

QUARTERLY REPORT
ON THE
ECONOMIC-FINANCIAL
ACTIVITY OF ROMGAZ GROUP
ON SEPTEMBER 30, 2021
(JANUARY 1, 2021 – SEPTEMBER 30, 2021)

IDENTIFICATION DETAILS ON REPORT AND ISSUER

Report based on	<i>Law No. 24/2017 on issuers of financial instruments and market operations, republished (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 on September 30, 2021</i>
Report Date	November 12, 2021
Company Name	Societatea Națională de Gaze Naturale “ROMGAZ” SA
Headquarters	Mediaș, Piața Constantin I. Motaș, nr.4, cod 551130, județul Sibiu
Telephone/fax number	0040 374 401020 / 0040 269 846901
Web/E-mail	www.romgaz.ro / secretariat@romgaz.ro
Registration Number with the Office of the Trade Registry	J32/392/2001
Fiscal Code	RO14056826
Legal Entity Identifier (LEI)	2549009R7KJ38D9RW354
Regulated market where company shares are traded	Bucharest Stock Exchange (shares) and London Stock Exchange (GDRs)
Subscribed and paid in share capital	RON 385.422.400
Shares main characteristics	385.422.400 shares, each with a nominal value of RON 1 Nominative, ordinary, indivisible shares, issued dematerialized and free tradable since November 12, 2013 as <i>SNG</i> – for shares and <i>SNGR</i> – for GDRs

ROMGAZ GROUP PERFORMANCES¹

In the first nine months of 2021, Romgaz Group recorded a **revenue** of **RON 3,496.5 million**, an increase by 19.8%, namely RON 578.1 million, as compared with the revenue achieved in the first 9 months of 2020. In the 3rd quarter (Q3) of 2021, the consolidated revenue increased by 71.9% compared with Q3 2020.

Net profit of **RON 1,156.4 million** was higher by 22.7%, namely RON 214.4 million, as compared with the similar period of the previous year.

Consolidated net profit per share (**EPS**) was **RON 3.0**, 22.7% higher than the one recorded in the first nine months of 2020.

Achieved margins of consolidated net profit (**33.07%**), consolidated EBIT (**37.50%**) and consolidated EBITDA (**51.69%**) are relatively similar with those recorded in the nine month period ended on September 30, 2020 (32.28%; 36.71% and 52.74% respectively) and maintain Group's profitability.

¹ **Romgaz Group** consists of SNGN Romgaz SA (the “Company”/”Romgaz”) as parent company, Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL (“Depogaz”), subsidiary 100% owned by Romgaz and its associates SC Depomureș SA (40% of the share capital) and SC Agri LNG Project Company SRL (25% of the share capital).

For the reporting period, Romania's estimated natural gas consumption² was 90.32 TWh, approximately 3.2% higher than the consumption recorded in the similar period of 2020.

Thus, Romgaz market share estimated for the first nine months of 2021, is 45.8%, 8% higher than the market share recorded in the same period of the previous year.

Natural gas production in the first 9 months of 2021 was 3,706.4 million m³, higher by 15.9%, namely 508.7 million m³, than in the similar period of 2020.

Electricity produced in the first 9 months of 2021 was 426.071 GWh, 31.04% lower (-191.795 GWh) than in the same period of the previous year.

In Q3, Romgaz produced 222.989 GWh, 99.644 GWh lower, namely 30.88%, than in the first 9 months of 2020. With this production, Romgaz has a 1.7% market share.

Relevant Financial Results (consolidated)

RON million

Q3 2020	Q2 2021	Q3 2021	Δ Q3 (%)	Main indicators	9 months 2020	9 months 2021	Δ 9 months (%)
725.0	922.8	1,246.5	71.93	Revenue	2,918.4	3,496.5	19.81
771.3	1,002.1	1,469.7	90.55	Income	3,004.7	3,727.9	24.07
607.7	662.0	1,023.0	68.34	Expenses	1,898.0	2,378.5	25.31
0.3	(0.6)	0.8	149.70	Share of the associates' result	0.2	0.01	-95.07
163.8	339.6	447.5	173.21	Gross profit	1,106.9	1,349.4	21.92
22.7	41.7	52.7	132.33	Profit tax	164.9	193.1	17.07
141.1	297.8	394.8	179.78	Net profit	941.9	1,156.4	22.77
150.8	326.8	435.7	188.92	EBIT	1,071.2	1,311.1	22.39
326.0	489.9	621.7	90.69	EBITDA	1,539.3	1,807.3	17.41
0.37	0.8	1.02	179.78	Earnings per share (EPS*) (RON)	2.4	3.0	22.77
19.46	32.27	31.67	62.73	Net profit rate (% from Revenue)	32.28	33.07	2.47
20.80	35.41	34.95	68.05	EBIT ratio (% from Revenue)	36.71	37.50	2.15
44.97	53.09	49.87	10.91	EBITDA ratio (% from Revenue)	52.74	51.69	-2.00
6,201	6,066	5,918	-4.56	Number of employees at the end of the period	6,201	5,918	-4.56

Figures in the above table are rounded, therefore small differences may result upon reconciliation.

Note: income and expenses do not include in-house works capitalized as non-current assets.

A brief overview of the Group's main indicators during the nine-month period ended on September 30, 2021:

↳ Consolidated *gross result* for the reporting period is higher by 21.92% as compared with the similar period of the previous year (RON +242.6 million) due to the following influential factors:

- Consolidated revenue recorded an increase of 19.81% (RON 578.1 million) compared with the similar period of 2020;

² Consumption is estimated as, at the date hereof, ANRE did not publish the report on the natural gas market for August and September 2021.

- Revenues from natural gas sales increased by 25.64% (RON +609.2 million), with a sold quantity higher by 26.4%. Revenues from sales of gas purchased for resale increased by 2,379.4%, namely RON 291.8 million, considering that the cost of gas purchased for resale increased by RON 158.8 million;
 - Revenues from electricity increased by 27.5%;
 - consolidated revenue from underground storage activity recorded a decrease by 30.07%; the unconsolidated revenue from underground storage activity decreased by approximately 7% as compared with the previous period;
 - in Q3 2021 the performance bond related to the works contract for development of CTE Iernut by building a new 430 MW power plant with, combined cycle gas turbine concluded between S.N.G.N. Romgaz S.A. and the Duro Felguera S.A. and Romelectro S.A. consortium was executed, generating an income of RON 114.6 million;
 - Romgaz received a final settlement in a litigation against ANAF (National Agency for Fiscal Administration) for cancelling a fiscal inspection report related to an inspection carried out between December 2016 – April 2017, which led to the recognition of an income of RON 28.02 million from offsetting the impairment set up for such receivables;
 - Royalty expenses increased by RON 214.2 million (+161.35%), mainly as a result of the increase of the reference price used in the calculation of this tax but also as a result of the increase of production, while expenses with the windfall tax are higher by RON 29.0 million (+8.64%);
 - The increase of the price of greenhouse gas emission certificates had a net negative impact of RON 105.8 million on the results of the period;
- ↳ *Net profit* is **RON 1,156.4 million**, higher by RON 214.5 million than the one recorded in the previous period due to the above mentioned reasons (+22.7%);
- ↳ *Labour productivity* increased by 25.54%, as compared to the previous period, from RON 470.64 thousand revenue/employee in the first 9 months of 2020 to **RON 590.83 thousand revenue/employee** in the similar period of 2021;
- ↳ *EPS* is **RON 3.0**, 22.70% higher than in the first 9 months of 2020;
- ↳ In Q3 2021 an amount of RON 94.1 million was received representing financing from the National Investment Plan for the construction of the new power plant in Iernut.

Operational Results

Q3 2020	Q2 2021	Q3 2021	Δ T3 (%)	Main Indicators	9 months 2020	9 months 2021	Δ 9 months (%)
952.0	1,207.7	1,187.3	24.7	Gas production (million m ³)	3,198	3,706	15.9
64	84.1	84.0	31.3	Petroleum royalty (million m ³)	220	261	18.6
5,349	6,515	6,528	22.0	Condensate production (tons)	16,594	19,393	16.9
322.63	1.0	222.99	-30.9	Electricity production (GWh)	617.87	426.07	-31.0
0.3	130.8	25.3	8,326.7	Invoiced UGS withdrawal services (million m ³)	924.2	1,446.0	56.5
444.5	556.6	1,070.9	33.2	Invoiced UGS injection services (million m ³)	1,015.5	1,629.9	60.5

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

During the first 9 months of 2021, *Romgaz produced 3,706 million m³ of natural gas, 508 million m³ (+15.9%) more than in the same period of the previous year.*

The level of gas production recorded in the first 9 months of 2021 was influenced by:

- ✓ Implementation of actions to optimize exploitation of natural gas reservoirs;
- ✓ Continuation and extension of rehabilitation projects of the main mature gas reservoirs;
- ✓ Execution of well workover operations in low productivity or inactive wells;
- ✓ Completion of investments in the development of production infrastructure and connection of new wells to this infrastructure.

The volume of gas sold by Romgaz in the first 9 months of 2021, representing deliveries to customers, without CET Iernut consumption, recorded an estimated increase of 26.4% as compared with the similar period of the previous year.

The volume of produced electricity as indicated 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.

	<i>*MWh*</i>		
	2020	2021	Ratio
1	2	3	4=3/2x100
Quarter 1	258,923	202,073	78.04%
Quarter 2	36,310	1,010	2.78%
Quarter 3	322,633	222,989	69.11%
9 months	617,866	426,072	68.96%

SIGNIFICAT EVENTS

January 13, 2021

SNGN Romgaz SA Board of Directors revoked by Resolution No.1 Mr. Constantin Adrian Volintiru from the position of Chief Executive Officer, terminating the contract of mandate concluded between the company and Mr. Volintiru.

Until the appointment of a new chief executive officer, Mr. Daniel Corneliu Pena – Deputy Chief Executive Officer, exercised the company's management including legal representation.

January 25, 2021

Following each employee's voluntary decision to get the vaccine, Romgaz undertook the responsible role to register employees' identification data on the official vaccination platform, as an engagement to facilitate vaccination for company employees by including them in the 2nd phase of the national vaccination program.

February 12, 2021

The Board of Directors convened on February 12, 2021 took note of Mr. Aristotel Marius Jude resignation as chairman of the board, by Resolution No. 10.

During the same meeting, the Board appointed by Resolution No. 11 Mr. Aristotel Marius Jude as SNGN Romgaz SA Chief Executive Officer as of February 13, 2021 for a temporary mandate of 2 months.

March 11, 2021

According to Resolution No.1, further to casting the cumulative vote, the company's shareholders appointed the following persons as members of the Board of Directors for a temporary four-month mandate:

- ✍ Jude Aristotel Marius
- ✍ Simescu Nicolae Bogdan
- ✍ Stan Olteanu Manuela Petronela
- ✍ Drăgan Dan Dragoș
- ✍ Niculescu George Sergiu
- ✍ Balazs Botond
- ✍ Sorici Gheorghe Silivan.

Following Board members were revoked: Mr. Ciobanu Romeo Cristian, Mr. Jansen Petrus Antonius Maria and Mr. Marin Marius Dumitru.

March 30, 2021

The Board of Directors endorsed the binding offer to acquire all shares issued by ExxonMobil Exploration and Production Romania Limited (representing 100% of the share capital), company that holds 50% of the rights and obligations under the Concession Agreement for petroleum exploration, development and production in XIX Neptun Deep Block. OMV Petrom S.A. holds the other 50% participating interest in XIX Neptun Deep Block.

The binding offer to acquire all shares was submitted to ExxonMobil Exploration and Production Romania Limited on March 30, 2021, being conditional upon Romgaz shareholders approval.

April 1, 2021

According to Resolution No.28, the Board of Directors expressed its agreement to terminate the Contract of Works No. 13.384/2016 for Development of CTE Iernut by building a 430 MW power plant with combined cycle gas turbines.

