



**CONFERENCE CALL**  
**FOR THE DISCUSSION OF H1/Q2 2022 RESULTS**  
**of ROMGAZ Group**  
**August 16, 2022**

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Mr Razvan POPESCU, CFO:

## PRESENTATION OF H1/Q2 2022 Results

### August 16, 2022

Good afternoon ladies and gentlemen,

Thank you for joining our conference call to discuss the results recorded by Romgaz Group in the First-Half of 2022.

We released the Board of Directors Report last Friday, and this comprises a detailed presentation of our economic and operational performance, and the Consolidated Interim Financial Statements.

Also, an overall presentation of the group is available on our website, in the “Investors” Section.

#### **A. I will start by highlighting some aspects of the gas market environment in the First Half of 2022, compared to the same period of the previous year:**

- We estimate that natural gas consumption in Romania decreased by 13% year-on-year, while imported gas volumes advanced and reached 29% of consumption.

In Q2 alone, gas consumption declined by almost 19%, with imports maintaining a steady quarterly weight, according to our estimates. It is worth to note that compared to other European countries, Romania enjoys a high independence of gas imports, as consumption presently relies heavily on the domestic production.

- Regarding transactions on the Romanian Commodities Exchange, the Wholesale Average Price was higher over 5 times in H1 2022 compared to the same period of 2021; these prices are considered as of the month of delivery for transactions concluded on this market segment.
- The average reference price on the Central European Gas Hub, in the first 6 months also increased over 5 times year-on-year according to data provided by the Romanian Agency for Mineral Resources.

#### **B. Regarding the gas & energy sector legislation in Romania, our activity was influenced by 2 main regulations in H1 2022: the GRP (Gas Release Program) and Governmental Emergency Ordinance no 27 / 2022.**

- a) **In the GRP, according to ANRE’s Order no 143 / 2020**, large gas producers had the obligation to offer 40% of the previous year’ gas production on centralized markets, with a minimum discount of 5% from the previous 60-days average price of standardized products. The Program started on July 1, 2020, and was suspended on April 1, 2022, by the GEO no 27 / 2022.

b) **The GEO no 27 / 2022** is effective during April 1, 2022 and March 31, 2023.

Main provisions applicable to gas producers include:

- REGULATED selling prices of 150 RON/MWh for the gas sold to households, and 250 RON/MWh for the gas sold to heating plants to produce thermal energy for households
- Exemption of Windfall Profit Tax for revenues from the gas sold at regulated prices, and computation of Gas Royalties based on these prices instead on CEGH prices.

Also, gas suppliers have CAPPED selling prices for some categories of final-clients, as follows: maximum 310 RON/MWh for households, and maximum 370 RON/MWh for power plants for the gas used to heat the households and for industrial clients with annual consumption below 50,000 MWh.

For the energy market, the Ordinance also imposes pricing norms, as well as an 80% windfall profit tax for energy producers during the application period.

**C. Regarding the operational and financial performance reported by Romgaz Group in the First Semester of 2022, we can highlight the following results:**

1. **Natural gas production was 2.52 billion cm - exceeding by 2.3% the budgeted figure, and with only a marginal adjustment compared to 2021.**

We continue to consolidate our production through: exploration programs to stream new wells into production, production rehabilitation projects in the main mature reservoirs, workover and recompletion operations to re-activate high-flows wells, and optimisation of wells operation by using modern technique.

As regards investments in our gas production facilities in H1 2022: (1) we put into operation the Gas Dehydration Plant in Coşereni - an investment of RON 31 million, for the development of Snagov project; (2) we completed 1 production well, and design is in progress for 8 wells; (3) we finalized 9 surface facilities, other 7 are in construction, and 19 are in different preparation stages; and (4) we also performed recompletion, reactivation and repairs for 106 wells.

