



ROMGAZ

Quarterly report on the economic-
financial activity
of ROMGAZ GROUP
on March 31, 2024
(January 1, 2024 - March 31, 2024)

romgaz.ro

IDENTIFICATION DETAILS ON REPORT AND ISSUER

| | |
|--|---|
| Report Basis | Law no. 24/2017 on issuers of financial instruments and market operations (Article 69) and ASF Regulation no.5/2018 on issuers of financial instruments and market operations (Annex no.13), for the three-month period ended on March 31, 2024 |
| Report Date | May 15, 2024 |
| Name of the Company | Societatea Națională de Gaze Naturale "ROMGAZ" SA |
| Headquarters | Mediaș, 551130, 4 Constantin I. Motas Square, Sibiu County |
| Telephone/Fax number | 004 0374401020/004 0374474325 |
| Web/E-mail | www.romgaz.ro / secretariat@romgaz.ro |
| Trade Registry No. | J32/392/2001 |
| Fiscal Code | RO14056826 |
| Legal Entity Identifier (LEI) | 2549009R7KJ38D9RW354 |
| Regulated market where company shares are traded | Bucharest Stock Exchange (shares) and London Stock Exchange (GDRs) |
| Subscribed and paid in share capital | RON 385,422,400 |
| Shares main characteristics | 385,422,400 shares each with a nominal value of RON 1 Nominative, ordinary, indivisible shares, issued dematerialised and free tradable since November 12, 2013 as SNG - for shares and SNGR - for GDRs |

ROMGAZ GROUP¹ PERFORMANCES

In the first quarter (Q1) 2024, Romgaz Group recorded a **net consolidated profit of RON 1,245.3 million**, an increase of 28.38%, namely by RON 275.3 million, as compared to the revenue achieved in the similar period of last year. As compared to Q4 2023, net profit increased by 93.55% and gross profit by 45.82%.

Revenue for Q1 2024 of **RON 2,273.01 million** decreased by 21.86%, by RON 636.03 million respectively, as compared to the revenue achieved in Q1 2023, due to a 6.68% drop in gas deliveries, 18.33% less electricity production and 9.1% lower revenue from storage services. Revenue from gas sales represent approximately 85% of Q1 2024 total revenue, revenue from electricity sales represent - 4.8% and revenue from storage services 6%. As compared to Q4 2023, revenue increased by 3.71% and gas deliveries by 5.70%.

Net consolidated profit per share (**EPS**) in March 2024 was **RON 3.23** (calculated to the number of shares registered with the Central Depository on March 31, 2024, before the share capital increase approved by the extraordinary general meeting of shareholders by Resolution No. 17 of December 18, 2023).

The achieved margins of the consolidated net profit (**54.79%**), consolidated EBIT (**63.56%**) and consolidated EBITDA (**69.56%**) recorded a significant increase as compared to Q1 2023 (33.34%; 59.90% and 64.71% respectively).

Natural gas consumption estimated² nationally for Q1 2024 was about **35.42 TWh**, approximately 5.5% higher than the consumption recorded in Q1 2023.

Natural gas production recorded in Q1 2024 was **1,290.98 million m³**. Compared to the natural gas production of Q1 2023, the production recorded in Q1 2024 increased by 4.39%.

¹Romgaz Group consists of SNGN Romgaz SA ("The Company"/"Romgaz") as parent company and the subsidiaries Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL ("Depogaz") and Romgaz Black Sea Limited, both wholly owned by Romgaz.

² Consumption is estimated as ANRE has not published, until the date hereof, the monitoring reports on the gas market for February and March 2024.

Electricity produced in Q1 2024 of **263.832 GWh**, dropped by 18.33% compared to the production in the similar period of last year (323.04 GWh).

Relevant Consolidated Financial Results

| | | | | *RON million* | | | |
|------------|------------|------------|---------------|--|------------|------------|-------------|
| Q1 2023 | Q4 2023 | Q1 2024 | ΔQ1/Q4 (%) | Main indicators | Q1 2023 | Q1 2024 | Δ Q1 (%) |
| 2,909.0 | 2,191.6 | 2,273.0 | 3.71 | Revenue | 2,909.0 | 2,273.0 | -21.86 |
| 2,984.5 | 2,171.4 | 2,376.0 | 9.42 | Income | 2,984.5 | 2,376.0 | -20.39 |
| 1,199.5 | 1,153.3 | 891.1 | -22.74 | Expenses | 1,199.5 | 891.1 | -25.71 |
| 0.5 | 1.6 | 2.0 | 23.68 | Share of profit of associates | 0.5 | 2.0 | 288.58 |
| 1,785.5 | 1,019.6 | 1,486.9 | 45.82 | Gross profit | 1,785.5 | 1,486.9 | -16.72 |
| 815.5 | 376.2 | 241.6 | -35.80 | Profit tax | 815.5 | 241.6 | -70.38 |
| 970.0 | 643.4 | 1,245.3 | 93.55 | Net profit | 970.0 | 1,245.3 | 28.38 |
| 1,742.4 | 991.4 | 1,444.7 | 45.73 | EBIT | 1,742.4 | 1,444.7 | -17.08 |
| 1,882.4 | 1,099.7 | 1,581.0 | 43.76 | EBITDA | 1,882.4 | 1,581.0 | -16.01 |
| 2.5 | 1.7 | 3.2 | 93.55 | Earnings per share (EPS) (RON) | 2.5 | 3.2 | 28.38 |
| 33.34 | 29.36 | 54.79 | 86.62 | Net profit ratio (% from Revenue) | 33.34 | 54.79 | 64.31 |
| 59.90 | 45.23 | 63.56 | 40.51 | EBIT ratio (% from Revenue) | 59.90 | 63.56 | 6.12 |
| 64.71 | 50.18 | 69.56 | 38.61 | EBITDA ratio (% from Revenue) | 64.71 | 69.56 | 7.49 |
| 5,943 | 5,980 | 5,973 | -0.12 | Number of employees at the end of the period | 5,943 | 5,973 | 0.50 |

Operational Results

| Q1 2023 | Q4 2023 | Q1 2024 | ΔQ1/Q4 (%) | Main Indicators | Q1 2023 | Q1 2024 | Δ Q1 (%) |
|------------|------------|------------|---------------|--|------------|------------|-------------|
| 1,236.7 | 1,273.5 | 1,291.0 | 1.37 | Gross production (million m ³) | 1,236.7 | 1,291.0 | 4.39 |
| 88.5 | 103.4 | 109.5 | 5.90 | Petroleum royalty (million m ³) | 88.5 | 109.5 | 23.73 |
| 5,617 | 6,232 | 7,440.0 | 19.38 | Condensate production (tonnes) | 5,617 | 7,440.0 | 32.45 |
| 323.0 | 321.1 | 263.8 | -17.84 | Electricity production (GWh) | 323.0 | 263.8 | -18.33 |
| 1,114.9 | 582.2 | 947.7 | 62.8 | UGS withdrawal services (million m ³) invoiced | 1,114.9 | 947.7 | -15.0 |
| 45.4 | 204.2 | 41.1 | -79.9 | UGS injection services (million m ³) invoiced | 45.4 | 41.1 | -9.5 |

Note: information is not consolidated, it also includes transactions between Romgaz and Depogaz.

Natural gas production recorded in Q1 2024 was influenced by:

- ✓ resuming production at inactive wells by performing interventions and recompletion operations;
- ✓ reduced inspection/repair periods at compressor stations and dehydration stations;
- ✓ ensuring operation under normal parameters of all compression and dehydration stations;
- ✓ increased productivity of wells with potential flow rate;
- ✓ continuous rehabilitation projects of the main mature gas fields;

The conditions underlying these results were:

- ✗ gas imports for consumption were approximately 5.21 TWh, 69% higher than in the same period of the previous year;
- ✗ lower gas withdrawals from Romgaz UGSs by 1.615 TWh than in the similar period of 2023 (0.147 TWh compared to 1.762 TWh).

National gas consumption estimated for Q1 2024 was 40.63 TWh, approximately 5.5% higher than the consumption recorded in Q1 2023, of which approximately 5.21 TWh was covered by import gas and the difference of 35.42 TWh by domestic gas. Romgaz contribution was 13.69 TWh, representing 33.69% from the national consumption and 38.65% from the consumption covered from domestic gas.

ROMGAZ GROUP - BRIEF OVERVIEW

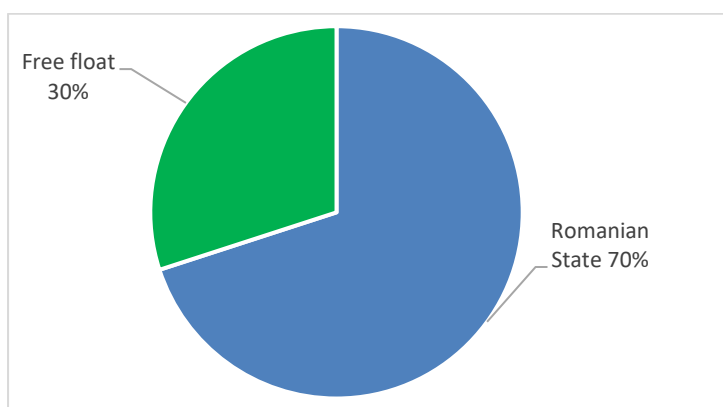
Romgaz Group undertakes business in the following segments:

- ✘ natural gas exploration and production (carried out at Romgaz and Romgaz Black Sea Limited);
- ✘ UGS activity (carried out at Depogaz);
- ✘ natural gas supply;
- ✘ special well operations and services;
- ✘ maintenance and transportation services;
- ✘ electricity generation;
- ✘ natural gas distribution.

Shareholder Structure

On March 31, 2024 SNGN Romgaz SA shareholders' structure was the following:

| | Number of shares | % |
|-----------------------------------|--------------------|---------------|
| Romanian State ³ | 269,823,080 | 70.0071 |
| Free float - total, out of which: | 115,599,320 | 29.9929 |
| *legal persons ⁴ | 95,063,181 | 24.6647 |
| *natural persons | 20,536,139 | 5.3282 |
| Total | 385,422,400 | 100.00 |



Company Organization

The organization of the company corresponds to a hierarchical-functional structure with a number of six hierarchical levels from company shareholders to execution personnel.

The Company has seven branches established based on the specific business as well as on the activity location (production branches), as follows:

- Sucursala Mediaș (Medias Branch);
- Sucursala Târgu Mureș (Targu Mures Branch);
- Sucursala Buzau (Buzau Branch)
- Sucursala de Intervenții, Reparații Capitale și Operații Speciale la Sonde Mediaș (SIRCOSS) (Well Workover, Recompletions and Special Well Operations Branch);

³ The Romanian State through the *Ministry of Energy*

⁴ Including the Bank of New York Mellon, GDRs Depository

- Sucursala de Transport Tehnologic și Mentenanță Târgu Mureș (STTM) (Technological Transport and Maintenance Branch);
- Sucursala de Producție Energie Electrică Iernut (SPEE) (Iernut Power Generation Branch);
- Sucursala Drobeta-Turnu Severin (Drobeta-Turnu Severin Branch).

SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL (Depogaz)

As of April 1, 2018, the subsidiary managing the gas storage activity became operational under the name of **SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL**.

The subscribed and paid in share capital of the company is RON 66,056,160 divided in 6,605,616 shares, with a nominal value of RON 10/share.

The Subsidiary took over the operation of the underground storages licensed by Romgaz, the operation of assets that contribute to performing the activities belonging to Romgaz and the entire personnel performing storage activities.

Information on Depogaz can be found at: <https://www.depogazploiesti.ro>.

Romgaz Black Sea Limited (RBS)

On August 1, 2022, Romgaz became sole shareholder of ROMGAZ BLACK SEA LIMITED, former ExxonMobil Exploration and Production Romania Limited.

RBS is a company operating in compliance with the laws of the Commonwealth of the Bahamas.

RBS holds 50% from the rights and obligations under the Petroleum Agreement for petroleum exploration, development and production for the Deep Water Zone of XIX Neptun offshore block in the Black Sea. OMV Petrom S.A. holds the remaining 50% of such rights and obligations and as of August 1, 2022 OMV Petrom is operator of the block.

The subsidiary RBS does not own any assets or interests and is not a party to any joint operating agreement, production agreement, production sharing agreement or any similar agreement, besides the Petroleum Agreement for petroleum exploration, development and production for the Deep Water Zone of XIX Neptun offshore block in the Black Sea (Neptun Deep Project).

