

	Note	AS AT 31 MARCH 2025	AS AT 31 DECEMBER 2024
ASSETS			
Non-current assets			
Property, plant and equipment		187	223
Intangible assets		293	313
Deferred tax assets	11	24,157	24,157
		24,637	**24,693**
Current assets			
Inventories	7	221,846	305,980
Trade and other receivables	9	1,247,461	1,074,688
Prepaid natural gas supplies	8	461,460	456,017
Contract assets		20,532	37,014
Cash and cash equivalents	10	3,308	1,254
		1,954,607	**1,874,953**
TOTAL ASSETS		**1,979,244**	**1,899,646**
EQUITY AND LIABILITIES			
Equity			
Share capital	12	,231,698	231,698
Reserves	13	,21,133	21,133
Accumulated loss		(475,645)	(443,202)
		(222,814)	**(190,371)**
Non-current liabilities			
Borrowings	14	570,000	570,000
Lease payables		59	59
Provisions		53,715	53,715
Retirement benefits obligations		176	176
		623,950	**623,950**
Current liabilities			
Borrowings		1,204,611	1,060,603
Trade and other payables		373,369	405,304
Lease payables		97	129
Retirement benefits obligations		31	31
		1,578,108	**1,466,067**
TOTAL LIABILITIES		**2,202,058**	**2,090,017**
TOTAL EQUITY AND LIABILITIES		**1,979,244**	**1,899,646**

The annual financial statements were approved by the Board of Directors on 11 July 2025 and signed on 11 July 2025.

Signature: /illegible/
Iliyana Teneva
Head of Accounting Department

Signature: /illegible/
Veselin Sinabov
Executive Director

BULGARGAZ EAD
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
31 March 2025

(All amounts are in BGN'000)	Note	YEAR ENDED 31 MARCH	
		2025	**2024**
Revenues from sale of natural gas	16	576,566	425,542
Prime cost of natural gas sold		(563,933)	(463,284)
Gross profit from sale of natural gas		**12,633**	**(37,742)**
Other revenue		9,790	18,460
Expected credit losses and impairment losses on financial assets		46	1
Impairment losses on non-financial assets — advances for natural gas		13,826	-
Hired services expenses		(3,217)	(3,911)
Costs for unused capacity		(55,371)	(64,278)
Employee benefits and social security expenses		(1,157)	(1,242)
Cost of materials		(8)	(12)
Depreciation expenses on non-financial assets		(105)	(111)
Other expenses		(2,000)	(36)
(Loss) / Profit from operating activity		**(25,564)**	**(88,871)**
Interest income		1	0
Interest expense, bank charges and commissions		(13,538)	(11,680)
Foreign exchange loss, net		6,657	(345)
Financial costs, net		**(6,879)**	**(12,025)**
Loss before tax		**(32,443)**	**(100,896)**
Net loss for the year		**(32,443)**	**(100,896)**

The annual financial statements were approved by the Board of Directors on 11 July 2025 and signed on 11 July 2025.

Signature: /illegible/
Iliyana Teneva
Head of Accounting Department

Signature: /illegible/
Veselin Sinabov
Executive Director

(All amounts are in BGN'000)

	Share capital	Reserves	Accumulated loss	Total equity
AS AT 1 January 2025	**231,698**	**21,133**	**(443,202)**	**(190,371)**
Net loss for the year	-	-	(32,443)	(32,443)
Total comprehensive loss	**-**	**-**	**(32,443)**	**(32,443)**
AS AT 31 March 2025	**231,698**	**21,133**	**(475,645)**	**(222,814)**
AS AT 1 January 2024	**231,698**	**21,130**	**(127,313)**	**125,515**
Net loss for the year	**-**	**-**	**(100,896)**	**(100,896)**
Total comprehensive loss	**-**	**-**	**(100,896)**	**(100,896)**
AS AT 31 March 2024	**231,698**	**21,130**	**(228,209)**	**24,619**

The annual financial statements were approved by the Board of Directors on 11 July 2025 and signed on 11 July 2025

Signature: /illegible/
Iliyana Teneva
Head of Accounting Department

Signature: /illegible/
Veselin Sinabov
Executive Director

BULGARGAZ EAD
INTERIM CONDENSED STATEMENT OF CASH FLOWS
31 March 2025

(All amounts are in BGN'000)

	Note	YEAR ENDED 31 MARCH 2025	2024
CASH FLOWS FROM OPERATING ACTIVITY			
Proceeds from customers		513,042,	574,088
Proceeds of litigation and related fees		183	14
Proceeds from transactions with related parties		1,488	990
Payments to suppliers, including:		(524,945)	(512,697)
For purchase of natural gas		(479,776)	(454,125)
Under transactions with related parties		(52,363)	(57,654)
Payments to other trade counterparties		7,194,	(918)
Taxes paid, different from the income tax		(114,218)	(106,974)
Payments for personnel benefits and social security		(1,191)	(1,286)
Other payments for operating activity, net		(746)	(701)
NET CASH FLOWS FROM OPERATING ACTIVITY		**(126,385)**	**(46,566)**
CASH FLOWS FROM INVESTING ACTIVITY			
Acquisition of intangible assets		-	(3)
Acquisition of plant and equipment		(94)	(132)
Net cash flows from investing activity		**(94)**	**(135)**
CASH FLOWS FROM FINANCING ACTIVITY			
Principal payments on lease contracts		(40)	(50)
Interest payments on lease contracts		(2)	(3)
Proceeds from bank overdraft		411,556	377,270,
Payments of bank overdraft		(267,440)	(250,457)
Proceeds from interests		1,	-
Payments of interest and fees on loans received		(15,112)	(32,644)
Net cash flows from financing activity		**128,963**	**94,116**
Net decrease of cash and cash equivalents during the year		**2,483**	**47,414**
Cash at the beginning of the year, gross		1,255	2,270
Exchange loss on cash, net		(429)	(148)
Expected credit losses on cash		(1)	(4)
Cash at the end of the year	**10**	**3,308**	**49,532**

The annual financial statements were approved by the Board of Directors on 11 July 2025 and signed on 11 July 2025.

Signature: /illegible/
Iliyana Teneva
Head of Accounting Department

Signature: /illegible/
Veselin Sinabov
Executive Director

1. GENERAL INFORMATION

BULGARGAZ EAD (the Company), UIC 175203485, is a sole-owned joint stock company, registered under the Commerce Act, with seat and registered address at city of Sofia Serdika District, 47 Petar Parchevich St. The Company is registered in the Bulgarian Registry Agency, under No 113068, Volume 1534, page 35, company case No 16440/2006 and was registered on the grounds of Decision No 1 of 15 January 2007.

The Company's main activity is the public supply of natural gas as well as purchases and sales related thereto.

The main strategic goals of BULGARGAZ EAD are related to the responsibilities and obligations for continuity and reliability of natural gas supply. Guaranteeing the supply of natural gas is of key importance for the energy security of Bulgaria.

The Company operates under an individual license for public supply of natural gas on the territory of Republic of Bulgaria — License No Л-214-14 [L-214-14] of 29 November 2006, issued by the State Energy and Water Regulatory Commission for a period of 35 years. As at 16 September 2021, the Company holds a Natural Gas Trading License No Л-548-15 [L-548-15] of 16 September 2021 issued by the Energy and Water Regulatory Commission by virtue of Article 31, paragraph 1, item 1, in connection with Article 39, paragraph 5, second sentence of the Energy Act.

Bulgargaz EAD holds a license for trading in natural gas on the territory of the Hellenic Republic under Decision No 247/2020 — indefinite and Decision No 311/2022 for wholesale trading in natural gas on the territory of the Hellenic Republic for a period of 20 years and trades in natural gas on the Hellenic Energy Exchange (ENEX).

On 20 June 2023, by Decision No 0024/2023/P-PE of the Vice President of the Regulatory Office for Network Industries, Slovak Republic, a Permit No 2023P 0370 was issued to Bulgargaz EAD for carrying out activities in the energy sector — gas supply. The validity period of the permit is indefinite.

By Decision No 2274/29 October 2024 of the President of the National Agency for Energy and Water Regulation (ANRE), the economic operator Bulgargaz EAD was confirmed the right to participate in the natural gas markets in Romania for the supply of natural gas activity. The decision is for a period of 1 (one) year.

On 12 December 2024 by Decision No H4955/2024 the Hungarian Energy and Public Utility Regulatory Authority granted Bulgargaz EAD a licence to trade in natural gas in Hungary. This licence shall be valid from the date of notification for an indefinite period of time, provided that the licence holder is actually and lawfully carrying on gas trading activities in a Member State of the European Union or in another State party to the Agreement on the European Economic Area and holds an operating licence for a specified period of time.

