



KPMG Audit SRL  
DN1, Bucharest - Ploiești Road no. 89A  
Sector 1, Bucharest  
013685, P.O.Box 18 - 191  
Tel: +40 372 377 800  
Fax: +40 372 377 700  
[www.kpmg.ro](http://www.kpmg.ro)

## Independent Auditors' Report

### To the Shareholders of OMV Petrom SA

Coralilor street 22, Bucharest, Romania  
Unique Registration Code: 1590082

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the consolidated financial statements of OMV Petrom SA ("the Company") and its subsidiaries (together referred as "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated income statement, consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and Notes to the consolidated financial statements.
2. The consolidated financial statements as at and for the year ended 31 December 2023 are identified as follows:
  - Total equity (consolidated): RON 39,379 million
  - Net income for the year (consolidated): RON 4,030 million

The consolidated financial statements have been signed with a qualified electronic signature by the members of the Executive Board and by Gabriela Mardare and Nicoleta Drumea in their capacity as Vice President Finance and Head of Financial Reporting, respectively, on 15 March 2024.

3. In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS as endorsed by EU").

#### Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing ("ISAs"), Regulation (EU) no. 537/2014 of the European Parliament and of the Council ("the Regulation") and Law no. 162/2017 ("the Law"). Our responsibilities under those standards and regulations are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with *International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code")* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Romania, including the Regulation and the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Provision for decommissioning and restoration obligations

- Provision for decommissioning and restoration obligations ("Decommissioning provision") amounted to RON 8,906 mil as at 31 December 2023 (31 December 2022: RON 6,929 mil).
- Refer to Note 2 Effects of climate change and energy transition, Note 3 Judgments, estimates and assumptions, Note 5 Accounting and valuation principles and Note 15 Provisions

The key audit matter	How the matter was addressed in our audit
<p>The Group's core activities regularly lead to obligations related to dismantling and removal, asset retirement and soil remediation activities.</p> <p>The estimation of Decommissioning provisions is a highly judgmental area as it involves a number of key assumptions related to the cost and timing of decommissioning and restoration works, inflation and discount rates.</p> <p>The ultimate decommissioning and restoration costs and timing of such works are uncertain and can vary in response to many factors including changes to relevant legal requirements and their interpretation, the emergence of new restoration techniques or experience at other production sites as well as changes in estimated reserves of oil and gas.</p> <p>As disclosed in Note 2, the Group did not recognize a decommissioning provision relating to its refining assets on the basis that the refinery site is expected to continue to be used for production in an energy transition scenario. There are significant investments planned in the next years with the goal to adapt the Group's refinery site in the direction of biofuels and chemical feedstock production.</p> <p>In the light of the above factors, we considered the Decommissioning provisions to be associated with a significant risk of material misstatement in the consolidated financial statements. Therefore, the area required our increased attention in the audit and as such was determined to be a key audit matter.</p>	<p>Our audit procedures in the area, performed where applicable, assisted by our own valuation specialists, included, among others:</p> <ul style="list-style-type: none"> <li>• Assessment of the design and implementation of the controls within the Group's decommissioning and restoration obligations estimation process;</li> </ul> <p><b>Estimation of cost and timing of decommissioning and restoration works</b></p> <ul style="list-style-type: none"> <li>• Evaluating the completeness and accuracy of the assets subject to decommissioning by using our understanding of the Group's operations and assessing whether a legal or constructive obligation existed at the reporting date;</li> <li>• Evaluating key assumptions for estimated costs by comparing them to: <ul style="list-style-type: none"> <li>• historical costs by inspecting, on a sample basis, the underlying source documents supporting the actual costs incurred during the year;</li> <li>• cost estimates developed by the external specialists engaged by the Group. We evaluated qualifications, experience and objectivity of the Group's specialists and inspected the scope and nature of works performed by the Group's specialist;</li> </ul> </li> <li>• Evaluating the rationale for changes in key assumptions for the timing of decommissioning and environment restoration works against last year assumptions;</li> <li>• Assessing whether the timing of the decommissioning works at CGU level is consistent with the assumptions regarding the expected life of field.</li> </ul> <p><b>Discount rates and inflation rates</b></p> <ul style="list-style-type: none"> <li>• With the assistance of our own valuation specialists, evaluating the discount rates and inflation rates used, by comparing them against the publicly</li> </ul>

