

Q1

Quarterly Report 2022



Picture: Petrom City, OMV Petrom Headquarters



OMV Petrom
The energy for a better life.

Content

Directors' report (condensed, unaudited)	4
Financial highlights	4
Group performance	5
Outlook 2022	9
Business segments	10
Exploration and Production	10
Refining and Marketing	12
Gas and Power	13
Interim condensed consolidated financial statements (unaudited)	15
Declaration of the management	26
Further information	27

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OMV Petrom Group resultsⁱ for January – March 2022

including interim unaudited condensed consolidated financial statements

as of and for the period ended March 31, 2022

Highlights Q1/22ⁱⁱ

Group

- ▶ Clean CCS Operating Result at RON 2.2 bn, 243% higher, in the context of unprecedentedly high and volatile commodity prices impacted by the Russia-Ukraine war and post COVID recovery
- ▶ Clean CCS net income attributable to stockholders at RON 1.8 bn, up 244%
- ▶ Cash flow from operating activities at RON 2.6 bn, 129% higher
- ▶ CAPEX at RON 0.6 bn, up 10%
- ▶ Free cash flow after dividends increased by 351% to RON 1.9 bn
- ▶ Record high dividends of RON 1.9 bn for FY 2021 to be paid starting June 6
- ▶ Clean CCS ROACE at 17.8%, 12 pp higher
- ▶ TRIR: 0.33 (Q1/21: 0.44)ⁱⁱⁱ

Exploration and Production^{iv}

- ▶ Clean Operating Result at RON 1,106 mn vs. RON 311 mn in Q1/21 due to higher oil and gas prices
- ▶ Production decreased by 12.7%, mainly due to divestments and high natural decline in the main fields
- ▶ Production cost increased by 13% to USD 14.2/boe, mainly driven by lower production and higher electricity costs, partly compensated by positive FX effects

Refining and Marketing^{iv}

- ▶ Clean CCS Operating Result at RON 626 mn, up 103% reflecting exceptional refining margin environment, higher utilization of the refinery and robust demand
- ▶ OMV Petrom indicator refining margin at USD 18.31/bbl, up 553% as a result of higher product spreads, mainly for diesel and gasoline
- ▶ Refinery utilization rate at 98%, compared to 95% in Q1/21
- ▶ Retail volumes 9% higher, however margins were lower

Gas and Power^{iv}

- ▶ Clean Operating Result at RON 727 mn, 301% higher, mainly due to strong gas margins from storage and 3rd party transactions
- ▶ Gas sales volumes down by 11%, mainly on lower supply
- ▶ Net electrical output of 0.99 TWh, 16% lower, as Brazi power plant was in planned outage with the entire capacity in March 2022

Key events

- ▶ OMV Petrom has completed the first photovoltaic park that supplies green energy for its own operations
- ▶ In January, Fondul Proprietatea's holding in OMV Petrom reduced to 2.98% following the sale of a 4% stake via an Accelerated Book Building
- ▶ OMV Petrom joins the efforts of the civil society and authorities in Romania to support refugees from Ukraine in cooperation with UNICEF and the Romanian Red Cross

ⁱ The financials are unaudited and represent OMV Petrom Group's (herein after also referred to as "the Group") interim consolidated results prepared according to IFRS; all the figures refer to OMV Petrom Group, unless otherwise stated; financials are expressed in RON mn and rounded to the closest integer value, so minor differences may result upon reconciliation; OMV Petrom uses the National Bank of Romania exchange rates for its consolidation process.

ⁱⁱ All comparisons described relate to the same quarter in the previous year except where mentioned otherwise.

ⁱⁱⁱ Total Recordable Injury Rate; the number of recordable injuries (fatalities + lost workday cases + restricted work day cases + medical treatment cases) calculated as 12 months rolling average per 1,000,000 hours worked.

^{iv} Starting with January 1, 2022, OMV Petrom's business segments were renamed as follows: Upstream to Exploration and Production; Downstream Oil to Refining and Marketing, and Downstream Gas to Gas and Power.

Directors' report (condensed, unaudited)

Financial highlights

Q1/22	Q4/21	Q1/21	Δ% ¹	in RON mn	2021
11,898	8,965	4,861	145	Sales revenues ²	26,011
2,241	1,500	653	243	Clean CCS Operating Result³	4,346
1,106	588	311	255	Clean Operating Result Exploration and Production ^{3,4}	1,814
626	550	308	103	Clean CCS Operating Result Refining and Marketing ³	2,041
727	444	181	301	Clean CCS Operating Result Gas and Power	781
(22)	(35)	(24)	9	Clean Operating Result Co&O ³	(87)
(195)	(46)	(122)	(60)	Consolidation	(203)
17	17	16	7	Clean CCS Group effective tax rate (%)	17
1,788	1,160	520	244	Clean CCS net income ^{3,7}	3,353
1,788	1,160	520	244	Clean CCS net income attributable to stockholders^{3,6,7}	3,353
0.0316	0.0205	0.0092	244	Clean CCS EPS (RON) ^{3,6,7}	0.0592
2,241	1,500	653	243	Clean CCS Operating Result³	4,346
(162)	(129)	(61)	(167)	Special items ⁵	(1,058)
107	122	114	(6)	CCS effects: Inventory holding gains/(losses)	421
2,185	1,493	707	209	Operating Result Group	3,709
1,105	588	302	265	Operating Result Exploration and Production ⁴	1,660
707	760	486	45	Operating Result Refining and Marketing	2,663
599	212	133	350	Operating Result Gas and Power	(253)
(30)	(20)	(34)	10	Operating Result Co&O	(99)
(195)	(46)	(182)	(8)	Consolidation	(263)
(82)	(87)	(34)	(137)	Net financial result	(311)
2,104	1,406	672	213	Profit before tax	3,398
17	15	15	15	Group effective tax rate (%)	16
1,748	1,188	573	205	Net income	2,864
1,748	1,188	573	205	Net income attributable to stockholders⁶	2,864
0.0309	0.0210	0.0101	205	EPS (RON) ⁶	0.0506
—	—	—	—	Dividend/share (RON)	0.0341
2,640	2,018	1,152	129	Cash flow from operating activities	6,997
1,911	1,239	424	351	Free cash flow after dividends	3,003
(11,257)	(9,391)	(6,881)	64	Net debt/(cash) including leases	(9,391)
(11,927)	(10,051)	(7,550)	58	Net debt/(cash) excluding leases	(10,051)
629	994	571	10	Capital expenditure	2,821
17.8	12.7	5.7	214	Clean CCS ROACE (%) ^{3,7}	12.7
15.5	10.8	3.9	296	ROACE (%)	10.8
7,907	7,973	9,224	(14)	OMV Petrom Group employees end of period	7,973
0.33	0.60	0.44	(25)	TRIR ⁸	0.53

¹ Q1/22 vs. Q1/21

² Sales revenues excluding petroleum excise tax;

³ Adjusted for special items; Clean CCS (current cost of supply) figures exclude special items and inventory holding effects (CCS effects) resulting from Refining and Marketing; special items include temporary hedging effects (in order to mitigate Income Statement volatility);

⁴ Excluding intersegmental profit elimination shown in the line "Consolidation";

⁵ Special items, representing exceptional, non-recurring items, are added back or deducted from the Operating Result; for more details please refer to each specific segment;

⁶ After deducting net result attributable to non-controlling interests;

⁷ Excludes additional special income reflected in the financial result;

⁸ Total Recordable Injury Rate; the number of recordable injuries (fatalities + lost workday cases + restricted work day cases + medical treatment cases) calculated as 12 months rolling average per 1,000,000 hours worked

Group performance

First quarter 2022 (Q1/22) vs. first quarter 2021 (Q1/21)

Consolidated sales revenues increased by 145% compared to Q1/21, mainly supported by higher commodity prices and higher sales volumes of petroleum products and electricity. Refining and Marketing represented 49% of total consolidated sales, while Gas and Power accounted for 51%. Sales from Exploration and Production accounted only for 0.1% after divestment of Kazakhstan subsidiaries in Q2/21 (sales in Exploration and Production being largely intra-group sales rather than third-party sales).

