

QUARTERLY REPORT
ON THE
ECONOMIC-FINANCIAL
ACTIVITY OF ROMGAZ GROUP
ON SEPTEMBER 30, 2022
(JANUARY 1, 2022 – SEPTEMBER 30, 2022)

S.N.G.N. "ROMGAZ" S.A.

IDENTIFICATION DETAILS ON REPORT AND ISSUER

Report based on	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 September 30, 2022
Report Date	November 15, 2022
Company Name	Societatea Națională de Gaze Naturale "ROMGAZ" SA
Headquarters	Mediaș, 4 Constantin I. Motaș Sq., 551130, Sibiu County
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 2022, Romgaz Group recorded a **revenue** of **RON 10,812.55 million**, an increase by 209.24%, namely RON 7,316.02 million, as compared with the revenue achieved in the first 9 months of 2021.

Net profit of **RON 2,237.81 million** was higher by 93.52%, namely RON 1,081.43 million, as compared with the similar period of the previous year.

Consolidated net profit per share (**EPS**) was **RON 5.81**, by 93.5% higher than the one recorded in the first nine months of 2021.

For the reporting period, Romania's estimated natural gas consumption² was 78.34 TWh, approximately 14% lower than the consumption recorded in the similar period of 2021.

Thus, **Romgaz market share** estimated for the first 9 months of 2022, is 50.6%, by 5% higher than the market share recorded in the same period of the previous year.

Natural gas production for the first 9 months of 2022 was **3,687.4 million m³**, by 0.5% lower than production recorded in the similar period of last year, namely 19 million m³.

Electricity produced in the reporting period was **839.465 GWh**, 97.02% higher (+413.365 GWh) than in the same period of the previous year.

¹ **Romgaz Group** consists of SNGN Romgaz SA (the "Company"/"Romgaz") as parent company and the subsidiaries Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL ("Depogaz") and Romgaz Black Sea Limited (former ExxonMobil Exploration and Production Romania Limited), both subsidiaries are 100% owned by Romgaz.

² Consumption is estimated as, at the date hereof, ANRE did not publish the report on the natural gas market for July-September 2022.

In Q3/2022 Romgaz produced 294.806 GWh, increasing by 71.806 GWh, namely 32.21% higher than in Q3/2021. With this production, Romgaz has a 2.32% market share.

Relevant Financial Results (consolidated)

				RON million			
Q3 2021	Q2 2022	Q3 2022	Δ Q3 (%)	Main indicators	9M 2021	9M 2022	Δ 9M (%)
1,246.5	3,570.3	3,316.5	166.06	Revenue	3,496.5	10,812.5	209.24
1,469.7	3,680.1	3,449.3	134.69	Income	3,727.9	11,053.8	196.52
1,023.0	2,792.5	2,838.2	177.44	Expenses	2,378.5	8,385.7	252.56
0.8	0.3	1.40	75.00	Share of the associates' result	0.01	1.6	15,900.00
447.5	887.9	612.5	36.87	Gross profit	1,349.4	2,669.8	97.85
52.7	141.6	100.6	90.89	Profit tax	193.1	432.0	123.72
394.8	746.3	511.9	29.66	Net profit	1,156.4	2,237.8	93.51
435.7	825.7	561.9	28.96	EBIT	1,311.1	2,525.1	92.59
621.7	956.2	712.4	14.59	EBITDA	1,807.3	2,895.1	60.19
1.02	1.9	1.33	29.66	Earnings per share (EPS*) (RON)	3.0	5.81	93.52
31.67	20.90	15.43	-51.28	Net profit rate (% from Revenue)	33.07	20.70	-37.41
34.95	23.13	16.94	-51.53	EBIT ratio (% from Revenue)	37.50	23.35	-37.73
49.87	26.78	21.48	-56.93	EBITDA ratio (% from Revenue)	51.69	26.78	-48.19
5,918	5,884	5,909	-0.15	Number of employees at the end of the period	5,918	5,909	-0.15

Figures in the table above 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 9M period ended September 30, 2022:

- ↳ Consolidated *gross result* for the reporting period is higher by 97.85% as compared with the similar period of the previous year (RON +1,320.4 million) due to the following influential factors:
 - Consolidated revenue recorded an increase of 209.24% (+ RON 7,316.0 million) compared to 9M 2021;
 - Revenues from natural gas sales increased by 210.92% (+ RON 6,296.8 million), quantities sold decreased by 6.22%;
 - For the 9M ended September 30, 2022, electricity revenues increased by 592.59% with a 97.02% higher production as compared with the previous period. In 2022 a new tax was introduced for electricity producers (a tax on additional revenue of electricity producers, which later became contribution to the Energy Transition Fund). The tax value was RON 293.9 million;
 - consolidated revenue from underground storage activities increased by 65.58%; the unconsolidated revenue from underground storage activities increased by approximately 42.11% as compared with the previous period. The booked capacity increased in 2022-2023 storage cycle by 25.4% as compared to storage cycle 2021-2022;
 - consolidated royalty expenses increased by RON 1,145.3 million (+330.1%) as compared to 2021, and tax on additional revenue from gas sales increased by RON 4,558.8 million (+1,252.4%) as compared with the nine-month period of 2021;
 - the increased electricity production triggered the increase of net expenses with greenhouse gas emission certificates by RON 80.71 million (+76%);

- ↳ *Net profit* is **RON 2,237.8 million**, higher by RON 1,081.5 million than the one recorded in the previous period due to the above mentioned reasons (+93.52%);
- ↳ Romgaz completed in July 2022 the acquisition of all shares issued by ExxonMobil Exploration and Production Romania Limited, which holds 50% of the rights acquired and obligations under the Petroleum Agreement for the eastern area, deep water zone of Neptun XIX offshore Block in the Black Sea. The acquisition price was RON 5,125.6 million, financed both from own sources and from a bank loan of RON 1,606.5 million;
- ↳ *Labour productivity* increased by 209.71%, as compared to the previous period, from RON 590.83 thousand revenue/employee in the first 9M/2021 to **RON 1,829.84 thousand revenue/employee** in the similar period of 2022;
- ↳ *EPS* is **RON 5.81**, 93.52% higher than in the first 9M/2021;

Operational Results

Q3 2021	Q2 2022	Q3 2022	Δ Q3 (%)	Main Indicators	9 months 2021	9 months 2022	Δ 9 months (%)
1,187.3	1,207.9	1,172.4	-1.25	Gas production (million m ³)	3,706	3,687	-0.5
84.0	83.8	82.4	-1.9	Petroleum royalty (million m ³)	261	259	-0.8
6,528	5,239	5,030	-22.9	Condensate production (tons)	19,393	15,638	-19.4
222.99	199.3	294.8	32.2	Electricity production (GWh)	426.07	839.47	97.0
25.3	63.7	12.3	-51.4	Invoiced UGS withdrawal services (million m ³)	1,446.0	1,102.4	-23.8
1,070.9	702.2	1,185.8	4.9	Invoiced UGS injection services (million m ³)	1,629.9	1,966.9	20.7

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

During the first 9 months of 2022, *Romgaz produced* 3,687 million m³ natural gas, 19 million m³ (- 0.5%) lower than in the similar period of 2021.

Gas production for the first 9 months of 2022 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 reporting period, representing deliveries to customers, without CTE Iernut consumption, decreased by 6.2% as compared with 9M/2021.

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

MWh			
	2021	2022	Ratio
1	2	3	4=3/2x100
Q1	202,073	345,337	70.90%
Q2	1,010	199,323	19,634.95%
Q3	222,989	294,806	132.21%
9 months	426,072	839,465	197.02%

SIGNIFICAT EVENTS

January 6, 2022

Company's shareholders approve by Resolution No. 1 the extension of board members mandates, by two months from the expiration date, in line with the provisions of art. 64[^]1, para.(5) of GEO No. 109/2011 on corporate governance of public enterprises.

February 28, 2022

Company's shareholders appoint by Resolution No. 2, the following persons as board members, for a temporary 4-month mandate, starting with March 14, 2022:

- ✍ Drăgan Dan Dragoș
- ✍ Jude Aristotel Marius
- ✍ Batog Cezar
- ✍ Simescu Nicolae Bogdan
- ✍ Balazs Botond
- ✍ Sorici Gheorghe Silvian.

March 22, 2022

The Board of Directors appoints Mr. Jude Aristotel Marius as Chief Executive Officer for a 4-month term, as of April 16, 2022 until August 16, 2022.

The Board of Directors appoints Mr. Răzvan Popescu as Chief Financial Officer for a 4-month term, as of April 17, 2022 until August 17, 2022.

March 22, 2022

Romgaz Board of Directors endorsed conclusion of the sale-purchase agreement of all shares issued by (representing 100% of the share capital of) ExxonMobil Exploration and Production Romania Limited (EMEPRL) which holds 50% of the acquired rights and obligations under the Petroleum Agreement for the eastern area, deep water zone of Neptun XIX offshore Block in the Black Sea.

The contract shall be signed following the approval of the Extraordinary General Meeting of Shareholders called for April 28, 2022, transaction completion is conditioned upon fulfilling the conditions precedent included in the contract. The acquisition price is USD 1,060,000,000 and may be adjusted in compliance with the mechanisms provided in the share sale-purchase agreement.

March 30, 2022

Romgaz signed a financing agreement of EUR 325 million with Raiffeisen Bank SA for partial financing of the acquisition price to be paid for all shares issued by EMEPRL. The loan has a maturity of five years.

April 28, 2022

Company's shareholders approve by Resolution No.4 the conclusion of the sale-purchase agreement of shares issued by EMEPRL.

May 3, 2022

Romgaz signed the sale-purchase agreement of shares issued by EMEPRL.

The sale-purchase agreement was approved by the Extraordinary General Meeting of Shareholders on April 28, 2022 and transaction completion is conditioned upon fulfilment of conditions precedent provided in the contract.

May 25, 2022

The Board of Directors appoints Mr. Metea Virgil Marius as interim non-executive board member, as of May 25, 2022 until the date of the first meeting of the Ordinary General Meeting of Shareholders that shall take place after the OGMS meeting called for June 8, 2022.

June 2, 2022

An important investment was carried out, which is included in the priority Project Onshore Snagov, part of the Development Strategy 2021-2030, namely Cosereni gas dehydration station was commissioned. The investment amounted to roughly RON 31 million; the station treats 230 thousand m³ natural gas/day, production obtained after streaming in production three new wells, following that until the end of Q1 2023, to stream in production in phases, other new wells, increasing the dehydration capacity up to 800 thousand m³/day.

June 8, 2022

The National Energy Regulatory Authority (ANRE), extended at Romgaz request, the validity of the Authorisation to establish the new power plant with combined cycle gas-air turbines, until June 30, 2023 (Decision of ANRE President No.907).

June 27, 2022

Romgaz shares trading price on Bucharest Stock exchange reached a new historic maximum of 51.70 RON/share, this value represents the highest share price recorded since listing on Bucharest Stock Exchange (November 2013).

June 28, 2022

Romgaz – as debtor and Raiffeisen Bank S.A. and Banca Comercială Română S.A. (BCR) – as lenders, signed Addendum No.1 to the bank loan agreement no. 37843/30.03.2022 (facility agreement), whereby the parties agree with BCR to join the facility agreement as lender and agree to transform the facility agreement from a bilateral agreement into a syndicated loan agreement, without any additional costs for Romgaz.

