

**ROMGAZ**

# Q1 2023 Earnings Presentation



**Romgaz Group Overview**

<https://www.romgaz.ro/en/summary-results-and-presentations-investors>

**May 12, 2023**

Romgaz Group (Romgaz or Romgaz Group or The Company) consists of SNGN Romgaz SA as parent company, Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL (subsidiary owned 100% by Romgaz SA), Depomureș SA (40% owned by Romgaz SA) and Romgaz Black Sea Limited (100% owned by Romgaz).

This document was prepared by SNGN Romgaz SA for the presentation of the Q1/2023 Results (Q1 stands for the 1<sup>st</sup> Quarter).

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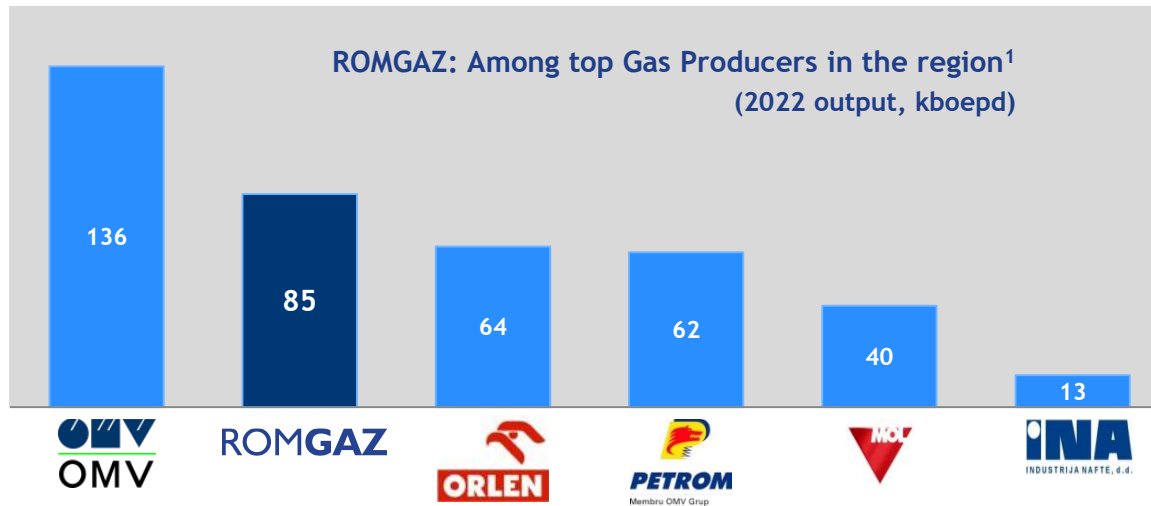
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All figures included in this presentation are rounded ("round to nearest" method).

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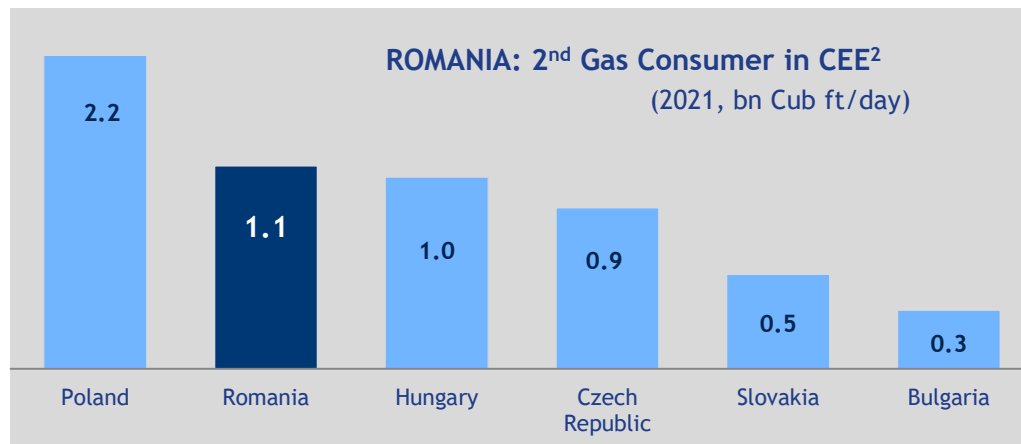
## Romania: Among TOP Gas Consumers & Producers in the Region



Sources:

<sup>1</sup> Companies' reports, Romgaz computation;  
 Petrom: Romania+abroad,  
 OMV excluding Petrom, PGNIG's acquisition by  
 Orlen to boost reported production in 2023.

<sup>2</sup> CEIC Data;



Natural gas - important clean source of energy.

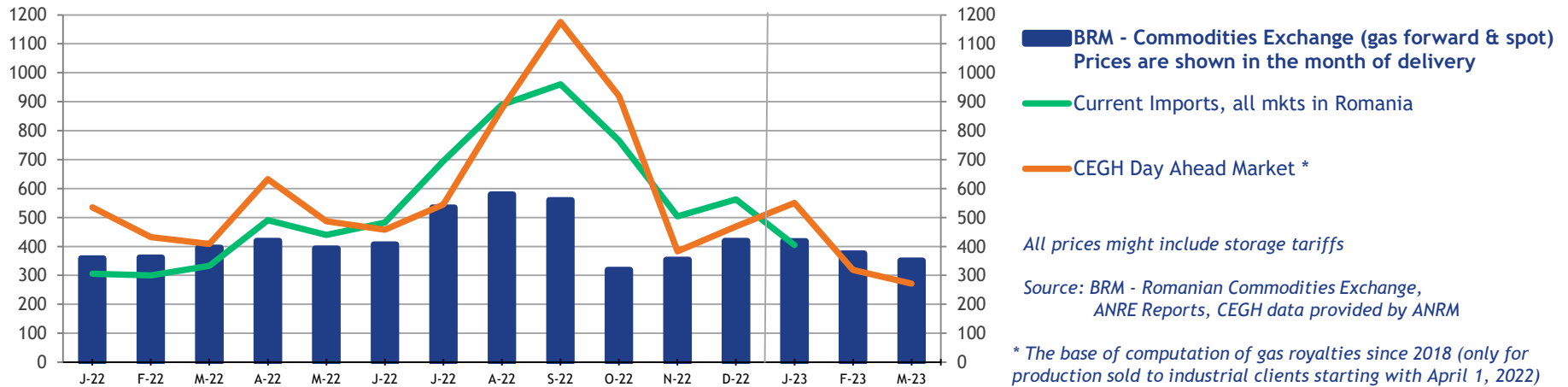
In the region:

⇒ ROMGAZ - important gas producer

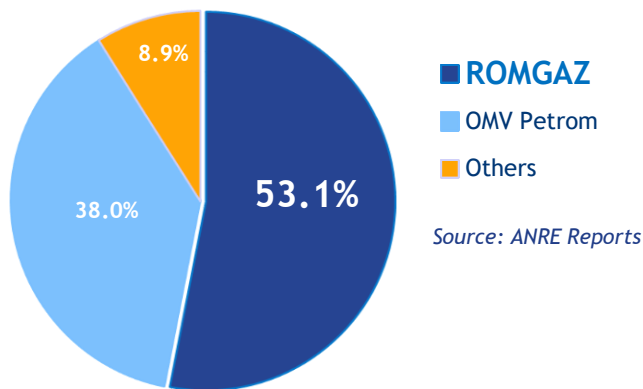
⇒ ROMANIA - among top gas consumers in CEE !

## Romania: Prices on the Commodities Exchange 2023/2022, Market Structure

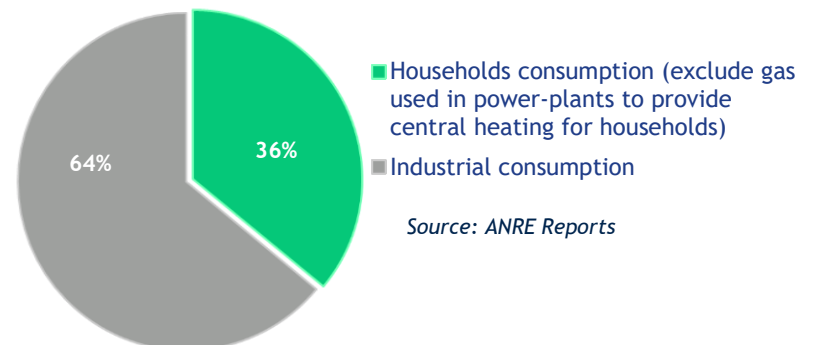
Natural Gas Prices on BRM, Current Imports and CEGH (RON/MWh)



Gas producers in Romania (2022)

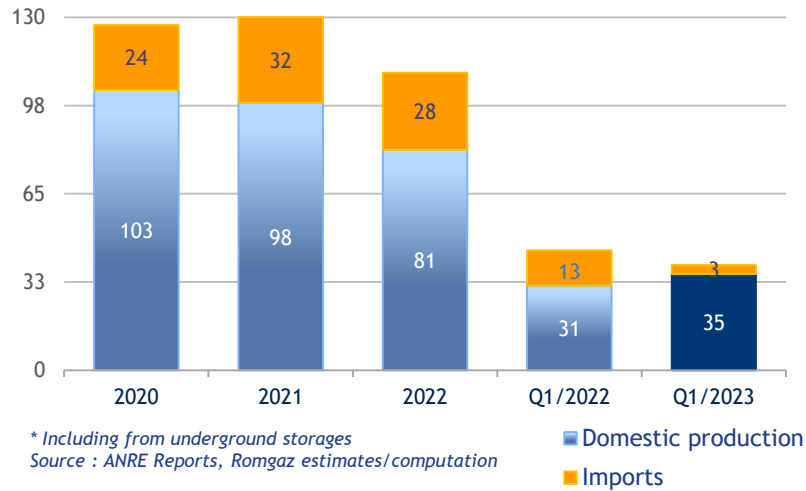


Final Consumption in Romania (2022)

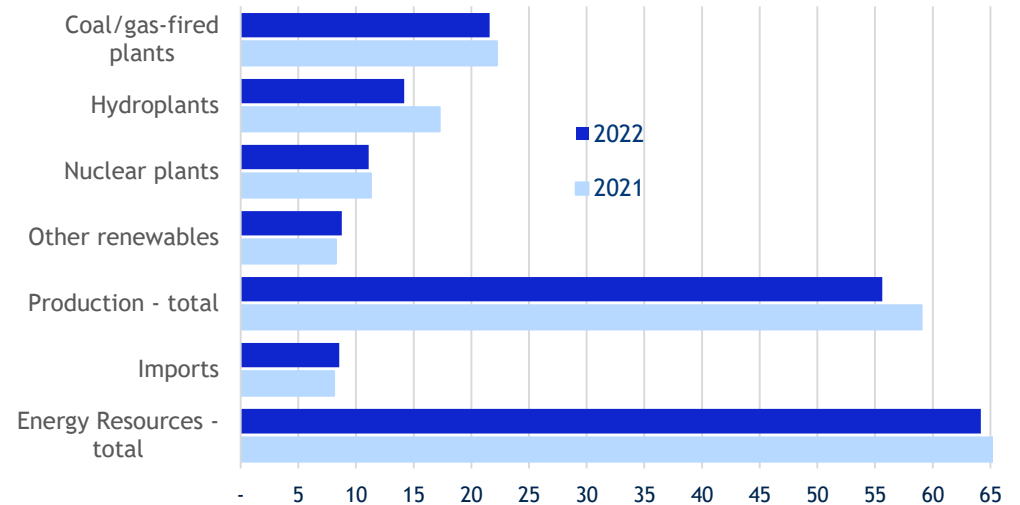


Romania: Total Gas consumption estimated lower by 12% y/y in Q1/2023

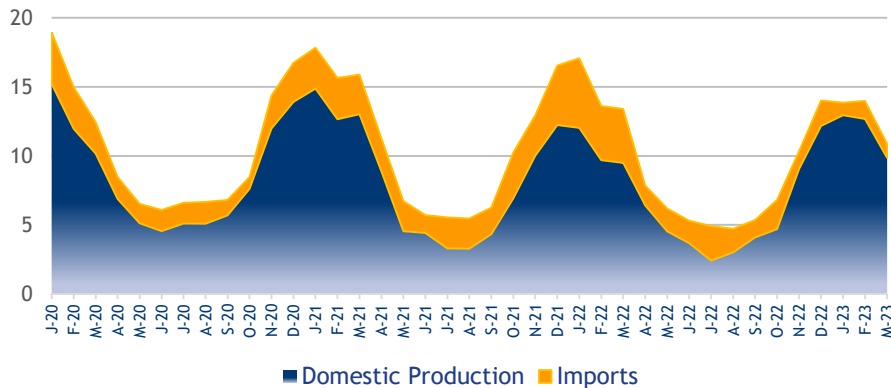
Total Natural Gas Consumption\* (million MWh)



