

**Dated 15.04.2022**

## **Valuation Report – Executive Summary**

*Regarding the update of the value of land plots for which OMV PETROM S.A. holds Land Ownership Certificates, which are in the scope of the share capital increase (according to the legislation in force)*

**Client address:** 22 Coralilor St, Petrom City, 1st District, Bucharest, postal code 013329

**Client:** OMV PETROM S.A.

**Intended users:** OMV PETROM S.A.,  
Extraordinary General Meeting of Shareholders of OMV Petrom S.A. and OMV PETROM S.A shareholders,  
Trade Registry Office (ORC),  
Bucharest Stock Exchange (BSE),  
London Stock Exchange (LSE),  
Financial Supervisory Authority (FSA)  
Financial Conduct Authority (FCA) UK

## *Executive Summary – facts, significant special assumptions, analysis results and conclusions*

This Executive Summary represents the translation of the Romanian version of the Executive Summary of the Valuation Report no. 353/15.04.2022 prepared by independent expert valuator DARIAN DRS SA (the Valuator), registered with National Association of Romanian Authorized Valuers (ANEVAR) under no. 0027.

In accordance with the Specification Books no. WS514780777 issued by OMV Petrom S.A., with the Valuation Services Agreement no. 99008997/ 23.03.2021 and with the data recorded in the Valuator's database, the present valuation report (hereinafter referred to as the Valuation Report) is addressed exclusively to OMV PETROM S.A. (the Company), as a client, and the intended users specified on the cover page of this Executive Summary; the valuation was prepared with the purpose of updating the value of land plots for which the Company obtained Land Ownership Certificates, which are in the scope of the share capital increase.

This Valuation Report regarding the update of the value of land plots for which the Company holds Land Ownership Certificates (LOC) which are not included in the share capital, was drafted in accordance with the normative acts in force:

- Government Decision (GD) no. 834/1991 for the settlement/ determination and valuation of land plots held by state-owned companies, with all subsequent amendments and additions;
- Criteria no. 2665/1C/311 from 1992 for the settlement/ determination and valuation of land plots held by state-owned companies;
- Law no. 555/2004 regarding certain measures for the privatization of National Oil Company ("SNP") „Petro” - S.A. Bucharest;
- Law no. 137/2002 regarding certain measures for the acceleration of the privatization;
- Government Decision (GD) no. 577/2002 regarding the approval of the Methodological Norms for the application of Government Emergency Ordinance no. 88/1997, regarding the privatization of trade/commercial companies, with all subsequent amendments and additions, and of Law no. 137/2002, regarding certain measures for the acceleration of the privatization, with all subsequent amendments and additions;
- Government Emergency Ordinance (GEO) no. 88 from 23rd of December 1997 regarding the privatization of trade/commercial companies;
- Law no. 31/1990 – the companies law, with all subsequent amendments and additions;
- Law 24/2017 regarding the issuers of financial instruments and market operations;
- Government Ordinance (GO) no. 24/2011 regarding certain measures in the assets valuation field, with all subsequent amendments and additions;
- Law no. 99/2013, for approving Government Ordinance no. 24/2011 regarding certain measures in the assets valuation field;
- Regulation on the organization and functioning of the National Association of Romanian Authorized Valuers (ANEVAR) – approved by Government Decision (GD) no. 353/2012;
- Ethical code of the profession of authorized valuator;
- Assets Valuation Standards, 2022 edition.

Considering the special legislation which serves as basis for updating the land values and subsequent operations, the approaches, techniques and estimates overrule the framework set by the Assets Valuation Standards, regarding land plots valuation. The Assets Valuation Standards, 2022 edition, SEV 100 – General Framework, paragraph 60 – *Standard deviations* mention: „60.2 - The requirement to deviate from SEV pursuant to legislative, regulatory or other authorities' requirements adequate to the purpose and the jurisdiction of the valuation, shall prevail over all other SEV requirements.”. Consequently, in the interpretation of the Valuator, it was necessary to deviate from the Valuation Standards, by updating the value of land plots with the inflation rate, according to GD 834/1991.