April 7, 2021

The Board of Directors approved by Resolution No.29, the extension of Mr. Aristotel Marius Jude mandate as Chief Executive Officer for a period of 4 months, effective as of April 13, 2021.

By Resolution No. 30, the Board of Directors appointed Mr. Razvan Popescu as Chief Financial Officer as of April 14, 2021, for a 4 months term.

April 8, 2021

At the Contractor's request, Romgaz suspended for 14 days the termination notice related to the Contract of Works No. 13.384/2016 for Development of CTE Iernut by building a 430 MW power plant with combined cycle gas turbines.

April 22, 2021

The notice regarding termination of Contract of Works No. 13.384/2016 for Development of CTE Iernut by building a 430 MW power plant with combined cycle gas turbines was further suspended until May 7, 2021.

April 23, 2021

Romgaz and OMV Petrom issued a joint press release stating: *"If ExxonMobil accepts Romgaz offer, OMV Petrom shall act as operator of Neptun Deep Block"*.

May 6, 2021

The notice regarding termination of Contract of Works No. 13.384/2016 for Development of CTE Iernut by building a 430 MW power plant with combined cycle gas turbines was further suspended until May 20, 2021.

May 7, 2021

Company's shareholders approved by Resolution No.4, the conclusion of lease contracts between Romgaz and Depogaz Subsidiary, with respect to Romgaz fixed assets necessary for Depogaz Subsidiary to perform the storage activity, for a nine-month period, as of April 1, 2021 until December 31, 2021.

May 20, 2021

The notice regarding termination of Contract of Works No. 13.384/2016 for Development of CTE Iernut by building a 430 MW power plant with combined cycle gas turbines was further suspended until June 2, 2021.

June 2, 2021

The notice regarding termination of Contract of Works No. 13.384/2016 for Development of CTE Iernut by building a 430 MW power plant with combined cycle gas turbines was further suspended until June 16, 2021.

June 17, 2021

S.N.G.N. Romgaz S.A. and ExxonMobil Exploration and Production Romania Limited signed an Exclusivity Agreement by which the seller grants Romgaz an exclusivity right for a period of 4 months (until October 15, 2021) with respect to the negotiations for the acquisition of all shares issued by (representing 100% of the share capital of) ExxonMobil Exploration and Production Romania Limited, company that holds 50% of the rights and obligations under the Concession Agreement for petroleum exploration, development and production in XIX Neptun Deep Block.

June 18, 2021

Romgaz informs its shareholders and investors that starting June 17, 2021 the Contract of Works No. 13.384/2016, for the Development of CTE Iernut by building a new 430 MW power plant, with combined cycle gas turbine, ceased by termination, motivated by the non-completion in time, by the Contractor, of construction works and commissioning of the investment objective.

June 24, 2021

GD No.669/2021 extends the following: the term for completion and commissioning of investments financed from the National Investment Plan until June 30, 2022; the reimbursement term until December 31, 2022, as well as all other related terms.

June 30, 2021

According to Resolution No. 47, the Board of Directors appointed Mr. Aristotel Marius Jude as Chief Executive Officer for a temporary mandate of 4 months, as of August 14, 2021.

According to Resolution No.48, the Board of Directors appointed Mr. Razvan Popescu as Chief Financial Officer for a temporary mandate of 4 months, as of August 15, 2021.

June 9, 2021

By Resolution No. 5, Romgaz shareholders approved the extension of the mandates of SNGN Romgaz SA Board of Directors members by two months from the date of expiry, pursuant to the provisions of Art. 64¹, par. (5) of GEO No.109/2011 on corporate governance of public enterprises.

September 9, 2021

By Resolution No. 7, Romgaz shareholders appointed the following persons as interim members of SNGN Romgaz SA Board of Directors, for a period of 4 months starting with September 13, 2021 until January 13, 2022:

- ✍ Drăgan Dan Dragoș
- ✍ Niculescu George Sergiu
- ✍ Jude Aristotel Marius
- ✍ Simescu Nicolae Bogdan
- ✍ Stan Olteanu Manuela Petronela
- ✍ Balazs Botond
- ✍ Sorici Gheorghe Silivan.

September 22, 2021

GD No.1011 approved Addendum No. 6 to the Concession Agreement concerning 8 exploration, development and production blocks, concluded between Agenția Națională pentru Resurse Minerale (ANRM) (National Agency for Mineral Resources) and SNGN Romgaz SA, approving the extension of the exploration period for 6 years (October 2021- October 2027). The extension of the exploration period was requested by Romgaz on the basis of the prospective potential identified through works previously carried out in these blocks.

September 28, 2021

By Resolution No. 62, the Board of Directors endorsed Romgaz Strategy for 2021-2030.

ROMGAZ GROUP OVERVIEW

Romgaz Group performs business in the following segments:

- ✎ Natural gas exploration and production;
- ✎ Underground gas storage;
- ✎ Natural gas supply;
- ✎ Special well operations and services;
- ✎ Maintenance and transportation services;
- ✎ Electricity generation and supply;
- ✎ Natural gas distribution.

Shareholding Structure

SNGN Romgaz SA shareholding structure on September 30, 2021:

	Number of shares	%
Romanian State ³	269,823,080	70.0071
Free float – total, out of which:	115,599,320	29.9929
*legal persons	96,363,499	25.0021
*natural persons	19,235,821	4.9908
Total	385,422,400	100.0000



Company Organization

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

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

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

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

- Sucursala Bratislava (Bratislava Branch)⁴;
- Sucursala Drobeta-Turnu Severin (Drobeta-Turnu Severin Branch).

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 No. 73/2009 implemented by the Electricity and Natural Gas Law 123/2012 (Art. 141), 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>.

Company Management

The company is governed by a Board of Directors consisting of 7 members, having on *September 30, 2021* the following structure:

Item No.	Name	Position in the Board	Status ^{*)}	Professional Qualification	Institution of Employment
1	Drăgan Dan Dragoș	chairman	non-executive non-independent	economist	Ministry of Energy
2	Niculescu Sergiu George	member	Non-executive non-independent	legal advisor	Ministry of Energy
3	Jude Aristotel Marius	member	executive non-independent	legal advisor, MBA	SNGN Romgaz SA
4	Simescu Nicolae Bogdan	member	non-executive non-independent	engineer	SNGN Romgaz SA
5	Stan-Olteanu Manuela-Petronela	member	non-executive non-independent	legal advisor	SPEEH Hidroelectrica SA
6	Balazs Botond	member	non-executive non-independent	legal advisor	SNGN Romgaz SA
7	Sorici Gheorghe Silivan	member	non-executive independent	economist	SC Sobis Solutions SRL

The Board members' CVs are available on the company's homepage at the following link: <http://www.romgaz.ro/consiliu-administratie>.

Members of the Board of Directors from January 1, 2021 to March 11, 2021:

Item No.	Name	Position in the Board	Status ^{*)}	Professional Qualification	Institution of Employment
1	Jude Aristotel Marius	chairman	non-executive non-independent	legal advisor, MBA	SNGN Romgaz SA
2	Marin Marius-Dumitru	member	non-executive independent	PhD engineer	MDM Consultancy Deva
3	Stan-Olteanu Manuela-Petronela	member	non-executive non-independent	legal advisor	General Secretariat of the Government

⁴ By EGMS Resolution No. 3 of March 25, 2020, the company's shareholders "approve the withdrawal of SNGN ROMGAZ SA from Svidnik concession block located in the Slovak Republic", herewith the company withdrawing from Slovakia.

Item No.	Name	Position in the Board	Status ^{*)}	Professional Qualification	Institution of Employment
4	Balazs Botond	member	non-executive non-independent	legal advisor	SNGN Romgaz SA
5	Simescu Nicolae Bogdan	member	non-executive non-independent	engineer	SNGN Romgaz SA
6	Ciobanu Romeo Cristian	member	non-executive independent	PhD engineer	Universitatea Tehnică Iași
7	Jansen Petrus Antonius Maria	member	non-executive independent	economist	London School of Business and Finance

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

Upper management

Chief Executive Officer (CEO)

By Resolution No.1/January 13, 2021 SNGN Romgaz SA Board of Directors revoked Mr. **Constantin Adrian Volintiru** from the position of Chief Executive Officer, terminating the contract of mandate concluded between the company and Mr. Volintiru. Until the appointment of a new chief executive officer, Mr. Daniel Corneliu Pena – Deputy Chief Executive Officer (with mandate), exercised the company’s management including legal representation.

By Resolution No. 11 of February 12, 2021, the Board of Directors gathered on February 12, 2021, appointed **Mr. Aristotel Marius Jude** as SNGN Romgaz SA Chief Executive Officer for a 2-month interim mandate starting from February 13, 2021.

By Resolution No. 29 of April 7, 2021, the Board of Directors approved the extension of Mr. Aristotel Marius Jude CEO mandate, for a 4-month period starting from April 13, 2021.

By Resolution No. 47 of June 30, 2021, the Board of Directors appointed Mr. Aristotel Marius Jude as CEO of Romgaz for an interim mandate of 4 months starting from August 14, 2021.

Deputy Chief Executive Officer

By Resolution No.32 of August 26, 2020, the Board of Directors appointed Mr. **Daniel Corneliu Pena** as Deputy Chief Executive Officer for 2 months (with an interim mandate) as of August 28, 2020.

By Resolution No. 41 of October 14, 2020, the Board of Directors approved the extension by 120 days of Mr. Daniel Corneliu Pena, SNGN Romgaz SA Deputy Chief Executive Officer interim mandate, namely until February 24, 2021.

On February 15, 2021 the Board of Directors took note of Mr. Daniel Corneliu Pena’s resignation from the position of Deputy CEO (with mandate) and agreed to terminate his mandate.

Chief Financial Officer (CFO)

By Resolution No. 50 of December 9, 2020, the Board of Directors appointed Mr. **Razvan Popescu** as interim Chief Financial Officer for a period of 4 months as of December 14, 2020.

By Resolution No. 30 of April 7, 2021, the Board of Directors appointed Mr. Razvan Popescu as Chief Financial Officer for a period of 4 months as of April 14, 2021.

By Resolution No. 48 of June 30, 2021 the Board of Directors appointed Mr. Razvan Popescu as Chief Financial Officer for a 4 month interim mandate as of August 15, 2021.

On September 30, 2021 *the following persons had managerial responsibilities* without being delegated management duties by the Board of Directors:

Name	Position
ROMGAZ - headquarters	
Tataru Argentina	Exploration and Production Department Director
Greco Marius Rareș	Human Resources Director
Veza Marius Leonte	Accounting Department Director
Bobar Andrei	Finance Department Director
Pinca Gheorghe Ovidiu	Exploration-Appraisal Department Director
Sandu Mircea Valentin	Drilling Department Director
Boiarcuic Adrian	Information Technology Department Director
Lupa Leonard Ionuț	Procurement Department Director
Chertes Viorel Claudiu	Technical Regulations Director
Moldovan Radu Costică	Energy Trade Director
Ioo Endre	Legal Department Director
Mareș Adrian Alexandru	Strategy, International Relations, European Funds Director
Foidaș Ion	Production Department Director
Antal Francisc	QHSE Department Director
Medias Branch	
Totan Constantin Ioan	Director
Achimeț Teodora Magdalena	Economic Director
Veress Tudoran Ladislau Adrian	Production Director
Man Ioan Mihai	Technical Director
Targu Mures Branch	
Baciu Marius Tiberiu	Director
Boșca Mihaela	Economic Director
Grațian Rusu	Production Director
Ștefan Ioan	Technical Director
Iernut Branch	
Balazs Bela	Director
Hățagan Olimpiu Sorin	Economic Director
Oprea Maria Aurica	Commercial Director
Bircea Angela	Technical Director
SIRCOSS	
Rotar Dumitru Gheorghe	Director
Bordeu Viorica	Economic Director
Gheorghiu Sorin	Technical Director
STTM	
Cătană Cristian Victor	Director
Obreja Dan Nicolae	Economic Director
Cioban Cristian Augustin	Technical Director
Drobeta Branch	
Săceanu Constantin	Director

The members of the upper management, except for the 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>.

