



ROMGAZ



9M/Q3 2020 Financial and Operational Results

November 2020



SISTEM DE MANAGEMENT INTEGRAT



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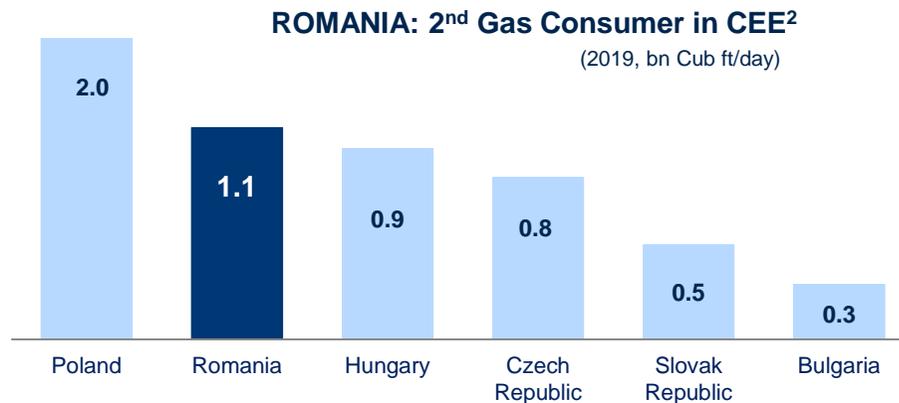
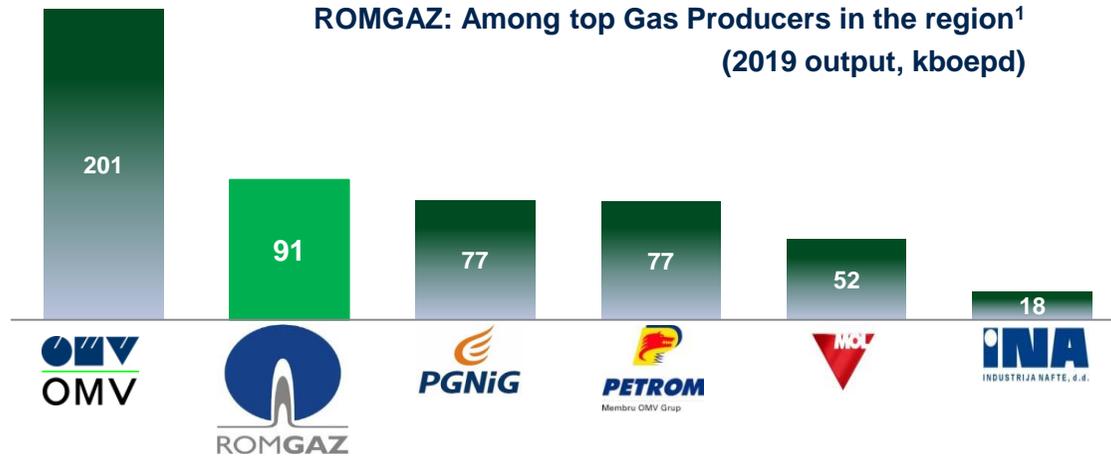
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All figures included in this presentation are rounded ("round to nearest" method).

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Gas market overview

Romania: among TOP gas consumers & producers in the region



Natural gas - important clean source of energy.

In the region:

⇒ ROMGAZ – 2nd gas producer

⇒ ROMANIA – 2nd gas consumer in CEE !

Source:

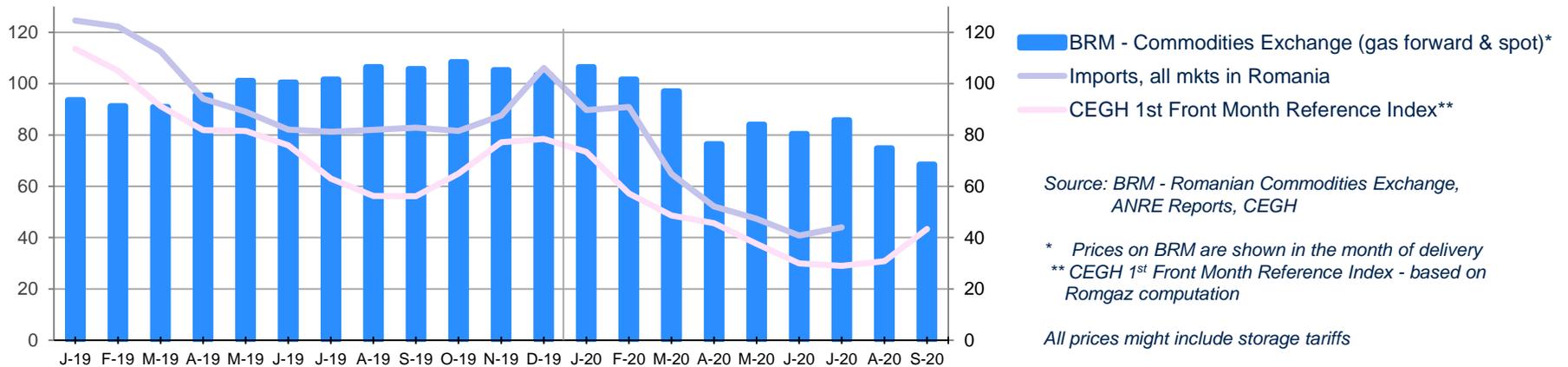
¹ Romgaz computation based on companies' reports, Petrom: Romania+abroad, OMV excluding Petrom.

² CEIC Data;

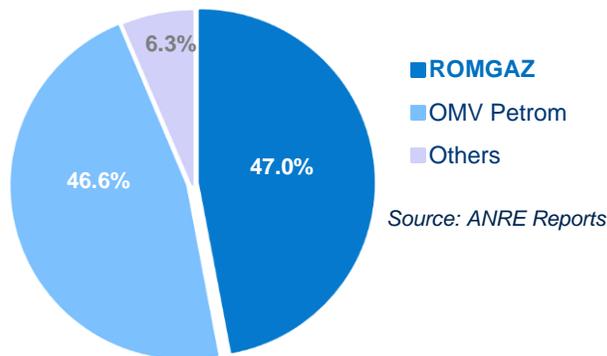
Gas market overview

Romania: Prices on the Commodities Exchange, Market structure

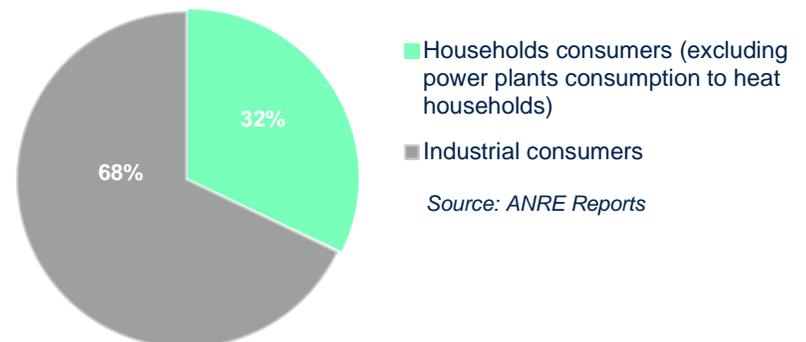
Natural Gas Prices on BRM, Imports and CEGH (RON/MWh)



Gas producers in Romania (7M/2020)



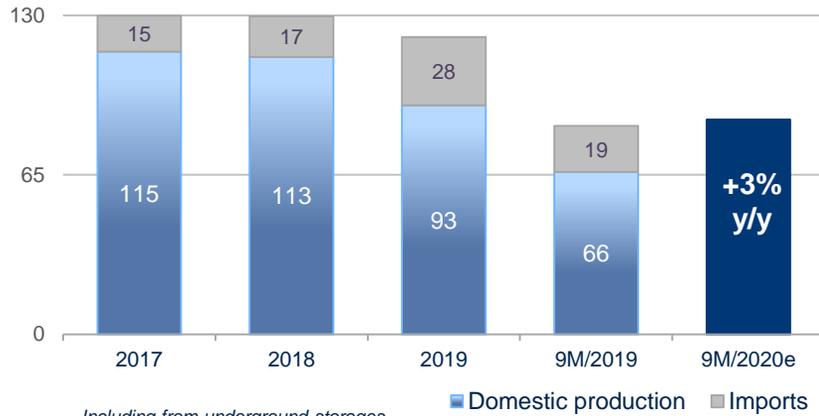
Final Consumers in Romania (7M/2020)



Gas market overview

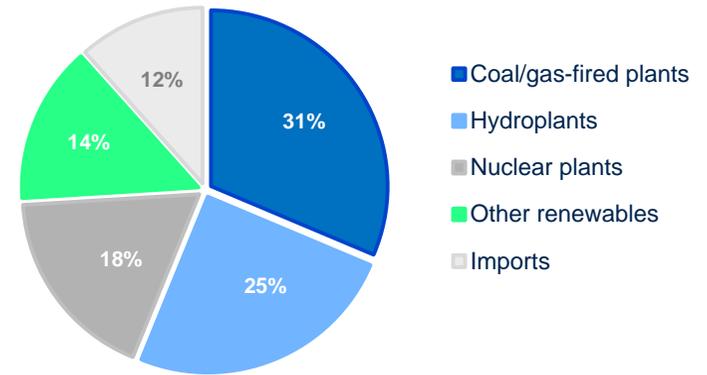
Romania: Total Gas Consumption slightly up y/y in 9M/2020 (our estimate)

Total Natural Gas Consumption* (mIn MWh)