The responsibility of the Valuator is only to the intended users and cannot be extended to any other third party.

We present below the status of LOCs, with the changes that occurred during the valuation process.

### **Initial LOCs status**

The present valuation refers to the LOCs not included in the share capital, mentioned in the Appendix of the Specification Books no. WS514780777, issued by OMV Petrom SA, and subsequent additions. We state the fact that each LOC refers to one or more land plots. We present below the summary of LOCs that are in the scope of the valuation:

County	Number of LOCs	Number of plots	LOCs Surface	LOCs Value
Arad	282	282	54.47 ha	2,244,174.00 lei
Arges	87	727	126.88 ha	4,636,441.33 lei
Bacau	89	1,420	278.51 ha	6,171,840.72 lei
Bihor	22	67	13.02 ha	394,896.14 lei
Braila	4	20	2.26 ha	60,783.00 lei
Buzau	461	461	94.00 ha	12,623,471.52 lei
Constanta	1	1	6.05 ha	6,282,655.00 lei
Dambovita	74	1,467	277.63 ha	8,194,037.43 lei
Dolj	14	20	13.20 ha	10,387,766.62 lei
Galati	3	8	0.76 ha	27,397.00 lei
Giurgiu	104	530	80.89 ha	5,494,728.77 lei
Gorj	301	302	79.83 ha	5,375,860.59 lei
Ialomita	9	9	3.35 ha	288,710.00 lei
Ilfov	16	16	2.04 ha	1,810,893.00 lei
Neamt	13	117	24.82 ha	449,341.75 lei
Olt	4	199	65.22 ha	1,469,095.43 lei
Prahova	380	440	77.01 ha	13,468,872.81 lei
Salaj	1	1	0.03 ha	800.00 lei
Satu Mare	8	64	11.19 ha	297,598.59 lei
Teleorman	68	963	159.32 ha	3,662,028.99 lei
Timis	2	60	11.34 ha	99,510.15 lei
Valcea	1	1	0.04 ha	696.43 lei
<b>TOTAL</b>	<b>1,944</b>	<b>7,175</b>	<b>1,381.85 ha</b>	<b>83,441,599.27 lei</b>

### ***Changes in LOCs surfaces and values***

During the valuation process (up to the report issuance date), the Valuator received information and indications regarding different situations that led to the reduction of certain land plots surfaces, relevant for the share capital increase.

- a. Surfaces reduced following final decisions issued by Courts of law, from LOCs not included in the share capital.

According to the documents submitted by the client's representatives, it results that a number of 8 (eight) land plots from 7 (seven) LOCs, were affected by final Court decisions.

A status of the above mentioned plots is presented below:

Claimant property right	LOC number	County	Objective name	Surface reduced from LOC through Court decision	LOC value	Value reduced from LOC
Government Decision 1350/27.12.2001	M03 10162	Dambovit	Drum petrolier Aninoasa	1,304.00 sqm	2,234.30 lei	2,233.67 lei
Land overlapping. Property right in Land Book on 29.01.2011	M03 10167	Dambovit	Cantina Valea Mare	4,085.00 sqm	16,500.84 lei	12,020.93 lei
Court Decision 4928/ 06.12.2007	M03 10472	Dambovit	602 MP Bucsani	570.00 sqm	2,860.68 lei	951.33 lei
Expropriation in 1959	M03 10492	Bacau	4010 Zemes	2,000.00 sqm	12,210.49 lei	3,689.39 lei
Abusively used since 1950 by Intreprinderile de Foraj si Extractie de Petrol	M03 10559	Gorj	Statie Apa Pesteana si statie Transformare	508.00 sqm	16,867.98 lei	1,383.35 lei
Donation contract 1466/1998	M03 10994	Arges	1197 Glavacioc Nord	762.00 sqm	5,042.56 lei	3,197.15 lei
Rent contract 8129/ 29.10.2008	M03 10994	Arges	2001 Stefan Cel Mare	1,187.80 sqm	4,983.69 lei	4,983.69 lei
Land deed no. 16385/50 from 09.12.1998	M03 12010	Buzau	Magazie	670.00 sqm	9,148.88 lei	9,148.88 lei
<b>Total</b>				<b>11,086.80 sqm</b>	<b>69,849.42 lei</b>	<b>37,608.39 lei</b>

