

Q&A SESSION

CONFERENCE CALL - February 28th, 2025

PARTICIPANTS:

Răzvan POPESCU	CEO
Aristotel JUDE	Deputy CEO
Gabriela TRÂNBIȚAȘ	CFO
The Investor Relations Team	

Note: the transcript was edited to improve understandability

Question from Marius CIORNEI (individual investor): Can you confirm the news that ROMGAZ would like to buy the largest fertilizer company in Romania?

Answer from Răzvan POPESCU: No, we cannot confirm the news. ROMGAZ is in constant analysis regarding its diversification potential - ROMGAZ is always looking at synergies that it might have from the gas produced from internal production and the gas that will be produced in Neptun Deep. Indeed, we are looking to evaluate the fertilizer market in Romania and evaluate the potential that ROMGAZ could have in entering that market.

Question from Marius CIORNEI (individual investor): For the future, can you take some measures to avoid the situation that happened in Depogaz in November last year?

Answer from Răzvan POPESCU: There will be an analysis done by Romgaz management surrounding the issue that happened at Depogaz. That will happen in the next month, and then we will see what happened and if there will be measures to be taken in order not to have that type of situation, but Depogaz is acting as an independent company. Romgaz is acting in respect to the legislation and cannot interfere in the management of Depogaz. I think the measures should be taken on a legislative level, so such things will not happen. But based on the analysis we will make, if measures can be taken by ROMGAZ management, these will be taken.

Question from Marius CIORNEI (individual investor): Have you managed to successfully conclude the tender to the ERP invoices to residential clients?

Answer from Răzvan POPESCU: No, the procurement process was prolonged - the bidders asked for a prolongation of the term, and we envisage that it will be finalized in the next two months.

Question from Marius CIORNEI (individual investor): Do you intend to sell natural gas to the owner of Mintia plant?

Answer from Răzvan POPESCU: This is an internal decision, that has to be taken in conformity with our commercial policy.

Question from Marius CIORNEI (individual investor): Do you intend to increase the storage capacity at Depogaz through a future investment?

Answer from Răzvan POPESCU: Yes, the investment in the storage capacity is already being done. Depogaz is doing this investment on its own - they benefit from European funding and the capacity will be increased.

Question from Daniela MÂNDRU (Swiss Capital, Romania): The first question regards the Q4 results - namely the income tax. I have seen that income tax was a positive figure - instead of a negative figure. If you can explain this.

Answer from Gabriela TRÂNBIȚAȘ: The income tax appears positive as an income due to the deferred tax that was recorded in Q4. Also, in Q4 we had some benefits from the legislation. In 2020 a Government Ordinance was issued granting some discounts if equity is increased from one year to the next. Based on this Ordinance, we had a 15% decrease in the tax. Also, we have tax benefits standing from the legal reserve and the reserve for reinvested profit.

Question from Daniela MÂNDRU (Swiss Capital, Romania): Can you disclose the windfall tax paid in Q4 for the electricity sales? I mean the RON figure.

Answer from Gabriela TRÂNBIȚAȘ: It was RON 23.6 million for the full year.

Question form Daniela MÂNDRU (Swiss Capital, Romania): I suppose that in Q4 you sold gas at regulated price, the volume stood at 7.5 TWh - that was the last figure you announced. What would be the value for Q1 this year and, and if it is possible - do you have an estimate for the Full Year 2025 - for the volumes sold at regulated prices?

Answer from Răzvan POPESCU: We do not know the volumes to be sold at regulated prices in 2025, because the ordinance just came out and we do not have the volumes. We only have the volumes for Q1 2025 - that is around 70% of total volume sales.

Question from Daniela MÂNDRU (Swiss Capital, Romania): If you compare 2024 with 2023, you will see that volumes at regulated prices decreased significantly. I do not understand. The consumers are the same - so did they consume less?

Answer from Răzvan POPESCU: The estimates that have been made and the gas that was allocated in 2024 vs 2023 to be sold at regulated prices was less, indeed. Probably because the stocks that remained throughout the last winter (a much warmer winter) were higher, and there was gas available for households and thermal producers.

Question from Daniela MÂNDRU (Swiss Capital, Romania): So, for this year?

Answer from Răzvan POPESCU: It is hard to extrapolate, we cannot have an expectation, given the level of deposits and given the consumption during this winter.

Question from Daniela MÂNDRU (Swiss Capital, Romania): So, for this year? Volumes at regulated price will increase or decrease?

Answer from Răzvan POPESCU: We cannot estimate.