In addition, the external audit of our gas portfolio that was performed by DeGolyer & MacNaughton, USA, was finalized at the end of June. The audit states total Gas Reserves of 65.9 bcm, and total Gas Resources of 55.9 bcm.

2. **We increased ever more our already strong position on the gas market:** our market share exceeded **43%** of total deliveries in Romania, and **61%** in consumption covered from domestic gas, according to our estimates
3. Regarding Gas Sales to third parties, volumes decreased by 8.9% y/y in H1, as a result of lower gas consumption in Romania. We mention that volumes traded in GRP were lower, impacted by the high-price environment, and status of Elcen Bucuresti and Elcen Constanta as “captive” clients had a negative effect as well.

4. Nevertheless, “Total Revenues from the Gas Sold” reached a historical height in H1 to RON 6.68 billion - almost 3.4 times year-on-year - due to a significant increase in our average realised gas selling price that overcompensated for the volumes sold.
5. “Revenues from Electricity” added RON 499 million (compared to RON 43 million in H1 2021) due to higher production and favourable prices in the market.
6. “Revenues from Storage Services” reached RON 180 million - higher by 46% year-on-year, mainly due to higher revenues from capacity reservation and injection services.
7. **Overall, we recorded “Total Revenues” of RON 7.50 billion**, over 3.3 times higher year-on-year – at a historical record.
8. **On the expenses side**, we can underline that (1) “Windfall Profit tax” increased over 17 times year-on-year to RON 3.67 billion (from RON 231 million in H1/2021), and (2) “Total Royalties” rose 5 times to RON 917 million;  
Altogether, these 2 taxes reached RON 4.59 billion (from RON 396 million in 2021). These accounted for over 61% of Total Revenues in H1 2022 (compared to 18% in H1 2021).
9. **Bottom line, we reported a record-high Net Profit of RON 1.73 billion**, elevated by 127% compared to the same period of 2021.
10. **Profitability rates** declined in H1 2022 as a result of the substantial tax expenses, but were still at favorable levels: EBITDA margin at 29.1%, and NP margin at 23.0%.

**D. For Q2/2022 alone, we can highlight the following main results:**

- Natural gas production edged up 0.02% to 1.21 billion cm
- Total Revenues were higher 3.9 times to RON 3.57 billion
- Net Profit was record high at 746 million RON, up 2.5 times year-on-year
- Profitability rates continued to decline, with EBITDA margin at 26.8% and Net Profit margin at 20.9% - but still at favourable levels.

**E. Regarding the strategic development of our company, the latest achievements are in line with the “Development Strategy for 2021-2030” that was approved by our shareholders on November 4, 2021.**

Our strategy includes as important objectives:

- development of onshore blocks under concession, concession of new perimeters and exploitation of offshore gas in the Black Sea;
- production of sustainable energy;
- a minimum 10% reduction of carbon, methane and other gas emissions.

**In line with our objectives, on August 1<sup>st</sup>, Romgaz successfully completed the transaction with ExxonMobil** for the acquisition and transfer of all shares issued by ExxonMobil Exploration and Production Romania Limited (EMEPRL) representing 50% of the rights and obligations related to Neptun Deep Project.

The acquisition was partially financed through a credit facility in the amount of EUR 325 million that was signed by Romgaz on March 30.

In the next period, we will make efforts to proceed to the development-production phase as soon as possible.

Regarding our new power plant, the legal norms released in Q2 will help us finalise construction works by end-2023 and have expenses reimbursed by mid-2024.

**F. On the capex side, ROMGAZ Group invested a total amount of RON 218 million in H1 2022**, 3% lower y/y, and 55% of the amount budgeted excluding the Neptun Deep project.

Capex were focused 26% on geological exploration, 71% on equipment upgrade, and the 3% balance on the electricity and storage segments.

**G. In line with the national and European legal requirements for non-financial reporting, in June Romgaz released the “2021 Sustainability Report”** – which addresses relevant issues regarding corporate governance, ethics and anti-corruption, as well as our economic, social and environmental performance.

