

To:  
THE GENERAL MEETING OF SHAREHOLDERS

**REPORT**  
**on certain transactions concluded between SNGN Romgaz SA and other public companies**  
**between October - December 2023**

Pursuant to Article 52 paragraph (1) of Government Emergency Ordinance No. 109/2011<sup>1</sup> *"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 paragraph (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 company with:*

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

Public company has the following meanings (Article 2 paragraph 2 of Government Emergency Ordinance No. 109/2011):

- a) autonomous regies established by the state or by a territorial administrative unit;
- b) national companies and corporations, companies in which the state or a territorial administrative unit is sole or majority shareholder or in which it has control;
- c) companies in which one or more public companies referred to at letter a) and b) have a majority or a controlling interest.

Taking into consideration the request for offer no.18480/November 22, 2023 of SC Termoficare Oradea SA (Termoficare) and the offer no. 46311/November 24, 2023 sent by Romgaz and accepted by Termoficare, in November 2023, Natural Gas Sale Contract No. VG50/2023 was concluded with a value which exceeds the equivalent in RON of EUR 100,000 and which is not in compliance with Article 52, paragraph (1) of Government Emergency Ordinance No.109/2011, resulting in the obligation to inform the shareholders of the company.

The City Council of Oradea holds 99.99% of SC Termoficare Oradea SA shares.

The main features of the signed natural gas sale contract are as follows:

- contractual quantity is fixed and firm;
- delivery point: in the VTP (Virtual Trading Point) of NTS (National Transmission System);
- value: RON 33,687,344.64 excluding VAT;
- payment
  - when due, within maximum 30 days from the date of invoice, with a letter of bank guarantee submitted by the Buyer the value of which must cover the equivalent value of delivered natural gas (including VAT);

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<sup>1</sup> Government Emergency Ordinance No. 109 of November 30, 2011 on corporate governance of public companies as subsequently amended and supplemented.

- in advance, at least 2 working days before the start of the delivery month.

Furthermore, during October - December 2023 Romgaz concluded **transactions with underground gas storage service operators and gas transmission service operators** as follows:

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

Considering that, following SC Termo Ploiești SRL (Termo Ploiești) failure to take over certain natural gas quantities on grounds of non-payment for October 2023 and the estimations made by the Production Department regarding the increase of production potential, a quantity of approximately 190,000 MWh natural gas, which could have been stored, was made available, a decision was made to inject this additional quantity in UGSs in order to increase security of deliveries during November 1, 2023 - March 31, 2024, period in which ANRE established the entire available natural gas quantity as a sale obligation pursuant to Government Emergency Ordinance No. 27/2022.

For this quantity to be stored, it was necessary to book the corresponding capacity in UGSs and therefore Romgaz concluded with Termo Ploiești, the Protocol regarding the transfer of underground gas storage capacity, registered under number 41.104/November 20, 2023. Pursuant to this document, Romgaz takes over from Termo Ploiești 152,263.105 MWh storage capacity in Depogaz UGSs.

Consequently, Addendum No. 5/2023 to Contract No. 1236/2023 (for underground storage services - with Depogaz) was concluded, supplementing the storage capacity with 152,263.105 MWh, the contract value increased by RON 3,506,619.31, up to RON 22,662,974.401 (excluding VAT).

Moreover, pursuant to Article 14 letter (c) of the contracts concluded with Depogaz, Romgaz communicated the Natural Gas Withdrawal Schedule for 2023 - 2024 storage cycle and as a result the following were concluded:

- ✓ Addendum No. 6/2023 to Underground Gas Storage Contract No. 1236/2023 (contract concluded for quantities injected during 2023 injection period);
- ✓ Addendum No. 1/2023 to Underground Gas Storage Contract No. 1271/2023 (contract concluded for quantities remaining in stock from previous storage cycles).

