

No.: 3121/25.01.2022

ENDORSED,

Dan Dragoș DRĂGAN
Chairman of the Board of Directors**To: The GENERAL MEETING OF SHAREHOLDERS of S.N.G.N. ROMGAZ S.A. MEDIAS****Information Note on the 2022 CONSOLIDATED Income and Expenditure Budget of Romgaz Group**

The 2022 Income and Expenditure Consolidated Budget was prepared for Romgaz Group on the basis of individual budgets of S.N.G.N. Romgaz S.A. Medias (hereinafter referred to as "the Company") and S.N.G.N. Romgaz S.A. - Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti S.R.L. (hereinafter referred to as the "the Subsidiary"), adjusted for consolidation. By ANRE Decision No. 151/22.01.2014 the titleholder of Storage License No. 1942/22.01.2014 for operating the natural underground storage system was modified and it was transferred from S.N.G.N. Romgaz S.A. Medias to S.N.G.N. Romgaz S.A. - Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti S.R.L. Since taken over on April 1, 2018 the natural gas storage activity has been carried out within the Subsidiary.

I. Main Indicators of the Individual Income and Expenditure Budgets (for each entity)

The budgets approved for 2022 provided for the transfer of fixed assets to the Subsidiary as of **July 1, 2022**. Therefore, both the Subsidiary and the Parent Company prepared their own income and expenditure budget bearing in mind the termination as of **July 1, 2022** of the lease of specific assets from the parent company.

The effect of the asset transfer is reflected in the decrease of income in the parent company (from leases), while for the subsidiary it is reflected in the decreased expenses with paid lease and increase of expenses with depreciation. We mention that the fixed assets used in the storage activity owned by Romgaz for transfer to the Subsidiary, were recorded as current assets in the form of assets held for disposal and as a result they are not depreciated in the individual budget of the company. In drawing up the consolidated budget, this depreciation is taken into account because at Group level these assets are of a fixed assets nature.

Please find below the indicators representing the income, expenses and profit included in the income and expenditure budget of the two entities:

Table 1

Item No.	SPECIFICATION RON thousand	Romgaz 2022 draft budget	Subsidiary 2022 draft budget
0	1	2	3
1	TOTAL INCOME, including:	12,285,226	375,535
1.1.	Operating income	12,269,045	375,035
1.2.	Financial income	16,182	500
2	TOTAL EXPENSES	10,289,744	335,738
2.1.	Operating expenses	10,238,077	335,738
A	Expenses for goods and services	802,966	202,026
B	Expenses for taxes, duties and similar payments	7,408,312	13,547
C	Personnel-related expenses	916,118	79,636
D	Other operating expenses	1,110,680	40,529
2.2.	Financial expenses	51,667	
3	GROSS PROFIT	1,995,483	39,797

II. Individual Budget Items to be consolidated into the Group's Consolidated Income and Expenditure Budget

Bearing in mind that S.N.G.N. Romgaz S.A. Medias (as parent company) is the sole shareholder of S.N.G.N. Romgaz S.A. - Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti S.R.L. and that the securities of the parent company are traded on a regulated market, it is necessary to consolidate the financial statements of the group and the income and expenditure budgets.

Consolidation at Group level has the role to inform about the indicators that do not include the amounts (income/expenditure) recorded between the parent company and the subsidiary, such transactions affecting the indicator levels.

The two separate budgets are cumulated for consolidation (income and expenditures), while the intra-group transactions are excluded, namely the transactions between the parent company and the subsidiary and the adjustments according to IFRS are added.

The following table shows the elements (income/expenditures) excluded by consolidation from the group's income and expenditure budget.

