

# Q4

Quarterly Report 2023



Picture: OMV Petrom's Brazi Power Plant

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## OMV Petrom Group results<sup>i</sup> for January – December and Q4 2023

including preliminary unaudited condensed consolidated financial statements

as of and for the period ended December 31, 2023

### Highlights Q4/23<sup>ii</sup>

#### OMV Petrom Group

- ▶ Clean CCS Operating Result at RON 2.2 bn, 9% higher
- ▶ Clean CCS net income attributable to stockholders of the parent at RON 2.1 bn, up 11%
- ▶ Cash flow from operating activities at RON 2.0 bn, 15% higher
- ▶ CAPEX at RON 1.3 bn, up 5%
- ▶ Free cash flow after dividends outflow of RON 1.9 bn, reflecting payment of special dividends of RON 2.8 bn
- ▶ Clean CCS ROACE at 27%, 11 pp lower
- ▶ TRIR: 0.14 (Q4/22: 0.21)<sup>iii</sup>
- ▶ Base dividend proposal for 2023: RON 0.0413/share<sup>iv</sup>, up 10% yoy; a special dividend is also planned to be announced in 2024

#### Exploration and Production

- ▶ Clean Operating Result at RON 909 mn vs. RON 1,076 mn in Q4/22, reflecting lower oil and gas prices and sales volumes
- ▶ Production decreased by 6.8%, mainly due to natural decline and planned maintenance activities, partly offset by the contribution of workovers and new wells
- ▶ Production cost increased by 33% to USD 17.8/boe, mainly due to cost inflation, lower production available for sale, and unfavorable FX
- ▶ 2023 Reserve Replacement Rate at 207% as a result of significant proved reserves additions realized following Neptun Deep FID

#### Refining and Marketing

- ▶ Clean CCS Operating Result at RON 729 mn vs. RON 861 mn in Q4/22, mainly reflecting lower refining margins and utilization rate, partially offset by higher sales channels' margins
- ▶ OMV Petrom indicator refining margin at USD 10.8/bbl, down 43% as a result of lower product spreads
- ▶ Refinery utilization rate at 95% vs. 99% in Q4/22 in the context of a refinery slowdown in December 2023
- ▶ Retail sales volumes broadly flat

#### Gas and Power

- ▶ Clean Operating Result at RON 514 mn increased vs. RON 132 mn in Q4/22, in context of good operational performance and a low base effect
- ▶ Stable total gas sales volumes, higher end user sales and Brazi power plant offtake, lower wholesales
- ▶ Brazi power plant output at 1.7 TWh in Q4/23, record high level, covering a record 12% share in Romania's generation mix

#### Key events

- ▶ OMV Petrom signed the largest acquisition of green projects in Romania with Renovatio in renewable power and e-mobility
- ▶ Neptun Deep project: more than 80% of the execution agreements awarded by year-end
- ▶ OMV Petrom signed an agreement to purchase 50% of "Respira Verde", a local leader in the collection of used cooking oil

<sup>i</sup> The financials are unaudited and represent OMV Petrom Group's (herein after also referred to as "the Group") preliminary 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.

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

<sup>iii</sup> Total Recordable Injury Rate; the number of recordable injuries (fatalities + lost workday cases + restricted work day cases + medical treatment cases) per 1,000,000 hours worked.

<sup>iv</sup> Base dividend subject to approval by the Supervisory Board and the General Meeting of Shareholders.



## Directors' report (condensed, unaudited)

### Financial highlights

Q4/23	Q3/23	Q4/22	Δ% <sup>1</sup> in RON mn	2023	2022	Δ%
10,282	10,662	17,096	(40) Sales revenues <sup>2</sup>	38,808	61,344	(37)
<b>2,243</b>	<b>2,530</b>	<b>2,067</b>	<b>9 Clean CCS Operating Result<sup>3</sup></b>	<b>8,482</b>	<b>12,198</b>	<b>(30)</b>
909	1,131	1,076	(15) Clean Operating Result Exploration and Production <sup>3,4</sup>	4,177	5,433	(23)
729	993	861	(15) Clean CCS Operating Result Refining and Marketing <sup>3</sup>	2,480	4,019	(38)
514	437	132	290 Clean Operating Result Gas and Power	2,145	2,942	(27)
(31)	(27)	(32)	2 Clean Operating Result Co&O <sup>3</sup>	(93)	(96)	3
122	(4)	30	307 Consolidation	(227)	(99)	(129)
10	16	14	(28) Clean CCS Group effective tax rate (%)	15	16	(8)
2,055	2,058	1,855	11 Clean CCS net income <sup>3,7</sup>	7,463	10,272	(27)
<b>2,055</b>	<b>2,057</b>	<b>1,855</b>	<b>11 Clean CCS net income attributable to stockholders of the parent<sup>3,6,7</sup></b>	<b>7,464</b>	<b>10,273</b>	<b>(27)</b>
0.0330	0.0330	0.0300	10 Clean CCS EPS (RON) <sup>3,6,7</sup>	0.1198	0.1679	(29)
<b>2,243</b>	<b>2,530</b>	<b>2,067</b>	<b>9 Clean CCS Operating Result<sup>3</sup></b>	<b>8,482</b>	<b>12,198</b>	<b>(30)</b>
(250)	(207)	(823)	70 Special items <sup>5</sup>	(838)	(320)	(162)
(32)	94	(126)	74 CCS effects: Inventory holding gains/(losses)	(91)	160	n.m.
<b>1,961</b>	<b>2,417</b>	<b>1,119</b>	<b>75 Operating Result Group</b>	<b>7,554</b>	<b>12,039</b>	<b>(37)</b>
907	1,128	(736)	n.m. Operating Result Exploration and Production <sup>4</sup>	4,170	3,612	15
635	1,064	734	(13) Operating Result Refining and Marketing	2,318	4,076	(43)
354	276	1,170	(70) Operating Result Gas and Power	1,474	4,662	(68)
(74)	(29)	(118)	37 Operating Result Co&O	(161)	(250)	36
138	(22)	68	102 Consolidation	(248)	(61)	(309)
44	(79)	90	(52) Net financial result	263	17	n.m.
2,004	2,338	1,209	66 Profit before tax prior to solidarity contribution	7,817	12,056	(35)
(375)	(372)	-	n.a. Solidarity contribution on refined crude oil <sup>8</sup>	(2,729)	-	n.a.
<b>1,630</b>	<b>1,966</b>	<b>1,209</b>	<b>35 Profit before tax</b>	<b>5,088</b>	<b>12,056</b>	<b>(58)</b>
9	18	5	70 Group effective tax rate (%)	21	15	43
1,482	1,604	1,144	30 Net income	4,030	10,300	(61)
<b>1,482</b>	<b>1,604</b>	<b>1,145</b>	<b>29 Net income attributable to stockholders of the parent<sup>6</sup></b>	<b>4,030</b>	<b>10,301</b>	<b>(61)</b>
0.0238	0.0257	0.0185	29 EPS (RON) <sup>6</sup>	0.0647	0.1684	(62)
—	—	—	— Total dividend/share (RON)	0.0413 <sup>9</sup>	0.0825 <sup>10</sup>	n.a.
—	—	—	— thereof base dividend/share (RON)	0.0413 <sup>9</sup>	0.0375	10
2,031	3,011	1,762	15 Cash flow from operating activities	10,114	11,337	(11)
(1,883)	1,352	846	n.m. Free cash flow after dividends	(717)	3,794	n.m.
(12,551)	(14,525)	(13,463)	(7) Net debt/(cash) including leases	(12,551)	(13,463)	(7)
(13,229)	(15,158)	(14,118)	(6) Net debt/(cash) excluding leases	(13,229)	(14,118)	(6)
1,323	988	1,261	5 Capital expenditure	4,704	3,551	32
26.5	25.2	38.0	(30) Clean CCS ROACE (%) <sup>3,7</sup>	26.5	38.0	(30)
13.0	11.4	38.1	(66) ROACE (%)	13.0	38.1	(66)
7,714	7,703	7,742	(0) OMV Petrom Group employees end of period	7,714	7,742	(0)
0.14	0.61	0.21	(33) TRIR	0.50	0.38	32

<sup>1</sup> Q4/23 vs. Q4/22

<sup>2</sup> Sales revenues excluding petroleum excise tax;

<sup>3</sup> 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);

<sup>4</sup> Excluding intersegmental profit elimination shown in the line "Consolidation";

<sup>5</sup> 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;

<sup>6</sup> After deducting net result attributable to non-controlling interests;

<sup>7</sup> Excludes the special item related to solidarity contribution on refined crude oil;

<sup>8</sup> Solidarity contribution on refined crude oil is a special item in the computation of Clean CCS Net Income;

<sup>9</sup> Subject to approval by the Supervisory Board and the General Meeting of Shareholders; it refers to base dividend only; a special dividend is also planned to be announced in 2024;

<sup>10</sup> Includes RON 0.0375/share base dividend for 2022 and RON 0.0450/share special dividend declared and paid in 2023.

## Group performance

### Fourth quarter 2023 (Q4/23) vs. Fourth quarter 2022 (Q4/22)

**Consolidated sales revenues** decreased by 40% compared to Q4/22, negatively impacted by lower commodity prices and lower sales volumes of electricity and natural gas. Refining and Marketing segment represented 71% of total consolidated sales, Gas and Power segment accounted for 29%, while sales from Exploration and Production segment accounted only for 0.2% (sales in Exploration and Production being largely intra-group sales rather than third-party sales).

The **Clean CCS Operating Result** amounted to RON 2,243 mn in Q4/23, slightly higher compared to RON 2,067 mn in Q4/22, mainly supported by the Gas and Power segment, in the context of good operational performance and a low base effect in Q4/22. The lower contribution from Refining and Marketing segment was mainly triggered by significantly lower refining margins, while the lower contribution of Exploration and Production segment was mainly due to the decrease in prices and volumes. The Consolidation line had a positive contribution in Q4/23 of RON 122 mn (Q4/22: RON 30 mn). The **Clean CCS Group effective tax rate** was 10% mainly due to fiscal credits in Romania (Q4/22: 14%). **Clean CCS net income attributable to stockholders of the parent** was RON 2,055 mn (Q4/22: RON 1,855 mn).