June 29, 2022

Romanian Government Decision No. 834 issued the following provisions with impact on Romgaz:

- Art.11 para.(3): *“Investments funded by grants have to be put in operation until December 31, 2023 the latest [...]”*;
- Art.12 para.(5): *“Beneficiaries of investments provided for in annex no. 3 receive a grant for the investments from the National Investment Plan made after June 25, 2009, put into operation or in progress at the time of concluding the financing contracts, related to expenses invoiced and paid after June 25, 2009. Reimbursement of such expenses shall be made by instalments until June 30, 2024, according to the financing contract”*.

July 8, 2022

Company’s shareholders appoint by Resolution No.6, Mr. Metea Virgil Marius as interim board member, as of July 9, 2022 until September 14, 2022 and approve to extend the mandate of interim board members appointed by OGMS Resolution No. 2 of February 28, 2022, by two months from the expiration date, namely from July 14, 2022 until September 14, 2022.

July 12, 2022

The Company concluded the Addendum to Financing Contract No.4/07.12.2017 for the investment “Combined cycle gas turbines” – Iernut, for amending the contract term until June 30, 2024 with respect to financing, and for amending the investment completion schedule provided in the contract.

August 1, 2022

Romgaz announces completion of the acquisition and the transfer of all shares issued by EMEPRL, successfully fulfilling all conditions precedent provided in the contract.

August 12, 2022

The Board of Directors appoints by Resolution No.57 for a 4-month period starting with August 17, 2022 until December 17, 2022:

- ✍ Mr. Popescu Răzvan as Chief Executive Officer;
- ✍ Mr. Jude Aristotel Marius as Deputy Chief Executive Officer;
- ✍ Mr. Bobar Andrei as Chief Financial Officer.

September 13, 2022

Company shareholders appoint by Resolution No.7 as interim board members for a 4-month term of office, starting with September 15, 2022 until January 15, 2023, the following persons:

- ✍ Drăgan Dan Dragoş
- ✍ Jude Aristotel Marius
- ✍ Batog Cezar
- ✍ Metea Marius Virgil
- ✍ Simescu Nicolae Bogdan
- ✍ Balazs Botond
- ✍ Sorici Gheorghe Silvian.

September 22, 2022

Company shareholders decide by Resolution No.9 to change the name from ExxonMobil Exploration and Production Romania Limited to Romgaz Black Sea Limited.

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, 2022:

	Number of shares	%
Romanian State ³	269,823,080	70.0071
Free float – total, out of which:	115,599,320	29.9929
*legal persons	96,931,632	25.1495
*natural persons	18,667,688	4.8434
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 six 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);
- Sucursala Drobeta-Turnu Severin (Drobeta-Turnu Severin Branch).

³ The Romanian State through the *Ministry of Energy*

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 Directive 2009/73/EC 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>.

On August 1, 2022 Romgaz completed the transaction to acquire and the transfer of all shares issued by (representing 100% share capital of) **ExxonMobil Exploration and Production Romania Limited** (“EMEPRL”), which holds 50% of the rights acquired and the obligations under the Petroleum Agreement for the deep water zone of XIX Neptun offshore block in the Black Sea.

EMEPRL is a company operating in compliance with the laws of the Commonwealth of the Bahamas and which operates through its Romanian branch, ExxonMobil Exploration and Production Romania Limited Nassau (Bahamas), Sucursala București.

Whereas:

- (i) Provisions of art.21 (“*Debranding and Separation*”) of the sale-purchase agreement of all shares issued by (representing 100% share capital of) (hereinafter referred to “SPA”) ExxonMobil Exploration and Production Romania Limited signed on May 3, 2022, by which Romgaz as buyer, has the obligation after transaction completion, to change the name of the purchased company as well as its brand within the terms provided in the SPA after transaction completion, namely:
 - (a) *to undertake, but not later than 90 (ninety) business days from completion all practical, legal, regulatory, and administrative formalities to record and give effect to the change of Company’s corporate, trade, company and all other business names of the Company; and*
 - (b) *to discard, but not later than 60 (sixty) business days from completion, all brand and visual elements that are similar with those used by the Sellers and their affiliates, as well as all colour combinations substantially identical with those used by the Sellers and their affiliates, and to cease to use any domain names or URLs which include or resemble the words “Exxon”, “Mobil”, “ExxonMobil”, or “Esso”, or any name which may be confused with or is similar to such names;*
- (ii) Completion of the transaction to acquire EMEPRL shares on August 1, 2022;
- (iii) Board of Directors Resolution No.56 of August 11, 2022;
- (iv) Extraordinary General Meeting of Shareholders No.9 of September 22, 2022 approving:
 - (a) to change the name of the company from ExxonMobil Exploration and Production Romania Limited to ROMGAZ BLACK SEA LIMITED;
 - (b) to amend Art. 1 of the Articles of Association of ExxonMobil Exploration and Production Romania Limited as follows: “The name of the company is ROMGAZ BLACK SEA LIMITED”,

SNGN Romgaz SA, the sole associate, adopted on September 30, 2022, the decision to approve changing the name of ExxonMobil Exploration and Production Romania Limited to ROMGAZ BLACK SEA LIMITED, as well as to amend Art. 1 of the Articles of Association of ExxonMobil Exploration and Production Romania Limited as follows: “*The name of the company is ROMGAZ BLACK SEA LIMITED*”.

Company Management

The company is governed by a Board of Directors consisting of 7 members, having on *September 30, 2022* the following structure:

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

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

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

Members of the Board of Directors from January 1, 2022 to March 13, 2022:

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

As of March 14, 2022, the Board of Directors had the following members:

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

The Board of Directors appointed Mr. Metea Virgil Marius as interim board member on May 25, 2022.

Three advisory committees support the Board of Directors activity. The advisory committees' structure on September 30, 2022 was established by Resolution No.65, as follows:

Nomination and remuneration committee:

- Sorici Gheorghe Silvian – chairman
- Batog Cezar
- Drăgan Dan Dragoș

Audit committee:

- Sorici Gheorghe Silvian – chairman
- Batog Cezar
- Simescu Nicolae Bogdan

Strategy committee:

- Balazs Botond – chairman
- Drăgan Dan Dragoș
- Jude Marius Aristotel
- Metea Virgil Marius
- Sorici Gheorghe Silvian.

Upper Management

Chief Executive Officer (CEO)

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

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

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

By Resolution No. 67 of November 2, 2021, the Board of Directors appointed Mr. Aristotel Marius Jude as Chief Executive Officer for a period of 4 months, starting with December 15, 2021 until April 15, 2022.

By Resolution No.17 of March 22, 2022, the Board of Directors appointed Mr. Aristotel Marius Jude as Chief Executive Officer for a period of 4 months, starting with April 16, 2022 until August 16, 2022.

By Resolution No. 57 of August 12, 2022, the Board of Directors appointed Mr. Razvan Popescu as Chief Executive Officer for a period of 4 months, as of August 17, 2022 until December 17, 2022.

Deputy Chief Executive Officer

By Resolution No.57 of August 12, 2022, the Board of Directors appointed Mr. Aristotel Marius Jude as Deputy Chief Executive Officer for a period of 4 months, as of August 17, 2022 until December 17, 2022.

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.

By Resolution No. 68 of November 2, 2021, the Board of Directors appointed Mr. Răzvan Popescu as Chief Financial Officer for 4 months, starting with December 16, 2021 until April 16, 2022.

By Resolution No.18 of March 22, 2022, the Board of Directors appointed Mr. Răzvan Popescu, as Chief Financial Officer for 4 months, starting with April 17, 2022, until August 17, 2022.

By Resolution No. 57 of August 12, 2022, the Board of Directors appointed Mr. Andrei Bobar as Chief Financial Officer for a period of 4 months, as of August 17, 2022 until December 17, 2022.

On September 30, 2022 *the following persons had managerial responsibilities* without being delegated management duties by the Board of Directors:

Name	Position
ROMGAZ - headquarters	
Tătaru Argentina	Exploration-Production Division Director
Foidaş Ion	Production Department Director
Greacu Marius Rareş	Human Resources Department Director
Veza Marius Leonte	Accounting Department Director
Novac Andrei Tiberiu	Finance Department Director
Păunescu Octavian Aurel	Exploration-Appraisal Department Director
Sasu Rodica	Exploration-Production Support Department Director
Sandu Valentin Mircea	Drilling Department Director
Boiarciuc Adrian	Information Technology Director
Lupă Leonard Ionuţ	Procurement Department Director
Chertes Viorel Claudiu	Director for Technical Regulations
Moldovan Radu Costică	Energy Trading Director

Name	Position
Ioo Endre	Legal Department Director
Mareş Adrian Alexandru	Strategy, International Relations, European Funds Director
Antal Francisc	HSEQ Director
Pavlovschi Vlad	Technical Department Director
-	Governance, Capital Market and Investor Relations Department Director
Mediaş Branch	
Totan Constantin Ioan	Branch Director
Achimeţ Teodora Magdalena	Economic Director
Veress Tudoran Ladislau Adrian	Production Director
Man Ioan Ştefan	Technical Director
Târgu Mureş Branch	
Roiban Claudiu	Branch Director
Bosca Mihaela	Economic Director
Rusu Graţian	Production Director
Ştefan Ioan	Technical Director
Iernut Branch	
Balazs Bela Atila	Branch Director
Hăţăgan Olimpiu Sorin	Economic Director
Oprea Maria Aurica	Trading Director
Bircea Angela	Technical Director
SIRCOSS	
Rotar Dumitru Gheorghe	Branch Director
Bordeu Viorica	Economic Director
Gheorghiu Sorin	Technical Director
STTM	
Lucaci Emil	Branch Director
Obreja Dan Nicolae	Economic Director
-	Technical Director
Drobeta Branch	
Săceanu Constantin	Branch 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>.

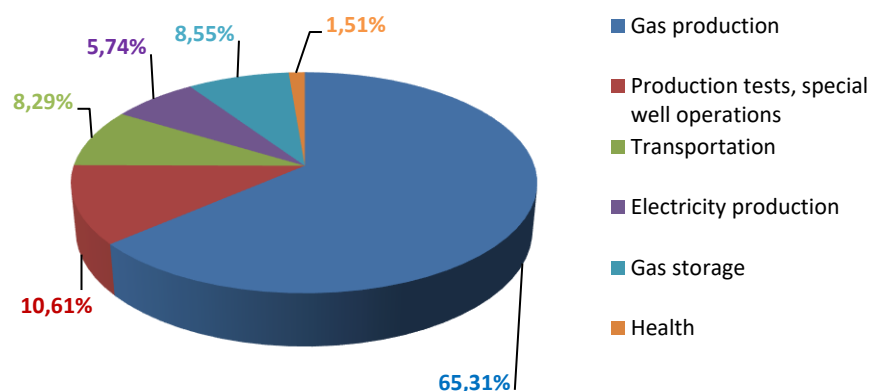
Human Resources

On September 30, 2022 Romgaz Group had 5,909 employees and SNGN Romgaz SA 5,404 employees.

