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# ROMGAZ

## H1/Q2 2019 Financial and Operational Results

August 2019



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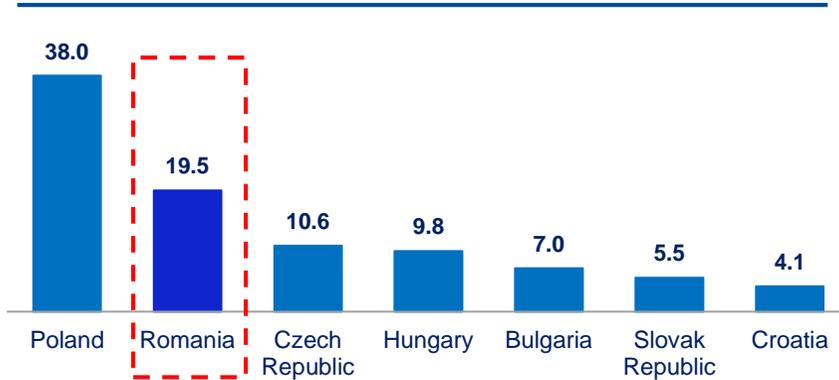
All figures included in this presentation are rounded ("round to nearest" method).

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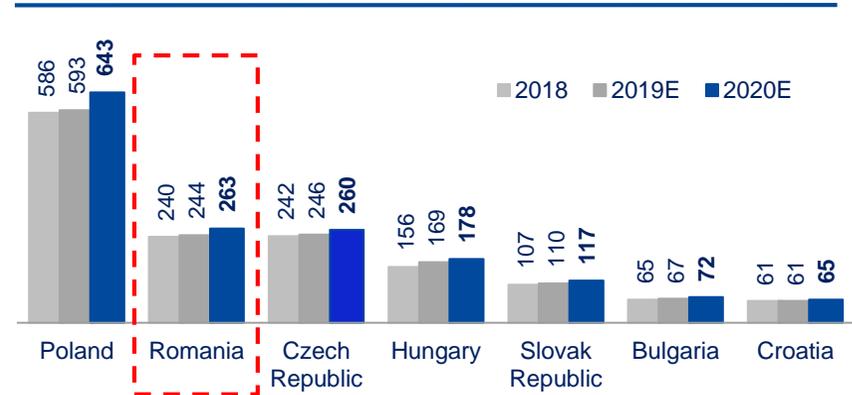
# Economic context and gas market

## Romania: Large country, favourable economy development, growth potential

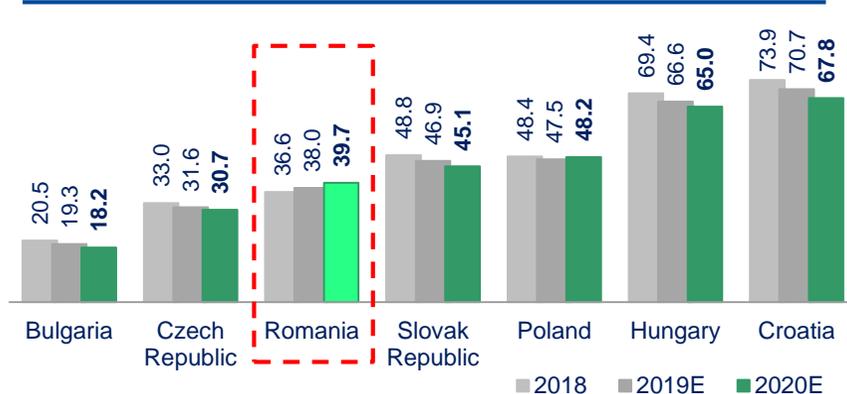
Population<sup>1</sup> (mln)



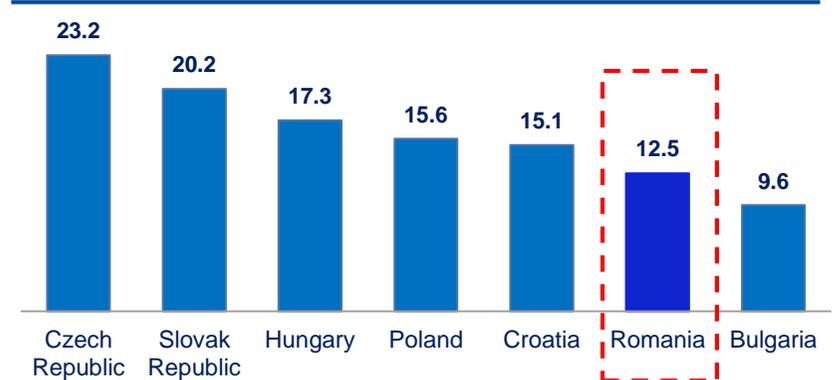
2019E GDP<sup>1</sup> (USD bn)



Public debt<sup>2</sup> (% of GDP)



2019E GDP per capita<sup>3</sup> (USD '000)



Source: IMF World Economic Outlook – Apr 2019

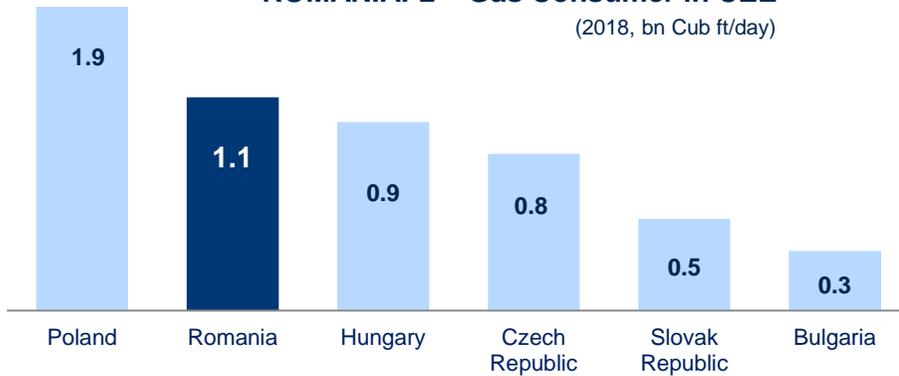
<sup>1</sup> Gross Domestic Product, current prices    <sup>2</sup> General Government Gross Debt, % of GDP    <sup>3</sup> Gross Domestic Product per Capita, current prices

# Economic context and gas market

Romania: among TOP gas consumers & producers / ROMGAZ: among TOP players in region

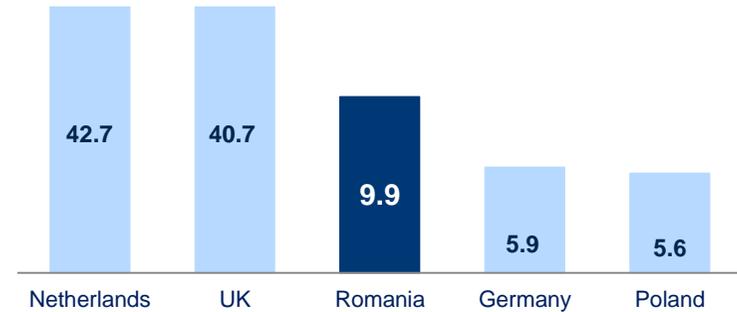
**ROMANIA: 2<sup>nd</sup> Gas Consumer in CEE <sup>1</sup>**

(2018, bn Cub ft/day)



**ROMANIA: 3<sup>rd</sup> Gas Producer in the EU <sup>1</sup>**

(2018, bcm, marketed output)



**ROMGAZ: Among top Gas Producers in the region<sup>2</sup>**

(2018 output, kboepd)



Natural gas - important clean source of energy.

In the region:

⇒ ROMGAZ – 2<sup>nd</sup> gas producer !

⇒ ROMANIA – 2<sup>nd</sup> gas consumer in CEE and 3<sup>rd</sup> producer in the EU !

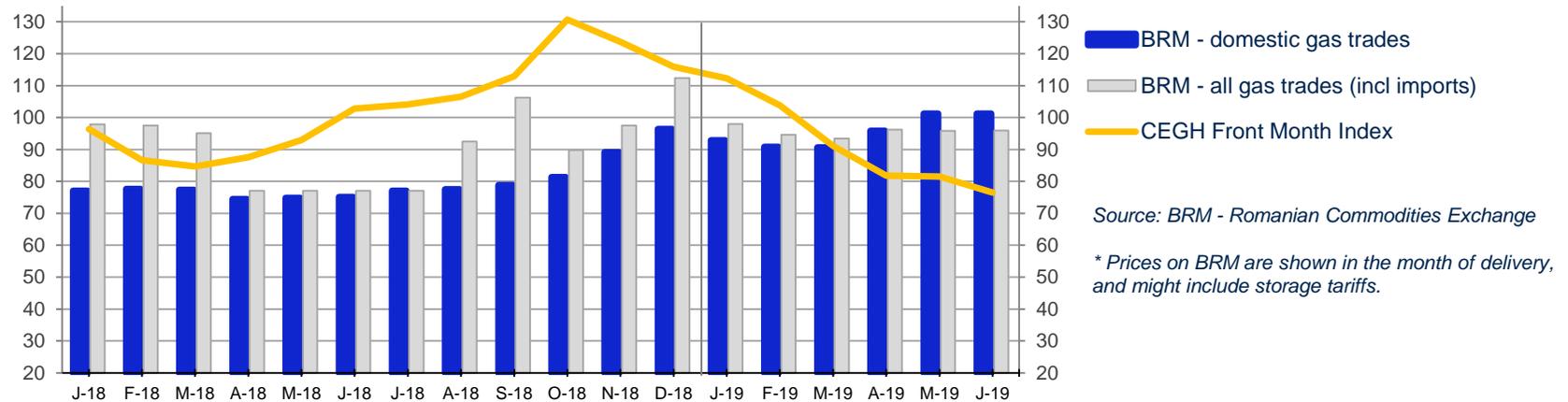
Source: <sup>1</sup> CEIC Data;

<sup>2</sup> Romgaz computation based on companies' reports, Petrom: Romania+abroad, OMV excluding Petrom.

