



ROMGAZ

H1/Q2 2020 Financial and Operational Results

August 2020



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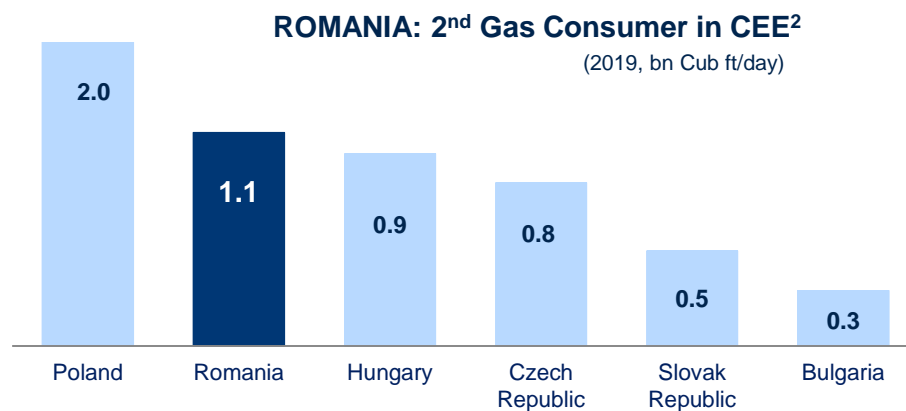
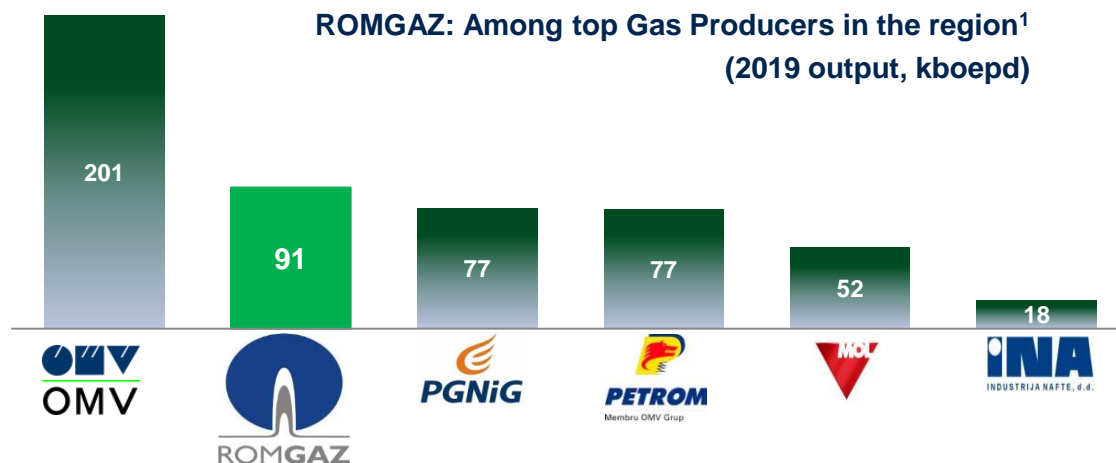
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All figures included in this presentation are rounded ("round to nearest" method).

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Gas market overview

Romania: among TOP gas consumers & producers



Natural gas - important clean source of energy.

In the region:

⇒ ROMGAZ – 2nd gas producer

⇒ ROMANIA – 2nd gas consumer in CEE !

Source:

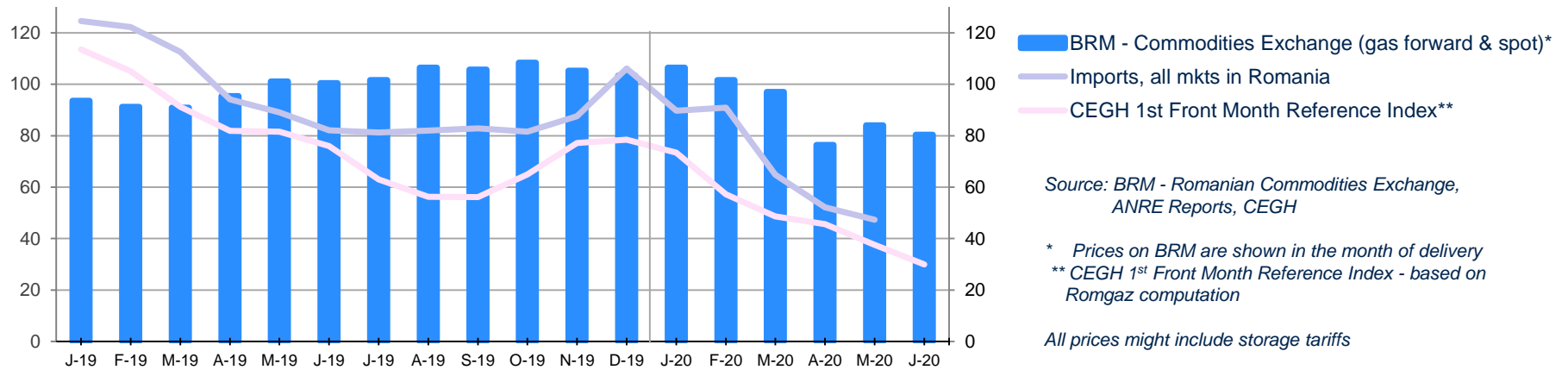
¹ Romgaz computation based on companies' reports, Petrom: Romania+abroad, OMV excluding Petrom.

² CEIC Data;

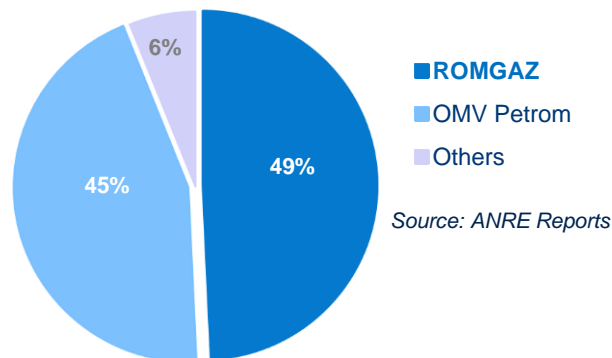
Gas market overview

Romania: Gas Prices on BRM, Gas Producers and Final Consumers

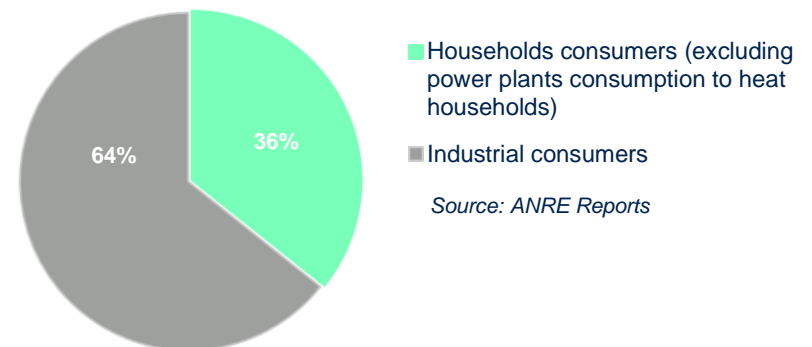
Natural Gas Prices on BRM and on CEGH (RON/MWh)



Gas producers in Romania (5M/2020)



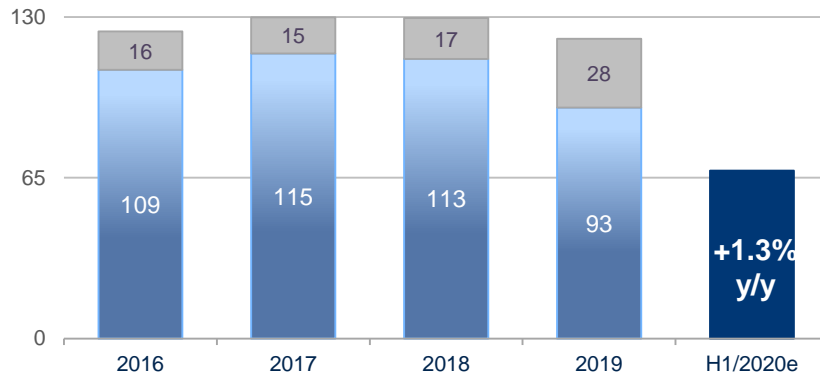
Final Consumers in Romania (5M/2020)



Gas market overview

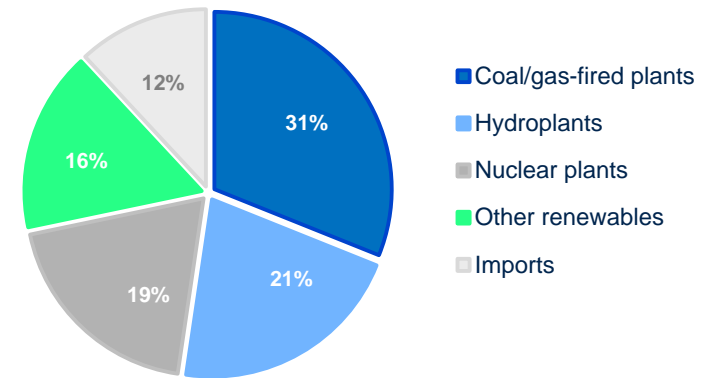
Romania: Gas consumption estimated slightly up in H1/2020 vs H1/2019

Natural gas consumption* (mln MWh)

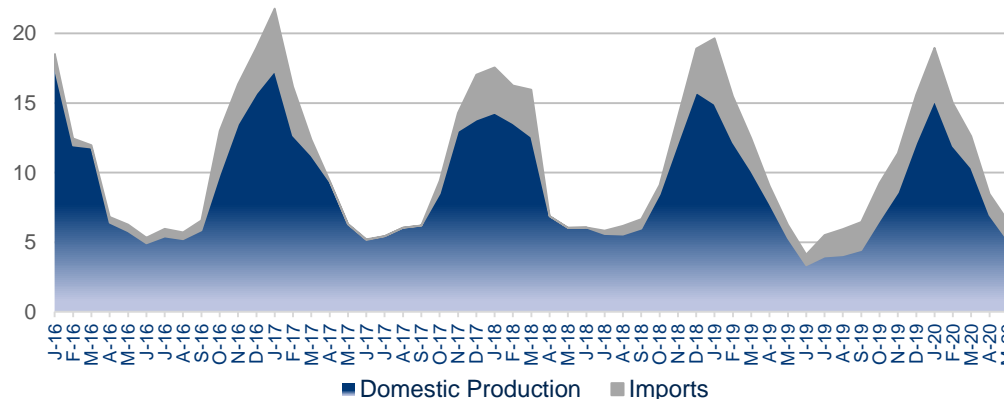


Including from underground storages
 * ANRE Reports, Romgaz estimate for H1/2020

Mix of Energy Resources (5M/2020) **



Seasonality of Gas Consumption* (mln MWh)