The table below shows the evolution of the employees' number during January 1, 2019-September 30, 2022:

Description	2019	2020	2021		9 months 2022	
			Romgaz Group	SNGN Romgaz SA	Romgaz Group	SNGN Romgaz SA
1	2	3	5	6	6	6
Employees at the beginning of the period	6,214	6,251	6,188	5,673	5,863	5,363
Newly hired employees	264	198	179	157	244	224
Employees who terminated their relationship with the company /Group	227	261	504	467	198	183
Employees at the end of the period	6,251	6,188	5,863	5,363	5,909	5,404

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



ROMGAZ on the Stock Exchange

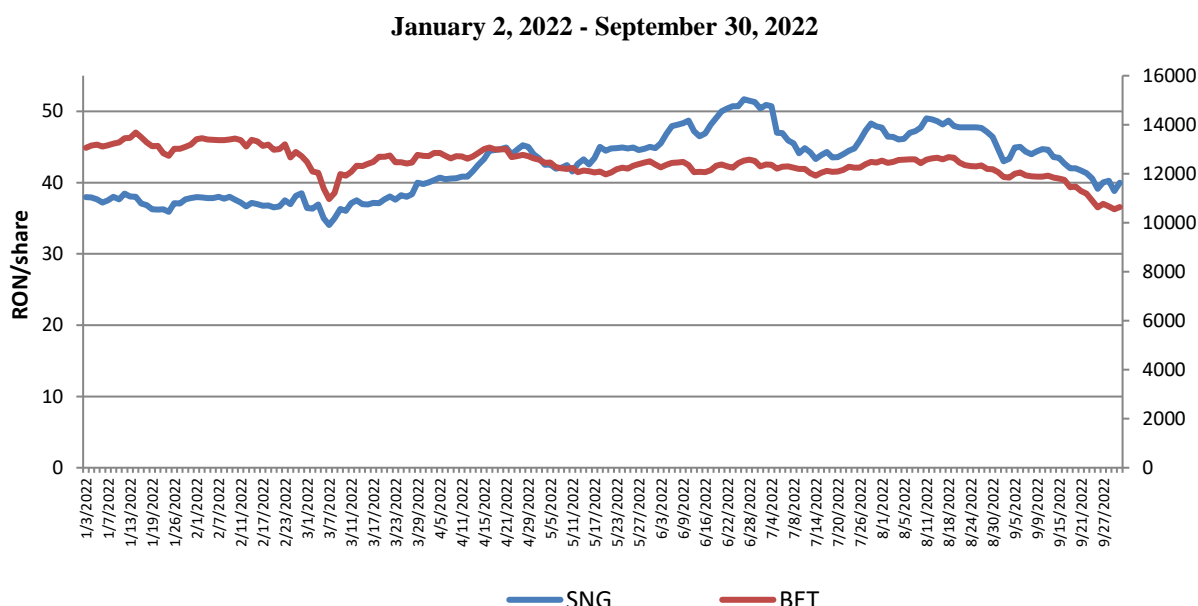
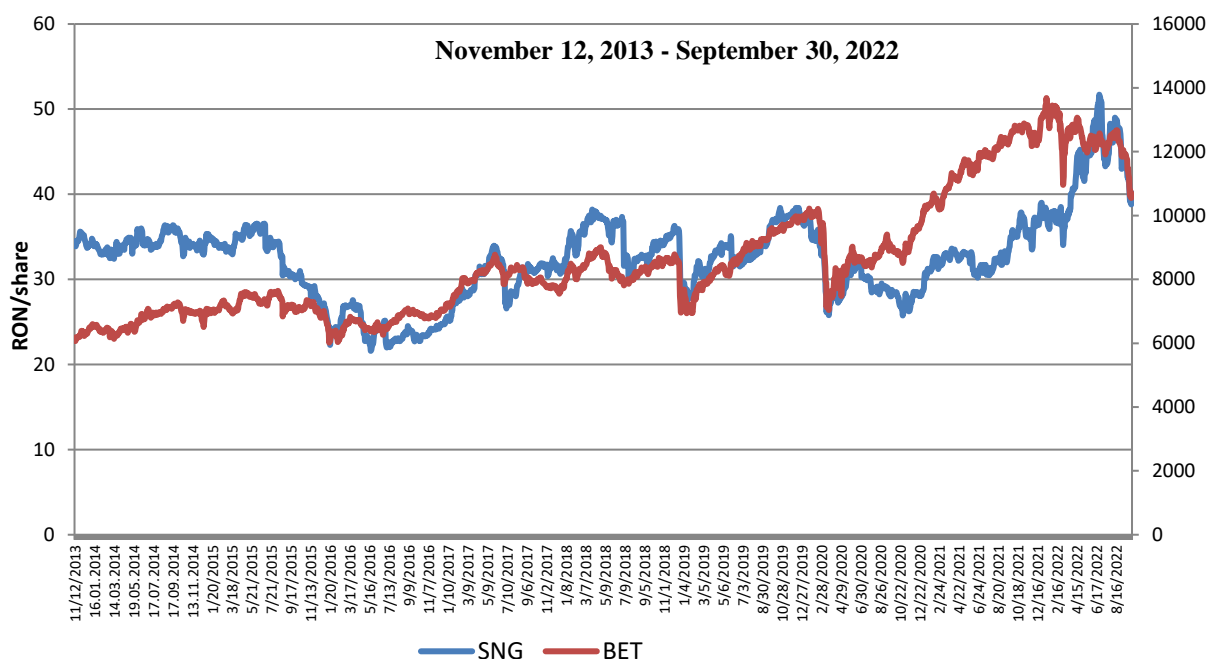
As of November 12, 2013, company's shares are traded on the regulated market governed by BVB (Bucharest Stock Exchange) – under the symbol “*SNG*” and on the regulated market governed by LSE (London Stock Exchange), as GDRs issued by the Bank of New York Mellon – under the symbol “*SNGR*”.

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

Since listing until today, Romgaz holds a significant position in the top of local issuers, being included in BVB trading indices as follows:

- Second place by market capitalization in the top of Premium BVB issuers. With a market capitalization on September 30, 2022 of RON 15,416.89 million, namely EUR 3,115.15, Romgaz is the second largest listed company in Romania, being preceded by OMV Petrom with a capitalization of RON 23,677.23 million (EUR 4,784.24 million);
- Fifth place by the total amount of transactions in the first nine months of 2022 in the top of Premium BVB issuers, with RON 466.95 million;
- Weight of 10.33% and 10.41% in BET index (top 15 issuers) and BET-XT (top 25 issuers) respectively, 29.99% in BET-NG index (energy and utilities) and 10.32% in BET-TR index (BET Total Return).

Performance of Romgaz shares compared to BET index between listing and September 30, 2022, respectively the first nine months of the current year, is shown below:



The table below shows the evolution of closing price and the company's market capitalization on the last day of Q3 of 2019, 2020, 2021 and 2022:

	30 Sept. 2019	30 Sept. 2020	30 Sept. 2021	30 Sept. 2022
Number of shares	385,422,400	385,422,400	385,422,400	385,422,400
Closing price (RON)	36.95	28.45	34.80	40.00
Market capitalization				
*million RON	14,241.4	10,965.3	13,412.7	15,416.89
*million EUR	2,997.5	2,251.7	2,711.22	3,115.15

*) – using the exchange rate set by BNR and valid for September 30, 2022, namely 4.9490 RON/EUR.

Between January and September 2022, the trading prices of Romgaz shares and Global Depositary Receipts (GDRs), underlying Romgaz shares, had an oscillating evolution, recording in the first quarter values comparable to those of the previous year, and in the second

quarter a sharp increase, which led to a new historical high of the share price on the BVB, followed by a variable decrease in the third quarter.

Average prices of securities in the first 9 months of 2022 were 42.51 RON/share, namely 9.09 USD/GDR (equivalent of 42.31 RON/GDR) with minimum prices recorded on March 7, 2022 – 34.05 RON/share and 7.15 USD/GDR (equivalent of 32.69 RON/GDR) and maximum prices reached on June 27, 2022 – 51.70 RON/share and 11.20 USD/GDR (equivalent of 52.34 RON/GDR).

For the analysed period, share and GDR prices were mainly influenced by the following internal and external factors: the evolution of the conflict in Ukraine (-), the acquisition of all shares issued by ExxonMobil Exploration and Production Romania Limited (EMEPRL) (+), dividend distribution for 2021 with a yield of 7.3%⁴ (+), “high energy prices”⁵ (+), ex-dividend date (-), favourable results for H1 2022 (+), decrease of market indices in a general negative context for international share markets which intensely experience the perspective of an economic recession, according to international media⁶⁷ (-), gas price increase further to the decision made by Russia to block for an “unlimited period” the main road to Germany⁸ (+), etc.

As compared to the beginning of the year, on September 30, 2022, Romgaz shares recorded a 5.4% (40 RON/share) higher price, considering that the GDR value decreased by 5.9% in USD (8 USD/GDR). However, taking into account the rising evolution of the exchange rate USD-RON +15.3% in RON, the GDR price was higher by 8.5% (40.37 RON/GDR).

⁴ Source: Ziarul Financiar 29.06.2022

⁵ Source: Ziarul Financiar 19.05.2022

⁶ Source: Ziarul Bursa 06.07.2022

⁷ Source: Ziarul Bursa 26.09.2022

⁸ Source: Ziarul Financiar 06.09.2022

PHYSICAL INDICATORS

The table below shows the gas volumes (million m³) produced, delivered and injected/withdrawn into/from UGSs during January-September 2022 as compared to the similar period of 2020 and 2021:

Item No.	Specifications	9 M 2020	9 M 2021	9 M 2022	Indices
0	1	2	3	4	5=4/3x100
1.	Gross gas production	3,197.8	3,706.4	3,687.4	99.5%
2.	Fuel consumed in operations	44.9	51.5	55.6	108.0%
3.	Net internal gas production (1.-2.)	3,152.9	3,654.9	3,631.8	99.4%
4.	Internal gas volumes injected in storages	214.9	407.1	81.3	20.0%
5.	Internal gas volumes withdrawn from storages	150.9	378.7	214.6	56.7%
6.	Difference resulting from GCV	5.6	7.6	2.5	32.9%
7.	Volumes supplied from internal production (3.-4.+5.-6.)	3,083.3	3,618.9	3,762.6	104.0%
8.	Gas delivered to Iernut și Cojocna power plants	184.9	126.9	256.7	202.3%
9.	Volumes supplied from internal production to the market (7.-8.)	2,898.4	3,492.0	3,505.9	100.4%
10.	Gas from joint operations – total, out of which:	72.3	29.3	14.9	50.9%
	*Amromco (50%)	72.3	29.3	14.9	50.9%
11.	Gas acquisitions from domestic production (including imbalances and commodity gas)	0.4	234.9	1.9	0.8%
12.	Volumes sold from domestic production to the market (9.+10.+11.)	2,791.1	3,756.2	3,522.7	93.8%
13.	Volumes supplied from domestic production (8.+12.)	3,156.0	3,883.1	3,779.4	97.3%
14.	Delivered import gas	0.0	0.0	0.0	0.0%
15.	Gas delivered to Iernut and Cojocna from other sources (including imbalances)	4.4	8.3	0.0	0.0%
16.	Total gas supplies (13.+14.+15.)	3,160.4	3,891.4	3,779.4	97.1%
*	Invoiced UGS withdrawal services	924.2	1,446.0	1,102.4	76.2%
*	Invoiced UGS injection services ^{*)}	1,015.5	1,629.9	1,966.9	120.7%

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 2022, representing deliveries to clients, less CTE Iernut consumption, decreased by 6.2% as 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 2022, an investment program with a total budget of RON 5,720.0 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, 2022 reached RON 5,459.15 million, representing:

- ↳ 100.21% of investments planned for the first three quarters of 2022;
- ↳ 95.44% of the Total Investment Program for 2022;
- ↳ 1,686.53% as compared to the investments achieved in the similar period of 2021.

Investments were financed exclusively from own sources and from attracted sources (credit granted by Raiffeisen and BCR banks for the payment of shares issued by EMEPRL).