The **Clean CCS Operating Result** of RON 2,241 mn in Q1/22 was significantly higher than RON 653 mn in Q1/21, due to much higher contribution of all business segments mainly following the increase in prices in Exploration and Production segment, strong margins on gas from storage and third party transaction in the Gas and Power segment and significantly higher refining margins in the Refining and Marketing segment. The Consolidation line had a negative contribution in Q1/22 of RON (195) mn, compared to RON (122) mn in Q1/21. The **Clean CCS Group effective tax rate** was 17% (Q1/21: 16%). **Clean CCS net income attributable to stockholders** was RON 1,788 mn (Q1/21: RON 520 mn).

Special items comprised net charges of RON (162) mn, driven mainly by net temporary losses from forward contracts in the Gas and Power segment. **Inventory holding gains** amounted to RON 107 mn in Q1/22, mainly as a result of increase in crude oil prices. In Q1/21, **special items** comprised net charges of RON (61) mn mainly in relation to net temporary losses from forward contracts in the Gas and Power segment, while **inventory holding gains** amounted to RON 114 mn, mainly as a result of the increase in crude oil prices.

Reported Operating Result for Q1/22 increased to RON 2,185 mn, compared to RON 707 mn in Q1/21, driven mainly by the higher prices market environment.

Net financial result was a loss of RON (82) mn in Q1/22 compared to RON (34) mn in Q1/21 mainly due to higher interest expenses in relation to the discounting of receivables.

As a result, the **profit before tax** for Q1/22 was RON 2,104 mn, higher compared to RON 672 mn in Q1/21.

Income tax amounted to RON (355) mn, while the **effective tax rate** was 17% in Q1/22 (Q1/21: 15%).

Net income attributable to stockholders of the parent was RON 1,748 mn (Q1/21: RON 573 mn).

Cash flow from operating activities amounted to RON 2,640 mn, higher than RON 1,152 mn in Q1/21 driven by the evolution of the operating result. **Free cash flow after dividends** resulted in a cash inflow of RON 1,911 mn (Q1/21: RON 424 mn).

Capital expenditure amounted to RON 629 mn in Q1/22, 10% higher than in Q1/21, of which RON 453 mn were directed to Exploration and Production (Q1/21: RON 511 mn). Refining and Marketing investments amounted to RON 121 mn (Q1/21: RON 56 mn), while Gas and Power investments amounted to RON 49 mn (Q1/21: RON 1 mn). Corporate and Other investments were RON 7 mn (Q1/21: RON 4 mn).

OMV Petrom Group reported a **net cash position including leases** of RON 11,257 mn as at March 31, 2022, higher than RON 9,391 mn as at December 31, 2021.

Special items and CCS effect

Q1/22	Q4/21	Q1/21	Δ% ¹	Special items and CCS effect (in RON mn)	2021
2,241	1,500	653	243	Clean CCS Operating Result	4,346
(162)	(129)	(61)	(167)	Special items	(1,058)
(4)	(2)	(18)	81	thereof personnel and restructuring	(73)
—	(67)	—	n.a.	thereof unscheduled depreciation / write-ups	(83)
(159)	(61)	(42)	(275)	thereof other	(902)
107	122	114	(6)	CCS effects: Inventory holding gains/(losses)	421
2,185	1,493	707	209	Operating Result Group	3,709

¹ Q1/22 vs. Q1/21

The disclosure of **Special items** is considered appropriate in order to facilitate the analysis of the ordinary business performance. To reflect comparable figures, certain items affecting the result are added back or deducted. They are being disclosed separately. These items can be divided into three categories: personnel and restructuring, unscheduled depreciation and write-ups, and other.

Furthermore, to enable effective performance management in an environment of volatile prices and comparability with peers, the **Current Cost of Supply (CCS)** effect is eliminated from the accounting result. The CCS effect, also called inventory holding gains or losses, represents the difference between the cost of sales calculated using the current cost of supply and the cost of sales calculated using the weighted average method after adjusting for any changes in valuation allowances, in case the net realizable value of the inventory is lower than its cost. In volatile energy markets, measurement of the costs of petroleum products sold based on historical values (e.g. weighted average cost) can have a distorting effect on the reported results. This performance measurement enhances the transparency of the results and is commonly used in the oil industry. OMV Petrom, therefore, published this measurement in addition to the Operating Result determined in accordance with IFRS.

Summarized interim consolidated statement of financial position (unaudited)

in RON mn	March 31, 2022	December 31, 2021
Assets		
Non-current assets	32,077	32,655
Current assets (including assets held for sale)	20,629	17,315
Total assets	52,707	49,970
Equity and liabilities		
Total equity	35,995	34,214
Non-current liabilities	7,115	7,563
Current liabilities (including liabilities associated with assets held for sale)	9,596	8,193
Total equity and liabilities	52,707	49,970

Compared to December 31, 2021, **non-current assets** decreased by RON 578 mn, to RON 32,077 mn, mainly due to decrease in property, plant and equipment, as depreciation, net impairments and decrease in decommissioning asset following reassessment exceeded the additions during the period.

The increase in **current assets (including assets held for sale)** was triggered mainly by higher cash and cash equivalents, higher trade receivables following higher sales, higher inventories mainly following increase in unit costs in line with quotations and by higher financial assets mainly in relation to derivatives.

Equity increased to RON 35,995 mn as of March 31, 2022, compared to RON 34,214 mn as of December 31, 2021, mainly as a result of the net profit generated in the current period. The Group's equity ratio was 68% as of March 31, 2022, the same level as of December 31, 2021.

As at March 31, 2022, **total liabilities** increased by RON 956 mn comparing with December 31, 2021. The increase in **current liabilities** was mainly due to higher financial liabilities mainly in relation to derivatives, higher income tax liabilities, higher Exploration and Production specific tax liabilities and increased advances received for future deliveries. This increase was partially offset by the decrease in **non-current liabilities** mainly due to the reassessment of provisions for decommissioning and restoration obligations.

Cash flow

Q1/22	Q4/21	Q1/21	Δ% ¹	Summarized cash-flow statement (in RON mn)	2021
3,255	1,990	1,579	106	Sources of funds	7,430
2,640	2,018	1,152	129	Cash flow from operating activities	6,997
(728)	(778)	(728)	(0)	Cash flow from investing activities	(2,253)
1,911	1,240	424	351	Free cash flow	4,744
(55)	(17)	(65)	15	Cash flow from financing activities	(1,914)
1	2	11	(94)	Effect of exchange rate changes on cash and cash equivalents	11
1,857	1,225	370	402	Net increase in cash and cash equivalents	2,841
10,323	9,098	7,481	38	Cash and cash equivalents at beginning of period	7,481
12,179	10,323	7,851	55	Cash and cash equivalents at end of period	10,323
—	—	43	n.a.	Thereof cash disclosed within assets held for sale	—
12,179	10,323	7,808	56	Cash and cash equivalents at end of period presented in the consolidated statement of financial position	10,323
1,911	1,239	424	351	Free cash flow after dividends	3,003

¹ Q1/22 vs. Q1/21

First quarter 2022 (Q1/22) vs. first quarter 2021 (Q1/21)

In Q1/22, the inflow of funds from profit before tax, adjusted for non-cash items such as depreciation and impairments, net change of provisions and other non-cash adjustments, as well as net interest received, was RON 3,255 mn (Q1/21: RON 1,579 mn). Changes in **net working capital** generated a cash outflow of RON 616 mn (Q1/21: RON 428 mn). **Cash flow from operating activities** increased by RON 1,488 mn compared to Q1/21, reaching RON 2,640 mn.

In Q1/22, **cash flow from investing activities** resulted in an outflow of RON 728 mn (Q1/21: RON 728 mn) mainly related to payments for investments in property, plant and equipment largely in the Exploration and Production segment.

Free cash flow (defined as cash flow from operating activities less cash flow from investing activities) showed an inflow of funds of RON 1,911 mn (Q1/21: RON 424 mn).

Cash flow from financing activities reflected an outflow of funds amounting to RON 55 mn (Q1/21: RON 65 mn).