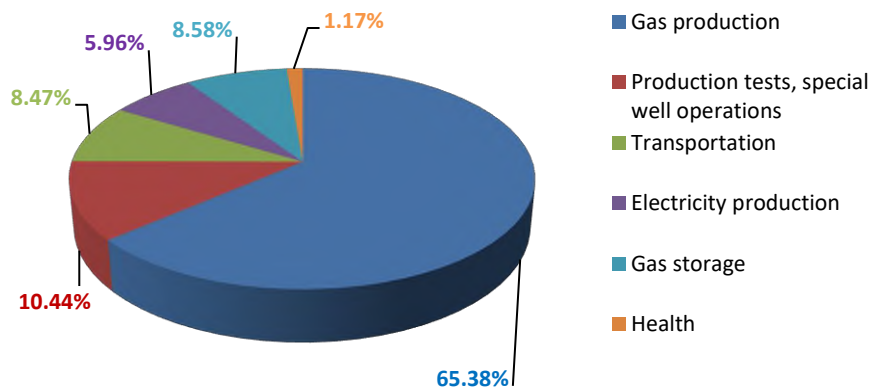
Human Resources

On September 30, 2021 Romgaz Group had 5,918 employees and SNGN Romgaz SA 5,410 employees. As of April 1, 2018 504 persons terminated their relationship with the company being taken over by Depogaz Subsidiary.

The table below shows the evolution of the employees' number during January 1, 2018 – September 30, 2021:

Description	2018	2019	2020		9 months 2021	
			Romgaz Group	SNGN Romgaz SA	Romgaz Group	SNGN Romgaz SA
1	2	3	5	6	6	6
Employees at the beginning of the period	6,198	6,214	6,251	5,738	6,188	5,673
Newly hired employees	286	264	198	177	110	95
Employees who terminated their relationship with the company /Group	270	227	261	242	380	358
Employees at the end of the period	6,214	6,251	6,188	5,673	5,918	5,410

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



ROMGAZ on the Stock Exchange

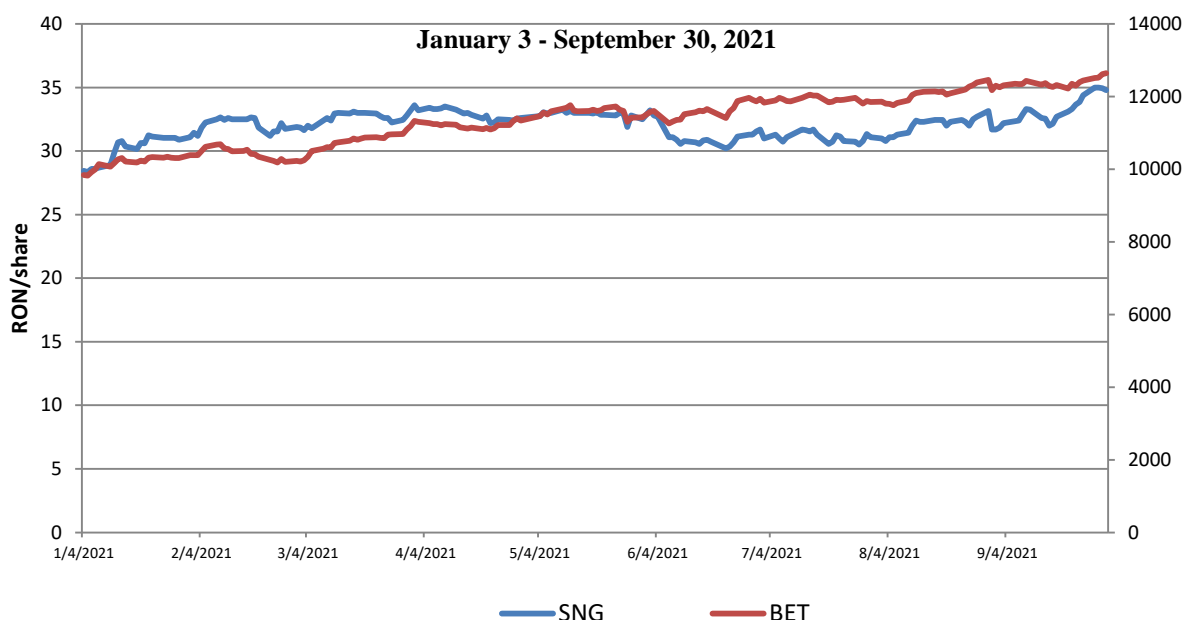
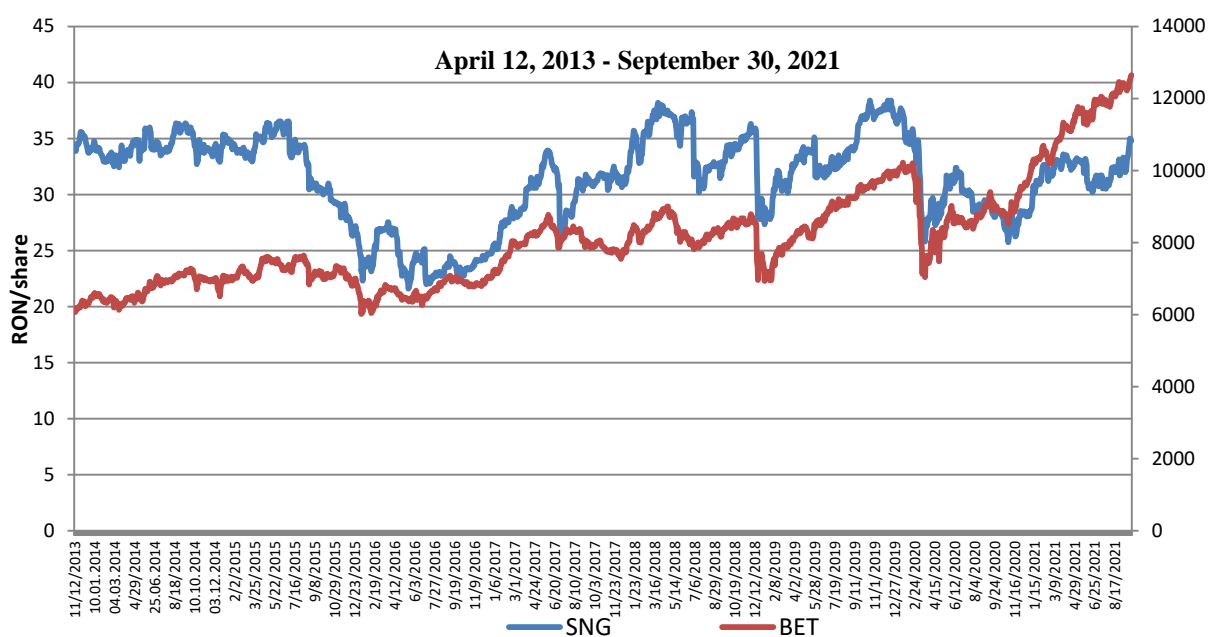
Since November 12, 2013, the company's shares have been traded on the regulated market governed by BVB (Bucharest Stock Exchange) – under the symbol “SNG” and on the regulated market governed by LSE (London Stock Exchange), as GDRs issued by the Bank of New York Mellon – under the symbol “SNGR”.

Romgaz is considered an attractive company for the investors in terms of dividend distribution to shareholders and the company's stability.

Romgaz is among the most significant local issuers and it is also included in BVB trading indices as follows:

- 3rd place, by market capitalization, in the Premium issuers top on BVB on September 30, 2021 (RON 13,412.70 million, namely EUR 2,711.22 million);
- 6th place, by trading value, in the first nine months of 2021 in Top 15 companies listed on BVB (RON 410.81 million, namely EUR 83.04 million);
- 7.73% and 7.48% in BET index (top 13 issuers) and BET-XT (BET extended) respectively, 26.92% in BET-NG index (energy and utilities) and 7.73% in BET-TR (BET Total Return).

Performance of Romgaz shares compared to BET index between listing and September 30, 2021 and in the first 9 months of 2021 respectively is shown below:



The table below shows the evolution of closing price and the company's market capitalization on the last day of quarter 3 of 2018, 2019, 2020 and 2021:

	September 30 2018	September 30 2019	September 30 2020	September 30 2021
Number of shares	385,422,400	385,422,400	385,422,400	385,422,400
Closing price (RON)	33.75	36.95	28.45	34.80
Market capitalization				
*million RON	13,008.0	14,241.4	10,965.3	13,412.7
*million EUR	2,789.2	2,997.5	2,251.7	2,711.22

*) – using the exchange rate set by BNR and valid for September 30, 2021, namely 4.9471 RON/EUR.

In the first 9 months of 2021, the trading price of Romgaz shares followed an oscillating trend, generally increasing, starting from January when the lowest value of the period was recorded, 28.35 RON/share (on January 05, 2021) until the end of September, when the maximum of the period was reached on September 27, 2021 (35 RON/share).

The average price of the period is 32.02 RON/share, the highest being recorded in quarter 3, namely 32.11 RON/share. On September 30, 2021, share price was 34.80 RON/share, 22.32% higher than the price registered in the first trading day of the year, namely 28.45 RON/share.

The increasing share price trend was mainly influenced by the positive results of Q1 and H1 2021 as well as by the information on the intention to acquire ExxonMobil Exploration and Production Romania Limited shares.

A similar trend was followed by the GDRs trading price on the London Stock Exchange in particular if the evolution of the RON/USD exchange rate is also taken into account which increased by 7.69% during this period.

Thus, the average price of the first 9 months of 2021 is 7.63 USD/GDR, 31.32 RON/GDR respectively, with the minimum and the maximum values of the period (in relation to USD) recorded in Q1 2021, namely USD 7 (RON 27.73) on January 4 and USD 8.15 (RON 33.47) on March 19, 2021.

Following the increase of the RON/USD exchange rate, the maximum price of GDRs, in relation to RON, was recorded on the last day of September: USD 7.95, RON 33.91 respectively. Consequently, the price of GDRs increased by 13.57% in USD and by 22.30% in RON during January-September 2021.

PHYSICAL INDICATORS

The table below shows the gas volumes (million m³) produced, delivered and injected/withdrawn into/from UGSs during January-September 2021 compared to the similar period of 2019 and 2020:

Item No.	Specifications	9 M 2019	9 M 2020	9 M 2021	Indices
0	1	2	3	4	5=4/3x100
1.	Gross gas production	3,949.6	3,197.8	3,706.4	115.9%
2.	Fuel consumed in operations	60.3	44.9	51.5	114.7%
3.	Net internal gas production (1.-2.)	3,889.3	3,152.9	3,654.9	115.9%
4.	Internal gas volumes injected in storages	473.7	214.9	407.1	189.4%
5.	Internal gas volumes withdrawn from storages	199.9	150.9	378.7	251.0%
6.	Difference resulting from GCV	0.0	5.6	7.6	135.7%
7.	Volumes supplied from internal production (3.-4.+5.-6.)	3,615.5	3,083.3	3,618.9	117.4%
8.	Gas delivered to Iernut și Cojocna power plants	87.1	184.9	126.9	68.6%
9.	Volumes supplied from internal production to the market (7.-8.)	3,528.4	2,898.4	3,492.0	120.5%
10.	Gas from joint operations – total, out of which:	109.9	72.3	29.3	40.5%
	*Amromco (50%)	109.9	72.3	29.3	40.5%
11.	Gas acquisitions from domestic production (including imbalances and commodity gas)	4.4	0.4	234.9	58,725.0%
12.	Volumes sold from domestic production to the market (9.+10.+11.)	3,642.7	2,791.1	3,756.2	126.4%
13.	Volumes supplied from domestic production (8.+12.)	3,729.8	3,156.0	3,883.1	123.0%
14.	Delivered import gas	53.0	0.0	0.0	0.0%
15.	Gas delivered to Iernut and Cojocna from other sources (including imbalances)	2.0	4.4	8.3	188.6%
16.	Total gas supplies (13.+14.+15.)	3,784.8	3,160.4	3,891.4	123.1%
*	Invoiced UGS withdrawal services	924.7	924.2	1,446.0	156.5%
*	Invoiced UGS injection services ^{*)}	2,274.4	1,015.5	1,629.9	160.5%

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

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

Gas quantities sold by Romgaz in the first 9 months of 2021, representing deliveries to clients, less CTE Iernut consumption, recorded an increase of 26.4% compared to the similar period of last year.