Table 2

RON thousand	Romgaz Income	Romgaz Expenses	Subsidiary Income	Subsidiary Expenses	Total Income	Total Expenses
Natural gas underground storage services		69,333	69,333		69,333	69,333
Asset lease	51,826			51,826	51,826	51,826
Natural gas delivered for technological consumption	29,051			29,051	29,051	29,051
Transport services	4,000			4,000	4,000	4,000
Other services (water, third-party expenses)	432			432	432	432
TOTAL	85,309	69,333	69,333	85,309	154,642	154,642

The adjustments according to IFRS which are added to the consolidated budget consist in the annulment of dividends received from the Subsidiary and re-establishment of expenses of depreciation of fixed assets owned by Romgaz leased to the Subsidiary. On the individual budget of Romgaz these fixed assets are not depreciated as they are current assets in the form of assets held for disposal and which according to IFRS are not depreciated. From the Group's point of view, these assets represent fixed assets that generate depreciation. We mention that these adjustments diminish the gross result of Romgaz Group.

III. Consolidated Income and Expenditure Budget of S.N.G.N. Romgaz S.A. Medias Group

After excluding the transactions between the parent company and the Subsidiary, and the addition of the other consolidation adjustments, the main indicators in the Group's consolidated income and expenditure budget are shown in the table below:

Table 3

Item No.	SPECIFICATION RON thousand	Romgaz 2022 Draft Income and Expenditure Budget	Subsidiary 2022 Draft Income and Expenditure Budget	Consolidations	Other adjustments in accordance with IFRS	Total 2022 Consolidated Income and Expenditure Budget
0	1	2	3	4	5	6=2+3-4+5
1	TOTAL INCOME, including	12,285,226	375,535	154,642	- 15,439	12,490,680
1.1.	Operating income	12,269,045	375,035	154,642		12,489,438
1.2.	Financial income	16,182	500		- 15,439	1,243
2	TOTAL EXPENSES	10,289,744	335,738	154,642	48,960	10,519,800
2.1.	Operating expenses	10,238,077	335,738	154,642	48,960	10,468,133
A	Expenses for goods and services	802,966	202,026	154,642		850,350
B	Expenses for taxes, duties and similar payments	7,408,312	13,547			7,421,859
C	Personnel-related expenses	916,118	79,636			995,754
D	Other operating expenses	1,110,680	40,529		48,960	1,200,169
2.2.	Financial expenses	51,667				51,667
3=1-2	GROSS PROFIT	1,995,483	39,797		- 64,399	1,970,881
4	Investments	5,962,775	70,000			6,032,775

In the parent company's Individual Income and Expenditure Budget, the expenses related to planned investments amount to RON 5,962,775 thousand, financed from own sources, credits for investments and the National Investment Programme.

The Subsidiary's Income and Expenditure Budget (Annex 4) provides for 2021 investment expenses in amount of RON 70,000 thousand and the financing sources are as follows, from:

- Depreciation RON 39,835 thousand;
- Current profit RON 13,017 thousand;
- Previous profit RON 17,148 thousand;

Annexes:

Annex 1: 2022 Consolidated Income and Expenditure Budget;

Annex 2: 2022 Individual Income and Expenditure Budget of S.N.G.N. Romgaz S.A. Medias -- (as Annex 1 in accordance with OMFP 3818/2019);

Annex 3: 2022 Income and Expenditure Budget of S.N.G.N. Romgaz S.A. - Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti S.R.L. (as Annex 1 in accordance with OMFP 3818/2019).

The proposal for 2022 Consolidated Income and Expenditure Budget of S.N.G.N. Romgaz S.A. Medias Group was submitted to the attention of the Board of Directors during the meeting of January 20, 2022.

Taking into account the above mentioned, we hereby submit to the attention of the Ordinary General Meeting of Shareholders of S.N.G.N. Romgaz S.A. the 2022 Consolidated Income and Expenditure Budget of S.N.G.N. Romgaz S.A. Medias Group.

