

No. 49387/ December 20, 2022

To,

SNGN ROMGAZ SA GENERAL MEETING OF SHAREHOLDERS

REPORT
on certain transactions concluded by
SNGN Romgaz SA with DEPOGAZ ¹and SNTGN Transgaz SA
during the period August 31, 2022 to December 9, 2022

Legal requirement

In compliance with the provisions of Article 52 (1) of GEO No. 109/2011² "the Board of Directors convenes [...] the general meeting of shareholders to approve any transaction with a value that exceeds, individually or in a series of concluded transactions, 10% of net asset value [...] or 10% of the revenue ... with the controlling shareholders or with a company controlled by them".

Moreover, in compliance with Article 52 paragraph (3) of GEO No. 109/2011, "the Board of Directors [...] **informs the shareholders** during the first general meeting of shareholders following the conclusion of the legal document on any transaction concluded by the public company with:

- a) the persons provided at paragraph (1) and (2) and the transaction value is below the level set at paragraph (1);
- b) another public company or with the public supervisory body, if the transaction value amounts to at least, individually or in a series of transactions, the equivalent value in RON of EUR 100,000".

Transactions concluded:**1) DEPOGAZ**

For the storage cycle April 1, 2022 – March 31, 2023, Romgaz concluded with DEPOGAZ the following contracts:

- ✓ Contract 958/2022 for the 2022-2023 storage cycle;
- ✓ Contract 991/2022 for the gas remaining in storage at the end of the 2021-2022 storage cycle.

Underground storage capacity has been made available following withdrawal of natural gas from underground gas storages by Romgaz. With the aim of reducing costs with booked capacity, that generate costs for the whole storage cycle, Romgaz has performed capacity transfer operations

¹ SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești S.R.L.

² GEO No.109 of November 30, 2011 on corporate governance of public companies, as subsequently amended and supplemented

to other underground storage users, those becoming responsible for the payment of capacity taken over under the transfer.

Moreover, Romgaz required DEPOGAZ to perform the operations resulting in the decline of the natural gas stock (natural gas withdrawal and natural gas exchanges between storage and the Virtual Transaction Point – VTP) in accordance with the FIFO (first in, first out) method.

In this respect, the following Addenda were concluded:

- Addendum No. 4/October 01, 2022 to the Underground Gas Storage Contract No. 958/2022, decreasing the contract value by RON 291,300.00 (VAT excluded). The Addendum was concluded upon closing the Protocol No. 37744/October 06, 2022 on underground storage capacity transfer to SC Gaz Est SA;
- Addendum No. 5/October 01, 2022 to the Underground Gas Storage Contract No. 958/2022, decreasing the contract value by RON 2,621,700.00 (VAT excluded). The Addendum was concluded upon closing the Protocol No. 40180/October 20, 2022 on underground storage capacity transfer to Engie Romania SA;
- Addendum No. 6/ October 1, 2022 to the Underground Gas Storage Contract No. 958/2022 on annulling the provisions of Addendum No. 5. As Romgaz requested the operations on decreasing the natural gas stock to be performed by the Provider by the FIFO (first in, first out) method, it was decided such operations to envisage the natural gas quantities under Contract No. 991/2022. Therefore, the 135,000 MWh storage capacity, transferred under the Protocol No. 40180/October 20, 2022 to Engie Romania, and for which Addendum No. 5/2022 was concluded, was operated under Contract No. 991/2022.
- Addendum No. 1/October 01, 2022 to the Underground Gas Storage Contract No. 991/2022, decreasing the Contract value by RON 5,833,720.00 (VAT excluded). The Addendum was concluded upon the following storage capacity transfers:
 - 204,000 MWh to OMV Petrom (Transfer Protocol No. 39430/ October 17, 2022);
 - 135,000 MWh to Engie Romania (Transfer Protocol No. 40180/ October 20, 2022);
 - 52,000 MWh to Engie Romania (Transfer Protocol No. 41076/ October 25, 2022).

2) SNTGN TRANSGAZ SA

In line with the calendar for transmission capacity booking in the National Gas Transmission System entry/exit points for the gas years 2021-2022 and 2022-2023, the Network User (NU) Romgaz has booked, at an optimum level, an annual transmission capacity. Additionally, in order to secure the transmission capacity of natural gas deliveries to customers within its portfolio, NU Romgaz is also booking quarterly and monthly capacity.

Depending on the gas demand at NTS exit points and in order to optimise costs with transmission capacity booking, Romgaz has transferred and taken over transmission capacities to/from other NTS network users.

Therefore, in compliance with the Network Code for the National Gas Transmission System, approved by Order No. 16/2013 of ANRE President, Romgaz concluded with SNTGN Transgaz SA, during August – December 2022, Contract No. 56L/September 21, Contract No. 137L/ October 19, 2022, Contract No. 138L/ October 19, 2022 and addenda to the Contracts No. 84/August 20, 2022, 760L/July 20, 2022, 813L/August 18, 2022.

In this respect, the table below shows a summary of the concluded transactions:

Legal document Number/Date		Scope of contract	Contract term	Transmission capacity – MWh			Value, VAT excluded, (RON)
Contract	Addendum			contracted	taken over	returned	
84/2021	39/2022	Provision of annual natural gas transmission services at NTS exit	01.10.2021 01.10.2022		136		7,256.96
760L/2022	16/2022	Provision of monthly natural gas transmission services at NTS exit	01.08.2022 01.09.2022			7,100	0.00
813L/2022	2/2022	Provision of monthly natural gas transmission services at NTS exit	01.09.2022 01.10.2022			850	0.00
58L/2022		Provision of monthly natural gas transmission services at NTS exit	01.10.2022 01.11.2022	14,965			570,615.45
56L/2022		Provision of monthly natural gas transmission services at NTS exit	01.10.2022 01.11.2022	608.10			44,647.56
138L/2022		Provision of monthly natural gas transmission services at NTS exit	01.11.2022 01.12.2022	5,879			336,866.70
137L/2022		Provision of monthly natural gas transmission services at NTS exit	01.11.2022 01.12.2022	246			32,619.60

Transmission contracts are framework agreements with the following characteristics:

- ✓ The scope of contract is provision of natural gas transmission services, namely activities and operations performed by the TSO for or in connection with transmission capacity booking at entry/exit points into/out of the NTS and with the transmission of gas quantities through the National Transmission System (NTS), expressed in energy units, up to the NTS entry/exit points;

- ✓ Contract term: annual, quarterly or monthly;
- ✓ Applicable tariffs: according to Order 75/ May 18, 2022 approved by ANRE;
- ✓ Payment: within 15 calendar days from the invoice issue date.

Resolution draft

Following the above mentioned, we submit for approval the following resolution draft:

“The Ordinary General Meeting of Shareholders takes note of the Report on certain transactions concluded by SNGN Romgaz SA with Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti SRL and SNTGN Transgas SA during the period August 31, 2022 to December 9, 2022”.

**CHAIRMAN OF THE BOARD OF DIRECTORS,
DAN DRAGOȘ DRĂGAN**

**CHIEF EXECUTIVE
OFFICER,
Răzvan POPESCU**

**DEPUTY CHIEF EXECUTIVE
OFFICER,
Aristotel Marius JUDE**

**ENERGY TRADING
DIRECTOR,
Radu Costică MOLDOVAN**