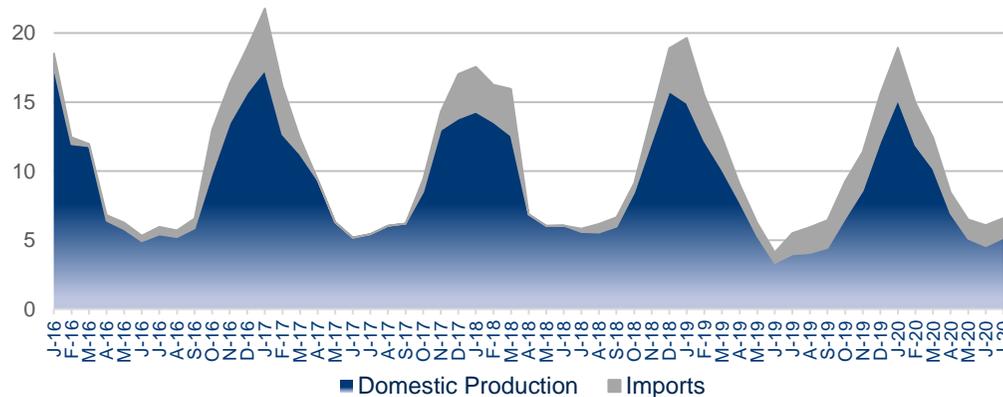


Including from underground storages
* ANRE Reports, Romgaz estimate for 9M/2020

Mix of Energy Resources (9M/2020) **



Seasonality of Gas Consumption* (mIn MWh)

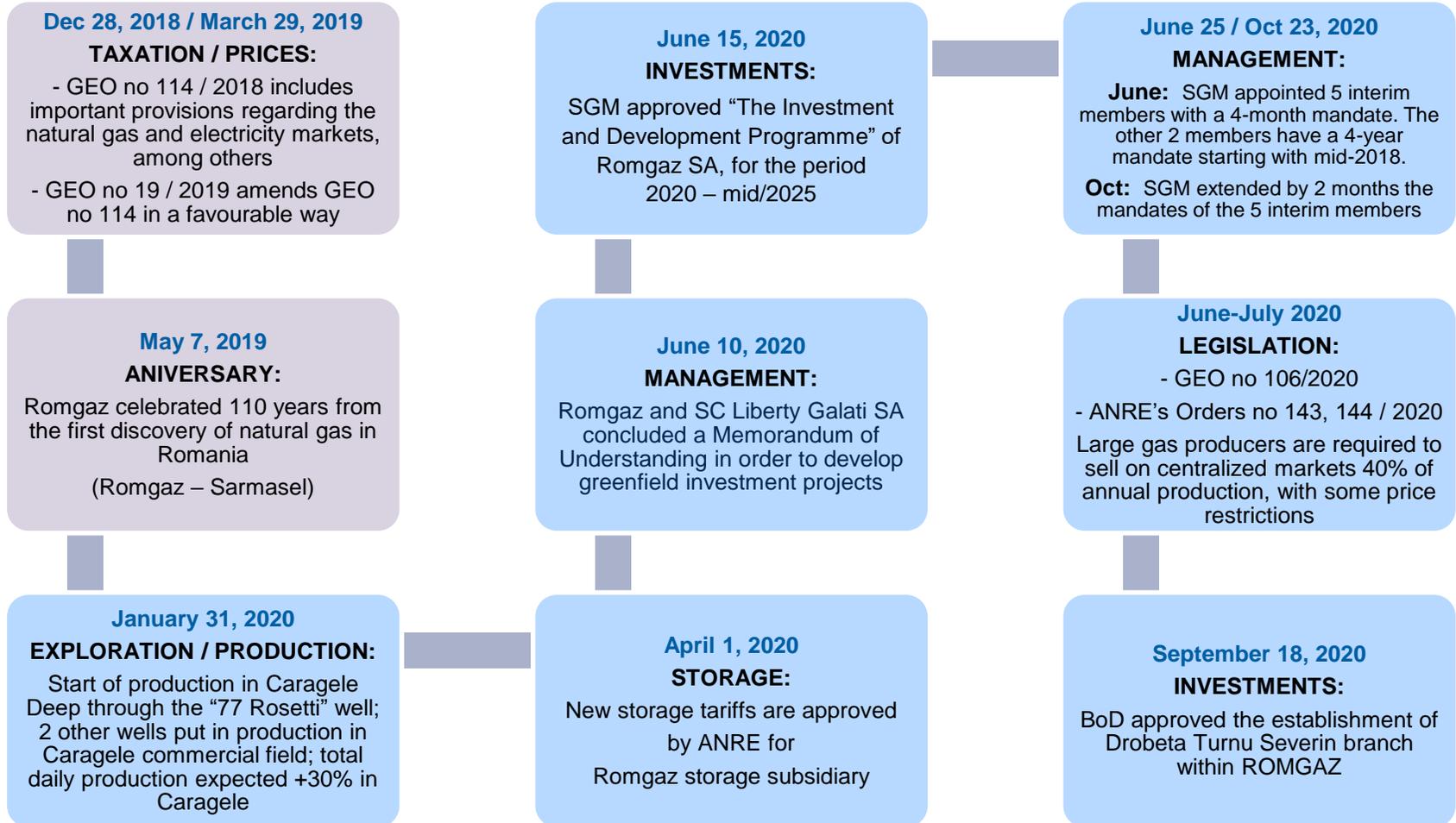


Sources of charts data:
* ANRE Reports;
** Statistics Institute

ROMGAZ Group: Highlights of events



Selected Events – relevant for our activity



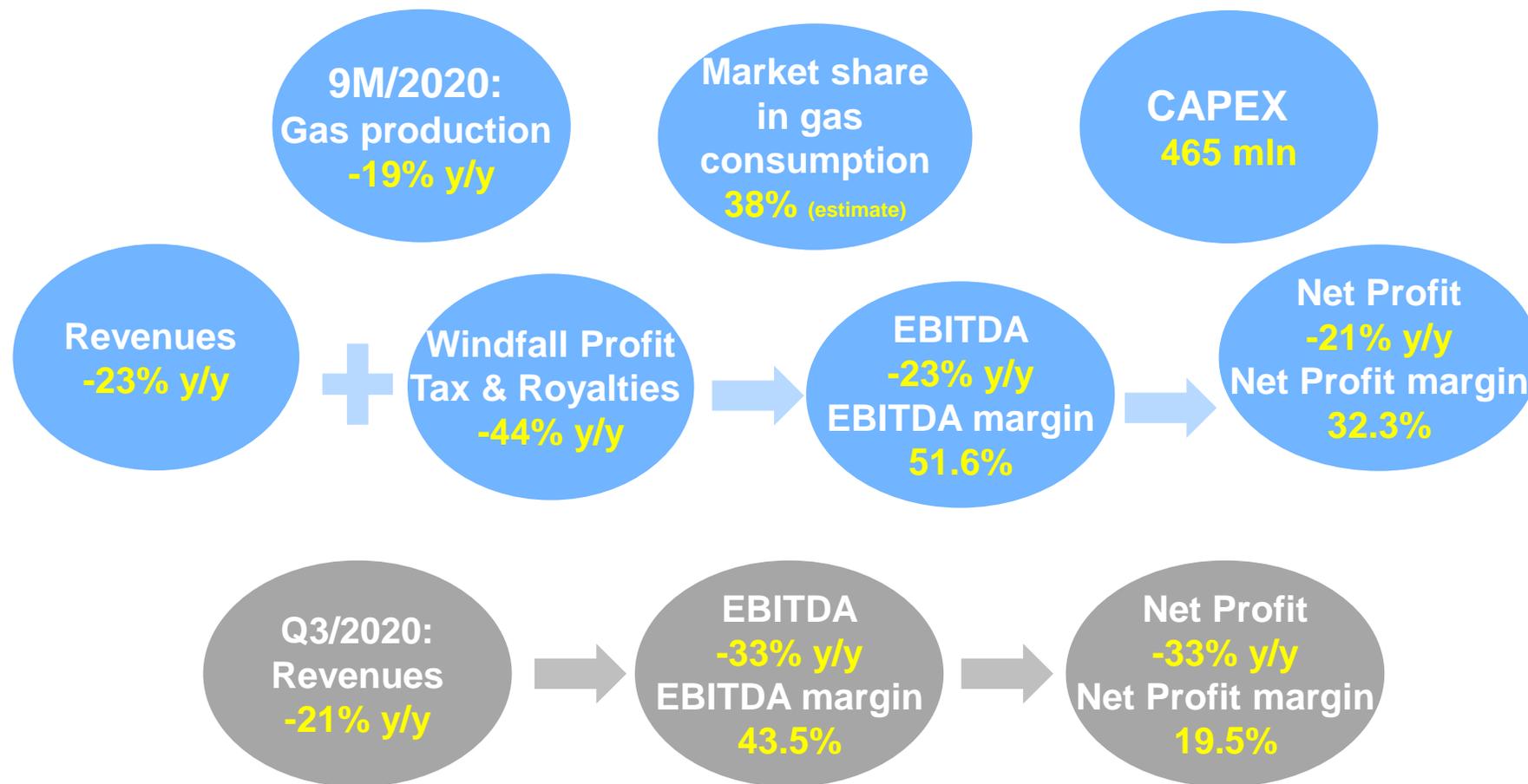
ROMGAZ Group: Highlights regarding legislation