The activity of the project is carried out through Romgaz Black Sea Limited Nassau (Bahamas) Bucharest branch. Currently, Neptun Deep block is in the development phase of commercial reservoirs, namely drilling and construction of necessary infrastructure for natural gas production and sales.

Company Management

On March 31, 2024, Romgaz Board of Directors consisted of:

| Item no. | Name | Position in the Board | Status ^{*)} | Professional Qualification | Institution of Employment |
|----------|-------------------------|-----------------------|-------------------------------|----------------------------|------------------------------------|
| 1 | Dragan Dan Dragos | chairman | non-executive non-independent | economist | Ministry of Energy |
| 2 | Jude Aristotel Marius | member | executive non-independent | legal adviser MBA | SNGN Romgaz SA |
| 3 | Nut Marius Gabriel | member | non-executive independent | economist | SC Sanex SA and SC Lasselberger SA |
| 4 | Brasla Razvan | member | non-executive independent | economist | SC Blom Project Management SRL |
| 5 | Sorici Gheorghe Silvian | member | non-executive independent | economist | SC Sobis Solutions SRL |
| 6 | Balazs Botond | member | non-executive non-independent | legal adviser | SNGN Romgaz SA |
| 7 | Stoian Elena Lorena | member | non-executive independent | legal adviser | SCA Stoian si Asociatii |

^{*)} - members of the Board of Directors submitted the independent statements in compliance with the provisions of Romgaz Code of Corporate Governance.

Board members were elected under OGMS Resolution No.5 of March 14, 2023, for a 4-year mandate, as of March 16, 2023.

The Curricula Vitae of Board members are found at www.romgaz.ro "Investors-Corporate Governance-Structure of the Borad of Directors".

Executive Management

Chief Executive Officer (CEO)

By Resolution No.55/May 15, 2023, the Board of Directors appointed Mr. Razvan Popescu as Chief Executive Officer for a 4-year term, starting with May 16, 2023 until May 16, 2027.

The Board of Directors approved by Resolution No.87/September 19, 2023 conclusion of the addendum to the contract of mandate of Mr. Razvan Popescu regarding financial and non-financial performance indicators which lie at the basis for setting and granting the variable remuneration component of the CEO, setting the value of the variable component, its calculation and payment method.

The Board of Directors approved by Resolution No. 115/December 19, 2023 conclusion of the addendum to the contract of mandate of the CEO, regarding to correction of financial and non-financial performance indicators.

Deputy Chief Executive Officer (Deputy CEO)

By Resolution No.55/May 15, 2023, the Board of Directors appointed Mr. Aristotel Marius Jude as Deputy Chief Executive Officer for a 4-year term, starting with May 16, 2023 until May 16, 2027.

The Board of Directors approved by Resolution No.87/September 19, 2023 conclusion of the addendum to the contract of mandate of Mr. Aristotel Marius Jude regarding financial and non-financial performance indicators which lie at the basis for setting and granting the variable remuneration component of the Deputy CEO, setting the value of the variable component, its calculation and payment method.

The Board of Directors approved by Resolution No. 115/December 19, 2023 conclusion of the addendum to the contract of mandate of the Deputy CEO, regarding to correction of financial and non-financial performance indicators.

Chief Financial Officer (CFO)

By Resolution No.55/May 15, 2023, the Board of Directors appointed Mrs. Gabriela Tranbitas as Chief Financial Officer for a 4-year term, starting with May 16, 2023 until May 16, 2027.

The Board of Directors approved by Resolution No.87/September 19, 2023 conclusion of the addendum to the contract of mandate of Mrs. Gabriela Tranbitas regarding financial and non-financial performance indicators which lie at the basis for setting and granting the variable remuneration component of the CFO, setting the value of the variable component, its calculation and payment method.

The Board of Directors approved by Resolution No. 115/December 19, 2023 conclusion of the addendum to the contract of mandate of the CFO, regarding to correction of financial and non-financial performance indicators.

Other persons holding management positions without being delegated management powers by the Board of Directors can be found on company website at: <https://www.romgaz.ro/management>.

Human Resources

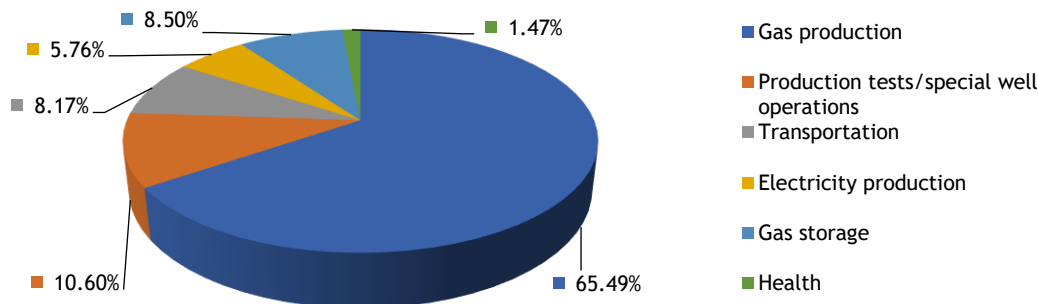
On March 31, 2024, Romgaz Group had 5,973 and SNGN Romgaz SA had 5,452 employees.

The table below shows the evolution of the employees' number for January 1, 2024 - March 31, 2024:

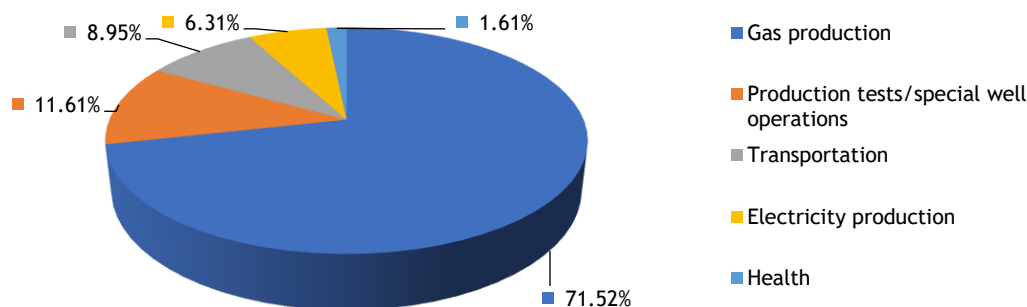
| Description | 2023 GROUP | | March 31, 2024 | |
|--|------------|-------|----------------|--------|
| | Q1 | Year | GROUP | Romgaz |
| Employees at the beginning of the period | 5,971 | 5,971 | 5,980 | 5,462 |
| Newly hired employees | 41 | 274 | 52 | 47 |

| | | | | |
|---|-------|-------|-------|-------|
| Employees who terminated their labour relationship with the company | 69 | 265 | 59 | 57 |
| Employees at the end of the period | 5,943 | 5,980 | 5,973 | 5,452 |

Romgaz Group personnel structured by activities at the end of the reporting period is shown below:



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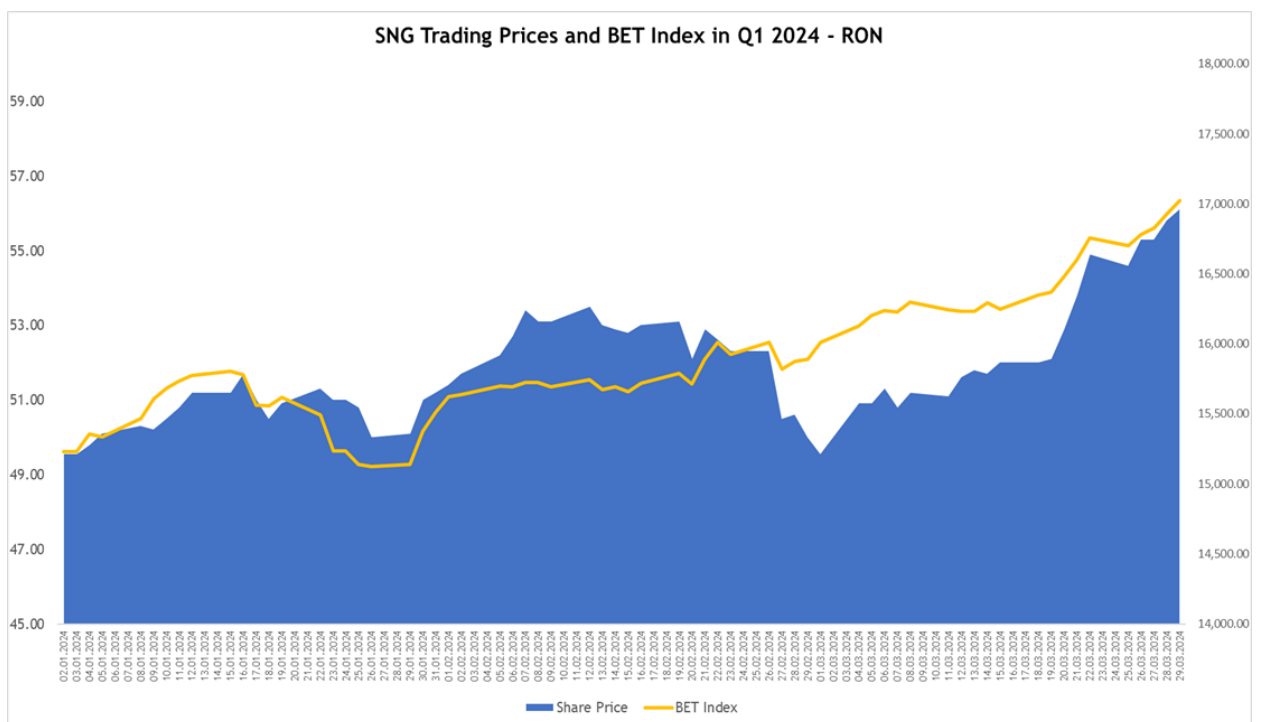
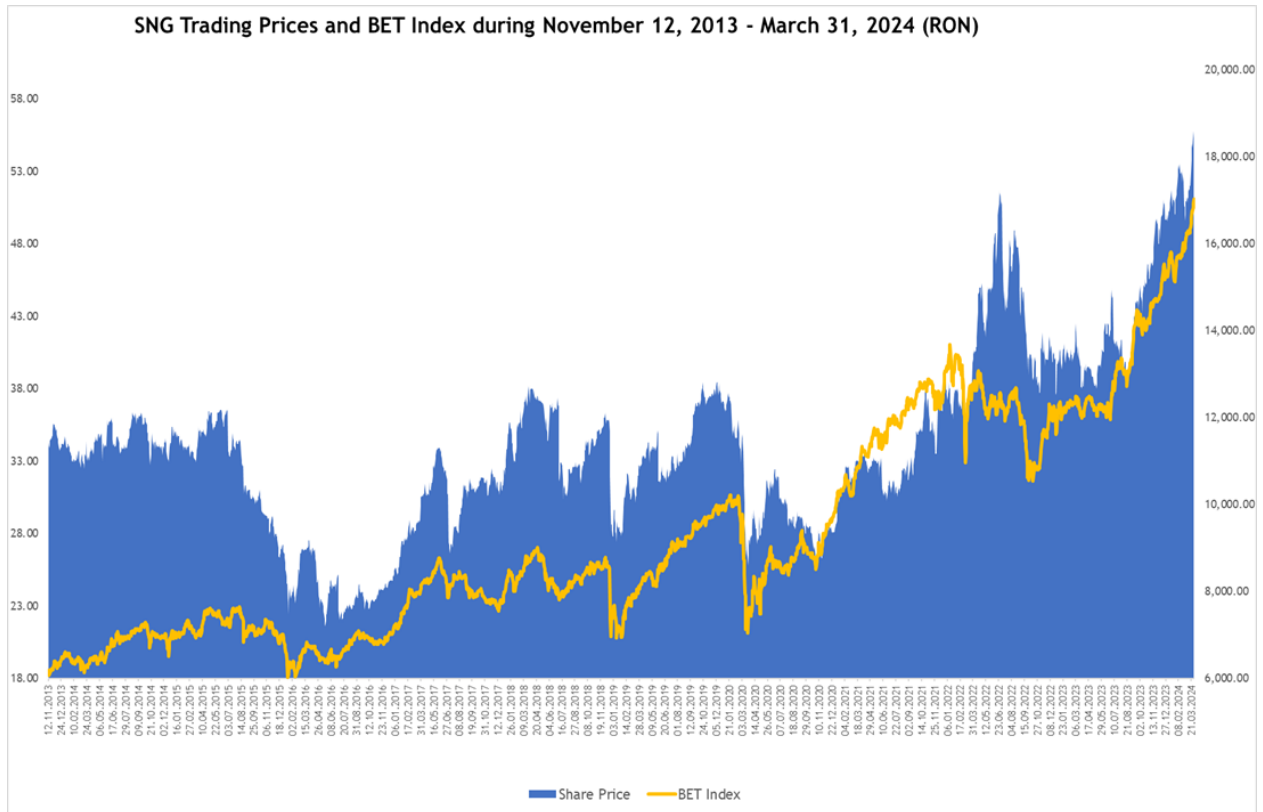
ROMGAZ on the Stock Exchange

As of November 12, 2013, company shares are traded on the regulated market governed by BVB (Bucharest Stock Exchange) under the symbol “SNG” and on the main market for financial instruments of LSE (London Stock Exchange), as GDRs (Global Depository Receipts) issued by the Bank of New York Mellon under the symbol “SNGR”.