Free cash flow after dividends resulted in a cash inflow of RON 1,911 mn (Q1/21: RON 424 mn).

Risk management

The scope of OMV Petrom's business activity, both existing and planned, and the markets in which the company operates expose the Group to significant commodity price, foreign exchange, operational and strategic risks. A detailed description of risks and risk management activities can be found in the 2021 Annual Report (pages 51-55).

According to the last OMV Petrom Group risk assessment exercise in March 2022, the main uncertainties which could impact the Group's performance remain the commodity price risk, operational risks, as well as political and regulatory risk.

Through the nature of its business of extracting, processing, transporting and selling hydrocarbons, OMV Petrom is inherently exposed to safety and environmental risks. Through its HSSE and risk management programs, OMV Petrom remains committed to be in line with industry standards.

In terms of regulatory risk, the company is in dialogue with the Romanian authorities on topics of relevance for the industry. In the last few years, we have seen a number of fiscal and regulatory initiatives put in discussion and/or implemented. This increases legislative volatility with influence on the overall business environment.

OMV Petrom monitors continuously the ongoing conflict between Russia and Ukraine and any additional sanctions and countersanctions resulting from it. The company regularly reviews the potential impact on its business activities. Disruptions in Russian commodity flows to Europe could result in further increases in European energy prices, which reached record levels in Q1/22 and accelerate the risk of cost inflation. Sanctions on Russia and countersanctions issued by Russia could lead to disruptions in the global supply chains and shortages in e.g., raw materials, agricultural products and metals and consequently further increase the risk of inflation. OMV Petrom continues to closely monitor developments and regularly evaluates the impact on the Group's cash flow and liquidity position. OMV Petrom is responding to the situation with targeted measures to safeguard the Company's economic stability and the secure supply of energy.

The global outbreak of the COVID-19 pandemic still has a major impact on global economic development. Increases in COVID-19 cases around the world following the emergence of new virus variants combined with disruptions in supply chains and high price inflation could lead to delays in the expected demand recovery. The consequences of the COVID-19 pandemic and other disruptions currently observed, as well as the extent and duration of the economic impact cannot be reliably estimated from today's perspective. OMV Petrom is responding to the situation by making the health and wellbeing of every employee a top priority.

From today's perspective, we assume that based on the measures mentioned above the Group's ability to continue as a going concern is not impacted.

Also refer to the Outlook section of the Directors' report for more information on current risks.

Transactions with related parties

Please refer to the selected explanatory notes of the interim condensed consolidated financial statements for disclosures on significant transactions with related parties.

Outlook for the full year 2022

All the below is based on the assumption of no significant lockdowns and no significant supply disruptions.

Market and regulatory environment

- ▶ For the full year 2022, OMV Petrom expects the **average Brent oil price** to be around USD 95/bbl (previous guidance USD 75/bbl; 2021: USD 71/bbl); Urals average discount to Brent is expected to remain high and volatile, reflecting the challenging geopolitical context
- ▶ **Refining margin** is expected to be significantly above the 2021 level (previous guidance: around USD 6/bbl; 2021: USD 5.5/bbl)
- ▶ **Demand for oil products** to be on an upward trend; we expect demand for **power** to be broadly similar to 2021, while demand for **gas** to be lower than in 2021
- ▶ OUG 27 introduced temporary measures applicable to the gas and power markets between April 2022 – March 2023 with regards to prices, margins, storage and taxes.

Financial highlights

- ▶ **CAPEX** is anticipated to increase to around RON 4 bn, depending on the investment climate (2021: RON 2.8 bn)
- ▶ We expect a **positive free cash flow after base dividends** (2021: RON 3 bn)
- ▶ **Attractive returns to shareholders:** 5%-10% p.a. base dividend growth.

Strategic direction: Optimize traditional business

Exploration and Production

- ▶ **Production:** contain decline at around 7% yoy in Romania, excluding portfolio optimization (2021: -7.6%)
- ▶ **Portfolio optimization:** continue to focus on the most profitable barrels, through assessing selective fields divestments
- ▶ **Investments:** around RON 2.6 bn (2021: RON 2.0 bn): drill around 60 new wells and sidetracks and perform around 600 workovers (2021: 36 new wells and sidetracks; 695 workovers).

Refining and Marketing

- ▶ **Partnership with Auchan:** accelerate to more than 270 MyAuchan stores opened in upgraded Petrom-branded filling stations by year-end, ahead of plan (at year-end 2021: 128 stores)
- ▶ The **refinery utilization rate** is estimated to be above 95% (2021: 97%)
- ▶ Total **refined product sales** are forecasted to be broadly similar to previous year (2021: 5.3 mn t).

Gas and Power

- ▶ Total **gas sales volumes** are estimated to be lower yoy (2021: 49 TWh), mainly due to lower supply
- ▶ **Net electrical output** is forecasted to be lower yoy, in the context of a 2-month planned shutdown of the Brazi power plant in H1/22 (2021: 4.8 TWh).

Strategic direction: Grow regional gas

- ▶ **Neptun Deep:** a new draft of the Offshore Law was published, currently in public consultation phase. Authorities aim for fast tracking it for Parliamentary approval in H1/22. Depending on the final content and the timing of the revised Offshore Law, final investment decision is expected in H1/23
- ▶ **Han Asparuh offshore Bulgaria:** spud one exploration well in 2023 and continue prospectivity and evaluation
- ▶ **Georgia Offshore Exploration Block II:** seismic acquisition envisaged in H2/22.

Strategic direction: Transition to low and zero carbon

- ▶ We target to **reduce carbon intensity** by 30% until 2030 vs. 2019 (2021: 10% lower vs. 2019)
- ▶ **Alternative mobility:** we plan to have approximately 100 recharging stations installed by the end of 2022
- ▶ Progress in developing a **renewable power portfolio**
- ▶ First steps towards producing **second generation bioethanol**.

Business segments

Exploration and Production

Q1/22	Q4/21	Q1/21	Δ% ¹	in RON mn	2021
1,629	1,178	897	82	Clean Operating Result before depreciation and amortization, impairments and write-ups ²	4,288
1,106	588	311	255	Clean Operating Result ²	1,814
(1)	0	(9)	94	Special items	(154)
1,105	588	302	265	Operating Result ²	1,660
453	552	511	(11)	Capital expenditure ³	2,025
32	96	16	105	Exploration expenditures	194
36	98	18	103	Exploration expenses	203
14.20	12.80	12.53	13	Production cost (USD/boe)	12.73

Q1/22	Q4/21	Q1/21	Δ% ¹	Key performance indicators	2021
121.3	122.2	138.9	(13)	Total hydrocarbon production (kboe/d)	129.4
58.3	59.8	67.2	(13)	thereof crude oil and NGL production (kbb/d)	63.1
63.0	62.4	71.7	(12)	thereof natural gas production (kboe/d)	66.2
10.91	11.25	12.50	(13)	Total hydrocarbon production (mn boe)	47.21
5.25	5.50	6.05	(13)	Crude oil and NGL production (mn bbl)	23.05
0.87	0.88	0.99	(12)	Natural gas production (bcm)	3.70
30.60	31.01	34.90	(12)	Natural gas production (bcf)	130.57
10.48	10.80	11.79	(11)	Total hydrocarbon sales volume (mn boe)	44.96
116.5	117.4	131.0	(11)	Total hydrocarbon sales volume (kboe/d)	123.2
61.5	62.9	69.6	(12)	thereof crude oil and NGL sales volume (kbb/d) ⁴	65.7
55.0	54.4	61.5	(11)	thereof natural gas sales volume (kboe/d)	57.4
90.20	78.22	60.05	50	Average Urals price (USD/bbl)	69.23
80.34	69.94	50.92	58	Average Group realized crude price (USD/bbl)	60.29

¹ Q1/22 vs. Q1/21;

² Excluding intersegmental profit elimination;

³ Including capitalized exploration and appraisal and acquisitions;

⁴ Includes sales of liquids obtained from separation and processing of rich natural gas; rich natural gas production is included under natural gas production above.

