

Q3

Quarterly Report 2021



OMV Petrom S.A.

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OMV Petrom Group resultsⁱ for January – September and Q3 2021

including interim unaudited condensed consolidated financial statements
as of and for the period ended September 30, 2021

Highlights Q3/21ⁱⁱ

Group

- ▶ In Romania, demand for our products broadly recovered to pre-COVID levels
- ▶ Clean CCS Operating Result at RON 1.3 bn, 135% higher, returning to pre-crisis level
- ▶ Clean CCS net income attributable to stockholders at RON 1.0 bn, up 112%
- ▶ Cash flow from operating activities at RON 2.3 bn, 35% higher
- ▶ CAPEX at RON 0.6 bn, down 24%
- ▶ Free cash flow after dividends improved by 67% to RON 1.8 bn
- ▶ Clean CCS ROACE at 9.5%, 1 pp higher
- ▶ TRIR: 0.54 (Q3/20: 0.37)ⁱⁱⁱ

Upstream

- ▶ Clean Operating Result at RON 442 mn vs. RON (46) mn in Q3/20, mainly due to higher oil prices
- ▶ Production decreased by 13.1%, mainly due to the divestment of the Kazakhstan production assets in Q2/21, the steep natural decline in the main fields as well as operational maintenance activities
- ▶ Production cost increased by 17% to USD 13.2/boe, mainly driven by lower production available for sale

Downstream Oil

- ▶ Clean CCS Operating Result at RON 781 mn, up 109% reflecting strong refining margins and recovering market demand
- ▶ OMV Petrom indicator refining margin at USD 7.19/bbl, up from USD 0.94 /bbl in Q3/20 on higher product spreads, for both gasoline and middle distillates
- ▶ Refinery utilization rate at 100%, compared to 86% in Q3/20, significantly above the European average
- ▶ Retail volumes 10% higher, reflecting robust fuel market demand

Downstream Gas

- ▶ Clean Operating Result at RON 95 mn, 50% lower yoy, strongly impacted by the result of power forward contracts in an increasing price environment
- ▶ Gas sales volumes down by 9%, driven by lower equity production and weaker demand
- ▶ Net electrical output at 1.37 TWh, 5% higher, covering 10% of Romanian power production

Key events

- ▶ OMV Petrom made the first LNG delivery – a new step towards expanding the offer of low-emission transport products
- ▶ OMV Petrom was included in the FTSE Russell indices starting September 20

ⁱ The financials are unaudited and represent OMV Petrom Group's (herein after also referred to as "the Group") interim consolidated results prepared according to IFRS; all the figures refer to OMV Petrom Group, unless otherwise stated; financials are expressed in RON mn and rounded to the closest integer value, so minor differences may result upon reconciliation; OMV Petrom uses the National Bank of Romania exchange rates for its consolidation process. Unless specified differently, amounts related to Downstream represent totals of Downstream Oil and Downstream Gas.

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

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

Directors' report (condensed, unaudited)

Financial highlights

Q3/21	Q2/21	Q3/20	Δ% ¹ in RON mn	9m/21	9m/20	Δ%
6,920	5,264	5,053	37 Sales revenues ²	17,046	15,122	13
1,341	851	570	135 Clean CCS Operating Result ³	2,846	1,821	56
442	473	(46)	n.m. Clean Operating Result Upstream ^{3,4}	1,226	(19)	n.m.
876	464	563	56 Clean CCS Operating Result Downstream ³	1,828	1,667	10
(19)	(9)	(22)	15 Clean Operating Result Co&O ³	(52)	(54)	3
42	(77)	76	(44) Consolidation	(157)	227	n.m.
16	17	16	(1) Clean CCS Group effective tax rate (%)	16	16	0
998	675	471	112 Clean CCS net income ³	2,193	1,549	42
998	675	471	112 Clean CCS net income attributable to stockholders ^{3,6}	2,193	1,548	42
0.0176	0.0119	0.0083	112 Clean CCS EPS (RON) ^{3,6}	0.0387	0.0273	42
1,341	851	570	135 Clean CCS Operating Result ³	2,846	1,821	56
(465)	(403)	(562)	17 Special items ⁵	(929)	(456)	(104)
102	83	(53)	n.m. CCS effects: Inventory holding gains/(losses)	299	(437)	n.m.
978	531	(44)	n.m. Operating Result Group	2,216	928	139
413	357	(1,097)	n.m. Operating Result Upstream ⁴	1,072	(1,085)	n.m.
547	271	1,058	(48) Operating Result Downstream	1,438	1,811	(21)
(25)	(20)	(20)	(26) Operating Result Co&O	(78)	(73)	(8)
42	(77)	14	194 Consolidation	(216)	275	n.m.
(152)	(38)	(8)	n.m. Net financial result	(224)	29	n.m.
827	493	(52)	n.m. Profit/(loss) before tax	1,992	957	108
16	18	21	(27) Group effective tax rate (%)	16	14	16
696	406	(41)	n.m. Net income/(loss)	1,676	826	103
696	406	(41)	n.m. Net income/(loss) attributable to stockholders ⁶	1,676	826	103
0.0123	0.0072	(0.0007)	n.m. EPS (RON) ⁶	0.0296	0.0146	103
2,317	1,510	1,719	35 Cash flow from operating activities	4,979	4,306	16
1,764	(423)	1,059	67 Free cash flow after dividends	1,764	(44)	n.m.
(8,173)	(6,474)	(5,841)	40 Net debt/(cash) including leases	(8,173)	(5,841)	40
(8,859)	(7,127)	(6,540)	35 Net debt/(cash) excluding leases	(8,859)	(6,540)	35
620	637	816	(24) Capital expenditure	1,828	2,385	(23)
9.5	7.4	8.4	14 Clean CCS ROACE (%) ³	9.5	8.4	14
7.9	5.0	5.6	42 ROACE (%)	7.9	5.6	42
8,205	8,747	11,798	(30) OMV Petrom Group employees end of period	8,205	11,798	(30)
0.54	0.53	0.37	46 TRIR ⁷	0.50	0.27	85

¹ Q3/21 vs. Q3/20

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 Downstream Oil; 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;

⁷ Total Recordable Injury Rate; the number of recordable injuries (fatalities + lost workday cases + restricted work day cases + medical treatment cases) calculated as 12 months rolling average per 1,000,000 hours worked;

Group performance

Third quarter 2021 (Q3/21) vs. third quarter 2020 (Q3/20)

Consolidated sales revenues increased by 37% compared to Q3/20, mainly supported by higher sales of petroleum products in terms of both prices and volumes, partially offset by lower sales volumes of natural gas and electricity. Downstream Oil represented 83% of total consolidated sales, while Downstream Gas accounted for 17% and Upstream for 0.2% after divesting of Kazakhstan subsidiaries (sales in Upstream being largely intra-group sales rather than third-party sales).

The **Clean CCS Operating Result** of RON 1,341 mn in Q3/21 was higher than RON 570 mn in Q3/20, mainly due to the significant contribution of the Upstream segment following the increase in crude oil prices, and of the Downstream Oil segment, mainly as a result of much higher refining margins, partly offset by lower contribution from Downstream Gas. The Consolidation line had a positive contribution in Q3/21 of RON 42 mn, compared to RON 76 mn in Q3/20. The **Clean CCS Group effective tax rate** was 16% (Q3/20: 16%). **Clean CCS net income attributable to stockholders** was RON 998 mn (Q3/20: RON 471 mn).

Special items comprised net charges of RON (465) mn, largely driven by net temporary losses from power forward contracts in Downstream Gas. **Inventory holding gains** amounted to RON 102 mn in Q3/21, mainly as a result of increase in crude oil prices. In Q3/20, **special items** comprised net charges of RON (562) mn, mainly related to net impairments booked in Upstream partly compensated by the full reversal of impairments for Brazi gas-fired power plant. **Inventory holding losses** in Q3/20 amounted to RON (53) mn.