Since the listing date until today, Romgaz has been considered an attractive company for investors and holds a significant position in the top of local issuers, being included in BVB trading indices by the end of Q1 2024, as follows:

- fourth place by market capitalization in the top of Premium BVB issuers. With a market capitalization of RON 21,622.19 million, EUR 4,350.97 million, on March 31, 2024, Romgaz is the fourth largest listed company in Romania, being preceded by Hidroelectrica with a market capitalisation of RON 60,273.54 million (EUR 12,128.69 million), OMV Petrom with a capitalization of RON 41,966.90 million (EUR 8,444.89 million) and Banca Transilvania with a capitalization of RON 22,234.64 million (EUR 4,474.22 million);
- fourth place by the total amount of transactions in Q1 2024 in the top of Premium BVB issuers (RON 250.44 million), after Hidroelectrica, Banca Transilvania and OMV Petrom;
- weight of 8.83% and 8.90% in BET index (top 15 issuers) and BET-XT (top 25 issuers) respectively, 16.65% in BET-NG index (energy and utilities) and 8.83% in BET-TR index (BET Total Return).

Performance of Romgaz shares compared to BET index between November 12, 2013 (first trading day of company's shares) - March 31, 2024, and Q1 2024 respectively, is shown below:



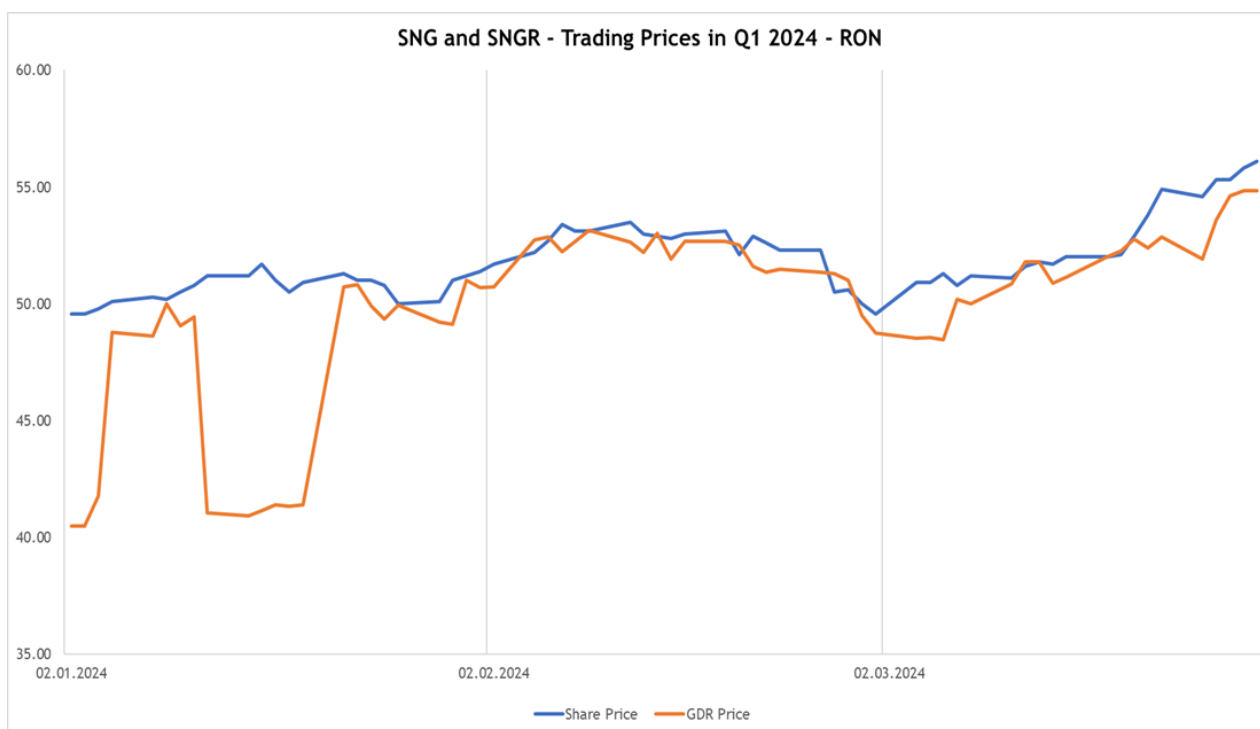
Romgaz share price had in Q1 2024 a slightly oscillating trend, increasing however (+13.22%), between the minimum value of the period recorded in the first trading day of the year RON 49.55 and the maximum value of the period RON 56.10 recorded in the last trading day of March. The average trading share value for Q1 2024 is 51.90 RON/share.

Following a relatively constant rise in the first half of Q1 2024 (up to RON 53.5 on February 12, 2024, namely +8%), the share price started to drop slightly and recorded a sharp drop towards the end of February, reaching again afterwards the minimum level of the period RON 49.55 on March 1, 2024. This price dynamics can be attributed, on one hand, to discussions on the market related to amendments to the regulating and taxation framework of oil and gas companies (decrease of regulated prices)⁵ and on the other hand, to publishing the Preliminary Report for 2023, which reflected a 32.6% lower revenue despite an increasing estimated net profit of 10.4%.

Subsequently, the evolution of the share price was increasing, recording on the last trading day of Q1 the maximum value of the period (RON 53.10), 12% higher than on the last trading day of 2023.

In the reviewed period, the trading price of global depository receipts (GDR), underlying Romgaz shares has developed differently from that of the shares in the first month of 2024, continuing with a similar trend afterwards. Therefore, the minimum and maximum values of GDR's were reached, similar to shares, on the first trading day of the year (USD 8.90, equivalent to RON 40.50) and on the last trading day of Q1 2024 (USD 11.90, equivalent to RON 54.83), the dynamics of the period was +33.71% in USD (35.38% equivalent in RON). The average trading value of the period was 10.87 USD/GDR (equivalent to 49.83 RON/GDR). Compared to the last trading day of 2023, at the end of March 2024, GDR price increased by 10.19% in USD and 12.92% in RON, against an exchange rate difference RON/USD of +2.49% in Q1 2024.

The compared evolution of share and GDR prices (in RON) is shown below:



⁵ Source: Ziarul financiar on February 27, 2024.

PHYSICAL INDICATORS

The table below shows the gas volumes that were produced, delivered, injected/withdrawn into/from UGSs during January-March 2024 in comparison with the similar period of 2022 and 2023 (million m³):

| Item No. | Specifications | Q1 2022 | Q1 2023 | Q1 2024 | Indices (%) |
|----------|--|---------|---------|---------|-------------|
| 0 | 1 | 2 | 3 | 4 | 5=4/3x100 |
| 1. | Gross gas production | 1,307.2 | 1,236.7 | 1,291.0 | 104.4 |
| 2. | Technological consumption | 19.8 | 18.5 | 19.4 | 104.9 |
| 3. | Net internal gas production (1.-2.) | 1,287.4 | 1,218.2 | 1,271.6 | 104.3 |
| 4. | Internal gas volumes injected into UGS | 0.0 | 0.0 | 3.1 | |
| 5. | Internal gas volumes withdrawn from UGS | 183.9 | 143.7 | 13.8 | 9.6 |
| 5.1. | Gas sold in storages | 0.0 | 22.7 | 0.0 | 0.0 |
| 6. | Difference from conversion to Gross Calorific Value | 0.1 | 0.1 | 0.1 | 100.0 |
| 7. | Volumes supplied from internal production (3.-4.+5.-6.) | 1,471.3 | 1,384.5 | 1,282.2 | 92.6 |
| 8.1. | Gas supplied to CTE Iernut and Cojocna from Romgaz's gas | 103.3 | 94.4 | 77.7 | 82.3 |
| 8.2. | Self-supplied gas | | | 0.6 | |
| 9. | Gas supplied from internal production to the market (7.-8.1.-8.2.) | 1,367.9 | 1,290.1 | 1,203.9 | 93.3 |
| 10. | Gas from partnerships - total, of which: | 5.6 | 4.1 | 4.4 | 107.3 |
| | • Amromco (50%) | 5.6 | 4.1 | 4.4 | 107.3 |
| 11. | Purchased internal gas volumes (including imbalances and commodity gas) | 0.7 | 7.5 | 0.1 | 1.3 |
| 12. | Sold internal gas volumes (9.+10.+11.) | 1,374.3 | 1,301.7 | 1,208.4 | 92.8 |
| 13. | Supplied internal gas volumes (8.1.+8.2.+12.) | 1,477.5 | 1,396.1 | 1,286.7 | 92.2 |
| 14. | Supplied import gas volumes | 0.0 | 0.0 | 0.0 | 0.0 |
| 15. | Gas supplied to Iernut and Cojocna from other sources (including imbalances) | 0.0 | 0.1 | 0.0 | 0.0 |
| 16. | Total gas supplies (13.+14.+15.) | 1,477.5 | 1,396.2 | 1,286.7 | 92.2 |
| * | Invoiced UGS withdrawal services | 1,026.4 | 1,114.9 | 947.7 | 85.0 |
| * | Invoiced UGS injection services ^{*)} | 78.8 | 45.4 | 41.1 | 90.5 |

Note: information is not consolidated, it also includes the transactions between Romgaz and Depogaz.

^{*)} - represent gas volumes related to injection services invoiced by the Subsidiary.

INVESTMENTS

Romgaz Group scheduled for the first 3 months of 2024 investments of *RON 718.576 million* and made investments of *RON 460.051 million*, by 35.98% namely *RON 258.525 million* less than scheduled.

On March 31, 2024, from the Annual Investment Program of *RON 4,408.015 million*, **Romgaz** carried out investments in amount of *RON 386.775 million*, namely 8.77%.

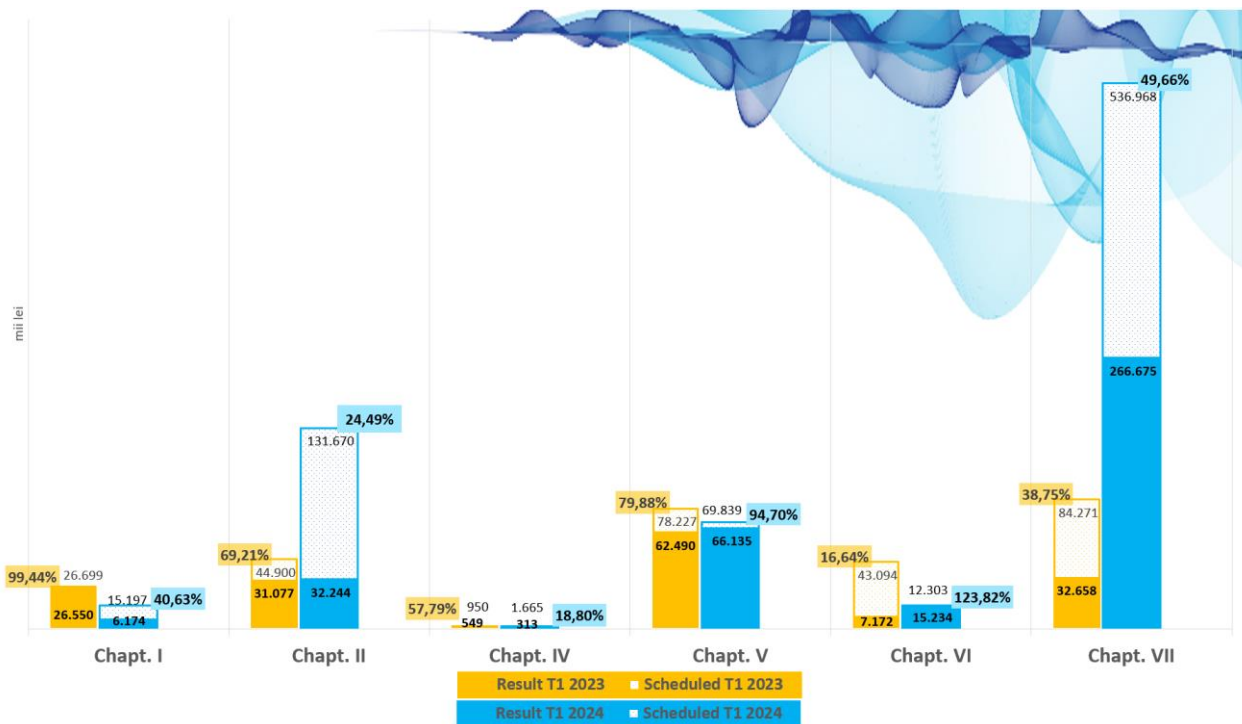
Compared to the similar period of 2023, the investments increased by 140.99%, *RON 386.775 million* in Q1 2024 as compared to *RON 160.496 million* in Q1 2023.

