Q4

Quarterly Report 2022

Picture: OMV Petrom's Gas Hub Hurezani

OMV Petrom S.A.

OMV Petrom
The energy for a better life.

Content

OMV Petrom Group results[i] for January – December and Q4 2022

including preliminary unaudited condensed consolidated financial statements

as of and for the period ended December 31, 2022

Highlights Q4/22[ii]

Group

- Clean CCS Operating Result at RON 2.1 bn, 38% higher, supported by the higher results in Exploration and Production as well as Refining and Marketing, partly counterbalanced by lower results in Gas and Power due to the increased regulation and overtaxation
- Clean CCS net income attributable to stockholders of the parent at RON 1.9 bn, up 60%
- Cash flow from operating activities at RON 1.8 bn, 13% lower
- CAPEX at RON 1.3 bn, up 27%
- Free cash flow after dividends at RON 0.8 bn, 32% lower
- Clean CCS ROACE at 38%, 25 pp higher
- TRIR: 0.21 (Q4/21: 0.60)[iii]
- Base dividend proposal for 2022: RON 0.0375/share[iv], up 10% yoy; a special dividend is also planned to be paid in 2023, with the exact value to be announced in mid-2023
- In 2022 direct taxes and industry specific contributions increased almost 4 times to a record high of RON 9.7 bn

Exploration and Production

- Clean Operating Result at RON 1,076 mn vs. RON 588 mn in Q4/21, mainly due to higher oil and gas prices and stronger USD
- Production decreased by 3.4%, mainly due to natural decline partly offset by the contribution of new wells and workovers
- Production cost increased by 5% to USD 13.4/boe, mainly driven by a one-off effect and lower production available for sale, partly offset by favorable FX

Refining and Marketing

- Clean CCS Operating Result at RON 861 mn, up 57%, mainly reflecting favorable refining margins
- OMV Petrom indicator refining margin[v] at USD 18.8/bbl, up 150% on higher product spreads, mainly for diesel, gasoline and jet
- Refinery utilization rate at 99%, compared to 101% in Q4/21
- Retail sales volumes 7% higher, still on lower margins, mainly due to the voluntary discount applied in Romania

Gas and Power

- Clean Operating Result at RON 132 mn vs. RON 444 mn in Q4/21; the good operational performance in both gas and power business lines was severly impacted by regulatory and fiscal extended scope
- Gas sales volumes up 1.9% driven by sales to customers under supply of last resort
- Brazi power plant output of 1.5 TWh, with a stable share of 11% in Romania's generation mix

Key events

- The declaration of commercial discovery regarding the Neptun Deep project was submitted to the National Agency for Mineral Resources; this represents an intermediate step towards the final investment decision, planned for mid-2023
- OMV Petrom took the final investment decision for a EUR 130 mn new unit of aromatic products at Petrobrazi refinery
- 275 MyAuchan stores in the upgraded Petrom branded filling stations at year end
- OMV Petrom successfully completed a 10% land share capital increase. Of the RON 567 mn total capital increase, RON 446 mn was cash subscription by shareholders, other than the Romanian state (96.1% subscription rate)

[i] 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.

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

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

[iv] Subject to approval by the Supervisory Board and the General Meeting of Shareholders.

[v] Starting Q2/22, the refining indicator margin reflects the change in crude oil reference price from Urals to Brent in OMV Petrom.

Directors' report (condensed, unaudited)

Financial highlights

Q4/22	Q3/22	Q4/21	Δ%[1]	in RON mn	2022	2021	Δ%
17,096	18,667	8,965	91	Sales revenues [2]	61,344	26,011	136
2,067	**4,230**	**1,500**	**38**	**Clean CCS Operating Result[3]**	**12,198**	**4,346**	**181**
1,076	1,362	588	83	Clean Operating Result Exploration and Production[3,4]	5,433	1,814	199
861	1,334	550	57	Clean CCS Operating Result Refining and Marketing [3]	4,019	2,041	97
132	1,267	444	(70)	Clean CCS Operating Result Gas and Power	2,942	781	277
(32)	(26)	(35)	7	Clean Operating Result Co&O[3]	(96)	(87)	(10)
30	294	(46)	n.m.	Consolidation	(99)	(203)	51
14	16	17	(17)	Clean CCS Group effective tax rate (%)	16	17	(4)
1,855	3,649	1,160	60	Clean CCS net income[3,7]	10,272	3,353	206
1,855	**3,649**	**1,160**	**60**	**Clean CCS net income attributable to stockholders of the parent[3,6,7]**	**10,273**	**3,353**	**206**
0.0300	0.0599	0.0190	58	Clean CCS EPS (RON)[3,6,7]	0.1679	0.0550	205
2,067	**4,230**	**1,500**	**38**	**Clean CCS Operating Result[3]**	**12,198**	**4,346**	**181**
(823)	1,115	(129)	n.m.	Special items[5]	(320)	(1,058)	70
(126)	(143)	122	n.m.	CCS effects: Inventory holding gains/(losses)	160	421	(62)
1,119	**5,203**	**1,493**	**(25)**	**Operating Result Group**	**12,039**	**3,709**	**225**
(736)	1,356	588	n.m.	Operating Result Exploration and Production[4]	3,612	1,660	118
734	1,045	760	(3)	Operating Result Refining and Marketing	4,076	2,663	53
1,170	2,570	212	452	Operating Result Gas and Power	4,662	(253)	n.m.
(118)	(63)	(20)	(481)	Operating Result Co&O	(250)	(99)	(154)
68	294	(46)	n.m.	Consolidation	(61)	(263)	77
90	100	(87)	n.m.	Net financial result	17	(311)	n.m.
1,209	**5,302**	**1,406**	**(14)**	**Profit before tax**	**12,056**	**3,398**	**255**
5	15	15	(66)	Group effective tax rate (%)	15	16	(7)
1,144	4,510	1,188	(4)	Net income	10,300	2,864	260
1,145	**4,510**	**1,188**	**(4)**	**Net income attributable to stockholders of the parent[6]**	**10,301**	**2,864**	**260**
0.0185	0.0740	0.0195	(5)	EPS (RON)[6]	0.1684	0.0470	258
—	—	—	—	Total dividend/share (RON)	0.0375 [8]	0.0791 [9]	n.a.
—	—	—	—	thereof base dividend/share (RON)	0.0375 [8]	0.0341	10
1,762	3,189	2,018	(13)	Cash flow from operating activities	11,337	6,997	62
846	(73)	1,239	(32)	Free cash flow after dividends	3,794	3,003	26
(13,463)	(12,261)	(9,391)	43	Net debt/(cash) including leases	(13,463)	(9,391)	43
(14,118)	(12,874)	(10,051)	40	Net debt/(cash) excluding leases	(14,118)	(10,051)	40
1,261	901	994	27	Capital expenditure	3,551	2,821	26
38.0	36.7	12.7	200	Clean CCS ROACE (%)[3,7]	38.0	12.7	200
38.1	39.7	10.8	254	ROACE (%)	38.1	10.8	254
7,742	7,768	7,973	(3)	OMV Petrom Group employees end of period	7,742	7,973	(3)
0.21	0.50	0.60	(65)	TRIR	0.38	0.53	(28)

[1] Q4/22 vs. Q4/21
[2] Sales revenues excluding petroleum excise tax;
[3] Adjusted for special items; Clean CCS (current cost of supply) figures exclude special items and inventory holding effects (CCS effects) resulting from Refining and Marketing; special items include temporary hedging effects (in order to mitigate Income Statement volatility);
[4] Excluding intersegmental profit elimination shown in the line "Consolidation";
[5] Special items, representing exceptional, non-recurring items, are added back or deducted from the Operating Result; for more details please refer to each specific segment;
[6] After deducting net result attributable to non-controlling interests; figures from previous periods have been adjusted retrospectively as per IFRS requirements following the share capital increase finalized in 2022;
[7] Excludes additional special income reflected in the financial result;
[8] 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 paid in 2023;

[9] Includes RON 0.0341/share base dividend for 2021 and RON 0.0450/share special dividend declared and paid in 2022.

Group performance

Fourth quarter 2022 (Q4/22) vs. Fourth quarter 2021 (Q4/21)

Consolidated sales revenues increased by 91% compared to Q4/21, mainly supported by higher commodity prices and sales volumes. Refining and Marketing segment represented 47% of total consolidated sales, Gas and Power segment accounted for 53%, while sales from Exploration and Production segment accounted only for 0.1% (sales in Exploration and Production being largely intra-group sales rather than third-party sales).

The **Clean CCS Operating Result** amounted to RON 2,067 mn in Q4/22, higher than RON 1,500 mn in Q4/21, due to increase in prices in Exploration and Production segment, significantly higher refining margins in the Refining and Marketing segment as well as strong margins on gas from third party transactions and higher power margins, partially offset by taxation in the Gas and Power segment. The Consolidation line had a positive contribution in Q4/22 of RON 30 mn compared to RON (46) mn in Q4/21, reflecting in both quarters mainly the quotations evolutions, with opposite trends. The **Clean CCS Group effective tax rate** was 14% (Q4/21: 17%). **Clean CCS net income attributable to stockholders of the parent** was RON 1,855 mn (Q4/21: RON 1,160 mn).