**H. Finally, I would like to mention the distribution of dividends to our shareholders.** Payment started on July 27 to shareholders in the registry on July 6. Please recall that the Shareholders Meeting in April decided upon Total Gross Dividends of RON 1.46 billion – or a Total Gross Dividend per Share of RON 3.80, which results in a gross Payout Ratio of 76% from the 2021 Net profit.

**With this, I would like to close our presentation and thank you for your attention!**

## Q&A SESSION

**Question from Iuliana CIOPRAGA (Wood & Company):** I have a question regarding the offshore law: how much of the current production could benefit from the amended offshore law which now allows onshore deep to benefit from the same taxation as offshore?

**Answer from Razvan POPESCU:** At the moment, we do not benefit from the new offshore law, but as time will pass and probably we will have investments in more deep onshore projects, and we will have a response for you.

**Question from Iuliana CIOPRAGA (Wood & Company):** But I understood that you started some production in Caragele Deep.

**Answer from Razvan POPESCU:** Yes, so there are 2 different sites in Caragele: there is Caragele Deep and Caragele Shallow. Caragele Deep is in exploration at the moment and we are actively trying to finalize 2 production wells that are being built there.

**Answer from Andrei BOBAR:** Regarding the deep production onshore, I want to mention that the National Agency for Mineral Resources has the obligation to issue clarification on which fields are considered to be with deep production. Because in a certain field we have wells at 2,800 m, we have also wells drilled at 3,200 m. We need to know what is the production for which we will apply this favourable taxation: only for the well that is below 3,000 m, or on the entire production of the field, taking into consideration that there are certain wells that are below 3,000 m. So, at this moment, NAMR is working to issue a statement for identifying the respective fields for which we will apply this favourable taxation from the offshore law.

**Question from Iuliana CIOPRAGA (Wood & Company):** So, you might benefit from this?

**Answer from Razvan POPESCU:** Yes, but we don't have the clear picture right now of how much we could benefit.

**Question from Iuliana CIOPRAGA (Wood & Company):** But, potentially, how much of your production could benefit from the offshore law? You must have a view on how much is produced below 3,000 m.

**Answer from Andrei BOBAR:** Until we have the rules and regulation for establishing the fields that are considered applicable under this law, we cannot make any statement. We have to obtain the clarification from the National Agency for Mineral Resources. Because the quantities can vary significantly, depending on how you assess the ultra-deep fields.

**Question from Iuliana CIOPRAGA (Wood & Company):** And regarding Caragele Deep, there have been some comments in the media that the reserves might be higher than they were initially estimated. The estimate was 30 bcm, but they said they might be higher, can you comment on this and can you tell us when do you expect that Caragele Deep will start production?

**Answer from Razvan POPESCU:** We cannot comment on what has been stated in the media regarding these reserves. ROMGAZ has published the reserves that have been audited by the end of last year. Those are the reserves that have been calculated on the procedures that are used in the European Union. So those are the reserves that can be taken into account. Otherwise, we cannot comment on any speculation or declaration made in the media.

**Question from Iuliana CIOPRAGA (Wood & Company):** And when do you expect production starting in Caragele? I would assume that Caragele Deep has been included under resource in this latest Report?

**Answer from Andrei BOBAR:** Yes, they are included under the resources and reserves.

**Question from Iuliana CIOPRAGA (Wood & Company):** But the deep part, I assume it is included under resources, right? The 30 bcm that was mentioned before, were do we find that? And when do you expect production in Caragele Deep?

**Answer from Razvan POPESCU:** In Caragele Deep we started the acquisition procedure for the rebuilding of two wells that have been dug up but we encountered technical problems and it depends on how fast everyone can move, but I think it should be sometime at the end of the next year. It also depends a lot on the technical status of the wells and also if we will encounter any type of accidents during the drilling. It is very hard to know the correct answer.