The table below shows the investments made in the first 3 months of 2024 split into main investment chapters, compared to the investments made and scheduled in the similar period of 2023:

| Investment Chapter | *RON thousand* | | | | |
|---|----------------|------------------|----------------|------------------|----------------|
| | Result Q1 2023 | Schedule Q1 2024 | Result Q1 2024 | Q1 2024/ Q1 2023 | R 2024/ S 2024 |
| 1 | 2 | 3 | 4 | 5=4/2x100 | 6=4/3x100 |
| I. Geological exploration works for the discovery of new gas reserves | 26,550 | 15,197 | 6,174 | 23.25% | 40.63% |

| Investment Chapter | Result Q1 2023 | Schedule Q1 2024 | Result Q1 2024 | Q1 2024/ Q1 2023 | R 2024/ S 2024 |
|--|----------------|------------------|----------------|------------------|----------------|
| 1 | 2 | 3 | 4 | 5=4/2x100 | 6=4/3x100 |
| II. Exploitation drilling works, streaming in production new wells, infrastructure, utilities and electricity generation | 31,077 | 131,670 | 32,244 | 103.76% | 24.49% |
| IV. Environmental protection works | 549 | 1,665 | 313 | 14.25% | 18.80% |
| V. Revamping and retrofitting of existing installations and pieces of equipment | 62,490 | 69,839 | 66,135 | 105.83% | 94.70% |
| VI. Independent equipment and installation | 7,172 | 12,303 | 15,234 | 212.41% | 123.82% |
| VII. Expenses with studies and projects | 32,658 | 536,968 | 266,675 | 816.57% | 49.66% |
| TOTAL | 160,496 | 767,642 | 386,775 | 240.99% | 50.38% |

*Romgaz results shown at Chapter VII for Q1 2024 include credits granted to RBS in the first three months of 2024, namely RON 266,112 thousand from the budget of RON 533,698 thousand scheduled for Q1 related to this investment.



Investments achieved in Q1 2024:

- drilling works for 2 wells were finalised, one exploration and one production well, total of 5,607 m drilled;
- prepared documents for procurement of drilling execution works for 9 wells;
- works for surface facilities were finalised to stream in production 2 wells and works in progress for surface facilities for 7 wells;
- well intervention works performed at 44 wells (recompletions, reactivation and repairs) - 19 wells at Medias Branch and 25 wells Targu Mures Branch;
- required steps for procurement of tubing for the gathering pipeline Caragele-Damianca;
- land procurement for parking in Bucharest, 11 Verii street;

- various procurements such as:
 - tiles for well area, motor grader, bus 55 places, crawler excavator, laboratory on wheels for dehydration stations, metal pipeline detectors, IT equipment.
- Romgaz Black Sea Limited received credits for infrastructure development in amount of RON 266.112 million;
- The contract “Completion of works and commissioning of the investment Development of CTE Iernut by building a new combined cycle gas turbine power plant” is in progress. The following works were performed: foundation for various equipment, pipeline racks, water pumping station, water coolers, condensing system, cable trays and laying.

The value of fixed assets in place in Q1 2024 was *RON 140.24 million*.

DEPOGAZ

For 2024, **S.N.G.N. ROMGAZ S.A. Filiala de înmagazinare gaze naturale DEPOGAZ SRL Ploiești** has an approved investment program of RON 81,426 thousand.

Investments were financed exclusively from own sources.

For the first three months of 2024, Depogaz had an approved investment plan of RON 22,317 thousand and made investments of RON 1,762.18 thousand, representing 7.90% of scheduled investments, as follows:

| | | *RON thousand* | |
|----------------------|--|-------------------|-----------------|
| Item No. | Specifications | Scheduled Q1 2024 | Results Q1 2024 |
| 1. | Exploration works for the discovery of new gas reserves | 0 | 0 |
| 2. | Operation of fields and UGSs, infrastructure and facilities on the field and in storages | 17,660.00 | 166.15 |
| 3. | Underground gas storage activities | 90.00 | 206.49 |
| 4. | Environment improvement and protection works | 0 | 0 |
| 5. | Revamping and retrofitting of existing facilities and equipment, surface facilities, utilities | 3,615.00 | 1,375.30 |
| 6. | Independent equipment and installations | 733.00 | 13.15 |
| 7. | Expenses related to consultancy, studies and projects, soft, licenses and patents, etc. | 219.00 | 1.09 |
| TOTAL GENERAL | | 22,317.00 | 1,762.18 |

Investment objectives achieved in Q1 2024 are:

- **6 wells drilled at Sarmasel** - RON 154.85 thousand;
- **Increase of daily withdrawal capacity at Bilciuresti UGS** - CEF - RON 206.49 thousand
- **Modernise gas metering system at Bilciuresti UGS** - extend metering panel - RON 764.25 thousand
- **Modernise 12 wells at Sarmasel** - RON 484.85 thousand
- **Modernise building A at Butimanu compressor station** - RON 117.00 thousand
- **Modernise Qsonic ultrasonic meters** - 5 series III QL Meter - RON 9.20 thousand
- **Fire fighting equipment** - concrete column SE T4 - RON 13.15 thousand
- **Design for Ghercesti compressor station** - RON 1.09 thousand
- **Drilling well at Bilciuresti** - 11.3 thousand.

Romgaz Black Sea Limited

For 2024, *Romgaz Black Sea Limited* has a total approved investment program of RON 3,060,213 thousand.

For the first 3 months of 2024, the Subsidiary had an approved investment program of RON 462,315 thousand and achieved RON 337,626 thousand, representing 73.03%, as follows:

| <i>Item No.</i> | <i>Specifications</i> | <i>Schedule Q1 2024</i> | <i>RON thousand Results Q1 2024</i> |
|-----------------|-------------------------------|-------------------------|-------------------------------------|
| 1. | <i>Development activities</i> | 459,465 | 336,980 |
| 2. | <i>Exploration activities</i> | 2,850 | 646 |
| | TOTAL | 462,315 | 337,626 |

The progress recorded in Q1 2024 related to investments of ROMGAZ BLACK SEA LIMITED is in line with the works program and the execution timeline for Neptun Deep project.

Main investments made are related to detail design and engineering, procurement of technological equipment and facilities, preparatory drilling works for wells and obtaining permits/endorsements.

ECONOMIC-FINANCIAL INDICATORS

Interim Statement of the Consolidated Financial Position

The table below shows the summary of the interim consolidated financial result on March 31, 2024, as compared to December 31, 2023:

| INDICATOR | December 31, 2023 (RON thousand) | March 31, 2024 (RON thousand) | Variance (%) |
|--------------------------------------|--|----------------------------------|-----------------|
| 1 | 2 | 3 | 4=(3-2)/2x100 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 5,891,788 | 6,204,276 | 5.30 |
| Other intangible assets | 5,135,930 | 5,134,448 | -0.03 |
| Investments in associates | 33,410 | 35,384 | 5.91 |
| Deferred tax assets | 324,175 | 320,687 | -1.08 |
| Other financial assets | 5,616 | 5,616 | 0.00 |
| Right of use asset | 11,596 | 14,967 | 29.07 |
| Total non-current assets | 11,402,515 | 11,715,378 | 2.74 |
| Current assets | | | |
| Inventories | 301,690 | 334,694 | 10.94 |
| Trade and other receivables | 1,398,953 | 1,349,456 | -3.54 |
| Contract costs | - | 13 | n/a |
| Other financial assets | 2,505,463 | 3,822,710 | 52.57 |
| Other assets | 321,799 | 427,875 | 32.96 |
| Cash and cash equivalents | 535,210 | 287,045 | -46.37 |
| Total current assets | 5,063,115 | 6,221,793 | 22.88 |
| TOTAL ASSETS | 16,465,630 | 17,937,171 | 8.94 |
| EQUITY AND LIABILITIES | | | |
| Equity and reserves | | | |
| Issued capital | 385,422 | 3,854,224 | 900.00 |
| Reserves | 4,971,109 | 1,477,727 | -70.27 |
| Retained earnings | 6,204,783 | 7,450,110 | 20.07 |
| Total equity and reserves | 11,561,314 | 12,782,061 | 10.56 |
| Non-current liabilities | | | |
| Retirement benefit obligation | 189,314 | 185,579 | -1.97 |
| Provisions | 373,536 | 372,026 | -0.40 |
| Deferred revenue | 370,941 | 370,936 | 0.00 |
| Bank loans | 808,373 | 726,789 | -10.09 |
| Lease liability | 10,450 | 12,641 | 20.97 |
| Total non-current liabilities | 1,752,614 | 1,667,971 | -4.83 |
| Current liabilities | | | |
| Trade payables and other liabilities | 146,111 | 146,700 | 0.40 |
| Contract liabilities | 153,723 | 78,768 | -48.76 |
| Current tax liabilities | 1,766,637 | 2,004,699 | 13.48 |
| Deferred revenue | 7 | 193 | 2,657.14 |
| Provisions | 121,732 | 132,165 | 8.57 |
| Lease liability | 2,579 | 3,515 | 36.29 |
| Bank loans | 323,349 | 323,478 | 0.04 |
| Other liabilities | 637,564 | 797,621 | 25.10 |
| Total current liabilities | 3,151,702 | 3,487,139 | 10.64 |
| Total liabilities | 4,904,316 | 5,155,110 | 5.11 |
| TOTAL EQUITY AND LIABILITIES | 16,465,630 | 17,937,171 | 8.94 |

NON-CURRENT ASSETS

Total non-current assets increased by 2.74%, namely by RON 312.86 million, from RON 11,402.52 million on December 31, 2023 to RON 11,715.38 on March 31, 2024. The increase is mainly generated by investments in Neptun Deep project of RON 335.40 million.

CURRENT ASSETS

Current assets increased by RON 1,158.68 million (+22.88%) on March 31, 2024, mainly following the increase by RON 1,069.08 million of other cash, cash equivalent and other financial assets (bank deposits). Main influences on current assets are shown below.

Other assets

The increase in other assets on March 31, 2024 as compared to December 31, 2023 is mainly due to CO₂ certificates purchased in Q1 2024 that have not been registered yet in the Unique Register of Greenhouse Gas Emissions as well as to the VAT generated by the investments in Neptun Deep.

Cash and cash equivalents. Other financial assets

Cash and cash equivalents and other financial assets (bank deposits) were on March 31, 2024 of RON 4,109.76 million, as compared to RON 3,040.67 million at the end of 2023 (+ RON 1,069.08 million). The increase was triggered by collections in Q1.

EQUITY AND RESERVES

Group's equity increased by 10.56% due to the profit achieved in Q1 2024.

The Extraordinary General Meeting of Shareholders approved in December 2023 the share capital increase by incorporating reserves of RON 3,468.80 million by issuing 3,468,801,600 free shares with a nominal value of 1 RON/share. The total share capital value increased to RON 3,854.22 million by recording this increase in January 2024 with the Trade Register. Payment date of free shares is May 30, 2024.

NON-CURRENT LIABILITIES

Non-current liabilities recorded on March 31, 2024 a decrease of 4.83% as compared to December 31, 2023, as the due instalment of the bank loan was paid according to contractual terms.

CURRENT LIABILITIES

Current liabilities increased by RON 335.44 million, from RON 3,151.70 million, as recorded on December 31, 2023, to RON 3,487.14 million, recorded on March 31, 2024. The main influences are detailed below.

Current tax liabilities

In Q1 2024, the Group did not pay the income tax and the solidarity contribution for 2023, the due date being June 25, 2024. The increase of current tax liability is due to the current income tax for Q1 2024 of RON 238.06 million.

