

## Supervisory Board Report on OMV PETROM S.A.'s separate Financial Statements prepared in accordance with Ministry of Finance Order no. 2844/2016

In 2022, the Supervisory Board thoroughly reviewed the position and prospects of OMV Petrom S.A. ("OMV Petrom" or the "Company"), and performed its functions according to the relevant laws, the Articles of Association, the applicable Corporate Governance Code and the relevant internal regulations. We supervised the Executive Board on the management of OMV Petrom and coordinated on important matters, monitored its work and we were involved in the Company's key decisions, always following a comprehensive analysis.

The Supervisory Board received detailed information, both verbally and in writing, on issues of fundamental importance for the Company, including its financial position, business strategy, planned investments and risk management. We discussed all significant matters for OMV Petrom in the plenary meetings, based on the reports of the Executive Board.

The separate financial statements were presented to the Audit Committee. Ernst & Young Assurance Services SRL audited the 2022 separate financial statements, read the Directors' Report and has not identified information which is not consistent in all material respects with the information presented in the separate financial statements, and will issue an unqualified audit opinion. The auditors attended the relevant meeting of the Audit Committee convened to review the separate financial statements. The Audit Committee discussed the separate financial statements with the auditors and endorsed the

Executive Board proposal for allocation of the profit, including distribution of dividends.

We have also reviewed and analyzed the attached report of the Executive Board (Directors' Report) presented as Appendix 1 which gives a true and fair view of the development and performance of the business and the financial position of OMV Petrom, together with a description of the principal risks and associated uncertainties as of December 31, 2022.

Hence, the separate financial statements of OMV Petrom prepared in accordance with Ministry of Finance Order no. 2844/2016 with all subsequent modifications and clarifications were approved in today's Supervisory Board meeting and will further be submitted for approval in the Ordinary General Meeting of Shareholders to be held on April 26, 2023.

Furthermore, we have reviewed and approved the separate report on payments to governments for the year 2022, prepared in accordance with Chapter 8 of the Annex 1 of Ministry of Public Finance Order no. 2844/2016 for approval of Accounting Regulations according to International Financial Reporting Standards with all subsequent modifications and clarifications, transposing Chapter 10 of the Accounting Directive (2013/34/EU) of the European Parliament and of the Council.

Bucharest, March 16, 2023

Alfred Stern

President of the Supervisory Board

## Appendix 1

### Directors' Report on OMV PETROM S.A.'s separate Financial Statements prepared in accordance with Ministry of Finance Order no. 2844/2016 and in compliance with the Regulation no. 5/2018, Appendix 15, issued by the Financial Supervisory Authority

#### Overview of the Company's nature

The Company's headquarters is located at Coralilor Street no. 22, district 1, Bucharest, Romania. The Company was set up according to the Government Ordinance no. 49/October 1997, approved by Law no. 70/April 1998. The Company is registered with the Trade Register under number J40/8302/1997 and has as unique fiscal registration code RO1590082. The Company has as main activities exploration and production of hydrocarbons, refining of crude oil, marketing of petroleum products, sale of natural gas, as well as production and sales of electricity. The Company performs its activity either directly (mainly in Romania) or through its affiliates in Romania (marketing of petroleum products and production of biofuels), Bulgaria (exploration of hydrocarbons and marketing of petroleum products), Georgia (exploration of hydrocarbons) and Serbia and Republic of Moldova (marketing of petroleum products).

As at December 31, 2022, 28.15% stake of the Company's capital represented the free float, traded as shares within the Premium category of the Bucharest Stock Exchange, under SNP symbol and as global depository receipts (GDRs) within the Standard category on the main market for listed securities of the London Stock Exchange under the symbols "PETB" and "PETR". Market capitalization as of December 31, 2022 was RON 26,170,900,164.

The Company is the parent company of OMV Petrom Group ("the Group"). Separate individual financial

statements for the year ended December 31, 2022 are prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (EU IFRS), as the Ministry of Finance Order (MOF) no. 2844/2016 stipulates that Romanian listed companies must prepare financial statements in accordance with IFRS as endorsed by European Union (EU). The annual consolidated financial statements are also prepared by the Company in accordance with IFRS as endorsed by the EU. In its turn, the parent Company OMV Petrom S.A. is part of the OMV Group which prepares consolidated financial statements at the level of OMV Aktiengesellschaft, with its registered office at Trabrennstrasse 6-8, 1020 Vienna, Austria. The annual consolidated financial statements of the OMV Petrom Group and OMV Group are public and may be obtained from the companies' websites, i.e. [www.omvpetrom.com](http://www.omvpetrom.com) and [www.omv.com](http://www.omv.com).

OMV Petrom has vertically integrated activities and is organized into three operating business segments: Exploration & Production, Refining & Marketing and Gas & Power, while the management, the financing activities and certain service functions are concentrated in the Corporate & Other segment.

As at December 31, 2022 the total share capital amounted to RON 6,231,166,705.80, representing 62,311,667,058 shares with a nominal value of RON 0.1 per share. The shareholders' structure as at December 31, 2022 is presented below:

|  | No. of shares         | Percent         |
|--|-----------------------|-----------------|
| OMV Aktiengesellschaft                 | 31,876,679,783        | 51.157%         |
| Romanian State                         | 12,897,296,810        | 20.698%         |
| Legal entities and private individuals | 17,537,690,465        | 28.145%         |
| <b>Total</b>                           | <b>62,311,667,058</b> | <b>100.000%</b> |

As at December 31, 2021, the total share capital amounted to RON 5,664,410,833.50, representing 56,644,108,335 shares with a nominal value of RON 0.1 per share. The shareholders' structure as at December 31, 2021 is presented below:

|  | No. of shares         | Percent         |
|--|-----------------------|-----------------|
| OMV Aktiengesellschaft                 | 28,894,467,414        | 51.011%         |
| Romanian State                         | 11,690,694,418        | 20.639%         |
| Fondul Proprietatea S.A.               | 3,963,548,078         | 6.997%          |
| Legal entities and private individuals | 12,095,398,425        | 21.353%         |
| <b>Total</b>                           | <b>56,644,108,335</b> | <b>100.000%</b> |

As of December 31, 2022 the number of GDRs was 127,544, equivalent of 19,131,600 ordinary shares, representing 0.031% of the share capital.

As of December 31, 2021 the number of GDRs was 111,494, equivalent of 16,724,100 ordinary shares, representing 0.030% of the share capital.

## 1. Analysis of the company's activity

### 1.1. a) The activity developed or which is to be developed by the company and its subsidiaries

OMV Petrom develops the following main activities:

- ▶ The exploration and production of crude and natural gas on fields located onshore and offshore;
- ▶ Emergency works, commissioning and repair of wells;
- ▶ Crude refining;
- ▶ The distribution, transport, storing, marketing, bunkering of ships and the supply of airships with crude oil products;
- ▶ Wholesale and retail trade in merchandise and miscellaneous products;
- ▶ The import and export of crude, petroleum products, petrochemicals and chemicals, equipment, machines and specific technologies;
- ▶ Production of biofuels;
- ▶ Sale of natural gas;
- ▶ Production, transmission, distribution, trade of electricity;
- ▶ Medical and social activity for its own employees and third parties;
- ▶ Other activities established and detailed in the Articles of Association of the company.

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

### b) The date when the company was established

The Company was established on October 27, 1997 and started its activity as of November 1, 1997, as per the Emergency Ordinance no. 49/1997 approved through Law no. 70/1998 under the name of S.N.P. Petrom S.A. (SNP – Societatea Nationala a Petrolului/ National Oil

Company). In the Extraordinary General Meeting of Shareholders dated September 14, 2004 the change of the Company's name from SNP Petrom SA to S.C. Petrom S.A. was approved.

Starting January 1, 2010, the Company name is OMV Petrom S.A., based on the Resolution of the Extraordinary General Meeting of Shareholders dated October 20, 2009.

### c) Mergers or significant reorganizations of the company, the subsidiaries or the companies controlled performed during the financial year.

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.

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 Complexul Energetic 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.

#### **d) Asset acquisitions and/or alienation**

The outsourcing of non-core activities (e.g. outsourcing projects from prior years referring to workover activities and to activities for general surface services) ensures an Exploration and Production organization able to react in a more flexible, efficient and timely manner to both external and internal factors, by reducing the level of complexity and increasing efficiency and performance. There were no significant divestments or outsourcing projects finalized in 2022.

#### **e) Overview of the main results of the company**

Our 2022 Group operational performance was outstanding. High asset utilization combined with higher commodity prices and refining margins, enhanced the results of all our business segments. Headwinds came from lower hydrocarbon production, cost inflation, as well as increased taxation, mostly for gas and power. The high and volatile pricing environment generated by the market context led to a decrease of the gas and power market demand to record lows in the last 10 years: gas demand was down by 16%, power lower by 8% yoy. At the same time, the fuels retail demand in Romania remained resilient, with a 2% yoy increase, supported by economic growth and government's voluntary discounts offered. In the E&P segment, we managed to contain the production decline excluding portfolio optimization at 5.6% yoy, better than the initial estimation of a 7% decline. In the R&M segment, the refinery utilization reached 95%, while our retail sales volumes were up by 3%, outpacing demand growth in most of our operating countries. In the G&P segment, we had a record high net electrical output of 5 TWh, up 5% yoy.

At Group level, GHG intensity index decreased by around 11% vs. 2019 level, based on preliminary 2022 data. Our overarching ambition is to reduce the carbon intensity of our operations by 30% by 2030 compared to 2019; in 2023 we will continue to put our efforts into this. In addition, we reduced our methane emissions intensity by 35% yoy and 70% vs. 2019 level, progressing towards our target of less than 0.2% by 2025.

The strong operational performance was also reflected in our solid 2022 financial performance. Our Group Clean CCS Operating Result almost tripled yoy and was a solid base for our contribution to the Romanian economy and the Romanian energy sector. The Group net income was RON 10.3 bn, while the contribution to the Romanian state budget through taxes and dividends reached a record high of almost RON 20 bn, which positions us as the largest state budget contributor in 2022. Our specific industry taxes and contributions totalled more than RON 7 bn, almost 4 times higher yoy. We remain advocates of addressing the regulatory challenges and of the implementation of appropriate measures to protect vulnerable consumers. We voluntarily complied with the measures taken by the Romanian Government to partly compensate fuel prices. And we paid all our duties on time, including those coming from supplementary taxation mechanisms introduced during 2022.

With regards to shareholders' return, we distributed the highest dividends last year, with a competitive yield of 15.9%, reflecting also the first special dividend distributed by our company. Total dividends paid in 2022 amounted to RON 4.4 bn. Moreover, based on our strong 2022 results, the Executive Board proposed a gross base dividend of RON 0.0375/share for the 2022 financial year, up 10% yoy, and announced the intention to propose the distribution of a special dividend in 2023, with the value to be communicated mid-year. The proposal for base dividend was approved by the Supervisory Board and is subject to further approval by the GMS on April 26, 2023, while the special dividend will be subject to a future GMS.

### 1.1.1 General evaluation elements

| Item, RON mn                          | 2022   | 2021   | 2020   |
|---------------------------------------|--------|--------|--------|
| Net income                            | 10,288 | 2,688  | 1,382  |
| Net turnover *                        | 55,838 | 21,486 | 15,437 |
| Operating Result                      | 11,991 | 3,366  | 1,499  |
| Operating expenses                    | 45,666 | 18,647 | 15,011 |
| Liquidity (cash and cash equivalents) | 13,853 | 10,054 | 7,305  |

\* For the purpose of this report, turnover corresponds to the Sales Revenues line from Income Statement, part of Separate Financial Statements prepared in accordance with Order of the Ministry of Public Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards

In 2022, OMV Petrom's Operating Result amounted to RON 11,991 mn, compared to RON 3,366 mn in 2021, mostly driven by the higher market prices, the good availability of our assets as well as the business integration benefits.

The information related to net turnover split per geographical areas is presented below:

| RON mn         | 2022          | 2021          | 2020          |
|----------------|---------------|---------------|---------------|
| Romania        | 49,478        | 20,543        | 15,239        |
| Rest of CEE    | 6,118         | 932           | 193           |
| Rest of Europe | 242           | 11            | -             |
| Rest of world  | -             | -             | 5             |
| <b>TOTAL</b>   | <b>55,838</b> | <b>21,486</b> | <b>15,437</b> |

Sales are allocated per countries/regions based on the location where the risks and benefits are transferred to the customer.

Please see section 5 for a detailed analysis of the financial statements.

### 1.1.2. Evaluation of the company's technical expertise

#### a) Main products and services

OMV Petrom is an integrated oil and gas company, covering the full chain of upstream and downstream activities. Its products can be grouped into the following categories, representative for the company's activity:

- ▶ Crude oil;
- ▶ Natural gas;
- ▶ Petroleum products: e.g. gasoline, diesel, kerosene, heavy fuel oil, LPG;
- ▶ Electricity.

#### b) Main outlets for each product or service and the distribution methods

OMV Petrom is present on relevant markets as a producer and supplier of crude oil and natural gas, petroleum products and electricity.

- ▶ **Crude oil:** OMV Petrom accounts for almost the entire oil production in Romania which is delivered to its own refinery - Petrobrazi; the crude transportation is handled by the state owned company Conpet S.A.
- ▶ **Natural gas:** OMV Petrom accounts for almost 40% of the gas production in Romania. A small part of the natural gas produced by OMV Petrom is used in the E&P activity. The remaining volumes are placed on the market, to industrial end-users, as well as to wholesalers, either via bilateral contracts or on the centralized markets, while also partly delivered to internal consumers (such as the Brazi power plant). Given the legislation in force, starting April 2022, OMV Petrom supplied the available gas production to the regulated market for households and district heating consumption. Following full gas market liberalization in July 2020, OMV Petrom had no such obligation in

2021. For the delivery of the natural gas, OMV Petrom uses the national pipeline system operated by Transgaz and also the distribution networks.

- **Petroleum products:** These products are either produced in the Petrobrazi refinery or supplied from third parties and are sold to both Romanian and international markets. The company uses both retail and wholesale distribution channels, directly or through affiliates, to sell the refined products. The Group's retail supply channel consisted in a network of 780 fuel filling stations as of end-2022, of which 555 filling stations in Romania and the other 225 in the neighboring countries: Bulgaria, Serbia and the Republic of Moldova. Retail market share<sup>i</sup> in the

operating region remained flat compared to the previous year at 31%, reflecting the efficiency of our operations in the context of increased competition.

- **Electricity:** 2022 was yet another excellent year for our power business. Brazi power plant reached a new record high of net electrical output, generating 5.0 TWh in 2022 and covering a record high 9% of the national power generation mix (2021: 8%). The power plant had an annual planned shutdown in March and April 2022, completed on time, on budget and with no HSSE incidents. For the delivery of the power, OMV Petrom uses the national power grid of Transelectrica and distributions networks.

### c) Analysis of various revenues types

The weight of each revenue category in total revenues as well as each product/ service category in total turnover are presented in the tables below:

| Item                  | Total value – RON mn |               |               | Share in revenues (%) |            |            |
|-----------------------|----------------------|---------------|---------------|-----------------------|------------|------------|
|                       | 2022                 | 2021          | 2020          | 2022                  | 2021       | 2020       |
| Operating revenues *  | 57,668               | 22,028        | 16,510        | 98                    | 97         | 98         |
| thereof Turnover      | 55,838               | 21,486        | 15,437        | 95                    | 94         | 91         |
| Financial revenues ** | 887                  | 753           | 378           | 2                     | 3          | 2          |
| <b>TOTAL</b>          | <b>58,555</b>        | <b>22,781</b> | <b>16,888</b> | <b>100</b>            | <b>100</b> | <b>100</b> |

Figures in this and the following tables may not add up due to rounding differences.

\* The difference to Turnover represents other operating income and income from consolidated subsidiaries and equity-accounted investments.

\*\* Financial revenues indicator contains Interest income, Net gains from investments and financial assets, Foreign exchange revenues from financing activities.

| Item   | Total value – RON mn |               |               | Share in revenues (%) |            |            |
|--|----------------------|---------------|---------------|-----------------------|------------|------------|
|  | 2022                 | 2021          | 2020          | 2022                  | 2021       | 2020       |
| <b>Revenues from contracts with customers</b>                      |                      |               |               |                       |            |            |
| Crude Oil, NGL, condensates  | 300                  | 59            | 48            | 1                     | -          | -          |
| Natural gas, LNG and power   | 20,527               | 6,269         | 4,700         | 37                    | 29         | 30         |
| Fuels and heating oil  | 22,857               | 12,555        | 7,896         | 41                    | 58         | 51         |
| Other goods and services   | 2,709                | 2,157         | 1,222         | 5                     | 10         | 8          |
| <b>Revenues from other sources</b>                                 |                      |               |               |                       |            |            |
| Net revenues in relation to power sales within the scope of IFRS 9 | 9,498                | 324           | 1,085         | 17                    | 2          | 7          |
| Other goods and services   | (53)                 | 123           | 486           | 0                     | 1          | 3          |
| <b>Total turnover</b>  | <b>55,838</b>        | <b>21,486</b> | <b>15,437</b> | <b>100</b>            | <b>100</b> | <b>100</b> |

<sup>i</sup> OMV Petrom's estimates based on preliminary data available; OMV Petrom retail market share is calculated by dividing retail sales (Gasoline + Diesel) by the total retail market (Gasoline + Diesel).

#### d) New products

In July 2022 we produced the first batch of sustainable aviation fuel (SAF) at the Petrobrazî refinery by co-processing locally produced rapeseed oil. Thus, Petrobrazî became the first refinery in Romania to produce SAF. The SAF volumes produced at the Petrobrazî refinery can help reduce the CO<sub>2</sub> emissions from commercial flights by about 70%, compared to conventional fuels.

In 2022, OMV Petrom started the production of AdBlue, following an investment of approximately EUR 800,000. In the first phase, AdBlue will be sold in OMV and Petrom filling stations and starting 2023 it will be also sold in other networks. AdBlue is an essential product for reducing nitrogen oxide emissions from diesel engines by up to 90%.

In 2021 OMV Petrom has made a first step into a new type of activity, when it completed the first LNG delivery in Romania. This delivery implied coordinating and

managing for the first time a complex process in which several partner companies were involved, while being compliant with all safety measures. Thus, two separate transports of two tankers each fed the tank of the first LNG operated ship built in Romania. While not significant in terms of LNG volumes, this transaction proved the potential for the LNG development in Romania as LNG has multiple applications in power production, transportation, and industry, and can be a contributor to Romania's emissions reduction targets.

#### 1.1.3 Evaluation of the provision of technical and material resources (domestic and imports)

OMV Petrom is processing mainly domestically produced crude oil in its Petrobrazî refinery in order to obtain petroleum products and to maximize the company's integration value. The Company is also constantly evaluating the economic benefits from processing imported crude. During 2022, OMV Petrom processed 1,241 thousand tons imported crude oil (2021: 1,081 thousand tons).

#### 1.1.4. Overview of the sale activity

A breakdown of turnover per each business segment is presented in the table below:

| Turnover per segments of activity, RON mn | Year ended December 31 |               |               |
|---|------------------------|---------------|---------------|
|   | 2022                   | 2021          | 2020          |
| Exploration and Production                | 60                     | 54            | 55            |
| Refining and Marketing                    | 25,722                 | 14,750        | 9,505         |
| Gas and Power                             | 30,016                 | 6,643         | 5,842         |
| Corporate and Other                       | 39                     | 39            | 35            |
| <b>Total</b>                              | <b>55,838</b>          | <b>21,486</b> | <b>15,437</b> |

Turnover per segments refers to sales to third parties (excluding inter-segmental sales).

The Company's turnover in 2022 increased by 160% compared to 2021, to RON 55,838 mn. Turnover increased mainly supported by higher commodity prices and higher sales volumes of petroleum products and electricity, partly offset by lower gas sales volumes.

OMV Petrom S.A. is the parent company of OMV Petrom Group whose business model envisages the use of several sales channels and subsidiaries. Therefore, we also present the turnover breakdown at OMV Petrom Group level:

| Group turnover per segments of activity, RON mn | Year ended December 31 |               |               |
|---|------------------------|---------------|---------------|
|   | 2022                   | 2021          | 2020          |
| Exploration and Production                      | 58                     | 145           | 310           |
| Refining and Marketing                          | 31,282                 | 19,216        | 13,565        |
| Gas and Power                                   | 29,969                 | 6,616         | 5,812         |
| Corporate and Other                             | 36                     | 35            | 30            |
| <b>Total</b>                                    | <b>61,344</b>          | <b>26,011</b> | <b>19,717</b> |

Group turnover per segments refers to sales to third parties (excluding intra-group sales).



## a) Sales evolution and outlook

The figures in the table below reflect OMV Petrom Group total sales of fuels and gas, as well as electricity output.

| Products                          | Year ended December 31 |       |       | Changes in % |       |       |
|-----------------------------------|------------------------|-------|-------|--------------|-------|-------|
|                                   | 2022                   | 2021  | 2020  | 22/21        | 21/20 | 20/19 |
| Total refined product sales (kt)  | 5,522                  | 5,339 | 4,993 | 3            | 7     | 10    |
| thereof retail sales (kt)         | 3,043                  | 2,944 | 2,619 | 3            | 12    | 4     |
| Gas sales (TWh)                   | 46                     | 49    | 57    | (6)          | (14)  | 16    |
| thereof to third parties (TWh)    | 35.8                   | 38.4  | 47.7  | (7)          | (20)  | 21    |
| Brazi net electrical output (TWh) | 5.0                    | 4.8   | 4.1   | 5            | 15    | (11)  |

OMV Petrom Group's total refined product sales amounted to 5,522 kt in 2022, representing a 3% increase compared to 2021.