**Question from Iuliana CIOPRAGA (Wood & Company):** But these 2 wells that you mentioned, these would not be exploration wells?

**Answer from Razvan POPESCU:** No, they will be production wells, not exploration wells.

**Answer from Andrei BOBAR:** Regarding the De Golyer audit report, we have 1 well that produces starting with 2019 in this Ultra Deep field. The other part - the most significant part - it is not included in proved reserves.

**Question from Iuliana CIOPRAGA (Wood & Company):** So, you are already producing from Caragele Ultra Deep?

**Answer from Andrei BOBAR:** Only with 1 well.

**Question from Iuliana CIOPRAGA (Wood & Company):** And, by the end of the year, you should have 2 more wells in Caragele deep - production wells, not exploration, right?

**Answer from Andrei BOBAR:** The exploration field is also on going. There will be also other wells drilled this year and also seismic projection will also be made further in the Northern part.

**Question from Tamas PLETSER (Erste Bank Investment, Hungary):** What was the reason that electricity generation posted a negative result in Q2/2022 period?

**Answer from Gabriela TRANBITAS:** As mentioned in the segments note in the financial statement of the First Half of 2022, we had a change in the accounting policy meaning we change the way gas and electricity are provided inside the group. So, before this change, gas was received in the electricity segment at cost, now it is received at market price. This increase generated the loss.

**Question from Raluca MOICA (Raiffeisen Bank, Romania):** How do you comment the impact of windfall tax and royalties on H1/2022 results? What are the expectations in this respect for full 2022?

**Answer from Razvan POPESCU:** In terms of the first semester, we didn't miss that much, they were a little bit higher than budgeted and, of course, a lot higher than 2021, as a direct result of the average price at which we managed to commercialize the gas. I think at this moment we are close to the budgeted results and, by the end of the year,

taking into consideration the OUG 27 issued, also the royalties and the windfall tax being paid at the effective OUG 27 prices, we should see a small decrease in these royalties.

**Question from Irina RAILEAN (BT Capital Partners, Romania):** I would like to ask something about the management view on the evolution of natural gas prices. We see very high prices now on the BRM market, something like above 400 RON/MWh for the entire year 2023. What is your view, are these very high levels of prices truly reflecting the current market situation and how far do you see these context?

**Answer from Razvan POPESCU:** It is very hard right now to comment on market prices given the fact that the European markets are interconnected. If you look at the BRM, you also have to look at the CEGH and at the TTF market. I think everyone right now is trying to benchmark itself through these markets to get the best glimpse. We are looking at the BRM market, at what is quite in connection with it. Of course, before it gave arbitrage opportunities because you have a connection of prices. But, for a producer, we don't see them sustainable for the long run as it could lead to demand destruction, and that would create problems for any upstream company in the long run.

**Question from Irina RAILEAN (BT Capital Partners, Romania):** So, to conclude and to follow up, I see that your average realized prices are below what is indicated on the BRM. What should explain this?

**Answer from Razvan POPESCU:** Those are historical contracts. These contracts have been yearly contracts starting from last year, which were given a fixed price that was the market price at that time. So we tried to have our consumers and our clients given a stability for the period but, from now, even our price will be in conjunction with the market.

**Question from Irina RAILEAN (BT Capital Partners, Romania):** So you also see much higher prices probably starting with the next gas year when your prices should be updated?

**Answer from Razvan POPESCU:** Exactly, but here we have a crush with OUG 27 that has allocated most of our production. So, all free production in the period for which the OUG 27 is applicable has been distributed - so probably it will be capped for the moment. But also, I wouldn't be able to tell you the appetite the market will have at the market prices on the moment, because there is a distortion between BRM and bilateral market because of the Government Ordinance.

**Question from Irina RAILEAN (BT Capital Partners, Romania):** I just noticed that there is a very big difference between BRM and bilateral contracts right now.

