SOCIETATEA NAȚIONALĂ DE GAZE NATURALE "ROMGAZ" SA GROUP

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

PREPARED IN ACCORDANCE WITH
THE ORDER OF THE MINISTRY OF PUBLIC FINANCE NO. 2844/2016

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended December 31, 2024	Year ended December 31, 2023 revised presentation*
		'000 RON	'000 RON
Revenue	3	7,929,436	9,001,878
Cost of commodities sold	5	(119,825)	(107,130)
Finance income	4	190,009	213,008
Other gains and losses	6	(31,383)	(17,748)
Net impairment gains/(losses) on trade receivables	16	38,479	43,714
Changes in inventory of finished goods and work in progress		47,832	(5,767)
Work performed by the Group and capitalized		307,228	250,977
Raw materials and consumables used	5	(199,861)	(151,501)
Depreciation, amortization and impairment expenses	7	(603,157)	(504,532)
Employee benefit expense	8	(1,201,977)	(1,082,714)
Taxes and duties	10	(1,826,729)	(1,496,311)
Finance cost	9	(92,692)	(62,003)
Exploration expense	13	(78,709)	(84,640)
Share of profit of associates	24	8,016	4,873
Greenhouse gas certificates expenses		(180,752)	(242,803)
Third party services and other costs		(646,474)	(712,843)
Other income	3	61,736	21,004
Profit before tax		**3,601,177**	**5,067,462**
Income tax expense	11	(395,181)	(2,255,353)
Profit for the year		**3,205,996**	**2,812,109**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains/(losses) on post-employment benefits	18 c)	(8,842)	(10,970)
Income tax relating to items that will not be reclassified subsequently to profit or loss	11	1,415	1,755
Total items that will not be reclassified subsequently to profit or loss		**(7,427)**	**(9,215)**
Other comprehensive income for the year net of income tax		**(7,427)**	**(9,215)**
Total comprehensive income for the year		**3,198,569**	**2,802,894**
Basic and diluted earnings per share	17 b)	0.00083	0.00073

* see note 2 for the changes in presentation

These financial statements were authorized for issue by the Board of Directors on March 27, 2025.

Răzvan Popescu
Chief Executive Officer

Gabriela Trânbițaș
Chief Financial Officer

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	December 31, 2024	December 31, 2023 revised presentation*
		'000 RON	'000 RON
ASSETS			
Non-current assets			
Property, plant and equipment	12	8,418,794	5,891,788
Intangible assets	14 a)	5,131,142	5,135,930
Investments in associates	24	59,426	33,410
Deferred tax asset	11	356,640	324,175
Right of use asset	14 b)	13,424	11,596
Other financial investments	25	5,616	5,616
Total non-current assets		**13,985,042**	**11,402,515**
Current assets			
Inventories	15	394,073	301,690
Greenhouse gas certificates		137,244	208,618
Trade receivables	16 a)	837,805	1,398,953
Bank deposits other than cash and cash equivalents	29	2,625,339	2,505,463
Other assets	16 b)	79,362	113,181
Current tax receivable		3,863	-
Cash and cash equivalents	27 a)	1,852,154	535,210
Total current assets		**5,929,840**	**5,063,115**
Total assets		**19,914,882**	**16,465,630**
EQUITY AND LIABILITIES			
Equity			
Share capital	17 a)	3,854,224	385,422
Reserves		3,966,562	4,971,109
Retained earnings		6,365,290	6,204,783
Total equity		**14,186,076**	**11,561,314**
Non-current liabilities			
Retirement benefit obligation	18	204,550	189,314
Deferred income	19	386,849	370,941
Lease liabilities		10,899	10,450
Bank borrowings	28 a)	484,975	808,373
Bonds	28 b)	2,476,433	-
Provisions	18	351,789	373,536
Total non-current liabilities		**3,915,495**	**1,752,614**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	December 31, 2024	December 31, 2023
		'000 RON	'000 RON
Current liabilities			
Trade payables	**20**	456,770	272,168
Contract liabilities	**16 e)**	290,811	153,723
Current tax liabilities	**11**	3,563	1,766,637
Deferred income	**19**	486	7
Provisions	**18**	162,689	121,732
Lease liabilities		4,729	2,579
Bank borrowings	**28 a)**	323,371	323,349
Bonds	**28 b)**	24,545	-
Other liabilities	**20**	546,347	511,507
Total current liabilities		**1,813,311**	**3,151,702**
Total liabilities		**5,728,806**	**4,904,316**
Total equity and liabilities		**19,914,882**	**16,465,630**

* see note 2 for the changes in presentation

These financial statements were authorized for issue by the Board of Directors on March 27, 2025.

Răzvan Popescu
Chief Executive Officer

Gabriela Trânbițaș
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Legal reserve	Geological quota reserve	Development fund reserve	Reinvested profit reserve	Reserves for investments in strategic projects	Other reserves	Retained earnings	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Balance as of January 1, 2024	**385,422**	**90,294**	**486,388**	**3,902,422**	**472,280**	**-**	**19,725**	**6,204,783**	**11,561,314**
Profit for the year	-	-	-	-	-	-	-	3,205,996	3,205,996
Other comprehensive income for the year	-	-	-	-	-	-	-	(7,427)	(7,427)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,198,569**	**3,198,569**
Increase in share capital	3,468,802	-	-	(3,468,802)	-	-	-	-	-
Dividends distribution *	-	-	-	(24,580)	-	-	-	(549,227)	(573,807)
Increase in reserves **	-	174,855	-	242,638	45,933	2,025,409	-	(2,488,835)	-
Balance as of December 31, 2024	**3,854,224**	**265,149**	**486,388**	**651,678**	**518,213**	**2,025,409**	**19,725**	**6,365,290**	**14,186,076**
Balance as of January 1, 2023	**385,422**	**90,294**	**486,388**	**2,586,687**	**396,180**	**-**	**19,725**	**6,111,869**	**10,076,565**
Profit for the year	-	-	-	-	-	-	-	2,812,109	2,812,109
Other comprehensive income for the year	-	-	-	-	-	-	-	(9,215)	(9,215)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,802,894**	**2,802,894**
Dividends distribution *	-	-	-	-	-	-	-	(1,318,145)	(1,318,145)
Increase in reserves	-	-	-	1,315,735	76,100	-	-	(1,391,835)	-
Balance as of December 31, 2023	**385,422**	**90,294**	**486,388**	**3,902,422**	**472,280**	**-**	**19,725**	**6,204,783**	**11,561,314**

*) In April 2024 the Company's shareholders approved the distribution of dividends of RON 549,227 thousand (2023: RON 1,318,145 thousand), dividend per share being RON 0.1425 (year ended December 31, 2023: RON 0.342; since the share capital increase did not involve any corresponding change in resources, the dividend per share calculation for the prior period was recalculated. Specifically, the updated number of shares was applied to the dividend per share calculation for the comparative period, hence the dividend per share changed. Original dividend per share paid in the year ended December 31, 2023 was RON 3.42). Dividends of RON 24,580 were distributed based on an inspection by the National Agency of Fiscal Administration performed during November 2019 - January 2020 on the application of Government Emergency Ordinance no. 114/2018.

**) The increase in reserves, other than the legal reserve and the reinvested profit reserve, was approved by shareholders in 2024. Profit distribution is based on the provisions of Government Ordinance no. 64/2001. The Ordinance is applicable to companies owned by the Romanian State and states the reserves that can be set-up, the level of dividends that should be distributed and the terms of such distribution. Reserves for investments in strategic projects were set up based on the changes introduced in 2024 to Government Ordinance no. 64/2001. Development fund reserve may be distributed if the majority shareholder asks for it. The reserve for investments in strategic projects has to be distributed if the funds are not used or committed by the time the investments funded from this reserve are commissioned; as at December 31, 2024 the Group fully used the funds for the development of Neptun Deep, respectively signed contracts to secure the investments in Bilciurești gas storage. All other reserves are not distributable. According to the legislation in force, the legal reserve and the reinvested profit reserve are set up at year end and will be subject to shareholders' approval in the following year.

These financial statements were authorized for issue by the Board of Directors on March 27, 2025.

Răzvan Popescu
Chief Executive Officer

Gabriela Trânbițaș
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended December 31, 2024 '000 RON	Year ended December 31, 2023 '000 RON
Cash flows from operating activities		
Net profit	**3,205,996**	**2,812,109**
Adjustments for:		
Income tax expense (note 11)	395,181	2,255,353
Share of associates' result (note 24)	(8,016)	(4,873)
Interest expense (note 9)	68,584	43,838
Income from dividends (note 4)	(686)	-
Unwinding of decommissioning provision (note 9, note 18)	24,108	18,165
Interest income (note 4)	(189,323)	(213,008)
Net loss on disposal of non-current assets (note 6)	19,897	6,867
Change in decommissioning provision recognized in profit or loss, other than unwinding (note 18)	(14,883)	33,861
Change in other provisions (note 18)	50,464	(196,640)
Net impairment of exploration assets (note 13)	26,980	23,361
Exploration projects written off (note 13)	-	3
Net impairment of property, plant and equipment and intangibles	86,811	59,537
Foreign exchange differences	(212)	7,382
Depreciation and amortization	461,813	393,671
Amortization of contract costs	-	59
Net receivable write-offs and movement in allowances for trade receivables and other assets (note 16 c)	(38,460)	(47,737)
Net movement in write-down allowances for inventory (note 6, note 15)	6,046	5,647
Liabilities written off	(231)	(172)
Subsidies income (note 19)	-	(7)
Interest paid	(38,897)	(43,183)
Income taxes paid	(2,193,168)	(1,781,868)
Cash generated from operations before movements in working capital	**1,862,004**	**3,372,365**
Movements in working capital:		
(Increase)/Decrease in inventory	(98,181)	(22,571)
(Increase)/Decrease in trade and other receivables	609,143	66,146
Increase/(Decrease) in trade and other liabilities	280,306	16,197
Net cash generated by operating activities	**2,653,272**	**3,432,137**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended December 31, 2024 '000 RON	Year ended December 31, 2023 '000 RON
Cash flows from investing activities		
Contribution to associates	(18,000)	-
Cash placed in bank deposits	(8,950,571)	(6,184,938)
Cash received from bank deposits matured	8,832,955	3,790,236
Interest received	185,840	201,844
Proceeds from sale of non-current assets	424	1,684
Dividends received	686	-
Acquisition of property, plant and equipment	(2,798,172)	(1,034,393)
Acquisition of intangible assets	(2,257)	(1,562)
Acquisition of exploration assets (note 13)	(199,871)	(50,746)
Subsidies received (note 19)	15,927	140,541
Net cash used in investing activities	**(2,933,039)**	**(3,137,334)**
Cash flows from financing activities		
Cash received from bonds issued (note 28 b)	2,473,574	-
Repayment of bank borrowings (note 28 a)	(323,312)	(322,775)
Dividends paid	(549,380)	(1,317,745)
Repayment of lease liability	(4,171)	(2,955)
Net cash generated by/(used in) financing activities	**1,596,711**	**(1,643,475)**
Net increase/(decrease) in cash and cash equivalents	**1,316,944**	**(1,348,672)**
Cash and cash equivalents at the beginning of the year	**535,210**	**1,883,882**
Cash and cash equivalents at the end of the year	**1,852,154**	**535,210**

These financial statements were authorized for issue by the Board of Directors on March 27, 2025.

Răzvan Popescu
Chief Executive Officer

Gabriela Trânbițaș
Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BACKGROUND AND GENERAL BUSINESS

Information regarding Societatea Națională de Gaze Naturale Romgaz S.A. Group (the "Group")

The Group is formed of Societatea Națională de Gaze Naturale Romgaz S.A. ("S.N.G.N. Romgaz S.A."/"the Company"/"Romgaz"), as parent company, and its fully owned subsidiaries S.N.G.N. ROMGAZ S.A. - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești S.R.L. ("Depogaz") and Romgaz Black Sea Limited. Depogaz is the main gas storage operator in Romania. Romgaz Black Sea Limited holds 50% of the rights and obligations for the Neptun Deep offshore block.

Romgaz is a joint stock company, incorporated in accordance with the Romanian legislation. The Company is listed on the Bucharest Stock Exchange.

The Company's headquarter is in Mediaș, 4 Constantin I. Motaș Square, 551130, Sibiu County.

The Romanian State, through the Ministry of Energy, is the majority shareholder of S.N.G.N. Romgaz S.A. together with other legal entities and physical persons (note 17).

The Group has as main activity:

1. geological research for the discovery of natural gas, crude oil and condensate reserves;
2. operation, production and usage, including trading, of mineral resources;
3. natural gas production for:
   - ensuring the storage flow continuity;
   - technological consumption;
   - delivery in the transmission system.
4. underground storage of natural gas;
5. commissioning, interventions, capital repairs for wells equipping the deposits, as well as the natural gas resources extraction wells, for its own activity and for third parties;
6. electricity production and supply.

2. MATERIAL ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements ("financial statements") of the Group are prepared in accordance with Ministry of Finance Order no. 2844/2016, with subsequent amendments, to approve accounting regulations in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (MOF 2844/2016). MOF 2844/2016, with subsequent amendments, is in accordance with the IFRS adopted by the European Union.

For the purpose of the preparation of these financial statements, the functional currency of the Company and its subsidiaries is deemed to be the Romanian Leu (RON).

Basis of preparation

The financial statements are prepared on a going concern basis. The principal accounting policies are set out below. The same accounting policies, methods of computation and presentation were followed in the preparation of these financial statements as were applied in the most recent annual financial statements except for the changes in presentation indicated in the section below.

Accounting is kept in Romanian and in the national currency (Romanian leu). Items included in these financial statements are denominated in Romanian lei. Unless otherwise stated, the amounts are presented in lei thousand (RON thousand).

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 "Inventory" or value in use in IAS 36 "Impairment of assets".

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance to the Group of the inputs to the fair value measurement, which are described as follows:

- level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- level 3 inputs are unobservable inputs for the asset or liability.

Basis for consolidation

Subsidiaries

The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when it loses control of that subsidiary.

Upon obtaining control of a newly acquired subsidiary, the Group assesses whether the acquisition constitutes an acquisition of a business or an acquisition of assets.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the investee. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the acquisition is not a business, it is accounted for as an acquisition of assets.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. All intra-group assets and liabilities, income and expenses relating to transactions between members of the Group are eliminated in full on consolidation.

Associates

An associate is a company over which the Group exercises significant influence through participation in decision making on financial and operational policies of the entity invested in. Investments in associates are recorded using the equity method of accounting. By this method, the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the Group’s share of the investee’s net assets. The Group’s profit or loss includes its share of the investee’s profit or loss and the Group’s other comprehensive income includes its share of the investee’s other comprehensive income.

Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is either a joint operation or a joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint ventures.

Joint operations

The Group recognizes in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

As joint operator, the Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

If the Group participates in, but does not have joint control of, a joint operation it accounts for its interest in the arrangement in accordance with the paragraphs above if it has rights to the assets, and obligations for the liabilities, relating to the joint operation.

If the Group participates in, but does not have joint control of, a joint operation, does not have rights to the assets, and obligations for the liabilities, relating to that joint operation, it accounts for its interest in the joint operation in accordance with the IFRSs applicable to that interest.

Standards and interpretations valid for the current period

The following standards and amendments or improvements to existing standards issued by the IASB and adopted by the EU have entered into force for the current period:

- Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures”: Supplier Finance Arrangements (effective for annual periods beginning on or after January 1, 2024);
- Amendments to IAS 1 “Presentation of Financial Statements” – Classification of Liabilities as Current or Non-current; Classification of Liabilities as Current or Non-current - Deferral of Effective Date; Non-current Liabilities with Covenants (effective for annual periods beginning on or after January 1, 2024);
- Amendments to IFRS 16 “Leases” – Lease liabilities in a sale and leaseback (applicable to annual periods beginning on or after 1 January 2024).

The adoption of these amendments, interpretations or improvements to existing standards has not led to changes in the Group's accounting policies. Disclosures on covenants required by IAS 1 are presented in note 28.

Standards and interpretations issued by IASB and adopted by the EU, but not yet effective

At the date of issue of the financial statements, the following standard was adopted by the EU, but not yet effective:

- Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”: Lack of Exchangeability (applicable to annual periods beginning on or after 1 January 2025).

The Group did not adopt this standard before its effective date. The Group does not expect this amendment to have a material impact on the financial statements.

Standards and interpretations issued by IASB not yet endorsed by the EU

At present, IFRS endorsed by the EU do not significantly differ from IFRS adopted by the IASB except for the following standards, amendments or improvements to the existing standards and interpretations, which were not endorsed for use in the EU as at date of publication of financial statements:

- Amendments to the Classification and Measurement of Financial Instruments; Amendments to IFRS 9 and IFRS 7 (applicable to annual periods beginning on or after 1 January 2026);
- IFRS 18 “Presentation and Disclosure in Financial Statements” (applicable to annual periods beginning on or after 1 January 2027);
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (applicable to annual periods beginning on or after 1 January 2027);
- Annual Improvements Volume 11 (applicable to annual periods beginning on or after 1 January 2026);
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (applicable to annual periods beginning on or after 1 January 2026).

NOTES

The Group is currently evaluating the effect that the adoption of these standards, amendments or improvements to the existing standards and interpretations will have on the financial statements of the Group in the period of initial application.

Changes in presentation

In the current period, the Group revised the presentation of certain items in its financial statements for a better understanding of the financial position and results of the Group. As such, certain prior periods' information was presented in line with the new presentation, to ensure comparability with the financial statements of the current period.

a) Consolidated statement of financial position

The following changes were made:

- a new line was introduced in the Current assets section, namely "Greenhouse gas certificates". In the 2023 financial statements these were included in "Other assets", also presented as Current assets.
- "Other financial assets" were renamed to "Bank deposits other than cash and cash equivalents".
- liabilities related to joint operations, initially included in "Other liabilities", were reclassified to "Trade payables", in accordance with their nature.

	December 31, 2023 as previously reported	Effect of change	December 31, 2023 revised presentation
	'000 RON	'000 RON	'000 RON
Trade payables	146,111	126,057	272,168
Other liabilities	637,564	(126,057)	511,507

b) Consolidated statement of comprehensive income

The following changes were made:

- Work performed by the Group and capitalized as non-current assets, now presented as an income, was reported net of expenditure incurred. Starting 2024, expenditure capitalized to build non-current assets is presented gross, its influence on profit for the period being offset by the presentation of an income "Work performed by the Group and capitalized" (1);
- "Other expenses" line was broken down into its main components represented by "Taxes and duties", "Employee benefit expense", "Greenhouse gas certificate expenses" and "Third party services and other costs" (2);
- Previously, impairment losses on trade receivables for other income were presented on a gross basis; currently, they are presented on a net basis (3);
- Line name changes (4).

NOTES

Changes in the consolidated statement of comprehensive income for the year ended December 31, 2023 are shown below:

	Year ended December 31, 2023 as previously reported	Impact of change (1)	Impact of changes (2) and (3)	Year ended December 31, 2023 revised presentation
	'000 RON	'000 RON	'000 RON	'000 RON
Revenue	9,001,878	-	-	9,001,878
Cost of commodities sold	(107,130)	-	-	(107,130)
Finance income/(previously presented as Investment income) (4)	213,008	-	-	213,008
Other gains and losses	(17,748)	-	-	(17,748)
Net impairment (losses)/gains on trade receivables	(57,546)	-	101,260	43,714
Changes in inventory of finished goods and work in progress	(5,767)	-	-	(5,767)
Work performed by the Group and capitalized	-	250,977	-	250,977
Raw materials and consumables used	(109,441)	(42,060)	-	(151,501)
Depreciation, amortization and impairment expenses	(476,568)	(27,964)	-	(504,532)
Employee benefit expense	(914,054)	(152,079)	(16,581)	(1,082,714)
Taxes and duties	(1,495,473)	(838)	-	(1,496,311)
Finance cost	(62,003)	-	-	(62,003)
Exploration expense	(84,640)	-	-	(84,640)
Share of profit/(loss) of associates	4,873	-	-	4,873
Greenhouse gas certificate expenses	-	-	(242,803)	(242,803)
Third party services and other costs	-	-	(712,843)	(712,843)
Other expenses	(944,191)	(28,036)	972,227	-
Other income	122,264	-	(101,260)	21,004
Profit before tax	**5,067,462**	**-**	**-**	**5,067,462**
Income tax expense	(2,255,353)	-	-	(2,255,353)
Profit for the year	**2,812,109**	**-**	**-**	**2,812,109**

Change (1) above affects the result of segments reported, as most expenses offset against income representing work performed by the Group and capitalized were incurred at the level of the supplying branches included in the “Other” segment, while most of the income was recorded in the “Upstream” segment.

Segment information

The information reported to the chief operating decision maker (ie. the Chief Executive Officer) for the purposes of resource allocation and assessment of segment performance focuses on the upstream segment, gas storage, electricity production and supply, and other activities, including headquarter activities.

Specifically, the Group is organized in the following segments:

- upstream, which includes exploration activities, natural gas production and trade of gas extracted by Romgaz or acquired for resale; these activities are performed by the head office, Mediaș, Mureș and Buzău branches and subsidiary Romgaz Black Sea Limited;
- storage activities, performed by subsidiary Depogaz;
- electricity production and sale activities, performed by Iernut branch;
- other activities, such as technological transport, operations on wells and corporate activities.

Transactions between the companies within the Group are at current market prices. Unrealized profits are eliminated in the financial statements.

NOTES

Gas and electricity deliveries between Group's segments within the same company are accounted for at market prices or at regulated prices, as the case may be. All other transactions between Group's segments within the same company are at cost.

Segment information is presented based on accounting information prepared in accordance with MOF 2844/2016.

Revenue recognition

a) Revenue from contracts with customers

The Group recognizes revenue from the following major sources:

- sale of gas, either from its own production or acquired for resale, and related fulfilment activities (eg. transmission, storage, distribution services);
- provision of gas storage services, provided by Depogaz;
- sale of electricity, either from its own production or acquired for resale.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is recognized when, or as the Group transfers the goods or services to the customer, respectively, the client obtains control over them.

Depending on the nature of the goods or services, revenues are recognized over time or at a point in time.

Contracts concluded by the Group do not contain significant financing components.

The Group does not disclose information about the remaining performance obligations, applying the practical expedient in IFRS 15, as contracts with customers are generally signed for periods of less than one year and the revenues are recognized at the amount which the Group has the right to charge.

Revenue from sale of gas and electricity

The Group's gas contracts include a single performance obligation which is satisfied upon delivery. The performance obligation includes the gas delivered and the fulfilment activities required to provide the gas to the customer. Revenue is recognized at the time of delivery to the customer and in line with the amount to which the Group has the right to invoice. Gas deliveries are invoiced monthly. Revenue from these contracts is recognized at a point in time on the basis of the actual quantities delivered at the prices fixed in the contracts concluded.

The Group's electricity contracts include a single performance obligation which is satisfied over the delivery period as the customer simultaneously receives and consumes electricity. Revenue is recognized at the time of consumption by the customer and in line with the amount to which the Group has the right to invoice. Electricity deliveries are invoiced on a monthly basis. Revenue from these contracts are recognized over time for the whole month on the basis of the actual quantities delivered at the prices fixed in the contracts concluded.

Trade receivables from gas deliveries are generally due within 30 days of invoice issue. These must be guaranteed by customers through bank letters of guarantee. If customers do not provide such a guarantee, they must ensure that natural gas is paid in advance.

Trade receivables from the sale of electricity are generally due within 7 days of the date of invoice delivery. These must be guaranteed by customers through bank letters of guarantee. If customers do not provide such a guarantee, they must ensure that electricity is paid in advance.

Revenue recognition from storage activities (capacity reservation, injection and extraction)

The contracts on capacity reservation and storage concluded with customers are of a binding nature for the customer, i.e. the customer agrees with the Group a storage capacity (the volume and the length of the storage) for the annual storage cycle and has to pay for the whole capacity booked irrespective of the actual capacity used.

The capacity reservation revenue is recognized over time as a customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The revenue from injection and extraction services are recognized at a point in time when the services are delivered to the customer and completed.

Trade receivables from storage services are due within 15 days of invoice issue. Customers must provide a 5% security for the services value.

b) Other revenue

Rental revenue for operating lease contracts where the Group operates as lessor is recognized on a straight-line basis over the lease term, in accordance with the substance of the relevant agreements.

NOTES

Finance income

Interest income is recognized as the respective income is generated, on accrual basis.

Contract liabilities

Contract liabilities are obligations to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional (ie. a receivable), before the Group transfers the good or service to the customer, the Group recognizes the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

Exploration expenses

The costs of seismic exploration, geological, geophysical and other similar exploration activities are recognized as exploration expenses in the statement of comprehensive income in the period in which they arise.

Exploration expenses also include the carrying value of exploration assets that have not identified gas resources and have been written-off.

Foreign currencies

The functional currency is the currency of the primary economic environment in which the Company and its subsidiaries operate and is the currency in which cash is primarily generated and expended. All companies in the Group operate in Romania and have the Romanian Leu (RON) as functional currency. The majority of sales and acquisition are in Romanian currency.

In preparing the financial statements of the Group, transactions in currencies other than the functional currency (foreign currencies) are recorded at the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

Exchange differences are recognized in the statement of comprehensive income in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Employee benefits

Benefits granted upon retirement

In the normal course of business, the Group makes payments to the Romanian State on behalf of its employees at legal rates. All employees of the Group are members of the Romanian State pension plan. These costs are recognized in the statement of comprehensive income together with the related salary costs.

Based on the Collective Labor Agreements applicable within the Group, the Group is liable to pay to its employees at retirement a number of gross salaries, according to the years worked in the gas industry/electrical industry, work conditions etc. To this purpose, the Group recorded an obligation for benefits upon retirement. This obligation is updated annually and computed according to actuary methods based on estimates of the average salary, the average number of salaries payable upon retirement, on the estimate of the period when they shall be paid, and it is brought to present value using a discount factor based on interest related to a maximum degree of security investments (government securities). As the benefits are paid, the obligation is reduced together with the reversal of the obligation against income.

Gains or actuarial losses are recognized in other comprehensive income. These are changes in the present value of the defined benefit obligation as a result of statistical adjustments and changes in actuarial assumptions. Any other changes in the obligation are recognized in the result of the year.

The Group does not operate any other pension scheme or post-retirement benefit plan and, consequently, has no obligation in respect of pensions.

Employee participation to profit

The Group records in its financial statements a provision related to the fund for employee participation to profit in compliance with legislation in force, namely Government Ordinance no. 64/2001. According to this, employees may receive one average base monthly salary as a benefit.

Liabilities related to the fund for employee participation to profit are settled in less than a year and are measured at the amounts estimated to be paid at the time of settlement.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Greenhouse gas certificates acquired

The Group recognizes a liability for the obligation to settle actual CO_2 emissions (provision until greenhouse gas certificates are purchased, current liability after such certificates are purchased, until their inclusion in the Unique Registry of Greenhouse Gas Emissions). The provision is measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The liability to be settled using certificates on hand is measured at the carrying amount of those certificates; any excess emission is measured at the market value of certificates at the period end. The related expense is recognized in the same amount as the liability. Greenhouse gas certificates purchased during the period are those which will be included in the Unique Registry of Greenhouse Gas Emissions. They are recognized as current assets (intangible assets) and measured at cost. When the certificates are included in the Unique Registry, the respective liability is settled and the asset and liability are derecognized.

Provisions for decommissioning of wells

Liabilities for decommissioning costs are recognized due to the Group's obligation to plug and abandon a well, dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reliable estimate of that liability can be made.

The Group recorded a provision for decommissioning wells.

This provision was computed based on the estimated future expenditure determined in accordance with local conditions and requirements and it was brought to present value using the weighted average cost of capital. The rate and the estimated costs for decommissioning are updated annually.

The decommissioning provision is based on the economic life of the fields wells are located on, even if this is longer than the period of the related concession agreements, as it is considered the period may be extended. Economic life of fields is determined based on studies submitted to ANRMPSG for approval.

A corresponding item of property, plant and equipment of an amount equivalent to the provision is also recognized. The item of property, plant and equipment is subsequently depreciated as part of the asset.

The Group applies IFRIC 1 "Changes in Existing Decommissioning, Restoration and Similar Liabilities" related to changes in existing decommissioning, restoration and similar liabilities.

The change in the decommissioning provision for wells is recorded as follows:

a. subject to b., changes in the liability are added to, or deducted from, the cost of the related asset in the current period;

b. the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognized immediately in the statement of comprehensive income;

c. if the adjustment results in an addition to the cost of an asset, the Group considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the Group tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss.

Once the related asset has reached the end of its useful life, all subsequent changes of the liability are recognized in the income statement in the period when they occur.

The periodical unwinding of the discount is recognized in the comprehensive income as a finance cost, as it occurs.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current tax for the period is recognized as an expense in the statement of comprehensive income. Deferred tax for the period is recognized as an expense or income in the statement of comprehensive income, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where it arises from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer’s interest in the net fair value of the acquirer’s identifiable assets, liabilities and contingent liabilities over cost.