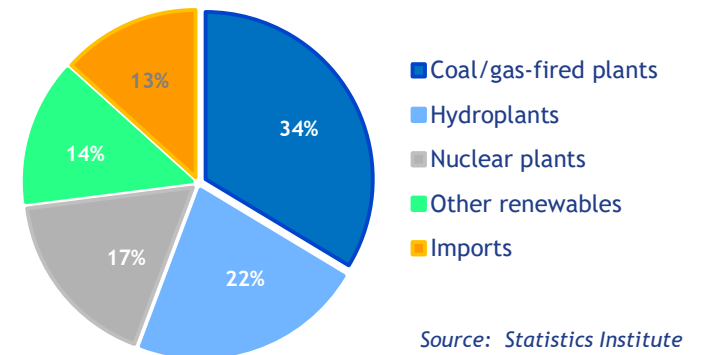
Energy Resources (million MWh)



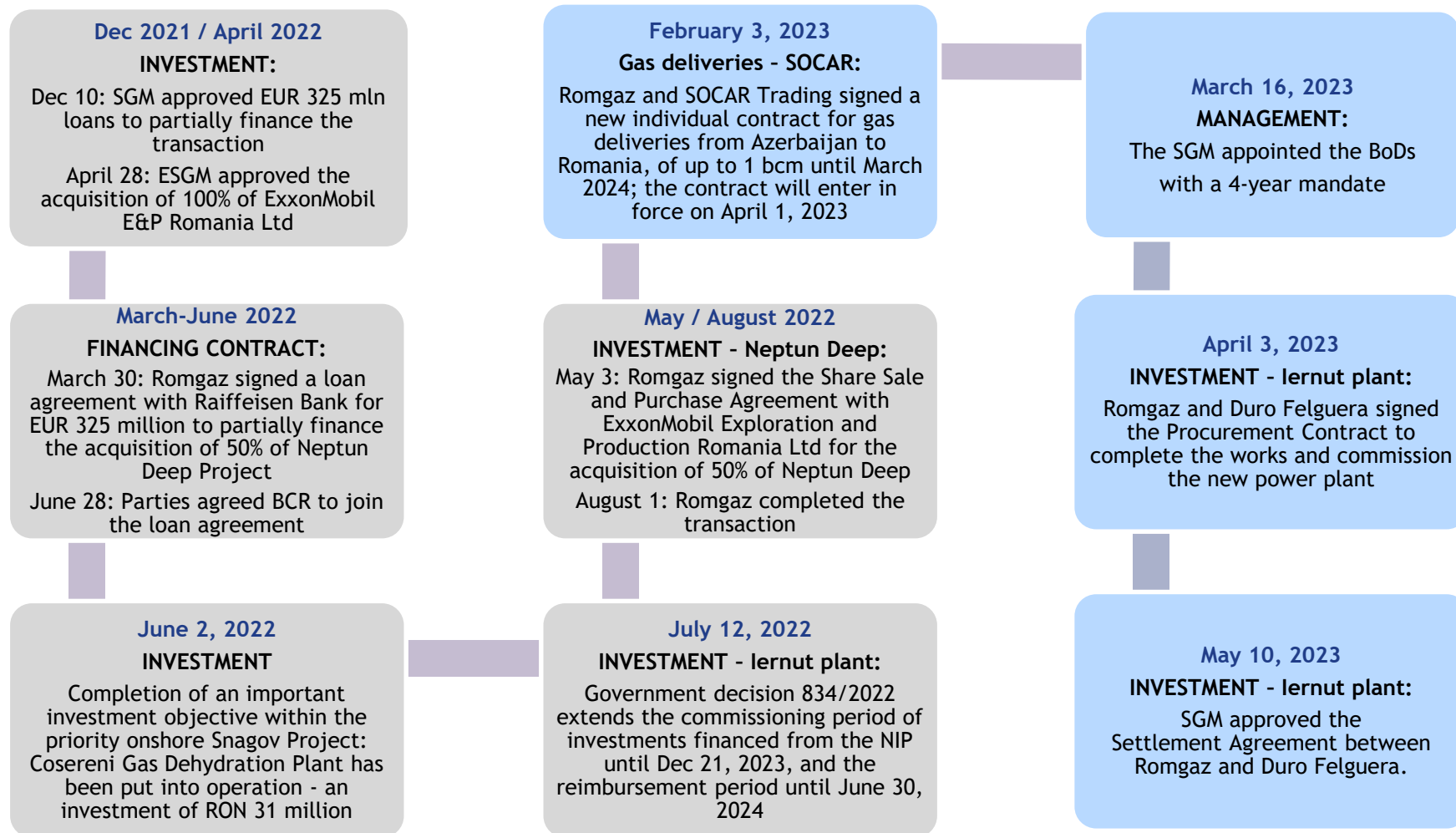
Seasonality of Gas Consumption (million MWh)



Mix of Energy Resources (2022)



## Selected Events - relevant for our activity



## Fiscal framework with impact on Romgaz Group's operations in 2022/2023 - Highlights

- **GEO no 27/2022, GEO no 119/2022, and Law no 357/2022** - regarding measures applicable to the energy & gas markets starting with April 1<sup>st</sup>, 2022, and change of norms in the energy market.

Gas producers - main provisions applicable include:

- **REGULATED selling prices: *during April-August 2022*** - 150 RON/MWh for the gas sold to suppliers of HHs (households), and 250 RON/MWh for the gas sold to suppliers of/or directly to heat producers for the production of thermal energy for HHs; ***during Sept 2022 - March 2025*** - 150 RON/MWh for both categories (for heat producers - to ensure HHs consumption during winters), and maximum 100 RON/MWh for the gas transferred to the Electricity Segment;
- **Windfall profit tax:** Revenues from the gas sold to HHs and assimilated clients are exempted from the windfall tax;
- **Royalties:** Royalties owed for the gas produced to be delivered at regulated prices are based on these prices (instead of CEGH prices, as computed for industrial consumers).

**Gas suppliers have CAPPED selling price levels for some end-clients:** max 0.31 RON/kWh for HHs, and 0.37 RON/kWh for industrials with a previous-year consumption < 50,000 MWh, for power plants and industrial parks.

**Gas storage:** mandatory for suppliers/ heat producers to secure the maximum between 30% of consumption of final clients during Nov 2023 - March 2024 and 90% of the underground storages' capacity.

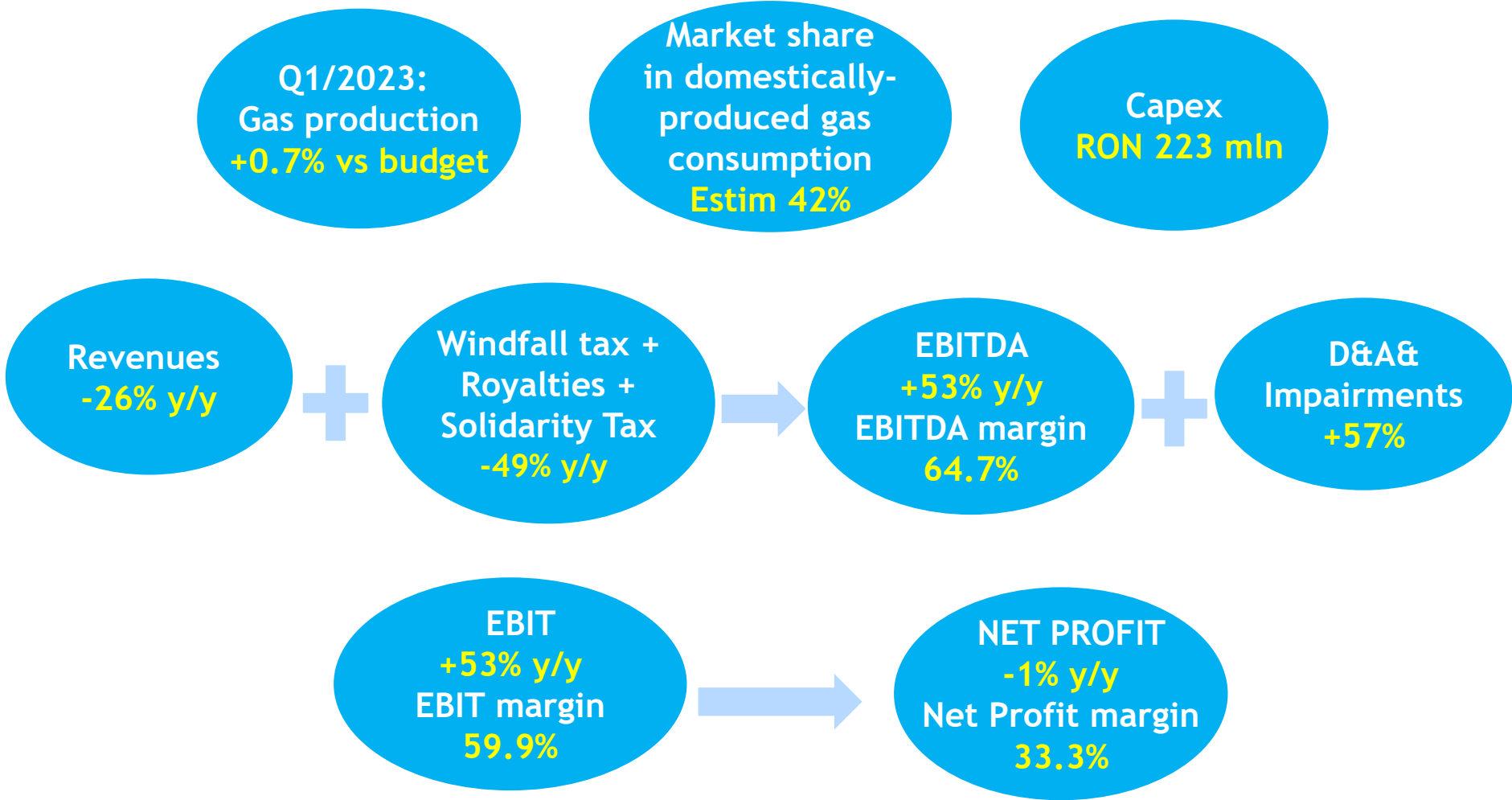
**Energy:** pricing norms until end-March 2025 + an 80% windfall profit tax until end-Aug 2022.

**The Energy Transition Fund:** contributors include energy producers (Sept 2022 - March 2025), and energy/gas traders on the engross markets (Sept 2022 - Aug 2023).

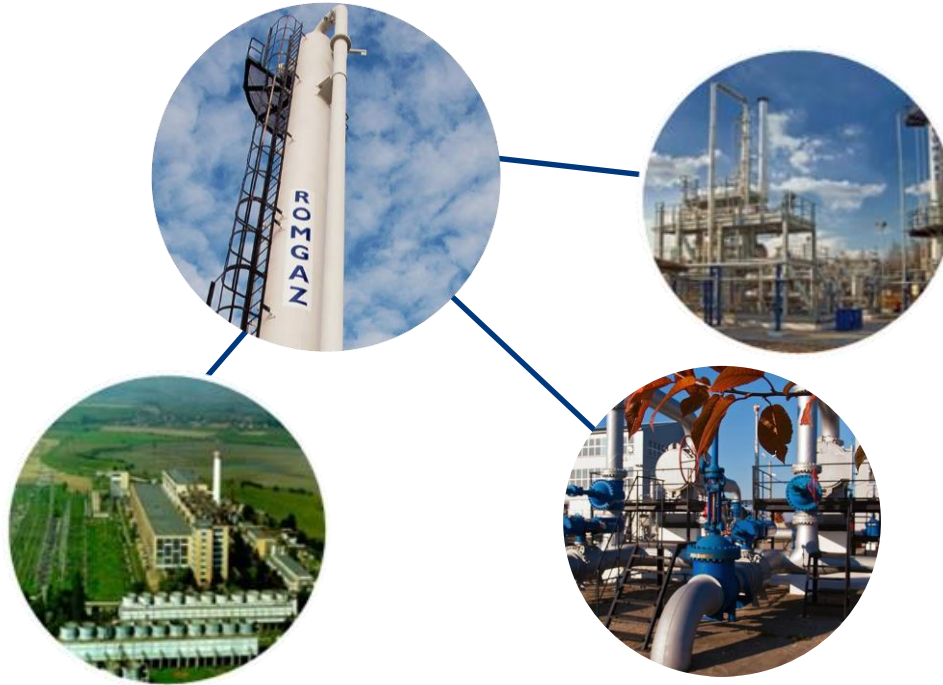
- **GEO no 186/ Dec 2022:** for the 2022-2023 fiscal years, a **Solidarity Contribution of 60%** is applied to the portion of the annual Gross Profit that exceeds by 20% the average recorded over 2018-2021.
- **Gas producers: the GRP (Gas Release Program) during July 2020 - March 2022, and Jan 2023 - Dec 2024**  
ANRE Orders no 143, 144 / July 2020: GRP - large gas producers are required to offer c.40% of the previous year gas output on centralized markets, with a 5% min discount from the previous 60-days average price of standardized products.