**Answer from Razvan POPESCU:** Yes, it is, I saw what is happening in the market. We have two captive clients that you know about - they have been offered the fixed price that was in the market last year. So, when these contracts will be over, their prices will definitely be higher. As you can see, the prices went up every quarter. It is normal to believe they will go up in Q3 and Q4.

**Question from Raluca MOICA, Raiffeisen Bank:** Can you disclose company's estimates as of today in terms of Revenues/EBITDA for full 2022?

**Answer from Andrei BOBAR:** At this moment we cannot disclose the figures for the full year 2022.

**Question from Tamas PLETSER (Erste Bank Investment, Hungary):** If Iernut generated loss by purchasing gas at market prices, why did you not sell the gas instead of running your power plant? Also, when do you expect new Iernut plant to be operational?

**Answer from Razvan POPESCU:** We have been doing that last year. We tried to maximize the profit, but the change in our accounting policies has been done after the gas was supplied to the Iernut power plant. Also, we have to take into account that, near the power plant, we have low pressure wells, and the gas from these wells is going directly to the power plant and it could not enter the national transportation system for commercialisation. Now we have to look both at the stability of the electricity market as well as at profitability: selling the gas directly or transforming it in electricity.

We expect the power plant to be finished by the end of 2023 and to be put into production in the parameters that were in the contract.

**Answer from Andrei BOBAR:** I want to add that, if you look at the Consolidated Statement at page 16, you can see the fact that in Q2/2022 the loss has increased, but it is very important to take into consideration, as our CFO said, the fact that there are some certain wells that are unable to deliver the production into the national transportation system. Also, there are other fixed costs that are not emphasized here: if we stop the electricity production we have personnel costs and other fixed costs. If we decide to stop the electricity production, we still remain with certain costs. So, the opportunity to deliver the quantities to third parties, not to Iernut, is more complex and it is not emphasized in the financial statements. I hope I was clear enough.

**Question from Irina RAILEAN (BT Capital Partners, Romania):** Do you have any updates on Iernut, how is your current estimate for completion? What are the amounts of grants you received up to this point?

**Answer from Razvan POPESCU:** We have started negotiation with the old association regarding the restarting of the works. We issued an invitation to them to participate – as stated in our Report. The negotiations are in course and we have a target for finishing the works at the end of 2023.

**Question from Raluca Moica Raiffeisen Bank, Romania):** What is the status of gas reserves audit? When should the results of this audit be available?

**Answer from Razvan Popescu:** The results are presented at page 12 in the presentation for investors, which is public on our website.

**Question from Irina Railean (BT Capital Partners, Romania):** What amounts does the company expect to collect as overdue receivables from clients by the end of the year?

**Answer from Razvan Popescu:** So, except the two big clients that have been declared captive consumers, we do not have any other overdue payments to collect from other clients.

**Question from Irina Railean (BT Capital Partners, Romania):** What are the amounts of grants you received up to this point for Iernut?

**Answer from Razvan Popescu:** To this point, we received around 230 million RON for Iernut.

**Question from Iuliana Ciopraga (Wood & Company, Romania):** What should we expect regarding power production in the following quarters?

**Answer from Razvan Popescu:** Regarding power production, we will try to maintain steady, if nothing happens of course. It's quite an old power plant and it's a bit difficult to keep into maintenance. We've done periodically maintenance to be sure that it's going to be operational, but we do not know how is going to hold. We are doing our best to have power production kept at the same levels as in S1.

**Question from Iuliana Ciopraga (Wood & Company, Romania):** Can you comment on the receivable risk regarding Elcen and Elcen Constanta?

**Answer from Razvan Popescu:** We do not see any risk at the moment - of both companies that are in insolvency to not even make the payments in due course, as they have been paying everything like clockwork. Until now, we do not have any indication that they would not do so.

**Question from Irina RAILEAN (BT Capital Partners, Romania):** Could you disclose the capacity utilization rate for the storage facilities for Q2 and Q3?