Property, plant and equipment

(1) Cost

(i) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of any decommissioning obligation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

(ii) Gas cushion

This is a quantity of natural gas constituted as a reserve at the level of gas storages, physically recoverable, which ensures the optimum conditions necessary to maintain their technical-productive flow characteristics. The gas cushion is recorded as an item of property, plant and equipment in the Storage segment.

(iii) Development expenditure

Expenditure on the construction, installation and completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including the commissioning of wells, is capitalized within property, plant and equipment and is depreciated from the commencement of production as described below in the property, plant and equipment accounting policies.

(iv) Maintenance and repairs

The Group does not recognize within the assets’ costs the current expenses and the accidental expenses for that asset. These costs are expensed in the period in which they are incurred.

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The costs for current maintenance are mainly labor costs and consumables and also small inventory items. The purpose of these expenses is usually described as "repairs and maintenance" for property, plant and equipment.

The expenses with major activities, inspections and repairs comprise the replacement of the assets or other asset's parts, the inspection cost and major overhauls. These expenses are capitalized if an asset or part of an asset, which was separately depreciated, is replaced and is probable that they will bring future economic benefits for the Group. If part of a replaced asset was not considered as a separate component and, as a result, was not separately depreciated, the replacement value will be used to estimate the net book value of the asset which is replaced and is immediately written-off. The inspection costs associated with major overhauls are capitalized and depreciated over the period until next inspection.

The costs for major overhauls for wells are also capitalized and depreciated using the unit of production depreciation method.

All other costs with current repairs and usual maintenance are recognized directly in expenses.

(2) Depreciation

The depreciable amount of a tangible asset is the cost less the residual value of the asset. The residual value is the estimated value that the Group would currently obtain from the disposal of an asset, after deducting the estimated costs associated with the disposal if the asset would already have the age and condition expected at the end of its useful life.

For directly productive tangible assets (ie. wells), the Group applies the depreciation method based on the unit of production (UoP) in order to reflect in the statement of comprehensive income, an expense proportionate with the production obtained from the total natural gas reserve certified at the beginning of the period. According to this method, the carrying value of each production well is depreciated according to the ratio of the natural gas quantity extracted during the period compared to the proved developed reserves at the beginning of the period.

Assets representing gas cushion are not depreciated, as it is expected that the residual value exceeds their cost.

For indirectly productive tangible assets and storage assets, depreciation is computed using the straight–line method over the estimated useful life of assets, as follows:

Asset	Years
Gas properties (others than the properties with UoP depreciation)	1 - 50
Buildings	1 - 70
Fixtures, fittings and office equipment	1 – 18
Plant, machinery and equipment	1 – 30
Storage assets	2 - 36

Land is not depreciated as it is considered to have an indefinite useful life.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at historical cost, less any recognized impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Items of tangible fixed assets that are disposed of are eliminated from the statement of financial position along with the corresponding accumulated depreciation and impairment. Any gain or loss resulting from such retirement or disposal is included in other gains and losses.

For items of tangible fixed assets that are retired from use, but not yet written off by the reporting date, an impairment adjustment is recorded for the carrying value at the time of retirement.

(3) Impairment

Non-current assets must be recognized at the lower of the carrying amount and recoverable amount. If and only if the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset should be reduced to be equal to its recoverable amount. Such a reduction represents an impairment loss that is recognized in the result of the period.

Thus, at the end of each reporting period, the Group assesses whether there is any indication of impairment of assets, whether at individual asset level or at cash-generating unit level. If such indication is identified, the Group tests the assets to determine whether they are impaired.

The Group's assets are allocated to cash-generating units. The cash-generating unit is the smallest identifiable asset group that generates independent cash inflows to a large extent from cash inflows generated by other assets or asset groups. The Group considers each commercial field as a separate cash-generating unit.

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All gas storages held by the Group are considered as part of a single cash-generating unit, as the tariffs are set by analyzing the storage activity as a whole, not every single storage.

In 2024, the Group did not conduct an impairment test in the Upstream segment (for onshore operations), as it did not identify any impairment indicators.

No impairment indicators were identified for the offshore operations of the Group.

Recoverable amount is the largest of the fair value of an asset or a cash-generating unit less costs associated with disposal and its value in use.

Exploration and evaluation assets

(1) Cost

Natural gas exploration (other than seismic, geological, geophysical and other similar activities), evaluation and development expenditure is accounted for using the principles of the successful efforts method of accounting.

Costs directly associated with an exploration well are initially capitalized as an asset until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration, materials and fuel used, drilling costs and payments made to contractors. If potentially commercial quantities of hydrocarbons are not found, the exploration well is impaired in the statement of financial position until the National Regulatory Authority for Mining, Petroleum and Geological Storage of Carbon Dioxide (Autoritatea Națională de Reglementare în Domeniul Minier, Petrolier și al Stocării Geologice a Dioxidului de Carbon – ANRMPSG) approvals are obtained in order to be written off; the impairment allowance previously recorded is released against the cost of the asset. If hydrocarbons are found and, subject to further evaluation activity, are likely to be capable of commercial development, the costs continue to be carried as an asset. Costs directly associated with evaluation activity, undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of evaluation wells where hydrocarbons were not found, are initially capitalized as an asset. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, an impairment is recorded for the assets, until the completion of the legal steps necessary for them to be written off. When proved reserves of natural gas are determined and development is approved by management, the relevant asset is transferred to property, plant and equipment other than exploration and evaluation assets.

(2) Impairment

At each reporting date, the Group's management reviews its exploration and evaluation assets and establishes the necessity for recording in the financial statements an impairment loss in these situations:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of gas resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of gas resources in the specific area have not led to the discovery of commercially viable quantities of gas resources and the Group has decided to discontinue such activities in the specific area;
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Intangible assets

(1) Cost

Mineral rights are recognized at acquisition cost.

Licenses for software, patents and other intangible assets are recognized at acquisition cost.

Intangible assets are not revalued.

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(2) Amortization

Mineral rights are amortized using the unit of production depreciation method.

Patents and other intangible assets are amortized using the straight-line method over their useful life, but not exceeding 20 years. Licenses related to the right of use of computer software are amortized over a period of 3 years.

Inventories

Inventories are recorded initially at cost of production, or acquisition cost, as the case may be. The cost of finished goods and production in progress includes materials, labour, expenses incurred in bringing the finished goods at the location and in the existent form, and related indirect production costs. Write down adjustments are booked against slow moving, damaged and obsolete inventory, when necessary.

At each reporting date, inventories are measured at the lower of cost and net realizable value. The net realizable value is estimated based on the selling price less any completion and selling expenses. The cost of inventories is assigned by using the weighted average cost formula.

Financial assets and liabilities

The Group's financial assets include cash and cash equivalents, trade receivables, other receivables, bank deposits with a maturity from acquisition date of over three months and other investments in equity instruments.

Financial liabilities include interest-bearing bank borrowings, overdrafts, bonds and trade and other payables.

For each item, the accounting policies on recognition and measurement are disclosed in this note.

Cash and cash equivalents include petty cash, cash in current bank accounts and short-term deposits with a maturity of less than three months from the date of acquisition.

The Group recognizes a financial asset or financial liability in the statement of financial position when and only when it becomes a party to the contractual provisions of the instrument. Upon initial recognition, financial assets are classified at amortized cost or measured at fair value through profit or loss. The classification depends on the Group's business model for managing the financial assets and their contractual cash flows.

The Group does not have financial assets measured at fair value through other comprehensive income.

On initial recognition, financial assets and financial liabilities are measured at fair value plus or minus, in the case of assets and liabilities measured at amortized cost, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Receivables resulting from contracts with customers represent the unconditional right of the Group to a consideration. The right to a consideration is unconditional if only the passage of time is required before payment of the consideration is due. These are measured at initial recognition at the transaction price.

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments plus or minus cumulative depreciation using the effective interest method for each difference between the initial amount and the amount at maturity and, for financial assets, adjusted for any loss allowance impairment.

Any difference between the initial amount and the amount at maturity is recognized in the statement of comprehensive income for the period of the borrowings or bonds using the effective interest method.

Financial instruments are classified as liabilities or equity in accordance with the nature of the contractual arrangement. Interest, dividends, gains and losses on a financial instrument classified as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are recorded directly in equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and discharge the obligation simultaneously.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss, are assessed for impairment at each reporting period.

Except for trade receivables, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk associated with the financial instrument, has increased significantly since initial recognition. If, at the reporting date, the credit risk for a financial instrument has not increased significantly since the initial recognition, the Group measures the loss allowance for that financial instrument at a value equal to 12-month expected credit losses.

NOTES

The loss allowance on trade receivables resulting from transactions that are subject to IFRS 15 is measured using the simplified approach.

The Group measures the expected credit losses of a financial instrument in a manner that reflects reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The carrying amount of the financial asset, other than those at fair value through profit or loss, is reduced through the use of an allowance account.

De-recognition of financial assets and liabilities

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Reserves

Reserves include:

- legal reserves, which are used annually to transfer to reserves up to 5% of the statutory profit, but not more than 20% of the statutory share capital of the companies within the Group;
- development fund reserves, which represent allocations from profit in accordance with Government Ordinance no. 64/2001, paragraph (g); the reserve is set up from net profit, as a balance after all other reserves are set up;
- reserves from reinvested profit, set up based on the Fiscal Code. The amount of profit that benefited from tax exemption under the fiscal legislation less the legal reserve, is distributed at the end of the year by setting up the reserve;
- geological quota reserve, non-distributable, set up until 2004. Geological quota reserve set up after 2004 is distributable and presented in retained earnings. Geological quota set up after 2004 is allocated together with the profit allocation, as approved by the General Meeting of Shareholders, based on depreciation, respectively write-off of the assets financed using the development quota;
- other non-distributable reserves, set up from retained earnings representing translation differences recorded at transition to IFRS. These reserves are set up in accordance with MOF 2844/2016;
- reserves for investments in strategic projects are set up in accordance with Government Ordinance no. 64/2001 for the difference between the general dividend payout ratio requested by the Government and the lower ratio approved for the Group to support major investments of national interest to increase the energy capacity of Romania.

Government grants

Grants are non-reimbursable financial resources given by a government to the Group' companies with the condition of meeting certain criteria. Grants include grants related to assets and grants related to income.

Grants related to assets are government grants for whose primary condition is that the Group should purchase, construct, or otherwise acquire long-term assets.

Grants related to income are government grants other than those related to assets.

Grants are not recognized until there is reasonable assurance that:

(a) the Group will comply with the conditions attaching to it; and

(b) grants will be received.

Grants related to assets are presented in the statement of financial position as "Deferred revenue", which is then recognized in profit or loss on a systematic basis over the useful life of the asset.

Grants related to income are recognized in the statement of profit or loss under "Other income", as the related expenses are recorded. Until the time the expense occurs, the grant received is recognized as "Deferred revenue".

If a government grant becomes receivable as compensation for expenses or losses incurred in a previous period, the Group recognizes such grant in the profit or loss of the period in which it becomes receivable.

NOTES

Significant estimates and judgments

The preparation of the financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the end of reporting date, and the reported amounts of revenue and expenses during the reporting period. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical estimates and judgments that the management has made in the process of applying the Group's accounting policies, and that have the most significant effect on the amounts recognized in the financial statements.

Judgment related to revenue recognition from storage activities

The contracts on capacity reservation and storage concluded with customers are of a binding nature for the customer, i.e. the customer agrees with the Group a storage capacity (the volume and the length of the storage) for the annual storage cycle and has to pay for the whole capacity booked irrespective of the actual capacity used. There is the following customers' business practice in place:

- not to use the full capacity booked, e.g. inject in the middle of the period of the annual storage cycle;
- to inject and extract several times during the annual storage cycle;
- not to extract the whole volume of gas stored at the end of the annual storage cycle, i.e. utilize the capacity with the Group for the next storage period.

Such situations are not hypothetical, and it is a usual practice that the customer uses such a flexibility according to the market demand and market price for gas (e.g. if the market prices for gas decrease, the customer might decide rather to prolong the gas storage than extract gas for future sale). Management exercised judgment in assessing whether the customer can separately benefit from the injection and extraction services apart from booking capacity. As a result, management concluded that the Groups' promise to provide a capacity for storage should be seen as a stand-ready promise; injection and extraction promise as optional services provided in addition to the booking capacity taking into account past practice of the Group (stated above). Thus, Group's management treats them as three separate performance obligations. The revenue from the stand-ready performance obligation is recognized over time as a customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The revenue from injection and extraction services are recognized at a point in time when the services are delivered to the customer and completed.

Judgment related to government grants related to income

Government Emergency Ordinance no. 27/2022 as subsequently amended (GEO 27) includes the obligation of the Group to sell the electricity it produces at a regulated price. According to GEO 27, electricity producers must calculate a contribution to the Energy Transition Fund. For the period January 1, 2023-March 31, 2024, if the value of the CO_2 certificates related to the energy sold at the regulated price exceeds the contribution to the Energy Transition Fund, electricity producers are entitled to receive the excess. Until December 2024, the legislation did not provide for the mechanism to request these amounts from the Romanian State nor the competent authority for the settlement of such requests. As such, the right to receive the grant is not enforceable.

The government does not act as a shareholder or a client of the Group in this matter. As such, the relevant standard considered in the accounting of the grant is IAS 20.

By December 31, 2024 the Group should receive RON 188,260 thousand. Until the amount becomes a receivable, the Group discloses the grant as a contingent asset.

Estimates related to impairment losses on trade receivables

At each period end, the Group evaluates the risks attached to current and overdue receivables and the probability of such risks to materialize. The Group's receivables are generally due in maximum 30 days from the date of issue. Based on information available at period end and previous experience, the Group estimates the lifetime expected credit loss of receivables, both current and overdue, on a client-by-client basis and records appropriate impairment losses (note 16).

Judgment related to the exploration expenditure on undeveloped fields

If field works prove that the geological structures are not exploitable from an economic point of view or that they do not have hydrocarbon resources available, an impairment is recorded. The impairment assessment is performed based on geological experts' technical expertise (note 7).

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Estimates related to developed proved reserves

The Group applies the unit-of-production depreciation method for gas producing wells in order to reflect in the income statement an expense proportionate with the production obtained from the total developed proved natural gas reserve at the beginning of the period. According to this method, the carrying value of each production well is depreciated according to the ratio of the natural gas quantity extracted during the period compared to the gas reserve at the beginning of the period. The gas reserves are updated annually by ANRMPSG-certified internal experts according to internal policies and assessments that are based on certifications of ANRMPSG (note 7).

The estimated developed proved gas reserves are a key input in management's impairment indicators assessment of assets within the Upstream segment.

Periodically, Romgaz engages a reputable international company to perform an independent assessment of its gas reserves, the most recent one being as of December 31, 2023. However, the depreciation of producing wells and the assessment of impairment indicators are based on the developed proved gas reserves estimated by Romgaz' internal experts.