Bulgargaz EAD is a registered user of the gas transmission networks of Bulgartransgaz EAD-Bulgaria, DESFA SA-Greece, TRANSGAZ SA-Romania, ICGB Bulgaria, GASTRANS d.o.o. -Serbia.

BULGARGAZ EAD is a sole-owned joint stock company, whose share capital is owned by Bulgarian Energy Holding EAD. The ultimate owner of the Company is the Bulgarian Republic, through the Minister of Energy.

The company is a registered user of the gas transmission network in Serbia.

The Company has a one-tier management system, with governing bodies being the sole owner of the capital and the Board of Directors. As at 31 March 2025 the Company is managed and represented by the Executive Director Veselin Sinabov and has a Board of Directors with the following members:

- Veselin Sinabov — Executive Member of the Board of Directors;
- Ivan Topchiysky — Chairman of the Board of Directors;
- Mihail Milkov — Member of the Board of Directors;
- Byanka Racheva — Member of the Board of Directors;
- Marin Filipovski — Member of the Board of Directors;

As at the date of execution of the present Financial Statements, the Company has an Audit Committee with the following members:

- Elena Angelova Stoilova-Dobreva — Chairperson;
- Galya Dimitrova — Member

- Temenuzhka Lyubenova Hristova — Member

The Company does not generate any reporting information by activities due to the fact that the supply of natural gas is the only activity for the period.

2. STATEMENT OF COMPLIANCE WITH THE IFRS ACCOUNTING STANDARDS AND APPLICATION OF THE GOING CONCERN PRINCIPLE

2.1. STATEMENT OF COMPLIANCE WITH THE IFRS ACCOUNTING STANDARDS ADOPTED BY THE EU

These condensed interim financial statements for the 6-month period ended on 30 June 2024 are prepared in accordance with IAS 34 Interim Financial Statement They do not contain all the information required to prepare a complete annual financial statements in accordance with the International Financial Reporting Standards ('IFRS') and should be read together with the Company's annual financial statements for the year ended 31 December 2024 and prepared in accordance with IFRS, developed and published by the International Accounting Standards Board ('IASB'), adopted for implementation in the European Union ('EU').

The interim financial statement is presented in Bulgarian lev (BGN), which is also the functional currency of the Company. All amounts are presented in thousands BGN (including comparative information for 2024), unless otherwise stated.

2.2. GOING CONCERN PRINCIPLE

As at 31 March 2025, the financial statements are prepared on a going concern principle, which assumes that the Company will continue its operations in the foreseeable future.

As disclosed in Note 1 'General information', the Company has an individual license for public supply of natural gas in the Republic of Bulgaria, issued by the State Energy and Water Regulatory Commission for a period of 35 years and holds a Natural Gas Trading License No JI-548-15 [L-548-15] of 16 September 2021.

The main purpose of the Company is to perform the function of a public supplier of natural gas in the country. The future operations of the Company as a public supplier and trader of natural gas depend on the business environment, the regulatory requirements, valid contracts in place for ensuring natural gas supplies as per consumer needs, contracts in place for sales of natural gas to the customers of the Company, as well as maintaining the necessary financial resources for implementation of its activity.

For the period ending 31 March 2025 the Company reported a net loss of BGN (32,443) thousand. As at 31 March 2025 the accumulated loss is BGN (475,645) thousand, the net cash flow from operating activities is negative, amounting to BGN (126,385) thousand, but the current assets exceed the current liabilities by BGN 376,499 thousand. The loss for the period is mainly due to the cost of unused capacity under the agreement with the Turkish gas company Botaş (BGN 46,546 thousand), as well as unused capacity at other points (BGN 8,825 thousand). Also the financing of the Company with borrowings results in the recognition of significant financial expenses for interest on borrowings received amounting to BGN 13,538 thousand.

The gross result from natural gas sales for the first quarter of 2025 is profit in the amount of BGN 12,633 thousand (as at March (2024: loss in the amount of BGN 37,742 thousand)

As at 31 March 2025, the Company's equity is negative in the amount of (BGN 222,814 thousand) and is below the amount of the registered share capital.

The natural gas market in Europe, in particular in Bulgaria and the region, has undergone significant changes in the last 3 years mainly as a result of the suspension of supplies from Russia to some European countries, including Bulgaria. This has led to active action and efforts by the European Union countries to reduce energy dependence on Russia. At the same time, natural gas consumption in the European Union is also decreasing, with most member states reported to have met the European Commission's target of a 15% reduction in natural gas consumption compared to the average consumption over the previous 5 years for the period August 2022 — March 2024. According to Eurostat, the decline in natural gas consumption for Bulgaria is around 6% in 2024 compared to

consumption in 2023. In the first quarter of 2025, there is no significant change in natural gas consumption compared to the previous years.

In 2024, there has been a downward trend in natural gas prices in European gas markets due to:

- Filled gas storage facilities;
- Provision of alternative LNG supplies;
- Building new LNG regasification terminals at more European ports;
- The relatively warm winter;
- Limiting the economic activity in Asian markets;
- Continued local and regional supplies of Russian natural gas.

In the first quarter of 2025, natural gas prices fluctuate, with up and down moments.

On the basis of the agreement signed on 30 December 2022 with BOTAŞ BORU HATLARI İLE PETROL TAŞIMA A.Ş, Bulgargaz EAD secures access to the LNG regasification terminals in Turkey and its subsequent transportation to the territory of the Republic of Bulgaria under the flexibility of supply. The period of the Agreement between Bulgargaz EAD and Botaş is 01 April 2023—31 December 2035, as by Decision No 26 of 12 January 2023, the Council of Ministers of the Republic of Bulgaria approves the signed Agreement. The Agreement provides for regasification capacity of up to 14 cargoes (14,000,000 MWh) of LNG per year and its subsequent transmission to the interconnection point at the border of the Republic of Turkey and the Republic of Bulgaria — Malkochlar/Strandzha 1, in the amount of up to 19,000,000 MWh per year. The difference in quantities between the LNG delivery capability and the subsequent transmission is to provide flexibility in receiving the quantities of LNG delivered. With a delivery of 14 loads and a transmission entitlement of 14,000,000 MWh, this would mean no flexibility element for the Company, as the same quantity would need to be received each day in a given year in order for all deliveries to be accepted. By contracting for more transmission capacity relative to the delivery capability, significant annual flexibility (estimated at 28% of total volume) is achieved in accepting the quantities delivered. Management's estimate is that in the summer when consumption is lower, the quantities may not be taken in full, as the greater transmission capacity allows these undrawn quantities to be taken in the winter period when consumption is significantly higher. At the same time, this also provides significant flexibility in the requests on a daily basis (during the repair works on 26—27 September 2024, Bulgargaz generated losses of more than BGN 10,000,000 million as a result of a capacity outage in just two days). In addition, the flexibility enjoyed by the Company in ordering and receiving quantities saves significant financial losses from selling quantities of natural gas below cost on the exchange and/or as a positive imbalance to the transmission system operator, not only in the event of interruptions resulting from repair work, but also in the event of non-receipt by the Company's customers. According to our calculations for the period January—March 2024, when the supply to customers was provided within the Agreement, a minimum of BGN 30 million losses were saved from selling below cost on the exchange market and/or as a positive imbalance. In January 2025, the agreement with BOTAŞ secured the required amount of gas during the winter month after two consecutive accidents occurred — first at the Shah Deniz platform and then at the Alexandroupolis terminal.

Furthermore, having such an agreement with terms that provide flexibility in supply management allows, with proper forecasting of natural gas prices, for a profit to be made, such as LNG volumes delivered in the summer period when prices are lower to be marketed in the winter period when prices are higher.

Also, the negotiated price for the service provided under the Agreement is firm for the entire term of the agreement (with annual inflation indexation beginning 1 January 2025), which eliminates the risk to the Company of paying higher prices when demand for storage and regasification slot reservations is high. When Russian supplies to Bulgargaz were halted at the end of April 2022, the only operating terminal in the region, the one in Revithoussa, Greece, had no slots available until the end of 2022. At the auction for storage and regasification slots for 2023 held at the end of 2022, due to the high interest, Bulgargaz EAD was only able to book 2 slots for 2023 and 2 slots for 2024 at significantly higher prices than originally announced.

The term of the Agreement allows for the conclusion of a long-term contract (over 10 years) for the supply of LNG. In the case of long-term LNG contracts, the commodity prices are not linked to the market prices, as is the case for short-term supplies, but are intended to cover the investment for the development of the respective gas field and/or LNG loading terminal.

The conclusion of the Agreement provided a third source of supply for the company, which in turn, in addition to the above advantages, brings security and independence of supply for Bulgarian consumers, as Bulgargaz has thus diversified the routes and sources of supply, providing three interchangeable sources of supply.