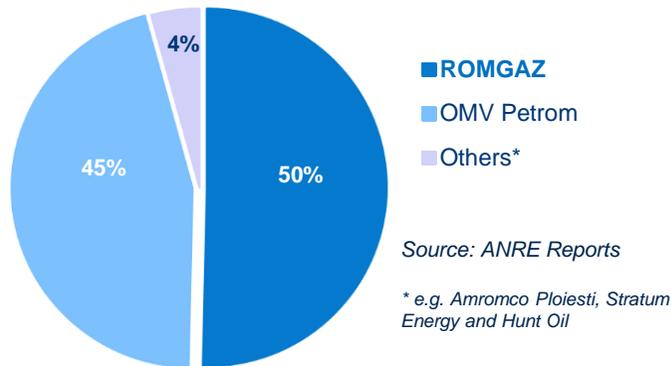
# Economic context and gas market

## Romania: Gas Prices on BRM in 2019 vs 2018, Gas Producers and Final Consumers

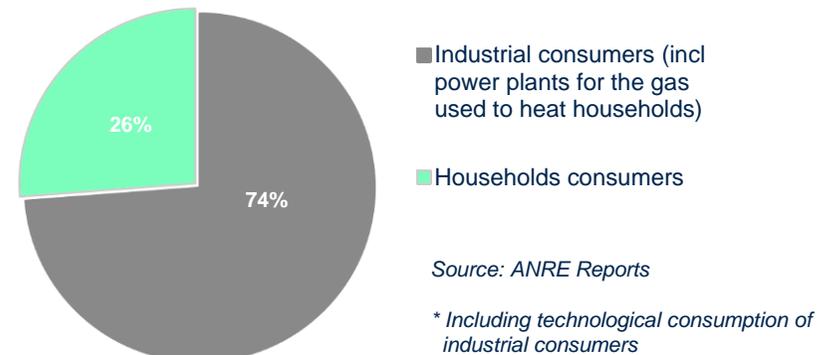
Natural Gas Prices on BRM and CEGH H1/18-H1/19 (RON/MWh) \*



Gas producers in Romania (FY2018)

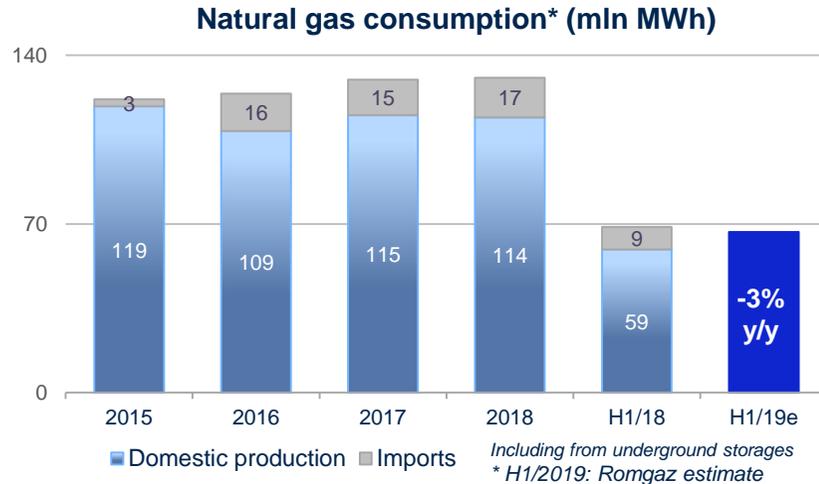


Final Consumers in Romania\* (FY2018)

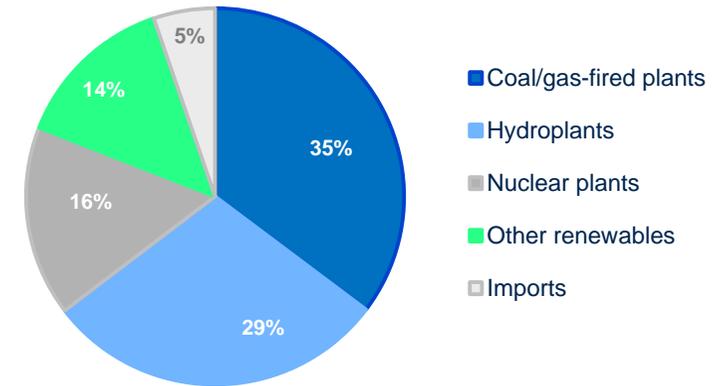


# Economic context and gas market

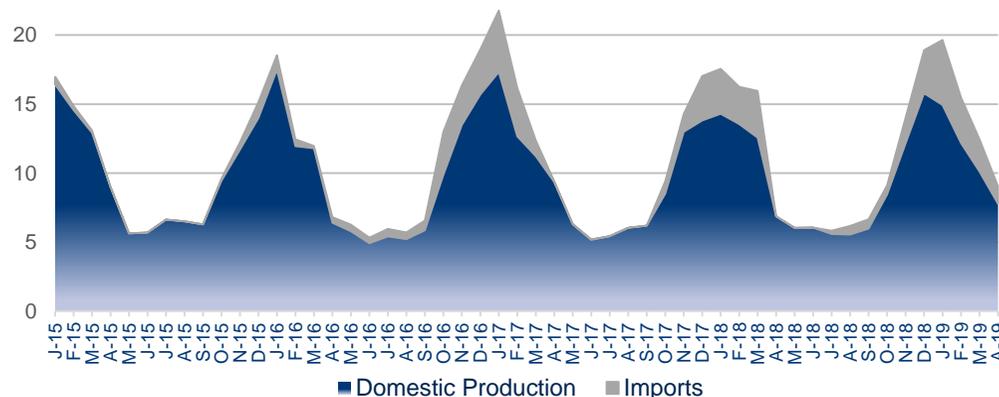
## Romania: Consumption decline estimated at 3% y/y in H1/2019



**Mix of Energy Resources (6mo 2019)\*\***



**Seasonality of Gas Consumption\* (mln MWh)**



Sources:

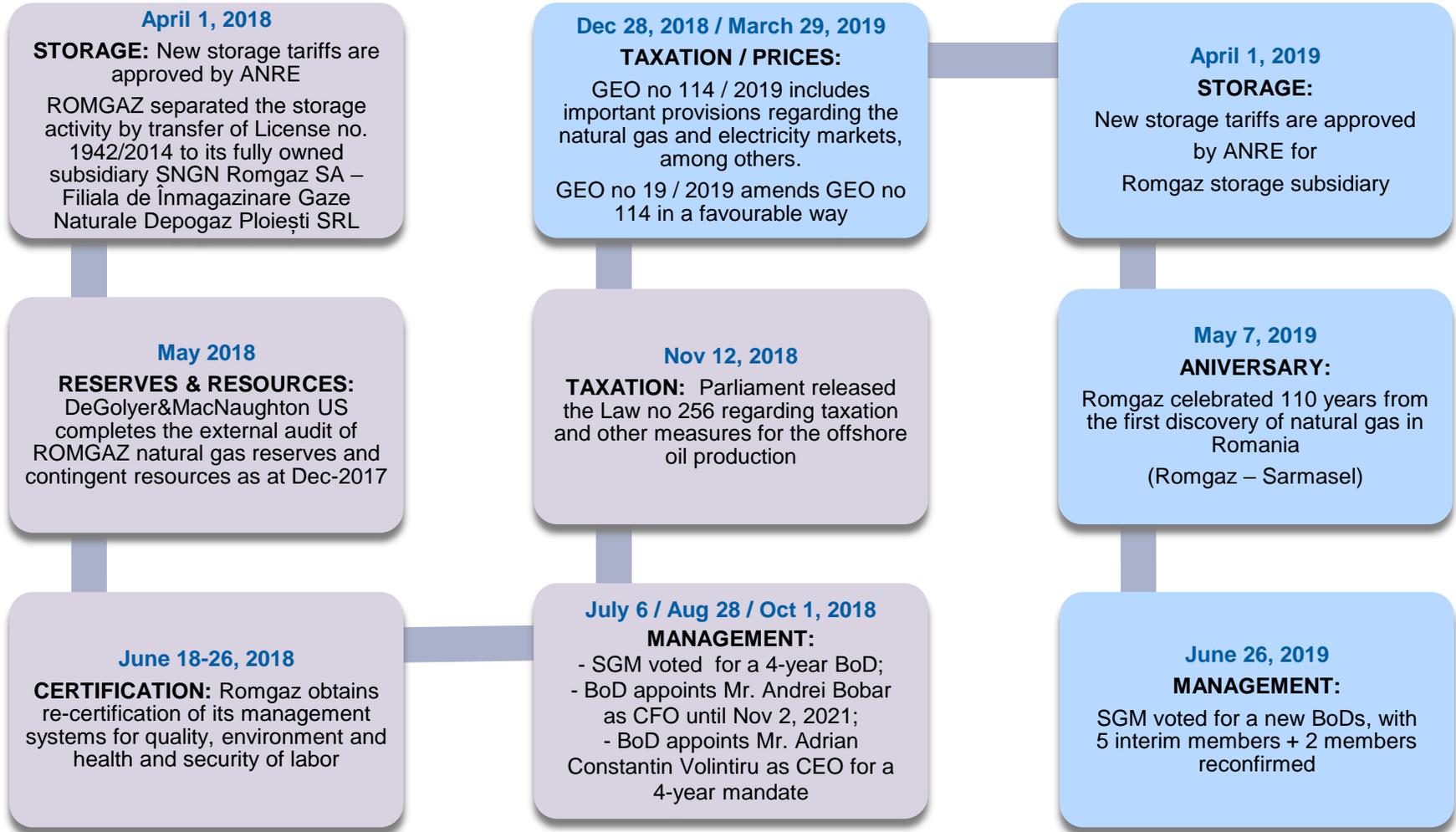
\* ANRE Reports;