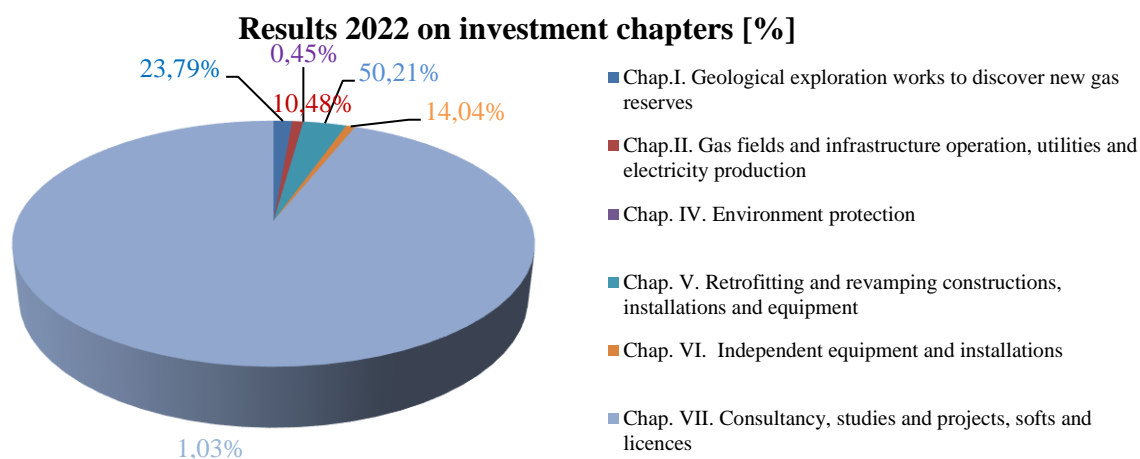
Regarding physical achievements for the reviewed period, the objectives commenced in the previous year were finalised, preparatory works were carried out (design, obtaining lands, approvals, agreements, authorizations, procurement) for new objectives, and modernisation works and capitalizable repairs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

The value of fixed assets commissioned during the reporting period was *RON 337.94 million*.

The table below shows a comparison of investments between 9M 2022, 9M 2021, and 2021 Investment Program split into main investment categories:

<i>*RON thousand*</i>					
Investment Category	Results 9M 2021	Program 9M 2022	Results 9M 2022	2022/ 2021 (%)	R 2022/ P 2022 (%)
1	2	3	4	5=4/2x100	6=4/3x100
I. Geological exploration works to discover new methane gas reserves	76,990	128,602	75,299	97.80	58.55
II. Exploitation drilling works, putting into production of wells, infrastructure and utilities and electricity production	33,920	172,091	44,266	130.50	25.72
III. Maintaining the UGS capacity	-	-	-	-	-
IV. Environment protection works	1,468	10,922	539	36.72	4.93
V. Retrofitting and revamping of installation and equipment	162,520	204,681	174,439	107.33	85.22
VI. Independent equipment and installations	45,459	92,660	37,473	82.43	40.44
VII. Expenses related to studies and projects	3,335	4,838,713	5,127,133	153,737.13	105.96
TOTAL	323,692	5,447,669	5,459,149	1,686.53	100.21

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



Main physical investments made by Romgaz for the *first 9M 2022*:

- ↪ *Exploratory drilling*: 3 completed wells, for 1 well drilling works are in progress, drilling preparatory works for 4 wells, tender specifications - procurement of drilling works for 4 wells, ongoing design works for 21 wells awaiting notices, permits and authorizations;
- ↪ *Production drilling*: 1 well completed, drilling preparatory works for 4 wells, design works for 3 wells;
- ↪ *Construction of surface facilities (“SF”)*: 9 SF completed for streamlining in production 9 wells, 8 SF in production for streamlining in production 8 wells; procurement is in progress for works at 6 SF; notices, permits and authorizations awaiting to be obtained for 6 SF; design works for 7 SF for commissioning of 8 wells ;
- ↪ *Cosereni gas dehydration station* was put into operation – with an investment of approximately RON 31 million, treating 230 thousand m³/day of natural gas; the production was completed by putting into operation of 3 new wells, following that by the end of Q1 2023, gradually, other new wells will be put into production, thus increasing the usage degree of the drying station to a volume of approximately 800 thousand m³/day;
- ↪ Romgaz acquired all the shares issued by Exxon Mobile Exploration and Production Romania Limited (EMEPRL), which held 50% of the rights and obligations related to Neptun Deep Block;
- ↪ Gathering pipe DN 200 mm – DN 300 mm, L= 8.2 km, Fulga – Adancata (Prahova County Section) was put into operation;
- ↪ Gathering pipe DN 400 mm, L= 17 km, Adancata SU Cosereni (Ialomita County Section) was put into operation;
- ↪ The following objectives were completed: adapt the surface facility at well clusters, to assembly the field compressors to Group 131 Prod; non-polluting discharge system to Group 13 Bazna; non-polluting discharge systems to wells 49, 125, 134, 203, 204 Nades; non-polluting discharge system to 8 and 31 Filitenic Well Group; collection system for water from the syphon, collection section in Bozed field; modernization of surface facilities of wells 29 and 264 Grebenis (separator tanks); installation of separators and tanks for storage of 10 m³ reservoir water at Christmas tree for wells 40 and 134 Sincai;
- ↪ The following investment objectives were accepted: electric compressors, semitrailer, tractor, self-drainer, lab on wheels, fuel tanker, nitrogen transport tanker, mechanical gage, SF 2 7/8 drill rods, digital tachographs, three-phase discharge system, 700 bar gas measurements and separation, laboratory infrared spectrometer, sludge/mud box polstif, priming pumps, video-conference equipment, complete solution for migrating, upgrade and improvement of Exchange and SharePoint data storage and protection infrastructure, security equipment (Firewall), Server Manager licenses, tablet PCs, GNSS RTK GPS system for GPS-GIS measurements, buried metal pipe locator, 1 cubic metre calibration tank, equipment for well foaming, robotic station, electronic flow and pressure metering equipment at Grebeniş group 231, electrogenic group with compression ignition motor, water and hydrocarbon dew point apparatus, laboratory infrared spectrometer, metal tanks, flexible tubing rotary flushing head, purification stations.
- ↪ Well modernisation/recompletion/reactivation: operations were performed in 161 wells, works were performed by SIRCOSS.

CTE Iernut Development

Following the termination by Romgaz of the contract for “*Development of CTE Iernut by building a 430 MW new combined cycle gas turbine power plant*” (Works Contract) the

procurement procedure (negotiation) for the execution of the remaining works and the completion of the investment is ongoing.

b) For 2022, **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 2022 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 2022:

- 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, 2022, as compared to December 31, 2021:

INDICATOR	December 31, 2021 (RON thousand)	September 30, 2022 (RON thousand)	Variation (%)
1	2	3	4=(3-2)/2x100
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	5,240,697	5,053,902	-3.56
Other intangible assets	16,133	5,139,780	31,758.80
Investments in associates	26,187	27,832	6.28
Deferred tax assets	269,645	193,121	-28.38
Other financial assets	5,616	5,616	0.00
Right-of-use assets	7,128	9,319	30.74
TOTAL NON-CURRENT ASSETS	5,565,406	10,429,570	87.40
<i>Current assets</i>			
Inventories	305,241	294,193	-3.62
Trade and other receivables	1,352,345	1,126,932	-16.67
Contract costs	483	41	-91.51
Other financial assets	417,923	57,121	-86.33
Other assets	67,962	88,860	30.75
Current tax receivable	3,201	-	-100.00
Cash and cash equivalents	3,580,412	1,705,649	-52.36
TOTAL CURRENT ASSETS	5,727,567	3,272,796	-42.86
TOTAL ASSETS	11,292,973	13,702,366	21.34
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	385,422	385,422	0.00
Reserves	2,998,975	3,539,202	18.01
Retained earnings	5,596,756	5,863,485	4.77
TOTAL EQUITY	8,981,153	9,788,109	8.98
<i>Non-current liabilities</i>			
Retirement benefit obligation	156,420	129,168	-17.42
Deferred revenue	230,438	230,424	-0.01
Lease liability	7,211	7,661	6.24
Bank loans	-	1,206,319	n/a
Provisions	412,846	219,159	-46.92
Total non-current liabilities	806,915	1,792,731	122.17
<i>Current liabilities</i>			
Trade payables	71,317	120,540	69.02
Contract liabilities	204,384	105,466	-48.40
Current tax liabilities	52,299	100,335	91.85
Deferred revenue	49	9	-81.63
Provisions	237,144	276,496	16.59
Lease liability	810	2,579	218.40
Bank loans	-	321,685	n/a
Other liabilities	938,902	1,194,416	27.21
Total current liabilities	1,504,905	2,121,526	40.97
TOTAL LIABILITIES	2,311,820	3,914,257	69.31
TOTAL EQUITY AND LIABILITIES	11,292,973	13,702,366	21.34

NON CURRENT ASSETS

In the reporting period, total non-current assets increased by 87.40%, namely RON 4,864.2 million. The increase was due to the acquisition of ExxonMobil Exploration and Production Romania Limited. As of the acquisition date, the company is consolidated in Romgaz Group. We mention that at the date of issuing of this report, the accounting and valuation of the acquired assets have not been completed and the values may change.

CURRENT ASSETS

Current assets decreased by 42.86% on September 30, 2022 as compared to the end of 2021.

Inventories

Inventories decreased on September 30, 2022 as compared to the end of 2021 by RON 29.1 million. For the reporting period, 81.3 million m³ were injected in storages and withdrawn quantities were 214.6 million m³.

Trade and other receivables

Although the Group's revenue increased by 209.24% during the nine months period ended on September 30, 2022, trade receivables decreased by 16.67% as compared to December 31, 2021 proving a high level of collection. In the reporting period, the Group recorded a net loss from impairment of receivables of RON 49.8 million, representing 0.46% of the achieved revenue. This loss was due to legislative changes during 2022, interpreted differently by the Group and a part of its customers.

Cash and cash equivalent. Other financial assets

Cash, cash equivalent and other financial assets (bank deposits and state bonds purchased) reached RON 1,762.8 million on September 30, 2022, as compared to RON 3,998.3 million at the end of 2021 (-RON 2,235.6 million). This decrease is mainly due to the acquisition of ExxonMobil Exploration and Production Romania Limited, as can be seen in the consolidated statement of cash flows.

EQUITY AND RESERVES

Group's equity increased to RON 9,788.1 million on September 30, 2022 as compared to RON 8,981.2 million on December 31, 2021, due to the profit achieved during January – September 2022. In the reporting period, the Group's shareholders decided to distribute dividends of RON 1,464.6 million.

NON-CURRENT LIABILITIES

On September 30, 2022 non-current liabilities recorded an increase of 122.17% as compared to December 31, 2021, mainly due to the loan in amount of RON 1,606.5 million necessary to partially finance the acquisition of ExxonMobil Exploration and Production Romania Limited.

CURRENT LIABILITIES

Current liabilities increased by RON 616.6 million from RON 1,504.9 million on December 31, 2021 to RON 2,121.5 million. Main influences are outlined below:

- Over the next 12 months, Romgaz has to reimburse RON 321.7 million from the bank loan, mentioned above;
- the Group's liability related to the petroleum royalty increased by RON 174.1 million;
- the liability related to the contribution to the Energy Transition Fund (newly introduced in 2022) was RON 121.2 million.