**Special items** comprised net charges of RON (250) mn mainly related to the net temporary losses from forward power contracts in the Gas and Power segment. **Inventory holding losses** amounted to RON (32) mn in Q4/23, mainly as a result of the decrease in crude oil prices. In Q4/22, special items comprised net charges of RON (823) mn, mainly related to net impairments in Exploration and Production, partially offset by the net temporary gains from forward power contracts in the Gas and Power segment, while inventory holding losses amounted to RON (126) mn, mainly as a result of the decrease in crude oil prices.

**Reported Operating Result** for Q4/23 increased to RON 1,961 mn, compared to RON 1,119 mn in Q4/22, in the context of lower result in Q4/22, mainly due to net impairments in Exploration and Production.

**Net financial result** was a gain of RON 44 mn in Q4/23 compared to RON 90 mn in Q4/22.

**Profit before tax prior to solidarity contribution** for Q4/23 was RON 2,004 mn, higher than RON 1,209 mn in Q4/22.

In May 2023, the Law no. 119/2023 approving GEO 186/2022 introduced the obligation to pay for 2022 and 2023 a contribution of RON 350 for each tonne of crude oil processed for companies that produce and refine crude oil. Therefore, OMV Petrom reflected in Q4/23 the **Solidarity contribution on refined crude oil** in amount of RON 375 mn, presented as a separate line in the preliminary condensed consolidated income statement, above Taxes on income line. The solidarity contribution on refined crude oil is a special item in the computation of Clean CCS Net income.

As a result, the **profit before tax** for Q4/23 was RON 1,630 mn, higher compared to RON 1,209 mn in Q4/22.

**Income tax** amounted to RON (148) mn, while the **effective tax rate** was 9% in Q4/23, mainly due to fiscal credits in Romania which more than compensated the effect of non-deductible solidarity contribution on refined crude oil (Q4/22: 5% mainly due to fiscal credits in Romania).

**Net income attributable to stockholders of the parent** was RON 1,482 mn (Q4/22: RON 1,145 mn).

**Cash flow from operating activities** increased to RON 2,031 mn, compared to RON 1,762 mn in Q4/22, driven mainly by favorable evolution of net working capital. **Free cash flow after dividends** resulted in a cash outflow of RON 1,883 mn (Q4/22: inflow of RON 846 mn).

**Capital expenditure** amounted to RON 1,323 mn in Q4/23, 5% higher than in Q4/22, mainly directed to Exploration and Production, with investments of RON 871 mn (Q4/22: RON 861 mn) and Refining and Marketing, with investments of RON 414 mn (Q4/22: RON 359 mn). Corporate and Other investments were RON 42 mn (Q4/22: RON 37 mn).

#### January to December 2023 (2023) vs. January to December 2022 (2022)

**Consolidated sales revenues** of RON 38,808 mn for 2023 decreased by 37% compared to 2022, negatively impacted by lower commodity prices and lower sales volumes of electricity, only partially compensated by higher sales volumes of natural gas. Refining and Marketing segment represented 69% of total consolidated sales, Gas and Power segment accounted for 30%, 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).

**Clean CCS Operating Result** of RON 8,482 mn in 2023 decreased compared to RON 12,198 mn in 2022, due to lower contribution from all business segments, mainly triggered by weaker refining margins and lower utilisation rate due to the refinery turnaround in the Refining and Marketing segment, decrease in prices in the Exploration and Production segment, as well as lower gas margins from both third party transactions and equity gas in the Gas and Power segment. The result also reflected lower E&P specific taxes, mainly as a result of lower prices, as well as decreased purchases, mainly due to lower volumes and prices for natural gas, electricity and imported crude oil, partially offset by higher volumes of traded petroleum products. The Consolidation line had a negative contribution in 2023 of RON (227) mn (2022: RON (99) mn). The **Clean CCS Group effective tax rate** was 15% (2022: 16%). **Clean CCS net income attributable to stockholders of the parent** was RON 7,464 mn (2022: RON 10,273 mn).

**Special items** comprised net charges of RON (838) mn, mainly related the net temporary losses from forward power contracts in the Gas and Power segment. Special items in 2022 comprised net charges of RON (320) mn mainly related to net impairments in Exploration and Production partially offset by the net temporary gains from forward power contracts in the Gas and Power segment. **Inventory holding losses** amounted to RON (91) mn in 2023, compared with inventory holding gains of RON 160 mn in 2022, in both periods mainly as a result of the crude oil price evolutions.

**Reported Operating Result** for 2023 decreased to RON 7,554 mn, compared to RON 12,039 mn in 2022, mostly driven by the lower market prices and lower availability of our assets due to planned maintenance activities, mainly of Petrobrazii refinery and Brazi power plant.

**Net financial result** was a gain of RON 263 mn in 2023, higher compared to RON 17 mn in 2022, mainly due to higher interest income on bank deposits.

**Profit before tax prior to solidarity contribution** for 2023 was RON 7,817 mn, lower than RON 12,056 in 2022.

In May 2023, the Law no. 119/2023 approving GEO 186/2022 introduced the obligation to pay for 2022 and 2023 a contribution of RON 350 for each tonne of crude oil processed for companies that produce and refine crude oil. Therefore, OMV Petrom reflected in 2023 the **Solidarity contribution on refined crude oil** for 2022 in amount of RON 1,485 mn and for 2023 in amount of RON 1,244 mn, presented as a separate line in the preliminary condensed consolidated income statement, above Taxes on income line. The Solidarity contribution on refined crude oil is a special item in the computation of Clean CCS Net income.

As a result, the **profit before tax** for 2023 was RON 5,088 mn, lower compared to RON 12,056 mn in 2022.

**Income tax** amounted to RON (1,058) mn, while the **effective tax rate** was 21% in 2023, mainly due to non-deductible solidarity contribution on refined crude oil, effect only partially offset by fiscal credits in Romania (2022: 15%).

**Net income attributable to stockholders of the parent** was RON 4,030 mn (2022: RON 10,301 mn).

**Cash flow from operating activities** decreased to RON 10,114 mn, compared to RON 11,337 mn in 2022, driven by lower operating result and payment of Solidarity contribution on refined crude oil for 2022, partly offset by favorable evolution of net working capital. **Free cash flow after dividends** resulted in a cash outflow of RON 717 mn (2022: inflow of RON 3,794 mn).

**Capital expenditure** amounted to RON 4,704 mn in 2023, 32% higher than in 2022 (RON 3,551 mn), mainly directed to Exploration and Production with investments of RON 2,584 mn (2022: RON 2,559 mn). Refining and Marketing investments amounted to RON 1,955 mn (2022: RON 835 mn), while Gas and Power investments amounted to RON 69 mn (2022: RON 97 mn). Corporate and Other investments were RON 97 mn (2022: RON 60 mn).

OMV Petrom Group reported a **net cash position including leases** of RON 12,551 mn as at December 31, 2023, lower than RON 13,463 mn as at December 31, 2022.

## Reconciliation of Clean CCS Operating Result to Reported Operating Result

Q4/23	Q3/23	Q4/22	Δ% <sup>1</sup> in RON mn	2023	2022	Δ%
2,243	2,530	2,067	9	8,482	12,198	(30)
(250)	(207)	(823)	70	(838)	(320)	(162)
—	—	(4)	n.a.	—	(16)	n.a.
—	—	(1,813)	n.a.	—	(1,813)	n.a.
(250)	(207)	994	n.m.	(838)	1,508	n.m.
(32)	94	(126)	74	(91)	160	n.m.
1,961	2,417	1,119	75	7,554	12,039	(37)

<sup>1</sup> Q4/23 vs. Q4/22

Clean CCS Operating Result represents Operating Result adjusted for **Special items** and **CCS effects**.

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 preliminary consolidated statement of financial position (unaudited)

in RON mn	December 31, 2023	December 31, 2022 <sup>1</sup>
<b>Assets</b>		
Non-current assets	35,373	32,218
Current assets (including assets held for sale)	22,783	26,287
<b>Total assets</b>	<b>58,157</b>	<b>58,505</b>
<b>Equity and liabilities</b>		
Total equity	39,379	40,508
Non-current liabilities	10,270	8,151
Current liabilities	8,508	9,846
<b>Total equity and liabilities</b>	<b>58,157</b>	<b>58,505</b>

<sup>1</sup> Comparative information dated December 31, 2022 has been restated. For more information please see the chapter "Selected notes to the preliminary condensed consolidated financial statements".

Compared to December 31, 2022, **non-current assets** increased by RON 3,155 mn, to RON 35,373 mn, mainly due to increase in property, plant and equipment, as additions during the period and the increase in decommissioning asset following reassessment exceeded the depreciation and net impairments. In addition, following the final investment decision on Neptun Deep project, the related oil and gas assets in amount of approximately RON 2.4 bn were reclassified from intangible assets into property, plant and equipment.

The reduction in **current assets (including assets held for sale)** reflected lower cash and cash equivalents, lower trade receivables following declining sales, mainly in Gas and Power segment, decrease in inventories driven by lower gas volumes in stock and lower third party petroleum products, as well as lower other financial assets. The reduction in other financial assets was driven mainly by the decrease in cash guarantees for transactions with energy products and lower financial assets in relation with derivatives, partly offset by increase in short-term investments, mainly in Treasury bills.

**Equity** decreased to RON 39,379 mn as of December 31, 2023, compared to RON 40,508 mn as of December 31, 2022, mainly as a result of the distributions of base dividend for the financial year 2022 and of the special dividends approved on September 12, 2023, partly offset by the net profit generated in 2023. The Group's equity ratio was 68% as of December 31, 2023, slightly lower than the level of 69% on December 31, 2022.

