PETRONAS Group Financial Results Announcement

Fourth Quarter and Year Ended 31 December 2022

Delivering Value for Our Collective Progress
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Key Messages

• The oil and gas industry faced heightened uncertainty and pronounced volatility throughout 2022. This led to energy price spikes amidst security concerns. Even as supply concerns emerged, the call for energy transition increased.

• Amidst an unpredictable market, PETRONAS demonstrated resilience and continues to focus on safely delivering commercial and operational excellence.

• Throughout the year in review, we exercised discipline in capital allocation & portfolio reshaping even as we future proofed our portfolio by investing responsibly in line with PETRONAS' 3-pronged growth strategy and NZCE 2050 target.
Leveraging on Solid Portfolio and Market Upsides, PETRONAS delivered a Strong Financial Performance

**Performance**

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Profit After Tax</th>
<th>Group Costs</th>
<th>Cash Flows from Operating Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>375.3</td>
<td>248.0</td>
<td>280.7</td>
<td>135.3</td>
</tr>
<tr>
<td>FY2022</td>
<td>FY2021*</td>
<td>FY2021*</td>
<td>FY2022</td>
</tr>
<tr>
<td>51%</td>
<td>100%</td>
<td>39%</td>
<td>72%</td>
</tr>
</tbody>
</table>

**Financial Position**

<table>
<thead>
<tr>
<th>Total Assets</th>
<th>Shareholders’ Equity</th>
<th>Total Borrowings</th>
</tr>
</thead>
<tbody>
<tr>
<td>710.6</td>
<td>401.6</td>
<td>104.2</td>
</tr>
<tr>
<td>31 Dec 2022</td>
<td>31 Dec 2022</td>
<td>31 Dec 2022</td>
</tr>
<tr>
<td>12%</td>
<td>14%</td>
<td>3%</td>
</tr>
<tr>
<td>635.0</td>
<td>350.8</td>
<td>107.8</td>
</tr>
<tr>
<td>31 Dec 2021*</td>
<td>31 Dec 2021*</td>
<td>31 Dec 2021*</td>
</tr>
</tbody>
</table>

**Note:**
- *Restated for impact from adoption of Amendments to MFRS 116: Proceeds before Intended Use “PBIU”*
- **All financial and operational results comprise continuing and discontinued operations. Discontinued operations relate to disposal of ENGEN Group in FY2022.**

**Open**
In 2022, revenue from outside Malaysia, which included export and international sales, accounted for 74% of the Group’s revenue, demonstrating PETRONAS’ strong global presence.

Similar trend recorded in previous years, where an average of 71% of revenue was received from outside Malaysia.
Steadfast in our Journey towards Energy Transition and NZCE 2050 Target through Strict Capital Discipline

**Capital Investments**

- **FY2022**
  - RM50.1bil
  - 65%

- **FY2021**
  - RM30.4bil

- **Domestic CAPEX increased 24%** against the same period last year, contributing towards the growth of the Malaysian Oil and Gas industry.

  *Note: *Restated for impact from adoption of Amendments to MFRS 116: Proceeds before Intended Use “PBIU”

**CAPEX Trending**

- FY2018 - FY2022: 208.5
- FY2023 - FY2027: ~300.0

Scaling up investment in the core business, lowering emissions as well as investing in clean energy to future-proof Group’s portfolio.
Higher Upstream Industry Spending Contributed to Malaysia’s Economic Growth

Malaysia remains an attractive E&P investment destination where foreign contractors continue investing in Malaysia, elevating economic recovery and spurring economic growth.

Total PA Contracts in Malaysia: **110**
- PETRONAS Carigali Operated Blocks: 43 PSCs
- Blocks Operated by Others: 65 PSCs | 1 RSC | 1 OPA

Total Upstream Contractors in Malaysia: **37**
- Foreign Contractors: 27
- Local Contractors: 10

Notes:
- PA: Petroleum Arrangement
- PSC: Production Sharing Contract
- RSC: Risk Service Contract
- OPA: Onshore Petroleum Arrangement

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Growing Robust CFFO covered Increasing Investment for Growth, Larger Dividend Payments and Servicing Debt Obligations

