

## **Q&A SESSION (Transcript)**

### **CONFERENCE CALL - May 16<sup>th</sup>, 2025**

Participants:

<b>Răzvan POPESCU</b>	<b>CEO</b>
<b>Aristotel JUDE</b>	<b>Deputy CEO</b>
<b>Gabriela TRÂNBIȚAȘ</b>	<b>CFO</b>
<b>Radu MOLDOVAN</b>	<b>Energy Trade Director</b>
<b>The Investor Relations Team</b>	

*Note: the transcript was edited to improve understandability*

**Question from Daniela MÂNDRU (Swiss Capital, Romania):** Please let us know what volumes would be scheduled at capped prices for the full year, this is the first question. And then please give us a hint on how Q1 results ended compared to the budget for Q1. And the last question regards Iernut: I have noticed that you are going to announce another delay in the completion of this project. Please let us know if this is right.

**Answer from Răzvan POPESCU:** For the entire year 2025, we expect around 83% of the entire volumes of gas to be sold at regulated prices. For the first quarter - we are in line with the budget that we proposed. And for the Iernut power plant - yes, unfortunately you are right, because of the situation that the EPC Contractor, Duro Felguera, is in. It seems that always when we come close to finalizing the contract, we have to have another push through.

We managed to finalize a three-party agreement with the main subcontractor - General Electric- to be able to pay General Electric directly. We managed to sign the same type of contract with another contracting electrical company, and we are pushing the subcontractor to try to have the power plant put in function as soon as possible. But, as you said before, again, there will be delays in this already delayed project.

**Question from Daniela MÂNDRU (Swiss Capital, Romania):** And can you help us understand what is the new plan now?

**Answer from Răzvan POPESCU:** Our plan is to try to support and push the EPC company to finish the project as soon as possible. This is the only plan that we can have. We are doing the utmost, we are trying to pay all subcontractors directly, and we are trying to fund as much as we can - given the legal limitations we have as a state-owned company. But the main issue in this project is that the EPC company went into, let's say, preemptive insolvency procedure and they did not have the cash flow to support a part of the project. ROMGAZ is trying to support the cash flow of the project - of course

respecting the contract in place. We are very close to finalizing the contract - we have found some issues, for example with the compressors - we had to send some of them to Korea, they have been mended and will be sent back to Romania, and of course we will continue the testing in this respect.

**Question from Daniela MÂNDRU (Swiss Capital, Romania):** OK, thank you. Now regarding the volumes of capped prices, can you please give us the absolute amount of volumes?

**Answer from Răzvan POPESCU:** It should be around 41.1 TWh for the entire year 2025.

**Question from Vasile Nicolae (BT Capital Partners, Romania):** Thank you for the presentation! Nicolae from BT Capital Partners here. I am curious about the % of natural gas sold at regulated price in Q1 2025, if that can be disclosed. Thank you!

**Answer from Răzvan POPESCU:** Around 69% of the entire production was sold at capped prices in Q1 2025.

**Question from Marius Călin CIORNEI (individual investor):** Will you succeed to commission the plant by the end of the year?

**Answer from Răzvan POPESCU:** Yes, we are very involved, and we are in the last steps of doing this. We have had an enormous let's say mishap with the EPC company, but we are confident that we will be able to put it into production by the end of the year - in full commercial production.

**Question from Cristian Petre (NN Pensii Private, Romania):** Can you comment on the level of the windfall profit tax?

**Answer from Răzvan POPESCU:** The level of windfall tax was higher because the gas that was sold based on the Ordinance 27 was lower. So, just 69% was sold in Q1 2025 at regulated prices - versus over 94% in Q1 2024. So this was the difference - a lot more gas was sold at unregulated prices in the first quarter of 2025 versus the first quarter of 2024.

**Question from Marius Călin CIORNEI (individual investor):** Why did electricity production decrease in the first quarter of 2025 as compared with the similar period of the previous year?

**Answer from Răzvan POPESCU:** Because we needed to execute works on the Transelectrica station to connect the new power plant to the station - and we could not do that with the old power plant functioning. So, we had to stop the old power plant.