INVESTMENTS

Investments play an important part in maintaining the production decline at current levels by discovering new reserves and improving the current recovery rate by rehabilitation, development and modernization of existing facilities.

a) Romgaz initially planned for 2021, an investment program with a total budget of RON 1,292.5 million, assigned mostly on objectives that aim at increasing the gas reserves and

resources portfolio, compensating the natural decline of the gas production and electricity production.

The value of investments achieved on September 30, 2021 reached RON 323.69 million, representing:

- ↳ 53.07% of investments planned for the first three quarters of 2021;
- ↳ 25.04% of the Total Investment Program for 2021;
- ↳ 73.60% as compared to the investments achieved in the similar period of 2020.

Investments were financed exclusively from own sources.

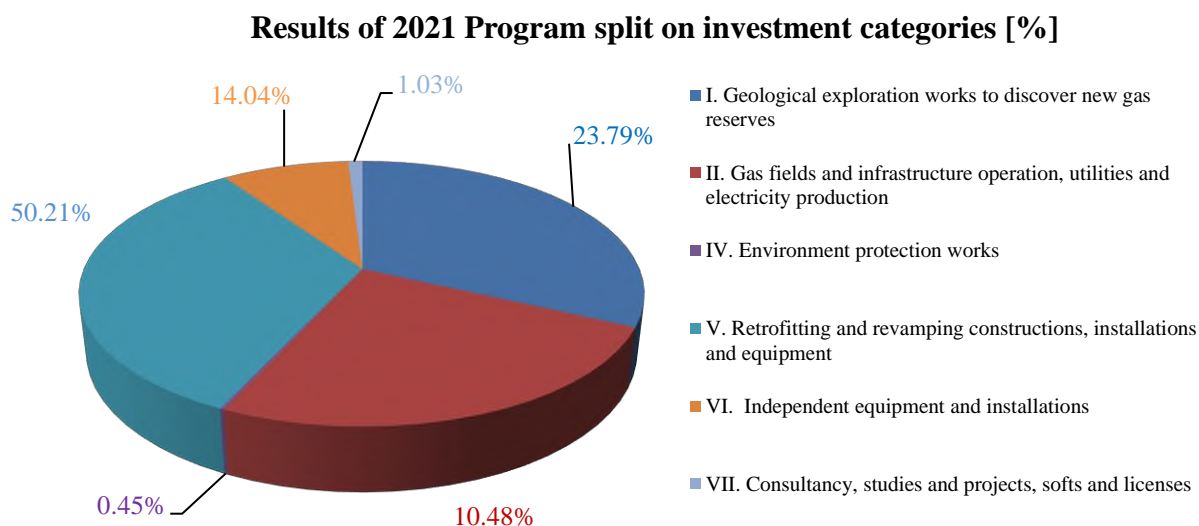
Regarding physical achievements for the reviewed period, the objectives commenced in the previous year were finalised, preparatory works were carried out (design, obtaining lands, approvals, agreements, authorizations, procurement) for new objectives, and modernisation works and capitalizable repairs were performed at producing wells.

The value of fixed assets commissioned during the reporting period was *RON 172.61 million*.

The table below shows a comparison of investments between 9M 2020, 9M 2021, and 2021 Investment Program split into main investment categories:

Investment Category	Results 9M 2020	Program 9M 2021	Results 9M 2021	*RON thousand*	
				2021/ 2020 (%)	R 2021/ P 2021 (%)
1	2	3	4	5=4/2x100	6=4/3x100
I. Geological exploration works to discover new methane gas reserves	140,258	117,822	76,990	54.89	65.34
II. Exploitation drilling works, putting into production of wells, infrastructure and utilities and electricity production	109,452	127,337	33,920	30.99	26.64
III. Maintaining the UGS capacity	-	-	-	-	-
IV. Environment protection works	838	8,231	1,468	175.18	17.84
V. Retrofitting and revamping of installation and equipment	146,810	237,551	162,520	110.70	68.41
VI. Independent equipment and installations	38,185	76,053	45,459	119.05	57.77
VII. Expenses related to studies and projects	4,230	42,905	3,335	78.84	7.77
TOTAL	439,773	609,899	323,692	73.60	53.07

The chart below shows the structure of investments made during the reporting period:



Main physical investments made by Romgaz for the *first 9M 2021*:

- ↳ *Exploratory drilling*: 4 completed wells, for 2 wells drilling works are in progress, drilling preparatory works for 3 wells, tender proceedings in progress for drilling 6 wells, tender specifications - procurement of drilling works for 8 wells, ongoing design works for 10 wells, 10 wells in place awaiting design works;
- ↳ *Production drilling*: 1 well completed, drilling preparatory works for one well, procurement of drilling works for one well;
- ↳ *Construction of surface facilities*: 9 surface facilities completed for streamlining in production 10 wells, 7 surface facilities in progress for streamlining in production 8 wells; procurement is in progress for works at 3 surface facilities; feasibility studies or technical projects are ongoing for 11 surface facilities;
- ↳ *Cosereni gas dehydration station – fiscal metering panel + Transgaz junction*: the budget allocated for this investment objective provides for design expenses and 70% from execution. Currently, design is 90% completed (endorsement required) and civil construction works are completed, namely landscaping and foundations. Moreover, 60% of the equipment is manufactured by the service provider.
- ↳ *Boteni gas collector* – with respect to this investment objective, design is 90% completed, land owners were 80% identified (with agreement), the Construction Permit has to be obtained, followed by procurement of construction works;
- ↳ SIRCROSS accepted delivery of following *independent equipment*:
 - self-measuring well parameters;
 - nitrogen truck – 4 pieces;
 - 1 ½” x 3500 m coiled tubing;
- ↳ Well modernisation/recompletion/reactivation: operations were performed in 120 wells, works were performed by SIRCROSS.

CTE Iernut Development

Romgaz as Purchaser and the Consortium between Duro Felguera S.A. and Romelectro S.A. as Constructor, concluded on October 31, 2016 the Works Contract No. 13384/2016 on the Development of CTE Iernut by building a 430 MW power plant, combined cycle gas-turbine (Works Contract).

The term for finalising works was set for 36 months as of the date the project received approval for financing from the National Investment Plan, such term was extended to 47 months, with commissioning on December 26, 2020.

Despite extension of the works completion term, the Consortium did not succeed in fulfilling the obligation to complete works at the contracted date, namely December 26, 2020.

Against this situation, Romgaz did not accept further extensions of the works completion date. Furthermore, due to the fact that the Consortium persisted with non-fulfilment of contractual obligations, Romgaz notified the Consortium by Termination Notice No.10872/02.04.2021 on the unilateral termination of the Works Contract, starting with 5 days from the date of the Termination Notice; after suspending the termination term several times and after discussion rounds, termination became effective on June 17, 2021.

Romgaz, as Purchaser and TUV Austria Romania, as Provider, concluded on February 16, 2021 a Contract for Services, having the following scope:

- a) provide technical and economic professional services for determining the status of works, namely to determine the works to be executed;
- b) prepare the Technical specifications for Procurement of Remaining Works to be Executed (works left to be executed) in order to reach the final scope of the contract “*Development of CTE Iernut by building a new combined cycle gas turbine power plant*”.

The technical evaluation report prepared by TUV Austria Romania is being analysed by Romgaz

The Chief Executive Officer appointed by decision a Project Management Team in order to finalise the project.

The Project Management Team proposed to finalise the investment with a general Entrepreneur, selected by a new procurement procedure, the team is currently preparing the tender specifications for contracting outstanding works in order to finalise and commission the investment.

Main reasons for recording a lower investment level as compared to the level planned for the first three quarters of 2021 are the following:

- Lukoil partnership (Trident Block) – it has been decided not to continue with phase two that included drilling of two wells;
- delays in finalising the contract related to “*Configuration services, MAIS, BI, Hyperion programming*” in the context of the crisis caused by COVID-19 pandemic;
- decision of the executive management to re-analyse the exploration wells that are in various stages of preparation/development. The decision was made based on internal analyses coordinated by the Exploration-Assessment Department, based on reconsidering geological work hypotheses and on rethinking the exploration strategy by taking into account the contingency of exploration wells compared with key wells, in terms of the viability of geological concepts;
- the offers submitted to some procurement procedures exceeded the estimated/budgeted value of investment objectives and it was necessary to resume procedures;
- late delivery of specific equipment and independent machines;
- delays in the relation with institutions that have to give their approval on certain activities and delays in providing import materials (tubing) – Covid-19 effects;
- failure to obtain or obtaining the land leasing/purchase contracts with deadlines additional to planned deadlines, due to legislative changes and lack of ownership documents (delayed deadlines for removal of land from agricultural use – Ministry of Agriculture);
- long term redesign activities (for certain objectives), namely delays in the procurement of drilling works – due to tenderers’ complaints;
- difficulties in obtaining Construction Permits for certain investment objectives;
- works for “*Development of CTE Iernut by building a new combined cycle gas turbine power plant*” were suspended due to divergences between contract partners , this led to contract termination.

b) For 2021, *Filiala Depogaz* has an approved investment program of RON 50.00 million.

Investments were financed exclusively from own sources.

The approved investment program for the first 9M of 2021 was RON 38.46 million out of which the Subsidiary spent RON 25.17 million, representing 65.45%, as follows:

RON thousand

Item no.	Specifications	Program	Results
1.	Field and UGS exploitation, infrastructure and field and reservoir installations	700	428
2.	UGS-related activities	400	170
3.	Environment protection and improvement	0	0
4.	Retrofitting and revamping of installation and equipment, surface infrastructure and utilities	33,728	22,934
5.	Independent equipment and installations	1,338	324
6.	Expenses related to consultancy, studies and projects, soft, licenses and patents, etc. ^{*)}	2,297	1,317
*	TOTAL GENERAL	38,463	25,173

^{*)} – part of these expenses do not meet the criteria to be recognized as assets in the financial statements drawn up in accordance with IFRS, these are recorded in the result of the financial year

Main investment objectives that recorded progress at 9M 2021:

- Monitoring system – Sarmasel Gas Compressor Station;
- Feasibility Study for Balaceanca UGS;
- Feasibility Study for Ghercesti UGS;
- Business Plan to increase the storage capacity of Sarmasel UGS;
- Triethylene glycol gas dehydration station for Group 145 Bilciuresti;
- Automatic oil separators at Butimanu compressor station;
- Suction regulation loop for compressors in the withdrawal cycle at Sarmasel compressor station;
- Land costs for wells 172, 173, 175 Bilciuresti UGS;
- Well design expenses for wells 172, 173 Bilciuresti;
- Procurement of portable PC units;
- Upgrade storage solution Dell Unity;
- Procurement of Microsoft licences;
- Procurement of virtualization software.