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. **Inventory holding losses** amounted to RON (126) mn in Q4/22, mainly as a result of the decrease in crude oil prices. In Q4/21, **special items** comprised net charges of RON (129) mn, driven by net temporary losses from power forward contracts in the Gas and Power segment, while **inventory holding gains** amounted to RON 122 mn, mainly as a result of the increase in crude oil prices.

Reported Operating Result for Q4/22 decreased to RON 1,119 mn, compared to RON 1,493 mn in Q4/21, impacted mainly by net impairments in Exploration and Production segment and increased industry specific taxation, which more than offset the positive evolution driven mostly by higher commodity prices.

Net financial result was a gain of RON 90 mn in Q4/22 compared to a loss of RON (87) mn in Q4/21, mainly due to higher interest income on bank deposits.

As a result, the **profit before tax** for Q4/22 was RON 1,209 mn, lower compared to RON 1,406 mn in Q4/21.

Income tax amounted to RON (64) mn, while the **effective tax rate** was 5% in Q4/22, mainly due to fiscal credits in Romania (Q4/21: 15%).

Net income attributable to stockholders of the parent was RON 1,145 mn (Q4/21: RON 1,188 mn).

Cash flow from operating activities decreased to RON 1,762 mn, compared to RON 2,018 mn in Q4/21, driven mainly by the adverse evolution of net working capital. **Free cash flow after dividends** resulted in a cash inflow of RON 846 mn (Q4/21: RON 1,239 mn).

Capital expenditure amounted to RON 1,261 mn in Q4/22, 27% higher than in Q4/21, of which RON 861 mn were directed to Exploration and Production (Q4/21: RON 552 mn). Refining and Marketing investments amounted to RON 359 mn (Q4/21: RON 434 mn), while Gas and Power investments amounted to RON 4 mn (Q4/21: RON 2 mn). Corporate and Other investments were RON 37 mn (Q4/21: RON 7 mn).

January to December 2022 (2022) vs. January to December 2021 (2021)

Consolidated sales revenues of RON 61,344 mn for 2022 increased by 136% compared to 2021, mainly supported by higher commodity prices and higher sales volumes of petroleum products and electricity, partly offset by lower gas sales volumes. Refining and Marketing segment represented 51% of total consolidated sales, while Gas and Power segment accounted for

49%. Sales from Exploration and Production segment accounted only for 0.1% after the divestment of Kazakhstan subsidiaries in Q2/21 (sales in Exploration and Production being largely intra-group sales rather than third-party sales).

Clean CCS Operating Result of RON 12,198 mn in 2022 was significantly higher compared to RON 4,346 mn in 2021, due to much higher contribution from all business segments, following the rise in prices in Exploration and Production segment, increased margins on gas from third party transactions and higher power margin in the Gas and Power segment, as well as higher refining margins in the Refining and Marketing segment. The result also reflects increased purchases, in terms of both volumes and prices for all products, and higher industry specific taxation. The Consolidation line had a negative contribution in 2022 of RON (99) mn (2021: RON (203) mn), reflecting mainly the increase in quotations. The **Clean CCS Group effective tax rate** was 16% (2021: 17%). **Clean CCS net income attributable to stockholders of the parent** was RON 10,273 mn (2021: RON 3,353 mn).

Special items comprise 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. In 2021, **special items** comprise net charges of RON (1,058) mn, largely consisting of net temporary losses from forward power contracts in the Gas and Power segment. **Inventory holding gains** amounted to RON 160 mn in 2022 (2021: RON 421 mn), mainly resulting from the increase in crude oil prices.

Reported Operating Result for 2022 increased to RON 12,039 mn, compared to RON 3,709 mn in 2021, mostly driven by the higher market prices, the good availability of our assets as well as the business integration benefits.

Net financial result was a gain of RON 17 mn in 2022 compared to a loss of RON (311) mn in 2021, mainly due to higher interest income on bank deposits.

As a result, the **profit before tax** for 2022 was RON 12,056 mn, higher compared to RON 3,398 mn in 2021.

Income tax amounted to RON (1,756) mn, while the **effective tax rate** was 15% in 2022 (2021: 16%).

Net income attributable to stockholders of the parent was RON 10,301 mn (2021: RON 2,864 mn).

Cash flow from operating activities increased to RON 11,337 mn, compared to RON 6,997 mn in 2021, driven by higher operating result partly offset by adverse evolution of net working capital. **Free cash flow after dividends** resulted in a cash inflow of RON 3,794 mn (2021: RON 3,003 mn).

Capital expenditure amounted to RON 3,551 mn in 2022, 26% higher than in 2021 (RON 2,821 mn), mainly directed to Exploration and Production with investments of RON 2,559 mn (2021: RON 2,025 mn). Refining and Marketing investments amounted to RON 835 mn (2021: RON 766 mn), while Gas and Power investments amounted to RON 97 mn (2021: RON 12 mn). Corporate and Other investments were RON 60 mn (2021: RON 18 mn).

OMV Petrom Group reported a **net cash position including leases** of RON 13,463 mn as at December 31, 2022, higher than RON 9,391 mn as at December 31, 2021.

Special items and CCS effect

Q4/22	Q3/22	Q4/21	Δ%[1]	Special items and CCS effect (in RON mn)	2022	2021	Δ%
2,067	**4,230**	**1,500**	**38**	**Clean CCS Operating Result**	**12,198**	**4,346**	**181**
(823)	**1,115**	**(129)**	**n.m.**	**Special items**	**(320)**	**(1,058)**	**70**
(4)	(8)	(2)	(154)	thereof personnel restructuring	(16)	(73)	78
(1,813)	—	(67)	n.m.	thereof unscheduled depreciation / write-ups	(1,813)	(83)	n.m.
994	1,122	(61)	n.m.	thereof other	1,508	(902)	n.m.
(126)	(143)	122	n.m.	CCS effects: Inventory holding gains/(losses)	160	421	(62)
1,119	**5,203**	**1,493**	**(25)**	**Operating Result Group**	**12,039**	**3,709**	**225**

[1] Q4/22 vs. Q4/21

The disclosure of **Special items** is considered appropriate in order to facilitate the analysis of the ordinary business performance. To reflect comparable figures, certain items affecting the result are added back or deducted. They are being disclosed separately. These items can be divided into three categories: personnel 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, 2022	December 31, 2021
Assets		
Non-current assets	32,218	32,655
Current assets (including assets held for sale)	25,303	17,315
Total assets	**57,521**	**49,970**
Equity and liabilities		
Total equity	40,508	34,214
Non-current liabilities	8,151	7,563
Current liabilities	8,862	8,193
Total equity and liabilities	**57,521**	**49,970**

Compared to December 31, 2021, **non-current assets** decreased by RON 437 mn, to RON 32,218 mn, mainly due to decrease in property, plant and equipment, as depreciation and net impairments exceeded the additions during the period and the increase in decommissioning asset following reassessment.

The increase in **current assets (including assets held for sale)** reflected higher cash and cash equivalents, increased inventories following higher volumes and average unit costs, higher trade receivables following higher sales, as well as higher other financial assets mainly related to cash guarantees for transactions with energy products.

Equity increased to RON 40,508 mn as of December 31, 2022, compared to RON 34,214 mn as of December 31, 2021, mainly as a result of the net profit generated during 2022, that was partially offset by the dividend distribution for the financial year 2021 and the distribution of special dividends in 2022. Also, equity increased with RON 446 mn following the share capital increase of OMV Petrom S.A. finalized on November 3, 2022. The Group's equity ratio was 70% as of December 31, 2022, slightly higher than the level of 68% from December 31, 2021.

As at December 31, 2022, **total liabilities** increased by RON 1,257 mn comparing with December 31, 2021. The increase in **current liabilities** was largely due to higher trade payables following higher acquisitions, increase in other provisions and decommissioning, and higher income tax liabilities, partially offset by lower financial liabilities mostly in relation to derivatives. The increase in **non-current liabilities** was mainly due to the reassessment of provisions for decommissioning and restoration obligations largely following higher estimated costs, partially offset by the increase in the net discount rate.

Cash flow

Q4/22	Q3/22	Q4/21	Δ%[1]	Summarized cash-flow statement (in RON mn)	2022	2021	Δ%
2,666	**4,451**	**1,990**	**34**	**Cash generated from operating activities before working capital movements**	**14,881**	**7,430**	**100**
1,762	3,189	2,018	(13)	Cash flow from operating activities	11,337	6,997	62
(916)	(737)	(778)	(18)	Cash flow from investing activities	(3,104)	(2,253)	(38)
847	**2,451**	**1,240**	**(32)**	**Free cash flow**	**8,232**	**4,744**	**74**
391	(2,672)	(17)	n.m.	Cash flow from financing activities	(4,300)	(1,914)	(125)
(7)	5	2	n.m.	Effect of exchange rate changes on cash and cash equivalents	2	11	(87)
1,231	**(216)**	**1,225**	**1**	**Net increase/(decrease) in cash and cash equivalents**	**3,933**	**2,841**	**38**
13,025	13,240	9,098	43	Cash and cash equivalents at beginning of period	10,323	7,481	38
14,256	**13,025**	**10,323**	**38**	**Cash and cash equivalents at end of period**	**14,256**	**10,323**	**38**
846	**(73)**	**1,239**	**(32)**	**Free cash flow after dividends**	**3,794**	**3,003**	**26**

[1] Q4/22 vs. Q4/21

Fourth quarter 2022 (Q4/22) vs. fourth quarter 2021 (Q4/21)

In Q4/22, the inflow of funds from profit before tax, adjusted for non-cash items such as depreciation and impairments, net change of provisions and other non-cash adjustments, as well as net interest received and income tax paid, was RON 2,666 mn (Q4/21: RON 1,990 mn). Changes in **net working capital** generated a cash outflow of RON 904 mn (Q4/21: inflow of RON 28 mn). **Cash flow from operating activities** decreased by RON 256 mn compared to Q4/21, reaching RON 1,762 mn.