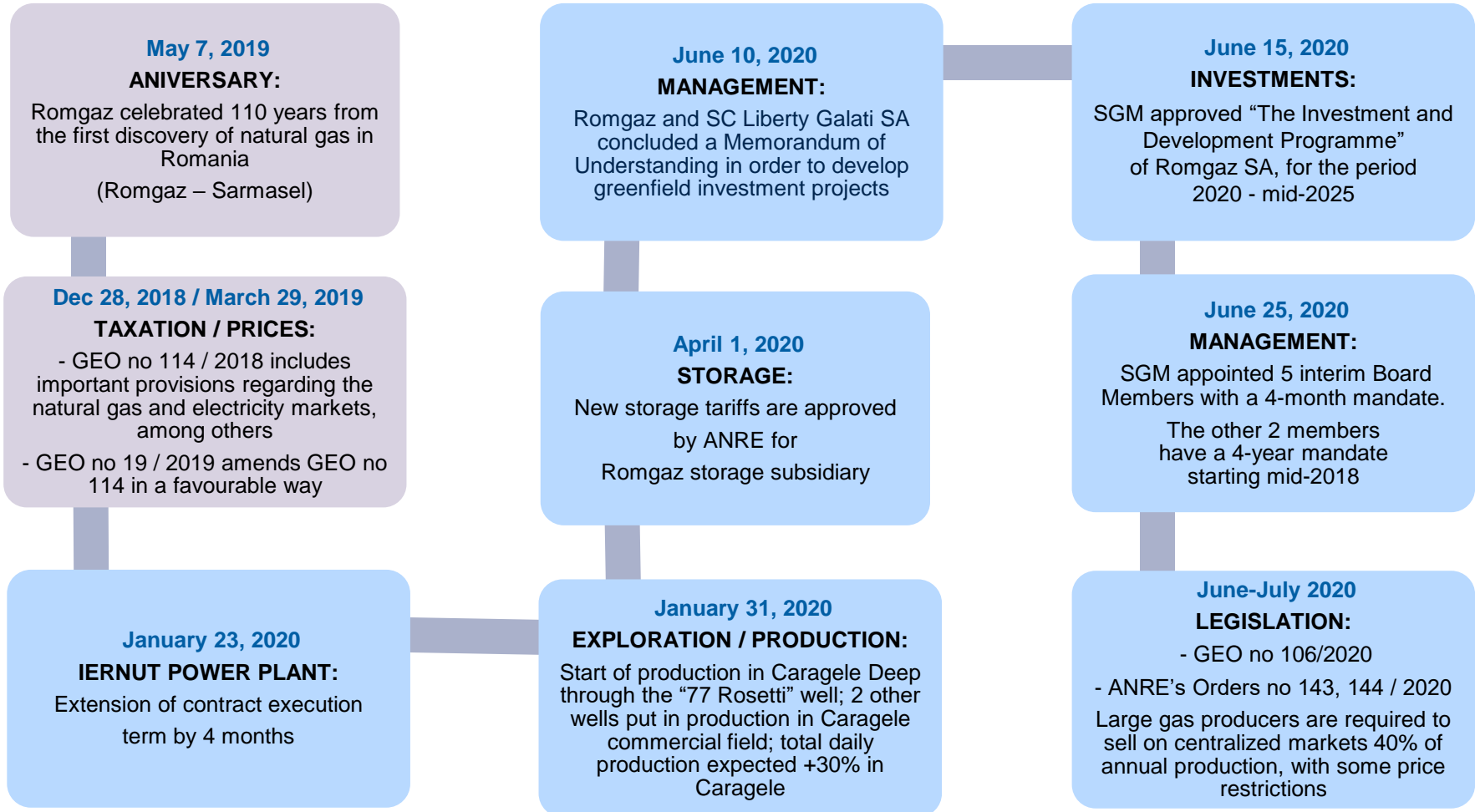


Sources of charts data:
 * ANRE Reports;
 ** Statistics Institute

ROMGAZ Group: Highlights of events



Selected Events – relevant for our activity



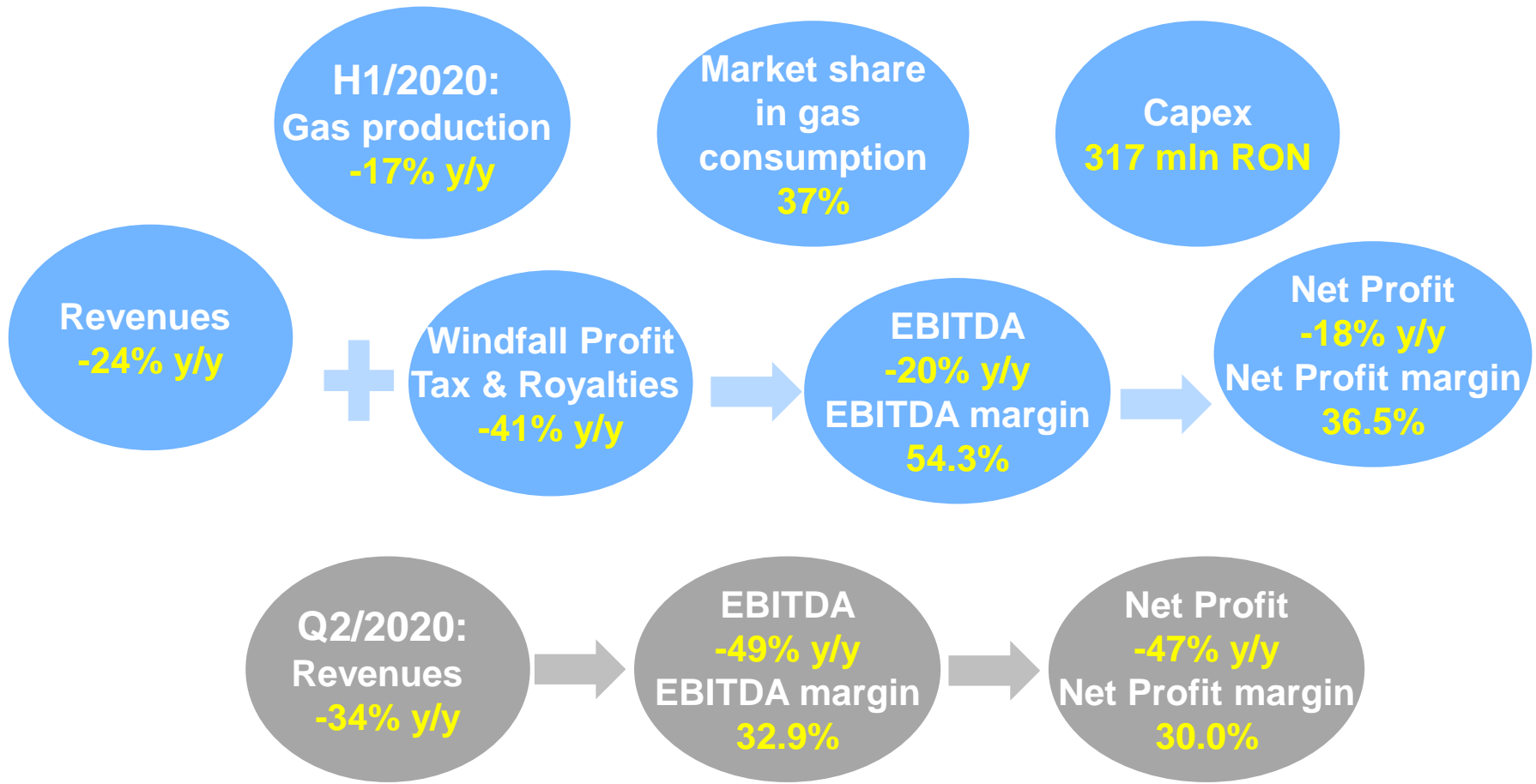
ROMGAZ Group: Highlights regarding legislation

Fiscal framework in place - with impact on Group's operations

- **GEO no. 106 / June 2020, ANRE Orders no 143 and 144 / July 2020:**
 - Large gas producers are required to offer on centralized markets around 40% of the previous year gas production, with a discount of at least 5% from the average price of the previous 60 days of the standardized products
 - Gas quantities to be set by ANRE for each large gas producer
- **GEOs no. 1 / Jan 2020, no. 19 / March 2019 and no. 114 / Dec 2018 – main provisions for the gas & electricity market include:**
 - Regulated gas prices for the volumes sold by gas producers to HHs and assimilated consumers, capped at RON 68/MWh – during May 2019 and until June 30, 2020;
 - Regulated electricity prices for households - during May 2019 and until Dec 31, 2020;
 - For 2019 until early-Jan 2020: a 2% fee on gas and power revenues or on profit from resales, with deductions;
 - In 2019, dividend distribution of 35% of the end-2018 equity reserves, if distribution did not impact capex plan and was available as cash.
- **Windfall profit tax - includes an 80% tax on producers' gas additional revenues for the selling price portion exceeding RON 85/ MWh (since April 1, 2018)**
- **Gas royalties - CEGH spot prices represent the reference price (since mid-Feb 2018).**

ROMGAZ Group: Highlights for H1/2020

Main developments in the first 6 months



ROMGAZ Group: Highlights for H1/2020

Strong Safety Measures against COVID-19 pandemic

We are a Strategic Company – business continuity and employees safety are priority