Fiscal framework in place - with impact on Group's operations

- **GEO no. 106 / June 2020, ANRE Orders no. 143 and 144 / July 2020:**
 - Large gas producers are required to offer on centralized markets around 40% of the previous year gas production, with a discount of at least 5% from the average price of the previous 60 days of the standardized products – until end-2022
 - Gas quantities to be set by ANRE for each large gas producer
- **GEOs no. 1 / Jan 2020, no. 19 / March 2019 and no. 114 / Dec 2018 – main provisions for the gas & electricity market include:**
 - Regulated gas prices for the volumes sold by gas producers to HHs and assimilated consumers, capped at RON 68/MWh – during May 2019 and until June 30, 2020;
 - Regulated electricity prices for households - during May 2019 and until Dec 31, 2020;
 - For 2019 until early-Jan 2020: a 2% fee on gas and power revenues or on profit from resales, with deductions;
 - In 2019, dividend distribution of 35% of the end-2018 equity reserves, if distribution did not impact capex plan and was available as cash.
- **Windfall profit tax - includes an additional 80% tax on producers' gas additional revenues for the selling price portion exceeding RON 85/ MWh (since April 1, 2018)**
- **Gas royalties - CEGH spot prices represent the reference price (since mid-Feb 2018).**

ROMGAZ Group: Highlights for 9M/Q3 2020

Main developments in the first 9 months



ROMGAZ Group: Highlights for 9M/2020

Safety Measures against COVID-19 pandemic to protect employees and business

We are a Strategic Company – business continuity and employees safety are priority

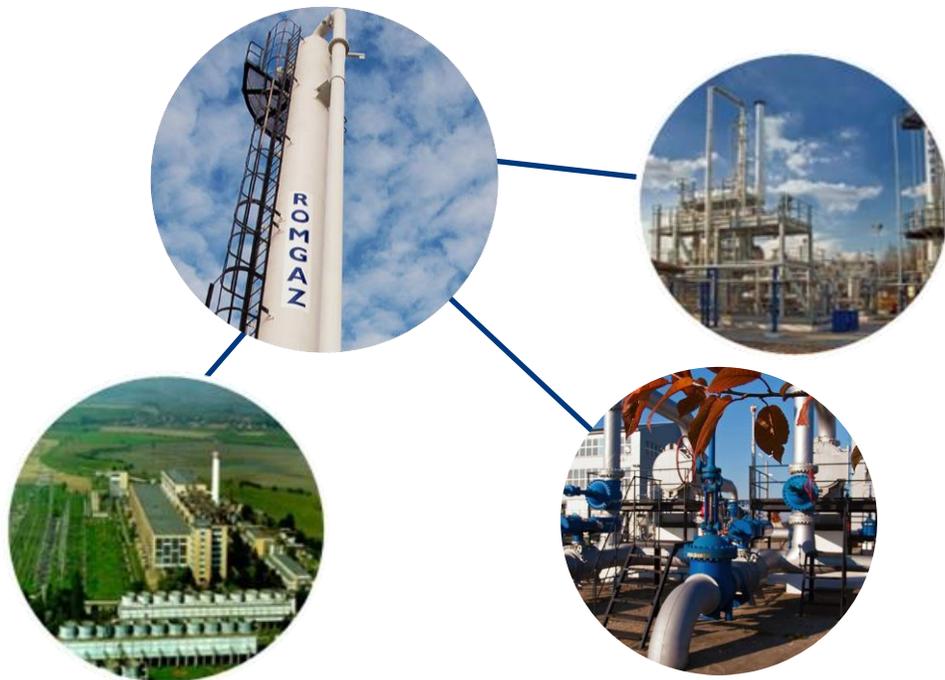
- ❑ Teleworking since March, applied with flexibility within organization
- ❑ Activity temporary adjusted in some departments, organizational measures periodically revised
- ❑ Efficient sanitary measures in place, protection equipment for employees where needed
- ❑ Safety measures approved until end-November with possibility to be prolonged / amended / stopped if necessary
- ❑ Strong measures to ensure production and investments security
- ❑ Business continuity and development is a focus !

“Together for Romania”

Romgaz is involved and actively supports the fight against Covid-19 pandemic with the following main actions:

- ✓ Supports the Red Cross Romania financially and with an information and prevention campaign
- ✓ Financial aid for the Municipal Hospital Medias to equip the Intensive Care Unit
- ✓ Financial aid for the Emergency Clinic Hospital Sibiu to extend and develop the Intensive Therapy and Anesthesia Unit
- ✓ Financial aid for other Emergency Hospitals, such those in Alba, Slatina, Vaslui and Tg Mures.

Major Producer and Supplier of Natural Gas, Operator of UGS 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
- **Among top gas producers in Romania** (output of 3.2 bcm in 9M/2020; 5.3 bcm in FY2019)
- Significant market share in the total gas supply in Romania.

Underground Gas Storage

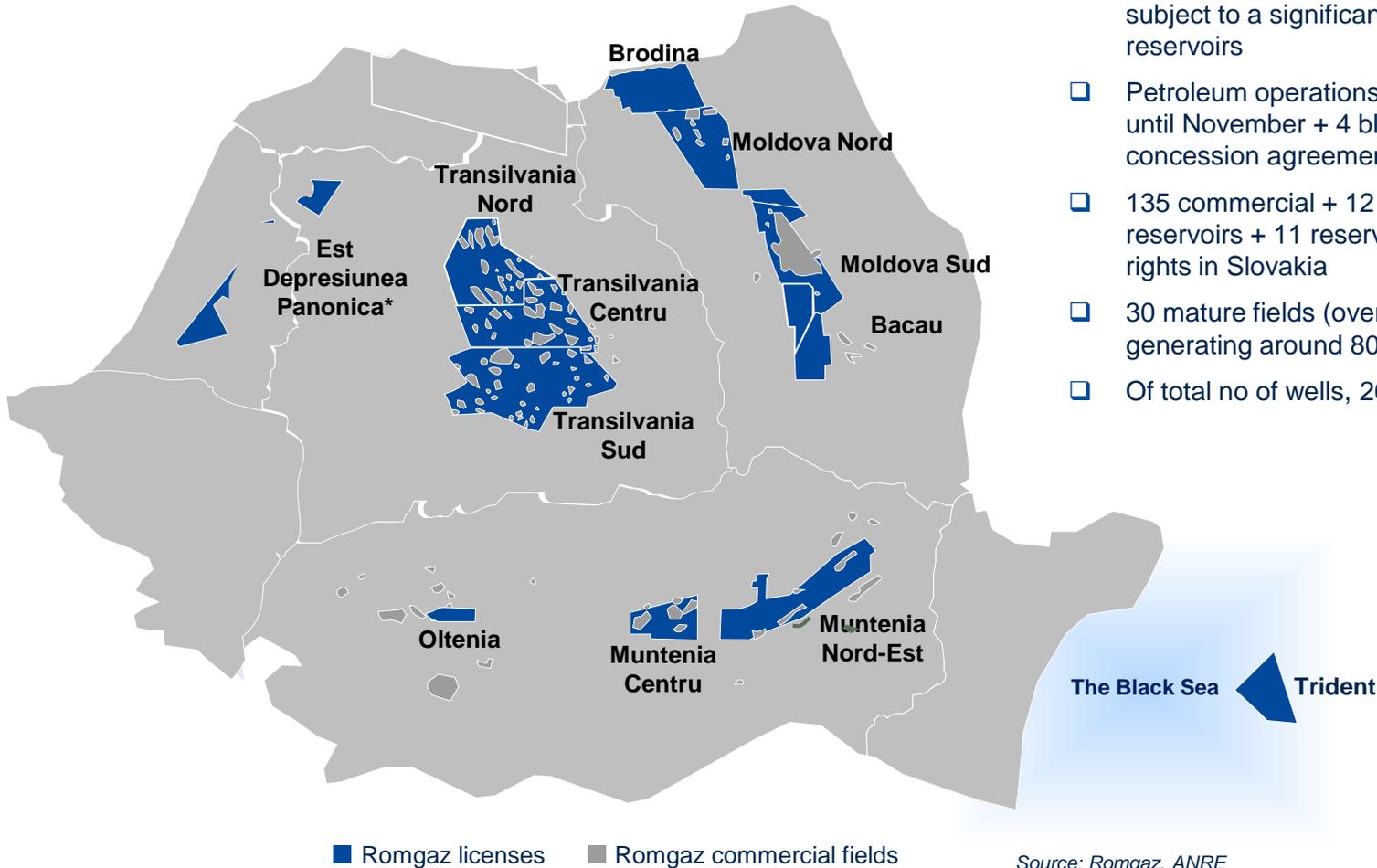
- Working capacity: 2.77 bcm at end-September 2020
- Important investments to secure the gas supply
- **Market share of 94% in Romania**
- Regulated activity

Electricity Production

- **New power plant in construction (430 MW)**
- Old power plant shrinking operations
- Market share of 2.4% in terms of production in 9M/2020.

Group 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
- ❑ Petroleum operations in 9 E/D/P blocks (100% interest) until November + 4 blocks (co-titler holder under concession agreements) *
- ❑ 135 commercial + 12 experimental production reservoirs + 11 reservoirs operated with Amromco; E/P rights in Slovakia
- ❑ 30 mature fields (over 30-year old) are currently generating around 80% of total production
- ❑ Of total no of wells, 26% are located below 2000 m

- **Recent use of new technologies** to mitigate production decline
- **Largest hydrocarbon discovery in the past 30 years (Caragele)** – in process to be brought on stream
- **Offshore discovery** in the Black Sea as well.

