

ROMGAZ PRESS RELEASE

February 28, 2024

ROMGAZ GROUP published the preliminary consolidated annual Report on the economic financial activity of ROMGAZ Group on December 31, 2023 (January 01, 2023 – December 31, 2023)

The full version of the Preliminary Consolidated Annual Report on the Economic Financial Activity of Romgaz Group on December 31, 2023 (January 01, 2023 - December 31, 2023) is available on company's website www.romgaz.ro - Investors - Annual Reports and on Bucharest Stock Exchange website.

OVERVIEW

S.N.G.N. Romgaz S.A. is a Romanian natural gas producer and supplier, the main business segments of the Romgaz Group¹ being: gas exploration, gas production and supply, underground gas storage and electricity production.

Relevant Consolidated Financial Results

| (RON million, unless otherwise specified) | | | | | | | |
|---|---------|------------|----------|--|----------|---------|---------------|
| Q4 2022 | Q3 2023 | Q4 2023 p* | Δ Q4 (%) | Main indicators | 2022 | 2023 p* | Δ '23/'22 (%) |
| 2,547.1 | 1,913.0 | 2,191.6 | -13.96 | Revenue | 13,359.7 | 9,001.9 | -32.62 |
| 2,604.3 | 2,065.7 | 2,171.4 | -16.62 | Income | 13,658.1 | 9,362.7 | -31.45 |
| 1,120.5 | 1,025.3 | 1,153.3 | 2.93 | Expenses | 9,506.2 | 4,300.1 | -54.77 |
| 0.7 | 1.7 | 1.6 | 128.57 | Share of profit of associates | 2.4 | 4.9 | 104.17 |
| 1,484.5 | 1,042.1 | 1,019.6 | -31.32 | Gross result: profit/(loss) | 4,154.2 | 5,067.5 | 21.98 |
| 1,175.6 | 559.0 | 376.2 | -68.00 | Profit tax | 1,607.5 | 2,255.4 | 40.30 |
| 308.9 | 483.1 | 643.4 | 108.29 | Net result: profit/(loss) | 2,546.7 | 2,812.1 | 10.42 |
| 1,457.2 | 1,007.7 | 991.4 | -31.97 | EBIT | 3,982.3 | 4,897.6 | 22.98 |
| 1,637.3 | 1,114.9 | 1,099.7 | -32.83 | EBITDA | 4,532.4 | 5,374.2 | 18.57 |
| 0.8 | 1.3 | 1.7 | 108.29 | Earnings per share (EPS) (RON) | 6.6 | 7.3 | 10.42 |
| 12.13 | 25.25 | 29.36 | 142.04 | Net profit ratio (% from Revenue) | 19.06 | 31.24 | 63.90 |
| 57.21 | 52.68 | 45.23 | -20.94 | EBIT ratio (% from Revenue) | 29.81 | 54.41 | 82.52 |
| 64.28 | 58.28 | 50.18 | -21.94 | EBITDA ratio (% from Revenue) | 33.93 | 59.70 | 75.95 |
| 5,971 | 5,951 | 5,980 | 0.15 | Number of employees at the end of the period | 5,971 | 5,980 | 0.15 |

* p - preliminary

The figures above are rounded, therefore small differences may result upon reconciliation. The results shown in this report are not audited; final results may differ.

Romgaz Group's preliminary performances for the year ended December 31, 2023 were influenced by the following factors:

- **Natural gas production** estimated for 2023 is **4,788.5 million m³**, by 147.4 million m³ lower than the production of the previous year (-2.99%).
- Total revenue is lower by RON 4,295.4 million, recording a drop of 31.45% due to the following factors:
 - decrease of revenues from natural gas sales (RON 7,766.97 million in 2023 as compared to RON 11,306.97 million in the previous year); the obligation enforced by GEO No. 27/2022 had a

¹ Romgaz Group consists of S.N.G.N. Romgaz S.A. ("the Company"/"Romgaz") as parent company and the subsidiaries S.N.G.N. Romgaz S.A. - Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti SRL ("Depogaz") and Romgaz Black Sea Limited (former ExxonMobil Exploration and Production Romania Limited), both owned 100% by Romgaz.

- significant impact that led to the drop of 31.31% of revenues from gas sales, therefore Romgaz sold most of production at the regulated price of RON 150/MWh (86.43% of deliveries);
- electricity revenues also dropped (RON 406.98 million in 2023 as compared to RON 1,330.61 million in the previous year). According to GEO No.27/2022, as of 2023, Romgaz sold almost all electricity production at RON 450/MWh;
 - revenue from underground storage activities increased by 17.66% (RON 552.19 million in 2023, as compared to RON 469.33 million in 2022), mainly due to the increase of capacities booked by clients for underground gas storage;
 - Total expenses decreased by 54.77% as compared to last year, mainly due to the decrease of windfall tax on revenues from natural gas (RON -4,014.05 million) and royalty expenses (RON -1,039.56 million). The Group recorded in January-December 2022 expenses of RON 403.80 million with the windfall tax on electricity sales, which became subsequently a contribution to the energy transition fund; taking into account that 90% electricity was sold at 450 RON/MWh, this contribution is insignificant for the reviewed period;
 - Increase of the consolidated gross profit by 21.98% as compared to the similar period of the previous year was offset by the profit tax. Profit tax includes the solidarity contribution introduced at the end of 2022, for years 2022-2023. In 2023, the expense recorded with this contribution is RON 1,687.37 million, an increase by RON 684.58 million as compared to the previous year;
 - **Preliminary net profit for 2023: RON 2.81 billion** (2022: net profit RON 2.55 billion) increase of 10.42%;
 - Achieved net consolidated profit margins (31.24%), consolidated EBIT (54.41%) and EBITDA (59.70%) strengthened as compared to 2022 (19.06%; 29.81% and 33.93% respectively). The increase is due to lower royalty expenses (RON 600.52 million in 2023 as compared to RON 1,640.08 million in 2022) and to lower expense with the windfall tax from gas sales (RON 889.80 million in 2023 as compared to RON 4,903.85 million in 2022), as a result of enforcing provisions of GEO No. 27/2022. According to this ordinance, natural gas quantities sold at RON 150/MWh are exempted from payment of windfall tax, and royalty is calculated and paid at this price, and not at the reference price communicated monthly by the National Agency for Mineral Resources.

About ROMGAZ

S.N.G.N. 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. On August 1, 2022, Romgaz became sole shareholder of ROMGAZ BLACK SEA LIMITED (established ExxonMobil Exploration and Production Romania Limited), following the completion of the sale transaction, and the transfer of all issued shares (representing 100% of the share capital of) ExxonMobil Exploration and Production Romania Limited, which holds 50% of the acquired rights and obligations under the Petroleum Concession Agreement for the Deep Water Zone of XIX Neptun offshore block located in the Black Sea.

Further information

ROMGAZ Press Office
comunicare@romgaz.ro
romgaz.ro

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