The market goals of Bulgargaz EAD are related to maintaining its market position in the country and entering other gas markets. In order to achieve these goals, Bulgargaz EAD shall continue to offer flexible and competitive commercial terms on the market. The natural gas market in Bulgaria is relatively small, and at present it can be assumed that natural gas trading is fully liberalised. It is also essential to improve the functioning of the gas exchange (trading platform 'Gas Hub Balkan' EAD), as a mechanism needs to be developed to guarantee the execution of the transactions concluded. The decisions require joint actions of the state, the independent regulator and Bulgargaz EAD as a participant.

The financial objectives of Bulgargaz EAD are related to ensuring the financial stability of the Company. The Company's management has prepared a business plan and a development forecast based on forecast customer requests, current regulations governing natural gas pricing, obligations under existing contracts with natural gas suppliers and forecasts prepared by leading agencies. The pricing of natural gas applied by the company depends on the market in which it is sold:

- on a regulated market — the pricing is carried out in compliance with the requirements of Ordinance No 2 of 19 March 2013.
- on a free market — pricing is market-based — determined by contracts with customers directly connected to the gas transmission system
- an organized exchange market in the country and in the countries where the company has a 'Trading License' — the pricing follows the market conditions of Balkan Gas Hub EAD and the gas exchanges in the respective countries.
- the sale of services and sales outside an organised exchange market (on domestic and international markets) — pricing follows the market conditions at the time. The main approach to selling outside an organised exchange market is the application of the 'TTFfm + markup' formula.

The company forecasts growth in sales on the exchange/regional market in 2025 as a result of the termination of transit of Russian gas through Ukraine. This is expected to lead to an increase in demand for LNG in Central and Eastern Europe and increased interest in supply via the Greece/Türkiye route to Europe. On 1 October 2024, the Alexandroupolis terminal was commissioned and liquefied natural gas (LNG) supplies to the Bulgarian market were launched.

The main challenges faced by Bulgargaz EAD are related on the one hand to the company's role as a public supplier and trader of natural gas on a liberalised market, and on the other hand to its role in the transition to a carbon-neutral economy (Green Deal). Under these conditions, Bulgargaz EAD should develop its activities as a natural gas trader, at free prices and as each of its competitors strives for a leading role on the Bulgarian market and an expanded presence on the markets in the region. The security of the supplies offered by Bulgargaz EAD, its financial stability and reputation as a reliable partner should be used to its advantage in a freely competitive environment.

The Company's management believes that according to the currently available information, on the basis of which forecasts have been made for the future development of the Company, as well as due to the continued financial and operational support from the sole owner of the capital, the Company will continue its activity and will be able to meet its obligations. The Company will continue to function as a going concern and will settle its liabilities according to their maturities and terms. Given the importance and strategic significance of the activities performed by Bulgargaz EAD, Bulgarian Energy Holding EAD, as the parent company, has neither the intention nor the legal necessity to discontinue the Company's operations, regardless of its financial performance as at 31 March 2025.

The sole shareholder is committed to the continued operational and financial support of Bulgargaz EAD to achieve a sustainable financial and business development model.

In 2025 the principal of the loan taken by Bulgargaz from the Ministry of Energy in the amount of BGN 800,000 thousand matures. According to the repayment plan, the loan is repayable in 6 instalments starting from March 2025. At the time of preparation of the Company's interim financial statements, no principal repayments have been made on the loan as an extension of the loan period and renegotiation of its repayment terms are intended.

The Company's management has made its assessment of the events, facts and circumstances and as a result of the analysis has concluded that the going concern basis has been appropriately applied in the preparation of the interim financial statement as at 31 March 2025.

3. SIGNIFICANT ACCOUNTING POLICY INFORMATION AND CHANGES DURING THE PERIOD

3.1. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS EFFECTIVE FROM 1 JANUARY 2024

The Company has adopted the following new standards, amendments and interpretations to IFRS, issued by the International Accounting Standards Board and approved by EU, which are relevant and effective for the Company's financial statements for the annual period beginning on 1 January 2024.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting effective from 1 January 2024, adopted by EU

The company discloses the material information related to the accounting policy instead of the main accounting policies. The amendments clarify that information about an accounting policy is material if users of the entity's financial statements need it to understand other material information in the financial statements, and if the entity discloses immaterial information about the accounting policy, that information must not outweigh material information accounting policy information.

Changes in the classification of liabilities as current or non-current affect only the presentation of liabilities in the statement of financial position, but not the amount or timing of recognition of assets, liabilities, income, expenses or the information that companies disclose about these items. The amendments aim to clarify the following:

- the classification of liabilities as current or non-current should be based on existing rights at the end of the accounting period and align the wording of the texts in all affected paragraphs to clarify the 'right' to defer the settlement of the liability for at least twelve months. It is expressly stated that only the rights available 'at the end of the reporting period' should affect the classification of the liability;
- the classification is not affected by the company's expectations as to whether it will exercise its right to defer settlement of the liability; and
- the settlement of liabilities may be effected by the transfer of cash, capital instruments, other assets or services to the counterparty.

Changes related to non-current liabilities linked to financial ratios lead to the following considerations related to their classification and disclosures:

- it is clarified that if the right to defer settlement for at least 12 months is subject to conditions being met by the entity after the reporting period, then those conditions will not affect whether the right to defer settlement exists at the end of the reporting period (the reporting date) for the purposes of classifying the liability as current or non-current; and
- the entity is required to disclose information about:
    - the conditions (e.g. the nature and date by which the entity must comply with the condition);
    - whether the entity would be in compliance based on the circumstances at the reporting date; and
    - whether and how the entity expects to meet the conditions by the date they are to be tested under the contract.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier financing agreements effective as from 1 January 2024 adopted by the EU

The amendments to IAS 7 and IFRS 7 add disclosure requirements, as well as guidance within the existing disclosure requirements, relating to the provision of qualitative and quantitative information about trade payable

financing arrangements. These amendments add two disclosure objectives that will require entities to disclose in the explanatory notes information that enables users of financial statements to assess how obligations to suppliers financing arrangements affect an entity's liabilities and cash flows and to understand the effect of financing arrangements of suppliers on the entity's exposure to liquidity risk and how the entity may be affected if arrangements are no longer available to it.

The following new standards, amendments and interpretations to IFRS issued by the International Accounting Standards Board and approved by the EU, which are effective for the annual period beginning on 1 January 2024, are not applicable and do not have a significant impact on the financial results or positions of the Company:

- Amendments to IFRS 16 Leases: Lease liability in a sale and leaseback in force as from 1 January 2024, adopted by the EU
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier financing agreements effective as from 1 January 2024 adopted by the EU

3.2. STANDARDS, AMENDMENTS AND CLARIFICATIONS WHICH HAVE NOT BEEN ENTERED INTO FORCE AND WERE NOT APPLIED FROM AN EARLY DATE BY THE COMPANY

As at the date of approval of these financial statements, new standards, amendments and interpretations have been published to existing standards but have not entered into force or been adopted by the EU for the financial year beginning on 1 January 2024, and were not applied from an earlier date by the Company. The Management expects that all standards and amendments are adopted in the accounting policy of the Company in the first period beginning after their effective date.

Information about these standards and amendments that have an effect on the financial statements of the Company is presented below.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of convertibility, effective as from 1 January 2025, not yet adopted by the EU

The amendments to IAS 21 include:

- specifying when a currency can be exchanged into another currency and when it cannot. A currency is exchangeable when an entity is able to exchange that currency for another currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. A currency cannot be exchanged into another currency if the company can only receive an insignificant amount of the other currency;
- a requirement on how an entity determines the exchange rate to be applied when a currency cannot be exchanged. When a currency cannot be exchanged at the measurement date, an entity measures the spot exchange rate as the rate that would apply in an orderly transaction between market participants at the measurement date and that would fairly reflect prevailing economic conditions.
- a requirement to disclose additional information when the currency is not convertible. When a currency is not convertible, the company discloses information that would enable users of its financial statements to assess how the lack of currency convertibility affects, or is expected to affect, its financial performance, financial position and cash flows.

Amendments to IFRS 9 and IFRS 7 Changes in the Classification and Valuation of Financial Instruments, effective from 1 January 2026, not yet adopted by the EU

Amendments to IFRS 9 and IFRS 7 include:

- Write-off of a financial liability settled by electronic transfer: Amendments to the IFRS 9 application guidance allow a financial liability (or part of a financial liability) that will be settled in cash through an electronic payment system to be considered settled before the settlement date if certain criteria are met. A company that chooses to apply the write-off option will be required to apply it to all settlements made through the same electronic payment system.
- Classification of financial assets:
  - provide guidance on how an entity can assess whether the contractual cash flows of a financial asset are consistent with an underlying lending arrangement. The amendments add examples of financial assets that have contractual cash flows, or have no contractual cash flows, that represent only payments of principal and interest on the outstanding principal amount.