In Q4/22, **cash flow from investing activities** resulted in an outflow of RON 916 mn (Q4/21: RON 778 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 847 mn (Q4/21: RON 1,240 mn).

Cash flow from financing activities reflected an inflow of funds amounting to RON 391 mn (Q4/21: outflow of RON 17 mn), mainly arising from share capital increase finalized in Q4/22 (RON 446 mn).

Free cash flow after dividends resulted in a cash inflow of RON 846 mn (Q4/21: RON 1,239 mn).

January to December 2022 (2022) vs. January to December 2021 (2021)

In 2022, 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 14,881 mn (2021: RON 7,430 mn). Changes in **net working capital** generated a cash outflow of RON 3,544 mn, largely due to increase in receivables driven by higher commodity prices, set-up of cash guarantees for transactions with energy products and increase in inventories following higher volumes and costs (2021: RON 433 mn). **Cash flow from operating activities** increased by RON 4,340 mn compared to 2021, reaching RON 11,337 mn.

In 2022, **cash flow from investing activities** resulted in an outflow of RON 3,104 mn (2021: RON 2,253 mn) mainly related to payments for investments in property, plant and equipment, largely in the Exploration and Production segment. The net outflow in 2021 was also impacted by the net proceeds from the disposal of Kazakhstan subsidiaries in amount of RON 462 mn.

Free cash flow (defined as cash flow from operating activities less cash flow from investing activities) showed an inflow of funds of RON 8,232 mn (2021: RON 4,744 mn).

Cash flow from financing activities reflected an outflow of funds amounting to RON 4,300 mn (2021: RON 1,914 mn), mainly arising from the payment of dividends of RON 4,438 mn.

Free cash flow after dividends resulted in a cash inflow of RON 3,794 mn (2021: RON 3,003 mn).

Risk management

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

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

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

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

Moreover, in the context of the energy crisis in Europe, additional regulatory measures such as subsidy schemes, gas and power price caps and over-taxation or the EU solidarity contribution are being implemented. The Council Regulation (EU) 2022/1854 introduced a solidarity contribution, which was transposed into the local legislation of the Member States by the end of 2022 and is applicable for 2022 and/or 2023. It represents a contribution for surplus profits of companies operating in the crude petroleum, natural gas, coal and refining sectors and is calculated based on the taxable profits of those companies, as determined under national tax rules, which are above a 20% increase of the average taxable profits generated in the period 2018 to 2021. Romania transposed this regulation via GEO 186/2022, approved and published in December 2022. This GEO will subsequently follow the Parliamentary approval process, thus may be subject to changes. Also new regulatory and fiscal interventions may impact OMV Petrom financials.

Based on OMV Petrom 2022 preliminary financials and the provisions of this Emergency Ordinance, OMV Petrom is expected not to be subject to the EU solidarity contribution for the fiscal year 2022, having less than 75% of its turnover in the defined areas: extraction of crude, extraction of natural gas, extraction of coal and refining business. In 2022, OMV Petrom already contributed with royalties, supplementary taxes, and other industry specific contributions of around RON 7.3 bn, in addition to the RON 2.2 bn corporate income tax. In total, the industry specific taxes increased by around 4 times versus 2021.

OMV Petrom continues to closely monitor the ongoing conflict in Ukraine and any additional sanctions and countersanctions resulting from it. The Company regularly reviews the potential impact on its business activities. Continued and/or intensified disruptions in Russian commodity flows to Europe could result in further increases in European energy prices. Sanctions on Russia and countersanctions issued by Russia could lead to disruptions in global supply chains and shortages in, e.g., energy products, raw materials, agricultural products and metals, and consequently lead to further increases in operational cost. OMV Petrom continues to closely monitor developments and regularly evaluates the potential impact on the Group's cash flow and liquidity position. OMV Petrom is responding to the situation with targeted measures to safeguard the Company's economic stability as well as the secure supply of energy. The geopolitical context driven by the ongoing conflict in Ukraine had no significant negative impact on the preliminary condensed consolidated financial statements as of December 31, 2022. This was driven by exceptionally high commodity prices and supported by our equity position across the value chain. However, we already witnessed regulatory interventions addressing the high commodity prices set with limited time frames. The Company revises quarterly its sensitivities to oil and gas prices, the indicator refining margin and FX (RON/EUR), which are published on company website: https://www.omvpetrom.com/en/investors/publications/capital-market-story.

The COVID-19 pandemic continues to have a major impact on global economic development. Increases in COVID-19 cases in China due to the easing of the Zero–COVID policy, and in other countries, could lead to the emergence of new virus variants combined with further disruptions in supply chains. In combination with continued high price inflation and rising interest rates, this could lead to a significant deterioration in economic growth.

The credit quality of OMV Petrom's counterparty portfolio could be negatively influenced by the risk factors mentioned above.

The consequences of the ongoing conflict in Ukraine, the European energy crisis and resulting regulatory measures, the COVID-19 pandemic and other economic disruptions currently being observed, and further regulatory interventions, as well as the extent and duration of their economic impact cannot be reliably estimated at this stage. OMV Petrom is responding to the situation by making the health and wellbeing of every employee a top priority. From today's perspective, we assume that, based on the measures mentioned above, the Group's ability to continue as a going concern is not impacted.

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

Transactions with related parties

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

Outlook for the full year 2023

Market environment

- For the full year 2023, OMV Petrom expects the **average Brent oil price** to be above USD 80/bbl (2022: USD 101/bbl)
- **Refining margin** is expected to be above USD 9/bbl (2022: USD 16.6/bbl[vi])
- In Romania **demand** for oil products in retail, gas and power is expected to be broadly stable compared to 2022
- Legislative measures introduced for the gas and power markets were prolongued until end March 2025 with regards to prices, margins, storage and contributions. Measures applicable in H2/22 to reduce fuel prices on a voluntary basis were removed from January 1st, 2023

Financial highlights

- **CAPEX** is anticipated to increase to around RON 6 bn, by approximately 70%, with increased investments dedicated mainly to the Neptun Deep project, accelerated low and zero carbon projects and the Petrobrazi refinery turnaround. Investments require predictable and stable regulatory and fiscal environment. (2022: RON 3.6 bn)
- Due to the higher investments, we expect a marginaly **positive free cash flow before dividends** (2022: RON 8.2 bn)
- **Attractive returns to shareholders**: for 2022, the Executive Board is proposing a base DPS of RON 0.0375/share[vii], 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 paid in 2023, with the exact value to be announced in mid-2023

Strategic direction: Optimize traditional business

Exploration and Production

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

Refining and Marketing

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

Gas and Power

- Total **gas sales volumes** are estimated to be lower yoy (2022: 46 TWh), mainly on lower supply, both from equity and third parties, as well as still low demand
- **Net electrical output** is forecasted to be lower yoy (2022: 5.0 TWh), in the context of a longer planned outage of two and a half months for the entire capacity, in March-May (2022: one month for full capacity and one month for half capacity)

Strategic direction: Grow regional gas

- Progressing **Neptun Deep project** towards final investment decision: planned for mid-2023
- **Han Asparuh offshore Bulgaria:** spud one exploration well in 2023-2024
- **Georgia Offshore Exploration Block II:** seismic acquisition remains on hold

Strategic direction: Transition to low and zero carbon

- We target to **reduce carbon intensity** by 30% until 2030 vs. 2019 (2022 preliminary: ~11% lower vs. 2019)
- **Alternative mobility**: continue to expand the EV charging network with the plan to double the existing number of charging points (at year end-2022: 120 fast and ultra fast charging points installed)
- **Green energy sources in the filling stations**: plan to have photovoltaic panels installed in ~ 50% of our filling station network by 2025 (at year end-2022: panels in 150 filling stations)
- Progress in developing a **renewable power portfolio via partnerships**
- Further developments towards producing **sustainable aviation fuel and second generation bioethanol**

[vi] Based on Brent
[vii] Subject to approval by the Supervisory Board and the General Meeting of Shareholders

Business segments

Exploration and Production

Q4/22	Q3/22	Q4/21	Δ%[1]	in RON mn	2022	2021	Δ%
1,738	1,927	1,178	48	Clean Operating Result before depreciation and amortization, impairments and write-ups[2]	7,823	4,288	82
1,076	1,362	588	83	Clean Operating Result[2]	5,433	1,814	199
(1,812)	(6)	0	n.m.	Special items	(1,821)	(154)	n.m.
(736)	1,356	588	n.m.	Operating Result[2]	3,612	1,660	118
861	676	552	56	Capital expenditure[3]	2,559	2,025	26
72	33	96	(25)	Exploration expenditures	167	194	(14)
51	33	98	(48)	Exploration expenses	134	203	(34)
13.43	14.06	12.80	5	Production cost (USD/boe)	13.15	12.73	3