Group retail sales volumes were 3% higher than in 2021, reaching 3,043 kt, mainly supported by the robust demand increase throughout the year, except for Q3/22. In Romania, retail sales reached 2,587 kt in 2022, 3% higher than in 2021. Therefore, in 2022 in Romania, the average throughput per station increased to 5.66 mn liters (2021: 5.48 mn liters), and at Group level, this indicator increased to 4.76 mn liters (2021: 4.57 mn liters).

In 2022, the non-retail business continued to be a strong contributor to the overall OMV Petrom result. The commercial sales business reached the highest level in the past 10 years, capitalizing on market opportunities, improved processes and effective cost management. Jet fuel sales continued the positive trend started at the end of 2020, although not reaching yet the 2019 reference level. A strong focus remained on digitalization, operational excellence and customer centricity, in line with company strategy.

Overall, Group non-retail sales increased by 3% compared to 2021, reflecting the partial recovery of the aviation business and the increased regional sales, despite lower exports.

In 2022, the European energy sector faced probably one of the most turbulent years, with record-high natural gas, power and carbon prices, as well as with stringent concerns regarding security of supply across Europe in the context of reduced to almost no Russian gas flows towards the continent. Throughout the year, the EU regulatory bodies and national governments in various European countries had different approaches and

implemented various measures aiming at managing this crisis to protect energy consumers.

According to our estimates, national gas consumption decreased by around 16% in 2022 as compared to 2021, to the lowest level of Romania's gas consumption in the last two decades. The decline occurred mainly due to the fact that the end customers were affected by high prices. In addition, the decrease was also due to a high base effect, with consumption in the first half of 2021 at unusually high level due to cold weather. Regarding the supply sources, the national consumption was covered by a slightly increasing domestic gas production, as a result of a new producer entering the market, and a lower share of gas imports compared to the previous year. Gas prices reached record levels during the year, with the peak in August, following the upward trend that started in the second part of 2021. Throughout the year, market gas prices in Romania followed the European market trends.

As a result of the increased volatility and spiking energy prices, the Romanian Government intervened and applied a series of support measures. In March 2022, the Government issued Ordinance 27, providing for temporary measures for the gas and power markets. It was amended several times during the year, in terms of price cap levels, obligations, duration, applicability etc. This resulted in a very regulated energy market with high unpredictability and huge burden on operational processes. The legislation currently in force is applicable until the end of March 2025.

In 2022, on the Romanian centralized market BRM, the traded gas volumes covering a variety of standard products for medium and long term totaled 15.4 TWh (with delivery until end-2023) compared to 40.8 TWh in 2021, at an average price of RON 482/MWh. The significantly reduced liquidity was influenced by limited



supply, high market and regulatory unpredictability, as well as uncertainties coming from the current geopolitical context.

In 2022, our gas sales performance was very strong, despite the above mentioned challenges. OMV Petrom's total gas sales volumes were 6% lower yoy, at 46.1 TWh. Given the legislation in force, starting April 2022, OMV Petrom supplied the available gas production to the regulated market for households and district heating consumption. OMV Petrom had no such obligation in 2021.

Sales volume decline was determined by lower supply, as equity production decreased versus 2021. Our efforts are always dedicated to ensure the security of supply of our customers, therefore we managed to successfully source higher gas volumes from third parties, thus offsetting the equity gas decline. The excellent operational gas business performance throughout the year was a result of our endeavours to progress with our strategic direction to develop operations in the neighboring countries. Therefore, in 2022 we achieved profitable transactions with third party gas, primarily with volumes bought and sold outside Romania.

Also in 2022, we faced a significant challenge for our gas business, as OMV Petrom was appointed as Supplier of Last Resort (FUI) for the Romanian gas market in March, May, June, July, August and October and consequently received a significant number of customers in our portfolio. Only in October, over 14,000 household and non-household consumers were added to our end-user portfolio, generating increased strain on our operational processes and supply concerns, given the prevailing market environment.

We continue to focus on collaborating with our end-user customers, especially in this context of significant market challenges. This is becoming much more difficult in this highly regulated gas market, with several sale obligations on our production volumes, but also supply concerns. Nevertheless, we continue to play our role, not only as an energy supplier, but also as a reliable business partner, willing to find innovative, mutually-beneficial solutions.

We have made significant progress in diversifying our gas supply portfolio from third parties, especially in terms of imported gas sources, via other routes and products.

At the end of 2022, OMV Petrom had 3.7 TWh of gas in storage, fully compliant with the obligation to store gas, reintroduced through GEO 27/2022.

On the power market, as per currently available data from the grid operator, national electricity consumption decreased by 8% to 56 TWh in 2022 (2021: 61 TWh). The national electricity production also decreased by 6%, to 55 TWh (2021: 59 TWh). This lower power generation in 2022 was covered by significantly diminished production from hydro sources, as a result of the drought during the year, lower coal production, slightly lower production from natural gas and nuclear, but higher from renewables. Romania was a net power importer for the year overall.

Power prices reached record highs in 2022 throughout Europe, with the highest peak in August. Prices on OPCOM followed the trends on the European markets. Spot base load power prices in Romania reached record levels, after the surge that started in the second half of 2021, averaging RON 1,303/MWh in 2022 (138% higher vs. 2021).

2022 was yet another excellent year for our power business. Brazi power plant reached a new record high of net electrical output, generating 5.0 TWh in 2022 and covering a record high 9% of the national power generation mix (2021: 8%). The power plant had an annual planned shutdown in March and April 2022, completed on time, on budget and with no HSSE incidents.

The plant's significant importance for the security and stability of the national energy system was again proved in 2022, especially given the challenging supply and consumption power profile impacted by the current crisis.

In August, OMV Petrom celebrated 10 years since the commissioning of Brazi power plant. During this period, the plant generated over 34 TWh of electricity. We are proud that our Brazi power plant proved to be a sustainable reliable producer for the industry and households in Romania during this decade and a benchmark for the security of electricity supply, given its fast start-up time, flexibility and high efficiency. We believe that, for Romania's energy transition, natural gas is the best partner for renewable energy.

At the same time, we made good progress towards reaching our strategic objective to invest in renewable power generation and achieve Net Zero operations by 2050. In October we announced the partnership with CE Oltenia for a total installed capacity of around 450 MW, aiming to contribute together to Romania's energy transition. The installed capacity of the four photovoltaic parks will increase by a third the total national installed

capacity of solar energy, which is currently around 1.4 GW. Our goal is to put in function more than 1 GW of renewable power capacity by 2030, including through partnerships.

For the full year 2023, OMV Petrom expects the average Brent oil price to be above USD 80/bbl<sup>ii</sup>. We expect the refining margins to be above USD 9/bbl. Also we estimate that the demand for oil products in retail, as well as demand for gas and power will be broadly stable compared to 2022.

In the Exploration and Production segment, we expected production to be around 110 kboe/d excluding possible divestments. We will continue to focus on the most profitable barrels, through assessing selective fields divestments. We plan investments of around RON 2.9 bn, including Neptun Deep, mainly for drilling around 55 new wells and sidetracks and for performing around 450 workovers.

In Refining and Marketing segment, our refinery utilization rate is estimated to be above 85%, considering the 42-day turnaround in April-May 2023, while the total refined product sales are forecasted to slightly decline versus the previous year's level of 5.5 mn tons.

In the Gas and Power segment, both the total gas sales volumes and the net electrical output are estimated to be lower yoy. In case of gas this is mainly on lower supply, both from equity and third parties, as well as still low demand. The net electrical output will be affected by the longer planned outage of two and a half months for the entire capacity of the Brazi power plant, in March-May 2023.

#### **b) Company's market share. Main competitors**

With daily hydrocarbon production of 119.1 kboe/d and an oil/gas split of roughly 48%/52% in 2022, OMV Petrom accounts for almost the entire crude oil production and for almost 40% of the gas production in Romania.

According to our estimates, national gas consumption decreased by around 16% in 2022 as compared to 2021, to the lowest level of Romania's gas consumption in the last two decades. The decline occurred mainly due to the fact that the end customers were affected by high prices. In addition, the decrease was also due to a high base

effect, with consumption in the first half of 2021 at unusually high level due to cold weather.

Regarding the supply sources, the national consumption was covered by a slightly increasing domestic gas production, as a result of a new producer entering the market, and a lower share of gas imports compared to the previous year. Gas prices reached record levels during the year, with the peak in August, following the upward trend that started in the second part of 2021. Throughout the year, market gas prices in Romania followed the European market trends.

As a result of the increased volatility and spiking energy prices, the Romanian Government intervened and applied a series of support measures. In March 2022, the Government issued Ordinance 27, providing for temporary measures for the gas and power markets. It was amended several times during the year, in terms of price cap levels, obligations, duration, applicability etc. This resulted in a very regulated energy market with high unpredictability and huge burden on operational processes. The legislation currently in force is applicable until the end of March 2025.

On the power market, as per currently available data from the grid operator, national electricity consumption decreased by 8% to 56 TWh in 2022 (2021: 61 TWh). The national electricity production also decreased by 6%, to 55 TWh (2021: 59 TWh). This lower power generation in 2022 was covered by significantly diminished production from hydro sources, as a result of the drought during the year, lower coal production, slightly lower production from natural gas and nuclear, but higher from renewables. Romania was a net power importer for the year overall. Based on partial data available at this time, the hydropower plants covered ~25% of the total national electricity production, the nuclear-power plant ~20%, the coal power plants ~19%, the gas-powered power plants ~19%, while renewables covered the remainder ~16%. The Brazi power plant covered 9% of Romania's electricity production in 2022.

The Romanian refining sector consists of four refineries in operation: Petrobrazi (owned by OMV Petrom), Petromidia and Vega (owned by Rompetrol – majority owned by Kaz Munay Gas), Petrotel (owned by Lukoil), which have a total operational capacity of approximately

<sup>ii</sup> The budget is based on the assumption of 80 USD/bbl for Brent oil price for 2023;

13 mn tons/year. In 2022, the refineries processed a total quantity of approximately 12 mn tons of crude<sup>iii</sup>.

Retail market share<sup>iv</sup> in the operating region remained flat compared to the previous year at 31%, reflecting the efficiency of our operations in the context of increased competition.

**c) Description of any significant dependency of the company on a single customer or on a group of customers whose loss would have a negative impact on the company's income**

Given the wide range of products, OMV Petrom, also through its affiliates within the Group, has a large base of customers. Therefore, there are no third party clients which can materially affect the activity of the Company.

In addition, as a member of OMV Group, OMV Petrom has broadened its customer base with some of the affiliated companies within the OMV Group. Transactions with affiliated companies are made on arm's length basis and are presented in the separate financial statements of OMV Petrom S.A. and reported to the Bucharest Stock Exchange and Financial Supervisory Authority (ASF) as per the latter's requirements.

**1.1.5. Evaluation of issues related to the company's employees/staff**

**a) The number and expertise of the company's employees**

The average number of employees, calculated as average of the month's end number of employees during the year is presented below:

|                      | The average number of employees |       |        |
|----------------------|---------------------------------|-------|--------|
|                      | 2022                            | 2021  | 2020   |
| Average for the year | 7,372                           | 8,271 | 11,814 |

The average number of employees decreased in 2022 as a result of reorganization and restructuring programs continued by the Company as a consequence of process optimization and cost efficiency measures.

As of December 31, 2022, the OMV Petrom S.A. workforce comprises 78.4% employees with a high school diploma or higher degrees in oil engineering and other fields (technical/financial/legal etc., thereof 54.3% higher degrees and 24.1 % high school diploma).

The majority of the employees are members of the representative trade union SNP (Sindicatul National Petrom) affiliated to SNPE ("Sindicatul National Petrom-Energie"), while a small number of employees are members of trade unions affiliated to "Energetica" Federation.

**b) The relationship between management and employees as well as of any conflict elements which characterize this relationship**

The dialog between unions and management continues on a regular basis, with certain particularities due to the pandemic context. The key elements of the framework outlining the relationship between management and employees are the Collective Labor Agreement (CLA), Internal Rules and Parity Commissions on implementation of CLA, HSSE topics and others. The reorganization and/or outsourcing projects that the Company has entered were aligned by both parties.

As of 2007, the wording of some provisions of the previous CLA applicable within OMV Petrom led to a high number of labor litigations through which employees requested the granting of certain rights deriving from the CLA. At the time of this report, just a few of these types of litigations are still in progress, in a significant decreasing number across the country. OMV Petrom considers that the respective rights were granted and the company's standpoint is considered by courts in the vast majority of

<sup>iii</sup> Only crude oil processed (other feedstock not included). Data source: National Institute of Statistics (INS) and OMV Petrom calculations;

<sup>iv</sup> OMV Petrom's estimates based on preliminary data available; OMV Petrom retail market share is calculated by dividing retail sales (Gasoline + Diesel) by the total retail market (Gasoline + Diesel).

the cases. As a result, most cases have been finally won by OMV Petrom and only limited claims were received in the last years.

Following the assessment of the potential liabilities with respect to ongoing cases, the provision booked in prior years to cover this litigation risk was subject to reduction starting with 2015. OMV Petrom took all possible actions to prevent a further increase in likelihood of litigation risk and in addition, over the years, the provisions of the CLA were amended so as to limit the possibility of different interpretations that would trigger new litigations. The provisions of the CLA signed in 2021 were drafted and negotiated taking into consideration the litigation experience. The currently applicable CLA expires at the end of 2023. Furthermore, employees' information on this matter was substantially increased in order to raise awareness on the topic and a focus was put on clarifying discussions with claimants.

#### **1.1.6. Evaluation of issues related to the impact of the issuer's main activity on the environment**

##### **Summary description of the impact of the company's main activity on the environment and any existing or envisaged disputes about violations of environmental protection legislation**

Information on the impact of the company's main activity on the environment and any existing or envisaged disputes about violations of environmental protection legislation may be found in the Sustainability Report which is issued by the Company as per the legal requirements with reference to the disclosure of non-financial information.

OMV Petrom is involved in various court file cases regarding pollution claims, due to current or former specific oil and gas operations. As examples to illustrate the related events, we may refer to spills, leaks and other contamination resulting from, inter alia, ageing infrastructure and operating or waste management or accidents, resulting in various claims, such as requests for damages related to environmental restoration, lack of use of lands, fines and other measures imposed by the environmental authorities, challenges of acts issued by authorities with respect to environmental matters (including those referring to environmental taxes set up by local authorities).

Nevertheless, the Company is aiming to observe the specific measures with respect to the environmental matters, as imposed by the environmental authorities and the law, in due time, in which regard the Company

endeavors to take necessary measures to obtain access to the relevant lands, also via court claims.

#### **1.1.7 Evaluation of research and development activities**

In line with its strategic direction, the Company continued its exploration efforts in order to create potential for new discoveries. In 2022, the exploration expenditure amounted to RON 145 mn, compared to 177 mn in 2021, mainly due to lower 3D seismic acquisition activities, partly compensated by higher drilling wells.

The research and development activities are performed mainly through the Institute of Research and Technological Design (ICPT) Campina that is part of the Exploration and Production Division. ICPT was set up in 1950 and has become an important center of scientific research for the oil industry, being a pioneer in terms of developing field engineering, drilling and extraction methodologies. With a vast experience in oil industry research, ICPT performs complex laboratory analysis, offers technical support and expertise at a high level of quality and efficiency, covering the needs of exploration and production activities. In 2022, total expenses incurred by ICPT were in the amount of RON 17.4 mn (2021: RON 21.7 mn) and in 2023 are expected to reach RON 34.9 mn. Capital expenditure was in the amount of RON 2.9 mn (2021: RON 1.9 mn), while for 2023 it is anticipated to be around RON 3.6 mn.

#### **1.1.8. Evaluation of the company's risk management activity**

OMV Petrom is exposed to a variety of risks specific to the oil and gas industry, including market and financial risks, operational risks and strategic risks. The company's risk management processes focus on identification, assessment, and evaluation of such risks and their impact on the company's financial stability and profitability. The objective of these activities is to actively manage risks in the context of the OMV Petrom's risk appetite in order to achieve its long-term strategic goals.

Risk management and insurance function is centrally coordinated at the corporate level, which ensures that well-defined and consistent risk management processes, tools, and techniques are applied across the entire organization. Risk ownership is assigned to the managers responsible for the areas where the risks were identified, who are best suited to analyze, monitor and mitigate the respective risks.

During 2022, OMV Petrom monitored continuously the ongoing situation in Ukraine and its potential impact on the company's business activities. Continued and/or intensified disruptions in Russian commodity flows to Europe could result in further increases in European energy prices. Further sanctions on Russia and countersanctions issued by Russia could lead to disruptions in global supply chains and shortages, e.g., energy products, raw materials, agricultural products and metals and consequently lead to further increases in operational cost. 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.

On the other hand, the global outbreak of the COVID-19 pandemic continues to have a major impact on global economic development, in particular driven by changes in China's zero-Covid policy and the emergence of new virus variants. In addition, disruptions in supply chains, high inflation and rising interest rates, could lead to a significant deterioration in economic growth.

#### Enterprise Wide Risk Management

The main purpose of the **OMV Petrom's Enterprise-Wide Risk Management (EWRM)** process is to deliver value through risk-based management and decision-making which is ensured by applying a "three lines of defense model": 1. business management, 2. risk management and oversight functions, 3. internal audit.

OMV Petrom is constantly enhancing the EWRM process based on internal and external requirements. The process is facilitated by a Group-wide IT system supporting the established individual process steps (risk identification, risk analysis, risk evaluation, risk treatment, risk reporting and risk review through continuous monitoring of changes to the risk profile).

In the EWRM process common risk terminology and language are used across OMV Petrom to facilitate an effective risk communication, whereby Environmental, Social and Governance (ESG) risk category is in our focus area in the OMV Petrom risk taxonomy.

**OMV Petrom's EWRM** system complies with the ISO 31000 Risk Management International Standard and comprises a dedicated risk organization working under a robust internal regulation framework using an information technology infrastructure.

#### Risk management governance

Risk prevention is deeply integrated into the decision-making processes of everyday business activities at every level of our organization. The Executive Board sets, communicates and implements our risk management approach and objectives throughout the Group. Strategic risks are managed through specialised task forces: Performance, People, Technology and Innovation, New Energy Solutions and Stakeholders' Management.

To ensure that management takes risk-informed decisions, with adequate consideration of actual and prospective information, the Executive Board has empowered a dedicated Risk Management function with the objective to centrally lead and coordinate the Group's risk management-related processes. OMV Petrom's consolidated risk profile is reported twice a year to the Executive Board and to Supervisory Board's Audit Committee.

#### Risk management process

As mentioned, the risk management system and its effectiveness are monitored by the Audit Committee of the Supervisory Board via regular reports.

**The risk management process** is based on a precautionary, systematic approach, aimed at timely identification and management of risks in order to avoid a possible negative impact on our business or reputation. We believe that creating a **risk-aware culture** throughout the organization, where everyone is conscious of the risks related to their jobs and implements risk management practices on a daily basis, is the most effective way to avoid a negative impact. To this end, our comprehensive EWRM program is driven by senior management and cascades to every employee of the Company. This approach ensures greater awareness and focus on risks that might affect the Company's objectives.

The risk management process, implemented through OMV Petrom's EWRM framework, combines **bottom-up and top-down processes**, each employee being responsible for managing the risks within his/her competency area.

The risks identified in the **bottom-up** risk process by operational staff during day-to-day business management are assessed against a mid-term time horizon of three years. Department heads are responsible for initiating the risk analysis, which includes selection of the appropriate risk identification techniques. These include not only interviews, workshops, surveys and analyses of historical losses, but also information on risks documented in risk



registers. Heat maps or risk matrices are used to support the assessment process and serve to identify probability ranges and the related consequences if risks were to materialize.

Senior management evaluates **top-down** risks to provide a strategic perspective of risks across a longer time horizon. Permanently scanning the horizon to identify emerging risks and having regular risk meetings, the senior management have the full perspective on strategic risks landscape. This enables capturing new trends and developments of the operating environment and industry best practice, and thereby enables the Group to achieve its long term objectives.

In terms of tools and techniques, OMV Petrom follows the best international risk management practices and uses stochastic quantitative models to measure the potential loss associated with the Company's risk portfolio. The process is facilitated by a Group-wide IT system supporting the established individual process steps: risk identification, risk analysis, risk evaluation, risk treatment, reporting, and risk review through continuous monitoring of changes to the risk profile. The overall risk resulting from the bottom-up risk management process is computed using Monte Carlo simulations (under a 95% confidence level) and compared against planning data for a mid-term three-year horizon. The identified risks are analysed depending on their nature, taking into consideration their causes, consequences, historical trends, volatility and potential cash flow impact.

### Risk taxonomy

The risks within OMV Petrom's EWRM system are organized into the following categories: **market and financial, operational and strategic**.

### Market and Financial Risks

Regarding the **market price risk**, OMV Petrom is naturally exposed to the price-driven volatility of cash flows generated by production, refining and marketing activities associated with crude oil, oil products, gas, electricity and CO<sub>2</sub> certificates. Market risk has core strategic importance within OMV Petrom Group's risk profile and liquidity. The market price risks of OMV Petrom's commodities are closely analysed, quantified and evaluated. Corresponding optimization and hedging activities are undertaken to mitigate those risks. Such activities include margin hedges as well as stock hedges executed by using financial instruments. An optimization, trading, and hedging risk control governance system defines clear mandates including risk thresholds for such activities. In addition, Emission Compliance Management

ensures a balanced position of emission allowances by covering the gap with a structured approach.

In terms of **foreign exchange risk** management, OMV Petrom is essentially exposed to the volatility of RON against USD and EUR. The effect of foreign exchange risk on cash flows is regularly monitored.