ECONOMIC-FINANCIAL INDICATORS

Interim Statement of Consolidated Financial Position

The table below shows a summary of the consolidated financial position on September 30, 2021, as compared to December 31, 2020:

INDICATOR	December 31, 2020 (RON thousand)	September 30, 2021 (RON thousand)	Variation (%)
1	2	3	4=(3-2)/2x100
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	5,613,122	5,434,451	-3.18
Other intangible assets	14,774	15,373	4.05
Investments in associates	26,102	26,112	0.04
Deferred tax assets	275,328	262,202	-4.77
Other financial investments	5,378	5,616	4.43
Right-of-use assets – leasing	7,915	7,359	-7.02
TOTAL NON-CURRENT ASSETS	5,942,619	5,751,113	-3.22
<i>Current assets</i>			
Inventories	244,563	285,636	16.79
Trade and other receivables	592,875	380,377	-35.84
Contract cost	651	524	-19.51
Other financial assets	1,995,523	1,443,337	-27.67
Other assets	68,023	74,311	9.24
Cash and cash equivalents	416,913	1,966,442	371.67
TOTAL CURRENT ASSETS	3,318,548	4,150,627	25.07
TOTAL ASSETS	9,261,167	9,901,740	6.92
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	385,422	385,422	0.00
Reserves	2,251,909	2,926,912	29.97
Retained earnings	5,149,919	4,941,393	-4.05
TOTAL EQUITY	7,787,250	8,253,727	5.99
<i>Non-current liabilities</i>			
Retirement benefit obligation	128,690	112,918	-12.26
Deferred revenue	136,308	230,443	69.06
Lease liability	7,845	7,368	-6.08
Provisions	538,931	533,463	-1.01
Total non-current liabilities	811,774	884,192	8.92
<i>Current liabilities</i>			
Trade and other payables	89,132	95,334	6.96
Contract liabilities	81,318	136,790	68.22
Current tax liabilities	59,831	64,480	7.77
Deferred revenue	10,899	1,248	-88.55
Provisions	156,415	124,819	-20.20
Lease liability	767	804	4.82
Other liabilities	263,781	340,346	29.03
Total current liabilities	662,143	763,821	15.36
TOTAL LIABILITIES	1,473,917	1,648,013	11.81
TOTAL EQUITY AND LIABILITIES	9,261,167	9,901,740	6.92

NON CURRENT ASSETS

Total non-current assets dropped by 3.22%, namely RON 191.5 million, from RON 5,942.6 million on December 31, 2020 to RON 5,751.1 million on September 30, 2021. The decrease was caused by depreciation and impairment expenses related to abandoned projects with a higher value than the investments of the period. Impairment refers especially to unsuccessful drilling results.

CURRENT ASSETS

Current assets increased by 25.07% on September 30, 2021 as compared to the end of 2020.

Inventories

Inventories increased on September 30, 2021 as compared to the end of 2020 by RON 41.1 million. For the reporting period, 401.1 million m³ were injected in storages and withdrawn quantities were 378.7 million m³.

Trade and other receivables

Trade receivables decreased by 35.84% as compared to December 31, 2020 due to the seasonal characteristic of the Group's activity, with fewer gas supplies during summer than in winter.

Other assets

Other assets increased by 9.24% as compared to December 31, 2020 after recording an income of RON 28,98 million following a final settlement in favour of Romgaz in a litigation against ANAF, the impairment adjustment recorded on December 31, 2020 was cancelled in 2021. On September 30, 2021, Romgaz did not recover the amount from ANAF.

The Group recovered in the first nine months 2021, RON 18.3 million representing amounts paid to ANAF following a fiscal inspection. The Group filed court proceedings against ANAF, the case file received in 2019 a final settlement in favour of Romgaz.

Cash and cash equivalent. Other financial assets

Cash, cash equivalent and other financial assets (bank deposits and state bonds purchased) reached RON 3,409.8 million on September 30, 2021, as compared to RON 2,412.4 million at the end of 2020 (+RON 997.3 million).

EQUITY AND RESERVES

Group's equity increased to RON 8,253.7 million on September 30, 2021 as compared to RON 7,787.3 million on December 31, 2020, due to the profit achieved in the first six nine months of 2021. In the reporting period, the Group's shareholders decided to distribute dividends of RON 689.9 million.

NON-CURRENT LIABILITIES

On September 30, 2021 non-current liabilities recorded an increase of 8.92% as compared to December 31, 2020.

The Company collected in 2021 an additional amount of RON 94.1 million from the National Investment Plan for financing the investment "Combined cycle gas-turbine" Iernut (the amount is presented as "Deferred revenue". The Romanian Government decided to extend the term for finalising the investment until June 30, 2022 and to extend the reimbursement term in the National Investment Plan until December 31, 2022.

CURRENT LIABILITIES

Current liabilities increased by RON 101.7 million from RON 662.1 million on December 31, 2020 to RON 763.8 million.

Contract liabilities

These liabilities represent advances collected from clients for deliveries in October. Increase of these liabilities to RON 136.8 million on September 30, 2021 as compared to RON 81.3 million on December 31, 2020 is due to the rise of gas sale prices related to contracts signed in the period January-September 2021 as compared to contract prices valid on December 31, 2020.

Deferred revenue

The drop of deferred revenues is due to the decrease of interest from investments in state bonds. The Group invested a lower amount in such financial instruments on September 30, 2021 as compared to December 31, 2020 anticipating the cash requirement for the acquisition of all shares issued by ExxonMobil Exploration and Production Romania Limited, company that holds 50% of the rights and obligations under the Concession Agreement for petroleum exploration, development and production in Block XIX Neptun Deep, if the transaction will be finalised.

Provisions

Short-term provisions dropped by RON 31.6 million as compared to December 2020. This decrease is mainly due to the provision set up for participation of Group employees to profit and to the provision set up for payment of greenhouse gas emission certificates (net decrease of RON 15.6 million) as a result of purchasing in 2021 certificates for 2020.

Other liabilities

Other liabilities increased by 29.03% due to the following:

- the Group's liability related to the petroleum royalty increased by RON 99.8 million due to increased gas deliveries and to the reference price increase taken into consideration for calculating this fee;
- increase of the windfall tax by RON 31.2 million.

Interim Statement of Consolidated Comprehensive Income

The Group's profit and loss account summary for the period January 1 – September 30, 2021, as compared to the similar period of 2020, is shown below:

Description	9 M 2020 (RON thousand)	9 M 2021 (RON thousand)	Variation (RON thousand)	Variation (%)
1	2	3	4=3-2	5=4/2x100
Revenue	2,918,424	3,496,529	578,105	19.81
Cost of commodities sold	(13,682)	(247,564)	233,882	1,709.41
Investment income	35,612	38,365	2,753	7.73
Other gains and losses	(5,711)	26,372	n/a	n/a
Impairment (losses)/gains on trade receivables	6,824	26,871	20,047	293.77
Changes in inventory	32,017	50,734	18,717	58.46
Raw materials and consumables used	(42,036)	(53,829)	11,793	28.05
Depreciation, amortization and impairment expenses	(468,078)	(496,258)	28,180	6.02
Employee benefit expense	(539,946)	(567,307)	27,361	5.07
Finance cost	(12,723)	(12,417)	(306)	-2.41
Exploration expenses	(24,578)	(851)	(23,727)	-96.54
Share of profit of associates	203	10	(193)	-95.07
Other expenses	(796,914)	(1,052,945)	256,031	32.13
Other income	17,439	141,723	124,284	712.68

Description	9 M 2020 (RON thousand)	9 M 2021 (RON thousand)	Variation (RON thousand)	Variation (%)
Profit before tax	1,106,851	1,349,433	242,582	21.92
Income tax expense	(164,906)	(193,050)	28,144	17.07
Net profit for the period	941,945	1,156,383	214,438	22.77

Revenue

In the nine months ended on September 30, 2021 the Group's revenue recorded an increase by 19.81% (RON 578.1 million) as compared to the similar period of the previous year.

Consolidated revenue from gas sales for 9M 2021 amounted to RON 2,985.4 million as compared to RON 2,376.2 million recorded in the similar period of last year. The 25.64% increase is mainly due to the increase of income from internal gas production (+350.4 million) and to the significant increase of income from sale of gas purchased from the domestic market for resale (RON 304.1 million for the 9M period ended on September 30, 2021, as compared to RON 12.3 million in the similar period of last year) as a result of a higher gas demand than the Group's production capacity.

Consolidated revenue from storage services are down by 30.07%. Within this revenue category, capacity booking has the highest share (73%), with a significant influence on the negative evolution of consolidated revenue from storage activities (-34.59% for the analysed period as compared to 9M 2020).

Consolidated revenue from storage services include the income attached to gas withdrawn from Romgaz UGS and sold to own clients and excludes income recorded by Depogaz in its relation with Romgaz. Therefore, as regards consolidated financial statements of Romgaz Group, it is considered that income previously invoiced by Depogaz to Romgaz for injection and capacity booking services (even those invoiced in previous periods) are incurred when gas is withdrawn and sold by Romgaz.

As regards Depogaz, the revenue from storage activities decreased by 6.6%.

Consolidated revenue from electricity sales increased by 27.46%.

Cost of commodities sold

Cost of commodities sold increased by 1,709.41% as compared to the similar period of 2020 (RON +233.9 million), mainly as a result of increased gas quantities purchased from the domestic market for resale.

Other gains or losses

Other net gains of RON 26.4 million include the income recorded following a final settlement in favour of Romgaz in a litigation against ANAF for cancelling a report issued further a fiscal investigation performed in December 2016-April 2017. Following the investigation, the Company paid RON 28.98 million representing additional taxes and penalties that are going to be recovered.

Net impairment losses/gains on trade receivables

The Group calculates the impairment on trade receivables based on the risk of non-collecting such. Therefore, as regards clients undergoing bankruptcy procedure, the Group records losses from impairment for the entire non-collected amount; the same policy is applied to old debts.

For the nine-month period ended September 30, 2021, the Group recorded a net gain from impairment of receivables of RON 26.9 million after collecting receivables from clients undergoing a bankruptcy procedure and after collecting old debts.

Raw materials and consumables used

Increase of expenses with raw materials and consumables is mainly due to a 25.96% higher technological consumption for the reviewed period of 2021 as compared to the similar period of 2020 and due to the increase of expenses with spare parts used for current repairs.

Exploration expenses

Exploration expenses of RON 851 thousand recorded at 9M 2021 decreased by 96.54% as compared to the similar period of 2020, performing significantly fewer surveys than in the previous period.

Government Decision No.1011/September 22, 2021 approved addendum no.6 to the concession agreement concluded between ANRM and Romgaz, extending the exploration period for eight blocks until October 2027. According to this addendum, Romgaz undertook to fulfil a certain minimum 3D seismic program that will result in increased exploration expenses.

Other expenses

Other expenses increased by 32.13% as compared to the nine-month period ended September 30, 2020. The main items of this expense category are shown below:

- expenses with other taxes and duties recorded a net increase of RON 51.11% (RON 242.1 million) following a rise of the windfall tax by RON 28.9 million and the increase of expenses with petroleum royalty of RON 214.2 million;
- net gains with provisions of RON 53.5 million mainly refer to the net gain recorded from releasing to income the provision for CO₂ certificates (RON 15.6 million net gain), the provision for employees participation to profit (RON 9.9 million net gain), the retirement benefit provision (RON 15.8 million);
- other operating expenses of RON 167.8 million include the cost for purchasing greenhouse gas emission certificates of RON 121.5 million related to electricity production. Of this amount, RON 81.2 million refer to gas emissions for 2020, this was included in the above mentioned net gain of RON 15.6 million related to the provision for CO₂ certificates.

Other income

Other income increased by 712.68% as compared to 9M 2020 following execution of the performance bond (RON 114.6 million) after terminating the works contract for development of CTE Iernut by building a 430 MW combined cycle gas-turbine power plant, contract that was concluded between Romgaz and the Consortium consisting of Duro Felguera and Romelectro S.A.