- the description of the term ‘without recourse’ is improved. According to the amendments, a financial asset has the characteristics of a 'non-recourse' financial asset if the entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by certain assets.
- explain the characteristics of contractually linked instruments that distinguish them from other transactions. The amendments also note that not all multiple debt instruments transactions meet the criteria for multiple contractually related transactions instruments and provide an example. References to instruments in the major group may include financial instruments that are not within the scope of the classification requirements.

- Disclosures:
  - — changes disclosures related to investments in equity instruments carried at fair value through other comprehensive income. In particular, an entity would be required to disclose the fair value gain or loss presented in other comprehensive income during the period by showing separately the fair value gain or loss relating to investments derecognised during the period and the fair value gain or loss relating to investments held at the end of the period.
  - the amendments require disclosure of contractual terms that could change the timing or amount of contractual cash flows upon the occurrence (or nonoccurrence) of a contingent event that is not directly related to changes in the underlying credit risks and costs. The requirements apply to each class of financial asset measured at amortised cost or fair value through other comprehensive income and each class of financial liability measured at amortised cost.
- The amendments also include amendments to IFRS 19 Non-publicly accountable subsidiaries: that limit the disclosure requirements for qualifying subsidiaries.

IFRS 18 Presentation and disclosure in financial statements, effective from 1 January 2027, not yet adopted by the EU

IFRS 18 aims to improve the way companies present information in their financial statements by focusing on financial performance information in the income statement. The requirements in IAS 7 Statement of Cash Flows are also partially amended. IFRS 18 replaces IAS 1 Presentation of Financial Statements. The requirements described in IAS 1, which have not been changed, have been transferred to IFRS 18 and other standards. Although IFRS 18 will not affect how companies measure financial performance, it will affect how companies present and disclose financial performance. IFRS 18 aims to improve financial reporting by:

- a requirement for additional defined subtotals in the income statement;
- requiring disclosures about performance indicators set by management;
- adding new principles for grouping information, and requirements on whether information should be contained in the main financial statements or in the notes.

4. ESTIMATES

In preparing the financial statement, the Company’s management makes a number of assumptions and estimates regarding the recognition and measurement of assets, liabilities, revenue and costs. The actual results may differ from the Management’s assumptions, estimates and assumptions and, in rare cases, are fully consistent with pre-estimated results.

In preparing this condensed interim financial statement, the significant judgements of Company’s management in applying the Company’s accounting policies and the main sources of uncertainty of accounting estimates do not differ from those disclosed in the Company’s annual financial statements as of 31 December 2024, except of changes in the estimate of income tax expense.

5. FINANCIAL RISK MANAGEMENT

5.1. FINANCIAL RISK FACTORS

In carrying out its activities, the Company is exposed to a number of financial risks. The most significant financial risks to which the Company is exposed are market risk, credit risk and liquidity risk.

The condensed interim financial statement does not include all the risk management information and disclosures required in the preparation of annual financial statements and should be read in conjunction with the Company’s

annual financial statements as at 31 December 2024. There have been no changes in the risk management policy during the period.

6. SIGNIFICANT EVENTS AND TRANSACTIONS DURING THE PERIOD

In 2025, the following significant events occurred that had a significant effect on the Company's activity and position:

1/ Pursuant to an agreement entered into in 2020 with a banking institution, the Company has been granted a credit product in the form of a bank guarantee issued in favour of a natural gas supplier. The term is renewed periodically, every six months, and at the last reference — until 11 August 2025 and the amount is USD 140,362 thousand.

2/ On 28 January 2025, the LNG terminal near Alexandroupolis stopped operation due to a technical failure. The operator of the terminal, Gaztrade S.A., was unable to fix a date, from which the terminal is expected to resume operations. Therefore, Bulgargaz EAD requested a release of the bank guarantee in the amount of EUR 48,679 thousand, which maintains credit protection in favour of Gaztrade S.A.

3/ To secure the natural gas supplies in January and February 2025, Bulgargaz EAD drew overdrafts from banking institutions, guaranteed by BEH, with a total limit of BGN 220 million.

4/ In March 2025, the first principal instalment of the loan of BGN 800 000 thousand taken from the Ministry of Energy matured. Bulgargaz EAD has not made payment under the principal as the terms of the loan agreement are to be renegotiated.

7. INVENTORIES

	AS AT 31 March 2025	AS AT 31 DECEMBER 2024
Natural gas at cost	313,702	429,547
Impairment to a net realizable value	(91,867)	(91,369)
Natural gas, net realizable value	**221,835**	**338,178**
Materials	11	11
Total inventories	**221,846**	**338,189**

The movement in inventory impairment is as follows:

	AS AT 31 March 2025	AS AT 31 DECEMBER 2024
AS AT 01 JANUARY	**(112,017)**	**(187,228)**
Recovered inventory impairment losses	20,150	111,253
Accrued inventory impairment loss	-	(36,042)
AS AT 31 MARCH	**(91,867)**	**(112,017)**

The Company has no inventories that are pledged as collateral of Company's liabilities.

In a period, ending on 31 March 2025, the company has not be accrued new impairments reported as expense in the Company's statement of profit or loss and other comprehensive income (31 December 2024: BGN 36,042 thousand). During the period January–March 2025, the Company produced 910,333 MWh and accordingly recovered an impairment of BGN 20,150 thousand.

As at 1 January 2023, when determining the net realizable value of natural gas at the end of the reporting period, the reference TTFfm price for January of the following calendar year is used. This management judgment is based on the Company's operating cycle, the seasonal nature of natural gas withdrawal and injection, and the commitments made under the Contingency Plan to maintain certain quantities of available natural gas at the UGS Chiren.

The reversal of impairment losses on inventories is recognized as an adjustment to the cost of natural gas sold during the period. The new impairment losses accrued are presented as such in the statement of profit or loss and other comprehensive income in the line 'Impairment losses on non-financial assets'.

In 2025, the value of the realized natural gas in the amount of BGN 563,933 thousand was reported as an expense in profit or loss (31 March 2024: BGN 463,284 thousand). The revenues from natural gas sales are in the amount of BGN 576,564 thousand (as at 31 March 2024: BGN 425,542 thousand). The gross result from the sale of natural gas as at 31 March 2025 is a profit amounting to BGN 12,631 thousand (as at 31 March 2024, the net result is a loss amounting to BGN 37,742 thousand).

8. PROVIDED ADVANCES FOR SUPPLY OF NATURAL GAS

	AS AT 31 MARCH 2025	AS AT 31 DECEMBER 2024
Prepaid advances for natural gas	462,076	470,459
Accumulated impairment loss	(616)	(14,442)
Prepaid advances for natural gas, net	**461,460**	**456,017**

Advances paid for the supply of natural gas in the amount of BGN 461,460 thousand (31 December 2024: BGN 456,017) represent prepaid amounts for natural gas deliveries under valid, existing agreements to which Bulgargaz EAD is a purchasing party. The bulk of these relate to deliveries planned for the first half of 2025.

The unpredictability of market conditions is caused by the drop in sales due to the warm winter, reduced consumption by customers, including due to the deteriorating macroeconomic situation in the country and Europe, the high levels of inventory at UGS Chiren. Bulgargaz EAD also took actions to renegotiate its supply programs under the concluded contracts, with the aim of reducing the total delivery quantities. In 2025, terms have been agreed again with customers to allow flexibility of supply management and annual programme delivery and a transfer of volumes from summer to winter months. Therefore, a substantial portion of the Company's prepaid advances were unutilized at the end of the reporting period.

As at 31 March 2025, Bulgargaz has receivables for advances for natural gas with BOTAŞ BORU HATLARI İLE PETROL TAŞIMA A.Ş, for the quantities supplied by Cheniere Marketing International LLP in April 2023, as a result of the publicly announced tender procedure of October 2022. In addition, there are available quantities supplied in 2023, 2024 and 2025, which are also available with BOTAŞ at the end of the first quarter of 2025, at below-market prices. Management has taken into account the possibility of joint realization of the quantities.

The impairment assessment takes into account the Company's forecasts for the period of realisation and the inclusion of these volumes in the pricing mix, as well as other relevant information expected to be material regarding the realisation of the stored natural gas.