As at December 31, 2023, **total liabilities** increased by RON 781 mn compared with December 31, 2022. The increase in **non-current liabilities** was mainly due to the reassessment of provisions for decommissioning and restoration obligations, largely following decrease in the net discount rates and higher estimated costs. The decrease in **current liabilities** was driven mainly by the decrease in other provisions, mainly in connection with other risks assessed by the Group in the area of gas and power taxation in Romania, by the decrease in financial liabilities mostly in relation to derivatives, and by lower income tax liabilities, partially offset by increase in other liabilities, largely related to the solidarity contribution on refined crude oil for 2023.

## Cash flow

Q4/23	Q3/23	Q4/22	Δ% <sup>1</sup>	Summarized cash-flow statement (in RON mn)	2023	2022	Δ%
<b>2,310</b>	<b>3,050</b>	<b>2,666</b>	<b>(13)</b>	<b>Cash generated from operating activities before working capital movements</b>	<b>8,198</b>	<b>14,881</b>	<b>(45)</b>
2,031	3,011	1,762	15	Cash flow from operating activities	10,114	11,337	(11)
(1,132)	(1,656)	(916)	(24)	Cash flow from investing activities	(5,730)	(3,104)	(85)
<b>899</b>	<b>1,355</b>	<b>847</b>	<b>6</b>	<b>Free cash flow</b>	<b>4,384</b>	<b>8,232</b>	<b>(47)</b>
(2,827)	(114)	391	n.m.	Cash flow from financing activities	(5,300)	(4,300)	(23)
(3)	2	(7)	54	Effect of exchange rate changes on cash and cash equivalents	(2)	2	n.m.
<b>(1,932)</b>	<b>1,243</b>	<b>1,231</b>	<b>n.m.</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(917)</b>	<b>3,933</b>	<b>n.m.</b>
15,270	14,028	13,025	17	Cash and cash equivalents at beginning of period	14,256	10,323	38
<b>13,339</b>	<b>15,270</b>	<b>14,256</b>	<b>(6)</b>	<b>Cash and cash equivalents at end of period</b>	<b>13,339</b>	<b>14,256</b>	<b>(6)</b>
<b>(1,883)</b>	<b>1,352</b>	<b>846</b>	<b>n.m.</b>	<b>Free cash flow after dividends</b>	<b>(717)</b>	<b>3,794</b>	<b>n.m.</b>

<sup>1</sup> Q4/23 vs. Q4/22

### Fourth quarter 2023 (Q4/23) vs. fourth quarter 2022 (Q4/22)

In Q4/23, 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 and income tax paid, was RON 2,310 mn (Q4/22: RON 2,666 mn). Changes in **net working capital** generated a cash outflow of RON 279 mn (Q4/22: RON 904 mn). **Cash flow from operating activities** increased by RON 269 mn compared to Q4/22, reaching RON 2,031 mn.



In Q4/23, **cash flow from investing activities** resulted in an outflow of RON 1,132 mn (Q4/22: RON 916 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 899 mn (Q4/22: RON 847 mn).

**Cash flow from financing activities** reflected an outflow of funds amounting to RON 2,827 mn (Q4/22: inflow of RON 391 mn), mainly arising from payment of dividends in the amount of RON 2,782 mn.

**Free cash flow after dividends** resulted in a cash outflow of RON 1,883 mn (Q4/22: inflow of RON 846 mn).

### January to December 2023 (2023) vs. January to December 2022 (2022)

In 2023, 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 and income tax paid was RON 8,198 mn (2022: RON 14,881 mn). Changes in **net working capital** generated a cash inflow of RON 1,915 mn, largely due to lower trade receivables following lower sales and also due to decrease in the cash guarantees for transactions with energy products (2022: outflow of RON 3,544 mn). **Cash flow from operating activities** decreased by RON 1,223 mn compared to 2022, reaching RON 10,114 mn.

In 2023, **cash flow from investing activities** resulted in an outflow of RON 5,730 mn (2022: RON 3,104 mn) mainly related to payments for investments in property, plant and equipment, largely in the Exploration and Production and Refining and Marketing segments, and investments in short-term securities.

**Free cash flow** (defined as cash flow from operating activities less cash flow from investing activities) showed an inflow of funds of RON 4,384 mn (2022: RON 8,232 mn).

**Cash flow from financing activities** reflected an outflow of funds amounting to RON 5,300 mn (2022: RON 4,300 mn), mainly arising from the payment of dividends of RON 5,102 mn.

**Free cash flow after dividends** resulted in a cash outflow of RON 717 mn (2022: inflow of RON 3,794 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 these risks and associated 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 November 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 risk. 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 significant number of fiscal and regulatory initiatives implemented. This increases legislative volatility with influence on the overall business environment.

Moreover, in the context of the energy crisis in Europe, regulatory measures such as subsidy schemes, regulated/capped prices for gas and power and overtaxation or the EU solidarity contribution have been implemented. If energy prices in Europe remain at high levels, there is a risk that further 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 assesses 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 preliminary condensed consolidated financial statements as of December 31, 2023, similar with previous year.

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

OMV Petrom closely monitors geopolitical developments and their potential impact on its business activities. Geoeconomic fragmentation, trade restrictions as well as disruptions in global supply chains could lead to further cost increases for OMV Petrom. Coupled with rising interest rates, this situation has the potential to also negatively impact economic growth, which in turn, could affect 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 the events in the banking sector in the first quarter of the year, 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 conflicts in Ukraine and the Middle East, the European energy crisis and resulting regulatory measures, other economic disruptions currently being observed, and further regulatory interventions, cannot be reliably estimated at this stage. 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 preliminary condensed consolidated financial statements for disclosures on significant transactions with related parties.

## Outlook for the full year 2024

### Market environment

- ▶ For the full year 2024, OMV Petrom expects the **average Brent oil price** to be around USD 80/bbl (2023: USD 82.6/bbl)
- ▶ **Refining margin** is expected to be around USD 10/bbl (2023: USD 14.0/bbl<sup>v</sup>)
- ▶ In Romania, **demand** for retail fuels, gas and power is expected to be slightly above 2023 level
- ▶ Legislative measures for the gas and power markets remain in place until end-March 2025. Companies that produce and refine crude oil pay a contribution of RON 350 for each tonne of crude oil processed for 2022 and 2023; the contribution for 2023 is due for payment at the end of June 2024 and amounts to RON 1.24 bn.
- ▶ A new tax on turnover was introduced as of January 1<sup>st</sup> (0.5% for OMV Petrom S.A. and OMV Petrom Marketing S.R.L.) with an estimated total annual impact of below RON 250 mn in 2024. The new tax is applicable in 2024-2025.

### Financial highlights

- ▶ **Organic CAPEX** estimated at RON 6.5 bn (2023: RON 4.7 bn), with increased investments dedicated mainly to the Neptun Deep as well as low and zero carbon projects, mostly SAF/HVO, renewables and EVs. Additional investments for the announced low and zero carbon M&A transactions would bring total CAPEX to around RON 8 bn. Investments require predictable and stable regulatory and fiscal environment.
- ▶ We expect a marginally positive **free cash flow before dividends**, in the context of higher investments (2023: RON 4.4 bn)
- ▶ **Attractive returns to shareholders:** for 2023, the Executive Board is proposing a base DPS of RON 0.0413/share<sup>vi</sup>, up 10% yoy, at the high end of the 5-10% p.a. range stated in the dividend guidance. In addition, a special dividend is planned to be announced in 2024.

### Strategic direction: Optimize traditional business

#### Exploration and Production

- ▶ **Production:** expected to be above 106 kboe/d (2023: 113 kboe/d), considering no divestments
- ▶ **Portfolio optimization:** continue to focus on the most profitable barrels, through assessing selective fields divestments
- ▶ **Investments:** around RON 4.7 bn (2023: RON 2.6 bn), of which around half for Neptun Deep. We plan to drill around 40 new wells and sidetracks and perform up to 500 workovers (2023: 45 new wells and sidetracks and 497 workovers)

#### Refining and Marketing

- ▶ The **refinery utilization rate** is estimated to be above 95% (2023: 80% due to the planned turnaround)
- ▶ Total **refined product sales** are forecasted to be higher yoy (2023: 5.5 mn t); retail fuel sales expected to be also higher yoy

#### Gas and Power

- ▶ Total **gas sales volumes** are estimated to be lower yoy (2023: 47 TWh), mainly on lower supply
- ▶ **Net electrical output** is forecasted to be higher yoy (2023: 4.2 TWh), reflecting a shorter Brazi power plant planned outage

### Strategic direction: Grow regional gas

- ▶ **Neptun Deep project:** finalize awarding of the main contracts, focus on permitting activities, start construction and prepare to spud the first well in 2025
- ▶ **Han Asparuh offshore Bulgaria:** took over operatorship, continue exploration activity
- ▶ **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 (2023 preliminary: ~11% lower vs. 2019)
- ▶ Progress in developing the **renewable power portfolio**; we expect to close in 2024 the announced M&A transactions, subject to regulatory approvals; we envisage gradually starting electricity production in 2024
- ▶ **E-mobility:** accelerate the expansion of the EV charging network in the region with the ambition to reach around 1,000 charging points by year-end, including from announced M&A transaction (end-2023: around 270 charging points)
- ▶ **EU funds:** we are working on securing EU funds for various low and zero carbon projects

<sup>v</sup> Based on Brent

<sup>vi</sup> Subject to approval by the Supervisory Board and the General Meeting of Shareholders

## Business segments

### Exploration and Production

Q4/23	Q3/23	Q4/22	Δ% <sup>1</sup> in RON mn	2023	2022	Δ%
1,573	1,777	1,738	(10) Clean Operating Result before depreciation and amortization, impairments and write-ups <sup>2</sup>	6,565	7,823	(16)
909	1,131	1,076	(15) Clean Operating Result <sup>2</sup>	4,177	5,433	(23)
(3)	(3)	(1,812)	100 Special items	(7)	(1,821)	100
907	1,128	(736)	n.m. Operating Result <sup>2</sup>	4,170	3,612	15
871	552	861	1 Capital expenditure <sup>3</sup>	2,584	2,559	1
51	33	72	(29) Exploration expenditures	169	167	1
56	22	51	9 Exploration expenses	112	134	(17)
17.85	16.20	13.43	33 Production cost (USD/boe)	15.97	13.15	21

