

Q1

Quarterly Report 2023



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OMV Petrom Group resultsⁱ for January – March 2023

including interim unaudited condensed consolidated financial statements

as of and for the period ended March 31, 2023

Highlights Q1/23ⁱⁱ

Group

- ▶ Clean CCS Operating Result at RON 2.1 bn, 7% lower, supported by good operational performance which partly counterbalanced the impact of lower commodity prices, in the context of numerous regulatory interventions
- ▶ Clean CCS net income attributable to stockholders of the parent at RON 1.9 bn, up 5%
- ▶ Cash flow from operating activities at RON 4.7 bn, 77% higher
- ▶ CAPEX at RON 1.0 bn, up 52%
- ▶ Free cash flow after dividends at RON 3.3 bn, 72% higher
- ▶ Clean CCS ROACE at 37%, 19 pp higher
- ▶ TRIR: 0.53 (Q1/22: 0.33)ⁱⁱⁱ

Exploration and Production

- ▶ Clean Operating Result at RON 985 mn vs. RON 1,106 mn in Q1/22, mainly due to lower oil and gas prices and lower sales volumes
- ▶ Production decreased by 4.1%, mainly due to natural decline, partly offset by the contribution of workovers and new wells
- ▶ Production cost slightly increased by 2% to USD 14.5/boe, mainly driven by lower production available for sale partly offset by favorable FX

Refining and Marketing

- ▶ Clean CCS Operating Result at RON 616 mn, similar to Q1/22, as lower refining margins were broadly offset by improved sales channels performance
- ▶ OMV Petrom indicator refining margin^{iv} at USD 16.6/bbl, down 9% on lower product spreads, mainly for diesel
- ▶ Refinery utilization rate at 98%, similar to Q1/22
- ▶ Total refined product sales volumes 2% higher, supported by non-retail performance

Gas and Power

- ▶ Clean Operating Result at RON 723 mn, similar to Q1/22, mainly supported by strong margins from storage gas and power transactions outside Romania
- ▶ Gas sales volumes up 3.3%, in the context of 13% estimated yoy decline in demand, driven by overall resilient customer portfolio, as well as sales to the regulated market and supply of last resort customers
- ▶ Stable power output, in the context of Brazi power plant's planned outage of the full capacity in both March 2023 and March 2022

Key events

- ▶ OMV Petrom and Transgaz signed a transport contract for Black Sea gas
- ▶ Changes in the Executive Board (new EB member for Exploration and Production) and the mandate of the Executive Board renewed for another 4 years
- ▶ Supervisory Board and Ordinary General Meeting of Shareholders (OGMS) approved Executive Board's initial proposal for 2022 base dividend per share of RON 0.0375, up 10% yoy; Executive Board announced the intention for a special dividend to be distributed in 2023, exact value to be communicated in mid-2023

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 Q2/22, the refining indicator margin reflects the change in crude oil reference price from Urals to Brent in OMV Petrom. The value of the indicator refining margin for Q1/22 was not restated.

Directors' report (condensed, unaudited)

Financial highlights

Q1/23	Q4/22	Q1/22	Δ% ¹ in RON mn	2022
9,473	17,096	11,898	(20) Sales revenues ²	61,344
2,095	2,067	2,241	(7) Clean CCS Operating Result³	12,198
985	1,076	1,106	(11) Clean Operating Result Exploration and Production ^{3,4}	5,433
616	861	626	(2) Clean CCS Operating Result Refining and Marketing ³	4,019
723	132	727	(1) Clean Operating Result Gas and Power	2,942
(24)	(32)	(22)	(6) Clean Operating Result Co&O ³	(96)
(205)	30	(195)	(5) Consolidation	(99)
16	14	17	(5) Clean CCS Group effective tax rate (%)	16
1,881	1,855	1,788	5 Clean CCS net income ³	10,272
1,881	1,855	1,788	5 Clean CCS net income attributable to stockholders of the parent^{3,6}	10,273
0.0302	0.0300	0.0293	3 Clean CCS EPS (RON) ^{3,6}	0.1679
2,095	2,067	2,241	(7) Clean CCS Operating Result³	12,198
(356)	(823)	(162)	(119) Special items ⁵	(320)
(122)	(126)	107	n.m. CCS effects: Inventory holding gains/(losses)	160
1,617	1,119	2,185	(26) Operating Result Group	12,039
987	(736)	1,105	(11) Operating Result Exploration and Production ⁴	3,612
529	734	707	(25) Operating Result Refining and Marketing	4,076
352	1,170	599	(41) Operating Result Gas and Power	4,662
(25)	(118)	(30)	17 Operating Result Co&O	(250)
(226)	68	(195)	(16) Consolidation	(61)
154	90	(82)	n.m. Net financial result	17
1,771	1,209	2,104	(16) Profit before tax	12,056
16	5	17	(3) Group effective tax rate (%)	15
1,481	1,144	1,748	(15) Net income	10,300
1,481	1,145	1,748	(15) Net income attributable to stockholders of the parent⁶	10,301
0.0238	0.0185	0.0287	(17) EPS (RON) ⁶	0.1684
—	—	—	— Dividend/share (RON)	0.0375 ⁷
4,660	1,762	2,640	77 Cash flow from operating activities	11,337
3,290	846	1,911	72 Free cash flow after dividends	3,794
(16,727)	(13,463)	(11,257)	49 Net debt/(cash) including leases	(13,463)
(17,368)	(14,118)	(11,927)	46 Net debt/(cash) excluding leases	(14,118)
959	1,261	629	52 Capital expenditure	3,551
37.3	38.0	17.8	109 Clean CCS ROACE (%) ³	38.0
36.0	38.1	15.5	132 ROACE (%)	38.1
7,735	7,742	7,907	(2) OMV Petrom Group employees end of period	7,742
0.53	0.21	0.33	61 TRIR	0.38

¹ Q1/23 vs. Q1/22

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; figures from previous periods have been adjusted retrospectively as per IFRS requirements following the share capital increase finalized in Q4/22;

⁷ Base dividend only

Group performance

First quarter 2023 (Q1/23) vs. first quarter 2022 (Q1/22)

Consolidated sales revenues decreased by 20% compared to Q1/22, following lower commodity prices and lower sales volumes of electricity, partially compensated by slightly higher sales volumes of petroleum products and gas. Refining and Marketing segment represented 63% of total consolidated sales, Gas and Power segment accounted for 36%, while sales from Exploration and Production segment accounted only for 0.1% (sales in Exploration and Production being largely intra-group sales rather than third-party sales).