Q4/22	Q3/22	Q4/21	Δ%[1]	Key performance indicators	2022	2021	Δ%
118.0	117.2	122.2	(3)	Total hydrocarbon production (kboe/d)	119.1	129.4	(8)
57.0	56.3	59.8	(5)	thereof crude oil and NGL production (kbbl/d)	57.3	63.1	(9)
61.1	60.9	62.4	(2)	thereof natural gas production (kboe/d)	61.9	66.2	(7)
10.86	10.78	11.25	(3)	Total hydrocarbon production (mn boe)	43.49	47.21	(8)
5.24	5.18	5.50	(5)	Crude oil and NGL production (mn bbl)	20.90	23.05	(9)
0.86	0.86	0.88	(2)	Natural gas production (bcm)	3.45	3.70	(7)
30.34	30.27	31.01	(2)	Natural gas production (bcf)	121.98	130.57	(7)
10.41	10.31	10.80	(4)	Total hydrocarbon sales volume (mn boe)	41.72	44.96	(7)
113.2	112.0	117.4	(4)	Total hydrocarbon sales volume (kboe/d)	114.3	123.2	(7)
60.0	58.5	62.9	(5)	thereof crude oil and NGL sales volume (kbbl/d)[4]	60.2	65.7	(8)
53.2	53.5	54.4	(2)	thereof natural gas sales volume (kboe/d)	54.1	57.4	(6)
88.87	100.84	79.76	11	Average Brent price (USD/bbl)	101.32	70.91	43
64.41	73.79	78.22	(18)	Average Urals price (USD/bbl)	76.87	69.23	11
77.84	89.14	69.94	11	Average Group realized crude price (USD/bbl)[5]	87.23	60.29	45

[1] Q4/22 vs. Q4/21;
[2] Excluding intersegmental profit elimination;
[3] Including capitalized exploration and appraisal and aquisitions;
[4] Includes sales of liquids obtained from separation and processing of rich natural gas; rich natural gas production is included under natural gas production above;
[5] Starting Q2/22, the transfer price between Exploration & Production and Refining & Marketing is based on Brent instead of Urals; previous figures were not restated.

Fourth quarter 2022 (Q4/22) vs. fourth quarter 2021 (Q4/21)

- **Clean Operating Result at RON 1,076 mn vs. RON 588 mn in Q4/21, mainly due to higher oil and gas prices and stronger USD**
- **Production decreased by 3.4% mainly due to natural decline, partly offset by the contribution of new wells and workovers**
- **Production cost increased by 5% to USD 13.4/boe, mainly driven by a one-off effect and lower production available for sale, partly offset by favorable FX**

Clean Operating Result was RON 1,076 mn vs. RON 588 mn in Q4/21, driven by the higher oil and gas prices, favorable FX (stronger USD vs. RON), lower E&P taxation and lower exploration expenses, partly offset by lower volumes and higher production costs. The average realized crude oil price advanced by 11%, partly driven by a change of the transfer price calculation from Urals to Brent starting Q2/22.

Special items amounted to RON (1,812) mn mainly reflecting impairments booked in Q4/22. Following the update of mid and long-term planning assumptions, an impairment test was performed for the Exploration and Production segment, which led to impairments (net of write-ups) for tangible assets of RON (1,813) mn, before tax. These impairments were driven mainly by revised future production profiles for our assets due to a steeper than previously expected natural decline and by higher operating costs. **Reported Operating Result** was RON (736) mn loss vs. RON 588 mn profit in Q4/21.

Hydrocarbon production in Romania decreased by 3.4% to 10.9 mn boe or 118.0 kboe/d (Q4/21: 11.2 mn boe or 122.2 kboe/d), reflecting the natural decline in the main fields and the transfer of 40 marginal onshore oil and gas fields to Dacian Petroleum in Q4/21 (resulting in a 0.5 kboe/d decrease). Production decline excluding portfolio optimization was of 3%. Crude oil and NGL production dropped by 4.8% to 5.2 mn bbl, mainly due to natural decline and divestments. Gas production decreased by 2.2% to 5.6 mn boe due to natural decline in the main fields (Totea Deep and Lebada East) and in well 4461 Totea South, as well as due to divestments.

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

Production cost increased by 5% to USD 13.4/boe, mainly due to a one-off effect related to personnel expenses, higher service costs and lower production available for sale, partly offset by favorable FX (stronger USD vs RON). Production cost in RON terms increased by 17% to RON 64.6/boe.

Exploration expenditures decreased to RON 72 mn, mainly due to lower 3D seismic acquisition activities.

Exploration expenses decreased to RON 51 mn, mainly due to lower 3D seismic acquisition activities.

Capital expenditure increased to RON 861 mn, due to higher number of wells drilled and workovers performed, as wells as increased investments for running business projects.

January to December 2022 (2022) vs. January to December 2021 (2021)

Clean Operating Result increased to RON 5,433 mn (2021: RON 1,814 mn), mainly driven by higher oil and gas prices and favorable FX (stronger USD vs. RON), partly offset by higher E&P taxation and lower sales volumes. The average realized crude oil price advanced by 45%, partly driven by a change of the transfer price calculation from Urals to Brent starting Q2/22.

Special items amounted to RON (1,821) mn, reflecting mainly impairments (net of write-ups) booked in Q4/22. **Reported Operating Result** was RON 3,612 mn.

Group hydrocarbon production declined by 7.9% to 43.5 mn boe due to the divestment of production assets from Kazakhstan, the transfer of 40 marginal onshore oil and gas fields to Dacian Petroleum, and the natural decline in the main fields.

In **Romania**, hydrocarbon production decreased by 6.3%, to 43.5 mn boe or 119.1 kboe/d (2021: 46.4 mn boe or 127.2 kboe/d) reflecting the natural decline and the transfer of 40 marginal fields to Dacian Petroleum in Q4/21 (resulting in a 0.9 kboe/d decrease). The daily average production, excluding portfolio optimization, declined by 5.6%. Crude oil and NGL production decreased by 6.6% to 20.9 mn bbl mainly due to natural decline and divestments. Gas production decreased by 6.1% to 22.6 mn boe due to natural decline in the main gas fields (Totea Deep and Lebada East) and in well 4461 Totea South, as well as due to divestments, partly counterbalanced by the contribution of workovers and new wells.

Hydrocarbon sales volumes decreased by 7% due to the same factors which affected the production.

Production cost increased by 3% to USD 13.1/boe mainly due to lower production available for sale and increased expenses (including personnel related one-offs in H2/22), partly offset by favorable FX (stronger USD vs. RON) and positive impact in Q2/22 from a one-off effect related to a tax audit. Production cost in RON terms increased by 16% to RON 61.6/boe.

Exploration expenditures decreased to RON 167 mn, mainly due to lower 3D seisimic acquisition activities, partly compensated by higher drilling wells.

Exploration expenses decreased to RON 134 mn, mainly due to lower 3D seismic acquisition activities and reduced geological and geophysical costs.

Capital expenditure increased by 26% to RON 2,559 mn and accounted for 72% of the Group's total CAPEX for 2022. The increase was mainly due to higher number of wells drilled and workovers performed, increased investments in integrity projects to ensure safety of operations and in energy efficiency projects to enable the energy transition.

In 2022, we finalized the drilling of 55 new wells and sidetracks, including 3 exploration wells (2021: 36 new wells and sidetracks, including one exploration well).

As of December 31, 2022, the **total proved oil and gas reserves** in OMV Petrom's portfolio amounted to 380 mn boe (2021: 419 mn boe), mainly due to reserves revisions. The three-year average **Reserve Replacement Rate** decreased to 31% in 2022 (2021: 40%). For the single year 2022, the Reserve Replacement Rate was 10% (2021: 31%).The **proved and probable oil and gas reserves** increased to 741 mn boe (2021: 680 mn boe), mainly supported by the Neptun Deep project maturation triggered by the submission of the declaration of commercial discovery to the National Agency for Mineral Resources, partly offset by the downward revision of the existing fields' estimated reserves.

