

ROMGAZ



**PRELIMINARY CONSOLIDATED
ANNUAL REPORT
ON THE ECONOMIC-FINANCIAL ACTIVITY
OF ROMGAZ GROUP
ON DECEMBER 31, 2024
(January 01 - December 31, 2024)**

IDENTIFICATION DETAILS ON REPORT AND ISSUER

Report based on	Law No. 24/2017 on issuers of financial instruments and market operations (Art.63), for the twelve-month period ended on December 31, 2024
Report Date	February 28, 2025
Company Name	Societatea Națională de Gaze Naturale "ROMGAZ" SA
Headquarters	Mediaș, Piața Constantin I. Moțaș, nr.4, cod 551130, județul Sibiu
Telephone/fax	004 0374401020/004 0374474325
Web/E-mail	www.romgaz.ro / secretariat@romgaz.ro
Registration No. with the Trade Register Office	J32/392/2001
Fiscal Code	RO14056826
Legal Entity Identifier (LEI)	2549009R7KJ38D9RW354
Regulated market where company's shares are traded	Bucharest Stock Exchange (shares)
Subscribed and paid in share capital	RON 3,854,224,000
Main characteristics of shares	3,854,224,000 shares with a nominal value of RON 1 Shares are nominative, ordinary, indivisible, issued in dematerialized form and freely tradable since November 12, 2013, under the symbol SNG

OVERVIEW

SNGN Romgaz SA is the main Romanian natural gas producer and supplier; the main business segments of Romgaz Group¹ consist of gas exploration, gas production and supply, underground gas storage, and electricity production.

Relevant Consolidated Financial Results

(RON million, unless otherwise specified)							
Q4 2023***	Q3 2024	Q4 2024 p*	Δ Q4 (%)	Main indicators	2023***	2024 p*	Δ '24/'23 (%)
2,191.6	1,732.8	2,299.7	4.93	Revenue	9,001.9	7,929.4	-11.91
2,229.7	1,914.8	2,416.3	8.37	Income	9,613.7	8,546.8	-11.1
1,211.6	1,372.0	1,527.3	8.76	Expenses	4,551.1	4,949.3	8.75
1.6	2.2	2.5	54.2	Share of profit of associates	4.9	8.0	64.5
1,019.6	545.0	891.4	-12.57	Gross result: profit/(loss)	5,067.5	3,605.5	-28.85
376.2	108.6	-54.4	n/a	Profit tax	2,255.4	386	-82.88
643.4	436.4	945.8	46.99	Net result: profit/(loss)	2,812.1	3,219.4	14.48
991.4	523.3	883.4	-10.89	EBIT	4,897.6	3,483.8	-28.87
1,106.7	671.3	1,059.7	-4.24	EBITDA	5,402.2	4,088.8	-24.31
0.17	0.11	0.25	46.99	Earnings per share (EPS)** (RON)	0.73	0.84	14.48
29.36	25.19	41.13	40.09	Net profit ratio (% from Revenue)	31.24	40.60	29.96
45.23	30.20	38.41	-15.08	EBIT ratio (% from Revenue)	54.41	43.93	-19.25
50.50	38.74	46.08	- 8.75	EBITDA ratio (% from Revenue)	60.01	51.57	-14.07
5,980	5,967	5,977	-0.05	Number of employees at the end of period	5,980	5,977	-0.05

*p - preliminary

** Earnings per share (EPS) was calculated based on the current number of shares i.e. 3,854,224,000 shares for all presented periods.

¹ Romgaz Group consists of SNGN Romgaz SA („Company”/ „Romgaz”) as mother company, and its subsidiaries, Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL (“Depogaz”) and Romgaz Black Sea Limied, both held 100% by Romgaz.

***) Information relating to previous periods were modified following a revision of financial statement presentation. Income from works capitalized as non-current assets was offset by costs incurred for carrying out such investments. Currently, income from works capitalized as non-current assets are shown in a separate row in the statement of comprehensive income, and expenses include such costs. The result of previous periods is not affected by this change in presentation.

Values included in the table above are rounded, as such, small differences may result upon reconciliation. Results presented in this report are not audited; final results may differ from the results included in this report.

