

OMV PETROM S.A.

**INTERIM CONDENSED SEPARATE
FINANCIAL STATEMENTS**

**AS OF AND FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2023**

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
(condensed, unaudited)

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Interim condensed statement of financial position as of June 30, 2023

in RON mn	June 30, 2023	December 31, 2022
Assets		
Intangible assets	535.38	2,812.19
Property, plant and equipment	28,032.84	22,768.34
Investments	1,782.12	1,793.93
Other financial assets	2,378.81	2,278.90
Other assets	239.63	311.01
Deferred tax assets	1,811.98	1,962.99
Non-current assets	34,780.76	31,927.36
Inventories	2,961.75	3,241.41
Trade receivables	1,622.88	3,969.99
Other financial assets	2,669.26	2,574.55
Other assets	877.48	910.17
Cash and cash equivalents	13,779.48	13,852.78
Current assets	21,910.85	24,548.90
Assets held for sale	14.83	14.83
Total assets	56,706.44	56,491.09
Equity and liabilities		
Share capital	6,231.17	6,231.17
Reserves	31,914.63	32,912.41
Total equity	38,145.80	39,143.58
Provisions for pensions and similar obligations	149.59	150.51
Lease liabilities	261.18	295.54
Provisions for decommissioning and restoration obligations	9,028.97	6,700.58
Other provisions	769.97	667.18
Other financial liabilities	46.04	12.84
Other liabilities	49.39	50.85
Non-current liabilities	10,305.14	7,877.50
Trade payables	3,449.27	3,460.39
Interest-bearing debts	1,458.12	1,891.68
Lease liabilities	140.13	138.79
Income tax liabilities	87.57	496.37
Other provisions and decommissioning	484.81	1,309.93
Other financial liabilities	550.94	1,040.05
Other liabilities	2,084.66	1,132.80
Current liabilities	8,255.50	9,470.01
Total equity and liabilities	56,706.44	56,491.09

Interim condensed income statement for the six month period ended June 30, 2023

Q2/23	Q2/22	in RON mn	6m/23	6m/22
7,137.74	12,246.96	Sales revenues	15,486.99	23,165.02
58.19	81.36	Other operating income	248.41	100.60
603.05	714.72	Net income from consolidated subsidiaries and investments in associates	603.05	714.72
7,798.98	13,043.04	Total revenues and other income	16,338.45	23,980.34
(3,306.88)	(5,224.92)	Purchases (net of inventory variation)	(7,351.86)	(10,163.53)
(841.95)	(1,170.77)	Production and operating expenses	(1,943.99)	(2,283.83)
(614.25)	(1,414.79)	Production and similar taxes	(1,483.45)	(3,202.45)
(697.48)	(812.21)	Depreciation, amortization, impairments and write-ups	(1,380.10)	(1,498.55)
(306.36)	(222.89)	Selling, distribution and administrative expenses	(477.41)	(391.64)
(11.34)	(10.84)	Exploration expenses	(23.75)	(42.79)
(46.51)	(71.86)	Other operating expenses	(110.56)	(109.21)
1,974.21	4,114.76	Operating Result	3,567.33	6,288.34
294.77	147.99	Interest income	625.44	224.72
(162.05)	(259.97)	Interest expenses	(343.59)	(425.33)
(9.38)	(2.27)	Other financial income and expenses	(21.07)	(5.79)
123.34	(114.25)	Net financial result	260.78	(206.40)
2,097.55	4,000.51	Profit before tax prior to solidarity contribution	3,828.11	6,081.94
(1,982.62)	-	Solidarity contribution on refined crude oil	(1,982.62)	-
114.93	4,000.51	Profit before tax	1,845.49	6,081.94
(228.43)	(525.85)	Taxes on income	(507.60)	(878.61)
(113.50)	3,474.66	Net income/(loss) for the period	1,337.89	5,203.33

Interim condensed statement of comprehensive income for the six month period ended June 30, 2023

Q2/23	Q2/22 in RON mn		6m/23	6m/22
(113.50)	3,474.66	Net income/(loss) for the period	1,337.89	5,203.33
(8.81)	(74.14)	Gains/(losses) on hedges	1.21	(48.38)
(8.81)	(74.14)	Total of items that may be reclassified ("recycled") subsequently to the income statement	1.21	(48.38)
-	26.49	Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item	(16.14)	24.45
-	26.49	Total of items that will not be reclassified ("recycled") subsequently to the income statement	(16.14)	24.45
1.41	11.86	Income tax relating to items that may be reclassified ("recycled") subsequently to the income statement	(0.19)	7.74
-	(4.24)	Income tax relating to items that will not be reclassified ("recycled") subsequently to the income statement	2.58	(3.91)
1.41	7.62	Total income taxes relating to components of other comprehensive income	2.39	3.83
(7.40)	(40.03)	Other comprehensive income/(loss) for the period, net of tax	(12.54)	(20.10)
(120.90)	3,434.63	Total comprehensive income/(loss) for the period	1,325.35	5,183.23