Q4/23	Q3/23	Q4/22	Δ% <sup>1</sup> Key performance indicators	2023	2022	Δ%
110.0	113.5	118.0	(7) Total hydrocarbon production (kboe/d)	113.3	119.1	(5)
53.7	54.0	57.0	(6) thereof crude oil and NGL production (kbbbl/d)	54.7	57.3	(5)
56.3	59.5	61.1	(8) thereof natural gas production (kboe/d)	58.7	61.9	(5)
10.12	10.44	10.86	(7) Total hydrocarbon production (mn boe)	41.37	43.49	(5)
4.94	4.97	5.24	(6) Crude oil and NGL production (mn bbl)	19.96	20.90	(5)
0.79	0.84	0.86	(8) Natural gas production (bcm)	3.27	3.45	(5)
27.96	29.54	30.34	(8) Natural gas production (bcf)	115.65	121.98	(5)
9.73	9.92	10.41	(7) Total hydrocarbon sales volume (mn boe)	39.57	41.72	(5)
105.7	107.9	113.2	(7) Total hydrocarbon sales volume (kboe/d)	108.4	114.3	(5)
57.1	55.7	60.0	(5) thereof crude oil and NGL sales volume (kbbbl/d) <sup>4</sup>	57.3	60.2	(5)
48.6	52.2	53.2	(9) thereof natural gas sales volume (kboe/d)	51.1	54.1	(6)
84.34	86.75	88.87	(5) Average Brent price (USD/bbl)	82.64	101.32	(18)
75.69	74.84	64.41	18 Average Urals price (USD/bbl)	64.69	76.87	(16)
73.51	75.88	77.84	(6) Average realized crude price (USD/bbl) <sup>5</sup>	71.80	87.23	(18)

<sup>1</sup> Q4/23 vs. Q4/22;

<sup>2</sup> Excluding intersegmental profit elimination;

<sup>3</sup> Including capitalized exploration and appraisal and acquisitions;

<sup>4</sup> Includes sales of liquids obtained from separation and processing of rich natural gas; rich natural gas production is included under natural gas production above;

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



#### Fourth quarter 2023 (Q4/23) vs. fourth quarter 2022 (Q4/22)

- ▶ **Clean Operating Result** at RON 909 mn vs. RON 1,076 mn in Q4/22, reflecting lower oil and gas prices and sales volumes
- ▶ **Production** decreased by 6.8% mainly due to natural decline and planned maintenance activities, partly offset by the contribution of workovers and new wells
- ▶ **Production cost** increased by 33% to USD 17.8/boe, mainly due to cost inflation, lower production available for sale, and unfavorable FX
- ▶ **2023 Reserve Replacement Rate** at 207% as a result of significant proved reserves additions realized following Neptun Deep FID

**Clean Operating Result** was RON 909 mn vs. RON 1,076 mn in Q4/22, mainly driven by lower oil and gas prices and sales volumes, higher production costs, and unfavorable FX (stronger RON vs. USD), partly offset by lower E&P taxation.

**Special items** amounted to RON (3) mn, while in Q4/22 they amounted to RON (1,812) mn and reflected mainly net impairments. **Reported Operating Result** was RON 907 mn vs. RON (736) mn loss in Q4/22.

**Hydrocarbon production** decreased by 6.8% to 10.1 mn boe or 110.0 kboe/d (Q4/22: 10.9 mn boe or 118.0 kboe/d), reflecting the natural decline in the main fields (Lebada Est, Lebada Vest, Totea Deep) and the effect of planned maintenance activities, partly offset by the contribution of new wells and workovers. Crude oil and NGL production dropped by 5.7% to 4.9 mn bbl, while gas production decreased by 7.8% to 5.2 mn boe.

**Hydrocarbon sales volumes** decreased by 7%, in line with production decline.

**Production cost** increased by 33% to USD 17.8/boe, mainly due to cost inflation, lower volumes available for sale, and unfavorable FX (weaker USD vs. RON). Production cost in RON terms increased by 27% to RON 82.4/boe.

**Exploration expenditures** decreased to RON 51 mn, mainly due to lower exploration drilling activities.

**Exploration expenses** increased to RON 56 mn, mainly due to higher exploration seismic activities, partially offset by lower geological and geophysical costs.

**Capital expenditure** slightly increased to RON 871 mn, mainly due to higher Neptun Deep development costs, partially counterbalanced by lower activities for drilling and 3D seismic acquisition.

#### January to December 2023 (2023) vs. January to December 2022 (2022)

**Clean Operating Result** decreased to RON 4,177 mn (2022: RON 5,433 mn), mainly driven by lower oil and gas prices and sales volumes, higher production costs, and unfavorable FX, partly offset by lower E&P taxation.

**Special items** amounted to RON (7) mn, compared to RON (1,821) mn in 2022 which reflected mainly net impairments. **Reported Operating Result** was RON 4,170 mn compared to RON 3,612 mn in 2022.

**Hydrocarbon production** decreased by 4.9%, to 41.4 mn boe or 113.3 kboe/d (2022: 43.5 mn boe or 119.1 kboe/d), reflecting the natural decline in the main fields (Lebada Est, Lebada Vest, Totea Deep, Bustuchin, Suplacu de Barcau), partly offset by the contribution of workovers and new wells. Crude oil and NGL production decreased by 4.5% to 20.0 mn bbl, while gas production decreased by 5.2% to 21.4 mn boe.

**Hydrocarbon sales volumes** decreased by 5%, in line with the production decline.

**Production cost** increased by 21% to USD 16.0/boe, in the context of a positive one-off effect related to a tax audit in Q2/22, as well as due to lower production available for sale, increased overall costs, and unfavorable FX in 2023. Production cost in RON terms increased by 19% to RON 73.0/boe.

**Exploration expenditures** slightly increased to RON 169 mn, mainly driven by higher drilling expenditures, partially offset by lower geological and geophysical expenses.

**Exploration expenses** decreased to RON 112 mn, mainly due to lower write-offs, lower geological and geophysical expenses, and lower exploration seismic activities.

**Capital expenditure** slightly increased by 1% to RON 2,584 mn and accounted for 55% of the Group's total CAPEX for 2023. The increase was mainly due to Neptun Deep project (Final Investment Decision in 2023), partially counterbalanced by lower drilling and workover activities.

In 2023, we finalized the drilling of 45 new wells and sidetracks, including 3 exploration wells (2022: 55 new wells and sidetracks, 3 exploration wells).

As of December 31, 2023, the **total proved oil and gas reserves** in the OMV Petrom's portfolio increased to 424 mn boe (2022: 380 mn boe), mainly due to the Neptun Deep project maturation. For the single year 2023, the **Reserve Replacement Rate** increased to 207% (2022: 10%). The three-year average Reserve Replacement Rate (excluding Kazakhstan) increased to 80% in 2023 (2022: 31%). The 2023 **proved and probable oil and gas reserves** amounted to 694 mn boe (2022: 741 mn boe).

## Refining and Marketing

Q4/23	Q3/23	Q4/22	Δ% <sup>1</sup> in RON mn	2023	2022	Δ%
934	1,172	1,058	(12) Clean CCS Operating Result before depreciation and amortization, impairments and write-ups <sup>2</sup>	3,194	4,773	(33)
729	993	861	(15) Clean CCS Operating Result <sup>2</sup>	2,480	4,019	(38)
(45)	(40)	36	n.m. Special items	(92)	(64)	(43)
(49)	111	(164)	70 CCS effect: Inventory holding gains/(losses) <sup>2</sup>	(70)	122	n.m.
635	1,064	734	(13) Operating Result	2,318	4,076	(43)
414	394	359	15 Capital expenditure	1,955	835	134

Q4/23	Q3/23	Q4/22	Δ% <sup>1</sup> Key performance indicators	2023	2022	Δ%
10.79	16.81	18.79	(43) Indicator refining margin (USD/bbl) <sup>3</sup>	13.96	16.59	(16)
1.16	1.15	1.19	(3) Refining input (mn t) <sup>4</sup>	3.84	4.59	(16)
95	95	99	(4) Refinery utilization rate (%)	80	95	(16)
1.51	1.51	1.49	1 Total refined product sales (mn t) <sup>5</sup>	5.45	5.52	(1)
0.78	0.87	0.78	0 thereof retail sales volumes (mn t) <sup>6</sup>	3.07	3.04	1

<sup>1</sup> Q4/23 vs. Q4/22;

<sup>2</sup> 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;

<sup>3</sup> Starting Q2/22, the indicator refining margin reflects the change in crude oil reference price from Urals to Brent. 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;

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

<sup>5</sup> Total refined product sales include also third-party acquisitions;

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

### Fourth quarter 2023 (Q4/23) vs. fourth quarter 2022 (Q4/22)

- **Clean CCS Operating Result at RON 729 mn vs. RON 861 mn in Q4/22**, mainly reflecting lower refining margins and utilization rate, partially offset by higher sales channels' margins
- **OMV Petrom indicator refining margin at USD 10.8/bbl**, down 43% as a result of lower product spreads
- **Retail sales broadly flat**

**Clean CCS Operating Result** decreased to RON 729 mn in Q4/23 (Q4/22: RON 861 mn), mainly due to lower refining margin and refinery utilization rate, partially offset by higher retail and commercial margins. **Reported Operating Result** of RON 635 mn (Q4/22: RON 734 mn), reflected negative CCS effects of RON (49) mn (Q4/22: RON (164) mn negative effects), due to lower crude oil quotations, and RON (45) mn net special loss (Q4/22: RON 36 mn net special gain), mainly in relation to hedging.