Question from Daniela MÂNDRU (Swiss Capital, Romania): So, I understood that you do not confirm the acquisition of Azomures. What about the supply business? Will you start this year the implementation of this business segment? The context is that I read in the media that Romgaz will enter the supply business.

Answer from Răzvan POPESCU: Yes, we are in the supply business already. We are looking at the end-consumers - that is why we started the procurement process for an integrated ERP system, similar with Hidroelectrica's one, and we are aiming to start the supply of households no later than the end of this year.

Question from Daniela MÂNDRU (Swiss Capital, Romania): Ok, and you have a target, for example in terms of market share, of total volumes to be sold?

Answer from Răzvan POPESCU: It is difficult to have an estimate, because we will also operate the supply business under the Ordinance. We must see first what quantities will be allocated under the Ordinance - it is a work-in-progress. It is too early to assess a target right now, given the fact that we have not finalized the procurement process for the acquisition of the software.

Question from Daniela MÂNDRU (Swiss Capital, Romania): I have several questions regarding the outlook - I know you want to stabilize the production at the 2024 level. This target will remain in place - or should we expect to go with the production decline of 2.5% according to your official strategy?

Answer from Răzvan POPESCU: That will be according to the market - when we will publish our budget for 2025. We are working on it right now. In the strategy we aim to have a maximum decline of production of 2.5% per year.

Question from Daniela MÂNDRU (Swiss Capital, Romania): In terms of power sales, I know it is all going around Iernut plant, but do you have some estimates? Can you guide us in terms of power sales, in terms of volumes - will these be higher or lower compared with 2024?

Answer from Răzvan POPESCU: We will guide you in the budget.

Question from Daniela MÂNDRU (Swiss Capital, Romania): As a recommendation, in terms of storage business, maybe it would be better to disclose the reservation capacity on a quarterly basis. Yes, we can imply it because we have the tariff, but it will be helpful to display also the capacity reservation volumes in your trading statement and in your reports.

Answer from Răzvan POPESCU: As you have seen, we already tried to have a new way of presenting the results to give more color to investors. We would appreciate having feedback of the new presentation from you. You can also send us an email suggesting the issues mentioned above - and we will analyze it and respond accordingly.

Question from Daniela MÂNDRU (Swiss Capital, Romania): This is my last question: Over the years I have noticed that constantly Romgaz was giving budgeted figures significantly below the actuals. Let's take last year's results and your budget. Why can't you budget closer to the reality?

Answer from Răzvan POPESCU: Because there is a lot of uncertainty in the gas selling prices, there was a lot of uncertainty when we budgeted last year - we did not know the allocation of the gas that would be sold on the free market and the gas that would be sold at regulated prices. It was very hard to make a budget and shot a bullet into the unknown. Because, as I said, we did not know how much gas would be allocated for us. It was also a small surprise because we were expecting a bit more to be allocated on the regulated market. So, this is something that is not in our power - to budget perfectly, we are trying to be as close as possible to the truth. Also, on the Capex side we are trying to be as close as possible, but there are some things that are not in our control. They change throughout the year, and we are trying to be reactive.

Question from Daniela MÂNDRU (Swiss Capital, Romania): You mentioned Capex, you said that it will be disclosed in the budget.

Answer from Răzvan POPESCU: Next year Capex will be at around EUR 1 billion - with around EUR 200 million in Romgaz individual production to keep it at this level and to invest in drilling, and around EUR 600-800 million in Romgaz Black Sea. So, this is basically the breakdown.

Question from Daniela MÂNDRU (Swiss Capital, Romania): And you said that this year you expect to issue more bonds?

Answer from Răzvan POPESCU: Probably yes, it depends on the context.

Question from Daniela MÂNDRU (Swiss Capital, Romania): It will be a second tranche of EUR 500 million?

Answer from Răzvan POPESCU: Probably so. A second tranche of EUR 500 million, but, as I said before, there are things that will be decided in due time - we will see exactly how the market reacts and what is the market appetite. We cannot say exactly if it will be a 5-, 7- or 10-year bond.

Question from Daniela MÂNDRU (Swiss Capital, Romania): Ok, I have a last recommendation. I have noticed in the budget that you do not disclose operational facts. For me as analyst it does not matter if you tell me that an expense will increase or decrease by 10% if we have the value, because I can calculate this on my own. But it is important to bring explanations - in terms of revenues and in terms of the windfall tax. You should disclose your assumptions regarding volumes sold at regulated price, production and volumes sold to third parties. Please.

Answer from Răzvan POPESCU: Ok, we'll take note of what you've said, but even if we have these assumptions, it will not mean that there would be correct, because they are only assumptions.

