

ROMGAZ PRESS RELEASE

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ROMGAZ GROUP published Quarterly Report on the Economic-Financial Activity of Romgaz Group on March 31, 2023 (January – March 2023)

- Romgaz Group recorded a revenue of RON 2,909.0 million.
- Revenue increased by 14.21%,.

The full version of the Quarterly Report on the Economic-Financial Activity of Romgaz Group on March 31, 2023 (January - March 2023) and the Consolidated Condensed Interim Financial Statements for the Three-Month Period Ended March 31, 2023 (Unaudited), Prepared in Accordance with International Accounting Standard 34, are available on company's website www.romgaz.ro - Investors - Interim Reports and on Bucharest Stock Exchange website.

ROMGAZ GROUP¹ PERFORMANCES

In the first quarter (Q1) 2023, Romgaz Group recorded a *revenue of* RON 2,909.0 million, a decrease of 25.90%, namely by RON 1,016.8 million, as compared to the revenue achieved in Q1 2022, against a 5.69% drop in deliveries. As compared to Q4 2022, revenue increased by 14.21%, while deliveries increased by 6.25%.

Net consolidated profit of RON 970.0 million was lower by 0.98%, namely RON 9.6 million as compared to the similar period of last year. Compared to Q4 2022, net profit increased by 214.01%, considering that this quarter was influenced by the solidarity contribution introduced at the end of 2022 (the contribution, presented as profit tax, was for the full year 2022, not just for Q4). Gross profit increased by 20.28% as compared to Q4 2022.

Net consolidated profit per share (*EPS*) was RON 2.52.

The achieved margins of the consolidated net profit (33.34%), consolidated EBIT (59.90%) and consolidated EBITDA (64.71%) recorded a significant increase as compared to Q1 2022 (24.95%; 28.97% and 31.24% respectively). The increase is due to lower royalty expenses (RON 146.5 million in Q1 2023 as compared to RON 458.4 million in Q1 2022) and lower windfall tax expenses from gas sale activity (RON 476.9 million in Q1 2023 as compared to RON 1,843.2 million in Q1 2022), as a result of Government Emergency Ordinance No. 27/2022 as subsequently amended and supplemented. According to GEO 27/2022, the windfall tax does not apply for the gas sold at 150 RON/MWh, and royalty is paid based on this price, and not based on the reference price communicated by the National Agency for Mineral Resources.

Natural gas consumption estimated² at national level for Q1 2023 was about 38.72 TWh, approximately 12% lower than the consumption recorded in Q1 2022.

Natural gas production recorded in Q1 2023 was 1,236.7 million m³, 0.73% higher than planned. Compared to the natural gas production of Q1 2022, the production recorded in Q1 2023 dropped by 5.4%.

¹Romgaz Group consists of SNGN Romgaz SA ("The Company"/"Romgaz") as parent company and the subsidiaries fully owned by SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL ("Depogaz") and Romgaz Black Sea Limited.

² Consumption is estimated as ANRE has not published, until the date hereof, the reports on the gas market for 2023.



The amount of *electricity produced* was 323.04 GWh in Q1 2023, 6.46% lower than production in the similar period of last year (345.337 GWh)

Natural gas production recorded in Q1 2023 was influenced by:

- well workover and recompletion programs in inactive or low productivity wells;
- continuous rehabilitation projects of the main mature gas fields;
- implementation of measures to optimize gas field production;
- completion of investment works to extend the production infrastructure and connection of new wells to this infrastructure.

The conditions underlying these results were:

- gas imports for consumption were approximately 3.24 TWh, 75% lower than in the same period of the previous year;
- lower gas withdrawals from Romgaz UGSs by 0.203 million MWh than in the similar period of 2022 (1.762 million MWh compared to 1.965 million MWh).

National gas consumption estimated for Q1 2023 was 38.72 TWh, approximately 12% lower than the consumption recorded in Q1 2022, out of which approximately 3.24 TWh was covered by import gas and the difference of 35.48 TWh by domestic gas.

Romgaz contribution was 14.84 TWh, representing 38.33% from the national consumption and 41.81% from the consumption covered from domestic gas.

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.

Further information

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