**OMV Petrom indicator refining margin** decreased by USD 8.0/bbl to USD 10.8/bbl in Q4/23, as a result of lower product spreads, mainly for diesel, gasoline and jet. The **refinery utilization rate** was 95% in Q4/23 (Q4/22: 99%), reflecting a slowdown of the Petrobrazi refinery in December.

**Total refined product sales** volumes were up 1% vs. Q4/22. Group retail sales volumes, which accounted for 52% of total refined product sales, were broadly flat. In addition, we registered an improved performance in the non-fuel business margin. In Q4/23 non-retail sales volumes increased by 3% supported by higher exports.

**Investments** amounted to RON 414 mn (Q4/22: RON 359 mn). The majority of investments were directed to the refining business, for ongoing projects such as the new aromatic complex, as well as to the electric vehicles (EV) charging network expansion in Retail.

### January to December 2023 (2023) vs. January to December 2022 (2022)

**Clean CCS Operating Result** decreased to RON 2,480 mn in 2023 (2022: RON 4,019 mn), as a result of lower refining margins and utilization rate as well as reduced product availability due to the planned turnaround of the refinery. **Reported Operating Result** was RON 2,318 mn, reflecting negative CCS effects of RON (70) mn, given the decrease in crude quotations, and special charges of RON (92) mn, mainly in relation to hedging.

**OMV Petrom indicator refining margin** decreased by USD 2.6/bbl to approximately USD 14.0/bbl in 2023, as a result of weaker spreads for diesel and jet. **Refinery utilization rate** decreased to 80% (2022: 95%), reflecting the Q2/23 planned turnaround after 5 years of operations without major planned shutdowns.

**Total refined product sales** decreased by 1% compared to 2022. Group retail sales volumes were up by 1%, supported by the demand increase. Non-retail sales decreased by 4%, reflecting lower product availability due to refinery turnaround, partly offset by the recovery of the aviation business.

**Investments** amounted to RON 1,955 mn (2022: RON 835 mn). The majority of investments were directed to the Petrobrazil refinery for projects connected with the planned turnaround, coke drums replacement and for ongoing projects such as the new aromatic complex and the new crude oil tank. Our retail business also saw increased investments for the expansion of the EV charging points network and modernization of the filling stations.



## Gas and Power

Q4/23	Q3/23	Q4/22	Δ% <sup>1</sup> in RON mn	2023	2022	Δ%
546	468	163	235 Clean Operating Result before depreciation and amortization, impairments and write-ups	2,260	3,069	(26)
514	437	132	290 Clean Operating Result	2,145	2,942	(27)
(160)	(161)	1,038	n.m. Special items	(671)	1,720	n.m.
354	276	1,170	(70) Operating Result	1,474	4,662	(68)
(3)	12	4	n.m. Capital expenditure	69	97	(29)

Q4/23	Q3/23	Q4/22	Δ% <sup>1</sup> Key performance indicators	2023	2022	Δ%
12.47	11.67	12.53	(0) Gas sales volumes (TWh)	46.78	46.09	1
8.88	8.60	9.56	(7) thereof to third parties (TWh)	37.91	35.82	6
1.71	1.48	1.48	16 Net electrical output Brazi power plant (TWh)	4.16	5.01	(17)
479	498	1,110	(57) OPCOM spot average electricity base load price (RON/MWh)	514	1,303	(61)

<sup>1</sup> Q4/23 vs. Q4/22.

### Fourth quarter 2023 (Q4/23) vs. fourth quarter 2022 (Q4/22)

- **Clean Operating Result at RON 514 mn increased vs. RON 132 mn in Q4/22, in the context of good operational performance and a low base effect**
- **Stable total gas sales volumes, higher end user sales and Brazi power plant offtake, lower wholesales**
- **Brazi power plant output at 1.7 TWh in Q4/23, record high level, covering a record 12% share in Romania's generation mix**

**Clean Operating Result** was RON 514 mn in Q4/23 (Q4/22: RON 132 mn), reflecting good performance in both gas and power business lines, with strong gas sales volumes and record high net electrical output, partly offset by the steep decrease in gas and power prices and lower margins. The Q4/22 result was affected by a provision for risks assessed by the Group in the area of sector specific taxation.

**Reported Operating Result** of RON 354 mn (Q4/22: RON 1,170 mn) reflected RON (160) mn net special charges, mainly in relation to net temporary effects from electricity forward contracts.

The gas business recorded a good, yet lower contribution yoy, with higher sales volumes to our end users portfolio. The challenging market context, with declining prices, impacted realized margins both on equity and third party gas, especially on transactions concluded outside Romania. The power business result was built on high Brazi power plant production and on transactions concluded outside Romania.

As per OMV Petrom's estimates, national **gas** consumption was 8% higher compared to Q4/22, supported by some industrial offtake uplift as well as higher gas to power consumption.

On the Romanian centralized markets, the weighted average price of natural gas for transactions with medium and long-term standardized products concluded in Q4/23, irrespective of delivery period was RON 222/MWh<sup>vii,viii</sup> (Q4/22: RON 568/MWh).

<sup>vii</sup> OMV Petrom estimates based on available public information;

<sup>viii</sup> 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;

The average price for the quantities delivered during the quarter was RON 220/MWh (Q4/22: RON 364/MWh)<sup>ix</sup>. Regarding short-term deliveries, on the BRM day-ahead market, the average price<sup>x</sup> in Q4/23 was RON 189/MWh (Q4/22: RON 458/MWh).

In Q4/23, OMV Petrom's total gas sales volumes were stable yoy, at 12.5 TWh, with higher end users sales and Brazi power plant offtake and reduced volumes sold to wholesalers. Gas sales to third parties recorded a 7% decrease vs. Q4/22, with lower volumes to households and district heating for households of 2.2 TWh, in line with the obligation (Q4/22: 2.7 TWh), and also to the non-regulated wholesale market. Gas sales volumes in Romania were stable yoy at 11.4 TWh, 67% covered by equity gas and 33% from third party sources.

On the centralized markets, OMV Petrom sold 0.2 TWh in standard products in Q4/23, independent of delivery period, at an average price in line with the market price<sup>x</sup>. At the end of Q4/23, OMV Petrom had 2.0 TWh natural gas in storage (end of Q4/22: 3.7 TWh).

As per currently available information from the grid operator, national **electricity** consumption slightly increased by 1% in Q4/23 compared to the same quarter of 2022, while national production increased by 2%, Romania being a net power exporter in both Q4/23 and Q4/22.

In Q4/23, the Brazi power plant generated a new record high net electrical output, reaching 1.7 TWh (1.5 TWh in Q4/22), covering 12% in Romania's generation mix, the highest quarterly contribution to the national power security of supply since the start of operations in 2012.

#### January to December 2023 (2023) vs. January to December 2022 (2022)

**Clean Operating Result** was RON 2,145 mn in 2023, compared to RON 2,942 mn in 2022. The result reflects a strong operational performance in both gas and power business segments, yet impacted by market dynamics and existing regulations, and a low base effect in 2022 from a provision for risks assessed by the Group in the area of sector specific taxation.

**Reported Operating Result** was RON 1,474 mn, reflecting special charges of RON (671) mn, mainly consisting of net temporary losses from electricity forward contracts.

The gas business had a robust performance, achieved in a very challenging market environment, with declining consumption, low market liquidity and significantly lower prices reducing margins. We have achieved a strong performance on our end users portfolio, with higher volumes sold. We have also recorded a good contribution from volumes extracted from storage in Q1/23. However, we have recorded reduced margins from both equity and third party gas, mainly on transactions outside Romania.

On the power business line, the result was built on transactions outside Romania with good margin opportunities. Lower yoy net electrical output was recorded as the Brazi power plant was in planned outage with the entire capacity from March to beginning of July 2023.

As per OMV Petrom's estimates, Romania's **gas** consumption decreased by 6% yoy, mainly impacted by warm weather in Q1/23, reduced industrial gas offtake, and also by longer yoy Brazi power plant outage.

OMV Petrom's gas sales volumes were at 46.8 TWh, 1% higher vs. 2022, as a result of higher end users offtake, higher obligation for the regulated market, partly offset by lower Brazi power plant gas consumption. Gas sales volumes in Romania were at 42.5 TWh, 3% higher vs. 2022, an excellent achievement considering market volatility and low liquidity. Around 75% from gas sales in Romania were supplied from equity and 25% from third parties sources. Volumes sold to third parties increased to 37.9 TWh (2022: 35.8 TWh), reflecting also higher sales to regulated market (households and district heating companies for households) of around 10.4 TWh in 2023 (2022: 3.8 TWh).

<sup>ix</sup> Based on monthly data, as published by BRM on <https://brm.ro/statistici-monitorizare-piete-gaze-naturale/>; retrieved on January 29, 2023;

<sup>x</sup> Average computed based on daily trades published on BRM platform.

As per currently available information from the grid operator, national **electricity** consumption was 5% lower yoy, while electricity production was up by 3% yoy. Romania was a net exporter of electricity in 2023, compared to a net power importer position in 2022.

The Brazi power plant generated a net electrical output of 4.2 TWh vs. 5.0 TWh in 2022, being in planned outage with its entire capacity from March to beginning of July 2023, compared to full capacity in March 2022 and half capacity in April 2022.

**Investments** amounted to RON 69 mn in 2023 (2022: RON 97 mn), mostly directed to Brazi power plant planned maintenance.