Reported Operating Result for Q3/21 reached RON 978 mn, driven mainly by the favorable market environment, compared to a loss of RON (44) mn in Q3/20, impacted by net impairments, lower prices and the COVID-19 crisis.

Net financial result was a loss of RON (152) mn in Q3/21 compared to RON (8) mn in Q3/20, mainly due to higher interest expenses in relation to the discounting of receivables.

As a result, the **profit before tax** for Q3/21 was RON 827 mn, improved compared to the loss of RON (52) mn in Q3/20.

Income tax amounted to RON (130) mn, while the **effective tax rate** was 16% in Q3/21 (Q3/20: 21%).

Net income attributable to stockholders of the parent was RON 696 mn (Q3/20: RON (41) mn).

Cash flow from operating activities amounted to RON 2,317 mn, higher than RON 1,719 mn in Q3/20, mainly as a result of better market conditions. **Free cash flow after dividends** resulted in a cash inflow of RON 1,764 mn (Q3/20: RON 1,059 mn).

Capital expenditure amounted to RON 620 mn in Q3/21, 24% lower than in Q3/20, of which RON 480 mn were directed to Upstream (Q3/20: RON 626 mn). Downstream investments amounted to RON 135 mn (Q3/20: RON 184 mn), thereof RON 134 mn in Downstream Oil (Q3/20: RON 184 mn). Corporate and Other investments were RON 4 mn (Q3/20: RON 5 mn).

Special items and CCS effect

Q3/21	Q2/21	Q3/20	Δ% ¹	Special items and CCS effect (in RON mn)	9m/21	9m/20	Δ%
1,341	851	570	135	Clean CCS Operating Result	2,846	1,821	56
(465)	(403)	(562)	17	Special items	(929)	(456)	(104)
(1)	(51)	(128)	99	thereof personnel and restructuring	(71)	(139)	49
(16)	—	(407)	96	thereof unscheduled depreciation / write-ups	(16)	(435)	96
(448)	(351)	(27)	n.m.	thereof other	(841)	118	n.m.
102	83	(53)	n.m.	CCS effects: Inventory holding gains/(losses)	299	(437)	n.m.
978	531	(44)	n.m.	Operating Result Group	2,216	928	139

¹ Q3/21 vs. Q3/20

The disclosure of **Special items** is considered appropriate in order to facilitate the analysis of the ordinary business performance. To reflect comparable figures, certain items affecting the result are added back or deducted. They are being disclosed separately. These items can be divided into three categories: personnel and restructuring, unscheduled depreciation and other.

Furthermore, to enable effective performance management in an environment of volatile prices and comparability with peers, the **Current Cost of Supply (CCS)** effect is eliminated from the accounting result. The CCS effect, also called inventory holding gains or losses, represents the difference between the cost of sales calculated using the current cost of supply and the cost of sales calculated using the weighted average method after adjusting for any changes in valuation allowances, in case the net realizable value of the inventory is lower than its cost. In volatile energy markets, measurement of the costs of petroleum products sold based on historical values (e.g. weighted average cost) can have a distorting effect on the reported results. This performance measurement enhances the transparency of the results and is commonly used in the oil industry. OMV Petrom, therefore, published this measurement in addition to the Operating Result determined according to IFRS.

Summarized interim consolidated statement of financial position (unaudited)

in RON mn	September 30, 2021	December 31, 2020
Assets		
Non-current assets	33,350	34,505
Current assets (including assets held for sale)	15,468	13,115
Total assets	48,817	47,621
Equity and liabilities		
Total equity	33,030	33,071
Non-current liabilities	8,425	8,844
Current liabilities (including liabilities associated with assets held for sale)	7,362	5,706
Total equity and liabilities	48,817	47,621

Compared to December 31, 2020, **non-current assets** decreased by RON 1,156 mn, to RON 33,350 mn, mainly due to decrease in property, plant and equipment, as depreciation, net impairments and decrease in decommissioning asset following reassessment exceeded the additions during the period.

The net increase in **current assets (including assets held for sale)** was triggered mainly by higher cash and cash equivalents, higher trade receivables following higher sales in Downstream Oil, higher inventories following increase in unit costs in line with quotations and by higher financial assets mainly in relation to derivatives, partly offset by lower assets held for sale following the divestment of Kazakhstan subsidiaries in May 2021.

Equity slightly decreased to RON 33,030 mn as of September 30, 2021, compared to RON 33,071 mn as of December 31, 2020, as the dividend distributed for the financial year 2020 was higher than the net profit generated in the current period. The Group's equity ratio was 68% as of September 30, 2021 (69% as at December 31, 2020).

As at September 30, 2021, **total liabilities** increased by RON 1,237 mn comparing with December 31, 2020. The increase in **current liabilities (including liabilities associated with assets held for sale)** was largely due to higher financial liabilities mainly in relation to derivatives and higher provisions. This increase was partially offset by the decrease in **non-current liabilities** mainly due to the reassessment of provisions for decommissioning and restoration obligations.

Cash flow

Q3/21	Q2/21	Q3/20	Δ% ¹	Summarized cash-flow statement (in RON mn)	9m/21	9m/20	Δ%
2,181	1,680	1,353	61	Sources of funds	5,440	3,586	52
2,317	1,510	1,719	35	Cash flow from operating activities	4,979	4,306	16
(553)	(194)	(659)	16	Cash flow from investing activities	(1,475)	(2,612)	44
1,764	1,316	1,060	67	Free cash flow	3,504	1,695	107
(95)	(1,736)	(94)	(1)	Cash flow from financing activities	(1,897)	(1,898)	0
1	(2)	(3)	n.m.	Effect of exchange rate changes on cash and cash equivalents	9	(0)	n.m.
1,669	(423)	963	73	Net increase/(decrease) in cash and cash equivalents	1,617	(203)	n.m.
7,429	7,851	5,847	27	Cash and cash equivalents at beginning of period	7,481	7,014	7
9,098	7,429	6,810	34	Cash and cash equivalents at end of period	9,098	6,810	34
1,764	(423)	1,059	67	Free cash flow after dividends	1,764	(44)	n.m.

¹ Q3/21 vs. Q3/20

Third quarter 2021 (Q3/21) vs. third quarter 2020 (Q3/20)

In Q3/21, 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 2,181 mn (Q3/20: RON 1,353 mn). Changes in **net working capital** generated a cash inflow of RON 136 mn (Q3/20: RON 366 mn). **Cash flow from operating activities** increased by RON 598 mn compared to Q3/20, reaching RON 2,317 mn.

In Q3/21, **cash flow from investing activities** resulted in an outflow of RON 553 mn (Q3/20: RON 659 mn), mainly related to payments for investments in intangible assets and property, plant and equipment, largely in the Upstream segment.

Free cash flow (defined as cash flow from operating activities less cash flow from investing activities) showed an inflow of funds of RON 1,764 mn (Q3/20: RON 1,060 mn).

Cash flow from financing activities reflected an outflow of funds amounting to RON 95 mn (Q3/20: RON 94 mn).

Free cash flow after dividends resulted in a cash inflow of RON 1,764 mn (Q3/20: RON 1,059 mn).

Risk management

The scope of OMV Petrom's business activity, both existing and planned, and the markets in which the company operates expose the Group to significant commodity price, foreign exchange, operational and strategic risks. A detailed description of risks and risk management activities can be found in the 2020 Annual Report (pages 47-50).

According to the last OMV Petrom Group risk assessment exercise in March 2021, the main uncertainties which could impact the Group's performance remain the commodity price risk, operational risks, as well as political and regulatory risk.