We also did repair works on the old power plant, but it needed to be stopped in order to make this connection with Transelectrica.

**Question from Marius Călin CIORNEI (individual investor):** If you can follow up on the following projects: ERP for invoicing final customers, and negotiations for the acquisition of Azomures?

**Answer from Răzvan POPESCU:** We've prolonged the procurement for the ERP for final customers - we are still in the procurement phase and waiting to open the offers that we have received in order to be able to hit our goal to be a supplier by the end of the year.

Given that 83% of our production has already been sent over on the Ordinance, to the suppliers and to the thermal energy producers, we think that end of the year should be an OK target to start the supply to households.

On Azomures, we have also started the procurement procedure to get the consultant to help us evaluate the Azomures assets. Also, this consultant has to give us all the metrics regarding the Net Zero Industry Act, and everything that ROMGAZ has to abide by, given the Azomures situation right now. So, we are in evaluation.

**Question from Marius Călin CIORNEI (individual investor):** Did you progress with building the solar park you envisage to build?

**Answer from Răzvan POPESCU:** Yes, we are in progress right now - we've already opened the offers in procurement, we are analyzing these offers, we are in a technical phase of the evaluation and it will probably end in the next 30 days. So, we will have a winner for our park in the next 30 days.

**Question from Laura SIMION (BRD Groupe Societe Generale, Romania):** Could you please disclose the price taken into consideration for gas royalties and windfall tax in Q1 2025?

**Answer from Gabriela TRÂNBIȚAȘ:** Gas royalties are computed at the regulated price for the quantities sold under the ordinance, that is 120 RON/ MWh. For the quantities sold on the free market, the price was calculated based on the weighted average price on CEGH - Central European Gas Hub Ag \*). As per windfall tax, we don't pay this tax for the gas sold under the Ordinance.

\*) *Later edit.*

**Question from Laura SIMION (BRD Groupe Societe Generale, Romania):** When do you expect to make a decision regarding Azomures?

**Answer from Răzvan POPESCU:** Probably in the second half of this year.

**Question from Ioana ANDREI (Alpha Bank, Romania):** What is your current estimate for the gas volumes produced for this year? And, also, a guidance for electricity production?

**Answer from Răzvan POPESCU:** For the gas production, we are following the strategic ROMGAZ plan, which is to have a maximum 2.5% decline in our production. We kept the production at a very respectable level in the first quarter - due to the high demand of gas. We are right now working on a lot of our fields, and we are doing repair works on some compressor station and dehydration station, but we are trying to keep production in line with last year's production - or to have a small decline versus the production last year.

**Question from Cristian PETRE (NN Pensii, Romania):** Hi, can you give some color on Azomures takeover benefits for ROMGAZ?

**Answer from Răzvan POPESCU:** The benefits are quite clear given the fact that Azomures is one of the biggest consumers of natural gas in Romania. It will give a lot of advantages for ROMGAZ to process its own gas, to add value to the gas that we are producing both from the onshore, and especially the gas that will flow from the Neptun Deep project. It's an important and a strategic, not only important, but a strategic factory in Romania that can have a lot of benefits in being inside the ROMGAZ Group.

**Question from Tamas PLETSER (Erste Investment LTD, Hungary):** What profit addition can come from the new Iernut power plant in 2026?

**Answer from Gabriela TRÂNBIȚAȘ:** We expect a profit around 10 to 15 million EUR in 2026 from the plant.

**Question from Ioana ANDREI (Alpha Bank, Romania):** Can you please give us more details regarding the supply business in Moldova? What is the target here?

**Answer from Răzvan POPESCU:** From the estimations that we have made in order to open the new subsidiary in Moldova, we are looking to be on the market. There is a maximum potential of 1 bcm, but we are in line, let's say, to have around 20%-30% of gas being imported by the Moldavian state. This is where we have done some estimates around.