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

### Preliminary condensed consolidated income statement (unaudited)

Q4/23	Q3/23	Q4/22	in RON mn	2023	2022
10,282.13	10,661.88	17,096.48	Sales revenues	38,807.91	61,344.44
223.78	150.96	723.04	Other operating income	628.98	1,339.07
(4.06)	3.27	4.10	Net income/(loss) from investments in associates	4.74	8.73
<b>10,501.85</b>	<b>10,816.11</b>	<b>17,823.62</b>	<b>Total revenues and other income</b>	<b>39,441.63</b>	<b>62,692.24</b>
(5,029.41)	(4,883.66)	(9,131.77)	Purchases (net of inventory variation)	(18,586.14)	(30,376.50)
(1,409.22)	(1,243.11)	(3,014.65)	Production and operating expenses	(4,583.68)	(6,918.90)
(374.39)	(620.49)	(948.84)	Production and similar taxes	(2,478.33)	(5,435.21)
(878.41)	(857.69)	(2,681.98)	Depreciation, amortization, impairments and write-ups	(3,216.19)	(5,064.36)
(743.81)	(734.59)	(735.08)	Selling, distribution and administrative expenses	(2,695.53)	(2,424.73)
(55.62)	(21.70)	(50.89)	Exploration expenses	(111.88)	(134.41)
(50.29)	(37.77)	(141.68)	Other operating expenses	(215.99)	(299.38)
<b>1,960.70</b>	<b>2,417.10</b>	<b>1,118.73</b>	<b>Operating Result</b>	<b>7,553.89</b>	<b>12,038.75</b>
233.55	158.21	275.27	Interest income	1,012.95	776.09
(177.21)	(234.95)	(158.98)	Interest expenses	(722.22)	(725.86)
(12.63)	(2.71)	(26.08)	Other financial income and expenses	(27.54)	(33.13)
<b>43.71</b>	<b>(79.45)</b>	<b>90.21</b>	<b>Net financial result</b>	<b>263.19</b>	<b>17.10</b>
<b>2,004.41</b>	<b>2,337.65</b>	<b>1,208.94</b>	<b>Profit before tax prior to solidarity contribution</b>	<b>7,817.08</b>	<b>12,055.85</b>
(374.70)	(371.92)	-	Solidarity contribution on refined crude oil	(2,729.24)	-
<b>1,629.71</b>	<b>1,965.73</b>	<b>1,208.94</b>	<b>Profit before tax</b>	<b>5,087.84</b>	<b>12,055.85</b>
(147.55)	(361.89)	(64.47)	Taxes on income	(1,057.76)	(1,755.78)
<b>1,482.16</b>	<b>1,603.84</b>	<b>1,144.47</b>	<b>Net income/(loss) for the period</b>	<b>4,030.08</b>	<b>10,300.07</b>
<b>1,482.15</b>	<b>1,603.79</b>	<b>1,144.69</b>	<b>thereof attributable to stockholders of the parent</b>	<b>4,030.18</b>	<b>10,300.88</b>
0.01	0.05	(0.22)	thereof attributable to non-controlling interests	(0.10)	(0.81)
<b>0.0238</b>	<b>0.0257</b>	<b>0.0185</b>	<b>Basic and diluted earnings per share (RON)</b>	<b>0.0647</b>	<b>0.1684</b>



## Preliminary condensed consolidated statement of comprehensive income (unaudited)

Q4/23	Q3/23	Q4/22	in RON mn	2023	2022
<b>1,482.16</b>	<b>1,603.84</b>	<b>1,144.47</b>	<b>Net income for the period</b>	<b>4,030.08</b>	<b>10,300.07</b>
0.24	2.41	(1.47)	Currency translation differences	4.58	1.19
30.53	(24.23)	(77.98)	Gains/(losses) on hedges	7.51	20.26
<b>30.77</b>	<b>(21.82)</b>	<b>(79.45)</b>	<b>Total of items that may be reclassified ("recycled") subsequently to the income statement</b>	<b>12.09</b>	<b>21.45</b>
(29.31)	-	4.96	Re-measurement gains/(losses) on defined benefit plans	(29.31)	4.96
(4.25)	13.91	(0.25)	Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item	(6.48)	(84.45)
<b>(33.56)</b>	<b>13.91</b>	<b>4.71</b>	<b>Total of items that will not be reclassified ("recycled") subsequently to the income statement</b>	<b>(35.79)</b>	<b>(79.49)</b>
(4.88)	3.87	12.48	Income tax relating to items that may be reclassified ("recycled") subsequently to the income statement	(1.20)	(3.24)
5.39	(2.22)	(0.74)	Income tax relating to items that will not be reclassified ("recycled") subsequently to the income statement	5.75	12.73
<b>0.51</b>	<b>1.65</b>	<b>11.74</b>	<b>Total income taxes relating to components of other comprehensive income</b>	<b>4.55</b>	<b>9.49</b>
<b>(2.28)</b>	<b>(6.26)</b>	<b>(63.00)</b>	<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>(19.15)</b>	<b>(48.55)</b>
<b>1,479.88</b>	<b>1,597.58</b>	<b>1,081.47</b>	<b>Total comprehensive income/(loss) for the period</b>	<b>4,010.93</b>	<b>10,251.52</b>
1,479.87	1,597.53	1,081.69	thereof attributable to stockholders of the parent	4,011.03	10,252.33
0.01	0.05	(0.22)	thereof attributable to non-controlling interests	(0.10)	(0.81)

## Preliminary condensed consolidated statement of financial position (unaudited)

in RON mn	December 31, 2023	December 31, 2022 <sup>1</sup>
<b>Assets</b>		
Intangible assets	655.74	3,015.67
Property, plant and equipment	30,099.20	24,751.07
Investments in associated companies	48.11	40.83
Other financial assets	2,077.17	2,047.46
Other assets	544.09	327.69
Deferred tax assets	1,948.93	2,035.60
<b>Non-current assets</b>	<b>35,373.24</b>	<b>32,218.32</b>
Inventories	3,126.11	3,814.84
Trade receivables	2,715.30	3,548.45
Other financial assets	1,908.61	2,390.87
Other assets	1,694.57	2,261.91
Cash and cash equivalents	13,338.67	14,256.13
<b>Current assets</b>	<b>22,783.26</b>	<b>26,272.20</b>
Assets held for sale	-	14.83
<b>Total assets</b>	<b>58,156.50</b>	<b>58,505.35</b>
<b>Equity and liabilities</b>		
Share capital	6,231.17	6,231.17
Reserves	33,147.19	34,271.42
<b>Equity of stockholders of the parent</b>	<b>39,378.36</b>	<b>40,502.59</b>
Non-controlling interests	0.52	5.81
<b>Total equity</b>	<b>39,378.88</b>	<b>40,508.40</b>
Provisions for pensions and similar obligations	195.18	157.08
Lease liabilities	529.80	498.86
Provisions for decommissioning and restoration obligations	8,654.42	6,716.36
Other provisions	754.80	674.47
Other financial liabilities	86.54	52.97
Other liabilities	48.50	50.85
Deferred tax liabilities	0.70	-
<b>Non-current liabilities</b>	<b>10,269.94</b>	<b>8,150.59</b>
Trade payables	4,067.46	4,265.77
Interest-bearing debts	110.05	137.87
Lease liabilities	147.65	155.96
Income tax liabilities	163.59	522.89
Other provisions and decommissioning	1,170.24	2,363.25
Other financial liabilities	569.00	1,125.78
Other liabilities	2,279.69	1,274.84
<b>Current liabilities</b>	<b>8,507.68</b>	<b>9,846.36</b>
<b>Total equity and liabilities</b>	<b>58,156.50</b>	<b>58,505.35</b>

<sup>1</sup> Comparative information dated December 31, 2022 has been restated. For more information please see the chapter "Selected notes to the preliminary condensed consolidated financial statements".

## Preliminary condensed consolidated statement of changes in equity (unaudited)

in RON mn	Share capital	Revenue reserves	Other reserves <sup>1</sup>	Treasury shares	Equity of stockholders of the parent	Non-controlling interests	Total equity
<b>January 1, 2023</b>	<b>6,231.17</b>	<b>34,168.97</b>	<b>102.47</b>	<b>(0.02)</b>	<b>40,502.59</b>	<b>5.81</b>	<b>40,508.40</b>
Net income/(loss) for the period	-	4,030.18	-	-	4,030.18	(0.10)	4,030.08
Other comprehensive income/(loss) for the period	-	(24.60)	5.45	-	(19.15)	-	(19.15)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>4,005.58</b>	<b>5.45</b>	<b>-</b>	<b>4,011.03</b>	<b>(0.10)</b>	<b>4,010.93</b>
Dividend distribution	-	(5,140.70)	-	-	(5,140.70)	(0.07)	(5,140.77)
Reclassification of cash flow hedges to balance sheet	-	-	5.44	-	5.44	-	5.44
Change in non-controlling interests	-	-	-	-	-	(5.12)	(5.12)
<b>December 31, 2023</b>	<b>6,231.17</b>	<b>33,033.85</b>	<b>113.36</b>	<b>(0.02)</b>	<b>39,378.36</b>	<b>0.52</b>	<b>39,378.88</b>

in RON mn	Share capital	Revenue reserves	Other reserves <sup>1</sup>	Treasury shares	Equity of stockholders of the parent	Non-controlling interests	Total equity
<b>January 1, 2022</b>	<b>5,664.41</b>	<b>28,387.59</b>	<b>161.36</b>	<b>(0.02)</b>	<b>34,213.34</b>	<b>0.55</b>	<b>34,213.89</b>
Net income/(loss) for the period	-	10,300.88	-	-	10,300.88	(0.81)	10,300.07
Other comprehensive income/(loss) for the period	-	4.18	(52.73)	-	(48.55)	-	(48.55)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>10,305.06</b>	<b>(52.73)</b>	<b>-</b>	<b>10,252.33</b>	<b>(0.81)</b>	<b>10,251.52</b>
Dividend distribution	-	(4,480.53)	-	-	(4,480.53)	(0.11)	(4,480.64)
Share capital increase <sup>2</sup>	566.76	-	(120.66)	-	446.10	-	446.10
Reclassification of cash flow hedges to balance sheet	-	-	70.94	-	70.94	-	70.94
Change in non-controlling interests and other changes <sup>3</sup>	-	(43.15)	43.56	-	0.41	6.18	6.59
<b>December 31, 2022</b>	<b>6,231.17</b>	<b>34,168.97</b>	<b>102.47</b>	<b>(0.02)</b>	<b>40,502.59</b>	<b>5.81</b>	<b>40,508.40</b>

<sup>1</sup> Other reserves contain mainly currency translation differences, reserves from business combinations in stages and unrealized gains and losses from hedges.