Derivative financial instruments may be used for the purposes of managing exposure to commodity price and foreign exchange currencies, upon approval from OMV Petrom's Executive Board, in line with the Company's risk appetite and/or risk assessments.

**Counterparty credit risk** management refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to OMV Petrom. In light of a challenging geopolitical and economic environment with high inflation, volatile commodity prices, rising interest rates, and distorted supply chains, special attention is paid to changes in payment behavior. The Group's counterparty credit risks are assessed, monitored and managed at Company level using predetermined limits for specific countries, banks, clients and suppliers. Based on creditworthiness and available rating information, all counterparties are assigned maximum permitted exposures in terms of credit limits (amounts and maturities), and the creditworthiness assessments and granted limits are reviewed on a regular basis.

OMV Petrom is inherently exposed to **interest rate risk** due to its financial activities. The volatility of EURIBOR and ROBOR may trigger less or additional cash flow. However, the risk and the mentioned volatility in our cash flow are low.

### Operational Risks

From an operational risk perspective, OMV Petrom is an integrated company with a wide asset base composed mainly of hydrocarbon production and processing plants. The low-probability, high-impact risks associated with the operational activity (e.g. blowouts, explosions, earthquakes etc.) are identified and incident scenarios are developed and assessed for each of them. A special focus is given to process safety risks. Where required, mitigation plans are developed for each specific location. Besides emergency, crisis and disaster recovery plans, OMV Petrom's policy regarding insurable risks is to transfer the risks via insurance instruments. These risks are closely analysed, quantified and monitored by the risk organization and are managed via detailed internal procedures.



OMV Petrom's risk management system is part of the corporate decision-making process. **Risks associated with new major projects** or important business initiatives are assessed and communicated to management prior to the approval decision, as part of the project evaluation process. The execution of major onshore and offshore projects may be affected by changes to the respective regulatory or fiscal frameworks, by the unavailability of contractors, or the lack of qualified staff. Project costs may be negatively impacted by price inflation, labor shortages, or the disruption or reorganization of supply chains. In new business areas in particular, OMV Petrom may more often invest through partnerships and joint ventures, which may expose the company to increased governance and credit risks and may negatively impact project execution. The effect of any of these risks may have a material adverse impact on OMV Petrom's business, results of operations, and financial condition.

As OMV Petrom's activities rely on information technology systems, the company may experience disruption due to major cyber events. Security controls are therefore implemented across the Group to protect information and IT assets that store and process information. **IT-related risks** are assessed, monitored regularly, and managed actively with dedicated information and security programs across the organization. OT (Operational Technology) related risks are also reflected.

The **ESG risks** are addressed in OMV Petrom through sustainability material topics: climate change and energy transition, environment, supply chain, health, safety & security, business principles & economic impacts, employees, community relations and human rights. Detailed information are presented in the Sustainability Report.

OMV Petrom focuses on assessing the potential vulnerabilities of the Company to climate change (e.g., water deficiency, droughts, floods, landslides), the impact of the Company on the environment and the mitigation actions that will ensure a successful transition to a low-carbon environment (e.g., carbon emission reductions, compliance with new regulatory requirements). The short- and mid-term physical vulnerabilities related to climate change are identified and reported in the EWRM process; they do not exceed OMV Petrom's reporting threshold. Additionally, OMV Petrom has performed a robust climate and vulnerability assessment for most of its main assets to identify its resilience to physical risks related to climate change using the Inter-governmental Panel on Climate

Change (IPCC) scenarios corresponding to the time horizon suggested by the EU taxonomy.

In terms of **regulatory compliance risks**, 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 are being implemented.

The Council Regulation (EU) 2022/1854 introduced a solidarity contribution, which was transposed into the local legislation of the Member States by the end of 2022 and is applicable for 2022 and/or 2023. It applies to companies that have at least 75% of total turnover generated from activities in the crude petroleum, natural gas, coal and refining sectors. It represents a contribution for surplus profits of the above mentioned companies and is calculated based on the taxable profits of those companies, as determined under national tax rules, which are above a 20% increase of the average taxable profits generated in the period 2018 to 2021. Romania transposed this regulation via GEO 186/2022, approved and published in December 2022. This GEO is following the Parliamentary approval process, thus it may be subject to changes.

### Strategic risks

In order to identify strategic risks which might have potential long-term effects on the company's objectives, OMV Petrom continuously monitors its internal and external environment.

From a **long-term** sustainability perspective, a strategic risk assessment process is in place, on the one hand, to capture the executive management's perspective of the risk environment across a longer-term horizon and, on the other hand, to develop risk mitigation plans and monitor implementation of defined actions. The strategic risks refer to both externally and internally driven risks (e.g. climate change, traditional business, regional gas growth, human capital and communities, as well as political and regulatory). An annual strategic risk assessment ensures a robust revalidation of identified risks. It captures new developments or provides updated information on the operating environment and industry

trends, and thereby has a positive impact on the Company's ability to achieve its strategic objectives.



| Strategic risk                       | Details   |
|--------------------------------------|---|
| <b>Climate change</b>                | Risk of not meeting 2030 emissions target ambitions combined with risk and opportunities from an accelerated speed for transition   |
| <b>Traditional Business</b>          | Sustainability focus and climate change targets put pressure on traditional business driving interest towards projects in the transition to low carbon environment  |
| <b>Regional Gas Growth</b>           | Delay or cancellation of exploration and potential development in Black Sea (Georgia and Bulgaria) and risk of not delivering in time the Neptun Deep Development Project   |
| <b>Human Capital and Communities</b> | Attracting and retaining talents under the new market conditions to ensure the needed employee experience and harmonizing the Sustainability/ ESG long term agenda with immediate needs identified by the communities where we operate. |
| <b>Political and Regulatory</b>      | Major political factors and emerging regulatory requirements may impact OMV Petrom's ability to achieve its strategic objectives.   |

### Climate Change Risk Management

Climate change related risks and opportunities are integrated into OMV Petrom's Enterprise-Wide Risk Management (EWRM) process aimed at identifying, assessing and managing business-related risks. The risks related to climate change might reflect a potential impact of acute or chronic events like more frequent extreme weather

events or systemic changes to our business due to changing legal framework and changing of customer behaviors. The acute risks are analyzed for their impact on the Company's three-year financial plan. The effects of chronic risks are evaluated based on a qualitative analysis, taking into account a wider range of uncertainty.

Climate related risk and opportunities have already been reflected into our business plans and objectives in the medium term. The most substantive climate-related changes in the energy industry are expected to arise on a longer time scale – in particular with regard to revenues. Therefore, management pays close attention to climate change related long-term risks and opportunities and takes these into account in strategic decision-making. The climate change risks are assessed using the standardized methodology of the EWRM process.

This process is based on the EWRM Standard supplemented with a set of principles defining the ESG/sustainability risk and opportunity requirements as part of the OMV Petrom risk management framework, supported by the rights, responsibilities and expectations of specific risk stakeholders.

Being the first Romanian company to support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), OMV Petrom considers and addresses climate change-related risks according to TCFD recommendations, as well as the double materiality perspective proposed by the EU Non-Financial Reporting Directive (more details can be found in the Sustainability Report).

OMV Petrom Executive Board members discuss quarterly the current and upcoming environmental, climate, and energy-related policies and regulations; related developments in the fuels, gas and power market; the status of innovation projects' implementation; and progress on achieving sustainability-related targets.

OMV Petrom focuses on evaluating the potential vulnerabilities of the Group to climate change (e.g., water scarcity, droughts, floods and landslides), the impact of the Group's activities on the environment and the mitigation actions that will ensure the transition to a low carbon environment (reduction of carbon emissions, compliance with new regulatory requirements).

### 1.1.9. Estimates of the company's activity

#### a) Factors which affect or could affect the company's cash position

##### Outlook for 2023

For the full year 2023, OMV Petrom expects the average Brent oil price to be above 80/bbl<sup>1</sup>.

We expect the refining margins to be above USD 9/bbl. Also we estimate that the demand for oil products in retail, as well as demand for gas and power will be broadly stable compared to 2022.

Legislative measures introduced in 2022 for the gas and power markets were prolonged until end March 2025 with regards to prices, margins, storage and contributions. The measures applicable in H2/22 to reduce fuel prices on a voluntary basis were removed from January 1st, 2023.

In the Exploration and Production segment, we expected production to be around 110 kboe/d excluding possible divestments. We will continue to focus on the most profitable barrels, through assessing selective fields divestments. We plan investments of around RON 2.9 bn, including Neptun Deep, mainly for drilling around 55 new wells and sidetracks and for performing around 450 workovers.

In the Refining and Marketing segment, within the partnership with Auchan, we plan to have MyAuchan stores in all 400 Petrom-branded filling stations by year-end, one year ahead of the initial plan. Our refinery utilization rate is estimated to be above 85%, considering the 42-day turnaround in April-May 2023, while the total refined product sales are forecasted to slightly decline versus the previous year's level of 5.5 mn tons.

In the Gas and Power segment, both the total gas sales volumes and the net electrical output are estimated to be lower yoy. In case of gas this is mainly on lower supply, both from equity and third parties, as well as still low demand. The net electrical output will be affected by the longer planned outage of two and a half months for the entire capacity of the Brazi power plant, in March-May 2023.

With regards to our strategic pillar Transition to low and zero carbon, we target to reduce the carbon intensity of our operations by 30% until 2030 vs. 2019.

<sup>1</sup> The budget is based on the assumption of 80 USD/bbl for Brent oil price for 2023;

### Investments for 2023

At OMV Petrom Group level, we expect a marginally positive free cash flow before dividends (defined as cash flow from operating activities less cash flow from investing activities), due to the higher investments. 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.

We will progress our flagship project Neptun Deep, towards final investment decision, which is planned for mid-2023. With regards to Han Asparuh offshore Bulgaria, we plan to spud one exploration well in 2023-2024, while in the case of Georgia Offshore Exploration Block II seismic acquisition remains on hold.

In the Refining and Marketing segment, our plans related to alternative mobility are to double the existing number of charging points for electrical vehicles by year-end. We also envisage to have green energy sources through photovoltaic panels installed in ~ 50% of our Romanian filling station network by 2025. In addition, we plan to progress in developing a renewable power portfolio via partnerships as well as to further advance towards producing sustainable aviation fuel and second generation bioethanol.

In section 1.1.8. are detailed the potential risks that could affect the company's cash position.

The main factors that affected the company's cash flow during 2022 are presented in section 5.

### b) Investments and other additions

| Investments <sup>1)</sup> , RON mn   | 2022         | 2021         | 2020         |
|--|--------------|--------------|--------------|
| Exploration and Production   | 2,632        | 2,122        | 2,279        |
| Refining and Marketing   | 632          | 510          | 607          |
| Gas and Power  | 30           | 168          | 9            |
| Corporate and Other  | 60           | 17           | 22           |
| <b>Total</b>   | <b>3,354</b> | <b>2,817</b> | <b>2,916</b> |
| +/- Other adjustments <sup>2)</sup>  | 564          | (153)        | 435          |
| <b>Additions according to statement of non-current assets (intangible and tangible assets)</b> | <b>3,918</b> | <b>2,664</b> | <b>3,351</b> |

1) Include amounts for fixed assets additions, financial investments, advance payments on fixed assets, and excludes increases from reassessment of provisions.

2) Other adjustments includes increases from reassessment of provisions and excludes financial investments and advance payments on fixed assets

Investments made by OMV Petrom S.A. in 2022 amounted to RON 3,354 mn, higher by 19% compared to 2021.

Investments in Exploration and Production activities (RON 2,632 mn) represented 78% of 2022 total, being 24% higher than in 2021. 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.

Refining and Marketing investments amounted to RON 632 mn in 2022, the majority of investments being

for projects connected with 2023 major planned turnaround and for ongoing projects for coke drums replacement and a new crude oil tank. 2021 investments amounted to RON 510 mn and were mostly directed to Refining for ongoing projects in the tank farm area and coke drums replacement in Petrobrazi.

Gas and Power investments (RON 30 mn) were lower than in 2021 (RON 168 mn), as prior year included the advance paid for Brazi power plant's planned major maintenance.

Corporate and Other investments amounted to RON 60 mn, higher compared to 2021 (RON 17 mn).

## c) Factors which significantly affect the income generated by the company's main activity

| Operating Result per segments of activity, RON mn | Year ended December 31 |              |              |
|---|------------------------|--------------|--------------|
|   | 2022                   | 2021         | 2020         |
| Exploration and Production                        | 3,626                  | 1,689        | (1,018)      |
| Refining and Marketing                            | 4,003                  | 2,310        | 1,101        |
| Gas and Power                                     | 4,682                  | (307)        | 1,311        |
| Corporate and Others                              | (255)                  | (102)        | (109)        |
| Consolidation <sup>1</sup>                        | (64)                   | (225)        | 214          |
| <b>Total</b>                                      | <b>11,991</b>          | <b>3,366</b> | <b>1,499</b> |

<sup>1</sup> Consolidation line reflects the elimination of inter-segmental profit

During 2022, in the **Exploration and Production** segment, Operating Result amounted to RON 3,626 mn, compared to RON 1,689 mn in 2021, mainly driven by higher oil and gas prices and favorable FX (stronger USD vs. RON), which were partly offset by higher E&P taxation and lower sales volumes. Domestic crude oil and NGL production was 20.90 mn bbl, 7% down compared with 2021. Domestic gas production was 22.59 mn boe, 6% lower compared to the 2021 level. The main factors that impacted production in Romania in 2022 were natural decline and divestments, partly counterbalanced by the contribution of workovers and new wells. Excluding the effect of divestments, daily average production in Romania declined by 5.6% yoy. Production cost in Romania was USD 13.15/boe, 3% higher vs. 2021 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; in RON terms, it increased by 16% to RON 61.56/bbl.

In the **Refining and Marketing** segment, Operating Result increased to RON 4,003 mn, as compared to RON 2,310 mn in 2021, as a result of improved refining margin and increased fuel demand. Operating result was also impacted by the net income from consolidated subsidiaries and equity accounted investments in amount of RON 661 mn (2021: RON 336 mn). In 2022, the OMV

Petrom indicator refining margin was USD 16.59/bbl<sup>vi</sup>, higher by USD 11.1/bbl than in 2021, as a result of better product spreads, mainly for diesel and gasoline. The refinery utilization rate slightly decreased to 95% (2021: 97%), reflecting the April 2022 planned shutdown.

In the **Gas and Power** segment, Operating Result was RON 4,682 mn, reflecting special gains of RON 1,720 mn, mainly consisting of net temporary gains from electricity forward contracts. The excellent 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. Operating result was also impacted by the net income from consolidated subsidiaries and equity accounted investments in amount of RON 20 mn (2021: RON 15 mn). Brazi power plant generated a net electrical output of 5.01 TWh (2021: 4.79 TWh).

Operating Result in the **Corporate and Other** segment amounted to RON (255) mn, (2021: RON (102) mn).

<sup>vi</sup> Starting Q2/22, the indicator refining margin reflects the change in crude oil reference price from Urals to Brent, therefore the figure for 2022 is based on Brent. The value of the indicator refining margin for 2021 was not restated.

## 2. Tangible Assets

### 2.1. The location and the main features of the production equipment owned by the company

OMV Petrom S.A. performs its activities in all the counties of the country, in Bucharest and in the Black Sea continental shelf, but also in Republic of Moldova, Bulgaria, Serbia and Georgia, directly or via its subsidiaries.

#### Exploration and Production:

At the end of 2022, OMV Petrom operated 150 commercial oil and gas fields in Romania (end-2021: 152).

The Company has a significant asset base in its Exploration and Production business, in the form of property, plant and equipment used to exploit the Company's hydrocarbon reserves. This base also includes assets related to oil and gas service business, such as workover, maintenance and logistics activities.

#### Gas:

Being a marketing business, the Gas segment does not have production equipment or a significant asset base.

#### Power:

OMV Petrom owns an 860 MW gas fired power plant located in Brazi.

#### Doljchim:

OMV Petrom continued the activities related to the dismantling process at Doljchim, to prepare the site for future alternative use.

#### Refining:

OMV Petrom has two refineries: Petrobrazi (in operation) and Arpechim (not operating since 2011). Part of existing assets from former Arpechim refinery (not operational since 2011) are currently used as storage for excisable products (gasoline, diesel, FAME, additives) and for crude oil.

In 2022, OMV Petrom exclusively operated its upstream integrated refinery, Petrobrazi, with a total operational capacity of 4.5 million tons/year.

#### Retail:

Through its affiliates, OMV Petrom operates 555 retail filling stations in Romania and 225 stations in the neighboring countries of Bulgaria, Serbia and the Republic of Moldova.

| Number of retail filling stations per country | 2022       | 2021       | 2020       |
|---|------------|------------|------------|
| Romania                                       | 555        | 561        | 560        |
| Republic of Moldova                           | 69         | 69         | 77         |
| Bulgaria                                      | 93         | 94         | 93         |
| Serbia  | 63         | 63         | 63         |
| <b>Total</b>                                  | <b>780</b> | <b>787</b> | <b>793</b> |

### OMV Petrom S.A.

| Tangible assets, RON mn<br>(Net Book Value)                              | Balance at<br>31.12.2022 | Balance at<br>31.12.2021 |
|--|--------------------------|--------------------------|
| Land, land rights and buildings, incl. buildings on third-party property | 1,129                    | 1,207                    |
| Oil and gas assets   | 16,126                   | 17,219                   |
| Plant and machinery  | 4,160                    | 4,462                    |
| Other fixtures and fittings, tools and equipment                         | 272                      | 318                      |
| Assets under construction  | 1,082                    | 691                      |
| <b>Total tangible assets</b>   | <b>22,768</b>            | <b>23,897</b>            |



## 2.2. The degree of wear-out for fixed assets

The core items within the Exploration and Production segment are depreciated using the unit of production method, while other tangible and intangible assets are depreciated on a straight-line basis according to

estimated useful life, starting with the following month to the put in function date.

The accumulated depreciation and impairments of the tangible assets are presented in the table below:

| <b>Tangible assets, RON mn<br/>(accumulated depreciation and impairments)</b> | <b>Balance at<br/>31.12.2022</b> | <b>Balance at<br/>31.12.2021</b> |
|---|----------------------------------|----------------------------------|
| Land, land rights and buildings, incl. buildings on third-party property      | 1,411                            | 1,321                            |
| Oil and gas assets  | 27,741                           | 24,501                           |
| Plant and machinery   | 7,196                            | 6,721                            |
| Other fixtures and fittings, tools and equipment                              | 516                              | 431                              |
| Assets under construction   | 6                                | 19                               |
| <b>Total accumulated depreciation and impairments for tangible assets</b>     | <b>36,869</b>                    | <b>32,992</b>                    |

## 2.3. Potential issues related to ownership rights over the company's tangible assets

Romanian law allows former owners of land and/or buildings which were abusively confiscated by the Romanian State during the communist regime to recover their ownership rights under certain conditions. Although, under laws regarding the restitution of property confiscated during the communist regime, the land which is subject to oil-related activities cannot be restored in kind to its former owner, there are many cases where restitutions in kind have occurred. However, in many such cases, the courts have declared such restitution null and void.

The Company has received notifications regarding the restitution of the assets confiscated by the Romanian State between March 6, 1945 and December 22, 1989, which falls under the incidence of Law no. 10/2001. In total, until December 31, 2022, a number of 1,144 notifications were transmitted to OMV Petrom, out of which:

- ▶ 18 notifications were admitted and buildings were restored and 1 notification was issued with proposal of compensations granted under special Law no. 165/2013;
- ▶ 1,092 notifications were rejected due to the failure to comply with the requirement of Law no.10/2001;
- ▶ 31 notifications were redirected to other entities;
- ▶ 2 notifications (2 file cases opened based upon notifications) are currently under analysis.

As per Article 7.2, in conjunction with the provisions of Article 26 of the Methodological Norms for the application of Law no. 10/2001, approved through Government Decision no. 498/2002, the City Halls or the notified Prefectures are under the obligation to identify the owning entity and to direct the notifications to these entities for resolution. At the same time, those who submitted the notifications are informed that the requested asset is not under administration of these entities and also the name of the entity in charge to solve the notification. Due to the fact that up to this date the activity of solving notifications within the City Halls' and Prefectures' Commissions is still in progress, part of the notifications received may be further directed to OMV Petrom.

Apart from that, oil, gas and power activities involve significant hazards. Our assets are subject to risks generally relating to the exploration for and production of oil and gas, including blowouts, fires, equipment failure, tanker accidents, damage or destruction of key assets and other risks that can result in loss of property, caused by a number of natural and man-made acts or disasters such as human error, acts of theft or vandalism, adverse weather conditions, earthquakes or other natural disasters and force majeure events. Offshore operations, in particular, are subject to a wide range of hazards, including capsizing, collision, bad weather and environmental pollution.

Although we maintain insurance as per best international practice in the industry, in certain circumstances, our policies may not indemnify for the incurred damages or financial losses in full due to the absence of Company's

legal liability, assumed retentions of loss (including decisions to not insure a risk within the tolerance level) or unacceptable risks for the insurers (exclusions) for which

alternative risk mitigations and treatment can be applied either to control the probability of occurrence, consequences, velocity or combination of these.