Interim condensed statement of changes in equity for the six month period ended June 30, 2023

in RON mn	Share capital*)	Revenue reserves	Cash flow hedge reserve	Other reserves	Treasury shares	Total equity
January 1, 2023	6,231.17	32,913.44	(1.01)	-	(0.02)	39,143.58
Net income for the period	-	1,337.89	-	-	-	1,337.89
Other comprehensive income/(loss) for the period	-	-	(12.54)	-	-	(12.54)
Total comprehensive income/(loss) for the period	-	1,337.89	(12.54)	-	-	1,325.35
Dividend distribution	-	(2,336.68)	-	-	-	(2,336.68)
Reclassification of cash flow hedges to balance sheet	-	-	13.55	-	-	13.55
June 30, 2023	6,231.17	31,914.65	-	-	(0.02)	38,145.80

in RON mn	Share capital	Revenue reserves	Cash flow hedge reserve	Other reserves**)	Treasury shares	Total equity
January 1, 2022	5,664.41	27,146.25	(18.03)	77.10	(0.02)	32,869.71
Net income for the period	-	5,203.33	-	-	-	5,203.33
Other comprehensive income/(loss) for the period	-	-	(20.10)	-	-	(20.10)
Total comprehensive income/(loss) for the period	-	5,203.33	(20.10)	-	-	5,183.23
Dividend distribution	-	(1,931.56)	-	-	-	(1,931.56)
Reclassification of cash flow hedges to balance sheet	-	-	(12.06)	-	-	(12.06)
Other changes	-	-	-	6.27	-	6.27
June 30, 2022	5,664.41	30,418.02	(50.19)	83.37	(0.02)	36,115.59

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

**) Other reserves as of June 30, 2022 contained land for which ownership was obtained and was subject to the land share capital increase completed on November 3, 2022.

Interim condensed statement of cash flows for the six month period ended June 30, 2023

in RON mn	6m/23	6m/22
Profit before tax	1,845.49	6,081.94
Net change in provisions	(57.25)	425.08
Net (gains)/losses on the disposal of businesses, financial assets and other non-current assets	0.36	(4.49)
Depreciation, amortization and impairments including write-ups	1,380.65	1,509.46
Dividend income	(603.05)	(696.68)
Other non-monetary adjustments	238.52	503.08
Dividends received	2.75	642.84
Net interest received	466.83	256.15
Tax on profit paid	(765.40)	(537.15)
Cash generated from operating activities before working capital movements	2,508.90	8,180.23
(Increase)/decrease in inventories	279.53	(1,794.41)
(Increase)/decrease in receivables	3,227.78	(1,293.29)
Increase/(decrease) in liabilities	(506.22)	1,301.38
Cash flow from operating activities	5,509.99	6,393.91
Investments		
Intangible assets and property, plant and equipment	(2,021.37)	(1,299.21)
Investments and other financial assets	(813.88)	(124.67)
Net (increase)/decrease in loans given to subsidiaries	46.38	(86.59)
Disposals		
Proceeds in relation to non-current assets	7.98	16.45
Proceeds from sale of investments and businesses	15.76	—
Cash flow from investing activities	(2,765.13)	(1,494.02)
Net increase in/(repayment of) loans taken from subsidiaries	(468.85)	17.39
Net repayments of other borrowings	(31.80)	(95.00)
Dividends paid	(2,316.98)	(1,912.73)
Cash flow from financing activities	(2,817.63)	(1,990.34)
Effect of exchange rate changes on cash and cash equivalents	(0.53)	3.16
Net increase/(decrease) in cash and cash equivalents	(73.30)	2,912.71
Cash and cash equivalents at beginning of period	13,852.78	10,053.93
Cash and cash equivalents at end of period	13,779.48	12,966.64

Selected notes to the interim condensed separate financial statements as of and for the period ended June 30, 2023

1. Legal principles

The interim condensed separate financial statements of OMV Petrom S.A. (the Company) as of and for the six-month period ended June 30, 2023 (6m/23) have been prepared in accordance with IAS 34 Interim Financial Reporting, using going concern principles.

The interim condensed separate financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual separate financial statements as of December 31, 2022.

The interim condensed separate financial statements for 6m/23 included in this report are unaudited and an external review by an auditor was not performed.

The interim condensed separate financial statements for 6m/23 have been prepared in million RON (RON mn, RON 1,000,000). Accordingly there may be rounding differences.

2. General accounting policies

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

3. Seasonality and cyclicity

Seasonality is of particular significance in Refining and Marketing and Gas and Power.

Consumption of natural gas, electricity and certain oil products is seasonal and is significantly affected by climatic conditions. Natural gas consumption is higher during the cold winter months. Electricity consumption is also generally higher during the winter, as a supplementary measure to produce heat, as well as due to fewer daylight hours and the need for more artificial lighting. In addition, during very hot summer periods, the increased usage of air cooling systems can also significantly increase electricity consumption. Natural gas sales and electricity generation may also be significantly affected by climatic conditions, such as unusually hot or cold temperatures. Consequently, the results reflect the seasonal character of the demand for natural gas and electricity, and may be influenced by variations in climatic conditions.

Accordingly, the results of operations of the Gas and Power business segment and, to a lesser extent, the Refining and Marketing business segment, as well as the comparability of results over different periods, may be affected by changes in weather conditions.

