



ROMGAZ

QUARTERLY REPORT ON THE
ECONOMIC-FINANCIAL ACTIVITY
OF ROMGAZ GROUP
ON SEPTEMBER 30, 2023
(January 01, 2023 - September 30, 2023)

romgaz.ro

IDENTIFICATION DETAILS ON REPORT AND ISSUER

Report based on	<i>Law No. 24/2017 on issuers of financial instruments and market operations (Art.69) and ASF Regulation (Financial Supervisory Authority) No. 5/2018 on issuers of financial instruments and market operations (Annex No.13), for the nine-month period ended September 30, 2023</i>
Report Date	November 15, 2023
Company Name	Societatea Națională de Gaze Naturale “ROMGAZ” SA
Headquarters	Mediaș, Piața Constantin I. Moțaș 4, 551130, Sibiu
Telephone/fax number	004 0374 401020 / 004 0374474325
Web/E-mail	www.romgaz.ro / secretariat@romgaz.ro
Registration No. with the Trade Register Office	J32/392/2001
Fiscal Code	RO14056826
Legal Entity Identifier (LEI)	2549009R7KJ38D9RW354
Regulated market where the company's 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 nine months of 2023, Romgaz Group recorded a **revenue** of **RON 6,810.27 million**, a drop of 37.02% as compared to RON 10,812.55 million recorded in the first nine months of 2022.

Net profit of **RON 2,168.69 million** was lower by 3.09%, namely RON 69.12 million, as compared with the similar period of the previous year.

Consolidated net profit per share (**EPS**) was **RON 5.6**, by 3.09% lower than the one recorded in the first nine months of 2022.

For the reporting period, Romania's estimated natural gas consumption² was 69.25 TWh, approximately 11.7% lower than the consumption recorded in the similar period of 2022.

Romgaz market share estimated for the first 9 months of 2023, is 55%, by 3.6% higher than the market share recorded in the same period of the previous year.

Natural gas production for the first 9 months of 2023 was **3,515 million m³**, by 4.67% lower than production recorded in the similar period of last year, namely 172 million m³.

¹ **Romgaz Group** consists of SNGN Romgaz SA (the “Company”/”Romgaz”) as parent company and the subsidiaries owned 100% by Romgaz: Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL (“Depogaz”) and Romgaz Black Sea Limited.

² Consumption is estimated as, at the date hereof, ANRE did not publish the report on the natural gas market for August-September 2023.

Electricity produced in the reporting period was **641.466 GWh**, 23.59% lower (-197.999 GWh) as compared to the same period of the previous year. This production places Romgaz at a 1.52% market share.

In Q3/2023 Romgaz produced 143.887 GWh, decreasing by 150.919 GWh, namely 51.19% less than in Q3/2022.

Relevant Consolidated Financial Results

				RON million			
Q3 2022	Q2 2023	Q3 2023	Δ Q3 (%)	Main indicators	9M 2022	9M 2023	Δ 9M (%)
3,316.5	1,988.3	1,913.0	-42.32	Revenue	10,812.5	6,810.3	-37.01
3,449.3	2,141.2	2,065.7	-40.11	Income	11,053.8	7,191.3	-34.94
2,838.2	921.9	1,025.3	-63.87	Expenses	8,385.7	3,146.8	-62.47
1.40	1.1	1.7	21.43	Share of the associates' result	1.6	3.3	106.25
612.5	1,220.3	1,042.1	70.14	Gross profit	2,669.8	4,047.8	51.62
100.6	504.6	559.0	455.67	Profit tax	432.0	1,879.1	334.98
511.9	715.6	483.1	-5.63	Net profit	2,237.8	2,168.7	-3.09
561.9	1,156.1	1,007.7	79.34	EBIT	2,525.1	3,906.3	54.70
712.4	1,277.2	1,114.9	56.50	EBITDA	2,895.1	4,274.5	47.65
1.33	1.9	1.3	-5.63	Earnings per share (EPS*) (RON)	5.81	5.6	-3.09
15.43	35.99	25.25	63.61	Net profit rate (% from Revenue)	20.70	31.84	53.86
16.94	58.15	52.68	210.91	EBIT ratio (% from Revenue)	23.35	57.36	145.61
21.48	64.24	58.28	171.32	EBITDA ratio (% from Revenue)	26.78	62.77	134.41
5,971	5,944	5,951	-0.33	Number of employees at the end of the period	5,971	5,951	-0.33

A brief overview of the Group's main indicators during the 9M period ended September 30, 2023:

↳ **Total revenue** for the reporting period is lower by RON 4,002.28 million, recording a drop of 37.02% due to the following factors:

- decrease of revenues from natural gas sales (RON 5,912.94 million in the nine month period ended on September 30, 2023 as compared to RON 9,282.16 million in the similar period of 2022). The provisions of GEO No. 27/2022 had a significant impact on the decrease by 36.30% of revenues from natural gas sales, as these set the obligation for Romgaz to sell most part of the natural gas production at the regulated price of 150 RON/MWh;
- electricity revenues dropped (RON 288.48 million for the 9M ended September 30, 2023 as compared to RON 1,008.73 million for the similar period of 2022). According to GEO No.27/2022, as of 2023, 90% of Romgaz electricity production is sold at 450 RON/MWh;
- revenue from underground storage activities increased by 31.00% (RON 424.29 million for the 9M ended September 30, 2023, as compared to RON 323.88 million for the similar period of 2022), mainly due to the increase of capacities booked by clients for underground gas storage;

↳ **Total expenses** decreased in the 9M period ended September 30, 2023 by 62.47%, mainly due to the decrease of windfall tax on revenues from natural gas (RON -3,980.46 million) and royalty expenses (RON -1,066.91 million). The Group recorded in January-September 2022 expenses of RON 293.87 million with the windfall tax on electricity sales, which became

subsequently a contribution to the energy transition fund. Taking into account that 90% electricity was sold at 450 RON/MWh, this contribution is insignificant for the reviewed period;

- ↳ Following electricity sales at 450 RON/MWh, GEO No.27/2022 enforced a mechanism by which, if the monthly value of CO₂ certificates for the electricity sold at such price, is higher than the contribution to the energy transition fund, electricity producers receive the difference between the two items. The Group recorded an income of RON 119.17 million from electricity sales at 450 RON/MWh. But until this date, the law does neither provide the reimbursement procedure nor the authority responsible for payment of such amounts;
- ↳ Increase of the consolidated gross profit by 51.62% as compared to the similar period of the previous year was offset by the profit tax. Profit tax includes the solidarity contribution introduced at the end of 2022, for the 9M period ended September 2023, the expense recorded with this contribution is RON 1,388.39 million;
- ↳ *Net profit* is **RON 2,168.69 million**, lower by RON 69.12 million (-3.09%) than the one recorded in the previous period due to the above mentioned reasons;
- ↳ *Labour productivity* decreased by 36.80%, as compared to the previous period, from RON 1,810.84 thousand revenue/employee in the first 9M/2022 to **RON 1,144.39 thousand revenue/employee** in the similar period of 2023 due to the above mentioned reasons;
- ↳ *EPS* is **RON 5.63**, 3.09% lower than in the first 9M/2022.

Operational Results

Q3 2022	Q2 2023	Q3 2023	Δ Q3 (%)	Main Indicators	9 months 2022	9 months 2023	Δ 9 months (%)
1,172.4	1,146.6	1,131.7	-3.5	Gas production (million m ³)	3,687	3,515	-4.7
82.4	78.6	79.2	-3.8	Petroleum royalty (million m ³)	259	259	-0.8
5,030	5,322	5,544	10.2	Condensate production (tons)	15,638	16,483	5.40
294.8	174.5	143.9	-51.2	Electricity production (GWh)	839.5	641.5	-23.6
12.3	42.4	3.2	-74.0	Invoiced UGS withdrawal services (million m ³)	1,102.4	1,160.5	5.3
1,185.8	814.3	841.5	-29.0	Invoiced UGS injection services (million m ³)	1,966.9	1,701.2	13.5

Note: the information is not consolidated, transactions between Romgaz and Depogaz are included.

During the first 9 months of 2023, *Romgaz produced* 3,515 million m³ natural gas, 172 million m³ (- 4.67%) less than in the similar period of 2022.

Gas production for the first 9M of 2023 was influenced by:

- ✓ production decline specific for exploitation of hydrocarbon reservoirs;
- ✓ gas consumption dynamics in some subsystems of the National Gas Transmission Systems;
- ✓ execution of well workover operations in low productivity or inactive wells;
- ✓ continuous rehabilitation projects of the main mature gas reservoirs;
- ✓ production optimization of natural gas reservoirs;
- ✓ completion of investments for the development of production infrastructure and connection of new wells to this infrastructure.

The volume of gas sold by Romgaz in the reporting period, representing deliveries to customers, without CTE Iernut consumption, decreased by 4.0% as compared with 9M/2022.

The volume of electricity produced as shown in the table below is in close connection with the energy demand, the evolution of prices on competitive markets and the quantity of natural gas allocated to the production of electricity and the efficiency of said activity.

MWh

	2021	2022	2023	Indices
1	2	3	4	5=4/3x100
Q 1	202,073	345,337	323,037	93.54%
Q 2	1,010	199,323	174,542	87.57%
Q 3	222,989	294,806	143,887	48.81%
9 months	426,072	839,465	641,466	76.41%

1.2. Significant Events

January 12, 2023

By Resolution No.1, company's shareholders approve extension of interim board members mandates appointed by Resolution of the Ordinary General Meeting of Shareholders No.7/September 13, 2022, by two months from the expiration date.

February 3, 2023

Romgaz and Socar Trading, a subsidiary of the State Oil Company of the Republic of Azerbaijan, signed a new individual contract for gas deliveries from Azerbaijan to Romania. The signing of this contract continues and consolidates the good cooperation between both companies and the contractual relationship based on a framework agreement concluded in November 2022 for an unlimited term. The contract provides the possibility of gas deliveries up to 1 billion m³ until March 31, 2024, this new contractual arrangement thus serves the strategic objectives of security of supply and diversification of gas sources.

March 14, 2023

By Resolution No.5, company's shareholders appoint the following persons as members of the board of directors, for a 4-year term of mandate, as of March 16, 2023:

- Drăgan Dan Dragoș
- Jude Aristotel Marius
- Nuț Marius-Gabriel
- Braslă Răzvan
- Sorici Gheorghe Silvian
- Balazs Botond
- Stoian Elena-Lorena.

March 16, 2023

Romgaz Black Sea Ltd. concluded the transmission framework agreement for transportation of natural gas to be produced from Neptun Deep through the National Transmission System (NTS). The transmission framework agreement was signed with the national gas transmission operator, SNTGN Transgaz SA, following the successful completion of an incremental capacity booking process in compliance with procedures approved by the National Energy Regulatory Authority (ANRE).

According to the agreement, the required technical capacity is booked for acceptance in the National Transmission System, allowing natural gas from Neptun Deep block to enter the market. The agreement was concluded for September 2026-September 2042.

March 20, 2023

By Resolution No. 28, the Board of Directors appoints Mr. Drăgan Dan Dragoș as chairman of the Board of Directors.

March 23, 2023

By Resolutions No. 32, 33 and 34, the Board of Directors:

- approves to extend the mandate of Romgaz Chief Executive Officer, Mr. Razvan Popescu, for a 2-month term, starting with April 19, 2023 until June 19, 2023;
- approves to extend the mandate of Romgaz Deputy Chief Executive Officer, Mr. Aristotel Marius Jude, for a 2-month term, starting with April 19, 2023 until June 19, 2023;
- approves to extend the mandate of Romgaz Chief Financial Officer, Mrs. Gabriela Trânbițaș, for a 2-month term, starting with April 21, 2023 until June 21, 2023;

March 28, 2023

By Resolution No. 35, the Board of Directors approves to initiate the procedure for selection of the chief executive officer, deputy chief executive officer and chief financial officer, in line with the provisions of GEO No. 109/2011, as subsequently amended and supplemented.

March 29, 2023

By Resolutions No. 36 and 37, the Board of Directors:

- a) agrees with the conclusion of the Procurement Contract for “*Completion of works and commissioning of the investment objective: Development of CTE Iernut by building a new combined cycle gas turbine power plant*”, with Duro Felguera S.A.;
- b) endorsed conclusion of the Transaction Agreement between Romgaz and Duro Felguera S.A., for solving some disputes between the parties and completing the remaining works to be executed at CTE Iernut. The agreement shall become effective within 5 days from fulfilling all conditions precedent, one condition would be the approval of Romgaz General Meeting of Shareholders.

April 3, 2023

Romgaz concludes with Duro Felguera S.A., the Procurement Contract No. 40928/03.04.2023 for: “*Completion of works and commissioning of the investment objective: Development of CTE Iernut by building a new combined cycle gas turbine power plant*”.

April 20, 2023

By Resolution No. 6, Company’s shareholders:

- approve the increase of the credit facility limit, provided in the Credit Facility Contract No. 201812070225, by RON 210 million, namely from RON 420 million to RON 630 million;
- approve the issue of guarantee instruments for the guaranteed third party, namely for Romgaz Black Sea Limited, acting through its subsidiary from Romania, Romgaz Black Sea Limited Nassau (Bahamas) Sucursala București.