\*\* Statistics Institute

# ROMGAZ Group: Highlights for H1/Q2 2019



## Selected Events – relevant for our recent activity



# ROMGAZ Group: Highlights for H1/Q2 2019

## Fiscal framework – main changes with impact on Group's operations

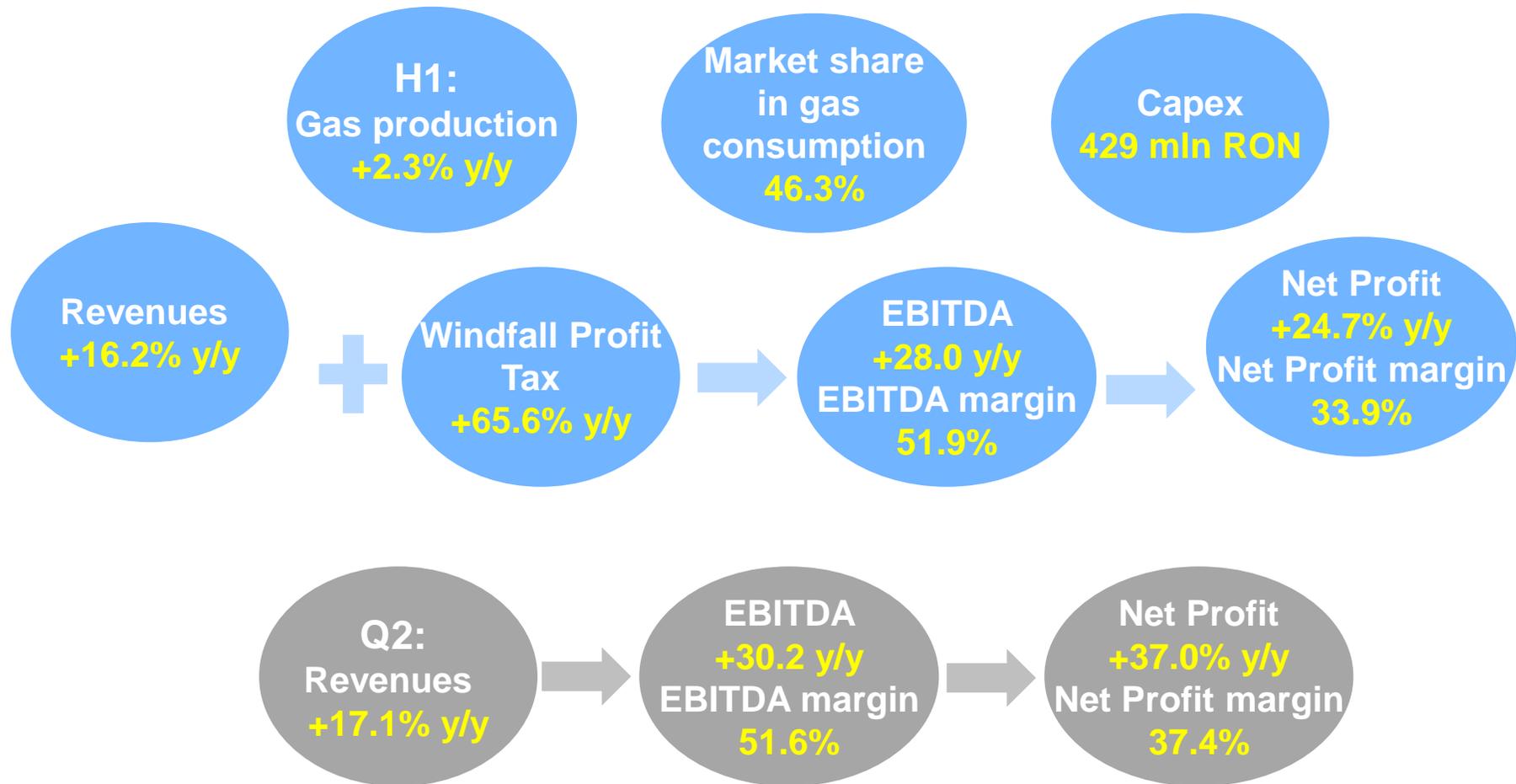
- GEO no. 19 / March 2019 amended GEO no. 114 / Dec 2018 – overall, main provisions for the gas & electricity market include:
  - Gas selling price capped for producers, for the gas sold to households and district heating plants for households: RON 68/MWh;
  - Regulated power prices for households;
  - 2% fee on gas and power revenues or on profit from resales, with deductions;

Distribution of 35% of the equity reserves at end-2018, if distribution does not impact capex plan and is available as cash.

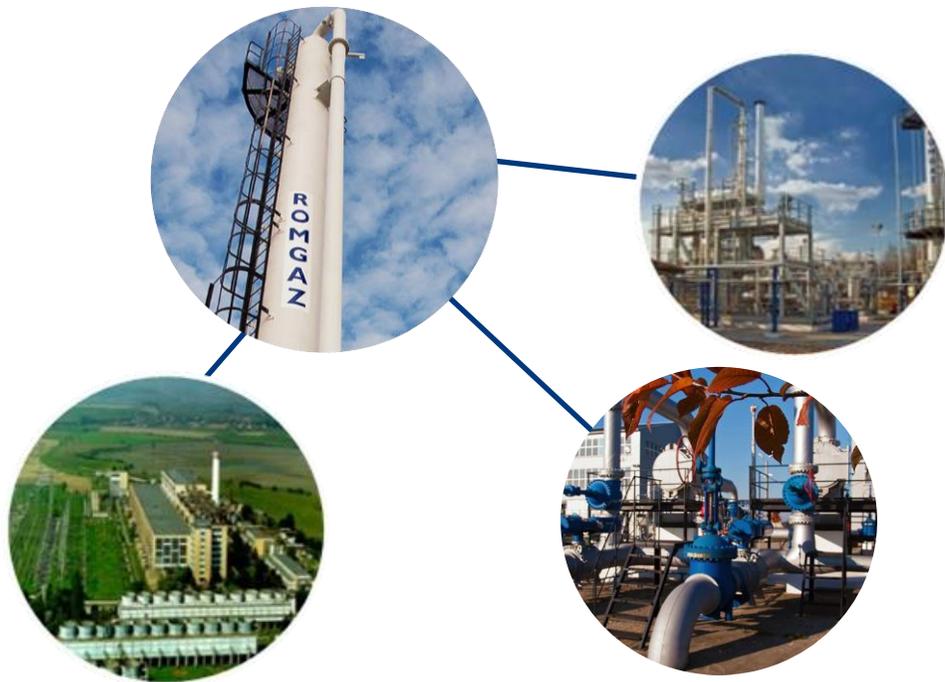
- Gas royalties computation changed - CEGH spot prices now represent the reference price (2018).

# ROMGAZ Group: Highlights for H1/Q2 2019

## Significant developments of Romgaz Group



## Major Producer and Supplier of Natural Gas in Romania



### Other activities

- Include wells workover and recompletions and special well operations, and also - technological transport and maintenance
- Support operations at Group level and third-party clients.

### Gas Exploration, Production & Supply

- 8 exploration blocks (Romgaz - 100% working interest) - significant onshore and offshore exploration potential, important discoveries and enhancements made lately
- **The most important gas producer in Romania** (output of 5.33 bcm in 2018, +2.3% y/y in H1/2019)
- 46.3% market share in the total gas supply in Romania.

### Underground Gas Storage

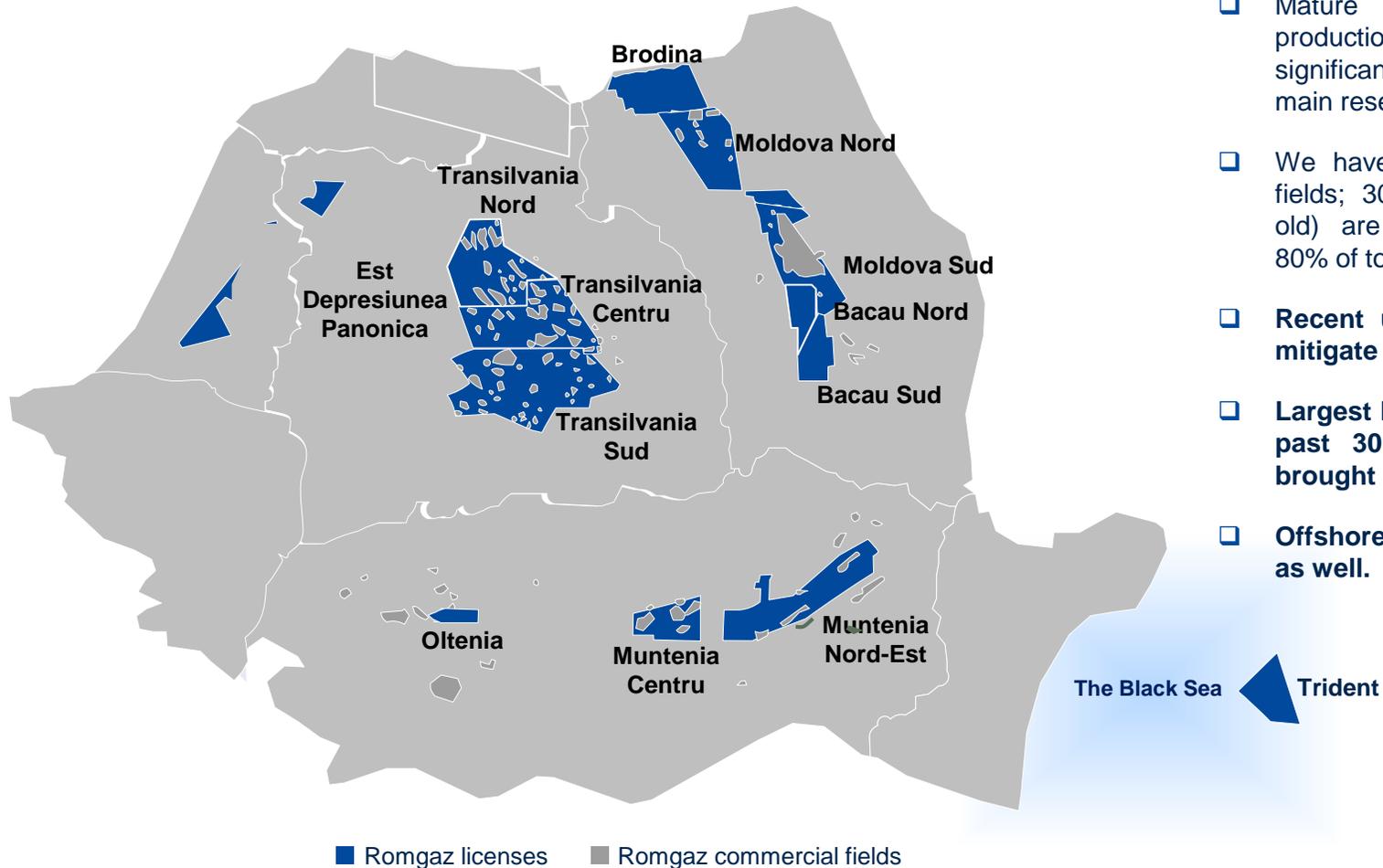
- Working capacity: 2.82 bcm at end-June 2019
- Important investments to secure the gas supply
- **Market share of 91% in Romania**
- Regulated activity (revenue-cap methodology, RR on RAB).