## Solid Operational and Financial Results, Substantial Profitability Rates



## Top Producer and Supplier of Natural Gas, Operator of UGS in Romania



### Other activities

- Include wells workover and recompletions and special well operations, and also - technological transport and maintenance;
- Support operations at Group level and third-party clients.

### Gas Exploration, Production & Supply

- 8 exploration blocks (Romgaz - 100% working interest) - significant onshore and offshore exploration potential, important discoveries and enhancements made lately;
- **Top gas producer in Romania** (output of 1.24 bcm in Q1/2023);
- Significant market share in the total gas supply in Romania.

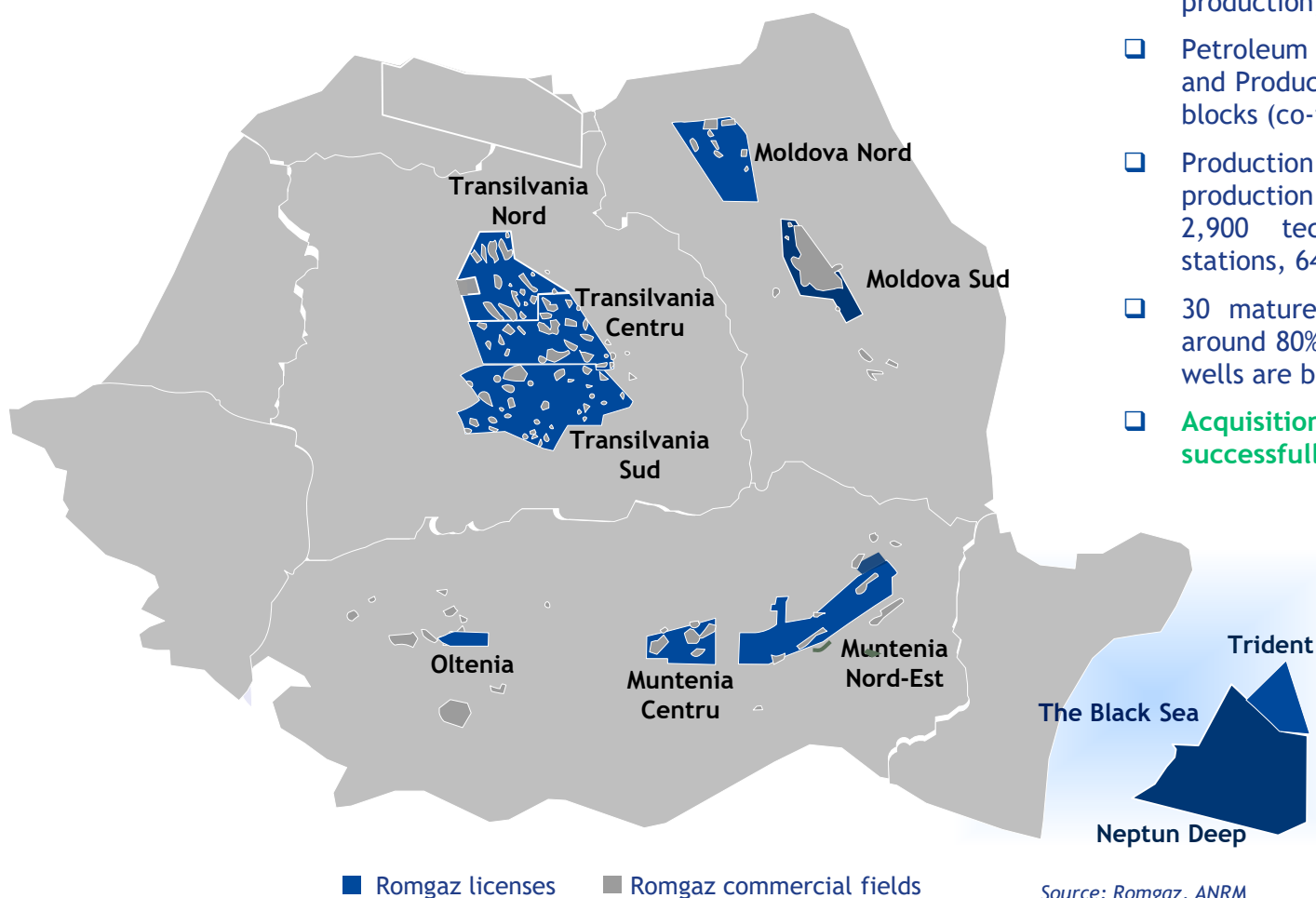
### Underground Gas Storage

- Working capacity: 2.77 bcm at end-March 2023;
- Important investments to secure the gas supply;
- **Market share of 94% in Romania;**
- Regulated activity.

### Electricity Production

- **New power plant in construction (430 MW);**
- Old power plant adjusted operations;
- Market share of 2.05% in terms of production in 2022.

## Major Producer and Supplier of Natural Gas in Romania - Headlines

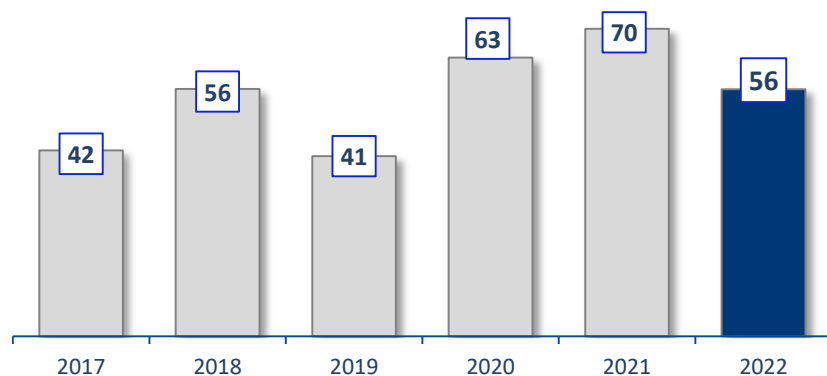


Source: Romgaz, ANRM

- ❑ Over 100 years history in gas exploration and production, with a well-established infrastructure;
  - ❑ Petroleum operations in 8 Exploration, Development and Production blocks (operator with 100% interest) + 4 blocks (co-title holder);
  - ❑ Production in 137 gas fields, and experimental production in 13 fields; Around 2,900 production wells, 2,900 technological installations, 16 compressor stations, 64 dehydration stations;
  - ❑ 30 mature fields (over 30-year old) are generating around 80% of total production; 26% of total number of wells are below 2,000 m;
  - ❑ **Acquisition of 50% of Neptun Deep in the Black Sea - successfully completed on Aug 1<sup>st</sup>, 2022.**
- Recent use of new technologies to mitigate production decline;
  - Largest hydrocarbon discovery in the past 30 years (Caragele - in production since 2009). Production from deep Mesozoic targets starting with 2019, and new discoveries in process to be brought on stream;
  - Offshore discovery (LIRA) in the Black Sea as well.

## RRRs, Strong Portfolio of Resources and Reserves - the latest Independent External Audit

Reserves Replacement Ratios (RRR) (%)

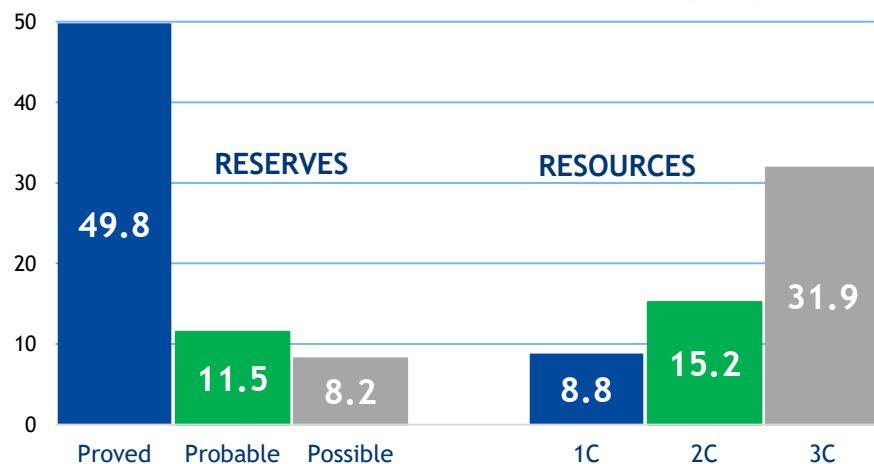


☐ **2022: RRR of 56%**

☐ RRR is influenced by the improvement of the final recovery factor, by promoting probable and possible reserves, and by investments in the infrastructure necessary to stream new exploration discoveries in experimental production.

- ✓ Diversification / improvement of the gas resources and reserves is achieved through: *New discoveries + Enhancement of the recovery rate of the proved reserves;*
- ✓ Maintaining and extending our gas reserves and resources represent a strategic priority !

External Audit of our Gas Reserves and Contingent Resources - Dec 31, 2021 (bcm)



### The Latest External Independent Audit (as of Dec, 2021)

- ☐ The external independent audit of our gas reserves and contingent resources for December 31, 2021 was completed at the end of Q2/2022 and reception of final report was on August 3, 2022;
- ☐ The audit shows:
  - total Gas Reserves of 65.9 bcm (proved, probable, possible)*
  - total Gas Resources of 55.9 bcm (1C, 2C, 3C);*
- ☐ The external independent audit was performed by DeGolyer & MacNaughton, USA.

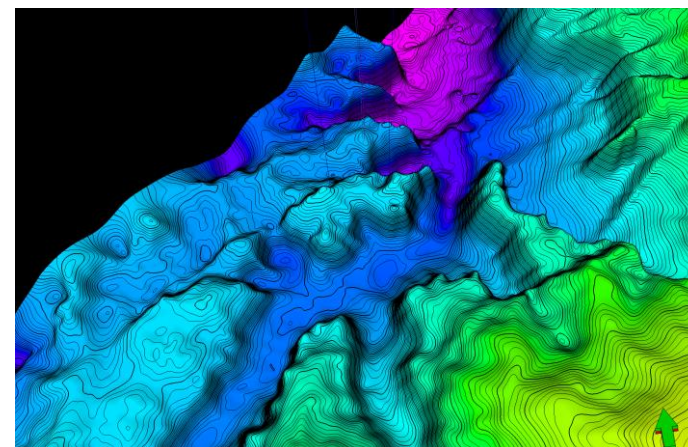
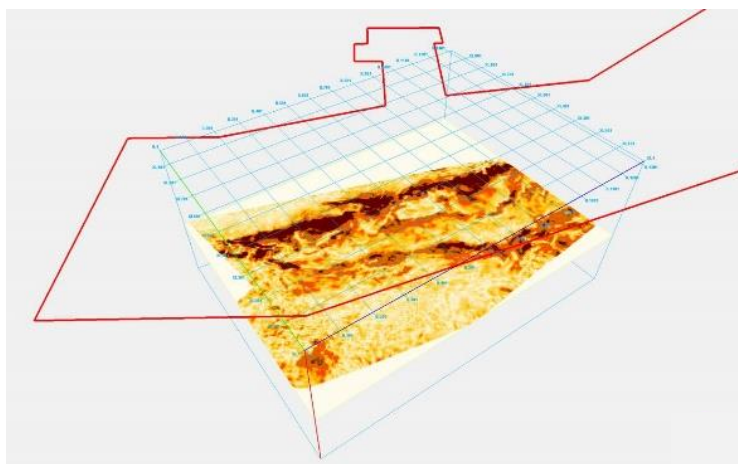
## Q1/2023: Efforts to improve our Gas Resources Portfolio followed last year's achievements

In Q1/2023, we continued the development of our onshore gas resources and reserves portfolio:

- ❑ We finalised drilling operations for 1 well - total depth of 2,420 m, for which the production tests follow;
- ❑ Other wells are in drilling-works procurement process or in different stages (design, obtaining authorisations etc).