**Answer from Razvan POPESCU:** Yes, you can find this information on DEPOGAZ website, but to my knowledge, it is around 66-70% at the moment.

**Question from Raluca MOICA (Raiffeisen Bank, Romania):** Can you disclose which is going to be the overall average sale price under bilateral contracts for full year 2022?

**Answer from Razvan POPESCU:** No, not at this moment.

**Question from Irina RAILEAN (BT Capital Partners, Romania):** We have noticed an increase in D&A in the electricity segment. What caused this increase? Is it related to the aforementioned change in accounting policy?

**Answer from Gabriela TRANBITAS:** No, the change was not caused by the change in accounting policy. The increase is due to an impairment expense of about 3 million RON.

**Question from Iuliana CIOPRAGA (Wood & Company, Romania):** In your personal opinion, the prices for households and heating producers will remained capped after March 2023?

**Answer from Cornelia SARDAN:** The answer is that it does not depend on us, it depends on the Government and on what kind of measures will be taken in the next period.

**Question from Marius CHIS (Individual investor):** What is the average duration of contracts for gas selling?

**Answer from Cornelia SARDAN:** The term for gas sales contract is a year- the gas year - meaning from September until October the following year.

**Question from Oleg GALBUR (Raiffeisen Bank International AG):** Could you explain the increase in the intra-group revenues of the Upstream Segment? What else besides the change in the accounting policy of the gas sold to Iernut triggered this increase? Thank you.

**Answer from Gabriela TRANBITAS:** The change was caused just by this change in the accounting policy.

**Question from Ioana ANDREI (Alpha Bank Romania):** First of all, thank you for the presentation and for the figures regarding the sales on regulated prices. Partially, you already answered to some of my questions, but I will try to have a clear answer considering that you are soon close to sign the contracts for the next gas year. Can you tell us what are your expectations regarding sales after April 2023? Do you take into consideration a prolonged GEO 27 - or do you consider selling your gas volumes to the market?

**Answer from Razvan POPESCU:** At the moment, we are working under GEO 27, we cannot presume or assume what the Government will do next and after this period, and we will find the best solution and the best way to go forward in the commercialization. I think right now, the market has to get a bit use to the GEO 27 until we can make a decision regarding selling the quantities for next year. So, I think as the current environment states at the moment, we should be a bit patient and evaluate all our options.

**Question from Ioana ANDREI (Alpha Bank, Romania):** My second question is regarding the GRP program; if my understanding was correct, you told that roughly 7.8 TW were delivered under the first half of the year, mainly in the first quarter. Do you have any contractual obligations of further delivering gas in 2022? Or the volumes not delivered in 2022 will be delivered starting with January next year?

**Answer from Razvan POPESCU:** No, the contracts closed under GRP market with the specific maturities will be honored by Romgaz. Of course, there are contractual obligations to deliver the gas as it was traded under BRM, under the GRP program. So we will have certain deliveries through this end of this year as well, but there are not sizeable.

**Question from Ioana ANDREI (Alpha Bank, Romania):** Can you give us a rough estimate?

**Answer from Razvan POPESCU:** No, I don't have this estimate at the moment and I don't want to induce you in error. I don't have that detail at the moment.

**Question from Ioana ANDREI (Alpha Bank Romania):** I have another question regarding the new audit report on reserves and resources. Are these numbers including Neptun Deep?

**Answer from Razvan POPESCU:** No, these are excluding Neptun Deep, because the audit has been ordered before the acquisition of the company that was finalized on August 1. The audit was ordered way before and it takes into account all the onshore reserves that Romgaz has.

**Question from Ioana ANDREI (Alpha Bank Romania):** And now that the transaction was finally completed, when we can expect some more figures, details regarding this project?

**Answer from Razvan POPESCU:** Yes, we have just finalized the transaction around 16 days ago, you have to give us a little bit of time to work with the new operator, to have, let's say, a timeline for the FID and also the Capex numbers. Thank you!