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

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

The global outbreak of the COVID-19 pandemic continues to have a major impact on global economic development. While oil prices continued to trade at elevated levels during the third quarter, natural gas prices strongly increased at the end of the quarter following supply reductions and low gas storage volumes ahead of the winter season.

Increases in COVID-19 cases around the world, combined with high energy prices and disruptions in supply chains could lead to delays in the assumed demand recovery, following the response of governments and citizens. The consequences of the COVID-19 pandemic and other disruptions currently observed, as well as the extent and duration of the economic impact cannot be reliably estimated from today's perspective. However, OMV Petrom is closely monitoring the development and regularly evaluating the impact on the Group's cash flow and liquidity position. OMV Petrom is responding to the situation with targeted measures to safeguard the Group's economic stability and the secure supply of energy. The health and wellbeing of every employee is the top priority. At the same time, OMV Petrom has implemented targeted measures to safeguard the Group's financial strength, namely reduction of investments, cost cutting, and restructuring of the portfolio.

From today's perspective, we assume that based on the measures listed above the Group's ability to continue as a going concern is not impacted.

Also refer to the Outlook section of the Directors' report for more information on current risks.

Transactions with related parties

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

Outlook for the full year 2021

All the below is based on the assumption of no significant lockdowns by year end.

Market environment

- ▶ For the full year 2021, OMV Petrom expects the **average Brent oil price** to be around USD 70/bbl (previously: between USD 65/bbl and USD 70/bbl; 2020: USD 42/bbl)
- ▶ **Refining margins** are expected to be around USD 5/bbl (previously: around USD 4/bbl; 2020: USD 2.9/bbl)
- ▶ **Demand for oil products** and **power** is expected to be above 2020, while **demand for gas** is expected to be broadly similar to 2020.

OMV Petrom Group

- ▶ **CAPEX** excluding acquisitions is anticipated to be around RON 2.9 bn (2020: RON 3 bn)
- ▶ We expect a **positive free cash flow after dividends** (2020: RON 0.7 bn)
- ▶ **Neptun Deep**: Offshore Law amendment by year end is critical for the Neptun Deep gas to be extracted. In the context of a steep natural decline in the domestic gas production, we see Black Sea gas as the solution for securing Romania's energy independence
- ▶ **Partnership with Auchan**: 100 new MyAuchan stores to be open in upgraded Petrom-branded filling stations by year-end (at year-end 2020: 25 stores)
- ▶ We target to **reduce carbon intensity** by 27% until 2025 vs. 2010 (2020: 26% lower vs. 2010).

Upstream

- ▶ **Production**: maintain decline at around 7% yoy in Romania, excluding portfolio optimization (previously: around 6%; 2020: below 5%)
- ▶ **Portfolio optimization**: continue to focus on the most profitable barrels:
 - ▶ Transfer of 40 marginal fields to Dacian Petroleum, closing expected in Q4/21
- ▶ **Investments, excluding acquisitions**: around RON 2.0 bn (2020: RON 2.2 bn):
 - ▶ Drill around 35 new wells and sidetracks and perform around 700 workovers (2020: 63 new wells and sidetracks; 830 workovers)
- ▶ **Exploration**: exploration expenditures around RON 0.2 bn (2020: RON 0.2 bn)
- ▶ **Regional expansion**:
 - ▶ Han Asparuh offshore Bulgaria: seismic data processing towards maturing future drilling candidates
 - ▶ Georgia Offshore Exploration Block II: preparing for seismic campaign in 2022

Downstream

- ▶ The **refinery utilization rate** is estimated to be above 95% (2020: 92%)
- ▶ Total **refined product sales** are forecasted to be higher yoy (2020: 5.0 mn t)
- ▶ Total **gas sales volumes** are estimated to be lower yoy (2020: 57 TWh), in part due to regulatory requirements in 2020
- ▶ **Net electrical output** is forecasted to be higher yoy (2020: 4.2 TWh).

Note: Starting with January 1, 2022, OMV Petrom's business segments will be renamed as follows: Upstream to Exploration & Production; Downstream Oil to Refining & Marketing, and Downstream Gas to Gas & Power.

Business segments

Upstream

Q3/21	Q2/21	Q3/20	Δ% ¹ in RON mn	9m/21	9m/20	Δ%
1,115	1,098	559	100	3,110	1,792	74
442	473	(46)	n.m.	1,226	(19)	n.m.
(29)	(116)	(1,051)	97	(154)	(1,066)	86
413	357	(1,097)	n.m.	1,072	(1,085)	n.m.
480	482	626	(23)	1,473	1,768	(17)
60	23	25	137	99	116	(15)
59	28	661	(91)	105	725	(85)
13.19	12.44	11.24	17	12.70	10.70	19

Q3/21	Q2/21	Q3/20	Δ% ¹ Key performance indicators	9m/21	9m/20	Δ%
122.8	133.7	141.3	(13) Total hydrocarbon production (kboe/d)	131.8	146.3	(10)
60.9	64.8	68.8	(11) thereof crude oil and NGL production (kbb/d)	64.3	70.5	(9)
61.9	68.9	72.5	(15) thereof natural gas production (kboe/d)	67.5	75.8	(11)
11.30	12.17	13.00	(13) Total hydrocarbon production (mn boe)	35.97	40.09	(10)
5.60	5.90	6.33	(11) Crude oil and NGL production (mn bbl)	17.55	19.33	(9)
0.87	0.96	1.02	(15) Natural gas production (bcm)	2.82	3.18	(11)
30.77	33.89	36.08	(15) Natural gas production (bcf)	99.56	112.25	(11)
10.73	11.64	12.26	(12) Total hydrocarbon sales volume (mn boe)	34.17	38.06	(10)
116.7	127.9	133.3	(12) Total hydrocarbon sales volume (kboe/d)	125.2	138.9	(10)
62.9	67.7	70.6	(11) thereof crude oil and NGL sales volume (kbb/d) ⁴	66.7	73.5	(9)
53.8	60.2	62.6	(14) thereof natural gas sales volume (kboe/d)	58.5	65.4	(11)
71.15	67.25	43.38	64 Average Urals price (USD/bbl)	66.19	40.63	63
62.83	58.38	36.29	73 Average Group realized crude price (USD/bbl)	57.23	33.64	70

¹ Q3/21 vs. Q3/20;

² Excluding intersegmental profit elimination;

³ Including capitalized exploration and appraisal and acquisitions;

⁴ Includes sales of liquids obtained from separation and processing of rich natural gas; rich natural gas production is included under natural gas production above.

Third quarter 2021 (Q3/21) vs. third quarter 2020 (Q3/20)

- ▶ **Clean Operating Result at RON 442 mn vs. RON (46) mn in Q3/20, mainly due to higher oil prices**
- ▶ **Production decreased by 13.1% mainly due to the divestment of Kazakhstan production assets in Q2/21, the steep natural decline in the main fields as well as operational maintenance activities**
- ▶ **Production cost increased by 17% to USD 13.19/boe, mainly driven by lower production available for sale**

Clean Operating Result was a RON 442 mn profit vs. a RON (46) mn loss in Q3/20, mainly driven by higher oil prices, partly offset by lower volumes, higher Upstream taxation, increased production costs, and higher depreciation charges.

Special items amounted to RON (29) mn, reflecting mainly impairments of exploration wells, while the Q3/20 figure of RON (1,051) mn reflected impairments and restructuring charges. **Reported Operating Result** was a RON 413 mn profit vs. a RON (1,097) mn loss in Q3/20.

Hydrocarbon production decreased by 13.1% due to lower production in Romania and the divestment of Kazakhstan production assets in Q2/21.