Interim Statement of Consolidated Comprehensive Income

The Group's profit and loss account summary for the period January 1 – September 30, 2022, as compared to the similar period of 2021, is shown below:

Description	9 M 2021 (RON thousand)	9 M 2022 (RON thousand)	Variation (RON thousand)	Variation (%)
1	2	3	4=3-2	5=4/2x100
Revenue	3,496,529	10,812,549	7,316,020	209.24
Cost of commodities sold	(247,564)	(155,436)	(92,128)	-37.21
Investment income	38,365	144,923	106,558	277.75
Other gains and losses	26,372	(7,228)	n/a	n/a
Impairment (losses)/gains on trade receivables	26,871	(49,820)	n/a	n/a
Changes in inventory	50,734	11,016	(39,718)	-78.29
Raw materials and consumables used	(53,829)	(88,201)	34,372	63.85
Depreciation, amortization and impairment expenses	(496,258)	(370,010)	(126,248)	-25.44
Employee benefit expense	(567,307)	(594,131)	26,824	4.73
Finance cost	(12,417)	(27,989)	15,572	125.41
Exploration expenses	(851)	(59,030)	58,179	6,836.55
Share of profit of associates	10	1,645	1,635	16,350.00
Other expenses	(1,052,945)	(7,003,804)	5,950,859	565.16
Other income	141,723	55,295	(86,428)	-60.98
Profit before tax	1,349,433	2,669,779	1,320,346	97.84
Income tax expense	(193,050)	(431,971)	238,921	123.76
Net profit	1,156,383	2,237,808	1,081,425	93.52

Revenue

In the nine months ended September 30, 2022 the Group's revenue recorded an increase by 209.24% (RON 7,316.0 million) as compared to the similar period of the previous year.

Consolidated revenue from gas sales for 9M 2022 amounted to RON 9,282.2 million as compared to RON 2,985.4 million recorded in the similar period of last year. The 210.92% increase is due to the significant rise of gas sales prices. Speaking of quantities, gas deliveries decreased by 6.22% as compared to the same period of the previous year.

For January – September 2022, the consolidated revenue from storage services increased by 65.58% as compared to the same period of the previous year. In terms of revenue from storage services, the capacity booking services recorded a positive evolution (+45.9%, namely +RON 65.3 million) as well as the injection services (+211.5% namely +RON 64.0 million). Gas withdrawal services decreased by 4.7% (-RON 1.1 million).

Consolidated revenue from electricity sales increased by 592.59% with an increasing production by 97.02%.

Cost of commodities sold

Cost of commodities sold decreased in the 9M/2022 by RON 92.1 million as compared to the previous similar period. In terms of costs structure included in this category, the cost of gas purchased for resale decreased by 93.43% (- RON 208.4 million) given an insignificant quantity of gas purchased for resale, while the costs of imbalances from the power segment increased by 487.9% (+RON 115.8 million), following the unscheduled shut-down of CET Iernut in August 2022 (in order to comply with the deliveries contracted during this month, Romgaz had to purchase electricity from the market).

Investment income

The increase of investment income in the reporting period is due to the significant increase of interest rates at which the Group placed its cash in bank deposits.

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, 2022, the Group recorded a net loss from impairment of receivables of RON 49.8 million as a result of the different interpretation that the Group, and some of its clients, have given to the application of the provisions of Government Emergency Ordinance (GEO) No. 27/2022. For the amounts on which no consensus was reached between the Group and its customers, the Group recorded an impairment.

The unclear provisions contained in GEO 27/2022 have subsequently been clarified so that the situation that led to this net loss is no longer applicable to future deliveries.

Changes in inventories

Although between January – September 2022 Romgaz injected a lower gas quantity into the underground gas storages than the gas withdrawn from the storages, the changes in inventories recorded a positive value (net income of RON 11.0 million). This is explained by the significant increase in the costs of natural gas production caused by the increase of petroleum royalty. This is mostly based on quotations of the Central European Gas Hub Vienna (Baumgarten).

Raw materials and consumables used

Increase of expenses with raw materials and consumables is mainly due to a 132.9% (+RON 23.1 million) higher technological consumption, in terms of value, for the reviewed period of 2022 as compared to the similar period of 2021. From a quantitative point of view, the technological consumption (gas used for gas and electricity production) increased by 75.1% as compared to the previous period.

Also, expenses with spare parts used in current repairs increased by RON 12.2 million.

Financial expenses

The increase in financial expenses by 125.41% is due to the increase of the discount rate used in the calculation of the decommissioning provision recorded for wells.

Exploration expenses

Exploration expenses of RON 59.0 million recorded between January – September 2022 increased from RON 0.9 million recorded for the same period of the previous year. 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 led to increased exploration expenses.

Other expenses

Other expenses increased by 565.16% as compared to 9M/2021. The increase of RON 5,950.9 million is mainly due to the increase in taxes and duties. Consolidated royalty expenses increased by RON 1,145.3 million (+330.1%) as compared to 2021, and windfall tax on revenue from gas sales increased in 2022 by RON 4,558.8 million (+1,252.4%) as compared to the 9M period ended September 2021.

In 2022 for electricity producers, a windfall tax on revenue for electricity sales/a contribution to the Energy Transition Fund was introduced; the related value was RON 293.9 million.

The table below shows the breakdown on segments of the interim consolidated comprehensive income for the period January – September 2022 and January – September 2021, respectively:

Description	Gas production and deliveries	UGS	Electricity	Other activities	Consolidation Adjustment	TOTAL
1	2	3	4		5	6
Revenue						
*9M 2022	10,171,159	332,190	1,243,763	320,534	(1,255,097)	10,812,549
*9M 2021	3,271,036	233,751	224,839	302,230	(535,327)	3,496,529
Cost of commodities sold						
*9M 2022	(15,009)	(2)	(139,519)	(906)	-	(155,436)
*9M 2021	(223,190)	(1)	(23,766)	(607)	-	(247,564)
Investment income						
*9M 2022	364	1,281	23	156,857	(13,602)	144,923
*9M 2021	84	464	4	65,900	(28,087)	38,365
Other gains and losses						
*9M 2022						(7,228)
	260,727	(1,794)	(175)	(267,779)	1,793	
*9M 2021	(2,668)	(8)	(50)	29,098	-	26,372
Net impairment losses on trade receivables						
*9M 2022	(43,016)	-	(496)	(6,308)	-	(49,820)
*9M 2021	39,546	-	(12,623)	(52)	-	26,871
Changes in inventories						
*9M 2022	10,064	-	37	915	-	11,016
*9M 2021	49,783	-	56	895	-	50,734
Raw materials and consumables used						
*9M 2022	(61,027)	(33,366)	(644,930)	(13,357)	664,479	(88,201)
*9M 2021	(32,402)	(18,036)	(1,359)	(9,731)	7,699	(53,829)
Depreciation, amortization and impairment expenses						
*9M 2022	(289,506)	(9,229)	(7,995)	(19,519)	(43,761)	(370,010)
*9M 2021	(418,077)	(6,299)	(5,825)	(19,817)	(46,240)	(496,258)
Employees benefit expenses						
*9M 2022						(594,131)
	(346,272)	(53,212)	(34,571)	(160,076)	-	
*9M 2021	(336,805)	(53,290)	(35,714)	(141,498)	-	(567,307)
Finance cost						
*9M 2022	(25,026)	(2,383)	-	(600)	20	(27,989)
*9M 2021	(10,984)	(1,040)	-	(415)	22	(12,417)
Exploration expense						
*9M 2022	(59,030)	-	-	-	-	(59,030)
*9M 2021	(851)	-	-	-	-	(851)
Share of associate's result						
*9M 2022	-	-	-	1,645	-	1,645
*9M 2021	-	-	-	10	-	10
Other expenses						
*9M 2022	(6,799,039)	(168,209)	(542,206)	(85,242)	590,892	(7,003,804)
*9M 2021	(1,160,126)	(125,542)	(262,301)	(32,957)	527,981	(1,052,945)
Other income						
*9M 2022	45,753	5	111	9,701	(275)	55,295
*9M 2021	13,437	268	126,870	1,501	(353)	141,723
Profit before tax						
*9M 2022	2,850,142	65,281	(125,958)	(64,135)	(55,551)	2,669,779
*9M 2021	1,188,783	30,267	10,131	194,557	(74,305)	1,349,433
Income tax expense						

Description	Gas production and deliveries	UGS	Electricity	Other activities	Consolidation Adjustment	TOTAL
1	2	3	4		5	6
*9M 2022	-	(11,134)	-	(420,837)	-	(431,971)
*9M 2021	-	(5,067)	-	(187,983)	-	(193,050)
Profit for the period						
*9M 2022	2,850,142	54,147	(125,958)	(484,972)	(55,551)	2,237,808
*9M 2021	1,188,783	25,200	10,131	6,574	(74,305)	1,156,383

Statement of cash flows

Statements of consolidated cash flows recorded for the period January-September 2022 and January-September 2021, respectively, are shown in the table below:

INDICATOR	9 M 2021 (RON thousand)	9 M 2022 (RON thousand)	Variance (%)
1	2	3	4=(3-2)/2x100
Cash flow from operating activities			
Net profit for the period	1,156,383	2,237,808	93.5
Adjustments for:			
Income tax expense	193,050	431,971	123.8
Share of associate's result	(10)	(1,645)	16,350.0
Interest expense	418	616	47.4
Unwinding of decommissioning provision	11,999	27,373	128.1
Interest revenue	(38,365)	(144,923)	277.7
Loss on disposal of non-current assets	(430)	56	n/a
Change in decommissioning provision recognized in profit or loss other than unwinding	(2,785)	(67,906)	2,338.3
Changes in other provisions	(50,758)	46,641	n/a
Impairment of exploration assets	20,597	25,211	22.4
Exploration projects written-off	17	16	-5.9
Net impairment of non-current assets	124,860	48,904	-60.8
Depreciation and amortization	350,801	295,895	-15.7
Amortization of contract costs	1,242	736	-40.7
(Gains)/Losses financial investments valued at fair value through profit or loss	10	-	n/a
Net (Gains)/Losses from trade and other receivables	(55,089)	50,300	n/a
Impairment of inventories	2,142	2,195	2.5
Income from liabilities written-off	(611)	(512)	-16.2
Income from subsidies	(6)	(5)	-16.7
Foreign exchange differences	-	512	n/a
Cash generated from operations, before movements in working capital	1,713,465	2,953,243	72.4
Movements in working capital			
(Increase)/Decrease in inventory	(42,977)	14,747	n/a
(Increase)/Decrease in trade and other receivables	251,892	159,236	-36.8
Increase/(Decrease) in trade and other liabilities	137,891	197,940	43.5
Cash generated from operations	2,060,271	3,325,166	61.4
Interest paid	(3)	(208)	6,833.3
Income tax paid	(166,983)	(310,639)	86.0
Net cash generated from operations	1,893,285	3,014,319	59.2
Cash flows from investing activities			
Investments in other entities	(250)	-	n/a

Bank deposits set up and acquisition of state bonds	(3,881,022)	(3,295,306)	-15.1
Bank deposits and state bonds matured	4,419,903	3,649,504	-17.4
Interest received	42,017	151,487	260.5
Proceeds from sale of non-current assets	499	136	-72.7
Disposal of other financial assets	2	-	n/a
Acquisition of non-current assets	(255,929)	(5,377,203)	2,001.1
Acquisition of exploration assets	(72,204)	(80,048)	10.9
Net cash used in investing activities	253,016	(4,951,430)	n/a
Cash flows from financing activities			
Loans	-	1,606,475	n/a
Loan reimbursement	-	(78,983)	n/a
Dividends paid	(689,930)	(1,463,844)	112.2
Subsidies received	94,148	-	n/a
Repayment of lease liability	(990)	(1,300)	31.3
Net cash used in financing activities	(596,772)	62,348	n/a
Net increase/(decrease) in cash and cash equivalents	1,549,529	(1,874,763)	n/a
Cash and cash equivalents at the beginning of the period	416,913	3,580,412	758.8
Cash and cash equivalents as of September 30	1,966,442	1,705,649	-13.3

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 2021	9 M 2022
1.	Current liquidity	$\frac{\text{Current assets}}{\text{Current liabilities}}$	5.43	1.54
2.	Indebtedness	$\frac{\text{Loan capital}}{\text{Equity}} \times 100$	0.00	15.61
		$\frac{\text{Loan capital}}{\text{Employed capital}} \times 100$		
3.	Clients’ debts rotation speed	$\frac{\text{Client's average balance}}{\text{Revenue}} \times 270$	37.58	30.95
4.	Non-current assets turnover	$\frac{\text{Revenue}}{\text{Non – current assets}}$	0.61	1.04

PERFORMANCE OF DIRECTOR AGREEMENTS AND CONTRACTS OF MANDATE

Contracts of Mandate of Board Members

Romgaz board members carried out their activity in the reporting period subject to the contracts of mandate as approved by the General Meeting of Shareholders.