### Electricity Production

- **New power plant in construction (430 MW)**
- Old power plant shrinking operations
- Market share of 1.8% in terms of production in full year 2018.

# Company Overview

## Major Producer and Supplier of Natural Gas in Romania

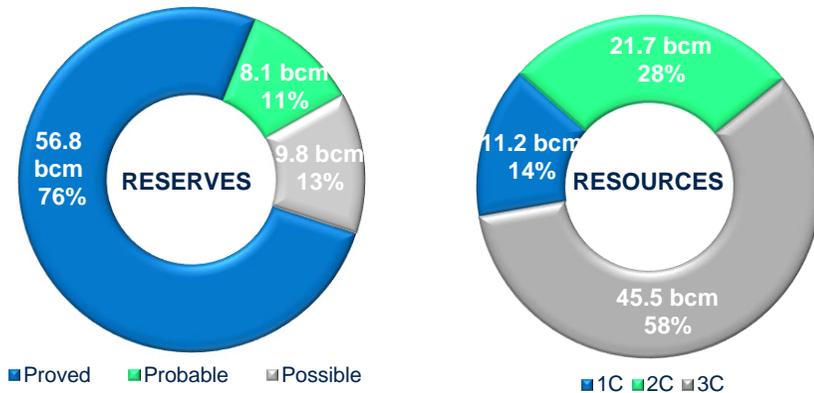


- ❑ Mature area with over 100-year production history – subject to a significant production enhancement of main reservoirs
- ❑ We have 133 operational commercial fields; 30 mature fields (over 30-year old) are currently generating around 80% of total production
- ❑ Recent use of new technologies to mitigate production decline
- ❑ Largest hydrocarbon discovery in the past 30 years (Caragele) - to be brought on stream
- ❑ Offshore discovery in the Black Sea as well.

# Company Overview

Last external audit (Dec-2017): Strong portfolio of resources and reserves, Good prospects

Gas Audited Reserves and Contingent Resources<sup>1</sup> Dec 31, 2017  
(bcm, % of total)

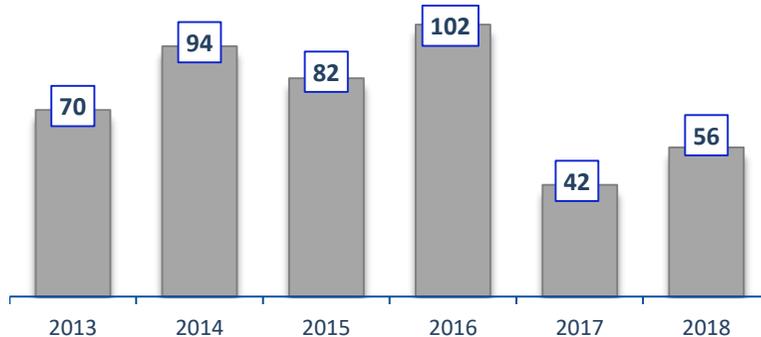


Last external audit of our gas reserves and resources was completed by US DeGolyer&MacNaughton as of Dec-2017.

**Main outcomes:**

- ❑ total C Resources +55% (78.4 bcm at end-2017 vs 50.5 bcm 2 years before)
- ❑ 5-year average RRR of 78% - well above our target of 70%.

Reserves Replacement Rates (RRR) (%)



- ❑ Maintaining and extending our gas reserves and resources represent a strategic priority !
- ❑ Our gas portfolio assures the sustainability of the gas production
- ❑ Diversification / improvement of the gas resources and reserves is achieved through:
  - New discoveries*
  - Enhancement of the recovery rate of the proved reserves*
- ❑ Recovery factors between 55% and 85% for most fields (90% in the more mature fields).

Source: External audit prepared by DeGolyer&MacNaughton USA, as of Dec 31, 2017  
<sup>1</sup> 1C Contingent Resources do include developed proved reserves with exploitation programme after Dec 31, 2042 (which is the expiration date for ongoing concessions)

# Exploration Activities

## Efforts undertaken to unlock the resource potential and secure production



- Concession Agreements in 8 onshore blocks for petroleum operations for 30 years started in Oct 1997
  - 16,210 km<sup>2</sup> in Transylvania, Moldova, Oltenia and Muntenia basins, with 100% working interests
- Plus 1 petroleum agreement for offshore E&P in the Black Sea (with Lukoil).

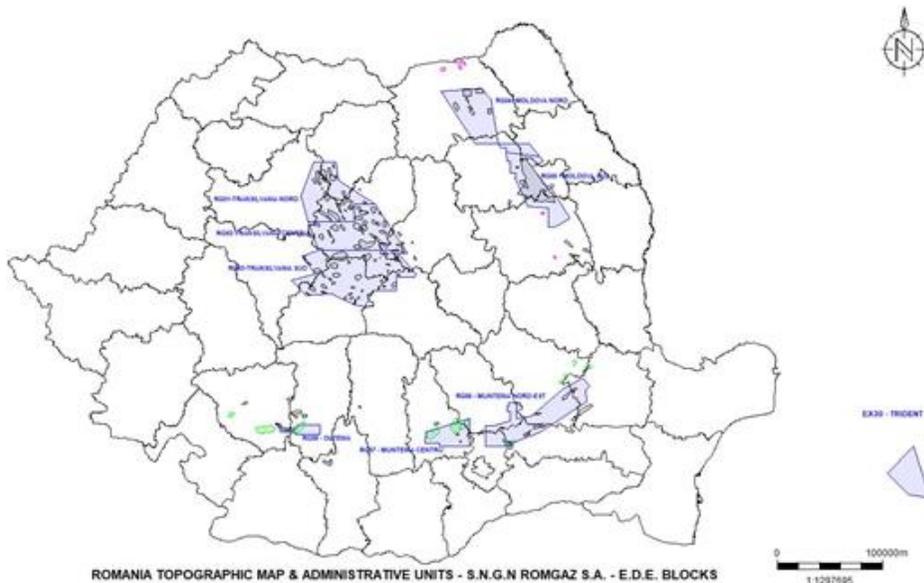
❑ 2 small discoveries located in Transylvania put into experimental production at the beginning of 2019; we need to drill new wells to evaluate

### Romgaz: Oct/2016 – Oct/2021 Minimum Working Commitment as agreed with the National Agency for Mineral Resources (ANRM)

Seismic activities	2D studies (km)	200
	3D studies (km <sup>2</sup> )	1,000
Drilling	No. of wells	43
	Drilling (meters)	113,000
Total investment value agreed (USD mln)		289

# Exploration Activities

## Significant discoveries of natural gas



### On-shore:

- **Largest hydrocarbon discovery in the past 30 years (June 2016):** located in NE of the Moesian Platform in **Caragele** structure – confirmed by production tests with 2 wells
- Estimated contingent resource of 150-170 mln boe (25-27 bcm) in Mezozoic reservoirs at depths between 4,100 - 4,200 m
- Current stage: final phase of obtaining construction authorisations for building 6 evaluation wells (2019-2020) and verification with 4 wells of possible extensions of hydrocarbon accumulations.

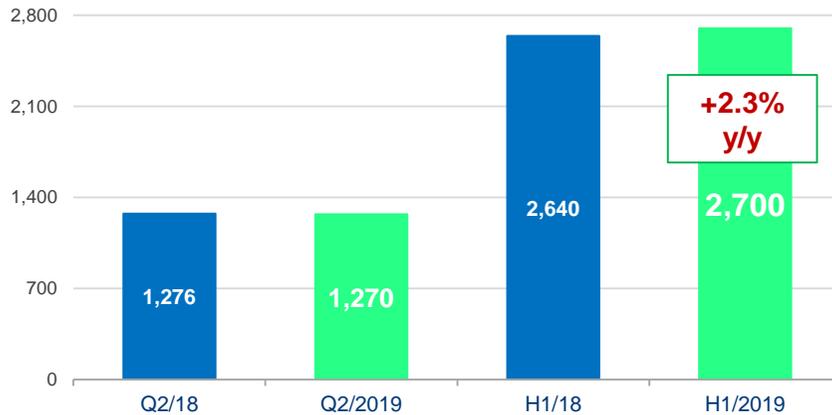
### Off-shore:

- Large discovery announced in the Black Sea, **Trident block** (Oct 2015): gas estimated contingent resource can exceed 30 bcm
- March 2018: SGM approved the increase of Romgaz working interest in the offshore exploration-development-production block EX-30 Trident to 12.2%.
- Current stage: preparation for drilling a new exploration / evaluation well (in the 2<sup>nd</sup> half of 2019).