9. TRADE AND OTHER RECEIVABLES

	AS AT 31 MARCH 2025	AS AT 31 DECEMBER 2024
Trade receivables	1,197,168	1,022,334
Accumulated impairment of trade receivables	(63,979)	(64,736)
Trade receivables from customers, related entities (Note 21)	1,663	1,281
Trade receivables from customers, net	**1,134,852**	**958,879**

Receivable from natural gas supplier	53,068	55,244
Impairment of receivable from natural gas supplier	(33,383)	(33,383)
Guarantees provided under natural gas supply contracts	10,227,	18,151
Guarantees and deposits provided to related entities (Note 21)	37,682	38,726
Guarantees provided under other contracts	39	39
Other trade receivables	**67,634**	**78,777**

Court and adjudicated receivables	246,724,	241,492
Accumulated impairment of court and adjudicated receivables	(205,908)	(207,927)
Court and awarded receivables, net	**40,816,**	**33,565**
Financial receivables, total	**1,243,301**	**1,071,221**
Non-financial receivables		
Prepaid expenses, guarantees and deposits	4,160,	3,467
Non-financial receivables, total	**4,160,**	**3,467**
Total trade and other receivables, current	**1,247,461**	**1,074,688**

All receivables are short-term. The Company's customer trade receivables are related to the sale of natural gas and are due within 12 days of the issuance and receipt of the invoice from the relevant counterparty. The net carrying amount of trade and other receivables is assumed to be a reasonable estimate of their fair value.

All of the Company's finance receivables have been reviewed for events of default. For all trade receivables, a simplified approach has been applied to determine expected credit losses at the end of the period.

Part of the financial receivables in the gross amount of BGN 53,068 thousand and carrying amount after impairment of BGN 19,685 thousand as at 31 March 2025, represent receivables from OOO Gazprom Export, a supplier of natural gas, which arose in connection with an unrecognised amount invoiced by Bulgargaz EAD from OOO Gazprom Export for natural gas supplies for the first quarter of 2022. The amount relates to a trade dispute for undelivered but invoiced amounts of natural gas for that period. In 2023, an estimated credit loss of BGN 31,386 thousand was recognised and in 2024 a foreign currency revaluation of the receivables and payables was made and a credit loss of BGN 1,997 thousand was recognised, thus the net exposure to the counterparty being deemed to be nil.

Amounts recognized in the allowance account for credit losses on receivables are written-off when there is no expectation that the Company will be able to obtain additional funds.

In calculating the impairment of receivables, the concepts and approaches in the impairment models under IFRS 9 'Financial Instruments'; are considered. The calculations performed include impairment tests of financial assets based on 'models' and a classification approach adopted for court and adjudicated receivables, 'court and adjudicated receivables' and those 'in bankruptcy proceedings'.

The Company's trade receivables from Toplofikacia Sofia EAD are provided as collateral for the loans received from the Ministry of Energy in the amount of BGN 800 million.

The Company's court and adjudicated receivables were primarily reclassified from trade receivables that were due from counterparties with financial difficulties. When the Company takes legal action, the receivables are reclassified from commercial to court receivables. This category of receivables is fully impaired unless collateral or other security is obtained to cover the value of the receivable.

As at 31 March 2025, the Company's most significant court receivable is from TPP Varna. Under final judgment 341/03 August 2023 of the Varna District Court, in favour of Bulgargaz EAD, claims from TPP Varna EAD for the amount of BGN 35,541 thousand, together with the statutory interest from the date of filing the claim — 28 April 2022 and the amount of BGN 1,502 thousand, representing the costs incurred in the case. In the agreement for the deferment of the obligations in arrears (under a legally effective judgment of the Varna District Court dated 3 August 2023) of TPP Varna EAD it is agreed that as a collateral for the liabilities the debtor should establish a mortgage for the benefit of Bulgargaz EAD and a first-ranking mortgage in a real estate is established accordingly. The market valuation of the property determined by three experts at the time of its contribution to the capital of the mortgage debtor is BGN 43,734 thousand. (according to an independent valuation of the property as at August 2023, the market value amounts to BGN 39,199 thousand). By 31 December 2023 TPP Varna EAD has made a payment in the amount of BGN 5,000 thousand. By a supplementary agreement of March 2024 between Bulgargaz EAD and TPP Varna EAD, it was agreed that TPP Varna EAD would establish a special pledge in favour of Bulgargaz EAD under the Special Pledges Act in lieu of a mortgage to secure the obligations under the

final judgment. For the remaining receivables of Bulgargaz EAD for the provided annual capacity product and expenses, in total amounting to BGN 3,746 thousand, a court settlement was concluded on 10 May 2024 between Bulgargaz EAD and TPP Varna EAD, as the receivables were rescheduled with a repayment plan.

10. CASH

	AS AT 31 MARCH 2025	AS AT 31 DECEMBER 2024
Cash in current bank accounts	3,309	1,255
Cash accumulated impairment	(1)	(1)
Total cash in the statement of financial position	**3,308**	**1,254**

11. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are recognized for all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, at a tax rate of 10% (2023: 10%), applicable for the year, when they are expected to occur retroactively.

12. SHARE CAPITAL

	AS AT 31 MARCH 2025	
	Number of shares	Value
At the beginning of the period	231,698,584	231,698
At the end of the period	**231,698,584**	**231,698**

For the interim reporting period, there was no change in the amount and structure of the share capital.

13. RESERVES

	Statutory reserves	Revaluation reserves of non-financial assets	Reserve of revaluations of defined benefit plans	Total
			3-MONTH PERIOD UP TO 31 MARCH 2025	
At the beginning of the period	**21,166**	**33**	**(66)**	**21,133**
At the end of the period	**21,166**	**33**	**(66)**	**21,133**
			3-MONTH PERIOD UP TO 31 MARCH 2024	
At the beginning of the period	**21,166**	**35**	**(71)**	**21,130**
At the end of the period	**21,166**	**35**	**(71)**	**21,130**

14. BORROWINGS

	AS AT 31 MARCH 2025	AS AT 31 DECEMBER 2024
Non-current		
Loans from related parties	570,000	570,000
Total non-current	**570,000**	**570,000**
Current		
Bank loans	343,136	199,020

Loans from related parties	860,000	860,000
Interest on bank loans	22	130
Interest on borrowings to related parties	1,453	1,453
Total current	**1,204,611**	**1,060,603**
Total loans	**1,204,611**	**1,630,603**

As at 31 March 2025 the Company has liabilities under the following loans obtained to secure natural gas supplies:

1/ Loans from the sole owner BEH EAD in the total amount of BGN 630,000 thousand. The loans are granted and serviced in BGN and are not unsecured. The loan maturities are, as follows:

- A loan amounting to BGN 60,000 as at 31 December 2024, granted in 2022, was renegotiated with a repayment period July 2025.
- Loan in the amount of BGN 200 million, repayment period — April 2027.
- Loan in the amount of BGN 370 million and repayment period — December 2028.

2/ Loan from the Ministry of Energy in the amount of BGN 800,000 thousand, received after the Decree of the Council of Ministers No 245 of 11 August 2022 and Decision No 594 of the same date, amended by Decision No 618 of the Council of Ministers, which approved additional payments from the budget of the Ministry of Energy in the amount of BGN 800 million for the purchase of natural gas and provision of working capital. The loan is secured by a pledge of present and future receivables from Toplofikacia Sofia EAD. The loan shall have a term of 36 months from the date of disbursement of the first tranche, with interest repayment due 18 months from the date of the first tranche. The total amount of the borrowing liability received from the MoE as at 31 March 2025 amounts to BGN 800,889 thousand, including BGN 800,000 thousand, short-term portion and BGN 889 thousand accrued interests due in the next month. The loan matures on 12 August 2025. The principal and interest are paid according to a repayment plan. The principal is payable in six equal instalments, with the first maturing on 12 March 2025. No principal repayments have been made as at the time of composition of the financial statements as the terms and conditions of the loan are to be renegotiated.

3/ Two bank loans, overdraft type with a total limit of BGN 234,700 thousand, which are in BGN and in EUR, with a repayment period of 29 December 2025. The loans are secured by a state guarantee up to 90% of the value of the overdrafts on the basis of two Guarantee Agreements dated 29 December 2023 and the term — until 29 December 2025.

4/ To secure the natural gas supplies in January and February 2025, Bulgargaz EAD drew overdrafts from banking institutions, guaranteed by BEH, with a total limit of BGN 220 million.

15. TRADE AND OTHER PAYABLES

	AS AT 31 MARCH 2025	AS AT 31 DECEMBER2024
Trade payables	284,593	293,471
Payables to related parties (Note 18)	8,731	10,210
Total financial liabilities	**293,324**	**303,681**
Advances received from customers for sale of natural gas (liabilities under contracts with customers)	18,217	36,421
Deferred income	17,149	17,149
VAT payable	38,669	40,555
Excise duty payable	705	1,411
Payables to employees	177	208
Liabilities to insurance companies	112	115
Other liabilities	5,016	5,764
Total non-financial liabilities	**80,045**	**101,623**
Total current trade and other liabilities	**373,369**	**405,304**

The Company's trade payables mainly include payables to natural gas suppliers. Counted from July 2024, Bulgargaz EAD does not pay its obligations under the monthly capacity invoices due under the Botaş Agreement, since the same date the two companies have been in active negotiations to renegotiate the terms and conditions.

