

To: THE GENERAL MEETING OF SHAREHOLDERS

REPORT

on certain transactions concluded between S.N.G.N. ROMGAZ S.A. and other public enterprises
between July - October 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 enterprise with:

- the persons provided in paragraph (1) and (2) and the value of the transaction does not exceed the level established in paragraph (1);
- another public enterprise 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".

The public enterprise has the following meanings (Article 2, paragraph 2 of the Government Emergency Ordinance No. 109/2011):

- autonomous public companies established by the State or by a territorial administrative unit;
- national companies and corporations, companies in which the State or an administrative-territorial unit is the sole or majority shareholder or in which it has control;
- companies in which one or more of the public enterprises referred to in (a) and (b) has a majority or controlling interest.

In accordance with the provisions GEO No. 27/2022² in October 2023 Romgaz signed, with 10 public enterprises, a number of **10 Gas Sales Contracts** whose individual value is higher than the RON equivalent of EUR 100,000 and which do not fall under the provisions of Article 52 paragraph (1) of GEO No.109/2011 and, therefore, generate the obligation to inform the company's shareholders.

The 10 public enterprises are presented in the table below:

Item No.	Public Enterprise	Weight of Romanian State shareholder or a territorial administrative unit
1	SC COLTERM SA TIMISOARA	100% Timisoara City Council
2	SC TERMOCENTRALE CONSTANTA SA	100% Constanta City
3	SC CET GOVORA SA	100% Valcea County Council
4	SC MODERN CALOR SA BOTOSANI	100% Botosani City Council
5	MUNICIPIUL IAȘI - ECONOMIC ACTIVITY	100% Iasi City
6	SC TERMO CALOR CONFORT SA	99.7274% Pitesti City Council 0.1363% Topoloveni City Council 0.1363% Maracineni City Council
7	SC TERMOFICARE ORADEA SA	99.99% Oradea City Council

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

² GEO No. 27 of March 18, 2022 on the measures applicable to final consumers on the electricity and natural gas market between April 1, 2022 - March 31, 2023, as well as for amending and supplementing certain regulatory acts in the energy sector.

Item No.	Public Enterprise	Weight of Romanian State shareholder or a territorial administrative unit
8	UTP GIURGIU SA	99.98% Giurgiu City Council
9	RAM TERMO VERDE SRL	100% Buzau City
10	SNTGN TRANSGAZ SA	58.5097% Romanian State through the General Secretariat of the Government 41.4903 Other shareholders (natural and legal persons)

Main characteristics of signed gas sales contracts are as follows:

- ✓ gas quantities allocated by the TSO (SNTGN Transgaz SA) in accordance with GEO No. 27/2022 are firm and fixed. For gas quantities not taken over by the Buyer, the Buyer shall pay the Seller a compensatory amount equal to the amount of gas not taken over, calculated as follows: $Q_{\text{not taken over}} \times P_{\text{contractual}}$;
- ✓ delivery point: VTP (Virtual Trading Point) in the NTS (National Transmission System);
- ✓ price: 150 RON/MWh for gas delivered to household customers, suppliers to heat producers, heat producers, transmission system operator and distribution system operators, with the addition of the entry tariff to the NTS and excise duties and VAT, where applicable;
- ✓ payment modalities:
 - on due date, no later than 30 days after the invoice issuance date, with the submission by the Buyer of a Letter of Bank Guarantee (LBG) whose value must cover the value of the delivered natural gas (including VAT) to be delivered in any three months consecutive with the largest quantities in the delivery period November 1, 2023 - March 31, 2024;
 - in advance, at least 2 working days before the beginning of the delivery month.

Details related to contracted gas quantities, the prices and values are shown in the table below:

Item No.	Buyer	Contract Number	Quantity (MWh)	Gas Price as Commodity (RON/MWh)	Tariff transport (RON/MWh)	Value (RON)
0	1	2	3	4	5	$6=3 \times (4+5)$
1	SC Colterm SA	PET22/2023	116,647.823	150.00	3.99	17,962,598.28
2	SC Termocentrale Constanta SA	PET23/2023	192,814.876	150.00	3.99	29,691,562.74
3	SC CET Govora SA	PET24/2023	12,889.993	150.00	3.99	1,984,929.97
4	SC Modern Calor SA	PET27/2023	40,808.118	150.00	3.99	6,284,042.12
5	Iasi City - Economic activity	PET28/2023	36,251.615	150.00	3.99	5,582,386.15
6	SC Termo Calor Confort SA	PET30/2023	88,761.742	150.00	3.99	13,668,420.71
7	SC Termoficare Oradea SA	PET31/2023	282,761.563	150.00	3.99	43,542,453.10
8	UTP Giurgiu SA	PET32/2023	13,124.631	150.00	3.99	2,021,061.91
9	RAM Termo Verde SRL	PET37/2023	9,990.847	150.00	3.99	1,538,490.49
10	SNTGN Transgaz SA	OR26/2023	340,536.806	150.00	3.99	52,439,262.72
*	TOTAL	-	1,134,588.01	-	-	174,715,208.19

Also, from August to September 2023, Romgaz concluded a series of **Addenda to certain Contracts**, which do not amend the value of the contracts but the value of the advance payment instalments and, respectively, the gas delivery schedule, as follow:

1) SC Corlorm SA

- ❖ Addendum No.5/2023 to Gas Sales Contract Nr. PET4/2023 regarding the advance payment in instalments for September 2023;
- ❖ Addendum No. 6/2023 to Gas Sales Contract No. PET4/2023 regarding the advance payment in instalments for October 2023;

2) Uzina Termoelectrica Production Giurgiu SA

- ❖ Addendum No. 1/2023 to Gas Sales Contract No. PET14/2023 regarding the advance payment in instalments for October 2023;