If gas reserves increased by 5%, the depreciation charge of assets depreciated using the unit of production method would be RON 8,932 thousand lower than current levels (2023: RON 8,066 thousand).

If gas reserves decreased by 5%, the depreciation charge of assets depreciated using the unit of production method would be RON 9,857 thousand higher than current levels (2023: RON 8,875 thousand).

Estimates related to the decommissioning provision

Liabilities for decommissioning costs are recognized for the Group's obligation to plug and abandon a well, dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reliable estimate of that liability can be made.

This provision is computed based on the estimated future expenditure determined in accordance with local conditions and requirements and it is brought to present value using the weighted average cost of capital. The rate and estimated decommissioning costs are updated annually (note 18).

Costs to plug and abandon a well are calculated as an average of current year's costs actually incurred for such activities. These costs are brought to present value over the period over which the Group believes the field will be economically viable, even if the current term of concession agreements is shorter, as the Group believes it will be able to extend the term of the agreements.

If economic life of existing concession agreements increased by 5 years, the decommissioning provision would decrease by RON 69,137 thousand (2023: RON 54,652 thousand).

If economic life of existing concession agreements decreased by 5 years, the decommissioning provision would increase by RON 78,437 thousand (2023: RON 59,927 thousand).

Estimates related to retirement benefit obligations

Under the Collective Labor Agreements applicable within the Group, the Group must pay its employees when they retire a multiplicator of the gross salary, depending on the seniority within the gas industry/electricity industry, working conditions etc. This obligation is updated annually. It is calculated based on actuarial methods to estimate the average wage, the average number of employees to pay at retirement, the estimate of the period when they will be paid and is brought to present value using a discount factor based on interest on investments with the highest degree of safety (government bonds) (note 18).

The Group does not operate any other pension plan or retirement benefits, and therefore has no other obligations relating to pensions.

Judgment on depreciation and expected useful lives of property, plant and equipment

The energy transition may curtail the expected useful lives of the Group's assets thereby accelerating depreciation charges. However, it is expected that most of the existing assets will likely have immaterial carrying values by 2050. The Group's core strategy is focused on its upstream segment and will continue to have an important part of the Group's activities over that period. Therefore, management does not expect the useful lives of the Group's property, plant and equipment to change. Significant capital expenditure is still required for ongoing projects as well as renewal and/or replacement of aged assets and therefore the useful lives of future capital expenditure may be different.

If useful life of property, plant and equipment depreciated on a straight-line basis increased by 5%, depreciation for the year would have decreased by RON 5,384 thousand (2023: RON 10,877 thousand).

If useful life of property, plant and equipment depreciated on a straight-line basis decreased by 5%, depreciation for the year would have increased by RON 14,189 thousand (2023: RON 8,385 thousand).

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Judgment related to impairment of assets

The Group assesses whether indications of impairment exist both at CGU level and for individual assets.

Impairment indicators considered at CGU level include: significant changes in developed proved gas reserves, analysis of profitability of existing fields, regulations related to gas prices, regulations on tax environment and decisions to end existing concessions.

Impairment indicators for individual assets include lack of production, decisions to abandon or write-off an individual asset.

Judgment related to the functional currency of Romgaz Black Sea Limited

The functional currency of Romgaz Black Sea Limited, registered in the Commonwealth of the Bahamas, is the Romanian Leu, as the company operates in Romania and transactions are carried in the Romanian Leu.

Judgment related to the residual value of the gas cushion

Gas cushion is recorded at cost. The Group estimates that future gas prices (ie. residual value) will exceed the cost of the gas cushion. Therefore the gas cushion is not depreciated.

Contingencies

By their nature, contingencies end only when one or more uncertain future events occur or not. In order to determine the existence and the potential value of a contingent element, is required to exercise the professional judgment and the use of estimates regarding the outcome of future events (note 32).

Judgments related to the application of Pillar Two

In December 2023, the Romanian parliament enacted legislation to implement the Pillar Two Model rules. The legislation is effective for the Group from January 1, 2024 and includes an income inclusion rule and a domestic minimum tax, which together are designed to ensure a minimum effective tax rate of 15% in each country in which the Group operates.

The Romanian legislation includes an initial phase of exclusion from the income inclusion rule for multinational groups subject to the additional tax or national additional tax, by which the tax will be reduced to zero in the first 5 years of the initial phase of the international activity of the multinational group. The initial phase of the international activity started on January 1, 2024.

A multinational group shall be considered to be in the initial phase of its international activity if, for a financial year:

a) it has constituent entities in no more than 6 jurisdictions; and

b) the sum of the carrying value of the tangible assets of all the constituent entities of the multinational group having their headquarters in all jurisdictions, except the reference jurisdiction, does not exceed EUR 50,000 thousand. The reference jurisdiction represents the jurisdiction in which the constituent entities of the multinational group have the highest total carrying value of tangible assets in the financial year in which the multinational group initially falls within the scope of the law. The total value of tangible assets in a jurisdiction is the sum of the carrying amount of all tangible assets of all constituent entities of the multinational group that are established in that jurisdiction.

Romgaz Group is a multinational group, as Romgaz Black Sea Limited is a company incorporated in the Commonwealth of the Bahamas. However, Romgaz Black Sea Limited has no operations outside Romania, the company being involved in only one project, namely the development of the Neptun Deep project in Romania. As such, all tangible assets are located in Romania, which is considered to be the reference jurisdiction.

Considering the above, the Group did not recognize any additional income tax from the application of Pillar Two Model rules.

Judgments made in assessing the impact of climate change and the transition to a lower carbon economy

Romgaz pays special attention to decarbonization policies, to its contribution to achieving the decarbonization targets assumed by the Paris Agreement and to the implementation of the legislation related to the European Commission's Green Deal package. The Company's current strategy for the period 2022-2030 includes a series of directions of action to reduce carbon emissions. Moreover, Romgaz is in the process of developing a decarbonization strategy through which a detailed plan of long-term actions/projects/investments will be defined in order to achieve the decarbonization targets. The Company’s strategy will also be updated after the completion of the decarbonization strategy, in close correlation with it.

NOTES

At the same time, taking into account a series of European legal acts related to the Green Deal policies that came into force in 2024 and which involve a series of obligations on natural gas producers, Romgaz has initiated the following steps:

a) *Implementing Regulation (EU) No. 2024/1735 of the European Parliament and of the Council of June 13, 2024 on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724 (NZIA Regulation)*

The NZIA Regulation includes a chapter on carbon capture, transport and storage technology, the intention of which is to accelerate and facilitate investments in such technologies.

It also sets a target of at least 50 million tons of CO_2 per year in storage capacity in depleted oil and gas fields and in saline aquifers. In order to achieve this target, Article 23 (1) provides for oil and gas producers in the European Union to create and make available, by 2030, CO_2 storage capacities, which will be established by the European Commission and calculated proportionally to the share of oil and natural gas production at EU level between January 1, 2020 and December 31, 2023. According to our estimates, Romgaz will have to ensure a capacity of about 4 million tons/year. The exact capacity related to the storage obligation that will be incumbent on each entity will be established by the European Commission in 2025.

In order to implement the requirements of this regulation, and from the perspective of a potential diversification of the Company's business and the orientation towards activities with a low carbon footprint, Romgaz will start an analysis on the opportunity and technical feasibility of transforming depleted natural gas fields into CO_2 storage sites.

At the same time, taking into account the obligation imposed by the NZIA Regulation, the Company will continue the steps towards the implementation of carbon capture and storage (CCS) projects if the technical, economic and commercial studies and analyses demonstrate the feasibility of such investments.

b) *Implementing Regulation (EU) 2024/1787 of the European Parliament and of the Council of June 13, 2024 on the reduction of methane emissions in the energy sector and amending Regulation (EU) 2019/942 (REM Regulation)*

The REM Regulation establishes strict rules for the European energy sector on (i) the measurement and reporting of methane emissions, (ii) the periodic monitoring of installations/equipment to detect gas leaks early and eliminate them through immediate interventions, (iii) the limitation of the release of methane into the atmosphere and (iv) actions to reduce emissions from inactive or abandoned wells.

The implementation of the REM Regulation represents a challenge for the Company in the context in which the company operates one of the largest and most complex natural gas extraction infrastructures located throughout the country, much of this infrastructure having a remarkable age. However, given the importance of adopting the measures provided for by the REM Regulation both from an environmental point of view and from that of reducing losses and increasing efficiency, the necessary steps were taken to implement the provisions of the Regulation.

NZIA Regulation and REM Regulation did not lead to the recognition of any impairment on current gas fields or to the reduction of gas reserves. Gas is a transition fuel and management believe such regulations will not lead to accelerated closure of existing fields.

The Group is monitoring the evolution of regulations at EU and national level and continuously assesses their impact on its activities. Currently, the Group does not consider climate change will have a significant effect on the useful life on property, plant and equipment, decommissioning provision, impairment or other general provisions.

NOTES

3. REVENUE AND OTHER INCOME

	Year ended December 31, 2024 '000 RON	Year ended December 31, 2023 '000 RON
Revenue from gas sold, including fulfilling activities - own production	6,858,867	7,930,069
Revenue from gas sold – other arrangements	25,471	28,628
Revenue from gas acquired for resale	20,351	19,542
Revenue from storage services-capacity reservation	294,640	301,179
Revenue from storage services-extraction	119,907	75,899
Revenue from storage services-injection	96,526	139,653
Revenue from electricity	374,969	406,344
Revenue from services	29,394	27,647
Revenue from sale of goods	97,026	62,155
Other revenues from contracts	753	735
Total revenue from contracts with customers	**7,917,904**	**8,991,851**
Other revenues	11,532	10,027
Total revenue	**7,929,436**	**9,001,878**
Other operating income	61,736	21,004
Total revenue and other income	**7,991,172**	**9,022,882**

	Year ended December 31, 2024 '000 RON	Year ended December 31, 2023 '000 RON
Revenue at a point in time	7,218,941	8,256,715
Revenue over time	698,963	735,136
Total revenue from contracts with customers	**7,917,904**	**8,991,851**

4. FINANCE INCOME

	Year ended December 31, 2024 '000 RON	Year ended December 31, 2023 '000 RON
Income from dividends	686	-
Interest income	189,323	213,008
Total	**190,009**	**213,008**

Interest income is derived from the Group’s investments in bank deposits.

5. COST OF COMMODITIES SOLD, RAW MATERIALS AND CONSUMABLES

	Year ended December 31, 2024 '000 RON	Year ended December 31, 2023 '000 RON
Consumables used	157,235	106,889
Technological consumption	34,877	37,899
Other consumables	7,749	6,713
Total raw materials and consumables	**199,861**	**151,501**
Cost of gas acquired for resale	24,643	20,291
Cost of electricity imbalances *	93,820	85,477
Cost of other goods sold	1,362	1,362
Total cost of commodities sold	**119,825**	**107,130**

*) Imbalances are generated when quantities actually delivered are lower than the quantities contracted. The difference must be purchased.

6. OTHER GAINS AND LOSSES

	Year ended December 31, 2024 '000 RON	Year ended December 31, 2023 '000 RON
Foreign exchange gain	10,111	28,775
Foreign exchange loss	(15,532)	(38,055)
Net gain/(loss) on disposal of non-current assets	(19,897)	(6,867)
Net allowances for other receivables (note 16 c)	(19)	4,029
Net write down allowances for inventory (note 15)	(6,046)	(5,647)
Losses from trade receivables	-	(6)
Other gains and losses	-	23
Total net gain/(net loss)	**(31,383)**	**(17,748)**

7. DEPRECIATION, AMORTIZATION AND IMPAIRMENT EXPENSES

	Year ended December 31, 2024 '000 RON	Year ended December 31, 2023 '000 RON
Depreciation and amortization	489,366	421,634
out of which:		
- depreciation of property, plant and equipment	478,413	412,588
- amortization of intangible assets (note 14 a)	6,978	6,227
- amortization of right of use assets (note 14 b)	3,975	2,819
Net impairment of property, plant and equipment, including exploration assets	113,791	82,898
Total depreciation, amortization and impairment	**603,157**	**504,532**

8. EMPLOYEE BENEFIT EXPENSE

	Year ended December 31, 2024 '000 RON	Year ended December 31, 2023 '000 RON
Wages and salaries	1,052,279	947,874
Social security charges	37,231	33,230
Meal tickets	47,932	38,150
Other benefits according to collective labor contract	42,030	41,454
Private pension payments	11,286	11,253
Private health insurance	11,219	10,753
Total employee benefit expense	**1,201,977**	**1,082,714**

9. FINANCE COSTS

	Year ended December 31, 2024 '000 RON	Year ended December 31, 2023 '000 RON
Interest expense	68,584	43,838
Unwinding of the decommissioning provision (note 18 a)	24,108	18,165
Total	**92,692**	**62,003**

10. TAXES AND DUTIES

	Year ended December 31, 2024	Year ended December 31, 2023 revised presentation*
	'000 RON	'000 RON
Royalties	592,761	600,514
Windfall tax	1,201,359	889,799
Energy transition fund	23,627	(1,547)
Other taxes and duties	8,982	7,545
Total	**1,826,729**	**1,496,311**

11. INCOME TAX

	Year ended December 31, 2024	Year ended December 31, 2023
	'000 RON	'000 RON
Current tax expense (note 11 a)	442,840	691,386
Deferred income tax (income)/expense (note 11 a)	(31,050)	(123,404)
Solidarity contribution (note 11 b)	(16,609)	1,687,371
Income tax expense	**395,181**	**2,255,353**

	December 31, 2024	December 31, 2023
	'000 RON	'000 RON
Current income tax liability	20,172	79,718
Solidarity contribution (note 11 b)	(16,609)	1,686,919
Current tax liability	**3,563**	**1,766,637**

a) Current and deferred income tax

The tax rate used for the reconciliations below for the year ended December 31, 2024, respectively year ended December 31, 2023 is 16% payable by corporate entities in Romania on taxable profits.

The total charge for the period can be reconciled to the accounting profit as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
	'000 RON	'000 RON
Accounting profit before tax (after solidarity contribution)	**3,617,786**	**3,380,091**
Income tax expense calculated at 16%	578,846	540,815
Effect of income exempt of taxation	(13,425)	(61,627)
Effect of expenses that are not deductible in determining taxable profit (note 11 b)	58,065	321,317
Effect of current income tax reduction *)	(84,927)	(95,187)
Effect of tax incentive for legal reserve	(28,580)	-
Effect of tax incentive for reinvested profit	(9,179)	(12,176)
Effect of the benefit from tax credits, used to reduce current tax expense	(6,019)	(8,934)
Effect of tax loss	(49,042)	(116,333)
Effect of income tax expense related to previous years	(33,949)	107
Income tax expense (without solidarity contribution)	**411,790**	**567,982**

NOTES

*) Income tax reductions are calculated according to Government Emergency Ordinance no. 153/2020 which allows for certain reductions in the level of the income tax if equity is positive or if equity is increased against a specific period (2020 level or previous year's level). Reductions vary based on the level of the increase in equity.