**Question from Raluca MOICA (Raiffeisen Bank Romania):** Looking forward into 2023, do you have an estimate for the mix of sales: bilateral vs regulated?

**Answer from Razvan POPESCU:** No, it's very hard to have an overview of the whole year, as we do not know if this legislation will go on after its initial end-date and that's why I said that we are looking at all options we have. So I could not give you this kind of forward guidance, as we don't have it as well. Also, it all depends on how the Government will see things going forward for the gas market.

**Question from Raluca MOICA (Raiffeisen Bank Romania):** Do you already have bilateral contracts for 2023? If yes, for which quantities?

**Answer from Razvan POPESCU:** No, we don't have quantities contracted outside GEO 27, bilateral contracts for 2023.

**Question from Iuliana Ciopraga (Wood & Company):** Just a clarification. So, the accounting change did it affect the first quarter as well? You restated the first quarter figures or only for the second quarter?

**Answer from Gabriela Tranbitas:** Yes, we restated the first quarter and previous year also.

**Question from Irina Railean (BT Capital Partners, Romania):** Just a follow-up on the mix of sales for 2023. I wanted to ask what will happen after October 1 or when the current contracts will expire. I mean, the Government will probably not issue a new regulation this quarter, this will probably happen sometime in January or February. What will Romgaz do? I mean, you will sign contracts until March - how will you proceed? I mean, we don't have enough visibility, but old contracts are expiring, so you should update them. How will you proceed, what is your strategy?

**Answer from Razvan Popescu:** Romgaz is abiding by the GEO 27 regulation. We are also committed to deliver all quantities of gas that are contracted, so, at that moment, we will first have to see what quantities we have in storage and then we decide what will happen. But according to the GEO 27, all our quantities that are coming from the actual production have been distributed by the OTS.

**Question from Irina Railean (BT Capital Partners, Romania):** So, this is for Q1 2023?

**Answer from Razvan Popescu:** Yes, for Q1.

**Question from Irina Railean:** And what will happen from April - or you don't sell at this point with delivery?

**Answer from Razvan Popescu:** I think at this point the market is looking to buy gas for shorter periods of time, so first we have to see how this will go starting with October 1<sup>st</sup>, and afterwards to think of how we will commercialize this gas. If the market environment will permit, of course we will start commercializing it after October. But, I cannot give you an exact point of time or more information.

**Question from Irina RAILEAN (BT Capital Partners, Romania):** I mean, if you have a client for natural gas with deliveries starting in April or starting in May?

**Answer from Razvan POPESCU:** This is a little more complicated, because this has to be in accordance with our commercial strategy, so I cannot disclose our approach in this sense, because there are different types of consumers, there are different types of clients. These things are all going to the commercial strategy.

**Question Irina RAILEAN (BT Capital Partners, Romania):** Ok, so, I mean, you will not sell the quantities; they will have to wait until the currently GEO expires?

**Answer from Razvan POPESCU:** Not necessarily until it expires, but until we have a visibility on what will happen in the market. Because as you have also seen how prices



act - I mean the market is quite volatile and we need to have everything very well set up and have a view on how we are going to commercialize the quantities for next year.

**Question from Raluca MOICA (Raiffeisen Bank, Romania):** At the end of June 2022 there was a press article according to which the GEO 27 was under analysis in the Parliament and the regulator was exploring the possibility to oblige gas producers to secure quantities for population even if this would mean violation of bilateral contracts. Can you please comment?

**Answer from Razvan POPESCU:** I cannot comment on that, but Romgaz will not defer any contracts that have been signed before. So I don't think that modification of the GEO 27 will happen, from my knowledge, and Romgaz will definitively provide all the quantities that are under contract and under obligation.

**If you need further information, please contact our IR team.**

**On behalf of ROMGAZ team, thank you for attending today's conference call!**

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