4. Exchange rates

Foreign currency transactions are recorded at the exchange rate ruling on transaction date. Monetary assets and liabilities expressed in foreign currency are converted into RON at the exchange rate on the balance sheet date, communicated by the National Bank of Romania ("NBR").

All differences resulting from foreign currency amounts settlements are recognized in the income statement in the period they occurred. Unrealized foreign exchange gains and losses related to monetary items are recognized in the income statement for the reporting period.

Q2/23	Q2/22	NBR FX rates	6m/23	6m/22
4.948	4.945	Average EUR/RON	4.934	4.946
4.545	4.642	Average USD/RON	4.565	4.524
4.963	4.945	Closing EUR/RON	4.963	4.945
4.575	4.742	Closing USD/RON	4.575	4.742

5. Commitments

As at June 30, 2023 OMV Petrom's commitments for acquisitions of fixed assets amounted to RON 1,852 mn (December 31, 2022: RON 1,899 mn), mainly relating to investment projects in the Refinery and Marketing and in the Exploration and Production segments.

6. Investments

On May 31, 2023, OMV Petrom S.A. sold 50% shares in OMV Petrom Biofuels S.R.L. to OMV Downstream GmbH, thus OMV Petrom S.A. retained 25% ownership and OMV Downstream GmbH reached 75% ownership.

7. Inventories

During the six months ended June 30, 2023, there were no material write-downs of inventories.

8. Equity

At the Annual General Meeting of Shareholders held on April 26, 2023, the shareholders of OMV Petrom S.A. approved the distribution of dividends for the financial year 2022 for the gross amount of RON 2,337 mn (gross base dividend per share of RON 0.0375). Total dividends paid during six months 2023 amounted to RON 2,317 mn.

The total number of own shares held by the Company as of June 30, 2023 amounted to 204,776 (December 31, 2022: 204,776).

9. Fair value measurement

Financial instruments recognized at fair value are disclosed according to the following fair value measurement hierarchy as stated in Note 30 of the Company's annual separate financial statements as of December 31, 2022.

Fair value hierarchy of financial assets (in RON mn)	June 30, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trade receivables	-	-	-	-	-	9.04	-	9.04
Other derivatives	-	789.99	-	789.99	-	1,502.05	-	1,502.05
Total	-	789.99	-	789.99	-	1,511.09	-	1,511.09

Fair value hierarchy of financial liabilities (in RON mn)	June 30, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivatives designated and effective as hedging instruments	-	-	-	-	-	(1.20)	-	(1.20)
Other derivatives	-	(269.06)	-	(269.06)	-	(650.80)	-	(650.80)
Total	-	(269.06)	-	(269.06)	-	(652.00)	-	(652.00)

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

The carrying amount of financial assets and financial liabilities valued at amortized cost approximates their fair value.

10. Sales revenues

in RON mn	6m/23	6m/22
Revenues from contracts with customers	15,233.87	21,038.61
Revenues from other sources	253.12	2,126.41
Total sales revenues	15,486.99	23,165.02

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

Revenues from contracts with customers

in RON mn					6m/23
	Exploration and Production	Refining and Marketing	Gas and Power	Corporate and Other	Total
Crude oil and NGL	-	318.87	-	-	318.87
Natural gas, LNG and power	8.04	5.81	5,735.68	2.31	5,751.84
Fuels and heating oil	-	8,246.98	-	-	8,246.98
Other goods and services	18.13	879.50	9.54	9.01	916.18
Total	26.17	9,451.16	5,745.22	11.32	15,233.87

in RON mn					6m/22
	Exploration and Production	Refining and Marketing	Gas and Power	Corporate and Other	Total
Crude oil and NGL	-	103.79	-	-	103.79
Natural gas, LNG and power	5.13	3.13	9,212.30	1.40	9,221.96
Fuels and heating oil	-	10,290.66	-	-	10,290.66
Other goods and services	21.64	1,381.83	9.56	9.17	1,422.20
Total	26.77	11,779.41	9,221.86	10.57	21,038.61

11. Solidarity contribution on refined crude oil

On May 12, 2023, the Law no. 119/2023 for the approval of the Government Emergency Ordinance 186/2022 for the implementation of the Council Regulation (EU) 2022/1854 regarding the solidarity contribution was published in the Official Gazette. For companies that produce and refine crude oil, the law introduces the obligation to pay a contribution of RON 350 for each tonne of crude oil processed for 2022 and 2023. Therefore, OMV Petrom reflected in Q2/23 the Solidarity contribution on refined crude oil in amount of RON 1,983 mn, out of which RON 1,485 mn for 2022 and RON 498 mn for 6m/23, presented as a separate line in the interim condensed income statement, above Taxes on income line.