May 15, 2023

By Resolution No.55, the Board of Directors:

- appoints Mr. Popescu Razvan, as Romgaz Chief Executive Officer, for a 4-year term, starting with May 16, 2023 until May 16, 2027;
- appoints Mr. Jude Aristotel Marius, as Romgaz Deputy Chief Executive Officer, for a 4-year term, starting with May 16, 2023 until May 16, 2027;
- appoints Mrs. Tranbitas Gabriela as Romgaz Chief Financial Officer, for a 4-year term, starting with May 16, 2023 until May 16, 2027;

May 17, 2023

Depogaz signed the Grant Agreement – Project 101103289 - 6.20.7-RO-W-M-22-Bilciuresti UGS with the European Climate, Infrastructure and Environment Executive Agency (CINEA). As Beneficiary, Depogaz accepts the grant in total amount of EUR 37,962,111.95 to implement the project PIC 6.20.7 – “Increase of daily withdrawal capacity in Bilciuresti UGS”. The project aims to increase the daily delivery capacity of gas from Bilciurești UGS from 14 million m³/day up to 20 million m³/day, together with an increase of storage capacity of 108 million Sm³/cycle. The total estimated investment value is EUR 110,466,441.00. Implementation of Bilciuresti project ensures a high degree of security of supply and market integration by increasing transmission flows and diversifying natural gas resources, both in Romania and in South-Eastern Europe, as well as by providing flexibility in natural gas network balancing operations and services, supporting renewable energy production.

May 18, 2023

Romgaz informs shareholders and investors on the conclusion of a Market Making service contract for the Issuer, with Raiffeisen Bank International AG, for a 24-month term. The contract is concluded in compliance with the provisions set by Bucharest Stock Exchange on the Issuer’s Market-Maker, included in BVB Code – Market Operator and envisages to increase the liquidity of company’s shares.

June 20, 2023

The Board of Directors agreed on Romgaz Black Sea Limited Sole Partner decision, related to Romgaz Black Sea Limited approving, in compliance with the Joint Operating agreement for XIX Neptun Deep block, the following:

- a) Domino Structure Development Plan (geological resources and oil reserves assessment study);
- b) Pelican South Structure Development Plan (geological resources and oil reserves assessment study);
- c) submission of the development plans mentioned at items a) and b) above to the National Agency for Mineral Resources.

June 21, 2023

Romgaz, through its subsidiary, Romgaz Black Sea Limited submits together with OMV Petrom SA (OMV Petrom) for confirmation to the National Agency for Mineral Resources, the Development Plan of two commercial fields in Neptun Deep Block.

June 30, 2023

Publication of Romgaz Group Sustainability Report for 2022.

July 24, 2023

In compliance with the Transaction Agreement No. 40924/03.04.2023, between Romgaz and Duro Felguera SA, the conditions precedent were fulfilled in order to settle the litigations between the parties and to create the conditions necessary to finalise the works remaining to be executed at Iernut Power Plant.

July 27, 2023

The Ordinary General Meeting of Shareholders, approved by Resolution No.10 conclusion of a loan agreement between SNGN Romgaz SA (as lender) and Romgaz Black Sea Limited by Romgaz

Black Sea Limited Nassau (Bahamas), București Subsidiary (as borrower) in maximum amount of RON 2.1 billion (equivalent value of USD 454 million), to ensure the financing required by Romgaz Black Sea Limited for the period between the signing date of the loan agreement until May 2024. The interest rate shall be ROBOR 12 months + 1.74%.

The Extraordinary General Meeting of Shareholders approved by Resolution No.11 Romgaz withdrawal from the “*Joint Operating Agreement referring to Bilca Gas Project Area from EIII-1 Brodina Block*”.

August 1, 2023

Iernut Electricity Production Branch issued the order related to the start of works for “*Development of CTE Iernut by building a new combined cycle gas turbine power plant*” and handed over the location to the Constructor Duro Felguera to start the works. The completion deadline is 16 months from the date of the works start order, with the possibility to extend the term, according to contractual provisions.

August 3, 2023

The development plan for Domino and Pelican Sud commercial fields was confirmed by the National Agency for Mineral Resources. This represents the starting point of the development stage, namely drilling works and building the infrastructure necessary for gas production and trading.

September 11, 2023

Romgaz Ordinary General Meeting of Shareholders approved by Resolution No.12:

- ✓ the financial and non-financial key performance indicators resulted from the Governance Plan;
- ✓ the annual variable component of non-executive board members remuneration;
- ✓ the maximum limit of remuneration for managers and/or executive board members (consisting of the monthly fixed allowance and the annual variable component).

II. ROMGAZ GROUP OVERVIEW

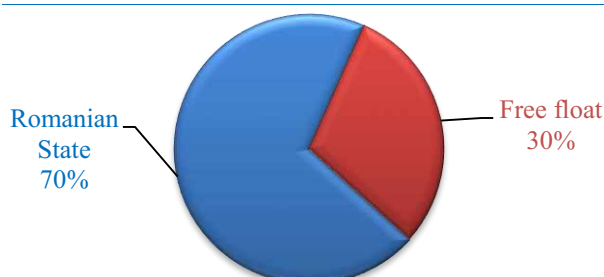
Romgaz Group undertakes business in the following segments:

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

Shareholding Structure

On September 30, 2023, SNGN Romgaz SA shareholding structure was:

	Shares	%
Romanian State ³	269,823,080	70.0071
Free float – total, out of	115,599,320	29.9929
which:	94,724,167	24.5767
*legal persons	20,875,153	5.4162
*natural persons		
Total	385,422,400	100.0000



Company Organisation

The organization of the company is of hierarchy-functional type with six hierarchical levels reaching from the company's shareholders to the execution personnel.

The company has six branches established in consideration of activities performed and territoriality (natural gas production branches), namely:

- Sucursala Mediaș (Mediaș Production Branch);
- Sucursala Târgu Mureș (Targu Mures Production Branch);
- Sucursala de Intervenții, Reparații Capitale și Operații Speciale la Sonde Mediaș (SIRCOSS) (Well Workover, Recompletions and Special Well Operations Branch);
- Sucursala de Transport Tehnologic și Mentenanță Târgu Mureș (STTM) (Technological Transport and Maintenance Branch);
- Sucursala de Producție Energie Electrică Iernut (Iernut Power Generation Branch);
- Sucursala Drobeta-Turnu Severin (Drobeta-Turnu Severin Branch).

³ The Romanian State through *the Ministry of Energy*.

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

On 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.

Therefore, according to EC Directive 73/2009 implemented by the Electricity and Natural Gas Law 123/2012 (art. 141), the storage activity is unbundled from SNGN Romgaz SA and is performed by a storage operator, a subsidiary where SNGN Romgaz SA is sole associate.

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, solely owned by Romgaz.

The Subsidiary took over the operation of underground storages licensed to SNGN Romgaz SA, the operation of assets required for performing the activities belonging to SNGN Romgaz S.A. and the entire personnel performing storage activities.

Information about the Subsidiary can be found at: <https://www.depogazploiesti.ro>.

Romgaz Black Sea Limited (RBS)

On August 1, 2022, Romgaz as Buyer, concluded the sale-purchase agreement of all shares issued by ExxonMobil Exploration and Production Romania Limited (“EMEPRL”) with ExxonMobil Exploration and Production Romania Holdings Limited, ExxonMobil Exploration and Production Romania (Domino) Limited, ExxonMobil Exploration and Production Romania (Pelican South) Limited, ExxonMobil Exploration and Production Romania (Califar) Limited and ExxonMobil Exploration and Production Romania (Nard) Limited, as Sellers.

By Resolution No.9/September 22, 2022 of Romgaz Extraordinary General Meeting of Shareholders, EMEPRL was renamed Romgaz Black Sea 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 Romgaz Black Sea Limited 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 RBS Nassau (Bahamas) Bucharest branch. Currently, Neptun Deep block is in the development phase of commercial reservoirs, namely drilling works and building the infrastructure necessary for gas production and trading.

Company Management

BOARD OF DIRECTORS

The company is governed by a Board of Directors consisting of 7 members, having on **September 30, 2023**, the following structure:

Item no.	Name	Position	Status ^{*)}	Professional qualification	Institution of employment
1	Drăgan Dan Dragoș	chairman	non-executive non-independent	economist	Ministry of Energy
2	Jude Aristotel Marius	member	executive non-independent	legal advisor, MBA	SNGN Romgaz SA
3	Nuț Marius Gabriel	member	non-executive independent	economist	SC Sanex SA and SC Lasselberger SA
4	Braslă Răzvan	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 advisor	SNGN Romgaz SA
7	Stoian Elena Lorena	member	non-executive independent	legal advisor	SCA Stoian și Asociații

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

Board members were appointed under OGMS Resolution No.5 of March 14, 2023, for a 4-year mandate term, starting with March 16, 2023.

Members of the Board of Directors from January 1, 2023 to March 14, 2023:

Item no.	Name	Position	Status	Professional qualification	Institution of employment
1	Drăgan Dan Dragoș	chairman	non-executive non-independent	economist	Ministry of Energy
2	Jude Aristotel Marius	member	executive non-independent	legal advisor, MBA	SNGN Romgaz SA
3	Simescu Nicolae Bogdan	member	non-executive non-independent	engineer	SNGN Romgaz SA
4	Batog Cezar	member	non-executive independent	economist	Publicis Groupe Romania
5	Balazs Botond	member	non-executive non-independent	legal advisor	SNGN Romgaz SA
6	Sorici Gheorghe Silvian	member	non-executive independent	economist	SC Sobis Solutions SRL
7	Metea Virgil Marius	member	non-executive non-independent	engineer	SNGN Romgaz SA

Board members' CVs are available on the company's webpage at www.romgaz.ro, *Investors – Corporate Governance – Structure of the Board of Directors*".

Upper Management

Chief Executive Officer (CEO)

By Resolution No. 78/November 23, 2022 the Board of Directors appointed Mr. Popescu Razvan as Chief Executive Officer for a 4-month interim term starting with December 18, 2022 until April 18, 2023.

By Resolution No.32/March 23, 2023, the Board of Directors approved to extend the mandate of Mr. Razvan Popescu as Chief Executive Officer, for a 2-month term, starting with April 19, 2023 until June 19, 2023.

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.

Deputy Chief Executive Officer (Deputy CEO)

By Resolution No. 78 /November 23, 2022, the Board of Directors appointed Mr. Aristotel Marius Jude as Deputy Chief Executive Officer for a 4-month interim term starting with December 18, 2022 until April 18, 2023.

By Resolution No.33/March 23, 2023, the Board of Directors approved to extend the mandate of Mr. Aristotel Marius Jude as Deputy Chief Executive Officer, for a 2-month term, starting with April 19, 2023 until June 19, 2023.

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.

Chief Financial Officer CFO)

By Resolution No. 85/December 20, 2022, the Board of Directors appointed Mrs. Gabriela Tranbitas as Chief Financial Officer for a 4-month interim term, starting with December 20, 2022 until April 20, 2023.

By Resolution No.34/March 23, 2023, the Board of Directors approved to extend the mandate of Mrs. Gabriela Tranbitas as Chief Financial Officer, for a 2-month term, starting with April 21, 2023 until June 21, 2023.

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.

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

Other persons holding management positions without being delegated management powers by the Board of Directors, on September 30, 2023:

Name	Position
ROMGAZ - headquarters	
Chircă Robert Stelian	Exploration-Production Director
Foidaş Ion	Production Director
Greco Marius Rareş	Human Resources Director
Veza Marius Leonte	Accounting Director
Bobar Andrei	Finance Director
Păunescu Octavian Aurel	Exploration-Appraisal Director
Sasu Rodica	Exploration-Production Support Director
Dinu Dorin	Drilling Director
-	Information Technology Director
Lupă Leonard Ionuţ	Procurement Director
Chertes Viorel Claudiu	Director for Technical Regulations
Moldovan Radu Costică	Energy Trading Director
Mareş Gabriela Elena	Strategy, International Relations, European Funds Director
Antal Francisc	HSEQ Director
Haţegan Gheorghe	Technical Department Director
Medias Branch	
Totan Constantin Ioan	Director
Achimeţ Teodora Magdalena	Economic Director

Veress Tudoran Ladislau Adrian	Production Director
Popa Bogdan	Technical Director
Târgu Mureș Branch	
Baciu Marius Tiberiu	Director
Boșca Mihaela	Economic Director
Rusu Grațian	Production Director
Roiban Claudiu	Technical Director
Iernut Branch	
Balazs Bela Atila	Director
Hățagan Olimpiu Sorin	Economic Director
Oprea Maria Aurica	Trading Director
Bircea Angela	Technical Director
SIRCOSS	
Rotar Dumitru Gheorghe	Director
Bordeu Viorica	Economic Director
Gheorghiu Sorin	Technical Director
STTM	
Lucaci Emil	Director
Ilinca Cristian Alexandru	Economic Director
Grosu Adrian Doru	Technical Director
Drobeta Branch	
Săceanu Constantin	Director

Members of the upper management, except for the Chief Executive Officer, the Deputy Chief Executive Officer and the Chief Financial Officer, are employees of the company having an individual employment contract for an indefinite period.

In compliance with the powers delegated by the Board of Directors, the Chief Executive Officer employs, promotes and dismisses management and operating personnel.