In Romania, hydrocarbon production declined by 8.5%, to 11.30 mn boe or 122.8 kboe/d (Q3/20: 12.35 mn boe or 134.3 kboe/d). Crude oil and NGL production in Romania dropped by 2.9% to 5.60 mn bbl mainly due to natural decline, partly counterbalanced by the higher contribution of new wells and workovers. Gas production in Romania decreased by 13.4% to 5.70 mn boe due to steep natural decline in the main fields (Totea Deep and Lebada East) and from well 4461 Totea South, as well as planned and unplanned maintenance activities.

Hydrocarbon sales volumes decreased by 12% due to lower sales in Romania and the divestment of Kazakhstan production assets.

Production cost (OPEX) in USD increased by 17% to USD 13.19/boe, due to lower production available for sale and increased expenses, mainly from operational maintenance and other production support activities. In Romania, production cost in USD increased by 16% to USD 13.19/boe, while in RON terms it increased by 17% to RON 55.19/boe.

Exploration expenditures increased to RON 60 mn, due to costs for plugging and abandonment of deep wells, domestic 2D seismic as well as increased geological and geophysical activities.

Exploration expenses decreased to RON 59 mn, as Q3/20 was impacted by the write-off of exploration wells as a result of the change in mid- and long-term oil price assumptions.

Capital expenditure was lower in Q3/21, mainly due to reduced drilling and workover operations partially counterbalanced by higher investments in facilities projects. In addition, the acquisition of Han Asparuh offshore Bulgaria interest was completed in Q3/20.

In 9m/21, we finalized the drilling of 29 new wells and sidetracks (9m/20: 43 new wells and sidetracks, including one exploration well).

Downstream

Q3/21	Q2/21	Q3/20	Δ% ¹	in RON mn	9m/21	9m/20	Δ%
1,099	691	779	41	Clean CCS Operating Result before depreciation and amortization, impairments and write-ups ²	2,506	2,305	9
876	464	563	56	Clean CCS Operating Result ²	1,828	1,667	10
781	403	373	109	thereof Downstream Oil	1,491	1,179	26
95	61	190	(50)	thereof Downstream Gas	337	488	(31)
(430)	(275)	486	n.m.	Special items	(749)	629	n.m.
102	83	9	n.m.	CCS effect: Inventory holding gains/(losses) ²	358	(484)	n.m.
547	271	1,058	(48)	Operating Result	1,438	1,811	(21)
135	151	184	(27)	Capital expenditure	343	604	(43)

Q3/21	Q2/21	Q3/20	Δ% ¹	Key performance indicators Downstream Oil	9m/21	9m/20	Δ%
7.19	4.27	0.94	n.m.	Indicator refining margin (USD/bbl) ³	4.78	3.19	50
1.24	1.13	1.05	18	Refining input (mn t) ⁴	3.51	3.32	6
100	91	86	17	Refinery utilization rate (%)	95	90	6
1.54	1.24	1.38	11	Total refined product sales (mn t)	3.93	3.72	6
0.86	0.73	0.79	10	thereof retail sales volumes (mn t) ⁵	2.21	1.94	14
				Key performance indicators Downstream Gas			
11.07	11.21	12.11	(9)	Gas sales volumes (TWh)	36.64	43.78	(16)
8.17	9.57	9.28	(12)	thereof to third parties (TWh)	29.39	37.13	(21)
—	—	—	n.m.	thereof to the regulated market (TWh)	—	6.97	n.m.
1.37	0.69	1.30	5	Brazi net electrical output (TWh)	3.24	2.98	9
560	326	195	187	OPCOM spot average electricity base load price (RON/MWh)	381	174	119

¹ Q3/21 vs. Q3/20;

² Current cost of supply (CCS): the Clean CCS Operating Result eliminates special items and inventory holding gains/losses (CCS effects) resulting from Downstream Oil;

³ The actual refining margins realized by OMV Petrom may vary from the indicator refining margin due to different crude slate, product yield and operating conditions;

⁴ Figures include crude and semi-finished products, in line with the OMV Group reporting standard;

⁵ Retail sales volumes refer to sales via the OMV Petrom Group's filling stations in Romania, Bulgaria, Serbia, Moldova.

Third quarter 2021 (Q3/21) vs. third quarter 2020 (Q3/20)

- **Downstream Oil: Clean CCS Operating Result at RON 781 mn, up 109% reflecting strong refining margins and recovering market demand; refinery utilization rate at 100%; retail sales volumes up by 10%**
- **Downstream Gas: Clean CCS Operating Result at RON 95 mn, down 50%, strongly impacted by the result of power forward contracts in an increasing price environment**

Total Downstream Clean CCS Operating Result increased to RON 876 mn in Q3/21 (Q3/20: RON 563 mn), reflecting the significant improvement of the Downstream Oil result, offsetting the weaker result in Downstream Gas. **Reported Operating Result** of RON 547 mn (Q3/20: RON 1,058 mn), reflected RON 430 mn net special charges (mainly in relation to temporary losses from electricity forward contracts), partly offset by positive CCS effects of RON 102 mn.

In Q3/21, **Downstream Oil Clean CCS Operating Result** increased to RON 781 mn (Q3/20: RON 373 mn), supported by the economic recovery, reflected by increased demand and improved refining margin, and good operational performance.

OMV Petrom indicator refining margin increased by USD 6.25/bbl to USD 7.19/bbl in Q3/21, as a result of higher spreads for both gasoline and middle distillates. The **refinery utilization rate** was 100% in Q3/21 (Q3/20: 86% impacted by the planned shutdown), above European average.

Total refined product sales volumes were up 11% vs. Q3/20, driven by robust fuels demand. Group retail sales volumes, which accounted for 56% of total refined product sales, increased by 10% compared to Q3/20 and returned to pre-crisis level. Q3/21 non-retail sales volumes increased by 14% yoy, mainly due to improved demand.

Downstream Gas Clean Operating Result was RON 95 mn in Q3/21 (Q3/20: RON 190 mn). The upward trend in electricity prices led to a negative impact on the forward sales contracts. This weighed on the power business result, together with increasing gas and CO2 prices, partially counterbalanced by higher sales revenues including from balancing and ancillary services markets. The gas business had a good contribution in the Q3/21 results, managing to partly capture the increasing prices, but with lower gas sales volumes.

As per OMV Petrom's estimates, national **gas** consumption decreased by approximately 13% compared to the very high Q3/20 demand which was enabled by the low price environment.

On the Romanian centralized markets, the weighted average price of natural gas for transactions with medium and long-term standardized products closed in Q3/21 (10.9 TWh) was RON 217/MWh^{iv,v} (Q3/20: RON 56/MWh for standard products traded). Regarding short-term deliveries, on BRM day-ahead market, the average price^{vi} in Q3/21 was RON 221/MWh (Q3/20: RON 48/MWh).

In Q3/21, OMV Petrom's total gas sales volumes decreased by 9% to 11.07 TWh, in the context of lower equity production as well as weaker demand. Gas sales volumes to third parties were 12% lower vs. Q3/20.

On the centralized markets, OMV Petrom sold 3.6 TWh in standard products in Q3/21 at an average price in line with the market price^v. At the end of Q3/21, OMV Petrom had 2.1 TWh natural gas in storage, lower yoy on a strategy of optimization of stored volumes.

As per currently available information from the grid operator, national **electricity** consumption was 3% higher compared to the same quarter of 2020, while national electricity production was flat, Romania remaining a net power importer in Q3/21, same as in Q3/20.

With an availability of 100%, the Brazi power plant generated in Q3/21 a net electrical output of 1.37 TWh, above the 1.30 TWh in Q3/20, on low, yet still positive spark spreads reflecting record high price environment for power and also record high gas and CO2 prices. The power plant thus covered 10% of Romania's power generation in Q3/21.