Source: Romgaz, ANRE

* this concession agreement has been terminated in November 2020

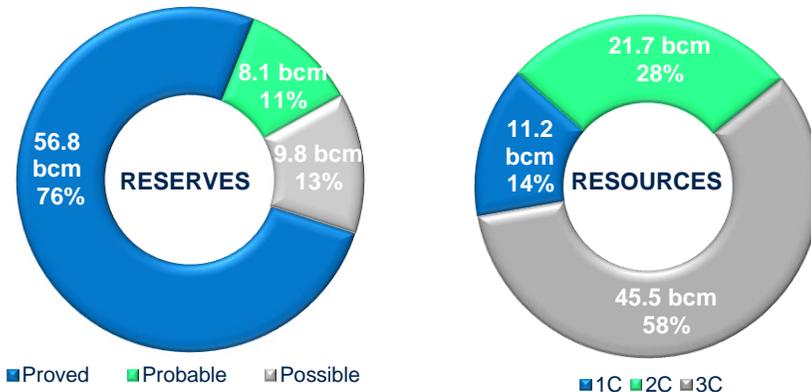
Group Overview

Strong portfolio of reserves and resources, good recovery factors

Reserves Replacement Rates (RRR) (%)



Audited Gas Reserves and Contingent Resources¹
Dec 31, 2017 (bcm, % of total)



❑ **RRR of 41% in 2019:** due to reduced volume of revalued commercial fields and postponed investments in infrastructure for commissioning production facilities

❑ **3 bcm added in 2019 to contingent resources** (from prospective resources) by 2 wells (well 7 Merii and well 4 Tapu)

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

Next audit to be performed in-house, our estimates proved reliable

Last external audit of our gas reserves and resources (US DeGolyer & MacNaughton, end-2017):

- ❑ *total C Resources of 78.4 bcm, +55% vs previous audit*
- ❑ *5-year average RRR of 78% - well above our target of 70%.*

Source: External audit prepared by DeGolyer&MacNaughton USA, as of Dec 31, 2017

¹ 1C Contingent Resources include developed proved reserves with exploitation programme after Dec 31, 2042 (which is the expiration date for ongoing concessions)

Exploration Activities

9M/2020: We continue efforts to unlock the resource potential



- ❑ **9M/2020:** 10 exploration wells - drilling works finalised
- 1 exploration well - construction works contracted
- 7 wells – drilling procurement in progress
- 27 wells - drilling tender proceedings in process
- 10 wells - in design / acquisition of design

- ❑ **6 wells recorded successful production tests in 2019** – temporarily halted, to enter experimental / final production after infrastructure construction
- ❑ **Success rate of 60% in 2019** (at the upper range of 35-65% internationally)
- ❑ **2 small discoveries in Transylvania** put into experimental production in early 2019; we need to drill new wells to evaluate
- ❑ Exploration works designed in-house, using professional software to assess prospects of hydrocarbon accumulation

Overall: Concession Agreements in 8 onshore blocks for petroleum operations for 30 years, since Oct 1997

16,210 km² in Transylvania, Moldova, Oltenia and Muntenia basins, with 100% working interests

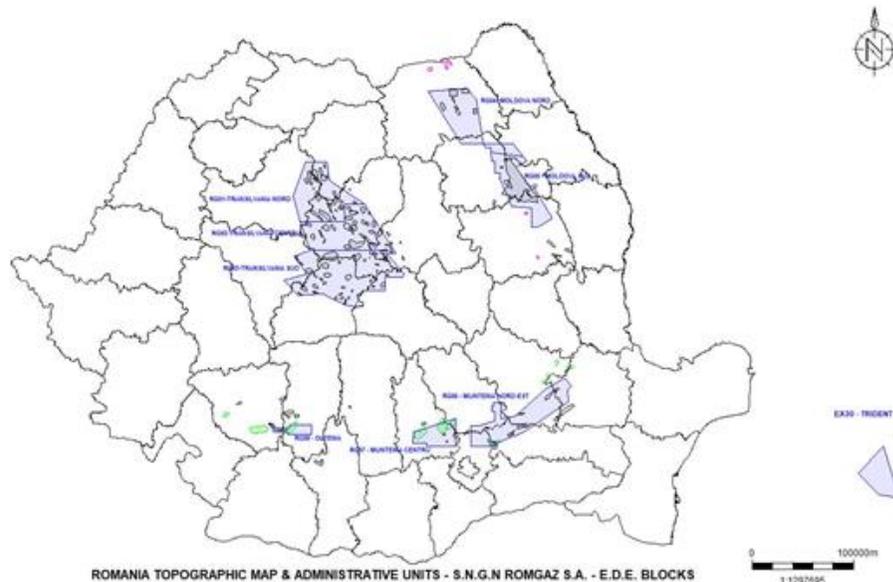
Plus 1 petroleum agreement for offshore E&P in the Black Sea (with Lukoil)

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 ²)	1,000
Drilling	No. of wells	43
	Drilling (meters)	113,000
Total investment value agreed (USD mln)		289

Exploration Activities

9M/2020: Development of our natural gas discoveries



ON-SHORE:

- **CARAGELE DEEP - 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) at depths between 4,100 - 4,200 m
- **Current stage:**
 - Started production in Jan/2020 with the “77 Rosetti” well, output potential of 1,500 boe/day
 - Initiated steps for the construction of 8 new exploration wells (obtaining authorisations, acquisition of services).

OFF-SHORE:

- **TRIDENT BLOCK** - large discovery announced in the Black Sea (Oct 2015): gas estimated contingent resource can exceed 30 bcm
- Romgaz – 12.2% working interest in the offshore exploration-development-production block EX-30 Trident

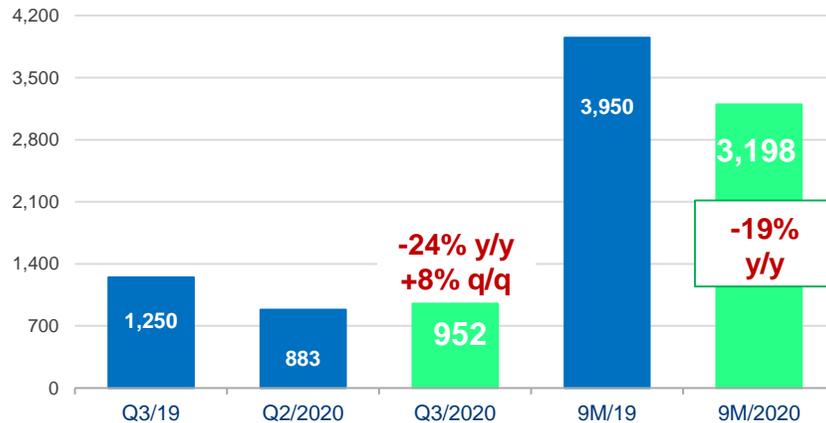
➤ Current stage:

- For the 2nd exploration well Trinity 1X drilled in Q4/2019:
- July 2020: completed the interpretation of geological tests
 - Sept 2020: completed the reserves re-assessment
 - Oct 2020: updated parameters to redo the development plan
 - **Dec 2020: preparation of the resource development plan in order to include it in the economic analysis.**

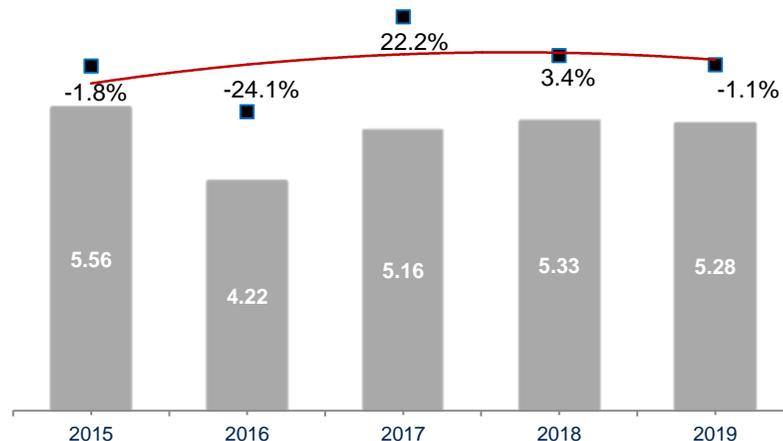
Natural Gas Production

9M/Q3 2020: Gas production adjusted, rehabilitation / investment continue

Romgaz: Production level in 9M (mln cm)



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



- **9M/2020:** gas production -19% vs 9M/19, and above the recently amended budget – impacted by the commercial, regulatory and sanitary environment
- **Q3/2020:** gas production -24% vs Q3/19, but +8% compared to the previous quarter (Q2/20)

Main developments in 9M/2020 include:

- ✓ 1 production well - finalised, 1 well - design approved
- ✓ Construction of surface facilities (SF): 6 SFs finalised to put into production 8 wells, 4 SFs in execution, 17 SFs to obtain authorisation – to put into production 20 wells, 13 SFs with feasibility studies in progress – to put into production 16 wells
- ✓ Continuous production rehabilitation of main mature fields
- ✓ Wells workover programme
- ✓ Finalised the investments in the development of production infrastructure and connection of new wells to this infrastructure.

CARAGELE January 2020: we started production in Caragele Deep with 1 well (1,500 boe/day)

- 2 other wells put in production in Caragele commercial field (1,000 boe/day jointly)

In 2019, in Caragele: extension of surface facilities + commissioning of new wells – led to a 6.9% contribution in Romgaz output.