Romgaz Group's financial performances for the year ended December 31, 2024 were influenced by the following factors:

- ↳ **Natural gas production** estimate for 2024 was **4,962.7 million m³**, by 174.2 million m³ higher than the production of the previous year (+3.64%).
- ↳ In 2024, total revenue is lower by RON 1,066.9 million, recording a drop of 11.1% due to the following factors:
 - a 15.23% decrease of revenues from natural gas sales (RON 6,584.09 million in 2024 as compared to RON 7,766.97 million in the previous year) mainly because of a decrease of prices. From quantitative perspective, deliveries increased by 1.03% as compared to 2023;
 - revenues from sale of electricity also dropped (RON 375.54 million in 2024 as compared to RON 406.98 million in the previous year);
 - revenue from underground storage activities increased by 3.31% (RON 570.46 million in 2024, as compared to RON 552.19 million in 2023), following an increase of consolidated income generated by capacity booking and by the withdrawal activity.
- ↳ As compared to Q3 2024, revenue was 32.72% higher; by comparison with Q4 2023, the increase was of 4.93%.
- ↳ The increase of *total expenses* in 2024 was 8.75% (RON 398.26 million). Tax-related expenses increased significantly as compared to the similar previous period, RON 330.4 million (+22.10%).
- ↳ *Consolidated gross profit* of RON 3,219.43 million was by 14.48% higher, i.e. by RON 407.32 million, as compared to the similar period of the previous year, a significant positive influence came from the cancelation of solidarity contribution starting with 2024 (in Q4 2023, it amounted RON 1.687.37 million).

PHYSICAL INDICATORS

The table below shows the estimated volumes of gas produced, delivered, injected in/withdrawn from underground storages, gas used for electricity generation, electricity production, and UGS injection/withdrawal services invoiced in the reviewed period:

(million m³, unless otherwise specified)

Q4 2023	Q3 2024	Q4 2024 p	Δ Q4 (%)	Description	2023	2024 p	Δ '24/'23 (%)
1,273.5	1,185.1	1,290.7	1.35	1. Total gross production	4,788.5	4,962.7	3.64
19.1	17.1	19.4	1.57	2. Technological consumption	71.6	73.0	1.96
1,254.4	1,168.0	1,271.3	1.35	3. Net internal gas production (1.-2.)	4,716.9	4,889.7	3.66
20.8	100.4	6.1	-70.67	4. Internal gas volumes injected in storages	93.3	272.1	191.64
0.7	0.0	113.9	16,171.43	5. Internal gas volumes withdrawn from storages	144.5	127.8	-11.56
0.0	0.0	0.0	0.00	5.1 Gas sold in storage	22.7	77.1	239.65
0.5	3.3	0.4	-20.00	6. Differences resulting from GCV	2.5	7.2	188.00
1,233.8	1,064.3	1,378.7	11.74	7. Gas volumes supplied from internal production (3.-4+5.+5.1-6.)	4,788.3	4,815.3	0.56
94.4	84.7	43.7	-53.71	8.1 Gas supplied to CTE and Cojocna power plants from Romgaz gas	286.5	264.2	-7.78
0.5	0.1	0.5	0.00	8.2 Self-supplied gas	0.5	1.3	160.00
1,138.9	979.5	1,334.5	17.17	9. Gas supplied from internal production to the market (7.-8.)	4,501.3	4,549.8	1.08
3.6	4.4	4.2	16.67	10. Natural gas from partnerships (Amromco)	15.3	17.5	14.38
0.3	0.0	4.0	1,233.33	11. Purchased internal gas volumes (imbalances included)	8.0	4.1	-48.75
1,142.8	983.9	1,342.7	17.49	12. Sold internal gas volumes (9+10+11.)	4,524.6	4,571.4	1.03
1,237.7	1,068.7	1,386.9	12.05	13. Supplied internal gas volumes (8+12.)	4,811.6	4,836.9	0.53
0.0	0.0	0.0	0.00	14. Supplied import volumes	0.0	0.0	0.00
0.3	0.0	0.0	-100.00	15. Gas supplied to Iernut and Cojocna Power Plants from other sources (imbalances included)	0.4	0.0	-100.00
1,238.0	1,068.7	1,386.9	12.03	16. Total gas supplies (13+14+15.)	4,812.0	4,836.9	0.52
582.3	12.8	1,107.5	90.19	Invoiced UGS withdrawal services	1,742.8	2,103.9	20.72
204.3	692.2	67.6	-66.91	Invoiced UGS injection services - volumes invoiced by the subsidiary.	1,905.5	1,580.5	-17.06
321.1	278.9	150.7	-53.07	Electricity production (GWh)	962.6	880.3	-8.55

ECONOMIC-FINANCIAL INDICATORS

Economic-financial indicators were calculated based on unaudited preliminary consolidated financial statements and may differ from the actual audited results.