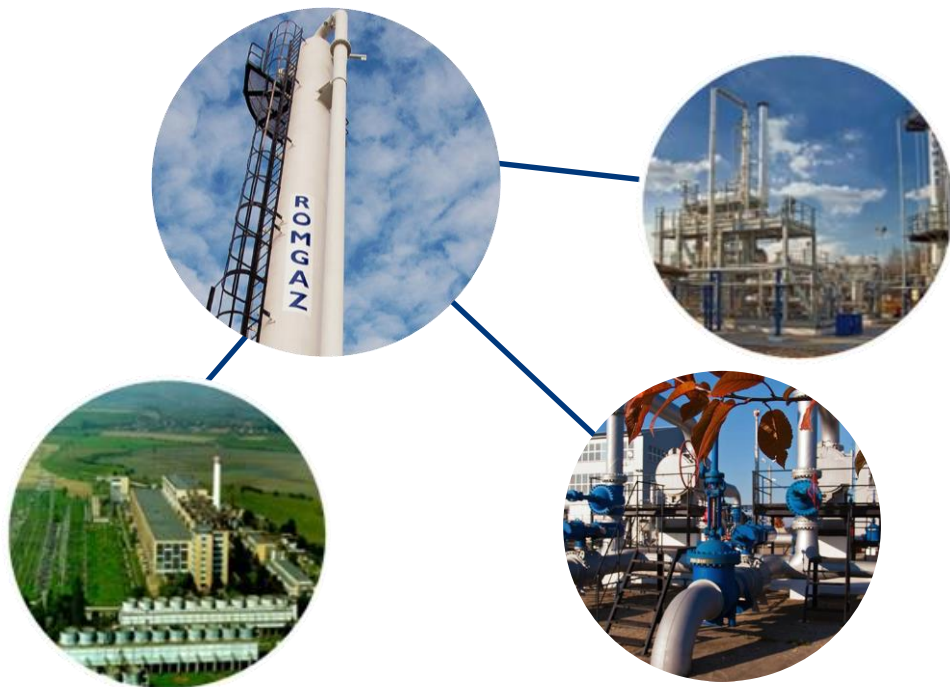
- ❑ Teleworking since March, applied with flexibility within organization (not applicable for critical activities such as gas & energy production / administrative)
- ❑ Activity temporary adjusted in some departments, employees in certain critical departments - in preventive isolation
- ❑ Efficient sanitary measures in place, protection equipment for employees where needed
- ❑ Safety measures approved until end-August with possibility to be prolonged / amended / stopped if necessary
- ❑ Strong measures to ensure production and investments security
- ❑ Business continuity and development is a focus !

“Together for Romania”

Romgaz is involved and supports the fight against Covid-19 pandemic with the following main actions:

- ✓ Supports the Red Cross Romania financially and with an information and prevention campaign
- ✓ Financial aid for the Emergency Clinic Hospital Sibiu to extend and develop the Intensive Therapy and Anesthesia Clinique
- ✓ Financial aid for the Emergency Hospitals in Alba, Slatina, Vaslui and Tg Mures.

Major 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
- **The most important gas producer in Romania** (output of 5.3 bcm in 2019; 2.2 bcm in H1/2020)
- Significant market share in the total gas supply in Romania.

Underground Gas Storage

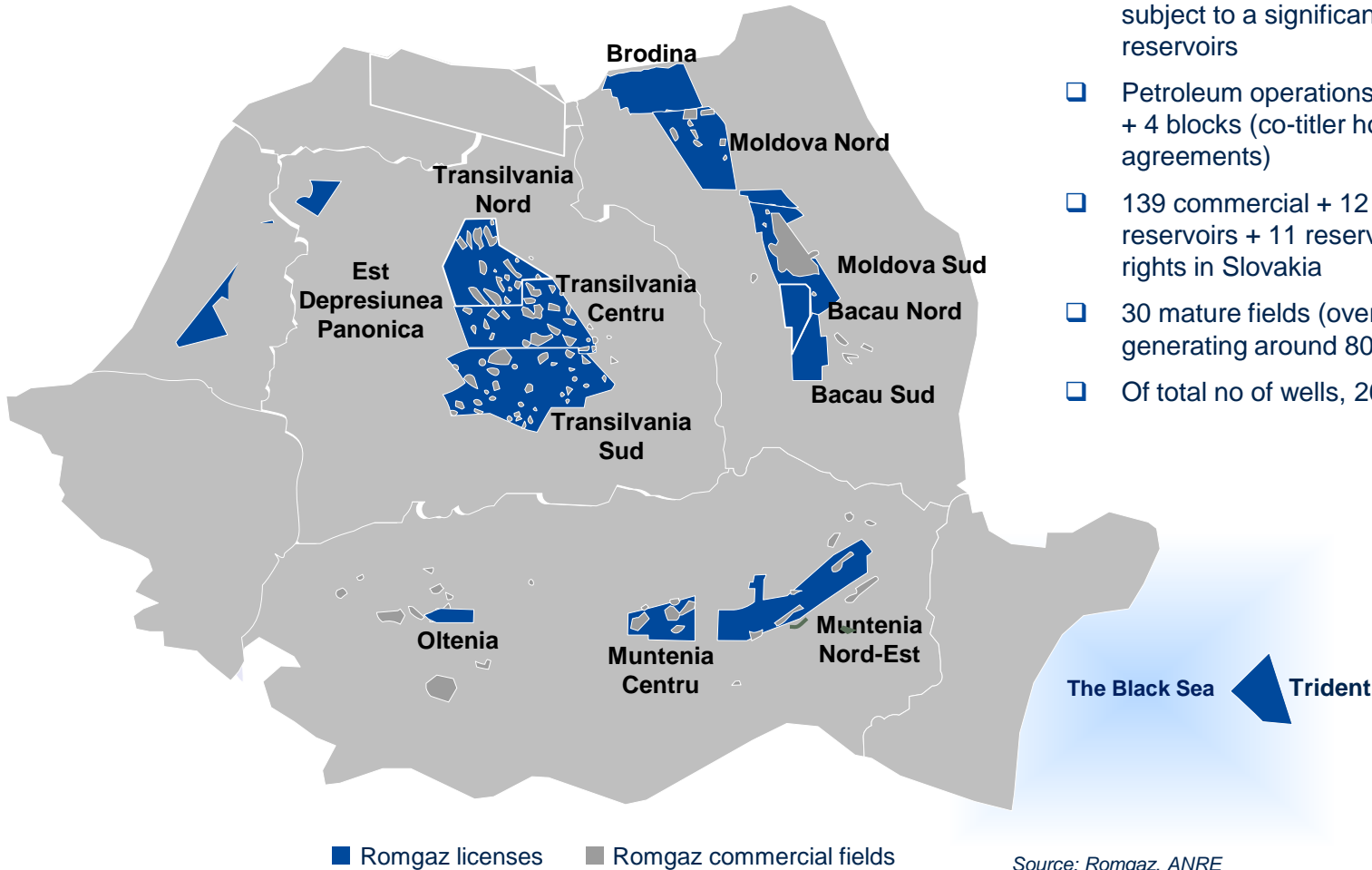
- Working capacity: 2.77 bcm at end-June 2020
- Important investments to secure the gas supply
- **Market share of 94% in Romania**
- Regulated activity

Electricity Production

- **New power plant in construction (430 MW)**
- Old power plant shrinking operations
- Market share of 1.1% in terms of production in H1/2020.

Group Overview

Major Producer and Supplier of Natural Gas in Romania



- ❑ Mature area with over 100-year production history – subject to a significant production enhancement of main reservoirs
- ❑ Petroleum operations in 9 E/D/P blocks (100% interest) + 4 blocks (co-titler holder under concession agreements)
- ❑ 139 commercial + 12 experimental production reservoirs + 11 reservoirs operated with Amromco; E/P rights in Slovakia
- ❑ 30 mature fields (over 30-year old) are currently generating around 80% of total production
- ❑ Of total no of wells, 26% are located below 2000 m

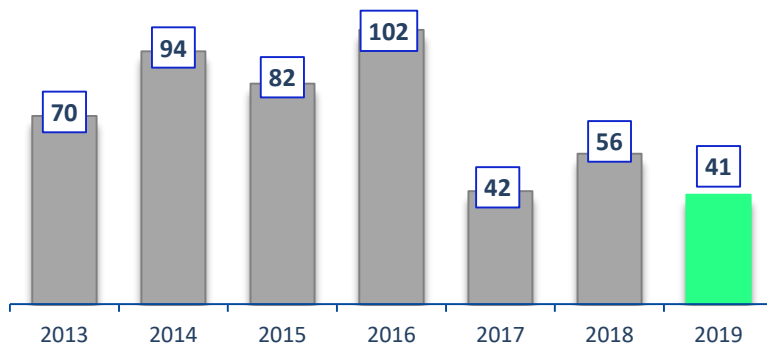
- **Recent use of new technologies** to mitigate production decline
- **Largest hydrocarbon discovery in the past 30 years (Caragele)** – in process to be brought on stream
- **Offshore discovery** in the Black Sea as well.

Source: Romgaz, ANRE

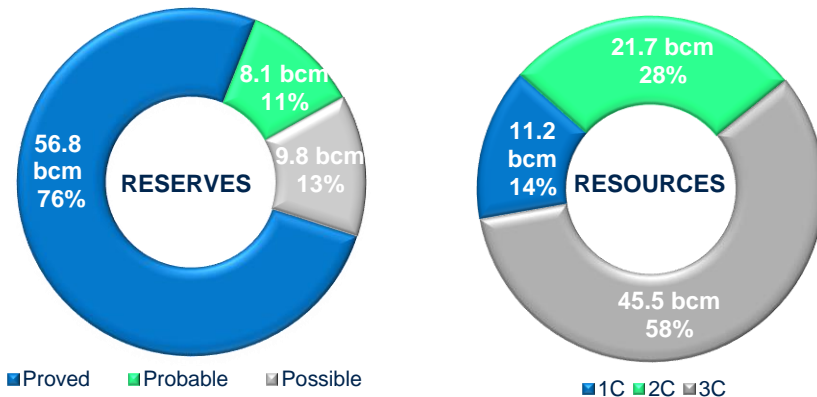
Group Overview

Important progress lately, strong portfolio of resources and reserves

Reserves Replacement Rates (RRR) (%)



Audited Gas Reserves and Contingent Resources¹
Dec 31, 2017 (bcm, % of total)



❑ **RRR of 41% in 2019:** due to reduced volume of revalued commercial fields and postponed investments in infrastructure for commissioning production facilities

❑ **3 bcm added in 2019 to contingent resources** (from prospective resources) by 2 wells (well 7 Merii and well 4 Tapu)

✓ Recovery factors between 55-85% for most fields (90% in more mature fields)

✓ Maintaining and extending our gas reserves and resources represent a strategic priority !