The **Clean CCS Operating Result** amounted to RON 2,095 mn in Q1/23, lower than RON 2,241 mn in Q1/22, mainly due to decrease in prices in the Exploration and Production segment. In the Refining and Marketing segment the lower refining margins were broadly offset by improved sales channels performance. In the Gas and Power segment, the relatively similar Clean Operating Result was mainly supported by strong margins from storage gas and power transactions outside Romania. The Consolidation line had a negative contribution in Q1/23 of RON (205) mn reflecting mainly the increase in quantities of petroleum products to prepare for the refinery planned turnaround in Q2/23, compared to RON (195) mn in Q1/22 mainly as a result of the increase in quotations. The **Clean CCS Group effective tax rate** was 16% (Q1/22: 17%). **Clean CCS net income attributable to stockholders of the parent** was RON 1,881 mn (Q1/22: RON 1,788 mn).

Special items comprised net charges of RON (356) mn mainly related to the net temporary losses from forward power contracts in the Gas and Power segment. **Inventory holding losses** amounted to RON (122) mn in Q1/23, mainly as a result of the decrease in crude oil prices. In Q1/22, **special items** comprised net charges of RON (162) mn, driven mainly by the net temporary losses from forward contracts in the Gas and Power segment, while **inventory holding gains** amounted to RON 107 mn, mainly as a result of the increase in crude oil prices.

Reported Operating Result for Q1/23 decreased to RON 1,617 mn, compared to RON 2,185 mn in Q1/22, impacted mainly by lower commodity prices, partly offset by lower amount related to industry specific taxes.

Net financial result was a gain of RON 154 mn in Q1/23 compared to a loss of RON (82) mn in Q1/22, mainly due to higher interest income on bank deposits.

As a result, the **profit before tax** for Q1/23 was RON 1,771 mn, lower compared to RON 2,104 mn in Q1/22.

Income tax amounted to RON (290) mn, while the **effective tax rate** was 16% in Q1/23 (Q1/22: 17%).

Net income attributable to stockholders of the parent was RON 1,481 mn (Q1/22: RON 1,748 mn).

Cash flow from operating activities increased to RON 4,660 mn, compared to RON 2,640 mn in Q1/22, driven mainly by the favorable evolution of net working capital. **Free cash flow after dividends** resulted in a cash inflow of RON 3,290 mn (Q1/22: RON 1,911 mn).

Capital expenditure amounted to RON 959 mn in Q1/23, 52% higher than in Q1/22, of which RON 550 mn were directed to Exploration and Production (Q1/22: RON 453 mn). Refining and Marketing investments amounted to RON 380 mn (Q1/22: RON 121 mn), while Gas and Power investments amounted to RON 17 mn (Q1/22: RON 49 mn). Corporate and Other investments were RON 12 mn (Q1/22: RON 7 mn).

OMV Petrom Group reported a **net cash position including leases** of RON 16,727 mn as at March 31, 2023, higher than RON 13,463 mn as at December 31, 2022.

Special items and CCS effect

Q1/23	Q4/22	Q1/22	Δ% ¹	Special items and CCS effect (in RON mn)	2022
2,095	2,067	2,241	(7)	Clean CCS Operating Result	12,198
(356)	(823)	(162)	(119)	Special items	(320)
(1)	(4)	(4)	82	thereof personnel restructuring	(16)
—	(1,813)	—	n.a.	thereof unscheduled depreciation / write-ups	(1,813)
(355)	994	(159)	(124)	thereof other	1,508
(122)	(126)	107	n.m.	CCS effects: Inventory holding gains/(losses)	160
1,617	1,119	2,185	(26)	Operating Result Group	12,039

¹ Q1/23 vs. Q1/22

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 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, 2023	December 31, 2022
Assets		
Non-current assets	33,096	32,218
Current assets (including assets held for sale)	26,553	25,303
Total assets	59,649	57,521
Equity and liabilities		
Total equity	41,998	40,508
Non-current liabilities	8,992	8,151
Current liabilities	8,659	8,862
Total equity and liabilities	59,649	57,521

Compared to December 31, 2022, **non-current assets** increased by RON 878 mn, to RON 33,096 mn, mainly due to increase in property, plant and equipment, as the additions during the period and the increase in decommissioning asset following reassessment exceeded depreciation and net impairments.

The increase in **current assets (including assets held for sale)** was triggered by higher cash and cash equivalents, partially offset by lower trade receivables following lower sales, lower other financial assets, mostly in relation with the decrease in cash guarantees for transactions with energy products, and lower inventories mainly as a result of the decrease of natural gas volumes in storage.

Equity increased to RON 41,998 mn as of March 31, 2023, compared to RON 40,508 mn as of December 31, 2022, mainly as a result of the net profit generated during Q1/23. The Group's equity ratio was 70% as of March 31, 2023, same as the level in December 31, 2022.

As at March 31, 2023, **total liabilities** increased by RON 638 mn compared with amounts on December 31, 2022. The increase in **non-current liabilities** was mainly due to the reassessment of provisions for decommissioning and restoration obligations driven by the decrease in the net discount rate. The decrease in **current liabilities** was mainly due to lower trade payables following lower acquisitions and lower other financial liabilities mostly in relation to derivatives, partly offset by higher income tax liabilities.

Cash flow

Q1/23	Q4/22	Q1/22	Δ% ¹	Summarized cash flow statement (in RON mn)	2022
				Cash generated from operating activities before working capital movements	
2,921	2,666	3,255	(10)		14,881
4,660	1,762	2,640	77	Cash flow from operating activities	11,337
(1,369)	(916)	(728)	(88)	Cash flow from investing activities	(3,104)
3,291	847	1,911	72	Free cash flow	8,232
(46)	391	(55)	17	Cash flow from financing activities	(4,300)
(1)	(7)	1	n.m.	Effect of exchange rate changes on cash and cash equivalents	2
3,244	1,231	1,857	75	Net increase/(decrease) in cash and cash equivalents	3,933
14,256	13,025	10,323	38	Cash and cash equivalents at beginning of period	10,323
17,500	14,256	12,179	44	Cash and cash equivalents at end of period	14,256
3,290	846	1,911	72	Free cash flow after dividends	3,794

¹ Q1/23 vs. Q1/22

First quarter 2023 (Q1/23) vs. first quarter 2022 (Q1/22)

In Q1/23, 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 2,921 mn (Q1/22: RON 3,255 mn). Changes in **net working capital** generated a cash inflow of RON 1,740 mn, reflecting mainly lower trade receivables following lower sales and the decrease in the cash guarantees for transactions with energy products (Q1/22: outflow of RON 616 mn). **Cash flow from operating activities** increased by RON 2,021 mn compared to Q1/22, reaching RON 4,660 mn.

In Q1/23, **cash flow from investing activities** resulted in an outflow of RON 1,369 mn (Q1/22: RON 728 mn), mainly related to payments for investments in property, plant and equipment, largely in the Exploration and Production and Refining and Marketing segments.

Free cash flow (defined as cash flow from operating activities less cash flow from investing activities) showed an inflow of funds of RON 3,291 mn (Q1/22: RON 1,911 mn).

Cash flow from financing activities reflected an outflow of funds amounting to RON 46 mn (Q1/22: RON 55 mn).