The table below shows the breakdown on segments of the interim consolidated comprehensive income for the period January – September 2021 and January – September 2020, respectively:

Description	Gas production and deliveries	UGS	Electricity	Other activities	Consolidation Adjustment	TOTAL
1	2	3	4		5	6
Revenue						
*9M 2021	3,200,157	233,751	225,697	302,230	(465,306)	3,496,529
*9M 2020	2,650,491	250,345	164,872	274,552	(421,836)	2,918,424
Cost of commodities sold						
*9M 2021	(223,190)	(1)	(23,766)	(607)	-	(247,564)
*9M 2020	(5,485)	(1)	(7,718)	(478)	-	(13,682)
Investment income						

Description	Gas production and deliveries	UGS	Electricity	Other activities	Consolidation Adjustment	TOTAL
1	2	3	4		5	6
*9M 2021	84	464	4	65,900	(28,087)	38,365
*9M 2020	68	868	130	55,668	(21,122)	35,612
Other gains and losses						
*9M 2021	(2,668)	(8)	(50)	29,098	-	26,372
*9M 2020	(5,948)	(14)	(111)	362	-	(5,711)
Net impairment losses on trade receivables						
*9M 2021	39,546	-	(12,623)	(52)	-	26,871
*9M 2020	6,852	-	(3)	(25)	-	6,824
Changes in inventories						
*9M 2021	49,783	-	56	895	-	50,734
*9M 2020	30,898	-	41	1,078	-	32,017
Raw materials and consumables used						
*9M 2021	(32,402)	(18,036)	(1,359)	(9,731)	7,699	(53,829)
*9M 2020	(27,581)	(14,207)	(998)	(7,207)	7,957	(42,036)
Depreciation, amortization and impairment expenses						
*9M 2021	(418,077)	(6,299)	(5,825)	(19,817)	(46,240)	(496,258)
*9M 2020	(381,525)	(4,314)	(16,982)	(16,145)	(49,112)	(468,078)
Employees benefit expenses						
*9M 2021	(336,805)	(53,290)	(35,714)	(141,498)	-	(567,307)
*9M 2020	(328,266)	(50,149)	(35,088)	(126,443)	-	(539,946)
Finance cost						
*9M 2021	(10,984)	(1,040)	-	(415)	22	(12,417)
*9M 2020	(11,121)	(1,186)	-	(441)	25	(12,723)
Exploration expense						
*9M 2021	(851)	-	-	-	-	(851)
*9M 2020	(24,578)	-	-	-	-	(24,578)
Share of associate's result						
*9M 2021	-	-	-	10	-	10
*9M 2020	-	-	-	203	-	203
Other expenses						
*9M 2021	(1,160,974)	(125,542)	(191,422)	(32,967)	457,960	(1,052,945)
*9M 2020	(889,269)	(125,527)	(127,835)	(68,618)	414,335	(796,914)
Other income						
*9M 2021	13,437	268	126,870	1,501	(353)	141,723
*9M 2020	16,832	42	32	989	(456)	17,439
Profit before tax						
*9M 2021	1,117,056	30,267	81,868	194,547	(74,305)	1,349,433
*9M 2020	1,031,368	55,857	(23,660)	113,495	(70,209)	1,106,851
Income tax expense						
*9M 2021	-	(5,067)	-	(187,983)	-	(193,050)
*9M 2020	-	(9,774)	-	(155,132)	-	(164,906)
Profit for the period						
*9M 2021	1,117,056	25,200	81,868	6,564	(74,305)	1,156,383
*9M 2020	1,031,368	46,083	(23,660)	(41,637)	(70,209)	941,945

Statement of cash flows

Statements of consolidated cash flows recorded for the period January-September 2021 and January-September 2020, respectively, are shown in the table below:

INDICATOR	9 M 2020 (RON thousand)	9 M 2021 (RON thousand)	Variance (%)
1	2	3	4=(3-2)/2x100
Cash flow from operating activities			
Net Profit for the period	941,945	1,156,383	22.77
Adjustments for:			
Income tax expense	164,906	193,050	17.07
Share of associates' result	(203)	(10)	-95.07
Interest expense	441	418	-5.22
Unwinding of decommissioning provision	12,282	11,999	-2.3
Interest revenue	(35,612)	(38,365)	7.73
Loss on disposal of non-current assets	939	(430)	n/a
Change in decommissioning provision recognized in result for the period, other than unwinding	(2,250)	(2,785)	23.78
Change in other provisions	20,745	(50,758)	n/a
Impairment of exploration assets	45,810	20,597	-55.04
Exploration projects written-off	-	17	n/a
Net impairment of property, plant and equipment	97,685	124,860	27.82
Depreciation and Amortization	324,583	350,801	8.08
Amortization of contract costs	406	1,242	205.91
Change in investments at fair values through profit or loss	20	10	-50.00
Losses from trade and other receivables	(6,416)	(55,089)	758.62
Write-down allowance of inventory	4,108	2,142	-47.86
Cancelled debts	(245)	(611)	149.39
Subsidies income	(6)	(6)	0.00
Cash generated from operations, before movements in working capital	1,569,138	1,713,465	9.20
Movements in working capital			
(Increase)/Decrease in inventory	2,539	(42,977)	n/a
(Increase)/Decrease in trade and other receivables	88,962	251,892	183.15
Increase/(Decrease) in trade and other liabilities	(170,199)	137,891	-181.02
Cash generated from operations	1,490,440	2,060,271	38.23
Interest paid	-	(3)	n/a
Income tax paid	(192,790)	(166,983)	-13.39
Net cash generated from operations	1,297,650	1,893,285	45.90
Cash flows from investing activities			
Investments in other entities	-	(250)	n/a
Bank deposits set up and acquisition of state bonds	(1,650,175)	(3,881,022)	135.19
Bank deposits and state bonds matured	1,728,003	4,419,903	155.78
Interest received	29,642	42,017	41.75
Proceeds from sale of non-current assets	1,119	499	-55.41
Proceeds from sale of financial investments	-	2	n/a
Acquisition of non-current assets	(397,323)	(255,929)	-35.59
Acquisition of exploration assets	(52,464)	(72,204)	37.63
Net cash used in investing activities	(341,198)	253,016	n/a
Cash flows from financing activities			
Dividends paid	(620,248)	(689,930)	11.23
Subsidies received	-	94,148	n/a
Subsidies reimbursed	(50)	-	n/a
Repayment of lease liability	(907)	(990)	9.15
Net cash used in financing activities	(621,205)	(596,772)	-3.93
Net increase/(decrease) in cash and cash equivalents	335,247	1,549,529	362.21

INDICATOR	9 M 2020 (RON thousand)	9 M 2021 (RON thousand)	Variance (%)
1	2	3	4=(3-2)/2x100
Cash and cash equivalents at the beginning of the period	363,943	416,913	14.55
Cash and cash equivalents as of September 30	699,190	1,966,442	181.25

Economic-Financial Indicators

The table below shows a comparison between the economic-financial indicators provided in Annex No. 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 2020	9 M 2021
1.	Current liquidity	$\frac{\text{Current assets}}{\text{Current liabilities}}$	6.58	5.43
2.	Indebtedness	$\frac{\text{Loan capital}}{\text{Equity}} \times 100$	0.00	0.00
		$\frac{\text{Loan capital}}{\text{Employed capital}} \times 100$		
3.	Clients’ debts rotation speed	$\frac{\text{Client's average balance}}{\text{Revenue}} \times 270$	54.25	37.58
4.	Non-current assets turnover	$\frac{\text{Revenue}}{\text{Non – current assets}}$	0.50	0.61

PERFORMANCE OF DIRECTOR AGREEMENTS AND CONTRACTS OF MANDATE

Director Agreements

The following agreements were effective in the first nine months of 2021: director agreements of BoD members appointed by the General Meeting of Shareholders in 2018 for a period of 4 years, director agreements of interim board members appointed for a period of 4 months in December 2020 by OGMS Resolution No.14 of December 21, 2020, as well as director agreements of interim board members appointed for a period of 4 months in April 2021 by OGMS Resolution No.1 of March 11, 2021, director agreements of interim board members appointed for 2 months in July 2021 by OGMS Resolution No.5 of July 9, 2021, as well as director agreements of interim board members appointed for 4 months in September 2021 by OGMS Resolution No.7 of September 9, 2021. The director agreements approved by the General Meeting of Shareholders do not include performance criteria and indicators.

By Resolution No. 8/July 6, 2018 the Ordinary General Meeting of Shareholders appointed, following the cumulative vote, the company's board members for a four-year mandate.

Following drafting and approval of the Governing Plan, the General Meeting of Shareholders was called to negotiate and approve the financial and non-financial performance indicators to be included in the directors' agreements by an addendum thereto. By Resolution No.4 /May 15, 2019, the General Meeting of Shareholders *"did not approve the key financial and non-financial performance indicators, resulting from SNGN Romgaz SA Governing Plan prepared for 2018-2022"*.

Company's shareholders appointed by Resolution No.11/December 23, 2019 the interim board members for a four-month period, set the fixed monthly gross allowance and approved their contract of mandate.

By Resolution No. 5 of April 13, 2020, the General Meeting of Shareholders approved to extend the mandate of interim board members by 2 months from the expiration date and approved the addendum to the contract of mandate with regard to the extension of the period.

Company's shareholders appointed by Resolution No.8/June 25, 2020 the interim board members for four-months and set the fixed monthly gross allowance.

According to Resolution No.1/March 11, 2021 the Ordinary General Meeting of Shareholders appointed following the cumulative vote, the interim board members for a four-month period, setting their fixed monthly gross allowance.

According to Resolution No.5/July 9, 2021, the General Meeting of Shareholders approves the 2-months extension of board members mandates starting with their expiration date and approves the addendum to the contract of mandate related to the extension of the mandate.

By Resolution No. 7/September 9, 2021, company's shareholders appointed the interim board members for a 4-month period, set the fixed monthly gross allowance and approved their contract of mandate.

The director agreements do not include key financial and non-financial performance indicators, therefore board members do not benefit from the variable component.

Contracts of Mandate

The Board of Directors appointed according to Resolution No.45/October 1, 2018 Mr. *Volintiru Adrian Constantin* as Chief Executive Officer for a four-year mandate. Romgaz Board of Directors revoked by Resolution No.1/January 13, 2021 Mr. *Constantin Adrian Volintiru* from the position as Chief Executive Officer, terminating the contract of mandate concluded between the company and Mr. Volintiru. Until the appointment of a new chief executive officer, Romgaz Deputy Chief Executive Officer temporarily exercised the company's management including legal representation (with mandate).

Romgaz BoD appointed in the meeting that took place on February 12, 2021, by Resolution No. 11, Mr. Aristotel Marius Jude as SNGN Romgaz SA Chief Executive Officer as of February 13, 2021 for a temporary mandate of 2 months, extended by another four months by Resolution No.29/April 7, 2021.

The Board of Directors decided by Resolution No.47/June 30, 2021 to appoint Mr. Aristotel Marius Jude as Chief Executive Officer, for a temporary mandate of four months, as of August 14, 2021.

By Resolution no. 32/August 26, 2020, the Board of Directors appointed Mr. Pena Daniel Corneliu as Deputy Chief Executive Officer of SNGN Romgaz SA for a temporary mandate of two months (temporary mandate), effective as of August 28, 2020.

The Board approved by Resolution No. 41/October 14, 2020, to extend by 120 days the temporary mandate of the Deputy Chief Executive Officer (with mandate), until February 24, 2021.

On February 15, 2021 the Board of Directors took note of Mr. Pena Daniel Corneliu resignation as deputy chief executive officer (with mandate) and agreed to terminate such mandate as of February 15, 2021.

By Resolution No. 50/December 9, 2020, the Board of Directors appointed Mr. Popescu Razvan as interim Chief Financial Officer for a four-month period starting December 14, 2020. The Board decided in the meeting of April 7, 2021, by Resolution No. 30 to appoint Mr. Popescu Razvan for a new four-month mandate, as of April 14, 2021.

By Resolution No. 48, the Board appointed Mr. Popescu Razvan as Chief Financial Officer for a temporary four-month mandate, as of August 15, 2021.

The contracts of mandate concluded with the Chief Executive Officer, the Deputy Chief Executive Officer and the Chief Financial Officer do not provide for performance indicators and criteria. These will be negotiated and included in the contracts of mandate, by an addendum following GMS approval of the key financial and non-financial performance indicators.

Attached hereto are the Condensed Interim Consolidated Financial Statements for the period ended September 30, 2021, prepared in compliance with the International Accounting Standard 34.

SIGNATURES

Chairman of the Board of Directors,

Dan Dragoș DRĂGAN

.....