Information on the Board of Directors and the upper management of *Depogaz* is available on the website: <https://www.depogazploiesti.ro/ro/despre-noi/conducere>

RBS is governed by a board of directors, consisting of 3 members, having on September 30, 2023 the following structure:

Item no.	Name	Position	Status	Professional qualification	Institution of employment
1	Rodica Sasu	chairman	non-executive	geophysical engineer	SNGN Romgaz SA
2	Robert Stelian Chircă	member	non-executive	engineer	SNGN Romgaz SA
3	Tiberiu Andrei Novac	member	non-executive	economist	SNGN Romgaz SA

Board members were elected based on the Resolution of the Sole Partner No.230131-3 of January 31, 2023, for a 4-month term, starting with February 3, 2023. Subsequently, by Resolution No. 230524-4 of May 24, 2023, board members mandates were extended by 2 months, from June 4, 2023 until August 4, 2023, inclusively.

By Resolution No.7/February 3, 2023, the Board of Directors appointed Mr. Alin Alexandru Stirbu as General Manager and legal representative of the company, manager of the subsidiary and legal representative of Romgaz Black Sea Limited Nassau (Bahamas) Sucursala București, for a 4-month term, starting with February 3, 2023 until June 3, 2023. By Resolution No. 23/May 25, 2023, the Board of Directors approved the extension of Mr. Alin Alexandru Stirbu mandate by 2 months, respectively from June 4, 2023 until August 4, 2023.

Human Resources

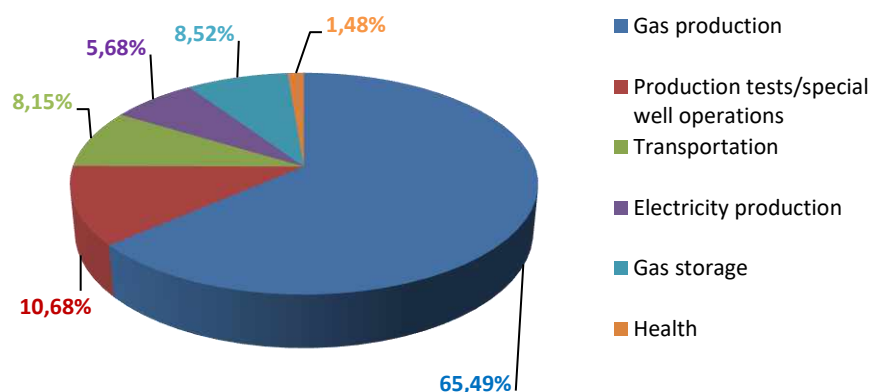
On September 30, 2023, Romgaz Group had 5,951 employees and SNGN Romgaz SA 5,431 employees.

The table below shows the evolution of the employees' number during January 1, 2020 – September 30, 2023:

Description	2020	2021	9M 2022		9M 2023	
			Romgaz Group	SNGN Romgaz SA	Romgaz Group	SNGN Romgaz SA
Employees at the beginning of the period	6.251	6.188	5.863	5.363	5.971	5.453
Newly hired employees	198	179	354	315	194	169
Employees who terminated their relationship with the company/Group	261	504	246	225	214	191
Employees at the end of the period	6.188	5.863	5.971	5.453	5.951	5.431

The structure of *SNGN Romgaz SA* employees at the end of the reporting period is shown below:

a) by activities



Romgaz on the stock exchange

As of November 12, 2013, company's shares are traded on the regulated market governed by BVB (Bucharest Stock Exchange) – under the symbol “*SNG*” and on the regulated market governed by LSE (London Stock Exchange), as GDRs issued by the Bank of New York Mellon – under the symbol “*SNGR*”.

Romgaz is considered an attractive company for investors in terms of dividend distribution to shareholders and the company's stability and future development perspectives, as reflected by the evolution of Romgaz securities' prices in the reviewed period.

Since listing until today, Romgaz is considered an attractive company for investors and holds a significant position in the top of local issuers, being included in BVB trading indices on September 30, 2023, as follows:

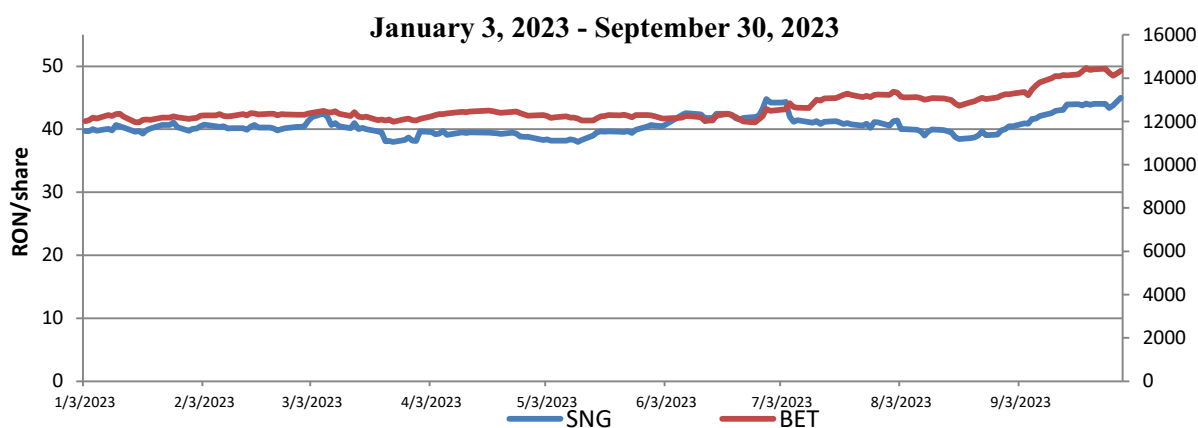
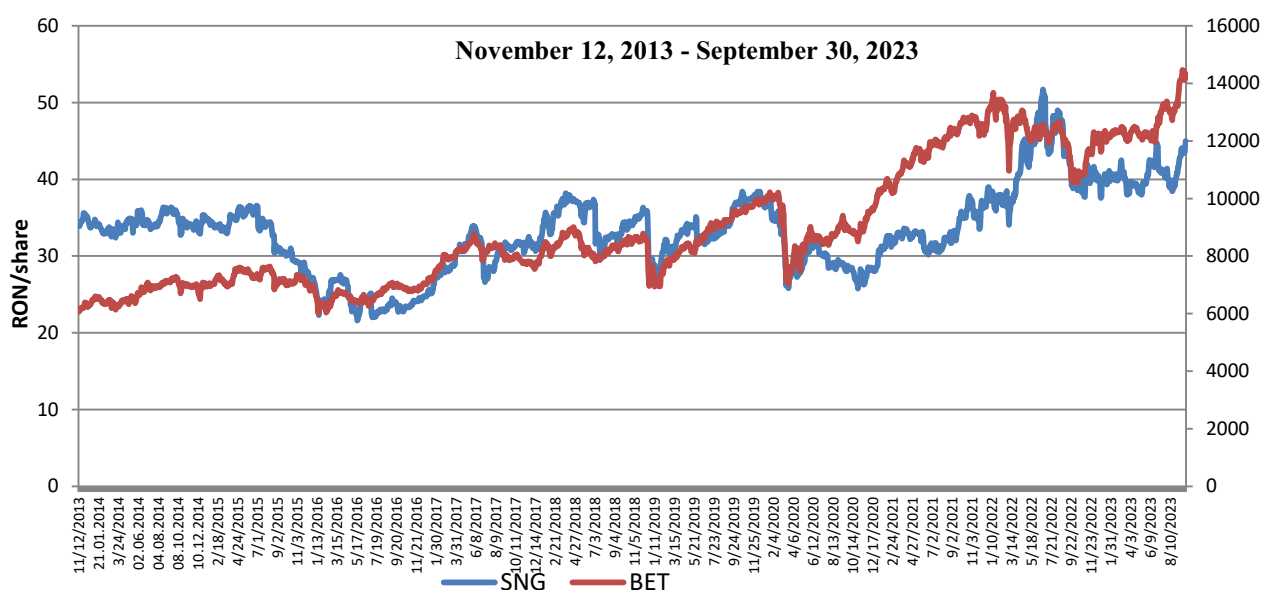
- Fourth place by market capitalization in the top of Premium BVB issuers. With a market capitalization of RON 17,344.00 million, namely EUR 3,486.51 million, Romgaz is the fourth largest listed company in Romania, being preceded by Hidroelectrica (RON 53,976.30 million, equivalent of EUR 10,850.37 million), OMV Petrom (RON 35,517.65 million).

million, equivalent of EUR 7,139.80 million) and Banca Transilvania (RON 17,650.34 million, equivalent of 3,548.09 million);

- Fifth place by the total amount of transactions in the first 9M 2023 in the top of Premium BVB issuers, with RON 549.41 million (EUR 110.44 million);
- Weight of 8.45% and 8.66% in BET index (top 20 issuers) and BET-XT (top 30 issuers) respectively, 16.14% in BET-NG index (energy and utilities) and 8.45% in BET-TR index (BET Total Return).

Note: exchange rate on September 30, 2023: 4.9746 RON/EUR

Performance of Romgaz shares compared to BET index between listing and September 30, 2023, respectively for the first 9 M of 2023, is shown below:



The table below shows the evolution of closing price and the company's market capitalization on the last day of Q3 2019-2023:

	30 Sept. 2019	30 Sept. 2020	30 Sept. 2021	30 Sept. 2022	30 Sept. 2023
Number of shares	385,422,400	385,422,400	385,422,400	385,422,400	385,422,400
Closing price (RON)	36.95	28.45	34.80	40.00	45.00
Capitalization					
*RON million	14,241.4	10,965.3	13,412.7	15,416.9	17,344.0
EUR million	2,997.5	2,251.7	2,711.2	3,115.2	3,486.5 ^{)}

In the first 9M 2023, the trading price of Romgaz shares fluctuated between a minimum value of RON 38 (reached on March 24, 2023) and a maximum value of RON 45 (reached on the last trading day, namely September 29, 2023). The average value of the share was RON 40.56, with the share price increasing by 19.21% at the end of September as compared to the end of 2022 and by 12.50% as compared to the same period last year. At the same time, the average share price increased quarterly from RON 40.11 in Q1 2023 to RON 40.17 in Q2 2023 and to RON 41.31 in Q3 2023, respectively.

The evolution of the share price between January – September 2023 fluctuated, with the following main events causing sharp decreases and increases: the Romanian Government approved a memorandum to distribute as dividends minimum 90% of the net profit achieved by majority state-owned companies in 2022 (increase: beginning of March 2023), decrease of European natural gas reference prices below EUR 40 (USD 43) for one MWh, under the circumstances of warm weather conditions for the winter 2022/2023 that reduced demand⁴ (decrease: end of March 2023), increase of investors' interest in shares traded on Bucharest Stock Exchange (BVB) following the final investment decision for the Neptun Deep Project and approval of the development plan by OMV Petrom and Romgaz, as well as the start of the listing process of Hidroelectrica (increase: end of June 2023), ex-dividend date 2022 and publication of key indicators for H1 2023 highlighting the decrease in hydrocarbon production (decrease: in July 2023), sharp decreases in BVB indices in line with the depreciation of European markets as a result of global investor fears about market developments⁵ (decrease: August 2023), the company's good long-term prospects in view of the Black Sea gas project⁶ (increase: beginning of September 2023), announcement of a contract worth approx. 1 bn. RON with E.ON Energie Romania⁷ (increase: end of September 2023).

The price of global depositary receipts (GDRs), underlying Romgaz shares, had a different evolution than that of shares, so that the minimum price of the period was recorded on May 19, 2023: USD 7.95 (equivalent of RON 36.63), and the maximum price was reached on July 25, 2023: USD 11.10 (RON 49.44).

The average trading price of GDRs was USD 8.93 (equivalent of RON 40.70) for the 9 months of 2023, with the highest value also recorded in Q3 2023, similar to shares: USD 9.33 (equivalent of RON 42.40). September ended at USD 8.55/GDR (equivalent of 40.07 RON/GDR), higher by 6.88% in USD as compared to the end of the year, namely by 8.07 in RON (due to an increase by 1.12% of the USD/RON exchange rate).

⁴ Source: Financial Intelligence, March 20, 2023.

⁵ Source: Ziarul Bursa, August 4, 2023 and August 24, 2023.

⁶ Source: Ziarul Bursa, September 11, 2023.

⁷ Source: Ziarul Financiar, September 28, 2023.

PHYSICAL INDICATORS

The table below shows the gas volumes (million m³) produced, delivered and injected/withdrawn into/from UGSs during January – September 2023, as compared to the similar period of 2021 and 2022:

Item No.	Specifications	9 M 2021	9 M 2022	9 M 2023	Indices
0	1	2	3	4	5=4/3x100
1.	Gross gas production	3,706.4	3,687.4	3,515.0	95.3%
2.	Technological consumption	51.5	55.6	52.5	94.4%
3.	Net own gas production (1.-2.)	3,654.9	3,631.8	3,462.5	95.3%
4.	Internal gas volumes injected in UGS	407.1	81.3	72.5	89.2%
5.	Internal gas volumes withdrawn from UGS	378.7	214.6	143.8	67.0%
5.1.	Gas sold in UGS	0.0	0.0	22.7	-
6.	Difference from conversion to GCV	7.6	2.5	2.0	80.0%
7.	Volumes supplied from internal production (3.-4.+5.+5.1.-6.)	3,618.9	3,762.6	3,554.5	94.5%
8.	Gas delivered to Iernut și Cojocna power plants	126.9	256.7	192.2	74.9%
9.	Volumes supplied from internal production to the market (7.-8.)	3,492.0	3,505.9	3,362.3	95.9%
10.	Gas from joint operations – total, out of which:	29.3	14.9	11.7	78.5%
	*Amromco (50%)	29.3	14.9	11.7	78.5%
11.	Gas acquisitions from domestic production (including imbalances and commodity gas)	234.9	1.9	7.7	405.3%
12.	Volumes sold from domestic production to the market (9.+10.+11.)	3,756.2	3,522.7	3,381.7	96.0%
13.	Volumes supplied from domestic production (8.+12.)	3,883.1	3,779.4	3,573.9	94.6%
14.	Delivered import gas	0.0	0.0	0.0	-
15.	Gas delivered to Iernut and Cojocna from other sources (including imbalances)	8.3	0.0	0.1	-
16.	Total gas supplies (13.+14.+15.)	3,891.4	3,779.4	3,574.0	94.6%
*	Invoiced UGS withdrawal services	1,446.0	1,102.4	1,160.5	105.3%
*	Invoiced UGS injection services ^{*)}	1,629.9	1,966.9	1,701.2	86.5%

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

^{*)} – represent gas volumes related to UGS injection services invoiced by Depogaz.