The Group's revenue is mainly generated by the sale of natural gas, underground gas storage services and electricity production and sale.

Preliminary statement of consolidated comprehensive income (unaudited)

(RON thousand)

Q4 2023	Q3 2024	Q4 2024p	Δ Q4 (%)	Description	2023	2024p	Δ '24/'23 (%)
2,191,611	1,732,795	2,299,702	4.93	Revenue	9,001,878	7,929,436	-11.91
(5,024)	(15,150)	(52,582)	946.62	Cost of commodities sold	(107,130)	(119,825)	11.85
40,744	31,053	44,383	8.93	Finance income	213,008	190,009	-10.80
(5,990)	(1,277)	(20,057)	234.84	Other gains or losses (Net (losses)/gains from impairment of trade receivables)	(17,748)	(31,291)	76.31
(61,243)	2,277	33,263	n/a		(57,546)	38,479	n/a
15,288	42,301	(34,174)	n/a	Changes in inventory	(5,767)	47,832	n/a
58,301	97,574	85,090	45.95	Work performed by the Group and capitalized	250,977	307,228	22.41
(34,801)	(66,782)	(55,502)	59.48	Raw materials and consumables used	(151,501)	(199,861)	31.92
(115,304)	(147,994)	(176,324)	52.92	Depreciation, amortization and impairment expenses	(504,532)	(605,057)	19.92
(320,778)	(328,665)	(361,562)	12.71	Employee benefit expenses	(1,082,714)	(1,201,977)	11.02
(297,413)	(574,048)	(584,551)	96.55	Taxes and duties	(1,496,311)	(1,827,015)	22.10
(17,535)	(15,405)	(43,213)	146.44	Finance cost	(62,003)	(92,691)	49.49
(36,007)	(5,252)	(22,317)	-38.02	Exploration expense	(84,640)	(78,709)	-7.01
1,596	2,196	2,461	54.20	Share of profit of associates	4,873	8,016	64.50
(59,205)	(53,187)	(50,538)	-14.64	Greenhouse certificates expenses	(242,803)	(180,752)	-25.56
(253,932)	(162,791)	(188,708)	-25.69	Third party services and other costs	(712,843)	(640,078)	-10.21
(80,662)	7,360	16,057	n/a	Other income	122,264	61,736	-49.51
1,019,646	545,005	891,428	-12.57	Profit before tax	5,067,462	3,605,480	-28.85
(376,228)	(108,567)	54,353	n/a	Income tax expense	(2,255,353)	(386,048)	-82.88
643,418	436,438	945,781	46.99	Profit for the period	2,812,109	3,219,432	14.48
<i>Other comprehensive income items that will not be reclassified subsequently to profit or loss</i>							
(10,970)	-	(8,842)	-19.40	Actuarial gains/(losses) on post-employment benefits	(10,970)	(8,842)	-19.40
1,755	-	1,415	-19.37	Income tax related to items that will not be reclassified in the comprehensive income	1,755	1,415	-19.37
(9,215)	-	(7,427)	-19.40	Total items that will not be reclassified in the comprehensive income	(9,215)	(7,427)	-19.40

Q4 2023	Q3 2024	Q4 2024p	Δ Q4 (%)	Description	2023	2024p	Δ '24/'23 (%)
(9,215)	-	(7,427)	-19.40	Total other comprehensive income for the period net of income tax	(9,215)	(7,427)	-19.40
634,203	436,438	938,354	47.96	Total comprehensive income for the period	2,802,894	3,212,005	14.60

Revenue

In 2024 Romgaz estimates consolidated revenues of RON 7.93 billion as compared to RON 9.0 billion achieved in 2023.