Free cash flow after dividends resulted in a cash inflow of RON 3,290 mn (Q1/22: RON 1,911 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 2022 Annual Report (pages 50-54).

According to the latest OMV Petrom Group risk assessment exercise in March 2023, the main uncertainties which could impact the Group's performance remain the commodity price risks, FX risks, operational risks, as well as political and regulatory risks. The commodity price risk is monitored continuously and appropriate protective measures with respect to cash flow are taken, if required.

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.

Moreover, in the context of the energy crisis in Europe, additional regulatory measures such as subsidy schemes, gas and power regulated/capped prices and over-taxation or the EU solidarity contribution are being implemented. The Council Regulation (EU) 2022/1854 introduced a solidarity contribution, which was transposed into the local legislation of the Member States by the end of 2022 and is applicable for 2022 and/or 2023. It applies to companies that have at least 75% of total turnover generated from activities in the crude petroleum, natural gas, coal and refining sectors. It represents a contribution for surplus profits of the above mentioned companies and is calculated based on the taxable profits of those companies, as determined under national tax rules, which are above a 20% increase of the average taxable profits generated in the period 2018 to 2021.

Romania transposed this regulation via Government Emergency Ordinance (GEO) 186/2022, approved and published in December 2022. The draft law for the amendment of GEO 186/2022 was adopted by the Romanian Parliament in March 2023 and sent for promulgation to the President of Romania on 31st March. The President sent back to the Parliament the draft law on 13th April, requesting the re-examination due to unclear amendments. The revised draft law will subsequently follow the Parliamentary approval process. Therefore, new regulatory and fiscal interventions may impact OMV Petrom financials.

OMV Petrom continues to closely monitor the ongoing conflict in Ukraine and any additional sanctions and countersanctions resulting from it. The Company regularly reviews the potential impact on its business activities. Continued and/or intensified disruptions in Russian commodity flows to Europe could result in further increases in European energy prices. Sanctions on Russia and countersanctions issued by Russia could lead to disruptions in global supply chains and shortages in, e.g., energy products, raw materials, agricultural products and metals, and consequently lead to further increases in operational cost. OMV Petrom continues to closely monitor developments and regularly evaluates the potential 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 as well as the secure supply of energy. This geopolitical context continued to have no significant negative impact on the interim condensed consolidated financial statements as of March 31, 2023, similar with previous year.

The Company revises quarterly its sensitivities to commodity prices, the indicator refining margin and FX (RON/EUR), which are published on company website: <https://www.omvpetrom.com/en/investors/publications/capital-market-story>.

OMV Petrom continues to thoroughly monitor geopolitical developments and their potential impact on its business activities. Geoeconomic fragmentation, trade restrictions as well as disruptions in global supply chains could trigger further cost inflation. Together with rising interest rates this may lead to a deterioration in economic growth and negatively impact demand for OMV Petrom's products.

The credit quality of OMV Petrom's counterparty portfolio could be negatively influenced by the risk factors mentioned above. In light of recent events in the banking sector, OMV Petrom has implemented, in addition to its standard credit risk management processes an even tighter monitoring of its banking counterparties and of respective exposures.

The consequences of the ongoing conflict in Ukraine, the European energy crisis and resulting regulatory measures, other economic disruptions currently being observed, and further regulatory interventions, as well as the extent and duration of their economic impact cannot be reliably estimated at this stage. 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.

More information on current risks can be found in the Outlook section of the Directors' Report.

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 2023

Market environment

- ▶ For the full year 2023, OMV Petrom expects the **average Brent oil price** to be above USD 80/bbl (2022: USD 101/bbl)
- ▶ **Refining margin** is expected to be above USD 9/bbl (2022: USD 16.6/bbl¹)
- ▶ In Romania **demand** for oil products in retail is expected to be slightly above 2022 level, while demand for gas and power to be lower compared to 2022 (previous guidance, all broadly stable yoy)
- ▶ Legislative measures introduced for the gas and power markets were prolonged until end-March 2025 with regards to prices, margins, storage and contributions.

Financial highlights

- ▶ **CAPEX** is anticipated to increase by approximately 70% to around RON 6 bn, with higher investments dedicated mainly to the Neptun Deep project, accelerated low and zero carbon projects and the Petrobrazii refinery turnaround. Investments require predictable and stable regulatory and fiscal environment. (2022: RON 3.6 bn)
- ▶ We expect a **positive free cash flow before dividends**, yet lower yoy, due to higher investments (2022: RON 8.2 bn)
- ▶ **Attractive returns to shareholders**: 2022 base dividend of RON 0.0375/share approved by the OGMS; Executive Board announced the intention for a special dividend to be distributed in 2023, exact value to be communicated in mid-2023

Strategic direction: Optimize traditional business

Exploration and Production

- ▶ **Production**: expected to be around 110 kboe/d excluding possible divestments (2022: 119 kboe/d)
- ▶ **Portfolio optimization**: continue to focus on the most profitable barrels, through assessing selective fields divestments
- ▶ **Investments**: around RON 2.9 bn, including Neptun Deep (2022: RON 2.6 bn): drilling around 55 new wells and sidetracks and perform around 450 workovers (2022: 55 new wells and sidetracks; 647 workovers)

Refining and Marketing

- ▶ **Partnership with Auchan**: MyAuchan stores in all 400 Petrom-branded filling stations planned by year-end, one year ahead of the initial plan (at year-end 2022: 275 stores)
- ▶ The **refinery utilization rate** is estimated to be above 85% considering the 42-day turnaround started in April (2022: 95%)
- ▶ Total **refined product sales** are forecasted to slightly decline yoy (2022: 5.5 mn t), on lower production due to the refinery turnaround; retail fuel sales expected to slightly increase yoy

Gas and Power

- ▶ Total **gas sales volumes** are estimated to be lower yoy (2022: 46 TWh), mainly on lower supply, both from equity and third parties and still lower demand
- ▶ **Net electrical output** is forecasted to be lower yoy (2022: 5.0 TWh), in the context of a longer than initially planned outage of the Brazi power plant, now estimated for four months for the entire capacity (2022: one month for full capacity and one month for half capacity)

Strategic direction: Grow regional gas

- ▶ Progressing **Neptun Deep project** towards final investment decision: estimated for mid-2023, assuming all pre-requisites are in place
- ▶ **Han Asparuh offshore Bulgaria**: continue preparation work aiming to spud one exploration well in 2024
- ▶ **Georgia Offshore Exploration Block II**: seismic acquisition remains on hold

Strategic direction: Transition to low and zero carbon

- ▶ We target to **reduce carbon intensity** by 30% until 2030 vs. 2019 (2022: ~11% lower vs. 2019)
- ▶ Progress in developing a **renewable power portfolio via partnerships**
- ▶ Further developments towards producing **sustainable aviation fuel and second generation bioethanol**
- ▶ **E-mobility**: continue to expand the EV charging network with the plan to double the existing number of charging points (at year end-2022: 120 fast and ultra fast charging points installed);
- ▶ **EU funds**: we are advancing on securing EU funds for various projects (renewables, green hydrogen and EVs)