<sup>2</sup> 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.

<sup>3</sup> Other changes through "Revenue reserves" in amount of RON (43.15) mn include RON (37.29) mn representing increase of value of land plots subject to the land share capital increase carried out during 2022, as per independent valuation report, and RON (5.86) mn representing directly attributable transaction costs associated with the share capital increase carried out during 2022.

Other changes through "Other reserves" in amount of RON 43.56 mn include RON 37.29 mn representing increase of value of land plots subject to the land share capital increase carried out during 2022, as per independent valuation report, and RON 6.27 mn land for which ownership was obtained from the Romanian State during the year and that was subject to the land share capital increase carried out during 2022.

## Preliminary condensed consolidated statement of cash flows (unaudited)

Q4/23	Q3/23	Q4/22	in RON mn	2023	2022
<b>1,629.71</b>	<b>1,965.73</b>	<b>1,208.94</b>	<b>Profit before tax</b>	<b>5,087.84</b>	<b>12,055.85</b>
(396.68)	(365.73)	521.33	Net change in provisions	(871.92)	932.02
(12.04)	(6.22)	(8.63)	Net (gains)/losses on the disposal of subsidiaries, businesses and non-current assets	(20.66)	(22.83)
911.25	866.10	2,711.36	Depreciation, amortization and impairments including write-ups	3,257.98	5,120.09
420.95	500.44	(1,280.93)	Other non-monetary adjustments	1,176.19	(2,084.90)
118.06	180.90	261.33	Net interest received	794.94	778.79
(361.21)	(91.54)	(747.50)	Tax on profit paid	(1,225.91)	(1,898.38)
<b>2,310.04</b>	<b>3,049.68</b>	<b>2,665.90</b>	<b>Cash generated from operating activities before working capital movements</b>	<b>8,198.46</b>	<b>14,880.64</b>
406.32	(40.80)	185.52	(Increase)/decrease in inventories	669.06	(1,555.19)
(527.34)	54.12	(699.21)	(Increase)/decrease in receivables and other assets	2,029.75	(3,034.06)
(157.99)	(52.40)	(389.95)	Increase/(decrease) in liabilities	(783.37)	1,045.22
<b>2,031.03</b>	<b>3,010.60</b>	<b>1,762.26</b>	<b>Cash flow from operating activities</b>	<b>10,113.90</b>	<b>11,336.61</b>
			<b>Investments</b>		
(1,217.08)	(1,263.09)	(980.52)	Intangible assets and property, plant and equipment	(4,624.18)	(3,208.43)
(194.66)	(491.63)	—	Investments and other financial assets	(1,500.17)	(45.39)
(23.54)	—	—	Acquisition of subsidiaries and businesses, net of cash acquired	(23.54)	—
			<b>Disposals</b>		
299.86	95.86	63.90	Cash inflows in relation to non-current assets and financial assets	403.83	148.61
2.96	2.96	0.99	Cash inflows from the sale of subsidiaries and businesses, net of cash disposed	14.36	0.99
<b>(1,132.46)</b>	<b>(1,655.90)</b>	<b>(915.63)</b>	<b>Cash flow from investing activities</b>	<b>(5,729.70)</b>	<b>(3,104.22)</b>
—	—	446.10	Increase in share capital	—	446.10
(45.72)	(111.33)	(54.10)	Net increase/(decrease) in borrowings	(198.58)	(308.30)
(2,781.62)	(2.94)	(0.70)	Dividends paid	(5,101.54)	(4,438.22)
<b>(2,827.34)</b>	<b>(114.27)</b>	<b>391.30</b>	<b>Cash flow from financing activities</b>	<b>(5,300.12)</b>	<b>(4,300.42)</b>
(3.00)	2.31	(6.58)	Effect of exchange rate changes on cash and cash equivalents	(1.54)	1.51
<b>(1,931.77)</b>	<b>1,242.74</b>	<b>1,231.35</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(917.46)</b>	<b>3,933.48</b>
15,270.44	14,027.70	13,024.78	Cash and cash equivalents at beginning of period	14,256.13	10,322.65
<b>13,338.67</b>	<b>15,270.44</b>	<b>14,256.13</b>	<b>Cash and cash equivalents at end of period</b>	<b>13,338.67</b>	<b>14,256.13</b>
<b>898.57</b>	<b>1,354.70</b>	<b>846.63</b>	<b>Free cash flow</b>	<b>4,384.20</b>	<b>8,232.39</b>
<b>(1,883.05)</b>	<b>1,351.76</b>	<b>845.93</b>	<b>Free cash flow after dividends</b>	<b>(717.34)</b>	<b>3,794.17</b>



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

### Legal principles

The unaudited preliminary condensed consolidated financial statements for 2023 have been prepared in line with the accounting policies that will be used in preparing the 2023 annual consolidated financial statements. The final audited annual consolidated financial statements will be published in March 2024.

The preliminary 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 preliminary condensed consolidated financial statements for 2023 included in this report are unaudited and an external review by an auditor was not performed.

The preliminary condensed consolidated financial statements for 2023 have been prepared in million RON (RON mn, RON 1,000,000). Accordingly there may be rounding differences.

In addition to the preliminary condensed consolidated financial statements, further information on main items affecting the preliminary condensed consolidated financial statements as of December 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, except for the change stated below. The IFRS amendments effective since January 1, 2023, did not have a material effect on the preliminary condensed consolidated financial statements.

OMV Petrom voluntarily changed its accounting policy for the presentation of purchased emission certificates and provisions for CO<sub>2</sub> emissions in the balance sheet. Whereas the assets related to purchased emission certificates were netted with the provisions for CO<sub>2</sub> emissions in the past, OMV Petrom presents these items gross in the balance sheet from December 31, 2023 onward. The reason for the change is to improve the transparency of these balance sheet items. The balance sheet as of December 31, 2022, has been retrospectively adjusted to reflect this change. Current assets and current liabilities as of December 31, 2022, increased by RON 984 mn in comparison to the figures published in 2022.

### Changes in the consolidated Group structure

Compared with the annual consolidated financial statements as of December 31, 2022, the consolidated Group structure changed as follows:

On May 31, 2023, OMV Petrom S.A. sold 50% shares in OMV Petrom Biofuels S.R.L. to OMV Downstream GmbH, thus OMV Petrom S.A. retained 25% ownership and OMV Downstream GmbH reached 75% ownership. The company was deconsolidated in the Group financial statements and accounted for using the equity method starting with June 2023.

The detailed structure of the consolidated companies in OMV Petrom Group at December 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.

Q4/23	Q3/23	Q4/22	Δ% <sup>1</sup>	NBR FX rates	2023	2022	Δ%
4.970	4.949	4.921	1	Average EUR/RON	4.946	4.931	0
4.626	4.548	4.832	(4)	Average USD/RON	4.576	4.692	(2)
4.975	4.975	4.947	1	Closing EUR/RON	4.975	4.947	1
4.496	4.686	4.635	(3)	Closing USD/RON	4.496	4.635	(3)

<sup>1</sup> Q4/23 vs. Q4/22

## Notes to the income statement

### Sales revenues

in RON mn	2023	2022
Revenues from contracts with customers	38,161.65	51,875.32
Revenues from other sources	646.26	9,469.12
<b>Total sales revenues</b>	<b>38,807.91</b>	<b>61,344.44</b>

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					2023
	Exploration and Production	Refining and Marketing	Gas and Power	Corporate and Other	Total
Crude oil and NGL	-	369.54	-	-	369.54
Natural gas, LNG and power	13.92	15.15	11,222.54	4.34	11,255.95
Fuels and heating oil	-	22,230.47	-	-	22,230.47
Other goods and services	35.86	4,226.77	21.65	21.41	4,305.69
<b>Total</b>	<b>49.78</b>	<b>26,841.93</b>	<b>11,244.19</b>	<b>25.75</b>	<b>38,161.65</b>

in RON mn					2022
	Exploration and Production	Refining and Marketing	Gas and Power	Corporate and Other	Total
Crude oil and NGL	-	300.09	-	-	300.09
Natural gas, LNG and power	10.98	14.56	20,460.01	3.35	20,488.90
Fuels and heating oil	-	26,198.33	-	-	26,198.33
Other goods and services	39.88	4,818.48	10.84	18.80	4,888.00
<b>Total</b>	<b>50.86</b>	<b>31,331.46</b>	<b>20,470.85</b>	<b>22.15</b>	<b>51,875.32</b>

## Solidarity contribution on refined crude oil

On May 12, 2023, the Law no. 119/2023 for the approval of the Government Emergency Ordinance 186/2022 for the implementation of the Council Regulation (EU) 2022/1854 regarding the solidarity contribution was published in the Official Gazette. For companies that produce and refine crude oil, the law introduces the obligation to pay a contribution of RON 350 for each tonne of crude oil processed for 2022 and 2023. Therefore, OMV Petrom reflected in 2023 the Solidarity contribution on refined crude oil in amount of RON 2,729 mn, out of which RON 1,485 mn for 2022 and RON 1,244 mn for 2023, presented as a separate line in the preliminary condensed consolidated income statement, above Taxes on income line.

## Income tax

Q4/23	Q3/23	Q4/22	in RON mn	2023	2022
147.55	361.89	64.47	Taxes on income - expense/(revenue)	1,057.76	1,755.78
166.20	408.07	523.98	Current taxes	967.54	2,257.05
(18.65)	(46.18)	(459.51)	Deferred taxes	90.22	(501.27)
9%	18%	5%	Group effective tax rate	21%	15%

## Notes to the statement of financial position

### Commitments

As at December 31, 2023, OMV Petrom Group's commitments for acquisitions of fixed assets amounted to RON 6,812 mn (December 31, 2022: RON 1,961 mn), mainly in the Exploration and Production segment, largely in relation to Neptun Deep project, and in the Refining and Marketing segment.

