

OMV Petrom Group Factsheet Q3/23

October 31, 2023

Highlights Q3/23ⁱ

OMV Petrom Group

- ▶ Clean CCS Operating Result at RON 2.5 bn, the highest quarterly result this year; 40% lower than the record high Q3/22
- ▶ Clean CCS net income attributable to stockholders of the parent at RON 2.1 bn, down 44%
- ▶ Cash flow from operating activities at RON 3.0 bn, 6% lower
- ▶ CAPEX at RON 1.0 bn, up 10%
- ▶ Free cash flow after dividends inflow of RON 1.4 bn
- ▶ Clean CCS ROACE at 25%, 11 pp lower
- ▶ TRIR: 0.61 (Q3/22: 0.50)ⁱⁱ

Exploration and Production

- ▶ Clean Operating Result at RON 1,131 mn vs. RON 1,362 mn in Q3/22, mainly due to lower prices and volumes, as well as unfavorable FX
- ▶ Production decreased by 3.2%, mainly due to natural decline, partly offset by the contribution of workovers and new wells
- ▶ Production cost increased by 15% to USD 16.2/boe, mainly due to unfavorable FX and lower production available for sale

Refining and Marketing

- ▶ Clean CCS Operating Result at RON 993 mn vs. RON 1,334 mn in Q3/22, decrease mainly triggered by lower sales channels' margins
- ▶ OMV Petrom indicator refining margin at USD 16.8/bbl, down 2%, mainly due to weaker middle distillates spreads
- ▶ Refinery utilization rate at 95% vs. 99% in Q3/22, impacted by the gradual ramp up in July post Q2/23 turnaround
- ▶ Retail sales volumes 2% higher

Gas and Power

- ▶ Clean Operating Result at RON 437 mn vs. RON 1,267 mn in Q3/22, mainly reflecting significantly lower market prices and additional regulatory interventions
- ▶ Gas sales to third parties up 24%, reflecting very good sales performance of end users' portfolio
- ▶ Brazi power plant output at 1.5 TWh, record high for a Q3, supported by high technical availability

Key events

- ▶ Rollout of MyAuchan stores in all Petrom-branded filling stations finalized more than a year ahead of schedule and on budget
- ▶ Effective delisting and cancellation of trading of the Global Depositary Receipts as of 26 October 2023
- ▶ Special dividend of RON 0.045/share approved in the OGMS on 12 September and paid out starting 19 October, leading to a record total dividend of RON 5.1 bn
- ▶ OMV Petrom signed a gas purchase contract with BOTAŞ (Türkiye)
- ▶ OMV Petrom successfully replaced the coke drums at the Petrobrazi refinery following investment of ~ EUR 70 mn
- ▶ OMV Petrom signed the main contract for Neptun Deep infrastructure development estimated at ~ EUR 1.6 bn
- ▶ Development plan for Domino and Pelican South gas fields in the Neptun Deep block was endorsed by the National Agency for Mineral Resources
- ▶ OMV Petrom signed European funds contract for the development of a network of ultra-fast recharging points for electric cars in the region