For the reviewed period, the revenue consists of the following:

Q4 2023	Q3 2024	Q4 2024p	Δ Q4 (%)	Description	2023	2024p	Δ '24/'23 (%)
1,847,063	1,397,539	1,903,135	3.04	Revenue from gas sold - internal production	7,718,798	6,538,270	-15.29
6,410	6,656	6,336	-1.15	Revenue from gas sold - other arrangements	28,628	25,471	-11.03
554	1	20,198	3,545.85	Revenue from gas acquired for resale	19,542	20,351	4.14
76,711	74,968	96,833	26.23	Revenue from storage services - capacity booking	329,512	333,802	1.30
36,956	743	64,540	74.64	Revenue from storage services - withdrawal	79,907	127,219	59.21
14,239	43,215	13,513	-5.10	Revenue from storage services - injection	142,772	109,442	-23.34
118,494	127,035	68,236	-42.41	Revenue from electricity	406,976	375,541	-7.72
71,346	56,166	94,930	33.06	Revenue from services	202,826	290,029	42.99
17,122	23,517	28,111	64.18	Revenue from sale of goods	62,155	97,026	56.10
123	166	319	159.35	Other revenue from contracts	735	753	2.45
2,189,018	1,730,006	2,296,151	4.89	Total revenue from contracts with clients	8,991,851	7,917,904	-11.94
2,593	2,789	3,551	36.95	Other revenue	10,027	11,532	15.01
2,191,611	1,732,795	2,299,702	4.93	Total revenue	9,001,878	7,929,436	-11.91

The drop in revenue resides from the decrease by 15.23% of revenues from gas sales and from the decrease of revenue from electricity sales by 7.72%.

Consolidated revenue from storage services increased by 3.31% in 2024 as compared to 2023 (RON +18.27 million).

Storage tariffs for the reviewed period are shown below:

- Storage cycle April 01, 2023 - March 31, 2024:
 - o Capacity booking tariff: RON 9.82/MWh/annual cycle;
 - o Injection tariff: RON 7.27/MWh;
 - o Withdrawal tariff: RON 5.94/MWh.
- Storage cycle April 01, 2024 - March 31, 2025:
 - o Capacity booking tariff: RON 10.34/MWh/annual cycle (increase by 5.30%);
 - o Injection tariff: RON 6.86/MWh (decrease by 5.64%);
 - o Withdrawal tariff: RON 5.43/MWh (decrease by 8.59%).

We state that the consolidated revenue from storage services include revenue from services invoiced by Romgaz for gas sold from storages; unconsolidated revenues from storage increased by 4.24% as compared to 2024.

As regards volumes, compared to 2023, the Group estimates for 2024:

- 1.03% higher gas sales (including gas acquired for resale);
- 20.72% higher gas withdrawal services from storages and 17.06% lower gas injection services;
- On December 31, 2024 the storage capacity was booked 105% (2023: 102.81%);
- 8.55% less electricity production.

Cost of commodities sold

In 2024, cost of commodities sold increased by 11.85% as compared to the similar period of 2023, mainly due to the increase of costs with imbalances on the electricity market.

Net losses/gains from impairment of trade receivables

In 2024, the Group recorded a net gain from impairment of trade receivables of RON 38.48 million due to collecting due receivables following insolvency or bankruptcy procedures.

Raw materials and consumables used

Expenses with raw materials and consumables increased following intervention works at Group's production assets. The increase is highly correlated with the increase of income from works capitalized as non-current assets.

Net depreciation and amortization

Depreciation, amortization and impairment expenses increased by 19.92% due to higher depreciation expenses by 16.48% generated by commissioning of assets in 2024 and by the increased gas production which is directly affecting well depreciation. The net expense with impairment adjustments of fixed assets of RON 113.95 million, by 37.46% higher than last year, refers to individual abandoned assets.

Until the date of this report, the Group did not perform a depreciation analysis of gas fields taking into account that market conditions after March 31, 2025 are unknown, according to effective legislation, Government Emergency Ordinance No. 27/2022 should expire. As soon as these conditions become known, the Group shall perform the depreciation analysis and shall record the results, as the case may be.