Other liabilities

Other current liabilities increased by 25.10% as compared to December 31, 2023. Most liabilities relate to amounts due to the operator for the development works of Neptun Deep block (RON 237.13 million on March 31, 2024 with due date in April 2024, as compared to RON 126.06 million on December 31, 2023); petroleum royalty due for Q1 (RON 184.35 million on March 31, 2024 as compared to RON 174.77 million on December 31, 2023) and amounts representing CO₂ certificates that will be registered in the Unique Register of Greenhouse Gas Emissions (RON 252.90 million on March 31, 2024, as compared to RON 208.62 million on December 31, 2023).

Interim Statement of Consolidated Comprehensive Income

The Group's profit and loss account summary for the period January 1 - March 31 2024, as compared to the similar period of 2023, is shown below:

| Description | Q1 2023 (RON thousand) | Q1 2024 (RON thousand) | Variance (%) |
|--|------------------------------|------------------------------|-----------------|
| 1 | 2 | 3 | 5=4/2x100 |
| Revenue | 2,909,038 | 2,273,012 | -21.86 |
| Cost of commodities sold | (19,786) | (19,269) | -2.61 |
| Investment income | 51,181 | 53,623 | 4.77 |
| Other gains and losses | 6,784 | (3,019) | n/a |
| Net impairment gains/(losses) on trade receivables | 16,285 | (10,036) | n/a |
| Changes in inventories | (62,023) | 2,699 | n/a |
| Raw materials and consumables used | (26,060) | (29,798) | 14.34 |
| Depreciation, amortization and net impairment expenses | (139,956) | (136,301) | -2.61 |
| Employee benefit expense | (199,153) | (216,383) | 8.65 |
| Taxes and duties | (631,994) | (269,799) | -57.31 |
| Finance costs | (12,706) | (17,532) | 37.98 |
| Exploration expense | (486) | (29,631) | 5,996.91 |
| Share of associates' result | 508 | 1,974 | 288.58 |
| Other expenses | (181,716) | (157,170) | -13.51 |
| Other income | 75,559 | 44,507 | -41.10 |
| Profit before tax | 1,785,475 | 1,486,877 | -16.72 |
| Income tax expense | (815,472) | (241,550) | -70.38 |
| Net Profit | 970,003 | 1,245,327 | 28.38 |

Revenue

On March 31, 2024 the Group's revenue recorded a decrease by 21.86% (RON 636.03 million) as compared to the similar period of the previous year, reaching RON 2.27 billion. As compared to Q4 2023, the Group's revenue increased in Q1 2024 by 3.71% mainly due to higher revenue from gas sales by RON 70.46 million (+3.80%).

The decrease of revenue as compared to Q1 2023 resides in the decrease by 25.06% (-RON 643.59 million) of consolidated revenues from gas sales, from the drop by 9.88% (-RON 11.99 million) of revenues from electricity sales and from the decline of storage services by 9.07%.

Quantitatively, gas volumes sold in Q1 2024 from the Group's internal production and stored gas were lower than in Q1 2023 by 6.68%. Yet, as compared to Q4 2023 gas sales were higher by 5.70%. In Q1 2024 the Group delivered approximately 91% gas at 150 RON/MWh under GEO No. 27/2022 as subsequently amended and supplemented.

Electricity production declined by 18.33% in Q1 2024 as compared to Q1 2023 and by 17.84% as compared to Q4 2023. The production decline was generated by an accidental outage of the power plant due to its age. The Group sold roughly 71% of the delivered quantity to third parties through the centralised electricity purchase mechanism (MACEE) under GEO No. 27/2022 as subsequently amended and supplemented. The quantity delivered through said mechanism in Q1 2023 was 97% from deliveries to third parties.

In Q1 2024, consolidated revenues from storage services decreased by 9.07% as compared to Q1 2023 (- RON 13.67 million). We state that consolidated revenue from storage services include revenue from

services invoiced by Romgaz for the gas sold from storages. Non-consolidated revenue from storage services increased in Q1 2024 by 9.89% as compared to Q1 2023 (RON 12.76 million) mainly due to an increased tariff of withdrawal services by 70.69% as compared to the tariff of Q1 2023, offsetting the 15% lower volume of such services.

Depreciation, amortization and net impairment

Expenses with depreciation, amortization and net impairment decreased by 2.29%. Depreciation expenses increased by 46.70% due to commissioning some assets in the first part of 2024. Moreover, the net expense with impairment of fixed assets decreased by 81.01%.

Taxes and duties

The expense with taxes and duties decreased by 57.31% in Q1 2024 as compared to Q1 2023. The drop by RON 362.20 million resides mainly in the lower windfall tax expenses by 399.51 million (-83.77%), reaching RON 77.39 million. Royalty expenses (including royalty for storage activities) increased by RON 34.29 million (+22.80%) as compared to Q1 2023.

As regards electricity, in the first three months of 2024, the Group recorded expenses with the contribution to the energy transition fund of RON 5.14 million, considering that most electricity was sold at the regulated price of 450 RON/MWh. According to GEO No. 27/2022 electricity producers selling electricity at 450 RON/MWh shall receive from the Romanian State the positive difference between the value of CO₂ certificates sold at this price and the contribution to the energy transition fund. Whereas, until today this right cannot be exercised due to the lack of legal provisions, it was considered that the conditions for recognising this subsidy were not fulfilled and the Group did not record an income in this respect. The amount to be recovered by the Group on March 31, 2024 is RON 188.26 million, representing contingent assets at the end of Q1 2024.

Other expenses

Other expenses decreased by 13.51% as compared to Q1 2023 mainly due to lower expenses with CO₂ certificates, as fewer certificates were necessary considering the decreased electricity production as well as lower purchase prices.

Other income

In Q1 2024 other income increased by 41.10% as compared to the similar period of 2023. These include, mostly, late payment interest and penalties invoiced to clients for failure to pay on due date or for untaken contracted gas quantities, and to suppliers for delays in providing services.

Income tax expense

As of 2024, the Group shall no longer calculate the solidarity contribution introduced at the end of 2022. Therefore, the income tax expense reduced significantly in Q1 2024 as compared to Q1 2023, from RON 815.47 million in Q1 2023 reaching RON 241.55 million at the end of Q1 2024.

The table below shows the breakdown of the interim consolidated comprehensive income by activity segments for January-March 2024 compared to January-March 2023:

Structure of indicators by activity segments - March 2024

**RON thousand **

| Description | TOTAL, out of which: | Gas production and delivery | Underground gas storage | Electricity | Other activities | Consolidation on adjustments |
|---|-------------------------|--------------------------------------|----------------------------|-------------|---------------------|------------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Revenue | 2,273,012 | 2,116,704 | 141,700 | 147,647 | 109,484 | (242,523) |
| Cost of commodities sold | (19,269) | (151) | (1) | (18,898) | (219) | - |
| Investment income | 53,623 | 750 | 2,402 | 50 | 65,443 | (15,022) |
| Other gains or losses | (3,019) | (3,943) | (98) | (40) | 1,062 | - |
| Net losses/gains from impairment of trade receivables | (10,036) | (8,587) | - | (1,498) | 49 | - |
| Change in inventory | 2,699 | 2,109 | - | 38 | 552 | - |

| Description | TOTAL, out of which: | Gas production and delivery | Underground gas storage | Electricity | Other activities | Consolidation on adjustments |
|--------------------------------|-------------------------|-----------------------------------|----------------------------|-----------------|---------------------|------------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Raw materials and amortisation | (29,798) | (20,346) | (13,037) | (82,788) | (4,066) | 90,439 |
| Depreciation and amortization | (136,301) | (105,449) | (4,958) | (3,665) | (8,620) | (13,609) |
| Employee benefit expenses | (216,383) | (126,250) | (19,316) | (13,837) | (56,980) | - |
| Taxes and duties | (269,799) | (258,712) | (4,980) | (5,457) | (650) | - |
| Finance costs | (17,532) | (5,701) | (578) | (11) | (11,629) | 387 |
| Exploration expense | (29,631) | (29,631) | - | - | - | - |
| Share of associates' result | 1,974 | - | - | - | 1,974 | - |
| Other expenses | (157,170) | (221,428) | (29,223) | (67,404) | 8,565 | 152,320 |
| Other income | 44,507 | 43,200 | 5 | 76 | 1,343 | (117) |
| Profit before tax | 1,486,877 | 1,382,565 | 71,916 | (45,787) | 106,308 | (28,125) |
| Income tax expense | (241,550) | 3,559 | (9,813) | - | (235,296) | - |
| Profit for the period | 1,245,327 | 1,386,124 | 62,103 | (45,787) | (128,988) | (28,125) |

Structure of indicators by activity segments - March 2023

* RON thousand *

| Description | TOTAL, out of which: | Gas production and delivery | Underground gas storage | Electricity | Other activities | Consolidation on adjustments |
|---|-------------------------|-----------------------------------|----------------------------|-------------|---------------------|------------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Revenue | 2,909,038 | 2,777,067 | 128,947 | 165,489 | 107,979 | (270,444) |
| Cost of commodities sold | (19,786) | (18,660) | (1) | (854) | (271) | - |
| Investment income | 51,181 | 191 | 2,053 | 20 | 49,925 | (1,008) |
| Other gains or losses | 6,784 | 132 | (459) | (4) | 6,655 | 460 |
| Net losses/gains from impairment of trade receivables | 16,285 | 18,023 | - | (876) | (862) | - |
| Change in inventory | (62,023) | (62,419) | - | 11 | 385 | - |
| Raw materials and amortisation | (26,060) | (17,792) | (12,068) | (100,543) | (3,548) | 107,891 |
| Net depreciation and amortization | (139,956) | (130,040) | (3,375) | (3,685) | (6,608) | 3,752 |
| Employee benefit expenses | (199,153) | (115,292) | (18,393) | (11,932) | (53,536) | - |
| Taxes and duties | (631,994) | (624,212) | (3,877) | (3,256) | (649) | - |
| Finance costs | (12,706) | (4,117) | (497) | - | (8,242) | 150 |
| Exploration expense | (486) | (486) | - | - | - | - |
| Share of associates' result | 508 | - | - | - | 508 | - |
| Other expenses | (181,716) | (183,845) | (32,791) | (107,562) | (20,184) | 162,666 |
| Other income | 75,559 | 10,508 | 1 | 63,987 | 1,175 | (112) |
| Profit before tax | 1,785,475 | 1,649,058 | 59,540 | 795 | 72,727 | 3,355 |
| Income tax expense | (815,472) | (537,275) | (9,631) | - | (268,566) | - |
| Profit for the period | 970,003 | 1,111,783 | 49,909 | 795 | (195,839) | 3,355 |

Consolidated Statement of Cash Flows

Cash flows recorded during January - March 2024 compared to the similar period of 2023 are shown below:

| INDICATOR | Q1 2023 (RON thousand) | Q1 2024 (RON thousand) | Variance (%) |
|--|------------------------------|------------------------------|-------------------|
| 1 | 2 | 3 | 4=(3- 2)/2x100 |
| Cash flow from operating activities | | | |
| Net profit for the period | 970,003 | 1,245,327 | 28.38 |
| <i>Adjustments for:</i> | | | |
| Income tax expense | 815,472 | 241,550 | -70.38 |
| Share of associates' result | (508) | (1,974) | 288.58 |
| Interest expense | 8,265 | 11,695 | 41.50 |
| Unwinding of decommissioning provision | 4,441 | 5,837 | 31.43 |
| Interest revenue | (51,181) | (53,623) | 4.77 |
| Loss on disposal of non-current assets | (647) | 1,420 | n/a |
| Change in decommissioning provision recognized in the result of the period, other than unwinding | (1,534) | (1,079) | -29.66 |
| Change in other provisions | 73,651 | 2,910 | -96.05 |
| Impairment of exploration assets | 6,190 | 4,366 | -29.47 |
| Exploration projects written-off | 47,497 | 5,828 | -87.73 |
| Net impairment of non-current assets | 486 | (606) | n/a |
| Exchange rate differences | 86,269 | 126,107 | 46.18 |
| Depreciation and amortization | 3 | 1 | -66.67 |
| Amortization of contract costs | (20,250) | 10,025 | n/a |
| Loss/(Gains) on trade receivables and other receivables | (1,879) | 1,832 | n/a |
| Impairment of inventories | (2) | (7) | 250.00 |
| Income from subsidies | 1,936,276 | 1,599,609 | -17.39 |
| Cash generated from operational activities before movements in working capital | | | |
| Movements in working capital | 63,760 | (34,836) | n/a |
| (Increase)/Decrease in inventories | 57,775 | (66,618) | n/a |
| (Increase)/Decrease in trade and other receivables | (225,591) | 85,293 | n/a |
| Increase/(Decrease) in trade and other liabilities | 1,832,220 | 1,583,448 | -13.58 |
| Net Cash generated by operational activities | (8,120) | (11,005) | 35.53 |
| Income tax paid | 1,824,100 | 1,572,443 | -13.80 |
| Net cash generated by operational activities | | | |
| Cash flows from investing activities | (2,885,779) | (2,973,078) | 3.03 |
| Bank deposits set up and acquisition of state bonds | 15,000 | 1,670,083 | 11,033.89 |
| Bank deposits and state bonds matured | 30,797 | 39,295 | 27.59 |
| Interest received | 516 | 191 | -62.98 |
| Proceeds from sale of non-current assets | (152,997) | (445,010) | 190.86 |
| Acquisition of non-current assets | (8,739) | (5,455) | -37.58 |
| Acquisition of exploration assets | (3,001,202) | (1,713,973) | -42.89 |
| Net cash used in investing activities | | | |
| Cash flows from financing activities | (80,413) | (80,779) | 0.46 |
| Loan repayments | (100) | (24,646) | 24,546.00 |
| Dividends paid | (778) | (1,400) | 79.95 |
| Repayment of lease liability | - | 191 | n/a |
| Net cash used in financing activities | (81,291) | (106,634) | 31.18 |
| Increase/(decrease) in net cash and cash equivalents | (1,258,393) | (248,165) | -80.28 |
| Net cash and cash equivalents at the beginning of the period | 1,883,882 | 535,210 | -71.59 |
| Cash and cash equivalents on March 31 | 625,489 | 287,045 | -54.11 |