**Question from Daniela MÂNDRU (Swiss Capital, Romania):** I have a question regarding the gas price evolution on the free market. Can you give us some hints? Ok, we know, the trend looks downward, but what would be an average price for the free gas market price this year in your opinion?

**Answer from Răzvan POPESCU:** It's very hard to pinpoint a price. You saw that we had movements in the TTF, whenever there were discussions surrounding an end to the conflict on the flow of gas to the EU. So we are actually expecting a small decline on

the average price of 2025, in the vicinity somewhere 5 to 10%, but these are just estimations, expectations, by looking at the forward prices on the TTF market. It's very hard to pinpoint.

**Question from Daniela MÂNDRU (Swiss Capital, Romania):** Ok, just a curiosity- you mentioned that the imports of gas in Romania increased significantly in the first quarter of the year. From where are coming these imports? What is the source of this gas? If you know.

**Answer from Răzvan POPESCU:** The source of this gas, if you look at the Transgas reports, it shows that mainly is coming from Bulgaria, it also came from Hungary in some days, so this is the source of the gas.

**Question from Marius Călin CIORNEI (individual investor):** What are the destinations of the 2 future bond emissions issues?

**Answer from Răzvan POPESCU:** This money will be used to finance ROMGAZ investments, to finance the Neptun Deep project, and to finance all other investments that ROMGAZ has.

**Question from Marius Călin CIORNEI (individual investor):** These will affect the size of the dividends distributed for the future?

**Answer from Răzvan POPESCU:** Regarding the dividend policy - we always trust that it has to be a responsible one, that will also allow to have our shareholders have a dividend cash flow, but also and foremost - to realize our very, very high investment plans, to maintain the financial health of the company.

**Question from Vladimir DAVID (individual investor):** As it stands today, do you expect Neptun to start producing gas in the first or second half of 2027?

**Answer from Răzvan POPESCU:** Production is on plan for 2027. This is the only thing that we can discuss right now. We are still in the early stages of drilling. Things are on line, we are looking to be in line with the work and progressing with the work, but what we can discuss today, it's 2027.

**Question from Daniela MÂNDRU (Swiss Capital, Romania):** I have a question regarding the budget. Please correct me if I'm not right - I'm reading what I wrote one month ago. You said that the company budgeted gas sales lower by 2.2% year-on-year. If you are judging by the first quarter results, this assumption is questionable. So, the question is - do you expect the gas sales this year in terms of volume to increase or to decrease? Year-on-year, of course.

**Answer from Răzvan POPESCU:** No, it's not questionable at all, because it depends a lot on the consumption - and if you look at the last year, the consumption in the first quarter was very different and much, much lower. But because we kept production at such a high level in the first quarter, it will probably have a small decline going forward this year. So, right now we do keep our sales in check and on budget, so this is why, regarding the sales, the first quarter looks much better - because we try to push to sell as much as possible, both because of the situation and both because of the demand and the prices.

**Question from Daniela MÂNDRU (Swiss Capital, Romania):** But regarding the demand - probably you expect this decline in demand at the sector level of course, to be induced not by prices, because the prices on the free market are expected to decline, not significantly, but to decline. So, do you expect a decline in the activity of these consumers, or wherefrom this pessimistic assumption on consumption in Romania?

**Answer from Răzvan POPESCU:** This is our assumption that we started the year with, and no one was expecting the winter to last so long - with a such cold February. So, if you look at the consumption in Romania in February and also in the first quarter, if you compare it to the last year, it's very, very different.

So, that's why we had, let's say, a much more pessimistic approach, because we expected the weather to be much hotter and the consumption from the households and thermal plants not to be as high - that's where the difference comes from.

**Question from Daniela MÂNDRU (Swiss Capital, Romania):** Just for my curiosity, can you disclose in your budget what was the assumption of the gas sales in terms of TWh or in terms of bcm, whatever you have?

**Answer from Gabriela TRÂNBIȚAȘ:** We budgeted around 4.45 bcm.

**If you need further information, please contact our IR team.**

**On behalf of ROMGAZ team, thank you for attending today's conference call!**

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