Finance cost

In October 2024, the Group issued the first tranche of bonds under the EMTN programme launched in September 2024. The programme has a value of EUR 1.5 billion with a first issue of EUR 500 million. This issue generated additional interest expenses of RON 27.84 million, coupon was set at 4.75% per annum.

Taxes and duties

The expense with taxes and duties increased by 22.10% in the year ended December 31, 2024 as compared to the similar period of 2023. The increase of RON 330.70 million resides mainly from the rise by RON 311.56 million (+35.01%) of windfall tax expenses, as these reached RON 1,201.36 million. Royalty expenses (including royalty for storage activities) decreased by RON 7.75 million (-1.29%) as compared to the similar period of last year; in 2024 after clarifications provided by law regarding applicability of the increased royalty enforced in 2023, the Group recalculated the royalty for the period October 27, 2023 to December 31, 2024 at the lower rates specified in the concession agreements; therefore, although production obtained by the Group is 4% higher than in 2023, the royalty level is lower.

Greenhouse gas emission certificates

The expenses with greenhouse gas emission certificates reflects the value of certificates purchased during the period corresponding to emissions from electricity generation. The lower level recorded in the year ended December 31, 2024 as compared to the same period of 2023 is due both to a decrease in the purchase price of certificates, the average price is approximately 21% lower than in the previous year and to the purchase of 14% fewer certificates.

Other income

In the year ended December 31, 2024, the most significant amount presented at other income is represented by interests and late payment penalties invoiced to clients for late payment or for not taking over the contracted gas quantities, namely to suppliers for delays in providing works.

Preliminary Statement of Consolidated Financial Position (unaudited)

INDICATOR	(RON thousand)		
	December 31, 2023	December 31, 2024p	Δ '24/'23 (%)
ASSETS			
Non-current assets			
Property, plant and equipment	5,891,788	8,403,382	42.11
Intangible assets	5,135,930	5,131,142	-0.09
Investments in associates	33,410	59,426	77.87
Other financial assets	5,616	5,616	0.00
Deferred tax assets	324,175	420,971	29.86
Right of use assets	11,596	13,424	15.76
Total non-current assets	11,402,515	14,033,961	23.80
Current assets			
Inventories	301,690	394,073	30.62
Greenhouse gas certificate	208,618	137,244	-34.21
Trade and other receivables	1,398,953	837,805	-40.11
Bank deposits other than cash and cash equivalents	2,505,463	2,625,339	4.78
Current tax receivable	-	3,863	n/a
Other assets	113,181	76,950	-32.01
Cash and cash equivalents	535,210	1,852,154	246.06
Total current assets	5,063,115	5,927,428	17.07
TOTAL ASSETS	16,465,630	19,961,389	21.23
EQUITY AND LIABILITIES			
Equity			
Issued capital	385,422	3,854,224	900.00
Reserves	4,971,109	3,970,639	-20.13
Retained earnings	6,204,783	6,374,648	2.74
Total equity	11,561,314	14,199,511	22.82
Non-current liabilities			
Retirement benefit obligation	189,314	204,550	8.05
Deferred income	370,941	386,849	4.29
Lease liabilities	10,450	10,899	4.30
Borrowings	808,373	484,975	-40.01
Bonds	-	2,476,433	n/a
Provisions	373,536	328,432	-12.07
Total non-current liabilities	1,752,614	3,892,138	122.08
Current liabilities			
Trade payables and other liabilities	272,168	456,770	67.83
Contract liabilities	153,723	290,812	89.18
Current tax liabilities	1,766,637	58,761	-96.67
Deferred income	7	485	6,828.57
Provisions	121,732	166,046	36.40

INDICATOR	December 31, 2023	December 31, 2024p	Δ '24/'23 (%)
Lease liabilities	2,579	4,727	83.29
Borrowings	323,349	323,371	0.01
Bonds	-	24,545	n/a
Other liabilities	511,507	544,223	6.40
Total current liabilities	3,151,702	1,869,740	-40.68
TOTAL LIABILITIES	4,904,316	5,761,878	17.49
TOTAL EQUITY AND LIABILITIES	16,465,630	19,961,389	21.23

NON-CURRENT ASSETS

Total non-current assets increased by 23.08%, namely RON 2,631.45 million. The increase is mainly due to investments made in Neptun Deep in 2024 (RON 2,175.91 million).