Main achievements recorded in the previous quarters included:

- ❑ Drilling works for 4 exploration wells, 1 production well and 9 technological installations - completed in 2022;
- ❑ Recompletion, reactivation and capital repairs activities - performed for a total number of 215 wells last year;
- ❑ 3D seismic data acquisition and processing - completed in RG.07 Muntenia Centru (300 km<sup>2</sup>) and RG.06 Muntenia Nord-Est (350 km<sup>2</sup>).



Romgaz is currently in a 6-years exploration phase for its 8 Concession Blocks, as negotiated with ANRM (the extended exploration phase will last during Oct/2021 - Oct/2027).

**Romgaz: Minimum Working Commitment agreed with the National Agency for Mineral Resources (ANRM) for the period Oct/2021 - Oct/2027**

Seismic activities	3D seismic (km <sup>2</sup> )	1,000
Drilling	No. of wells	36
	Drilling (meters)	92,000
Total investment value agreed (USD mln)		195



## Current Development Stage of our Main Natural Gas Discoveries

### ON-SHORE:

- **CARAGELE DEEP:** Ongoing exploration efforts to unlock the full potential of the project, both in terms of exploration and evaluation of previously discovered resources.

#### Current stage:

- ❑ “79 Rosetti” well - abandoned after production tests;
- ❑ “78 Rosetti sidetrack” preparing to resume drilling to secure the appraisal target and test its flow potential;
- ❑ “76 Rosetti” in procurement procedures revision;
- ❑ 5 wells are in different stages of drilling preparations to further unlock the deep targets potential.

### OFF-SHORE:

- **TRIDENT BLOCK:** 12.2% working interest

#### Current stage:

- ❑ Seismic reprocessing finalized;
- ❑ On Sept 29, 2021, NAMR granted the exploration extension for Lira discovery resource evaluation-confirmation program for a 5 years period, divided in two stages, one mandatory and one optional, in order to justify development decision;

- **Neptun Deep Perimeter:** 50% share through the subsidiary ROMGAZ BLACK SEA LIMITED

#### Current stage :

- ❑ Preparation for the development of discovered commercial gas fields;
- ❑ Continuing the exploration works for the assessment of the energy potential of the Black Sea.

### Overall:

- Concession Agreements in 8 onshore blocks for petroleum operations for 30 years, since Oct 1997;
- Plus 2 petroleum agreement for offshore E&P in the Black Sea (Neptun Deep with OMV Petrom and Trident with Lukoil).

## We acquired 50% of Neptun Deep in the Black Sea, through ROMGAZ BLACK SEA LIMITED

On August 1st, 2022, ROMGAZ completed the transaction with ExxonMobil for the acquisition and transfer of all shares issued by ExxonMobil Exploration and Production Romania Limited (EMEPRL), representing 50% of the rights and obligations under the Petroleum Agreement for the East Area, Deep Water Zone, of the Black Sea XIX Neptun offshore block.

Shortly after the transaction was concluded, ExxonMobil Exploration and Production Romania Limited became ROMGAZ BLACK SEA LIMITED.

Romgaz' partner in the Neptun Deep Project in the Black Sea is OMV Petrom.

- ❑ **Neptun Deep Project is the most important transaction** in the Romanian energy sector in the past 30 years - it ensures the country's energy security.
- ❑ **For ROMGAZ, the transaction represents a historical milestone** in the corporate transformation and development. We will extend our natural gas portfolio, increase production, and consolidate our position as top player on the Romanian and other European oil&gas markets.

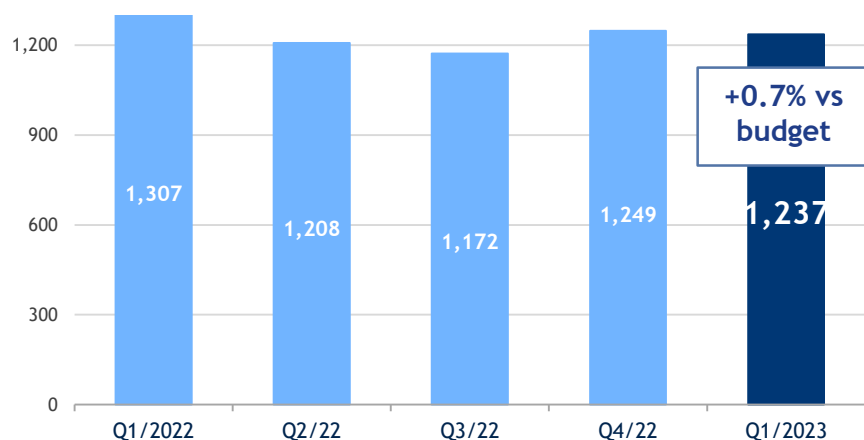
**Next steps to follow: proceed to the development-production phase as soon as possible.**

The SPA was concluded on May 3, 2022. Legal advisors of ROMGAZ were: Dentons and "Suciu Popa and Asociații". These companies performed an extensive legal due-diligence of the target company and its assets, and ensured legal consultancy during the SPA negotiation. Deloitte Romania provided assessment services of EMEPRL's participation, fiscal/financial due-diligence and fiscal assistance.

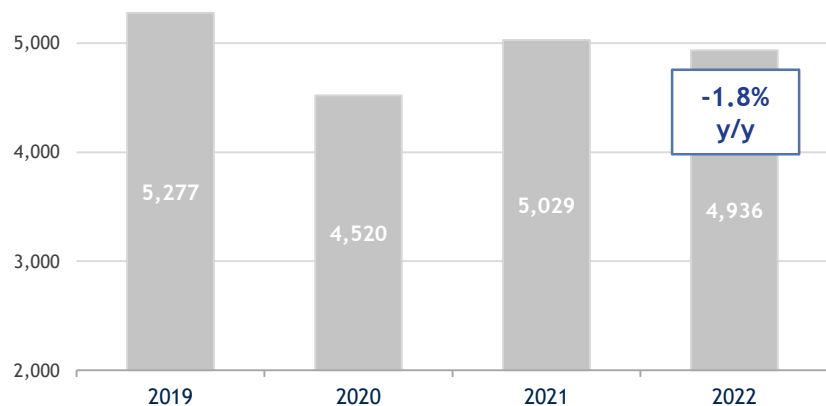
Romgaz shareholders approved the SPA on April 28, 2022, and the transaction - on Dec 10, 2021 respectively.

## Q1/2023: Strong Production levels, Steady Development Efforts

Romgaz: Quarterly production levels (million cm)



Romgaz: Annual Production - decline limited (million cm)



### Q1/2023: Production exceeded the budget by 0.7%

- ❑ Gas production was higher by 0.7% than the budgeted level;
- ❑ The gas output recorded a decline of 5.4% compared to the high level reported in Q1 last year (recall that during 2022, output in Q1 topped the levels recorded in the other quarters);
- ❑ Compared to Q4, production in Q1/2023 adjusted by 0.9%.

An average annual production decline of 2.5% at the most represents a strategic objective, stated in our Development Strategy!

### We continued investments in production facilities in Q1:

- ❑ We performed intervention works at 40 wells;
- ❑ We completed works at surface facilities to stream into production 5 wells, and are in progress with surface facilities for 14 wells.

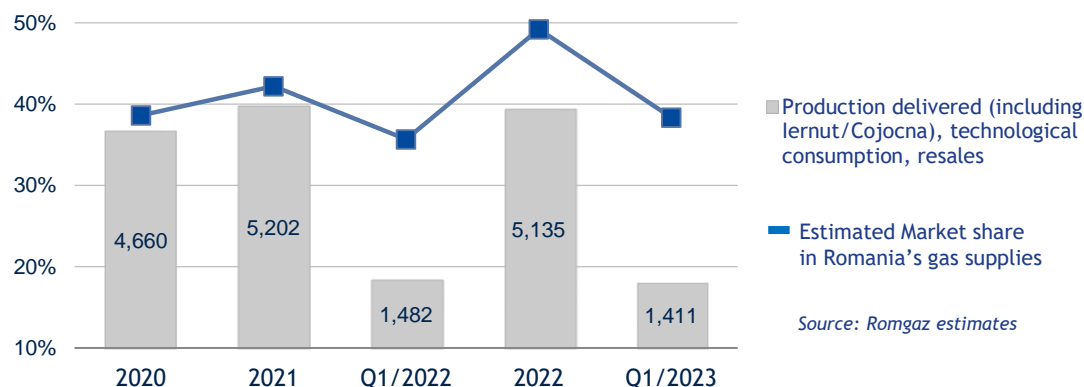
### We continue to take measures to support gas output:

- ✓ Workover and recompletion programs in inactive or low productivity wells;
- ✓ Continuous rehabilitation projects of the main mature gas fields;
- ✓ Measures implemented to optimize the gas field production;
- ✓ Completion of investment to extend the production infrastructure and connection of new wells to this infrastructure.



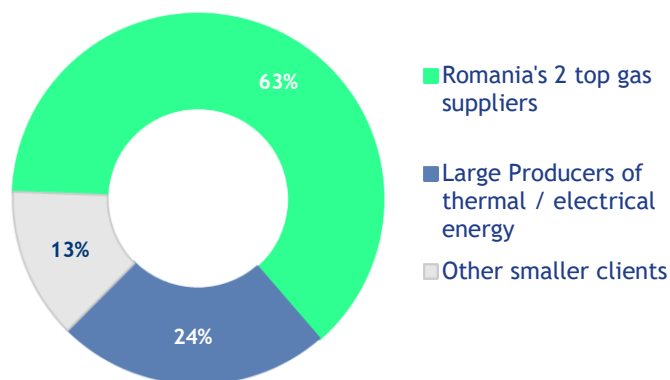
## Q1/2023: Significant Position in the Market as regards Gas Deliveries

**Romgaz: Market share in domestic consumption (% , million cm)**



- For Q1/2023, we estimate **a market share of 38%** - higher by almost 3% compared to the same period of the previous year.
- We continue to hold a **strong market share of almost 42%** in consumption covered from domestically-produced gas in Q1/2023.