¹ Based on Brent

Business segments

Exploration and Production

Q1/23	Q4/22	Q1/22	Δ% ¹	in RON mn	2022
1,513	1,738	1,629	(7)	Clean Operating Result before depreciation and amortization, impairments and write-ups ²	7,823
985	1,076	1,106	(11)	Clean Operating Result ²	5,433
2	(1,812)	(1)	n.m.	Special items	(1,821)
987	(736)	1,105	(11)	Operating Result ²	3,612
550	861	453	22	Capital expenditure ³	2,559
53	72	32	65	Exploration expenditures	167
17	51	36	(53)	Exploration expenses	134
14.48	13.43	14.20	2	Production cost (USD/boe)	13.15

Q1/23	Q4/22	Q1/22	Δ% ¹	Key performance indicators	2022
116.3	118.0	121.3	(4)	Total hydrocarbon production (kboe/d)	119.1
56.0	57.0	58.3	(4)	thereof crude oil and NGL production (kbb/d)	57.3
60.3	61.1	63.0	(4)	thereof natural gas production (kboe/d)	61.9
10.47	10.86	10.91	(4)	Total hydrocarbon production (mn boe)	43.49
5.04	5.24	5.25	(4)	Crude oil and NGL production (mn bbl)	20.90
0.83	0.86	0.87	(4)	Natural gas production (bcm)	3.45
29.31	30.34	30.60	(4)	Natural gas production (bcf)	121.98
10.02	10.41	10.48	(4)	Total hydrocarbon sales volume (mn boe)	41.72
111.4	113.2	116.5	(4)	Total hydrocarbon sales volume (kboe/d)	114.3
59.1	60.0	61.5	(4)	thereof crude oil and NGL sales volume (kbb/d) ⁴	60.2
52.3	53.2	55.0	(5)	thereof natural gas sales volume (kboe/d)	54.1
81.17	88.87	102.23	(21)	Average Brent price (USD/bbl)	101.32
51.32	64.41	90.20	(43)	Average Urals price (USD/bbl)	76.87
70.32	77.84	80.34	(12)	Average realized crude price (USD/bbl) ⁵	87.23

¹ Q1/23 vs. Q1/22;

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;

⁵ Starting Q2/22, the transfer price between Exploration & Production and Refining & Marketing is based on Brent instead of Urals; previous figures were not restated.

First quarter 2023 (Q1/23) vs. first quarter 2022 (Q1/22)

- ▶ **Clean Operating Result at RON 985 mn vs. RON 1,106 mn in Q1/22, mainly due to lower oil and gas prices and lower sales volumes**
- ▶ **Production decreased by 4.1% mainly due to natural decline, partly offset by the contribution of workovers and new wells**
- ▶ **Production cost slightly increased by 2% to USD 14.5/boe, mainly driven by lower production available for sale partly offset by favorable FX**

Clean Operating Result was RON 985 mn vs. RON 1,106 mn in Q1/22, driven by the lower oil and gas prices and lower sales volumes, partly offset by lower amount related to E&P taxes, lower exploration expenses and favorable FX (stronger USD vs. RON).

Special items amounted to RON 2 mn. **Reported Operating Result** was RON 987 mn vs. RON 1,105 mn in Q1/22.

Hydrocarbon production decreased by 4.1% to 10.5 mn boe or 116.3 kboe/d (Q1/22: 10.9 mn boe or 121.3 kboe/d), reflecting the natural decline in the main fields, partly offset by the contribution of workovers and new wells. Crude oil and NGL production dropped by 4.0% to 5.0 mn bbl, mainly due to natural decline. Gas production decreased by 4.2% to 5.4 mn boe mainly due to natural decline in the main fields (Totea Deep and Lebada East).

Hydrocarbon sales volumes decreased by 4% due to the same factors which affected the production.

Production cost slightly increased by 2% to USD 14.5/boe, mainly due to lower production available for sale, partly offset by favorable FX (stronger USD vs. RON). Production cost in RON terms increased by 6% to RON 66.4/boe.

Exploration expenditures increased to RON 53 mn, mainly due to increased drilling expenditures, partially offset by lower seismic activities.

Exploration expenses decreased to RON 17 mn, mainly due to lower seismic activities and lower write-offs.

Capital expenditure increased to RON 550 mn, due to ongoing 3D development seismic acquisition, higher exploration drilling activities as well as increased investments for running business projects.

In Q1/23, we finalized the drilling of 8 new wells and sidetracks, including 1 exploration well (Q1/22: 10 new wells and sidetracks).

Refining and Marketing

Q1/23	Q4/22	Q1/22	Δ% ¹ in RON mn	2022	
783	1,058	814	(4)	Clean CCS Operating Result before depreciation and amortization, impairments and write-ups ²	4,773
616	861	626	(2)	Clean CCS Operating Result ²	4,019
14	36	(26)	n.m.	Special items	(64)
(101)	(164)	107	n.m.	CCS effect: Inventory holding gains/(losses) ²	122
529	734	707	(25)	Operating Result	4,076
380	359	121	215	Capital expenditure	835

Q1/23	Q4/22	Q1/22	Δ% ¹ Key performance indicators	2022	
16.61	18.79	18.31	(9)	Indicator refining margin (USD/bbl) ³	16.59
1.15	1.19	1.16	(1)	Refining input (mn t) ⁴	4.59
98	99	98	0	Refinery utilization rate (%)	95
1.24	1.49	1.21	2	Total refined product sales (mn t) ⁵	5.52
0.66	0.78	0.68	(3)	thereof retail sales volumes (mn t) ⁶	3.04

¹ Q1/23 vs. Q1/22;

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 Starting Q2/22, the indicator refining margin reflects the change in crude oil reference price from Urals to Brent, therefore figures for Q1/23, Q4/22 and 12m/22 are based on Brent. The value of the indicator refining margin for Q1/22 was not restated. 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 Total refined product sales include also third-party acquisitions;

⁶ Retail sales volumes refer to sales via the OMV Petrom Group's filling stations in Romania, Bulgaria, Serbia, Moldova.

First quarter 2023 (Q1/23) vs. first quarter 2022 (Q1/22)

- ▶ **Clean CCS Operating Result at RON 616 mn, similar to Q1/22, as lower refining margins were broadly offset by improved sales channels performance**
- ▶ **OMV Petrom indicator refining margin at USD 16.6/bbl, down 9% on lower product spreads, mainly for diesel**
- ▶ **Total refined product sales volumes 2% higher, supported by non-retail performance**

Clean CCS Operating Result reached RON 616 mn in Q1/23, broadly similar with Q1/22 (RON 626 mn), as the lower refining margin was partially offset by higher retail and commercial margins and higher sales volumes. **Reported Operating Result** of RON 529 mn (Q1/22: RON 707 mn), reflected negative CCS effects of RON (101) mn (Q1/22: positive effects), due to lower crude oil quotations, and RON 14 mn net special gains (Q1/22: RON (26) mn net special loss) mainly in relation to hedging.