Components of deferred tax (asset)/liability:

	December 31, 2024		December 31, 2023	
	Cumulative temporary differences	Deferred tax (asset)/ liability	Cumulative temporary differences	Deferred tax (asset)/ liability
	'000 RON	'000 RON	'000 RON	'000 RON
Provisions	(675,121)	(108,019)	(684,582)	(109,533)
Intangibles	(54)	(9)	-	-
Property, plant and equipment *)	227,856	36,457	27,357	4,377
Exploration assets **)	(437,852)	(70,056)	(513,724)	(82,196)
Financial investments	(182)	(29)	(182)	(29)
Inventory	(73,896)	(11,823)	(40,730)	(6,517)
Trade receivables and other receivables	(246,309)	(39,409)	(97,576)	(15,612)
Right of use asset	202	32	277	44
Deferred revenue	10,461	1,674	10,461	1,674
Lease liability	(516)	(83)	(315)	(50)
Tax losses ***)	(1,033,593)	(165,375)	(727,084)	(116,333)
Total	**(2,229,004)**	**(356,640)**	**(2,026,098)**	**(324,175)**

*) In 2024 the Company recorded a correction of an error regarding the classification of its property, plant and equipment as assets held for disposal to its subsidiary, Depogaz (see separate financial statements). Following the correction, these items were moved back to property, plant and equipment, thus generating the increase in the cumulative temporary differences generating a deferred tax. The correction of the error also generated lower corporate income tax related to prior periods by RON 33,949 thousand.

**) According to the Fiscal Code applicable in Romania, expenses related to location, exploration, development or any preparatory activity for the exploitation of natural resources, which, according to the applicable accounting regulations, are recorded directly in the result, are recovered in equal rates for a period of 5 years, starting with the month in which the expenses are incurred. Also, for fixed assets specific to the exploration and production of gas resources, the carrying tax value of fixed assets written-off is deducted using the tax depreciation method used before their write-off for the remaining period of depreciation, had the asset not been written-off. All of these costs are treated as assets only from a tax point of view and generate a deferred tax asset.

***) The tax losses generating a deferred tax asset relate to Romgaz Black Sea Limited. The Group estimates there will be sufficient taxable profits in the future against which the tax losses will be used. The tax losses generating a deferred tax asset will expire as follows:

	December 31, 2024	December 31, 2023
	'000 RON	'000 RON
2028	476,953	476,953
2029	556,640	250,131
Total	**1,033,593**	**727,084**

Movement in deferred tax balances

	Deferred tax (asset)/ liability December 31, 2022	Recorded in profit or loss in 2023	Charged to OCI in 2023	Deferred tax (asset)/ liability December 31, 2023	Recorded in profit or loss in 2024	Charged to OCI in 2024	Deferred tax (asset)/ liability December 31, 2024
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Provisions	(75,685)	(32,093)	(1,755)	(109,533)	2,929	(1,415)	(108,019)
Intangibles	-	-	-	-	(9)	-	(9)
Property, plant and equipment	(17,494)	21,871	-	4,377	32,080	-	36,457
Exploration assets	(84,472)	2,276	-	(82,196)	12,140	-	(70,056)
Financial investments	(156)	127	-	(29)	-	-	(29)
Inventory	(5,593)	(924)	-	(6,517)	(5,306)	-	(11,823)
Trade receivables and other receivables	(15,612)	-	-	(15,612)	(23,797)	-	(39,409)
Right of use asset	52	(8)	-	44	(12)	-	32
Deferred revenue	4	1,670	-	1,674	-	-	1,674
Lease liability	(60)	10	-	(50)	(33)	-	(83)
Tax losses	-	(116,333)	-	(116,333)	(49,042)	-	(165,375)
Total	**(199,016)**	(123,404)	(1,755)	(324,175)	**(31,050)**	**(1,415)**	**(356,640)**

OCI – other comprehensive income

b) Solidarity contribution

According to legislation, the solidarity contribution was owed only for the years 2022 and 2023. From 2024, the contribution is no longer owed. The tax was non-deductible in the current income tax calculation.

Following the correction of the error mentioned above, the Company recalculated the effect of the error on the solidarity contribution, resulting a receivable of RON 16,609.

12. PROPERTY, PLANT AND EQUIPMENT

	Land and land improvements	Buildings	Gas properties	Plant, machinery and equipment	Fixtures, fittings and office equipment	Storage assets **)	Exploration assets	Capital work in progress	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Cost									
As of January 1, 2024	**121,991**	**995,432**	**7,518,952**	**1,233,012**	**129,209**	**1,805,670**	**340,161**	**2,540,841**	**14,685,268**
Additions *)	109	-	17,990	15	-	5,922	200,401	2,973,333	3,197,770
Transfers	2,652	42,953	475,460	83,066	10,673	31,469	(17,836)	(628,437)	-
Disposals	-	(1,839)	(159,370)	(15,682)	(7,484)	(4,085)	(7,813)	(3,801)	(200,074)
As of December 31, 2024	**124,752**	**1,036,546**	**7,853,032**	**1,300,411**	**132,398**	**1,838,976**	**514,913**	**4,881,936**	**17,682,964**
Accumulated depreciation									
As of January 1, 2024	**-**	**440,855**	**5,081,262**	**871,693**	**91,490**	**815,835**	**-**	**-**	**7,301,135**
Depreciation	-	27,656	324,763	68,822	10,922	46,250	-	-	478,413
Disposals	-	(1,149)	(37,792)	(15,023)	(5,740)	(1,283)	-	-	(60,987)
As of December 31, 2024	**-**	**467,362**	**5,368,233**	**925,492**	**96,672**	**860,802**	**-**	**-**	**7,718,561**
Impairment									
As of January 1, 2024	**8,255**	**89,815**	**511,693**	**89,503**	**1,622**	**365,753**	**144,674**	**281,030**	**1,492,345**
Charge ***)	-	2,470	55,468	4,572	716	-	29,897	67,521	160,644
Transfers	-	-	69,019	-	-	-	-	(69,019)	-
Release/utilization	-	(2,103)	(84,939)	(3,362)	(1,233)	(841)	(10,200)	(4,702)	(107,380)
As of December 31, 2024	**8,255**	**90,182**	**551,241**	**90,713**	**1,105**	**364,912**	**164,371**	**274,830**	**1,545,609**
Carrying value									
As of January 1, 2024	**113,736**	**464,762**	**1,925,997**	**271,816**	**36,097**	**624,082**	**195,487**	**2,259,811**	**5,891,788**
As of December 31, 2024	**116,497**	**479,002**	**1,933,558**	**284,206**	**34,621**	**613,262**	**350,542**	**4,607,106**	**8,418,794**

**) Additions of capital work in progress include RON 2,175,198 thousand related to the development of the offshore Neptun Deep block and RON 209,847 thousand related to the new Iernut power plant. No interest was capitalized.*
***) Including gas cushion of RON 216,343 thousand. No changes were recorded during the year.*
****) The impairment recorded during the year refers to individual assets; such assets are fully impaired, as described in note 2.*

	Land and land improvements	Buildings	Gas properties	Plant, machinery and equipment	Fixtures, fittings and office equipment	Storage assets **)	Exploration assets	Capital work in progress	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Cost									
As of January 1, 2023	**119,196**	**949,367**	**7,181,828**	**1,178,993**	**123,135**	**1,736,107**	**336,494**	**2,095,471**	**13,720,591**
Additions *)	-	10	110,100	-	12	11,195	50,747	1,188,569	1,360,633
Transfers	2,795	48,070	505,052	73,616	18,667	73,875	(6,249)	(715,826)	-
Disposals	-	(2,015)	(278,028)	(19,597)	(12,605)	(15,507)	(40,831)	(27,373)	(395,956)
As of December 31, 2023	**121,991**	**995,432**	**7,518,952**	**1,233,012**	**129,209**	**1,805,670**	**340,161**	**2,540,841**	**14,685,268**
Accumulated depreciation									
As of January 1, 2023	**-**	**415,923**	**4,890,092**	**823,173**	**94,969**	**810,595**	**-**	**-**	**7,034,752**
Depreciation	-	26,140	291,231	68,037	9,044	18,135	-	-	412,587
Disposals	-	(1,208)	(100,061)	(19,517)	(12,523)	(12,895)	-	-	(146,204)
As of December 31, 2023	**-**	**440,855**	**5,081,262**	**871,693**	**91,490**	**815,835**	**-**	**-**	**7,301,135**
Impairment									
As of January 1, 2023	**8,255**	**61,827**	**651,677**	**86,546**	**1,202**	**367,890**	**161,509**	**307,619**	**1,646,525**
Charge ***)	-	28,700	91,029	1,783	503	730	25,311	57,296	205,352
Transfers	-	-	38,882	1,252	-	-	-	(40,134)	-
Release/utilization	-	(712)	(269,895)	(78)	(83)	(2,867)	(42,146)	(43,751)	(359,532)
As of December 31, 2023	**8,255**	**89,815**	**511,693**	**89,503**	**1,622**	**365,753**	**144,674**	**281,030**	**1,492,345**
Carrying value									
As of January 1, 2023	**110,941**	**471,617**	**1,640,059**	**269,274**	**26,964**	**557,622**	**174,985**	**1,787,852**	**5,039,314**
As of December 31, 2023	**113,736**	**464,762**	**1,925,997**	**271,816**	**36,097**	**624,082**	**195,487**	**2,259,811**	**5,891,788**

**) Additions of capital work in progress include RON 535,408 thousand related to the development of the offshore Neptun Deep block and RON 56,026 for the new Iernut power plant.*
***) Including gas cushion of RON 216,343 thousand. No changes were recorded during the year.*
****) The impairment recorded during the year refers to individual assets; such assets are fully impaired, as described in note 2.*

NOTES

13. EXPLORATION AND EVALUATION FOR NATURAL GAS RESOURCES

The following financial information represents the amounts included within the Group's totals relating to activity associated with the exploration for and evaluation of natural gas resources. All such activities are recorded within the Upstream segment.

	Year ended December 31, 2024 '000 RON	Year ended December 31, 2023 '000 RON
Exploration assets written off	-	3
Seismic, geological, geophysical studies	78,709	84,637
Total exploration expense	**78,709**	**84,640**
Net movement in exploration assets' impairment (net income)/net loss	26,980	23,361
Net cash used in exploration investing activities	(199,871)	(50,746)

	December 31, 2024 '000 RON	December 31, 2023 '000 RON
Exploration assets included in property, plant and equipment (note 12)	350,542	195,487
Liabilities included in trade payables	(32,303)	(13,342)
Net assets	**318,239**	**182,145**

14. INTANGIBLE ASSETS. RIGHT OF USE ASSETS

a) Intangible assets

	2024 '000 RON	2023 '000 RON
Cost		
As of January 1	**5,239,684**	**5,245,101**
Additions	3,774	1,733
Disposals	(1,584)	(7,150)
As of December 31	**5,241,874**	**5,239,684**
Accumulated amortization		
As of January 1	**103,754**	**104,676**
Charge	6,978	6,227
Disposals	-	(7,149)
As of December 31	**110,732**	**103,754**
Carrying value		
As of January 1	**5,135,930**	**5,140,425**
As of December 31	**5,131,142**	**5,135,930**

Of RON 5,131,142 thousand, RON 5,105,563 thousand represent mineral rights from the acquisition of ExxonMobil Exploration and Production Romania Limited (currently Romgaz Black Sea Limited) in 2022. The asset has not generated any amortization by December 31, 2024 as the offshore field is currently being in a development phase. Production is estimated to start in 2027.

b) Right of use assets

	2024	2023
	'000 RON	'000 RON
Cost		
As of January 1	**18,320**	**12,671**
Effects of rent index updates	728	1,346
New contracts	5,075	4,303
As of December 31	**24,123**	**18,320**
Accumulated amortization		
As of January 1	**6,724**	**3,905**
Charge	3,975	2,819
As of December 31	**10,699**	**6,724**
Carrying value		
As of January 1	**11,596**	**8,766**
As of December 31	**13,424**	**11,596**

15. INVENTORIES

	December 31, 2024	December 31, 2023
	'000 RON	'000 RON
Spare parts and materials	319,669	261,552
Finished goods (gas)	113,560	90,594
Other inventories	991	699
Inventories at third parties	33,749	16,695
Write-down allowance for spare parts and materials	(73,623)	(67,755)
Write-down allowance for other inventories	(273)	(95)
Total	**394,073**	**301,690**

16. ACCOUNTS RECEIVABLE. CONTRACT LIABILITIES

a) Trade and other receivables

	December 31, 2024	December 31, 2023
	'000 RON	'000 RON
Trade receivables*	1,351,702	1,952,517
Allowances for expected credit losses (note 16 c)	(513,897)	(553,564)
Total	**837,805**	**1,398,953**

*) Trade receivables as of December 31, 2024 include RON 161,531 thousand (December 31, 2023: RON 333,096 thousand) that have to be paid by the Ministry of Energy (for non-household clients) and the Ministry of Labor (for household clients) based on Government Emergency Ordinance no. 27/2022.

b) Other assets

	December 31, 2024 '000 RON	December 31, 2023 '000 RON
Advances paid to suppliers	2,122	10
Joint operation receivables	2,932	7,974
Other receivables	35,458	21,251
Allowance for expected credit losses other receivables (note 16 c)	(169)	(169)
Other debtors	46,673	46,846
Allowance for expected credit losses for other debtors (note 16 c)	(46,048)	(46,029)
Prepayments	6,796	14,374
VAT not yet due	10,312	7,945
Other taxes receivable	21,286	60,979
Total	**79,362**	**113,181**

c) Changes in the allowance for expected credit losses for trade and other receivables and other assets

	2024 '000 RON	2023 '000 RON
At January 1	**599,762**	**689,352**
Charge in the allowance for other receivables (note 6)	453	204
Charge in the allowance for trade receivables	36,366	7,940
Write-off against trade receivables	(1,188)	(41,847)
Release in the allowance for other receivables (note 6)	(434)	(4,233)
Release in the allowance for trade receivables	(74,845)	(51,654)
At December 31	**560,114**	**599,762**

d) Credit risk exposure for trade and other receivables

December 31, 2024	**Gross carrying amount** '000 RON	**Expected credit loss rate** %	**Lifetime expected credit losses** '000 RON
Current receivables, including accrued receivables	807,377	0.00	-
less than 30 days overdue	27,110	3.2	875
30 to 90 days overdue	1,897	93.83	1,780
90 to 360 days overdue	32,783	95.75	31,390
over 360 days overdue	482,535	99.44	479,852
Total trade receivables	**1,351,702**		**513,897**

Current receivables were collected in 2025, hence no allowance was recorded on December 31, 2024.