CHIEF EXECUTIVE OFFICER
Aristotel Marius JUDE

CHIEF FINANCIAL OFFICER
Răzvan POPESCU

DIRECTOR OF ACCOUNTING DIRECTION
Marius Leonte VEZA

2022 INCOME AND EXPENDITURE BUDGET - CONSOLIDATED

RON thousand

		INDICATORS	Row No.	2022 Proposals Romgaz Group
0	1	2	3	4
I.		TOTAL INCOME (Row1=Row2+Row5)	1	12 490 680
	1	Total operating income out of which:	2	12 489 438
		a) subsidies, according to legal provisions in force	3	
		b) transfers, according to legal provisions in force	4	
	2	Financial income	5	1 243
II		TOTAL EXPENSES (Row6=Row7+Row19)	6	10 519 800
	1	Operating expenses (row7=row8+row9+row10+row18),out of which:	7	10 468 133
	A.	expenses for goods and services	8	850 350
	B.	expenses for taxes, duties and similar payments	9	7 421 859
	C.	personnel-related expenses (Row10=Row11+Row14+Row16+Row17), out of which:	10	995 754
	C0	Wages and Salaries Expense (Row11=Row12+Row13)	11	932 388
	C1	Salaries expense	12	839 932
	C2	Bonus expense	13	92 456
	C3	other personnel expense, out of which:	14	1 524
		expenses with termination benefits	15	
	C4	expenses for the mandate contract and for other management and control bodies, committees and commissions	16	6 232
	C5	expenses with contributions owed by the employer	17	55 610
	D.	other operating expenses	18	1 200 169
	2	Financial expenses	19	51 667
III		GROSS RESULT (profit/loss) (Row20=Row1-Row6)	20	1 970 881
IX		INVESTMENTS EXPENSES	49	6 032 775

CHIEF EXECUTIVE OFFICER,

ARISTOTEL MARIUS JUDE

CHIEF FINANCIAL OFFICER,

RAZVAN POPESCU

ACCOUNTING DEPARTMENT
DIRECTOR,
MARIUS VEZA

2022 INCOME AND EXPENDITURE BUDGET - INDIVIDUAL

RON thousand

		INDICATORS	Row No.	2022 Proposals
0	1	2	3	4
I.		TOTAL INCOME (Row1=Row2+Row5)	1	12 285 226
	1	Total operating income out of which:	2	12 269 045
		a) subsidies, according to legal provisions in force	3	
		b) transfers, according to legal provisions in force	4	
	2	Financial Income	5	16 182
II		TOTAL EXPENSES (Row6=Row7+Row19)	6	10 289 744
	1	Operating expenses (row7=row8+row9+row10+row18),out of which:	7	10 238 077
		A. expenses for goods and services	8	802 966
		B. expenses for taxes, duties and similar payments	9	7 408 312
		C. personnel-related expenses (Row10=Row11+Row14+Row16+Row17), out of which:	10	916 118
		C0 Wages and Salaries Expense (Row11=Row12+Row13)	11	859 025
		C1 Salaries expense	12	773 837
		C2 Bonus expense	13	85 188
		C3 other personnel expense, out of which:	14	1 524
		expenses with termination benefits	15	
		C4 expenses for the mandate contract and for other management and control bodies, committees and commissions	16	3 577
		C5 expenses with contributions owed by the employer	17	51 992
		D. other operating expenses	18	1 110 680
	2	Financial expenses	19	51 667
III		GROSS RESULT (profit/loss) (Row20=Row1-Row6)	20	1 995 483
IV		CURRENT PROFIT TAX	21	314 668
		DEFERRED PROFIT TAX	22	
		INCOME FROM DEFERRED PROFIT TAX	23	52 826
		ACTIVITY SPECIFIC TAX	24	48
		OTHER TAXES NOT REPRESENTED IN THE ABOVE ELEMENTS	25	
V		NET PROFIT/LOSS of the reporting period (Row 26=Row20-Row21-Row22+Row23-Row24-Row25), out of which:	26	1 733 593
	1	Legal Reserves	27	
	2	Other reserves representing fiscal facilities provided by law	28	
	3	Coverage of accounting loss from previous years	29	
	4	Establishing equity finance for projects co-financed from foreign loans, and establishing sources for reimbursement of installments, payment of interest rates, charges and other costs related to such loans	30	
	5	Other distributions provided by law	31	
	6	Accounting profit after deduction of the amounts provided at Rows 27, 28, 29, 30, 31 (Row 32= Row26-{Row27 to Row31}>= 0)	32	1 733 593

