

To: General Meeting of Shareholders of SNGN ROMGAZ SA

Ref: Request for approval of distributing the 2024 financial year net profit and other amounts from retained earnings

ENDORSED BY  
CHAIRMAN OF THE BOARD OF DIRECTORS  
Dan Dragoș DRĂGAN

REQUEST FOR APPROVAL OF DISTRIBUTING THE 2024 FINANCIAL YEAR NET PROFIT AND  
OTHER AMOUNTS FROM RETAINED EARNINGS

Applicable Legislation:

- *Government Ordinance no. 64/2001 on profit distribution in case of national companies and companies with full or majority state-owned capital, as well as autonomous regies, as subsequently amended and supplemented (G.O. No. 64/2001);*
- *Government Emergency Ordinance no. 31/2024 on regulation of fiscal and budgetary measures and on supplementation and amendment of specific pieces of legislation (G.O. 31/2024);*
- *Law 31/1990 on companies, as subsequently amended and supplemented;*
- *Law 227/2015 on the Fiscal Code as subsequently amended and supplemented;*
- *Order of the Ministry of Public Finances no. 2844/2016 on approving the Accounting Regulations compliant with the International Financial Reporting Standards;*

Proposal to distribute the 2024 net profit and other amounts from retained earnings:

1. Net profit for 2024 (after income tax deduction), according to individual financial statements is RON 3,090,696,859.61.

The proposal regarding the profit distribution is shown in the table below:

I	Indicators	Year 2024 (RON)
0	1	2
A	<b>Gross result of the financial year</b>	<b>3,497,095,808.98</b>
B	Current income tax	449,143,970.00
C	Revenue from deferred income tax	42,745,020.63
C.1	Deferred income tax expenses	0.00
D	<b>Net result of the financial year [A-B+C-C.1], (accounting profit after income tax deduction), of which:</b>	<b>3,090,696,859.61</b>
a	Legal reserves	174,854,790.00
b	Other reserves representing fiscal facilities provided by law (Law no. 227/2015 - Article 22)	43,754,915.46
c	Coverage of accounting losses from previous years (in accordance with Article 1, paragraph (1), c) of GO no. 64/2001)	0.00
c1	Establishing own financing sources for co-financed projects from external loans (in accordance with Article 1, paragraph (1), c <sup>1</sup> of GO no. 64/2001)	0.00
d	Other distributions as provided by special laws	0.00
E	<b>Remaining net profit to be distributed (D-a-b-c-c1-d)</b>	<b>2,872,087,154.15</b>
e	Employees' participation to profit (in accordance with Article 1, paragraph (1), e) of GO no. 64/2001)	46,938,504.00
f	<b>Dividends due to shareholders (approx. 20.01% of net profit to be distributed) [E+e]*20.01%</b>	<b>583,914,936.00</b>
	f1) - dividends to the state budget	408,781,966.20
	f2) - dividends to other shareholders	175,132,969.80
	- dividend/share (RON/share)	0.1515
g	<b>Profit for setting up reserves for financing major investment projects or for investments of national interest or for financing subsidiaries making such investments (90%-20%), according to Art. 2<sup>4</sup> of G.O. 64/2001</b>	<b>875,679,692.80</b>
h	<b>Profit for own financing sources [E-f-g]</b>	<b>1,412,492,525.35</b>
*	<b>TOTAL DISTRIBUTIONS [a+b+c+c1+d+f+g+h]</b>	<b>3,090,696,859.61</b>

Note: The reserve in amount of RON 1,832,683,512 set up in 2024, by distributing the profit for 2023, under Art. 2<sup>4</sup> of G.O. No. 64/2001 was entirely used until December 31, 2024.

- RON **174,854,790** were allocated to reserves;
- RON **43,754,915.46** were allocated to other reserves in accordance with Article 22 of Law no. 227/2015 on the Fiscal Code, and represents profit invested in technological equipment, in assets used in production and processing activity, in assets representing retrofitting, in electronic computers and peripheral equipment, in machines and cash, control and billing devices, in software and in user rights relating to software, manufactured and/or purchased, including under financial leasing and commissioned for the scope of performing the economic activity. According to this article, the amount of the profit for which the tax exemption

operated, less the legal reserve, is distributed at the end of the financial year, the establishment of reserves being a priority;

→ Employees' participation to profit was established within the limit of the 2024 average monthly basic salary per employee, as follows:

- Average number of personnel 5,291 employees;
- Average monthly basic salary in 2024 8,871.3861 RON/employee/month;
- Employees' participation to profit fund RON **46,938,504**

According to Article 138 par. (1) of S.N.G.N. Romgaz S.A. Collective Labour Agreement, the individual distribution of the employees' participation to profit fund is made pro rata with the basic salary for actual work time per year.