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

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

Financial highlights

Q3/23	Q2/23	Q3/22	Δ% ¹ in RON mn	9m/23	9m/22	Δ%
10,662	8,391	18,667	(43) Sales revenues ²	28,526	44,248	(36)
2,530	1,614	4,230	(40) Clean CCS Operating Result³	6,239	10,131	(38)
1,131	1,152	1,362	(17) Clean Operating Result Exploration and Production ^{3,4}	3,268	4,357	(25)
993	142	1,334	(26) Clean CCS Operating Result Refining and Marketing ³	1,751	3,157	(45)
437	471	1,267	(66) Clean Operating Result Gas and Power	1,631	2,810	(42)
(27)	(11)	(26)	(2) Clean Operating Result Co&O ³	(61)	(64)	3
(4)	(139)	294	n.m. Consolidation	(349)	(129)	(170)
16	16	16	2 Clean CCS Group effective tax rate (%)	16	16	(0)
2,058	1,471	3,649	(44) Clean CCS net income ^{3,7}	5,409	8,417	(36)
2,057	1,471	3,649	(44) Clean CCS net income attributable to stockholders of the parent^{3,6,7}	5,409	8,418	(36)
0.0330	0.0236	0.0599	(45) Clean CCS EPS (RON) ^{3,6,7}	0.0868	0.1381	(37)
2,530	1,614	4,230	(40) Clean CCS Operating Result³	6,239	10,131	(38)
(207)	(25)	1,115	n.m. Special items ⁵	(588)	503	n.m.
94	(30)	(143)	n.m. CCS effects: Inventory holding gains/(losses)	(58)	286	n.m.
2,417	1,559	5,203	(54) Operating Result Group	5,593	10,920	(49)
1,128	1,149	1,356	(17) Operating Result Exploration and Production ⁴	3,263	4,348	(25)
1,064	89	1,045	2 Operating Result Refining and Marketing	1,683	3,342	(50)
276	492	2,570	(89) Operating Result Gas and Power	1,120	3,492	(68)
(29)	(33)	(63)	53 Operating Result Co&O	(87)	(133)	35
(22)	(138)	294	n.m. Consolidation	(386)	(129)	(199)
(79)	145	100	n.m. Net financial result	219	(73)	n.m.
2,338	1,704	5,302	(56) Profit before tax prior to solidarity contribution	5,813	10,847	(46)
(372)	(1,983)	-	n.a. Solidarity contribution on refined crude oil ⁸	(2,355)	-	n.a.
1,966	(279)	5,302	(63) Profit/(loss) before tax	3,458	10,847	(68)
18	(93)	15	23 Group effective tax rate (%)	26	16	69
1,604	(537)	4,510	(64) Net income/(loss)	2,548	9,156	(72)
1,604	(537)	4,510	(64) Net income/(loss) attributable to stockholders of the parent⁶	2,548	9,156	(72)
0.0257	(0.0086)	0.0740	(65) EPS (RON) ⁶	0.0409	0.1502	(73)
3,011	412	3,189	(6) Cash flow from operating activities	8,083	9,574	(16)
1,352	(3,476)	(73)	n.m. Free cash flow after dividends	1,166	2,948	(60)
(14,525)	(13,231)	(12,261)	18 Net debt/(cash) including leases	(14,525)	(12,261)	18
(15,158)	(13,852)	(12,874)	18 Net debt/(cash) excluding leases	(15,158)	(12,874)	18
988	1,434	901	10 Capital expenditure	3,381	2,290	48
25.2	31.3	36.7	(31) Clean CCS ROACE (%) ^{3,7}	25.2	36.7	(31)
11.4	22.6	39.7	(71) ROACE (%)	11.4	39.7	(71)
7,703	7,700	7,768	(1) OMV Petrom Group employees end of period	7,703	7,768	(1)
0.61	0.66	0.50	22 TRIR	0.60	0.44	36

¹ Q3/23 vs. Q3/22

² Sales revenues excluding petroleum excise tax;

³ Adjusted for special items; Clean CCS (current cost of supply) figures exclude special items and inventory holding effects (CCS effects) resulting from Refining and Marketing; special items include temporary hedging effects (in order to mitigate Income Statement volatility);

⁴ Excluding intersegmental profit elimination shown in the line "Consolidation";

⁵ Special items, representing exceptional, non-recurring items, are added back or deducted from the Operating Result; for more details please refer to each specific segment;

⁶ After deducting net result attributable to non-controlling interests; EPS figures from 2022 periods have been adjusted retrospectively as per IFRS requirements following the share capital increase finalized in 2022;

⁷ Excludes the special item related to solidarity contribution on refined crude oil;

⁸ Solidarity contribution on refined crude oil is a special item in the computation of Clean CCS Net Income.

Outlook for the full year 2023

Market environment

- ▶ For the full year 2023, OMV Petrom expects the **average Brent oil price** to be above USD 80/bbl (previous guidance: between USD 75/bbl and USD 80/bbl; 2022: USD 101/bbl)
- ▶ **Refining margin** is expected to be between USD 12-14/bbl (previous guidance: above USD 10/bbl; 2022: USD 16.6/bblⁱⁱⁱ)
- ▶ In Romania, **demand** for oil products in retail is expected to be slightly above 2022 level, while demand for gas and power to be significantly 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.

Financial highlights

- ▶ **CAPEX** is anticipated to be up to RON 5.5 bn, with increased yoy investments dedicated mainly to the Neptun Deep project, low and zero carbon projects and the Petrobrazi refinery turnaround. Investments require predictable and stable regulatory and fiscal environment (previous guidance: around RON 6 bn; 2022: RON 3.6 bn)
- ▶ We expect a **positive free cash flow before dividends**, yet lower yoy, due to higher investments and payment of the solidarity contribution on crude oil processed (2022: RON 8.2 bn)

Strategic direction: Optimize traditional business

Exploration and Production

- ▶ **Production:** expected to be above 112 kboe/d (previous guidance: around 110 kboe/d; 2022: 119 kboe/d)
- ▶ **Portfolio optimization:** continue to focus on the most profitable barrels, through assessing selective fields divestments
- ▶ **Investments:** around RON 2.8 bn, including Neptun Deep (previous guidance: RON 2.9 bn; 2022: RON 2.6 bn): drilling around 50 new wells and sidetracks and perform up to 500 workovers (previous guidance: around 55 new wells and sidetracks and around 450 workovers; 2022: 55 new wells and sidetracks and 647 workovers)