Total Downstream investments amounted to RON 135 mn (Q3/20: RON 184 mn), thereof RON 134 mn in Downstream Oil (Q3/20: RON 184 mn). In Q3/21, the majority of investments were directed to coke drums replacement, ongoing projects in the tank farm area and for preliminary works for new opportunities in Petrobrazi refinery. In Q3/20, investments include various works performed in the context of the refinery planned shutdown and recognition of assets under IFRS 16 "Leases" for a long-term land rental contract.

^{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} Simple average computed based on daily trades published on BRM platform.

Interim condensed consolidated financial statements as of and for the period ended September 30, 2021 (unaudited)

Interim condensed consolidated income statement (unaudited)

Q3/21	Q2/21	Q3/20	in RON mn	9m/21	9m/20
6,920.27	5,264.44	5,052.94	Sales revenues	17,045.79	15,122.13
22.19	45.81	34.28	Other operating income	104.93	328.45
1.94	1.96	1.47	Net income/(loss) from investments in associates	6.79	4.32
6,944.40	5,312.21	5,088.69	Total revenues and other income	17,157.51	15,454.90
(3,139.92)	(2,067.96)	(2,194.67)	Purchases (net of inventory variation)	(6,892.96)	(6,510.41)
(965.08)	(952.56)	(864.29)	Production and operating expenses	(2,834.86)	(2,539.72)
(380.68)	(262.41)	(174.31)	Production and similar taxes	(868.26)	(710.10)
(883.74)	(837.35)	(590.29)	Depreciation, amortization, impairments and write-ups	(2,540.92)	(2,266.46)
(503.55)	(469.91)	(504.78)	Selling, distribution and administrative expenses	(1,453.86)	(1,474.01)
(59.19)	(28.43)	(661.40)	Exploration expenses	(105.19)	(725.20)
(34.01)	(162.86)	(142.98)	Other operating expenses	(245.76)	(300.93)
978.23	530.73	(44.03)	Operating Result	2,215.70	928.07
41.27	34.48	76.75	Interest income	111.09	276.66
(187.50)	(61.97)	(73.41)	Interest expenses	(327.44)	(233.16)
(5.42)	(10.02)	(11.14)	Other financial income and expenses	(7.30)	(14.49)
(151.65)	(37.51)	(7.80)	Net financial result	(223.65)	29.01
826.58	493.22	(51.83)	Profit/(loss) before tax	1,992.05	957.08
(130.19)	(86.95)	11.11	Taxes on income	(316.04)	(130.76)
696.39	406.27	(40.72)	Net income/(loss) for the period	1,676.01	826.32
696.35	406.25	(40.74)	thereof attributable to stockholders of the parent	1,675.94	826.29
0.04	0.02	0.02	thereof attributable to non-controlling interests	0.07	0.03
0.0123	0.0072	(0.0007)	Basic and diluted earnings per share (RON)	0.0296	0.0146

Interim condensed consolidated statement of comprehensive income (unaudited)

Q3/21	Q2/21	Q3/20	in RON mn	9m/21	9m/20
696.39	406.27	(40.72)	Net income/(loss) for the period	1,676.01	826.32
4.27	44.07	(3.66)	Currency translation differences	66.45	7.60
(26.51)	(21.06)	(82.13)	Gains/(losses) on hedges	(109.27)	220.00
(22.24)	23.01	(85.79)	Total of items that may be reclassified ("recycled") subsequently to the income statement	(42.82)	227.60
15.61	12.62	20.44	Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item	47.74	(156.27)
15.61	12.62	20.44	Total of items that will not be reclassified ("recycled") subsequently to the income statement	47.74	(156.27)
4.24	44.97	13.35	Income tax relating to items that may be reclassified ("recycled") subsequently to the income statement	59.08	(35.00)
(2.50)	(2.02)	(3.27)	Income tax relating to items that will not be reclassified ("recycled") subsequently to the income statement	(7.64)	25.00
1.74	42.95	10.08	Total income taxes relating to components of other comprehensive income	51.44	(10.00)
(4.89)	78.58	(55.27)	Other comprehensive income/(loss) for the period, net of tax	56.36	61.33
691.50	484.85	(95.99)	Total comprehensive income/(loss) for the period	1,732.37	887.65
691.46	484.83	(96.01)	thereof attributable to stockholders of the parent	1,732.29	887.61
0.04	0.02	0.02	thereof attributable to non-controlling interests	0.08	0.04

Interim condensed consolidated statement of financial position (unaudited)

in RON mn	September 30, 2021	December 31, 2020
Assets		
Intangible assets	2,863.73	2,811.51
Property, plant and equipment	26,379.31	27,802.20
Investments in associated companies	35.31	31.68
Other financial assets	2,224.06	2,092.96
Other assets	268.78	233.28
Deferred tax assets	1,578.34	1,533.74
Non-current assets	33,349.53	34,505.37
Inventories	2,421.48	2,102.90
Trade receivables	1,716.70	1,258.13
Other financial assets	1,724.97	1,213.11
Other assets	250.94	229.77
Cash and cash equivalents	9,098.13	7,450.64
Current assets	15,212.22	12,254.55
Assets held for sale	255.48	860.90
Total assets	48,817.23	47,620.82
Equity and liabilities		
Share capital	5,664.41	5,664.41
Reserves	27,365.30	27,406.22
Stockholders' equity	33,029.71	33,070.63
Non-controlling interests	0.54	0.50
Total equity	33,030.25	33,071.13
Provisions for pensions and similar obligations	208.91	213.69
Interest-bearing debts	32.98	108.94
Lease liabilities	523.37	543.06
Provisions for decommissioning and restoration obligations	6,715.43	7,272.42
Other provisions	696.75	645.12
Other financial liabilities	194.81	46.87
Other liabilities	52.34	14.09
Non-current liabilities	8,424.59	8,844.19
Trade payables	2,732.29	2,858.64
Interest-bearing debts	206.64	175.03
Lease liabilities	161.79	137.33
Income tax liabilities	174.71	43.60
Other provisions and decommissioning	876.19	516.87
Other financial liabilities	1,993.07	802.61
Other liabilities	953.55	758.74
Current liabilities	7,098.24	5,292.82
Liabilities associated with assets held for sale	264.15	412.68
Total equity and liabilities	48,817.23	47,620.82

Interim condensed consolidated statement of changes in equity (unaudited)

in RON mn	Share capital	Revenue reserves	Other reserves ¹	Treasury shares	Stockholders' equity	Non-controlling interests	Total equity
January 1, 2021	5,664.41	27,262.19	144.05	(0.02)	33,070.63	0.50	33,071.13
Net income for the period	-	1,675.94	-	-	1,675.94	0.07	1,676.01
Other comprehensive income for the period	-	-	56.35	-	56.35	0.01	56.36
Total comprehensive income for the period	-	1,675.94	56.35	-	1,732.29	0.08	1,732.37
Dividend distribution	-	(1,755.96)	-	-	(1,755.96)	(0.04)	(1,756.00)
Reclassification of cash flow hedges to balance sheet	-	-	(17.25)	-	(17.25)	-	(17.25)
September 30, 2021	5,664.41	27,182.17	183.15	(0.02)	33,029.71	0.54	33,030.25

in RON mn	Share capital	Revenue reserves	Other reserves ¹	Treasury shares	Stockholders' equity	Non-controlling interests	Total equity
January 1, 2020	5,664.41	27,736.81	99.66	(0.02)	33,500.86	0.51	33,501.37
Net income for the period	-	826.29	-	-	826.29	0.03	826.32
Other comprehensive income for the period	-	-	61.32	-	61.32	0.01	61.33
Total comprehensive income for the period	-	826.29	61.32	-	887.61	0.04	887.65
Dividend distribution	-	(1,755.96)	-	-	(1,755.96)	(0.07)	(1,756.03)
Reclassification of cash flow hedges to balance sheet	-	-	78.21	-	78.21	-	78.21
September 30, 2020	5,664.41	26,807.14	239.19	(0.02)	32,710.72	0.48	32,711.20

¹ Other reserves contain mainly currency translation differences, reserves from business combinations in stages, unrealized gains and losses from hedges and land for which ownership was obtained but was not included in share capital.