	<p>available external market data;</p> <p><b>Other procedures</b></p> <ul style="list-style-type: none"> <li>Challenging the management assessment regarding the decommissioning provision related to operating refining assets by reference to approved budgets and OMV Petrom Group Strategy for adapting the refinery site for biofuels and chemical feedstock production.</li> <li>Testing the mathematical accuracy of decommissioning and restoration provision calculations;</li> <li>Evaluating the accuracy, completeness and relevance of the decommissioning provisions financial statements disclosures as required by the relevant financial reporting standards.</li> </ul>
<b>Recoverability of the carrying value of oil &amp; gas production assets</b>	
<ul style="list-style-type: none"> <li>The carrying value of oil &amp; gas production assets as at 31 December 2023 amounted to RON 21,379 mil (31 December 2022 RON 17,299 mil).</li> <li>Refer to Note 2 Effects of climate change and energy transition, Note 3 Judgements, estimates and assumptions, Note 5 Accounting and valuation principles, Note 8 Property, plant and equipment, Note 30 Segment information and Note 24 Cost information</li> </ul>	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The Group assesses each asset or cash generating unit (CGU) at each reporting date to determine whether any indication of impairment exists or whether recognized impairments should be reversed. In addition, the Group tests for impairment its oil &amp; gas assets when a triggering event is identified or upon reclassification from Exploration and Evaluation assets to tangible assets.</p> <p>As further disclosed in Note 3 the Group determined that as at 31 December 2023 there are no indicators of impairment of oil and gas production assets.</p> <p>Determination of the impairment triggering events requires observing both internal and external data and making a number of assumptions and judgments, relating to future prices of oil and gas, assessed levels of oil and gas reserve, future outputs and discount rates.</p> <p>Changes in the economic situation, expectations about climate-related risks or other facts and circumstances might require a revision of these assumptions and could lead to impairment of assets or reversals of impairments in the future.</p> <p>Assessment of triggering events are identified as key audit matter because, among others, are reliant on forecasts that are inherently judgmental and complex to estimate and the magnitude of the potential misstatement is material to the Group.</p>	<p>Our audit procedures in the area were focused on the assessment of the triggering events in accordance with IAS 36 and included, among others, the following:</p> <p><b>Oil and gas prices</b></p> <ul style="list-style-type: none"> <li>Assessing the reasonableness of future short and long-term oil and gas price assumptions used by the Group by comparing these to publicly available industry information, especially IEA's announced pledges scenario and those adopted by other energy companies.</li> </ul> <p><b>Oil and gas reserve and future outputs</b></p> <ul style="list-style-type: none"> <li>Obtaining an understanding of OMV Petroleum Resource Evaluation Standard;</li> <li>Assessing the competence, authority and objectivity of the reservoir engineers responsible for estimating oil and gas reserves through understanding their relevant professional qualifications and experience;</li> <li>Comparing the production forecasts to the internal evaluations of proved and probable oil and gas reserves as well as assessing the changes in production forecasts in current year analysis versus prior year;</li> <li>Inspecting, on a sample basis, the most recent assessment of the oil and gas reserves prepared by external experts engaged by the OMV Group as at 31 December 2022 and comparing them with the</li> </ul>

	<p>reserves stated by the Group.</p> <p><b>Discount rate</b></p> <ul style="list-style-type: none"> <li>With the assistance of our valuation specialists developing a range of reasonable discount rates based on the market and industry-specific benchmarks and assessing whether changes in market rates constitute a triggering event for impairment test;</li> </ul> <p><b>Other procedures</b></p> <ul style="list-style-type: none"> <li>Evaluating the accuracy, completeness and relevance of the consolidated financial statements disclosures as required by the relevant financial reporting standards.</li> </ul>
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#### Expenditure recoverable from the Romanian State relating to decommissioning and environmental costs

- The carrying value of expenditure recoverable from the Romanian State as at 31 December 2023 amounted to RON 1,988 mil (31 December 2022: RON 1,614 mil).
- Refer to Note 3 Judgements, Estimates and Assumptions, Note 5 Accounting and valuation principles and Note 10(b) Other financial assets (net of impairment)