INVESTMENTS

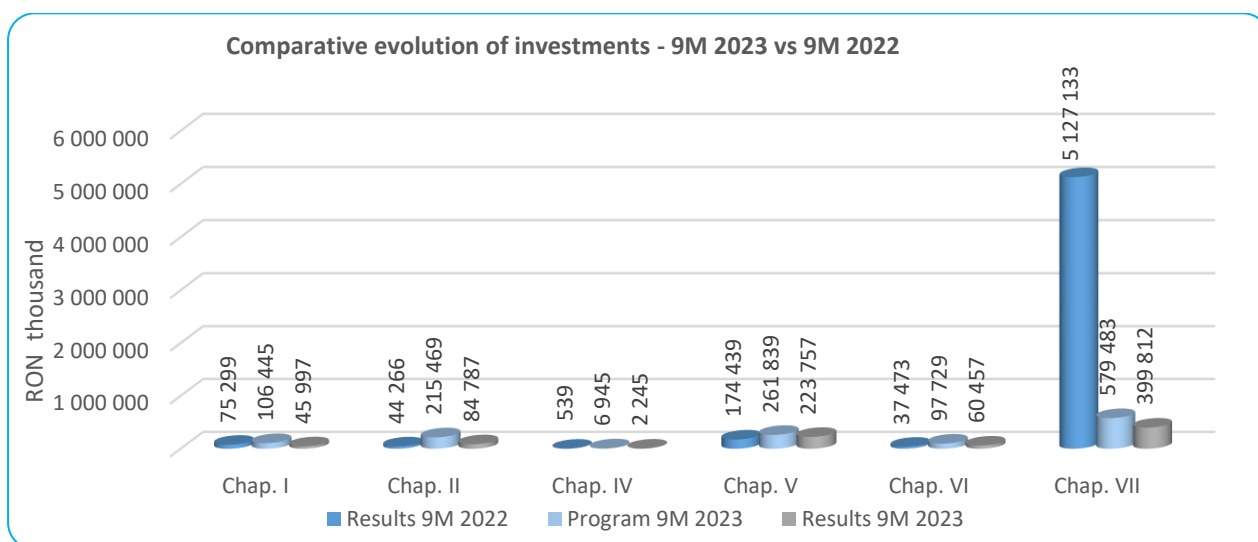
For the first 9 months of 2023, **Romgaz Group** planned investments of *RON 1,927.58 million* and achieved *RON 1,247.45 million*, by 35.28%, namely *RON 680.14 million*, less than the planned investments.

As of September 30, 2023, **Romgaz** Annual Investment Program, in amount of *RON 1,973.90 million*, was completed in proportion of 41.39%, namely *RON 817.06 million*.

As compared to the similar period of 2022, the achievements decreased by 85.03%, from *RON 5,459.15 million* to *RON 817.06 million*.

The table below shows the investments achieved in the first 9M 2023, by investment chapters, as compared to those achieved the same period of 2022 and those planned, respectively:

Investment category	Results 9M 2022	Program 9M 2023	Results 9M 2023	*RON thousand*	
				2023/ 2022	R 2023/ P 2023
1	2	3	4	5=4/2x100	6=4/3x100
I. Geological exploration works to discover new methane gas reserves	75,299	106,445	45,997	61.09%	43.21%
II. Exploitation drilling works, putting into production of wells, infrastructure and utilities and electricity production	44,266	215,469	84,787	191.54%	39.35%
IV. Environment protection works	539	6,945	2,245	416.55%	32.33%
V. Retrofitting and revamping of installation and equipment	174,439	261,839	223,757	128.27%	85.46%
VI. Independent equipment and installations	37,473	97,729	60,457	161.34%	61.86%
VII. Expenses related to studies and projects	5,127,133	579,483	399,812	7.80%	68.99%
TOTAL	5,459,149	1,267,910	817,056	14.97%	64.44%



Among the achievements of the first 9M 2023 we mention:

- 6 completed wells;
- 11 wells in drilling phase;
- 23 wells in design phase;
- Completion of 11 technological facilities at wells for the commissioning of 14 wells, 6 technological facilities at wells in execution phase, 12 technological facilities at wells in design and approval phase;

- Gas collector for Caragele-Damianca structure – Stage I is in the phase of acquiring the execution, pipeline $\Phi 20''$ between SU Țigmandru and SC Țigmandru is in execution, pipeline between gas collector of Group 106-107 Nades and gas collector $\Phi 20''$ Nadeș Brateiu is in design phase;
- Gas compressor stations Delenii IV, Filitelnic III, Tigmandru II – in design phase;
- Gas dehydration stations Giulesti, Cosereni and Herepea – acquisition of design;
- Gas dehydration stations Danes II – in design phase;
- Gas dehydration stations Galbenu III and LTS – preparatory phase of Feasibility Study;
- 135 well workovers, works performed in-house by SIRCOSS;
- Office building in Bucharest, No.1-3 Verii Street, was purchased;
- The following were purchased:
 - separators for compressor stations and for wells, metering panel Rădăuți;
 - automatic measurement system for well parameters, workover installations 30 tf (3 pieces), ACF 700, pressure lubricator 3 x 10000 PSI, nitrogen converter, GPS systems, mobile cranes, semitrailer, water and foam fire extinguishing truck;
 - Licenses for AutoCAD program, professional licenses for estimate/quotation, software application for sector procurement management and contract tracking;
 - Information systems MAIS, BI, Hyperion, servers;
 - video-call terminals, Firewall system, tablets, laptops, graphics stations;
 - electric vehicle charging station was put into operation.

As regards the large-scale project at the Iernut powerplant, the procurement procedure for the remaining works was completed; on March 31, 2023 the contract for "*Completion of works and commissioning of the investment objective: Development of CTE Iernut by building a new combined cycle gas turbine power plant*" was concluded and the order for the commencement of works was issued on August 1, 2023.

The value of fixed assets put into operation in the first 9M 2023 was in amount of *RON 515.44 million*.

Investments were financed as follows:

- ↳ Exclusively from own sources for investments in natural gas production (onshore) and partnership with Lukoil;
- ↳ From own sources and the National Investment Program (in proportion of approx. 22% of eligible expenditure) for the objective "*Development of CTE Iernut through the construction of a new combined cycle gas turbine power plant*" and
- ↳ From own and attracted sources (loans) for Neptun Deep Project.

For 2023, **Depogaz** has an approved investment program of RON 112,090 thousand.

For the first 9M 2023, Depogaz had an approved investment program of RON 105,058 thousand out of which 91.92% was achieved, i.e. RON 96,572 thousand, as follows:

Item No.	Specification	Program 9M 2023	Results 9M 2023
1.	Research activities to discover new gas reserves	0	0
2.	Exploitation of fields and UGSs, and related infrastructure and utilities	51,606	53,170
3.	UGS related activities	2,300	3,066

4. Environment protection and improvement	0	0
5. Retrofitting and revamping of installation and equipment, surface infrastructure, utilities	38,432	33,405
6. Independent equipment and installations	3,689	1,988
7. Expenses related to consultancy, studies and projects, software, licenses and patents etc.	9,031	4,943
TOTAL GENERAL	105,058	96,572

The following main objectives recorded progress in the first 9M 2023:

- Drilling of Bilciuresti wells: RON 52,893 thousand;
- Modernization of Sarmasel wells: RON 23,246 thousand;
- Systematization of Butimanu-Bilciuresti gathering system at Butimanu Compressor Station: RON 5,749 thousand;
- Modernization of Bilciuresti-Butimanu gas metering system: RON 4,410 thousand;
- Ghercesti Compressor Station design: RON 2,169 thousand;
- Increase of daily withdrawal capacity of Bilciurești UGS – Connecting Europe Facility:
 - Preparation of technical design documentation: RON 2,183 thousand;
 - Design: RON 1,765 thousand.
- Drilling of 6 wells – Sarmasel (design): RON 905 thousand.

For 2023, **Filiala Romgaz Black Sea Limited (Romgaz Black Sea Limited Subsidiary)** has a total approved investment program amounting RON 736,199 thousand.

In the first 9M 2023, the Subsidiary had an approved investment program in amount of RON 554,615 thousand out of which 60% was achieved, i.e. RON 333,819 thousand, as follows:

(RON thousand)			
Item No.	Specification	Program 9M 2023	Results 9M 2023
1.	Preparatory activities for the development phase	552,495	332,547
2.	Exploration activities	2,120	1,273
TOTAL GENERAL		554,615	333,819

Note: the values in the table above are not IFRS compliant.

For the purpose of joint operations for Neptun Deep, following confirmation by the National Agency for Mineral Resources of the Reservoirs Development Plan related to Neptun Deep project, the main contract for offshore facilities was concluded and activities are ongoing for awarding the main contracts and obtaining permits.

ECONOMIC-FINANCIAL INDICATORS

Interim Statement of Consolidated Financial Position

The table below presents a summary of the consolidated interim financial position on September 30, 2023, as compared to December 31, 2022

(RON thousand):

INDICATOR	December 31, 2022	September 30, 2023	Variation (%)
1	2	3	4=(3-2)/2x100
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	5,039,314	5,529,716	9.73
Other intangible assets	5,140,425	5,137,780	-0.05
Investments in associates	28,537	31,814	11.48
Deferred tax assets	199,016	319,952	60.77
Other financial assets	5,616	5,616	0.00
Right-of-use assets	8,766	9,309	6.19
Total non-current assets	10,421,674	11,034,187	5.88
<i>Current assets</i>			
Inventories	284,007	273,975	-3.53
Trade and other receivables	1,373,664	1,188,765	-13.46
Contract costs	3	12	300.00
Other financial assets	99,597	467,886	369.78
Other assets	265,232	240,918	-9.17
Cash and cash equivalents	1,883,882	1,963,939	4.25
Total current assets	3,906,385	4,135,495	5.87
TOTAL ASSETS	14,328,059	15,169,682	5.87
EQUITY AND LIABILITIES			
<i>Equity and reserves</i>			
Share capital	385,422	385,422	0.00
Reserves	3,579,274	4,895,009	36.76
Retained earnings	6,111,869	5,646,680	-7.61
Total equity and reserves	10,076,565	10,927,111	8.44
<i>Non-current liabilities</i>			
Retirement benefit obligations	168,830	156,418	-7.35
Deferred revenue	230,419	324,596	40.87
Provisions	210,838	278,936	32.30
Bank loans	1,125,534	889,210	-21.00
Lease liabilities	7,499	7,327	-2.29
Total non-current liabilities	1,743,120	1,656,487	-4.97
<i>Current liabilities</i>			
Trade payables and other liabilities	110,006	140,949	28.13
Contract liabilities	263,340	135,612	-48.50
Current income tax liabilities	1,177,498	1,557,629	32.28
Deferred revenue	11	7	-36.36
Lease liability	2,181	3,178	45.71
Provisions	321,489	119,697	-62.77
Bank loans	321,581	323,349	0.55
Other liabilities	312,268	305,663	-2.12
Total current liabilities	2,508,374	2,586,084	3.10

INDICATOR	December 31, 2022	September 30, 2023	Variation (%)
1	2	3	4=(3-2)/2x100
<i>Total liabilities</i>	4,251,494	4,242,571	-0.21
TOTAL EQUITY AND LIABILITIES	14,328,059	15,169,682	5.87

NON-CURRENT ASSETS

The total of non-current assets increased by 5.88%, namely RON 612.51 million, from RON 10,421.67 million on December 31, 2022, to RON 11,034.19 million on September 30, 2023. The increase is mainly due to the investments made between January and September 2023 in the rehabilitation of wells and investments in Neptun Deep Project (RON 323.45 million).

The increase of the deferred tax asset is due to the recognition of a deferred tax asset related to the tax loss recorded by Romgaz Black Sea Limited. The Group believes that the tax loss that increased this asset will be recoverable from future taxable profits.

CURRENT ASSETS

Current assets increased by RON 229.1 million (+5.87%) on September 30, 2023, mainly due to the increase of other financial assets and cash by RON 448.35 million.

Other assets

The decrease of other assets on September 30, 2023 as compared to December 31, 2022, is due to the recovery by Romgaz of the receivable representing windfall tax (RON 142.23 million) and receivables amounting to RON 28.98 million generated by winning litigation with ANAF in previous periods. On the other hand, on 30 September 2023, the Group records a receivable of RON 119.17 million representing the amount by which the CO₂ certificates relating to electricity sold under the centralised electricity purchase mechanism provided for in GEO No. 27/2022 as subsequently amendment and supplemented exceeds the contribution to the energy transition fund introduced by the same ordinance. The legislation does not currently provide for the procedure by which the Group can recover this amount.