Indicators

The Company's financial performance is also reflected by the evolution of indicators as shown in the table below:

| Indicators | Calculation formula | M.U. | Q1 2023 | Q1 2024 |
|--|--|-------------|---------|---------|
| 1 | 2 | 3 | 4 | 5 |
| Working Capital (WC) | $C_p - A_i = C_{pr} + D_{lt} + Pr + S_i - A_i$ | RON million | 2,249 | 2,735 |
| Working Capital Requirements (WCR) | $(A_c - D + Ch_{av}) - (D_{crt} - Cr_{ts} + V_{av})$ | RON million | 1,945 | 2,771 |
| Net Cash Flow | $FR - NFR = D - Cr_{ts}$ | RON million | 304 | -36 |
| Economic Rate of Return | $\frac{P_b}{C_p} \times 100$ | % | 14.05 | 10.24 |
| Return of Equity (ROE) | $\frac{P_n}{C_{pr}} \times 100$ | % | 8.78 | 10.20 |
| Return on Sales | $\frac{P_b}{CA} \times 100$ | % | 61.38 | 65.41 |
| Return on Assets | $\frac{P_n}{A} \times 100$ | % | 6.11 | 7.28 |
| EBIT | $P_b + Ch_d - V_d$ | RON million | 1,742 | 1,445 |
| EBITDA | $EBIT + Am$ | RON million | 1,882 | 1,581 |
| ROCE | $\frac{EBIT}{C_{ang}} \times 100$ | % | 13.71 | 9.95 |
| Asset Solvency | $\frac{C_{pr}}{P} \times 100$ | % | 69.58 | 71.36 |
| Current Liquidity | $\frac{A_{crt}}{D_{crt}}$ | - | 1.71 | 1.78 |
| Gearing Ratio | $\frac{C_i}{C_{pr}} \times 100$ | % | 12.38 | 8.18 |
| Accounts Receivables Turnover | $\frac{\bar{S}_{clienti}}{CA} \times 90$ | - | 42.41 | 54.42 |
| Property, Plant and Equipment Turnover | $\frac{CA}{A_i}$ | - | 0.28 | 0.19 |

where:

| | | | |
|-----------|--------------------------|-----------|--|
| C_{lt} | long-term capital; | I_{df} | deferred income |
| A_f | non-current assets; | P_g | gross profit; |
| E | equity; | P_n | net profit; |
| L_{nc} | non-current liabilities; | R | revenue; |
| Pr | provisions; | A | total assets; |
| S_i | investment subsidies; | Ex_i | interest expense; |
| A_c | current assets; | I_r | interest income; |
| L | liquidity position; | Am | depreciation, amortization and impairment; |
| Pp | Prepayments; | C_{emp} | capital employed (total assets-current liabilities); |
| L_{crt} | current liabilities; | A_{crt} | current assets+prepayments; |
| Cr_{st} | short-term credit; | L | total liabilities; |
| Lc | Loan capital; | Aar | Average Accounts Receivables. |

Please find attached the Simplified Interim Consolidated Financial Statements for the period ending on March 31, 2024 prepared in compliance with the International Accounting Standard 34 and not audited by the financial auditor.

SIGNATURES**CHAIRMAN OF THE BOARD OF DIRECTORS,**

Dan Dragoș DRĂGAN

.....

Chief Executive Officer,
Răzvan POPESCU**Deputy Chief Executive Officer,**
Aristotel Marius JUDE**Chief Financial Officer,**
Gabriela TRÂNBIȚAȘ

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S.N.G.N. ROMGAZ S.A. GROUP

**CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024
(UNAUDITED)**

**PREPARED IN ACCORDANCE WITH
INTERNATIONAL ACCOUNTING STANDARD 34**

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CONDENSED STATEMENT OF CONSOLIDATED INTERIM COMPREHENSIVE INCOME

| | Note | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|---|-------|--------------------------------------|--------------------------------------|
| | | '000 RON | '000 RON |
| Revenue | 3 | 2,273,012 | 2,909,038 |
| Cost of commodities sold | 4 | (19,269) | (19,786) |
| Investment income | | 53,623 | 51,181 |
| Other gains and losses | 5 | (3,019) | 6,784 |
| Net impairment gains/(losses) on trade receivables | 10 c) | (10,036) | 16,285 |
| Changes in inventory of finished goods and work in progress | | 2,699 | (62,023) |
| Raw materials and consumables used | 4 | (29,798) | (26,060) |
| Depreciation, amortization and impairment expenses | 6 | (136,301) | (139,956) |
| Employee benefit expense | 8 | (216,383) | (199,153) |
| Taxes and duties | 9 | (269,799) | (631,994) |
| Finance cost | | (17,532) | (12,706) |
| Exploration expense | | (29,631) | (486) |
| Share of profit of associates | | 1,974 | 508 |
| Other expenses | 9 | (157,170) | (181,716) |
| Other income | 3 | 44,507 | 75,559 |
| Profit before tax | | 1,486,877 | 1,785,475 |
| Income tax expense | 7 | (241,550) | (815,472) |
| Profit for the period | | 1,245,327 | 970,003 |
| Total comprehensive income for the period | | 1,245,327 | 970,003 |
| Basic and diluted earnings per share | 12 b) | 0.0032 | 0.0025 |

These financial statements were endorsed by the Board of Directors on May 14, 2024.

Răzvan Popescu
 Chief Executive Officer

Gabriela Trânbițaș
 Chief Financial Officer

CONDENSED STATEMENT OF CONSOLIDATED INTERIM FINANCIAL POSITION

| | Note | March 31, 2024 '000 RON | December 31, 2023 '000 RON |
|--------------------------------------|-------|----------------------------|-------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 6,204,276 | 5,891,788 |
| Intangible assets | | 5,134,448 | 5,135,930 |
| Investments in associates | | 35,384 | 33,410 |
| Deferred tax asset | | 320,687 | 324,175 |
| Right of use asset | | 14,967 | 11,596 |
| Other financial assets | | 5,616 | 5,616 |
| Total non-current assets | | 11,715,378 | 11,402,515 |
| Current assets | | | |
| Inventories | | 334,694 | 301,690 |
| Trade and other receivables | 10 a) | 1,349,456 | 1,398,953 |
| Contract costs | | 13 | - |
| Other financial assets | 13 b) | 3,822,710 | 2,505,463 |
| Other assets | 10 b) | 427,875 | 321,799 |
| Cash and cash equivalents | 13 a) | 287,045 | 535,210 |
| Total current assets | | 6,221,793 | 5,063,115 |
| Total assets | | 17,937,171 | 16,465,630 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 12 a) | 3,854,224 | 385,422 |
| Reserves | | 1,477,727 | 4,971,109 |
| Retained earnings | | 7,450,110 | 6,204,783 |
| Total equity | | 12,782,061 | 11,561,314 |
| Non-current liabilities | | | |
| Retirement benefit obligation | 11 | 185,579 | 189,314 |
| Deferred revenue | | 370,936 | 370,941 |
| Lease liabilities | | 12,641 | 10,450 |
| Borrowings | | 726,789 | 808,373 |
| Provisions | 11 | 372,026 | 373,536 |
| Total non-current liabilities | | 1,667,971 | 1,752,614 |

CONDENSED STATEMENT OF CONSOLIDATED INTERIM FINANCIAL POSITION

| | <u>Note</u> | <u>March 31, 2024</u> <u>'000 RON</u> | <u>December 31, 2023</u> <u>'000 RON</u> |
|-------------------------------------|-------------|--|---|
| Current liabilities | | | |
| Trade payables | | 146,700 | 146,111 |
| Contract liabilities | | 78,768 | 153,723 |
| Current tax liabilities | | 2,004,699 | 1,766,637 |
| Deferred revenue | | 193 | 7 |
| Provisions | 11 | 132,165 | 121,732 |
| Lease liabilities | | 3,515 | 2,579 |
| Borrowings | | 323,478 | 323,349 |
| Other liabilities | 14 | 797,621 | 637,564 |
| Total current liabilities | | 3,487,139 | 3,151,702 |
| Total liabilities | | 5,155,110 | 4,904,316 |
| Total equity and liabilities | | 17,937,171 | 16,465,630 |

These financial statements were endorsed by the Board of Directors on May 14, 2024.

Răzvan Popescu
Chief Executive Officer

Gabriela Trânbițaș
Chief Financial Officer

CONDENSED STATEMENT OF CONSOLIDATED INTERIM CHANGES IN EQUITY

| | Share capital | Legal reserve | Geological quota reserve | Development fund reserve | Reinvested profit reserve | Other reserves | Retained earnings | Total |
|---|------------------|------------------|--------------------------------|-----------------------------|------------------------------|-------------------|----------------------|------------|
| | '000 RON | '000 RON | '000 RON | '000 RON | '000 RON | '000 RON | '000 RON | '000 RON |
| Balance as of January 1, 2024 | 385,422 | 90,294 | 486,388 | 3,902,422 | 472,280 | 19,725 | 6,204,783 | 11,561,314 |
| Profit for the period | - | - | - | - | - | - | 1,245,327 | 1,245,327 |
| Total comprehensive income for the period | - | - | - | - | - | - | 1,245,327 | 1,245,327 |
| Allocation to dividends *) | - | - | - | (24,580) | - | - | - | (24,580) |
| Increase in share capital (note 12 a) | 3,468,802 | - | - | (3,468,802) | - | - | - | - |
| Balance as of March 31, 2024 | 3,854,224 | 90,294 | 486,388 | 409,040 | 472,280 | 19,725 | 7,450,110 | 12,782,061 |
| Balance as of January 1, 2023 | 385,422 | 90,294 | 486,388 | 2,586,687 | 396,180 | 19,725 | 6,111,869 | 10,076,565 |
| Profit for the period | - | - | - | - | - | - | 970,003 | 970,003 |
| Total comprehensive income for the period | - | - | - | - | - | - | 970,003 | 970,003 |
| Balance as of March 31, 2023 | 385,422 | 90,294 | 486,388 | 2,586,687 | 396,180 | 19,725 | 7,081,872 | 11,046,568 |

*) In 2024 the Extraordinary General Meeting of Shareholders approved the decrease of reserves by RON 24,580 thousand representing gross dividends for 2018 awarded by courts of law based on Government Emergency Ordinance no. 114/2018 on imposing measures in the field of public investment and fiscal-budgetary measures, amendments and supplements to certain legislative acts and postponing certain terms.

These financial statements were endorsed by the Board of Directors on May 14, 2024.