Interim condensed consolidated statement of cash flows (unaudited)

Q3/21	Q2/21	Q3/20	in RON mn	9m/21	9m/20
826.58	493.22	(51.83)	Profit/(loss) before tax	1,992.05	957.08
73.77	213.33	186.99	Net change in provisions	369.10	338.67
(3.02)	23.92	(12.70)	Net (gains)/losses on the disposal of subsidiaries, businesses and non-current assets	15.79	(28.36)
924.20	862.13	1,239.61	Depreciation, amortization and impairments including write-ups	2,609.50	2,921.66
26.23	20.15	41.80	Net interest received	66.68	117.67
(77.47)	(88.47)	(9.47)	Tax on profit paid	(203.47)	(310.69)
410.69	155.33	(41.39)	Other non-monetary adjustments	590.27	(410.40)
2,180.98	1,679.61	1,353.01	Sources of funds ¹	5,439.92	3,585.63
(220.64)	(10.61)	143.53	(Increase)/decrease in inventories	(317.31)	343.88
(225.97)	(109.63)	115.60	(Increase)/decrease in receivables	(506.80)	608.00
582.83	(49.24)	106.86	Increase/(decrease) in liabilities	363.14	(231.02)
2,317.20	1,510.13	1,719.00	Cash flow from operating activities	4,978.95	4,306.49
(573.12)	(662.63)	(816.12)	Intangible assets and property, plant and equipment	(1,990.49)	(2,788.82)
20.19	5.99	156.69	Proceeds in relation to non-current assets	53.40	177.14
—	462.27	—	Proceeds from the sale of subsidiaries and businesses, net of cash disposed	462.27	—
(552.93)	(194.37)	(659.43)	Cash flow from investing activities	(1,474.82)	(2,611.68)
(94.72)	2.44	(93.53)	Net increase/(decrease) in borrowings	(156.87)	(158.68)
(0.66)	(1,738.70)	(0.54)	Dividends paid	(1,739.76)	(1,739.19)
(95.38)	(1,736.26)	(94.07)	Cash flow from financing activities	(1,896.63)	(1,897.87)
0.57	(2.13)	(2.60)	Effect of exchange rate changes on cash and cash equivalents	9.41	(0.12)
1,669.46	(422.63)	962.90	Net increase/(decrease) in cash and cash equivalents	1,616.91	(203.18)
7,428.67	7,851.30	5,847.46	Cash and cash equivalents at beginning of period	7,481.22	7,013.54
9,098.13	7,428.67	6,810.36	Cash and cash equivalents at end of period	9,098.13	6,810.36
1,764.27	1,315.76	1,059.57	Free cash flow	3,504.13	1,694.81
1,763.61	(422.94)	1,059.03	Free cash flow after dividends	1,764.37	(44.38)

¹ Representing cash generated from operating activities before working capital movements.

Selected notes to the interim condensed consolidated financial statements as of and for the period ended September 30, 2021 (unaudited)

Legal principles

The unaudited interim condensed consolidated financial statements as of and for the nine-month period ended September 30, 2021 (“9m/21”) have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as of December 31, 2020.

The interim condensed consolidated financial statements for 9m/21 included in this report are unaudited and an external review by an auditor was not performed.

The interim condensed consolidated financial statements for 9m/21 have been prepared in million RON (RON mn, RON 1,000,000). Accordingly there may be rounding differences.

In addition to the interim condensed consolidated financial statements, further information on main items affecting the interim condensed consolidated financial statements as of September 30, 2021 is given as part of the description of Group performance and Business Segments in the Directors’ Report.

General accounting policies

The accounting policies and valuation methods adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2020. The amendments effective since January 1, 2021 did not have a material effect on the Group’s interim financial statements.

Changes in the consolidated Group

Compared with the annual consolidated financial statements as of December 31, 2020, the consolidated Group changed as follows:

On May 14, 2021, OMV Petrom S.A. completed the sale of its 100% owned subsidiaries in Kazakhstan, Tasbulat Oil Corporation LLP and Kom Munai LLP, to Magnetic Oil Limited. The subsidiaries were deconsolidated starting with the divestment date.

OMV Petrom Georgia LLC, a new subsidiary of OMV Petrom S.A. incorporated in Georgia, is fully consolidated in the group financial statements starting with Q3 2021.

The detailed structure of the consolidated companies in OMV Petrom Group at September 30, 2021 is presented in Appendix 1 to the current report.

Seasonality and cyclicity

Seasonality is of particular significance in Downstream.

Consumption of natural gas, electricity, heat 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 winter as a supplementary measure to produce heat and 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 Downstream Gas business segment and, to a lesser extent, the Downstream Oil business segment, as well as the comparability of results over different periods, may be affected by changes in weather conditions.

For details, please refer to the section “Business Segments”.

Exchange rates

OMV Petrom uses the National Bank of Romania (NBR) exchange rates in its consolidation process. Income statements of foreign subsidiaries are translated to RON using the average of daily exchange rates published by the National Bank of Romania, detailed below.

Statements of the financial position of foreign subsidiaries are translated to RON using the closing rate method based on exchange rates published by the National Bank of Romania, and are detailed below.

Q3/21	Q2/21	Q3/20	Δ% ¹	NBR FX rates	9m/21	9m/20	Δ%
4.931	4.923	4.845	2	Average EUR/RON	4.911	4.826	2
4.183	4.086	4.146	1	Average USD/RON	4.108	4.293	(4)
4.947	4.927	4.870	2	Closing EUR/RON	4.947	4.870	2
4.265	4.143	4.162	2	Closing USD/RON	4.265	4.162	2

¹ Q3/21 vs. Q3/20

Notes to the income statement

Sales revenues

in RON mn	9m/21	9m/20
Revenues from contracts with customers	16,869.25	13,924.67
Revenues from other sources	176.54	1,197.46
Total sales revenues	17,045.79	15,122.13

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

Revenues from contracts with customers

in RON mn						9m/21
	Upstream	Downstream	thereof Downstream Oil	thereof Downstream Gas	Corporate and Other	Total
Crude oil and NGL	92.25	38.38	38.38	-	-	130.63
Natural gas, LNG and power	3.91	3,247.00	8.06	3,238.94	2.10	3,253.01
Fuels and heating oil	-	10,582.11	10,582.11	-	-	10,582.11
Other goods and services	28.07	2,862.70	2,812.95	49.75	12.73	2,903.50
Total	124.23	16,730.19	13,441.50	3,288.69	14.83	16,869.25

in RON mn						9m/20
	Upstream	Downstream	thereof Downstream Oil	thereof Downstream Gas	Corporate and Other	Total
Crude oil and NGL	203.18	39.20	39.20	-	-	242.38
Natural gas, LNG and power	3.82	3,725.07	7.11	3,717.96	-	3,728.89
Fuels and heating oil	-	7,360.54	7,360.54	-	-	7,360.54
Other goods and services	29.04	2,552.34	2,480.44	71.90	11.48	2,592.86
Total	236.04	13,677.15	9,887.29	3,789.86	11.48	13,924.67

Income tax

Q3/21	Q2/21	Q3/20	in RON mn	9m/21	9m/20
130.19	86.95	(11.11)	Taxes on income - expense/(revenue)	316.04	130.76
154.26	88.48	53.26	Current taxes	341.76	179.40
(24.07)	(1.53)	(64.37)	Deferred taxes	(25.72)	(48.64)
16%	18%	21%	Group effective tax rate	16%	14%

Notes to the statement of financial position

Commitments

As at September 30, 2021 OMV Petrom Group's commitments for the acquisition of intangible assets and property, plant and equipment amounted to RON 1,229 mn (December 31, 2020: RON 841 mn), mainly related to exploration and production activities in Upstream and investment projects in Downstream Oil.