Cash and cash equivalent. Other financial assets

Cash, cash equivalent and other financial assets (bank deposits and state bonds purchased) reached RON 2,431.83 million on September 30, 2023, as compared to RON 1,983.48 million at the end of 2022 (RON +448.35 million). This increase was determined by the collections from January to September 2023 and by Depogaz receiving RON 94.19 million following the conclusion of a grant agreement with the European Climate, Infrastructure and Environment Executive Agency to increase the daily withdrawal capacity of Bilciurești UGS. This amount is also included in the deferred revenue (non-current position).

NON-CURRENT LIABILITIES

On September 30, 2023, non-current liabilities recorded a decrease by 4.97% as compared to December 31, 2022, mainly due to the payment of the due instalments of the bank loan according to the contractual terms. The increase in long-term provisions of RON 68.09 million was due to the change in the discount rate used in the calculation of the provision for decommissioning of wells.

CURRENT LIABILITIES

Current liabilities increased by RON 77.71 million, from RON 2,508.37 million on December 31, 2022, to RON 2,586.08 million, on September 30, 2023. Main influences are outlined as follows.

Contract liabilities

These liabilities represent deferred revenue paid by the Group's clients for deliveries related to the following period. Their decrease as compared to December 31, 2023 is mainly due to the seasonality of the activity, with deliveries in October 2023 being lower than in January 2023.

Current income tax liabilities

On September 30, 2023, current income tax liabilities include the income tax liability of RON 169.69 million (RON 174.71 million on December 31, 2022) and the solidarity contribution liability of RON 1,387.94 million (RON 1,002.79 million on 31 December, 2022).

Provisions

The decrease in short-term provisions by RON 201.79 million as compared to December 31, 2022, is mainly due to the decrease in the provision for CO₂ certificates, following the purchase of these certificates related to the current year's emissions.

Interim Statement of Consolidated Comprehensive Income

The Group's profit and loss account summary for the period January 1 – September 30, 2023, as compared to the similar period of 2022, is shown below:

Description	9M 2022 (RON thousand)	9M 2023 (RON thousand)	Variation (RON thousand)	Variation (%)
1	2	3	4=3-2	5=4/2x100
Revenue	10,812,549	6,810,267	(4,002,282)	-37.02
Cost of commodities sold	(155,436)	(102,106)	(53,330)	-34.31
Investment income	144,923	172,264	27,341	18.87
Other gains or losses	(7,228)	(11,758)	4,530	62.67
Impairment (losses)/gains on trade receivables	(49,820)	3,697	n/a	n/a
Changes in inventory	11,016	(21,055)	n/a	n/a
Raw materials and consumables used	(88,201)	(80,614)	(7,587)	-8.60
Depreciation, amortization and impairment expenses	(370,010)	(368,182)	(1,828)	-0.49
Employee benefit expense	(594,131)	(678,497)	84,366	14.20
Finance cost	(27,989)	(44,468)	16,479	58.88
Exploration expenses	(59,030)	(48,633)	(10,397)	-17.61
Share of profit of associates	1,645	3,277	1,632	99.21
Other expenses	(7,003,804)	(1,789,302)	(5,214,502)	-74.45
Other income	55,295	202,926	147,631	266.99
Profit before tax	2,669,779	4,047,816	1,378,037	51.62
Income tax expense	(431,971)	(1,879,125)	1,447,154	335.01
Net profit	2,237,808	2,168,691	(69,117)	-3.09

Revenue

Between January – September 2023, the Group's revenue decreased by 37.02% (RON 4,002.28 million) as compared to the similar period of the previous year.

This decrease of resides from the decrease by 36.30% (RON -3,369.22 million) in consolidated income from gas sales and the decrease by 71.49% (RON -720.25 million) in income from sale of electricity.

In terms of quantity, between January – September 2023, a lower gas quantity by 4.10% was sold as compared to the same period in 2022. Electricity production was by 23.59% lower than in the previous year due to damages at group 5 of CET Iernut.

During 2023, Romgaz was appointed as Supplier of Last Resort („SoLR”) for the period February - September 2023. According to the legislation, for this type of clients, Romgaz has to supply gas under SoLR conditions for one month, if the annual consumption of the consumption

location exceeds 28,000 MWh, or for at least 12 months, if the annual consumption of the consumption location is below this limit. Between January – September 2023, income from this activity (including the consideration for services) was RON 232.29 million.

Between January – September 2023 consolidated revenue from gas storage services increased by 31.00% as compared to the similar period of 2022 (RON +100.41 million). We mention that the consolidated revenue from storage services include services invoiced by Romgaz related to gas sold from storage; non-consolidated revenues from Depogaz storage increased by 25.24 % as compared to the period between January – September 2022 (RON +83.83 million).

Cost of commodities sold

In the nine months ended September 30, 2023, cost of commodities sold decreased by 34.31% as compared to the similar period of 2022, mainly due to the decrease of imbalances in the electricity market.

Net impairment losses on trade receivables

In the nine months ended on September 2023, the Group recorded a net gain from impairment of receivables in amount of RON 3.69 million after collecting receivables.

Financial expenses

Financial expenses increased by 58.88% as compared to the period between January – September 2022, as a result of the increase in the EURIBOR 3 M rate, taken into account in the calculation of interest on the bank loan contracted in 2022.

Other expenses

Other expenses decreased by 74.45% as compared to the similar period of 2022. The decrease by RON 5,214.50 million is mainly due to the decrease in the windfall tax and royalty expenses. Royalty expenses (including royalty for storage activity) decreased by RON 1,066.92 million (RON -71.50%) as compared to the period between January – September 2022 (9M 2023: RON 425.34 million; 9M 2022: RON 1,495.26 million) and the windfall tax decreased by RON 3,980.46 million (-83.80%) as compared to the similar period of 2022 (9M 2023: RON 769.70 million; 9M 2022: RON 4,750.16 million). The reduction of these taxes and duties was generated by the provisions of GEO No. 27/2022 as amended, according to which gas sold at regulated prices is not subject to the calculation of the windfall tax and the royalty is calculated at the level of the regulated price, lower than the reference price calculated and communicated by ANRM. Between January – September 2023, 85.2% of sales were at a regulated price, as compared to 13% for the same period of 2022.

Other income

Other income increased by 266.99% for the period between January – September 2023 as compared to the same period of 2022. They include, the amount of RON 119.17 million as shown above at *Other assets*.

Income Tax expenses

Income tax expense for the period between January – September 2023 includes the following taxes:

- Current income tax in amount of RON 611.67 million;
- Deferred income tax in amount of RON -120.94 million;
- Solidarity Fund Contribution in amount of RON 1,399.39 million. This contribution was introduced at the end of 2022.

The comparative consolidated statement of interim consolidated comprehensive income by segment for the period January-September 2023 and January-September 2022, respectively, is shown below:

Structure of indicators by activity segments – **September 2023**

* RON thousand*

Description	TOTAL, out of which:	Gas production and deliveries	UGS	Electricit y	Other activities	Consolidati on Adjustment
1	2	3	4	5	6	7
Revenue	6,810,267	6,353,127	416,175	425,676	344,457	(729,168)
Cost of commodities sold	(102,106)	(19,734)	(70)	(81,315)	(987)	-
Investment income	172,264	704	5,814	54	222,783	(57,091)
Other gains and losses	(11,758)	(11,643)	1,197	5	(139)	(1,178)
Net impairment losses on trade receivables	3,697	2,856	-	(869)	1,710	-
Change in inventories	(21,055)	(22,191)	-	20	1,116	-
Raw materials and consumables used	(80,614)	(55,859)	(40,271)	(203,923)	(10,720)	230,159
Depreciation, amortization and impairment expenses	(368,182)	(307,751)	(10,208)	(7,656)	(19,356)	(23,211)
Employment benefit expenses	(678,497)	(395,421)	(65,561)	(39,103)	(178,412)	-
Financial cost	(44,468)	(12,470)	(1,495)	(7)	(31,128)	632
Exploration expenses	(48,633)	(48,633)	-	-	-	-
Share of associates' result	3,277	-	-	-	3,277	-
Other expenses	(1,789,302)	(1,733,938)	(178,200)	(309,123)	(68,806)	500,765
Other income	202,926	78,855	64	120,170	4,157	(320)
Profit before tax	4,047,816	3,827,902	127,445	(96,071)	267,952	(79,412)
Income tax expenses	(1,879,125)	(1,249,826)	(20,261)	-	(609,038)	-
Profit for the period	2,168,691	2,578,076	107,184	(96,071)	(341,086)	(79,412)

Structure of indicators by activity segments – **September 2022**

* RON thousand *

Description	TOTAL, out of which:	Gas production and deliveries	UGS	Electricit y	Other activities	Consolidati on Adjustment
1	2	3	4	5	6	7
Revenue	10,812,549	10,171,159	332,190	1,243,763	320,534	(1,255,097)
Cost of commodities sold	(155,436)	(15,009)	(2)	(139,519)	(906)	-
Investment income	144,923	364	1,281	23	156,857	(13,602)
Other gains and losses	(7,228)	(1,915)	(1,794)	(175)	(5,138)	1,794
Net impairment losses on trade receivables	(49,820)	(43,016)	-	(496)	(6,308)	-
Change in inventories	11,016	10,064	-	37	915	-
Raw materials and consumables used	(88,201)	(61,027)	(33,366)	(644,930)	(13,357)	664,479
Depreciation, amortization and impairment expenses	(370,010)	(289,506)	(9,229)	(7,995)	(19,519)	(43,761)
Employment benefit expenses	(594,131)	(346,272)	(53,212)	(34,571)	(160,076)	-

Description	TOTAL, out of which:	Gas production and deliveries	UGS	Electricity	Other activities	Consolidation Adjustment
1	2	3	4	5	6	7
Financial cost	(27,989)	(25,026)	(2,383)	-	(600)	20
Exploration expenses	(59,030)	(59,030)	-	-	-	-
Share of associates' result	1,645	-	-	-	1,645	-
Other expenses	(7,003,804)	(6,799,039)	(168,209)	(542,206)	(85,242)	590,892
Other income	55,295	45,753	5	111	9,701	(275)
Profit before tax	2,669,779	2,587,500	65,281	(125,958)	198,506	(55,550)
Income tax expenses	(431,971)	-	(11,134)	-	(420,837)	-
Other gains and losses	2,237,808	2,587,500	54,147	(125,958)	(222,331)	(55,550)

Statement of Consolidated Cash Flow

Statements of consolidated cash flows recorded for the period January – September 2023, as compared to the similar period of 2022, are shown in the table below:

INDICATOR	9M 2022 (RON thousand)	9M 2023 (RON thousand)	Variation (%)
1	2	3	4=(3-2)/2x100
Cash flow from operating activities			
Net profit for the period	2,237,808	2,168,691	-3.09
<i>Adjustments for:</i>			
Income tax expenses	431,971	1,879,125	335.01
Share from associates' result	(1,645)	(3,277)	99.21
Interest expense	616	31,210	4,966.56
Unwinding of decommissioning provision	27,373	13,258	-51.57
Interest revenue	(144,923)	(172,264)	18.87
Losses on disposal of non-current assets	56	4,706	8,303.57
Change in decommissioning provision recognized in profit or loss other than unwinding	(67,906)	9,193	n/a
Changes in other provisions	46,641	(213,486)	n/a
Net impairment of exploration assets	25,211	10,071	-60.05
Exploration projects written-off	16	211	1,218.75
Impairment of non-current assets	48,904	62,485	27.77
Net foreign exchange differences	512	7,371	1,339.65
Depreciation and amortization	295,895	295,626	-0.09
Amortization of contract costs	736	47	-93.61
Net Losses/(Gains) from trade and other receivables	50,300	(7,726)	n/a
Impairment of inventories	2,195	437	-80.09
Income from liabilities written-off	(512)	(172)	-66.41
Subsidies income	(5)	(6)	20.00
Cash generated from operations, before movements in working capital	2,953,243	4,085,500	38.34
Movements in working capital			
(Increase)/Decrease in inventory	14,747	10,153	-31.15
(Increase)/Decrease in trade and other receivables	159,236	108,586	-31.81
Increase/(Decrease) in trade and other liabilities	197,940	(24,484)	n/a
Cash generated from operations	3,325,166	4,179,755	25.70
Interest paid	(208)	(30,728)	14,673.08
Income tax paid	(310,639)	(1,612,180)	418.99

INDICATOR	9M 2022 (RON thousand)	9M 2023 (RON thousand)	Variation (%)
1	2	3	4=(3-2)/2x100
Net cash generated from operations	3,014,319	2,536,847	-15.84
Cash flows from investing activities			
Bank deposits set up and acquisition of state bonds	(3,295,306)	(3,814,654)	15.76
Bank deposits and state bonds matured	3,649,504	3,453,236	-5.38
Interest received	151,487	165,393	9.18
Proceeds from sale of non-current assets	136	1,512	1,011.76
Payments for acquisition of non-current assets	(5,377,203)	(771,852)	-85.65
Payments for acquisition of exploration assets	(80,048)	(22,917)	-71.37
Net cash used in investing activities	(4,951,430)	(989,282)	-80.02
Cash flows from financing activities			
Loans received	1,606,475	-	-100.00
Loan repayment	(78,983)	(241,927)	206.30
Dividends paid	(1,463,844)	(1,317,615)	-9.99
Repayment of lease liability	(1,300)	(2,158)	66.00
Subsides received	-	94,192	n/a
Net cash generated/used in financing activities	62,348	(1,467,508)	n/a
Net increase/(decrease) in cash and cash equivalents	(1,874,763)	80,057	n/a
Cash and cash equivalents at the beginning of the period	3,580,412	1,883,882	-47.38
Cash and cash equivalents at the end of the period	1,705,649	1,963,939	15.14

Economic-Financial Indicators

The table below shows a comparison between the economic-financial indicators provided in Annex 13 to Financial Supervisory Authority (“ASF”) Regulation No.5 of May 10, 2018 on issuers of financial instruments and market operations:

Item No.	Indicator	Calculation method	9 M 2022	9 M 2023
1.	Current liquidity	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.54	1.60
2.	Indebtedness	$\frac{\text{Loan capital}}{\text{Equity}} \times 100$	15.61	11.10
		$\frac{\text{Loan capital}}{\text{Employed capital}} \times 100$	13.19	9.64
3.	Clients’ debts rotation speed	$\frac{\text{Clients' average balance}}{\text{Revenue}} \times 270$	30.95	50.80
4.	Non-current assets turnover	$\frac{\text{Revenue}}{\text{Non-current assets}}$	1.04	0.62

PERFORMANCE INDICATORS

By Resolution No. 12 of September 11, 2023, Item 1, the General Meeting of Shareholders approved the financial and non-financial performance indicators as resulted from the Governance Plan.