CFFO
RM bil

<table>
<thead>
<tr>
<th></th>
<th>FY2021</th>
<th>FY2022*</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.3</td>
<td>27.5</td>
<td></td>
</tr>
<tr>
<td>78.5</td>
<td>135.3</td>
<td></td>
</tr>
<tr>
<td>70.2</td>
<td>107.8</td>
<td></td>
</tr>
</tbody>
</table>

[Subsidiaries] [Holding Company]

RM104.2 billion
Total Borrowings as at 31 December 2022

- **CAPEX**
  - RM50.1 billion

- **Dividend to Government**
  - RM50.0 billion

- **Tax Payments**
  - RM30.9 billion

- **Petroleum Cash Payment**
  - RM11.7 billion

- **National Trust Fund**
  - RM500 million

*Includes federal taxes, state sales tax and export duty

Note: *Restated for impact from adoption of Amendments to MFRS 116: Proceeds before Intended Use “PBIU”*
PETRONAS adopts Highest Standards of Governance & Transparency, delivering Efficient Operations & Maximising Shareholders’ Returns

• The high credit rating accorded to PETRONAS on a standalone basis by the CRAs reflects its transparency and strong governance practices.

• PETRONAS board includes several Independent Directors

• PETRONAS’ financial statements are audited by global accounting firms and comply with Malaysian and International Financial Reporting Standards, at par with Fortune 500 companies.

• PETRONAS adheres to best principles of corporate governance in line with MCCG:
  ✓ Annual issuance of Integrated Report based on IIRCF won NACRA’s Platinum Awards in 2021 and 2022,
  ✓ Adopted TCFD to enhance its sustainability reporting.

Cumulative Contributions to Governments and NTF
RM1.4 trillion

<table>
<thead>
<tr>
<th></th>
<th>Value (RM Bln)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend</td>
<td>581.4</td>
</tr>
<tr>
<td>Taxes</td>
<td>513.6</td>
</tr>
<tr>
<td>Cash Payments</td>
<td>223.2</td>
</tr>
<tr>
<td>Export Duty</td>
<td>27.1</td>
</tr>
<tr>
<td>State Sales Tax</td>
<td>13.1</td>
</tr>
<tr>
<td>National Trust Fund</td>
<td>11.0</td>
</tr>
</tbody>
</table>

Stand-alone Credit Rating

Credit Rating Agencies

<table>
<thead>
<tr>
<th>Moody’s</th>
<th>PETRONAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA</td>
<td>A2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>S&amp;P Global</th>
<th>PETRONAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA</td>
<td>AA-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fitch Ratings</th>
<th>PETRONAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA-</td>
<td></td>
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</tbody>
</table>

Notes: – MCCG : Malaysian Code on Corporate Governance
– IIRCF : International Integrated Reporting Council Framework
– NACRA : National Corporate Report Award
– TCFD : Taskforce on Climate-related Financial Disclosure
PETRONAS contributed towards Human Capital Development and Upliftment of Livelihood & Living Standards of Local Communities

Investment close to RM1 billion benefiting 1.5 million beneficiaries

PETRONAS Uplifting Lives

- Contributed 36 boats with engines, 8,800 collapsible tents, 5,500 life jackets and 55,000 raincoats nationwide to aid flood preparedness efforts in view of the year-end monsoon season.
- Offered solar and sustainable clean water supply system to selected communities, community-based centres across the nation, benefiting 2,192 people.
- Provided training in skills, entrepreneurship, and innovation to improve the living standards and income stream of B40 communities, benefiting 4,853 people.

PETRONAS Powering Knowledge

- Enhanced the marketability of unemployed Malaysian graduates through Graduate Employability Enhancement Scheme (GEES), benefiting 4,683 graduates since inception in 2011.
- Provided essential school supplies and personal hygiene kits to 108,034 B40 students from primary and secondary schools across Malaysia to reduce their financial burden to continually participate in the education process.
- Provided 600 Malaysians with the opportunities to realise their potential and contribute to the nation’s growth through education scholarships.
PETRONAS contributed towards Human Capital Development and Upliftment of Livelihood & Living Standards of Local Communities

Investment close to RM1 billion benefiting 1.5 million beneficiaries

PETRONAS Planting Tomorrow

- Contributed towards reforestation, shoreline protection and expansion of Mangrove ecosystem in Johor, Sarawak and Terengganu.
- Contributed towards carbon sequestration through Yayasan PETRONAS’ tree planting activities.