### 3. The Market of the Securities issued by the Company

#### 3.1. The markets in Romania and in other countries where the securities issued by the company are traded

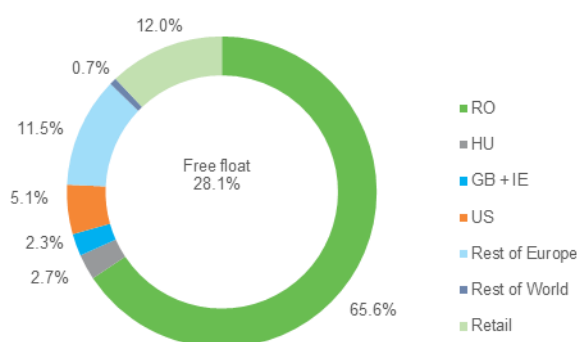
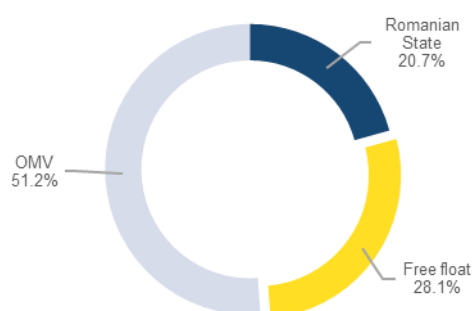
In 2022, OMV Petrom performed a 10% share capital increase (LSCI), in which the Romanian State contributed in-kind, while the other shareholders registered as of July 6, 2022 had the possibility to subscribe at RON 0.1/share, the nominal value. The cash subscription was finalized in October 2022 with a subscription rate of 96.1%. As a result of this corporate action, the stakes of OMV Aktiengesellschaft and of the Romanian state marginally increased to 51.2% and 20.7%, respectively.

Fondul Proprietatea (FP) exited our shareholding via an accelerated book building (ABB) in mid-December, after

having sold, via another ABB, 4% of OMV Petrom share capital on January 26, 2022.

Thus, as of the end of December 2022, our free float increased to 28.1%, represented by shares traded within the Premium category of the Bucharest Stock Exchange (BSE) and as GDRs traded within the Standard category on the main market of the London Stock Exchange (LSE).

At the end of 2022, 641 legal entities from Romania and abroad held 88.0% of the free float securities or 24.8% of OMV Petrom total share capital, with the remaining 12.0% of the free float or 3.4% of capital being held by around 468,000 private individuals, mostly Romanians.



An analysis of our shareholder structure, as at the end of 2022, shows that 65.6% of the free float was held by Romanian institutional shareholders (2021: 69.1%), 12.0% by retail investors (2021: 9.6%), of which around 97% were Romanians. The remaining free float was held by foreign institutional shareholders, as follows: 5.1% from the USA (GDR component included in this category) (2021: 4.9%), 2.7% from Hungary (2021: 3.5%), 2.3% from the UK and

Ireland (2021: 1.3%), 11.5% from other European countries (2021: 9.4%), and 0.7% from rest of the world (2021: 2.2%).

#### Shares

The year 2022 was a very challenging year for the European energy sector in general and OMV Petrom in particular. The break out of the Russia-Ukraine military conflict amplified the supply-demand imbalances that emerged towards the end of 2021 from a fast post-

pandemic demand recovery in the context of supply constraints, and generated a significant volatility in the commodity prices (oil, gas, power) and refining margins. Governments in Europe reacted with measures to protect consumers. The Romanian government was no exception, yet we should outline that it introduced several price caps, more supplemental taxes and contributions, on top of an already burdensome taxation, especially on gas. All the above generated a significant volatility in OMV Petrom share price throughout the year, but mostly in December.

On February 24, the day when the Ukraine military conflict started, OMV Petrom share price declined by 4%, yet marginally outperformed some of its oil and gas majors peers. The stock price was slowly recovering from FP's ABB closed towards end-January, when a 4% of our share capital was sold at a 11% discount from the share price prior to the announcement. Another steep decline of 4.7% d/d was recorded on March 4, the day when global markets went down, following attacks by Russia of the administrative building of the largest nuclear plant in Ukraine.

The share price also reacted to announcements on dividend distributions and land share capital increase (**technical corrections**). On the **ex-base dividend** date of May 12, the SNP share price corrected by 7.6% (RON 0.035/share), slightly more than the 2021 dividend per share (DPS) of RON 0.0341/share. On June 15, the day the special dividend was announced as proposal, the share price appreciated by almost 6% intraday and 3.9% d/d at closing. On the **ex-special dividend** date of August 10, the SNP share price corrected by 8% (RON 0.0425/share), slightly less than the special dividend value of RON 0.0450/share.

Another technical adjustment occurred on July 5, the ex-date for the **share capital increase**. Compared to the adjusted price on the cum-date of RON 0.4575, the share price actually appreciated by 2.5% on that day.

**Quarterly results publication**, while generally in line with analysts' expectations, generated mostly neutral reactions among analysts who sent their reviews, with the share price closing flattish after quarterly Trading Update releases. A 1.8% decrease was recorded after Q4/21 results publication, when the 2021 initial base-dividend proposal was also announced. The share price increased by 2.7% after the Q2/22 results release, in the context of a strong performance of the Brent oil price in that week, and reached

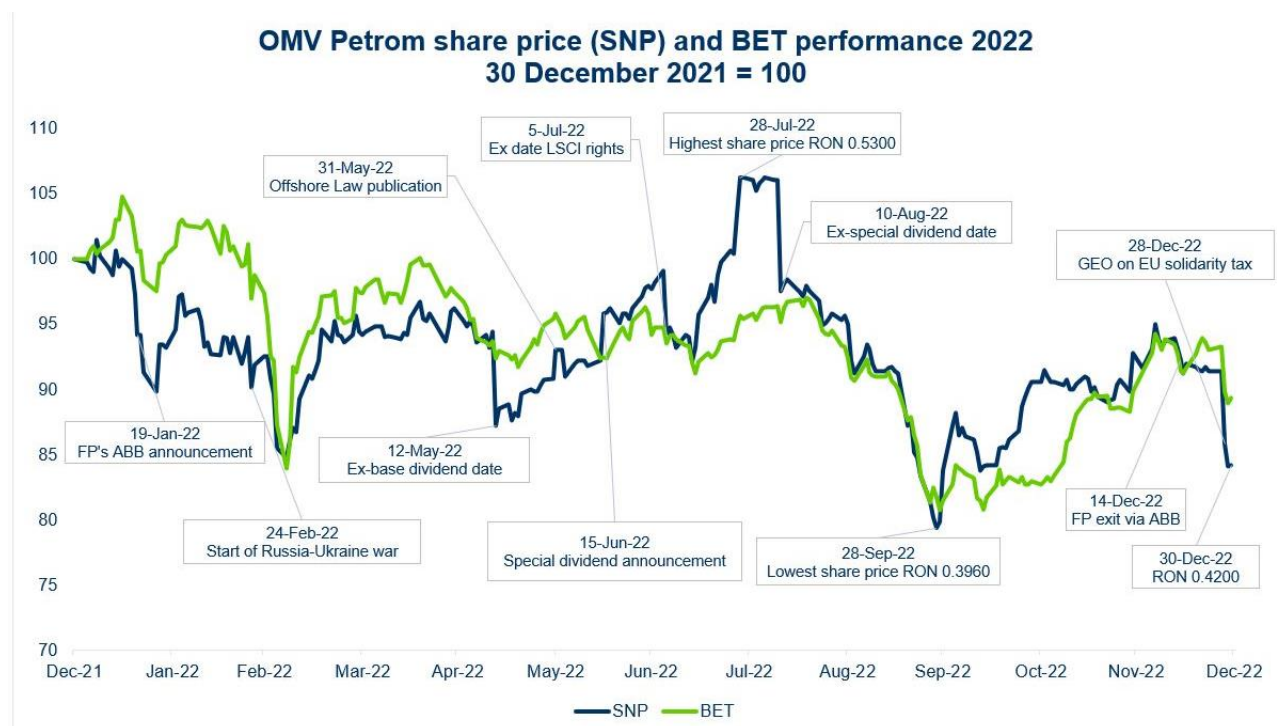
that day the **highest share price of the year of RON 0.5300**. The market seemed unimpressed by the Q3/22 results beat, with the share price being only 0.6% up that day. The **lowest share price** of the year of RON 0.3960 was reached on September 28.

Besides company news, the evolution of OMV Petrom share price in 2022 was mainly influenced by **fiscal and regulatory related announcements**. The approval of the revised Offshore Law in mid-May led to share price appreciations in the second half of the month, as the law brought some improved fiscal terms (fiscal stability and lower state fiscal take). On the contrary, the two Government Emergency Ordinances (GEO), GEO 27 published towards the end of March and GEO 119 published at the beginning of September, that introduced various price caps and additional overtaxation, especially for electricity, led to share price depreciations on those days of 1% and 3%, respectively. The **highest daily depreciation of the share price of 6.1%** (excluding technical corrections for corporate events) was recorded on December 28, when GEO 186 on the EU solidarity tax application in Romania was published.

In 2022, the **average share price** for trades on the Regular market was RON 0.4637, 6% higher than the 2021 figure of RON 0.4355, significantly underperforming the 43% yoy increase of the average Brent oil price.

The **average daily traded volume**, including Deal trades, was 14.2 mn shares (2021: 10.8 mn), up 31% yoy. The **average daily traded value** was RON 6.51 mn, up 37% yoy. The 2022 average daily traded value in EUR terms was EUR 1.32 mn.

The **median daily traded volume on the Regular market** fluctuated between a minimum of 5.7 mn shares in April and a maximum of 19.3 mn shares in December, in 9 out of the 12 months of the year being **above the FTSE threshold of around 7 mn shares**. As a result, the Bucharest Stock Exchange announced that OMV Petrom shares remained in the FTSE indices at the March 2023 review. For the September 2023 review, for which the reference period is July 2022-June 2023, OMV Petrom needs not to miss the threshold in more than two months out of the March-June 2023 period to remain in the FTSE indices.



The domestic indices evolution also reflected increased volatility of both market environment and the specific fiscal and regulatory regime of the energy sector in particular. The **BET index** closed the year 11% below the value at the end of 2021. **BET-TR (total return BET)** only depreciated by 2% yoy in 2022, as most stocks in the index have distributed attractive dividends. The **BET-NG index** (comprising stocks in the energy and utilities sectors), in which OMV Petrom has a weight of around 30%, outperformed the main index, and only decreased by 5% yoy. **The BET-BK index** (designed as a benchmark for asset managers and institutional investors) also decreased by 12% yoy.

In 2022, indices on the European and US exchanges reflected the market volatility enhanced by the conflict in Ukraine and supply chain disruptions and inflationary pressure generated by it. News from China on its zero COVID policy and global central banks' actions of hiking monetary policy rates to tame inflation also impacted market sentiment. Oil and gas sector specific indices outperformed, reflecting good results of constituent companies and mirroring Brent oil evolutions (STOXX Europe 600/Oil & Gas closed 24.1% higher yoy, while STOXX Europe 600 decreased by 13.1% yoy). DAX index decreased by 12.3% yoy, FTSE 100 increased by 0.7% yoy, while Dow Jones Industrial average index decreased by 8.9% yoy.

When adjusted to reflect the capital increase and the special dividend, OMV Petrom share price depreciated by 0.6% yoy, while the **total shareholder return reached 18%**. The share price significantly **underperformed most of its peers**, both oil and gas majors and regional peers, which appreciated by 23% on average (excluding outliers).

**On an unadjusted basis**, OMV Petrom share ended the last trading session of the year on December 30 at RON 0.4200, 16% lower yoy, underperforming the BET index by 5.1 percentage points. The total shareholder return including only the base dividend of RON 0.0341/share for the 2021 financial year and paid in 2022 was (9)%. After including also the special dividend paid in 2022, the total shareholder return was at almost break even level.

OMV Petrom S.A. remained the largest Romanian company listed on the BSE by **market capitalization**, which stood at RON 26.2 bn or EUR 5.3 bn at the end of 2022. This represented around 13% of the total market capitalization of the companies listed on the BSE or for around 16% of the capitalization of the BET index (representing the 20 most liquid blue-chip stocks listed on the BSE).

**OMV Petrom S.A. share symbols**

|                          |              |
|--------------------------|--------------|
| ISIN                     | ROSNPPACNOR9 |
| Bucharest Stock Exchange | SNP          |
| Bloomberg                | SNP RO       |
| Reuters                  | ROSNP.BX     |

**OMV Petrom shares - at a glance**

|   | 2022                | 2021                | Δ (%) |
|---|---------------------|---------------------|-------|
| Number of shares (mn)                       | 62,311.7            | 56,644.1            | 10    |
| Market capitalization (RON mn) <sup>1</sup> | 26,171              | 28,265              | (7)   |
| Market capitalization (EUR mn) <sup>1</sup> | 5,290               | 5,712               | (7)   |
| Year's high (RON)                           | 0.5300              | 0.5100              | 4     |
| Year's low (RON)                            | 0.3960              | 0.3695              | 7     |
| Year end (RON)                              | 0.4200              | 0.4990              | (16)  |
| EPS (RON)                                   | 0.1684              | 0.0470 <sup>2</sup> | 258   |
| Total dividend per share (RON)              | 0.0375              | 0.0791 <sup>4</sup> | n.a.  |
| Thereof base dividend per share (RON)       | 0.0375 <sup>3</sup> | 0.0341              | 10    |
| Dividend yield (%) <sup>5</sup>             | 8.9                 | 15.9                | (44)  |
| Payout ratio (%) <sup>6</sup>               | 23                  | 156                 | (85)  |

<sup>1</sup> Calculated based on the closing share prices and RON/EUR exchange rates as of the last trading day of the respective year; 2021 share price not adjusted for capital increase and special dividend paid in 2022;

<sup>2</sup> Figure from 2021 has been adjusted retrospectively as per IFRS requirements following the share capital increase finalized in 2022;

<sup>3</sup> Dividend subject to GMS approval on April 26, 2023; it refers to base dividend only;

<sup>4</sup> The 2021 value includes RON 0.0341/share base dividend for 2021 and RON 0.0450/share special dividend declared and paid in 2022; a special dividend is also planned to be paid in 2023, with the exact value to be announced in mid-2023

<sup>5</sup> Calculated based on the closing share prices as of the last trading day of the respective year; figure for 2021 includes also the special dividend declared and paid in 2022; 2021 share price not adjusted for capital increase and special dividend paid in 2022;

<sup>6</sup> Computed based on the Group's net profit attributable to stockholders of the parent; figure for 2021 includes also the special dividend declared and paid in 2022.

**Global Depositary Receipts (GDR)**

The **GDR price on the last trading day** in 2022 was USD 14.3, translating into a 20.6% yoy decrease (unadjusted) or a 6.1% decrease on an adjusted basis (for share capital increase and special dividend). In 2022, the GDR price ranged between a USD 18.0 **high** (first reached on January 4) and a USD 14.0 **low** (first reached on November 29).

In total, 19,821 GDRs were traded in 2022 (2021: 95,026), while the **daily average number of GDRs traded** was 80 (2021: 373).

The **highest monthly trading volume and value** were reached in April (10,186 GDRs worth of USD 0.17 mn),

while in January and October there were no trades. The **total value of GDRs traded** in 2022 was USD 0.32 mn (2021: USD 1.55 mn).

With regards to new GDRs issued, 2,000 GDRs were issued in March, 11,000 in April and 10,750 in November, the latter with the occasion of the share capital increase. 7,700 GDRs were cancelled in February. The **number of GDRs outstanding** at the end of each month ranged between 103,794 (in February) and **127,544 (in December)**. The latter figure represents 5.1% of the GDRs issued in the October 2016 secondary public offering and 0.11% of the OMV Petrom free float as of end-2022.



**OMV Petrom S.A. GDR symbols**

|                                    |              |
|------------------------------------|--------------|
| London Stock Exchange Regulation S | PETB         |
| ISIN Regulation S GDR              | US67102R3049 |
| London Stock Exchange Rule 144A    | PETR         |
| ISIN Rule 144A GDR                 | US67102R2058 |

**Own shares**

At the end of 2022, OMV Petrom S.A. held a total number of 204,776 own shares, representing 0.0003% of total share capital. In 2022, OMV Petrom did not buy back or cancel any Treasury shares.

**Investor Relations activities**

During 2022, the company's top management and the Investor Relations (IR) team had an active presence on the local and foreign capital markets, by attending brokers' conferences and organizing calls for analysts and investors as well as non-deal road shows. Such interactions provided the opportunity to regularly update investors and analysts on the Strategy 2030 execution and our quarterly operational and financial performance as well as on the company's response to challenges posed by energy prices volatility and the frequent changes of the local sector specific regulatory and fiscal environment.

In 2022, we attended 12 events, of which 4 non-deal road shows and 8 brokers' conferences. Of the 12 total events, 7 were virtual, as we gradually started to move to face to face meetings, once the COVID related constraints eased. A number of 7 events benefited from our top management presence, whereas 5 were at IR level only. During these events, we had a total of 92 one-on-one and group meetings with investors. In total, we met 110 investment funds from Romania, UK, US, France, Germany, Estonia, Czech Republic, Poland, Japan, Singapore, Sweden, Austria, Denmark, Belgium, Hungary and Bulgaria.

During 2022, the number of interactions with focus on ESG (Environmental, Social and Governance) topics increased. More specifically, we received questions around the impact of Europe's sector specific regulations on our sustainability strategy, low and zero carbon capital expenditure plans and long-term business sustainability in the context of increased European push for less use of fossil fuels.

The main tool via which we update capital markets is the quarterly reporting package, which provides a

comprehensive resource for analysts and investors. The package includes, among others, the **Trading Update of Key Performance Indicators (KPIs)**, which provides early guidance on OMV Petrom's key trends for the quarter, the **Quarterly report**, the **Factsheet**, as well as the **Questions and Answers** document of the quarterly conference calls, all published on the company's website, [www.omvpetrom.com](http://www.omvpetrom.com).

In the interest of transparency and timeliness, all company reports, releases, and important information for shareholders, analysts, and investors are promptly disseminated on the BSE and LSE websites and also posted in the Investors section on the company's website.

**Analyst coverage of OMV Petrom shares**

At the end of 2022, **OMV Petrom stock was covered by ten analysts** (2021: ten), of whom nine (or 90%) had "Buy" or equivalent ratings (end of 2021: 90%) and one (or 10%) had a "Hold" or equivalent rating (end-2021: 10%). Same as at the end of 2021, no analyst had a Sell rating. Two analysts initiated coverage (Bank Pekao and Alpha Bank) and two discontinued coverage (Goldman Sachs and Renaissance Capital). **The average target price (TP) was RON 0.661**, translating into a **57.4% upside potential** compared to the share price of RON 0.4200 on the last day of trading in the year. This compares to an average TP of RON 0.544 as at end-2021 (unadjusted).

**Dividends**

The Supervisory Board has approved the Executive Board's proposal to the Ordinary GMS to distribute a gross base dividend per share of RON 0.0375 for the year 2022, which is at the high end of the 5-10% range stated in the dividend guidance. This translates into a total cash outflow of RON 2,337 mn, a payout ratio of 23% of the Group's 2022 net profit attributable to stockholders of the parent (2021: 156%<sup>1</sup>), or 28% of the Group's 2022 free cash flow (2021: 94%). The 2022 base dividend proposal is subject to the approval of the forthcoming Ordinary GMS on April 26, 2023.

<sup>1</sup> Calculated including RON 0.0341/share base dividend for 2021 and RON 0.0450/share special dividend declared and paid in 2022.



The Executive Board also announced the intention to propose the distribution of a special dividend in 2023, with the exact amount to be announced in mid-2023. The potential distribution of special dividends will be subject to a future Ordinary General Meeting of Shareholders.

### 3.2. Description of the company's dividend policy for the last 3 years

OMV Petrom S.A. (the Company) is committed to deliver a competitive shareholder return throughout the business

| Related to year             | 2022                  | 2021                  | 2020     |
|-----------------------------|-----------------------|-----------------------|----------|
| Dividends allocated, RON mn | 2,336.68 <sup>1</sup> | 4,480.53 <sup>2</sup> | 1,755.96 |

<sup>1</sup>Subject to GMS approval;

<sup>2</sup>Includes RON 0.0341/share base dividend for 2021 and RON 0.0450/share special dividend declared and paid in 2022.

On March 17, 2021, the Supervisory Board approved the Executive Board's proposal to distribute dividends of RON 0.0310 per share, resulting in a payout ratio of 136%, based on the Group's 2020 net profit attributable to stockholders of the parent. The dividend proposal was approved by the Ordinary General Meeting of Shareholders, on April 27, 2021. The payment of the dividends started on June 7, 2021.

On March 17, 2022, the Supervisory Board approved the Executive Board's proposal to distribute dividends of RON 0.0341 per share, resulting in a payout ratio of 67%, based on the Group's 2021 net profit attributable to stockholders of the parent. The dividend proposal was approved by the Ordinary General Meeting of Shareholders, on April 27, 2022. The payment of the dividends started on June 6, 2022.

On June 21, 2022, the Supervisory Board approved the Executive Board's proposal to distribute special dividends of RON 0.0450 per share. The special dividend proposal led to a total dividend/share distributed in 2022 of RON 0.0791 (including the RON 0.0341 base dividend approved by the ordinary meeting of shareholders on April 27). The special dividend proposal was approved by the Ordinary General Meeting of Shareholders, on July 26, 2022. The payment of the dividends started on September 2, 2022.

On March 16, 2023, the Supervisory Board approved the Executive Board's proposal to distribute dividends of RON 0.0375 per share, resulting in a payout ratio of 23%,

cycle, including paying a progressive dividend, in line with the financial performance and investment needs, considering the long term financial health of the Company.

On December 7, 2021, the Company made a stronger commitment to increase its base dividend per share by 5% - 10% per annum on average by 2030.

In a favorable market environment and at management discretion, special dividends may also be distributed, provided that the Company's investment plans are funded.

based on the Group's 2022 net profit attributable to stockholders of the parent. The dividend proposal is subject to approval by the Ordinary General Meeting of Shareholders, on April 26, 2023. In addition, a special dividend is planned to be paid in 2023, with the exact value to be announced in mid-2023.