12. Income tax

Q2/23	Q2/22	in RON mn	6m/23	6m/22
228.43	525.85	Taxes on income - expense/(revenue)	507.60	878.61
87.68	545.61	Current taxes - expense/(revenue)	356.77	914.31
140.74	(19.77)	Deferred taxes - expense/(revenue)	150.82	(35.70)

13. Segment Reporting

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

Intersegmental sales

Q2/23	Q2/22	in RON mn	6m/23	6m/22
3,113.14	4,574.93	Exploration and Production	6,247.56	8,746.85
6.96	18.30	Refining and Marketing	16.58	34.01
78.72	88.49	Gas and Power	166.43	253.96
37.71	33.92	Corporate and Other	71.44	69.66
3,236.53	4,715.64	Total	6,502.01	9,104.48

Sales with third parties

Q2/23	Q2/22	in RON mn	6m/23	6m/22
15.28	16.87	Exploration and Production	30.11	30.61
4,602.83	6,877.80	Refining and Marketing	9,466.77	11,729.86
2,509.42	5,341.54	Gas and Power	5,969.90	11,384.61
10.21	10.75	Corporate and Other	20.21	19.94
7,137.74	12,246.96	Total	15,486.99	23,165.02

Total sales

Q2/23	Q2/22	in RON mn	6m/23	6m/22
3,128.42	4,591.80	Exploration and Production	6,277.67	8,777.46
4,609.79	6,896.10	Refining and Marketing	9,483.35	11,763.87
2,588.14	5,430.03	Gas and Power	6,136.33	11,638.57
47.92	44.67	Corporate and Other	91.65	89.60
10,374.27	16,962.60	Total	21,989.00	32,269.50

Segment profit

Q2/23	Q2/22	in RON mn	6m/23	6m/22
1,155.76	1,885.50	Operating Result Exploration and Production	2,146.74	2,994.35
526.78	2,124.28	Operating Result Refining and Marketing	1,031.69	2,802.98
503.32	346.20	Operating Result Gas and Power	854.82	941.13
(33.55)	(38.97)	Operating Result Corporate and Other	(61.22)	(72.24)
2,152.31	4,317.01	Operating Result segment total	3,972.03	6,666.22
(178.10)	(202.25)	Consolidation	(404.70)	(377.88)
1,974.21	4,114.76	Operating Result	3,567.33	6,288.34
123.34	(114.25)	Net financial result	260.78	(206.40)
2,097.55	4,000.51	Profit before tax prior to solidarity contribution	3,828.11	6,081.94

Segment assets¹

in RON mn	June 30, 2023	December 31, 2022
Exploration and Production	22,105.87	19,994.98
Refining and Marketing	4,723.19	3,854.36
Gas and Power	1,333.21	1,326.93
Corporate and Other	405.95	404.26
Total	28,568.22	25,580.53

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

14. Other significant events

OMV Petrom took the final investment decision for the Neptun Deep project and, together with its partner Romgaz, approved the development plan and submitted it to the regulator for endorsement. Consequently, the related oil and gas assets in amount of approximately RON 2.4 bn were reclassified from intangible assets into property, plant and equipment.

15. Significant transactions with related parties

Significant transactions in form of supplies of goods and services take place on a constant and regular basis with companies from OMV Group.

During the first six months of the financial year 2023, OMV Petrom had the following significant transactions with related parties and balances as of June 30, 2023:

Related party (in RON mn)	Purchases	Balances payable
	6m/23	June 30, 2023
OMV Downstream GmbH	450.71	139.01
OMV Supply & Trading Limited	364.21	2.46
OMV Petrom Global Solutions S.R.L.	291.08	76.60
OMV Exploration & Production GmbH	57.65	20.50

Related party (in RON mn)	Revenues	Balances receivable
	6m/23	June 30, 2023
OMV Petrom Marketing S.R.L.	6,568.46	519.16
OMV Bulgaria OOD	240.04	—
Petrom Moldova S.R.L.	222.29	8.00

During the first six months of the financial year 2022, OMV Petrom had the following significant transactions with related parties and balances as of December 31, 2022:

Related party (in RON mn)	Purchases	Balances payable
	6m/22	December 31, 2022
OMV Supply & Trading Limited	771.75	3.26
OMV Gas Marketing & Trading GmbH	471.68	6.97
OMV Petrom Global Solutions S.R.L.	263.36	127.16

Related party (in RON mn)	Revenues	Balances receivable
	6m/22	December 31, 2022
OMV Petrom Marketing S.R.L.	8,299.76	1,374.78
OMV Bulgaria OOD	562.24	71.32
Petrom Moldova S.R.L.	463.67	52.31

16. Subsequent events

On July 26, 2023, the Executive Board proposed the distribution of a special dividend in gross value of RON 0.0450 per share leading to a total value of special dividends of RON 2,804 mn, subject to approval by the Supervisory Board and the General Meeting of Shareholders.

Bucharest, July 28, 2023

Christina Verchere
Chief Executive Officer
President of the EB

Alina Popa
Chief Financial Officer
Member of the EB

Cristian Hubati
Member of the EB
Exploration and Production

Franck Neel
Member of the EB
Gas and Power

Radu Căprău
Member of the EB
Refining and Marketing

Gabriela Mardare
Vice President Finance

Nicoleta Drumea
Head of Financial Reporting

Directors' Report on OMV Petrom S.A.'s interim condensed separate Financial Statements prepared in accordance with Ministry of Finance Order no. 2844/2016 and in compliance with the Regulation no. 5/2018, Appendix 14, 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).