		INDICATORS	Row No.	2022 Proposals
0	1	2	3	4
	7	Profit share payable to employees within the limit of 10% of the net profit, but not more than one monthly average base salary paid by the economic operator during the reference financial year	33	36 985
	8	Minimum 50% payments to the state budget or local budget in case of autonomous companies, or as dividends paid to shareholders in case of national companies and companies fully or majority state-owned, out of which:	34	885 289
	a)	- dividends to the state budget	35	619 702
	b)	- dividends to the local budget	36	
	c)	- dividends to other shareholders	37	265 587
	9	Profit not allocated to rows 33-34 is allocated to other reserves and represents the company's equity finance	38	848 304
VI		INCOME FROM EUROPEAN FUNDS	39	
VII		ELIGIBLE EXPENSES FROM EUROPEAN FUNDS, out of which:	40	
	a)	expenses for materials	41	
	b)	Salaries expense	42	
	c)	expenses for services	43	
	d)	expenses for promotion and advertising	44	
	e)	other expenses	45	
VIII		INVESTMENT FINANCING SOURCES, out of which:	46	5 962 775
	1	Allocations from the budget, out of which:	47	
		budget allocations related to payments of previous years commitments	48	
IX		INVESTMENTS EXPENSES	49	5 962 775
X		SUPPORTING DATA		
	1	Forecasted number of employees at the end of the year	50	5 787
	2	Total average number of employees	51	5 702
	3	Average monthly income per employee (RON/ person) determined on basis of salary-related expenses	52	11 678
	4	Average monthly income per employee (RON/ person) determined on basis of salary expenses recalculated under the Annual Law of the State Budget	53	10 912
	5	Labour productivity in financial units per total average number of employees (thousand RON/person) (Row2/Row51)	54	2 152
	6	Labour productivity in financial units per total average number of employees recalculated under the Annual Law of the State Budget	55	2 152
	7	Labour productivity in physical units per total average number of employees (thousand cm/person)	56	
	8	Total expenses related to RON 1 000 total income (Row 57= (Row6/Row1)x1000)	57	838
	9	Outstanding payments	58	
	10	Overdue accounts receivables	59	1 248 612

CHIEF EXECUTIVE OFFICER,
ARISTOTEL MARIUS JUDE

CHIEF FINANCIAL OFFICER,
RAZVAN POPESCU

ACCOUNTING DEPARTMENT
DIRECTOR,
MARIUS VEZA

INCOME AND EXPENDITURE BUDGET FOR 2022- of SNGN Romgaz- Filiala de Inmagazinare Gaze naturale Depogaz
 Ploiesti SRL