### 3.3. Description of any activity involving the company's purchasing its own shares

As at year-end 2022, OMV Petrom held a total of 204,776 own shares, representing 0.0003% of issued share capital.

In 2022 OMV Petrom did not buy back or cancel any of its own shares.

### 3.4. Where the company owns subsidiaries, mention of the number and the nominal value of the shares issued by the parent company and held by the branches

OMV Petrom has subsidiaries, but none of them owns shares issued by the parent Company.

### 3.5. Where the company has issued bonds and /or other debt securities, presentation of the way in which the company fulfilled its obligations towards the holders of such securities

Not applicable.

#### 4. Company administration

The Company has always conferred great importance upon the principles of good corporate governance, considering corporate governance a key element underpinning the sustainable growth of the business and also the enhancement of long-term value for shareholders.

To remain competitive in a changing environment, especially during recent times when the focus on environmental, social and corporate governance (ESG) elements increased, OMV Petrom constantly develops and updates its corporate governance practices, so that it can meet new demands and future opportunities.

Since 2007, the Company has been governed in a two-tier system in which the Executive Board manages the daily business and operations of the Company, whereas the Supervisory Board monitors, supervises and controls the activity of the Executive Board. The powers and duties of the above-mentioned bodies are stated in the Company's Articles of Association, in the relevant internal regulations, which are available on the Company's website ([www.omvpetrom.com](http://www.omvpetrom.com)) and briefly detailed herein.

The Company is managed in an atmosphere of openness between the Executive Board and Supervisory Board, as well as within each of these corporate bodies. A transparent decision-making process, relying on clear and objective rules, enhances shareholders' confidence in the Company and its management. It also contributes to the protection of shareholders' rights, improving the overall performance of the Company and providing better access to capital and risk mitigation.

The members of the Executive Board and Supervisory Board have always paid due attention to their duty of care and loyalty. Hence, the Executive Board and Supervisory Board have passed their resolutions as required for the welfare of the Company, primarily in consideration of the interests of shareholders and employees.

##### Bucharest Stock Exchange Corporate Governance Code

The Company first adhered to the Corporate Governance Code issued by the Bucharest Stock Exchange in 2010 and has continued to apply its principles, ever since then.

OMV Petrom complies with almost all of the provisions set forth in the Corporate Governance Code issued by the Bucharest Stock Exchange in 2016. More details on

the Company's compliance status with the principles and recommendations stipulated under the Corporate Governance Code are presented in the corporate governance statement, which is a part of this Annual Report.

#### General Meeting of Shareholders (GMS)

##### GMS organization

The GMS is the highest deliberation and decision forum of the Company. The main rules and procedures of the GMS are laid down in the Company's Articles of Association and in the Rules and Procedures of the GMS, both published on the Company's corporate website, as well as in the relevant GMS convening notice.

The GMS is convened by the Executive Board whenever this is necessary. In exceptional cases, when the Company's interest requires it, the Supervisory Board may also convene the GMS. At least 30 days before the GMS, the convening notice is published in the Official Gazette and in one widely-distributed newspaper in Romania and disseminated to the Financial Supervisory Authority and Bucharest and London Stock Exchanges. At the same time, the convening notice is also made available on the Company's website, together with all explanatory and supporting documents related to items included on the relevant GMS agenda.

The GMS is usually chaired by the President of the Supervisory Board, who may designate another person to chair the meeting. The chairman of the GMS designates two or more technical secretaries to verify the fulfillment of the formalities required by law for carrying out the GMS and for drafting the minutes thereof.

At the first convening, the quorum requirements are met if the shareholders representing more than half of the share capital of the Company are present, with decisions being validly passed with the affirmative vote of shareholders representing the majority of share capital of the Company. The same rules apply both to the Ordinary and Extraordinary GMS. The Ordinary GMS held at the second convening may validly decide on the issues included on the agenda of the first scheduled meeting, irrespective of the number of attending shareholders, by the majority of the votes expressed in such a meeting. For the Extraordinary GMS held at the second convening, the quorum and majority requirements are the same as for the first convening. Where the mandatory legal provisions set out otherwise, the quorum and majority requirements shall be carried out in accordance with such legal provisions.

In observance of capital market regulations, the resolutions of the GMS are disseminated to the Bucharest and London Stock Exchanges and the Financial Supervisory Authority within 24 hours after the relevant event. The resolutions will also be published on the Company's website.

The Company promotes the participation of its shareholders in the GMS. The shareholders duly registered in the shareholders' register at the reference date may attend the GMS in person or by representation, based on a general or special proxy. Shareholders may also vote by correspondence, prior to the GMS. The Company makes available at the headquarters and/ or on the Company's website templates of such proxies and voting bulletins for votes by correspondence.

The shareholders of the Company, regardless of their participation held in the share capital, may raise questions in writing or verbally regarding the items on the agenda of the GMS. To protect the interests of our shareholders, the answers to the questions shall be provided by observing the regulations applicable to special regime information (e.g. classified information), including commercially sensitive information, for which disclosure could result in losses or a competitive disadvantage for the Company.

### GMS main duties and powers

The main duties of the **Ordinary GMS** are:

- ▶ to discuss, approve or modify the annual financial statements;
- ▶ to distribute the profit and establish the dividends;
- ▶ to elect and revoke the members of the Supervisory Board and the financial auditor and set their remuneration;
- ▶ to assess the activity of the Executive Board members and of the Supervisory Board members, to evaluate their performance and to discharge them of their liability in accordance with the provisions of law;
- ▶ to approve the income and expenditure budget for the next financial year;
- ▶ to approve the remuneration policy for the Executive Board and Supervisory Board members and to give a consultative vote on the remuneration report for the Executive Board and Supervisory Board members.

The **Extraordinary GMS** is entitled to decide mainly upon:

- ▶ changing the corporate form or the business object of the Company;
- ▶ increasing or reducing the share capital of the Company;

- ▶ spin-offs or mergers with other companies;
- ▶ early dissolution of the Company;
- ▶ amendments to the Articles of Association.

### Shareholders' rights

Rights of the Company's minority shareholders are adequately protected according to relevant legislation.

Shareholders have, among other rights provided under the Company's Articles of Association and the laws and regulations currently in force, the right to obtain information about the Company's activity, regarding the exercise of voting rights and the voting results in the GMS.

In addition, shareholders have the right to participate and vote in the GMS, as well as to receive dividends. OMV Petrom observes the one share, one vote, one dividend principle. There are no shares with multiple voting rights, preferential voting rights or maximum voting rights or other voting right restrictions such as non-voting shares without preference, priority shares, golden shares and other voting rights ceilings.

Moreover, shareholders have the right to challenge the decisions of GMS or withdraw from the Company and request the Company to acquire their shares, in certain conditions mentioned by the law. Likewise, as per the applicable legislation, one or more shareholders holding, individually or jointly, at least 5% of the share capital, may request the calling of a GMS. Such shareholders also have the right to add new items to the agenda of a GMS, provided such proposals are accompanied by a justification or a draft resolution proposed for approval and copies of the identification documents of the shareholders who make the proposals.

### Rights of GDR holders

As endorsed on each GDR certificate, GDR holders have the rights set out in the terms and conditions of the GDRs. These include the right to:

- ▶ withdraw the deposited shares;
- ▶ receive payment in US dollars from the GDR depositary of an amount equal to cash dividends or other cash distributions received by the GDR depositary from the Company in respect of the deposited shares, net of any applicable fees, charges and expenses of the depositary and any taxes withheld;
- ▶ receive from the GDR depositary additional GDRs representing additional shares received by the GDR depositary from the Company by way of free distribution (or if the issue of additional GDRs is

deemed by the GDR depositary not to be reasonably practicable or to be unlawful, the net proceeds in US dollars of the sale of such additional shares);

- ▶ request the GDR depositary to exercise subscription or similar rights made available by the Company to shareholders (or if such process is deemed by the GDR depositary not to be lawful and reasonably practicable, the right to receive the net proceeds in US dollars of the sale of the relevant rights or the sale of the assets resulting from the exercise of such rights);
- ▶ instruct the GDR depositary regarding the exercise of any voting rights notified by the Company to the GDR depositary subject to certain conditions;
- ▶ receive from the GDR depositary copies received by the GDR depositary of notices provided by the Company to shareholders or other material information.

## Supervisory Board

### Supervisory Board members

The Supervisory Board consists of nine members who were appointed by the Ordinary GMS, in accordance with the provisions of Company Law and the Articles of Association. The Supervisory Board's current mandate started on April 28, 2021 and expires on April 28, 2025.

At the beginning of 2022, the Supervisory Board consisted of the following members: Alfred Stern (President), Johann Pleininger (Deputy President), Daniel Turnheim, Martijn van Koten, Elena Skvortsova, Jochen Weise, Niculae Havrileț, Răzvan-Eugen Nicolescu and Marius Ștefan.

The Ordinary GMS held on 27 April 2022 approved the appointment of Martijn van Koten and Alfred Stern as permanent members of the Supervisory Board.

During 2022, there was a change in the membership of the Supervisory Board. Thus, following Elena Skvortsova's waiver of her mandate as member of the Supervisory Board, Reinhard Florey was appointed as interim member of the Supervisory Board, as of November 1, 2022 and until the next GMS.

Therefore, at the end of 2022, the Supervisory Board had the following composition: Alfred Stern (President), Johann Pleininger (Deputy President), Reinhard Florey, Daniel Turnheim, Martijn van Koten, Jochen Weise, Niculae Havrileț, Răzvan Eugen Nicolescu and Marius Ștefan.

Starting with January 1, 2023, following the waiver of Johann Pleininger of his mandate as member of the Supervisory Board, Katja Tautscher was appointed interim member of the Supervisory Board and until the next GMS, while Martijn van Koten became Deputy President of the Supervisory Board.

Therefore, at the date of this report, the Supervisory Board had the following composition: Alfred Stern (President), Martijn van Koten (Deputy President), Reinhard Florey, Daniel Turnheim, Katja Tautscher, Jochen Weise, Niculae Havrileț, Răzvan-Eugen Nicolescu and Marius Ștefan.

The CVs of the current Supervisory Board members are available on the Company's corporate website and short presentations are included in the Corporate Governance Report.

### Main duties and powers of the Supervisory Board

The Supervisory Board has the following main powers:

- ▶ to exercise control over the management of the Company by the Executive Board;
- ▶ to appoint and revoke the members of the Executive Board;
- ▶ to submit to the GMS a report concerning the supervision activity undertaken;
- ▶ to verify the reports of the members of the Executive Board;
- ▶ to verify the Company's annual separate and consolidated financial statements;
- ▶ to propose to the GMS the appointment and the revocation of the independent financial auditor, as well as the minimum term of the audit contract.

Details on the Supervisory Board works and activities in 2022, as well as the results of the Supervisory Board self-evaluation are included in the Supervisory Board Report.

### Supervisory Board functioning

The responsibilities of the members of the Supervisory Board, as well as the working procedures and the approach to conflicts of interest are governed by relevant internal regulations.

The Supervisory Board meets whenever necessary, but at least once every three months. The Supervisory Board may hold meetings in person or by telephone or video conference. At least five of the Supervisory Board members must be present or represented for resolutions to be validly passed. The decisions of the Supervisory Board shall be validly passed by the affirmative vote of the majority of the members present or represented at

such Supervisory Board meeting. In the event of parity of votes, the President of the Supervisory Board or the person empowered by him/her to chair the meeting shall have a casting vote. In urgent cases, the Supervisory Board may take decisions by circulation, without an actual meeting being held, by the majority of votes. The President shall decide on whether issues are of an urgent nature.

### Special committees

The Supervisory Board may assign particular issues to certain Supervisory Board members, acting individually or as part of special committees, and may also refer to experts to analyze certain issues. The task of the committees is to issue recommendations for preparing resolutions to be passed by the Supervisory Board itself, without preventing the entire Supervisory Board from dealing with matters assigned to the committees. The special committees established at the level of the Supervisory Board are the Audit Committee and the Presidential and Nomination Committee.

### Audit Committee

The Audit Committee is composed of five members appointed by decision of the Supervisory Board from among its members.

During 2022, there was only one change in the membership of the Audit Committee.

At the beginning of 2022, the Audit Committee had the following five members: Jochen Weise (President – independent), Daniel Turnheim (Deputy President), Niculae Havrileț (member), Răzvan Eugen Nicolescu (member – independent) and Marius Ștefan (member – independent). Following the changes in the Supervisory Board, starting November 23, 2022, Reinhard Florey became member and Deputy President of the Audit Committee.

Therefore, at the end of 2022, as well as at the date of this report, the Audit Committee had the following composition: Jochen Weise (President – independent), Reinhard Florey (Deputy President), Niculae Havrileț (member), Răzvan Eugen Nicolescu (member – independent) and Marius Ștefan (member – independent).

The Audit Committee's members have adequate qualifications relevant to the functions and responsibilities of the Audit Committee. In addition, three members have also financial, auditing or accounting expertise.

### Main duties and powers of the Audit Committee

The main duties and powers of the Audit Committee according to the Audit Committee's Terms of Reference focus on four main areas:

- ▶ Financial reporting – to examine and review the annual separate and consolidated financial statements of the Company and the proposal for the distribution of the profits before their submission to the Supervisory Board and subsequently to the GMS for approval; to oversee and approve the nature and level of non-audit services provided by the independent financial auditor to the Company, as well as the issuance of regulations/guidelines with regards to such services;
- ▶ External audit – to consider and make recommendations to the Supervisory Board on the appointment, re-appointment and removal of independent financial auditors, subject to approval by the shareholders;
- ▶ Internal audit, internal controls and risk management – to undertake an annual assessment of the internal control system;
- ▶ Compliance, conduct and conflicts of interest – to review conflicts of interests in transactions of the Company and its subsidiaries with related parties and examine and review, before their submission to the Supervisory Board for approval, the related party transactions that exceed or are expected to exceed 5% of the Company's net assets with the observance of the legal provisions in place.

Details on the Audit Committee works and activities in 2022 are included in the Supervisory Board Report.

### Audit Committee functioning

The working procedures of the Audit Committee are stated in the Audit Committee's Terms of Reference.

The Audit Committee meets on a regular basis, at least three times per year, and on an extraordinary basis if required. The Audit Committee's meetings are chaired by the President or, in his/her absence, by the Deputy or by another member, by virtue of a mandate from the President.

The decisions of the Audit Committee shall be taken by unanimous consensus of all members of the Audit Committee. In case unanimous consensus cannot be reached with respect to a specific item on the agenda, that item will be resolved upon by the Supervisory Board without the consultative opinion of the Audit Committee.



In urgent cases, the Audit Committee may take decisions also by circulation, without an actual meeting being held, with the unanimous consensus of all members of the Audit Committee. The President shall decide on whether issues are of an urgent nature.

### Presidential and Nomination Committee

The Presidential and Nomination Committee is composed of four members appointed by the Supervisory Board among its members.

At the beginning of 2022, the Presidential and Nomination Committee was composed of: Alfred Stern (President), Johann Pleininger (Deputy President), Răzvan-Eugen Nicolescu (member – independent) and Marius Ștefan (member – independent). During 2022, there was no change in the membership of the Presidential and Nomination Committee.

Following the changes in the Supervisory Board, starting January 1, 2023, Martijn van Koten became member and Deputy President of the Presidential and Nomination Committee.

Therefore, at the date of this report, the Presidential and Nomination Committee had the following composition: Alfred Stern (President), Martijn van Koten (Deputy President), Răzvan-Eugen Nicolescu (member – independent) and Marius Ștefan (member – independent).

### Main duties and powers of the Presidential and Nomination Committee

The main role of the Presidential and Nomination Committee is to be involved in the succession planning for the Executive Board, having full responsibility on the selection process of candidates for appointment in the Executive Board. In addition, the Presidential and Nomination Committee:

- ▶ has the right to make recommendations concerning the proposal of candidates for appointment in the Supervisory Board;
- ▶ is in charge with the preparation of the remuneration policy and the remuneration report for the Executive Board and Supervisory Board members;
- ▶ deals with and decides on matters concerning the remuneration of the Executive Board members and the content of mandate contracts with Executive Board members;
- ▶ carries out the Supervisory Board self-evaluation and the assessment of independency of Supervisory Board members, under the leadership of the

President of the Presidential and Nomination Committee.

### Presidential and Nomination Committee functioning

The Presidential and Nomination Committee meets on a regular basis, at least once per year, and on an extraordinary basis if required. The Presidential and Nomination Committee's meetings are chaired by the President or, in his/her absence, by the Deputy or by another member, by virtue of a mandate from the President.

The decisions of the Presidential and Nomination Committee shall be validly passed by the affirmative vote of the majority of the members present or represented at the meeting. In the event of parity of votes, the President or the person empowered by him/her to chair the meeting shall have a casting vote. However, the President shall endeavor to achieve that, to the extent possible, resolutions are passed with a consensus among its members.

In urgent cases, the Presidential and Nomination Committee may take decisions also by circular resolution, without an actual meeting being held, by the majority of votes. The President shall decide on whether issues are of an urgent nature.

### Presidential and Nomination Committee works

In 2022, Presidential and Nomination Committee met five times, all meetings being organized exclusively virtually. All members of the Presidential and Nomination Committee attended the vast majority of the meetings of the Presidential and Nomination Committee in 2022. The average participation rate was around 96%. Only in one occasion, a Presidential and Nomination Committee member was represented by another member of the Presidential and Nomination Committee in a meeting.

### Executive Board

#### Executive Board members

The Executive Board of the Company comprises five members, appointed by the Supervisory Board for a mandate of four years ending on April 17, 2023.

During 2022, there were no changes in the membership of the Executive Board.

On February 23, 2023, the Supervisory Board reappointed the following members of the Executive Board of OMV Petrom for a four-year mandate starting April 17, 2023 until April 16, 2027: Christina Verchere as



CEO and President of the Executive Board, Alina Gabriela Popa as CFO and member of the Executive Board, Radu Sorin Căprău as Executive Board member responsible for Refining & Marketing activity and Franck Albert Neel as Executive Board member responsible for Gas & Power activity. Moreover, during the same meeting, the Supervisory Board approved the appointment of Cristian Hubati as new Executive Board member responsible for Exploration & Production activity for a four-year mandate starting April 17, 2023 until April 16, 2027, following the expiry on April 16, 2023 of the mandate as Executive Board member of Hans Christopher Veit.

### Main duties and powers of the Executive Board

The main powers of the Executive Board, performed under the supervision and control of the Supervisory Board, are:

- ▶ to establish the strategy and policies regarding the development of the Company, including the organization structure of the Company and the operational divisions;
- ▶ to submit annually for the approval of the GMS, within four months after the end of the financial year, the report regarding the business activity of the Company, the financial statements for the previous year, as well as the business activity and budget projects of the Company for the current year;
- ▶ to conclude legal acts on behalf of and for the account of the Company, with observance of matters reserved to the GMS or to the Supervisory Board;
- ▶ to hire and dismiss, and to establish the duties and responsibilities of the Company's personnel, in line with the Company's overall personnel policy;
- ▶ to undertake all the measures necessary and useful for the management of the Company, implied by the daily management of each division or delegated by the GMS or by the Supervisory Board, with the exception of those reserved to the GMS or to the Supervisory Board through operation of law or of the Articles of Association;
- ▶ to exercise any competence delegated by the Extraordinary GMS.

The Executive Board reports to the Supervisory Board on a regular basis on all relevant issues concerning the course of business and its operations, strategy implementation, the risk profile and risk management of the Company.

Moreover, the Executive Board ensures that the provisions of the relevant capital markets legislation are complied with and implemented by the Company.

Likewise, the Executive Board ensures the implementation and operation of accounting, risk management and internal controlling systems which meet the requirements of the Company.

The members of the Executive Board have the duty to disclose immediately to the Supervisory Board any material personal interests they may have in transactions of the Company, as well as all other conflicts of interest. Furthermore, they have the duty to notify other Executive Board colleagues of such interests forthwith.

All business transactions between the Company and the members of the Executive Board, as well as persons or companies closely related to them, must be in accordance with normal business standards and applicable corporate regulation. Such business transactions, as well as their terms and conditions, require the prior approval of the Supervisory Board.

### Executive Board functioning

The responsibilities of the Executive Board members, as well as the working procedures and the approach to conflicts of interest are governed by the relevant internal regulations.

The Executive Board may hold meetings in person or by telephone or video conference. The meetings of the Executive Board are held regularly (at least once every two weeks, but usually every week) and whenever necessary for the operative management of the Company's daily business.

The Executive Board shall have a quorum if all members were invited and if at least three members are personally present. The Executive Board shall pass its resolutions by simple majority of the votes cast. In the event of a tie, the President shall have a casting vote. However, the President shall endeavor in her/his best efforts to achieve that, to the extent possible, resolutions are passed unanimously.

Should the nature of the situation requires it, the Executive Board can pass a resolution by circulation based on the written unanimous agreement, without an actual meeting being held. The President shall assess whether such a procedure is called for. Such a procedure may not be used for resolutions pertaining to the annual financial statements of the Company or its registered share capital.

In 2022, the Executive Board met 45 times, either in person or by video conference and passed resolutions by

circulation on 10 other occasions in order to approve all matters requiring its approval in accordance with the Articles of Association and the Company's internal regulations, as well as to allow the members of the Executive Board to discuss all significant matters concerning the Company and to inform each other about all relevant issues of their activity.

### Diversity, Equity & Inclusion and Employee Development

OMV Petrom leverages on Diversity, Equity and Inclusion in all aspects of our business. In September 2022, along with the new People and Culture Strategy, we launched the DE&I Vision encompassing three pillars:

- ▶ **Diversity of thought and experience**, thus our aim is to become an organization where our difference(s) are embraced and used as a catalyst for growth and creativity.
- ▶ **Equitable opportunity** – our actions are targeted towards actively removing barriers so that each one of us will grow and contribute to the success of our companies.
- ▶ To ensure an **inclusive and safe space**, through building a culture of trust and respect, working together for everyone to bring their full selves at work.