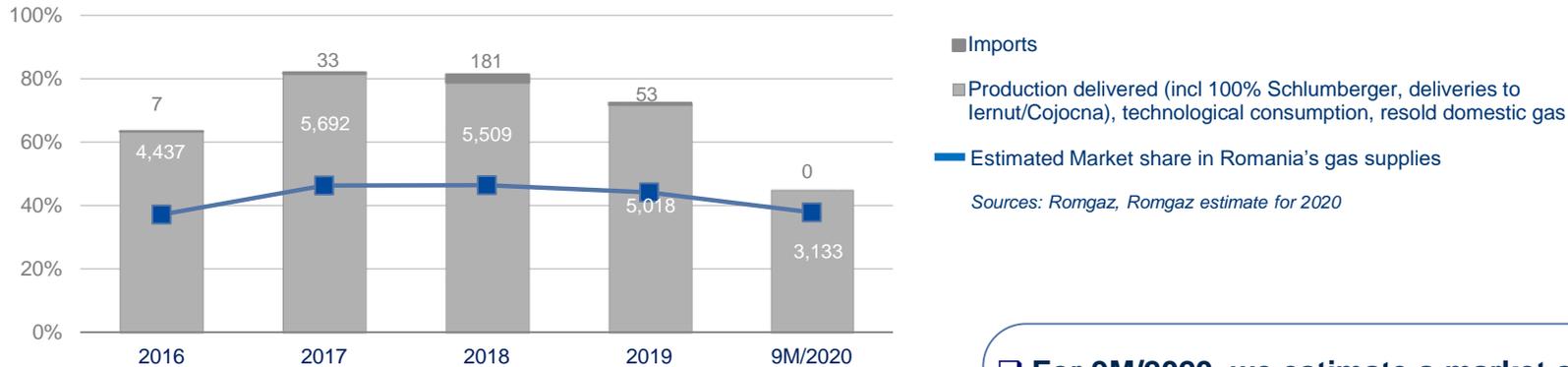
We continued production rehabilitation of main mature fields in 2019 (e.g. Fititelnic, Delenii, Laslău, Sădinca, Roman, Nadeş-Prod-Seleus, Tg. Mureş, Corunca Sud).

We limited the Natural Production Decline at 1.4% starting 2013.

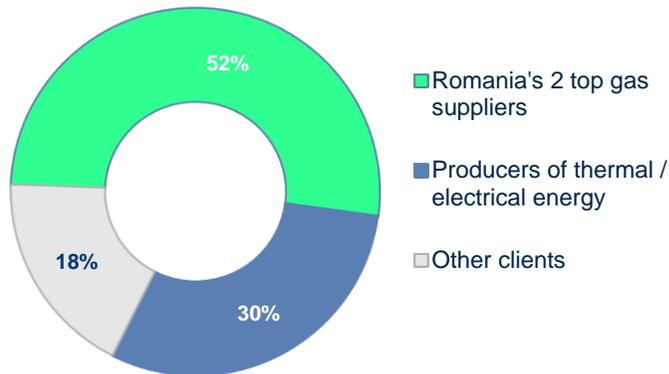
Gas Supply & Sales

9M/2020: Important supplier in Romania, favorable market share in total deliveries

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



Romgaz: Portfolio of Clients (quantities of gas sold, 9M/2020)



Portfolio breakdown reflects specific quarterly characteristics of gas demand

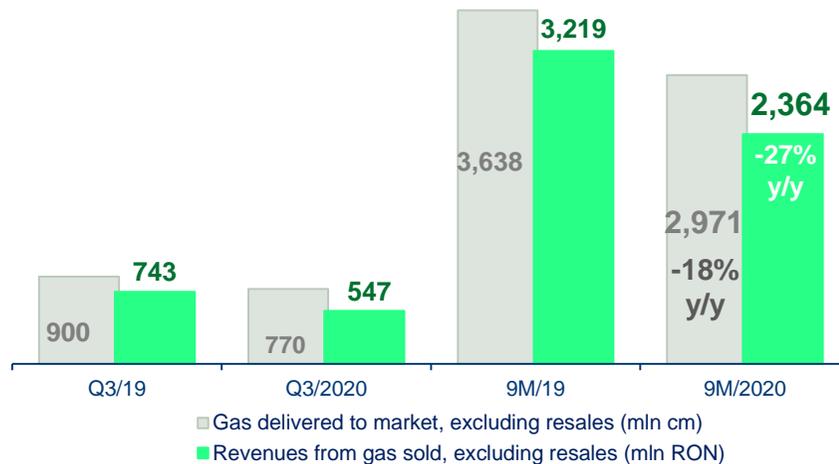
For 9M/2020, we estimate a market share of c. 38% in total gas deliveries in Romania, roughly at the same level as in the first 6 months – overall impacted by the demand, regulatory and pandemic environment in the country

- We enjoy a strong portfolio of clients
- Our gas trading strategy aims to:
 - secure an optimal client portfolio
 - fulfill the domestic market demand
 - improve price flexibility.

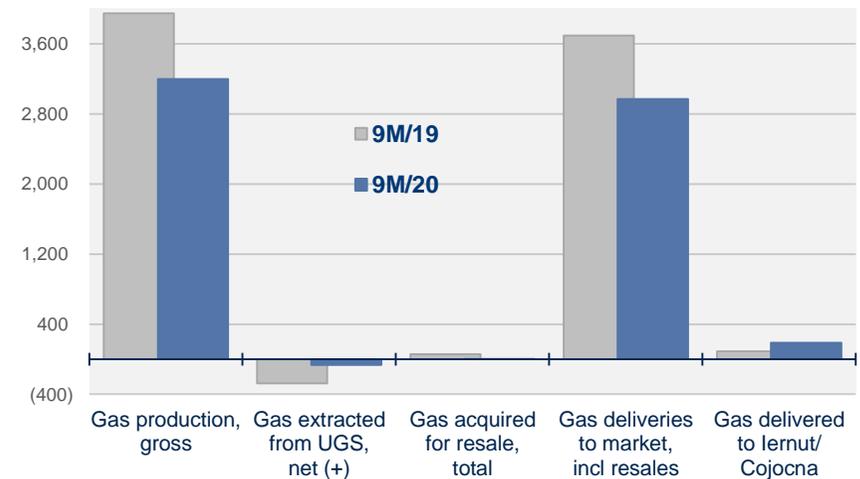
Gas Supply & Sales

9M/Q3 2020: Sales lower y/y as a result of market and sanitary environment

Romgaz: Gas Sales (excluding resales)
- revenues and volumes -



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



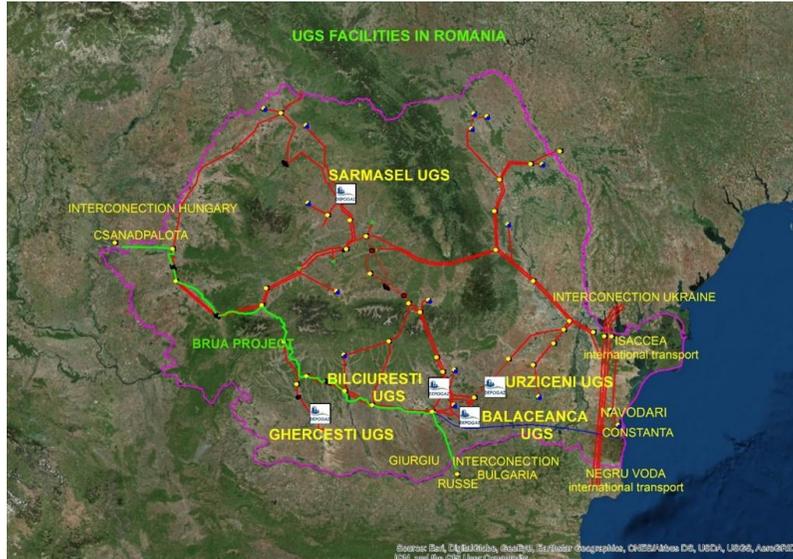
- ❑ **9M/2020:** Revenues from gas sold (excluding gas acquired for resale) declined by -27%, on volumes delivered -18% compared to the same period of the previous year
- ❑ **Q3/2020:** related Revenues were down 26%, on volumes delivered -14% compared to Q3/2019

- ❑ Management of gas flow from production to clients is important
- ❑ Gas sales are generally peaking in Q1 and Q4
- ❑ Optimisation of our gas value chain is a priority
- ❑ We make continuous efforts to improve the gas sale strategy

UPSTREAM SEGMENT CONTRIBUTION in 9M/2020: 89% in Revenue and 92% in EBITDA (consolidated)

Underground Gas Storage

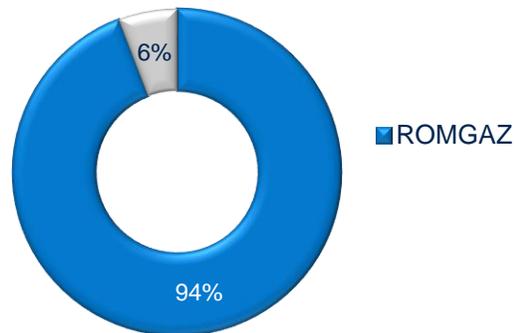
Romgaz Group: Romania's Largest Operator of UGS (Underground Storage) facilities



Romgaz Group: Underground Gas Storages at end-September 2020 - working capacities (mln cm/cycle) -

Bilciuresti	1,310	Ghercesti	150
Sarmasel	900	Balaceanca	50
Urziceni	360		
Total Working Capacity: 2,770 mln cm			