Refining and Marketing

Q4/22	Q3/22	Q4/21	Δ%[1]	in RON mn	2022	2021	Δ%
1,058	1,522	739	43	Clean CCS Operating Result before depreciation and amortization, impairments and write-ups[2]	4,773	2,810	70
861	1,334	550	57	Clean CCS Operating Result [2]	4,019	2,041	97
36	(146)	88	(59)	Special items	(64)	142	n.m.
(164)	(143)	122	n.m.	CCS effect: Inventory holding gains/(losses)[2]	122	481	(75)
734	1,045	760	(3)	Operating Result	4,076	2,663	53
359	215	434	(17)	Capital expenditure	835	766	9

Q4/22	Q3/22	Q4/21	Δ%[1]	Key performance indicators	2022	2021	Δ%
18.79	17.10	7.52	150	Indicator refining margin (USD/bbl)[3]	16.59	5.47	203
1.19	1.19	1.23	(3)	Refining input (mn t)[4]	4.59	4.74	(3)
99	99	101	(2)	Refinery utilization rate (%)	95	97	(2)
1.49	1.51	1.41	5	Total refined product sales (mn t)[5]	5.52	5.34	3
0.78	0.85	0.73	7	thereof retail sales volumes (mn t)[6]	3.04	2.94	3

[1] Q4/22 vs. Q4/21;
[2] Current cost of supply (CCS): the Clean CCS Operating Result eliminates special items and inventory holding gains/losses (CCS effects) resulting from Refining and Marketing;
[3] Starting Q2/22, the indicator refining margin reflects the change in crude oil reference price from Urals to Brent, therefore figures for Q3/22, Q4/22 and 12m/22 are based on Brent. The values of the indicator refining margin for the previous periods (Q4/21 and 12m/21) were not restated. The actual refining margins realized by OMV Petrom may vary from the indicator refining margin due to different crude slate, product yield and operating conditions;
[4] Figures include crude and semi-finished products, in line with the OMV Group reporting standard;
[5] Total refined product sales include also third-party acquisitions;
[6] Retail sales volumes refer to sales via the OMV Petrom Group's filling stations in Romania, Bulgaria, Serbia, Moldova.

Fourth quarter 2022 (Q4/22) vs. fourth quarter 2021 (Q4/21)

- **Clean CCS Operating Result at RON 861 mn, up 57%, mainly reflecting favorable refining margins**
- **OMV Petrom indicator refining margin at USD 18.8/bbl, up 150%, on higher product spreads, mainly for diesel, gasoline and jet**
- **Retail sales volumes up by 7%, still on lower margins, mainly due to the voluntary discount applied in Romania**

Clean CCS Operating Result increased to RON 861 mn in Q4/22 (Q4/21: RON 550 mn), mainly due to higher refining margin, partially offset by slightly lower utilization and lower retail and commercial margins. In Q4/22, in line with GEO 131/2022 provisions, we continued to voluntarily offer a discount per liter to customers in Romania, which had a RON 210 mn negative impact in the Clean CCS Operating Result. **Reported Operating Result** of RON 734 mn (Q4/21: RON 760 mn), reflected negative CCS effects of RON 164 mn, due to lower crude oil quotations, and RON 36 mn net special gains, mainly in relation to hedging.

OMV Petrom indicator refining margin increased by USD 11.3/bbl to USD 18.8/bbl in Q4/22, as a result of higher product spreads, mainly for diesel, gasoline and jet. The **refinery utilization rate** was 99% in Q4/22 (Q4/21: 101%).

Total refined product sales volumes were up 5% vs. Q4/21, driven by improved demand. Group retail sales volumes, which accounted for 52% of total refined product sales, increased by 7% compared to Q4/21 due to higher demand, helped by the warm weather and the voluntary discount in Romania. Our Group retail sales outperformed the market demand growth in most of our operating countries. In addition we registered an improved performance in the non-fuel business margin. Q4/22 non-retail sales volumes increased by 4%, mainly helped by the partial recovery of the aviation business and the increased sales on the local market.

Refining and Marketing investments amounted to RON 359 mn (Q4/21: RON 434 mn). The majority of investments were directed to the Refining business, for projects connected with the 2023 major planned turnaround and to ongoing projects for coke drums replacement and for a new crude oil tank. In Retail, investments were mainly routed to the modernization of the Petrom branded filling stations with MyAuchan stores.

January to December 2022 (2022) vs. January to December 2021 (2021)

Clean CCS Operating Result increased to RON 4,019 mn in 2022 (2021: RON 2,041 mn), as a result of improved refining margin and increased fuel demand. In H2/22, in line with GEO 106/2022 and GEO 131/2022 provisions, we voluntarily offered a discount per liter for customers in Romania, which had a negative impact of around RON 470 mn in the Clean CCS Operating Result. **Reported Operating Result** was RON 4,076 mn, reflecting positive CCS effects of RON 122 mn, triggered by the steep increase in crude quotations, and special charges of RON (64) mn, mainly in relation to hedging.

OMV Petrom indicator refining margin increased by USD 11.1/bbl to USD 16.6/bbl in 2022, as a result of better spreads, mainly for diesel and gasoline. **Refinery utilization rate** slightly decreased to 95% (2021: 97%) reflecting the April 2022 planned shutdown.

Total refined product sales increased by 3% compared to 2021. Group retail sales volumes were up by 3%, mainly supported by the robust demand increase throughout the year, except for Q3/22. Non-retail sales increased by 3%, reflecting the partial recovery of the aviation business and the increased regional sales.

Refining and Marketing investments amounted to RON 835 mn (2021: RON 766 mn). Most investments were routed to the projects mentioned above in the Q4/22 section.

Gas and Power

Q4/22	Q3/22	Q4/21	Δ%[1]	in RON mn	2022	2021	Δ%
163	1,300	478	(66)	Clean Operating Result before depreciation and amortization, impairments and write-ups	3,069	913	236
132	1,267	444	(70)	Clean Operating Result	2,942	781	277
1,038	1,303	(232)	n.m.	Special items	1,720	(1,034)	n.m.
1,170	2,570	212	452	Operating Result	4,662	(253)	n.m.
4	1	2	160	Capital expenditure	97	12	n.m.

Q4/22	Q3/22	Q4/21	Δ%[1]	Key performance indicators	2022	2021	Δ%
12.53	9.84	12.30	2	Gas sales volumes (TWh)	46.09	48.94	(6)
9.56	6.92	9.03	6	thereof to third parties (TWh)	35.82	38.42	(7)
1.48	1.42	1.55	(4)	Net electrical output Brazi power plant (TWh)	5.01	4.79	5
1,110	2,023	1,047	6	OPCOM spot average electricity base load price (RON/MWh)	1,303	547	138

[1] Q4/22 vs. Q4/21.

Forth quarter 2022 (Q4/22) vs. forth quarter 2021 (Q4/21)

- **Clean Operating Result at RON 132 mn vs. RON 444 mn; the good operational performance in both gas and power business lines was severely impacted by regulatory and fiscal extended scope**
- **Gas sales volumes up 1.9% driven by sales to customers under supply of last resort**
- **Brazi power plant output of 1.5 TWh, with a stable share of 11% share in Romania's generation mix**

Clean Operating Result was RON 132 mn in Q4/22 (Q4/21: RON 444 mn), reflecting the good operational performance in both gas and power business lines, but also a severe impact from legislation in place with regulated prices and over-taxation. **Reported Operating Result** of RON 1,170 mn (Q4/21: RON 212 mn) reflected RON 1,038 mn net special gains, mainly in relation to net temporary gains from electricity forward contracts.

The gas business had an excellent contribution to the quarterly result, with strong sale margins on third party gas supplied and sold outside Romania, partially offset by lower margins realised on equity gas, mainly due to the legislation in place starting September. Also, the power business recorded a good operational performance, supported by increasing power prices and high output; however, the result was significantly affected by the applicable power overtaxation. The contribution for power overtaxation in Q4/22 was around RON 740 mn.

As per OMV Petrom's estimates, national **gas** consumption was 22% lower compared to Q4/21, the lowest level for a fourth quarter so far in the last two decades, from a reduced end user consumption impacted by high prices and warm weather.

On the Romanian centralized markets, the weighted average price of natural gas for transactions with medium and long-term standardized products concluded in Q4/22 irrespective of delivery period (0.4 TWh) was RON 568/MWh[viii,ix] (Q4/21: RON 398/MWh). The average price for the quantities delivered during the quarter was RON 364/MWh (Q4/21: RON 259MWh)[x]. Regarding short-term deliveries, on BRM day-ahead market, the average price[xi] in Q4/22 was RON 458/MWh (Q4/21: RON 446/MWh).

[viii] OMV Petrom estimates based on available public information;
[ix] 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;
[x] Based on monthly data, as published by BRM on https://www.brm.ro/cotatii-gaze-naturale/; retrieved on January 31, 2023;
[xi] Average computed based on daily trades published on BRM platform.

In Q4/22, OMV Petrom's total gas sales volumes were up 1.9% yoy, at 12.5 TWh. The lower equity gas production was compensated by higher third party acquisitions, a very good performance given the existing supply challenges. Gas volumes sold to third parties were 6% higher vs. Q4/21, as a large number of customers under Supplier of Last Resort mechanism entered our portfolio. Gas sales volumes in Romania were at 11.4 TWh, of which around 70% from equity gas and 30% from third parties.

On the centralized markets, OMV Petrom sold 0.1 TWh in standard products in Q4/22 independent of delivery period at an average price in line with the market price[viii]. At the end of Q4/22, OMV Petrom had 3.7 TWh natural gas in storage (end of Q4/21: 1.3 TWh).

As per currently available information from the grid operator, national **electricity** consumption decreased by 12% in Q4/22 compared to the same quarter of 2021, while national production decreased by 4%, Romania switching to a net power exporter position in Q4/22, from net power importer in Q4/21.

In Q4/22 the Brazi power plant generated a net electrical output of 1.5 TWh, maintaining its 11% share in Romania's generation mix.