✓ Diversification / improvement of the gas resources and reserves is achieved through: *New discoveries + Enhancement of the recovery rate of the proved reserves*

Next audit to be performed in-house, our estimates proved reliable

Last external audit of our gas reserves and resources (US DeGolyer & MacNaughton, end-2017):

❑ *total C Resources of 78.4 bcm, +55% vs previous audit*

❑ *5-year average RRR of 78% - well above our target of 70%.*

Source: External audit prepared by DeGolyer&MacNaughton USA, as of Dec 31, 2017

¹ 1C Contingent Resources include developed proved reserves with exploitation programme after Dec 31, 2042 (which is the expiration date for ongoing concessions)

Exploration Activities

H1/2020: Efforts to unlock the resource potential



- ❑ **H1/2020:** 4 exploration wells - drilling works finalised
- 3 exploration wells - in drilling process
- 3 wells - under drilling contract
- 5 wells - in process to acquire the drilling contract
- 28 wells - in preparation to acquire the drilling contract
- 13 wells in design / process of design

- ❑ **6 wells recorded successful production tests in 2019** – temporarily halted, to enter experimental / final production after infrastructure construction
- ❑ **Success rate of 60% in 2019** (at the upper range of 35-65% internationally)
- ❑ **2 small discoveries in Transylvania** put into experimental production in early 2019; we need to drill new wells to evaluate
- ❑ Exploration works designed in-house, using professional software to assess prospects of hydrocarbon accumulation

Overall: Concession Agreements in 8 onshore blocks for petroleum operations for 30 years, since Oct 1997

16,210 km² in Transylvania, Moldova, Oltenia and Muntenia basins, with 100% working interests

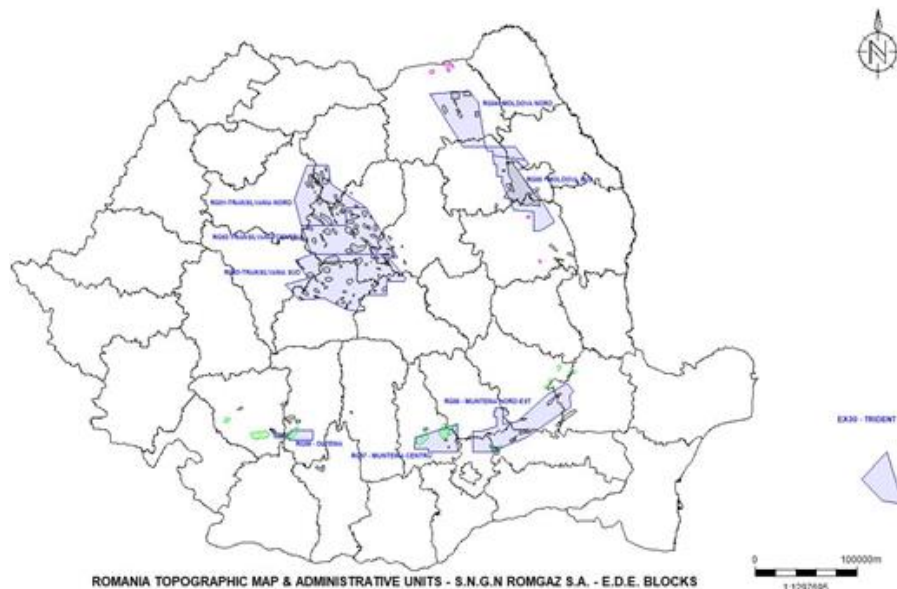
Plus 1 petroleum agreement for offshore E&P in the Black Sea (with Lukoil)

Romgaz: Oct/2016 – Oct/2021 Minimum Working Commitment as agreed with the National Agency for Mineral Resources (ANRM)

Seismic activities	2D studies (km)	200
	3D studies (km ²)	1,000
Drilling	No. of wells	43
	Drilling (meters)	113,000
Total investment value agreed (USD mln)		289

Exploration Activities

Significant discoveries of natural gas – H1/2020 development



ON-SHORE:

- **CARAGELE DEEP - largest hydrocarbon discovery in the past 30 years (June 2016):** located in NE of the Moesian Platform in **Caragele structure** – confirmed by production tests with 2 wells
- Estimated contingent resource of 150-170 mln boe (25-27 bcm) at depths between 4,100 - 4,200 m
- **Current stage:**

- **Started production in Jan/2020 with the “77 Rosetti” well, output potential of 1,500 boe/day**
- Final phase of obtaining construction authorisations for building 5 evaluation wells (2019-2020) and verification with 4 wells of possible extensions of hydrocarbon accumulations.

OFF-SHORE:

- **TRIDENT BLOCK** - large discovery announced in the Black Sea (Oct 2015): gas estimated contingent resource can exceed 30 bcm
- Romgaz – 12.2% working interest in the offshore exploration-development-production block EX-30 Trident

- **Current stage – main deadlines:**

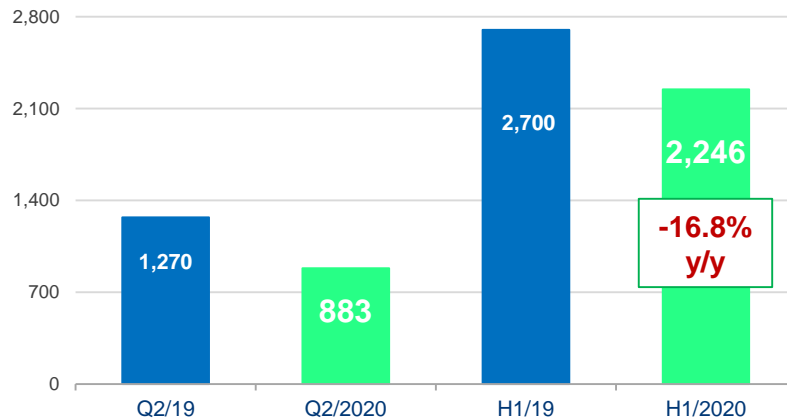
The 2nd exploration well Trinity 1X drilled in Q4/2019:

- End-Aug 2020 – complete the results interpretation
- Oct/2020 – the update of technological indicators
- Dec/2020 – the resource development plan.

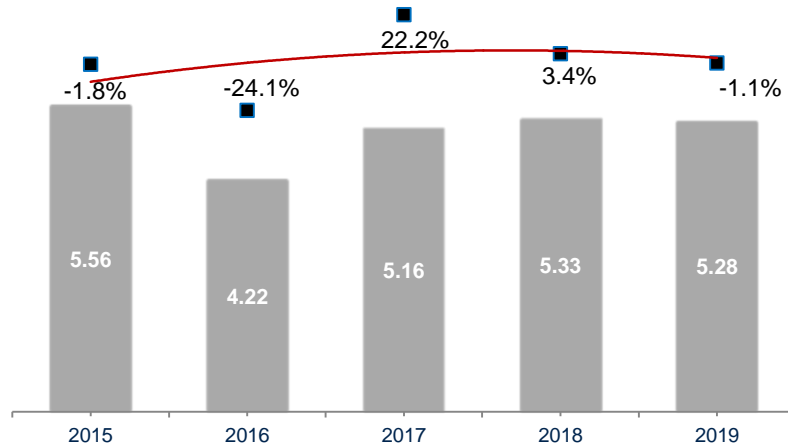
Natural Gas Production

H1/Q2 2020: Gas production adjusted, rehabilitation works continue

Romgaz: Production level in H1 (mln cm)



Romgaz: Annual Gas Production (bcm, y/y change)



➤ H1/2020: gas production -16.8% vs H1/19, and -15.6% vs budgeted

KEY developments in H1/2020 include:

- ✓ Continuous production rehabilitation of main mature fields
- ✓ Wells workover programme - 70 wells finalised in H1, with a production potential of 420 thou cm/day
- ✓ Finalised the investments in the development of production infrastructure and connection of new wells to this infrastructure.

Regarding CARAGELE: we started production in Caragele Deep (our discovery) at end-Jan 2020 with 1 well (1,500 boe/day)

2 other wells put in production in Caragele commercial field (1,000 boe/day jointly)

These 3 production wells are expected to enhance production in CARAGELE by 30% (Romgaz total gas production +1.4% in Jan)

In 2019, in Caragele: extension of surface facilities + commissioning of new wells – led to a gas production contribution of 6.9%, and condensate output of 62% in Romgaz output last year

We continued production rehabilitation of main mature fields in 2019 (e.g. Fitelnic, Delenii, Lasau, Sadanca, Copsa Mica, Nas-Prod-Seleus)

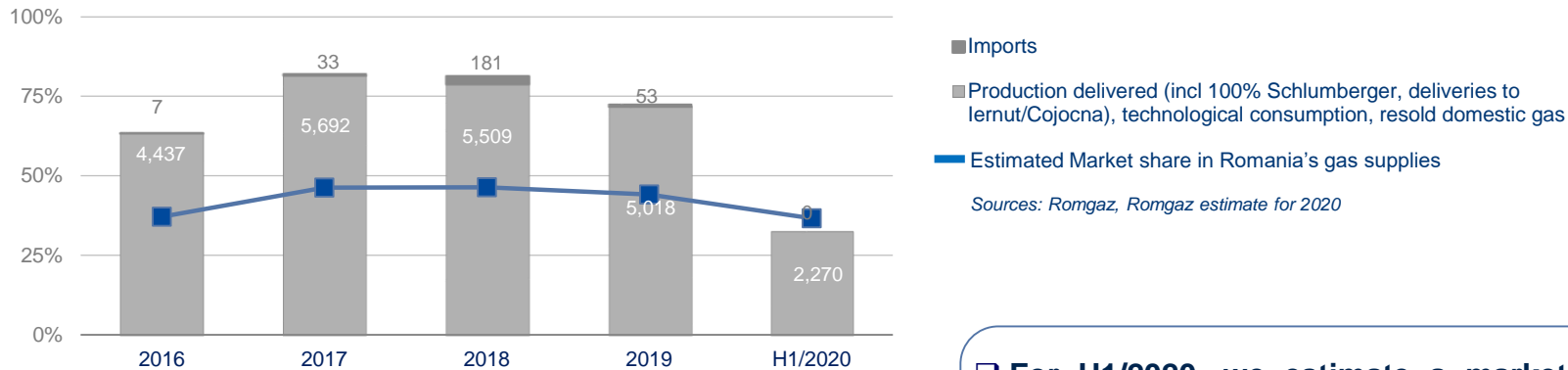
Also, repair and well recompletion works in 169 wells – had a contribution of 3.7% in 2019

We limited the Natural Production Decline at 1.4% starting 2013.