First quarter 2022 (Q1/22) vs. first quarter 2021 (Q1/21)

- ▶ **Clean Operating Result at RON 1,106 mn vs. RON 311 mn in Q1/21, due to higher oil and gas prices**
- ▶ **Production decreased by 12.7% mainly due to the divestments and high natural decline in the main fields**
- ▶ **Production cost increased by 13% to USD 14.20/boe, mainly driven by lower production and higher electricity costs, partly compensated by favorable FX effect**

Clean Operating Result was RON 1,106 mn vs. RON 311 mn in Q1/21, driven by higher prices and favorable FX (stronger USD vs. RON) and lower depreciation, partly offset by higher Exploration and Production taxation, lower volumes, as well as increased production costs and exploration expenses.

Special items amounted to RON (0.5) mn in Q1/22, while in Q1/21 they amounted to RON (9) mn, in both quarters consisting mainly of personnel restructuring charges. **Reported Operating Result** was RON 1,105 mn vs. RON 302 mn in Q1/21.

Hydrocarbon production decreased by 12.7% due to the divestment of production assets from Kazakhstan (resulting in a 6.2 kboe/d decline yoy) in Q2/21, the transfer of 40 marginal onshore oil and gas fields to Dacian Petroleum in Q4/21 (resulting in a 1.0 kboe/d decline yoy), and the high natural decline in the main fields in Romania.

In Romania, hydrocarbon production declined by 8.6% to 10.91 mn boe or 121.3 kboe/d (Q1/21: 11.95 mn boe or 132.7 kboe/d), or 7.9% excluding portfolio optimization. Crude oil and NGL production dropped by 5.9% to 5.25 mn bbl mainly due to high natural decline and the transfer of marginal fields to Dacian Petroleum. Gas production decreased by 11.0% to 5.67 mn boe due to high natural decline in the main fields (Totea Deep and Lebada East), well 4461 Totea South and the transfer of marginal fields to Dacian Petroleum.

Hydrocarbon sales volumes decreased by 11% due to the same factors which affected the production.

Production cost increased by 13% to USD 14.20/boe, due to lower production available for sale and increased expenses (mainly higher electricity and service costs driven by inflation), partly offset by favorable FX effect (stronger USD against RON). In Romania, production cost in USD increased by 13% to USD 14.20/boe, while in RON terms it increased by 23% to RON 62.62/boe.

Exploration expenditures increased to RON 32 mn, due to higher 3D seismic acquisition activities, partly offset by lower plugging and abandonment costs for deep wells.

Exploration expenses increased to RON 36 mn, due to higher domestic 3D seismic activities and higher exploration well write-offs.

Capital expenditure was lower due to lower drilling and workover activities, partially counterbalanced by higher progress for running business projects.

In Q1/22, we finalized the drilling of 10 new wells and sidetracks (Q1/21: 12 new wells and sidetracks).

Refining and Marketing

Q1/22	Q4/21	Q1/21	Δ% ¹ in RON mn	2021	
814	739	500	63	Clean CCS Operating Result before depreciation and amortization, impairments and write-ups ²	2,810
626	550	308	103	Clean CCS Operating Result ²	2,041
(26)	88	5	n.m.	Special items	142
107	122	174	(38)	CCS effect: Inventory holding gains/(losses) ²	481
707	760	486	45	Operating Result	2,663
121	434	56	117	Capital expenditure	766

Q1/22	Q4/21	Q1/21	Δ% ¹ Key performance indicators	2021	
18.31	7.52	2.80	n.m.	Indicator refining margin (USD/bbl) ³	5.47
1.16	1.23	1.14	2	Refining input (mn t) ⁴	4.74
98	101	95	3	Refinery utilization rate (%)	97
1.21	1.41	1.15	5	Total refined product sales (mn t)	5.34
0.68	0.73	0.62	9	thereof retail sales volumes (mn t) ⁵	2.94

¹ Q1/22 vs. Q1/21;

² Current cost of supply (CCS): the Clean CCS Operating Result eliminates special items and inventory holding gains/losses (CCS effects) resulting from Refining and Marketing;

³ The actual refining margins realized by OMV Petrom may vary from the indicator refining margin due to different crude slate, product yield and operating conditions;

⁴ Figures include crude and semi-finished products, in line with the OMV Group reporting standard;

⁵ Retail sales volumes refer to sales via the OMV Petrom Group's filling stations in Romania, Bulgaria, Serbia, Moldova.

First quarter 2022 (Q1/22) vs. first quarter 2021 (Q1/21)

- ▶ **Clean CCS Operating Result at RON 626 mn, up 103% reflecting exceptional refining margin environment, higher utilisation of the refinery and robust demand**
- ▶ **Retail sales volumes up by 9%, however margins were lower**

Refining and Marketing Clean CCS Operating Result increased to RON 626 mn in Q1/22 (Q1/21: RON 308 mn), following significantly higher refining margins, increased fuels demand and higher utilisation of the refinery, partly offset by higher utilities costs and lower retail and commercial margins. **Reported Operating Result** of RON 707 mn (Q1/21: RON 486 mn), reflected RON (26) mn net special charges (mainly related to hedging), as well as positive CCS effects of RON 107 mn.

OMV Petrom indicator refining margin increased by USD 15.51/bbl to USD 18.31/bbl in Q1/22, as a result of higher product spreads, mainly for diesel and gasoline, as well as unprecedentedly high Urals differential to Brent, generated by the geopolitical context. The **refinery utilization rate** was 98% in Q1/22 (Q1/21: 95%), supported by increased demand and the integration with our sales channels which allowed us to place the equity products in our operating region.

Total refined product sales volumes were up 5% vs. Q1/21, driven by improved demand. Group retail sales volumes, which accounted for 56% of total refined product sales increased by 9% compared to Q1/21, supported by robust fuels demand. Non-fuel business also advanced yoy. Q1/22 non-retail sales volumes increased by 1% yoy, with the partial recovery of the aviation business and the increased sales on the local market being offset by lower export volumes.

Refining and Marketing investments amounted to RON 121 mn (Q1/21: RON 56 mn). In Q1/22, majority of the investments were directed for the ongoing major projects in the Petrobrazi refinery (mainly site construction works for a new crude oil tank and for coke drums replacement) and to recognition of right of use assets under IFRS 16 Leases for a long term contract for securing railway access to Cluj storage.

Gas and Power

Q1/22	Q4/21	Q1/21	Δ% ¹	in RON mn	2021
755	478	216	250	Clean Operating Result before depreciation and amortization, impairments and write-ups	913
727	444	181	301	Clean Operating Result	781
(128)	(232)	(48)	(167)	Special items	(1,034)
599	212	133	350	Operating Result	(253)
49	2	1	n.m.	Capital expenditure	12

Q1/22	Q4/21	Q1/21	Δ% ¹	Key performance indicators	2021
12.72	12.30	14.36	(11)	Gas sales volumes (TWh)	48.94
10.66	9.03	11.65	(9)	thereof to third parties (TWh)	38.42
0.99	1.55	1.18	(16)	Brazi net electrical output (TWh)	4.79
1,080	1,047	257	320	OPCOM spot average electricity base load price (RON/MWh)	547

¹ Q1/22 vs. Q1/21.

First quarter 2022 (Q1/22) vs. first quarter 2021 (Q1/21)

- ▶ **Clean CCS Operating Result at RON 727 mn, up 301%, mainly due to strong gas margins from storage and 3rd party transactions**
- ▶ **Gas sales volumes down by 11%, mainly on lower supply**
- ▶ **Net electrical output of 0.99 TWh, 16% lower, as Brazi power plant was in planned outage with the entire capacity in March 2022**

Gas and Power Clean Operating Result was RON 727 mn in Q1/22 (Q1/21: RON 181 mn). **Reported Operating Result** of RON 599 mn (Q1/21: RON 133 mn), reflected RON (128) mn net special charges, mainly in relation to temporary losses from electricity and CO2 forward contracts.

The excellent result in Q1/22 was generated mainly by the gas business built on positive effect from increasing prices on storage margin and 3rd party transactions, as well as on a very good performance from short term optimization and balancing. The power business also had a good contribution to Q1/22 results even in the context of Brazi power plant outage.