3) SC Termo Ploiesti SRL

- ❖ Addendum No. 3/2023 to Gas Sales Contract No. PET11/2023 regarding the amendment of gas delivery schedule related to August and September 2023;

4) S. Termocentrale Constanta SRL

- ❖ Addendum No. 2/2023 to Gas Sales Contract No. PET17/2023 regarding the advance payment in instalments for October 2023;
- ❖ Addendum No. 1/2023 to Gas Sales Contract No. VG26/2023 regarding the advance payment in instalments for October 2023;

Moreover, in July - October 2023 Romgaz concluded **transactions with natural gas storage operators and transmission operators**, as follows:

1) SNGN ROMGAZ SA - Filiala de Înmagazinare Gaze Naturale DEPOGAZ SRL - provision of natural gas storage services

- ❖ Addendum No.4/2023 to Contract No.1236/2023 for adding 130,000 MWh storage capacity, increasing the Contract value by RON 2,993,900 to RON 19,156,355.09 (VAT excluded);

2) SNTGN TRANSGAZ SA Medias (TSO) - provision of natural gas transmission services

In accordance with the provisions of the Network Code for the National Gas Transmission System (NTS), approved by ANRE President Order No.16/27.03.2013, on access rules and use of a Virtual Trading Point (VTP), with the requirements on access to transmission services of the NTS, together with the calendar for the transmission capacity booking process in entry/exit points in/from the National Transmission System for gas year 2023-2024, the Network User (NU) Romgaz concluded with the TSO the following contracts for gas year 2023-2024:

Contract (No./Date)	Scope of Contract	Term of Contract	Contracted Capacity (MWh)	Amount in RON excluding VAT
90/14.07.2023	Balancing differences between natural gas entries/exits in/from NTS, VTP access from the NTS	01.10.2023 01.10.2024	-	depending on daily recorded imbalances
23/28.08.2023	Provision of annual gas transmission services at NTS entry point	01.10.2023 01.10.2024	48,980,316	195,430,732.50
74/28.08.2023	Provision of annual gas transmission services at NTS exit point	01.10.2023 01.10.2024	4,412,130	21,883,553.58

In accordance with the calendar for transmission capacity booking process at the entry/exit points in/from the National Gas Transmission System (NTS), for gas year 2022 - 2023 and 2023 - 2024, the Network User (NU) Romgaz booked an optimal annual transmission capacity. Additionally, in order to ensure transmission capacity for gas deliveries to customers in its portfolio, the NU Romgaz reserves quarterly and monthly transmission capacity.

Therefore, the following contracts were concluded:

Contract (Number/Date)	Scope of Contract	Term of Contract	Contracted Capacity (MWh)	Amount in RON excluding VAT
819L/23.08.2023	Provision of monthly gas transmission services at NTS exit point	01.08.2023 01.09.2023	408.084	1,114.07
863L/23.08.2023	Provision of monthly gas transmission services at NTS exit point	01.09.2023 01.10.2023	3,996.660	10,990.82
33T/28.08.2023	Provision of quarterly gas transmission services at NTS entry point	01.10.2023 01.01.2024	506,000	3,476,220
34T/28.08.2023	Provision of quarterly gas transmission services at NTS exit point	01.10.2023 01.01.2024	219,500.04	1,613,325.29
55L/20.09.2023	Provision of monthly gas transmission services at NTS exit point	01.10.2023 01.11.2023	69,566.604	323,422.12

Depending on the daily natural gas requirements and in order to optimise the costs for transmission capacity booking, Romgaz took over transmission capacity from other users of the NTS. 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:

✓ Natural gas transmission contract for NTS exit points No.819L/19.07.2023:

Addendum No.	Contract scope	Contract term	Transmission capacity (MWh)			Value, VAT exclusive (RON)
			transferred	taken	returned	
1	Provision of monthly gas transmission services at NTS exit point	01.08.2023 01.09.2023		300		576
2				300		576
3				300		576

✓ Natural gas transmission contract for NTS exit points No.863L/23.08.2023:

Addendum No.	Contract scope	Contract term	Transmission capacity (MWh)			Value, VAT exclusive (RON)
			transferred	taken	returned	
1	Provision of monthly gas transmission services at NTS exit point	01.09.2023 01.10.2023		800		1,544
2				800		1,544
3				800		1,544
4						800

✓ Natural gas transmission contract for NTS exit points No.166T/10.05.2023:

Addendum No.	Contract scope	Contract term	Transmission capacity (MWh)			Value, VAT exclusive (RON)	
			transferred	taken	returned		
1	Provision of quarterly gas transmission services at NTS exit points	01.07.2023 01.09.2023		1,000		1,800	
2				1,000		1,800	
3				14,000		25,200	
4						14,000	0
5					300		540
6					5,500		9,900
7					4,700		8,460
8					3,200		5,760
9						3,200	0
10					300		540
11					1,620		2,916
12					100		180
13					370		666
14					3,330		5,994

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 in/from the NTS and transmission through the National Transmission System (NTS) of gas quantities, expressed in units of energy, to the entry/exit points in/from the NTS;
- ✓ Contract term: annual, quarterly, monthly, daily;
- ✓ Tariffs applicable for transmission services regulated by ANRE Order;
- ✓ Payment: within 15 calendar days from the date of invoices issuance.

Draft Resolution

“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 during July-October 2023”.

**Chairman of the Board of Directors
Dan Dragoş DRĂGAN**

**Chief Executive Officer
Răzvan POPESCU**

**Deputy Chief Executive Office
Aristotel Marius JUDE**

**Chief Financial Officer
Gabriela TRÂNBIŢAŞ**

**Director of Energy Trading Department
Radu Costică MOLDOVAN**