Inventories

During the nine months ended September 30, 2021, there were no material write-downs of inventories.

Equity

At the Annual General Meeting of Shareholders held on April 27, 2021, the shareholders of OMV Petrom S.A. approved the distribution of dividends for the financial year 2020 for the gross amount of RON 1,756 mn (gross dividend per share of RON 0.031). Total dividends paid during 9m/21 amounted to RON 1,740 mn.

The total number of own shares held by the Company as of September 30, 2021 amounted to 204,776 (December 31, 2020: 204,776).

Financial liabilities

As of September 30, 2021, short and long-term interest-bearing debts and lease liabilities amounted to RON 925 mn (December 31, 2020: RON 964 mn), thereof RON 685 mn lease liabilities (December 31, 2020: RON 680 mn).

Fair value measurement

Financial instruments recognized at fair value are disclosed according to the fair value measurement hierarchy as stated in Note 33 of the Group's annual consolidated financial statements as of December 31, 2020.

Financial assets and assets and liabilities held for sale (in RON mn)	September 30, 2021				December 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivatives designated and effective as hedging instruments	-	56.75	-	56.75	-	16.33	-	16.33
Other derivatives	-	1,294.04	-	1,294.04	-	631.19	-	631.19
Net amount of assets and liabilities associated with assets held for sale	-	-	-	-	-	448.22	-	448.22
Total	-	1,350.79	-	1,350.79	-	1,095.74	-	1,095.74

Financial liabilities and assets and liabilities held for sale (in RON mn)	September 30, 2021				December 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivatives designated and effective as hedging instruments	-	(68.93)	-	(68.93)	-	(19.58)	-	(19.58)
Other derivatives	-	(1,730.12)	-	(1,730.12)	-	(453.06)	-	(453.06)
Net amount of assets and liabilities associated with assets held for sale	-	(49.17)	-	(49.17)	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	(15.88)	(15.88)
Total	-	(1,848.22)	-	(1,848.22)	-	(472.64)	(15.88)	(488.52)

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

Interest-bearing debts amount to RON 240 mn (December 31, 2020: RON 284 mn). The estimated fair value of these liabilities (Level 2) was RON 241 mn (December 31, 2020: RON 287 mn). The carrying amount of other financial assets and financial liabilities approximates their fair value.

Segment reporting

Intersegmental sales

Q3/21	Q2/21	Q3/20	Δ% ¹ in RON mn	9m/21	9m/20	Δ%
2,168.54	2,029.14	1,314.63	65 Upstream	5,969.23	4,406.37	35
38.93	37.85	49.77	(22) Downstream ²	121.44	160.79	(24)
12.73	12.19	22.03	(42) thereof Downstream Oil	37.00	69.31	(47)
47.29	50.58	58.22	(19) thereof Downstream Gas	170.64	189.07	(10)
(21.09)	(24.92)	(30.48)	31 thereof intersegmental elimination Downstream	(86.20)	(97.59)	12
41.53	42.11	47.14	(12) Corporate and Other	126.94	146.79	(14)
2,249.00	2,109.10	1,411.54	59 Total	6,217.61	4,713.95	32

¹ Q3/21 vs. Q3/20;

² Sales Downstream = Sales Downstream Oil + Sales Downstream Gas – intersegmental elimination Downstream Oil and Downstream Gas.

Sales to external customers

Q3/21	Q2/21	Q3/20	Δ% ¹ in RON mn	9m/21	9m/20	Δ%
12.95	36.33	90.57	(86) Upstream	129.34	240.48	(46)
6,896.81	5,220.16	4,954.03	39 Downstream	16,889.92	14,858.27	14
5,728.20	4,299.40	3,717.72	54 thereof Downstream Oil	13,557.64	10,269.20	32
1,168.61	920.76	1,236.31	(5) thereof Downstream Gas	3,332.28	4,589.07	(27)
10.51	7.95	8.34	26 Corporate and Other	26.53	23.38	13
6,920.27	5,264.44	5,052.94	37 Total	17,045.79	15,122.13	13

¹ Q3/21 vs. Q3/20

Total sales (not consolidated)

Q3/21	Q2/21	Q3/20	Δ% ¹ in RON mn	9m/21	9m/20	Δ%
2,181.49	2,065.47	1,405.20	55 Upstream	6,098.57	4,646.85	31
6,935.74	5,258.01	5,003.80	39 Downstream ²	17,011.36	15,019.06	13
5,740.93	4,311.59	3,739.75	54 thereof Downstream Oil	13,594.64	10,338.51	31
1,215.90	971.34	1,294.53	(6) thereof Downstream Gas	3,502.92	4,778.14	(27)
(21.09)	(24.92)	(30.48)	31 thereof intersegmental elimination Downstream	(86.20)	(97.59)	12
52.04	50.06	55.48	(6) Corporate and Other	153.47	170.17	(10)
9,169.27	7,373.54	6,464.48	42 Total	23,263.40	19,836.08	17

¹ Q3/21 vs. Q3/20;

² Sales Downstream = Sales Downstream Oil + Sales Downstream Gas – intersegmental elimination Downstream Oil and Downstream Gas.

Segment and Group profit

Q3/21	Q2/21	Q3/20	Δ% ¹	in RON mn	9m/21	9m/20	Δ%
413.26	356.51	(1,096.98)	n.m.	Operating Result Upstream	1,072.25	(1,084.81)	n.m.
547.26	271.38	1,058.10	(48)	Operating Result Downstream	1,438.09	1,810.89	(21)
905.66	511.36	384.68	135	thereof Operating Result Downstream Oil	1,903.35	722.36	163
(358.40)	(239.98)	673.42	n.m.	thereof Operating Result Downstream Gas	(465.26)	1,088.53	n.m.
(24.56)	(20.30)	(19.53)	(26)	Operating Result Corporate and Other	(78.40)	(72.78)	(8)
935.96	607.59	(58.41)	n.m.	Operating Result segment total	2,431.94	653.30	272
42.27	(76.86)	14.38	194	Consolidation	(216.24)	274.77	n.m.
978.23	530.73	(44.03)	n.m.	OMV Petrom Group Operating Result	2,215.70	928.07	139
(151.65)	(37.51)	(7.80)	n.m.	Net financial result	(223.65)	29.01	n.m.
826.58	493.22	(51.83)	n.m.	OMV Petrom Group profit/(loss) before tax	1,992.05	957.08	108

¹ Q3/21 vs. Q3/20.

Assets¹

in RON mn	September 30, 2021	December 31, 2020
Upstream	21,936.92	22,906.69
Downstream	6,918.47	7,272.13
thereof Downstream Oil	5,537.70	5,785.32
thereof Downstream Gas	1,380.77	1,486.81
Corporate and Other	387.64	434.89
Total	29,243.04	30,613.71

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

Other notes

Significant transactions with related parties

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

Financial Ratios (presented in accordance with the requirements of the Financial Supervisory Authority's Regulation no. 5/2018 on issuers of financial instruments and market operations)

Financial Ratio	Formula	Value
Current ratio	Current Assets / Current Liabilities ¹	2.10
Indebtness Ratio (%)	Interest-bearing debts (long term)/ Equity *100	0.10
	Interest-bearing debts (long term)/ (Interest-bearing debts (long term) + Equity) *100	0.10
Days in receivables	Receivables average balance / Turnover*270	23.56
Fixed assets turnover ²	Turnover / Fixed assets	0.78

¹ Current Assets include Assets held for sale and Current Liabilities include Liabilities associated with assets held for sale;

² Fixed assets turnover is calculated based on annualized turnover for 9m/21*(360/270) days.