Until fulfilment of the selection procedure, initiated by OGMS Resolution No.9 of October 27, 2021, Board members have interim mandates, with an initial term of 4 months and a maximum term of 6 months, following their extension. Contracts signed with board members do not include performance indicators and criteria.

The Ordinary General Meeting of Shareholders appointed by Resolution No.7 of September 9, 2021 interim board members for a 4-month term of office, as of September 13, 2021 until January 13, 2022 and set their fixed gross allowance.

OGMS Resolution No.1 of January 6, 2022 approves the extension of interim board members mandate term by two months from the expiration date and approves the addendum to the contract of mandate on the extension of the mandate term.

OGMS Resolution No. 2 of February 28, 2022 elected interim board members for a 4-month term of office, as of March 14, 2022 and set their fixed gross remuneration.

The Board of Directors appointed by Resolution No.34 of May 25, 2022 an interim board member, as of May 25, 2022 and until the date of the first Ordinary General Meeting of Shareholders.

OGMS Resolution No.6 of July 8, 2022 elected an interim board member, as of July 9, 2022 until September 14, 2022, and with respect to interim board members appointed by OGMS Resolution No.2 of February 28, 2022 approved to extend the term of office by two months from the expiration date, namely from July 14, 2022 until September 14, 2022 and approved the addendum to the contract of mandate on its extension.

OGMS Resolution No.7 of September 13, 2022 elected interim board members for a 4-month term of office, as of September 15, 2022, approved the contract of mandate and set the fixed monthly gross remuneration.

Board members contracts of mandate do not include key financial and non-financial performance indicators, therefore board members do not benefit from variable allowance.

Contracts of Mandate of CEO and CFO

In the reporting period, the Chief Executive Officer, the Deputy Chief Executive Officer and the Chief Financial Officer carried out their activities subject to the contracts of mandate as approved by the Board of Directors.

In the reporting period, the CEO, deputy CEO and CFO had interim mandates with a maximum term of 4 months, related to a contract of mandate.

Romgaz Board of Directors appointed on November 2, 2021, by Resolution No.67, Mr. Jude Aristotel Marius as Chief Executive Officer as of December 15, 2021 for an interim mandate of 4 months and set the fixed monthly gross allowance.

Romgaz Board of Directors appointed on March 22, 2022, by Resolution No.17, Mr. Jude Aristotel Marius as Chief Executive Officer for an interim mandate of 4 months as of April 16, 2022 until August 16, 2022 and set the fixed monthly gross allowance.

Romgaz Board of Directors appointed on November 2, 2021, by Resolution No.68, Mr. Popescu Razvan as Chief Financial Officer for an interim mandate of 4 months as of December 16, 2021 until April 16, 2022 and set the fixed monthly gross allowance.

Romgaz Board of Directors appointed on March 22, 2022, by Resolution No.18, Mr. Popescu Razvan as Chief Financial Officer for an interim mandate of 4 months as of April 17, 2022 until August 17, 2022 and set the fixed monthly gross allowance.

By Resolution No.57 the Board of Directors appointed for a 4-month period, as of August 17, 2022 until December 17, 2022 Mr. Popescu Razvan as Chief Executive Officer, Mr. Jude Aristotel Marius as Deputy Chief Executive Officer and Mr. Bobar Andrei as Chief Financial Officer and set their fixed monthly gross allowances.

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 Consolidated Condensed Interim Financial Statements for the period ended September 30, 2022, prepared in compliance with the International Accounting Standard 34.

SIGNATURES

Chairman of the Board of Directors,

Dan Dragoş DRĂGAN

.....

Chief Executive Officer,

Răzvan POPESCU

Chief Financial Officer,

Andrei Bobar

.....

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

**CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2022**

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

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CONDENSED STATEMENT OF CONSOLIDATED INTERIM COMPREHENSIVE INCOME

	Note	Nine months ended September 30, 2022 '000 RON	Three months ended September 30, 2022 '000 RON	Nine months ended September 30, 2021 '000 RON	Three months ended September 30, 2021 '000 RON
Revenue	3	10,812,549	3,316,500	3,496,529	1,246,498
Cost of commodities sold	4	(155,436)	(123,082)	(247,564)	(164,090)
Investment income		144,923	50,847	38,365	11,802
Other gains and losses	5	(7,228)	(4,865)	26,372	(1,506)
Impairment (losses)/gains on trade receivables	10 c)	(49,820)	(70,877)	26,871	409
Changes in inventory of finished goods and work in progress		11,016	31,434	50,734	91,281
Raw materials and consumables used	4	(88,201)	(30,314)	(53,829)	(17,944)
Depreciation, amortization and impairment expenses	6	(370,010)	(150,521)	(496,258)	(185,968)
Employee benefit expense	8	(594,131)	(225,856)	(567,307)	(206,590)
Finance cost		(27,989)	(9,443)	(12,417)	(4,128)
Exploration expense		(59,030)	(26,598)	(851)	(158)
Share of profit/(loss) of associates		1,645	1,401	10	819
Other expenses	9	(7,003,804)	(2,168,827)	(1,052,945)	(442,980)
Other income	3	55,295	22,697	141,723	120,054
Profit before tax		2,669,779	612,496	1,349,433	447,499
Income tax expense	7	(431,971)	(100,633)	(193,050)	(52,717)
Profit for the period		2,237,808	511,863	1,156,383	394,782
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Actuarial gains/(losses) on post-employment benefits		40,182	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		(6,429)	-	-	-
Total items that will not be reclassified subsequently to profit or loss		33,753	-	-	-
Other comprehensive income for the year net of income tax		2,271,561	511,863	1,156,383	394,782
Total comprehensive income for the period		2,271,561	511,863	1,156,383	394,782
Basic and diluted earnings per share		0.0058	0.0013	0.0030	0.0010

These financial statements were approved by the Board of Directors on November 14, 2022.

Răzvan Popescu
Chief Executive Officer

Andrei Bobar
Chief Financial Officer

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

CONDENSED STATEMENT OF CONSOLIDATED INTERIM FINANCIAL POSITION

	<u>Note</u>	<u>September 30, 2022</u> <u>'000 RON</u>	<u>December 31, 2021</u> <u>'000 RON</u>
ASSETS			
Non-current assets			
Property, plant and equipment		5,053,902	5,240,697
Other intangible assets	18	5,139,780	16,133
Investments in associates		27,832	26,187
Deferred tax asset		193,121	269,645
Other financial assets		5,616	5,616
Right of use assets		9,319	7,128
Total non-current assets		10,429,570	5,565,406
Current assets			
Inventories		294,193	305,241
Trade and other receivables	10 a)	1,126,932	1,352,345
Contract costs		41	483
Other financial assets		57,121	417,923
Other assets	10 b)	88,860	67,962
Current tax receivable		-	3,201
Cash and cash equivalents	12	1,705,649	3,580,412
Total current assets		3,272,796	5,727,567
Total assets		13,702,366	11,292,973
EQUITY AND LIABILITIES			
Equity			
Share capital		385,422	385,422
Reserves		3,539,202	2,998,975
Retained earnings		5,863,485	5,596,756
Total equity		9,788,109	8,981,153
Non-current liabilities			
Bank loans	13	1,206,319	-
Retirement benefit obligation	11	129,168	156,420
Deferred revenue		230,424	230,438
Lease liability		7,661	7,211
Provisions	11	219,159	412,846
Total non-current liabilities		1,792,731	806,915

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CONDENSED STATEMENT OF CONSOLIDATED INTERIM FINANCIAL POSITION

	<u>Note</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>
		'000 RON	'000 RON
Current liabilities			
Trade payables		120,540	71,317
Contract liabilities		105,466	204,384
Current tax liabilities		100,335	52,299
Deferred revenue		9	49
Provisions	11	276,496	237,144
Lease liability		2,579	810
Bank loans	13	321,685	-
Other liabilities	14	1,194,416	938,902
Total current liabilities		2,121,526	1,504,905
Total liabilities		3,914,257	2,311,820
Total equity and liabilities		13,702,366	11,292,973

These financial statements were approved by the Board of Directors on November 14, 2022.

Răzvan Popescu
 Chief Executive Officer

Andrei Bobar
 Chief Financial Officer

CONDENSED STATEMENT OF CONSOLIDATED INTERIM CHANGES IN EQUITY

	Share capital	Legal reserve	Other reserves	Retained earnings	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Balance as of January 1, 2022	385,422	85,250	2,913,725	5,596,756	8,981,153
Profit for the period	-	-	-	2,237,808	2,237,808
Other comprehensive income	-	-	-	33,753	33,753
Total comprehensive income for the period	-	-	-	2,271,561	2,271,561
Allocation to dividends *)	-	-	-	(1,464,605)	(1,464,605)
Allocation to other reserves	-	-	540,227	(540,227)	-
Balance as of September 30, 2022	385,422	85,250	3,453,952	5,863,485	9,788,109
Balance as of January 1, 2021	385,422	83,537	2,168,372	5,149,919	7,787,250
Profit for the period	-	-	-	1,156,383	1,156,383
Total comprehensive income for the period	-	-	-	1,156,383	1,156,383
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)	-
Balance as of September 30, 2021	385,422	83,337	2,843,575	4,941,393	8,253,727

*) In 2022 the Group's shareholders approved the allocation of dividends of RON 1,464,605 thousand (2021: RON 689,906 thousand), dividend per share being RON 3.80 (2021: RON 1.79).

These financial statements were approved by the Board of Directors on November 14, 2022.