As per OMV Petrom's estimates, national **gas** consumption was 11% lower compared to Q1/21 on reduced end-users consumption.

On the Romanian centralized markets, the weighted average price of natural gas for transactions with medium and long-term standardized products closed in Q1/22 (9.4 TWh) was RON 469/MWh^v,^{vi} (Q1/21: RON 81/MWh for standard products traded). The average price for the quantities delivered during the quarter was RON 372/MWh (Q1/21: RON 71/MWh)^{vii}. Regarding short-term deliveries, on BRM day-ahead market, the average price^{viii} in Q1/22 was RON 485/MWh (Q1/21: RON 87/MWh).

In Q1/22, OMV Petrom's total gas sales volumes decreased to 12.72 TWh, mainly as a result of decreasing equity gas production. Gas volumes sold to third parties were 9% lower vs. Q1/21.

^v OMV Petrom estimates based on available public information;

^{vi} Standard products refers to all products offered on the BRM and OPCOM trading platforms i.e. weekly products, monthly products, quarterly products, gas-year products etc. and the price could include storage related tariffs in connection with the gas volumes sold/extracted from storage;

^{vii} Based on monthly data, as published by BRM on <https://www.brm.ro/cotatii-gaze-naturale/>; retrieved on April 28th, 2022

^{viii} Average computed based on daily trades published on BRM platform.

On the centralized markets, OMV Petrom sold 2.6 TWh in standard products in Q1/22 at an average price in line with the market price^{v, vi}. At the end of Q1/22, OMV Petrom had no natural gas in storage (end of Q1/21: 0.4 TWh).

As per currently available information from the grid operator, national **electricity** consumption was 4% lower compared to the same quarter of 2021, while national production was 7% lower, Romania remaining a net power importer in Q1/22 (same as in Q1/21).

The Brazi power plant generated in Q1/22 a net electrical output of 0.99 TWh, below the 1.18 TWh in Q1/21, representing 7% in Romania's generation mix. The power plant was in planned outage with the entire capacity in March 2022.

Gas and Power investments amounted to RON 49 mn (Q1/21: RON 1 mn). In Q1/22, majority of investments were directed to the Brazi power plant planned shutdown.

Interim condensed consolidated financial statements as of and for the period ended March 31, 2022 (unaudited)

Interim condensed consolidated income statement (unaudited)

Q1/22	Q4/21	Q1/21	in RON mn	2021
11,898.11	8,965.34	4,861.08	Sales revenues	26,011.13
20.40	80.54	36.93	Other operating income	185.47
2.36	(1.56)	2.89	Net income/(loss) from investments in associates	5.23
11,920.87	9,044.32	4,900.90	Total revenues and other income	26,201.83
(5,549.37)	(3,679.10)	(1,685.08)	Purchases (net of inventory variation)	(10,572.06)
(1,107.10)	(1,265.92)	(917.22)	Production and operating expenses	(4,100.78)
(1,787.66)	(1,119.80)	(225.17)	Production and similar taxes	(1,988.06)
(738.37)	(858.49)	(819.83)	Depreciation, amortization, impairments and write-ups	(3,399.41)
(483.98)	(522.87)	(480.40)	Selling, distribution and administrative expenses	(1,976.73)
(35.60)	(98.17)	(17.57)	Exploration expenses	(203.36)
(33.36)	(6.82)	(48.89)	Other operating expenses	(252.58)
2,185.43	1,493.15	706.74	Operating Result	3,708.85
78.03	49.60	35.34	Interest income	160.69
(154.40)	(137.30)	(77.97)	Interest expenses	(464.74)
(5.52)	0.60	8.14	Other financial income and expenses	(6.70)
(81.89)	(87.10)	(34.49)	Net financial result	(310.75)
2,103.54	1,406.05	672.25	Profit before tax	3,398.10
(355.21)	(217.64)	(98.90)	Taxes on income	(533.68)
1,748.33	1,188.41	573.35	Net income for the period	2,864.42
1,748.32	1,188.40	573.34	thereof attributable to stockholders of the parent	2,864.34
0.01	0.01	0.01	thereof attributable to non-controlling interests	0.08
0.0309	0.0210	0.0101	Basic and diluted earnings per share (RON)	0.0506

Interim condensed consolidated statement of comprehensive income (unaudited)

Q1/22	Q4/21	Q1/21	in RON mn	2021
1,748.33	1,188.41	573.35	Net income for the period	2,864.42
(1.30)	0.21	18.11	Currency translation differences	66.66
25.76	(14.90)	(61.70)	Gains/(losses) on hedges	(124.17)
24.46	(14.69)	(43.59)	Total of items that may be reclassified ("recycled") subsequently to the income statement	(57.51)
-	20.26	-	Remeasurement gains/(losses) on defined benefit plans	20.26
(2.04)	9.48	19.51	Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item	57.22
(2.04)	29.74	19.51	Total of items that will not be reclassified ("recycled") subsequently to the income statement	77.48
(4.12)	2.39	9.87	Income tax relating to items that may be reclassified ("recycled") subsequently to the income statement	61.47
0.33	(4.76)	(3.12)	Income tax relating to items that will not be reclassified ("recycled") subsequently to the income statement	(12.40)
(3.79)	(2.37)	6.75	Total income taxes relating to components of other comprehensive income	49.07
18.63	12.68	(17.33)	Other comprehensive income/(loss) for the period, net of tax	69.04
1,766.96	1,201.09	556.02	Total comprehensive income for the period	2,933.46
1,766.95	1,201.08	556.00	thereof attributable to stockholders of the parent	2,933.37
0.01	0.01	0.02	thereof attributable to non-controlling interests	0.09

Interim condensed consolidated statement of financial position (unaudited)

in RON mn	March 31, 2022	December 31, 2021
Assets		
Intangible assets	2,909.35	2,889.08
Property, plant and equipment	25,303.20	25,864.51
Investments in associated companies	36.77	34.41
Other financial assets	1,908.78	1,995.88
Other assets	351.32	333.29
Deferred tax assets	1,568.06	1,538.21
Non-current assets	32,077.48	32,655.38
Inventories	2,824.41	2,293.02
Trade receivables	3,294.77	2,640.68
Other financial assets	1,993.22	1,742.09
Other assets	322.98	301.25
Cash and cash equivalents	12,179.28	10,322.65
Current assets	20,614.66	17,299.69
Assets held for sale	14.83	14.83
Total assets	52,706.97	49,969.90
Equity and liabilities		
Share capital	5,664.41	5,664.41
Reserves	30,324.29	28,548.93
Stockholders' equity	35,988.70	34,213.34
Non-controlling interests	6.74	0.55
Total equity	35,995.44	34,213.89
Provisions for pensions and similar obligations	169.06	170.05
Interest-bearing debts	16.49	16.49
Lease liabilities	498.19	501.41
Provisions for decommissioning and restoration obligations	5,589.78	6,051.61
Other provisions	661.57	672.95
Other financial liabilities	128.28	98.84
Other liabilities	51.69	52.01
Non-current liabilities	7,115.06	7,563.36
Trade payables	3,185.14	3,265.78
Interest-bearing debts	236.15	255.06
Lease liabilities	171.29	158.32
Income tax liabilities	592.87	203.82
Other provisions and decommissioning	592.08	417.77
Other financial liabilities	3,119.19	2,725.48
Other liabilities	1,699.75	1,166.42
Current liabilities	9,596.47	8,192.65
Total equity and liabilities	52,706.97	49,969.90