ROMGAZ Group UGS Market share

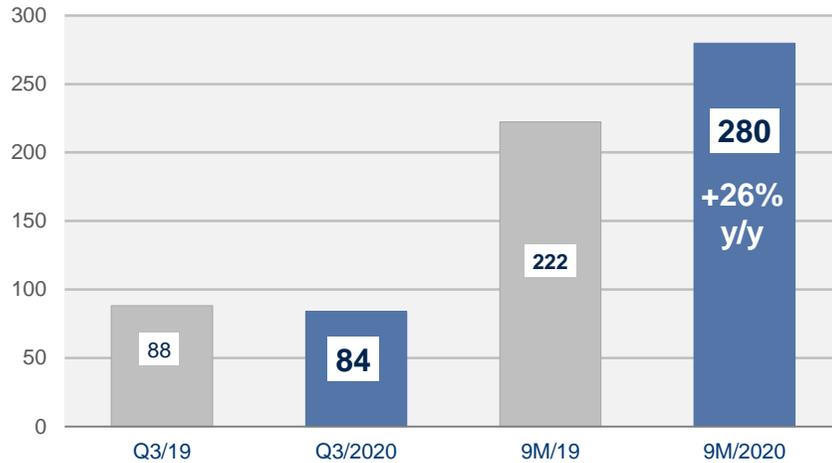


- ❑ Romgaz Group operates 5 storage facilities, with a total working capacity of 2.77 bcm (total capacity of 3.97 bcm)
- ❑ Romgaz also owns 40% of Depomureş (0.30 bcm), a JV with Engie
- ❑ Investment plans aim to extend the storage capacity and the extraction capacity – in order to secure gas supply long-term
- ❑ Storage activity is regulated by ANRE, royalties of 3% of operating revenues
- ❑ The UGS activity was separated into a distinct legal entity (DEPOGAZ) on April 01, 2018

Underground Gas Storage¹

9M/Q3 2020: Good results added by the storage segment

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



Romgaz: Regulated storage tariffs (RON/MWh)



- ❑ **9M/2020: UGS revenues of RON 280 mln, +26% y/y**
- ❑ Evolution mainly reflects the market environment over the period and the regulated storage tariffs.

- ❑ **New tariffs starting with April 1st, 2020**
- ❑ Capacity reservation activity provided the bulk of the UGS revenues (roughly 80%) in recent years.

¹ Consolidated figures

STORAGE SEGMENT CONTRIBUTION in 9M/2020: 7% in Revenue and 4% in EBITDA (consolidated)

Electricity Production & Trading

“GAS to POWER” Investment: Construction of a new power plant

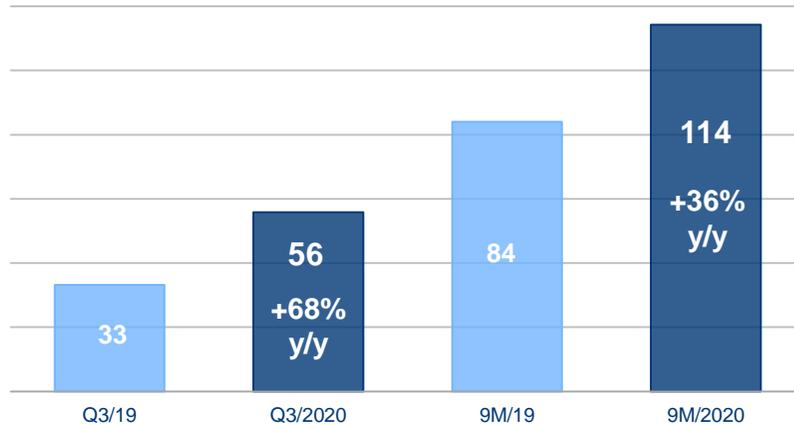
- **Gross electric power capacity: 430 MW**
 - **Gross electrical efficiency at nominal load: 56.4%**
 - **CCGT Iernut benefits from a strategic positioning** – in the middle of the national electricity system
 - **Main roles:** cover national power consumption by acting in the wholesale and balancing markets, ensure ancillary services to the national system, eliminate network constraints in NW Romania
 - 25% of the total eligible investment costs represent a non-refundable financing 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 at end-2020, according to the contract.



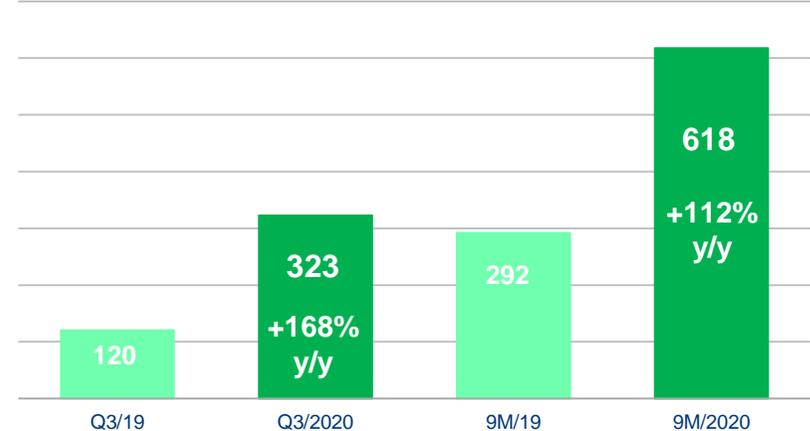
Electricity Production & Trading¹

Higher revenues and output both in 9M/2020 and in Q3 as well

Romgaz: Revenues from Electricity (mln RON)



Romgaz: Production of Electricity (GWh)



- ❑ **9M/2020: Revenues from Electricity of 114 mln RON, +36% y/y**
- ❑ **Q3 alone: Revenues +68% compared to Q3/2019**
- ❑ Evolution in 9M/Q3 is mostly due to higher demand in the market this year, as well as to the investment in the new power plant that impacted production in 2019

- ❑ **9M/2020: Energy production reached 618 GWh, +112% y/y**
- ❑ **Q3 alone: Energy production +168% y/y**
- ❑ Lower installed capacity to make room for the new plant.

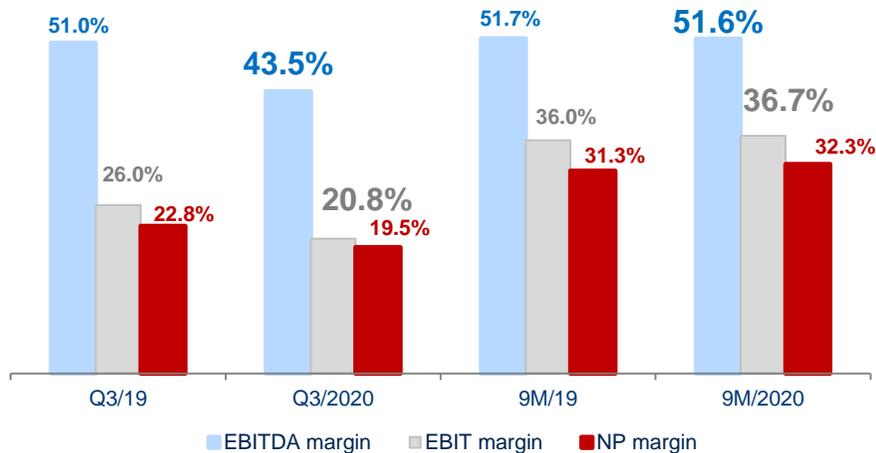
ELECTRICITY SEGMENT CONTRIBUTION in 9M/2020: 4% in Revenue (consolidated)

¹ Consolidated figures

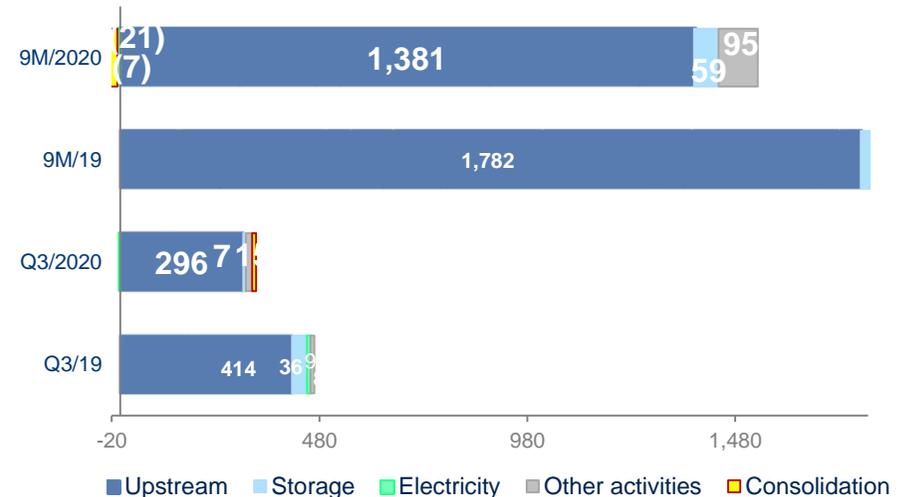
Financial Performance¹

9M/Q3 2020: Profitability margins are at strong levels

Romgaz Group: Profitability Rates



Romgaz Group: EBITDA by Segments (mln RON)



- ❑ **At 9M/2020, we succeeded to maintain robust EBITDA, EBIT and NP margins, given the current market and sanitary environment**
- ❑ **Q3 margins remained significant as well**
- ❑ The good performance was achieved by lower expenses with depreciation, amortisation and impairments, and with main tax as well

- ❑ The bulk of Revenues and EBITDA is generated by our core segment Gas Upstream (Exploration & Production)
- ❑ Electricity segment was in the red in 9M/Q3 2020 due to the investment in the new power plant.