In the calculation of these indicators, the changes requested by the Ministry of Energy in its letter No. 43652/November 8, 2023 were taken into account, concerning the correction of some errors identified in the calculation formulas.

We present below the degree of achievement of these indicators for the period January - September 2023, noting that the contracts of mandate of the non-executive and executive board members do not provide for interim targets, only at financial year level.

I. Performance indicators of non-executive board members

a) Financial indicators

Item No.	Indicator	Objective	Weight	Degree of achievement ^{*)}	Weight in degree of fulfilment
1	Revenue	Budget	4%	1.01	4.06%
2	EBITDA margin	Minimum 41%	2%	2.00	3.99%
3	Operating expenses from RON 1,000 operating income	Maintain Budget level	3%	1.38	4.13%
4	Labour productivity (in value units)	Budget	2%	1.05	2.10%
5	CAPEX	minimum 70%, 75% Budget	3%	0.92	2.76%
6	Ratio between net debt and EBITDA	<4.5	2%	2.06	4.11%
7	Operating income margin	Budget	2%	1.62	3.24%
8	Dividend payout ratio	Minimum provided by the applicable regulations	2%	1.00	2.01%
Financial indicators – degree of achievement			20%		26.40%

^{*)} – influenced by the target established for January – September 2023

b) Non-financial indicators

Item No.	Indicator	Objective	Weight	Degree of achievement ^{*)}	Weight in degree of fulfilment
1	Natural gas production decline	Maintaining the annual decline of maximum 2.5% as compared to 2022	2%	0.98	1.96%
2	Emissions in the application area 1t	Reduction/maintenance of CO ₂ emissions directly generated by electricity generation plant	3%	1.05	3.15%
3	Fulfilment of gas supply obligation	100% of the contracted gas quantity	3%	1.00	3.00%
4	Customer satisfaction score	minimum 75%	10%	1.29	12.90%
5	Market share	Higher than 40%	2%	1.39	2.78%
6	Average number of training hours per employee	minimum 8	3%	0.81	2.43%
7	Number of safety trainings	100% of the employees	3%	1.00	3.00%

Item No.	Indicator	Objective	Weight	Degree of achievement ^{*)}	Weight in degree of fulfilment
8	Total frequency of recorded accidents	maximum 0,8%	4%	1.72	6.88%
9	Rate of independent members in the Board of Directors	Higher than 55%	5%	0.90	4.50%
10	Number of BOD meetings	minimum 12	7%	3.33	23.31%
11	Attendance rate at BOD meetings	minimum 90%	6%	1.07	6.42%
12	Number of Audit Committee meetings	minimum 4 per year	6%	2.25	13.50%
13	Rate of women in executive positions	minimum 30%	8%	1.11	8.88%
14	Timely reporting of company performance indicators	full compliance with reporting deadlines	9%	1.00	9.00%
15	Implementation of the National Anti-Corruption System	timely implementation	9%	1.00	9,00%
Non-financial indicators – degree of achievement			80%		110.71%

DEGREE OF ACHIEVEMENT OF PERFORMANCE INDICATORS OF NON-EXECUTIVE BOARD MEMBERS	100%		137.11%
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II. Performance indicators of executive board members

a) Financial indicators

Item No.	Indicator	Objective	Weight	Degree of achievement ^{*)}	Weight in degree of fulfilment
1	Revenue	Budget	10%	1.01	10.15%
2	EBITDA margin	minimum 41%	5%	2.00	9.98%
3	Exploration expenses from RON 1,000 exploration income	maintaining Budget level	7.5%	1.38	10.33%
4	Productivity at work (in value units)	Budget	5%	1.05	5.24%
5	CAPEX	minimum 70%, 75% Budget	7.5%	0.92	6.90%
6	Ratio between net debt and EBITDA	<4.5	5%	2.06	10.28%
7	Exploration profit margin	Budget	5%	1.62	8.09%
8	Dividend payout ratio	Minimum provided by the applicable regulations	5%	1.00	5.02%
Financial indicators – degree of achievement			50%		65.99%

b) Non-financial indicators

Item No.	Indicator	Objective	Weight	Degree of achievement ^{*)}	Weight in degree of fulfilment
1	Decline of natural gas production	Maintaining the annual decline of maximum 2.5% as compared to 2022	5%	0.98	4.90%
2	Emissions in the applicable area	Reduction/maintenance of CO ₂ emissions directly generated by electricity generation plant	3%	1.05	3.15%

Item No.	Indicator	Objective	Weight	Degree of achievement ^{*)}	Weight in degree of fulfilment
3	Fulfilment of gas supply obligation	100% of the contracted gas quantity	4.0%	1.00	4.00%
4	Customer satisfaction score	minimum 75%	10%	1.29	12.90%
5	Market share	Higher than 40%	4.0%	1.39	5.56%
6	Average number of training hours per employee	minimum 8	3%	0,81	2.43%
7	Number of safety trainings	100% of the employees	3%	1.00	3.00%
8	Total frequency of accidents recorded	maximum 0.8%	3%	1.72	5.16%
9	Number of full-time equivalent employees	minimum 99% of the employees	3%	1.01	3.03%
10	Gender pay gap	less than or equal to zero	3%	1.00	3.00%
11	Timely reporting of company performance indicators	full compliance with reporting deadlines	4%	1.00	4.00%
12	Implementation of the National Anti-Corruption System	timely implementation	5%	1.00	5.00%
Non-financial indicators – degree of achievement			50%		56.13%
DEGREE OF ACHIEVEMENT OF PERFORMANCE INDICATORS OF EXECUTIVE BOARD MEMBERS/MANAGERS WITH CONTRACT OF MANDATE			100%		122.12%

Attached hereto are the Consolidated Condensed Interim Financial Statements for the period ended September 30, 2023, prepared in compliance with the International Accounting Standard 34 and unaudited by the financial auditor.

SIGNATURES

CHARIMAN OF THE BOARD OF DIRECTORS,		
<i>Dan Dragoş DRĂGAN</i>		
.....		
Chief Executive Officer,	Deputy Chief Executive Officer,	Chief Financial Officer,
<i>Răzvan POPESCU</i>	<i>Aristotel Marius JUDE</i>	<i>Gabriela TRÂNBÎŢAŞ</i>
.....

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

**CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2023
(UNAUDITED)**

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

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CONDENSED STATEMENT OF CONSOLIDATED INTERIM COMPREHENSIVE INCOME

	Note	Nine months ended September 30, 2023	Three months ended September 30, 2023	Nine months ended September 30, 2022	Three months ended September 30, 2022
		'000 RON	'000 RON	'000 RON	'000 RON
Revenue	3	6,810,267	1,912,950	10,812,549	3,316,500
Cost of commodities sold	4	(102,106)	(55,499)	(155,436)	(123,082)
Investment income		172,264	46,346	144,923	50,847
Other gains and losses	5	(11,758)	(13,839)	(7,228)	(4,865)
Impairment (losses)/gains on trade receivables	10 c)	3,697	(5,635)	(49,820)	(70,877)
Changes in inventory of finished goods and work in progress		(21,055)	22,898	11,016	31,434
Raw materials and consumables used	4	(80,614)	(28,014)	(88,201)	(30,314)
Depreciation, amortization and impairment expenses	6	(368,182)	(107,139)	(370,010)	(150,521)
Employee benefit expense	8	(678,497)	(237,851)	(594,131)	(225,856)
Finance cost		(44,468)	(16,564)	(27,989)	(9,443)
Exploration expense		(48,633)	(47,565)	(59,030)	(26,598)
Share of profit/(loss) of associates		3,277	1,715	1,645	1,401
Other expenses	9	(1,789,302)	(503,902)	(7,003,804)	(2,168,827)
Other income	3	202,926	74,173	55,295	22,697
Profit before tax		4,047,816	1,042,074	2,669,779	612,496
Income tax expense	7	(1,879,125)	(559,023)	(431,971)	(100,633)
Profit for the period		2,168,691	483,051	2,237,808	511,863
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Actuarial gains/(losses) on post-employment benefits		-	-	40,182	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-	(6,429)	-
Total items that will not be reclassified subsequently to profit or loss		-	-	33,753	-
Other comprehensive income for the year net of income tax		-	-	33,753	-
Total comprehensive income for the period		2,168,691	483,051	2,271,561	511,863
Basic and diluted earnings per share		0.0056	0.0013	0.0058	0.0013

These financial statements were approved by the Board of Directors on November 14, 2023.

Răzvan Popescu
Chief Executive Officer

Gabriela Trâmbițaș
Chief Financial Officer

The accompanying notes form an integral part of these financial statements.
This is a free translation of the original Romanian version.

CONDENSED STATEMENT OF CONSOLIDATED INTERIM FINANCIAL POSITION

	Note	September 30, 2023 '000 RON	December 31, 2022 '000 RON
ASSETS			
Non-current assets			
Property, plant and equipment		5,529,716	5,039,314
Other intangible assets		5,137,780	5,140,425
Investments in associates		31,814	28,537
Deferred tax asset		319,952	199,016
Other financial assets		5,616	5,616
Right of use assets		9,309	8,766
Total non-current assets		11,034,187	10,421,674
Current assets			
Inventories		273,975	284,007
Trade and other receivables	10 a)	1,188,765	1,373,664
Contract costs		12	3
Other financial assets	12 b)	467,886	99,597
Other assets	10 b)	240,918	265,232
Cash and cash equivalents	12 a)	1,963,939	1,883,882
Total current assets		4,135,495	3,906,385
Total assets		15,169,682	14,328,059
EQUITY AND LIABILITIES			
Equity			
Share capital		385,422	385,422
Reserves		4,895,009	3,579,274
Retained earnings		5,646,680	6,111,869
Total equity		10,927,111	10,076,565
Non-current liabilities			
Retirement benefit obligation	11	156,418	168,830
Deferred revenue	13 b)	324,596	230,419
Lease liability		7,327	7,499
Borrowings		889,210	1,125,534
Provisions	11	278,936	210,838
Total non-current liabilities		1,656,487	1,743,120

The accompanying notes form an integral part of these financial statements.
This is a free translation of the original Romanian version.

CONDENSED STATEMENT OF CONSOLIDATED INTERIM FINANCIAL POSITION

	<u>Note</u>	<u>September 30, 2023</u> <u>'000 RON</u>	<u>December 31, 2022</u> <u>'000 RON</u>
Current liabilities			
Trade payables		140,949	110,006
Contract liabilities		135,612	263,340
Current tax liabilities		1,557,629	1,177,498
Deferred revenue		7	11
Provisions	11	119,697	321,489
Lease liability		3,178	2,181
Borrowings		323,349	321,581
Other liabilities	13 a)	305,663	312,268
Total current liabilities		2,586,084	2,508,374
Total liabilities		4,242,571	4,251,494
Total equity and liabilities		15,169,682	14,328,059

These financial statements were approved by the Board of Directors on November 14, 2023.

Răzvan Popescu
 Chief Executive Officer

Gabriela Trânbițaș
 Chief Financial Officer

CONDENSED STATEMENT OF CONSOLIDATED INTERIM CHANGES IN EQUITY

	Share capital	Legal reserve	Other reserves	Retained earnings	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Balance as of January 1, 2023	385,422	90,294	3,488,980	6,111,869	10,076,565
Result for the period	-	-	-	2,168,691	2,168,691
Total comprehensive income for the period	-	-	-	2,168,691	2,168,691
Allocation to dividends *)	-	-	-	(1,318,145)	(1,318,145)
Allocation to other reserves	-	-	1,315,735	(1,315,735)	-
Balance as of September 30, 2023	385,422	90,294	4,804,715	5,646,680	10,927,111
Balance as of January 1, 2022	385,422	85,250	2,913,725	5,596,756	8,981,153
Profit for the period	-	-	-	2,237,808	2,237,808
Other comprehensive income	-	-	-	33,753	33,753
Total comprehensive income for the period	-	-	-	2,271,561	2,271,561
Allocation to dividends *)	-	-	-	(1,464,605)	(1,464,605)
Allocation to other reserves	-	-	540,227	(540,227)	-
Balance as of September 30, 2022	385,422	85,250	3,453,952	5,863,485	9,788,109

*) In 2023 the Group's shareholders approved the allocation of dividends of RON 1,318,145 thousand (2022: RON 1,464,605 thousand), dividend per share being RON 3.42 (2022: RON 3.80).