Interim condensed consolidated statement of changes in equity (unaudited)

in RON mn	Share capital	Revenue reserves	Other reserves ¹	Treasury shares	Stockholders' equity	Non-controlling interests	Total equity
January 1, 2022	5,664.41	28,387.59	161.36	(0.02)	34,213.34	0.55	34,213.89
Net income for the period	-	1,748.32	-	-	1,748.32	0.01	1,748.33
Other comprehensive income for the period	-	-	18.63	-	18.63	-	18.63
Total comprehensive income for the period	-	1,748.32	18.63	-	1,766.95	0.01	1,766.96
Reclassification of cash flow hedges to balance sheet	-	-	1.71	-	1.71	-	1.71
Change in non-controlling interests and other	-	-	6.70	-	6.70	6.18	12.88
March 31, 2022	5,664.41	30,135.91	188.40	(0.02)	35,988.70	6.74	35,995.44

in RON mn	Share capital	Revenue reserves	Other reserves ¹	Treasury shares	Stockholders' equity	Non-controlling interests	Total equity
January 1, 2021	5,664.41	27,262.19	144.05	(0.02)	33,070.63	0.50	33,071.13
Net income for the period	-	573.34	-	-	573.34	0.01	573.35
Other comprehensive income/(loss) for the period	-	-	(17.34)	-	(17.34)	0.01	(17.33)
Total comprehensive income/(loss) for the period	-	573.34	(17.34)	-	556.00	0.02	556.02
Reclassification of cash flow hedges to balance sheet	-	-	(0.38)	-	(0.38)	-	(0.38)
March 31, 2021	5,664.41	27,835.53	126.33	(0.02)	33,626.25	0.52	33,626.77

¹ Other reserves contain mainly currency translation differences, reserves from business combinations in stages, unrealized gains and losses from hedges and land for which ownership was obtained but was not included in share capital.

Interim condensed consolidated statement of cash flows (unaudited)

Q1/22	Q4/21	Q1/21	in RON mn	2021
2,103.54	1,406.05	672.25	Profit before tax	3,398.10
177.58	(572.56)	82.00	Net change in provisions	(203.46)
(1.59)	(51.74)	(5.11)	Net (gains)/losses on the disposal of subsidiaries, businesses and non-current assets	(35.95)
748.81	887.29	823.17	Depreciation, amortization and impairments including write-ups	3,496.79
65.57	38.52	20.30	Net interest received	105.20
(1.29)	(148.51)	(37.53)	Tax on profit paid	(351.98)
162.75	431.29	24.25	Other non-monetary adjustments	1,021.56
3,255.37	1,990.34	1,579.33	Sources of funds¹	7,430.26
(587.23)	104.71	(86.06)	(Increase)/decrease in inventories	(212.60)
(624.28)	(573.56)	(171.20)	(Increase)/decrease in receivables	(1,080.36)
595.72	496.55	(170.45)	Increase/(decrease) in liabilities	859.69
2,639.58	2,018.04	1,151.62	Cash flow from operating activities	6,996.99
(737.19)	(855.73)	(754.74)	Intangible assets and property, plant and equipment	(2,846.22)
6.18	—	—	Investments and other financial assets	—
2.87	34.61	27.22	Proceeds in relation to non-current assets	88.01
—	43.00	—	Proceeds from the sale of subsidiaries and businesses, net of cash disposed	505.27
(728.14)	(778.12)	(727.52)	Cash flow from investing activities	(2,252.94)
(55.21)	(16.05)	(64.59)	Net increase/(decrease) in borrowings	(172.92)
(0.27)	(1.26)	(0.40)	Dividends paid	(1,741.02)
(55.48)	(17.31)	(64.99)	Cash flow from financing activities	(1,913.94)
0.67	1.91	10.97	Effect of exchange rate changes on cash and cash equivalents	11.32
1,856.63	1,224.52	370.08	Net increase in cash and cash equivalents	2,841.43
10,322.65	9,098.13	7,481.22	Cash and cash equivalents at beginning of period	7,481.22
12,179.28	10,322.65	7,851.30	Cash and cash equivalents at end of period	10,322.65
—	—	42.91	Thereof cash disclosed within assets held for sale	—
12,179.28	10,322.65	7,808.39	Cash and cash equivalents at end of period presented in the consolidated statement of financial position	10,322.65
1,911.44	1,239.92	424.10	Free cash flow	4,744.05
1,911.17	1,238.66	423.70	Free cash flow after dividends	3,003.03

¹ Representing cash generated from operating activities before working capital movements.

Selected notes to the interim condensed consolidated financial statements as of and for the period ended March 31, 2022 (unaudited)

Legal principles

The unaudited interim condensed consolidated financial statements as of and for the three-month period ended March 31, 2022 (Q1/22) have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as of December 31, 2021.

The interim condensed consolidated financial statements for Q1/22 included in this report are unaudited and an external review by an auditor was not performed.

The interim condensed consolidated financial statements for Q1/22 have been prepared in million RON (RON mn, RON 1,000,000). Accordingly there may be rounding differences.

In addition to the interim condensed consolidated financial statements, further information on main items affecting the interim condensed consolidated financial statements as of March 31, 2022 is given as part of the description of Group performance and Business Segments in the Directors' Report.

General accounting policies

The accounting policies and valuation methods adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2021. The amendments effective since January 1, 2022, did not have a material effect on the Group's interim financial statements.

Changes in the consolidated Group

Compared with the annual consolidated financial statements as of December 31, 2021, the consolidated Group changed as follows:

On January 17, 2022, OMV Petrom S.A. acquired the remaining 0.003% interest in the subsidiary Petromed Solutions S.R.L., reaching 100% ownership in this subsidiary.

On March 28, 2022, a new subsidiary was set up, OMV Petrom Biofuels S.R.L., wherein OMV Petrom S.A. holds 75% and OMV Downstream GmbH holds 25% of the shares. The subsidiary is fully consolidated in the group financial statements starting with Q1/22.

The detailed structure of the consolidated companies in OMV Petrom Group at March 31, 2022 is presented in Appendix 1 to the current report.

Seasonality and cyclicity

Seasonality is of particular significance in Refining and Marketing and Gas and Power.

Consumption of natural gas, electricity, heat and certain oil products is seasonal and is significantly affected by climatic conditions. Natural gas consumption is higher during the cold winter months. Electricity consumption is also generally higher

during winter as a supplementary measure to produce heat and due to fewer daylight hours and the need for more artificial lighting. In addition, during very hot summer periods, the increased usage of air cooling systems can also significantly increase electricity consumption. Natural gas sales and electricity generation may also be significantly affected by climatic conditions, such as unusually hot or cold temperatures. Consequently, the results reflect the seasonal character of the demand for natural gas and electricity, and may be influenced by variations in climatic conditions.

Accordingly, the results of operations of the Gas and Power business segment and, to a lesser extent, of the Refining and Marketing business segment, as well as the comparability of results over different periods, may be affected by changes in weather conditions.

For details, please refer to the section “Business Segments”.

Exchange rates

OMV Petrom uses the National Bank of Romania (NBR) exchange rates in its consolidation process. Income statements of foreign subsidiaries are translated to RON using the average of daily exchange rates published by the National Bank of Romania, detailed below.

Statements of the financial position of foreign subsidiaries are translated to RON using the closing rate method based on exchange rates published by the National Bank of Romania, and are detailed below.

Q1/22	Q4/21	Q1/21	Δ% ¹	NBR FX rates	2021
4.946	4.949	4.879	1	Average EUR/RON	4.921
4.411	4.327	4.049	9	Average USD/RON	4.163
4.947	4.948	4.925	0	Closing EUR/RON	4.948
4.451	4.371	4.197	6	Closing USD/RON	4.371

¹ Q1/22 vs. Q1/21

Notes to the income statement

Sales revenues

in RON mn	Q1/22	Q1/21
Revenues from contracts with customers	10,525.32	4,585.58
Revenues from other sources	1,372.79	275.50
Total sales revenues	11,898.11	4,861.08

Revenues from other sources mainly include revenues from commodity transactions that are within the scope of IFRS 9 “Financial Instruments”, the hedging result, as well as rental and lease revenues.