The rise of investments in associates is generated, in addition to the Group's profit share of the profit of associates, by the Depomures share capital increase, where Romgaz participated with RON 18 million.

CURRENT ASSETS

Current assets increased by RON 864.31 million (17.07%) on December 31, 2024 mainly due to increase of cash, cash equivalents and bank deposits (other than cash and cash equivalent) which recorded an increase of RON 1,436.82 million after the issue of bonds in 2024. The main influences on current assets are shown below.

Inventories

As compared to December 31, 2023, inventories increased by RON 92.38 million (+30.62%) following procurement of spare parts and auxiliary materials required in the Group's activity. In terms of value, Romgaz gas inventory in underground storages increased by 25.35%. In 2024 Romgaz injected 272.1 million m³ (2023: 93.3 million m³) in storages, while the quantity withdrawn from storages and sold in storages was 204.9 million m³ (2023:167.2 million m³).

Trade and other receivables

The decrease by 40.11% (RON -561.15 million) of trade receivables as compared to December 31, 2023 is due to a 20% decrease in the price of gas sold pursuant to GEO No. 27/2022.

EQUITY AND RESERVES

Group's equity increased by 22.82% due to the profit achieved in 2024.

In December 2023, the Extraordinary General Meeting of Shareholders approved the increase of Romgaz share capital by incorporating the reserves of RON 3,468.80 million by issuing 3,468,801,600 free shares at a nominal value of RON 1/share. The total value of share capital increased to RON 3,854.22 million following the registration of this increase with the Trade Register in January 2024. The share capital increase was completed on May 30, 2024.

NON-CURRENT LIABILITIES

Non-current liabilities increased by 122.08% in 2024 as compared to 2023 as a result of the first tranche of bonds issued in amount of EUR 500 million under the EMTN program launched by Romgaz.

In 2024, the amount of RON 15.9 million was received from the National Investment Plan for the investment in the new Iernut power plant. The total amount received by December 31, 2024 is RON 292.45 million; in accordance with the grant agreement the maximum amount that Romgaz can access is RON 320.91 million.

CURRENT LIABILITIES

Current liabilities decreased by RON 1,281.96 million. The main influences are shown below.

Trade payables and other liabilities

From the increase of RON 184.60 million of trade payables as compared to December 31, 2023, RON 120.49 million are related to the investment in Neptun Deep.

Current tax liabilities

In 2024, the Group paid the income tax and the solidarity contribution for 2023. Starting with 2024, the solidarity contribution is no longer calculated, which led to the decrease by RON 1,707.88 million of these liabilities on December 31, 2024 as compared to December 31, 2023.

EQUITY AND RESERVES

Group's equity increased by 22.82%. The changes in the Group's equity in 2024, namely 2023, are shown below (RON thousand):

Description	Share capital	Legal reserve	Development share	Development fund	Reinvested profit	Reserves for investments in strategic projects	Other reserves	Retained earnings	Total
Balance as of January 1, 2024	385,422	90,294	486,388	3,902,422	472,280	-	19,725	6,204,783	11,561,314
Profit for the year	-	-	-	-	-	-	-	3,219,432	3,219,432
Other comprehensive income for the year	-	-	-	-	-	-	-	(7,427)	(7,427)
Total comprehensive income for the year	-	-	-	-	-	-	-	3,212,005	3,212,005
Increase in share capital	3,468,802	-	-	(3,468,802)	-	-	-	-	-
Reserves from reinvested profit	-	-	-	-	45,933	-	-	(45,933)	-
Increase in legal reserves	-	178,932	-	-	-	-	-	(178,932)	-
Dividends distribution	-	-	-	(24,580)	-	-	-	(549,228)	(573,808)
Allocation to development fund reserve	-	-	-	242,638	-	2,025,409	-	(2,268,047)	-
Balance as of December 31, 2024	3,854,224	269,226	486,388	651,678	518,213	2,025,409	19,725	6,374,648	14,199,511