Chief Executive Officer,

Aristotel Marius JUDE

Chief Financial Officer,

Răzvan POPESCU

.....

.....

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

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

**FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

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

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CONDENSED STATEMENT OF CONSOLIDATED INTERIM COMPREHENSIVE INCOME FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2021

	Note	Nine months ended September 30, 2021 '000 RON	Three months ended September 30, 2021 '000 RON	Nine months ended September 30, 2020 '000 RON	Three months ended September 30, 2020 '000 RON
Revenue	3	3,496,529	1,246,498	2,918,424	725,059
Cost of commodities sold	4	(247,564)	(164,090)	(13,682)	(2,924)
Investment income		38,365	11,802	35,612	12,923
Other gains and losses	5	26,372	(1,506)	(5,711)	1,321
Impairment (losses)/gains on trade receivables	10 c)	26,871	409	6,824	4,865
Changes in inventory of finished goods and work in progress		50,734	91,281	32,017	27,486
Raw materials and consumables used	4	(53,829)	(17,944)	(42,036)	(13,357)
Depreciation, amortization and impairment expenses	6	(496,258)	(185,968)	(468,078)	(175,133)
Employee benefit expense	8	(567,307)	(206,590)	(539,946)	(184,521)
Finance cost		(12,417)	(4,128)	(12,723)	(4,240)
Exploration expense		(851)	(158)	(24,578)	(5,601)
Share of profit/(loss) of associates		10	819	203	328
Other expenses	9	(1,052,945)	(442,980)	(796,914)	(227,830)
Other income	3	141,723	120,054	17,439	5,420
Profit before tax		1,349,433	447,499	1,106,851	163,796
Income tax expense	7	(193,050)	(52,717)	(164,906)	(22,691)
Profit for the period		1,156,383	394,782	941,945	141,105
Total comprehensive income for the period		1,156,383	394,782	941,945	141,105
Basic and diluted earnings per share		0.0030	0.0010	0.0024	0.0004

These financial statements were endorsed by the Board of Directors on November 11, 2021.

Aristotel Marius Jude
Chief Executive Officer

Răzvan Popescu
Chief Financial Officer

CONDENSED STATEMENT OF CONSOLIDATED INTERIM FINANCIAL POSITION AS OF SEPTEMBER 30, 2021

	<u>Note</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>
		'000 RON	'000 RON
ASSETS			
Non-current assets			
Property, plant and equipment		5,434,451	5,613,122
Other intangible assets		15,373	14,774
Investments in associates		26,112	26,102
Deferred tax asset		262,202	275,328
Other financial assets		5,616	5,378
Right of use assets		7,359	7,915
Total non-current assets		5,751,113	5,942,619
Current assets			
Inventories		285,636	244,563
Trade and other receivables	10 a)	380,377	592,875
Contract costs		524	651
Other financial assets		1,443,337	1,995,523
Other assets	10 b)	74,311	68,023
Cash and cash equivalents		1,966,442	416,913
Total current assets		4,150,627	3,318,548
Total assets		9,901,740	9,261,167
EQUITY AND LIABILITIES			
Equity			
Share capital		385,422	385,422
Reserves		2,926,912	2,251,909
Retained earnings		4,941,393	5,149,919
Total equity		8,253,727	7,787,250
Non-current liabilities			
Retirement benefit obligation	11	112,918	128,690
Deferred revenue	12	230,443	136,308
Lease liability		7,368	7,845
Provisions	11	533,463	538,931
Total non-current liabilities		884,192	811,774

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 AS OF SEPTEMBER 30, 2021

	<u>Note</u>	<u>September 30, 2021</u> <u>'000 RON</u>	<u>December 31, 2020</u> <u>'000 RON</u>
Current liabilities			
Trade payables		95,334	89,132
Contract liabilities		136,790	81,318
Current tax liabilities		64,480	59,831
Deferred revenue	12	1,248	10,899
Provisions	11	124,819	156,415
Lease liability		804	767
Other liabilities		340,346	263,781
Total current liabilities		763,821	662,143
Total liabilities		1,648,013	1,473,917
Total equity and liabilities		9,901,740	9,261,167

These financial statements were endorsed by the Board of Directors on November 11, 2021.

Aristotel Marius Jude
 Chief Executive Officer

Răzvan Popescu
 Chief Financial Officer

CONDENSED STATEMENT OF CONSOLIDATED INTERIM CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

	<u>Share capital</u>	<u>Legal reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Balance as of January 1, 2021	385,422	83,537	2,168,372	5,149,919	7,787,250
Allocation to dividends	-	-	-	(689,906)	(689,906)
Decrease in reserves approved by Depogaz' sole shareholder	-	(200)	-	200	-
Allocation to other reserves	-	-	675,203	(675,203)	-
Total profit for the period	-	-	-	1,156,383	1,156,383
Balance as of September 30, 2021	385,422	83,337	2,843,575	4,941,393	8,253,727
Balance as of January 1, 2020	385,422	79,921	1,507,488	5,201,222	7,174,053
Allocation to dividends	-	-	-	(620,530)	(620,530)
Allocation to other reserves	-	-	598,840	(598,840)	-
Total profit for the period	-	-	-	941,945	941,945
Balance as of September 30, 2020	385,422	79,921	2,106,328	4,923,797	7,495,468

These financial statements were endorsed by the Board of Directors on November 11, 2021.

Aristotel Marius Jude
 Chief Executive Officer

Răzvan Popescu
 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 FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2021

	Nine months ended September 30, 2021 '000 RON	Three months ended September 30, 2021 '000 RON	Nine months ended September 30, 2020 '000 RON	Three months ended September 30, 2020 '000 RON
Cash flows from operating activities				
Net profit	1,156,383	394,782	941,945	141,105
Adjustments for:				
Income tax expense (note 7)	193,050	52,717	164,906	22,691
Share of associates' result	(10)	(819)	(203)	(328)
Interest expense	418	144	441	152
Unwinding of decommissioning provision	11,999	3,984	12,282	4,088
Interest revenue	(38,365)	(11,802)	(35,612)	(12,923)
Net (gain)/loss on disposal of non-current assets (note 5)	(430)	(47)	939	(66)
Change in decommissioning provision recognized in profit or loss, other than unwinding (note 9)	(2,785)	(1,255)	(2,250)	(610)
Change in other provisions (note 9)	(50,758)	35,524	20,745	52,669
Net impairment of exploration assets (note 6)	20,597	16,449	45,810	30,563
Exploration projects written off	17	-	-	-
Net impairment of property, plant and equipment and intangibles (note 6)	124,860	60,914	97,685	44,056
Depreciation and amortization (note 6)	350,801	108,605	324,583	100,514
Amortization of contract costs	1,242	414	406	191
(Gain)/Loss from investments at fair value through profit and loss (note 5)	10	9	20	(5)
Loss/(Gain) from receivable write-offs and movement in allowances for trade receivables and other assets (note 10)	(55,089)	(610)	(6,416)	(4,373)
Net movement in write-down allowances for inventory (note 5)	2,142	1,726	4,108	(1,800)
Income from liabilities written-off	(611)	(611)	(245)	(245)
Subsidies income	(6)	(2)	(6)	(3)
	1,713,465	660,122	1,569,138	375,676
Movements in working capital:				
(Increase)/Decrease in inventory	(42,977)	(96,708)	2,539	(29,316)
(Increase)/Decrease in trade and other receivables	251,892	142,358	88,962	39,938
Increase/(Decrease) in trade and other liabilities	137,891	139,358	(170,199)	(8,141)
Cash generated from operations	2,060,271	845,130	1,490,440	378,157
Interest paid	(3)	(1)	-	-
Income taxes paid	(166,983)	(31,557)	(192,790)	(25,244)
Net cash generated by operating activities	1,893,285	813,572	1,297,650	352,913

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 FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2021

	Nine months ended September 30, 2021	Three months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2020
	'000 RON	'000 RON	'000 RON	'000 RON
Cash flows from investing activities				
Investment in other entities	(250)	-	-	-
Bank deposits set up and state bonds acquired	(3,881,022)	(620,264)	(1,650,175)	(315,367)
Bank deposits and state bonds matured	4,419,903	1,677,310	1,728,003	63,764
Interest received	42,017	10,341	29,642	9,918
Proceeds from sale of non-current assets	499	47	1,119	310
Disposal of other financial assets	2	2	-	-
Acquisition of non-current assets	(255,929)	(105,186)	(397,323)	(127,768)
Acquisition of exploration assets	(72,204)	(11,860)	(52,464)	(18,377)
Net cash used in investing activities	253,016	950,390	(341,198)	(387,520)
Cash flows from financing activities				
Dividends paid	(689,930)	(520)	(620,248)	(620,170)
Subsidies received	94,148	94,148	-	-
Subsidies reimbursed	-	-	(50)	(50)
Repayment of lease liability	(990)	(275)	(907)	(257)
Net cash used in financing activities	(596,772)	93,353	(621,205)	(620,477)
Net increase/(decrease) in cash and cash equivalents	1,549,529	1,857,315	335,247	(655,084)
Cash and cash equivalents at the beginning of the period	416,913	109,127	363,943	1,354,274
Cash and cash equivalents at the end of the period	1,966,442	1,966,442	699,190	699,190

These financial statements were endorsed by the Board of Directors on November 11, 2021.

Aristotel Marius Jude
 Chief Executive Officer

Răzvan Popescu
 Chief Financial Officer

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2021

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 subsidiary S.N.G.N. ROMGAZ S.A. - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești S.R.L. (“Depogaz”) and its associates – S.C. Depomures S.A. (40% of the share capital) and S.C. Agri LNG Project Company S.R.L. (25% of the share capital).

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

The Company’s headquarter is in Mediaș, 4 Constantin I. Moțaș 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 activities:

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 are prepared on a going concern basis.

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).

These financial statements are prepared for general purposes, for users familiar with the IFRS as adopted by EU; these are not special purpose financial statements. Consequently, these financial statements must not be used as sole source of information by a potential investor or other users interested in a specific transaction.

Basis for consolidation

Subsidiaries

The Company 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 Company 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 TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2021*Associated entities*

An associate is a company over which the Company 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 IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (effective for annual periods beginning on or after April 1, 2021);
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (effective for annual periods beginning on or after January 1, 2021);
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (effective for annual periods beginning on or after January 1, 2021).

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 but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from IFRS adopted by the IASB except from 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:

- IFRS 17 Insurance Contracts including Amendments to IFRS 17 (effective for annual periods beginning on or after January 1, 2023);
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (effective for 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);
- 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).

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.

Standards and interpretations issued by IASB and adopted by the EU, but not yet effective

At the date of issue of the financial statements, the following standards were issued, but not yet effective:

- Amendments to IFRS 3 Business Combinations (effective for annual periods beginning on or after January 1, 2022);
- Amendments to IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after January 1, 2022);
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (effective for annual periods beginning on or after January 1, 2022);
- Annual Improvements 2018-2020 (effective for annual periods beginning on or after January 1, 2022).

The Group did not adopt these standards and amendments before their effective dates. The Group does not expect these amendments to have a material impact on the financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2021
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.