December 31, 2023	Gross carrying amount	Expected credit loss rate	Lifetime expected credit losses
	'000 RON	%	'000 RON
Current receivables, including accrued receivables	1,364,139	0.00	14
less than 30 days overdue	33,724	3.79	1,278
30 to 90 days overdue	1,865	27.94	521
90 to 360 days overdue	4,682	77.83	3,644
over 360 days overdue	548,107	100.00	548,107
Total trade receivables	**1,952,517**		**553,564**

e) Contract liabilities

Contract liabilities refer to cash received by the Group in advance for future deliveries; usually, advances are received for deliveries during the following month.

Revenue was recognized in 2024 from the whole amount of outstanding contract liabilities on December 31, 2023.

Changes in contract liabilities on December 31, 2024 compared to December 31, 2023 are mainly caused by gas prices.

17. SHARE CAPITAL. EARNINGS PER SHARE

a) Share capital

	December 31, 2024	December 31, 2023
	'000 RON	'000 RON
3,854,224,000 fully paid ordinary shares (2023: 385,422,400 fully paid ordinary shares)	3,854,224	385,422
Total	**3,854,224**	**385,422**

The shareholding structure presenting the main shareholders as at December 31, 2024 is as follows:

	No. of shares	Value	Percentage
		'000 RON	(%)
The Romanian State through the Ministry of Energy	2,698,230,800	2,698,231	70.01
Legal entities	962,639,519	962,640	24.98
Physical persons	193,353,681	193,353	5.01
Total	**3,854,224,000**	**3,854,224**	**100**

All shares are ordinary and were subscribed and fully paid as at December 31, 2024. All shares carry equal voting rights and have a nominal value of RON 1/share (December 31, 2023: RON 1/share).

In December 2023 the Extraordinary General Meeting of Shareholders approved Romgaz' share capital increase through the incorporation of reserves of RON 3,468,802 thousand by issuing 3,468,801,600 shares with a nominal value of RON 1/share, each shareholder registered on the Registration Date being entitled to 9 free shares for each share held. The increase was registered in January 2024 at the Trade Register.

b) Earnings per share

Since the share capital increase did not involve any corresponding cash contributions, there was no change in the Company's resources. Consequently, the earnings per share calculation for the prior periods were recalculated. Specifically, the updated number of shares after issue was applied to the earnings per share calculations for all the comparative periods presented, hence, the earnings per share has changed.

	Year ended December 31, 2024	Year ended December 31, 2023
Profit for the year attributable to ordinary shareholders (RON thousand)	3,205,996	2,812,109
Number of shares outstanding during the year	3,854,224,000	3,854,224,000
Earnings per share recalculated (RON thousand)	**0.00083**	**0.00073**
Number of shares originally presented		385,422,400
Earnings per share originally presented (RON thousand)		**0.0073**

18. PROVISIONS AND RETIREMENT BENEFIT OBLIGATION

	December 31, 2024 '000 RON	December 31, 2023 '000 RON
Decommissioning provision (note 18 a)	351,789	373,536
Retirement benefit obligation (note 18 c)	204,550	189,314
Total long term provisions and obligations	**556,339**	**562,850**
Decommissioning provision (note 18 a)	28,936	32,049
Litigation provision (note 18 b) *)	6,579	18,839
Other provisions **) (note 18 b)	127,174	70,844
Total short term provisions	**162,689**	**121,732**
Total	**719,028**	**684,582**

*) The value of litigating cases in which the Group is involved is estimated at RON 41,698 thousand, being the maxim exposure of the Group. The Group's management considers that the provision of RON 6,579 thousand is sufficient, based on current available information.

**) On December 31, 2024, other provisions of RON 127,174 thousand include the provision for employee's participation to profit of RON 51,266 thousand (December 31, 2023: RON 46,274 thousand), the provision for taxes of RON 7,018 thousand (December 31, 2023: RON 6,514 thousand), the provision for CO_2 certificates of RON 43,907 thousand (December 31, 2023: RON 0), the provision of RON 9,091 thousand for the variable remuneration of the board of directors and officers with a mandate contract to which they will be entitled if they meet the key performance indicators approved by shareholders (December 31, 2023: RON 6,101 thousand) and the provision for vacation days not taken of RON 15,891 thousand (December 31, 2023: RON 11,955 thousand).

a) Decommissioning provision

Decommissioning provision movement	2024 '000 RON	2023 '000 RON
At January 1	**405,585**	**236,490**
Additional provision recorded against non-current assets	23,826	118,118
Unwinding effect (note 9)	24,108	18,165
Recorded in profit or loss	(14,883)	33,861
Decrease recorded against non-current assets	(57,911)	(1,049)
At December 31	**380,725**	**405,585**

The Group makes full provision for the future costs of decommissioning natural gas and storage wells on a discounted basis upon installation. The provision for the costs of decommissioning these wells at the end of their economic lives has been estimated using existing technology, at current prices or future assumptions, depending on the expected timing of the activity, and discounted using a rate of 7.37% (year ended December 31, 2023: 6.23%). While the provision is based on the best estimate of future costs and the economic lives of the wells, there is uncertainty regarding both the amount and timing of these costs.

The increase with 1 percentage point of the discount rate would decrease the decommissioning provision with RON 52,698 thousand (2023: RON 62,650 thousand). The decrease with 1 percentage point of the discount rate would increase the decommissioning provision with RON 66,849 thousand (2023: RON 81,201 thousand).

The increase with 1 percentage point of the inflation rate would increase the decommissioning provision with RON 69,237 thousand (2023: RON 83,103 thousand). The decrease with 1 percentage point of the inflation rate would decrease the decommissioning provision with RON 55,105 thousand (2023: RON 64,871 thousand).

b) Other provisions

	Litigation provision	Other provisions	Total
	'000 RON	'000 RON	'000 RON
At January 1, 2024	**18,839**	**70,844**	**89,683**
Additional provision in the period	9,771	213,759	223,529
Provisions used in the period	(12,144)	(154,382)	(166,526)
Unused amounts during the period, reversed	(9,886)	(3,047)	(12,933)
At December 31, 2024	**6,579**	**127,174**	**133,753**

	Litigation provision	Other provisions	Total
	'000 RON	'000 RON	'000 RON
At January 1, 2023	**6,620**	**289,217**	**295,837**
Additional provision in period	18,762	161,459	180,221
Provisions used in the period	(4,025)	(374,327)	(378,352)
Unused amounts during the period, reversed	(2,518)	(5,505)	(8,023)
At December 31, 2023	**18,839**	**70,844**	**89,683**

The movement in other provisions refers mainly to the CO_2 certificates.

c) Retirement benefit obligation

Movement of the retirement benefit obligation	2024	2023
	'000 RON	'000 RON
At 1 January	**189,314**	**168,830**
Interest cost	10,616	13,139
Cost of current service	12,399	10,899
Payments during the year	(16,621)	(14,524)
Actuarial (gain)/loss for the period	8,842	10,970
At December 31	**204,550**	**189,314**

Except for actuarial gains/losses, all movements in the retirement benefit obligation are recognized as employee benefit expenses.

In determining the retirement benefit obligation, the following significant assumptions were used:

- No layoffs or restructurings are planned;
- Average discount rate: 6.8% (2023: 5.9%);
- Average inflation rate: 3.8% in 2025; 2.9% in 2026; 2.7% in 2027; 2.5% in 2028-2031 period, following a decreasing trend in the next years (2023: 4.8% in 2024; 3.5% in 2025; 3.0% in 2026; 2.5% in 2027-2031 period, following a decreasing trend in the next years).

Sensitivity analysis

The discount rate has a significant effect on the obligation. Isolated change in assumptions with 1 percentage point would have the following effect on the obligation:

	Increase of 1% in assumptions	Decrease of 1% in assumptions
	'000 RON	'000 RON
December 31, 2024		
Average discount rate	(17,174)	19,664
Salaries' growth rate	20,130	(17,836)
December 31, 2023		
Average discount rate	(16,567)	19,064
Salaries' growth rate	18,863	(16,698)

Maturity analysis of cash outflows

	2024	2023
	'000 RON	'000 RON
Up to 1 year	17,748	17,360
1-2 years	14,705	8,502
2-5 years	55,811	48,710
5-10 years	157,733	134,612
Over 10 years	662,117	543,259

19. DEFERRED INCOME

	December 31, 2024	December 31, 2023
	'000 RON	'000 RON
Amounts collected from NIP (note 19 a)	292,446	276,519
Amounts collected from CINEA (note 19 b)	94,192	94,192
Other deferred revenue	122	133
Other amounts received as subsidies	89	97
Total long term deferred revenue	**386,849**	**370,941**
Other amounts received as subsidies	486	7
Total short term deferred revenue	**486**	**7**
Total deferred revenue	**387,335**	**370,948**

a) National Investment Plan ("NIP")

In Government Decision no. 1096/2013 approving the mechanism for free allocation of greenhouse gas emission allowances to electricity producers for the period 2013-2020, Annex no. 3 "National Investment Plan", Romgaz is included with the investment "Combined Gas Turbine Cycle".

For this investment, in 2017 Romgaz signed a financing agreement with the Ministry of Energy, whereby the Ministry of Energy undertakes to grant a non-reimbursable financing of RON 320,912 thousand, representing a maximum of 25% of the total value of eligible expenditure of the investment. By December 31, 2024 the Group collected RON 292,446 thousand. Amounts received under this contract will be transferred to income based on the depreciation rate of the investment. No income was recognized by December 31, 2024 as the plant was not yet commissioned.

As per Government Decision no. 1489/November 21, 2024 the completion and commissioning period of investments financed from the National Investment Plan was extended until June 30, 2025 and the reimbursement period until December 31, 2025. If the plant is not commissioned by June 30, 2025, the government grant must be repaid to the Ministry of Energy.

b) Projects of Common Interest

In 2023, Depogaz signed a financing agreement with the European Climate, Infrastructure and Environment Executive Agency ("CINEA") to increase the daily withdrawal capacity of the Bilciureşti storage facility. The financing agreement is for EUR 37,962 thousand, of which Depogaz received the amount of RON 94,192 thousand as an advance.

20. TRADE AND OTHER CURRENT LIABILITIES

	December 31, 2024 '000 RON	December 31, 2023 '000 RON
Accruals	121,896	62,983
Trade payables	28,414	50,926
Payables to fixed assets suppliers	306,460	158,259
Total trade payables	**456,770**	**272,168**
Payables related to employees	46,469	41,004
Royalties	162,847	174,773
Contribution to Energy Transition Fund	6,510	38
Social security taxes	41,207	33,334
Other current liabilities	14,183	10,555
Greenhouse gas certificates surrender liability*)	137,244	208,618
VAT	18,070	9,616
Dividends payable	1,365	1,453
Windfall tax	114,527	29,420
Other taxes	3,925	2,696
Total other liabilities	**546,347**	**511,507**
Total trade and other liabilities	**1,003,117**	**783,675**

*) According to legislation, greenhouse gas certificates must be submitted to the relevant bodies until September, 2025. The balance as of December 31, 2024 relates to certificates acquired in 2024, not yet submitted.

21. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, inflation risk, interest rate risk), credit risk, liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance within certain limits. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements. The Group does not use derivative financial instruments to hedge risk exposures.

Companies in the Romgaz Group have formal procedures on risk management that ensure risks are identified and controlled by putting in place a system that keeps risks at an acceptable level. Risk management is an ongoing process that involves identifying the risks that could affect meeting the companies' objectives, assessing the risks identified, managing the risks, identifying control measures for significant risks and setting up an annual plan to implement control measures for significant risks.

Risk assessment considers probability and impact to determine whether measures need to be taken. Based on the risk exposure, the tolerance level is determined based on a matrix. Tolerance levels range from tolerable risk that do not require any measure, to intolerable risks that need urgent control measures.

Risks identified may be accepted, monitored, avoided, treated or transferred.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to currency risk as a result of exposure to various currencies. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

The Group is mainly exposed to currency risk generated by EUR against RON as a result of the cash, bank borrowings and bonds. The Group does not hedge the risk, but monitors the changes in exchange rates.

As of December 31, 2024, the official exchange rate was RON 4.9741 to EUR 1 (December 31, 2023: RON 4.9746 to EUR 1).

December 31, 2024	EUR 1 EUR = 4.9741	GBP 1 GBP = 5.9951	USD 1 USD = 4.7768	MDL 1 MDL = 0.2576	RON 1 RON	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Financial assets						
Cash and cash equivalents	135,243	3	8	263	1,716,637	1,852,154
Bank deposits other than cash and cash equivalents	2,522,091	-	-	-	103,248	2,625,339
Trade and other receivables	-	-	-	-	837,805	837,805
Total financial assets	**2,657,334**	**3**	**8**	**263**	**2,657,690**	**5,315,298**
Financial liabilities						
Trade payables and other payables	-	(9)	-	-	(456,761)	(456,770)
Lease liability	(10,105)	-	-	-	(5,523)	(15,628)
Bank borrowings	(808,346)	-	-	-	-	(808,346)
Bonds	(2,500,978)	-	-	-	-	(2,500,978)
Total financial liabilities	**(3,319,429)**	**(9)**	**-**	**-**	**(462,284)**	**(3,781,722)**
Net	**(662,095)**	**(6)**	**8**	**263**	**2,195,406**	**1,533,576**

December 31, 2023	EUR 1 EUR = 4.9746	GBP 1 GBP = 5.7225	USD 1 USD = 4.4958	RON 1 RON	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Financial assets					
Cash and cash equivalents	6,822	1	6	528,381	535,210
Bank deposits other than cash and cash equivalents	94,418	-	-	2,411,045	2,505,463
Trade and other receivables	-	-	-	1,398,953	1,398,953
Total financial assets	**101,240**	**1**	**6**	**4,338,379**	**4,439,626**
Financial liabilities					
Trade payables and other payables	(31)	(43)	(8)	(272,086)	(272,168)
Lease liability	(7,952)	-	-	(5,077)	(13,029)
Bank borrowings	(1,131,722)	-	-	-	(1,131,722)
Total financial liabilities	**(1,139,705)**	**(43)**	**(8)**	**(277,163)**	**(1,416,919)**
Net	**(1,038,465)**	**(42)**	**(2)**	**4,061,216**	**3,022,707**

The Group is mainly exposed to currency risk generated by EUR against RON. The table below details the sensitivity of the Group's result to a 5% increase/decrease in the EUR exchange rate against the RON. The 5% rate is the rate used in internal reports to management on foreign currency risk and represents management's assessment of reasonable changes in the exchange rate. Sensitivity analysis includes only monetary items denominated in foreign currency in the balance sheet.