Refining and Marketing

- ▶ The **refinery utilization rate** is estimated to be around 80%, due to the prolonged turnaround of Petrobrazi refinery (2022: 95%)
- ▶ Total **refined product sales** are forecasted to be lower yoy (2022: 5.5 mn t), due to the refinery turnaround; retail fuel sales expected to be higher yoy

Gas and Power

- ▶ Total **gas sales volumes** are estimated to be lower yoy (2022: 46 TWh), mainly on lower supply, both from equity and third parties, as well as depressed demand
- ▶ **Net electrical output** is forecasted to be lower yoy (2022: 5.0 TWh), reflecting the Brazi power plant outage

Strategic direction: Grow regional gas

- ▶ **Neptun Deep project:** continue the awarding of main contracts and permitting activities
- ▶ **Han Asparuh offshore Bulgaria:** continue preparation work aiming to spud one exploration well in 2024
- ▶ **Georgia Offshore Exploration Block II:** seismic acquisition remains on hold

Strategic direction: Transition to low and zero carbon

- ▶ We target to **reduce carbon intensity** by 30% until 2030 vs. 2019 (2022: ~11% lower vs. 2019)
- ▶ Progress in developing a **renewable power portfolio via partnerships**
- ▶ **E-mobility:** accelerate the expansion of the EV charging network in our filling stations with the aim to reach around 270 charging points by year end (previous guidance: 240; year end-2022: 120 fast and ultra fast charging points installed)
- ▶ **EU funds:** we are working on securing EU funds for various projects (renewables, green hydrogen and EV charging points).

ⁱⁱⁱ Based on Brent

Business segments

Third quarter 2023 (Q3/23) vs. third quarter 2022 (Q3/22)

Exploration and Production

- ▶ **Clean Operating Result** at RON 1,131 mn vs. RON 1,362 mn in Q3/22, mainly due to lower prices and volumes, as well as unfavorable FX
- ▶ **Production** decreased by 3.2% mainly due to natural decline, partly offset by the contribution of workovers and new wells
- ▶ **Production cost** increased by 15% to USD 16.2/boe, mainly due to unfavorable FX and lower production available for sale

Clean Operating Result was RON 1,131 mn vs. RON 1,362 mn in Q3/22, driven by the lower oil and gas prices and volumes, unfavorable FX (stronger RON vs. USD), higher production costs and depreciation partly offset by lower E&P taxation.

Special items amounted to RON (3) mn vs. RON (6) mn in Q3/22. **Reported Operating Result** was RON 1,128 mn vs. RON 1,356 mn in Q3/22.

Hydrocarbon production decreased by 3.2% to 10.4 mn boe or 113.5 kboe/d (Q3/22: 10.8 mn boe or 117.2 kboe/d), mainly reflecting the natural decline in the main fields (Bustuchin, Totea Deep and Independenta), partly offset by the contribution of workovers and new wells. Crude oil and NGL production dropped by 4.0% to 5.0 mn bbl, while gas production decreased by 2.4% to 5.5 mn boe.

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

Production cost increased by 15% to USD 16.2/boe, mainly due to unfavorable FX (weaker USD vs. RON), lower volumes available for sale and cost inflation impacting various items. Production cost in RON terms increased by 8% to RON 73.7/boe.

Exploration expenditures amounted to RON 33 mn, in line with Q3/22.

Exploration expenses decreased to RON 22 mn, mainly due to lower write-offs and lower exploration seismic activities, partially offset by higher drilling costs.

Capital expenditure decreased to RON 552 mn, mainly due to lower workover and drilling activities.

In 9m/23, we finalized the drilling of 31 new wells and sidetracks, including two exploration wells (9m/22: 36 new wells and sidetracks, including one exploration well).

Refining and Marketing

- ▶ **Clean CCS Operating Result** at RON 993 mn vs. RON 1,334 mn in Q3/22, decrease mainly triggered by lower sales channels' margins
- ▶ **OMV Petrom indicator refining margin** at USD 16.8/bbl, down 2%, mainly due to weaker middle distillates spreads
- ▶ **Retail sales volumes** up by 2%

Clean CCS Operating Result decreased to RON 993 mn in Q3/23 (Q3/22: RON 1,334 mn), mainly triggered by lower contribution from Retail and Commercial channels due to lower margins. **Reported Operating Result** of RON 1,064 mn (Q3/22: RON 1,045 mn), reflected positive CCS effects of RON 111 mn (Q3/22: RON (143) mn negative effects), due to crude oil quotations evolutions, and RON (40) mn net special loss (Q3/22: RON (146) mn), mainly in relation to hedging.