Daniela MÂNDRU (Swiss Capital, Romania): Yes, we know, we are analysts, we know this, but in this way we can see what the company is thinking about the future.

Răzvan POPESCU: As an analyst, you may well know that when you budget something in the beginning of the year, especially regarding the Commodity Market - it is very hard to pinpoint even the average price - or the average level of any type of financial situation up until the end of the year, as much as we would like to do it.

Daniela MÂNDRU (Swiss Capital, Romania): Ok, thank you a lot! Thank you for taking my questions.

Răzvan POPESCU: Thank you for the questions.

Question from Ioana ANDREI (Alpha Bank, Romania): I have few questions. First, regarding taxation - you mentioned in the report a recalculation of royalties to the lower concession level. So if I understand correctly, the increase in royalties from 2023 does not apply to your existing concessions? Is it right?

And regarding the windfall tax on electricity - in November it was declared unconstitutional, so did Romgaz continued to pay this tax after November? And will pay it until June 2025 according to the Emergency Ordinance that was recently adopted?

Answer from Gabriela TRÂNBIȚAȘ: Regarding royalties, yes, the higher level of royalties is not applicable to existing concessions. As for the windfall tax, it is correct - it was declared unconstitutional, but the Court did not publish until today its reasoning on why they issued such a decision. So according to the law, the tax is still in force, and we have to pay it.

Question from Ioana ANDREI (Alpha Bank, Romania): So basically, when the Court publishes the motivation, you will not pay it anymore?

Answer from Gabriela TRÂNBIȚAȘ: We will have to see the wording.

Question from Ioana ANDREI (Alpha Bank, Romania): Ok, and until then, you pay it. Does the Court have precise timeframe when it should be published?

Answer from Gabriela TRÂNBIȚAȘ: I think they do. I am not exactly sure what the timeframe is, but I am pretty sure that it's overdue.

Question from Ioana ANDREI (Alpha Bank, Romania): Ok, and regarding the dividend perspectives for this year, you have a record of high profitability, but last year you guided lower dividend payout. Do you maintain your previous guidance regarding a low dividend payout?

Answer from Răzvan POPESCU: The dividend payout has to be balanced, given the fact that indeed, we do have high profitability, but we also have the highest Capex for 2025 and 2026 in the history of the company. So we need to look at all the debt metrics, and try to be as balanced as possible in our approach. Of course, there will be a dividend, but that has to go hand in hand with our investment policy for at least the next 2 years.

Question from Ioana ANDREI (Alpha Bank, Romania): Is payout balanced closer to 50%, or closer to 20% as it was last year?

Answer from Răzvan POPESCU: Will see when we will make a proposal. We do not have it right now, I cannot answer, but for sure it will be in that region that you mentioned.

Question from Ioana ANDREI (Alpha Bank, Romania): Ok, and again regarding Iernut power plant. So, at this point, is the plant ready for commercial production after June? Because I suppose up to this point, testing should have already begun in order to be prepared for sales.

Answer from Răzvan POPESCU: Yes, some testing has indeed begun regarding the pressure test on the power plant. We are trying to operate the old power plant for as long as possible. As I have stated earlier, the EPC contractor is having delays in implementation - from what we have understood, also some financial issues, but of course, we are trying to mitigate all these issues and to keep the term of putting it into production this summer.

Question from Ioana ANDREI (Alpha Bank, Romania): And again, regarding Iernut power plant - should we expect production to begin at full capacity? Or this should be a phased-out process?

Answer from Răzvan POPESCU: It is going to be a phased-out process for sure, so we do not expect to have the plant operating at full capacity from June.

Ioana ANDREI (Alpha Bank, Romania): Ok, thank you! That's all from my side.

Răzvan POPESCU: Thank you.

Question from Tamas PLETSER (Erste Investment LTD, Hungary): Thanks for taking my questions. First, kind of a follow-up on the Iernut plant - what is your plan with the old Iernut plant? Would you like to shut it down when the new one will be operational, or is it possible to parallel the old and the new facilities?

Answer from Răzvan POPESCU: No, it is not possible to parallel them. The moment the new power plant will come into production, the old power plant will be put out of production completely.

Question from Tamas PLETSER (Erste Investment LTD, Hungary): And what is your plan at the moment: when do you want to run the new facility and when do you want to shut down the old one?

Answer from Răzvan POPESCU: This is an ongoing situation given the finalization process of new Iernut power plant. We are trying to keep the old plant in function as much as possible considering the situation in the Romanian national grid. So it is very important to keep operational the old power plant.

Question from Tamas PLETSER (Erste Investment LTD, Hungary): Ok, my second question would be regarding the production in 2025 - do you see production to change from the level of 2024? And if you can share anything on the sales side - what is the proportion of households versus the free market? How do you see that?

