

To: S.N.G.N. ROMGAZ S.A. GENERAL MEETING OF SHAREHOLDERS

REPORT

on certain transactions concluded between S.N.G.N. ROMGAZ S.A. and other public companies
between April - May 2023

Pursuant to Article 52 par. (1) of Government Emergency Ordinance No. 109/2011¹ "The Board of Directors [...] convenes the general meeting of shareholders in order to approve any transaction, if its value, individually or in a series of concluded transactions, exceeds 10% of the value of net assets [...] or exceeds 10% of the revenue ... with the controlling shareholders or with a company controlled by such shareholders".

Moreover, pursuant to Article 52 par. (3) of Government Emergency Ordinance No. 109/2011 "The Board of Directors [...] informs the shareholders, during the first General Meeting of Shareholders following the legal act, on any transaction concluded by the public company with:

- a) the persons provided in paragraph (1) and (2) and the value of the transaction does not exceed the level established in paragraph (1);
- b) another public company or with the public supervisory authority, if the transaction has a value, individually or in a series of transactions, of at least the equivalent in RON of EUR 100,000".

Concluded transactions

1) DEPOGAZ - provision of underground gas storage

- ❖ Romgaz submitted to DEPOGAZ a *Request for the conclusion/amendment of the underground gas storage contract*, registered under No. 6938/February 15, 2023, requesting a storage capacity of 1,000,000 MWh, in addition to the gas capacity remaining in storage from the previous storage cycle. In accordance with the provisions of ANRE (The Romanian Regulatory Authority for Energy) Order No. 10/February 24, 2023² and ANRE Decision No.545/March 15, 2023³, Depogaz allocated to Romgaz a storage capacity of 400,000 MWh, for which Contract No. 1236/2023 was concluded. The estimated value of the Contract is RON 9,212,000 (VAT exclusive).

Contract No. 1236/2023 was supplemented by the following:

- ✍ Addendum No. 1 supplementing the storage capacity by 64,800.047466 MWh, thus increasing the value of the Contract by RON 1,492,345.09 up to RON 10,704,345.09 (VAT exclusive);
 - ✍ Addendum No. 2 supplementing the storage capacity by 37,000 MWh, thus increasing the value of the Contract by RON 852,110 up to RON 11,556,455.09 (VAT exclusive).
- ❖ For the storage capacity related to the natural gas stock of 859,771.875537 MWh, recorded at the end of the storage cycle 2022-2023, Contract No.1271/2023 was concluded. The estimated value of the Contract is RON 13,550,004.76 (VAT exclusive);

2) TSO (S.N.T.G.N. TRANSGAZ S.A. Medias) - provision of natural gas transmission services;

¹ Government Emergency Ordinance No. 109 of November 30, 2011 on corporate governance of public companies as subsequently amended and supplemented.

² Order for the approval of the Methodology for determining the level of the minimum natural gas stock that holders of natural gas supply licences are obliged to build up in underground storage facilities;

³ Decision No.545/March 15, 2023 on the level of the minimum natural gas stock that holders of natural gas supply licences/Electricity Producers (EP) direct client are obliged to build up in underground storage facilities until October 31, 2023;

- ❖ In accordance with the timetable for the transmission capacity reservation process at the entry/exit points to/from the National Gas Transmission System (NTS), for the gas year 2022 - 2023, the Network User (NU) Romgaz reserved annual transmission capacity under Contract No.76/2022. Additionally, in order to supply the transmission capacity at the level of gas deliveries to customers in its portfolio, NU Romgaz reserves quarterly and monthly transmission capacity.

In this respect, the transactions concluded are summarized in the table below:

Contract (Number /Date)	Scope of Contract	Term of Contract	Contracted Capacity (MWh)	Amount in RON excluding VAT
129T/2023	Provision of quarterly gas transmission services at exit point from the NTS	April 1, 2023 July 1, 2023	30,612.40	75,000.38
505L/2023	Provision of monthly gas transmission services at exit point from the NTS	March 1,2023 April 1, 2023	146,428.50	609,142.56
520L/2023	Provision of monthly gas transmission services at exit point from the NTS	April 1, 2023 May 1, 2023	215,142.48	434,694.81
166T/2023	Provision of quarterly gas transmission service at exit point from the NTS	July 1, 2023 September 1, 2023	199,688.40	414,700.09
660L/2023	Provision of monthly gas transmission services at exit point from the NTS	May 1, 2023 June 1, 2023	235,737.42	459,780.04