Table below summarizes the concluded transactions:

Description	Addendum No.5/2023 to Contract No.1236/2023	Addendum No.6/2023 to Contract No.1236/2023	Addendum No.1/2023 to Contract No.1271/2023
Contract term	01.04.2023 - 31.03.2024		01.04.2023 - 31.03.2024
Booked capacity (MWh)	984,063.152		859,771.876
Operation	Additional booking capacity	Establish withdrawal program	Establish withdrawal program
Contract value VAT exclusive (RON)	22,662,974.401		13,550,004.760

2) **S.N.T.G.N. TRANSGAZ S.A. Medias (TSO) - provision of natural gas transmission services;**

Transmission capacity booking in entry/exit points to/from the National Transmission System (NTS) is made annually, quarterly and monthly, taking into account on one hand, the delivery profile to end clients/customers and on the other hand, costs optimisation for Romgaz. Therefore, in line with the calendar for transmission capacity booking, for gas year 2023-2024, the Network User (NU) Romgaz booked annual transmission capacity, calculated in order to achieve the lowest cost (optimise the cost per portfolio). Additionally to the terms set by law, NU Romgaz books quarterly and monthly transmission capacity.

The table below shows a summary of transactions:

Contract (Number/Date)	Scope of Contract	Term of Contract	Contracted Capacity (MWh)	Value, VAT exclusive (RON)
151L/18.10.2023	Provision of monthly gas transmission services at NTS entry point	01.11.2023 01.12.2023	72,000	275,760

152L/18.10.2023	Provision of monthly gas transmission services at NTS exit point	01.11.2023 01.12.2023	2,819.25	22,582.19
118T/14.11.2023	Provision of quarterly gas transmission services at NTS exit point	01.01.2024 01.04.2024	36,337.67	288,884.44
120T/14.11.2023	Provision of quarterly gas transmission services at NTS entry point	01.01.2024 01.04.2024	1,774,500	8,748,285
267L/22.11.2023	Provision of monthly gas transmission services at NTS entry point	01.12.2023 01.01.2024	90,396	974,468.88
268L/22.11.2023	Provision of monthly gas transmission services at NTS exit point	01.12.2023 01.01.2024	9,552.19	101,348.68

Depending on the daily natural gas requirements (following changes in the client portfolio) and in order to optimise the costs for transmission capacity booking, Romgaz took over/transferred transmission capacity from/to other NTS users. 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 to:

- ✓ Gas transmission contract for NTS exit points No.34T/28.08.2023:

Addendum No.	Contract scope	Contract term	Transmission capacity (MWh)			Value, VAT exclusive (RON)
			transfer red	taken	returned	
1	Provision of quarterly gas transmission services at NTS exit	01.10.2023 01.01.2024	560			3,203.20
2					560	-

- ✓ Gas transmission contracts for NTS exit points No.55L/20.09.2023:

Addendum No.	Contract scope	Contract term	Transmission capacity (MWh)			Value, VAT exclusive (RON)	
			transfer red	taken	returned		
1	Provision of monthly gas transmission services at NTS exit	01.10.2023 01.11.2023		450		1,003.50	
2					450	-	
3				350		780.50	
4				400		892.00	
5				350		780.50	
6				300		669.00	
7				400		892.00	
8				250		557.50	
9						250	-
10					250		557.50
11					100		223.00
12	Provision of monthly gas transmission services at NTS exit	01.10.2023 01.11.2023			100	-	
13				100		223.00	
14				6,100		13,603.00	
15				6,100		13,603.00	
16						6.100	-
17				6,100		13,603.00	
18				6,370		14,205.10	
19				3,000		6,690.00	
20				5,650		12,599.50	
21				6,100		13,603.00	

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.

#### Resolution Draft

*"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 October-December 2023."*

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

**Chief Executive Officer  
Razvan POPESCU**

**Deputy Chief Executive Office  
Aristotel Marius JUDE**

**Chief Financial Officer  
Gabriela TRANBITAS**

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