Răzvan POPESCU: So, you are talking about the gas production?

Tamas PLETSER (Erste Investment LTD, Ungaria): Yes, correct.

Answer from Răzvan POPESCU: Our strategy is to keep the gas production level and to have an annual decline of production of maximum 2.5%. 2024 was exceptional as we put into function more than 9 new wells, and we continued drilling in the Caragele field. So we will try to keep production at a level close to the one of 2024.

Regarding the breakdown of gas to be sold at regulated prices, this will probably be issued by the National Transmission System Operator by mid-March. So by mid-March we should know the proportion of gas to be sold under regulated prices, as well as the proportion of gas that will be left for us to be sold on the free market. It's very hard to

pinpoint this figure right now - my colleagues are doing the computation in order to have a balanced budget and as close as possible to reality.

Question from Tamas PLETSER (Erste Investment LTD, Hungary): Ok, and the last follow-up question from my side - regarding your dividend, you mentioned that you are still working on this, when shall we expect a proposal to come?

Answer from Răzvan POPESCU: After we publish the audited annual report. I think somewhere in the end of March we will issue our dividend for 2024.

Tamas PLETSER (Erste Investment LTD, Ungaria): Ok, thank you very much!

Răzvan POPESCU: Thank you.

Question from Oleg Galbur (Raiffeisen Bank International, Austria): When will the 2025 budget be published? What level of income tax rate do you expect in 2025? How many TWh does 70% represent? What was your realized gas price in Q4? Do you have a view on the potential extension of energy price regulation in Romania?

Answer from Gabriela TRÂNBIȚAȘ: Regarding the 2025 budget, we will convene the shareholders in mid-March for them to meet in mid-April. So, in mid-April the shareholders will approve the budget, that will be immediately published.

As for the level of income tax rate, we expect it to be around 16% - the legal rate according to the Romanian fiscal code.

Answer from Răzvan POPESCU: The average selling price for Q4 2024 was around 136 RON/MWh.

Answer from Gabriela TRÂNBIȚAȘ: Regarding your question on how many TWh does 70% represent, the answer is 10 TWh.

Regarding your question if we have a view on the potential extension of energy price regulation in Romania, according to the information we have, as the Ordinance was not published yet, price regulation on energy should be extended until June 2025.

Answer from Răzvan POPESCU: For gas, the term has been extended yesterday by 1 year - so it will be up to the end of March 2026. And for electricity it was extended by 3 months. So it's a bit of disconnection between electricity and gas regulated pricing, but we have not seen the final wording of the Ordinance. We are waiting for it to be published officially, so we can do our computations.

Question from Daniela MÂNDRU (Swiss Capital, Romania): Hi, hello again. Regarding the gas prices for this year for the free market, can you share us what is your view on the price levels - higher or lower - compared with last year? I'm referring to the free market and I suppose that you have already sold a lot forward.

Answer from Răzvan POPESCU: Not really, we have sold some quantities forward, but we have been waiting for the Ordinance. Also, our commercial policy is based on the market. This is not only the Romanian market, but also the TTF and CEGH market

segments - this is how we build our policy. Of course, there was high volatility in the beginning of this year, there was a disconnection between the Romanian Commodity Exchange (BRM) and the other markets when the weather was extremely cold. But if you look at 2024, you would see that the BRM market, on the day-ahead segment, traded for more than 300 days below the TTF and CEGH market in the range from a 10% to 15% discount. So, the market prices that we are viewing this year, given the depletion of the gas storages throughout Europe, throughout Romania, could support the price at higher levels.

Question from Daniela MÂNDRU (Swiss Capital, Romania): So, it would be correct to assume that this discount to CEGH will continue?

Answer from Răzvan POPESCU: It's possible. It depends on the weather, it depends on production, and it also depends on the imports that will stem from LNG - we will see. The market is quite volatile, and you saw that it's very reactive to any type of news surrounding trade tariffs in the US and also regarding the level of storages that will be issued by the European Union.

Question from Daniela MÂNDRU (Swiss Capital, Romania): Ok, and another question regards the potential impairment. You know, for example, OMV Petrom, in the last quarter of last year, booked impairments related to the oil and gas assets, mentioning that the main reasoning is the increase of the costs going forward due to inflation, and nothing changed in the long-term value of prices. So, should we expect an impairment this year also from the part of Romgaz?

Answer from Gabriela TRÂNBIȚAȘ: We will run an impairment test. We will see what the results show and if any impairment is indeed needed.

Daniela MÂNDRU: Ok, thank you!

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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