The Company is the parent company of OMV Petrom Group ("the Group"). Interim condensed separate financial statements for the six month period ended June 30, 2023 are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU), 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. The interim condensed consolidated financial statements are also prepared by the Company in accordance with IFRS as endorsed by the EU.

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

As at June 30, 2023 and December 31, 2022 the total share capital amounted to RON 6,231,166,705.80, representing 62,311,667,058 shares (December 31, 2022: same number) with a nominal value of RON 0.1 per share.

The shareholders' structure as at June 30, 2023 and December 31, 2022 is presented below:

	<u>No. of shares</u>	<u>Percent</u>
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%
Total	62,311,667,058	100.000%

The interim condensed separate financial statements for the six-month period ended June 30, 2023 are unaudited and an external review by an auditor was not performed.

Financial highlights

Q2/23	Q2/22	Δ%	in RON mn	6m/23	6m/22	Δ%
7,138	12,247	(42)	Sales revenues ¹	15,487	23,165	(33)
1,974	4,115	(52)	Operating Result	3,567	6,288	(43)
1,156	1,886	(39)	Operating Result Exploration and Production ²	2,147	2,994	(28)
527	2,124	(75)	Operating Result Refining and Marketing	1,032	2,803	(63)
503	346	45	Operating Result Gas and Power	855	941	(9)
(34)	(39)	14	Operating Result Corporate and other	(61)	(72)	15
(178)	(202)	12	Consolidation	(405)	(378)	(7)
123	(114)	n.m.	Net financial result	261	(206)	n.m.
2,098	4,001	(48)	Profit before tax prior to solidarity contribution	3,828	6,082	(37)
(1,983)	-	n.a.	Solidarity contribution on refined crude oil	(1,983)	-	n.a.
115	4,001	(97)	Profit before tax	1,845	6,082	(70)
199	13	n.m.	Effective tax rate (%)	28	14	90
(114)	3,475	n.m.	Net income/(loss)	1,338	5,203	(74)
(11,920)	(10,643)	12	Net debt/(cash) including leases	(11,920)	(10,643)	12

¹ Sales excluding petroleum excise tax;

² Excluding intersegmental profit elimination shown in the line Consolidation.

Key events 6m/23

- ▶ In February 2023 Supervisory Board approved the appointment of a new EB member for Exploration and Production and the renewal of the Executive Board's mandate for another 4 years.
- ▶ In March 2023 OMV Petrom and Transgaz signed a transport contract for Black Sea gas.
- ▶ At the Ordinary General Meeting of Shareholders (OGMS) held on April 26, 2023, the shareholders of OMV Petrom S.A approved the distribution of base dividends for the financial year 2022 for the gross amount of RON 2,337 mn (gross base dividend per share of RON 0.0375). Total dividends paid during 6m/23 amounted to RON 2,317 mn.
- ▶ The OGMS approved the 2023 Income and Expenditure Budget of OMV Petrom S.A. with investments estimated at RON 6.9 bn (which also include contingencies for possibilities to accelerate some of our strategic projects and other investment opportunities).
- ▶ The OGMS approved the appointment of KPMG Audit S.R.L. as the Company's financial auditor for 2023, following a tender process organised according to EU Regulation 537/2014, under the Audit Committee steering.
- ▶ The OGMS approved the appointment of Mr. Reinhard Florey, Mrs. Katja Tautscher and Mr. Berislav Gaso as members of the Supervisory Board of OMV Petrom for the remaining period of the mandates of Mrs. Elena Skvortsova, Mr. Johann Pleininger and Mr. Daniel Turnheim respectively, further to the waiver of their mandates as members of the Supervisory Board.

- ▶ On April 26, 2023, the Extraordinary General Meeting of Shareholders approved the delisting of the global depositary receipts(GDRs) issued by Citibank N.A., currently listed on the standard segment of the Official List of the UK Financial Conduct Authority and traded on the main market for listed financial instruments of the London Stock Exchange, and empowered the Executive Board of OMV Petrom to establish the details of the delisting of the GDRs and the subsequent termination of the Company's GDRs programme.
- ▶ In June 2023 OMV Petrom took the final investment decision for the Neptun Deep project and, together with its partner Romgaz, approved the development plan and submitted it to the regulator for endorsement.
- ▶ In June 2023 OMV Petrom signed an agreement for the purchase of several photovoltaic parks in Romania with a targeted installed capacity of around 710 MW.
- ▶ In June 2023 OMV Petrom announced the discovery of new hydrocarbon resources in Romania, totaling more than 30 mn boe.
- ▶ In June 2023 OMV Petrom paid RON ~1.5 bn additional tax representing the solidarity contribution on refined crude oil for 2022.
- ▶ Low utilization rate for major assets, Power Plant Brazi and Petrobrazi refinery, due to prolonged planned maintenance in H1/2023.
- ▶ In July 2023 OMV Petrom and CE Oltenia signed the financing contracts to build four photovoltaic parks.
- ▶ On July 26, 2023, the Executive Board proposed the distribution of a special dividend in gross value of RON 0.0450 per share leading to a total value of special dividends of RON 2,804 mn, subject to approval by the Supervisory Board and the General Meeting of Shareholders.