OMV Petrom indicator refining margin decreased by USD 0.3/bbl to USD 16.8/bbl in Q3/23, as a result of lower product spreads, mainly for diesel and jet. The **refinery utilization rate** was 95% in Q3/23 (Q3/22: 99%), reflecting the slower than

initially expected ramp up and extension of some maintenance works in July as part of the planned turnaround of the Petrobrazî refinery.

Total refined product sales volumes were up 1% vs. Q3/22. Group retail sales volumes, which accounted for 57% of total refined product sales, increased by 2% reflecting the higher demand. In addition, we registered an improved performance in the Retail non-fuel business margin. Non-retail sales volumes slightly decreased by 1% yoy, as the 8% higher commercial sales were offset by the decrease in exports, triggered by the lower product availability following the planned maintenance.

Investments amounted to RON 394 mn (Q3/22: RON 215 mn). Most investments were directed to the Refining business, for ongoing projects such as the new aromatic unit as well as for projects connected with the completed turnaround of Petrobrazî refinery and coke drums replacement.

Gas and Power

- ▶ **Clean Operating Result at RON 437 mn vs. RON 1,267 mn, mainly reflecting significantly lower market prices and additional regulatory interventions**
- ▶ **Gas sales to third parties up 24%, reflecting very good performance of the end users' portfolio**
- ▶ **Brazi power plant output at 1.5 TWh, record high for a Q3, supported by high technical availability**

Clean Operating Result was RON 437 mn in Q3/23 (Q3/22: RON 1,267 mn), reflecting the good operational performance, counterbalanced by the impact of the significantly lower gas and power prices as well as additional regulatory interventions.

Reported Operating Result of RON 276 mn (Q3/22: RON 2,570 mn) reflected RON (161) mn net special charges (Q3/22: RON 1,303 mn net special gains), in both periods mainly in relation to net temporary effects from electricity forward contracts.

The gas business result was severely impacted by the depressed market price environment, reducing our realized margins from both equity and third parties sources. However, we successfully managed to increase our sales volumes, including via new additions to our end users portfolio. Transactions with third party gas, mainly outside Romania, decreased both in terms of volumes and margins from the very high Q3/22 levels.

The power business result reflected the 4% higher net electrical output and increased margin contribution from transactions outside Romania, largely compensating the impact of lower market prices.

As per OMV Petrom's estimates, national **gas** consumption was approximately 10% lower compared to Q3/22, mainly as a result of reduced industrial offtake.

On the Romanian centralized markets, the weighted average price of natural gas for transactions with medium and long-term standardized products concluded in Q3/23, irrespective of delivery period was RON 201/MWh^{iv} (Q3/22: RON 917/MWh). The average price for the quantities delivered during the quarter was RON 237/MWh (Q3/22: RON 558MWh)^{vi}. Regarding short-term deliveries, on the BRM day-ahead market, the average price^{vii} in Q3/23 was RON 154/MWh (Q3/22: RON 848/MWh).

In Q3/23, OMV Petrom's total gas sales volumes were up 19% yoy, at 11.7 TWh reflecting our strong end customer sales performance, as well as the higher offtake by Brazi power plant. This is a very good performance in the context of the steep decrease in consumption at national level.

OMV Petrom's gas volumes sold to third parties recorded a 24% increase vs. Q3/22, as a result of larger volumes sold to our end customer portfolio, higher regional sales and higher volumes to regulated market (households and district heating for

^{iv} OMV Petrom estimates based on available public information;

^v Standard products refers to all products offered on the BRM and OPCOM trading platforms i.e. weekly products, monthly products, quarterly products, gas-year products etc. and the price could include storage related tariffs in connection with the gas volumes sold/extracted from storage;

^{vi} Based on monthly data, as published by BRM on <https://www.brm.ro/statistici-monitorizare-piete-gaze-naturale/> retrieved on 24 October, 2023;

^{vii} Average computed based on daily trades published on BRM platform.

households), the latter totalling 1.3 TWh in Q3/23 (Q3/22: 0.7 TWh). Gas sales volumes in Romania were at 9.8 TWh, of which 80% were supplied from equity gas and 20% from third party sources.

On the centralized markets, OMV Petrom sold 0.4 TWh of gas in standard products in Q3/23, independent of delivery period, at an average price in line with the market price^v. At the end of Q3/23, OMV Petrom had 2.2 TWh natural gas in storage (end of Q3/22: 3.6 TWh).

As per currently available information from the grid operator, national **electricity** consumption decreased by 4% in Q3/23 compared to the same quarter of 2022, while national production was flattish (-1% yoy), Romania being a net power importer in both Q3/23 and Q3/22.

In Q3/23, the Brazi power plant generated a net electrical output of 1.5 TWh, the highest level of production for a third quarter since the start of operations in 2012, and 4% higher yoy, covering 11% of Romania's generation mix.

Investments amounted to RON 12 mn (Q3/22: RON 1 mn), mainly directed to Brazi power plant planned maintenance.

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