## Inventories

During the year ended December 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 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).

At the Ordinary General Meeting of Shareholders (OGMS) held on September 12, 2023, the shareholders of OMV Petrom S.A. approved the distribution of special dividends for the gross amount of RON 2,804 mn (gross special dividend per share of RON 0.0450).

Total dividends paid in 2023 amounted to RON 5,102 mn.

The total number of own shares held by the Company as of December 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.

	December 31, 2023				December 31, 2022			
Fair value hierarchy of financial assets (in RON mn)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trade receivables	-	-	-	-	-	9.04	-	9.04
Derivatives designated and effective as hedging instruments	-	6.31	-	6.31	-	-	-	-
Other derivatives	-	279.16	-	279.16	-	1,502.05	-	1,502.05
<b>Total</b>	<b>-</b>	<b>285.47</b>	<b>-</b>	<b>285.47</b>	<b>-</b>	<b>1,511.09</b>	<b>-</b>	<b>1,511.09</b>

	December 31, 2023				December 31, 2022			
Fair value hierarchy of financial liabilities (in RON mn)	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	-	(163.03)	-	(163.03)	-	(650.89)	-	(650.89)
<b>Total</b>	<b>-</b>	<b>(163.03)</b>	<b>-</b>	<b>(163.03)</b>	<b>-</b>	<b>(652.09)</b>	<b>-</b>	<b>(652.09)</b>

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 financial assets and financial liabilities valued at amortized cost approximates their fair value.

## Segment reporting

### Intersegmental sales

Q4/23	Q3/23	Q4/22	Δ% <sup>1</sup> in RON mn	2023	2022	Δ%
2,895.84	3,184.80	3,511.52	(18) Exploration and Production	12,328.44	16,212.26	(24)
16.60	14.53	20.86	(20) Refining and Marketing	60.95	84.71	(28)
96.74	62.03	82.04	18 Gas and Power	348.59	438.37	(20)
57.96	47.44	43.07	35 Corporate and Other	189.53	175.01	8
<b>3,067.14</b>	<b>3,308.80</b>	<b>3,657.49</b>	<b>(16) Total</b>	<b>12,927.51</b>	<b>16,910.35</b>	<b>(24)</b>

<sup>1</sup> Q4/23 vs. Q4/22

### Sales to third parties

Q4/23	Q3/23	Q4/22	Δ% <sup>1</sup> in RON mn	2023	2022	Δ%
16.29	12.22	14.89	9 Exploration and Production	57.06	58.01	(2)
7,320.65	7,687.35	8,004.59	(9) Refining and Marketing	26,877.70	31,281.79	(14)
2,933.77	2,953.24	9,068.61	(68) Gas and Power	11,833.52	29,968.57	(61)
11.42	9.07	8.39	36 Corporate and Other	39.63	36.07	10
<b>10,282.13</b>	<b>10,661.88</b>	<b>17,096.48</b>	<b>(40) Total</b>	<b>38,807.91</b>	<b>61,344.44</b>	<b>(37)</b>

<sup>1</sup> Q4/23 vs. Q4/22

### Total sales (not consolidated)

Q4/23	Q3/23	Q4/22	Δ% <sup>1</sup> in RON mn	2023	2022	Δ%
2,912.13	3,197.02	3,526.41	(17) Exploration and Production	12,385.50	16,270.27	(24)
7,337.25	7,701.88	8,025.45	(9) Refining and Marketing	26,938.65	31,366.50	(14)
3,030.51	3,015.27	9,150.65	(67) Gas and Power	12,182.11	30,406.94	(60)
69.38	56.51	51.46	35 Corporate and Other	229.16	211.08	9
<b>13,349.27</b>	<b>13,970.68</b>	<b>20,753.97</b>	<b>(36) Total</b>	<b>51,735.42</b>	<b>78,254.79</b>	<b>(34)</b>

<sup>1</sup> Q4/23 vs. Q4/22

### Segment and Group profit

Q4/23	Q3/23	Q4/22	Δ% <sup>1</sup> in RON mn	2023	2022	Δ%
906.89	1,127.81	(736.14)	n.m. Operating Result Exploration and Production	4,170.22	3,611.70	15
635.45	1,064.30	733.62	(13) Operating Result Refining and Marketing	2,318.04	4,076.03	(43)
354.22	275.79	1,170.32	(70) Operating Result Gas and Power	1,474.07	4,661.92	(68)
(73.92)	(29.15)	(117.50)	37 Operating Result Corporate and Other	(160.77)	(250.37)	36
<b>1,822.64</b>	<b>2,438.75</b>	<b>1,050.30</b>	<b>74 Operating Result segment total</b>	<b>7,801.56</b>	<b>12,099.28</b>	<b>(36)</b>
138.06	(21.65)	68.43	102 Consolidation	(247.67)	(60.53)	(309)
<b>1,960.70</b>	<b>2,417.10</b>	<b>1,118.73</b>	<b>75 OMV Petrom Group Operating Result</b>	<b>7,553.89</b>	<b>12,038.75</b>	<b>(37)</b>
<b>43.71</b>	<b>(79.45)</b>	<b>90.21</b>	<b>(52) Net financial result</b>	<b>263.19</b>	<b>17.10</b>	<b>n.m.</b>
<b>2,004.41</b>	<b>2,337.65</b>	<b>1,208.94</b>	<b>66 OMV Petrom Group Profit before tax prior to solidarity contribution</b>	<b>7,817.08</b>	<b>12,055.85</b>	<b>(35)</b>

<sup>1</sup> Q4/23 vs. Q4/22

## Assets<sup>1</sup>

in RON mn	December 31, 2023	December 31, 2022
Exploration and Production	21,916.77	20,189.90
Refining and Marketing	7,102.72	5,854.07
Gas and Power	1,270.37	1,317.28
Corporate and Other	465.08	405.49
<b>Total</b>	<b>30,754.94</b>	<b>27,766.74</b>

<sup>1</sup> 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.

### Other significant events

In Q2/23 OMV Petrom took the final investment decision for the Neptun Deep project and consequently, the related oil and gas assets in amount of approximately RON 2.4 bn were reclassified from intangible assets into property, plant and equipment. In Q3/23, the development plan approved by OMV Petrom and Romgaz was endorsed by the National Agency for Mineral Resources. Also, in the second half of the year, the Neptun Deep project made important progress with the award of significant execution contracts, including the main contract for infrastructure development (estimated amount of approximately EUR 1.6 bn) and contracts for drilling rig and integrated drilling services.

In July 2023, the financing contracts to construct four photovoltaic parks with a cumulated capacity of ~450 MW have been signed by the Ministry of Energy, as contracting authority, and by the four legal entities, beneficiaries of this financing and responsible for implementing the projects. The total investments needed for the development of the four photovoltaic parks amount to more than EUR 400 mn, 70% being financed through the Modernization Fund. OMV Petrom S.A. and Complexul Energetic Oltenia S.A. are equal partners in these entities, each with a participation of 50%.



## Declaration of the management

We confirm to the best of our knowledge that the unaudited preliminary condensed consolidated financial statements with selected notes for the year ended December 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 financial year 2023 and their impact on the preliminary condensed consolidated financial statements, as well as a description of the principal risks and uncertainties.

**Bucharest, February 1, 2024**

### **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 December 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. <sup>1</sup>	100.00%
OMV Petrom E&P Bulgaria S.R.L. <sup>2</sup>	100.00%	Petrom Moldova S.R.L. (Moldova)	100.00%
		OMV Bulgaria OOD (Bulgaria)	99.90%
		OMV Srbija DOO (Serbia)	99.96%
Corporate and Other			
		Petromed Solutions S.R.L.	100.00%

<sup>1</sup> (one) equity interest owned through OMV Petrom Marketing S.R.L.

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

#### Incorporated Joint operations<sup>3</sup>

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%

<sup>3</sup> 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 companies, accounted for at equity

Refining and Marketing	
OMV Petrom Biofuels S.R.L. <sup>4</sup>	25.00%
Corporate and Other	
OMV Petrom Global Solutions S.R.L.	25.00%

<sup>4</sup> In Q2/23 OMV Petrom S.A. sold 50% shares in OMV Petrom Biofuels S.R.L. to OMV Downstream GmbH, therefore OMV Petrom Biofuels S.R.L. became an associate for OMV Petrom S.A.

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

## Appendix 2

### Significant transactions with related parties

During the the financial year 2023, OMV Petrom Group had the following significant transactions with related parties and balances as of December 31, 2023:

Related party (in RON mn)	Purchases	Balances payable
	2023	December 31, 2023
OMV Downstream GmbH	899.01	82.58
OMV Gas Marketing & Trading GmbH	854.33	7.96
OMV Petrom Global Solutions S.R.L.	684.12	119.31
OMV Supply & Trading Limited	414.51	10.83
OMV - International Services Ges.m.b.H.	19.40	86.88

Related party (in RON mn)	Revenues	Balances receivable
	2023	December 31, 2023
OMV Deutschland Marketing & Trading GmbH & Co. KG	203.70	37.74
OMV Downstream GmbH	185.03	31.01
OMV Gas Marketing & Trading GmbH	133.73	22.29
OMV - International Services Ges.m.b.H.	0.03	33.28

During 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
	2022	December 31, 2022
OMV Gas Marketing & Trading GmbH	1,375.69	6.97
OMV Supply & Trading Limited	922.95	3.26
OMV Petrom Global Solutions S.R.L.	641.98	145.62
OMV Downstream GmbH	252.45	71.87
OMV - International Services Ges.m.b.H.	9.00	104.14

Related party (in RON mn)	Revenues	Balances receivable
	2022	December 31, 2022
OMV Gas Marketing & Trading GmbH	1,265.08	38.97
OMV Downstream GmbH	594.21	5.71
OMV Hungária Ásványolaj Kft.	253.03	-
OMV Deutschland Marketing & Trading GmbH & Co. KG	252.82	37.23
OMV - International Services Ges.m.b.H.	0.02	31.48

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

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