Liabilities under advances received from customers for the sale of natural gas represent amounts received from customers of the Company in accordance with the terms of the contracts for the supply of natural gas.

The deferred revenue of BGN 17,149 thousand as at 31 March 2025 relates to the acquisition and subsequent sale in 2022 of liquefied natural gas (LNG) to a natural gas supplier of the Company. The subsequent sale was made for the purpose of regasification and transportation to an entry point on the country's gas transmission system. The amount of deferred revenue is calculated as the difference between the purchase and delivery cost of natural gas and will be recognized as current revenue and an adjustment to the cost of natural gas (LNG) in the period of delivery in a subsequent reporting period.

Payables to employees represent obligations to Company's employees, to be settled in 2025. They occur mainly in relation to accumulated unused leave at the end of the reporting period and amounted to BGN 177 thousand (31 December 2024: BGN 208 thousand).

Liabilities to insurance companies amount to BGN 112 thousand (31 December 2024: BGN 115 thousand) include the social security payables related to accrued unused compensation leaves in the amount and social security payables over remunerations for December 2025 paid in April 2025.

The material amount of the Company's other liabilities represents the obligation to pay a guarantee premium for 2025 to the Ministry of Finance in connection with two government-guaranteed overdrafts received.

The fair values of current trade and other payables do not differ from their carrying values.

16. REVENUE FROM SALES OF NATURAL GAS

REVENUE UNDER CONTRACTS WITH CUSTOMERS	3-MONTH PERIOD ENDED ON 31 MARCH	
	2025	**2024**
Types of goods or services		
Revenue from the sale of natural gas, incl. by type of activities:	561,184	418,083
- *Regulated*	*468,076*	*325,795*
- *Freely negotiated*	*86,924*	*92,287*
- *LNG – Gastrade – minimum guaranteed quantity*	*6,185*	-
Revenues from sale of natural gas for balancing	7,176	2,948
Revenue from penalties for non-performance under contracts with customers for unaccepted and over-collected amount of natural gas	8,205	4,512
Total revenues from sale of natural gas	**576,566**	**415,542**

The timing of revenue recognition is over time.
The table below provides information about the accounting policy applied by the Company for revenue recognition and the timing of satisfaction of liabilities for performance of the contracts with customers under IFRS 15.

Product/ Service type	**Nature and timing of satisfaction of performance obligations, including material payment terms**	**Revenue recognition under IFRS 15**
Revenues from the sale of natural gas (including revenues from penalties on	As a public supplier and trader of natural gas, Bulgargaz EAD carries out the supply of natural gas all year round under a continuous routine of operation. The customer:	Sales revenue is recognized on each transfer of control over the assets sold when they are delivered to the buyer and there are no outstanding commitments that could affect the purchaser's acceptance of natural gas. Delivery occurs for each

Product/ Service type	Nature and timing of satisfaction of performance obligations, including material payment terms	Revenue recognition under IFRS 15
unaccepted or over-collected amounts of gas)	• simultaneously receives and consumes all of the benefits; • receives control of the commodity (natural gas) by way of transfer of the legal title to the asset; • bears the significant risks and rewards related to the ownership of the asset; • accepts the asset. As a result of the Company's activity, no asset with an alternative use is created for the Company and the Company has an enforceable right to payment for performance completed to date.	asset dispatch to the specific place (pick-up point) and when the risks of potential losses have been transferred to the buyer and he has accepted the assets in accordance with the sales contract. The amounts of natural gas delivered to the customer on each of the days of the respective month is reflected in a Monthly Report containing information about the delivery and the customer's acceptance obligations. The transaction price is the amount of remuneration to which the enterprise expects to be entitled in exchange for the transfer of the promised goods or services to the customer, except for the amounts collected on behalf of third parties (value added tax and excise duty). The consideration from the customer for the sale of natural gas includes fixed and variable amounts. The fixed amount is the selling price of the natural gas. The variable consideration is related to: - deviations in the daily agreed amounts of gas - deviations between the declared and actually delivered minimum annual amount of gas; - delivered natural gas of deteriorated quality. Sales payments are payable until the 12th day of the month and the issuance of the final invoice for the supply of natural gas, which is in line with market practice.
Revenues from sale of natural gas for balancing	For the performance of the supply of natural gas to the customers Bulgargaz EAD has a contract for access and transmission of natural gas through the territory of Bulgaria with the combined operator Bulgartransgaz EAD. There is a gas purchase and sale agreement for balancing, which is an integral part of the access and transmission agreement. The balancing is also of continuous nature and the customer receives and consumes the benefits simultaneously. The revenue is recognized over time, as with the sale of natural gas described above.	The remuneration from the customer for the sale of natural gas for balancing includes fixed amounts and is based on the price for the sale of natural gas for the current month + a balancing cost component determined and fixed by the EWRC for the gas year. There is no financing component to balancing gas sales, as the payment for the sales is due until the 25th day of the month, which is in accordance with the market practice.

17. PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Case COMP/B1/AT.39849 — BEH gas

The case concerns a possible violation of Article 102 of the Treaty on the Functioning of the European Union (TFEU) in connection with alleged actions of BEH EAD and its subsidiaries — Bulgargaz EAD and Bulgartransgaz EAD aimed at:

- preventing their competitors from gaining an access to key gas infrastructure (gas transmission network and natural gas storage facility) in Bulgaria, such as explicitly or implicitly denying third parties access or causing delays;
- preventing competitors from gaining an access to the main import pipeline by reserving capacity that remains unused.

The proceedings were instituted in 2013 with a view to adopting a decision under Chapter 3 (Articles 7 to 10) of Regulation 1/2003.

On 23 March 2015, EC issued a Statement of Objections. Bulgarian Energy Holding EAD and its gas subsidiaries submitted their respective responses to the European Commission on 9 July 2015 (Bulgargaz EAD), 10 July 2015 (Bulgarian Energy Holding EAD) and 17 July 2015 (Bulgartransgaz EAD).

On 24 November 2017, a decision was adopted by the 44th National Assembly (NA) of the Republic of Bulgaria to take the necessary actions to close Case COMP/B1/AT.39849 — BEH gas, whereby the National Assembly supported the closure of the case under Article 7 of Regulation (EC) No 1/2003 without acknowledging the infringements alleged without taking responsibility for them, fulfilling the obligations arising from a possible prohibition decision, including a possible financial penalty. To date, the European Commission has not taken a formal decision on the closure of the case, including on the possible amount of the financial penalty.

On 26 July 2018, a decision was adopted by the 44th National Assembly (NA) of the Republic of Bulgaria to take action to close Case COMP/B1/AT.39849 — BEH gas under Article 9 of Regulation (EC) No 1/2003 by undertaking commitments on the part of Bulgaria and reaching an agreement with the European Commission. The second SC Decision is motivated by the development of Case COMP/B1/AT.39816 between the EC and Gazprom, in which the Commission announced on 24 May 2018 that an agreement had been reached and the same was closed under Article 9 of Regulation (EC) No 1/2003 without financial penalty.

On 17 December 2018, the European Commission announced adopted Decision C(2018)8806 in Case AT.39849 BEH-gas, whereby the European Commission imposed a fine on Bulgarian Energy Holding EAD (BEH EAD), its supply subsidiary Bulgargaz EAD and its gas infrastructure subsidiary Bulgartransgaz EAD (BEH Group) in the amount of EUR 77,068,000 for blocking competitors' access to key gas infrastructure in Bulgaria in violation of EU antitrust rules. The decision was received in the offices of the three companies on 19 December 2018, which determines the beginning of the period for appealing the EC Decision (two months and ten days from notification of the Decision to the Parties) and for payment of the fine (three months from the notification of Decision to the Parties), set out therein. An appeal against the decision shall not delay payment of the fine.

On 18 March 2019 ING Bank NV issued two unsecured bank guarantees in favour of the EC for a total amount equal to the fine of EUR 77,068,000 as follows:

- a bank guarantee in the amount of EUR 51,379 thousand, covering 2/3 of the total amount of the fine, securing the obligations of Bulgarian Energy Holding EAD and Bulgargaz EAD;
- a bank guarantee in the amount of EUR 25,689 thousand, securing the obligation of Bulgartransgaz EAD for the sanction imposed.

On 4 July 2019, the Bulgarian state, through the Ministry of Foreign Affairs, submitted an application to intervene in the case in support of BEH EAD and its subsidiaries gas companies.

On 26 August 2019, the European Commission presented its defense before the General Court in response to an appeal lodged by Bulgarian Energy Holding EAD, Bulgargaz EAD and Bulgartransgaz EAD.

On 29 November 2019, Bulgarian Energy Holding EAD, Bulgargaz EAD and Bulgartransgaz EAD filed a Response against the Defense of the European Commission.