Răzvan Popescu
Chief Executive Officer

Andrei Bobar
Chief Financial Officer

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CONDENSED STATEMENT OF CONSOLIDATED INTERIM CASH FLOW

	Nine months ended September 30, 2022 <u>'000 RON</u>	Three months ended September 30, 2022 <u>'000 RON</u>	Nine months ended September 30, 2021 <u>'000 RON</u>	Three months ended September 30, 2021 <u>'000 RON</u>
Cash flows from operating activities				
Net profit	2,237,808	511,863	1,156,383	394,782
Adjustments for:				
Income tax expense (note 7)	431,971	100,633	193,050	52,717
Share of associates' result	(1,645)	(1,401)	(10)	(819)
Interest expense	616	355	418	144
Unwinding of decommissioning provision	27,373	9,088	11,999	3,984
Interest revenue	(144,923)	(50,847)	(38,365)	(11,802)
Net (gain)/loss on disposal of non-current assets (note 5)	56	150	(430)	(47)
Change in decommissioning provision recognized in profit or loss, other than unwinding (note 9)	(67,906)	(4,828)	(2,785)	(1,255)
Change in other provisions (note 9)	46,641	82,038	(50,758)	35,524
Net impairment of exploration assets (note 6)	25,211	19,113	20,597	16,449
Exploration projects written off	16	-	17	-
Net impairment of property, plant and equipment and intangibles (note 6)	48,904	36,676	124,860	60,914
Net foreign exchange differences	512	(268)	-	-
Depreciation and amortization (note 6)	295,895	94,732	350,801	108,605
Amortization of contract costs	736	134	1,242	414
Change in investments at fair value through profit and loss (note 5)	-	-	10	9
Net receivable write-offs and movement in allowances for trade receivables and other assets (note 10)	50,300	70,091	(55,089)	(610)
Net movement in write-down allowances for inventory (note 5)	2,195	1,068	2,142	1,726
Income from liabilities written-off	(512)	(512)	(611)	(611)
Subsidies income	(5)	(2)	(6)	(2)
	2,953,243	868,083	1,713,465	660,122
Movements in working capital:				
(Increase)/Decrease in inventory	14,747	(30,831)	(42,977)	(96,708)
(Increase)/Decrease in trade and other receivables	159,236	330,620	251,892	142,358
Increase/(Decrease) in trade and other liabilities	197,940	(201,898)	137,891	139,358
Cash generated from operations	3,325,166	965,974	2,060,271	845,130
Interest paid	(208)	(206)	(3)	(1)
Income taxes paid	(310,639)	(126,161)	(166,983)	(31,557)
Net cash generated by operating activities	3,014,319	839,607	1,893,285	813,572

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

	Nine months ended September 30, 2022	Three months ended September 30, 2022	Nine months ended September 30, 2021	Three months ended September 30, 2021
	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>
Cash flows from investing activities				
Investment in other entities	-	-	(250)	-
Bank deposits set up and state bonds acquired	(3,295,306)	(25,000)	(3,881,022)	(620,264)
Bank deposits and state bonds matured	3,649,504	1,384,439	4,419,903	1,677,310
Interest received	151,487	74,569	42,017	10,341
Proceeds from sale of non-current assets	136	-	499	47
Disposal of other financial assets	-	-	2	2
Acquisition of non-current assets	(5,377,203)	(4,730,213)	(255,929)	(105,186)
Acquisition of exploration assets	(80,048)	(19,036)	(72,204)	(11,860)
Net cash used in investing activities	<u>(4,951,430)</u>	<u>(3,315,241)</u>	<u>253,016</u>	<u>950,390</u>
Cash flows from financing activities				
Borrowings received	1,606,475	-	-	-
Repayment of borrowings	(78,983)	(78,983)	-	-
Subsidies received	-	-	94,148	94,148
Dividends paid	(1,463,844)	(1,463,776)	(689,930)	(520)
Repayment of lease liability	(1,300)	(512)	(990)	(275)
Net cash used in financing activities	<u>62,348</u>	<u>(1,543,271)</u>	<u>(596,772)</u>	<u>93,353</u>
Net increase/(decrease) in cash and cash equivalents	<u>(1,874,763)</u>	<u>(4,018,905)</u>	<u>1,549,529</u>	<u>1,857,315</u>
Cash and cash equivalents at the beginning of the period	<u>3,580,412</u>	<u>5,724,554</u>	<u>416,913</u>	<u>109,127</u>
Cash and cash equivalents at the end of the period	<u>1,705,649</u>	<u>1,705,649</u>	<u>1,966,442</u>	<u>1,966,442</u>

These financial statements were approved by the Board of Directors on November 14, 2022.

Răzvan Popescu
 Chief Executive Officer

Andrei Bobar
 Chief Financial Officer

The accompanying notes form an integral part of these financial statements.
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NOTES**1. BACKGROUND AND GENERAL BUSINESS*****Information regarding S.N.G.N. Romgaz S.A. Group (the "Group")***

The Group is formed of S.N.G.N. Romgaz S.A. ("the Company"/"Romgaz"), as parent company and the subsidiaries SNGN Romgaz SA - Filiala de Immagazinare Gaze Naturale Depogaz Ploiești SRL ("Depogaz") and Romgaz Black Sea Limited (former ExxonMobil Exploration and Production Romania Limited), both owned 100% by Romgaz.

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

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

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

The Group has as main activity:

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

2. SIGNIFICANT ACCOUNTING POLICIES***Statement of compliance***

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

Basis of preparation

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

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

Basis for consolidation***Subsidiaries***

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

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

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

NOTES*Associated entities*

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

Standards and interpretations valid for the current period

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

- Amendments to 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 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 adopted by the EU, but not effective

At the date of issue of the financial statements, the following standards, amendments to existing standards and interpretations were issued by IASB and adopted by the UE, but not yet effective:

- Amendments to IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction (effective for annual periods beginning on or after January 1, 2023);
- Amendments to IFRS 17 "Insurance Contracts": initial application of IFRS 17 and IFRS 9 - comparative information (applicable to annual periods beginning on or after January 1, 2023);
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective for annual periods beginning on or after January 1, 2023);
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective for annual periods beginning on or after January 1, 2023);
- IFRS 17 Insurance Contracts including Amendments to IFRS 17 (effective for annual periods beginning on or after January 1, 2023).

The Group 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.

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:

- 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 IFRS 16 Leases: Lease liabilities in a sale and leaseback (applicable to annual periods beginning on or after 1 January 2024).

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

Seasonality and cyclicality

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.

NOTES

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, 2022	Three months ended September 30, 2022	Nine months ended September 30, 2021	Three months ended September 30, 2021
	'000 RON	'000 RON	'000 RON	'000 RON
Revenue from gas sold - own production	9,225,848	2,561,821	2,659,769	791,118
Revenue from gas sold – other arrangements	41,660	26,506	21,564	5,541
Revenue from gas acquired for resale	14,654	10,787	304,070	223,006
Revenue from storage services- capacity reservation	207,822	88,014	142,487	51,891
Revenue from storage services- extraction	21,785	461	22,856	464
Revenue from storage services- injection	94,271	55,666	30,263	20,348
Revenue from electricity	1,008,727	510,144	145,645	102,893
Revenue from services	136,034	42,055	125,273	34,569
Revenue from sale of goods	54,991	18,733	38,622	14,661
Other revenues from contracts	315	151	342	103
Total revenue from contracts with customers	10,806,107	3,314,338	3,490,891	1,244,594
Other revenues	6,442	2,162	5,638	1,904
Total revenue	10,812,549	3,316,500	3,496,529	1,246,498
Other operating income	55,295	22,697	141,723	120,054
Total revenue and other income	10,867,844	3,339,197	3,638,252	1,366,552

4. COST OF COMMODITIES SOLD, RAW MATERIALS AND CONSUMABLES

	Nine months ended September 30, 2022	Three months ended September 30, 2022	Nine months ended September 30, 2021	Three months ended September 30, 2021
	'000 RON	'000 RON	'000 RON	'000 RON
Consumables used	44,464	14,689	32,272	11,166
Technological consumption	40,529	14,793	17,400	6,204
Cost of gas acquired for resale	14,654	10,787	223,077	158,756
Cost of electricity imbalance	139,519	111,875	23,731	4,915
Cost of other goods sold	1,263	420	756	418
Other consumables	3,208	832	4,157	575
Total	243,637	153,396	301,393	182,034

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NOTES
5. OTHER GAINS AND LOSSES

	Nine months ended September 30, 2022	Three months ended September 30, 2022	Nine months ended September 30, 2021	Three months ended September 30, 2021
	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>
Forex gain	29,747	27,700	17	5
Forex loss	(34,244)	(32,133)	(141)	(24)
Net gain/(loss) on disposal of non-current assets	(56)	(150)	430	47
Net allowance for other receivables (note 10 c)	(480)	786	28,220	203
Net write down allowances for inventory	(2,195)	(1,068)	(2,142)	(1,726)
Net gain/(loss) on financial assets at fair value through profit or loss	-	-	(10)	(9)
Losses from trade receivables	-	-	(2)	(2)
Total	<u>(7,228)</u>	<u>(4,865)</u>	<u>26,372</u>	<u>(1,506)</u>

6. DEPRECIATION, AMORTIZATION AND IMPAIRMENT EXPENSES

	Nine months ended September 30, 2022	Three months ended September 30, 2022	Nine months ended September 30, 2021	Three months ended September 30, 2021
	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>
Depreciation and amortization	295,895	94,732	350,801	108,605
out of which:				
- depreciation of property, plant and equipment	291,171	92,983	347,097	107,329
- depreciation of right of use assets	920	447	691	230
- amortization of intangible assets	3,804	1,302	3,013	1,046
Net impairment of non-current assets	74,115	55,789	145,457	77,363
Total depreciation, amortization and impairment	<u>370,010</u>	<u>150,521</u>	<u>496,258</u>	<u>185,968</u>

7. INCOME TAX

	Nine months ended September 30, 2022	Three months ended September 30, 2022	Nine months ended September 30, 2021	Three months ended September 30, 2021
	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>
Current tax expense	361,876	101,565	179,924	66,834
Deferred income tax (income)/expense	70,095	(932)	13,126	(14,117)
Income tax expense	<u>431,971</u>	<u>100,633</u>	<u>193,050</u>	<u>52,717</u>

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NOTES
8. EMPLOYEE BENEFIT EXPENSE

	Nine months ended September 30, 2022	Three months ended September 30, 2022	Nine months ended September 30, 2021	Three months ended September 30, 2021
	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>
Wages and salaries	616,135	230,421	591,185	211,224
Social security charges	21,374	7,827	20,647	7,229
Meal tickets	18,511	6,085	18,999	5,919
Other benefits according to collective labor contract	21,382	13,432	17,883	11,144
Private pension payments	8,363	2,800	8,617	2,832
Private health insurance	5,111	1,710	5,226	1,719
Total employee benefit costs	690,876	262,275	662,557	240,067
Less, capitalized employee benefit costs	(96,745)	(36,419)	(95,250)	(33,477)
Total employee benefit expense	594,131	225,856	567,307	206,590

9. OTHER EXPENSES

	Nine months ended September 30, 2022	Three months ended September 30, 2022	Nine months ended September 30, 2021	Three months ended September 30, 2021
	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>	<u>'000 RON</u>
Energy and water expenses	86,279	51,003	42,498	25,609
Expenses for capacity booking and gas transmission services	121,684	34,731	106,392	27,992
Expenses with other taxes and duties *)	6,541,292	1,950,766	715,774	316,603
(Net gain)/Net loss from provisions movement	(21,265)	77,210	(53,543)	34,269
Other operating expenses **)	275,814	55,117	241,824	38,507
Total	7,003,804	2,168,827	1,052,945	442,980

*) In the nine-month period ended September 30, 2022, the major taxes and duties included in the amount of RON 6,541,292 thousand (nine-month period ended September 30, 2021: RON 715,774 thousand) are:

- RON 4,750,158 thousand represent windfall tax for gas (nine-month period ended September 30, 2021: RON 364,010 thousand);
- in 2022, electricity producers were charged with a windfall tax which later became a contribution to the Energy Transition Fund. These taxes amount to RON 293,871 thousand;
- RON 1,492,255 thousand represent royalty on gas production, storage activity and other activities (nine-month period ended September 30, 2021: RON 346,983 thousand).