- ❖ Depending on the daily natural gas requirements and in order to optimise the costs of reserving capacity for transmission services, Romgaz took over the transmission capacity from other users of the NTS network. Therefore, in accordance with the provisions of the Network Code for the NTS, approved by ANRE President Order No.16/2013, Romgaz concluded with S.N.T.G.N. Transgaz S.A. the following Addenda to Contract No.76/2022:

Addendum No.	Scope of Contract	Term of Contract	Transmission capacity (MWh)			Amount in RON excluding VAT
			Transferred	Taken	Returned	
4	Provision of annual gas transmission services at exit point from the NTS	October 1, 2022 October 1, 2023			24	0.00
5				0.1		0.30
6				2.8		8.26
7				0.3		0.89
8				12.4		36.58

Gas Transmission Contracts are Framework Agreements and have the following characteristics:

- ✓ The scope of contract is provision of natural gas transmission services designating the activities and operations carried out by the TSO for or in connection with transmission capacity booking at the entry/exit points of the NTS and transmission through the National Transmission System (NTS) of gas quantities, expressed in units of energy, to the entry/exit points of the NTS;
- ✓ Contract term: annual, quarterly or monthly;
- ✓ Applicable tariffs: in accordance with Order No. 75/May 18, 2022;
- ✓ Payment: within 15 calendar days from the date of invoices issuance.

- 3) By Notice No.3595/May 12, 2023, registered with Romgaz under No. 19190/May 12, 2023, S.C. **Electrocentrale Constanta S.A.** requested us to continue the contractual relations "by concluding a Contract/an Addendum to the current Contract for the supply of gas quantity necessary for the operation of Electrocentrale Constanta S.A., namely of SACET within the city of Constanta, for the period between June 1 - October 31, 2023, for EP and NH".

Accordingly, Gas Sale Contract No. VG26/2023 was concluded with ELCEN Constanta, with the main characteristics:

- delivery period: June 1 - October 31, 2023;
- Contracted gas quantity: 166,800 MWh, as requested;
- Delivery point: VTP in the NTS;

- Daily gas quantity scheduled to be delivered is determined by dividing the monthly contracted quantity by the number of calendar days in the delivery month;
 - Quantities flexibility: daily flexibility: $\pm 10\%$ is provided only with the Seller's agreement;
 - Payment of gas consideration: in advance, in weekly instalments, before delivery begins;
- 4) By Notice No. 8313/May 3, 2023, **S.C. COLTERM S.A. (COLTERM)** requested the quantity 5,580 MWh for June 2023. Romgaz sent Offer No. 18 222/May 5, 2023, accepted by the Client, and the Parties concluded Gas Sales Contract No. VG25/2023. The main characteristics of the contract concluded with COLTERM are below:
- Delivery period: June - July 1, 2023;
 - Contracted quantity is fixed and firm: 5,580 MWh/month, namely 186 MWh/day;
 - Delivery point: VTP in the NTS;
 - Payment of gas consideration: in advance at least 2 working days before the start of the delivery month.
- 5) **MUNICIPAL COMPANY TERMOENERGETICA BUCURESTI S.A.**
In accordance with the provisions of GEO No.27/2022 as subsequently amended and supplemented, as well as ANRE regulations, S.N.G.N. ROMGAZ S.A. Mediaș concluded with the MUNICIPAL COMPANY TERMOENERGETICA BUCUREȘTI S.A. the natural gas sale contract No.PET16/2023, having as object the sale-purchase of natural gas from domestic production, intended for the consumption needs of PET for the period November 2023 - March 2024. The main characteristics of the natural gas sale contract concluded with the MUNICIPAL COMPANY TERMOENERGETICA BUCURESTI S.A. are below:
- Delivery period: November 1, 2023 - April 1, 2024;
 - Contracted quantity: 216,276.998 MWh;
 - Delivery point: VTP in the NTS;
 - Contract price: in accordance with GEO No. 27/2022;
 - Payment of gas consideration: in advance before the delivery month, in case no letter of bank guarantee is submitted.

Draft Resolution

Article 1 The Ordinary General Meeting of Shareholders takes note of the Report on certain transactions concluded between S.N.G.N. ROMGAZ S.A. and other public companies between April - May 2023.

CHAIRMAN
Board of Directors
Dan Dragoș DRĂGAN

Chief Executive Officer
Răzvan POPESCU

Deputy CEO
Aristotel Marius JUDE

Chief Financial Officer
Gabriela TRÂNBIȚAȘ

Director of Energy Trading Department
Radu Costică MOLDOVAN