Sponsorship

- Supported national talent development in badminton through a partnership with BAM.
- Supported national talent development in two-wheel sports towards shaping future global champions through industry partnerships.
PETRONAS remains Steadfast in the Journey towards Energy Transition and NZCE 2050 Target

Greenhouse Gas Emissions Reduction Targets (Scope 1 and Scope 2) and Ambitions

<table>
<thead>
<tr>
<th>2024 &amp; 2025</th>
<th>2030</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>49.5 MtCO₂e</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emissions at 49.5 million tonnes of carbon dioxide equivalent (MtCO₂e) from PETRONAS’ Malaysia operations by 2024.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>25% reduction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In PETRONAS Groupwide emissions, including:</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET ZER0 2050</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net zero carbon emissions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>50% reduction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in methane emissions from PETRONAS Groupwide natural gas value chain.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>50% reduction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in methane emissions from Malaysia’s natural gas value chain.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2022 EFForts towards meeting NZCE 2050 Target:

- **Zero Routine Flaring and Venting**
  - 20% reduction in flaring and venting (Malaysia operated assets), including 4 fields achieved Zero Routine Venting, contributing to 0.66 MtCO₂e of venting reduction

- **Electrification**
  - 90MW PPA for hydroelectric power to PLC Bintulu, resulting to 40% of PLC powered by renewable energy, reducing 0.5 MtCO₂e GHG emissions per year

- **Carbon Capture and Storage**
  - Achieved **FID** for Kasawari CCS project
  - Signed **HOA** for Bujang, Inas, Guling, Sepat and Tujoh (BIGST) Cluster
  - Forged 8 **pacts** across the CCS value chain in Q4 (A total of 16 pacts forged in 2022)
Higher Profitability reported from All Businesses across the Integrated Value Chain underpinned by Higher Realised Prices

**Profit After Tax / (Loss After Tax)**

<table>
<thead>
<tr>
<th></th>
<th>FY2021*</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upstream</strong></td>
<td>49%</td>
<td>&gt;100%</td>
</tr>
<tr>
<td><strong>Gas</strong></td>
<td>51.3</td>
<td>&gt;100%</td>
</tr>
<tr>
<td><strong>Downstream</strong></td>
<td>43.2</td>
<td>&gt;100%</td>
</tr>
<tr>
<td><strong>Corporate &amp; Others</strong></td>
<td>3.0</td>
<td>&gt;100%</td>
</tr>
<tr>
<td><strong>(1.5)</strong></td>
<td></td>
<td>0.2</td>
</tr>
</tbody>
</table>

**Upstream**

Higher PAT in tandem with higher revenue, partially offset by higher net impairment reversal reported in prior year. This was further offset by higher taxation, product costs and petroleum cash payments.

**Gas**

Higher PAT mainly contributed by higher revenue partially offset by higher product costs and taxation.

**Downstream**

Higher PAT primarily due to improved refining and petrochemical margins in line with favourable prices.

**Corporate & Others**

Higher PAT mainly due to higher revenue and favourable impact from foreign exchange, partially offset by higher operating expenditure.

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Note: *Restated for impact from adoption of Amendments to MFRS 116: Proceeds before Intended Use ‘PBIU’*
Upstream

Maximising Cash Generators

Achieved 1st hydrocarbon for 37 projects in Malaysia and overseas

Achieved FID for 26 projects

Made 9 exploration discoveries

Signed 6 PSCs in Malaysia

Undertook 2 international portfolio high grading in South Sudan & Chad

(Ongoing, subject to regulatory approvals and fulfillment of conditions precedent)

Value Creation through Operational Excellence and Successful Execution of Portfolio Actions

<table>
<thead>
<tr>
<th></th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (Kboe/d)</td>
<td>1,462</td>
<td>1,575</td>
</tr>
<tr>
<td>Entitlement (Kboe/d)</td>
<td>813</td>
<td>859</td>
</tr>
</tbody>
</table>