These financial statements were approved by the Board of Directors on November 14, 2023.

Răzvan Popescu
Chief Executive Officer

Gabriela Trânbițaș
Chief Financial Officer

The accompanying notes form an integral part of these financial statements.
This is a free translation of the original Romanian version.

CONDENSED STATEMENT OF CONSOLIDATED INTERIM CASH FLOW

	Nine months ended September 30, 2023	Three months ended September 30, 2023	Nine months ended September 30, 2022	Three months ended September 30, 2022
	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>
Cash flows from operating activities				
Net profit	2,168,691	483,051	2,237,808	511,863
Adjustments for:				
Income tax expense (note 7)	1,879,125	559,023	431,971	100,633
Share of associates' result	(3,277)	(1,715)	(1,645)	(1,401)
Interest expense	31,210	12,169	616	355
Unwinding of decommissioning provision (note 11)	13,258	4,395	27,373	9,088
Interest revenue	(172,264)	(46,346)	(144,923)	(50,847)
Net (gain)/loss on disposal of non-current assets (note 5)	4,706	6,370	56	150
Change in decommissioning provision recognized in profit or loss, other than unwinding (note 9, note 11)	9,193	(850)	(67,906)	(4,828)
Change in other provisions (note 9)	(213,486)	(34,966)	46,641	82,038
Net impairment of exploration assets (note 6)	10,071	2,705	25,211	19,113
Exploration projects written off	211	211	16	-
Net impairment of property, plant and equipment and intangibles (note 6)	62,485	7,009	48,904	36,676
Net foreign exchange differences	7,371	2,916	512	(268)
Depreciation and amortization (note 6)	295,626	97,425	295,895	94,732
Amortization of contract costs	47	20	736	134
Net receivable write-offs and movement in allowances for trade receivables and other assets (note 10)	(7,726)	5,633	50,300	70,091
Net movement in write-down allowances for inventory (note 5)	437	1,044	2,195	1,068
Income from liabilities written-off	(172)	(172)	(512)	(512)
Subsidies income	(6)	-	(5)	(2)
	4,085,500	1,097,922	2,953,243	868,083
Movements in working capital:				
(Increase)/Decrease in inventory	10,153	(24,229)	14,747	(30,831)
(Increase)/Decrease in trade and other receivables	108,586	(117,968)	159,236	330,620
Increase/(Decrease) in trade and other liabilities	(24,484)	58,583	197,940	(201,898)
Cash generated from operations	4,179,755	1,014,308	3,325,166	965,974
Interest paid	(30,728)	(12,000)	(208)	(206)
Income taxes paid	(1,612,180)	(162,925)	(310,639)	(126,161)
Net cash generated by operating activities	2,536,847	839,383	3,014,319	839,607

The accompanying notes form an integral part of these financial statements.
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CONDENSED STATEMENT OF CONSOLIDATED INTERIM CASH FLOW

	Nine months ended September 30, 2023	Three months ended September 30, 2023	Nine months ended September 30, 2022	Three months ended September 30, 2022
	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>
Cash flows from investing activities				
Bank deposits set up and state bonds acquired	(3,814,654)	(411,418)	(3,295,306)	(25,000)
Bank deposits and state bonds matured	3,453,236	932,984	3,649,504	1,384,439
Interest received	165,393	56,562	151,487	74,569
Proceeds from sale of non-current assets	1,512	337	136	-
Acquisition of non-current assets	(771,852)	(416,011)	(5,377,203)	(4,730,213)
Acquisition of exploration assets	(22,917)	(9,081)	(80,048)	(19,036)
Net cash used in investing activities	<u>(989,282)</u>	<u>153,373</u>	<u>(4,951,430)</u>	<u>(3,315,241)</u>
Cash flows from financing activities				
Repayment of borrowings	(241,927)	(80,842)	(78,983)	(78,983)
Borrowings received	-	-	1,606,475	-
Dividends paid	(1,317,615)	(1,317,440)	(1,463,844)	(1,463,776)
Subsidies received (note 13 b)	94,192	-	-	-
Repayment of lease liability	(2,158)	(693)	(1,300)	(512)
Net cash used in financing activities	<u>(1,467,508)</u>	<u>(1,398,975)</u>	<u>62,348</u>	<u>(1,543,271)</u>
Net increase/(decrease) in cash and cash equivalents	<u>80,057</u>	<u>(406,219)</u>	<u>(1,874,763)</u>	<u>(4,018,905)</u>
Cash and cash equivalents at the beginning of the period	<u>1,883,882</u>	<u>2,370,158</u>	<u>3,580,412</u>	<u>5,724,554</u>
Cash and cash equivalents at the end of the period	<u>1,963,939</u>	<u>1,963,939</u>	<u>1,705,649</u>	<u>1,705,649</u>

These financial statements were approved by the Board of Directors on November 14, 2023.

Răzvan Popescu
 Chief Executive Officer

Gabriela Trânbițaș
 Chief Financial Officer

The accompanying notes form an integral part of these financial statements.
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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, 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 S.N.G.N. Romgaz S.A. 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 condensed 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 transportation system.
4. underground storage of natural gas;
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 the 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 thousand lei (thousand RON).

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 12 "Income taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction" (effective for annual periods beginning on or after January 1, 2023);
- Amendments to IAS 12 "Income taxes: International Tax Reform - Pillar Two Model" (effective for annual periods beginning on or after January 1, 2023);
- Amendments to IFRS 17 "Insurance Contracts: initial application of IFRS 17 and IFRS 9 - comparative information" (applicable to annual periods beginning on or after January 1, 2023);
- Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2: Disclosure of Accounting policies (effective for annual periods beginning on or after January 1, 2023);
- Amendments to IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors" - Definition of Accounting Estimates (effective for annual periods beginning on or after January 1, 2023);
- IFRS 17 "Insurance Contracts" including Amendments to IFRS 17 (effective for annual periods beginning on or after January 1, 2023). The Group does not issue contracts in scope of IFRS 17, thus the financial statements will not be impacted by this standard.

The adoption of these amendments, interpretations or improvements to existing standards did not lead 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 EU as at date of publication of 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 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 liabilities in a sale and leaseback (applicable to annual periods beginning on or after 1 January 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 winter time. 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.

NOTES

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.

3. REVENUE AND OTHER INCOME

	Nine months ended September 30, 2023	Three months ended September 30, 2023	Nine months ended September 30, 2022	Three months ended September 30, 2022
	'000 RON	'000 RON	'000 RON	'000 RON
Revenue from gas sold - domestic production *)	5,871,735	1,623,055	9,225,848	2,561,821
Revenue from gas sold - other arrangements	22,218	6,199	41,660	26,506
Revenue from gas acquired for resale	18,988	12	14,654	10,787
Revenue from storage services- capacity reservation	252,801	74,403	207,822	88,014
Revenue from storage services- extraction	42,951	152	21,785	461
Revenue from storage services- injection	128,533	62,443	94,271	55,666
Revenue from electricity **)	288,482	88,083	1,008,727	510,144
Revenue from services	131,480	39,433	136,034	42,055
Revenue from sale of goods	45,033	16,544	54,991	18,733
Other revenues from contracts	612	160	315	151
Total revenue from contracts with customers	6,802,833	1,910,484	10,806,107	3,314,338
Other revenues	7,434	2,466	6,442	2,162
Total revenue	6,810,267	1,912,950	10,812,549	3,316,500
Other operating income ***)	202,926	74,173	55,295	22,697
Total revenue and other income	7,013,193	1,987,123	10,867,844	3,339,197

*) The decrease in revenue from gas sold is due to lower prices, as introduced by GEO no. 27/2022.

***) The decrease in revenue from electricity is due to lower prices, as introduced by GEO no. 27/2022. According to the Ordinance, most of electricity is sold at the regulated price of RON 450/MWh, the price being significantly lower than the prices of the nine-month period ended September 30, 2022.

***) Other operating income include RON 119,174 thousand representing the amount by which CO₂ certificates for electricity sold according to the mechanism for centralized electricity acquisitions provided for in GEO no. 27/2022 as subsequently amended and supplemented exceeds the contribution to the energy transition fund introduced by the same Ordinance. The legislation does not currently include the procedure to be applied by the Group to collect this amount, however, it stipulates the right to receive these amounts. The receivable is presented in note 10 b).

4. COST OF COMMODITIES SOLD, RAW MATERIALS AND CONSUMABLES

	Nine months ended September 30, 2023	Three months ended September 30, 2023	Nine months ended September 30, 2022	Three months ended September 30, 2022
	'000 RON	'000 RON	'000 RON	'000 RON
Consumables used	47,614	16,596	44,464	14,689
Technological consumption	28,911	9,908	40,529	14,793
Cost of gas acquired for resale	19,701	181	14,654	10,787
Cost of electricity imbalance	81,285	54,845	139,519	111,875
Cost of other goods sold	1,120	473	1,263	420
Other consumables	4,089	1,510	3,208	832
Total	182,720	83,513	243,637	153,396

The accompanying notes form an integral part of these financial statements.
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NOTES
5. OTHER GAINS AND LOSSES

	Nine months ended September 30, 2023	Three months ended September 30, 2023	Nine months ended September 30, 2022	Three months ended September 30, 2022
	'000 RON	'000 RON	'000 RON	'000 RON
Forex gain	25,374	8,960	29,747	27,700
Forex loss	(36,036)	(15,387)	(34,244)	(32,133)
Net loss on disposal of non-current assets	(4,706)	(6,370)	(56)	(150)
Net allowance for other receivables (note 10 c)	4,035	8	(480)	786
Net write down allowances for inventory	(437)	(1,044)	(2,195)	(1,068)
Losses from trade receivables	(6)	(6)	-	-
Other gains and losses	18	-	-	-
Total	(11,758)	(13,839)	(7,228)	(4,865)

6. DEPRECIATION, AMORTIZATION AND IMPAIRMENT EXPENSES

	Nine months ended September 30, 2023	Three months ended September 30, 2023	Nine months ended September 30, 2022	Three months ended September 30, 2022
	'000 RON	'000 RON	'000 RON	'000 RON
Depreciation	295,626	97,425	295,895	94,732
out of which:				
- depreciation of property, plant and equipment	289,500	94,997	291,171	92,983
- depreciation of right of use assets	1,958	734	920	447
- amortization of intangible assets	4,168	1,694	3,804	1,302
Net impairment of non-current assets	72,556	9,714	74,115	55,789
Total depreciation, amortization and impairment	368,182	107,139	370,010	150,521

7. INCOME TAX

	Nine months ended September 30, 2023	Three months ended September 30, 2023	Nine months ended September 30, 2022	Three months ended September 30, 2022
	'000 RON	'000 RON	'000 RON	'000 RON
Current tax expense	611,668	169,689	361,876	101,565
Solidarity contribution *)	1,388,393	417,478	-	-
Deferred income tax (income)/expense **)	(120,936)	(28,144)	70,095	(932)
Income tax expense	1,879,125	559,023	431,971	100,633

*) At the end of 2022, a solidarity contribution was introduced in Romania for gas producers as a result of the implementation in the national legislation of Council Regulation (EU) 2022/1854 on an emergency intervention to address high energy prices. The temporary solidarity contribution is calculated at a rate of 60% of taxable profits, as determined under national tax rules, of fiscal years 2022 and 2023 which exceed by more than 20% the average of the taxable profits, as determined under national tax rules, of the four fiscal years starting on or after 1 January 2018.

***) The income recorded as deferred income tax in 2023 relates to the tax loss carried forward of Romgaz Black Sea. The deferred income tax related to this tax was recorded following the final investment decision related to the development of the Neptun Deep Block.