¹ Consolidated figures

Financial Performance¹

9M/Q3 2020: Good NP level in spite of the current environment, margins are robust

Summary 9M/2020 (vs 9M/2019)

Revenues - total	2,918 mln RON (↘23%)
EBITDA	1,507 mln RON (↘23%)
Net Profit	942 mln RON (↘21%)
EBITDA margin	51.6%
NP margin	32.3%
No of employees	6,201

Summary Q3/2020 (vs Q3/2019)

Revenues - total	725 mln RON (↘21%)
EBITDA	316 mln RON (↘33%)
Net Profit	141 mln RON (↘33%)
EBITDA margin	43.5%
NP margin	19.5%

- ❑ Gas revenues declined in 9M/Q3 impacted by the current environment, but storage and energy sales were supportive
- ❑ Main tax expenses in 9M/2020 (included in “Other expenses”) were lower by 44% y/y - split as follows:
 - windfall profit tax of RON 335 mln (9M/19: RON 556 mln)
 - gas&UGS royalties of RON 133 mln (9M/19: RON 274 mln)
- ❑ Strict cost control led to robust profit margins in 9M/2020

Million RON	2018	2019	Q3/19	Q3/20	9M/19	9M/20	%ch
Revenues - of which	5,004	5,080	916	725	3,791	2,918	-23%
Gas Production	3,978	4,280	743	547	3,219	2,364	-27%
Gas acquired for resale	217	101	11	3	98	12	-87%
Storage	298	331	88	84	222	280	26%
Electricity	297	146	33	56	84	114	36%
Other services	189	185	33	29	138	129	-6%
Other income	18	33	5	5	25	17	-29%
Cost of commodities sold	(245)	(108)	(12)	(3)	(102)	(14)	-87%
Changes in inventory	(32)	80	88	27	79	32	-59%
Raw materials	(75)	(76)	(20)	(13)	(60)	(42)	-30%
Exploration expense	(247)	(25)	(0)	(16)	(24)	(38)	55%
Headcount expense	(621)	(670)	(173)	(185)	(481)	(540)	12%
Other gains and losses	(103)	(63)	(4)	1	(30)	(25)	-18%
Impairment losses on trade receivables*	(20)	(81)	(1)	5	(31)	7	
Associate's result share	1	1	0	0	1	0	
Other expenses	(1,409)	(1,552)	(325)	(228)	(1,189)	(797)	-33%
EBITDA	2,240	2,595	468	316	1,960	1,507	-23%
EBITDA margin	44.8%	51.1%	51.0%	43.5%	51.7%	51.6%	0%
D&A	(708)	(1,358)	(229)	(165)	(595)	(436)	-27%
EBIT	1,532	1,237	238	151	1,366	1,071	-22%
EBIT margin	30.6%	24.3%	26.0%	20.8%	36.0%	36.7%	
Net Interest income	53	38	6	13	30	36	18%
PROFIT BEFORE TAX	1,585	1,275	245	164	1,396	1,107	-21%
Income tax	(219)	(186)	(35)	(23)	(211)	(165)	-22%
NET PROFIT	1,366	1,090	209	141	1,185	942	-21%
Net margin	27.3%	21.4%	22.8%	19.5%	31.3%	32.3%	

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

¹ Consolidated figures, 2018 restated

Financial Performance¹

Strong B&S Structure, Debt-free at end of 9M/2020

- **Debt-free Balance Sheet**
- **At end of 9M/2020, total cash position amounted to RON 1,711 mln** (cash, bank depots and govt's treasury bonds)

Romgaz: Selected Cash Flow Items

Mln RON	2018 restated	2019 restated	9M/2020
Net profit for the period	1,366	1,185	942
Operating Cash Flow before Δ WC and Income tax	2,537	2,005	1,569
Movements in working capital	(60)	152	(79)
Net Cash flows from operating activities	2,143	1,903	1,298
Net Cash flows from investing activities	814	(663)	(341)
Net Cash flows from financing activities	(2,617)	(1,608)	(621)
Net change in cash and cash equivalents *	340	(368)	335

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

¹ Consolidated figures

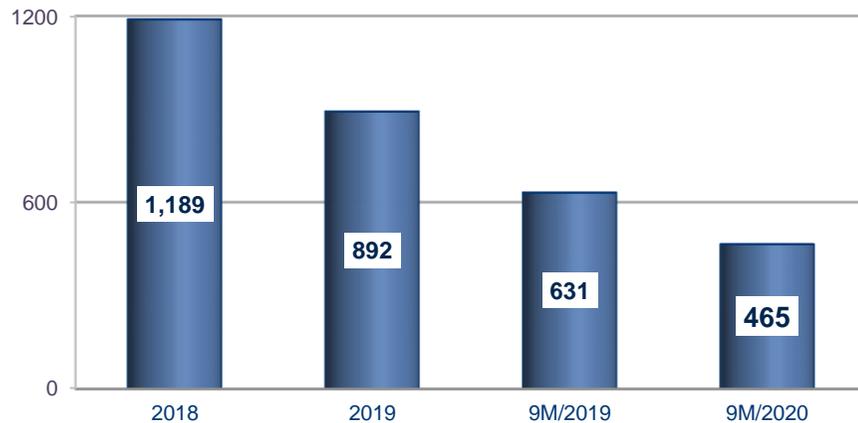
Romgaz Group: Selected Balance Sheet Items

Mln RON	Dec 31, 2018 restated	Dec 31, 2019 restated	Sept 30, 2020
Total non-current assets, thereof	6,445	5,822	5,783
Property plant and equipment	6,280	5,543	5,513
Investment in associates	23	25	25
Deferred tax asset	127	231	220
Other financial investments	10	5	5
Other assets (leasing related)	-	9	8
Total current assets, thereof	2,690	2,431	2,614
Inventories	246	311	305
Trade and other receivables	826	638	535
Other financial assets - govt securities and bank depots (+3mo maturity)	881	1,075	1,012
Cash and equivalents	567	364	699
Contract costs	1	0	1
Other assets	169	42	63
Total assets	9,135	8,253	8,397
Shareholders' Equity			
Share capital	385	385	385
Reserves	1,825	1,587	2,186
Retained earnings	5,458	5,201	4,924
Total Shareholders' Equity	7,669	7,174	7,495
Non-current liabilities, thereof	670	511	504
Provisions	510	366	367
Retirement benefit obligation	139	115	107
Current liabilities, thereof	796	568	397
Trade payables	187	110	75
Contract liabilities	46	43	30
Current tax liabilities	68	64	25
Provisions	94	83	113
Total liabilities	1,466	1,079	901
Total equity and liabilities	9,135	8,253	8,397

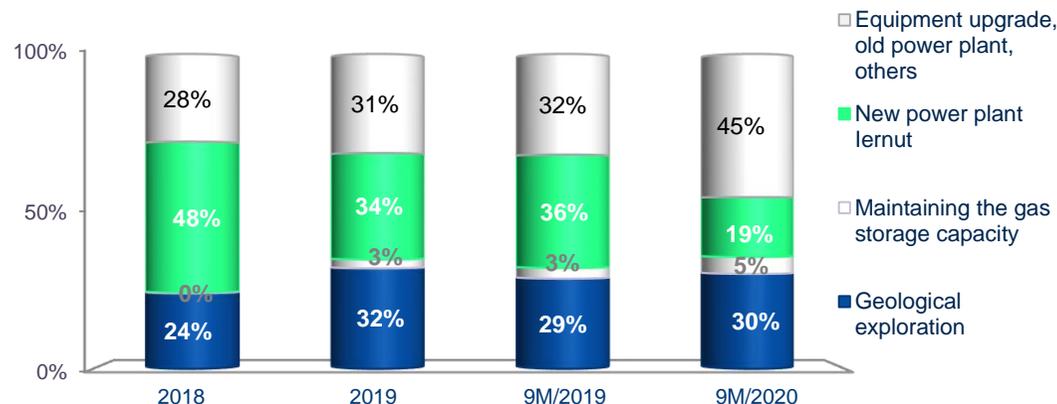
Investments¹

Key role in the company's sustainable development – 9M/2020 developments

Romgaz Group: Capital Expenditures (RON mln)



Romgaz Group: Breakdown of Investments



¹ Consolidated figures

❑ **9M/2020: ROMGAZ Group invested a total amount of RON 465 mln**, accounting for 74% of the budget planned for this period

❑ **Main developments include:**

Regarding Exploration: we finalised drilling of 10 exploration wells, 1 well – with contract for construction works, and other 44 wells are in different stages of drilling acquisition or design

Regarding Production: 1 well – completed

6 surface facilities (SF) – finalised - to put into production
8 wells

4 SFs - in execution (to put into production 4 wells)

17 SFs – in process to obtain construction authorisation (to put into production 20 wells)

13 SEs – in process to prepare the feasibility studies (in order to put into production 16 wells)

we also performed workover for 130 wells;

Regarding the new power plant lernut: we finalised the electrical and main building and some other units, and 90% of the technologic flows and other equipment.