***) Other operating expenses include mainly the cost of CO2 certificates acquired in 2022 (RON 140,745 thousand).

NOTES
10. ACCOUNTS RECEIVABLE
a) Trade and other receivables

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	'000 RON	'000 RON
Trade receivables	1,319,367	1,757,243
Allowances for expected credit losses for trade and other receivables (note 10 c)	(716,513)	(924,030)
Accrued receivables	526,605	526,971
Allowances for expected credit losses on accrued receivables (note 10 c)	(2,527)	(7,839)
Total	1,126,932	1,352,345

b) Other assets

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	'000 RON	'000 RON
Advances paid to suppliers	13,028	109
Joint operation receivables	15,853	8,201
Other receivables	38,075	47,941
Allowance for expected credit losses for other receivables (note 10 c)	(187)	(186)
Other debtors	52,555	49,932
Allowance for expected credit losses for other debtors (note 10 c)	(49,921)	(49,442)
Prepayments	10,023	5,606
VAT not yet due	4,530	5,795
Other taxes receivable	4,904	6
Total	88,860	67,962

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

	<u>2022</u>	<u>2021</u>
	'000 RON	'000 RON
At January 1	981,497	1,359,855
Charge in the allowance for receivables (note 5, note 10 b)	1,518	1,317
Charge in the allowance for trade receivables (note 10 a)	108,497	24,518
Write-off against trade receivables*) (note 10 a)	(262,649)	-
Release in the allowance for receivables (note 5, note 10 b)	(1,038)	(29,537)
Release in the allowance for trade receivables (note 10 a)	(58,677)	(51,389)
At September 30	769,148	1,304,764

*) The allowance write-off was recorded against trade receivables that can no longer be recovered from customers through insolvency proceedings or as a result of their bankruptcy. The effect on the Group's result is 0.

11. PROVISIONS

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	'000 RON	'000 RON
Decommissioning provision	219,159	412,846
Retirement benefit obligation	129,168	156,420
Total long term provisions	348,327	569,266

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NOTES

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	'000 RON	'000 RON
Decommissioning provision	30,263	24,792
Litigation provision	6,603	3,554
Other provisions *)	239,630	208,798
Total short term provisions	276,496	237,144
Total provisions	624,823	806,410

*) Other provisions include the provision for CO2 certificates of RON 200,762 thousand (December 31, 2021: RON 154,904 thousand).

Decommissioning provision

Decommissioning provision movement	<u>2022</u>	<u>2021</u>
	'000 RON	'000 RON
At January 1	437,638	560,958
Additional provision recorded against non-current assets	97	28
Unwinding effect	27,373	11,999
Recorded in profit or loss	(67,906)	(2,785)
Decrease recorded against non-current assets	(147,780)	(11,320)
At September 30	249,422	558,880

12. CASH AND CASH EQUIVALENTS

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	'000 RON	'000 RON
Current bank accounts in RON *)	109,787	78,216
Current bank accounts in foreign currency	1,277	326
Petty cash	40	48
Term deposits in RON	1,592,837	3,500,288
Restricted cash **)	1,681	1,534
Amounts under settlement	27	-
Total	1,705,649	3,580,412

*) Current bank accounts include overnight deposits.

**) At September 30, 2022 restricted cash refers to bank accounts used only for dividend payments to shareholders, according to stock market regulations.

13. BANK LOANS

	<u>Interest rate</u>	<u>Maturity</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>
			'000 RON	'000 RON
EUR 325,000 thousand bank loan	EURIBOR 3M + 0.05% p.a.	June 30, 2027	1,528,004	-
Total			1,528,004	-

In March 2022, Romgaz signed a EUR 325 million financing deal with Raiffeisen Bank S.A. to finance part of the purchase price of the shares of EMEPRL that holds 50% of the rights and obligations for the Neptun Deep block.

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NOTES

In June 2022, an addendum to the facility contract was signed between Romgaz acting as borrower and Raiffeisen Bank S.A. and Banca Comerciala Romana S.A. as lenders.

The facility's final maturity is in five years from utilization. There are no borrowing costs other than interest. The loan is repayable in quarterly installments. The loan is not secured.

The fair value of the loan approximates its carrying value as it was obtained recently and it carries a variable rate of interest.

14. OTHER LIABILITIES

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	'000 RON	'000 RON
Payables related to employees	38,132	43,800
Royalties	574,344	400,278
Social security taxes	29,288	34,053
Other current liabilities	9,543	7,567
VAT	27,915	86,763
Dividends payable	1,365	1,116
Windfall tax	372,504	363,996
Other taxes	1,869	1,329
Joint venture payables	18,258	-
Contribution to Energy Transition Fund	121,198	-
Total	<u>1,194,416</u>	<u>938,902</u>

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

	Nine months ended September 30, 2022	Three months ended September 30, 2022	Nine months ended September 30, 2021	Three months ended September 30, 2021
	'000 RON	'000 RON	'000 RON	'000 RON
Romgaz' associates	12,537	6,028	12,049	5,574
Total	<u>12,537</u>	<u>6,028</u>	<u>12,049</u>	<u>5,574</u>

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

(ii) Trade receivables

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	'000 RON	'000 RON
Romgaz' associates	3,667	-
Total	<u>3,667</u>	<u>-</u>

16. 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, gas 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.

NOTES

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 Romgaz through its branches Medias, Mures and in part by the Company's headquarters and by Romgaz Black Sea Limited;
- storage activities, performed by Depogaz subsidiary;
- electricity production and distribution activities, performed by Iernut branch;
- other activities, such as technological transport, operations on wells and corporate activities.

b) Segment assets and liabilities

September 30, 2022	<u>Upstream</u> <u>'000 RON</u>	<u>Storage</u> <u>'000 RON</u>	<u>Electricity</u> <u>'000 RON</u>	<u>Other</u> <u>'000 RON</u>	<u>Adjustments and eliminations</u> <u>'000 RON</u>	<u>Total</u> <u>'000 RON</u>
Total assets	9,088,035	967,636	1,285,265	2,555,933	(194,503)	13,702,366
Total liabilities	1,394,864	112,822	570,390	1,859,498	(23,317)	3,914,257

December 31, 2021	<u>Upstream</u> <u>'000 RON</u>	<u>Storage</u> <u>'000 RON</u>	<u>Electricity</u> <u>'000 RON</u>	<u>Other</u> <u>'000 RON</u>	<u>Adjustments and eliminations</u> <u>'000 RON</u>	<u>Total</u> <u>'000 RON</u>
Total assets	4,410,940	898,909	1,199,155	4,931,025	(147,056)	11,292,973
Total liabilities	1,481,139	84,661	399,643	364,216	(17,839)	2,311,820

c) Segment revenues, results and other segment information

In 2022, the chief operating decision maker of Romgaz decided to change the way Romgaz reports for gas and electricity deliveries between its branches. In the past, these deliveries were accounted for at cost. Starting 2022, deliveries are accounted for at market prices or at regulated prices, as the case may be. This change allows the management to have a better view of the performance of its business segments.

Due to this change, comparative segment information for previous periods was restated. The results of Romgaz or the Group are not affected by the change.

The Group's result or the Romgaz's result are not affected by the change.

In the financial statements related to the six-month period ended June 30, 2022 the turnover of the "Upstream" segment included deliveries within the respective segment, not only those to the other segments of the Group. The revenue for the nine-month and three-month periods ended September 30, 2022 includes only deliveries to the other segments of the Group.

Nine months ended September 30, 2022	<u>Upstream</u> <u>'000 RON</u>	<u>Storage</u> <u>'000 RON</u>	<u>Electricity</u> <u>'000 RON</u>	<u>Other</u> <u>'000 RON</u>	<u>Adjustments and eliminations</u> <u>'000 RON</u>	<u>Total</u> <u>'000 RON</u>
Revenue	10,171,159	332,190	1,243,763	320,534	(1,255,097)	10,812,549
Less: revenue between segments	(664,524)	(41,876)	(236,113)	(312,584)	1,255,097	-
Third party revenue	9,506,635	290,314	1,007,650	7,950	-	10,812,549
Segment profit/(loss) before tax	2,850,142	65,281	(125,958)	(64,135)	(55,551)	2,669,779

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

	Upstream	Storage	Electricity	Other	Adjustments and eliminations	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Revenue	2,894,378	153,913	622,381	114,940	(469,112)	3,316,500
Less: revenue between segments	(231,903)	(12,478)	(112,831)	(111,900)	469,112	-
Third party revenue	2,662,475	141,435	509,550	3,040	-	3,316,500
Segment profit/(loss) before tax	592,182	36,578	(56,746)	54,564	(14,082)	612,496

Nine months ended September 30, 2021 (restated)

	Upstream	Storage	Electricity	Other	Adjustments and eliminations	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Revenue	3,271,036	233,751	224,839	302,230	(535,327)	3,496,529
Less: revenue between segments	(109,755)	(49,519)	(79,586)	(296,467)	535,327	-
Third party revenue	3,161,281	184,232	145,253	5,763	-	3,496,529
Segment profit/(loss) before tax	1,188,783	30,267	10,130	194,558	(74,305)	1,349,433

Three months ended September 30, 2021 (restated)

	Upstream	Storage	Electricity	Other	Adjustments and eliminations	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Revenue	1,135,654	88,460	138,264	107,352	(223,232)	1,246,498
Less: revenue between segments	(67,589)	(15,745)	(35,590)	(104,308)	223,232	-
Third party revenue	1,068,065	72,715	102,674	3,044	-	1,246,498
Segment profit/(loss) before tax	302,833	4,994	115,117	39,806	(15,251)	447,499

17. COMMITMENTS UNDERTAKEN

In 2021, Romgaz signed an addendum to the credit agreement with BCR SA representing a facility for issuing letters of guarantee, and opening letters of credit for a maximum amount of RON 350,000 thousand. On September 30, 2022 are still available for use RON 206,984 thousand.

As of September 30, 2022, the Group's contractual commitments for the acquisition of non-current assets are of RON 251,776 thousand (December 31, 2021: RON 267,246 thousand). This amount does not include commitments of Romgaz Black Sea Limited for its joint-venture with OMV Petrom SA.

18. ACQUISITION OF EXXONMOBIL EXPLORATION AND PRODUCTION ROMANIA LIMITED

On August 1, 2022, Romgaz completed the acquisition of ExxonMobil Exploration and Production Romania Limited (currently Romgaz Black Sea Limited). This company holds 50% of the acquired rights and obligations under the Petroleum Agreement for the Deep Water Zone of Neptun XIX offshore Block in the Black Sea. Following this transaction, Romgaz became the sole shareholder of the acquired company. Therefor Romgaz has control over Romgaz Black Sea Limited.

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NOTES

According to the provisions of the shares' acquisition agreement, the price paid by Romgaz was RON 5,126,347 thousand. Based on the acquisition agreement, this price may be amended, depending on the level of working capital of Romgaz Black Sea Limited at completion date. This assessment is in progress.

Based on the analysis of the provisions of International Financial Reporting Standard 3 "Business Combinations", the Group considers this transaction to be an asset acquisition, rather than a business acquisition. Thus, the Group will not recognize a potential goodwill; instead it will recognize assets acquired and liabilities assumed in accordance with the applicable accounting standards based on a valuation carried out to allocate the acquisition price. This valuation is in progress.

According to a preliminary assessment, the Group recognized the following assets and liabilities on acquisition date:

	August 1, 2022
	'000 RON
ASSETS	
Property, plant and equipment	86
Other intangible assets	5,125,606
Right of use assets	2,126
Cash and cash equivalents	750
Other assets	5,315
Total assets	5,133,883
LIABILITIES	
Trade payables	13
Provisions	170
Lease liability	2,126
Other liabilities	5,227
Total liabilities	7,536

On the date these financial statements were approved, the accounting and valuation of assets and liabilities were not completed.

19. EVENTS AFTER THE BALANCE SHEET DATE

No events subsequent to the balance sheet date were identified.

20. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on November 14, 2022.

Răzvan Popescu
 Chief Executive Officer

Andrei Bobar
 Chief Financial Officer