On 20 February 2020 within the specified period by the General Court of the European Union the Republic of Bulgaria through the Ministry of Foreign Affairs (MFA) filed the official position of the Republic of Bulgaria in case T-136/19, provided to the Ministry of Foreign Affairs by the Ministry of Energy, whereby the Bulgarian state intervenes in support of Bulgarian Energy Holding EAD, Bulgargaz EAD and Bulgartransgaz EAD v. European Commission before the General Court of the European Union. The General Court examined additional documents and requested information in order to clarify all the circumstances attached to the case. By letter of 14 March 2022, the Court requested the European Commission to provide non-confidential versions of the documents listed by the Court. A response from the European Commission is expected.

On 29 September 2022, the trial concluded with oral argument in BEH Gas, during which the parties summarized their positions and the court asked questions that were addressed by the parties.

On 25 October 2023, the Court of First Instance rendered a judgment in favour of Bulgarian Energy Holding EAD, Bulgartransgaz EAD and Bulgargaz EAD, by which the Court of First Instance annulled in full the fine imposed by the European Commission on the three companies of the BEH Group, which the European Commission amounted to EUR 77,068,000.

As at 31 December 2023, the bank guarantee securing the obligations of Bulgarian Energy Holding EAD, Bulgartransgaz EAD and Bulgargaz EAD has been released.

The carrying amount of the provision in the lawsuit is BGN 53,715 thousand, including BGN 50,244 thousand (31 December 2023: BGN 53,715 thousand), representing one third of the total amount of the fine imposed and interest thereon as at 25 October 2023 amounting to BGN 3,471 thousand. (31 December 2023: BGN 2,856 thousand). Management's expectation is that final resolution of the dispute will occur more than 12 months from the balance sheet date. No interest was charged in 2024.

On 11 January 2024, an appeal was lodged by the European Commission against the judgment of the Court of First Instance, seeking to set aside the judgment of the General Court in its entirety. On the grounds of the appeal, Case C-14/24 P was brought before the Court of Justice of the European Union – European Commission v Bulgarian Energy Holding EAD and others. Due to the retaliatory actions taken by the EC and the appeal of the European Court of Justice's decision, the management of BEH Group has decided not to reimburse the recognised provision until the case is finally resolved. This decision is supported by the opinion of an independent legal advisor. In 2023, the Company recognised interest expense in the amount of BGN 615 thousand (2022: BGN 754 thousand) as an increase in the amount of the interest provision related to the maintenance of collateral in the form of a bank guarantee.

On 29 March 2024, BEH-Group filed a reply to the European Commission's complaint to the Court of Justice of the European Union.

On 22 July 2024, the European Commission submitted a counter-reply to the Court of Justice of the European Union. On 30 September, BEH-Group provided a response.

On 30 September 2024, Bulgarian Energy Holding EAD, Bulgartransgaz EAD and Bulgargaz EAD, and the State, filed replies to the European Commission's complaint in Case C-14/24 before the Court of Justice of the European Union.

On 5 November 2024, the CJEU notified the parties that the written procedure was closed.

On the Bulgarian side, a justification for the Court's allowing oral hearings, similarly to first instance, was also submitted. Oral hearings in the case are expected in the second quarter of 2025.

Contingent assets

1/ In connection with a trade dispute from a preceding period, Bulgargaz EAD claimed the return of natural gas used to fill the Transit 1 gas pipeline against the Romanian company Transgaz S.A. Arbitration case No 78/2019 was initiated before the International Commercial Arbitration Court of the Romanian Chamber of Commerce and Industry. By an award dated 9 December 2021, Transgaz was ordered to restore the quantity of gas or its cash equivalent of USD 923 thousand, together with interest and costs. The request of Transgaz for suspension of the enforcement was rejected and the amount was paid to Bulgargaz on 9 March 2022.

The Court of Appeal in Bucharest rejected the appeal for reversal of the arbitration award, but Transgaz appealed to the Supreme Court, which reversed the Court of Appeal's judgment and returned the case for retrial. Due to the limited access to gas in Transit 1, Bulgargaz impaired it in 2021 and the compensation received was accounted for as a liability until the dispute is finally settled.

2/ As at 31 December 2024, the Company has bank guarantees from commercial customers in the amount of BGN 28 million. (31 December 2023: BGN 43 mln.) The bank guarantees are in accordance with the terms of the commercial gas supply and sales contracts with customers.

Contingent liabilities

1/ There are legal claims initiated against the Company, but they are not of considerable material interest. With the exception of those for which provisions have already been accrued, the Management of the Company considers that the claims are unfounded and that they are unlikely to incur expenses for the Company in settling them. This judgment of the Management is supported by the opinion of an independent legal consultant.

None of the aforementioned claims is set out in detail here, so as not to have a serious impact on the Company's position in dispute resolution.

2/ Natural gas transportation agreement was entered into with ICGB AD based on a preliminary agreement for capacity expansion in 2019.

In connection with this agreement, a corporate guarantee in the amount of EUR 16,102 thousand was issued by Bulgarian Energy Holding EAD in favour of ICGB SA with a period of validity until 22 December 2028.

Commitments made

1/ Pursuant to an agreement entered into in 2020 with a banking institution, the Company has been granted a credit product in the form of a bank guarantee issued in favour of a natural gas supplier. The term is renewed periodically, every six months, and at the last reference — until 11 August 2025 and the amount is USD 140,362 thousand.

2/ Pursuant to an agreement entered into in 2022 with a banking institution, the Company has been granted a credit product in the form of a bank guarantee issued in favour of a supplier and maturing on 30 November 2025. In February 2025, the bank guarantee was released as the limit of the credit product was preserved.

3/ The Company has concluded agreements as at 31 March 2025 with banking institutions for the provision of working capital financing in the form of overdrafts in the amount of up to BGN 454,700 thousand. (as at the end of 2024: BGN 234,700 thousand).

Other

Tax authorities may at any time initiate tax inspection revision of the Company within 5 years after the end of the financial year and may impose additional tax liabilities and sanctions. The Company's management has no information about any circumstances, which may lead to potential effective additional tax liabilities in significant amount.

18. RELATED PARTIES TRANSACTIONS AND BALANCE

The Company discloses the following related parties:

Entity	Country of incorporation	Main activity.
Sole owner of the Company, exercising control (Parent company)		
Bulgarian Energy Holding EAD (BEH)		
Sole owner of the Parent company		
The Bulgarian State through the Minister of Energy		
Companies under mutual joint control with the Company (entities within the group)		
Kozloduy NPP EAD	Bulgaria	Generation of electricity and heat
WPP Kozloduy EAD	Bulgaria	Generation and distribution of electricity from hydropower
Kozloduy NPP — New Build EAD	Bulgaria	Operation of a nuclear plant for electricity production
HPP Service LTD	Bulgaria	Maintenance of automation tools
NPP Construction Supervision LTD	Bulgaria	Conformity assessment of investment projects
Bulgartransgaz EAD	Bulgaria	Storage and transmission of natural gas
Balkan Gas Hub EAD	Bulgaria	Building and operating an electronic trading platform for natural gas, energy products, green and white certificates, carbon emissions
Elektroenergien sistemen operator EAD	Bulgaria	Electricity transmission
ESO Engineering EOOD	Bulgaria	Design, consultancy, construction of technologies and projects for energy facilities
ESO Proekt EOOD	Bulgaria	Design of energy objects

Entity	Country of incorporation	Main activity.
ESO Charge EOOD	Bulgaria	Construction, commissioning, operation and maintenance of electricity and hydrogen recharging systems, hydrogen production systems
Bulgartel AD	Bulgaria	Implementation of telecommunications
Bulgartel-Skopje DOOEL	Macedonia	Implementation of telecommunications
Maritsa East Mines EAD	Bulgaria	Extraction and sale of coal
Natsionalna Elektricheska Kompania EAD	Bulgaria	Generation of electricity and public electricity supplier
TPP Maritsa East 2 EAD	Bulgaria	Generation of electricity and heat
National Energy Operator EAD	Bulgaria	Construction and operation of electric power facilities and all other activities not prohibited by law.
Minproekt EAD	Bulgaria	Exploration, design-construction, research and other activities in the field of open-pit and underground coal mining
Jointly controlled entities		
ICGB AD	Bulgaria	Construction and operation of gas transmission system
South Stream Bulgaria AD	Bulgaria	Construction and operation of gas transmission system
Transbalkan Electric Power Trading S.A. — NECO S.A.	Greece	Sale of electricity
Associates		
ContuourGlobal Maritsa East 3 AD	Bulgaria	Electricity generation
ContourGlobal Operations Bulgaria AD	Bulgaria	Operation and maintenance of a thermal power plant
ZAD 'Energy'	Bulgaria	Insurance company
POD Allianz Bulgaria AD	Bulgaria	Pension insurance company
Hydro Power Company Gorna Arda AD	Bulgaria	Construction of hydroelectric power plants