The key audit matter	How the matter was addressed in our audit
<p>As part of the privatization agreement between the Romanian State and OMV Aktiengesellschaft, the Company is entitled to reimbursement by the Romanian State of part of decommissioning and environmental costs incurred to restore and clean up areas pertaining to activities prior to privatization in 2004. Consequently, the Group has recognized as receivable from the Romanian State ("Receivable") the corresponding estimated decommissioning and environmental remediation costs subject to above agreement. Currently, as disclosed in Note 10(b), the Group is involved in a number of legal proceedings related to the repayment of certain amounts.</p> <p>Delays in payments from the State of the claimed amounts and pending legal proceedings give rise to a question whether the reimbursement of decommissioning and environmental remediation costs, related to the Receivable, is virtually certain.</p> <p>In the context of the above uncertainty, we considered this aspect to be a key audit matter.</p>	<p>Our audit procedures in the area, assisted by our own legal specialists, where applicable, included, among others:</p> <ul style="list-style-type: none"> <li>Obtaining an understanding of the rights and obligations of the Romanian State and the Company resulting from the stipulations of the Annex P "Environmental Indemnity" of the Privatization Agreement dated 23 July 2004, related to the acquisition by OMV Aktiengesellschaft of shares in the National Petroleum Company Petrom SA- Bucuresti, as approved by Law no.555/2004;</li> <li>Assessing management's assumptions regarding the expected outcome of the disputes with the Romanian State by reference to: <ul style="list-style-type: none"> <li>provisions of Annex P,</li> <li>analysis of amounts claimed vs. amounts accepted and reimbursed in the past,</li> <li>legal letters obtained from the lawyers representing the Group with their assessment of the expected outcome of the ongoing arbitration and litigation cases.</li> </ul> </li> </ul>

#### Impact of net zero carbon commitments and climate change related risks

- Refer to Note 2 Effects of climate change and energy transition

The key audit matter	How the matter was addressed in our audit
The Group is exposed to physical climate risks as well as risks associated with energy transition which include risks	As part of our audit, significant effort was required to identify relevant climate-related risks and understand

for stranded assets, decrease in demand for fossil products and regulatory risks.

The Annual Report of the Group describes the climate change related risks, major plans of action and risk management policies.

In Note 2 of the consolidated financial statements, the Group describes how the management considers both climate-related impacts and emission reduction targets in key areas of the consolidated financial statements and how this impacts the valuation of assets and measurement of liabilities.

In preparing the consolidated financial statements, the Group developed two scenarios:

- the base case representing management's assessment of the impact of climate-related risks, including net zero commitments, on the Group, which was then reflected in arriving at estimates in various areas of the consolidated financial statements, including impairment testing of non-financial assets and the measurement of provisions, and
- net zero emissions by 2050 case, which is based on a faster decarbonization path than the base case and is used for disclosing sensitivities of the Group. The assumptions used in this case are in line with the Net Zero Emissions by 2050 (NZE) scenario modeled by the IEA.

The scenarios differ in the underlying expectations about the pace of the future worldwide decarbonization which lead to different assumptions as to the expected demand, prices and margins of fossil commodities.

The Group identified the following as the main accounting estimates impacted by the net zero commitment and energy transition:

- Recoverability of non-current assets (including the existence of impairment indicators)
- Useful lives of property, plant and equipment
- Decommissioning provisions.

Users of financial statements are interested in understanding how climate-related risks affected key judgements and estimates made by management in preparing the consolidated financial statements as well as in consistent treatment of climate-related matters across the annual financial report.

In the wake of the above factors, we determined the consideration of whether the impacts of climate-related matters, including net-zero commitments, are reflected in the consolidated financial statements when appropriate, including relevant disclosure, to require our increased attention and to be our key audit matter.

how they may affect the Group, including its business model, its external environment and its system of internal control. This required, among other things:

- Assessment of how management has identified the classes of transactions, account balances or disclosures, including estimates, that climate-related risks may impact, and considering whether management's conclusions are consistent with our expectations based on our business understanding of the activities of the Group,
- Evaluation of the relevant requirements of the applicable financial reporting framework and assessing whether management has appropriately interpreted and applied them when preparing the consolidated financial statements – e.g. when selecting accounting policies, making accounting estimates and related disclosures;
- Challenging the appropriateness of the base case in management's assessment of the impact of climate related risks and net zero commitment on impairment triggers with respect to oil & gas production assets and other accounting estimates;
- Evaluating whether the impact of net zero commitment strategy, as assessed by the Group in the base case, was reflected in the respective assumptions applied in the estimate of recoverable amount for refining assets;
- Reading the other information included in the Annual Report and considering whether there are any material inconsistencies between the other information and the consolidated financial statements with respect to management evaluation of climate-related risks and impact of net zero commitment.



## Other information

6. Management is responsible for the preparation and presentation of other information. The other information comprises the Remuneration Report for 2023 ("Remuneration Report"), Consolidated report on payments to governments for the year 2023 and the Annual report, including the Directors' Report, which we obtained prior to the date of this auditors' report, and the OMV Petrom's Sustainability Report for 2023 ("Sustainability report"), which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Sustainability report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Other Reporting Responsibilities Related to Other Information – Directors' Report.**

With respect to the Directors' the Report we read and report whether the Directors' Report is prepared, in all material respects, in accordance with the Order of Minister of Public Finance No. 2844/2016 for approval of accounting regulations in accordance with International Financial Reporting Standards ("OMPF no. 2844/2016"), articles 26-28 of the accounting regulations in accordance with International Financial Reporting Standards.