Analysis of performance

January to June 2023 (6m/23) vs. January to June 2022 (6m/22)

Sales revenues of RON 15,487 mn for 6m/23 decreased by 33% compared to 6m/22, negatively impacted by lower commodity prices and lower sales volumes of petroleum products and electricity, only partially compensated by higher sales volumes of natural gas. Refining and Marketing segment represented 61% of total sales revenues, Gas and Power segment accounted for 39%, while sales from Exploration and Production segment accounted only for 0.2% (sales in Exploration and Production segment being largely inter-segment sales rather than third-party sales).

The **Reported Operating Result** of RON 3,567 mn was lower compared to RON 6,288 mn in 6m/22, due to lower contribution from all business segments, mainly triggered by negative impact of the refinery turnaround in the Refining and Marketing segment, decrease in prices in the Exploration and Production segment, as well as lower gas margins from both third party transactions and equity gas in the Gas and Power segment. The result also reflected lower E&P specific taxes, mainly as a result of lower prices, as well as decreased purchases, mainly due to lower volumes and prices for natural gas, electricity and imported crude oil, partially offset by higher volumes of traded petroleum products. The Consolidation line had a negative contribution in 6m/23 of RON (405) mn (6m/22: RON (378) mn).

Net financial result was a gain of RON 261 mn in 6m/23 compared to a loss of RON (206) mn in 6m/22, mainly due to higher interest income on bank deposits, 6m/22 also being impacted by higher expenses in relation to the discounting of receivables.

Profit before tax prior to solidarity contribution for 6m/23 was RON 3,828 mn, lower than RON 6,082 mn in 6m/22.

In May 2023, the Law no. 119/2023 approving GEO 186/2022 introduced the obligation to pay for 2022 and 2023 a contribution of RON 350 for each tonne of crude oil processed for companies that produce and refine crude oil. Therefore, OMV Petrom reflected in Q2/23 the **Solidarity contribution on refined crude oil** for 2022 in amount of RON 1,485 mn and for 6m/23 in amount of RON 498 mn, presented as a separate line in the interim condensed income statement, above Taxes on income line.

As a result, the **profit before tax** for 6m/23 of RON 1,845 mn, was lower compared with the result for the similar period of the previous year of RON 6,082 mn.

Income tax amounted to RON (508) mn, while the **effective tax rate** was 28% in 6m/23, mainly due to non-deductible solidarity contribution on refined crude oil (6m/22: 14%).

Net income was RON 1,338 mn (6m/22: RON 5,203 mn).

Investments of RON 2,349 mn in 6m/23 were 68% higher than RON 1,396 mn in 6m/22. Exploration and Production investments in 6m/23 were RON 1,167 mn, compared to RON 1,109 mn in 6m/22 and accounted for 50% of total investments for 6m/23. The increase of 5% is mainly due to 3D development seismic acquisition, higher exploration drilling and intensified Neptun Deep activities (final investment decision was taken in June 2023). Refining and Marketing investments amounted to RON 1,117 mn (6m/22: RON 249 mn), with majority of investments being directed to the Refining business, for projects connected with the planned turnaround of Petrobrazi refinery and for ongoing projects such as coke drums replacement, the new crude oil tank and the new aromatic complex. Gas and Power investments amounted to RON 39 mn (6m/22: RON 25 mn), majority of investments being directed to Brazi power plant planned maintenances. Corporate and Other investments were RON 27 mn (6m/22: RON 14 mn).

Due to the significant cash balance at June 30, 2023, OMV Petrom maintained a **net cash position including leases** of RON 11,920 mn (December 31, 2022: RON 11,527 mn).

Summarized interim statement of financial position

in RON mn	June 30, 2023	December 31, 2022
Assets		
Non-current assets	34,781	31,927
Current assets (including assets held for sale)	21,926	24,564
Total assets	56,706	56,491
Equity and liabilities		
Total equity	38,146	39,144
Non-current liabilities	10,305	7,878
Current liabilities	8,256	9,470
Total equity and liabilities	56,706	56,491

Compared to December 31, 2022 **non-current assets** increased by RON 2,853 mn, to RON 34,781 mn, mainly due to increase in property, plant and equipment, as additions during the period and the increase in decommissioning asset following reassessment exceeded the depreciation and net impairments. In addition, following the final investment decision on Neptun Deep project, the related oil and gas assets in amount of approximately RON 2.4 bn were reclassified from intangible assets into property, plant and equipment.

The decrease in **current assets (including assets held for sale)** reflected lower trade receivables following lower sales, lower inventories mainly as a result of lower volumes and average unit costs of natural gas in stock, decrease in cash guarantees for transactions with energy products and lower financial assets in relation with derivatives, partly offset by increase in short-term investments, mainly in Treasury bills, and dividends receivable from subsidiaries.

Equity decreased to RON 38,146 mn as of June 30, 2023, compared to RON 39,144 mn as of December 31, 2022, mainly as a result of base dividend distribution for the financial year 2022, partly offset by the net profit generated in 6m/23. The equity ratio stood at 67% as of June 30, 2023, slightly lower than the level of 69% as of December 31, 2022.