Based on the results of **Diversity, Equity and Inclusion Quick Poll in 2021**, the DE&I initiative was created. It embeds streams related to Gender, Generations, Parents, and People with Special Needs. Thus, a Roadmap for 2030 comprising **specific actions, events and learning** was created.

#### DE&I Events 2022:

- ▶ **International Women's Day** having as theme #BreakTheBias. The focus was on creating a bias-free environment, one important area being to improve women's equality by raising awareness around biases, stereotypes and discrimination. We unfolded two group-wide online events gathering over 165 participants.
- ▶ **DE&I Month** was a month full of events dedicated to Women, Generations, Parents, Disabilities organized by the DE&I coordinators from the 3 companies of OMV Group that aimed to bring useful information and interactions to all employees of the Group.
- ▶ **"Bring your kids to work... to celebrate Christmas"**: 150 children attended together with their parents a lively event where they had the opportunity to learn more about Oil&Gas Industry at the same part enjoying quality time with their parents.

#### DE&I Programs&Learning:

- ▶ The 3rd edition of **OMV Petrom Excellence Scholarship 2021-2022**, included 67 students passionate about Energy industry who received private scholarship and developed projects, being guided by 39 mentors.
- ▶ **Her Energy Academy** – In 2022, we have launched the **first edition** of the 'Her Energy Academy', Personal Branding program for female students, a Mentoring and Personal Branding program powered by OMV Petrom in partnership with an NGO. This program brings together **20 young female** students with a technical background and aims to help and guide them on their way to a successful career in the energy field. For **6 months**, they participated in workshops, seminars, onsite study visits, that addressed various topics such as self-knowledge, employability, personal branding, and critical thinking; mentoring sessions with leaders from OMV Petrom also took place, providing the opportunity to create close relationships, receive advice, encouragement, and know-how to shape their career.
- ▶ **Understanding Unconscious Bias and Unconscious Bias**: online learning sessions were available this year and 37 colleagues completed the training session.

OMV Petrom is an associate and subscriber of Diversity Charter in Romania since 2017.

The Diversity Charter is one of the most efficient recognition tools that helps enhancing the diversity and equality of chances through a series of general principles that are voluntarily adhered to by all its subscribers, with the scope of promoting diversity, non-discrimination, inclusion and the equality of chances at the working place.

OMV Petrom is dedicated to developing its employees' capabilities. For this, we offer both development opportunities through various learning activities and programs and participation in interdisciplinary and cross functions and countries projects as part of OMV Group.

In 2022 we started, and we will continue over the next 2 years, to adjust our current learning and development curricula to the new strategy of the Group and embedding the new values, competencies and new ways of working and leading.

Intense efforts have been made to identify development needs and adapt skills to support the implementation of business projects in the area of sustainability and circular

economy, preparing the launch of Sustainability Academy, together with a consistent technical offering beginning of 2023.

The most talented employees set out on a development journey to enhance their knowledge on strategic sustainability current business approaches and grow as transformational leaders. 6 Petrom leaders participated in Leading Ahead, a new talent Group program, designed together with a top ranked business school in Executive Education.

Grow – one of most impactful culture change program through developing essential leadership skills and then by securing the right habits – was cascaded to the next level of management (L2), affecting 177 leaders and their direct reports 1,095 persons.

The analyzes for the new leadership capabilities of the group, plus those specific to Petrom, led to new mass development initiatives of leaders whose design was created in 2022 and to be launched next year – Leadership Communication and Transformational Leadership.

And as we are determined to promote a culture of continuous learning, we monitor the number of employee training hours, which increased this year by 96%.

### Women's advancement

The Company supports gender diversity and development of women in management positions, although acknowledges the gender gap in the oil and gas industry.

OMV Petrom strives for diverse teams and thus, aims to increase the percentage of women at senior management levels (including female executives and women in advanced management career level) to 32% by 2025. The Company supports this through a number of initiatives such as mentoring, succession planning, and specific programs. Additional information will be available in the 2022 Sustainability Report.

During 2022, until October 31, inclusively, OMV Petrom had three women in its management bodies: Christina Verchere, the CEO and President of the Executive Board, Alina Gabriela Popa, CFO and member of the Executive Board and Elena Skvortsova, member of the Supervisory Board of OMV Petrom, who waived her mandate effective of November 1. Starting January 1, 2023, Katja Tautcher became Supervisory Board member, so at the date of this

report, OMV Petrom has again three women in its management bodies.

Moreover, at the end of 2022, the percentage of women at senior management levels (including female executives and women in advanced management career level) was 31.1%.

The percentage of women at all management levels was 29.1%.

The proportion of women in the OMV Petrom Group as a whole was 27.2% at year-end.

OMV Petrom is committed to protecting the rights, opportunities of all employees, by promoting parity, eliminating gender bias and by offering learning opportunities. Also, OMV Petrom makes available to all employees an Ombudsman Department, namely the PetrOmbudsman, to which they may raise work related issues, including gender related.

### Principles of Remuneration Policy

OMV Petrom targets to reach a market position with compensation levels designed to be competitive in the respective labour markets, ideally in reference to the oil and gas sector, in order to attract, motivate and retain the best qualified talents. This enables us to have a rewarding offer in place, which attracts, motivates and retains those people who are OMV Petrom's competitive advantage and a vital factor for OMV Petrom's sustainable success. In addition, when setting up our reward structures and individual compensation packages, we always pay attention to internal equity.

OMV Petrom's remuneration principles are targeting more than just being compliant with the legislation. The Company places people at the core of its business, being one of the main pillars of the Company's success.

Starting with 2021 financial year, OMV Petrom has in place a Remuneration Policy for the Executive Board and Supervisory Board drafted by the Presidential and Nomination Committee, in close cooperation with independent consultants, approved by the Supervisory Board and ultimately by the Ordinary GMS. In 2022, following the launch of the Strategy 2030, which outlines how the Company plans to manage its transition to be fit for a lower carbon future, a revised Remuneration Policy reflecting the Strategy was approved by the Ordinary GMS.

The Remuneration Policy is aligned with OMV Petrom's long-term strategy, current market practice, as well as OMV Petrom's shareholders' views and interests. It follows OMV Petrom's core principle of pay according to performance. The current Remuneration Policy is available on the corporate website [www.omvpetrom.com](http://www.omvpetrom.com) in the About Us section, Management & Corporate Governance sub-section.

### Remuneration of the Executive Board and Supervisory Board members

The implementation of the Remuneration Policy and the performance outcomes for the financial year 2022 are presented in the 2022 Remuneration Report for OMV Petrom's Executive Board and Supervisory Board, that will be submitted for consultative vote in the Ordinary GMS on April 26, 2023.

### Remuneration of other staff

The employees of OMV Petrom are employed under local Romanian terms and conditions and the salaries are set in RON currency. The employment contracts are concluded with OMV Petrom and governed by the Romanian law. Reflecting additional responsibilities in other OMV Petrom Group companies, there are employees with an additional part time employment contract with other entities within OMV Petrom Group.

### Internal control

The Group has implemented an internal control system which includes activities aiming at preventing or detecting undesirable events and risks, such as fraud, errors, damages, non-compliance, unauthorized transactions and misstatements in the financial reporting.

The remuneration of OMV Petrom employees is at competitive levels for the relevant oil and gas industry and includes: (i) a fixed base remuneration, paid monthly as a net salary determined by applying to the base gross salary the income tax quotas and social contributions, (ii) other fixed payments, such as fixed bonuses and special allowances according to the Collective Labour Agreement, (iii) other statutory and non-statutory benefits, such as private insurance, holiday indemnity / special days off and, depending on the assigned position, a company car, car compensation fee, commuting and transportation support and (iv) short-term (discretionary and / or annual) performance-related bonuses. The measures / key performance indicators used are based on financial and non-financial metrics.

In order to compensate the transfer of the social security contributions from the employer to the employee based on the fiscal changes introduced by OUG no. 79/2017, OMV Petrom granted a 20% indemnity allowance, applicable to all working agreements, as a temporary measure. Starting with January 1, 2023, this 20% allowance was included in the base salary, but this may be subject to change in the future in case the legal provisions regulating payment of social security contributions will undergo amendments.

OMV Petrom's internal control system covers all areas of Group operations with the following goals:

- ▶ Compliance with laws and internal regulations;
- ▶ Reliability of financial reporting (accuracy, completeness, and correct disclosure);
- ▶ Prevention and detection of fraud and error;
- ▶ Effective and efficient business operations.

### OMV Petrom's internal control system framework consists of the following elements:

| Element   | Description   |
|---|---|
| <b>Internal control environment</b>               | The existence of a control environment forms the basis for an effective internal control system. Group-wide values and principles (e.g. business ethics) and organizational measures (e.g. clear assignment of responsibility and authority, signature rules, and segregation of duties) are defined and adhered to within this system. |
| <b>Assessment of process and compliance risks</b> | Generally, all business, management and support processes are completed within the scope of the internal control system. They are assessed to identify risky and critical activities, as well as process and compliance risk.   |
| <b>Risk mitigation via control activities</b>     | Control activities and measures (e.g. segregation of duties, checks, approvals, IT access rights) are defined, implemented and performed to mitigate significant process and compliance risks.  |
| <b>Documentation and information</b>              | Related duties include the documentation of main processes and procedures containing a description of key control activities performed.   |

|                             |  |
|-----------------------------|--|
| <b>Monitoring and audit</b> | Management and the Internal Audit department evaluate the effective implementation of the internal control system. |
|-----------------------------|--|

OMV Petrom's successful management and operations mean creating value for all stakeholders and require systematically and transparently managing the Company while applying the best corporate governance principles. To attain this objective, OMV Petrom has implemented a rigorous Management System.

The Management System represents the set of policies, processes and regulations whose purpose is to manage and control the organization in order to achieve its objectives through optimized utilization of resources.

The Management System provides a structured framework of processes and regulations and describes what the company does, how it is organized, how it manages its business and who is responsible for what. It also ensures the continuous improvement of OMV Petrom's competitiveness by providing appropriate methods and tools.

The Internal Audit department assesses the effectiveness and efficiency of the organization's policies, procedures, and systems which are in place to ensure: proper identification and management of risks, reliability and integrity of information, compliance with laws and regulations, safeguarding of assets, economical and efficient use of resources and the accomplishment of established objectives and goals.

Internal Audit carries out regular audits of individual Group companies and informs the Audit Committee about the results of the audits performed.

The Group has an Accounting Manual that is implemented consistently in all Group companies to ensure the application of uniform accounting for the same business cases. The Group Accounting Manual is updated regularly, based on changes in International Financial Reporting Standards. Furthermore, the organization of the Accounting and Financial Reporting departments is set up to achieve a high-quality financial reporting process. Roles and responsibilities are specifically defined and a revision process – the “four-eye principle” – is applied to ensure the correctness and accuracy of the financial reporting process. The establishment of Group-wide standards for the preparation of annual and interim financial statements by means of the Group Accounting Manual is also regulated by an internal corporate regulation.

In accordance with Chapter 8 of the Ministry of Public Finance Order no. 2844/2016 for approval of Accounting Regulations according to International Financial Reporting Standards, transposing Chapter 10 of the Accounting Directive (2013/34/EU) of the European Parliament and of the Council, OMV Petrom management prepared a consolidated report on payments to governments for the year 2022. This report will be published together with the consolidated financial statements of OMV Petrom for the year ended December 31, 2022.

#### 4.1. Presentation of the company's administrators and the following information for each administrator:

mandate between April 28, 2021 and until April 28, 2025, as follows:

##### a) CV (family name, first name, age, skills, professional expertise, position and length of employment)

As at January 1, 2023, the Supervisory Board of OMV Petrom consisted of nine members, elected for a four-year

| Name                     | Age (years) | Position  | Other information  |
|--------------------------|-------------|---|--|
| <b>Alfred Stern</b>      | 58          | President of the Supervisory Board<br>As of 1 September 2021              | Effective September 2021, Alfred Stern is the Chairman of the Executive Board and the CEO of OMV. Between April – August 2021, he has been OMV Executive Board Member for Chemicals & Materials. Alfred Stern has been the CEO of Borealis since 2018 and since 2012 a member of the Borealis Executive Board for Polyolefins and Innovation & Technology. Alfred Stern joined Borealis as Senior Vice President Innovation & Technology in 2008, coming from E.I. DuPont de Nemours where he held several leadership positions in the areas of research and development, sales and marketing, and quality and business management in Switzerland, Germany and the United States. In his last assignment, he was Global Business Manager of a business unit in Engineering Polymers in the United States. He holds a PhD in material science and a Master's Degree in polymer engineering and science, both from the University of Leoben in Austria. Alfred Stern has been awarded, among others, the H.F. Mark Medal, the DuPont Award for a new product patent and a Prize of Honour from the Austrian Ministry of Science and Research. Alfred Stern is an Austrian citizen, he is married and has two children. |
| <b>Martijn van Koten</b> | 53          | Member<br>As of 1 August 2021<br>Deputy President<br>As of 1 January 2023 | Martijn van Koten was born in the Netherlands, where he studied Chemical Engineering at Delft University of Technology. He began his professional career at Shell in 1994 taking on several management and technical positions in the refining and downstream business in the UK, Germany and the Netherlands. Starting 2004, Martijn van Koten assumed Manufacturing Site General Manager positions at Shell in Sweden and Singapore, before becoming Vice President Manufacturing East & Middle East in Singapore in 2009 and Vice President Supply & Distribution Americas in the United States in 2013. In 2013, Martijn van Koten joined Borealis as Executive Board Member Operations, HSE & PTS in Austria. From 2018 to June 2021, he was Borealis Executive Board Member Base Chemicals & Operations in Austria. Martijn van Koten is a member of the OMV Board of Directors since July 1, 2021, being responsible for the division Refining. Since January 1, 2023, he is responsible for the division Fuels & Feedstock. He is married and has two daughters.   |
| <b>Reinhard Florey</b>   | 58          | Member<br>As of 1 November 2022   | Reinhard Florey graduated in mechanical engineering and economics from Graz University of Technology while also completing his music studies at the Graz University of Fine Arts.  |



| Name                    | Age<br>(years) | Position                       | Other information   |
|-------------------------|----------------|--------------------------------|---|
|                         |                |                                | He started his career in corporate consulting and strategy consulting. From 2002 to 2012 he worked in different Senior Management and CFO positions worldwide for Thyssen Krupp. His most recent post was as CFO and deputy CEO of Outokumpu. Since July 1, 2016 Reinhard Florey has been the CFO of OMV Aktiengesellschaft.  |
| <b>Daniel Turnheim</b>  | 48             | Member<br>As of 1 January 2017 | Daniel Turnheim studied Business Administration at the Vienna University of Economics and Business Administration. In 2002, he joined OMV Group where he held several management positions. He was Executive Board member and CFO of OMV Petrom between January 2011 and December 2012. From January 2013 to June 2016, Mr. Turnheim was Senior Vice President of Corporate Finance within the OMV Aktiengesellschaft. From July 2016 to December 2022, he has held the position as Senior Vice-President of Corporate Finance & Controlling within the OMV Aktiengesellschaft. Since January 2023 he is Senior Vice-President of Finance & Tax and GBS within the OMV Aktiengesellschaft.  |
| <b>Katja Tautscher</b>  | 51             | Member<br>As of 1 January 2023 | Katja Tautscher graduated in law (Magister iuris) from University of Vienna, Law Faculty, Vienna, Austria and holds an executive MBA from INSEAD. She is member of the Austrian Bar Association since 2001 and admitted as a solicitor in England and Wales since 2005. From 1996 to 2006 she worked in different positions in prestigious law firms such as Clifford Chance (Düsseldorf), Allen & Overy (London, UK), Wolf Theiss (Vienna, Austria & Ljubljana, Slovenia). Her most recent position was as Chief Legal and Compliance Officer of Borealis AG, Vienna, Austria and since June 2022, Katja Tautscher became the SVP General Counsel of OMV Group.  |
| <b>Niculae Havrileț</b> | 67             | Member<br>As of 3 March 2020   | Niculae Havrileț graduated the Technical University Cluj Napoca, Faculty of Mechanical Engineering – Technologies. Niculae Havrileț has 40 years of experience in electricity field and natural gas, including over 25 years of experience in various leading positions. Moreover, Niculae Havrileț holds large experience in central public administration. From June 2012 to October 2017, he has been the President of the National Energy Regulatory Authority (ANRE), including member of the Regulatory Authorities Council within the Agency for the Cooperation of Energy Regulators (ACER) and member of the General Meeting of the Council of European Energy Regulators (CEER). From February 2018 to November 2019 he acted as a personal advisor to the Minister of Energy for issuing the National Energy Strategy for 2016-2030 up to 2050. Between December 2019 and until September 2021, Niculae Havrileț was state secretary within the Ministry of Economy, while between September 2021 and March 2022, he was the General Manager of Distribuție Energie Electrică România S.A. Starting June 2021, he is the Vicepresident of Romania Energy Center. In 2000, he has received the “Order of the Star of Romania” Knight. |

| Name                          | Age<br>(years) | Position   | Other information  |
|-------------------------------|----------------|--|--|
| <b>Răzvan-Eugen Nicolescu</b> | 45             | Member – independent <sup>1</sup><br>As of 28 April 2021   | Răzvan-Eugen Nicolescu graduated from the Power Engineering Faculty of Politehnica University of Bucharest. He also completed various economic studies, being a graduate of the MBA program of Solvay Brussels School - Economics and Management, as well as of an executive course on corporate governance at Harvard Business School. Răzvan-Eugen Nicolescu is a recognized specialist in the energy field, with a solid experience in both private and public sector. He has been Director for Regulatory and Public Affairs of OMV Petrom S.A. between 2008-2014, Chairman and Vice-chairman of the European Union Agency for the Cooperation of Energy Regulators (ACER) between 2010 - 2016, as well as Minister of Energy in Romania in 2014, without being a member of any political party. Between February 2015 - April 2021, Răzvan-Eugen Nicolescu has been Partner - Energy Resources and Sustainability Industry Leader of Deloitte Central Europe. Since May 2021 he has been member of the Governing Board of the EIT - European Institute for Innovation and Technology, being appointed by the European Commission. |
| <b>Marius Ștefan</b>          | 46             | Member – independent <sup>1</sup><br>As of 28 April 2021   | Marius Ștefan graduated the Bucharest Academy of Economic Studies (ASE), the Faculty of International Business and Economics (REI), and has a master in Management at the National University of Political Studies and Public Administration (SNSPA), a master in Business Administration (MBA) in Strategy at Robert H. Smith School of Business at University of Maryland. He attended various executive education programs at Harvard Business School, Stanford GSB, London Business School, INSEAD and IMD. Marius Ștefan is the co-founder and the CEO of Autonom, the largest mobility network in Romania and he has been involved in the development of various local businesses. Marius Ștefan has over 25 years of experience in various leading positions and holds a large expertise in business and financial strategy. He is the Chairman of the Board of Directors of Endeavor Romania, the world's leading community of high-impact entrepreneurs, Vice Chairman of the Board of Romanian Business Leaders, and serves as a board member of various companies.  |
| <b>Jochen Weise</b>           | 67             | Member - independent <sup>1</sup><br>As of 1 November 2016 | Jochen Weise graduated in Law from the Universities of Bochum and Bonn, Germany, where he also received his PhD. He holds a non-executive position as Senior Advisor Energy Infrastructure Investments to Allianz Capital Partners in London since November 2010. Previously, he was Supervisory Board member of Verbundnetzgas AG in Leipzig, Germany between December 2014 and June 2022, member of the Management Board, between April 2004 and August 2010, Executive Vice President Gas Supply & Trading, between January 2003 and March 2004, at E.ON Ruhrgas AG, and Director Commercial Sales at Deutsche Shell GmbH, between April 1998 and December 2001.  |

<sup>1</sup> Independent member as per the criteria of the Bucharest Stock Exchange Corporate Governance Code, criteria which are substantially similar with those provided by the Company Law.b) Any agreements, understanding or family connection between the respective administrators and another person who is responsible for appointing of the respective person in the position of Director.

**b) Any agreement, understanding or family connection between Executive Board members and another person who is responsible for appointing him/her member of the executive management**

OMV Petrom's governance follows a two-tier system, with the Executive Board ensuring the management of the Company under the control and supervision of the Supervisory Board.

The members of the Supervisory Board are not appointed by certain persons or certain shareholders. They are appointed by the Ordinary GMS based on shareholders' votes and in compliance with the statutory requirements relating to quorum and majority. Therefore, there are no

such agreements and understandings to be disclosed herein.

**c) The participation of the Supervisory Board members at the share capital of the company**

Niculae Havrilet holds a number of 123,118 shares issued by OMV Petrom. OMV Petrom does not have knowledge of any other member of the Supervisory Board holding shares issued by the Company.

**d) The list of related parties to the company**

Please see Annex b).

## 4.2. Executive Board

**a) Terms of office for the person who is member of the executive management**

The Executive Board's current mandate started in April 2019 and runs until April 2023. At January 1, 2023, OMV Petrom's Executive Board is composed of the following members:

| Name                | Position  |
|---------------------|---|
| Christina Verchere  | Chief Executive Officer and President of the Executive Board              |
| Alina-Gabriela Popa | Chief Financial Officer   |
| Christopher Veit    | Member of the Executive Board, responsible for Exploration and Production |
| Radu-Sorin Căprău   | Member of the Executive Board, responsible for Refining and Marketing     |
| Franck Albert Neel  | Member of the Executive Board, responsible for Gas and Power              |

**b) Any agreement, understanding or family connection between Executive Board members and another person who is responsible for appointing him/her member of the executive management**

Executive Board members are appointed by decision of the Supervisory Board. Apart from their management agreements concluded with the Company, Christina Verchere, Christopher Veit and Franck Albert Neel are also party to employment contracts with an OMV entity. The employment contracts are suspended for the duration of their mandate as members of the Executive Board of the Company.

shares were assigned to Alina-Gabriela Popa, the Chief Financial Officer of OMV Petrom.