Based solely on the work required to be undertaken in the course of the audit of the consolidated financial statements, in our opinion:

- a) The information included in the Directors' Report for the financial year for which the consolidated financial statements are prepared is consistent, in all material respects, with the consolidated financial statements;
- b) The Directors' Report has been prepared, in all material respects, in accordance with OMPF no. 2844/2016, articles 26 – 28 of the accounting regulations in accordance with International Financial Reporting Standards.

In addition, in light of the knowledge and understanding of the Group and its environment obtained in the course of our audit we are required to report if we have identified material misstatements in the Directors' Report. We have nothing to report in this regard.

### **Other Reporting Responsibilities Related to Other Information – Remuneration Report**

With respect to the Remuneration Report, we read the Remuneration Report in order to determine whether it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of the Law no. 24/2017 regarding the issuers of financial instruments and market operations and related amendments. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS as endorsed by EU and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those charged with governance are responsible for overseeing the Group's financial reporting process.





## Auditors' Responsibility for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Report on Other Legal and Regulatory Requirements - Report on Compliance with the ESEF Regulation

15. In accordance with Law no. 162/2017 on statutory audits of annual financial statements and consolidated financial statements and amendment of certain regulations, we are required to express an opinion on compliance of the consolidated financial statements, as included in the Annual report and approved by the Supervisory Board, with the requirements of the Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "RTS on ESEF").

### Responsibilities of Management

16. Management is responsible for the preparation of the consolidated financial statements in a digital format that complies with the RTS on ESEF. This responsibility includes:
- the preparation of the consolidated financial statements in the applicable xHTML format;
  - the selection and application of appropriate iXBRL tags, using judgment where necessary;
  - ensuring consistency between digitised information in the machine- and human-readable formats and the signed consolidated financial statements; and
  - the design, implementation and maintenance of internal controls relevant to the application of the RTS on ESEF.

### Auditors' Responsibilities

17. Our responsibility is to express an opinion on whether the consolidated financial statements included in the Annual report and approved by the Supervisory Board comply, in all material respects, with the RTS on ESEF, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the RTS on ESEF. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in the RTS on ESEF, whether due to fraud or error. Our procedures included, among other things:

- obtaining an understanding of the tagging process;
- evaluating the design and implementation of relevant controls over the tagging process;
- tracing the tagged data to the consolidated financial statements of the Group presented in human-readable digital format and to the signed and audited consolidated financial statements;
- evaluating the completeness of the Group's tagging of the consolidated financial statements;
- evaluating the appropriateness of the Group's use of iXBRL elements selected from the ESEF taxonomy and creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- evaluating the use of anchoring in relation to the extension elements;
- evaluating the appropriateness of the digital format of the consolidated financial statements; and
- assessing consistency between the digitised information in the machine- and human-readable formats and the signed and audited consolidated financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Opinion

18. In our opinion, the consolidated financial statements of the Group, as included in Annual report and approved by the Supervisory Board, as at and for the year ended 31 December 2023 have been prepared, in all material respects, in accordance with the requirements of the RTS on ESEF.

## Report on Other Legal and Regulatory Requirements

19. We were appointed by the General Shareholders' Meeting on 26 April 2023 to audit the consolidated financial statements of OMV Petrom SA for the year ended 31 December 2023. Our total uninterrupted period of engagement is 1 year, covering the period ending 31 December 2023.
20. We confirm that:
- our audit opinion is consistent with the additional report presented to the Audit Committee, which we issued on the same date as the date of issuance of this independent auditors' report. We also remained independent of the audited entity in conducting the audit.
  - we have not provided to the Group the prohibited non-audit services (NASs) referred to in Article 5(1) of EU Regulation (EU) No 537/2014.

The engagement partner on the audit resulting in this independent auditors' report is RUSU NICOLETA.

For and on behalf of KPMG Audit S.R.L.:

RUSU NICOLETA

registered in the electronic public register of financial auditors and audit firms under no AF4094

registered in the electronic public register of financial auditors and audit firms under no FA9

Bucharest, 15 March 2024

Autoritatea pentru Supravegherea Publică a  
Activității de Audit Statutar (ASPAAS)

Auditor financiar: RUSU NICOLETA  
Registrul Public Electronic: AF4094

Autoritatea pentru Supravegherea Publică a  
Activității de Audit Statutar (ASPAAS)

Firma de audit: KPMG AUDIT S.R.L.  
Registrul Public Electronic: FA9