As at June 30, 2023, **total liabilities** increased by RON 1,213 mn compared with December 31, 2022. The increase in **non-current liabilities** was mainly due to the reassessment of provisions for decommissioning and restoration obligations largely following decrease in the net discount rate. The decrease in **current liabilities** was mainly due to decrease in other provisions and decommissioning, lower financial liabilities mostly in relation to derivatives and cash pooling from subsidiaries, and lower income tax liabilities, partially offset by increase in other liabilities, largely related to the solidarity contribution on refined crude oil for 6m/23.

Cash flow

Summarized cash-flow statement (in RON mn)	6m/23	6m/22	Δ%
Cash generated from operating activities before working capital movements	2,509	8,180	(69)
Cash flow from operating activities	5,510	6,394	(14)
Cash flow from investing activities	(2,765)	(1,494)	(85)
Free cash flow	2,745	4,900	(44)
Cash flow from financing activities	(2,818)	(1,990)	(42)
Effect of exchange rate changes on cash and cash equivalents	(1)	3	n.m.
Net increase/(decrease) in cash and cash equivalents	(73)	2,913	n.m.
Cash and cash equivalents at beginning of period	13,853	10,054	38
Cash and cash equivalents at end of period	13,779	12,967	6
Free cash flow after dividends	428	2,987	(86)

January to June 2023 (6m/23) vs. January to June 2022 (6m/22)

In 6m/23, the inflow of funds from profit before tax, adjusted for non-cash items such as depreciation and impairments, net change of provisions and other non-cash adjustments, as well as net interest received and income tax paid was RON 2,509 mn (6m/22: RON 8,180 mn). Changes in **net working capital** generated a cash inflow of RON 3,001 mn largely due to lower trade receivables following lower sales and also due to decrease in the cash guarantees for transactions with energy products (6m/22: outflow of RON 1,786 mn). **Cash flow from operating activities** decreased with RON 884 mn compared to 6m/22, reaching RON 5,510 mn driven by lower operating result and payment of solidarity contribution on refined crude oil for 2022, partly offset by favorable evolution of net working capital.

In 6m/23, **cash flow from investing activities** resulted in an outflow of RON 2,765 mn (6m/22: RON 1,494 mn) mainly related to payments for investments in property, plant and equipment, largely in the Refining and Marketing segment, and for investments in short-term securities.

Free cash flow (defined as cash flow from operating activities less cash flow from investing activities) showed an inflow of funds of RON 2,745 mn (6m/22: RON 4,900 mn).

Cash flow from financing activities reflected an outflow of funds amounting to RON 2,818 mn (6m/22: RON 1,990 mn), mainly arising from the payment of dividends of RON 2,317 mn.

Free cash flow after dividends resulted in a cash inflow of RON 428 mn (6m/22: RON 2,987 mn).

Risk management

The scope of OMV Petrom's business activity, both existing and planned, and the markets in which the company operates expose the Company to significant commodity price, foreign exchange, operational and strategic risks. A detailed description of risks and risk management activities can be found in the 2022 Annual Report (pages 50-54).

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

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

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

Moreover, in the context of the energy crisis in Europe, regulatory measures such as subsidy schemes, gas and power regulated/capped prices and over-taxation or the EU solidarity contribution have been implemented. In case energy prices in Europe remain at high levels, there is a risk that further regulatory and fiscal interventions may impact OMV Petrom financials.

OMV Petrom continues to closely monitor the ongoing conflict in Ukraine and any additional sanctions and countersanctions resulting from it. The Company regularly reviews the potential impact on its business activities. Continued and/or intensified disruptions in Russian commodity flows to Europe could result in further increases in European energy prices. Sanctions on Russia and countersanctions issued by Russia could lead to disruptions in global supply chains and shortages in, e.g., energy products, raw materials, agricultural products and metals, and consequently lead to further increases in operational cost. OMV Petrom continues to closely monitor developments and regularly evaluates the potential impact on the Company's cash flow and liquidity position. OMV Petrom is responding to the situation with targeted measures to safeguard the Company's economic stability as well as the secure supply of energy. This geopolitical context continued to have no significant negative impact on the interim condensed financial statements as of June 30, 2023, similar with previous year.

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

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

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

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

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

Transactions with related parties

Please refer to the selected explanatory notes of the interim condensed separate financial statements on significant transactions with related parties.

Outlook for the full year 2023

For the full year 2023, OMV Petrom expects the **average Brent oil price** to be between USD 75/bbl and USD 80/bbl (2022: USD 101/bbl). **Refining margin** is expected to be above USD 10/bbl (2022: USD 16.6/bblⁱ). Demand for oil products in retail is expected to be slightly above 2022 level, while demand for gas and power to be lower compared to 2022. Legislative measures introduced for the gas and power markets with regards to prices, margins, storage and contributions remain in place until end-March 2025. For companies that produce and refine crude oil, a contribution of RON 350 for each tonne of crude oil processed for 2022 and 2023 was introduced in May; the contribution for 2023 is due for payment at the end of June 2024

Strategic direction: Optimize traditional business

In **Exploration and Production** segment the production is expected to be around 110 kboe/d excluding possible divestments (2022: 119 kboe/d). We will continue to focus on the most profitable barrels, through assessing selective fields divestments. At Group level, the investments are expected to be around RON 2.9 bn, including Neptun Deep (2022: RON 2.6 bn) and we plan to drill around 55 new wells and sidetracks and perform around 450 workovers (2022: 55 new wells and sidetracks; 647 workovers).