Gas and Power investments amounted to RON 4 mn (Q4/21: RON 2 mn), mainly directed to Brazi power plant and gas metering stations.

January to December 2022 (2022) vs. January to December 2021 (2021)

Clean Operating Result was RON 2,942 mn in 2022, compared to RON 781 mn in 2021. The excellent result reflects outstanding performance of both gas and power operations. **Reported Operating Result** was RON 4,662 mn, reflecting special gains of RON 1,720 mn, mainly consisting of net temporary gains from electricity forward contracts.

The excellent clean result in 2022 was generated mainly by transactions with third party gas, primarily volumes bought and sold outside Romania, as well as by higher storage margin. Additional positive effect was achieved from gas short term optimization and balancing activities. The very good power business operational result was built on high power prices and highest output of Brazi power plant since the start of operations in 2012, however significantly impacted by power overtaxation introduced by GEO 27 and GEO 119, for which the contribution in 2022 was around RON 1.5 bn.

As per OMV Petrom's estimates, Romania's **gas** consumption decreased by 16% yoy, the lowest level so far in the last two decades, due to the impact on consumption from high prices and warm weather.

OMV Petrom's gas sales volumes were at 46.1 TWh, 6% lower vs. 2021, a very strong sales performance given the market context and supply challenges. Gas sales volumes in Romania were at 41.0 TWh, of which around 75% from equity gas and 25% from third parties, the third party acquisitions supplementing the equity gas sources in covering our sale commitments.

As per currently available information from the grid operator, national **electricity** consumption was 8% lower yoy, while electricity production was down by 6% yoy. Romania was a net importer of electricity both in 2022 and 2021.

The Brazi power plant, which celebrated in 2022 ten years of commercial operations, generated a record high net electrical output of 5.0 TWh vs. 4.8 TWh in 2021, representing 9% in Romania's generation mix, a very good contribution to the security of power supply.

Gas and Power investments amounted to RON 97 mn in 2022 (2021: RON 12 mn), the majority of investments being directed to the planned outage at the Brazi power plant.

Preliminary condensed consolidated financial statements with selected notes as of and for the period ended December 31, 2022 (unaudited)

Preliminary condensed consolidated income statement (unaudited)

Q4/22	Q3/22	Q4/21	in RON mn	2022	2021
17,096.48	18,667.31	8,965.34	Sales revenues	61,344.44	26,011.13
723.04	511.18	80.54	Other operating income	1,339.07	185.47
4.10	0.29	(1.56)	Net income/(loss) from investments in associates	8.73	5.23
17,823.62	**19,178.78**	**9,044.32**	**Total revenues and other income**	**62,692.24**	**26,201.83**
(9,131.77)	(9,549.40)	(3,679.10)	Purchases (net of inventory variation)	(30,376.50)	(10,572.06)
(3,014.65)	(1,634.26)	(1,265.92)	Production and operating expenses	(6,918.90)	(4,100.78)
(948.84)	(1,283.92)	(1,119.80)	Production and similar taxes	(5,435.21)	(1,988.06)
(2,681.98)	(779.24)	(858.49)	Depreciation, amortization, impairments and write-ups	(5,064.36)	(3,399.41)
(735.08)	(647.52)	(522.87)	Selling, distribution and administrative expenses	(2,424.73)	(1,976.73)
(50.89)	(33.29)	(98.17)	Exploration expenses	(134.41)	(203.36)
(141.68)	(48.63)	(6.82)	Other operating expenses	(299.38)	(252.58)
1,118.73	**5,202.52**	**1,493.15**	**Operating Result**	**12,038.75**	**3,708.85**
275.27	270.89	49.60	Interest income	776.09	160.69
(158.98)	(171.95)	(137.30)	Interest expenses	(725.86)	(464.74)
(26.08)	0.85	0.60	Other financial income and expenses	(33.13)	(6.70)
90.21	**99.79**	**(87.10)**	**Net financial result**	**17.10**	**(310.75)**
1,208.94	**5,302.31**	**1,406.05**	**Profit before tax**	**12,055.85**	**3,398.10**
(64.47)	(792.76)	(217.64)	Taxes on income	(1,755.78)	(533.68)
1,144.47	**4,509.55**	**1,188.41**	**Net income/(loss) for the period**	**10,300.07**	**2,864.42**
1,144.69	**4,509.97**	**1,188.40**	**thereof attributable to stockholders of the parent**	**10,300.88**	**2,864.34**
(0.22)	(0.42)	0.01	thereof attributable to non-controlling interests	(0.81)	0.08
0.0185	**0.0740**	**0.0195**	**Basic and diluted earnings per share (RON)**	**0.1684**	**0.0470**

Preliminary condensed consolidated statement of comprehensive income (unaudited)

Q4/22	Q3/22	Q4/21	in RON mn	2022	2021
1,144.47	**4,509.55**	**1,188.41**	**Net income for the period**	**10,300.07**	**2,864.42**
(1.47)	2.83	0.21	Currency translation differences	1.19	66.66
(77.98)	146.62	(14.90)	Gains/(losses) on hedges	20.26	(124.17)
(79.45)	**149.45**	**(14.69)**	**Total of items that may be reclassified (“recycled”) subsequently to the income statement**	**21.45**	**(57.51)**
4.96	-	20.26	Re-measurement gains/(losses) on defined benefit plans	4.96	20.26
(0.25)	(108.65)	9.48	Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item	(84.45)	57.22
4.71	**(108.65)**	**29.74**	**Total of items that will not be reclassified ("recycled") subsequently to the income statement**	**(79.49)**	**77.48**
12.48	(23.46)	2.39	Income tax relating to items that may be reclassified (“recycled”) subsequently to the income statement	(3.24)	61.47
(0.74)	17.38	(4.76)	Income tax relating to items that will not be reclassified ("recycled") subsequently to the income statement	12.73	(12.40)
11.74	**(6.08)**	**(2.37)**	**Total income taxes relating to components of other comprehensive income**	**9.49**	**49.07**
(63.00)	**34.72**	**12.68**	**Other comprehensive income/(loss) for the period, net of tax**	**(48.55)**	**69.04**
1,081.47	**4,544.27**	**1,201.09**	**Total comprehensive income/(loss) for the period**	**10,251.52**	**2,933.46**
1,081.69	4,544.69	1,201.08	thereof attributable to stockholders of the parent	10,252.33	2,933.37
(0.22)	(0.42)	0.01	thereof attributable to non-controlling interests	(0.81)	0.09

Preliminary condensed consolidated statement of financial position (unaudited)

in RON mn	December 31, 2022	December 31, 2021
Assets		
Intangible assets	3,015.67	2,889.08
Property, plant and equipment	24,751.07	25,864.51
Investments in associated companies	40.83	34.41
Other financial assets	2,047.46	1,995.88
Other assets	327.69	333.29
Deferred tax assets	2,035.60	1,538.21
Non-current assets	**32,218.32**	**32,655.38**
Inventories	3,814.84	2,293.02
Trade receivables	3,548.45	2,640.68
Other financial assets	2,390.87	1,742.09
Other assets	1,278.02	301.25
Cash and cash equivalents	14,256.13	10,322.65
Current assets	**25,288.31**	**17,299.69**
Assets held for sale	14.83	14.83
Total assets	**57,521.46**	**49,969.90**
Equity and liabilities		
Share capital	6,231.17	5,664.41
Reserves	34,271.42	28,548.93
Stockholders' equity	**40,502.59**	**34,213.34**
Non-controlling interests	5.81	0.55
Total equity	**40,508.40**	**34,213.89**
Provisions for pensions and similar obligations	157.08	170.05
Interest-bearing debts	-	16.49
Lease liabilities	498.86	501.41
Provisions for decommissioning and restoration obligations	6,716.36	6,051.61
Other provisions	674.47	672.95
Other financial liabilities	52.97	98.84
Other liabilities	50.85	52.01
Non-current liabilities	**8,150.59**	**7,563.36**
Trade payables	4,265.77	3,265.78
Interest-bearing debts	137.87	255.06
Lease liabilities	155.96	158.32
Income tax liabilities	522.89	203.82
Other provisions and decommissioning	1,379.36	417.77
Other financial liabilities	1,125.78	2,725.48
Other liabilities	1,274.84	1,166.42
Current liabilities	**8,862.47**	**8,192.65**
Total equity and liabilities	**57,521.46**	**49,969.90**

Preliminary condensed consolidated statement of changes in equity (unaudited)

in RON mn	Share capital	Revenue reserves	Other reserves[1]	Treasury shares	Stockholders' equity	Non-controlling interests	Total equity
January 1, 2022	**5,664.41**	**28,387.59**	**161.36**	**(0.02)**	**34,213.34**	**0.55**	**34,213.89**
Net income/(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)
Total comprehensive income/(loss) for the period	**-**	**10,305.06**	**(52.73)**	**-**	**10,252.33**	**(0.81)**	**10,251.52**
Dividend distribution	-	(4,480.53)	-	-	(4,480.53)	(0.11)	(4,480.64)
Share capital increase[2]	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[3]	-	(43.15)	43.56	-	0.41	6.18	6.59
December 31, 2022	**6,231.17**	**34,168.97**	**102.47**	**(0.02)**	**40,502.59**	**5.81**	**40,508.40**

in RON mn	Share capital	Revenue reserves	Other reserves[1]	Treasury shares	Stockholders' equity	Non-controlling interests	Total equity
January 1, 2021	**5,664.41**	**27,262.19**	**144.05**	**(0.02)**	**33,070.63**	**0.50**	**33,071.13**
Net income for the period	-	2,864.34	-	-	2,864.34	0.08	2,864.42
Other comprehensive income for the period	-	17.02	52.01	-	69.03	0.01	69.04
Total comprehensive income for the period	**-**	**2,881.36**	**52.01**	**-**	**2,933.37**	**0.09**	**2,933.46**
Dividend distribution	-	(1,755.96)	-	-	(1,755.96)	(0.04)	(1,756.00)
Reclassification of cash flow hedges to balance sheet	-	-	(36.15)	-	(36.15)	-	(36.15)
Change in non-controlling interests and other	-	-	1.45	-	1.45	-	1.45
December 31, 2021	**5,664.41**	**28,387.59**	**161.36**	**(0.02)**	**34,213.34**	**0.55**	**34,213.89**

[1] Other reserves contain mainly currency translation differences, reserves from business combinations in stages, unrealized gains and losses from hedges.