Description	Share capital	Legal reserve	Development share	Development fund	Reinvested profit	Reserves for investments in strategic projects	Other reserves	Retained earnings	Total
Balance as of January 1, 2023	385,422	90,294	486,388	2,586,687	396,180	-	19,725	6,111,869	10,076,565
Profit for the year	-	-	-	-	-	-	-	2,812,109	2,812,109
Other comprehensive income for the year	-	-	-	-	-	-	-	(9,215)	(9,215)
Total comprehensive income for the year	-	-	-	-	-	-	-	2,802,894	2,802,894
Reserves from reinvested profit	-	-	-	-	76,100	-	-	(76,100)	-
Dividends distribution	-	-	-	-	-	-	-	(1,318,145)	(1,318,145)
Allocation to development fund reserve	-	-	-	1,315,735	-	-	-	(1,315,735)	-
Balance as of December 31, 2023	385,422	90,294	486,388	3,902,422	472,280	-	19,725	6,204,783	11,561,314

The consolidated cash flows for 2023 and 2024 are as follows:

	(RON thousand)		
INDICATOR	2023	2024p	Δ '24/'23 (%)
Cash flows from operating activities			
Net profit for the year	2,812,109	3,219,432	14.48
<i>Adjustment for:</i>			
Income tax expenses	2,255,353	386,048	-82.88
Share of associates' result	(4,873)	(8,016)	64.52
Interest expense	43,838	68,583	56.45
Income from dividends	-	(686)	n/a
Unwinding of decommissioning provision	18,165	24,108	32.72
Interest income	(213,008)	(189,323)	-11.12
Loss on disposal of non-current assets	6,867	19,805	188.41
Change in decommissioning provision recognized in the result of the period, other than unwinding	33,861	(19,008)	n/a
Change in other provisions	(196,640)	48,191	n/a
Impairment of exploration assets	23,361	26,980	15.49
Exploration projects written-off	3	-	n/a
Net impairment of non-current assets	59,537	86,971	46.08
Foreign exchange differences	7,382	(211)	n/a
Depreciation and amortization	421,634	491,106	16.48
Amortization of contract costs	59	-	n/a
Net receivable write-offs and movement in allowances for trade receivables and other assets	53,523	(38,460)	n/a
Net movement in write-down allowances for inventory	5,647	6,046	7.07
Liabilities written off	(172)	(231)	34.30
Subsidies income	(7)	-	n/a
Interest paid	(43,183)	(38,897)	-9.93
Income tax paid	(1,781,868)	(2,193,168)	23.08
Movements in working capital			
(Increase)/Decrease in inventories	(22,571)	(98,181)	334.99
(Increase)/Decrease in trade and other receivables	(35,114)	611,555	n/a
Increase/(Decrease) in trade and other liabilities	122,199	426,383	248.93
Cash generated by operational activities	3,566,102	2,829,027	-20.67
Cash flows from investing activities			
Investments in associates	-	(18,000)	n/a
Bank deposits set up	(6,184,938)	(8,950,571)	44.72
Bank deposits matured	3,790,236	8,832,955	133.04
Interest received	201,844	185,840	-7.93
Proceeds from sale of non-current assets	1,684	424	-74.82
Dividends received	-	686	n/a
Acquisition of property, plant and equipment	(1,168,358)	(2,973,924)	154.54
Acquisition of intangible assets	(1,562)	(2,257)	44.49
Acquisition of exploration assets	(50,746)	(199,871)	293.87
Subsidies received	140,541	15,927	-88.67
Net cash generated/used in financing activities	(3,271,299)	(3,108,791)	-4.97
Cash flows from financing activities			

INDICATOR	2023	2024p	Δ '24/'23 (%)
Repayment of borrowings	(322,775)	(323,312)	0.17
Bonds received	-	2,473,574	n/a
Dividends paid	(1,317,745)	(549,381)	-58.31
Repayment of leasing liabilities	(2,955)	(4,173)	41.25
Net cash generated/used in financing activities	(1,643,475)	1,596,708	n/a
Net increase/(decrease) in cash and cash equivalents	(1,348,672)	1,316,944	n/a
Cash and cash equivalents at the beginning of the year	1,883,882	535,210	-71.59
Cash and cash equivalents at the end of the year	535,210	1,852,154	246.06

CHAIRMAN OF THE BOARD OF DIRECTORS

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CHIEF EXECUTIVE OFFICER

Răzvan POPESCU

DEPUTY CHIEF EXECUTIVE OFFICER

Aristotel Marius JUDE

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