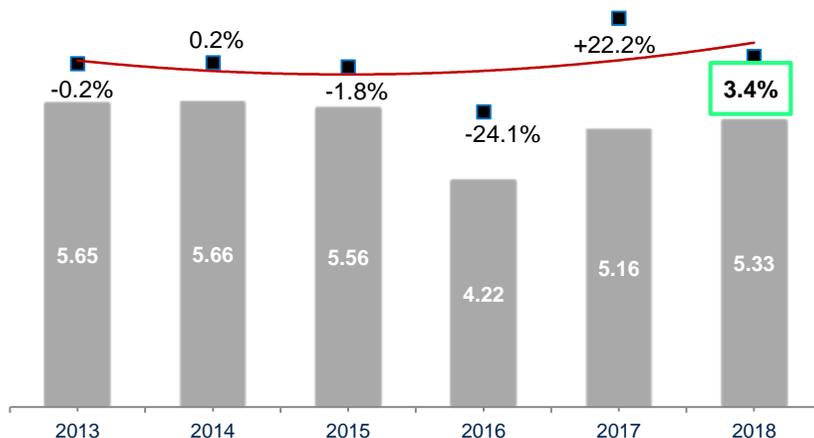
# Natural Gas Production

## H1/2019: Favorable developments, natural decline already limited

Romgaz: Significant Production level in H1 (mln cm)



Romgaz: Annual Gas Production (bcm, y/y change)

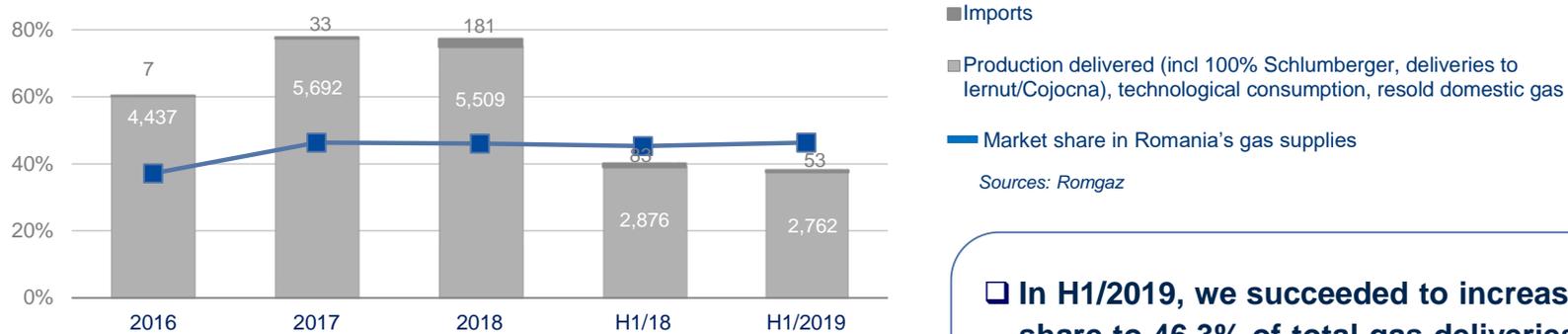


- **H1/2019: natural gas production of 2.70 bcm, +2.3% y/y and +0.3% vs budgeted**
- The good performance was mainly triggered by:
  - *output in Caragele commercial field +93% y/y (wells production maximised after we extended production infrastructure at end-2018)*
  - *bringing on stream of new commercial discoveries*
  - *improved productivity of some gas reservoirs (through the re-allocation of compressors aiming to decrease the gas collecting pressure)*
  - *wells workover programme (finalised for 85 wells with a total production potential of 46 mln cm)*
  - *production optimisation (by using modern methods for wells dehydration and up-to-date measuring equipment and technology for the wells overhaul programmes).*
- **We successfully maintained the Natural Production Decline per year at below 1% during 2013-2019**
- **Favorable perspectives:** previous discoveries (e.g. Caragele) to enter the development stage.

# Gas Supply & Sales

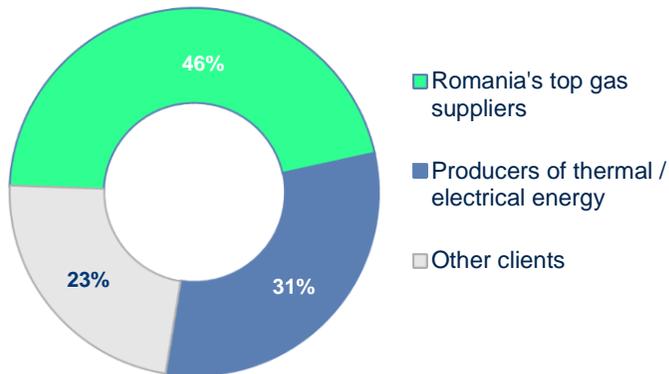
## S1/2019: Increased market share, client portfolio remains strong

**Romgaz: Market share in domestic consumption (% , mln cm)**



- In H1/2019, we succeeded to increase our market share to 46.3% of total gas deliveries in Romania (from 45.3% in the same period of 2018)
- We continue efforts to enhance our sale strategy

**Romgaz: Portfolio of Clients** (quantities of gas sold, H1/2019)



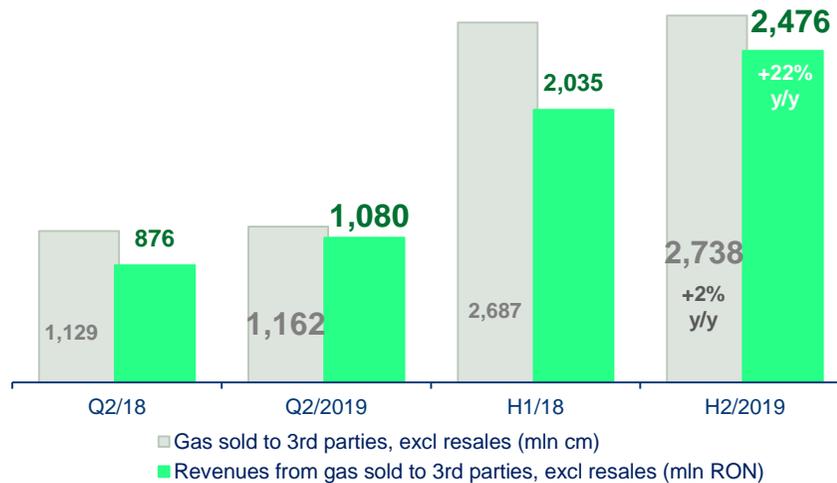
Portfolio breakdown reflects specific quarterly characteristics of gas demand

- We enjoy a strong portfolio of clients
- **Our gas trading strategy aims to:**
  - secure a balanced client portfolio
  - ensure price flexibility by trading on free markets
  - fulfill the domestic market demand.

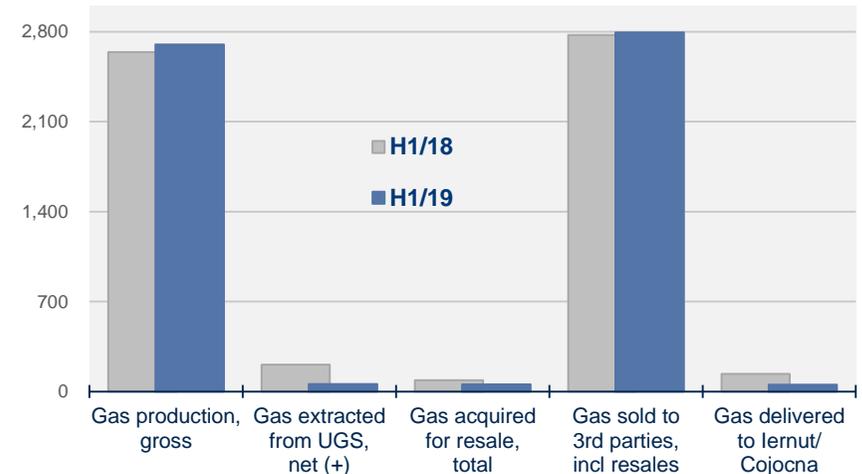
# Gas Supply & Sales<sup>1</sup>

## H1/2019: Robust gas sales to third parties, timely gas chain management

Romgaz: Gas Sales from production  
- revenues and volumes -



Romgaz: Gas Chain Management (mln cm) to meet seasonality and demand



- ❑ **H1/2019:** Gas revenues to 3<sup>rd</sup> parties (excluding gas acquired for resale) +22% y/y, on volumes sold +2% y/y
- ❑ **Q2/2019 alone:** Gas revenues were +23%, on volumes sold +3% y/y
- ❑ We make continuous efforts to improve the gas sale strategy
- ❑ Optimisation of our gas value chain is a priority !

- ❑ Gas sales are accompanied by revenues from storage and electricity production & trade activities
- ❑ Management of gas flow from production to clients is important
- ❑ Gas sales are generally peaking in Q1 and Q4
- ❑ Quarterly deliveries to CTE Iernut are based on fluctuant energy demand.

<sup>1</sup> Consolidated figures, H1/Q2 2018 restated

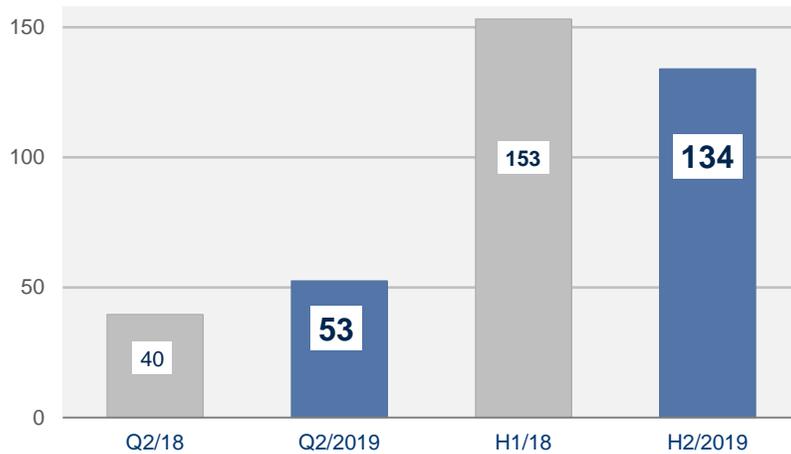
**UPSTREAM SEGMENT CONTRIBUTION: 94% in Revenue and 92% in EBITDA (in H1)**



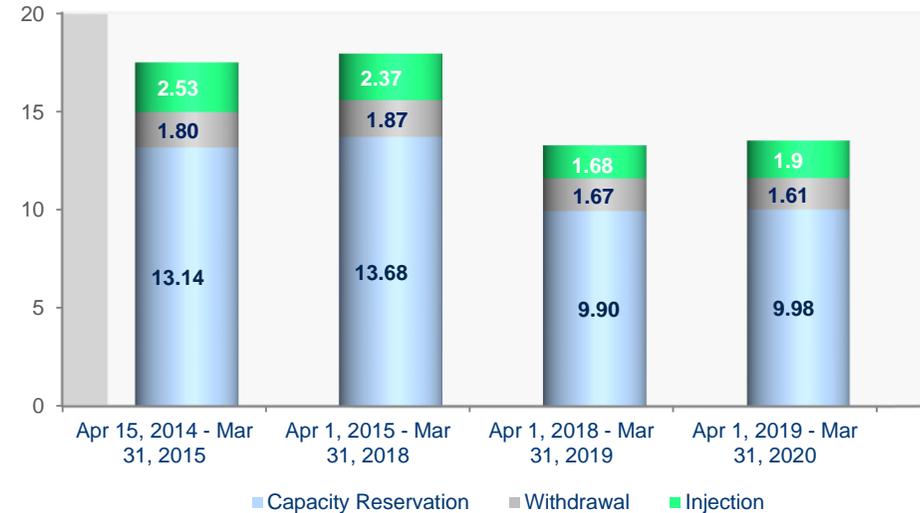
# Underground Gas Storage<sup>1</sup>

## Good performance reported in Q2/2019

**Romgaz: Revenue from Storage Services (mIn RON)**  
- capacity reservation, withdrawal, injection -



**Romgaz: Regulated storage tariffs (RON/MWh)**



- ❑ **H1/2019: UGS revenues of RON 134 mIn, lower by 13% y/y**
- ❑ **Q2/2019: UGS revenues +33% y/y**
- ❑ Evolution mainly reflects the regulated storage tariffs and market environment over the period.