OMV Petrom indicator refining margin decreased by USD 1.7/bbl to USD 16.6/bbl in Q1/23, due to lower product spreads, mainly diesel. The **refinery utilization rate** was 98% in Q1/23 (Q1/22: 98%).

Total refined product sales volumes were up 2% vs. Q1/22, driven by higher non retail sales. Group retail sales volumes, which accounted for 53% of total refined product sales, decreased by 3%, considering the high base effect from Q1/22 at the start of the Ukraine conflict. Our Group retail sales slightly underperformed in our operating markets, mainly in Romania. However, we registered an improved performance in the non-fuel business margin. Q1/23 non-retail sales volumes increased by 9%, mainly helped by a strong increase in jet sales volumes and higher exports.

Investments amounted to RON 380 mn (Q1/22: RON 121 mn), mostly directed to the Refining business, for projects connected with the major planned turnaround of Petrobrazi refinery and for ongoing projects such as coke drums replacement, a new crude oil tank and new aromatic complex.

Gas and Power

Q1/23	Q4/22	Q1/22	Δ% ¹ in RON mn	2022
751	163	755	(1) Clean Operating Result before depreciation and amortization, impairments and write-ups	3,069
723	132	727	(1) Clean Operating Result	2,942
(371)	1,038	(128)	(189) Special items	1,720
352	1,170	599	(41) Operating Result	4,662
17	4	49	(65) Capital expenditure	97

Q1/23	Q4/22	Q1/22	Δ% ¹ Key performance indicators	2022
13.13	12.53	12.72	3 Gas sales volumes (TWh)	46.09
11.06	9.56	10.66	4 thereof to third parties (TWh)	35.82
0.97	1.48	0.99	(2) Net electrical output Brazi power plant (TWh)	5.01
635	1,110	1,080	(41) OPCOM spot average electricity base load price (RON/MWh)	1,303

¹ Q1/23 vs. Q1/22.

First quarter 2023 (Q1/23) vs. first quarter 2022 (Q1/22)

- ▶ **Clean Operating Result at RON 723 mn, similar to Q1/22, mainly supported by strong margins from storage gas and power transactions outside Romania**
- ▶ **Gas sales volumes up 3.3%, in the context of 13% estimated yoy decline in demand, driven by overall resilient customer portfolio, as well as sales to the regulated market and supply of last resort customers**
- ▶ **Stable power output, in the context of Brazi power plant's planned outage of full capacity in both March 2023 and March 2022**

Clean Operating Result was RON 723 mn in Q1/23 (Q1/22: RON 727 mn), reflecting good operational performance in both gas and power business lines, in the context of numerous regulatory interventions. **Reported Operating Result** of RON 352 mn (Q1/22: RON 599 mn) reflected RON (371) mn net special charges, mainly in relation to net temporary losses from electricity forward contracts.

The gas business had a good performance, with very good contribution from gas volumes extracted from storage, partly offset by lower margins from equity and 3rd party gas, in the context of highly regulated gas sales portfolio. The power business also had a very good performance built on transactions outside Romania and strong captured spark spreads, supported also by contribution from balancing and ancillary services.

As per OMV Petrom's estimates, national **gas** consumption was 13% lower compared to Q1/22, an estimated lowest level for a first quarter so far in the last two decades, as a result of warm weather and industry not being able to recover from 2022 lows.

On the Romanian centralized markets, the weighted average price of natural gas for transactions with medium and long-term standardized products concluded in Q1/23 irrespective of delivery period (0.8 TWh) was RON 253/MWh^{vi,vii} (Q1/22: RON 469/MWh). The average price for the quantities delivered during the quarter was RON 381/MWh (Q1/22: RON 372/MWh)^{viii}.

^{vi} OMV Petrom estimates based on available public information;

^{vii} 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;

^{viii} Based on monthly data, as published by BRM on <https://www.brm.ro/cotatii-gaze-naturale/>; retrieved on April 26, 2023;

Regarding short-term deliveries, on BRM day-ahead market, the average price^{ix} in Q1/23 was RON 270/MWh (Q1/22: RON 485/MWh).

In Q1/23, OMV Petrom's total gas sales volumes were up 3.3% yoy, at 13.1 TWh, a very good performance considering the significant drop in overall consumption in the country. As a result, our market share (gas sales volumes in Romania per national gas consumption) increased to 32% in Q1/23 from 26% in Q1/22. The significantly higher gas volumes extracted from storage compensated the lower supply from both equity and third party sources. Gas volumes sold to third parties were 4% higher yoy, proving resilience of our customer portfolio and successful sales efforts in bringing new customers. Sales to regulated market (households and district heating companies) of around 4 TWh in Q1/23 (no such obligation in Q1/22) also contributed to increased volumes. Gas sales volumes in Romania were at 12.3 TWh, of which around 90% from equity gas and 10% from third parties.

At the end of Q1/23, OMV Petrom had 0.8 TWh natural gas in storage (end of Q1/22: 0.0 TWh).

As per currently available information from the grid operator, national **electricity** consumption decreased by 10% in Q1/23 compared to the same quarter of 2022, while national production increased by 4%, Romania switching to a net power exporter position in Q1/23, from net power importer in Q1/22.

In Q1/23 the Brazi power plant generated a net electrical output of 1.0 TWh, similar compared to Q1/22, as the power plant was in planned outage with the entire capacity in both March 2023 and March 2022.

Investments amounted to RON 17 mn (Q1/22: RON 49 mn), in both quarters being mainly directed to Brazi power plant planned outage.

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

Interim condensed consolidated financial statements with selected notes as of and for the period ended March 31, 2023 (unaudited)

Interim condensed consolidated income statement (unaudited)

Q1/23	Q4/22	Q1/22	in RON mn	2022
9,472.59	17,096.48	11,898.11	Sales revenues	61,344.44
193.30	723.04	20.40	Other operating income	1,339.07
2.80	4.10	2.36	Net income/(loss) from investments in associates	8.73
9,668.69	17,823.62	11,920.87	Total revenues and other income	62,692.24
(4,750.17)	(9,131.77)	(5,549.37)	Purchases (net of inventory variation)	(30,376.50)
(1,095.72)	(3,014.65)	(1,107.10)	Production and operating expenses	(6,918.90)
(869.20)	(948.84)	(1,787.66)	Production and similar taxes	(5,435.21)
(731.77)	(2,681.98)	(738.37)	Depreciation, amortization, impairments and write-ups	(5,064.36)
(521.29)	(735.08)	(483.98)	Selling, distribution and administrative expenses	(2,424.73)
(16.64)	(50.89)	(35.60)	Exploration expenses	(134.41)
(67.07)	(141.68)	(33.36)	Other operating expenses	(299.38)
1,616.83	1,118.73	2,185.43	Operating Result	12,038.75
328.43	275.27	78.03	Interest income	776.09
(163.54)	(158.98)	(154.40)	Interest expenses	(725.86)
(10.49)	(26.08)	(5.52)	Other financial income and expenses	(33.13)
154.40	90.21	(81.89)	Net financial result	17.10
1,771.23	1,208.94	2,103.54	Profit before tax	12,055.85
(290.37)	(64.47)	(355.21)	Taxes on income	(1,755.78)
1,480.86	1,144.47	1,748.33	Net income/(loss) for the period	10,300.07
1,480.95	1,144.69	1,748.32	thereof attributable to stockholders of the parent	10,300.88
(0.09)	(0.22)	0.01	thereof attributable to non-controlling interests	(0.81)
0.0238	0.0185	0.0287	Basic and diluted earnings per share (RON)	0.1684