Revenues from contracts with customers

in RON mn					Q1/22
	Exploration and Production	Refining and Marketing	Gas and Power	Corporate and Other	Total
Crude oil and NGL	-	18.05	-	-	18.05
Natural gas, LNG and power	2.57	4.22	4,649.18	0.68	4,656.65
Fuels and heating oil	-	4,741.04	-	-	4,741.04
Other goods and services	8.86	1,091.16	5.53	4.03	1,109.58
Total	11.43	5,854.47	4,654.71	4.71	10,525.32

in RON mn					Q1/21
	Exploration and Production	Refining and Marketing	Gas and Power	Corporate and Other	Total
Crude oil and NGL	68.81	14.12	-	-	82.93
Natural gas, LNG and power	1.57	2.47	1,029.87	-	1,033.91
Fuels and heating oil	-	2,624.99	-	-	2,624.99
Other goods and services	8.09	811.14	20.28	4.23	843.75
Total	78.47	3,452.72	1,050.15	4.23	4,585.58

Income tax

Q1/22	Q4/21	Q1/21	in RON mn	2021
355.21	217.64	98.90	Taxes on income - expense/(revenue)	533.68
389.26	176.08	99.02	Current taxes	517.84
(34.05)	41.56	(0.12)	Deferred taxes	15.84
17%	15%	15%	Group effective tax rate	16%

Notes to the statement of financial position

Commitments

As at March 31, 2022 OMV Petrom Group's commitments for the acquisition of intangible assets and property, plant and equipment amounted to RON 1,283 mn (December 31, 2021: RON 1,049 mn), mainly relating to investment projects in the Exploration and Production and in the Refinery and Marketing segments.

Inventories

During the three months ended March 31, 2022, there were no material write-downs of inventories.

Equity

At the Annual General Meeting of Shareholders held on April 27, 2022, the shareholders of OMV Petrom S.A. approved the distribution of dividends for the financial year 2021 for the gross amount of RON 1,932 mn (gross dividend per share of RON 0.0341).

The total number of own shares held by the Company as of March 31, 2022 amounted to 204,776 (December 31, 2021: 204,776).

Financial liabilities

As of March 31, 2022, short and long-term interest-bearing debts and lease liabilities amounted to RON 922 mn (December 31, 2021: RON 931 mn), thereof RON 669 mn lease liabilities (December 31, 2021: RON 660 mn).

Fair value measurement

Financial instruments recognized at fair value are disclosed according to the fair value measurement hierarchy as stated in Note 33 of the Group's annual consolidated financial statements as of December 31, 2021.

Fair value hierarchy of financial assets (in RON mn)	March 31, 2022				December 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trade receivables	-	61.86	-	61.86	-	61.86	-	61.86
Derivatives designated and effective as hedging instruments	-	112.31	-	112.31	-	21.10	-	21.10
Other derivatives	-	1,797.94	-	1,797.94	-	1,534.99	-	1,534.99
Total	-	1,972.11	-	1,972.11	-	1,617.95	-	1,617.95

Fair value hierarchy of financial liabilities (in RON mn)	March 31, 2022				December 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivatives designated and effective as hedging instruments	-	(108.02)	-	(108.02)	-	(42.56)	-	(42.56)
Other derivatives	-	(2,752.72)	-	(2,752.72)	-	(2,364.20)	-	(2,364.20)
Total	-	(2,860.74)	-	(2,860.74)	-	(2,406.76)	-	(2,406.76)

There were no transfers between levels of the fair value hierarchy. There were no changes in the fair value measurement techniques for assets and liabilities that are measured at fair value.

Interest-bearing debts amount to RON 252.64 mn as at March 31, 2022 (December 31, 2021: RON 271.55 mn). The estimated fair value of these liabilities (Level 2) was RON 253.20 mn (December 31, 2021: RON 272.41 mn). The carrying amount of other financial assets and financial liabilities approximates their fair value.

Segment reporting

Intersegmental sales

Q1/22	Q4/21	Q1/21	Δ% ¹ in RON mn	2021	
4,172.04	3,113.53	1,771.55	136	Exploration and Production	9,082.76
21.90	11.01	12.08	81	Refining and Marketing	48.01
183.48	93.51	72.77	152	Gas and Power	264.15
42.55	42.80	43.30	(2)	Corporate and Other	169.74
4,419.97	3,260.85	1,899.70	133	Total²	9,564.66

¹ Q1/22 vs. Q1/21;

² Figures for 2021 periods were updated to include intersegment sales between Refining and Marketing, former Downstream Oil, and Gas and Power, former Downstream Gas.

Sales to external customers

Q1/22	Q4/21	Q1/21	Δ% ¹ in RON mn	2021	
13.21	15.19	80.06	(83)	Exploration and Production	144.53
5,851.54	5,658.29	3,530.04	66	Refining and Marketing	19,215.93
6,025.02	3,283.65	1,242.91	385	Gas and Power	6,615.93
8.34	8.21	8.07	3	Corporate and Other	34.74
11,898.11	8,965.34	4,861.08	145	Total	26,011.13

¹ Q1/22 vs. Q1/21

Total sales (not consolidated)

Q1/22	Q4/21	Q1/21	Δ% ¹ in RON mn	2021	
4,185.25	3,128.72	1,851.61	126	Exploration and Production	9,227.29
5,873.44	5,669.30	3,542.12	66	Refining and Marketing	19,263.94
6,208.50	3,377.16	1,315.68	372	Gas and Power	6,880.08
50.89	51.01	51.37	(1)	Corporate and Other	204.48
16,318.08	12,226.19	6,760.78	141	Total²	35,575.79

¹ Q1/22 vs. Q1/21;

² Figures for 2021 periods were updated to include intersegment sales between Refining and Marketing, former Downstream Oil, and Gas and Power, former Downstream Gas.

Segment and Group profit

Q1/22	Q4/21	Q1/21	Δ% ¹ in RON mn	2021	
1,105.00	587.97	302.48	265	Operating Result Exploration and Production	1,660.22
707.23	759.83	486.33	45	Operating Result Refining and Marketing	2,663.18
598.79	212.02	133.12	350	Operating Result Gas and Power	(253.24)
(30.10)	(20.21)	(33.54)	10	Operating Result Corporate and Other	(98.61)
2,380.92	1,539.61	888.39	168	Operating Result segment total	3,971.55
(195.49)	(46.46)	(181.65)	(8)	Consolidation	(262.70)
2,185.43	1,493.15	706.74	209	OMV Petrom Group Operating Result	3,708.85
(81.89)	(87.10)	(34.49)	(137)	Net financial result	(310.75)
2,103.54	1,406.05	672.25	213	OMV Petrom Group profit before tax	3,398.10

¹ Q1/22 vs. Q1/21.

Assets¹

in RON mn	March 31, 2022	December 31, 2021
Exploration and Production	20,757.47	21,241.65
Refining and Marketing	5,707.44	5,779.64
Gas and Power	1,368.41	1,347.86
Corporate and Other	379.23	384.44
Total	28,212.55	28,753.59

¹ Segment assets consist of intangible assets and property, plant and equipment. Assets reclassified to held for sale are not included.

Other notes

Significant transactions with related parties

Significant transactions in form of supplies of goods and services take place on a constant and regular basis with companies from OMV Group. The most significant are disclosed in the Appendix 2.

Financial Ratios (presented in accordance with the requirements of the Financial Supervisory Authority's Regulation no. 5/2018 on issuers of financial instruments and market operations)

Financial Ratio	Formula	Value
Current ratio	Current Assets / Current Liabilities ¹	2.15
Indebtness Ratio (%)	Interest-bearing debts (long term)/ Equity *100	0.05
	Interest-bearing debts (long term)/ (Interest-bearing debts (long term) + Equity) *100	0.05
Days in receivables	Receivables average balance / Turnover*90	22.45
Fixed assets turnover ²	Turnover / Fixed assets	1.69

¹ Current Assets include Assets held for sale and Current Liabilities include Liabilities associated with assets held for sale;

² Fixed assets turnover is calculated based on turnover for Q1/22*(360/90) days.

Subsequent events

On April 27, 2022, the Ordinary General Meeting of Shareholders (OGMS) approved the 2022 Income and Expenditure Budget of OMV Petrom S.A. with investments estimated at RON 4.38 bn.

The OGMS approved the distribution of dividends for the financial year 2021 for the gross amount of RON 1,932 mn (gross dividend per share of RON 0.0341).