	December 31, 2024	December 31, 2023
	'000 RON	'000 RON
RON weakening - loss	33,105	(51,923)
RON strengthening - gain	(33,105)	51,923

NOTES

(ii) Inflation risk

The official annual inflation rate in Romania for 2024 was 5.59% as provided by the National Institute of Statistics. The cumulative inflation rate for the last 3 years was under 100%. This factor, among others, led to the conclusion that Romania is not a hyperinflationary economy.

(iii) Interest rate risk

The Group is exposed to interest rate risk due to interest-bearing bank loans.

An increase of 1% in the interest rate on the bank borrowings would lead to an increase of the interest expense in 2025 of RON 6,936 thousand.

Bank deposits, treasury bills and the bonds issued bear a fixed interest rate.

The Group does not hedge the risk, but monitors the changes in interest rates.

(b) Credit risk

Financial assets, which potentially subject the Group to credit risk, consist principally of trade receivables, cash and cash equivalents, bank deposits other than cash equivalents. The Group has policies in place to ensure that sales are made to customers with low credit risk. Also, sales have to be secured either through advance payments, either through bank letters of guarantee. The carrying amount of trade receivables, net of loss allowances, represents the maximum amount exposed to credit risk. The Group has a concentration of credit risk in respect of its top three clients, which amounts to 28.77% of net trade receivable balance at December 31, 2024 (its top three clients: 47.99% as of December 31, 2023).

Although collection of receivables could be influenced by economic factors, management believes that there is no significant risk of loss to the Group beyond the loss allowance already recorded.

Romgaz' Board of Directors approved an internal policy on placing excess cash in state bonds or bank deposits. Regarding bank deposits, cash is only placed with banks having a good credit rating. If bank have no credit rating, excess cash may be placed at them if they are majority state owned or maturity is short. Exposure to each bank cannot be higher than a certain percent, a higher allocation being permitted only for banks having the Romanian State as majority shareholder.

Credit quality of cash and cash equivalent and bank deposits other than cash and cash equivalents is presented below:

Equivalent to external credit rating	**December 31, 2024**	**December 31, 2023**
	'000 RON	**'000 RON**
A+	474,311	536,436
BBB+	2,503,194	272,238
BBB	-	221,626
BBB-	1,319,478	1,795,849
BB	1	100,001
No credit rating assigned	180,509	114,523
Total	**4,477,493**	**3,040,673**

Cash is placed with 14 banks, of which top 5 represent 95% of the Group's cash, cash equivalent and bank deposits other than cash and cash equivalents (2023: top 3 banks represent 78% of the Group's cash, cash equivalent and bank deposits other than cash and cash equivalents).

(c) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to minimize the cost of capital. Capital includes equity, bank borrowings and bonds issued.

In order to maintain or adjust the capital structure, the Group may adjust the dividend policy, issue new shares or sell assets to reduce debt.

The Group's policy is to only resort to borrowing if investment needs cannot be financed internally.

The Group's capital management aims to ensure that it meets financial covenants attached to the interest-bearing loans. Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches of the financial covenants of interest-bearing loans in the current period. Covenants on existing loans need to be complied at each year end; however, these are monitored regularly to identify any risk of non-compliance, so that measures are taken timely.

(d) Fair value estimation

Carrying amount of financial assets and liabilities is assumed to approximate their fair value.

Financial instruments in the balance sheet include trade receivables, cash and cash equivalents, bank deposits other than cash equivalents, trade payables, interest-bearing borrowings and bonds issued. Due to their short-term nature, trade receivables, cash and cash equivalents, bank deposits other than cash equivalents, trade payables, fair value approximates the carrying amount.

Bank borrowings' fair value approximate their carrying amount, as these bear a variable rate of interest.

The bonds' carrying value approximate their fair value. The bonds' closing price on Luxembourg Stock Exchange on December 31, 2024 was 101.011% (level 1 information).

(e) Liquidity risk management

Liquidity risk is addressed by constant monitoring the maturities of assets and liabilities. The Group's policy is to have collection periods shorter than payment terms. For unforeseen events that may disturb the cash at hand, Romgaz signed two committed revolving credit facilities (see note 28) that may be drawn to meet payment terms.

The table below shows financial liabilities of the Group on contractual maturities. The amounts represent non-discounted future cash flows generated by financial liabilities.

December 31, 2024	Due in less than a month	Due in 1-3 months	Due in 3 months to 1 year	Due in 1-5 years	Due in over 5 years	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Trade payables	325,869	130,873	28	-	-	456,770
Bank borrowings	-	80,884	242,487	484,975	-	808,346
Lease liabilities	306	1,656	2,767	5,964	4,935	15,628
Bonds		-	24,545	2,476,433	-	2,500,978
Total	**326,175**	**213,413**	**269,827**	**2,967,372**	**4,935**	**3,781,722**

December 31, 2023	Due in less than a month	Due in 1-3 months	Due in 3 months to 1 year	Due in 1-5 years	Due in over 5 years	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Trade payables	78,328	193,838	2	-	-	272,168
Bank borrowings	-	80,837	242,512	808,373	-	1,131,722
Lease liabilities	246	797	1,536	5,854	4,596	13,029
Total	**78,574**	**275,472**	**244,050**	**814,227**	**4,596**	**1,416,919**

Ultimate responsibility for liquidity risk management rests with the Group's management, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and current cash flows and by matching the maturity profiles of financial assets and liabilities.

22. RELATED PARTY TRANSACTIONS AND BALANCES

(i) Sales of goods and services

	Year ended December 31, 2024 '000 RON	Year ended December 31, 2023 '000 RON
Romgaz's associates	14,139	13,233
Total	**14,139**	**13,233**

(ii) Government related entities

The Group is controlled by the Ministry of Energy, on behalf of the Romanian State (note 17 a). As such, all companies over which the Romanian State has control or significant influence are considered related parties of the Group. The Group applies the disclosure exemption for Government related entities in IAS 24, and therefore discloses significant transactions and balances. Significance is determined based on size and based on existing regulatory/supervisory disclosure requirements (Law no. 24/2017 regarding Issuers of Financial Instruments and Market Operations and F.S.A. Regulation no. 5/2018). Except for the transactions listed below, no other individually significant transactions or collectively significant transactions were identified. Related party transactions are carried out on market terms and there are no transactions outside normal day-to-day operations.

The table below shows the collectively significant sales of the Group to companies over which the Romanian State has control or significant influence:

	Year ended Dec 31, 2024 '000 RON	Year ended Dec 31, 2023 '000 RON
Electrocentrale București SA	592,978	1,156,358
Engie România SA	814,116	2,084,527
E.On Energie România SA	1,777,506	2,441,073
Total	**3,184,600**	**5,681,958**

The table below shows the collectively material cash and cash equivalents and bank deposits other than cash equivalents balances at banks over which the Romanian State has control.

	December 31, 2024 '000 RON	December 31, 2023 '000 RON
CEC Bank	-	100,000
Exim Banca Românească	988,086	1,044,284
Total	**988,086**	**1,144,284**

(iii) Government related entities – joint arrangements

The Group has OMV Petrom SA as related party, due to the Romanian State having control in Romgaz and significant influence in OMV Petrom. OMV Petrom SA is the operator of the joint arrangement in which Romgaz Black Sea Limited is a partner. Total costs charged to Romgaz Black Sea Limited in 2024, as described in note 33, represent mainly additions of capital work in progress related to the development of the offshore Neptun Deep block and were of RON 2,213,399 thousand (2023: RON 548,903 thousand), of which the Group capitalized RON 2,175,198 thousand (2023: RON 535,408 thousand).

23. INFORMATION REGARDING THE MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The remuneration of executives and directors

The Group has no contractual obligations on pensions to former executives and directors of the Group.

During the years ended December 31, 2024 and December 31, 2023, no loans and advances were granted to executives and directors of the Group, except for work related travel advances, and they do not owe any amounts to the Group from such advances.

Executives include directors with mandate contracts and directors with labor contracts. Directors in the table below refer to members of the Board of Directors.

	Year ended Dec 31, 2024 '000 RON	Year ended Dec 31, 2023 '000 RON
Salaries expense with executives (gross)	39,727	31,726
of which, bonuses and variable component (gross)	6,017	1,926
Remuneration expense with directors (gross)	5,386	3,808
of which, variable component (gross)	2,073	530

	December 31, 2024 '000 RON	December 31, 2023 '000 RON
Salaries payable to executives	857	816
Salaries payable to directors	162	288

In addition to the above, on December 31, 2024 the Group recorded a provision for bonuses for executives and directors of RON 9,091 thousand (December 31, 2023: RON 6,101 thousand).

24. INVESTMENT IN ASSOCIATES

The Company's investments in associates are accounted using the equity method. The shares are not quoted on the stock exchange. No dividends were received in the years ended December 31, 2024, respectively, December 31, 2023.

The Company's investment in Agri LNG Project Company is not material. The investment is fully impaired.

In 2024, the Group contributed with RON 18,000 thousand to SC Depomureș SA's share capital increase.

Name of associate	Main activity	Place of incorporation and operation	Proportion of ownership interest and voting power held (%)	
			December 31, 2024	December 31, 2023
SC Depomures SA Tg.Mures	Storage of natural gas	Romania	40.4014	40
SC Agri LNG Project Company SRL	Feasibility projects	Romania	25	25

Name of associate	Gross carrying value as of December 31, 2024	Impairment as of December 31, 2024	Carrying value as of December 31, 2024	Gross carrying value as of December 31, 2023	Impairment as of December 31, 2023	Carrying value as of December 31, 2023
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
SC Depomures SA Tg.Mures	59,426	-	59,426	33,410	-	33,410
SC Agri LNG Project Company SRL	182	(182)	-	182	(182)	-
Total	**59,608**	**(182)**	**59,426**	**33,592**	**(182)**	**33,410**

Summarized financial information for significant investments in associates (SC Depomures SA)

	December 31, 2024	December 31, 2023
	'000 RON	'000 RON
Non-current assets	67,565	62,616
Current assets, out of which:	61,431	31,598
- Cash and cash equivalents	52,760	26,443
Non-current liabilities, out of which:	656	2,170
- Long term financial liabilities	656	2,170
Current liabilities, out of which:	10,995	5,237
- Short term financial liabilities	1,514	3,431

	Year ended December 31, 2024	Year ended December 31, 2023
	'000 RON	'000 RON
Revenue	59,884	48,243
Interest income	2,018	1,107
Amortization and depreciation	(4,137)	(3,826)
Interest expense	(172)	(309)
Income tax expense	(3,090)	(2,114)
Net profit from continued operations	19,980	12,183

Reconciliation of net book value for the significant investments in associates

	2024	2023
	'000 RON	'000 RON
January 1	**33,410**	**28,537**
Interest in the total comprehensive income of significant investments in associates	8,016	4,873
Increased investment in associates	18,000	-
December 31	**59,426**	**33,410**

25. OTHER FINANCIAL INVESTMENTS

Other financial investments are recognized at fair value through profit or loss.

Except for the investment in Patria Bank, which is classified as level 1 instrument in the fair value hierarchy, all other investments are included in level 3 category, according to IFRS 13.

Company	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held (%)	
			December 31, 2024	December 31, 2023
Electrocentrale București S.A.	Electricity and thermal power producer	Romania	2.49	2.49
Patria Bank S.A.	Other activities – financial intermediations	Romania	0.02	0.02
Mi Petrogas Services S.A.	Services related to oil and natural gas extraction, excluding prospections	Romania	10	10
Lukoil association	Petroleum exploration operations	Romania	12.2	12.2
Electricity Producers Association-HENRO	Non-governmental, non-profit, independent association	Romania	33.33	33.33

Company	Fair value as of December 31, 2024 '000 RON	Fair value as of December 31, 2023 '000 RON
Electrocentrale București S.A.*)	-	-
Patria Bank S.A.**)	79	79
Mi Petrogas Services S.A.	60	60
Lukoil association	5,227	5,227
Electricity Producers Association-HENRO	250	250
Total	**5,616**	**5,616**

*) The fair value of the investment in Electrocentrale Bucuresti was reduced to zero after entering into insolvency. The investment in Electrocentrale Bucuresti is not quoted. The company concluded the restructuring plan in February 2023, however its current financial position does not justify a modification of its value.

**) In 2016, the Company's shareholders decided to withdraw Romgaz from the bank's shareholders, as a result of the merger process in which Patria Bank was involved. In 2021, the approval of the National Bank of Romania was obtained for the partial redemption of the shares that the Company holds in Patria Bank. The shares of Patria Bank S.A. are listed, but following the merger process, the price at which the redemption of the shares held by the shareholders who requested the withdrawal from the shareholding was set to a fixed value. Thus, the investment is measured at this redemption value.