[2] On November 3, 2022, OMV Petrom S.A. completed the share capital increase wih the value of RON 566.76 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. For more details please see note "Equity".

[3] 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 dirrectly 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)

Q4/22	Q3/22	Q4/21	in RON mn	2022	2021
1,208.94	**5,302.30**	**1,406.05**	**Profit before tax**	**12,055.85**	**3,398.10**
521.33	0.41	(572.56)	Net change in provisions	932.02	(203.46)
(8.63)	(9.48)	(51.74)	Net (gains)/losses on the disposal of subsidiaries, businesses and non-current assets	(22.83)	(35.95)
2,711.36	794.68	887.29	Depreciation, amortization and impairments including write-ups	5,120.09	3,496.79
(1,280.93)	(1,309.32)	431.29	Other non-monetary adjustments	(2,084.90)	1,021.56
261.33	231.42	38.52	Net interest received	778.79	105.20
(747.50)	(558.52)	(148.51)	Tax on profit paid	(1,898.38)	(351.98)
2,665.90	**4,451.49**	**1,990.34**	**Cash generated from operating activities before working capital movements**	**14,880.64**	**7,430.26**
185.52	192.77	104.71	(Increase)/decrease in inventories	(1,555.19)	(212.60)
(699.21)	(1,561.20)	(573.56)	(Increase)/decrease in receivables	(3,034.06)	(1,080.36)
(389.95)	105.65	496.55	Increase/(decrease) in liabilities	1,045.22	859.69
1,762.26	**3,188.71**	**2,018.04**	**Cash flow from operating activities**	**11,336.61**	**6,996.99**
			Investments		
(980.52)	(803.72)	(855.73)	Intangible assets and property, plant and equipment	(3,208.43)	(2,846.22)
—	—	—	Investments and other financial assets	(45.39)	—
			Disposals		
63.90	66.26	34.61	Proceeds in relation to non-current assets and financial assets	148.61	88.01
0.99	—	43.00	Proceeds from the sale of subsidiaries and businesses, net of cash disposed	0.99	505.27
(915.63)	**(737.46)**	**(778.12)**	**Cash flow from investing activities**	**(3,104.22)**	**(2,252.94)**
446.10	—	—	Increase in share capital	446.10	—
(54.10)	(147.20)	(16.05)	Net increase/(decrease) in borrowings	(308.30)	(172.92)
(0.70)	(2,524.68)	(1.26)	Dividends paid	(4,438.22)	(1,741.02)
391.30	**(2,671.88)**	**(17.31)**	**Cash flow from financing activities**	**(4,300.42)**	**(1,913.94)**
(6.58)	4.92	1.91	Effect of exchange rate changes on cash and cash equivalents	1.51	11.32
1,231.35	**(215.71)**	**1,224.52**	**Net increase/(decrease) in cash and cash equivalents**	**3,933.48**	**2,841.43**
13,024.78	13,240.49	9,098.13	Cash and cash equivalents at beginning of period	10,322.65	7,481.22
14,256.13	**13,024.78**	**10,322.65**	**Cash and cash equivalents at end of period**	**14,256.13**	**10,322.65**
846.63	**2,451.25**	**1,239.92**	**Free cash flow**	**8,232.39**	**4,744.05**
845.93	**(73.43)**	**1,238.66**	**Free cash flow after dividends**	**3,794.17**	**3,003.03**

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

Legal principles

The unaudited preliminary condensed consolidated financial statements for 2022 have been prepared in line with the accounting policies that will be used in preparing the 2022 annual consolidated financial statements. The final audited annual consolidated financial statements will be published in March 2023.

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, 2021.

The preliminary condensed consolidated financial statements for 2022 included in this report are unaudited and an external review by an auditor was not performed.

The preliminary condensed consolidated financial statements for 2022 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, 2022 is given as part of the description of Group performance and Business Segments in the Directors' Report.

General accounting policies

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

Changes in the consolidated Group structure

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

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

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

OMV Petrom Gas S.R.L., previously reported under Gas and Power business segment, was renamed as OMV Petrom E&P Bulgaria S.R.L., with its main future activity being exploration and production of hydrocarbons, and will be reported under Exploration and Production business segment.

On October 27, 2022, four separate legal entities were set up in relation to the partnership agreements signed by OMV Petrom S.A. with CE Oltenia to build four photovoltaic parks, in a 50% - 50% equity interest structure. The legal entities represent joint operations, accounted for as OMV Petrom's share of assets, liabilities, income and expenses held or incurred jointly.

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

Seasonality and cyclicality

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.

Q4/22	Q3/22	Q4/21	Δ%[1]	NBR FX rates	2022	2021	Δ%
4.921	4.914	4.949	(1)	Average EUR/RON	4.931	4.921	0
4.832	4.880	4.327	12	Average USD/RON	4.692	4.163	13
4.947	4.949	4.948	(0)	Closing EUR/RON	4.947	4.948	(0)
4.635	5.047	4.371	6	Closing USD/RON	4.635	4.371	6

[1] Q4/22 vs. Q4/21

Notes to the income statement

Sales revenues

in RON mn	2022	2021
Revenues from contracts with customers	51,875.32	25,540.79
Revenues from other sources	9,469.12	470.34
Total sales revenues	**61,344.44**	**26,011.13**

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					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**
Total	**50.86**	**31,331.46**	**20,470.85**	**22.15**	**51,875.32**

in RON mn					2021
	Exploration and Production	Refining and Marketing	Gas and Power	Corporate and Other	Total
Crude oil and NGL	93.49	58.53	-	-	**152.02**
Natural gas, LNG and power	5.55	12.21	6,229.99	2.78	**6,250.53**
Fuels and heating oil	-	15,065.23	-	-	**15,065.23**
Other goods and services	38.61	3,955.81	62.24	16.35	**4,073.01**
Total	**137.65**	**19,091.78**	**6,292.23**	**19.13**	**25,540.79**

Impairment charges and write-ups
Exploration and Production

In Q4/22, following the update of mid and long-term planning assumptions, an impairment test was performed for the Exploration and Production segment, which led to impairments (net of write-ups) for tangible assets of RON 1,813 mn, before tax, reported in the line "Depreciation, amortization, impairments and write-ups". These impairments were driven mainly by revised future production profiles for our assets due to a steeper than previously expected natural decline and by higher operating costs.

Income tax

Q4/22	Q3/22	Q4/21	in RON mn	2022	2021
64.47	**792.76**	**217.64**	**Taxes on income - expense/(revenue)**	**1,755.78**	**533.68**
523.98	779.96	176.08	Current taxes	2,257.05	517.84
(459.51)	12.80	41.56	Deferred taxes	(501.27)	15.84
5%	15%	15%	Group effective tax rate	15%	16%

Notes to the statement of financial position

Commitments

As at December 31, 2022, OMV Petrom Group's commitments for investments amounted to RON 2,009 mn (December 31, 2021: RON 1,049 mn), mainly relating to investment projects in the Refinery and Marketing and in the Exploration and Production segments.

Inventories

During the year ended December 31, 2022, there were no material write-downs of inventories.

Equity

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

At the Ordinary General Meeting of Shareholders held on July 26, 2022, the shareholders of OMV Petrom S.A. approved the distribution of special dividends for the gross amount of RON 2,549 mn (gross special dividend per share of RON 0.045).

Total dividends paid in 2022 amounted to RON 4,438 mn.

On November 3, 2022, OMV Petrom S.A. completed the share capital increase by in-kind and cash contribution, with the value of RON 567 mn, from RON 5,664 mn to RON 6,231 mn, through the issue of a number of 5,667,558,723 new ordinary nominative shares, in dematerialized form, each share having a nominal value of RON 0.1, as follows:

(i) 1,206,602,392 new shares, with a total value of RON 121 mn, established according to valuation report issued by an independent expert valuator, representing the in-kind contribution of the Romanian State, through the Ministry of Energy, as a result of obtaining land ownership certificates;

(ii) 4,460,956,331 new shares (including underlying 1,612,500 new shares represented by 10,750 new global depositary receipts), with a total value of RON 446 mn, subscribed in cash, within the exercise of the preference rights, by the shareholders of OMV Petrom S.A., other than the Romanian State.