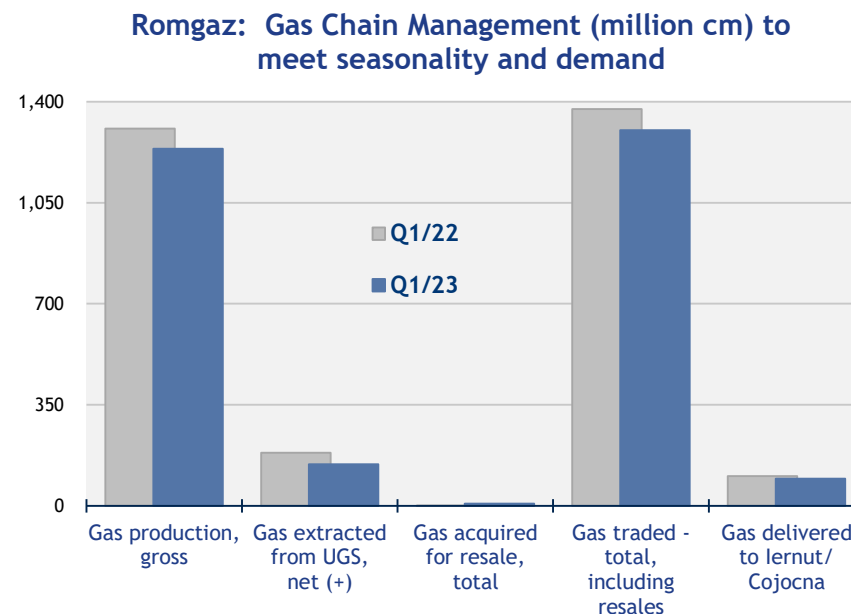
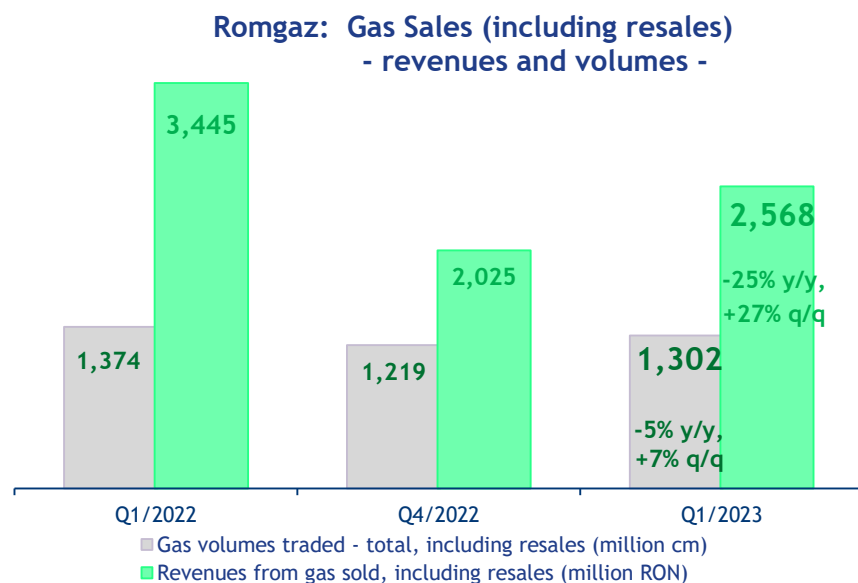
**Romgaz: Top Clients in our portfolio (volumes of gas sold, Q1/2023)**



Portfolio breakdown reflects specific quarterly characteristics of gas demand

- Gas trading since 2022 - influenced significantly by: GEO no 27/2022.
- Based on current regulations, gas trading was achieved using 2 channels:
  - Bilateral Contracts, and
  - Commodity Exchange (centralized markets, 2022).

## Q1/2023: Gas revenues influenced by the adjusting price environment

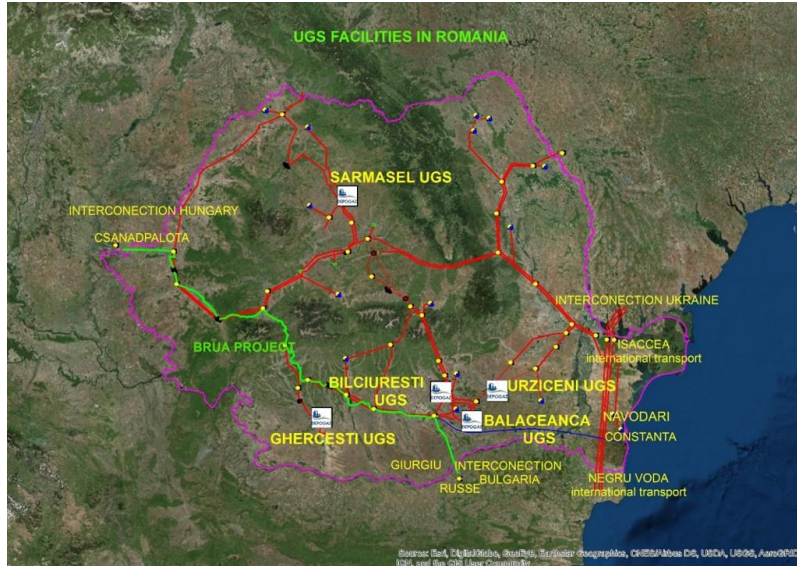


- ❑ **Q1/2023:** Gas Revenues accounted for RON 2,568 million, lower by 25% y/y, on volumes traded -5% y/y - as a result of the price environment and regulations;
- ❑ **Compared to Q4,** Revenues were up by 27%, on volumes sold +7% q/q.

- ❑ Gas sales are generally peaking in Q1 and Q4
- ❑ Optimisation of our gas value chain is a priority;
- ❑ Management of gas flow from production to clients is important;
- ❑ We make continuous efforts to improve the gas sale strategy.

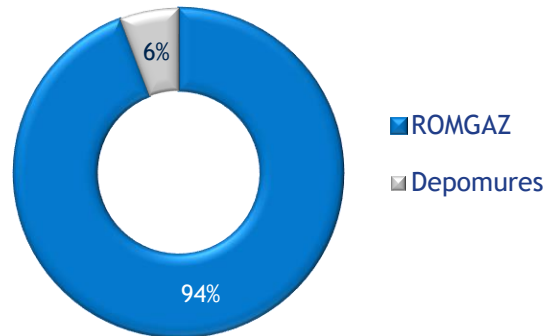
**UPSTREAM SEGMENT CONTRIBUTION in Q1/2023: 92% in Revenue, and 95% in EBITDA**

## Romgaz Group: Romania's Largest Operator of UGS (Underground Storage) Facilities



Romgaz Group: Underground Gas Storages at end - March 2023 - working capacities (mln cm/cycle) -			
Bilciuresti	1,310	Ghercesti	150
Sarmasel	900	Balaceanca	50
Urziceni	360		
<b>Total Working Capacity: 2,770 mln cm</b>			

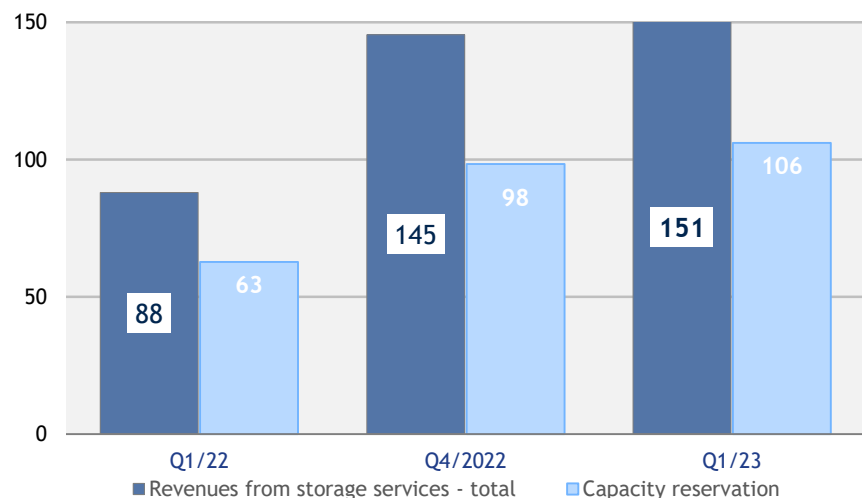
### ROMGAZ Group UGS Market share



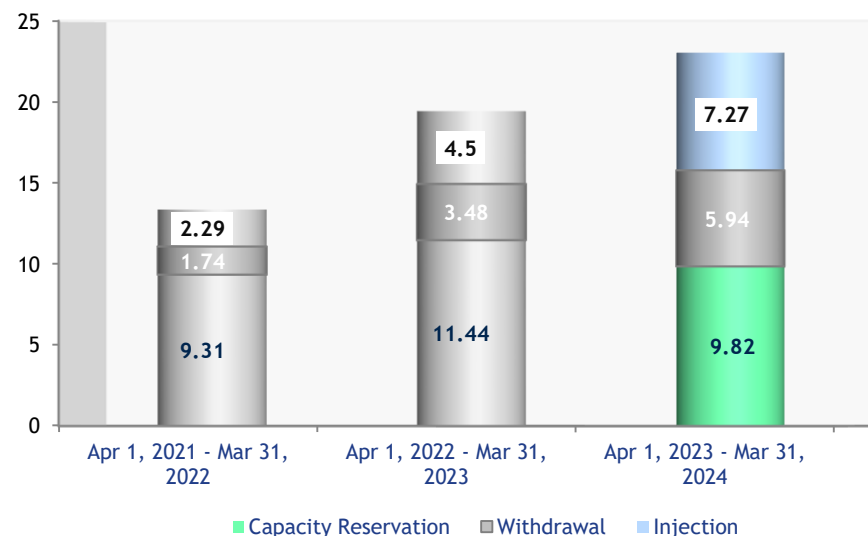
- ❑ Romgaz Group operates 5 storage facilities, with a total working capacity of 2.77 bcm (total capacity of 3.97 bcm) - Depogaz Subsidiary;
- ❑ Romgaz also owns 40% of Depomureş (0.30 bcm), a JV with Engie;
- ❑ Storage activity not regulated any more by ANRE starting with April 1, 2021; royalties of 3% of the operating revenues;
- ❑ Investment plans aim to extend the storage capacity and the extraction capacity - in order to secure gas supply long-term.

## Q1/2023: Higher UGS Revenues mostly due to Capacity Reservation

Romgaz: Revenues from Storage Services (million RON)  
- capacity reservation, withdrawal, injection -



Romgaz: Storage tariffs (RON/MWh)



- Q1/2023: UGS revenues increased by 71% compared to the same period of the previous year, to RON 151 million;
- Capacity reservation accounted for a 70.4% weight in total UGS revenues, withdrawal for 26.3% and injection to 3.3%.

- Storage tariffs for April 2023 - March 2024 increased to 23.03 RON/MWh - compared to 19.42 RON/MWh the year before.

<sup>1</sup> Consolidated figures

**STORAGE SEGMENT CONTRIBUTION in Q1/2023: 4% in Revenue, and 3% in EBITDA**

## “GAS to POWER” Investment: SGM approved the Settlement Agreement on May 10

### ➤ Latest Developments:

- Shareholders approved on May 10 the Settlement Agreement between Romgaz and Duro Felguera;
- The procurement contract was signed in April to complete the works and commission the new power plant;
- Completion period is 16 months from the date of the works start order.



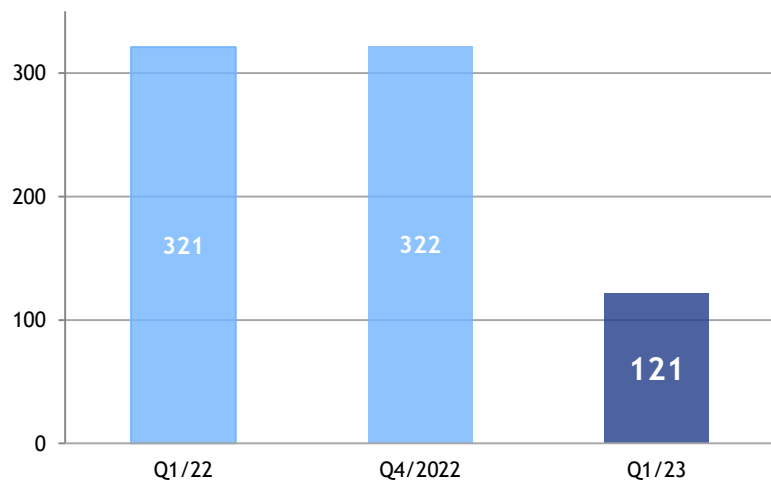
### ➤ Investment Overview

- Gross electric power capacity: 430 MW;
- Gross electrical efficiency at nominal load: 56.4%
- Max emissions: NOx 50 mg/Ncm, CO 100 mg/Ncm;
- CCGT lernut benefits from a strategic positioning - in the middle of the national electricity system;
- Main roles: cover national power consumption by acting in the wholesale and balancing markets, ensure ancillary services to the national system, eliminate network constrains in NW Romania;
- 25% of total eligible investment costs represent a non-refundable financing from the National Investment Plan;
- The plant consists of: 4 gas turbines + 4 recovery boilers for steam production with 3 pressure levels + 2 steam turbines.



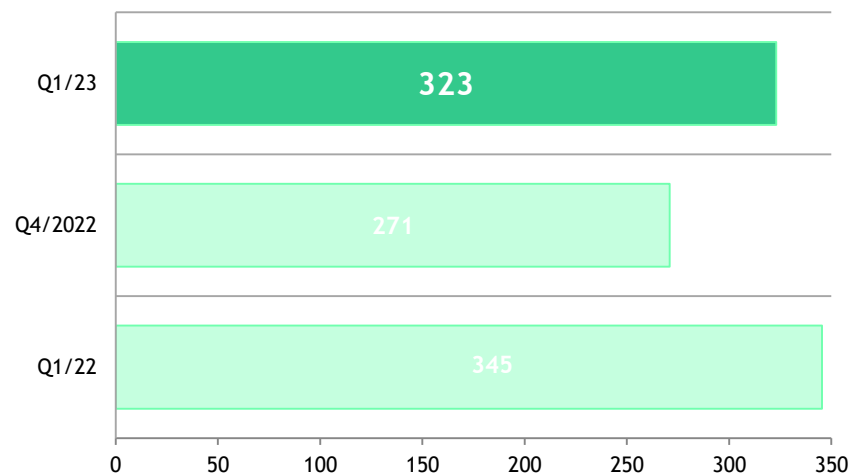
## Q1/2023: Performance impacted by regulated prices

Romgaz: Revenues from Electricity (million RON)



- Q1/2023: Revenues from Electricity were lower by 62% y/y, to RON 121 million as a result of regulated prices.

