



CURRENT REPORT

In compliance with art. 66 from Law no. 24/2017 regarding Issuers of Financial Instruments and Market Operations and art. 127 from A.S.F. Regulation no. 5/2018

Report date: April 26, 2024

Company name: Societatea Națională de Gaze Naturale ROMGAZ S.A.

Address: Medias, 4 Constantin I. Motas Square, Sibiu County - Romania, 551130

Phone/fax no: 004-0374-401020 / 004-0269-846901

Fiscal Code: RO14056826

LEI Code: 2549009R7KJ38D9RW354

Trade Register registration number: J32/392/2001

Subscribed and paid in share capital: 385,422,400 RON

Regulated market where the issued securities are traded: Bucharest Stock Exchange (BVB), London Stock Exchange (LSE)

Significant event to be reported:

- Report on payments to governments for 2023

S.N.G.N. Romgaz S.A. informs its shareholders and investors upon the publication of the Report on payments to governments for the financial year 2023.

The report is prepared and made public in compliance with the provisions of art. 66 from Law no. 24/2017 (R) regarding Issuers of Financial Instruments and Market Operations and art. 127 from F.S.A. Regulation no. 5/2018, and is available on the Company's website, www.romgaz.ro - Investors - Annual Reports - 2023.

Attached: S.N.G.N. Romgaz S.A. Report on Payments to Governments for year 2023

Chief Executive Officer

Răzvan POPESCU



ROMGAZ

Report on payments to governments for 2023

romgaz.ro



This report shows the payments made by Romgaz Group (SNGN Romgaz SA as mother-company, referred to as “the Company” and its two subsidiaries, SNGN Romgaz SA - Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti SRL and Romgaz Black Sea Limited, for 2023 financial year, according to Order No. 2844/19.12.2016 of Ministry of Public Finance (“OMPF 2844/2016”).

OMPF 2844/2016 is applicable to public entities and transposes into national legislation the provisions of Directive 2013/34/EU of the European Parliament and of the Council on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings.

Based on these regulations, SNGN Romgaz SA, a company whose securities are admitted to trading on Bucharest Stock Exchange (BVB) and London Stock Exchange (LSE) with main scope of activity: prospecting and exploration, discovery, development and exploitation of petroleum from fields in the company’s portfolio, is required to prepare the Report on payments to governments.

Payments performed by SNGN Romgaz SA - Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti SRL have not been included in this report as natural gas underground storage activity is not subject to the Report on payments to governments.

Payments performed by Romgaz Black Sea Limited have been included in this report and the value of the payments during the financial period of 2023 was RON 225 thousand.

This report can be found on the Company’s website: www.romgaz.ro

Definitions

Regulatory framework: the Report was prepared in accordance with Annex No 1, Chapter 8 of OMPF 2844/2016.

Reporting entities: the report refers to those entities of Romgaz Group that carry out exploring, prospecting and discovering activities in the natural gas field, namely SNGN Romgaz SA and Romgaz Black Sea Limited.

Activities: the payments disclosed in this report arise from the Romgaz Group activities in the field of exploration, prospecting, discovery and production of natural gas and other extractive materials under licenses granted by authorities. This report excludes natural gas storage activity, electric power generation and other auxiliary activities of the gas extractive industry that are performed by Romgaz Group.

Government: means any national, regional or local authority of a Member State or of a third country. It includes a department, agency or undertaking controlled by that authority.

Project: means the operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment liabilities towards a government. None the less, if multiple such agreements are substantially interconnected, and form the basis for a payment obligation to the government, these shall be considered a project.

Payment: The types of payments included in this report refer to:

a) Production entitlements

These refer to the government's share of production in a project jointly undertaken with a governmental authority. Romgaz Group has no ongoing projects of this kind, thus the report does not include this type of payments to governments.

b) Taxes and levies

Taxes and fees include the taxes levied on income from gas production activities (tax on additional income obtained further to the deregulation of gas prices), the tax on the Group's profit (tax on profit and the solidarity contribution for the year 2022). The report does not show the taxes levied on consumption, such as the value added tax, the tax on personal income, taxes and fees related to properties or environmental taxes and fees.

c) Royalties

Royalties represent the amounts paid under petroleum agreements concluded in compliance with applicable laws for the exploitation of a petroleum field (petroleum royalties) and for exploitation of mineral resources, respectively (mineral resource royalty).

d) Dividends

These are dividends paid to governments, amounts that do not represent the dividends paid off to a government as common or ordinary shareholder of the Company as long as the dividends are paid to the government on the same terms as to other shareholders. The Company did not pay in 2023 other amounts as dividends to governments except for the dividends paid to a government as common shareholder.

e) Signature, discovery and production bonuses

Signature, discovery and production bonuses refer to bonuses that might be paid by the Group upon signature of a contract, bonuses owed further to the discovery of a commercial reservoir or bonuses owed after exceeding a certain production volume.

The effective contractual provisions applicable to the Romgaz Group, do not stipulate signature, discovery and production bonuses. The Group did not make such payments during 2023.

f) Licence fees, rental fees, entry fees, approvals and other considerations for licences and/or concessions

The report shows the fees paid for authorizations and licenses in the gas field, the amounts paid for approvals upon conclusion or amendment of concession agreements, approvals paid at the request of the petroleum agreement titleholder for conclusion, amendment and termination of a petroleum agreement, payments made for annual approvals for the Petroleum Operations Program as well as for modifying the Petroleum Operations Program, approvals for performing well operations and fees related to investments and technology transfer.

These include royalties also, that were paid to various authorities for the concessions granted, other than those included in paragraph c).

g) Payments for infrastructure improvements

Payments for infrastructure improvements in this report refer to improvements of the infrastructure only if these are used for other purposes than exploration, development and production. Moreover, these payments refer to the improvement of the local infrastructure and not to Romgaz Group's infrastructure.

The report includes their value at the time of payment.

Constructions, infrastructure improvements performed only for social purposes are not included in this report.

During 2023 Romgaz Group did not make payments for infrastructure improvements.

Joint Agreements: With respect to operations performed within joint agreements where an entity from Romgaz Group is operator, the amounts shown in this report are the amounts paid by the Group pro rata with its interest share. In case of an entity from the Group that is part of a joint agreement where it is not the operator, the amounts are stated based on the data made available by the operator.

Materiality: A payment, either a unique payment or a series of related payments, is not shown in the report if it is below RON 443 thousand within a financial year (equivalent of EUR 100 thousand at the exchange rate published in the Official Journal of the European Union on July 19, 2013).

Payment in kind: Romgaz Group does not make payments in kind.

Reporting currency: The report is prepared in RON. Payments made in other currencies than the national currency are shown in this report in RON at their payment value.

In compliance with the reporting obligations previously mentioned, SNGN Romgaz SA publishes the **Consolidated Report on payments to governments for financial year 2023**, under the model stated at Section 8.3 of Annex No 1 of the Order no.2844/2016 issued by the Public Finance Ministry as follows:

RON thousand

Amounts paid to Governments per countries		
No.	Payment type	Romania
I	Total amount of payments	2,991,967
a.	Production rights	N/A
b.	Taxes levied on the income, production or profits of companies, excluding taxes levied on consumption such as value added taxes, personal income taxes or sales taxes	2,475,362
c.	Royalties	504,316
d.	Dividends	N/A
e.	Signature, discovery and production bonuses	N/A
f.	Licence fees, rental fees, entry fees and other considerations for licences and/or concessions	12,289
g.	Payments for infrastructure improvements	N/A

Chief Executive Officer
Răzvan Popescu

Chief Financial Officer
Gabriela Trânbițaș