The newly issued shares and the new share capital of OMV Petrom S.A. were registered with the Romanian Trade Registry on October 25, 2022, with the Romanian Financial Supervisory Authority on November 1, 2022 and with the Romanian Central Depositary on November 3, 2022.

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

	December 31, 2022				December 31, 2021			
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**	-	61.86	-	**61.86**
Derivatives designated and effective as hedging instruments	-	-	-	**-**	-	21.10	-	**21.10**
Other derivatives	-	1,502.05	-	**1,502.05**	-	1,534.99	-	**1,534.99**
Total	**-**	**1,511.09**	**-**	**1,511.09**	**-**	**1,617.95**	**-**	**1,617.95**

	December 31, 2022				December 31, 2021			
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)**	-	(42.56)	-	**(42.56)**
Other derivatives	-	(650.89)	-	**(650.89)**	-	(2,364.20)	-	**(2,364.20)**
Total	**-**	**(652.09)**	**-**	**(652.09)**	**-**	**(2,406.76)**	**-**	**(2,406.76)**

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

Interest-bearing debts amount to RON 137.87 mn as at December 31, 2022 (December 31, 2021: RON 271.55 mn). The estimated fair value of these liabilities (Level 2) was RON 137.85 mn (December 31, 2021: RON 272.41 mn). The carrying amount of other financial assets and financial liabilities approximates their fair value.

Segment reporting

Intersegmental sales

Q4/22	Q3/22	Q4/21	Δ%[1]	in RON mn	2022	2021	Δ%
3,511.52	3,953.65	3,113.53	13	Exploration and Production	16,212.26	9,082.76	78
20.86	16.42	11.01	89	Refining and Marketing	84.71	48.01	76
82.04	77.35	93.51	(12)	Gas and Power	438.37	264.15	66
43.07	48.50	42.80	1	Corporate and Other	175.01	169.74	3
3,657.49	**4,095.92**	**3,260.85**	**12**	**Total[2]**	**16,910.35**	**9,564.66**	**77**

[1] Q4/22 vs. Q4/21;
[2] Figures for 2021 periods were updated to include intersegment sales between Refining and Marketing, former Downstream Oil, and Gas and Power, former Downstream Gas.

Sales to external customers

Q4/22	Q3/22	Q4/21	Δ%[1]	in RON mn	2022	2021	Δ%
14.89	13.62	15.19	(2)	Exploration and Production	58.01	144.53	(60)
8,004.59	9,103.68	5,658.29	41	Refining and Marketing	31,281.79	19,215.93	63
9,068.61	9,540.37	3,283.65	176	Gas and Power	29,968.57	6,615.93	353
8.39	9.64	8.21	2	Corporate and Other	36.07	34.74	4
17,096.48	**18,667.31**	**8,965.34**	**91**	**Total**	**61,344.44**	**26,011.13**	**136**

[1] Q4/22 vs. Q4/21

Total sales (not consolidated)

Q4/22	Q3/22	Q4/21	Δ%[1]	in RON mn	2022	2021	Δ%
3,526.41	3,967.27	3,128.72	13	Exploration and Production	16,270.27	9,227.29	76
8,025.45	9,120.10	5,669.30	42	Refining and Marketing	31,366.50	19,263.94	63
9,150.65	9,617.72	3,377.16	171	Gas and Power	30,406.94	6,880.08	342
51.46	58.14	51.01	1	Corporate and Other	211.08	204.48	3
20,753.97	**22,763.23**	**12,226.19**	**70**	**Total[2]**	**78,254.79**	**35,575.79**	**120**

[1] Q4/22 vs. Q4/21;
[2] Figures for 2021 periods were updated to include intersegment sales between Refining and Marketing, former Downstream Oil, and Gas and Power, former Downstream Gas.

Segment and Group profit

Q4/22	Q3/22	Q4/21	Δ%[1]	in RON mn	2022	2021	Δ%
(736.14)	1,356.03	587.97	n.m.	Operating Result Exploration and Production	3,611.70	1,660.22	118
733.62	1,044.88	759.83	(3)	Operating Result Refining and Marketing	4,076.03	2,663.18	53
1,170.32	2,569.92	212.02	452	Operating Result Gas and Power	4,661.92	(253.24)	n.m.
(117.50)	(62.64)	(20.21)	(481)	Operating Result Corporate and Other	(250.37)	(98.61)	(154)
1,050.30	**4,908.19**	**1,539.61**	**(32)**	**Operating Result segment total**	**12,099.28**	**3,971.55**	**205**
68.43	294.33	(46.46)	n.m.	Consolidation	(60.53)	(262.70)	77
1,118.73	**5,202.52**	**1,493.15**	**(25)**	**OMV Petrom Group Operating Result**	**12,038.75**	**3,708.85**	**225**
90.21	**99.79**	**(87.10)**	**n.m.**	**Net financial result**	**17.10**	**(310.75)**	**n.m.**
1,208.94	**5,302.31**	**1,406.05**	**(14)**	**OMV Petrom Group profit before tax**	**12,055.85**	**3,398.10**	**255**

[1] Q4/22 vs. Q4/21.

Assets[1]

in RON mn	December 31, 2022	December 31, 2021
Exploration and Production	20,189.90	21,241.65
Refining and Marketing	5,854.07	5,779.64
Gas and Power	1,317.28	1,347.86
Corporate and Other	405.49	384.44
Total	**27,766.74**	**28,753.59**

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

Other notes

Significant transactions with related parties

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

Changes related to interests in joint arrangements

On August 1, 2022, S.N.G.N Romgaz S.A announced the completion of the transaction to acquire and the transfer of all shares issued by ExxonMobil Exploration and Production Romania Limited which held a participating interest of 50% in the joint arrangement with OMV Petrom S.A. for exploring and developing the Neptun Deepwater block in the Black Sea. Starting with this date, OMV Petrom S.A. became the operator of the joint arrangement.

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, 2022 give a true and fair view of OMV Petrom Group's assets, liabilities, financial position and profit or loss, as required by the applicable accounting standards, and that the Group Directors' Report gives a true and fair view of important events that have occurred during the financial year 2022 and their impact on the preliminary condensed consolidated financial statements, as well as a description of the principal risks and uncertainties.

Bucharest, February 2, 2023

The Executive Board

Christina Verchere
Chief Executive Officer
President of the Executive Board

Alina Popa
Chief Financial Officer
Member of the Executive Board

Christopher Veit
Member of the Executive Board
Exploration and Production

Franck Neel
Member of the Executive Board
Gas and Power

Radu Caprau
Member of the Executive Board
Refining and Marketing

Further information

Abbreviation and definitions

bbl	barrel(s), i.e. 159 liters
bcf	billion cubic feet; 1 bcm = 35.3147 bcf for Romania or 34.7793 bcf for Kazakhstan
boe; kboe; kboe/d	barrels of oil equivalent; thousand barrels of oil equivalent; kboe per day
bn	billion
bcm	billion cubic meters
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	Liquified 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, 2022

Parent company

OMV Petrom S.A.

Subsidiaries

Exploration and Production		**Refining and Marketing**	
OMV Offshore Bulgaria GmbH (Austria)	100.00%	OMV Petrom Marketing S.R.L.	100.00%
OMV Petrom Georgia LLC (Georgia)	100.00%	OMV Petrom Aviation S.R.L.[1]	100.00%
OMV Petrom E&P Bulgaria S.R.L.[2]	100.00%	Petrom Moldova S.R.L. (Moldova)	100.00%
		OMV Bulgaria OOD (Bulgaria)	99.90%
		OMV Srbija DOO (Serbia)	99.96%
		OMV Petrom Biofuels S.R.L.	75.00%
		Corporate and Other	
		Petromed Solutions S.R.L.	100.00%

[1] (one) equity interest owned through OMV Petrom Marketing S.R.L.
[2] former OMV Petrom Gas S.R.L., previously reported under Gas & Power segment

Incorporated Joint operations[3)]

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

[3] Joint operations; accounted for as OMV Petrom's share of assets, liabilities, income and expenses held or incurred jointly.

Associated company, accounted for at equity

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

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

Appendix 2

Significant transactions with related parties

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

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

Related party (in RON mn)	Purchases	Balances payable
	2021	December 31, 2021
OMV Gas Marketing & Trading GmbH	963.15	175.27
OMV Supply & Trading Limited	884.15	1.10
OMV Petrom Global Solutions S.R.L.	541.12	73.82
OMV Downstream GmbH	252.38	57.33
OMV - International Services Ges.m.b.H.	8.13	60.85

Related party (in RON mn)	Revenues	Balances receivable
	2021	December 31, 2021
OMV Gas Marketing & Trading GmbH	400.23	143.52
OMV Deutschland Marketing & Trading GmbH & Co. KG	357.28	62.04
OMV Downstream GmbH	183.28	15.80
OMV Supply & Trading Limited	58.97	-
OMV - International Services Ges.m.b.H.	0.02	22.58

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

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