Gas Supply & Sales

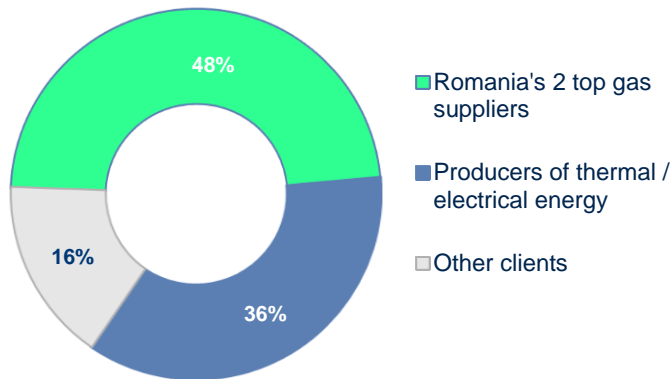
H1/2020: Important market share (37%) in total deliveries

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



For H1/2020, we estimate a market share of c. 36.6% in total gas deliveries in Romania, vs 44.4% in the same period of last year – as a result of higher quantities of gas imported in Romania

Romgaz: Portfolio of Clients (quantities of gas sold, H1/2020)



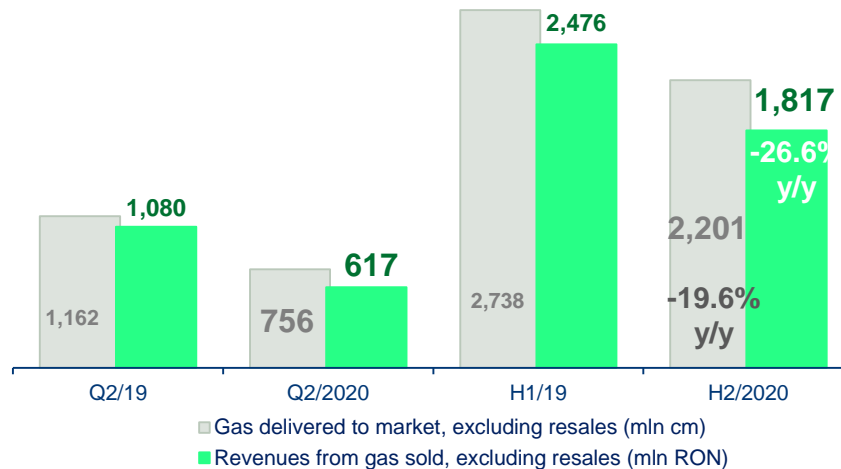
Portfolio breakdown reflects specific quarterly characteristics of gas demand

- We enjoy a strong portfolio of clients
- Our gas trading strategy aims to:
 - secure an optimal client portfolio
 - fulfill the domestic market demand
 - improve price flexibility.

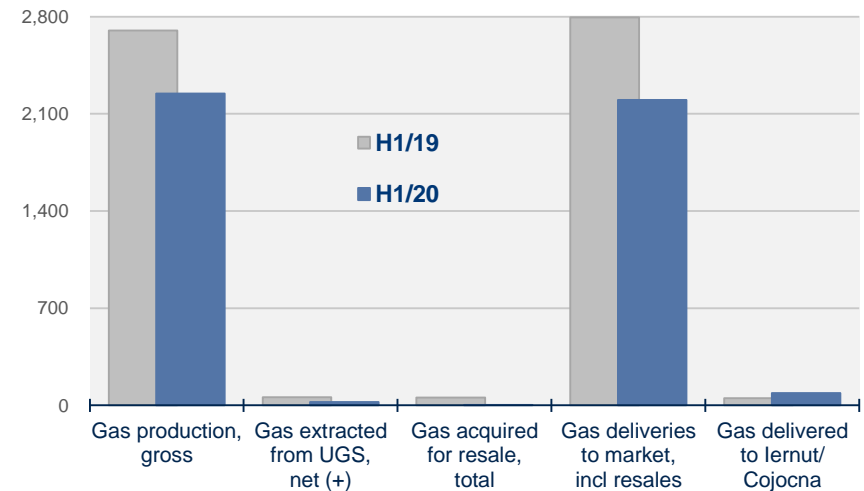
Gas Supply & Sales

H1/Q2 2020: Sales adjusted y/y as well, gas chain management

Romgaz: Gas Sales (excluding resales)
- revenues and volumes -



Romgaz: Gas Chain Management (mln cm) to meet seasonality and demand



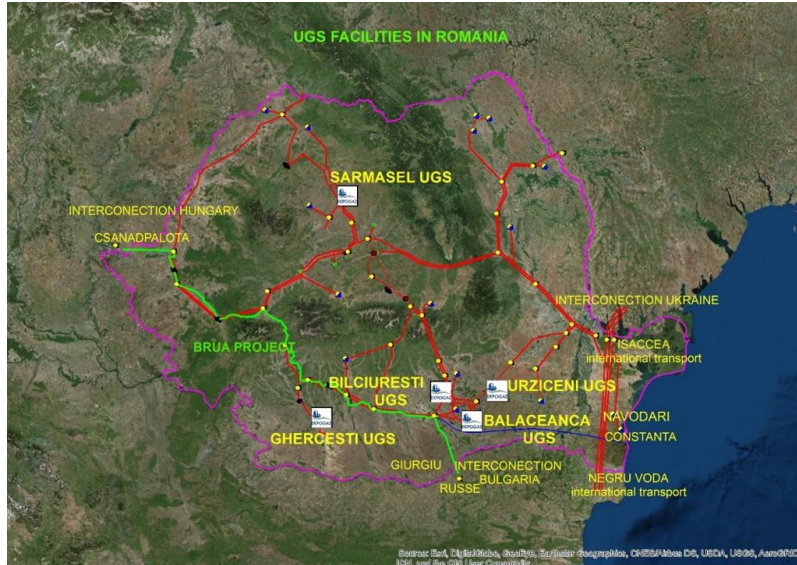
- ❑ **H1/2020:** Revenues from gas sold (excluding gas acquired for resale) -27%, on volumes delivered -20%
- ❑ **Q2/2020:** related Revenues were down 43%, on volumes delivered -35%

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

UPSTREAM SEGMENT CONTRIBUTION in H1/2020: c. 91% in Revenue and in EBITDA (consolidated)

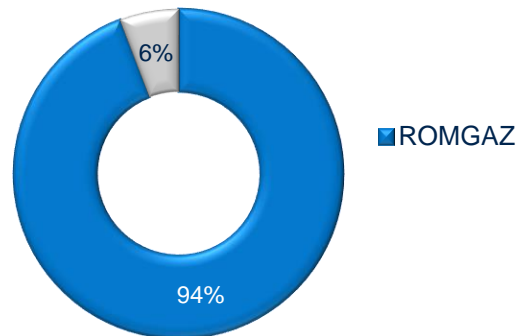
Underground Gas Storage

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



Romgaz Group: Underground Gas Storages at end – June 2020 - working capacities (mln cm/cycle) -			
Bilciuresti	1,310	Ghercesti	150
Sarmasel	900	Balaceanca	50
Urziceni	360		
Total Working Capacity: 2,770 mln cm			

ROMGAZ Group UGS Market share

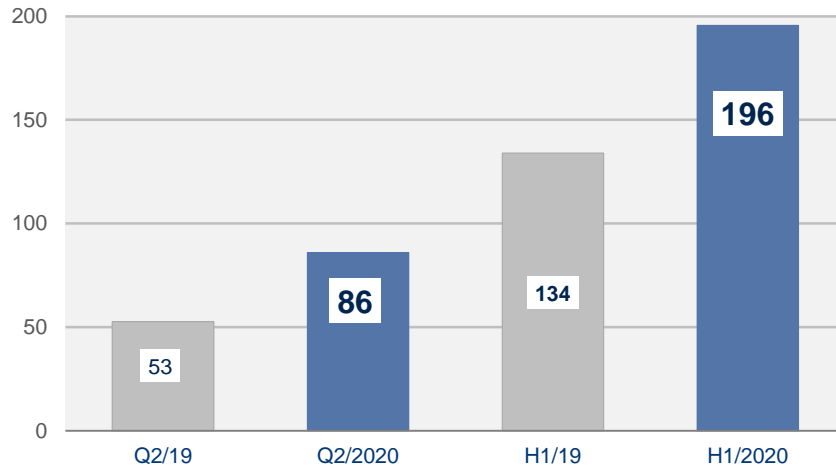


- ❑ Romgaz Group has 5 storage facilities, with a total working capacity of 2.77 bcm (total capacity of 3.97 bcm)
- ❑ Romgaz also owns 40% of Depomureş (0.30 bcm), a JV with Engie
- ❑ Investment plans aim to extend the existing capacity and build a new one – in order to secure gas supply long-term
- ❑ Storage activity is regulated by ANRE, royalties of 3% of operating revenues
- ❑ The UGS activity was separated into a distinct legal entity (DEPOGAZ) on April 01, 2018

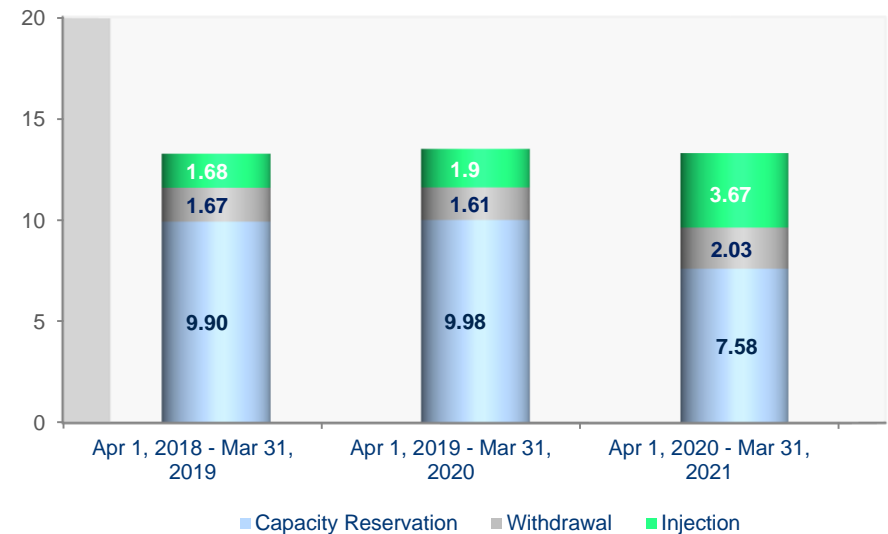
Underground Gas Storage¹

H1/Q2 2020: Good performance reported by segment

Romgaz: Revenue from Storage Services (mIn RON)
- capacity reservation, withdrawal, injection -



Romgaz: Regulated storage tariffs (RON/MWh)



- ❑ **H1/2020: UGS revenues of RON 196 mln, +46% y/y**
- ❑ **Q2/2020: UGS revenues +64% y/y**
- ❑ Evolution mainly reflects the market environment over the period and the regulated storage tariffs.