→ The resulting dividend per share (rounded up to four decimal places) is RON **0,1515 lei**.

**II.2.** In addition to the distribution of the 2024 net result, the retained earnings in amount of RON 100,495,678.6 are also distributed, consisting of:

- **RON 47,826,586.63** representing retained earnings (profit) residing from correction of accounting errors;
- **RON 52,669,091.97** representing the value of fixed assets depreciation and fixed assets and investment projects abandoned during the reporting year financed from the "expenditure quota required for development and modernization of natural gas production" source, in accordance with GO no. 168/1998, as subsequently amended and supplemented,

Retained earnings of RON 100,495,678.6 are distributed as follows:

- a) **RON 20,427,387.2** as dividends, representing approximately 20.33% of the total value, dividend per share is RON **0.0053**, as follows:

	RON
<b>Dividends from retained earnings, of which:</b>	<b>20,427,387.20</b>
- dividends for the state budget	14,300,623.24
-dividends for other shareholders	6,126,763.96

- b) **RON 50,005,344.2** for own financing sources;

- c) **RON 30,062,947.2** for setting up reserves for financing major investment projects or projects of national interest or for financing subsidiaries that make such investments, according to Art. 2<sup>4</sup> of G.O. 64/2001.

Note: The reserve in amount of RON 87,876,307.2 set up in 2024, by distributing the retained earnings for 2023, under Art. 2<sup>4</sup> of G.O. No. 64/2001 was entirely used until December 31, 2024.

Taking into account the above mentioned, we submit for approval of the General Meeting of Shareholders the following:

**1. 2024 Net profit distribution according to the following proposal:**

I	Indicators	Year 2024 (RON)
0	1	2
A	Gross result of the financial year	<b>3,497,095,808.98</b>

I	Indicators	Year 2024 (RON)
B	Current income tax	449,143,970.00
C	Revenue from deferred income tax	42,745,020.63
C.1	Deferred income tax	0.00
D	Net result of the financial year [A-B+C-C.1], (accounting profit after corporate income tax deduction), including:	3,090,696,859.61
a	Legal reserves	174,854,790.00
b	Other reserves representing fiscal facilities provided by law (Law no. 227/2015 - Article 22)	43,754,915.46
c	Coverage of accounting losses from previous years (in accordance with Article 1, paragraph (1), c) of GO no. 64/2001)	
c1	Establishing own financing sources for co-financed projects from external loans (in accordance with Article 1, paragraph (1), c <sup>1</sup> of GO no. 64/2001)	
d	Other distributions as provided by special laws	
E	Remaining net profit to be distributed (D-a-b-c-c1-d)	2,872,087,154.15
e	Employees' participation to profit (in accordance with Article 1, paragraph (1), e) of GO no. 64/2001)	46,938,504.00
f	Dividends due to shareholders (approx. 50.01% of net profit to be distributed) [E+e]*50.01%	583,914,936.00
	f1) - dividends to the state budget	408,781,966.20
	f2) - dividends to other shareholders	175,132,969.80
	- dividend/share (RON/share)	0.1515
g	Profit for setting up reserves for financing major investment projects or for investments of national interest or for financing subsidiaries making such investments (90%-20%), according to Art. 2 <sup>4</sup> of G.O. 64/2001	875,679,692.80
h	Profit for own financing sources [E-f-g]	1,412,492,525.35
*	TOTAL DISTRIBUTIONS [a+b+c+c1+d+f+g+h]	3,090,696,859.61

2. Dividend value 0.1515 RON/share related to the net profit of 2024;
3. Employees' participation to profit according to Government Ordinance No.64/2001, in amount of RON 46,938,504;
4. Distribution of retained earnings of RON 104,495,678.6, representing retained earnings from correction of accounting errors and the value of fixed assets depreciation and the value of fixed assets and of investment projects abandoned in the reporting year financed from "expenditure quota required for development and modernisation of natural gas production" in line with Government Ordinance No. 168/1998, as subsequently amended and supplemented, as follows:
  - a) RON 20,427,387.2 as dividends, representing approximately 20.33% of the total value, dividend per share of RON 0.0053;
  - b) RON 50,005,344.2 for own financing sources;

- c) RON 30,062,947.2 for setting up reserves for financing major investment projects or projects of national interest or for financing subsidiaries that make such investments;

5. Total dividend per share based on the above mentioned (items 2+4.a) is RON 0.1568.

CHIEF EXECUTIVE OFFICER,  
Răzvan POPESCU

CHIEF FINANCIAL OFFICER,  
Gabriela TRÂNBIȚAȘ