- ❑ Separation of the UGS activity into a distinct legal entity became effective as of April 01, 2018
- ❑ Capacity reservation activity provides the bulk of the UGS revenues (roughly 75%).

<sup>1</sup> Consolidated figures, 2018 restated

**STORAGE SEGMENT CONTRIBUTION: 4% in Revenue and in EBITDA (in H1)**

# Electricity Production & Trading

## Consolidation of position on the Power Sector: Construction of a new power plant

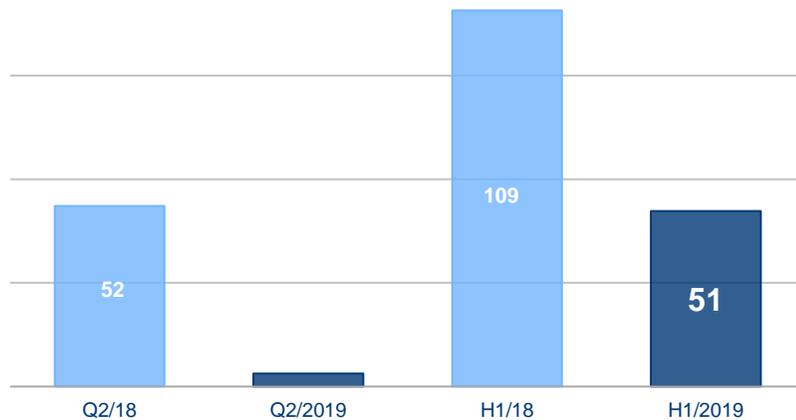
- **Gross electric power: 430 MW**
- **Gross electrical efficiency at nominal load: 56.4%**
- **CCGT Iernut benefits from a strategic positioning** – in the middle of the national electricity system
- **Main roles:** cover national power consumption by acting in the wholesale and balancing markets, ensure ancillary services to the national system, eliminate network constraints in NW Romania
- The Ministry of Energy has approved a non-refundable financing of 25% of the total eligible investment costs from the National Investment Plan
- The plant consists of:
  - 4 gas turbines*
  - 4 recovery boilers for steam production with 3 pressure levels*
  - 2 steam turbines*
- Investment is planned to be finalized in Q1/2020.



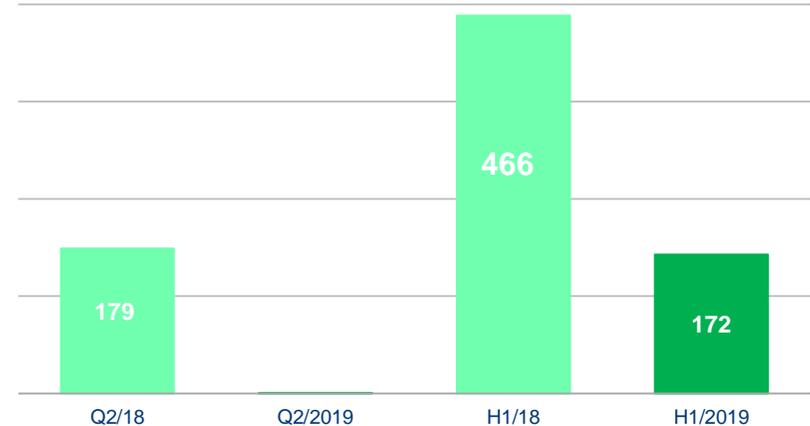
# Electricity Production & Trading<sup>1</sup>

H1/2019: activity gradually lower to make room for the new plant

Romgaz: Revenues from Electricity (mln RON)



Romgaz: Production of Electricity (GWh)



- ❑ H1/2019: Revenues from Electricity at 51 mln RON, as a result of works on the new power plant
- ❑ Q2 alone: Revenues of 4 mln RON
- ❑ Market share of 0.6% in H1 in terms of electricity production (1.8% in 2018).

- ❑ Lower installed capacity to make room for the new plant
- ❑ New power plant – scheduled to be finalized in Q1/2020 !

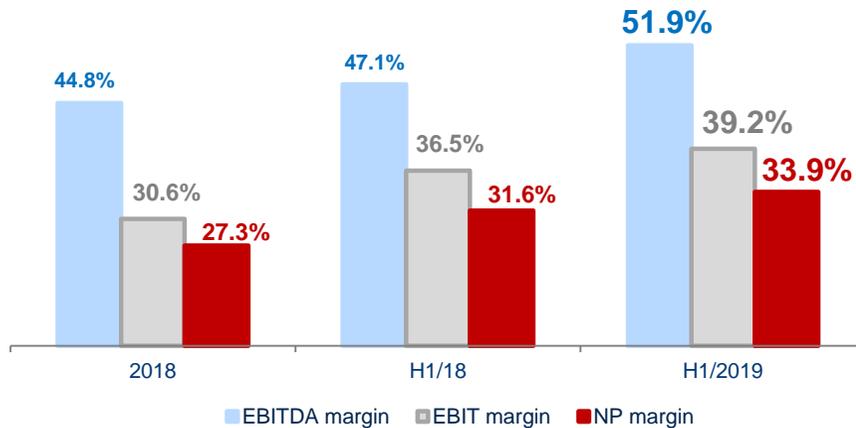
**ELECTRICITY SEGMENT CONTRIBUTION: 2% in Revenue (in H1)**

<sup>1</sup> Consolidated figures, 2018 restated

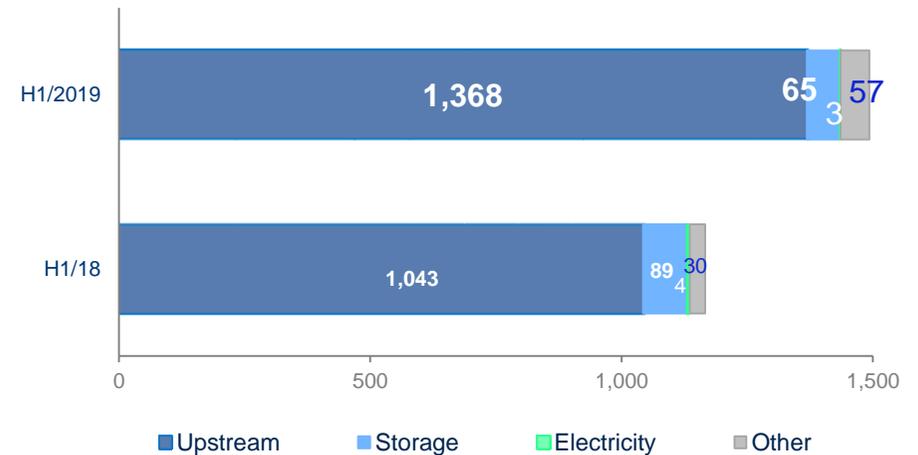
# Financial Performance<sup>1</sup>

## H1/2019: All Profitability margins have advanced

Romgaz: Robust Profitability Rates



Romgaz: EBITDA by Segments (mln RON)



- In H1/2019, profitability rates continued to improve, in spite of unfavourable changes in regulation: *EBITDA of 51.9%, EBIT of 39.2% and Net Profit margin of 33.9%*
- The bulk of Revenues and EBITDA is generated by our core segment **Gas Upstream (Exploration & Production)**.

<sup>1</sup> Consolidated figures, H1 2018 restated

# Financial Performance<sup>1</sup>

## Significant financial performance both in Q2 and overall in H1/2019

### Summary H1/2019

Revenues - total	2.875 mln RON (↗16%)
EBITDA	1.493 mln RON (↗28%)
Net Profit	976 mln RON (↗25%)
EBITDA margin	51.9%
NP margin	34.0%
No of employees	6,171 (↘1% vs Dec)

### Summary Q2/2019

EBITDA	599 mln RON (↗30%)
Net Profit	434 mln RON (↗37%)
EBITDA margin	51.6%
NP margin	37.4%

- ❑ Revenues advanced both in Q2 and in H1 mostly due to sales from our gas production
- ❑ We recorded higher taxes in H1:
  - windfall profit tax of RON 441 mln (H1/18: RON 266 mln)
  - gas&UGS royalties of RON 204 mln (H1/18: RON 197 mln)
  - 2% new tax: RON 42 mln
- ❑ Bottom line improved and profitability margins advanced to more robust levels