RON thousand

		INDICATORS	Row No.	2022 Proposals
0	1	2	3	5
I.		TOTAL INCOME (Row1=Row2+Row5)	1	375.535
	1	Total operating income out of which:	2	375.035
		a) subsidies, according to legal provisions in force	3	0
		b) transfers, according to legal provisions in force	4	0
	2	Financial income	5	500
II		TOTAL EXPENSES (Row6=Row7+Row19)	6	335.738
	1	Operating expenses (row7=row8+row9+row10+row18),out of which:	7	335.738
		A. expenses for goods and services	8	202.026
		B. expenses for taxes, duties and similar payments	9	13.547
		C. personnel-related expenses (Row10=Row11+Row14+Row16+Row17), out of which:	10	79.636
		C0 Wages and Salaries Expense (Row11=Row12+Row13)	11	73.363
		C1 Salaries expense	12	66.095
		C2 Bonus expense	13	7.268
		C3 other personnel expense, out of which:	14	0
		expenses with termination benefits	15	0
		C4 expenses for the mandate contract and for other management and control bodies, committees and commissions	16	2.655
		C5 expenses with contributions owed by the employer	17	3.618
		D. other operating expenses	18	40.529
	2	Financial expenses	19	0
III		GROSS RESULT (profit/loss) (Row20=Row1-Row6)	20	39.797
IV		CURRENT PROFIT TAX	21	8.773
		DEFERRED PROFIT TAX	22	0
		INCOME FROM DEFERRED PROFIT TAX	23	0
		ACTIVITY SPECIFIC TAX	24	0
		OTHER TAXES NOT REPRESENTED IN THE ABOVE ELEMENTS	25	0
V		NET PROFIT/LOSS of the reporting period (Row 26=Row20-Row21-Row22+Row23-Row24-Row25), out of which:	26	31.024
	1	Legal Reserves	27	1.990
	2	Other reserves representing fiscal facilities provided by law	28	0
	3	Coverage of accounting loss from previous years	29	0
	4	Establishing equity finance for projects co-financed from foreign loans, and establishing sources for reimbursement of installments, payment of interest rates, charges and other costs related to such loans	30	0
	5	Other distributions provided by law	31	0
	6	Accounting profit after deduction of the amounts provided at Rows 27, 28, 29, 30, 31 (Row 32= Row26-(Row27 to Row31)>= 0)	32	29.034
	7	Profit share payable to employees within the limit of 10% of the net profit, but not more than one monthly average base salary paid by the economic operator during the reference financial year	33	3.000

		INDICATORS	Row No.	2022 Proposals
0	1	2	3	5
	8	Minimum 50% payments to the state budget or local budget in case of autonomous companies, or as dividends paid to shareholders in case of national companies and companies fully or majority state-owned, out of which:	34	16.017
	a)	- dividends to the state budget	35	0
	b)	- dividends to the local budget	36	0
	c)	- dividends to other shareholders	37	16.017
	9	Profit not allocated to rows 33-34 is allocated to other reserves and represents the company's equity finance	38	13.017
VI		INCOME FROM EUROPEAN FUNDS	39	0
VII		ELIGIBLE EXPENSES FROM EUROPEAN FUNDS, out of which:	40	0
	a)	expenses for materials	41	0
	b)	Salaries expense	42	0
	c)	expenses for services	43	0
	d)	expenses for promotion and advertising	44	0
	e)	other expenses	45	0
VIII		INVESTMENT FINANCING SOURCES, out of which:	46	70.000
	1	Allocations from the budget, out of which:	47	0
		budget allocations related to payments of previous years commitments	48	0
IX		INVESTMENTS EXPENSES	49	70.000
X		SUPPORTING DATA		0
	1	Forecasted number of employees at the end of the year	50	530
	2	Total average number of employees	51	515
	3	Average monthly income per employee (RON/ person) determined on basis of salary-related expenses	52	11.081
	4	Average monthly income per employee (RON/ person) determined on basis of salary expenses recalculated under the Annual Law of the State Budget	53	0
	5	Labour productivity in financial units per total average number of employees (thousand RON/person) (Row2/Row51)	54	728
	6	Labour productivity in financial units per total average number of employees recalculated under the Annual Law of the State Budget	55	0
	7	Labour productivity in physical units per total average number of employees (thousand cm/person)	56	0
	8	Total expenses related to RON 1 000 total income (Row 57= (Row6/Row1)x1000)	57	894
	9	Outstanding payments	58	0
	10	Overdue accounts receivables	59	1.500

CEO
ing. VASILE CARSTEA

ECONOMIC DIRECTOR,
ec. VIORICA IONESCU