- ❑ **New tariffs starting with April 1st, 2020**
- ❑ Capacity reservation activity provided the bulk of the UGS revenues (roughly 80%) in recent years.

¹ Consolidated figures

STORAGE SEGMENT CONTRIBUTION in H1/2020: 4% in Revenue and 6% in EBITDA (consolidated)

Electricity Production & Trading

“GAS to POWER” Investment: Construction of a new power plant

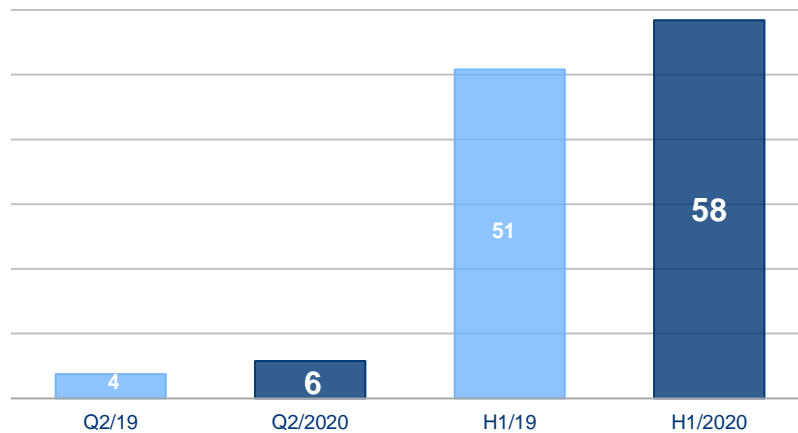
- **Gross electric power capacity: 430 MW**
 - **Gross electrical efficiency at nominal load: 56.4%**
 - **CCGT Iernut benefits from a strategic positioning** – in the middle of the national electricity system
 - **Main roles:** cover national power consumption by acting in the wholesale and balancing markets, ensure ancillary services to the national system, eliminate network constrains in NW Romania
 - 25% of the 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*
 - Investment is planned to be finalized at end-2020.



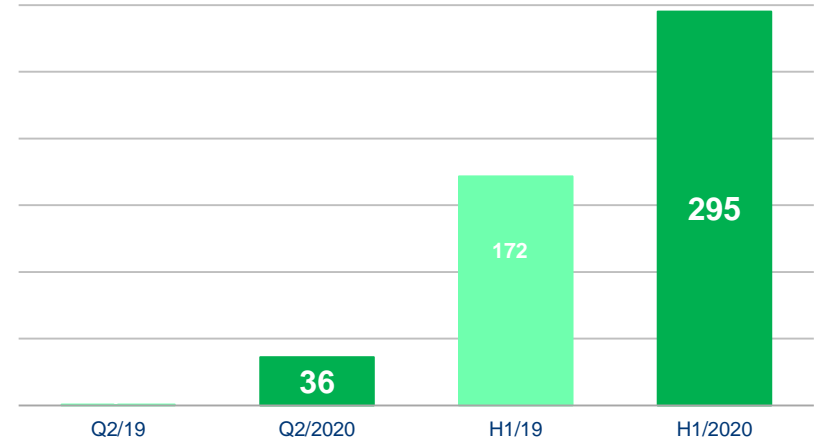
Electricity Production & Trading¹

H1/2020: Higher revenues and output, low demand in Q2

Romgaz: Revenues from Electricity (mln RON)



Romgaz: Production of Electricity (GWh)



- ❑ H1/2020: Revenues from Electricity of 58 mln RON, +15% y/y, based on Q1 results
- ❑ Q2 alone: low demand and price volatility in the market due to the pandemic, and Romgaz preparation works for the new plant as well

- ❑ H1/2020: Energy production +72% y/y to 295 GWh
- ❑ Low demand in Q2 alone
- ❑ Lower installed capacity to make room for the new plant: 2 energy groups operational at end-2019 (300 MWh jointly)

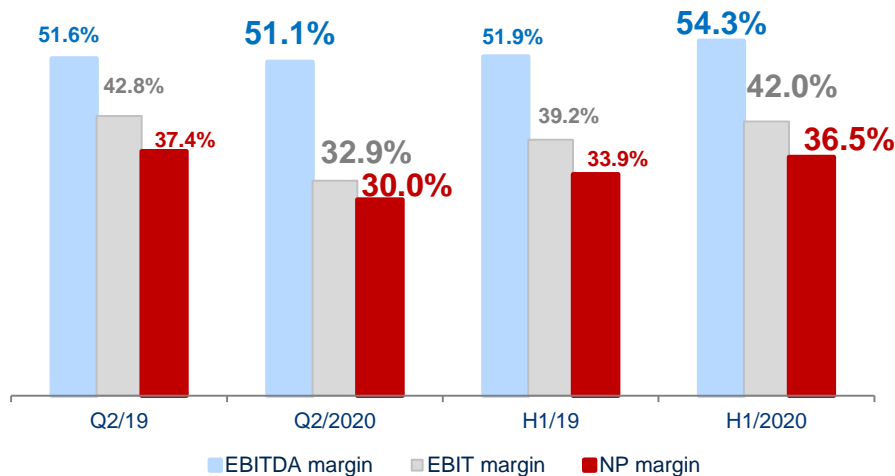
¹ Consolidated figures

ELECTRICITY SEGMENT CONTRIBUTION in H1/2020: 4% in Revenue (consolidated)

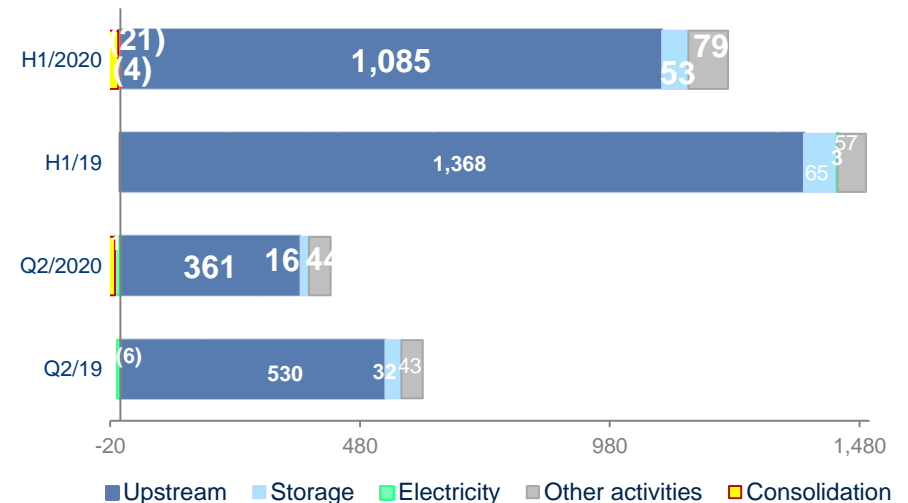
Financial Performance¹

H1/Q2 2020: Profitability margins remain robust

Romgaz Group: Profitability Rates



Romgaz Group: EBITDA by Segments (mln RON)



- ❑ In H1/2020, we improved the EBITDA, EBIT and NP margins compared to H1/2019
- ❑ Q2 margins remained significant
- ❑ The good performance was achieved by lower expenses with depreciation, amortisation and impairments, and with main tax expenses as well

- ❑ The bulk of Revenues and EBITDA is generated by our core segment Gas Upstream (Exploration & Production)
- ❑ Electricity segment was in the red

¹ Consolidated figures

Financial Performance¹

H1/Q2 2020: Lower revenues due to the mkt environment, margins are robust

Summary H1/2020 (vs H1/2019)

Revenues - total	2,193 mln RON (↘24%)
EBITDA	1,192 mln RON (↘20%)
Net Profit	801 mln RON (↘18%)
EBITDA margin	54.3% (↗)
NP margin	36.5% (↗)
No of employees	6,208

Summary Q2/2020 (vs Q2/2019)

Revenues - total	763 mln RON (↘34%)
EBITDA	390 mln RON (↘35%)
Net Profit	229 mln RON (↘47%)
EBITDA margin	51.0%
NP margin	30.0%

- ❑ Revenues decreased both in Q2 and H1, triggered by lower revenues from gas production, due to the market environment
- ❑ Main tax expenses in H1/2020 (included in "Other expenses") were lower by 41% y/y - with breakdown as follows:
 - windfall profit tax of RON 274 mln (H1/19: RON 441 mln)
 - gas&UGS royalties of RON 105 mln (H1/19: RON 204 mln)
- ❑ All profit margins recorded an advance in H1/2020 compared to the same period of the previous year.