Răzvan Popescu
 Chief Executive Officer

Gabriela Trânbițaș
 Chief Financial Officer

CONDENSED STATEMENT OF CONSOLIDATED INTERIM CASH FLOW

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| | '000 RON | '000 RON |
| Cash flows from operating activities | | |
| Net profit | 1,245,327 | 970,003 |
| Adjustments for: | | |
| Income tax expense (note 7) | 241,550 | 815,472 |
| Share of associates' result | (1,974) | (508) |
| Interest expense | 11,695 | 8,265 |
| Unwinding of decommissioning provision (note 11) | 5,837 | 4,441 |
| Interest income | (53,623) | (51,181) |
| Net loss on disposal of non-current assets (note 5) | 1,420 | (647) |
| Change in decommissioning provision recognized in profit or loss, other than unwinding (note 9, note 11) | (1,079) | (1,534) |
| Change in other provisions (note 9) | 2,910 | 73,651 |
| Net impairment of exploration assets (note 6) | 4,366 | 6,190 |
| Net impairment of property, plant and equipment and intangibles (note 6) | 5,828 | 47,497 |
| Foreign exchange differences | (606) | 486 |
| Depreciation and amortization (note 6) | 126,107 | 86,269 |
| Amortization of contract costs | 1 | 3 |
| Net receivable write-offs and movement in allowances for trade receivables and other assets (note 10) | 10,025 | (20,250) |
| Net movement in write-down allowances for inventory (note 5) | 1,832 | (1,879) |
| Subsidies income | (7) | (2) |
| | 1,599,609 | 1,936,276 |
| Movements in working capital: | | |
| (Increase)/Decrease in inventory | (34,836) | 63,760 |
| (Increase)/Decrease in trade and other receivables | (66,618) | 57,775 |
| Increase/(Decrease) in trade and other liabilities | 85,293 | (225,591) |
| Cash generated from operations | 1,583,448 | 1,832,220 |
| Interest paid | (11,005) | (8,120) |
| Net cash generated by operating activities | 1,572,443 | 1,824,100 |

CONDENSED STATEMENT OF CONSOLIDATED INTERIM CASH FLOW

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| | '000 RON | '000 RON |
| Cash flows from investing activities | | |
| Bank deposits set up | (2,973,078) | (2,885,779) |
| Bank deposits matured | 1,670,083 | 15,000 |
| Interest received | 39,295 | 30,797 |
| Proceeds from sale of non-current assets | 191 | 516 |
| Acquisition of non-current assets | (445,010) | (152,997) |
| Acquisition of exploration assets | (5,455) | (8,739) |
| Net cash (used in)/generated by investing activities | (1,713,974) | (3,001,202) |
| Cash flows from financing activities | | |
| Repayment of borrowings | (80,779) | (80,413) |
| Dividends paid | (24,646) | (100) |
| Repayment of lease liability | (1,400) | (778) |
| Subsidies received | 191 | - |
| Net cash used in financing activities | (106,634) | (81,291) |
| Net increase/(decrease) in cash and cash equivalents | (248,165) | (1,258,393) |
| Cash and cash equivalents at the beginning of the period | 535,210 | 1,883,882 |
| Cash and cash equivalents at the end of the period | 287,045 | 625,489 |

These financial statements were endorsed by the Board of Directors on May 14, 2024.

Răzvan Popescu
 Chief Executive Officer

Gabriela Trânbițaș
 Chief Financial Officer

NOTES

1. BACKGROUND AND GENERAL BUSINESS

Information regarding S.N.G.N. Romgaz S.A. Group (the “Group”)

The Group is formed of S.N.G.N. Romgaz S.A. (“the Company”/“Romgaz”), as parent company, and its fully owned subsidiaries S.N.G.N. ROMGAZ S.A. - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești S.R.L. (“Depogaz”) and Romgaz Black Sea Limited.

Romgaz is a joint stock company, incorporated in accordance with the Romanian legislation.

The Company’s headquarter is in Mediaș, 4 Constantin I. Motaș Square, 551130, Sibiu County.

The Romanian State, through the Ministry of Energy, is the majority shareholder of Romgaz together with other legal and physical persons.

The Group has as main activity:

1. geological research for the discovery of natural gas, crude oil and condensate reserves;
2. operation, production and usage, including trading, of mineral resources;
3. natural gas production for:
 - ensuring the storage flow continuity;
 - technological consumption;
 - delivery in the transmission system.
4. underground storage of natural gas performed by Depogaz;
5. commissioning, interventions, capital repairs for wells equipping the deposits, as well as the natural gas resources extraction wells, for its own activity and for third parties;
6. electricity production and distribution.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The condensed consolidated interim financial statements (“financial statements”) of the Group have been prepared in accordance with the provisions of International Accounting Standard 34 “Interim Reporting”. For the purpose of the preparation of these financial statements, the functional currency of the Group is deemed to be the Romanian Leu (RON). IFRS as adopted by the EU differ in certain respects from IFRS as issued by the International Accounting Standards Board (IASB), however, the differences have no material impact on the Group’s financial statements for the periods presented.

Basis of preparation

The financial statements have been prepared on a going concern basis. The principal accounting policies are set out below.

Accounting is kept in Romanian and in the national currency. Items included in these financial statements are denominated in Romanian lei. Unless otherwise stated, the amounts are presented in lei thousand (RON thousand).

Basis for consolidation

Subsidiaries

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. All intra-group assets and liabilities, income and expenses relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES

Associated entities

An associate is a company over which the Group exercises significant influence through participation in decision making on financial and operational policies of the entity invested in. Investments in associates are recorded using the equity method of accounting. By this method, the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the Group's share of the investee's net assets. The Group's profit or loss includes its share of the investee's profit or loss and the Group's other comprehensive income includes its share of the investee's other comprehensive income.

Standards and interpretations valid for the current period

The following standards and amendments or improvements to existing standards issued by the IASB and adopted by the EU have entered into force for the current period:

- Amendments to IAS 1 "Presentation of Financial Statements": Classification of Liabilities as Current or Non-current; Classification of Liabilities as Current or Non-current - Deferral of Effective Date; Non-current Liabilities with Covenants (effective for annual periods beginning on or after January 1, 2024);
- Amendments to IFRS 16 "Leases": Lease liability in a sale and leaseback (applicable to annual periods beginning on or after 1 January 2024).

The adoption of these amendments, interpretations or improvements to existing standards has not led to changes in the Group's accounting policies.

Standards and interpretations issued by IASB not yet endorsed by the EU

At present, IFRS endorsed by the EU do not significantly differ from IFRS adopted by the IASB except for the following standards, amendments or improvements to the existing standards and interpretations, which were not endorsed for use in the EU as at date of publication of these financial statements:

- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments": Disclosures: Supplier Finance Arrangements (effective for annual periods beginning on or after January 1, 2024);
- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": Lack of Exchangeability (applicable to annual periods beginning on or after 1 January 2025).

The Group is currently evaluating the effect that the adoption of these standards, amendments or improvements to the existing standards and interpretations will have on the financial statements of the Group in the period of initial application.

Seasonality and cyclicity

Natural gas and electricity consumption is seasonal and affected by weather conditions. Natural gas consumption is highest in wintertime. Electricity consumption also depends on climatic conditions, being impacted both by cold weather, as it can be used to produce heat, but also by high temperatures, as air conditioning systems rely on it. Consequently, the results of the Group may vary according to the seasonal character of the demand for natural gas and electricity.

Regarding the gas storage activity, injection normally happens during the period April-October, while gas is usually being extracted during the period October-April.

Comparative information

For each item of the statement of financial position, the statement of comprehensive income and, where is the case, for the statement of changes in equity and for the statement of cash flows, for comparative information purposes, the value of the corresponding item for the previous period ended is presented, unless the changes are insignificant. In addition, the Group presents an additional statement of financial position at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the financial statements, which has a material impact on the Group.

NOTES

3. REVENUE AND OTHER INCOME

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| | '000 RON | '000 RON |
| Revenue from gas sold - own production | 1,917,995 | 2,539,863 |
| Revenue from gas sold - other arrangements | 6,336 | 9,382 |
| Revenue from gas acquired for resale | 152 | 18,824 |
| Revenue from storage services-capacity reservation | 74,551 | 106,067 |
| Revenue from storage services-withdrawal | 59,465 | 39,610 |
| Revenue from storage services-injection | 3,042 | 5,047 |
| Revenue from electricity | 109,361 | 121,352 |
| Revenue from services | 79,410 | 51,197 |
| Revenue from sale of goods | 20,134 | 15,008 |
| Other revenues from contracts | 103 | 191 |
| Total revenue from contracts with customers | 2,270,549 | 2,906,541 |
| Other revenues | 2,463 | 2,497 |
| Total revenue | 2,273,012 | 2,909,038 |
| Other operating income | 44,507 | 75,559 |
| Total revenue and other income | 2,317,519 | 2,984,597 |

Revenue from contracts with customers is recognized as or when the Group satisfies a performance obligation by transferring a promised good or service to a customer. A good or service is transferred when the customer obtains control of that good or service. The transfer of control of goods sold by the Group usually coincides with title passing to the customer and the customer taking physical possession.

Revenues from gas and electricity are recognized when the delivery has been made at the prices fixed in the contracts with customers.

Revenues from storage services are recognized when they are provided at the rates in force during the storage cycle. Usually, injection services are provided in the period April - October, and those for withdrawal in November - March. The capacity reservation services are being provided each month of the storage cycle, which begins on April 1 and ends on March 31 of the next year.

In measuring the revenue from gas, electricity and storage services, the Group uses output methods. According to these methods, revenues are recognized based on direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. The Group recognizes the revenue in the amount it has the right to charge.

The Group does not disclose information about the remaining performance obligations, applying the practical expedient in IFRS 15, as contracts with customers are generally signed for periods of less than one year and the revenues are recognized at the amount which the Group has the right to charge.

4. COST OF COMMODITIES SOLD, RAW MATERIALS AND CONSUMABLES

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | '000 RON | '000 RON |
| Consumables used | 19,025 | 14,265 |
| Technological consumption | 8,982 | 10,237 |
| Cost of gas acquired for resale, sold | 146 | 18,657 |
| Cost of electricity imbalance | 18,898 | 831 |
| Cost of other goods sold | 225 | 298 |
| Other consumables | 1,791 | 1,558 |
| Total | 49,067 | 45,846 |

NOTES
5. OTHER GAINS AND LOSSES

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| | '000 RON | '000 RON |
| Forex gain | 1,958 | 10,206 |
| Forex loss | (1,736) | (9,913) |
| Net gain/(loss) on disposal of non-current assets | (1,420) | 647 |
| Net allowances for other receivables (note 10 c) | 11 | 3,965 |
| Net write down allowances for inventory | (1,832) | 1,879 |
| Total | (3,019) | 6,784 |

6. DEPRECIATION, AMORTIZATION AND IMPAIRMENT EXPENSES

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| | '000 RON | '000 RON |
| Depreciation and amortization | 126,107 | 86,269 |
| out of which: | | |
| - depreciation of property, plant and equipment | 123,367 | 84,484 |
| - amortization of intangible assets | 1,807 | 1,186 |
| - amortization of right of use assets | 933 | 599 |
| Net impairment of non-current assets | 10,194 | 53,687 |
| Total depreciation, amortization and impairment | 136,301 | 139,956 |

7. INCOME TAX

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| | '000 RON | '000 RON |
| Current tax expense | 238,062 | 271,198 |
| Solidarity contribution *) | - | 537,501 |
| Deferred income tax (income)/expense | 3,488 | 6,773 |
| Income tax expense | 241,550 | 815,472 |

*) According to legislation, the solidarity contribution was calculated only for the years 2022 and 2023. From 2024, the contribution is no longer calculated. The contribution related to 2023 is due in June 2024.

8. EMPLOYEE BENEFIT EXPENSE

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| | '000 RON | '000 RON |
| Wages and salaries | 219,999 | 205,785 |
| Social security charges | 8,011 | 7,502 |
| Meal tickets | 12,704 | 9,810 |
| Other benefits according to collective labor contract | 4,719 | 4,048 |
| Private pension payments | 2,826 | 2,811 |
| Private health insurance | 2,812 | 2,412 |
| Total employee benefit costs | 251,071 | 232,368 |
| Less, capitalized employee benefit costs | (34,688) | (33,215) |
| Total employee benefit expense | 216,383 | 199,153 |

NOTES

9. OTHER EXPENSES. TAXES AND DUTIES

a) Other expenses

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| | '000 RON | '000 RON |
| Energy and water expenses | 7,518 | 7,752 |
| Expenses for capacity booking and gas transmission services | 69,564 | 45,146 |
| (Net gain)/Net loss from provisions movement *) | 1,831 | 72,117 |
| Other operating expenses *) | 78,257 | 56,701 |
| Total | 157,170 | 181,716 |

*) The decrease in net losses from provisions movement is due to the fact that in 2024 the Group acquired the CO₂ certificates needed in its activity. The cost of these certificates is included in "other operating expenses".

b) Taxes and duties

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|------------------------|--------------------------------------|--------------------------------------|
| | '000 RON | '000 RON |
| Royalties | 184,691 | 150,403 |
| Windfall tax | 77,389 | 476,902 |
| Energy transition fund | 5,144 | 2,987 |
| Other taxes and duties | 2,575 | 1,702 |
| Total | 269,799 | 631,994 |

10. ACCOUNTS RECEIVABLE

a) Trade and other receivables

| | March 31, 2024 | December 31, 2023 |
|---------------------------------------|------------------|-------------------|
| | '000 RON | '000 RON |
| Trade receivables | 1,597,699 | 1,645,124 |
| Allowances for expected credit losses | (748,934) | (740,085) |
| Accrued receivables | 500,691 | 493,914 |
| Total | 1,349,456 | 1,398,953 |

Trade receivables from gas deliveries are generally due within 30 days of invoice issue. These must be guaranteed by customers through bank letters of guarantee. If customers do not provide such a guarantee, they must ensure that natural gas is paid in advance.

