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PRESS RELEASE

ROMGAZ GROUP published the Board of Directors' Report for 1ST Half Year 2022

The full version of the **Board of Directors' Report for 1ST Half Year 2022**, the **Consolidated Condensed Interim Financial Statements (not audited) for the six-month and three-month periods ended June 30, 2022** and the **Separate Condensed Interim Financial Statements (not audited) for the six-month period ended June 30, 2022**, prepared in accordance with **International Accounting Standard 34**, are available on company's website www.romgaz.ro – Section **Investors** – **Interim Reports** and on Bucharest Stock Exchange website.

ROMGAZ GROUP¹ PERFORMANCES

Romgaz Group keeps high operational and financial performances in the first six months of 2022.

National gas consumption recorded a decrease of roughly 13.3% for the first 6 months of 2022 as compared to the similar period of last year, while Romgaz deliveries decreased by 6.7%. Therefore, Romgaz has a **61.44% market share** in terms of deliveries from internal production, by 10.5% higher than the share held in the similar period of 2021.

Natural gas production for first half of 2022, was **2,515.1 million m³**, indicating an insignificant production decline (0.16%) related to the production recorded in H1 2021.

Romgaz electricity production reached **544.66 GWh**, higher by 341.58 GWh than the production in the similar period of 2021 (+168.2%). This production placed Romgaz at a market share of 1.95%².

Consolidated net profit per share (EPS) was RON 4.5.

Margins of main profitability indicators for H1 2022: net consolidated profit (**23.02%**), consolidated EBIT (**26.19%**) and consolidated EBITDA (**29.12%**) are slightly decreasing as compared to the first half of 2021 (33.9%; 38.9% and 52.7% respectively) as a consequence of higher taxes and fees paid by the Group, but maintain a high rate.

Summary of the Group's main indicators for 1st half year 2022 (HI 2022):

- ✓ *Total income* is by RON 5,346.29 million higher, recording a 236.75% rise. The largest contribution is represented by the revenue from gas sales (RON 6,683.05 million in H1 2022 as compared to RON 1,965.74 million in H1 2021). Another significant contribution to the increase of income is the revenue from electricity sales (RON 498.58 million in H1 2022 as compared to RON 42.75 million in H1 2021);

¹ **Romgaz Group** consists of S.N.G.N. Romgaz S.A. ("the Company"/"Romgaz") as parent company, Filiala de Imagazinare Gaze Naturale Depogaz Ploiesti SRL ("Depogaz"), which is the subsidiary owned 100% by Romgaz, and its associates S.C. Depomures S.A. (40% of the share capital) and S.C. Agri LNG Project Company SRL (25% of the share capital)

² Source: CNTEE Transelectrica SA

- ✓ *Total Expenses* increased in H1 2022 by 309.27% mainly due to higher royalty expenses (+ RON 734.01 million) and to the windfall tax (+ RON 3,457.16 million). A new windfall tax was introduced in Q2 2022, related to electricity sales, the amount of such windfall tax was RON 62.84 million;
- ✓ *Net consolidated profit* of RON 1,725.95 million, by 126.62% higher, namely RON 964.34 million, as compared to the similar period of last year;
- ✓ *Labour productivity* increased as compared to the previous period, from RON 370.92 thousand revenue/employee in H1 2021 to 1,273.97 thousand revenue/employee in H1 2022 (+246,46%);
- ✓ EPS of RON 4.5 is by 126.62% higher than recorded in H1 2021.

Romgaz signed in May 2022 the agreement for the acquisition of all shares issued by (representing 100% from the share capital of) ExxonMobil Exploration and Production Romania Limited (EMEPRL) which holds 50% of the acquired rights and obligations under the Petroleum Agreement for the eastern area, deep water zone of Neptun XIX offshore Block in the Black Sea.

The agreed transaction price is USD 1.06 bln. The acquisition price may be adjusted under certain conditions, subject to contractual provisions.

Upon signing, Romgaz had to pay an advance/deposit of USD 106 million.

Also in May, Romgaz signed a financing agreement of EUR 325 million with Raiffeisen Bank, for partially financing the acquisition of EMEPRL shares. In June, Romgaz signed an addendum to the financing agreement providing that the EUR 325 million loan is granted by Raiffeisen Bank and Banca Comerciala Romana.

H1 2022 high natural gas production was supported by:

- ✓ optimisation of gas field exploitation;
- ✓ ongoing rehabilitation projects of main mature gas fields;
- ✓ well workover operations at wells with low productivity or inactive wells;
- ✓ investments to expand productive infrastructure and to connect new wells to it.

National gas consumption estimated for H1 2022 was 63.35 TWh, approximately 13.3% lower than the consumption recorded in H1 2021, out of which 18.27 TWh is import gas and the difference of 45.08 TWh is gas from domestic production, Romgaz deliveries being 27.56 TWh, representing 43.35 % of the national consumption and **61.44%** of the consumption covered with gas from domestic production.

Electricity production is shown in the table below and its trend was closely related to the energy demand, price trends on competitive markets and equipment maintenance and repair activities.

MWh

	2021	2022	Variation
1	2	3	4=(3-2)/2x100
Q 1	202,073	345,337	70.90%
Q 2	1,010	199,323	19,634.95%
HI	203,083	544,660	168.20%

ROMGAZ Press Office

About ROMGAZ

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.