**4.3. The potential litigations and administrative procedures in which the persons presented under Sections 4.1 and 4.2 were involved over the last 5 years, concerning their activity or capacity to fulfill their duties within OMV Petrom**

To the best of our knowledge, at the date of this report, during 2022, there is no ongoing litigation against the members of the Executive Board or Supervisory Board of the Company directly linked with their activity in the Company having a significant impact upon the price of the Company shares or the capacity to hold the position of members of such corporate bodies. However, members of the Executive Board and Supervisory Board might be involved in some court cases or preliminary procedures which do not fall under the aforementioned categories.

**c) The participation of the respective person at the share capital of the company**

As part of the program of free distribution of shares to its employees, conducted by OMV Petrom in 2010, 100

## 5. Analysis of the Financial Position, Performance and Cash Flows of the Company

| Financial highlights, RON mn   | Year ended December 31 |         |         |
|--|------------------------|---------|---------|
|  | 2022                   | 2021    | 2020    |
| Sales revenues   | 55,838                 | 21,486  | 15,437  |
| Operating Result   | 11,991                 | 3,366   | 1,499   |
| Net financial result   | (64)                   | (259)   | 5       |
| Net income   | 10,288                 | 2,688   | 1,382   |
| Non-current assets   | 31,927                 | 32,415  | 34,353  |
| Current assets (including assets held for sale)                                  | 24,549                 | 16,448  | 12,377  |
| Total equity   | 39,144                 | 32,870  | 32,013  |
| Non-current liabilities  | 7,878                  | 7,277   | 8,552   |
| Current liabilities (including liabilities associated with assets held for sale) | 9,470                  | 8,731   | 6,164   |
| Cash and cash equivalents at the beginning of the year                           | 10,054                 | 7,305   | 6,795   |
| Cash flow from operating activities  | 11,019                 | 6,374   | 5,394   |
| Cash flow from investing activities  | (3,075)                | (2,024) | (2,934) |
| Cash flow from financing activities  | (4,147)                | (1,612) | (1,946) |
| Effect of foreign exchange rate changes on cash and cash equivalents             | 2                      | 10      | (4)     |
| Cash and cash equivalents at the end of the year                                 | 13,853                 | 10,054  | 7,305   |

| Ratios                                      | Year ended December 31 |      |      |
|---|------------------------|------|------|
|   | 2022                   | 2021 | 2020 |
| <b>Liquidity ratios</b>                     |                        |      |      |
| Current ratio                               | 2.59                   | 1.88 | 2.01 |
| Acid test                                   | 2.25                   | 1.68 | 1.74 |
| <b>Risk ratios</b>                          |                        |      |      |
| Gearing ratio                               | n.m.                   | n.m. | n.m. |
| Indebtedness ratio                          | 0%                     | 0%   | 0%   |
| <b>Operational ratios</b>                   |                        |      |      |
| Stock turnover – days                       | 21                     | 36   | 50   |
| Receivables turnover – days                 | 22                     | 34   | 37   |
| Tangible assets turnover                    | 2.45                   | 0.90 | 0.60 |
| Total assets turnover                       | 0.99                   | 0.44 | 0.33 |
| <b>Profitability ratios</b>                 |                        |      |      |
| Net profit margin                           | 18%                    | 13%  | 9%   |
| Operating Result margin                     | 21%                    | 16%  | 10%  |
| Operating Result before depreciation margin | 30%                    | 31%  | 33%  |
| Return on fixed assets (ROFA)               | 11%                    | 12%  | 5%   |
| Return on equity (ROE)                      | 29%                    | 8%   | 4%   |

Please see Annex c) for definitions of the above ratios.

**Sales revenues** of RON 55,838 mn in 2022 increased by 160% compared to 2021. The Gas and Power segment's contribution was RON 30,016 mn representing approximately 54% of total sales (23 pp higher than in

2021), followed by Refining and Marketing segment which accounted for 46% of total sales to external customers in 2022, with a contribution of RON 25,722 mn (2021: RON 14,750 mn). Exploration and Production

accounted for only 0.11% of total sales revenues as OMV Petrom is an integrated oil and gas company and oil produced by the Exploration and Production segment is processed at the Petrobrazi refinery. Please see section 1.1.4 for a detailed breakdown of sales revenues and explanation of variations

**Operating result** for 2022 increased to RON 11,991 mn, compared to RON 3,366 mn in 2021, being influenced mainly by the following most significant evolutions:

- ▶ **Sales revenues** increased by 160%;
- ▶ **Net income from consolidated subsidiaries and equity-accounted investments**, that comprise mainly dividends received by OMV Petrom S.A. from its subsidiaries and associates, increased by RON 331 mn;
- ▶ **Other operating income** increased by RON 961 mn, mainly due to the revenues from the government subsidies for natural gas sales at capped prices to clients allocated to the Company as Supplier of Last Resort, for electricity sales at capped prices, as well as in relation to the subsidies supporting half of the RON 0.50 per liter voluntary price reduction for the sale of diesel and gasoline;
- ▶ **Operating expenses** increased by 145%, mainly due to:
  - ▶ Purchases (net of inventory variation) and Production and operating expenses, which include variable and fixed production costs, as well as costs of goods and materials employed, increased by RON 21,648 mn, mainly as a result of higher costs, in terms of both volumes and prices for all products, and higher industry specific taxation.
  - ▶ Production and similar taxes increased with RON 3,452 mn mainly due higher Exploration and Production specific taxation due to higher prices, partly offset by lower production volumes;
  - ▶ Depreciation, amortization, impairments and write-ups increased by 52%, mainly due to higher net impairment of CGU's in E&P partially offset by lower depreciation charges;
  - ▶ Exploration expenses decreased by RON 69 mn, mainly due to lower 3D seismic acquisition activities and reduced geological and geophysical costs.

The Company's **net financial result** improved to a loss of RON (64) mn in 2022 from a loss of RON (259) mn in

2021, mainly due to higher interest income on bank deposits.

**Net income** increased to RON 10,288 mn in 2022 compared to RON 2,688 mn in 2021, due to the positive evolution of the Operating Result and improvement of the net financial result.

As a result of its business activities, OMV Petrom S.A. contributed RON 19,464 mn to the Romanian State budget (2021: RON 12,005 mn). Out of this amount, direct taxes represented RON 9,165 mn (2021: 2,501 mn) and indirect taxes RON 9,374 mn (2021: RON 9,141 mn). At OMV Petrom Group, contributions to the Romanian State were in amount of RON 20,080 mn (2021: RON 12,332 mn).

OMV Petrom S.A. contribution to the State budget via direct taxes was mainly represented by the profit tax that amounted to RON 2,132 mn (2021: RON 403 mn), royalties that amounted to RON 2,094 mn (2021: RON 903 mn), tax on additional revenue from sales of onshore natural gas and on exploitation of mineral resources other than natural gas that amounted to RON 2,581 mn (2021: RON 751 mn), new contributions to the Energy Transition Fund introduced in 2022 that amounted to RON 1,536 mn, tax on additional revenues from sales of offshore natural gas of RON 699 mn (2021: RON 332 mn), employer social contributions that amounted to RON 51 mn (2021: RON 57 mn) and the contribution in amount of RON 11 mn (2021: RON 9 mn) due to the Romanian Energy Regulatory Authority ("ANRE") for energy and gas licenses.

OMV Petrom S.A. contribution to the State budget via indirect taxes was mainly represented by excise (including custom excise) in amount of RON 6,093 mn (2021: RON 6,084 mn), VAT (including custom VAT) in the amount of RON 2,713 mn (2021: RON 2,455 mn) and also employees' related taxes amounting to RON 541 mn (2021: RON 575 mn).

**Total assets** amounted to RON 56,491 mn as of December 31, 2022, 16% higher compared to 2021, driven by higher current assets.

**Non-current assets** decreased by 2% to RON 31,927 mn, compared to the end of 2021 (RON 32,415 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 ratio of intangible assets and property, plant and equipment to total assets amounted to 45% (2021: 54%).

**Total current assets**, including assets held for sale, increased by 49% to RON 24,564 mn compared to RON 16,463 mn at the end of 2021, mostly triggered by 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.

**Total equity** increased to RON 39,144 mn as of December 31, 2022 compared to RON 32,870 mn as of December 31, 2021, as a result of the net profit generated in the current period partially offset by the distribution of base and special dividends in a total amount of RON 4,481 mn. Also, equity increased with RON 446 mn following the share capital increase of OMV Petrom S.A. finalized on November 3, 2022. The equity ratio slightly increased to 69% as of December 31, 2022 (December 31, 2021: 67%).

**Total liabilities** increased by 8% to RON 17,348 mn as of December 31, 2022, as a consequence of both the increase in current liabilities and in non-current liabilities.

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. Provisions for decommissioning and restoration amounted to RON 6,913 mn as of December 31, 2022, both short and long term (December 31, 2021: RON 6,234 mn). Revisions in estimates for decommissioning and restoration provisions arise mainly from the yearly reassessment of the unit cost, revision of the estimated net discount rates, as well as the expected timing of the decommissioning and restoration.

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 annual stock count of assets, liabilities and equity was performed according to Romanian legislation (Order no. 2861/2009) and the results were recorded in the financial statements as at December 31, 2022.

### Cash flow

Cash outflows in 2022 consisted mainly in payments of dividends, acquisition of working capital and tangible and intangible assets and were more than offsetted by cash inflows generated from operating activities.

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.

At the Annual General Meeting of Shareholders held on April 27, 2021, the shareholders of OMV Petrom S.A. approved the distribution of RON 0.031 gross dividend per share. The Company paid dividends in amount of RON 1,741 mn in 2021.

### Changes in consolidated OMV Petrom Group

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

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

On March 28, 2022, a new subsidiary was set up, OMV Petrom Biofuels S.R.L., 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 the section 7 of the current report.

More details related to the annual consolidated financial statements of the OMV Petrom Group that are public may be obtained from the company website at [www.omvpetrom.com](http://www.omvpetrom.com).

In accordance with Chapter 8 of the Annex 1 of Ministry of Public Finance Order no. 2844/2016 for approval of Accounting Regulations according to International Financial Reporting Standards, with all subsequent

modifications and clarifications, transposing Chapter 10 of the Accounting Directive (2013/34/EU) of the European Parliament and of the Council, the management prepared a report on payments to governments for the year 2022. This report will be published together with the financial statements of OMV Petrom S.A. for the year ended December 31, 2022.

#### **Non-financial declaration**

As per the legal requirements with reference to the disclosure of non-financial information, the Company prepares and publishes a separate Sustainability Report, which includes the information required for the non-financial declaration, describing our sustainability initiatives. OMV Petrom's Sustainability Report for 2022 will be published by May 31, 2023.

6. Corporate governance statement <sup>viii</sup>

| Provisions of the Bucharest Stock Exchange Corporate Governance Code   | Complies | Does not comply or partially complies | Comments  |
|--|----------|---------------------------------------|---|
| <b>Section A - Responsibilities</b>  |          |                                       |   |
| A.1. All companies should have internal regulation of the Board which includes the terms of reference/ responsibilities for the Board and key management functions of the company, applying, among others, the General Principles of this Section.   | √        |                                       | OMV Petrom is managed in a two-tier system by an Executive Board, which manages the daily business of the Company under the supervision of the Supervisory Board. The Company's corporate governance structure and principles, as well as the competences and responsibilities of the GMS, the Supervisory Board and the Executive Board are laid down in the Articles of Association, the Rules and Procedures of the GMS, the internal rules of the Supervisory Board and of the Executive Board, and in other relevant internal regulations. The main responsibilities of the Executive Board and Supervisory Board (including its committees), as well as of the GMS are also mentioned in the Annual Report and on the Company's website, About Us section, Management & Corporate Governance sub-section. |
| A.2. Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest. | √        |                                       | The members of the Executive Board and the members of the Supervisory Board have, by law, a duty of care and a duty of loyalty to the Company, stated not only in the Company's Articles of Association, but also in other internal regulations.<br>Moreover, the Company has in place internal rules on how to deal with conflicts of interest, when such situations occur, providing for immediate disclosure and refraining from debates/voting on that particular matter.   |
| A.3. The Supervisory Board should have at least five members.  | √        |                                       | The Supervisory Board consists of nine members appointed by the Ordinary GMS, in accordance with the provisions of Company Law and the Company's Articles of Association.   |
| A.4. The majority of the members of the Board should be non-executive. Not less than two non-executive members of the Board of Directors or Supervisory Board should be independent, in the  | √        |                                       | OMV Petrom's governance follows a two-tier system, with the Executive Board ensuring the management of the Company under the control and supervision of the Supervisory Board. The Supervisory Board comprises nine members who are all non-executives. Therefore,  |

<sup>viii</sup> The statement summarises the main highlights of the Bucharest Stock Exchange Corporate Governance Code's provisions. For the full text of the Code please refer to Bucharest Stock Exchange website [www.bvb.ro](http://www.bvb.ro)

| Provisions of the Bucharest Stock Exchange Corporate Governance Code  | Complies | Does not comply or partially complies | Comments   |
|---|----------|---------------------------------------|--|
| case of Premium Tier Companies. Each member of the Supervisory Board should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in character and judgment. |          |                                       | <p>the balance between executives and non-executives is ensured.</p> <p>Upon appointment of each Supervisory Board member, the Company conducts an independence evaluation based on the independence criteria provided by the Corporate Governance Code (which are substantially similar to those provided by the Company Law). The independence evaluation consists of an individual personal assessment carried out by the relevant Supervisory Board member and is then followed by an external assessment for those that consider themselves independent.</p> <p>Moreover, for the purpose of preparing the Corporate Governance Report section of the Annual Report, the Company reconfirmed with all Supervisory Board members their independent or non-independent status as of December 31, 2022.</p> <p>Following this evaluation, it resulted that at the date of this report, three Supervisory Board members meet all the independence criteria provided by the Corporate Governance Code. Information on the independence status of the members of the Supervisory Board is included on the Company's corporate website, in the About Us section, Management &amp; Corporate Governance sub-section, and in the Supervisory Board Report.</p> |
| A.5. A Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.                                      | √        |                                       | Information on the Supervisory Board and Executive Board members' permanent professional commitments and engagements, including executive and non-executive positions in companies and not-for-profit institutions is included in the Supervisory Board and Executive Board members' CVs, available on the Company's corporate website, in the About Us section, Management & Corporate Governance sub-section.  |
| A.6. Any member of the Board should submit to the Board information on any relationship with a shareholder who holds either directly or indirectly, shares representing more than 5% of all voting rights.  | √        |                                       | <p>The members of the Executive Board and the members of the Supervisory Board have, by law, a duty of care and a duty of loyalty to the Company, stated not only in the Company's Articles of Association, but also in other internal regulations.</p> <p>The Company has put in place internal rules on how to deal with conflicts of interest.</p>  |
| A.7. The company should appoint a Board secretary responsible for supporting the work of the Board.   | √        |                                       | The Company has a General Secretary, who supports the works of both the Executive Board and Supervisory Board (including its committees).  |
| A.8. The corporate governance statement should inform on whether an evaluation of the   | √        |                                       | Based on a Supervisory Board Self-Evaluation Guideline which provides the purpose, criteria, and frequency of such an evaluation, the Supervisory Board  |

| Provisions of the Bucharest Stock Exchange Corporate Governance Code  | Complies | Does not comply or partially complies | Comments   |
|---|----------|---------------------------------------|--|
| Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process. |          |                                       | undergoes a self-evaluation process on a yearly basis. The self-evaluation is conducted under the leadership of the President of the Presidential and Nomination Committee. The outcome of the Supervisory Board's self-evaluation for 2022 is presented in the Supervisory Board Report.  |
| A.9. The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.  | √        |                                       | The Company's Executive Board meetings are held regularly (at least once every two weeks, but usually every week), while the Supervisory Board meets whenever necessary, but at least once every three months. Details on the number of meetings and attendance at the meetings of the Executive Board and the Supervisory Board, including the Audit Committee and the Presidential and Nomination Committee, during 2022, are included in the Supervisory Board Report and the Corporate Governance Report. The reports of the Supervisory Board and Executive Board for 2022 are included in the Annual Report and submitted for Ordinary GMS's approval. |
| A.10. The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors or of the Supervisory Board.   | √        |                                       | Following the independence evaluation of the Supervisory Board members, as per the independence criteria provided by the Corporate Governance Code (which are substantially similar with those provided by the Company Law), it resulted that, at the date of this report, three Supervisory Board members meet all the independence criteria stipulated by the Corporate Governance Code. Information on the independence status of the members of the Supervisory Board is included on the Company's corporate website About Us section, Management & Corporate Governance sub-section, and in the Supervisory Board Report.                               |
| A.11. The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.   |          | √                                     | As stipulated in the Company's Articles of Association and applicable law, the Supervisory Board members are appointed by the Ordinary GMS, based on a transparent procedure of appointment and on the majority of votes of the shareholders. Prior to the Ordinary GMS, their CVs are made available for the consultation of the shareholders. The shareholders can supplement the candidates list for the position of member of the Supervisory Board. In accordance with the Company's Articles of Association, the Executive Board members are   |

| Provisions of the Bucharest Stock Exchange Corporate Governance Code  | Complies | Does not comply or partially complies | Comments   |
|---|----------|---------------------------------------|--|
|   |          |                                       | <p>appointed by decision of the Supervisory Board based on the majority of votes. OMV Petrom's Supervisory Board has set up a Presidential and Nomination Committee.</p> <p>The main role of the Presidential and Nomination Committee is to be involved in the succession planning for the Executive Board, having full responsibility on the selection process of candidates for appointment in the Executive Board. In addition, the Presidential and Nomination Committee has the right to make recommendations concerning the proposal of candidates for appointment in the Supervisory Board. The Presidential and Nomination Committee is composed of four members appointed from among its members. As members of the Supervisory Board, all members of the Presidential and Nomination Committee are therefore non-executives.</p> <p>At the date of this report, two members of the Presidential and Nomination Committee are independent and thus, the Company is only "partially compliant" with this provision.</p> |
| <b>Section B - Risk management and internal control system</b>  |          |                                       |  |
| <p>B.1. The Board should set up an audit committee, and at least one member should be an independent non-executive. The majority of members, including the chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven adequate auditing or accounting experience. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent.</p> | √        |                                       | <p>OMV Petrom's Supervisory Board has set up an Audit Committee from among its members. The members of the Audit Committee are therefore all non-executives. The Audit Committee is composed of five Supervisory Board members, out of which three are independent. Therefore, at the date of this report, the Company is "compliant" with this provision.</p> <p>The Audit Committee includes members who have adequate qualifications relevant to the functions and responsibilities of the Audit Committee. In addition, three members have also financial, auditing or accounting experience.</p>  |
| <p>B.2. The audit committee should be chaired by an independent non-executive member.</p>   | √        |                                       | <p>As members of the Supervisory Board, all members of the Audit Committee, including the president of the Audit Committee, are non-executives.</p> <p>Based on the independence evaluation, it resulted that at all times during 2022 as well as at the date of this report, the president of the Audit Committee meets all independence criteria provided by the Corporate</p>   |

| Provisions of the Bucharest Stock Exchange Corporate Governance Code  | Complies | Does not comply or partially complies | Comments  |
|---|----------|---------------------------------------|---|
| Governance Code.  |          |                                       |   |
| B.3. Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.   | √        |                                       | <p>The main roles and functions of the Audit Committee, as detailed in the Terms of Reference for the Audit Committee, consist of the following:</p> <ul style="list-style-type: none"> <li>▶ examining and reviewing the annual separate and consolidated financial statements and the proposal for profit distribution;</li> <li>▶ considering and making recommendations on the appointment, re-appointment or removal of the independent external financial auditor, which is to be elected by the Ordinary GMS;</li> <li>▶ undertaking an annual assessment of the internal control system considering the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the Audit Committee, the responsiveness and effectiveness of management to deal with identified internal control failings or weaknesses and their submission of relevant reports to the Supervisory Board;</li> <li>▶ reviewing conflicts of interests in transactions of the Company and its subsidiaries with related parties;</li> <li>▶ evaluating the efficiency of the internal control system and risk management system;</li> <li>▶ monitoring the application of statutory and generally accepted standards of internal auditing;</li> <li>▶ regularly receiving a summary of the main findings of the audit reports, as well as other information regarding the activities of the Internal Audit department and evaluating the reports of the internal audit team;</li> <li>▶ examining and reviewing, before their submission to the Supervisory Board for approval, related party transactions that exceed or are expected to exceed 5% of the Company's net assets, in accordance with Related Party Transactions Policy, and observing also the legal provisions in place;</li> <li>▶ overseeing and approving the nature and level of non-audit services provided by the independent financial auditor to the Company, including by issuance of regulations/guidelines regarding such services.</li> </ul> |
| B.4. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board. | √        |                                       |   |
| B.5. The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.   | √        |                                       |   |
| B.6. The audit committee should evaluate the efficiency of the internal control system and risk management system.  | √        |                                       |   |
| B.7. The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.   | √        |                                       |   |
| B.8. Whenever the Code mentions reviews or analyses to be exercised by the Audit Committee, these should be followed by cyclical (at least annual), or ad-  | √        |                                       | The Audit Committee submits periodic reports to the Supervisory Board on the specific subjects assigned to it.  |