Million RON	2018	2019	Q2/19	Q2/20	H1/19	H1/20	%ch
Revenues - of which	5,004	5,080	1,162	763	2,875	2,193	-24%
Gas Production	3,978	4,280	1,080	617	2,476	1,817	-27%
Gas acquired for resale	217	101	7	6	87	9	-89%
Storage	298	331	53	86	134	196	46%
Electricity	297	146	4	6	51	58	15%
Other services	189	185	7	42	105	99	-5%
Other income	18	33	14	5	20	12	-40%
Cost of commodities sold	(245)	(108)	(13)	(6)	(90)	(11)	-88%
Changes in inventory	(32)	80	40	39	(9)	5	
Raw materials	(75)	(76)	(20)	(13)	(40)	(29)	-29%
Exploration expense	(247)	(25)	(14)	(22)	(24)	(22)	-9%
Headcount expense	(621)	(670)	(172)	(205)	(308)	(355)	15%
Other gains and losses	(103)	(63)	(18)	(9)	(26)	(26)	-1%
Impairment losses on trade receivables*	(20)	(81)	(12)	24	(30)	2	
Associate's result share	1	1	(0)	(0)	1	(0)	
Other expenses	(1,409)	(1,552)	(363)	(182)	(864)	(569)	-34%
EBITDA	2,240	2,595	599	390	1,493	1,192	-20%
EBITDA margin	44.8%	51.1%	51.6%	51.1%	51.9%	54.3%	
D&A	(708)	(1,358)	(102)	(138)	(365)	(271)	-26%
EBIT	1,532	1,237	497	251	1,127	920	-18%
EBIT margin	30.6%	24.3%	42.8%	32.9%	39.2%	42.0%	
Net Interest income	53	38	13	12	24	23	-5%
PROFIT BEFORE TAX	1,585	1,275	510	263	1,151	943	-18%
Income tax	(219)	(186)	(76)	(34)	(175)	(142)	-19%
NET PROFIT	1,366	1,090	434	229	976	801	-18%
Net margin	27.3%	21.4%	37.4%	30.0%	33.9%	36.5%	

* Separated from "Other gains and losses" due to the application of IFRS 15 in 2018

Financial Performance¹

Strong B&S Structure, Debt-free at end of H1/2020

- **Debt-free Balance Sheet**
- **At end of H1/2020, total cash position amounted to RON 2,113 mln** (cash, bank depos and govt's treasury bonds)

Romgaz: Selected Cash Flow Items

Mln RON	2018 restated	2019 restated	H1/2020
Net profit for the period	1,366	1,090	801
Operating Cash Flow before Δ WC and Income tax	2,537	2,730	1,193
Movements in working capital	(60)	0	(81)
Net Cash flows from operating activities	2,143	2,432	945
Net Cash flows from investing activities	814	(1,027)	46
Net Cash flows from financing activities	(2,617)	(1,608)	(0)
Net change in cash and cash equivalents *	340	(203)	990

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

¹ Consolidated figures

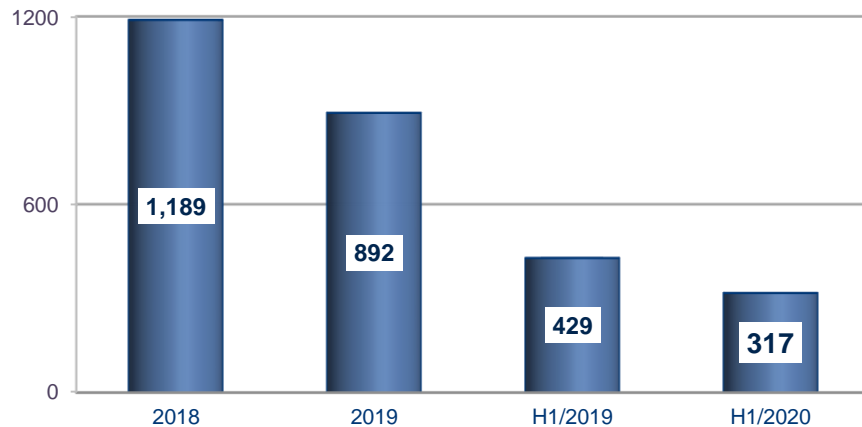
Romgaz Group: Selected Balance Sheet Items

Mln RON	Dec 31, 2018 restated	Dec 31, 2019 restated	June 30,2020
Total non-current assets, thereof	6,445	5,822	5,812
Property plant and equipment	6,280	5,543	5,544
Investment in associates	23	25	25
Deferred tax asset	127	231	217
Other financial investments	10	5	5
Other assets (leasing related)	-	9	8
Total current assets, thereof	2,690	2,431	3,021
Inventories	246	311	273
Trade and other receivables	826	638	583
Other financial assets - govt securities and bank depos (+3mo maturity)	881	1,075	759
Cash and equivalents	567	364	1,354
Contract costs	1	0	0
Other assets	169	42	50
Total assets	9,135	8,253	8,833
Shareholders' Equity			
Share capital	385	385	385
Reserves	1,825	1,587	2,186
Retained earnings	5,458	5,201	4,783
Total Shareholders' Equity	7,669	7,174	7,354
Non-current liabilities, thereof	670	511	508
Provisions	510	366	368
Retirement-related provisions	139	115	110
Current liabilities, thereof	796	568	970
Trade payables	187	110	94
Contract liabilities	46	43	11
Current tax liabilities	68	64	25
Provisions	94	83	55
Total liabilities	1,466	1,079	1,479
Total equity and liabilities	9,135	8,253	8,833

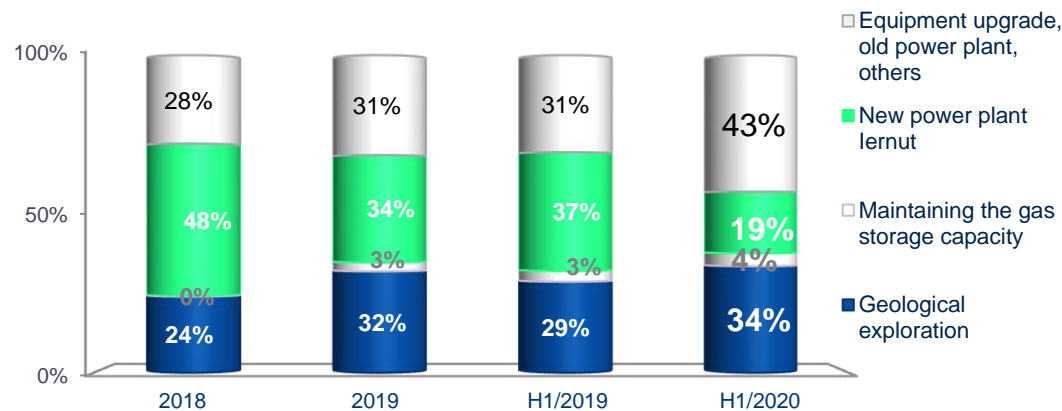
Investments¹

Key role in the company's sustainable development – H1/2020 developments

Romgaz Group: Capital Expenditures (RON mln)



Romgaz Group: Breakdown of Investments



¹ Consolidated figures

□ **H1/2020: Total CAPEX of ROMGAZ Group amounted to RON 317 mln**, accounting for 58% of the budget planned for this period

□ **Main developments include:**

Regarding Exploration: we finalised 4 exploration wells, 3 are in process of drilling, and 36 wells are in drilling preparation process

Regarding Production: we have in execution 1 production well, we finalised 2 technologic equipment to put in production 2 wells and are in process to acquire 5 technological equipment for 7 wells; we also performed workover for 70 wells; additional investment activities for JV production with Raffles and Amromco

Regarding the new power plant Iernut: we plan to finalise construction works, receive the last equipment, and perform technological and commissioning tests

□ Investments are financed from the company's own sources and from National Investment Plan for the new Power Plant

Strong Commitment for Business Development

GROUP DEVELOPMENT STRATEGY

- Romgaz proposes to be an active, profitable and competitive player on the gas & electricity production market
- Romgaz has to pursue both an intensive development on the local market and an international development in order to become an important player on the regional energy market

Increase the gas resources and reserves portfolio.
Discovery of new resources.
Increase production efficiency of current resources

Consolidate the position on the energy supply markets.
Integration on the renewable energy market

Create value for shareholders by developing new services and products

Business development by approaching new internal and international markets

Main Strategic Objectives

Strong Commitment for Business Development

2020 - 2025 Investment and Development Program of Romgaz SA (RON mln)

Investments	2020	2021	2022	2023	2024	2025	Total
Natural gas production	822	619	930	980	1,307	724	5,382
Electric power generation	208	195	883	1,316	820	239	3,661
Diversification-petrochemicals		2	350	400	400	23	1,175
Partnerships	110	1,834	574	790	1,102	1,065	5,475
Total	1,140	2,650	2,737	3,486	3,629	2,051	15,693

- ❑ In June this year, the SGM approved “The Investment and Development Programme” of Romgaz SA, for the period 2020 – H1/2025
- ❑ The financing source structure is based 44% on own sources and 7% on EU funds; the remaining 49% will be covered through bank loans and/or bonds
- ❑ The group has also ongoing investment plans for Depogaz branch, aiming to extend the UGS’ capacities

Main Strategic Objectives

Strong Commitment for Business Development

Main development directions taken into account:

Discovery of new gas reserves through continuous geological research

Development of our gas production potential by adding new facilities

Increase production safety & efficiency by improved performance of facilities / equipment

Electric Power Generation

Methanol Production

Associations / partnerships

- Drilling of exploration and production wells
- Technological surface facilities at successfully-tested gas wells
- Gas dehydration stations
- Gas compressor stations
- Gas gathering pipelines
- Modernisation/reactivation/ repair at production wells
- CCGT Combined Cycle Gas Turbine power plants (Iernut, Mintia)
- Renewable sources
- Building our own facility
- Offshore projects (Black Sea) and electric power generation / storage

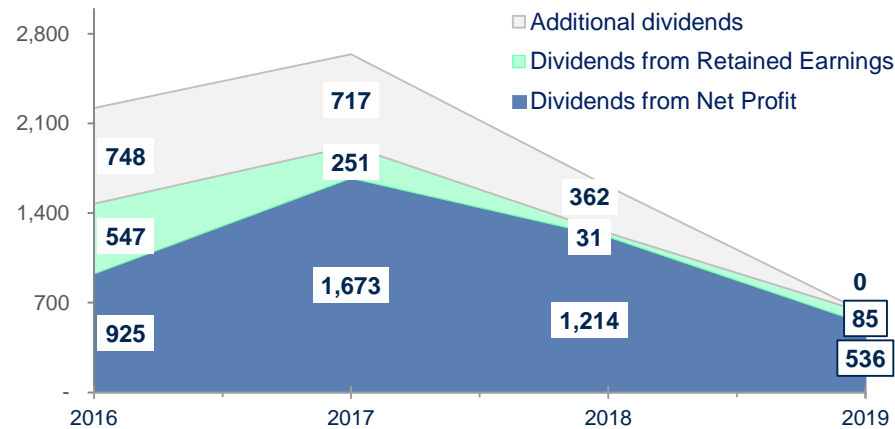
Continuous Gas Exploration / Improve the Gas-Value-Chain / New Business Development