Interim condensed consolidated statement of comprehensive income (unaudited)

Q1/23	Q4/22	Q1/22	in RON mn	2022
1,480.86	1,144.47	1,748.33	Net income for the period	10,300.07
(0.08)	(1.47)	(1.30)	Currency translation differences	1.19
10.02	(77.98)	25.76	Gains/(losses) on hedges	20.26
9.94	(79.45)	24.46	Total of items that may be reclassified ("recycled") subsequently to the income statement	21.45
-	4.96	-	Remeasurement gains/(losses) on defined benefit plans	4.96
(16.14)	(0.25)	(2.04)	Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item	(84.45)
(16.14)	4.71	(2.04)	Total of items that will not be reclassified ("recycled") subsequently to the income statement	(79.49)
(1.60)	12.48	(4.12)	Income tax relating to items that may be reclassified ("recycled") subsequently to the income statement	(3.24)
2.58	(0.74)	0.33	Income tax relating to items that will not be reclassified ("recycled") subsequently to the income statement	12.73
0.98	11.74	(3.79)	Total income taxes relating to components of other comprehensive income	9.49
(5.22)	(63.00)	18.63	Other comprehensive income/(loss) for the period, net of tax	(48.55)
1,475.64	1,081.47	1,766.96	Total comprehensive income/(loss) for the period	10,251.52
1,475.73	1,081.69	1,766.95	thereof attributable to stockholders of the parent	10,252.33
(0.09)	(0.22)	0.01	thereof attributable to non-controlling interests	(0.81)

Interim condensed consolidated statement of financial position (unaudited)

in RON mn	March 31, 2023	December 31, 2022
Assets		
Intangible assets	3,071.31	3,015.67
Property, plant and equipment	25,616.89	24,751.07
Investments in associated companies	43.63	40.83
Other financial assets	2,006.41	2,047.46
Other assets	326.67	327.69
Deferred tax assets	2,031.22	2,035.60
Non-current assets	33,096.13	32,218.32
Inventories	3,599.38	3,814.84
Trade receivables	2,605.78	3,548.45
Other financial assets	1,605.85	2,390.87
Other assets	1,227.01	1,278.02
Cash and cash equivalents	17,499.70	14,256.13
Current assets	26,537.72	25,288.31
Assets held for sale	14.83	14.83
Total assets	59,648.68	57,521.46
Equity and liabilities		
Share capital	6,231.17	6,231.17
Reserves	35,760.71	34,271.42
Equity of stockholders of the parent	41,991.88	40,502.59
Non-controlling interests	5.72	5.81
Total equity	41,997.60	40,508.40
Provisions for pensions and similar obligations	156.86	157.08
Lease liabilities	480.99	498.86
Provisions for decommissioning and restoration obligations	7,546.45	6,716.36
Other provisions	701.02	674.47
Other financial liabilities	56.04	52.97
Other liabilities	50.52	50.85
Non-current liabilities	8,991.88	8,150.59
Trade payables	3,946.53	4,265.77
Interest-bearing debts	132.10	137.87
Lease liabilities	159.65	155.96
Income tax liabilities	810.42	522.89
Other provisions and decommissioning	1,442.01	1,379.36
Other financial liabilities	921.32	1,125.78
Other liabilities	1,247.17	1,274.84
Current liabilities	8,659.20	8,862.47
Total equity and liabilities	59,648.68	57,521.46

Interim condensed consolidated statement of changes in equity (unaudited)

in RON mn	Share capital ¹	Revenue reserves	Other reserves ²	Treasury shares	Equity of stockholders of the parent	Non-controlling interests	Total equity
January 1, 2023	6,231.17	34,168.97	102.47	(0.02)	40,502.59	5.81	40,508.40
Net income/(loss) for the period	-	1,480.95	-	-	1,480.95	(0.09)	1,480.86
Other comprehensive income/(loss) for the period	-	-	(5.22)	-	(5.22)	-	(5.22)
Total comprehensive income/(loss) for the period	-	1,480.95	(5.22)	-	1,475.73	(0.09)	1,475.64
Reclassification of cash flow hedges to balance sheet	-	-	13.56	-	13.56	-	13.56
March 31, 2023	6,231.17	35,649.92	110.81	(0.02)	41,991.88	5.72	41,997.60

in RON mn	Share capital ¹	Revenue reserves	Other reserves ²	Treasury shares	Equity of stockholders of the parent	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

¹ On November 3, 2022, OMV Petrom S.A. completed the share capital increase with the value of RON 566.76 mn, from RON 5,664.41 mn to RON 6,231.17 mn, by in-kind contribution of the Romanian State in amount of RON 120.66 mn and cash contribution of other shareholders in amount of RON 446.10 mn.

² Other reserves contain mainly currency translation differences, reserves from business combinations in stages and unrealized gains and losses from hedges. Other reserves as of March 31, 2022 contained also land for which ownership was obtained and was subject to the land share capital increase completed on November 3, 2022.

Interim condensed consolidated statement of cash flows (unaudited)