| Provisions of the Bucharest Stock Exchange Corporate Governance Code  | Complies | Does not comply or partially complies | Comments   |
|---|----------|---------------------------------------|--|
| hoc reports to be submitted to the Board afterwards.  |          |                                       |  |
| B.9. No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.   | √        |                                       | The Company applies equal treatment to all its shareholders. According to the internal Policy on Related Party Transactions in place within the Company, related party transactions are considered on their merits in accordance with the normal industry standards, applicable laws and corporate regulations.  |
| B.10. The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the audit committee and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements. | √        |                                       | The Company adopted an internal Policy on Related Party Transactions providing for the main principles of review, approval and disclosure of related party transactions, according to the legal provisions in place and the Company's statutory documents, including the fact that related party transactions that exceed or are expected to exceed, either individually or jointly, an annual value of 5% of the Company's net assets must be approved by the Supervisory Board following the approval of the Executive Board and based on the review of the Audit Committee of the respective transaction.<br>OMV Petrom submits reports on significant transactions with its related parties to the Financial Supervisory Authority and to the Bucharest Stock Exchange. Such disclosure reports are reviewed by the independent financial auditor according to the relevant laws in force. |
| B.11. The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.   | √        |                                       | Internal audits are carried out by a separate structural department within the Company, namely the Internal Audit department.  |
| B.12. To ensure the fulfillment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.  |          | √                                     | The Internal Audit department administratively reports to the CEO. Still, the Internal Audit department continues to maintain some functional reporting to the Executive Board, meaning that the Company only "partially complies" with this provision. Nonetheless, the Audit Committee is regularly informed about the main internal audit findings and other activities of the Internal Audit department. Moreover, the Audit Committee approves the audit charter (which stands for the terms of reference of the Internal Audit department and which describes its purpose, authority and responsibility) and approves the annual internal audit plan. Therefore, in our opinion, the independence and objectivity of the internal audit function is not impaired by this reporting structure. Likewise, the  |

| Provisions of the Bucharest Stock Exchange Corporate Governance Code   | Complies | Does not comply or partially complies | Comments  |
|--|----------|---------------------------------------|---|
|  |          |                                       | Internal Audit Department did not encounter, in its past experiences, cases that could be considered as jeopardizing its independence or objectivity due to these functional reporting lines.<br>The Company is assessing how to fully comply with this provision in the future.  |
| <b>Section C - Fair rewards and motivation</b>   |          |                                       |   |
| C.1. The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review.<br>Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.  | √        |                                       | The Company has a Remuneration Policy which is aligned with OMV Petrom's long-term strategy, current market practice, as well as OMV Petrom's shareholders' views and interests. It follows OMV Petrom's core principle of pay granted according to performance. The Remuneration Policy is available on the corporate website in the About Us section, Management & Corporate Governance sub-section.<br><br>The implementation of the Remuneration Policy and the performance outcomes are presented in the annual Remuneration Report for OMV Petrom's Executive Board and Supervisory Board. The 2022 Remuneration Report for OMV Petrom's Executive Board and Supervisory Board will be submitted for consultative vote in the Ordinary GMS on 26 April 2023.  |
| <b>Section D - Building value through investors' relations</b>   |          |                                       |   |
| D.1. The company should have an Investor Relations function - indicated, by person(s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:<br>D.1.1. Principal corporate regulations: the articles of association, general shareholders' meeting procedures.<br>D.1.2. Professional CVs of the members of its governing bodies, Board members' other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions; | √        |                                       | The Company has a special department dedicated to Investor Relations that can be contacted via e-mail at investor.relations.petrom@petrom.com.<br>Likewise, OMV Petrom has a special section of the corporate website dedicated to Investor Relations, where the following main information/documents are available, both in English and Romanian:<br><ul style="list-style-type: none"> <li>▶ Articles of Association – in the About us section, Management &amp; Governance sub-section;</li> <li>▶ Rules and Procedures of the GMS – in the About Us section, Management &amp; Governance / General Meeting of Shareholders sub-section;</li> <li>▶ Detailed professional CVs for all members of the Executive Board and Supervisory Board – in the About Us section, Management &amp; Governance/ Supervisory Board or Executive Board sub-sections;</li> <li>▶ Current reports and periodic reports – in the Investors section, News and Shareholder Information and Publications sub-sections;</li> <li>▶ Convening notices and supporting materials for the GMS – in the About Us section, General Meeting of Shareholders sub-section;</li> <li>▶ Financial calendar and information on other corporate events – in the Investors section, News and Shareholder Information sub-section;</li> </ul> |

| Provisions of the Bucharest Stock Exchange Corporate Governance Code   | Complies | Does not comply or partially complies | Comments   |
|--|----------|---------------------------------------|--|
| <p>D.1.3. Current reports and periodic reports (quarterly, semi-annual and annual reports);</p> <p>D.1.4. Information related to general meetings of shareholders;</p> <p>D.1.5. Information on corporate events;</p> <p>D.1.6. The name and contact data of a person who should be able to provide relevant information on request;</p> <p>D.1.7. Corporate presentations (e.g. IR presentations, quarterly results presentations etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.</p>   |          |                                       | <p>► Name and contact information of a person able to provide investors with relevant information on request – in the Investors section, News and Shareholder Information sub-section;</p> <p>► Investor Presentations, Annual and Interim Reports, Annual and Interim Financial Statements, both separate and consolidated, including also the independent financial auditor reports, as the case – in the Investors section, News and Shareholder Information and Publications sub-sections.</p> |
| D.2. A company should have an annual cash distribution or dividend policy. The annual cash distribution or dividend policy principles should be published on the corporate website.  | √        |                                       | The Company's Dividend Policy is published on its corporate website in the Investors section, Shares and Dividends sub-section, as well as in the About Us section, Management & Corporate Governance sub-section.   |
| D.3. A company should have adopted a policy with respect to forecasts, whether they are distributed or not. Forecasts mean the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature, such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website. | √        |                                       | The Company has a Forecast Policy which is published on its corporate website in the About Us section, Management & Corporate Governance sub-section.  |
| D.4. The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings   | √        |                                       | The details regarding the organization of the GMS are mentioned in the Company's Articles of Association and the Rules and Procedures of the GMS, as well as briefly stated in the Corporate Governance Report.  |

| Provisions of the Bucharest Stock Exchange Corporate Governance Code  | Complies | Does not comply or partially complies | Comments   |
|---|----------|---------------------------------------|--|
| and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.  |          |                                       | Likewise, OMV Petrom publishes convening notices for every GMS which describe in detail the procedure to be followed for the respective meeting. In this manner, the Company ensures that the GMSs are adequately conducted and well organized, while the shareholders' rights are duly observed.  |
| D.5. The independent financial auditors should attend the shareholders' meetings when their reports are presented there.  | √        |                                       | The independent financial auditors attend the Ordinary GMS whereby the annual separate and consolidated financial statements are submitted for approval.   |
| D.6. The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.   | √        |                                       | All matters submitted for GMS approval are subject to the Supervisory Board's approval according to Company's internal rules.<br>Moreover, the Annual Report submitted for GMS approval contains a brief assessment of the internal controls and significant risk management systems.  |
| D.7. Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise. | √        |                                       | The Rules and Procedures of the GMS provide for the possibility for any professional, consultant, expert, financial analyst or accredited journalists to participate in the GMS, upon prior invitation from the President of the Supervisory Board.  |
| D.8. The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.          | √        |                                       | The quarterly and semi-annual financial reports include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial and operational indicators, both on quarter-on-quarter and year-on-year terms.   |
| D.9. A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the Investor Relations section of the company website at the time of the meetings/conference calls.                      | √        |                                       | OMV Petrom organizes one-to-one meetings and conference calls with financial analysts, investors, brokers and other market specialists to present the financial and operational elements relevant for their investment decision.<br>In 2022, OMV Petrom organized four conference calls following the publication of the quarterly results. In addition, the Company's top management and the Investor Relations team had an active presence on the local and foreign capital markets, by attending brokers' |

| Provisions of the Bucharest Stock Exchange Corporate Governance Code  | Complies | Does not comply or partially complies | Comments   |
|---|----------|---------------------------------------|--|
|   |          |                                       | conferences and organizing calls for analysts and investors as well as non-deal road shows. For more details, please also see the Annual Report's section relating to OMV Petrom on the capital markets. The Investor presentations were made available at the time of the meetings / conferences on the corporate website, in the Investors section, Events, Roadshows and Conferences sub-sections.  |
| D.10. If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area. | √        |                                       | OMV Petrom conducts various activities regarding education, social and environmental responsibility, as well as governance, supporting the local communities in which it operates. OMV Petrom concentrates its sustainability efforts on the following focus areas: transition to low carbon business, running responsible operations, innovation & digitalization and fostering people and communities. More details in relation thereto may be found in the Sustainability Report for 2022, which is issued by the Company, in accordance with the legal requirements regarding the disclosure of non-financial information. |



## Declaration of the management

We confirm to the best of our knowledge that the separate financial statements for the year ended December 31 prepared in accordance with IFRS as requested by Ministry of Finance Order no. 2844/2016 with all subsequent modifications and clarifications give a true and fair view of OMV Petrom S.A. assets, liabilities, financial position and profit or loss, as required by the

applicable accounting standards, and that the Directors' report gives a true and fair view of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties associated with the expected development of the Company.

**Bucharest, March 16, 2023**

## The Executive Board

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Christina Verchere  
Chief Executive Officer  
President of the EB

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Alina Popa  
Chief Financial Officer  
Member of the EB

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Christopher Veit  
Member of the EB  
Exploration and Production

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Franck Neel  
Member of the EB  
Gas and Power

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Radu Căprău  
Member of the EB  
Refining and Marketing

## 7. Annexes

### a. List of 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                  | 100.00% | OMV Petrom Marketing S.R.L.             | 100.00% |
| OMV Petrom Georgia LLC                      | 100.00% | OMV Petrom Aviation S.R.L. <sup>1</sup> | 100.00% |
| OMV Petrom E&P Bulgaria S.R.L. <sup>2</sup> | 100.00% | Petrom Moldova S.R.L.                   | 100.00% |
|   |         | OMV Bulgaria OOD                        | 99.90%  |
|   |         | OMV Srbija DOO                          | 99.96%  |
|   |         | OMV Petrom Biofuels S.R.L.              | 75.00%  |
|   |         |   |         |
| Corporate and other                         |         |   |         |
|   |         | Petromed Solutions S.R.L.               | 100.00% |

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

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

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

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

<sup>3</sup> Joint operations; 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% |
|------------------------------------|--------|

**b. The list of the persons affiliated to the company**

| <b>Code of Company</b> | <b>OMV Group consolidated companies - including OMV Petrom Group consolidated companies as of 31 December 2022</b> |
|------------------------|--|
| OMV                    | OMV Aktiengesellschaft   |
| ADNOC                  | Abu Dhabi Oil Refining Company   |
| ADNOCT                 | ADNOC Global Trading LTD   |
| ADPINV                 | Abu Dhabi Petroleum Investments LLC  |
| BABSWE                 | Borealis AB  |
| BAGMAT                 | Borealis Agrolinz Melamine GmbH  |
| BAGMDE                 | Borealis Agrolinz Melamine Deutschland GmbH  |
| BANTBE                 | Borealis Antwerpen N.V.  |
| BAYP                   | Bayport Polymers LLC   |
| BBNHUS                 | Borealis BoNo Holdings LLC   |
| BBRA                   | Borealis Brasil S.A.   |
| BCHIFR                 | Borealis Chimie S.A.S.   |
| BCIRC                  | Borealis Circular Solutions Holding GmbH   |
| BCOMUS                 | Borealis Compounds Inc.  |
| BDYKOR                 | DYM SOLUTION CO., LTD  |
| BECOAT                 | Ecoplast Kunststoffrecycling GmbH  |
| BETSWE                 | Etenförsörjning i Stenungsund AB   |
| BFEBGR                 | Feboran EOOD   |
| BFR                    | Borealis France S.A.S.   |
| BFSBE                  | Borealis Financial Services N.V.   |
| BGSNOR                 | Borealis Group Services AS   |
| BHOLAT                 | OMV Borealis Holding GmbH  |
| BINDNK                 | Borealis Insurance A/S (captive insurance company)   |
| BIT                    | Borealis ITALIA S.p.A.   |
| BKALBE                 | Borealis Kallo N.V.  |
| BLASRB                 | Borealis L.A.T doo, Beograd  |
| BLATAT                 | Borealis L.A.T GmbH  |
| BLATFR                 | Borealis L.A.T France S.A.S.   |
| BMTCDE                 | mtm compact GmbH   |
| BMPDE                  | mtm plastics GmbH  |
| BNOVUS                 | Novealis Holdings LLC  |
| BORAAG                 | Borealis AG  |
| BORMEH                 | Borealis Middle East Holding GmbH  |
| BORO                   | Borouge Pte. Ltd.  |
| BORO4                  | Borouge 4 LLC  |
| BOROLC                 | Borouge PLC  |
| BORREC                 | Recelerate GmbH  |
| BPECFR                 | Borealis Produits et Engrais Chimiques du Rhin S.A.S.  |
| BPLNLD                 | Borealis Plastomers B.V.   |
| BPOAT                  | Borealis Polyolefine GmbH  |
| BPOBE                  | Borealis Polymers N.V.   |
| BPODE                  | Borealis Polymere GmbH   |

|        |   |
|--------|---|
| BPOFIN | Borealis Polymers Oy                                    |
| BQESP  | Borealis Química España S.A.                            |
| BRENA  | Renasci N.V.  |
| BRONLD | Rosier Nederland B.V.                                   |
| BROSBE | Rosier S.A.   |
| BROSFR | Rosier France S.A.S.                                    |
| BSBHUS | Star Bridge Holdings LLC                                |
| BSVSWE | Borealis Sverige AB                                     |
| BTOFIN | Borealis Technology Oy                                  |
| BUK    | BOREALIS UK LTD   |
| BULG   | OMV BULGARIA OOD  |
| BUS    | Borealis USA Inc.                                       |
| C2PATG | C2PAT GmbH  |
| C2PATK | C2PAT GmbH & Co KG                                      |
| DIRA   | Diramic Insurance Limited                               |
| DTAL   | Deutsche Transalpine Oelleitung GmbH                    |
| ECOGAS | OMV Gas Marketing & Trading GmbH                        |
| ECONDE | OMV Gas Marketing & Trading Deutschland GmbH            |
| ECONHU | OMV Gas Marketing & Trading Hungária Kft.               |
| EILNZ  | Energy Infrastructure Limited                           |
| ELG    | Erdöl-Lagergesellschaft m.b.H.                          |
| EPHNZ  | Energy Petroleum Holdings Limited                       |
| EPILNZ | Energy Petroleum Investments Limited                    |
| EPSKG  | EPS Ethylen-Pipeline-Süd GmbH & Co KG                   |
| FETRDE | Avanti Deutschland GmbH                                 |
| FREYKG | Freya Bunde-Etzel GmbH & Co. KG                         |
| GASTR  | OMV Enerji Ticaret Anonim Şirketi                       |
| GENMBH | GENOL Gesellschaft m.b.H.                               |
| HUB    | Central European Gas Hub AG                             |
| ISERV  | OMV - International Services Ges.m.b.H.                 |
| MOLDO  | Petrom-Moldova S.R.L.                                   |
| NEO    | Neochim AD  |
| NZEA   | OMV New Zealand Limited                                 |
| OABUAE | OMV Abu Dhabi Offshore GmbH                             |
| OADP   | OMV Abu Dhabi Production GmbH                           |
| OAUST  | OMV AUSTRALIA PTY LTD                                   |
| OCTS   | OMV Clearing und Treasury GmbH                          |
| ODUNA  | DUNATÁR Kőolajtermék Tároló és Kereskedelmi Kft.        |
| OEPA   | OMV Austria Exploration & Production GmbH               |
| OETAL  | Transalpine Ölleitung in Österreich Gesellschaft m.b.H. |
| OFFBLG | OMV Offshore Bulgaria GmbH                              |
| OFS    | OMV Finance Services GmbH                               |
| OFSNOK | OMV Finance Services NOK GmbH                           |
| OFSUSD | OMV Finance Solutions USD GmbH                          |
| OGEO   | OMV Austria Geothermal GmbH                             |
| OGI    | OMV Gas Logistics Holding GmbH                          |

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| OGMTBE | OMV Gas Marketing & Trading Belgium BVBA               |
| OGMTF  | OMV Gas Marketing Trading & Finance B.V.               |
| OGREEN | OMV Green Energy GmbH                                  |
| OGSA   | OMV Gas Storage GmbH                                   |
| OGSG   | OMV Gas Storage Germany GmbH                           |
| OHUN   | OMV Hungária Ásványolaj Korlátolt Felelősségű Társaság |
| OILEXP | OMV Oil Exploration GmbH                               |
| OILPRO | OMV Oil Production GmbH                                |
| OIRAN  | OMV (IRAN) onshore Exploration GmbH                    |
| OLIB   | OMV OF LIBYA LIMITED                                   |
| OMVD   | OMV Deutschland GmbH                                   |
| OMVDM  | OMV Deutschland Marketing & Trading GmbH & Co. KG      |
| OMVDO  | OMV Deutschland Operations GmbH & Co. KG               |
| OMVDS  | OMV Deutschland Services GmbH                          |
| OMVEP  | OMV Exploration & Production GmbH                      |
| OMVINT | OMV International Oil & Gas GmbH                       |
| OMVRM  | OMV Downstream GmbH                                    |
| OMVRUS | OMV Russia Upstream GmbH                               |
| OMVSK  | OMV Slovensko s.r.o.                                   |
| ONOR   | OMV (NORGE) AS   |
| ONSHOL | OMV Switzerland Holding AG                             |
| OPBF   | OMV Petrom Biofuels SRL                                |
| OPEI   | Preussag Energie International GmbH                    |
| OPGSOL | OMV Petrom Global Solutions SRL                        |
| OPLNZ  | OMV NZ Production Limited                              |
| ORMMEA | OMV Refining & Marketing Middle East & Asia GmbH       |
| OSERB  | OMV SRBIJA d.o.o.                                      |
| OSTIT  | OMV Supply & Trading Italia S.r.l.                     |
| OTCH   | OMV Česká republika, s.r.o.                            |
| OTNPRO | OMV (Tunisien) Production GmbH                         |
| OTRAD  | OMV Supply & Trading Limited                           |
| OUPI   | OMV Upstream International GmbH                        |
| PARCO  | Pak-Arab Refinery Limited                              |
| PCGAS  | EEX CEGH Gas Exchange Services GmbH                    |
| PEARL  | Pearl Petroleum Company Limited                        |
| PETAV  | OMV PETROM Aviation S.R.L.                             |
| PETGAS | OMV PETROM E&P BULGARIA S.R.L.                         |
| PETGEO | OMV PETROM GEORGIA LLC                                 |
| PETMED | PETROMED SOLUTIONS SRL                                 |
| PETPO  | PetroPort Holding AB                                   |
| POGI   | OMV Gaz Iletim A.S.                                    |
| ROMAN  | OMV PETROM MARKETING SRL                               |
| SEAMMY | SapuraOMV Upstream (Americas) Sdn. Bhd.                |
| SEAUMY | SapuraOMV Upstream (Australia) Sdn. Bhd.               |
| SEBLMX | SapuraOMV Block 30, S. de R.L. de C.V.                 |
| SEMXY  | SapuraOMV Upstream (Mexico) Sdn. Bhd.                  |

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| SENZMY | SapuraOMV Upstream (NZ) Sdn. Bhd.                           |
| SEOCMY | SapuraOMV Upstream (Oceania) Sdn. Bhd.                      |
| SESWMY | SapuraOMV Upstream (Sarawak) Inc.                           |
| SEUPMY | SapuraOMV Upstream (Holding) Sdn. Bhd.                      |
| SEWEAU | SapuraOMV Upstream (Western Australia) Pty Ltd              |
| SIOT   | Società Italiana per l'Oleodotto Transalpino S.p.A.         |
| SLOVJA | OMV SLOVENIJA trgovina z nafto in naftnimi derivati, d.o.o. |
| SNO    | OMV Solutions GmbH  |
| SOMVMY | SAPURAOMV UPSTREAM (MALAYSIA) SDN. BHD.                     |
| SOUPMY | SapuraOMV Upstream Sdn. Bhd.                                |
| YEM2   | OMV (Yemen Block S 2) Exploration GmbH                      |



## c. Definitions

### Liquidity ratios

Current ratio = Current assets<sup>1</sup> / Current liabilities<sup>2</sup>

Acid test = (Current assets<sup>1</sup> - Inventories) / Current liabilities<sup>2</sup>

<sup>1</sup> include assets held for sale;

<sup>2</sup> include liabilities associated with assets held for sale

### Risk ratios

Gearing ratio = Net debt / Equity in %

Net debt = Interest - bearing debts + Lease liabilities - Cash and cash equivalents

Indebtedness ratio = Interest - bearing debts (long term) / Equity in %

Equity ratio = Equity / (Total Assets) in %

### Operational ratios

Stock turnover – days = Average inventories / (Purchases (net of inventory variation) + Production and operating expenses + Production and similar taxes + Depreciation, amortization and impairment charges) in days

Receivables turnover – days = Average trade receivables / Sales revenues in days

Tangible assets turnover = Sales revenues / Property, plant and equipment

Total assets turnover = Sales revenues / Total assets

### Profitability ratios

Net profit margin = Net income for the year / Sales revenues in %

Operating Result margin = Operating Result / Sales revenues in %

Operating Result before depreciation margin = Operating Result before depreciation / Sales revenues in %

Operating Result before depreciation = Operating Result + Depreciation and amortization + Net impairment losses / (gains)

Return on fixed assets (ROFA) = Operating Result / Average fixed assets in %

Return on equity (ROE) = Net income for the year / Average equity in %