Romgaz: Electricity Production (GWh)



- Q1/2023: We produced 323 GWh of electricity, -6% compared to the previous period of last year;
- The old power plant is in operation with lower production capacity to make room for the new plant, and as a result of environmental requirements as well; only Unit #5 is in operation (200 MW).

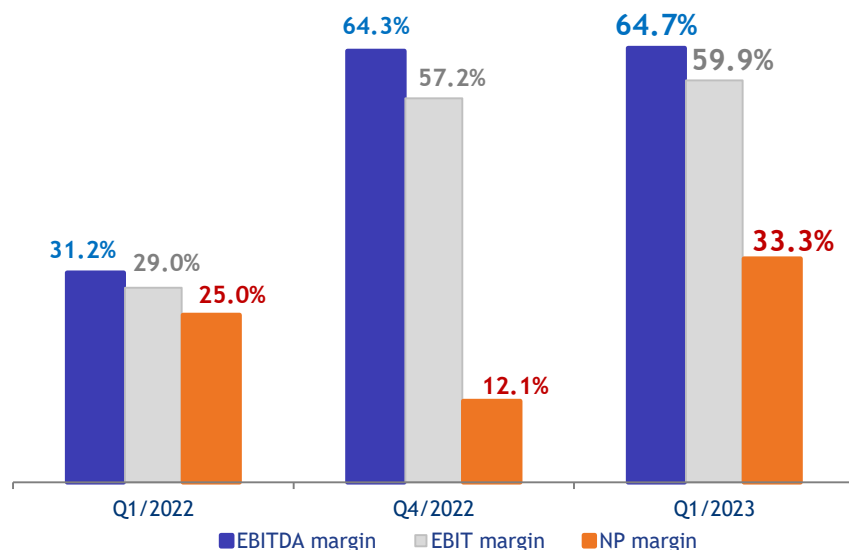
<sup>1</sup> Consolidated figures

**ELECTRICITY SEGMENT CONTRIBUTION in Q1/2023: 4% in Revenue, and 0.2% in EBITDA**

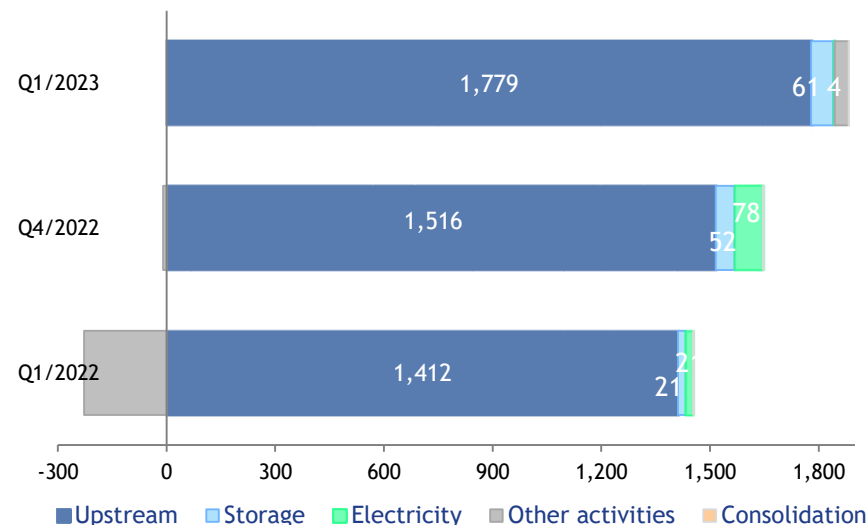


## Q1/2023: Profitability rates are Substantial (EBITDA, EBIT rates almost double y/y)

Romgaz Group: Strong Profitability Margins



Romgaz Group: EBITDA by Segments (million RON)



- All profitability margins increased strongly in Q1 2023 compared to the last year, due to the favorable effect of lower tax expenditures as a result of the adjusting gas prices.

- The bulk of EBITDA is generated by the core segment Gas Upstream - which contributed with RON 1,779 million in Q1/2023;
- Change of segments reporting: Starting H1/22, gas deliveries intra-segments were accounted for at market prices compared to the cost method applied before (segments' results were restated, no impact on global results); Starting Sept 1<sup>st</sup>, 2022, GEO no 119/2022 applies (transfer price of 100 RON/MWh).

<sup>1</sup> All figures are consolidated

## Q1/2023: Solid Bottom Line and Strong Profitability

### Summary Q1/2023 (vs Q1/2022)

Revenues - total	2,909 million RON (↘ 26%)
EBITDA	1,882 million RON (↗ 53%)
Net Profit	970 million RON (↘ 1%)
EBITDA margin	64.7% (↗)
NP margin	33.3% (↗)

- ❑ We reported Revenues of RON 2.9 billion in Q1/2023, 26% lower y/y, as a result of the adjusting-price environment
- ❑ Main tax expenses decreased by 49% y/y altogether, split as follows:
  - Windfall tax: RON 477 mln (Q1/22: RON 1,843 mln);
  - Royalties: RON 150 mln (Q1/22 : RON 461 mln);
  - Solidarity contribution: RON 538 mln.
- ❑ Net Profit was roughly stable at RON 0.97 billion, and the net margin was substantial at 33.3% in Q1/2023.

Million RON	2020	2021	2022	Q1/22	Q1/23	%change
<b>Revenues - of which</b>	<b>4,075</b>	<b>5,853</b>	<b>13,360</b>	<b>3,926</b>	<b>2,909</b>	-25.9%
<i>Gas Production</i>	3,293	4,713	11,292	3,442	2,549	-25.9%
<i>Gas acquired for resale</i>	16	330	15	0	19	
<i>Storage</i>	375	260	469	88	151	71.2%
<i>Electricity</i>	189	322	1,331	321	121	-62.2%
<i>Other services</i>	176	166	173	52	51	-1.8%
<b>Other income</b>	<b>25</b>	<b>170</b>	<b>80</b>	<b>17</b>	<b>76</b>	339.8%
Cost of commodities sold	(19)	(282)	(184)	(9)	(20)	122.0%
Changes in inventory	(16)	75	(2)	(52)	(62)	19.9%
Raw materials	(58)	(81)	(118)	(25)	(26)	5.0%
Exploration expense	(27)	(1)	(60)	(1)	(0)	
Headcount expense	(767)	(767)	(846)	(158)	(199)	26.1%
Other gains and losses	(7)	23	(9)	(3)	7	
Impairment losses on trade receivables	18	350	(55)	12	16	35.3%
Associate's result share	1	0	2	0	1	
Other expenses	(1,158)	(2,539)	(7,613)	(2,476)	(814)	-67.1%
<b>EBITDA</b>	<b>2,051</b>	<b>2,785</b>	<b>4,532</b>	<b>1,227</b>	<b>1,882</b>	53.5%
<b>EBITDA margin</b>	<b>50.3%</b>	<b>47.6%</b>	<b>33.9%</b>	<b>31.2%</b>	<b>64.7%</b>	
<b>D&amp;A</b>	<b>(672)</b>	<b>(686)</b>	<b>(550)</b>	<b>(89)</b>	<b>(140)</b>	57.2%
<b>EBIT</b>	<b>1,379</b>	<b>2,099</b>	<b>3,982</b>	<b>1,138</b>	<b>1,742</b>	53.2%
<b>EBIT margin</b>	<b>33.8%</b>	<b>35.9%</b>	<b>29.8%</b>	<b>29.0%</b>	<b>59.9%</b>	
Net Interest income	48	58	177	32	51	60.6%
<b>PROFIT BEFORE TAX</b>	<b>1,427</b>	<b>2,157</b>	<b>4,154</b>	<b>1,169</b>	<b>1,785</b>	52.7%
Income tax	(179)	(242)	(1,608)	(190)	(815)	329.8%
<b>NET PROFIT</b>	<b>1,248</b>	<b>1,915</b>	<b>2,547</b>	<b>980</b>	<b>970</b>	-1.0%
<b>Net margin</b>	<b>30.6%</b>	<b>32.7%</b>	<b>19.1%</b>	<b>25.0%</b>	<b>33.3%</b>	

All figures are consolidated



## Q1/2023: Our Balance Sheet continues to be robust

- At end-March 2023, total cash position amounted to RON 3,616 million (cash, bank depots and government's treasury bonds);
- On March 30, ROMGAZ signed a credit facility agreement in the amount of EUR 325 million in order to partially finance the acquisition of Neptun Deep Project in the Black Sea.

### Romgaz: Selected Cash Flow Items

Million RON	2021	2022	Q1/23
Net profit for the period	1,915	2,547	970
Operating Cash Flow before $\Delta$ WC and Income tax	2,476	4,650	1,936
Movements in working capital	325	(782)	(104)
Net Cash flows from operating activities	2,568	3,452	1,824
Net Cash flows from investing activities	1,193	(5,130)	(3,001)
Net Cash flows from financing activities	(597)	(18)	(81)
Net change in cash and cash equivalents *	3,163	(1,697)	(1,258)

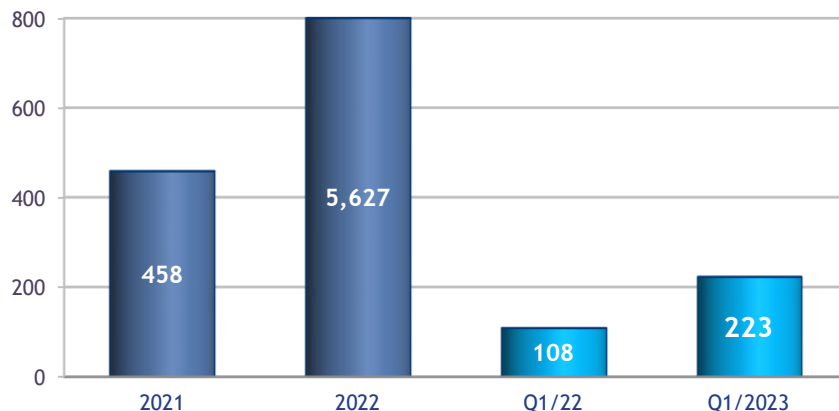
\* This line reflects only the change in "Cash and equivalent" (i.e. bank accounts with maturity lower than 3 months)