- b. Surfaces of land for which two LOCs were obtained (two documents for the same plot of land), from LOCs not included in the share capital

Following the elaboration of the *Expertise report regarding the verification/clarification/acknowledgement of the overlapping land plots of some objectives in two Land Ownership Certificates – obtained by OMV Petrom SA*, issued by Gauss S.R.L., a company specialised in topography, geodesy, cadaster and GIS, a number of 12 (twelve) cases in which land plots are overlapping was identified. A detailed situation is presented below:

Current no.	Objective name	County	LOC number	LOC issuing date	LOC surface for the objective	LOC value for the objective
1.1	346 Tazlau	Bacau	M03 10730	21-06-2007	1,080.28 sqm	1,992.78 lei
1.2	346 Tazlau	Bacau	M03 10494	01-11-2006	1,080.28 sqm	1,992.38 lei
2.1	4021 Zemes Bis	Bacau	M03 10492	01-11-2006	800.00 sqm	1,475.76 lei
2.2	4021 Zemes Bis	Bacau	M03 10732	21-06-2007	800.00 sqm	1,475.76 lei
3.1	429 Cilioaia Est	Bacau	M03 10494	01-11-2006	1,192.00 sqm	2,199.00 lei
3.2	429 Cilioaia Est	Bacau	M03 10730	21-06-2007	1,192.00 sqm	2,198.88 lei
4.1	731 Tazlau	Bacau	M03 10730	21-06-2007	2,200.02 sqm	4,058.37 lei
4.2	731 Tazlau	Bacau	M03 10494	01-11-2006	2,200.02 sqm	4,058.60 lei
5.1	85 Zemes	Bacau	M03 10492	01-11-2006	3,930.63 sqm	7,250.81 lei
5.2	85 Zemes	Bacau	M03 10493	01-11-2006	3,930.63 sqm	7,250.81 lei
6.1	934 Tazlau	Bacau	M03 10494	01-11-2006	1,741.00 sqm	3,211.80 lei
6.2	934 Tazlau	Bacau	M03 10730	21-06-2007	1,741.00 sqm	3,211.62 lei
7.1	940 Tazlau	Bacau	M03 10730	21-06-2007	792.00 sqm	1,461.00 lei
7.2	940 Tazlau	Bacau	M03 10494	01-11-2006	792.00 sqm	1,461.08 lei
8.1	941 Tazlau	Bacau	M03 10494	01-11-2006	1,032.00 sqm	1,903.83 lei
8.2	941 Tazlau	Bacau	M03 10730	21-06-2007	1,032.00 sqm	1,903.73 lei
9.1	942 Tazlau	Bacau	M03 10494	01-11-2006	900.00 sqm	1,660.32 lei
9.2	942 Tazlau	Bacau	M03 10730	21-06-2007	900.00 sqm	1,660.23 lei
10.1	958 Tazlau	Bacau	M03 10494	01-11-2006	1,060.00 sqm	1,955.49 lei
10.2	958 Tazlau	Bacau	M03 10730	21-06-2007	1,060.00 sqm	1,955.38 lei
11.1	441 Cilioaia Est	Bacau	M03 10493	01-11-2006	800.00 sqm	1,475.76 lei
11.2	441 Cilioaia Est	Bacau	M03 10493	01-11-2006	800.00 sqm	1,475.76 lei
12.1	60 Zemes, 4127 Zemes	Bacau	M03 10494	01-11-2006	308.57 sqm	569.25 lei
12.2	4127 Zemes	Bacau	M03 10732	21-06-2007	154.29 sqm	284.61 lei
12.3	60 Zemes	Bacau	M03 10732	21-06-2007	154.29 sqm	284.61 lei

Considering the situation presented in the report issued by Gauss S.R.L., we carried out an additional verification of the cases in which the same objective name was mentioned for different land plots. As a result of this verification, we have identified an additional case of overlapping land plots, respectively the surface related to the objective „Well 1245 Tazlau” which is included both in a plot under LOC M03 10494, as well as in a plot under LOC M03 10730.