NOTES

8. EMPLOYEE BENEFIT EXPENSE

	Nine months ended September 30, 2023	Three months ended September 30, 2023	Nine months ended September 30, 2022	Three months ended September 30, 2022
	'000 RON	'000 RON	'000 RON	'000 RON
Wages and salaries	698,296	239,954	616,135	230,421
Social security charges	24,627	8,436	21,374	7,827
Meal tickets	28,197	9,563	18,511	6,085
Other benefits according to collective labor contract	25,067	14,722	21,382	13,432
Private pension payments	8,428	2,809	8,363	2,800
Private health insurance	7,960	2,793	5,111	1,710
Total employee benefit costs	792,575	278,277	690,876	262,275
Less, capitalized employee benefit costs	(114,078)	(40,426)	(96,745)	(36,419)
Total employee benefit expense	678,497	237,851	594,131	225,856

9. OTHER EXPENSES

	Nine months ended September 30, 2023	Three months ended September 30, 2023	Nine months ended September 30, 2022	Three months ended September 30, 2022
	'000 RON	'000 RON	'000 RON	'000 RON
Energy and water expenses	88,807	40,507	86,279	51,003
Expenses for capacity booking and gas transmission services	105,164	30,088	121,684	34,731
Expenses with other taxes and duties *)	1,198,271	262,157	6,541,292	1,950,766
(Net gain)/Net loss from provisions movement **)	(204,293)	(35,816)	(21,265)	77,210
Other operating expenses	601,353	206,966	275,814	55,117
Total	1,789,302	503,902	7,003,804	2,168,827

*) In the nine-month period ended September 30, 2023, the major taxes and duties included in the amount of RON 1,198,271 thousand (nine-month period ended September 30, 2022: RON 6,541,292 thousand) are:

- RON 769,697 thousand represent windfall tax resulting from the deregulation of prices in the natural gas sector according to Government Ordinance no. 7/2013 with the subsequent amendments for the implementation of the windfall tax following the deregulation of prices in the natural gas sector (nine-month period ended September 30, 2022: RON 4,750,158 thousand); the decrease of this expense is due to the provisions of Government Emergency Ordinance nor. 27/2022 as subsequently amended and supplemented, according to which gas sold at RON 150/MWh is not subject to the tax;
- RON 425,340 thousand represent royalty on gas production, storage activity and other activities (nine-month period ended September 30, 2022: RON 1,492,255 thousand). The decrease of this expense is due to the provisions of Government Emergency Ordinance nor. 27/2022 as subsequently amended and supplemented, according to which for gas sold at RON 150/MWh the royalty is determined considering this price, instead of the reference price communicated by the National Agency for Mineral Resources on a monthly basis.

***) The net gain from provisions movement of RON 204,293 thousand relates mainly to:

- the release of provision for CO₂ certificates, generating an income of RON 287,263 thousand, partially offsetting the expense of RON 285,220 thousand incurred with the acquisition of these certificates for 2022 and partial 2023 compliance, recorded in other operating expenses. An additional provision (expense) of RON 96,414 thousand was recorded for 2023 emissions;
- payment of amounts representing employees' participation to profit, according to shareholders' decision (net gain of RON 9,555 thousand). This gain offsets the expense recorded as employees costs when granted (note 8).

The accompanying notes form an integral part of these financial statements.
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NOTES
10. ACCOUNTS RECEIVABLE
a) Trade and other receivables

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
	'000 RON	'000 RON
Trade receivables	1,542,407	1,492,403
Allowances for expected credit losses for trade and other receivables (note 10 c)	(719,825)	(724,386)
Accrued receivables	366,183	605,647
Total	1,188,765	1,373,664

b) Other assets

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
	'000 RON	'000 RON
Advances paid to suppliers	1,695	1,053
Joint operation receivables	10,098	10,550
Other receivables	18,690	37,377
Allowance for expected credit losses for other receivables (note 10 c)	(169)	(172)
Other debtors	46,647	58,543
Allowance for expected credit losses for other debtors (note 10 c)	(46,023)	(50,055)
Prepayments	13,656	10,297
VAT not yet due	3,643	5,764
Subsidies receivable (note 3)	119,174	-
Other taxes receivable	73,507	191,875
Total	240,918	265,232

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

	<u>2023</u>	<u>2022</u>
	'000 RON	'000 RON
At January 1	774,613	981,497
Charge in the allowance for receivables (note 5, note 10 b)	194	1,518
Charge in the allowance for trade receivables (note 10 a)	26,892	108,497
Write-off against trade receivables (note 10 a)	(864)	(262,649)
Release in the allowance for receivables (note 5, note 10 b)	(4,229)	(1,038)
Release in the allowance for trade receivables (note 10 a)	(30,589)	(58,677)
At Sep 30	766,017	769,148

11. PROVISIONS

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
	'000 RON	'000 RON
Decommissioning provision (see below)	278,936	210,838
Retirement benefit obligation	156,418	168,830
Total long-term provisions	435,354	379,668

The accompanying notes form an integral part of these financial statements.
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NOTES

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
	'000 RON	'000 RON
Decommissioning provision (see below)	24,934	25,652
Litigation provision	18,443	6,620
Other provisions *)	76,320	289,217
Total short term provisions	119,697	321,489
Total provisions	555,051	701,157

*) Other provisions include the provision for CO₂ certificates of RON 37,277 thousand (December 31, 2022: RON 228,126 thousand).

	<u>2023</u>	<u>2022</u>
	'000 RON	'000 RON
Decommissioning provision movement		
At January 1	236,490	437,638
Additional provision recorded against non-current assets	47,612	97
Unwinding effect	13,258	27,373
Recorded in profit or loss	9,193	(67,906)
Decrease recorded against non-current assets	(2,683)	(147,780)
At September 30	303,870	249,422

As of September 30, 2023 the discounting rate used in the computation of the decommissioning provision was reduced to 6.78% from 8.19% as of December 31, 2022. This decrease generated the changes shown above.

12. CASH AND CASH EQUIVALENTS. OTHER FINANCIAL ASSETS
a) Cash and cash equivalents

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
	'000 RON	'000 RON
Current bank accounts *)	111,931	122,559
Petty cash	39	50
Term deposits	1,849,910	1,759,683
Restricted cash **)	2,028	1,584
Amounts under settlement	31	6
Total	1,963,939	1,883,882

*) Current bank accounts include overnight deposits.

***) On September 30, 2023 restricted cash refers to bank accounts used only for dividend payments to shareholders, according to stock market regulations.

b) Other financial assets

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
	'000 RON	'000 RON
Bank deposits	451,418	90,000
Accrued interest receivable on bank deposits	16,468	9,597
Total other financial assets	467,886	99,597

The accompanying notes form an integral part of these financial statements.
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NOTES
13. OTHER LIABILITIES. DEFERRED REVENUE
a) Other liabilities

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
	'000 RON	'000 RON
Payables related to employees	40,513	61,735
Royalties	135,096	146,965
Contribution to Energy Transition Fund	191	11,931
Joint venture payables	23,583	18,043
Social security taxes	31,474	37,756
Other current liabilities	10,574	12,174
VAT	19,120	20,612
Dividends payable	1,583	1,225
Windfall tax	39,961	-
Other taxes	3,568	1,827
Total other liabilities	<u>305,663</u>	<u>312,268</u>

b) Deferred revenue (long term portion)

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
	'000 RON	'000 RON
Amounts collected from NIP	230,169	230,169
Amounts collected from CINEA *)	94,192	-
Other deferred revenue	136	145
Other amounts received as subsidies	99	105
Total long term deferred revenue	<u>324,596</u>	<u>230,419</u>

*) In 2023, Depogaz signed a financing agreement with the European Climate, Infrastructure and Environment Executive Agency ("CINEA") to increase the daily withdrawal capacity of the Bilciurești storage facility. The financing agreement is for EUR 37,962 thousand, of which Depogaz received the amount of RON 94,192 thousand as an advance.

14. RELATED PARTY TRANSACTIONS AND BALANCES
(i) Sales of goods and services

	Nine months ended September 30, 2023	Three months ended September 30, 2023	Nine months ended September 30, 2022	Three months ended September 30, 2022
	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>
Romgaz's associates	11,796	5,029	12,537	6,028
Total	<u>11,796</u>	<u>5,029</u>	<u>12,537</u>	<u>6,028</u>

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.

NOTES

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

	Nine months ended September 30, 2023	Three months ended September 30, 2023	Nine months ended September 30, 2022	Three months ended September 30, 2022
	'000 RON	'000 RON	'000 RON	'000 RON
Companies controlled by the Ministry of Energy				
Electrocentrale Constanța SA	122,110	36,708	89,874	18,326
Electrocentrale București SA	976,757	344,007	1,406,170	220,490
Companies significantly influenced by the Ministry of Energy				
OMV Petrom SA	87,983	25,160	445,983	205,183
Engie România SA	1,580,223	412,098	1,867,809	461,654
E.On Energie România SA	1,819,033	575,374	1,304,648	421,071
Total	4,586,106	1,393,347	5,114,484	1,326,724

(ii) Trade receivables

	September 30, 2023	December 31, 2022
	'000 RON	'000 RON
Romgaz's associates	3,033	-
Total	3,033	-

15. SEGMENT INFORMATION
a) Products and services from which reportable segments derive their revenues

The information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the upstream segment, storage services, electricity production and distribution, and others, including headquarter activities. The Directors of the Group have chosen to organize the Group around differences in activities performed.

Specifically, the Group is organized in the following segments:

- upstream, which includes exploration activities, natural gas production and trade of gas extracted by Romgaz or acquired for resale; these activities are performed by Medias, Mures and in part by the Company's headquarters and also by subsidiary Romgaz Black Sea Limited;
- storage activities, performed by Depogaz subsidiary. The Company's associate Depomures is also operating in the gas underground storage business;
- electricity production and distribution activities, performed by Iernut branch;
- other activities, such as technological transport, operations on wells and corporate activities.

b) Segment assets and liabilities

September 30, 2023	Upstream	Storage	Electricity	Other	Adjustments and eliminations	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Total assets	9,768,658	1,171,016	1,325,400	3,591,577	(686,969)	15,169,682
Total liabilities	2,531,755	218,733	300,552	1,645,796	(454,265)	4,242,571

The accompanying notes form an integral part of these financial statements.
This is a free translation of the original Romanian version.

NOTES

December 31, 2022	<u>Upstream</u> <u>'000 RON</u>	<u>Storage</u> <u>'000 RON</u>	<u>Electricity</u> <u>'000 RON</u>	<u>Other</u> <u>'000 RON</u>	<u>Adjustments and eliminations</u> <u>'000 RON</u>	<u>Total</u> <u>'000 RON</u>
Total assets	9,478,393	1,007,078	1,283,328	2,783,013	(223,753)	14,328,059
Total liabilities	1,782,028	105,129	483,530	1,901,060	(20,253)	4,251,494

c) Segment revenues, results and other segment information

Nine months ended September 30, 2023	<u>Upstream</u> <u>'000 RON</u>	<u>Storage</u> <u>'000 RON</u>	<u>Electricity</u> <u>'000 RON</u>	<u>Other</u> <u>'000 RON</u>	<u>Adjustments and eliminations</u> <u>'000 RON</u>	<u>Total</u> <u>'000 RON</u>
Revenue	6,353,127	416,175	425,676	344,457	(729,168)	6,810,267
Less: revenue between segments	(230,231)	(27,123)	(137,352)	(334,462)	729,168	-
Third party revenue	6,122,896	389,052	288,324	9,995	-	6,810,267
Segment profit/(loss) before tax	3,827,902	127,445	(96,071)	267,952	(79,412)	4,047,816

Three months ended September 30, 2023	<u>Upstream</u> <u>'000 RON</u>	<u>Storage</u> <u>'000 RON</u>	<u>Electricity</u> <u>'000 RON</u>	<u>Other</u> <u>'000 RON</u>	<u>Adjustments and eliminations</u> <u>'000 RON</u>	<u>Total</u> <u>'000 RON</u>
Revenue	1,740,674	144,842	138,524	120,169	(231,259)	1,912,950
Less: revenue between segments	(56,180)	(7,714)	(50,376)	(116,989)	231,259	-
Third party revenue	1,684,494	137,128	88,148	3,180	-	1,912,950
Segment profit/(loss) before tax	1,053,984	34,864	(69,872)	40,683	(17,585)	1,042,074

Nine months ended September 30, 2022	<u>Upstream</u> <u>'000 RON</u>	<u>Storage</u> <u>'000 RON</u>	<u>Electricity</u> <u>'000 RON</u>	<u>Other</u> <u>'000 RON</u>	<u>Adjustments and eliminations</u> <u>'000 RON</u>	<u>Total</u> <u>'000 RON</u>
Revenue	10,171,159	332,190	1,243,763	320,534	(1,255,097)	10,812,549
Less: revenue between segments	(664,524)	(41,876)	(236,113)	(312,584)	1,255,097	-
Third party revenue	9,506,635	290,314	1,007,650	7,950	-	10,812,549
Segment profit/(loss) before tax	2,587,500	65,281	(125,958)	198,506	(55,550)	2,669,779

The accompanying notes form an integral part of these financial statements.
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Three months ended September 30, 2022

	Upstream	Storage	Electricity	Other	Adjustments and eliminations	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Revenue	2,894,378	153,913	622,381	114,940	(469,112)	3,316,500
Less: revenue between segments	(231,903)	(12,478)	(112,831)	(111,900)	469,112	-
Third party revenue	2,662,475	141,435	509,550	3,040	-	3,316,500
Segment profit/(loss) before tax	592,181	36,578	(56,746)	54,564	(14,081)	612,496

16. 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 630,000 thousand. On September 30, 2023 are still available for use RON 78,117 thousand.

As of Sep 30, 2023, the Group's contractual commitments for the acquisition of non-current assets are of RON 1,245,978 thousand (December 31, 2022: RON 396,551 thousand). This amount includes commitments of RON 609,193 thousand of Romgaz Black Sea Limited for its joint arrangement with OMV Petrom SA.

In June 2023, after taking the final investment decision, Romgaz Black Sea Limited and the operator of the Neptun Deep Block submitted for endorsement to the National Agency for Mineral Resources the Development Plan for two commercial reservoirs in this block, namely Domino and Pelican South. The value of the investment is estimated to EUR 4 billion, the stake of the Romgaz Group being 50%.

17. EVENTS AFTER THE BALANCE SHEET DATE

No events subsequent to the balance sheet date were identified.

18. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on November 14, 2023.

Răzvan Popescu
 Chief Executive Officer

Gabriela Trânbițaș
 Chief Financial Officer