Declaration of the management

We confirm to the best of our knowledge that the unaudited interim condensed consolidated financial statements for the nine-month period ended September 30, 2021 give a true and fair view of OMV Petrom Group's assets, liabilities, financial position and profit or loss, as required by the applicable accounting standards, and that the Group Directors' Report gives a true and fair view of important events that have occurred during the first nine months of the financial year 2021 and their impact on the interim condensed consolidated financial statements, as well as a description of the principal risks and uncertainties.

Bucharest, October 29, 2021

The Executive Board

Christina Verchere
Chief Executive Officer
President of the Executive Board

Alina Popa
Chief Financial Officer
Member of the Executive Board

Christopher Veit
Member of the Executive Board
Upstream

Franck Neel
Member of the Executive Board
Downstream Gas

Radu Caprau
Member of the Executive Board
Downstream Oil

Further information

Abbreviation and definitions

bbl	barrel(s), i.e. 159 liters
bcf	billion cubic feet; 1 bcm = 35.3147 bcf for Romania or 34.7793 bcf for Kazakhstan
boe; kboe; kboe/d	barrels of oil equivalent; thousand barrels of oil equivalent; kboe per day
bn	billion
bcm	billion cubic meters
Capital employed	equity including minorities plus net debt/(cash)
CEO	Chief Executive Officer
Co&O	Corporate and Other
CAPEX	Capital expenditure
Clean CCS Operating Result	Operating Result adjusted for special items and CCS effects. Group clean CCS Operating Result is calculated by adding the clean CCS Operating Result of Downstream Oil, the clean Operating Result of the other segments and the reported consolidation effect adjusted for changes in valuation allowances, in case the net realizable value of the inventory is lower than its cost.
Clean CCS net income attributable to stockholders	Net income attributable to stockholders, adjusted for the after tax effect of special items and CCS
Clean CCS EPS	Clean CCS Earnings per share = Clean CCS net income attributable to stockholders divided by weighted number of shares
Clean CCS ROACE	Clean CCS Return On Average Capital Employed = NOPAT (as a sum of current and last three quarters) adjusted for the after tax effect of special items and CCS, divided by average Capital Employed (on a rolling basis, as an average of last four quarters) (%)
Clean effective tax rate	Taxes on income adjusted for the tax effect of special items and CCS, divided by Clean CCS Profit before tax (%)
EPS	Earnings per share = Net income attributable to stockholders divided by weighted number of shares
Effective tax rate	Taxes on income divided by Profit before tax (%)
EUR	euro
E&A	Exploration and appraisal
FX	Foreign Exchange
HSSE	Health, Safety, Security and Environment
IFRSs; IASs	International Financial Reporting Standards; International Accounting Standards
LNG	Liquefied natural gas
mn	million
MWh	megawatt hour
NBR	National Bank of Romania
Net debt/(cash) including leases	Interest-bearing debts plus lease liabilities less cash and cash equivalents
Net debt/(cash) excluding leases	Interest-bearing debts less cash and cash equivalents
NGL	Natural Gas Liquids
n.a.	not applicable/not available (as the case may be)
n.m.	not meaningful i.e. deviation exceeds (+/-) 500% or comparison is made between positive and negative values
NOPAT	Net Operating Profit After Tax = Net income attributable to stockholders of the parent, adjusted for net interest on net borrowings, +/- result from discontinued operations, +/- tax effect of adjustments
OPCOM	The administrator of the Romanian electricity market
Operating Result	The "Operating result" includes the former indicator EBIT ("Earnings Before Interest and Taxes") and the net result from equity-accounted investments.
Clean Operating Result before depreciation and	Former EBITD adjusted for special items and CCS effects = Operating Result Before Interest, Taxes, Depreciation and amortization, impairments and write-ups of fixed assets, including reversals adjusted for special items and CCS effects

amortization, impairments and write-ups	
OPEX	Operating Expenses
Q	quarter
ROACE	Return On Average Capital Employed = NOPAT (as a sum of current and last three quarters) divided by average Capital Employed (on a rolling basis, as an average of last four quarters) (%)
RON	Romanian leu
S.A.; S.R.L.	Societate pe Actiuni (Joint-stock company); Societate cu Raspundere Limitata (Limited liability company)
t	metric tonne(s)
TWh	terawatt hour
USD	United States dollar
yoy	year-on-year

Appendix 1

Consolidated companies in OMV Petrom Group at September 30, 2021

Parent company

OMV Petrom S.A.

Subsidiaries

Upstream ¹		Downstream Oil	
OMV Offshore Bulgaria GmbH (Austria)	100.00%	OMV Petrom Marketing S.R.L.	100.00%
OMV Petrom Georgia LLC (Georgia)	100.00%	OMV Petrom Aviation S.R.L. ²	100.00%
		Petrom Moldova S.R.L. (Moldova)	100.00%
		OMV Bulgaria OOD (Bulgaria)	99.90%
		OMV Srbija DOO (Serbia)	99.96%
Downstream Gas		Corporate & Other	
OMV Petrom Gas S.R.L.	99.99%	Petromed Solutions S.R.L.	99.99%

¹ Tasbulat Oil Corporation LLP (Kazakhstan) and Kom Munai LLP (Kazakhstan) were deconsolidated starting with May 14, 2021 (both companies 100% owned previously by OMV Petrom S.A.)

² (one) equity interest owned through OMV Petrom Marketing S.R.L.

Associated company, accounted for at equity

OMV Petrom Global Solutions S.R.L.	25.00%
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Appendices 1 and 2 form part of the interim unaudited condensed consolidated financial statements.

Appendix 2

Significant transactions with related parties

During the first nine months of the financial year 2021, OMV Petrom Group had the following significant transactions with related parties and balances as of September 30, 2021:

Related party (in RON mn)	Purchases	Balances payable
	9m/21	September 30, 2021
OMV Supply & Trading Limited	627.64	0.53
OMV Petrom Global Solutions S.R.L.	403.82	92.29
OMV Downstream GmbH	178.77	56.19
OMV Gas Marketing & Trading GmbH	176.48	25.22
OMV - International Services Ges.m.b.H.	7.94	81.05

Related party (in RON mn)	Revenues	Balances receivable
	9m/21	September 30, 2021
OMV Deutschland Marketing & Trading GmbH & Co. KG	244.81	57.20
OMV Gas Marketing & Trading GmbH	103.87	3.08
OMV Downstream GmbH	78.75	25.12
OMV Supply & Trading Limited	58.97	-
OMV - International Services Ges.m.b.H.	-	19.51

During the first nine months of the financial year 2020, OMV Petrom Group had the following significant transactions with related parties and balances as of December 31, 2020:

Related party (in RON mn)	Purchases	Balances payable
	9m/20	December 31, 2020
OMV Supply & Trading Limited	763.45	238.76
OMV Petrom Global Solutions S.R.L.	389.95	121.58
OMV Gas Marketing & Trading GmbH	124.63	115.20
OMV Downstream GmbH (former OMV Refining & Marketing GmbH)	123.84	55.33
OMV - International Services Ges.m.b.H.	4.81	28.90

Related party (in RON mn)	Revenues	Balances receivable
	9m/20	December 31, 2020
OMV Gas Marketing & Trading GmbH	301.98	0.45
OMV Deutschland GmbH	111.37	-
OMV Downstream GmbH (former OMV Refining & Marketing GmbH)	59.81	4.73
OMV Deutschland Marketing & Trading GmbH & Co. KG	56.54	31.78
OMV - International Services Ges.m.b.H.	-	12.59

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

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