❑ Investments are financed from the company's own sources, as well as from National Investment Plan for the new Power Plant

Strong Commitment for Business Development

GROUP DEVELOPMENT STRATEGY

- 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

Main Strategic Objectives

Strong Commitment for Business Development

2020 - 2025 Investment and Development Program of Romgaz SA (RON mln)

Investments	2020	2021	2022	2023	2024	2025	Total
Natural gas production	822	619	930	980	1,307	724	5,382
Electric power generation	208	195	883	1,316	820	239	3,661
Diversification-petrochemicals		2	350	400	400	23	1,175
Partnerships	110	1,834	574	790	1,102	1,065	5,475
Total	1,140	2,650	2,737	3,486	3,629	2,051	15,693

- ❑ In June this year, the SGM approved “The Investment and Development Programme” of Romgaz SA, for the period 2020 – H1/2025
- ❑ The financing source structure is based 49% on own sources and 7% on EU funds; the remaining 44% will be covered through bank loans and/or bonds
- ❑ The group has also ongoing investment plans for Depogaz branch, aiming to extend the UGS capacities

Main Strategic Objectives

Strong Commitment for Business Development

Main development directions taken into account:

Discovery of new gas reserves through continuous geological research

Development of our gas production potential by adding new facilities

Increase production safety & efficiency by improved performance of facilities / equipment

Electric Power Generation

Methanol Production

Associations / partnerships

- Drilling of exploration and production wells
- Technological surface facilities at successfully-tested gas wells
- Gas dehydration stations
- Gas compressor stations
- Gas gathering pipelines
- Modernisation/reactivation/ repair at production wells
- CCGT Combined Cycle Gas Turbine power plants (Iernut, Mintia)
- Renewable sources
- Building our own facility
- Offshore projects (Black Sea) and electric power generation / storage

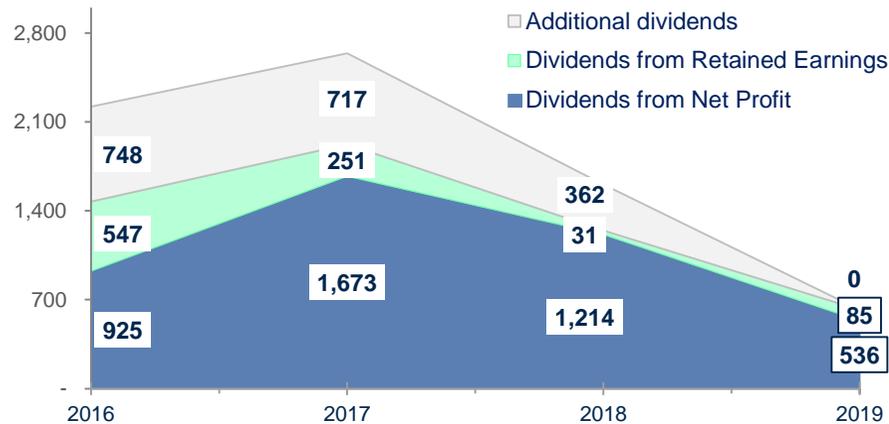
Continuous Gas Exploration / Improve the Gas-Value-Chain / New Business Development

Dividend distribution

FY2019: Payout ratio of 57% approved by shareholders in April/2020

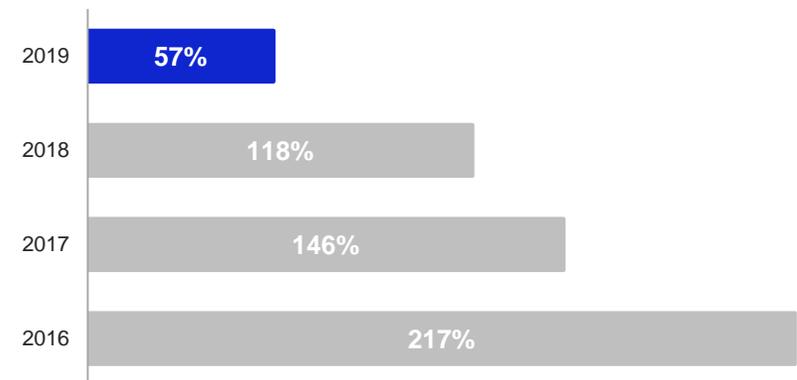
Romgaz: Gross Dividend Distributions¹ (RON mln)

¹ For the fiscal years 2016-2019: Dividends were paid in the next fiscal year



Romgaz: Gross Dividend Payout ratios*

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



- ❑ **Gross Dividend approved by the SGM on April 22, 2020: RON 1.61 / share in total** (of which: RON 1.39 from the annual NP and RON 0.22 from reserves) – dividend ex-date was July 2
- ❑ Majority state-owned companies are required to distribute at least 50% of the annual NP in the form of dividends to recorded shareholders

Romgaz Group – Investment Case

Why to invest in Romgaz shares

<ul style="list-style-type: none"> ➤ Operational excellence / robust margins 	EBITDA margin of 51.6%, EBIT margin of 36.7% and Net Profit margin of 32.3% in 9M/2020
<ul style="list-style-type: none"> ➤ Minimum dividend payout ratio required is 50% 	Gross Dividend payout ratio of 57% for 2019 (computed as Total Gross Dividends per 2019 Net Profit of the group)
<ul style="list-style-type: none"> ➤ Net cash reserves ➤ Debt free B&S 	We recorded total cash&equivalent of RON 1.7 bn at Sept 30, 2020 Cash ¹ / Mktcap = 20% (share price on Nov 10, 2020)
<ul style="list-style-type: none"> ➤ Among top gas producers in Romania and one of the largest in the region as well 	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
<ul style="list-style-type: none"> ➤ Strong base of gas reserves in Romania 	Based on our investment policy, we intend to maintain the reserves level and the high RRR (avg of 60% during 2016-2019)
<ul style="list-style-type: none"> ➤ Expected opening of the export gas markets 	Export markets will enlarge our client portfolio, with positive outcome on revenues
<ul style="list-style-type: none"> ➤ Diversification of investment projects 	We are now 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
<ul style="list-style-type: none"> ➤ Development & Investment Strategy approved by the SGM in June/2020 	Shareholders approved “The Development and Investment Strategy” of Romgaz SA for 2020-2025
<ul style="list-style-type: none"> ➤ Strong management team, skilled workforce 	Management team has significant expertise in the sector, headcount is strongly committed

¹ considering all cash equivalents at end-Sept 2020, consolidated figure

The Board of Romgaz SA: Balanced Team of Professionals



Marius Aristotel Jude BoDs Chairman

Marius Aristotel Jude – mandate as interim board-member was prolonged by 2 months by the SGM held on October 23, 2020. Expertise of Mr. Marius Aristotel Jude includes the positions of Board member of Romgaz (during 2016-2017 and 2018-2019), Secretary of State for the Ministry of Energy (2015- 2017), Board member of Depomures SA (2010-2014) and of Amgaz SA (2009-2015). He also had various management positions in SNGN Romgaz SA. He holds an MBA in Company Management.

Marius Dumitru Marin Independent Chairman of the Audit Committee

Marius Dumitru Marin – mandate as interim board-member was prolonged by 2 months by the SGM held on October 23, 2020. Experience of Mr. Marius Dumitru Marin includes top positions such as CEO of MDM Consultancy (since 2019), CEO and Board member of MACON Group (2006-2018), COO of MEFIN SA (2004-2006), Technical and Quality System Director of PCC STEROM SA (2001-2003), President and CEO of UTON Onesti SA (1994-1999). He holds a PhD in Engineering.

Romeo Cristian Ciobanu Independent Chairman of the Nomination and Remuneration Committee

Romeo Cristian Ciobanu was re-confirmed member of ROMGAZ BoDs in June 2019 (4-year mandate starting mid-2018). Mr. Romeo Cristian Ciobanu was also 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 Strategy Committee

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

Manuela Petronela Stan Olteanu

Manuela Petronela Stan Olteanu – mandate as interim board-member was prolonged by 2 months by the SGM held on October 23, 2020. Expertise of Ms. Manuela Petronela Stan Olteanu includes top positions such as Chairperson / BoDs member or special administrator in Romgaz (since mid-2019), in the Black Sea 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. She holds a Master Degree in Advanced Civil Law and Civil Procedure Law.

Balazs Botond

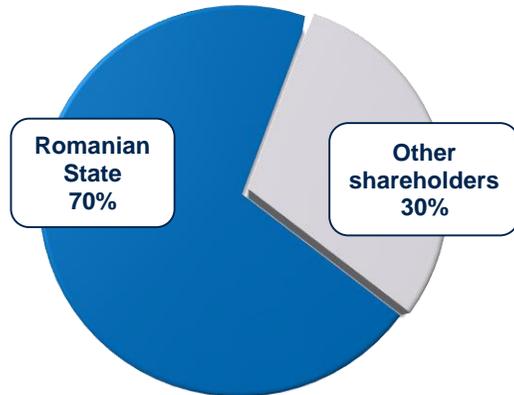
Balazs Botond – mandate as interim board-member was prolonged by 2 months by the SGM held on October 23, 2020. Mr. Balazs Botond previously held positions of Head of Legal Department of SNGN Romgaz (since 2019), Legal counsellor (2011-2019). He is also Board member of SC Meditur SA (since 2018) and of SC ECO-SAL SA (since 2016). He holds a Master Degree in Private Law Institutions.

Nicolae Bogdan Simescu

Nicolae Bogdan Simescu – mandate as interim board-member was prolonged by 2 months by the SGM held on October 23, 2020. His experience includes different positions within SNGN Romgaz such as Engineer (2005-2015), Head of Rehabilitation projects (2015-2020). He holds a Master Degree in Company Management and Marketing Strategies and Policies.

Shareholding Structure and Stock Performance

Romgaz: Among blue-chips on the domestic capital market



12-Month: Share Price Performance on the BVB

Period	Min (RON)	Max (RON)
Q4/19	36.70	38.40
Q1/20	25.80	37.70
Q2/20	27.25	32.40
Q3/20	28.00	31.85

12M Total Traded Value (Q4/19 – Q3/20):

950 mln RON or 0.8 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 **3rd largest domestic stock** traded on the BVB – mktcap of EUR 2.2bn*)
- ❑ **The 3rd largest traded stock** on the BVB *)
- ❑ Included in BVB's main indices (weighing 26% in energy and utilities BET-NG index, and between 7%-9% 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 Nov 10, 2020, and on BVB's past 12M trading statistics

THANK YOU FOR YOUR ATTENTION !



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Financial Calendar - 2020

Nov 13: Release of the 9M/Q3 2020 Financial Results

Nov 16: Conference call with financial analysts & investors