Other related parties under joint control

Public sector enterprises under joint control of the Council of Ministers in the Republic of Bulgaria

Key management personnel of the Parent Company as at 31 December 2024

Valentin Alexiev Nikolov	Member of the Board of Directors and Executive Director of BEH EAD
Veselina Lachezarova Kanatova-Buchkova	Chairman and Member of the Board of Directors of BEH EAD
Kalin Filipov	Vice Chairman and Member of the Board of Directors of BEH EAD
Diyan Stanimirov Dimitrov	Member of the Board of Directors of BEH EAD
Ivo Ivanov Todorov	Member of the Board of Directors of BEH EAD

Key management personnel of the Company until 22 April 2024

- Ivan Topchiysky — Chairman of the Board of Directors;
- Deniza Slateva — Executive Member of the Board of Directors;
- Tatyana Petrova-Boyadzhieva — Member of the Board of Directors.
- Veselin Sinabov — Member of the Board of Directors;
- Dimitar Spasov — Member of the Board of Directors;

Key management staff of the Company as at 23 April 2024

- Ivan Topchiysky — Chairman of the Board of Directors;
- Veselin Sinabov — Executive Member of the Board of Directors;
- Mihail Milkov — Member of the Board of Directors;
- Byanka Racheva — Member of the Board of Directors;
- Marin Filipovski — Member of the Board of Directors;

The sales and purchases to related parties are carried out at agreed prices. Outstanding balances at the end of the reporting period are unsecured, interest free (excluding borrowings and deferred trade payables) and their settlement is done in cash. For the receivables or obligations from/to related parties, no guarantees were granted or received, except for a guarantee amount of Bulgartransgaz EAD under a Contract for natural gas access and transmission, a Contract for natural gas balancing, and a Contract for natural gas storage.

The transactions between the Company and its related parties are as follows:

(A) SALE OF GOODS	**3-MONTH PERIOD ENDED ON 31 MARCH**	
	2025	**2024**
Companies under joint control		
Bulgartransgaz EAD	7,176	2,948
Total	**7,176**	**2,948**

Sales include natural gas for balancing and realized natural gas, in accordance with the Rules for Operation of the Organized Exchange Platform of Gas Hub Balkan EAD.

(B) PURCHASE OF GOODS AND SERVICES	**3-MONTH PERIOD ENDED ON 31 MARCH**	
	2025	**2024**
Parent company		
Bulgarian Energy Holding EAD	18	61
Companies under joint control		
Bulgartransgaz EAD	37,022	38,484
ICGB AD	12,075	11,515
Bulgartel EAD	2	2
Gas Hub Balkan EAD	11	77
Total	**49,128**	**50,139**

The purchases of services from Bulgarian Energy Holding EAD include services under management and control agreement and others.

The purchases of services from Bulgartransgaz EAD include transmission, access (capacity) and storage of natural gas, and purchases of natural gas for balancing.

Purchases of services from ICGB AD include natural gas transportation service on the IGB pipeline.

The purchases of services from Bulgartel EAD include technical support.

The purchases of services from Gas Hub Balkan EAD represent fees for access granted to the natural gas trading platform.

(D) RECEIVABLES UNDER SALES OF GOODS AND SERVICES	**AS AT 31 MARCH 2025**	**AS AT 31 DECEMBER 2024**
Companies under joint control		
ICGB	12,595	12,595
Bulgartransgaz EAD	26,750	27,412
Total current receivables	**39,345**	**40,007**

The receivables from Bulgartransgaz EAD represent financial collateral in the form of a credit limit and a guarantee granted in connection with a Contract for natural gas access and transmission on the gas transmission network and a Contract for balancing entered into with Bulgartransgaz EAD.

(D) PAYABLES FOR PURCHASES OF GOODS AND SERVICES	**AS AT 31 MARCH 2025**	**AS AT 31 DECEMBER 2024**
Parent company		
Bulgarian Energy Holding EAD	18	18
Companies under joint control		
Bulgartransgaz EAD	3,690	5,318
Bulgartel EAD	1	1
Gas Hub Balkan	0	11
ICGB AD	5,022	4,862
Total current payables	**8,731**	**10,210**

The payables to Bulgartransgaz EAD are related to received current services for access, transmission and storage of natural gas and current supply of natural gas for balancing.

Liabilities to ICGB AD include natural gas transmission services.

(F) BORROWING PAYABLES	**AS AT 31 March 2025**	**AS AT 31 DECEMBER 2024**
NON-CURRENT		
Ultimate owner — Ministry of Energy		
At the beginning of the period	**-**	**800,000**
Accrued expenses for interests	-	-
Loan received reclassified to current part	-	(800,000)
Accrued interest expense reclassified to current portion	-	-
Payables on loan received at the end of the period	**-**	**-**
Parent company — Bulgarian Energy Holding EAD		
At the beginning of the period	**570,000**	**370,000**
Borrowing received, reclassified from current portion	0	200,000
Accrued expenses for interests	4,667	12,118
Interest paid	(4,667)	(12,118)
Payables on loan received at the end of the period	**570,000**	**570,000**
TOTAL NON-CURRENT BORROWINGS	**570,000**	**570,000**
CURRENT		
Ultimate owner — Ministry of Energy		
At the beginning of the period	**800,889**	**22,942**
Loan received, reclassified from non-current part	-	800,000
Accrued interest expense reclassified to current portion	-	-
Accrued expenses for interests	4,000	16,331
Interest paid	(4,000)	(38,384)
Payables on borrowing received at the end of the year	**800,889**	**800,889**
Parent company — Bulgarian Energy Holding EAD		
At the beginning of the period	60,564	260,000
Borrowing received during the year	-	-
Borrowing payments received during the year	-	-
Reclassified non-current loan	-	(200,000)

Accrued expenses for interests for the year	491	8,624
Interest paid during the year	(491)	(8,060)
Payables on borrowing received at the end of the year	**60,564**	**60,564**
TOTAL CURRENT BORROWINGS	**861,453**	**861,453**

1/ In 2022, the company received three borrowings from the parent company with limits of up to BGN 200 million, BGN 60 million, and BGN 457 million. The agreed annual interest rates are 3.275%/3.23%. and the repayment terms in February 2023, July 2023 and December 2023, respectively. As at 31 March 2025, the borrowing received from the parent company are, as follows.

- the loan in the amount of BGN 60 million matures in July 2025 and bears an interest rate of 3.275%.
- a loan in the amount of BGN 200 million matures on 3 April 2027 and bears an interest rate of 3.275%.
- A loan in the amount of BGN 370 million matures in December 2028 and bears an interest rate of 3.275%.

2/ In 2022 the Company has received a borrowing from the Ministry of Energy in the amount of BGN 800,000 thousand, secured by a special pledge of current and future receivables from Toplofikacia Sofia EAD.

The loan bears an annual interest rate of 2% and matures on 12 August 2025. The principal and interest are paid according to a repayment plan. Interest shall become payable from February 2024.

(G) KEY MANAGEMENT PERSONNEL REMUNERATIONS

The key management personnel includes members of the Board of Directors. Key management personnel remunerations are as follows:

	3-MONTH PERIOD ENDED ON 31 MARCH	
	2025	**2024**
Short-term benefits to key management personnel		
Employee benefits expenses	(78)	(220)
Social security expenses	(6)	(5)
Total	**(84)**	**(579)**

As at the end of each of the reporting periods, the Company had no payables to key management personnel of the Company relating to their emoluments.

19. EVENTS THAT OCCURRED AFTER THE END OF THE REPORTING PERIOD

No adjusting events occurred between the date of the financial statements and the date of their adoption.

The following significant non-adjusting events have occurred:

1/ Pursuant to an agreement entered into in 2020 with a banking institution, the Company has been granted a credit product in the form of a bank guarantee issued in favour of a natural gas supplier. The term is renewed periodically, every six months, and at the last reference — until 11 August 2025 and the amount is USD 140,362 thousand.

2/ In April 2025, Bulgargaz EAD started selling natural gas volumes on the platform of the Romanian exchange Bursa Romana de Marfuri.

3/ At the end of June, Bulgargaz EAD registered its subsidiary for trading in natural gas on the territory of the Republic of Moldova. Furthermore, a trading license of the Republic of Moldova is expected to be obtained.

4/ In order to secure the natural gas volumes during the summer months, Bulgargaz organizes a tender for the delivery of 1 cargo of LNG to a terminal in Turkey. The tender was won by RWE Supply & Trading GmbH.

20. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements as at 31 March 2025 (including comparatives) were approved for issuance by the Board of Directors on 11 July 2025.