In **Refining and Marketing** segment the refinery utilization rate is estimated to be around 80% (2022: 95%) considering the prolonged turnaround in Q2/23 and slower ramp up. Total refined product sales are forecasted to be lower compared to previous year (2022: 5.5 mn t), due to the refinery turnaround. Retail fuel sales at Group level are expected to be higher yoy. At Group level, regarding the partnership with Auchan, MyAuchan stores in all 400 Petrom-branded filling stations are planned by year-end, one year ahead of the initial plan (at year-end 2022: 275 stores).

In **Gas and Power** segment total gas sales volumes are estimated to be lower yoy (2022: 46 TWh), mainly on lower supply, both from equity and third parties, as well as depressed demand. Also, net electrical output is forecasted to be lower yoy (2022: 5.0 TWh), reflecting the Brazi power plant prolonged planned outage in H1/23 for the entire capacity (2022: one month for full capacity and one month for half capacity).

Strategic direction: Grow regional gas

In relation to **Neptun Deep** project the next step is to obtain endorsement of development plan from the regulator and awarding of main contracts and permitting will follow. At Group level, on the Han Asparuh Exploration Block Offshore **Bulgaria** the preparation works will continue aiming to spud one exploration well in 2024. In **Georgia** Offshore Exploration Block II seismic acquisition remains on hold.

Strategic direction: Transition to low and zero carbon

At Group level, we target to reduce carbon intensity by 30% until 2030 vs. 2019 (2022: ~11% lower vs. 2019). Regarding **E- mobility** we continue to expand the EV charging network aiming to reach 240 charging points by year end (year end-2022: 120 fast and ultra fast charging points installed). Also, we progress in developing a **renewable power portfolio** via partnerships. We are working on securing EU funds for various projects (renewables, green hydrogen and EV charging points).

At Group level, we expect a **positive free cash flow after dividends** yet lower yoy, due to higher investments (2022: RON 8.2 bn), and **capital expenditure** is anticipated to be around RON 6 bn (2022: RON 3.6 bn), higher by approximately 70% yoy, 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.

ⁱ Based on Brent

Declaration of the management

We confirm to the best of our knowledge that the unaudited interim condensed separate financial statements for the six-month period ended June 30, 2023 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 important events that have occurred during the first six months of the financial year 2023 and their impact on the interim condensed separate financial statements, as well as a description of the principal risks and uncertainties.

Bucharest, July 28, 2023

The Executive Board

Christina Verchere
Chief Executive Officer
President of the Executive Board

Alina Popa
Chief Financial Officer
Member of the Executive Board

Cristian Hubati
Member of the Executive Board
Exploration and Production

Franck Neel
Member of the Executive Board
Gas and Power

Radu Căprău
Member of the Executive Board
Refining and Marketing

Further information

Abbreviation and definitions

bbl	barrel(s), i.e. 159 liters
bn	billion / billions
CE Oltenia	Complexul Energetic Oltenia S.A.
EB	Executive Board
Effective tax rate	Taxes on income divided by Profit before tax (%)
EU	European Union
EUR	euro(s)
EV	Electric Vehicles
FX	Foreign Exchange
GDRs	Global Depositary Receipts
GEO	Government Emergency Ordinance
HSSE	Health, Safety, Security and Environment
IFRSs; IASs	International Financial Reporting Standards; International Accounting Standards
Investments	Include amounts for fixed assets acquisitions, financial investments, advance payments on fixed assets, land deeds, right of use of assets in accordance with IFRS 16 Leases and excludes increases from reassessment of provisions
LNG	Liquefied Natural Gas
mn	million / millions
MOF	Ministry of Finance Order
MW; MWh	megawatt; megawatt hour
n.a.	not applicable/not available (as the case may be)
n.m.	not meaningful i.e. deviation exceeds (+/-) 500% or comparison is made between positive and negative values
NBR	National Bank of Romania
Net debt/(cash) including leases	Interest bearing debts and lease liabilities less cash and cash equivalents
NGL	Natural Gas Liquids – it refers to condensate only
OGMS	Ordinary General Meeting of Shareholders
Operating Result	The "Operating result" includes the former indicator EBIT ("Earnings Before Interest and Taxes") and the net result from consolidated subsidiaries and equity-accounted investments.
Q	quarter
RON	Romanian leu
S.A.; S.R.L.	Societate pe Actiuni (Joint-stock company); Societate cu Raspundere Limitata (Limited liability company)
t	metric tonne(s)
TWh	terawatt hour
UK	United Kingdom
USD	United States dollar(s)
Vs.	Versus
yoy	year-on-year