26. SEGMENT INFORMATION

Segment revenues, results and other segment information

Year ended December 31, 2024	Upstream '000 RON	Storage '000 RON	Electricity '000 RON	Other '000 RON	Adjustment and eliminations '000 RON	Total '000 RON
Revenue	7,418,587	573,604	539,646	485,407	(1,087,808)	7,929,436
Less: revenue between segments	(387,238)	(62,338)	(163,682)	(474,550)	1,087,808	-
Third party revenue	7,031,349	511,266	375,964	10,857	-	7,929,436
Interest income	3,908	11,262	152	257,497	(83,496)	189,323
Interest expense	(1,415)	-	-	(67,616)	1,415	(67,616)
Employee benefit expense	(602,003)	(95,171)	(63,438)	(441,365)	-	(1,201,977)
Taxes and duties	(1,778,512)	(20,113)	(24,892)	(3,212)	-	(1,826,729)
Third party services and other costs	(958,803)	(176,781)	(104,187)	(109,017)	702,314	(646,474)
Share of profit of associates	-	-	-	8,016	-	8,016
Depreciation and amortization	(351,583)	(96,648)	(4,163)	(60,035)	23,063	(489,366)
Impairment losses recognized during the period in profit or loss	(141,816)	(112)	(3,623)	(15,045)	(70)	(160,666)
Impairment losses reversed during the period in profit or loss	43,686	175	-	3,009	5	46,875
Segment result before tax profit/(loss)	**3,795,665**	**147,132**	**(294,337)**	**41,491**	**(88,774)**	**3,601,177**
Income tax expense	**44,631**	**(27,985)**	**-**	**(411,827)**	**-**	**(395,181)**
Additions to property, plant and equipment	**2,787,866**	**55,020**	**258,433**	**72,625**	**-**	**3,173,944**

Year ended December 31, 2023	Upstream	Storage	Electricity	Other	Adjustment and eliminations	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Revenue	8,398,731	550,278	588,609	464,701	(1,000,441)	9,001,878
Less: revenue between segments	(332,511)	(33,342)	(181,722)	(452,866)	1,000,441	-
Third party revenue	8,066,220	516,936	406,887	11,835	-	9,001,878
Interest income	1,192	7,648	95	221,716	(17,643)	213,008
Interest expense	(946)	-	-	(43,181)	944	(43,183)
Employee benefit expense	(536,395)	(89,469)	(58,341)	(398,509)	-	(1,082,714)
Taxes and duties	(1,476,356)	(17,036)	427	(3,346)	-	(1,496,311)
Third party services and other costs	(809,163)	(218,949)	(212,615)	(141,115)	668,999	(712,843)
Share of profit of associates	-	-	-	4,873	-	4,873
Depreciation and amortization	(318,171)	(13,750)	(3,017)	(56,811)	(29,885)	(421,634)
Impairment losses recognized during the period in profit or loss	(174,448)	-	(15,861)	(14,692)	(351)	(205,352)
Impairment losses reversed during the period in profit or loss	119,257	496	-	616	2,085	122,454
Segment result before tax profit/(loss)	**5,263,558**	**172,461**	**(326,151)**	**53,869**	**(96,275)**	**5,067,462**
Income tax expense	**(1,558,442)**	**(23,302)**	**-**	**(673,609)**	**-**	**(2,255,353)**
Additions to property, plant and equipment	**968,518**	**107,747**	**76,843**	**89,407**	**-**	**1,242,515**

In the year ended December 31, 2024, the Group's two largest clients each individually represents more than 10% of revenue, sales to these clients being of RON 1,777,506 thousand and RON 814,116 thousand (in the year ended December 31, 2023 the Group's three largest customers represented individually, over 10% of revenue, sales to these clients being of RON 2,489,605 thousand, RON 2,174,567 thousand, RON 979,005 thousand), totaling 32.68% of total revenue (year ended December 31, 2023: 62.69%). Of the total revenue generated by those two clients, 9.82% is shown in the "Storage" segment and 90.18% in the "Upstream" segment (year ended December 31, 2023: 5.75% in the "Storage" segment, 93.33% in the "Upstream" segment).

The majority of revenue is generated by the Group’s operations in Romania. Insignificant sales are made to customers outside Romania. The Group does not disclose insignificant sales and balances with external customers.

All non-current assets are located in Romania.

27. CASH AND CASH EQUIVALENTS

	December 31, 2024	December 31, 2023
	'000 RON	'000 RON
Current bank accounts *)	147,564	147,014
Petty cash	40	47
Term deposits	1,702,835	386,248
Restricted cash **)	1,715	1,901
Total	**1,852,154**	**535,210**

*) Current bank accounts include overnight deposits.

**) At December 31, 2024 restricted cash refers to bank accounts used only for dividend payments to shareholders, according to stock market regulations.

28. BANK BORROWINGS. BONDS

a) Bank borrowings

	Maturity	December 31, 2024 '000 RON	December 31, 2023 '000 RON
EUR 325,000 thousand bank borrowing (equivalent of RON 1,616,583 thousand at RON 4.9741/EUR 1) (unsecured) *)	June 2027	808,346	1,131,722
RON 745,875 revolving credit facility (unsecured) **)	September 2027	-	-
EUR 100,000 revolving credit facility (equivalent of RON 497,410 thousand at RON 4.9741/EUR 1) (unsecured) **)	December 2026	-	-
RON 250,000 investment credit contract (secured) ***)	August 2037	-	-
Total		**808,346**	**1,131,722**

*) In March 2022, Romgaz signed a EUR 325 million financing deal with Raiffeisen Bank S.A. to finance part of the purchase price of the shares of ExxonMobil Exploration and Production Romania Limited (now Romgaz Black Sea Limited) that holds 50% of the rights and obligations for the Neptun Deep block.

In June 2022, an addendum to the facility contract was signed between Romgaz acting as borrower and Raiffeisen Bank S.A. and Banca Comerciala Romana S.A. as lenders.

The loan agreement includes two covenants that have to be met each December 31:

- leverage ratio has to be lower than 300%. Leverage ratio means the ratio between net debt on December 31 and earnings before interest, tax, depreciation and amortization expenses (EBITDA) for the year. Net debt means the aggregate principal amount owed by Romgaz pursuant to financial indebtedness (ie. outstanding bank borrowings, bonds issued, lease liabilities) after deducting the aggregate of cash and cash equivalents.
- debt service coverage ratio has to be higher than 110%. Debt service coverage ratio means the ratio between EBITDA for the year and debt service (ie. interest and bank commissions of any financial indebtedness, scheduled repayments of principal related to any financial indebtedness) paid or payable during the year.
- all metrics are calculated based on the separate financial statements of Romgaz prepared in accordance MOF 2844.

On December 31, 2024 and December 31, 2023 the Company complied with both covenants. There are no indications that the Group may face difficulties complying with the covenants when they will be next tested as at December 31, 2025.

The facility's final maturity is in five years from utilization. There are no borrowing costs other than interest. The loan is repayable in quarterly instalments. The loan is not secured.

The average interest rate during the period was 4.02%/year.

**) In 2024, Romgaz signed two revolving credit facilities of RON 745,875 thousand (with Banca Transilvania SA) and EUR 250,000 thousand (with UniCredit Bank SA). The two facilities may be used for general corporate purposes. Romgaz has not drawn any amount from the facilities.

***) In December 2023, Depogaz signed an investment credit contract for RON 250 million with Banca Transilvania SA to finance the investment for the increase of the daily withdrawal capacity of the Bilciurești storage facility. The facility can be used until June 19, 2027 and must be repaid by August 06, 2037. The loan is repayable in quarterly installments, after the end of the grace period on June 19, 2027. The loan is secured by Depogaz' cash held at Banca Transilvania. The loan bears no covenants. The loan was not drawn by December 31, 2024.

	2024 '000 RON	2023 '000 RON
Balance as at January 1	**1,131,722**	**1,447,115**
Interest charged	38,962	43,838
Interest paid	(38,897)	(43,838)
Repayments	(323,312)	(322,775)
Foreign exchange differences	(129)	7,382
Carrying amount as at December 31	**808,346**	**1,131,722**

b) Bonds

In September 2024 Romgaz launched its first Euro Medium Term Note program for a total value of EUR 1,500,000 thousand. The first tranche of EUR 500,000 thousand of the program was issued in October 2024. The coupon rate is 4.75%. The bonds are repayable in 5 years at par value. The coupon is payable on an annual basis. The bonds are not convertible and are unsecured. The bonds have no covenants.

Bonds are listed on Luxembourg Stock Exchange and Bucharest Stock Exchange.

	2024 '000 RON	2023 '000 RON
Proceeds from bond issue	2,485,488	-
Transaction costs	(11,914)	-
Net proceeds from bond issue	**2,473,574**	**-**

	2024 '000 RON	2023 '000 RON
Carrying amount as at January 1	-	-
Net proceeds from bond issue	2,473,574	-
Interest charged	28,655	-
Foreign exchange differences	(1,251)	-
Carrying amount as at December 31	**2,500,978**	**-**

The bonds' carrying value approximate their fair value. The bonds' closing price on Luxembourg Stock Exchange on December 31, 2024 was 101.011%.

29. BANK DEPOSITS OTHER THAN CASH AND CASH EQUIVALENTS

Bank deposits other than cash and cash equivalents represent deposits with a maturity of over 3 months, from acquisition date. The Group did not identify any risk of loss for these assets, therefore it did not record any impairment.

	December 31, 2024 '000 RON	December 31, 2023 '000 RON
Bank deposits	2,601,095	2,484,702
Accrued interest receivable on bank deposits	24,244	20,761
Total	**2,625,339**	**2,505,463**

30. GUARANTEES GRANTED BY BANKS

	December 31, 2024 '000 RON	December 31, 2023 '000 RON
Guarantees granted	173,851	273,425
Total	**173,851**	**273,425**

In 2024, Romgaz signed an addendum to the credit agreement with BCR SA representing a facility for issuing letters of guarantee and opening letters of credit for a maximum amount of RON 500,000 thousand. On December 31, 2024 are still available for use RON 328,915 thousand.

As of December 31, 2024, the Group's contractual commitments for the acquisition of non-current assets are of RON 4,668,993 thousand (December 31, 2023: RON 3,779,428 thousand).

31. GUARANTEES RECEIVED FROM BANKS

	December 31, 2024 '000 RON	December 31, 2023 '000 RON
Guarantees received	1,945,727	2,598,882
Total	**1,945,727**	**2,598,882**

Guarantees are received from the Group's clients to secure payment of deliveries.

32. CONTINGENCIES

(a) *Litigations*

The Group is subject to several legal actions arisen in the normal course of business. The management of the Group considers that they will have no material adverse effect on the results and the financial position of the Group.

On December 28, 2011, 27 former and current employees of Romgaz were notified by DIICOT regarding an investigation related to sale contracts signed with one of the Company's clients for allegedly unauthorized discounts granted to this client during the period 2005-2010. DIICOT mentioned that this may have resulted in a loss of USD 92,000 thousand for the Company. On that sum, an additional burden to the state budget consists of income tax in amount of USD 15,000 thousand and VAT in amount of USD 19,000 thousand. The internal analysis carried out by the Company's specialized departments concluded that the agreement was in compliance with the legal provisions and all discounts were granted based on Orders issued by the Ministry of Economy and Finance and decisions of the General Shareholders' Board and Board of Directors. The management of the Company believes the investigation will not have a negative impact on the financial statements, to justify the registration of an adjustment. The Company is fully cooperating with DIICOT in providing all information necessary. On March 18 2014, Romgaz received an address from DIICOT, by which the investigators ordered an accounting expertise, indicating the objectives of the expertise.

Romgaz was notified that, as injured party, it may submit comments relating to objectives of the expertise (additions/changes), and may appoint an additional expert to participate in the expertise.

Thus, Romgaz proceeded to identify and appoint an expert with accounting and financial expertise that can participate to the expertise. After the report was completed, the parties could submit objections by November 2, 2015.

On March 16, 2016, DIICOT – Central Structure informed the persons involved in the cause about the start of legal actions against them. At the request of investigators, the Company announced that in case of a prejudice being established during the investigation, the Company will join the case as civil party.

In November 2016, DIICOT informed the Company the prejudice established in amount of RON 282,630 thousand. Following this request, Romgaz announced that will join the case as a civil party for the amount of RON 282,630 thousand to recover this amount from the respective client and any other person that may be found guilty for causing the prejudice.

In June 2017, DIICOT issued a press release announcing the referral to court of several persons involved in the case. In January 2018, the High Court of Cassation and Justice ruled that the indictment prepared by DIICOT was not legal. The Court issued a decision in December, 2022 stating there is no offence and the civil complaint filed by Romgaz was left unresolved. Romgaz appealed the decision. According to the final decision issued by the court in 2024, no person was charged.

(b) *Taxation*

The Romanian taxation system is undergoing a process of consolidation and harmonization with the European Union legislation. However, there are still different interpretations of the fiscal legislation. In various circumstances, the tax authorities may have different approaches to certain issues, and assess additional tax liabilities, together with late payment interest and penalties. In Romania, tax periods remain open for fiscal verification for 5 years. The Group's management considers that the tax liabilities included in these financial statements are fairly stated.

NOTES

(c) ***Environmental contingencies***

Environmental regulations are developing in Romania and the Group has not recorded any liability at December 31, 2024 for any anticipated costs, including legal and consulting fees, impact studies, the design and implementation of remediation plans related to environmental matters, except the amount of RON 362,998 thousand (December 31, 2023: RON 405,585 thousand), representing the decommissioning liability.

(d) ***Contingencies related to grants related to income***

Government Emergency Ordinance no. 27/2022 as subsequently amended (GEO 27) included the obligation of the Group, until March 31, 2024, to sell the electricity it produces at a regulated price of RON 450/MWh. According to GEO 27, electricity producers must calculate a contribution to the Energy Transition Fund. If the value of the greenhouse gas certificates related to the energy sold at RON 450/MWh exceeds the contribution to the Energy Transition Fund, electricity producers are entitled to receive the excess. Until December 31, 2024, the legislation did not provide for the mechanism to request these amounts from the Romanian State nor the competent authority for the settlement of such requests. As such, the right to receive the grant is not enforceable. Thus, as of December 31, 2024 the Group disclosed a contingent asset of RON 188,260 thousand until legislation will provide for a mechanism for recovering this amount (December 31, 2023: RON 167,743 thousand).

33. JOINT ARRANGEMENTS

Joint arrangement with OMV Petrom SA

In August 2022, the Group became a party to a joint arrangement with OMV Petrom SA (operator) for the offshore block Neptun Deepwater in the Black Sea, through the acquisition of ExxonMobil Exploration and Production Romania Limited, currently Romgaz Black Sea Limited. The joint arrangement is classified as joint operation, since the parties have the rights to assets and liabilities, income and expenses. Decisions are taken jointly. Each party to the joint agreement has a 50% share in the concession agreement for the Neptun Deepwater block. The Group records its share of the assets and liabilities of the arrangement. Marketing and sales of hydrocarbons are not part of the joint arrangement.

The Neptun Deep project is currently being developed, commissioning being planned for 2027.

All the rights and interests in and under the joint arrangement, all joint property and any hydrocarbons produced from the Neptun Deepwater block is owned by each party in accordance with its participating interest.

As a general rule, all decisions of the operating committee require unanimity.

The joint arrangement is material to the Group.

The assets and liabilities recorded in connection with the joint arrangement are shown below:

	December 31, 2024	December 31, 2023
	'000 RON	'000 RON
Property, plant and equipment	2,741,122	565,926
Trade liabilities	246,546	126,057

34. AUDITOR’S FEES

The fee charged by the Group’s statutory auditor, PricewaterhouseCoopers Audit SRL for the statutory audit of the 2024 annual financial statements is RON 1,198 thousand.

The fee charged by the Group’s statutory auditor (PricewaterhouseCoopers Audit SRL starting June 2024 and Ernst & Young Assurance Services S.R.L until May 2024) for other assurance services in 2024 are RON 2,567 thousand.

35. EVENTS AFTER THE BALANCE SHEET DATE

In March 2025 the Romanian Government issued Emergency Ordinance no. 6 which extends the provisions of Government Emergency Ordinance no. 27/2022. Gas sold under the Ordinance will continue to be sold at a regulated price until March 31, 2026; no windfall tax will be charged for quantities sold under the Ordinance.

36. AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors on March 27, 2025.

Răzvan Popescu
Chief Executive Officer

Gabriela Trânbițaș
Chief Financial Officer