### Romgaz Group: Selected Balance Sheet Items

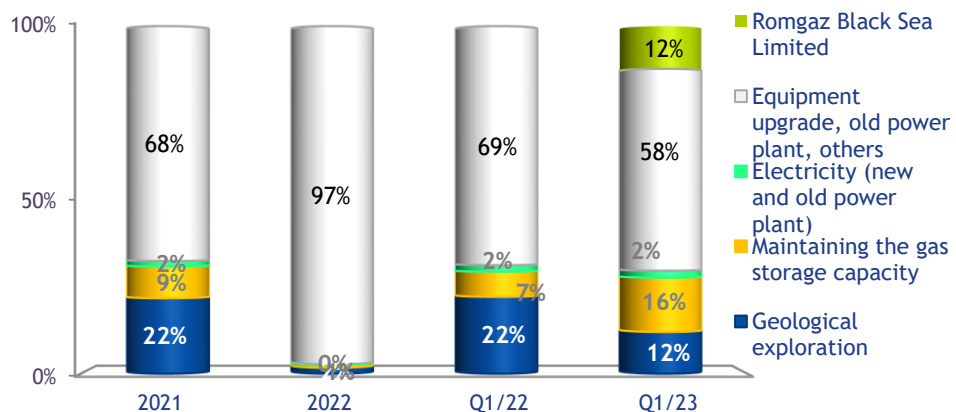
Million RON	Dec 31, 2020	Dec 31, 2021	Dec 31, 2022	Mar 31, 2023
<b>Total non-current assets, thereof</b>	<b>5,943</b>	<b>5,565</b>	<b>10,422</b>	<b>10,458</b>
Tangible assets	5,613	5,241	5,039	5,082
Other intangibles	15	16	5,140	5,140
Investment in associates	26	26	29	29
Deferred tax asset	275	270	199	192
Other financial assets	5	6	6	6
<b>Total current assets, thereof</b>	<b>3,319</b>	<b>5,728</b>	<b>3,906</b>	<b>5,418</b>
Inventories	245	305	284	222
Trade and other receivables	593	1,352	1,374	1,368
<b>Other financial assets - govt securities and bank depots (+3mo maturity)</b>	<b>1,996</b>	<b>418</b>	<b>100</b>	<b>2,991</b>
<b>Cash and equivalents</b>	<b>417</b>	<b>3,580</b>	<b>1,884</b>	<b>625</b>
Other assets	68	68	265	212
<b>Total assets</b>	<b>9,261</b>	<b>11,293</b>	<b>14,328</b>	<b>15,877</b>
<b>Shareholders' Equity</b>				
Share capital	385	385	385	385
Reserves	2,252	2,999	3,579	3,579
Retained earnings	5,150	5,597	6,112	7,082
<b>Total Shareholders' Equity</b>	<b>7,787</b>	<b>8,981</b>	<b>10,077</b>	<b>11,047</b>
<b>Non-current liabilities, thereof</b>	<b>812</b>	<b>807</b>	<b>1,743</b>	<b>1,660</b>
Borrowings	-	-	1,126	1,045
Provisions	539	413	211	213
Deferred income	136	230	230	230
Retirement benefit obligation	129	156	169	164
<b>Current liabilities, thereof</b>	<b>662</b>	<b>1,505</b>	<b>2,508</b>	<b>3,170</b>
Trade payables and other liabilities	89	71	110	101
Contract liabilities	81	204	263	99
Current tax liabilities	60	52	1,177	1,986
Provisions	156	237	321	400
Borrowings	-	-	322	322
Other liabilities	264	939	312	260
<b>Total liabilities</b>	<b>1,474</b>	<b>2,312</b>	<b>4,251</b>	<b>4,830</b>
<b>Total equity and liabilities</b>	<b>9,261</b>	<b>11,293</b>	<b>14,328</b>	<b>15,877</b>

## Q1/2023: Capex - to support the Group's Development

Romgaz Group: Capital Expenditures (RON million)



Romgaz Group: Breakdown of Investments



- ❑ Investments of ROMGAZ Group amounted to RON 223 million in Q1/2023, as follows:
  - Drilling works for 1 well completed, with 2,420 metres drilled;
  - Surface facilities finalized to stream in production 5 wells, and other are in progress to stream in production 14 wells;
  - Intervention works at 40 wells - 19 wells at Medias Branch and 21 wells at Tg. Mures Branch;
  - Modernisation of storage equipment;
  - Romgaz Black Sea Limited - capex of RON 27 million.
- ❑ Investments in Q1/2023 were financed from the company's funds and bank loans.
- ❑ Transaction related to Neptun Deep Project was completed in Q3/2022, and the acquisition price was RON 5,119 million.

<sup>1</sup> Consolidated figures

## Strategic Objectives - Headlines

- Minimum 10% reduction of carbon, methane and other gas emissions (10-10-10)
- Annual natural gas output decline below 2.5%
- EBITDA margin between 25-40%
- ROACE  $\geq$  12%

Net zero CO<sub>2</sub> emissions  
by 2050 !



1. We continue to develop the portfolio of resources focused on mitigating climate changes effects, centered on resilient hydrocarbons and on operational safety and reliability



2. Electricity and energy with low CO<sub>2</sub> emissions with large scale use of renewable energy sources, seeking opportunities on the hydrogen market and developing a portfolio of gas clients to complete such low CO<sub>2</sub> emission energy

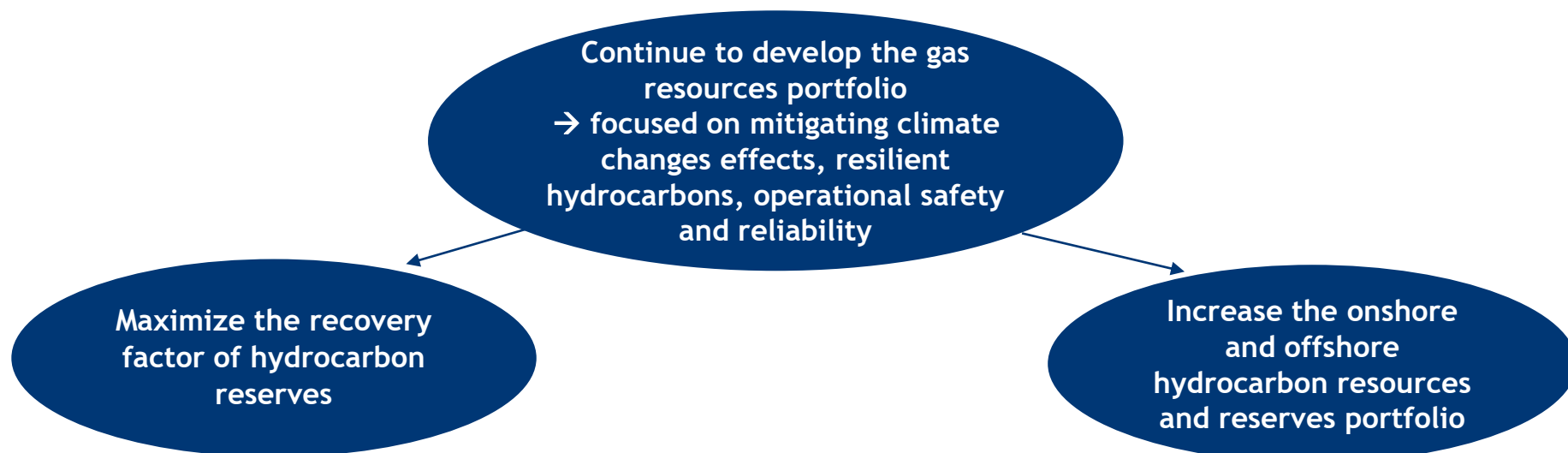


3. Digital transformation of the company and supporting innovations to approach new customer interaction methods, to increase efficiency and to support new development directions



4. Create long-term relationships with equal profitability for both the market and social environment

## Develop the Gas Resources Portfolio - focused on Climate Changes, Safety and Reliability



**Currently:** 16 commercial fields secure ~56.4% of the annual production, structured by 9 projects; multidisciplinary teams; significant production expertise

**TARGETS:** Extend production period for mature gas fields; Reduce emissions and increase efficiency of gas production surface facilities.

- ✓ Technical, economic and management strategies to maximize production and increase recovery factor of gas reserves on profitability basis
- ✓ Rehabilitation projects in mature fields
- ✓ Drill and streamline to production min 21 wells in undrained areas
- ✓ Annual gas production decline below 2.5%.

□ Exploration-development-production activities in gas fields under concession

□ OFFSHORE gas exploitation in the Black Sea / taking under concession of new gas blocks:

- ❖ **Neptun Deep Project** - acquisition of 50% of rights and obligations in XIX Neptun Deep block in the Black Sea from Exxon (completed on August 1, 2022)
- ❖ **Trident Project** (12.2% share of EX-30 Trident block)

## Develop the Gas Resources Portfolio - focused on Climate Changes, Safety and Reliability

### □ Exploration-development-production activities in gas fields under concession

**Exploration** - currently 3 major projects (with current production and significant potential):

- Transilvania Project (blocks RG 01,02,03)
- Moldova Project (blocks RG 04,05)
- Muntenia-Oltenia Project (blocks RG 06,07,08)

TARGETS

- ✓ Over 50% annual RRR
- ✓ 59 exploration, appraisal and production wells
- ✓ Extension of existing capacities and construction of new surface facilities
- ✓ RON 1,900 million investments in exploration

Zonal studies to include re-evaluation of 3D geological models to identify new accumulations

- **RG04 Moldova Nord Project** - High production potential, outlined in Sarmatian production units
  - Assess and stream into production discoveries identified in the South area
  - We will drill min 3 appraisal wells and analyze the potential of some possible adjacent accumulations that could be integrated in the development concept of the area
- **RG06 Muntenia NE - main projects:**
  - **Caragele Project** - Mesozoic (high depth, successful 3D seismic): drill over 20 exploration, appraisal and production wells, develop existing infrastructure and build new surface facilities.
  - **Snagov Project:** exploration appraisal activity in progress; construct surface infrastructure to stream into production wells that tested positive for hydrocarbons with commercial potential (over 800 thousand m<sup>3</sup>/day)

## Sustainable Energy / Commercial Portfolio and Business Diversification

### Electricity and Energy with Low CO2 Emissions

- Production of photovoltaic energy - minimum of 180 MW capacities, a 60 MW solar park to be operational by the end of 2023
- Assess the feasibility to construct new gas-fired power plants - including use of green energy and hydrogen (possible locations Halânga, Mintia, Constanța) - subject to secure financing / access grants

Assessment of feasibility and implementation of power plants projects (greenfield or brownfield) - by Romgaz or in partnership(s)

- Assessing the feasibility to book capacity in gas-fired power plants, with Romgaz keeping the title on natural gas and on resulting electricity

### Business Diversification

- Green/brown field projects in the distribution sector
- Methanol and olef production units, potentially in partnerships (with opportunity / feasibility studies)
- Gas to Power projects to exploit marginal/isolated natural gas reservoirs
- Hydrogen production for the use of final customers (assessment and feasibility studies), potentially in partnerships

### Commercial Portfolio Diversification and Market Share Increase

Increase domestic market share by min 3% by 2025 to maximize the added value

- Attract large end-customers in the wholesale market;
- Access retail clients in the supply market
- Develop the trading activity

Regional sale of products: 2 offices in EU neighboring countries, to develop energy trading activity

## Decarbonization Policy / Digital Transformation of the Group / Social Responsibility

### Decarbonization Policy

Min 10% reduction of carbon, methane & other gas emissions by 2030 (10-10-10, vs 2020)

- Implement a Nox emissions management system, including reducing gas emissions during well testing operations
- Electrically-driven drilling rigs, use of flow-back closed systems at technological well groups
- Reduce flare gas through methane capture systems and methane added value solutions
- 10% reduction of technological gas consumptions
- Modernize equipment and facilities, sustainable gas production
- Energy with low CO2 emissions, seek opportunities on the hydrogen market
- Assess the feasibility to inject CO2 in depleted gas reservoirs to secure future carbon storage services

NetZeRomGAZ in our business - to reach net zero CO2 emissions by 2050

### Digital transformation of the Group

Management, control and automation of production infrastructure - to optimize equipment operation under safe and reliable conditions, with low environment impact

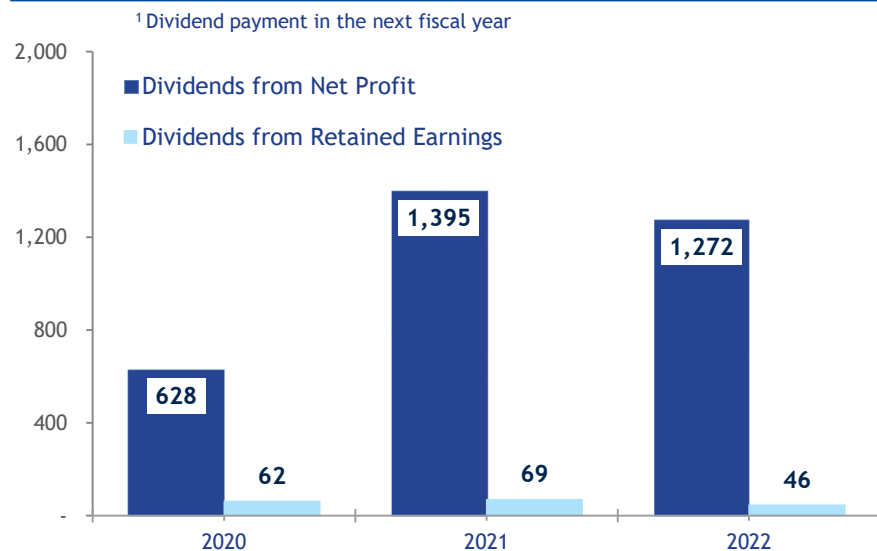
- SCADA - the project will implement a centralized system - real time monitoring, control and reporting
- Extended data network capacity and diversified electronic services

