

February 25, 2022

## PRESS RELEASE

### ROMGAZ GROUP published the PRELIMINARY CONSOLIDATED ANNUAL REPORT (issued based on unaudited consolidated financial information prepared in compliance with the International Financial Reporting Standards) ON THE ECONOMIC AND FINANCIAL ACTIVITY OF SNGN "ROMGAZ" SA GROUP for 2021

The full version of the Preliminary Consolidated Annual Report (issued based on unaudited consolidated financial information prepared in compliance with the International Financial Reporting Standards) on the economic and financial activity of SNGN "ROMGAZ" SA GROUP for 2021 is available on the company's website [www.romgaz.ro](http://www.romgaz.ro)- Section Investors- Interim Reports and on Bucharest Stock Exchange website.

## ROMGAZ GROUP'S<sup>1</sup> PERFORMANCES

Romgaz Group's preliminary performances for the year ended December 31, 2021 were influenced by the following factors:

- ↪ **Natural gas production** estimated for 2021 was **5,028.5 mil.m<sup>3</sup>**, by 508.8 mil.m<sup>3</sup> higher than the production of the previous year (+11.3%).
- ↪ **Preliminary revenue** for 2021: **RON 5.85 billion** (2020: RON 4.07 billion), higher by 43,63%, influenced by the following factors:
  - Quantity of **natural gas** sold (including gas purchased for resale) is 12.7% higher in 2021 as compared to 2020. Estimated revenue from natural gas sales for 2021 is RON 5.04 billion, increasing by 52.41% as compared to the previous year;
  - In Q4 2021, **revenue from natural gas sales** increased by 101.81% as compared to the previous quarter (+17.15% quantitatively), and by 120.62% as compared to Q4 2020 (-15.64% quantitatively);
  - In 2021 **storage activities** recorded a decrease by 30.64% of the revenue at group level, following 32.3% lower capacity reservation services (RON -91.18 million) and a decrease by 31.48% (RON -15.53 million) of injection services. As for Depogaz, revenue from these services decreased by 6.14%;
  - Revenue from **electricity** sales increased by 69.9% as compared to last year (RON +132.31 million) against a 31.7% drop in production as compared to last year. This revenue is due to the high prices on centralised markets where the Group is active;

<sup>1</sup> Romgaz Group consists of SNGN Romgaz SA ("the Company"/"Romgaz") as parent company, SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL ("Depogaz"), subsidiary owned 100% by Romgaz, and its associates SC Depomures SA (40% of the share capital) and SC Agri LNG Project Company SRL (25% of the share capital)

- ↵ In 2021, an income of RON 114.7 million was generated by executing the performance guarantee related to the works contract for development of CTE Iernut by building a new 430 MW power plant with combined cycle gas turbine concluded between S.N.G.N. Romgaz S.A. and the Consortium consisting of Duro Felguera S.A. and Romelectro S.A.;
- ↵ Romgaz won in court a litigation against ANAF (National Agency for Fiscal Administration) for the annulment of a fiscal inspection report related to an inspection carried out between December 2016 – April 2017, which led to the recognition of an income of RON 28.02 million from releasing to income the impairment set up for such receivable;
- ↵ **Petroleum royalty** expenses (including royalty for storage activities) increased by RON 552.54 million as compared to the previous year, namely by 280.65% (RON 749.4 million in 2021, as compared to RON 196.9 million in 2020), mainly as a result of the increase of the reference price considered for calculating royalty. The increase in Q4 2021 as compared to the previous quarter was by 145.7%;
- ↵ **Windfall tax** increased in 2021 by RON 843.1 million (203.17%) as compared to 2020. Compared to the previous quarter, windfall tax rose by 491.48% in Q4 2021;
- ↵ In 2021, the Group performed an impairment test for the gas fields it operates. The increase of sales prices was mostly offset by the increase of costs, especially of costs with petroleum royalty and windfall tax, therefore the Group did not release to income the losses from previous impairments.
- ↵ In 2021, the Group recorded a net gain from impairment of receivables of RON 349.99 million, following collection of receivables from clients under insolvency;
- ↵ The amount of RON 94.1 million was cashed in 2021, representing financing from the National Investment Plan for building the new Iernut power plant;
- ↵ **Preliminary net profit** for 2021: **RON 1.90 billion** (2020: net profit RON 1.25 billion), increasing by 52.02%.
- ↵ The estimated **Net Profit** recorded in **Q4** was **RON 740.71 million**, increasing by 87.63% as compared to Q3 2021.
- ↵ Consolidated net profit margins (32.41%), consolidated EBIT (35.48%) and EBITDA (47.26%) increased as compared to 2020 (30.62%; 33.83% and 50.33% respectively).

## **ROMGAZ Press Office**

### **About ROMGAZ**

*Romgaz S.A. is the largest natural gas producer and the main supplier in Romania. The company is listed on Bucharest Stock Exchange and GDRs are traded on London Stock Exchange. The majority shareholder is the Romanian State owning a 70% stake. The company has a vast experience in the field of gas exploration and production, with a history that began in 1909 and spans more than 100 years. Romgaz undertakes geological exploration with the aim of discovering new gas reserves, produces methane by exploiting the reservoirs included in the company's portfolio and stores natural gas in underground storages; it performs well interventions, workover and special operations, and ensures technological transportation professional services. In 2013, Romgaz extended its scope of work by taking over Iernut thermoelectric power plant, becoming electricity producer and supplier.*