Dividend distribution

FY2019: Payout ratio of 57% approved by shareholders this April

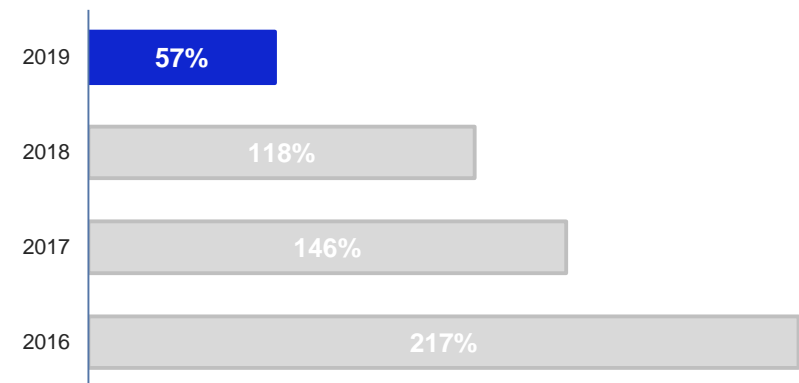
Romgaz: Gross Dividend Distributions¹ (RON mln)

¹ For the fiscal years 2016-2019: Dividends were paid in the next fiscal year



Romgaz: Gross Dividend Payout ratios*

* Payout ratios computed as:
Total Gross Divids (incl Additional Divids) / annual Net Profit of the Group



- ❑ **Gross Dividend approved by the SGM on April 22, 2020: RON 1.61 / share in total** (of which: RON 1.39 from the annual NP and RON 0.22 from reserves) – dividend ex-date is July 2
- ❑ Majority state-owned companies are required to distribute at least 50% of the annual NP in the form of dividends to shareholders

Romgaz Group – Investment Case

Why to invest in Romgaz shares

<ul style="list-style-type: none"> ➤ Operational excellence / robust margins 	EBITDA margin of 54.3%, EBIT margin of 42% and Net Profit margin of 36.5% in H1/2020
<ul style="list-style-type: none"> ➤ High dividend payout ratios to please investors 	Gross Dividend payout ratio of 57% for 2019 (computed as Total Gross Dividends per 2019 Net Profit of the group)
<ul style="list-style-type: none"> ➤ Net cash reserves ➤ Debt free B&S 	We recorded total cash&equivalent of RON 2.1 bn at June 30, 2020 Cash ¹ / Mktcap = 19% (share price on Aug 12, 2020)
<ul style="list-style-type: none"> ➤ Among top gas producers in Romania and one of the largest in the region as well 	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
<ul style="list-style-type: none"> ➤ Strong base of gas reserves in Romania 	Based on our investment policy, we intend to maintain the reserves level and the high RRR (avg of 60% during 2016-2019)
<ul style="list-style-type: none"> ➤ Expected opening of the export gas markets 	Export markets will enlarge our client portfolio, with positive outcome on revenues
<ul style="list-style-type: none"> ➤ Diversification of investment projects 	We are now building a new power plant to strengthen position on the electricity market; also we plan to diversify our investment portfolio in order to increase profitability
<ul style="list-style-type: none"> ➤ Development & Investment Strategy approved by the SGM 	Shareholders approved “The Development and Investment Strategy” of Romgaz SA for 2020-2025
<ul style="list-style-type: none"> ➤ Strong management team, skilled workforce 	Management team has significant expertise in the sector, headcount is strongly committed

¹ considering all cash equivalents at end-June 2020, consolidated figure

The Board of Romgaz SA: Balanced Team of Professionals



Manuela Petronela Stan Olteanu

BoDs Chairperson

Manuela Petronela Stan Olteanu – mandate as interim board-member was prolonged by 4 months by the SGM on June 25, 2020. Expertise of Ms. Manuela Petronela Stan Olteanu includes top positions such as Chairperson / BoDs member or special administrator in Romgaz (since mid-2019), in the Black Sea offshore oil&gas regulator ACROPO (since 2018), Conpet and Hidroserv (2017-2018), Powerplant Midia (since 2017), Electrocentrale Group and Electrocentrale Bucuresti (2017). Also, she held top positions with the Romanian Government and AVAS. She holds a Master Degree in Advanced Civil Law and Civil Procedure Law.

Marius Dumitru Marin

Independent

Chairman of the Audit Committee

Marius Dumitru Marin – mandate as interim board-member was prolonged by 4 months by the SGM on June 25, 2020. Experience of Mr. Marius Dumitru Marin includes top positions such as CEO of MDM Consultancy (since 2019), CEO and Board member of MACON Group (2006-2018), COO of MEFIN SA (2004-2006), Technical and Quality System Director of PCC STEROM SA (2001-2003), President and CEO of UTON Onesti SA (1994-1999). He holds a PhD in Engineering.

Romeo Cristian Ciobanu

Independent

Chairman of the Nomination and Remuneration Committee

Romeo Cristian Ciobanu was re-confirmed member of ROMGAZ BoDs in June 2019 (4-year mandate starting mid-2018). Mr. Romeo Cristian Ciobanu was also member of BoDs of Romgaz (since 2017), of Electrocentrale Iasi (2002-2004) and of other companies (1997-2002). He is Manager of Politech Iasi (since 2016) and Professor at Technical University of Iasi (since 2000). He holds an MBA at Technical University of Iasi, a PhD in Electronic Technology and Reliability, and a PhD in Chemistry and Chemical Technology.

Marius Aristotel Jude

Marius Aristotel Jude – mandate as interim board-member was prolonged by 4 months by the SGM on June 25, 2020. Expertise of Mr. Marius Aristotel Jude includes the positions of Board member of Romgaz (during 2016-2017 and 2018-2019), Secretary of State for the Ministry of Energy (2015-2017), Board member of Depomures SA (2010-2014) and of Amgaz SA (2009-2015). He also had various management positions in SNGN Romgaz SA. He holds an MBA in Company Management.

Nicolae Bogdan Simescu

Nicolae Bogdan Simescu – was appointed as interim board-member by 4 months by the SGM on June 25, 2020. His experience includes different positions within SNGN Romgaz such as Engineer (2005-2015), Head of Rehabilitation projects (2015-2020). He holds a Master Degree in Company Management and Marketing Strategies and Policies.

Balazs Botond

Balazs Botond – mandate as interim board-member was prolonged by 4 months by the SGM on June 25, 2020. Mr. Balazs Botond previously held positions of Head of Legal Department of SNGN Romgaz (since 2019), Legal counsellor (2011-2019). He is also Board member of SC Meditur SA (since 2018) and of SC ECO-SAL SA (since 2016). He holds a Master Degree in Private Law Institutions.

Petrus Antonius Maria Jansen

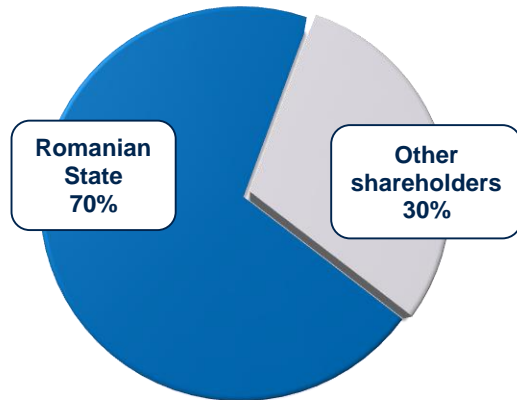
Independent

Chairman of the Strategy Committee

Petrus Jansen was re-confirmed member of ROMGAZ BoDs in June 2019 (4-year mandate starting mid-2018). Mr. Petrus Antonius Maria Jansen held this position previously during 2013-2018. He is Principal Lecturer / Director of Academic Program at London School of Business and Finance (since 2013). Petrus Jansen holds an MBA at NIMBAS, Utrecht, University of Bradford UK.

Shareholding Structure and Stock Performance

Romgaz: Among blue-chips on the domestic capital market

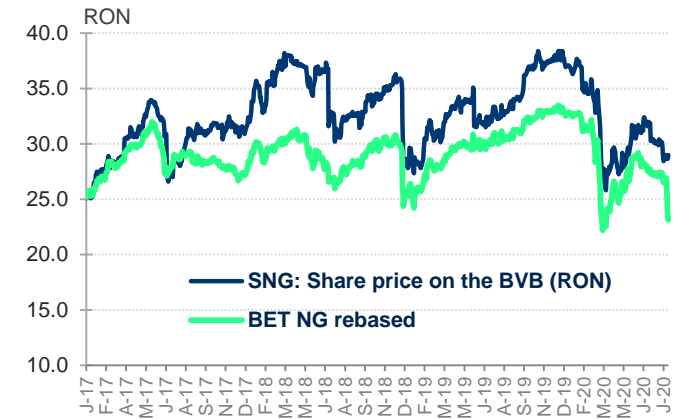


12M - Share Price Performance on the BVB

Period	Min (RON)	Max (RON)
Q3/19	31.75	36.95
Q4/19	36.70	38.40
Q1/20	25.80	37.70
Q2/20	27.25	32.40

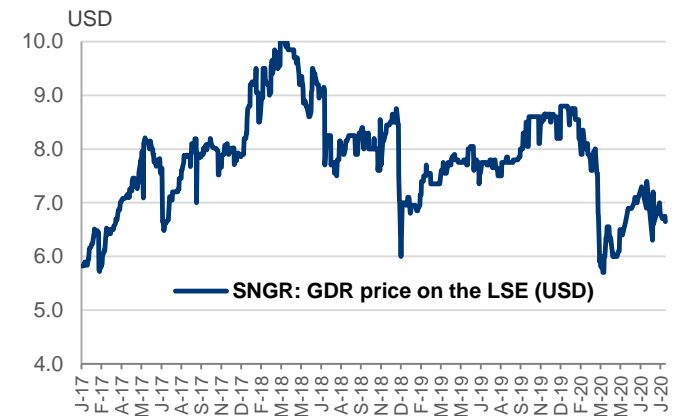
12M Total Traded Value (Q3/19 – Q2/20):

996 mln RON or 0.8 million EUR/day



- ❑ 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 **3rd largest domestic stock** traded on the BVB – mktcap of EUR 2.3bn*)
- ❑ **The 3rd largest traded stock** on the BVB *)
- ❑ Included in BVB's main indices (weighing 27% in energy and utilities BET-NG index, and between 9%-11% in BET, BET-XT, BET-TR, ROTX)
- ❑ Included in main global indices with allocation on Romania (such as FTSE, MSCI, S&P, STOXX, Russell Frontier).

Total no of shares: 385.42m



*) Based on the trading price on Aug 12, 2020, and on BVB's past 12M trading statistics

THANK YOU FOR YOUR ATTENTION !



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Financial Calendar - 2020

Aug 14: Release of the H1/Q2 2020 Financial Results

Aug 17: Confcall with financial analysts & investors

Nov 13: Release of the 9M/Q3 2020 Financial Results

Nov 16: Confcall with financial analysts & investors