### Social Responsibility Engagement

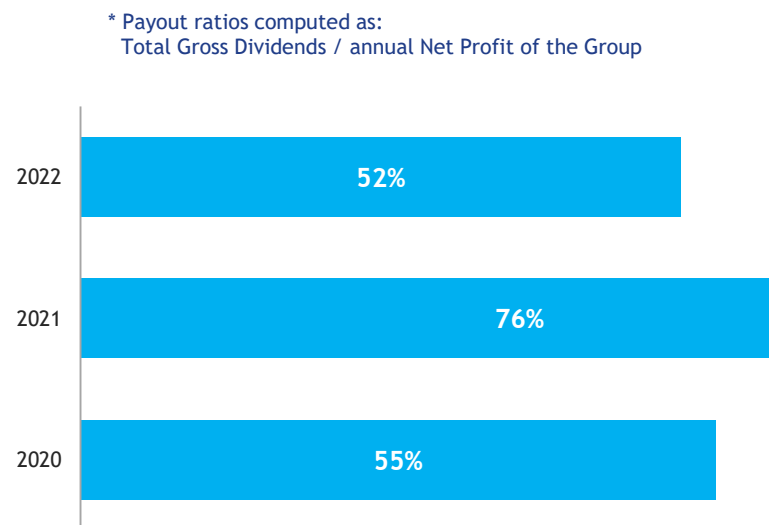
- Win-Win relationships with the market and social environment

SGM in April approved a Gross Dividend of RON 3.42 / share (52% Payout Ratio)

Romgaz: Gross Dividend Distributions<sup>1</sup> (RON million)



Romgaz: Gross Dividend Payout ratios



- ❑ The annual SGM, that was held on April 26, approved a total Gross Dividend of RON 3.42 / share (of which: RON 3.30 from the 2022 Net Profit and RON 0.12 from equity reserves); registration date is July 6 (ex-date: July 5);
- ❑ Majority state-owned companies are required to distribute at least 50% of the annual NP in the form of dividends to recorded shareholders.



## Why to Invest in Romgaz Shares

<p>➤ <b>Operational excellence / robust margins</b></p>	<p>EBITDA margin of 65%, EBIT margin of 60% and Net Profit margin of 33% in Q1 2023</p>
<p>➤ <b>Minimum dividend payout ratio required is 50%</b></p>	<p>Gross Dividend payout ratio of 52% for 2022 (computed as Total Gross Dividends per 2022 Net Profit of the group). Minimum required level is 50%.</p>
<p>➤ <b>Net cash reserves</b></p>	<p>We recorded total cash&amp;equivalent of RON 3.6 bn at Mar 31, 2023 Cash<sup>1</sup> / Market capitalisation = 25% (share price on May 8, 2023)</p>
<p>➤ <b>Top gas producer in Romania and one of the largest in the region as well</b></p>	<p>Favorable market share in terms of gas production in Romania Main operator of the Underground Gas Storages in Romania Holder of large gas reserves among European countries</p>
<p>➤ <b>Strong gas reserves portfolio - expected to improve with the Neptun Deep Project</b></p>	<p>We completed the transaction for the acquisition of 50% of the rights and obligations in Neptun Deep block. The partnership is expected to improve our gas reserves portfolio and the group's profitability as well.</p>
<p>➤ <b>Diversification of investment projects</b></p>	<p>We will complete the new power plant to strengthen position on the electricity market; also we plan to diversify our investment portfolio in order to increase profitability</p>
<p>➤ <b>Romgaz issued its Strategy for 2021-2030</b></p>	<p>Romgaz Strategy for 2021-2030 includes a sustainable increase of added value for the company, employees and shareholders</p>
<p>➤ <b>Strong management team, skilled workforce</b></p>	<p>Management team has significant expertise in the sector, headcount is strongly committed</p>

<sup>1</sup> considering all cash equivalents at March 31,2023, consolidated figure

## Dan Dragoș Drăgan BoDs Chairman

**Dan Dragoș Drăgan** - was appointed member of the Romgaz Board of Directors, with a 4-year mandate, starting on March 16, 2023. Expertise of Mr. Dan Dragoș includes positions such as Romgaz Board Chairman (since 2021), Secretary of State within the Ministry of Energy / Ministry of Economy, Energy and Business Environment (since 2020), Energy development counselor of Uzinsider General Contractor SA (2017-2020), General Manager of Repower Furnizare Romania SRL (2007-2017). He holds a University Degree in Economy.

## Marius Aristotel Jude Executive member

**Marius Aristotel Jude** - was appointed member of the Romgaz Board of Directors, with a 4-year mandate, starting on March 16, 2023. Expertise of Mr. Marius Aristotel Jude includes positions such as Deputy CEO of Romgaz (since 2022), CEO of Romgaz (2021-2022), Board member of Romgaz (since 2019, 2018-2019, 2016-2017), Secretary of State for the Ministry of Energy (2015-2017), Board member of Depomureș SA (2010-2014) and of Amgaz SA (2009-2015). He also held other management positions in Romgaz. He holds an MBA awarded by Conservatoire National Des Arts Et Metiers, Paris, and a University Degree in Law.

## Gheorghe Silvian Sorici Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee Independent

**Gheorghe Silvian Sorici** - was appointed member of the Romgaz Board of Directors, with a 4-year mandate, starting on March 16, 2023. Experience of Mr. Gheorghe Silvian Sorici includes positions such as Board member of Romgaz (2021-2023), Manager / Project Manager of Sobis Solutions SRL (since 2006), Director within Covtex - Feizy SRL (1999-2006), Director / CFO of Covtex SA (1997-1999). He holds a University Degree in Economy.

## Marius Gabriel Nuț Independent

**Marius Gabriel Nuț** - was appointed member of the Romgaz Board of Directors, with a 4-year mandate, starting on March 16, 2023. His professional experience includes different positions such as Board member of Sala Polivalentă SA and Cluj Innovation Park SA (since 2022), CFO of Sanex SA (since 2018), CFO and Operation Manager of CARRION Expedition SRL (2016-2018), Financial Manager of Emerson SRL (2012-2016), Financial Auditor at Ernst & Young Assurance Services SRL (2008-2012). He holds an Executive MBA awarded by WU Executive Academy and by University for Economy and Business in Vienna, and a Master Degree in "Audit & Accounting Convergence".

## Botond Balazs Chairman of the Strategy Committee

**Balazs Botond** - was appointed member of the Romgaz Board of Directors, with a 4-year mandate, starting on March 16, 2023. Experience of Mr. Balazs Botond includes positions such as Board member of Romgaz (since 2019), Board member of Meditur SA (since 2018) and of Eco-Sal SA (2016-2021), Head of Legal Department of Romgaz (2019) and Legal counsellor of Romgaz (2011-2019). He holds Master Degrees in "Private Law Institutions" and in "Management and Public Policies", and a University Degree in Law.

## Elena Lorena Stoian Independent

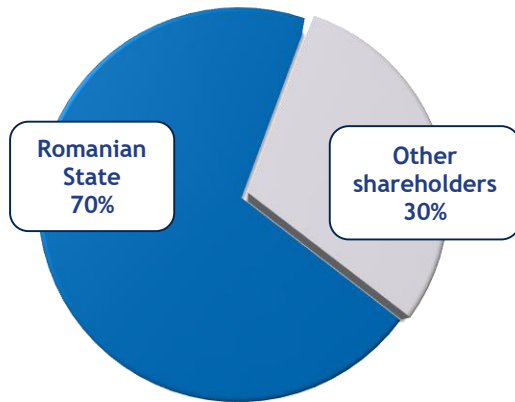
**Elena Lorena Stoian** - was appointed member of the Romgaz Board of Directors, with a 4-year mandate, starting on March 16, 2023. Her professional experience includes positions such as Founding / Lead Attorney of SCA Stoian si Asociatii, and of SCA Stoian Predoiu și Asociații (since 2016), Lead Attorney with Marian Catalin Predoiu (2013-2015), Attorney / Associate Attorney / Lead Associate Attorney at SCA Deleanu si Asociatii (2000-2013), Lead Insolvency Practitioner at National Union of Insolvency Practitioners (since 2007). She holds a Master Degree in "Business Law in the European Context", and a University Degree in Law.

## Răzvan Brasla Independent

**Răzvan Brasla** - was appointed member of the Romgaz Board of Directors, with a 4-year mandate, starting on March 16, 2023. His professional experience includes positions such as Managing Partner & Senior Project Management of BLOOM Project Management SRL (since 2022), General Manager of BG Capital Invest SRL (since 2019), of MCKINSEY Facility SRL (since 2015) and of Business Development Industry SRL (2008-2018). He holds a Master Degree in Economy, and a University Degree in Marketing.

# Shareholding Structure and Stock Performance

## Romgaz: Among Blue-chips on the Domestic Capital Market

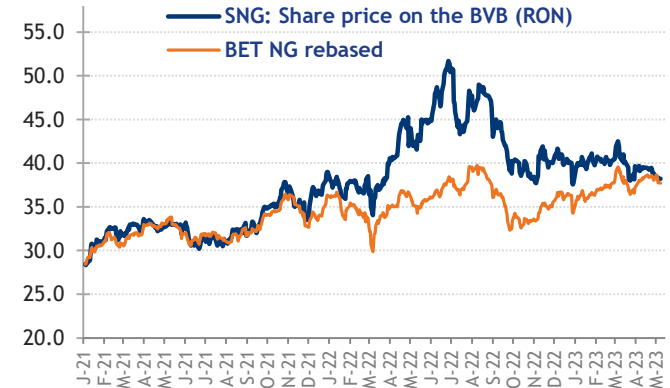


### 12-Month: Share Price Performance on the BVB

Period	Min (RON)	Max (RON)
Q2/22	40.35	51.70
Q3/22	38.80	50.90
Q4/22	37.55	41.90
Q1/23	38.00	42.50

**12M Total Traded Value (Q2/22 - Q1/23):  
518 million RON or 0.4 million EUR/day**

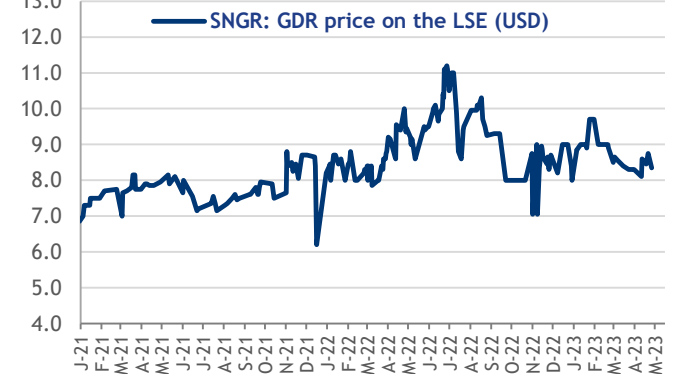
RON



- ❑ Shareholding structure: the Romanian State (Ministry of Energy) majority shareholder - **70%**, Free Float - **30%** (shares traded on the BVB and GDRs traded on the LSE)
- ❑ Romgaz ranks the **2<sup>nd</sup> largest domestic stock** traded on the BVB\*) - mkt cap of EUR 3 bn
- ❑ **The 4<sup>th</sup> most traded stock** on the BVB \*\*)
- ❑ Included in BVB's main indices (weighing 27% in energy and utilities BET-NG index, and between 7%-9% in BET, BET-XT, BET-TR, ROTX)

Total no of shares: 385.42m

USD



\*) BVB Monthly Report (March 2023)

\*\*) Based on BVB's latest 6M trading statistics.

## Financial Calendar 2023

Feb 28: Release of the 2022 Preliminary economic-financial results

Mar 01: Conference call with financial analysts and investors

April 26: SGM to approve the “2022 BoDs Report”

April 27: Release of the “2022 BoDs Report”

**May 12: Release of the Q1 2023 economic-financial results**

**May 15: Conference call with financial analysts and investors**

**Aug 11: Release of the H1/Q2 2023 economic-financial results**

**Aug 16: Conference call with financial analysts and investors**

**Nov 15: Release of the 9M/Q3 2023 economic-financial results**

**Nov 16: Conference call with financial analysts and investors**

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Anca Deac

**Thank you for your attention!**