### **Final status of LOCs surfaces and values**

Thus, considering the information stated above, we can conclude that a number of 1,943 LOCs are in the scope of the valuation, which total 1,379.05 ha and a LOCs recorded value of 83,372,840.50 lei.

Details	LOCs Surface	LOCs value	Number of LOCs	Number of plots
<b>LOCs according to Appendix 1 to the Scope of Work and subsequent additions</b>	<b>1,381.85 ha</b>	<b>83,441,599.27 lei</b>	<b>1,944</b>	<b>7,175</b>
Eliminated due to several reasons:				
Doubled/overlapped plots of land, part of the LOCs	-1.58 ha	-29,213.45 lei	0	-13
Reduced plots of land through Court decisions	-1.11 ha	-37,608.39 lei	-1	-2
<b>Subtotal</b>	<b>1,379.15 ha</b>	<b>83,374,777.43 lei</b>	<b>1,943</b>	<b>7,160</b>
Doubled/overlapped plots of land, part of the LOCs, additionally identified	-0.11 ha	-1,936.93 lei	0	-1
<b>Total</b>	<b>1,379.05 ha</b>	<b>83,372,840.50 lei</b>	<b>1,943</b>	<b>7,159</b>

*\*Doubled or reduced plots are part of a LOC with multiple plots, which has not led to eliminating in full a LOC, but only to reducing the respective LOC's surface and value. An exception is LOC M03 12010, which had its surface fully reduced by a final Court decision.*

Detailed information regarding the valuated assets can be found in the Valuation report, which is available only in Romanian language.

According to the Valuation Services Agreement concluded between OMV Petrom S.A. and Darian DRS S.A., the latter will provide the „value of land” in the scope of the share capital increase, according to the legislation in force and the applicable professional standards.

Considering the scope of the present valuation, correlated with the provisions of the legislation in force, regarding the share capital increase by in kind contribution of the Romanian State to the share capital of OMV Petrom S.A., in exchange for which new shares will be rightfully issued in its favor, the adequate value type is „updated value of land”.

*We state the fact that, in the present valuation, the Assets Valuation Standards, 2022 edition, are applicable to the valuation’s terms of reference and to the valuation report structure. The methodology used for establishing the “updated value of land” is in accordance with the specific legislation in force, methodology that is not to be found in the above-mentioned standards.*

#### Regarding the reference points of the valuation:

According to the Specification Books for “Services for establishing the value of land plots for which the company obtained land ownership Certificates, which are in the scope of the share capital increase, and specialized assistance for performing the share capital increase”, issued by OMV Petrom, with the reference number WS514780777, compliance with provisions of the following normative acts is required:

- Government Decision (GD) no. 834/1991 for the settlement/ determination and valuation of land plots held by state-owned companies, with all subsequent amendments and additions;
- Criteria no. 2665/1C/311 from 1992 for the settlement/ determination and valuation of land plots held by state-owned companies;
- Law no. 555/2004 regarding certain measures for the privatization of National Oil Company (“SNP”) „Petro” - S.A. Bucharest;
- Law no. 137/2002 regarding certain measures for the acceleration of the privatization;
- Government Decision (GD) no. 577/2002 regarding the approval of the Methodological Norms for the application of Government Emergency Ordinance no. 88/1997, regarding the privatization of trade/commercial companies, with all subsequent amendments and additions, and of Law no. 137/2002, regarding certain measures for the acceleration of the privatization, with all subsequent amendments and additions;
- Government Emergency Ordinance (GEO) no. 88 from 23rd of December 1997 regarding the privatization of trade/commercial companies;
- Law no. 31/1990 – the companies law, with all subsequent amendments and completions;
- Law 24/2017 regarding the issuers of financial instruments and market operations;
- Government Ordinance (GO) no. 24/2011 regarding certain measures in the assets valuation field, with all subsequent amendments and additions;
- Law no. 99/2013, for approving Government Ordinance no. 24/2011 regarding regarding certain measures in the assets valuation field;
- Regulation on the organization and functioning of the National Association of Romanian Authorized Valuator – as set out by Government Decision (GD) no. 353/2012;
- Ethical code of the profession of authorized valuator;

Also, it was requested to ensure compliance with national and international valuation Standards and guides, as well as with any other rule and/or regulation applicable to the services and activities performed for fulfilling them, as they are stipulated in the applicable legislation.