Q1/23	Q4/22	Q1/22	in RON mn	2022
1,771.23	1,208.94	2,103.54	Profit before tax	12,055.85
110.99	521.33	177.58	Net change in provisions	932.02
(1.78)	(8.63)	(1.59)	Net (gains)/losses on the disposal of subsidiaries, businesses and non-current assets	(22.83)
732.32	2,711.36	748.81	Depreciation, amortization and impairments including write-ups	5,120.09
60.33	(1,280.93)	162.75	Other non-monetary adjustments	(2,084.90)
250.64	261.33	65.57	Net interest received	778.79
(3.10)	(747.50)	(1.29)	Tax on profit paid	(1,898.38)
2,920.63	2,665.90	3,255.37	Cash generated from operating activities before working capital movements	14,880.64
183.97	185.52	(587.23)	(Increase)/decrease in inventories	(1,555.19)
1,818.98	(699.21)	(624.28)	(Increase)/decrease in receivables	(3,034.06)
(263.35)	(389.95)	595.72	Increase/(decrease) in liabilities	1,045.22
4,660.23	1,762.26	2,639.58	Cash flow from operating activities	11,336.61
			Investments	
(1,120.51)	(980.52)	(737.19)	Intangible assets and property, plant and equipment	(3,208.43)
(255.00)	—	6.18	Investments and other financial assets	(45.39)
			Disposals	
3.14	63.90	2.87	Proceeds in relation to non-current assets and financial assets	148.61
2.96	0.99	—	Proceeds from the sale of subsidiaries and businesses, net of cash disposed	0.99
(1,369.41)	(915.63)	(728.14)	Cash flow from investing activities	(3,104.22)
—	446.10	—	Increase in share capital	446.10
(45.13)	(54.10)	(55.21)	Net increase/(decrease) in borrowings	(308.30)
(0.66)	(0.70)	(0.27)	Dividends paid	(4,438.22)
(45.79)	391.30	(55.48)	Cash flow from financing activities	(4,300.42)
(1.46)	(6.58)	0.67	Effect of exchange rate changes on cash and cash equivalents	1.51
3,243.57	1,231.35	1,856.63	Net increase/(decrease) in cash and cash equivalents	3,933.48
14,256.13	13,024.78	10,322.65	Cash and cash equivalents at beginning of period	10,322.65
17,499.70	14,256.13	12,179.28	Cash and cash equivalents at end of period	14,256.13
3,290.82	846.63	1,911.44	Free cash flow	8,232.39
3,290.16	845.93	1,911.17	Free cash flow after dividends	3,794.17

Selected notes to the interim condensed consolidated financial statements as of and for the period ended March 31, 2023 (unaudited)

Legal principles

The unaudited interim condensed consolidated financial statements as of and for the three-month period ended March 31, 2023 (Q1/23) 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, 2022.

The interim condensed consolidated financial statements for Q1/23 included in this report are unaudited and an external review by an auditor was not performed.

The interim condensed consolidated financial statements for Q1/23 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, 2023 is given as part of the description of Group performance and Business Segments in the Directors' Report.

General accounting policies

The accounting policies in effect on December 31, 2022 remain largely unchanged. The amendments effective since January 1, 2023, did not have a material effect on the interim condensed consolidated financial statements.

Changes in the consolidated Group structure

Compared with the annual consolidated financial statements as of December 31, 2022, there were no changes in the consolidated Group.

The detailed structure of the consolidated companies in OMV Petrom Group at March 31, 2023 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 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 the winter, as a supplementary measure to produce heat, as well as 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, 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 NBR, 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 NBR, and are detailed below.

Q1/23	Q4/22	Q1/22	Δ% ¹	NBR FX rates	2022
4.919	4.921	4.946	(1)	Average EUR/RON	4.931
4.585	4.832	4.411	4	Average USD/RON	4.692
4.949	4.947	4.947	0	Closing EUR/RON	4.947
4.546	4.635	4.451	2	Closing USD/RON	4.635

¹ Q1/23 vs. Q1/22

Notes to the income statement

Sales revenues

in RON mn	Q1/23	Q1/22
Revenues from contracts with customers	9,411.35	10,525.32
Revenues from other sources	61.24	1,372.79
Total sales revenues	9,472.59	11,898.11

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

Revenues from contracts with customers

in RON mn					Q1/23
	Exploration and Production	Refining and Marketing	Gas and Power	Corporate and Other	Total
Crude oil and NGL	-	12.26	-	-	12.26
Natural gas, LNG and power	4.88	4.77	3,405.15	1.12	3,415.92
Fuels and heating oil	-	4,907.46	-	-	4,907.46
Other goods and services	7.23	1,054.04	9.55	4.89	1,075.71
Total	12.11	5,978.53	3,414.70	6.01	9,411.35

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

Income tax

Q1/23	Q4/22	Q1/22	in RON mn	2022
290.37	64.47	355.21	Taxes on income - expense/(revenue)	1,755.78
287.57	523.98	389.26	Current taxes	2,257.05
2.80	(459.51)	(34.05)	Deferred taxes	(501.27)
16%	5%	17%	Group effective tax rate	15%

Notes to the statement of financial position

Commitments

As at March 31, 2023, OMV Petrom Group's commitments for acquisitions of fixed assets amounted to RON 2,111 mn (December 31, 2022: RON 1,961 mn), mainly relating to investment projects in the Refinery and Marketing and in the Exploration and Production segments.

Inventories

During the three months ended March 31, 2023, there were no material write-downs of inventories.

Equity

At the Annual General Meeting of Shareholders held on April 26, 2023, the shareholders of OMV Petrom S.A. approved the distribution of dividends for the financial year 2022 for the gross amount of RON 2,337 mn (gross base dividend per share of RON 0.0375).

The total number of own shares held by the Company as of March 31, 2023 amounted to 204,776 (December 31, 2022: 204,776).

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, 2022.

Fair value hierarchy of financial assets (in RON mn)	March 31, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trade receivables	-	4.11	-	4.11	-	9.04	-	9.04
Derivatives designated and effective as hedging instruments	-	8.82	-	8.82	-	-	-	-
Other derivatives	-	1,042.32	-	1,042.32	-	1,502.05	-	1,502.05
Total	-	1,055.25	-	1,055.25	-	1,511.09	-	1,511.09

Fair value hierarchy of financial liabilities (in RON mn)	March 31, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivatives designated and effective as hedging instruments	-	-	-	-	-	(1.20)	-	(1.20)
Other derivatives	-	(523.28)	-	(523.28)	-	(650.89)	-	(650.89)
Total	-	(523.28)	-	(523.28)	-	(652.09)	-	(652.09)

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.

The carrying amount of interest-bearing debts, other financial liabilities and other financial assets approximates their fair value.

Segment reporting

Intersegmental sales

Q1/23	Q4/22	Q1/22	Δ% ¹ in RON mn	2022
3,134.54	3,511.52	4,172.04	(25) Exploration and Production	16,212.26
16.90	20.86	21.90	(23) Refining and Marketing	84.71
101.64	82.04	183.48	(45) Gas and Power	438.37
39.98	43.07	42.55	(6) Corporate and Other	175.01
3,293.06	3,657.49	4,419.97	(25) Total	16,910.35

¹ Q1/23 vs. Q1/22

Sales to third parties

Q1/23	Q4/22	Q1/22	Δ% ¹ in RON mn	2022
13.98	14.89	13.21	6 Exploration and Production	58.01
6,002.60	8,004.59	5,851.54	3 Refining and Marketing	31,281.79
3,446.56	9,068.61	6,025.02	(43) Gas and Power	29,968.57
9.45	8.39	8.34	13 Corporate and Other	36.07
9,472.59	17,096.48	11,898.11	(20) Total	61,344.44

¹ Q1/23 vs. Q1/22

Total sales (not consolidated)