Million RON	2017	2018	Q2/18	Q2/19	H1/18	H1/19	%ch
<b>Revenues - of which</b>	<b>4,585</b>	<b>5,004</b>	<b>992</b>	<b>1,162</b>	<b>2,475</b>	<b>2,875</b>	16.2%
Gas Production	3,512	3,978	876	1,080	2,035	2,476	21.7%
Gas acquired for resale	51	217	2	7	86	87	0.8%
Storage	506	298	40	53	153	134	-12.5%
Electricity	464	297	52	4	109	51	-53.3%
Other services	34	189	17	7	81	105	30.3%
<b>Other income</b>	<b>364</b>	<b>18</b>	<b>1</b>	<b>14</b>	<b>4</b>	<b>20</b>	351.3%
Cost of commodities sold	(61)	(245)	(17)	(13)	(103)	(90)	-12.5%
Changes in inventory	(187)	(32)	32	40	(65)	(9)	-86.2%
Raw materials	(64)	(75)	(18)	(20)	(35)	(40)	15.6%
Exploration expense	(183)	(247)	(56)	(14)	(113)	(24)	-78.2%
Headcount expense	(563)	(621)	(162)	(172)	(286)	(308)	7.8%
Other gains and losses	(122)	(103)	(22)	(18)	(46)	(26)	-43.1%
Impairment losses on trade receivables*	-	(20)	(6)	(12)	(19)	(30)	58.1%
Associate's result share	1	1	0	(0)	1	1	
Other expenses	(1,102)	(1,409)	(276)	(363)	(633)	(864)	36.5%
<b>EBITDA</b>	<b>2,650</b>	<b>2,240</b>	<b>460</b>	<b>599</b>	<b>1,166</b>	<b>1,493</b>	28.0%
<b>EBITDA margin**</b>	<b>57.8%</b>	<b>44.8%</b>	<b>46.4%</b>	<b>51.6%</b>	<b>47.1%</b>	<b>51.9%</b>	
<b>D&amp;A</b>	<b>(552)</b>	<b>(708)</b>	<b>(106)</b>	<b>(102)</b>	<b>(262)</b>	<b>(365)</b>	39.5%
<b>EBIT</b>	<b>2,097</b>	<b>1,532</b>	<b>354</b>	<b>497</b>	<b>904</b>	<b>1,127</b>	24.7%
<b>EBIT margin</b>	<b>45.7%</b>	<b>30.6%</b>	<b>35.7%</b>	<b>42.8%</b>	<b>36.5%</b>	<b>39.2%</b>	
Net Interest income	22	53	15	13	26	24	-8.7%
<b>PROFIT BEFORE TAX</b>	<b>2,120</b>	<b>1,585</b>	<b>369</b>	<b>510</b>	<b>930</b>	<b>1,151</b>	23.8%
Income tax	(316)	(219)	(52)	(76)	(147)	(175)	19.1%
<b>NET PROFIT</b>	<b>1,804</b>	<b>1,366</b>	<b>317</b>	<b>434</b>	<b>783</b>	<b>976</b>	24.7%
<b>Net margin</b>	<b>39.3%</b>	<b>27.3%</b>	<b>31.9%</b>	<b>37.4%</b>	<b>31.6%</b>	<b>33.9%</b>	

<sup>1</sup> Consolidated figures, H1/Q2 2018 restated

\* Separated from "Other gains and losses" due to the application of IFRS 15 in 2018

\*\* 2017: EBITDA margin of 52.7% if adjusted for the RON 244 mln one-off income

# Financial Performance<sup>1</sup>

## Strong B&S Structure, Debt-free at end-H1 2019

- **Debt-free Balance Sheet**
- **At the end of H1/2019, total cash position amounted to RON 866 mln** (cash, bank depots and govt's treasury bonds)

### Romgaz: Selected Cash Flow Items

Mln RON	2017 restated	2018 restated	H1/2019
Net profit for the period	1,804	1,366	976
Operating Cash Flow before Δ WC and Income tax	2,957	2,537	1,520
Movements in working capital	104	(60)	89
Net Cash flows from operating activities	2,751	2,143	1,422
Net Cash flows from investing activities	(585)	814	204
Net Cash flows from financing activities	(2,220)	(2,617)	(1,607)
Net change in cash and cash equivalents *	(53)	340	20

\* This line reflects only the change in cash and cash equivalent (i.e. bank accounts with maturity lower than 3 months)

<sup>1</sup> Consolidated figures

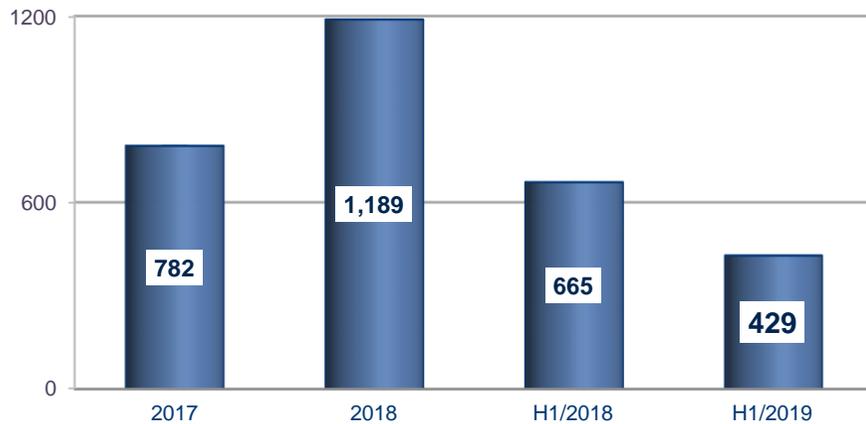
### Romgaz: Selected Balance Sheet Items

Mln RON	Dec 31, 2017 restated	Dec 31, 2018 restated	June 30, 2019
<b>Total non-current assets, thereof</b>	<b>6,393</b>	<b>6,445</b>	<b>6,412</b>
Property plant and equipment	6,222	6,280	6,228
Investment in associates	23	23	24
Deferred tax asset	70	127	137
Other financial assets	70	10	5
Other assets (leasing related)			8
<b>Total current assets, thereof</b>	<b>4,526</b>	<b>2,690</b>	<b>1,854</b>
Inventories	390	246	236
Trade and other receivables	816	826	583
<b>Govt securities and bank depots (+3mo maturity)</b>	<b>2,787</b>	<b>881</b>	<b>279</b>
<b>Cash and equivalents</b>	<b>227</b>	<b>567</b>	<b>587</b>
Contract costs	-	1	0
Other assets	306	169	169
<b>Total assets</b>	<b>10,919</b>	<b>9,135</b>	<b>8,266</b>
<b>Shareholders' Equity</b>			
Share capital	385	385	385
Reserves	2,313	1,825	1,568
Retained earnings	6,277	5,458	5,084
<b>Total Shareholders' Equity</b>	<b>8,995</b>	<b>7,669</b>	<b>7,037</b>
<b>Non-current liabilities, thereof</b>	<b>802</b>	<b>670</b>	<b>674</b>
Provisions	682	510	510
Retirement-related provisions	119	139	135
<b>Current liabilities, thereof</b>	<b>1,142</b>	<b>796</b>	<b>554</b>
Trade payables	606	187	139
Contract liabilities	-	46	20
Current tax liabilities	129	68	66
Provisions	77	94	44
<b>Total liabilities</b>	<b>1,943</b>	<b>1,466</b>	<b>1,228</b>
<b>Total equity and liabilities</b>	<b>10,919</b>	<b>9,135</b>	<b>8,266</b>

# Investments<sup>1</sup>

## Key role in the company's sustainable development - H1/2019 developments

Romgaz: Capital Expenditures (RON mln)



□ H1/2019: capex stood at RON 429 mln

□ Investments are financed from the company's own sources and from National Investment Plan for the new Power Plant

➤ We finalised 3 exploration wells, 22 wells are prepared for drilling, and others are in progress

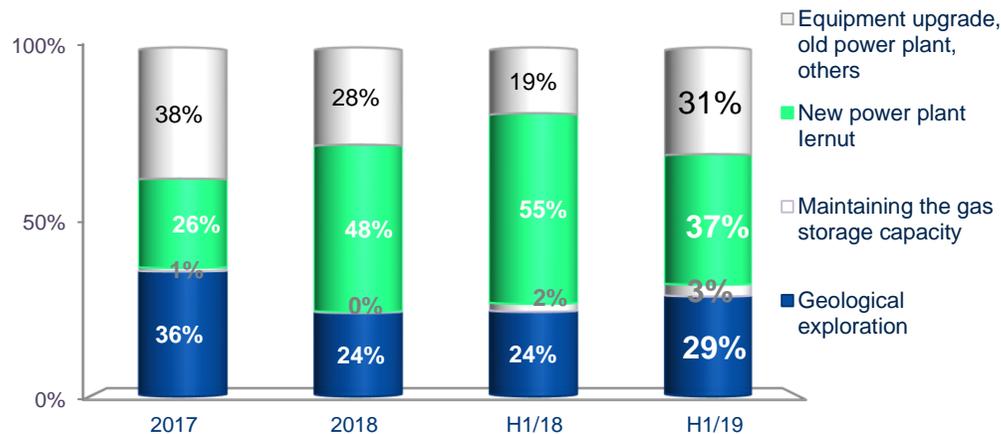
➤ We also performed in-house modernization works for 84 wells

➤ For the new power plant Iernut, construction works were carried out for the electric and command buildings, the engine room, the water treatment station, the cooling water pumping station and the foundations and the superstructure for equipments and technological installations

➤ UGS - we put into operation fixed assets amounting RON 4.7 mln

➤ We carried out preparatory activities for the new objectives.

Romgaz: Breakdown of Investments



<sup>1</sup> Consolidated figures

# Main Strategic Objectives

## Strong Commitment for Business Development

### VISION

- Romgaz proposes to be an active, profitable and competitive player on the gas & electricity production market
- Romgaz has to pursue both an intensive development on the local market and an international development in order to become an important player on the regional energy market

Increase the gas resources and reserves portfolio.  
Discovery of new resources.  
Increase production efficiency of current resources

Consolidate the position on the energy supply markets.  
Integration on the renewable energy market

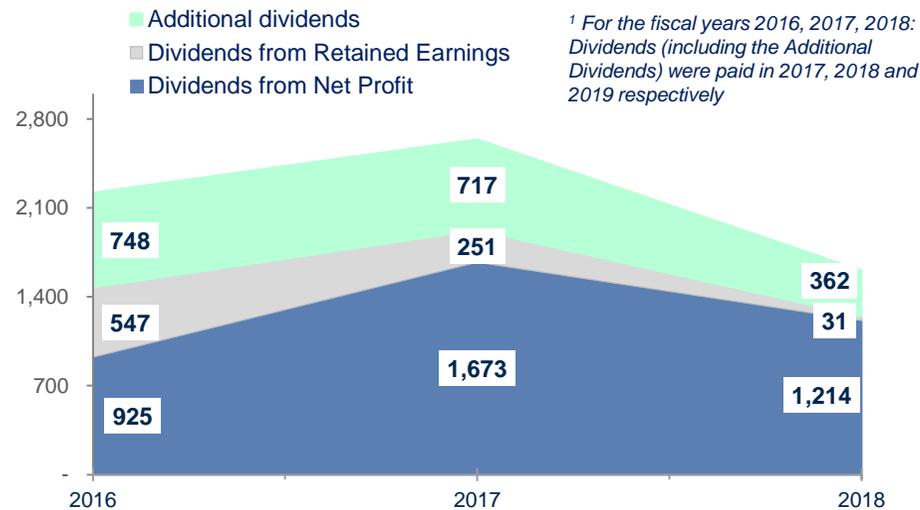
Create value for shareholders by developing new services and products