Trade receivables from the sale of electricity are generally due within 7 days of the date of invoice delivery. These must be guaranteed by customers through bank letters of guarantee. If customers do not provide such a guarantee, they must ensure that electricity is paid in advance.

Trade receivables from storage services are due within 15 days of invoice issue. Customers must provide a 5% guarantee for the services value.

NOTES
b) Other assets

| | <u>March 31, 2024</u> | <u>December 31, 2023</u> |
|--|-----------------------|--------------------------|
| | '000 RON | '000 RON |
| Advances paid to suppliers | 6,748 | 10 |
| Joint operation receivables | 8,001 | 7,974 |
| Other receivables | 24,625 | 21,251 |
| Allowance for expected credit losses other receivables (note 10 c) | (169) | (169) |
| Other debtors | 46,882 | 46,846 |
| Allowance for expected credit losses for other debtors (note 10 c) | (46,018) | (46,029) |
| Prepayments | 25,860 | 14,374 |
| CO ₂ certificates | 252,895 | 208,618 |
| VAT not yet due | 7,401 | 7,945 |
| Other taxes receivable | 101,650 | 60,979 |
| Total | 427,875 | 321,799 |

c) Changes in the allowance for expected credit losses for trade and other receivables and other assets

| | <u>2024</u> | <u>2023</u> |
|--|----------------|----------------|
| | '000 RON | '000 RON |
| At January 1 | 786,283 | 774,613 |
| Charge in the allowance for other receivables (note 5, note 10 b) | - | 190 |
| Charge in the allowance for trade receivables (note 10 a) | 15,205 | 9,413 |
| Write-off against trade receivables (note 10 a) | (1,187) | (5) |
| Release in the allowance for other receivables (note 5, note 10 b) | (11) | (4,155) |
| Release in the allowance for trade receivables | (5,169) | (25,698) |
| At March 31 | 795,121 | 754,358 |

11. PROVISIONS

| | <u>March 31, 2024</u> | <u>December 31, 2023</u> |
|--|-----------------------|--------------------------|
| | '000 RON | '000 RON |
| Decommissioning provision (see below) | 372,026 | 373,536 |
| Retirement benefit obligation | 185,579 | 189,314 |
| Total long-term provisions | 557,605 | 562,850 |
| Decommissioning provision (see below) | 35,837 | 32,049 |
| Litigation provision | 19,921 | 18,839 |
| Other provisions | 76,407 | 70,844 |
| Total short-term provisions | 132,165 | 121,732 |
| Total provisions | 689,770 | 684,582 |
| Decommissioning provision movement | 2024 | 2023 |
| | '000 RON | '000 RON |
| At January 1 | 405,585 | 236,490 |
| Additional provision recorded against non-current assets | 304 | 205 |
| Unwinding effect | 5,837 | 4,441 |
| Recorded in profit or loss | (1,079) | (1,534) |
| Decrease recorded against non-current assets | (2,784) | (1,425) |
| At March 31 | 407,863 | 238,177 |

NOTES

12. SHARE CAPITAL. EARNINGS PER SHARE

a) Share capital

In December 2023 the Extraordinary General Meeting of Shareholders approved Romgaz' share capital increase through the incorporation of reserves of RON 3,468,802 thousand by issuing 3,468,801,600 shares with a nominal value of RON 1/share, each shareholder registered on the registration date (May 29, 2024) being entitled to 9 free shares for each share held. The increase was registered in January 2024 at the National Trade Register Office. The share capital increased to RON 3,854,224 thousand.

The authorized number of shares recorded at the National Trade Register Office is 3,854,224,000 (December 31, 2023: 385,422,400).

b) Earnings per share

As the registration date of the shareholders that will benefit from the free shares is May 29, 2024, the number of shares recorded at Depozitarul Central is of 385,422,400. Thus, earnings per share were determined based on 385.422.400 shares.

| | <u>Three months ended March 31, 2024</u> | <u>Three months ended March 31, 2023</u> |
|--|--|--|
| Profit for the period attributable to ordinary shareholders (RON thousand) | 1,245,327 | 970,003 |
| Number of shares outstanding during the period | 385,422,400 | 385,422,400 |
| Earnings per share (RON thousand) | 0.0032 | 0.0025 |

13. CASH AND CASH EQUIVALENTS. OTHER FINANCIAL ASSETS

a) Cash and cash equivalents

| | <u>March 31, 2024</u> | <u>December 31, 2023</u> |
|--------------------------|-----------------------|--------------------------|
| | '000 RON | '000 RON |
| Current bank accounts *) | 231,244 | 147,009 |
| Petty cash | 46 | 47 |
| Term deposits | 53,901 | 386,248 |
| Restricted cash **) | 1,834 | 1,901 |
| Amounts under settlement | 20 | 5 |
| Total | 287,045 | 535,210 |

*) Current bank accounts include overnight deposits.

***) On March 31, 2024 restricted cash refers to bank accounts used only for dividend payments to shareholders, according to stock market regulations.

b) Other financial assets

Other financial assets represent deposits with a maturity of over 3 months, from acquisition date. The Group did not identify any risk of loss for these assets, therefore it did not record any impairment.

| | <u>March 31, 2024</u> | <u>December 31, 2023</u> |
|--|-----------------------|--------------------------|
| | '000 RON | '000 RON |
| Bank deposits | 3,787,621 | 2,484,702 |
| Accrued interest receivable on bank deposits | 35,089 | 20,761 |
| Total other financial assets | 3,822,710 | 2,505,463 |

NOTES
14. OTHER LIABILITIES

| | <u>March 31, 2024</u> | <u>December 31, 2023</u> |
|--|-----------------------|--------------------------|
| | '000 RON | '000 RON |
| Payables related to employees | 38,136 | 41,004 |
| Royalties | 184,351 | 174,773 |
| Contribution to Energy Transition Fund | 906 | 38 |
| Joint venture payables | 237,130 | 126,057 |
| Social security taxes | 30,305 | 33,334 |
| Other current liabilities | 268,668 | 219,173 |
| VAT | 13,566 | 9,616 |
| Dividends payable | 1,387 | 1,453 |
| Windfall tax | 18,094 | 29,420 |
| Other taxes | 5,078 | 2,696 |
| Total other liabilities | 797,621 | 637,564 |

15. RELATED PARTY TRANSACTIONS AND BALANCES
Sales of goods and services

| | <u>Three months ended</u> | <u>Three months ended</u> |
|---------------------|---------------------------|---------------------------|
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| | '000 RON | '000 RON |
| Romgaz's associates | 1,404 | 1,414 |
| Total | 1,404 | 1,414 |

The Group is controlled by the Ministry of Energy, on behalf of the Romanian State. As such, all companies over which the Ministry of Energy has control or significant influence are considered related parties of the Group. No other ministry or agency of the Romanian State has control or significant influence over the Group, therefore companies over which the Romanian State has control or significant influence through organizations other than the Ministry of Energy are not considered related parties of the Group.

The table below shows the transactions of the Group with companies over which the Ministry of Energy has control or significant influence:

| | <u>Three months ended</u> | <u>Three months ended</u> |
|---|---------------------------|---------------------------|
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| | '000 RON | '000 RON |
| Companies controlled by the Ministry of Energy | | |
| Electrocentrale Constanța SA | - | 56,123 |
| Electrocentrale București SA | 199,675 | 497,807 |
| Companies significantly influenced by the Ministry of Energy | | |
| OMV Petrom SA | 17,136 | 39,073 |
| Engie România SA | 543,458 | 763,453 |
| E.On Energie România SA | 631,173 | 601,830 |
| Total | 1,391,442 | 1,958,286 |

NOTES

16. SEGMENT INFORMATION

a) Segment assets and liabilities

| March 31, 2024 | Upstream '000 RON | Storage '000 RON | Electricity '000 RON | Other '000 RON | Consolidation adjustments '000 RON | Total '000 RON |
|----------------------|----------------------|---------------------|-------------------------|-------------------|--|-------------------|
| Total assets | 10,936,681 | 1,254,693 | 1,536,388 | 5,324,791 | (1,115,382) | 17,937,171 |
| Total liabilities | 3,542,428 | 201,312 | 591,063 | 1,657,689 | (837,382) | 5,155,110 |
| December 31, 2023 | Upstream '000 RON | Storage '000 RON | Electricity '000 RON | Other '000 RON | Consolidation adjustments '000 RON | Total '000 RON |
| Total assets | 10,415,224 | 1,185,931 | 1,548,486 | 4,130,313 | (814,324) | 16,465,630 |
| Total liabilities | 3,205,980 | 194,653 | 564,530 | 1,503,721 | (564,568) | 4,904,316 |

b) Segment revenues, results and other segment information

| Three months ended March 31, 2024 | Upstream '000 RON | Storage '000 RON | Electricity '000 RON | Other '000 RON | Adjustment and eliminations '000 RON | Total '000 RON |
|---|----------------------|---------------------|-------------------------|-------------------|---|-------------------|
| Revenue | 2,116,704 | 141,700 | 147,647 | 109,484 | (242,523) | 2,273,012 |
| Less: revenue between segments | (90,921) | (5,611) | (38,200) | (107,791) | 242,523 | - |
| Third party revenue | 2,025,783 | 136,089 | 109,447 | 1,693 | - | 2,273,012 |
| Segment result before tax profit/(loss) | 1,382,565 | 71,916 | (45,787) | 106,308 | (28,125) | 1,486,877 |
| Three months ended March 31, 2023 | Upstream '000 RON | Storage '000 RON | Electricity '000 RON | Other '000 RON | Adjustment and eliminations '000 RON | Total '000 RON |
| Revenue | 2,777,067 | 128,947 | 165,489 | 107,979 | (270,444) | 2,909,038 |
| Less: revenue between segments | (107,919) | (13,640) | (44,362) | (104,523) | 270,444 | - |
| Third party revenue | 2,669,148 | 115,307 | 121,127 | 3,456 | - | 2,909,038 |
| Segment result before tax profit/(loss) | 1,649,058 | 59,540 | 795 | 72,728 | 3,354 | 1,785,475 |

17. COMMITMENTS UNDERTAKEN. CONTINGENCIES

a) Commitments undertaken

In 2023, Romgaz signed an addendum to the credit agreement with BCR SA representing a facility for issuing letters of guarantee, and opening letters of credit for a maximum amount of RON 500,000 thousand. On March 31, 2024 are still available for use RON 224,449 thousand.

As of March 31, 2024, the Group's contractual commitments for the acquisition of non-current assets are of RON 3,436,814 thousand (December 31, 2023: RON 3,779,428 thousand).

NOTES

b) Contingencies

Government Emergency Ordinance no. 27/2022 as subsequently amended (GEO 27) includes the obligation of the Group, until March 31, 2024, to sell at a regulated price of RON 450/MWh the electricity it produces. According to GEO 27, electricity producers must calculate a contribution to the Energy Transition Fund. If the value of the CO2 certificates related to the energy sold at RON 450/MWh exceeds the contribution to the Energy Transition Fund, electricity producers are entitled to receive the excess. Until March 31, 2024, the legislation did not provide for the mechanism to request these amounts from the Romanian State nor the competent authority for the settlement of such requests. As such, the right to receive the grant is not enforceable. Thus, as of March 31, 2024 the Group recorded a contingent asset of RON 188,260 thousand until legislation will provide for a mechanism for recovering this amount.

18. EVENTS AFTER THE BALANCE SHEET DATE

In April 2024, the Group's shareholders approved the allocation of dividends of RON 549,227 thousand.

19. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were endorsed by the Board of Directors on May 14, 2024.

Răzvan Popescu
Chief Executive Officer

Gabriela Trânbițaș
Chief Financial Officer