Considering the special legislation which serves as basis for updating the land values, the subsequent operations, the approaches, techniques and estimates overrule the framework set by the Assets Valuation Standards; in the Assets Valuation Standards, 2022 edition, SEV 100 – General Framework, paragraph 60 – *Standard deviations* mentions: „60.2 - The requirement to depart from SEV pursuant to legislative, regulatory or other authorities’ requirements adequate to the purpose and the jurisdiction of the valuation, shall prevail over all other SEV requirements.”.

The scope of updating the value of land plots for which the Company owns LOCs, is to determine the number of shares to be rightfully issued in favor of the Romanian State, in exchange for land plots that will be considered contribution in kind of the Romanian State, when increasing the share capital of the Company.

Considering the normative acts mentioned above, we reach the following conclusions:

- **For both land plots with LOCs issued after February 2008 and those with LOCs issued before February 2008, the values mentioned in the LOCs’ appendices will be updated with the inflation index and the update will start from the LOC’s issuance date.**
- The valuation was made according to the normative acts in force, which stipulate that the valuation of land shall be performed by authorised valuers.
- The structure of the Valuation Report and the terms of reference (included in the Valuation Report available in Romanian language) of the valuation are in accordance with the Assets Valuation Standards, 2022 edition.
- The value of land plots, updated with the inflation index until the valuation date, shall be included, according to the law, in the patrimony of the companies, and their share capital shall be increased according to the provisions of article 113, letter f) and article 210 of Law 31/1990, republished, with all subsequent amendments and additions.

The valuation process was conducted and the report was elaborated according to the normative acts in force, corroborated with the Assets Valuation Standards, 2022 edition, issued by ANEVAR, which incorporate the International Valuation Standards (IVS), as well as other valuation standards and methodological guides in accordance with the aforementioned normative acts.

The approach applied for the real estate valuation was:

- Updating the values in the LOCs appendices with the inflation index starting from the LOC issuance date, for both land plots with LOC issued after February 2008 and for those with LOC issued before February 2008.

Based on the data, analysis, judgements and calculations presented in the Valuation Report, the Valuator considers that the updated value, according to the normative acts in force, at the date of 31.03.2022 is of:

**120,660,239.23 LEI**

The surface, number of LOCs and land plots, as well as the total updated value of land plots which are in the scope of the share capital increase, are presented as follows:



LOCs Surface in scope of share capital increase	LOCs value in scope of share capital increase	Number of LOCs in scope of share capital increase	Number of plots in scope of share capital increase	Updated value
1,379.05 ha	83,372,840.50 lei	1,943	7,159	120,660,239.23 lei

*\*The detailed breakdown of values for each LOC is presented in the appendix section of the Valuation Report available only in Romanian language*

The conversion of the updated value of the land plots related to the specified LOCs, in other international currencies, is of:

- **24,392,560.39 EUR** at an exchange rate of 4.9466 LEI / EUR at the valuation date of 31.03.2022 and
- **27,109,786.83 USD** at an exchange rate of 4.4508 LEI / USD at the valuation date of 31.03.2022

With regard to the values stated above, we mention the following:

- the values were updated according to the normative acts in force;
- the values do not include the value of equipments, buildings or special constructions existing on the land plots, identified during the survey inspection of a sample of land plots;
- the update index was based on publicly available information from the National Institute of Statistics;
- the values do not include ownership rights over buildings and constructions;
- the values were expressed exclusively according to the significant assumptions or special significant assumptions and assessments presented in the Valuation Report and are valid in the context of the general and specific conditions of the analyzed time period;
- the present report refers to LOCs that were not included in the share capital;
- the updated values are not market values, as per the Assets Valuation Standards, 2022 edition

DARIAN DRS SA

15.04.2022



*Traya*