Q1/23	Q4/22	Q1/22	Δ% ¹ in RON mn	2022
3,148.52	3,526.41	4,185.25	(25) Exploration and Production	16,270.27
6,019.50	8,025.45	5,873.44	2 Refining and Marketing	31,366.50
3,548.20	9,150.65	6,208.50	(43) Gas and Power	30,406.94
49.43	51.46	50.89	(3) Corporate and Other	211.08
12,765.65	20,753.97	16,318.08	(22) Total	78,254.79

¹ Q1/23 vs. Q1/22

Segment and Group profit

Q1/23	Q4/22	Q1/22	Δ% ¹ in RON mn	2022
986.57	(736.14)	1,105.00	(11) Operating Result Exploration and Production	3,611.70
529.33	733.62	707.23	(25) Operating Result Refining and Marketing	4,076.03
351.80	1,170.32	598.79	(41) Operating Result Gas and Power	4,661.92
(24.84)	(117.50)	(30.10)	17 Operating Result Corporate and Other	(250.37)
1,842.86	1,050.30	2,380.92	(23) Operating Result segment total	12,099.28
(226.03)	68.43	(195.49)	(16) Consolidation	(60.53)
1,616.83	1,118.73	2,185.43	(26) OMV Petrom Group Operating Result	12,038.75
154.40	90.21	(81.89)	n.m. Net financial result	17.10
1,771.23	1,208.94	2,103.54	(16) OMV Petrom Group profit before tax	12,055.85

¹ Q1/23 vs. Q1/22

Assets¹

in RON mn	March 31, 2023	December 31, 2022
Exploration and Production	20,907.69	20,189.90
Refining and Marketing	6,071.66	5,854.07
Gas and Power	1,306.37	1,317.28
Corporate and Other	402.48	405.49
Total	28,688.20	27,766.74

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 ¹ / Current Liabilities	3.07
Indebtness Ratio (%)	Interest-bearing debts (long term)/ Equity *100	-
	Interest-bearing debts (long term)/ (Interest-bearing debts (long term) + Equity) *100	-
Days in receivables	Receivables average balance / Turnover*90	29.24
Fixed assets turnover ²	Turnover / Fixed assets	1.32

¹ Current Assets include Assets held for sale;

² Fixed assets turnover is calculated based on turnover for Q1/23*(360/90) days

Subsequent events

On April 26, 2023, the Ordinary General Meeting of Shareholders (OGMS) approved the 2023 Income and Expenditure Budget of OMV Petrom S.A. with investments estimated at RON 6.9 bn (which also include contingencies for possibilities to accelerate some of our strategic projects and other investment opportunities).

The OGMS also approved the distribution of base dividends for the financial year 2022 for the gross amount of RON 2,337 mn (gross base dividend per share of RON 0.0375).

The OGMS approved the appointment of KPMG Audit S.R.L. as the Company's financial auditor for 2023, following a tender process organised according to EU Regulation 537/2014, under the Audit Committee steering.

The OGMS approved the appointment of Mr. Reinhard Florey, Mrs. Katja Tautscher and Mr. Berislav Gaso as members of the Supervisory Board of OMV Petrom for the remaining period of the mandates of Mrs. Elena Skvortsova, Mr. Johann Pleininger and Mr. Daniel Turnheim respectively, further to the waiver of their mandates as members of the Supervisory Board.

On April 26, 2023, the Extraordinary General Meeting of Shareholders approved the delisting of the global depositary receipts (GDRs) issued by Citibank N.A., currently listed on the standard segment of the Official List of the UK Financial Conduct Authority and traded on the main market for listed financial instruments of the London Stock Exchange, and empowered the Executive Board of OMV Petrom to establish the details of the delisting of the GDRs and the subsequent termination of the Company's GDRs programme.

Declaration of the management

We confirm to the best of our knowledge that the unaudited interim condensed consolidated financial statements with selected notes for the three month period ended March 31, 2023 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 2023 and their impact on the interim condensed consolidated financial statements, as well as a description of the principal risks and uncertainties.

Bucharest, April 28, 2023

The Executive Board

Christina Verchere
Chief Executive Officer
President of the Executive Board

Alina Popa
Chief Financial Officer
Member of the Executive Board

Cristian Hubati
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
BRM	Romanian Commodities Exchange
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 of the parent	Net income attributable to stockholders of the parent, 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 of the parent 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 (%)
EOR	Enhanced Oil Recovery
EPS	Earnings per share = Net income attributable to stockholders of the parent 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
GEO	Government Emergency Ordinance
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 amortization, impairments and write-ups	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
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, 2023

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%
OMV Petrom E&P Bulgaria S.R.L. ²	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%
Corporate and Other			
		Petromed Solutions S.R.L.	100.00%

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

² former OMV Petrom Gas S.R.L., previously reported under Gas & Power segment

Incorporated Joint operations³⁾

Gas and Power	
S. Parc Fotovoltaic Isalnita S.A.	50.00%
S. Parc Fotovoltaic Rovinari Est S.A.	50.00%
S. Parc Fotovoltaic Tismana 1 S.A.	50.00%
S. Solarist Tismana 2 S.A.	50.00%

³ Joint operations structured through separate legal entities; accounted for as OMV Petrom's share of assets, liabilities, income and expenses held or incurred jointly.

Associated company, accounted for at equity

Corporate and Other	
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 2023, OMV Petrom Group had the following significant transactions with related parties and balances as of March 31, 2023:

Related party (in RON mn)	Purchases		Balances payable	
	Q1/23	March 31, 2023	Q1/23	March 31, 2023
OMV Supply & Trading Limited	351.79		344.91	
OMV Downstream GmbH	231.99		75.80	
OMV Petrom Global Solutions S.R.L.	163.56		122.92	
OMV - International Services Ges.m.b.H.	3.24		54.68	

Related party (in RON mn)	Revenues		Balances receivable	
	Q1/23	March 31, 2023	Q1/23	March 31, 2023
OMV Deutschland Marketing & Trading GmbH & Co. KG	76.03		39.46	
OMV Hungária Ásványolaj Kft.	7.51		2.20	
OMV - International Services Ges.m.b.H.	0.01		28.44	

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 December 31, 2022:

Related party (in RON mn)	Purchases		Balances payable	
	Q1/22	December 31, 2022	Q1/22	December 31, 2022
OMV Gas Marketing & Trading GmbH	390.02		6.97	
OMV Petrom Global Solutions S.R.L.	146.68		145.62	
OMV Downstream GmbH	83.18		71.87	
OMV - International Services Ges.m.b.H.	1.85		104.14	

Related party (in RON mn)	Revenues		Balances receivable	
	Q1/22	December 31, 2022	Q1/22	December 31, 2022
OMV Gas Marketing & Trading GmbH	314.82		38.97	
OMV Deutschland Marketing & Trading GmbH & Co. KG	83.78		37.23	
OMV Downstream GmbH	29.62		5.71	
OMV - International Services Ges.m.b.H.	-		31.48	

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

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