The OGMS reappointed Ernst & Young Assurance Service S.R.L. as the Company's financial auditor for 2022.

The OGMS approved the appointment of Mr. Alfred Stern and Mr. Martijn van Koten as members of the Supervisory Board of OMV Petrom for the remaining period of the mandates of Mr. Rainer Seele's and Mr. Wolfram Krenn's respectively, further to the waiver of their mandates as members of the Supervisory Board. The Supervisory Board approved the appointment of Mr. Stern as President of the Supervisory Board.

On April 27, 2022, the Extraordinary General Meeting of Shareholders (EGMS) approved the initiation of the share capital increase operation of OMV Petrom S.A. by in kind contribution of the Romanian State, as a result of obtaining land ownership certificates, and the authorization of the Executive Board of OMV Petrom S.A. to increase the share capital by the in kind contribution of the Romanian State and the cash contribution of the other subscribing shareholders.

Declaration of the management

We confirm to the best of our knowledge that the unaudited interim condensed consolidated financial statements for the three month period ended March 31, 2022 give a true and fair view of OMV Petrom Group's assets, liabilities, financial position and profit or loss, as required by the applicable accounting standards, and that the Group Directors' Report gives a true and fair view of important events that have occurred during the first three months of the financial year 2022 and their impact on the interim condensed consolidated financial statements, as well as a description of the principal risks and uncertainties.

Bucharest, April 29, 2022

The Executive Board

Christina Verchere
Chief Executive Officer
President of the Executive Board

Alina Popa
Chief Financial Officer
Member of the Executive Board

Christopher Veit
Member of the Executive Board
Exploration and Production

Franck Neel
Member of the Executive Board
Gas and Power

Radu Caprau
Member of the Executive Board
Refining and Marketing

Further information

Abbreviation and definitions

bbl	barrel(s), i.e. 159 liters
bcf	billion cubic feet; 1 bcm = 35.3147 bcf for Romania or 34.7793 bcf for Kazakhstan
boe; kboe; kboe/d	barrels of oil equivalent; thousand barrels of oil equivalent; kboe per day
bn	billion
bcm	billion cubic meters
Capital employed	equity including minorities plus net debt/(cash)
CEO	Chief Executive Officer
Co&O	Corporate and Other
CAPEX	Capital expenditure
Clean CCS Operating Result	Operating Result adjusted for special items and CCS effects. Group clean CCS Operating Result is calculated by adding the clean CCS Operating Result of Refining and Marketing, the clean Operating Result of the other segments and the reported consolidation effect adjusted for changes in valuation allowances, in case the net realizable value of the inventory is lower than its cost.
Clean CCS net income attributable to stockholders	Net income attributable to stockholders, adjusted for the after tax effect of special items and CCS
Clean CCS EPS	Clean CCS Earnings per share = Clean CCS net income attributable to stockholders divided by weighted number of shares
Clean CCS ROACE	Clean CCS Return On Average Capital Employed = NOPAT (as a sum of current and last three quarters) adjusted for the after tax effect of special items and CCS, divided by average Capital Employed (on a rolling basis, as an average of last four quarters) (%)
Clean effective tax rate	Taxes on income adjusted for the tax effect of special items and CCS, divided by Clean CCS Profit before tax (%)
EPS	Earnings per share = Net income attributable to stockholders divided by weighted number of shares
Effective tax rate	Taxes on income divided by Profit before tax (%)
EUR	euro
E&A	Exploration and appraisal
FX	Foreign Exchange
HSSE	Health, Safety, Security and Environment
IFRSs; IASs	International Financial Reporting Standards; International Accounting Standards
LNG	Liquefied natural gas
mn	million
MWh	megawatt hour
NBR	National Bank of Romania
Net debt/(cash) including leases	Interest-bearing debts plus lease liabilities less cash and cash equivalents
Net debt/(cash) excluding leases	Interest-bearing debts less cash and cash equivalents
NGL	Natural Gas Liquids
n.a.	not applicable/not available (as the case may be)
n.m.	not meaningful i.e. deviation exceeds (+/-) 500% or comparison is made between positive and negative values
NOPAT	Net Operating Profit After Tax = Net income attributable to stockholders of the parent, adjusted for net interest on net borrowings, +/- result from discontinued operations, +/- tax effect of adjustments
OPCOM	The administrator of the Romanian electricity market
Operating Result	The "Operating result" includes the former indicator EBIT ("Earnings Before Interest and Taxes") and the net result from equity-accounted investments.
Clean Operating Result before depreciation and	Former EBITD adjusted for special items and CCS effects = Operating Result Before Interest, Taxes, Depreciation and amortization, impairments and write-ups of fixed assets, including reversals adjusted for special items and CCS effects

amortization, impairments and write-ups	
OPEX	Operating Expenses
Q	quarter
ROACE	Return On Average Capital Employed = NOPAT (as a sum of current and last three quarters) divided by average Capital Employed (on a rolling basis, as an average of last four quarters) (%)
RON	Romanian leu
S.A.; S.R.L.	Societate pe Actiuni (Joint-stock company); Societate cu Raspundere Limitata (Limited liability company)
t	metric tonne(s)
TWh	terawatt hour
USD	United States dollar
yoy	year-on-year

Appendix 1

Consolidated companies in OMV Petrom Group at March 31, 2022

Parent company

OMV Petrom S.A.

Subsidiaries

Exploration and Production		Refining and Marketing	
OMV Offshore Bulgaria GmbH (Austria)	100.00%	OMV Petrom Marketing S.R.L.	100.00%
OMV Petrom Georgia LLC (Georgia)	100.00%	OMV Petrom Aviation S.R.L. ¹	100.00%
		Petrom Moldova S.R.L. (Moldova)	100.00%
		OMV Bulgaria OOD (Bulgaria)	99.90%
		OMV Srbija DOO (Serbia)	99.96%
		OMV Petrom Biofuels S.R.L.	75.00%
Gas and Power		Corporate and Other	
OMV Petrom Gas S.R.L.	100.00%	Petromed Solutions S.R.L.	100.00%

¹ 1 (one) equity interest owned through OMV Petrom Marketing S.R.L.

Associated company, accounted for at equity

OMV Petrom Global Solutions S.R.L. **25.00%**

Appendices 1 and 2 form part of the interim unaudited condensed consolidated financial statements.

Appendix 2

Significant transactions with related parties

During the first three months of the financial year 2022, OMV Petrom Group had the following significant transactions with related parties and balances as of March 31, 2022:

Related party (in RON mn)	Purchases	Balances payable
	Q1/22	March 31, 2022
OMV Gas Marketing & Trading GmbH	390.02	92.56
OMV Petrom Global Solutions S.R.L.	146.68	79.86
OMV Downstream GmbH	83.18	69.91
OMV - International Services Ges.m.b.H.	1.85	76.59

Related party (in RON mn)	Revenues	Balances receivable
	Q1/22	March 31, 2022
OMV Gas Marketing & Trading GmbH	314.82	121.84
OMV Deutschland Marketing & Trading GmbH & Co. KG	83.78	50.86
OMV Downstream GmbH	29.62	8.54
OMV - International Services Ges.m.b.H.	-	18.51

During the first three months of the financial year 2021, OMV Petrom Group had the following significant transactions with related parties and balances as of December 31, 2021:

Related party (in RON mn)	Purchases	Balances payable
	Q1/21	December 31, 2021
OMV Supply & Trading Limited	463.71	1.10
OMV Petrom Global Solutions S.R.L.	139.22	73.82
OMV Gas Marketing & Trading GmbH	71.58	175.27
OMV Downstream GmbH	39.34	57.33
OMV - International Services Ges.m.b.H.	2.40	60.85

Related party (in RON mn)	Revenues	Balances receivable
	Q1/21	December 31, 2021
OMV Deutschland Marketing & Trading GmbH & Co. KG	74.95	62.04
OMV Supply & Trading Limited	58.97	-
OMV Gas Marketing & Trading GmbH	37.47	143.52
OMV - International Services Ges.m.b.H.	-	22.58

Appendices 1 and 2 form part of the interim unaudited condensed consolidated financial statements

Contact

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