Business development by approaching new internal and international markets

# Dividend distribution

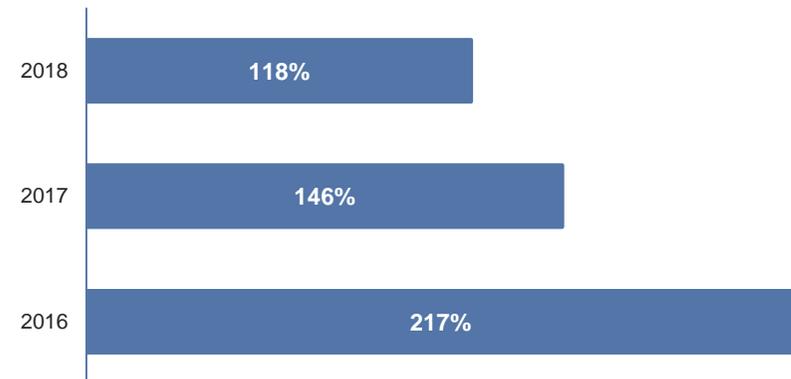
## Significant Dividends cashed-out to please investors

**Romgaz: History of Gross Dividend Distribution<sup>1</sup> (RON mln)**



**Romgaz: Gross Dividend Payout ratios\***

\* Payout ratios computed as:  
Total Gross Divids (incl Additional Divids) / annual Net Profit of the Group



- ❑ **Gross Dividend decided by the SGM on April 25, 2019: RON 4.18 / share in total (including the amount decided according to GEO no 114/2018)**
- ❑ Majority state-owned companies are required to distribute at least 50% of the annual NP in the form of dividends to shareholders.

# Romgaz Group – Investment Case

## Why to invest in Romgaz shares

<ul style="list-style-type: none"> <li>➤ <b>Operational excellence / robust margins</b></li> </ul>	<p>EBITDA margin of 51.9% in H1/2019 EBIT margin of 39.2%, Net Profit margin of 34% as well</p>
<ul style="list-style-type: none"> <li>➤ <b>High dividend payout ratios to please investors</b></li> </ul>	<p>Gross Dividend payout ratio of 118% for 2018 (computed as Total Gross Dividends per 2018 Net Profit of the group)</p>
<ul style="list-style-type: none"> <li>➤ <b>Strong cash reserves</b></li> <li>➤ <b>Debt free B&amp;S</b></li> </ul>	<p>We are able to finance by ourselves the investment program Cash<sup>1</sup> / Mktcap =7% (share price at August 9, 2019)</p>
<ul style="list-style-type: none"> <li>➤ <b>Among top gas producers in Romania and one of the largest in the region as well</b></li> </ul>	<p>Favorable market share in terms of gas production in Romania Main operator of the Underground Gas Storages in Romania Holder of large gas reserves among European countries</p>
<ul style="list-style-type: none"> <li>➤ <b>Strong base of gas reserves in Romania</b></li> </ul>	<p>Based on our investment policy, we intend to maintain the reserves level and the high RRR (avg of 78% during 2013-2017)</p>
<ul style="list-style-type: none"> <li>➤ <b>Expected opening of the export gas markets</b></li> </ul>	<p>Export markets will enlarge our client portfolio, with positive outcome on revenues</p>
<ul style="list-style-type: none"> <li>➤ <b>Important investment plans in Romania</b></li> </ul>	<p>Capex are generally focused on exploration - now we are building a new power plant to strengthen position on the electricity market; also we plan to diversify our investment portfolio in order to increase profitability</p>
<ul style="list-style-type: none"> <li>➤ <b>Prudent investment policy for projects abroad</b></li> </ul>	<p>Minority participations aimed to minimize the operational risk and to avoid the waste of our cash reserves</p>
<ul style="list-style-type: none"> <li>➤ <b>Strong management team, skilled workforce</b></li> </ul>	<p>Management team has significant expertise in the sector, headcount is strongly committed</p>

<sup>1</sup> considering all cash equivalents at June 30, 2019, consolidated figure

# The Board: Balanced Team of Professionals



## Manuela Petronela Stan Olteanu

**BoDs Chairperson**

**Chairperson of the Nomination and Remuneration Committee**

**Manuela Petronela Stan Olteanu** was elected Chairperson of ROMGAZ BoDs in July 2019, and interim member for a 4-month mandate in June 2019. Her expertise includes top positions such as Chairperson / BoDs member in the offshore oil&gas regulator ACROPO (since 2018), Conpet and Hidroserv (2017-2018), Powerplant Midia (since 2017), Electrocentrale Group and Electrocentrale Bucuresti (2017). Also, she held top positions with the Romanian Government and AVAS.

## Nicolae Havrilet

**Chairman of the Strategy Committee**

**Nicolae Havrilet** was appointed interim member of ROMGAZ BoDs for a 4-month mandate in June 2019.

Key positions in the energy sector include: Counsellor within the Energy Ministry (since 2018), Chairman of the national oil&gas regulator ANRE (2012-2017) and General Manager of Gascop SRL (2001-2012).

Also, he held positions in certain other regulating bodies in the energy sector in Romania.

## Caius Mihai Parpala

**Caius Parpala** was appointed interim member of ROMGAZ BoDs for a 4-month mandate in June 2019.

He held top management positions in Mures Water Administration Company (since 2012) and Autonomous Regia of Municipal Roads Arad (2004-2012, 1997-2000).

## Tudorel Harabor

**Tudorel Harabor** was appointed interim member of ROMGAZ BoDs in June 2019. His experience includes positions such as General Manager of the Federation of European Producers of Abrasives FEPA (2007-2019), special administrator of Gerovital Cosmetics (2017) and Economic Manager of the Health Insurance House (2005-2006).

## Nicolae Cîmpeanu

**Nicolae Cîmpeanu** was appointed interim member of ROMGAZ BoDs in June 2019. He was previously member of the BoDs of Oil Terminal Constanta (2018), and also held various positions in OMV Petrom Group (2008-2019) and Petrom.

## Romeo Cristian Ciobanu Independent

**Romeo Ciobanu** was re-confirmed member of ROMGAZ BoDs in June 2019 (4-year mandate starting mid-2018). He also was member of BoDs of Romgaz (since 2017), of Electrocentrale Iasi (2002-2004) and of other companies (1997-2002). He is Manager of Politech Iasi (since 2016) and Professor at Technical University of Iasi (since 2000). He holds an MBA at Technical University of Iasi, a PhD in Electronic Technology and Reliability, and a PhD in Chemistry and Chemical Technology.

## Petrus Antonius Maria Jansen

**Independent**

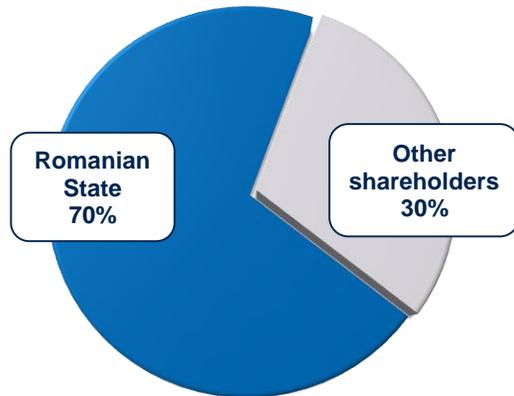
**Chairman of the Audit Committee**

**Petrus Jansen** was re-confirmed member of ROMGAZ BoDs in June 2019 (4-year mandate starting mid-2018).

He also held this position previously during 2013-2018. He is Principal Lecturer / Director of Academic Program at London School of Business and Finance (since 2013). Petrus Jansen holds an MBA at NIMBAS, Utrecht, University of Bradford UK.

# Shareholding Structure and Stock Performance

Among blue-chips on the domestic capital market Romgaz



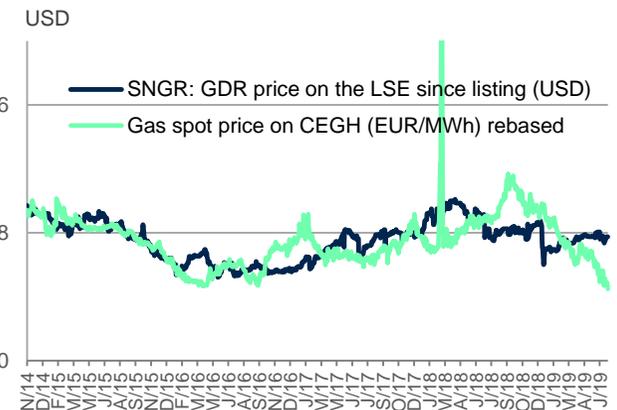
12M - Share Price Performance on the BVB		
Period	Min (RON)	Max (RON)
Q3/18	30.20	36.85
Q4/18	27.80	36.30
Q1/19	27.35	32.70
Q2/19	31.50	35.10

**12M Total Traded Value (Q3/18 – Q2/19):**  
**856 million RON or 0.7 million EUR/day**



- ❑ Shareholding structure: the Romanian State (Ministry of Energy) majority shareholder – 70%, Free Float - 30% (shares traded on the BVB and GDRs traded on the LSE)
- ❑ Romgaz ranks the **2<sup>nd</sup> largest** domestic stock traded on the BVB – mktcap of EUR 2.7 bn \*)
- ❑ The **4<sup>rd</sup> most traded** stock on the BVB \*)
- ❑ Included in BVB's main indices (weighing 29% in energy and utilities BET-NG index, and between 10%-11% in BET, BET-XT, BET-TR, ROTX)
- ❑ Included in main global indices with allocation on Romania (such as FTSE, MSCI, S&P, STOXX, Russell Frontier).

Total no of shares: 385.42m



\*) Based on the trading price on Aug 9, 2019, and on BVB's H1/2019 trading statistics

# THANK YOU FOR YOUR ATTENTION !



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Cristina Hulpus  
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## Financial Calendar 2019

- Aug 14: Release of the H1/Q2 2019 Financial Results  
Conference call with financial analysts & investors  
Press Conference
- Nov 14: Release of the 9M/Q3 2019 Financial Results  
Conference call with financial analysts & investors