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 is presented the value of the corresponding item for the previous period ended, 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, 2021	Three months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2020
	'000 RON	'000 RON	'000 RON	'000 RON
Revenue from gas sold - domestic production	2,659,769	791,118	2,309,329	532,942
Revenue from gas sold – other arrangements	21,564	5,541	54,605	14,364
Revenue from gas acquired for resale	304,070	223,006	12,264	3,157
Revenue from storage services-capacity reservation	142,487	51,891	217,840	65,153
Revenue from storage services-extraction	22,856	464	24,015	4,810
Revenue from storage services-injection	30,263	20,348	37,874	14,080
Revenue from electricity	145,645	102,893	114,267	55,827
Revenue from services	125,273	34,569	128,661	29,189
Revenue from sale of goods	38,622	14,661	13,718	3,603
Other revenues from contracts	342	103	311	64
Total revenue from contracts with customers	3,490,891	1,244,594	2,912,884	723,189
Other revenues	5,638	1,904	5,540	1,870
Total revenue	3,496,529	1,246,498	2,918,424	725,059
Other operating income *)	141,723	120,054	17,439	5,420
Total revenue and other income	3,638,252	1,366,552	2,935,863	730,479

*) In the period ended September 30, 2021, Other operating income include RON 114,628 thousand representing the execution of the performance guarantee related to the contract signed for the development of Iernut Power Plant by building a new 430 MW power plant, with Combined Cycle Gas Turbine, concluded between Romgaz and the consortium consisting of Duro Felguera S.A. and Romelectro S.A. The contract was terminated in June 2021 due to non-completion in time, by the consortium, of the construction works and commissioning of the investment.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2021

4. COST OF COMMODITIES SOLD, RAW MATERIALS AND CONSUMABLES

	Nine months ended September 30, 2021	Three months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2020
	'000 RON	'000 RON	'000 RON	'000 RON
Consumables used	32,272	11,166	26,008	8,866
Technological consumption	17,400	6,204	13,814	3,807
Cost of gas acquired for resale, sold	223,077	158,756	5,455	1,995
Cost of electricity imbalance	23,731	4,915	7,718	659
Cost of other goods sold	756	418	509	270
Other consumables	4,157	575	2,214	684
Total	301,393	182,034	55,718	16,281

5. OTHER GAINS AND LOSSES

	Nine months ended September 30, 2021	Three months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2020
	'000 RON	'000 RON	'000 RON	'000 RON
Forex gain	17	5	46	26
Forex loss	(141)	(24)	(282)	(84)
Net gain/(loss) on disposal of non-current assets	430	47	(939)	66
Net allowance for other receivables (note 10 b and note 10 c)	28,220	203	(407)	(491)
Net write down allowances for inventory	(2,142)	(1,726)	(4,108)	1,800
Net gain/(loss) on financial assets at fair value through profit or loss	(10)	(9)	(20)	5
Losses from receivables	(2)	(2)	(1)	(1)
Total	26,372	(1,506)	(5,711)	1,321

6. DEPRECIATION, AMORTIZATION AND IMPAIRMENT EXPENSES

	Nine months ended September 30, 2021	Three months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2020
	'000 RON	'000 RON	'000 RON	'000 RON
Depreciation and amortization	350,801	108,605	324,583	100,514
out of which:				
- depreciation of property, plant and equipment	347,097	107,329	322,471	99,602
- depreciation of right of use assets	691	230	685	229
- amortization of intangible assets	3,013	1,046	1,427	683
Net impairment of non-current assets	145,457	77,363	143,495	74,619
Total depreciation, amortization and impairment	496,258	185,968	468,078	175,133

The accompanying notes form an integral part of these financial statements.
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2021
7. INCOME TAX

	Nine months ended September 30, 2021	Three months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2020
	'000 RON	'000 RON	'000 RON	'000 RON
Current tax expense	179,924	66,834	153,532	25,084
Deferred income tax expense/(income)	13,126	(14,117)	11,374	(2,393)
Income tax expense	193,050	52,717	164,906	22,691

8. EMPLOYEE BENEFIT EXPENSE

	Nine months ended September 30, 2021	Three months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2020
	'000 RON	'000 RON	'000 RON	'000 RON
Wages and salaries	591,185	211,224	561,538	191,380
Social security charges	20,647	7,229	20,020	6,702
Meal tickets	18,999	5,919	17,197	6,282
Other benefits according to collective labor contract	17,883	11,144	14,773	8,259
Private pension	8,617	2,832	8,833	2,933
Private health insurance	5,226	1,719	4,356	1,628
Total employee benefit costs	662,557	240,067	626,717	217,184
Less, capitalized employee benefit costs	(95,250)	(33,477)	(86,771)	(32,663)
Total employee benefit expense	567,307	206,590	539,946	184,521

9. OTHER EXPENSES

	Nine months ended September 30, 2021	Three months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2020
	'000 RON	'000 RON	'000 RON	'000 RON
Energy and water expenses	42,498	25,609	33,574	15,425
Expenses for capacity booking and gas transmission services	106,392	27,992	121,402	26,187
Expenses with other taxes and duties *)	715,774	316,603	473,686	91,165
Net (gain)/loss from provisions movement **)	(53,543)	34,269	18,495	52,059
Other operating expenses	241,824	38,507	149,757	42,994
Total	1,052,945	442,980	796,914	227,830

*) In the nine-month period ended September 30, 2021, the major taxes and duties included in the amount of RON 715,774 thousand (nine-month period ended September 30, 2020: RON 473,686 thousand) are:

- RON 364,010 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, 2020: RON 335,049 thousand);
- RON 346,983 thousand represent royalty on gas production and storage activity (nine-month period ended September 30, 2020: RON 132,768 thousand).

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2021
10. ACCOUNTS RECEIVABLE
a) Trade and other receivables

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
	'000 RON	'000 RON
Trade receivables	1,416,173	1,561,742
Allowances for expected credit losses (note 10 c)	(1,252,614)	(1,279,164)
Accrued receivables	219,191	312,991
Allowances for expected credit losses on accrued receivables (note 10 c)	(2,373)	(2,694)
Total	380,377	592,875

b) Other assets

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
	'000 RON	'000 RON
Advances paid to suppliers	4,044	18,374
Joint operation receivables	7,452	2,384
Other receivables *)	48,034	64,471
Allowance for expected credit losses for other receivables (note 10 c) *)	(187)	(28,981)
Other debtors	49,866	50,079
Allowance for expected credit losses for other debtors (note 10 c)	(49,590)	(49,016)
Prepayments	9,121	5,808
VAT not yet due	5,565	4,898
Other taxes receivable	6	6
Total	74,311	68,023

*) Other receivables of RON 64,471 thousand as of December 31, 2020 included receivables of RON 47,474 thousand from the National Agency of Fiscal Administration ("ANAF") following tax audits performed during May 13, 2014 – September 30, 2014 and December 2016 - April 2017; the related impairment was of RON 28,981 thousand.

In 2019, the Company won the legal case started against the conclusions of one of the two tax audits and recovered in 2021 RON 18,323 thousand.

In 2021, the Company won the legal case started against the second audit and reversed the related impairment of RON 28,981 thousand, the effect of which is included in Note 5 in the net allowance for other receivables of RON 28,220 thousand. The Company will take all necessary actions to recover this amount from ANAF.

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

	<u>2021</u>	<u>2020</u>
	'000 RON	'000 RON
At January 1	1,359,855	1,379,557
Charge in the allowance for receivables (note 5, note 10 b)	1,317	552
Charge in the allowance for trade receivables (note 10 a)	24,518	54,952
Release in the allowance for receivables (note 5, note 10 b) *)	(29,537)	(145)
Release in the allowance for trade receivables (note 10 a)	(51,389)	(61,776)
At September 30	1,304,764	1,373,140

*) Please see note 10 b) above.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2021

11. PROVISIONS

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
	'000 RON	'000 RON
Decommissioning provision	533,463	538,931
Retirement benefit obligation	112,918	128,690
Total long term provisions	646,381	667,621
Decommissioning provision	25,417	22,027
Litigation provision	963	1,380
Other provisions *)	98,439	133,008
Total short term provisions	124,819	156,415
Total provisions	771,200	824,036

*) Other provisions include mainly the provision for CO2 certificates of RON 65,567 thousand (December 31, 2020: RON 81,217 thousand) and the provision for employees' participation to profit of RON 27,073 thousand (December 31, 2020: RON 36,938 thousand).

12. DEFERRED REVENUE

	<u>December 31, 2020</u>	<u>December 31, 2020</u>
	'000 RON	'000 RON
Amounts collected from National Investment Plan	230,169	136,021
Other deferred revenue	160	167
Other amounts received as subsidies	114	120
Total long term deferred revenue	230,443	136,308
Other amounts received as subsidies	7	8
Other deferred revenue	1,241	10,891
Total short term deferred revenue	1,248	10,899
Total deferred revenue	231,691	147,207

13. RELATED PARTY TRANSACTIONS AND BALANCES

(i) Sales of goods and services

	Nine months ended September 30, 2021	Three months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2020
	'000 RON	'000 RON	'000 RON	'000 RON
Romgaz's associates	12,049	5,574	9,062	3,943
Total	12,049	5,574	9,062	3,943

Transactions with other companies controlled by the Romanian State are not considered transactions with related parties, for financial statements purposes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2021
(ii) Trade receivables

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
	'000 RON	'000 RON
Romgaz's associates	2,441	-
Total	2,441	-

14. 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 Bratislava branches;
- 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

<u>September 30, 2021</u>	<u>Upstream</u>	<u>Storage</u>	<u>Electricity</u>	<u>Other</u>	<u>Adjustments and eliminations</u>	<u>Total</u>
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Total assets	3,601,947	912,529	1,188,630	4,338,931	(140,297)	9,901,740
Total liabilities	951,379	101,269	310,195	307,631	(22,461)	1,648,013
<u>December 31, 2020</u>	<u>Upstream</u>	<u>Storage</u>	<u>Electricity</u>	<u>Other</u>	<u>Adjustments and eliminations</u>	<u>Total</u>
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Total assets	3,934,003	913,401	1,193,908	3,315,212	(95,357)	9,261,167
Total liabilities	809,094	99,276	234,535	354,772	(23,760)	1,473,917

c) Segment revenues, results and other segment information

<u>Nine months ended September 30, 2021</u>	<u>Upstream</u>	<u>Storage</u>	<u>Electricity</u>	<u>Other</u>	<u>Adjustments and eliminations</u>	<u>Total</u>
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Revenue	3,200,157	233,751	225,697	302,230	(465,306)	3,496,529
Less: revenue between segments	(38,876)	(49,519)	(80,445)	(296,464)	465,304	-
Third party revenue	3,161,281	184,232	145,252	5,766	(2)	3,496,529
Segment profit/(loss) before tax	1,117,056	30,267	81,868	194,547	(74,305)	1,349,433

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2021

Three months ended September 30, 2021	Upstream	Storage	Electricity	Other	Adjustments and eliminations	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Revenue	1,089,409	88,460	142,572	107,352	(181,295)	1,246,498
Less: revenue between segments	(21,343)	(15,745)	(39,900)	(104,305)	181,293	-
Third party revenue Segment	1,068,066	72,715	102,672	3,047	(2)	1,246,498
profit/(loss) before tax	252,337	4,994	165,672	39,747	(15,251)	447,499
Nine months ended September 30, 2020						
Three months ended September 30, 2020	Upstream	Storage	Electricity	Other	Adjustments and eliminations	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Revenue	2,650,491	250,345	164,872	274,552	(421,836)	2,918,424
Less: revenue between segments	(51,319)	(50,449)	(50,869)	(269,199)	421,836	-
Third party revenue Segment	2,599,172	199,896	114,003	5,353	-	2,918,424
profit/(loss) before tax	1,031,368	55,857	(23,660)	113,495	(70,209)	1,106,851
Three months ended September 30, 2020						
Three months ended September 30, 2020	Upstream	Storage	Electricity	Other	Adjustments and eliminations	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Revenue	631,698	77,792	72,502	98,875	(155,808)	725,059
Less: revenue between segments	(25,131)	(16,492)	(16,771)	(97,414)	155,808	-
Third party revenue Segment	606,567	61,300	55,731	1,461	-	725,059
profit/(loss) before tax	157,170	5,418	(5,282)	22,829	(16,339)	163,796

15. COMMITMENTS UNDERTAKEN

In 2020, 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 USD 100,000 thousand. On September 30, 2021 are still available for use USD 80,651 thousand.

As of September 30, 2021, the Group's contractual commitments for the acquisition of non-current assets are of RON 230,120 thousand (December 31, 2020: RON 419,104 thousand).

16. EVENTS AFTER THE BALANCE SHEET DATE

No event after the balance sheet date were identified.

17. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on November 11, 2021.

Aristotel Marius Jude
Chief Executive Officer

Răzvan Popescu
Chief Financial Officer

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