- **7%** Natural Gas
- **7%** Crude & Condensates

**Expanding Core Business**

Signed 4 international agreements in 2022

Signed 1 concession agreement in UAE, in Q4

Won Agua Marinha block in Brazil in Q4 during the Brazil bid round

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Contended with Growing Demand for Lower Carbon Energy and maintained a focus on Business Growth and Expansion

### Maximising Cash Generators

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>405</td>
<td>43</td>
</tr>
<tr>
<td>total LNG cargoes delivered from PETRONAS LNG Complex</td>
<td>LNG cargoes delivered from PFLNG SATU and PFLNG DUA</td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>32.7</td>
<td>34.2</td>
<td>97.8%</td>
</tr>
<tr>
<td>FY2021</td>
<td>FY2022</td>
<td>FY2021</td>
</tr>
<tr>
<td>Gross LNG Sales (MMT)</td>
<td>Overall Equipment Effectiveness</td>
<td></td>
</tr>
</tbody>
</table>

### Expanding Core Business

- **2,619** Virtual Pipeline System (VPS) and LNG Bunkering deliveries completed
- **136 MMscfd** of natural gas supply deals secured with non-power customers

Achieved Final Investment Decision and awarded Engineering Procurement, Construction and Commissioning contract to a consortium between JGC and Samsung Heavy Industries for the development of Sabah’s first nearshore LNG facility
Stable Operations across Downstream Business, with Positive Market Recovery

Maximising Cash Generators

- **85.9%**: Overall Equipment Effectiveness (OEE)
- **24.9 Bil Litres**: of overall marketing sales volume
- **89.0%**: Petrochemical Plant Utilisation
- **10.0 Mil**: Metric tonnes of petrochemicals production volume

Expanding Core Business

- Acquisition of Perstorp in PCG’s strategic diversification into the specialty chemicals industry to capture new growth opportunities.
- New lubricant oil additives manufacturing facility in Echt, Netherlands by BRB International, a wholly-owned subsidiary of PCG, to expand specialty portfolio and product offerings in meeting growing demands.
- PDB, in collaboration with Gentari Green Mobility Sdn Bhd and other industry players, accelerates electric mobility adoption by rolling out e-two wheelers battery swap stations and e-bus charging infrastructure at PETRONAS stations.

Stepping Out

PETRONAS, Eni S.p.A (Eni) and Euglena Co., Ltd. (Euglena) announced its feasibility study to develop and operate a biorefinery plant in Pengerang Integrated Complex to supply sustainable solutions including Sustainable Aviation Fuel for aircraft and Hydrogenated Vegetable Oil for on-road vehicles.
Progressing Growth towards Cleaner and Sustainable Energy Solutions

Renewables

Global Solar Capacity

1.6 GW*  
*In operations and under development

Commercial Operation Date in October 2022 for Malaysia’s largest self-consumption ground mounted solar installation of 40 MW in PIC

Hydrogen

MoU with IHI Japan in October 2022, to explore feasibility of producing green ammonia derived from renewables in Peninsular Malaysia

Green Mobility

MoU with Proton New Energy Technology Sdn Bhd in October 2022, to power PROTON’s nationwide dealership network with comprehensive EV charging solutions

Vehicle-as-a-Service (VaaS) offering in India delivered 382 three-wheelers & 161 charge points, achieving 2 million clean kilometers

Largest DC Network Operator in Malaysia & 1st to offer equitable kWh pricing:

- Installed 151 charge points
- Launched Southeast Asia’s 1st public 350kW super charger in X Park Sunway Serene hub - also 1st hub to be licensed by Energy Commission, in November 2022
- Launched Bangi Golf Resort’s EV charging hub with dynamic power sharing in December 2022
Other Business
MISC

Remains on track with Value Creation Journey of Sustainable Growth and Profitability

- MISC and consortium partners, Nippon Yusen Kabushiki Kaisha (NYK), Kawasaki Kisen Kaisha, Ltd. (K-Line) and China LNG Shipping (Holdings) Limited (CLNG) secured long-term contracts for 5 additional newbuild LNG carriers with QatarEnergy on 3 November 2022.

- In November, AET’s first LNG dual-fuel VLCC, Eagle Valence, won “Tanker of the Year” at the Tanker Shipping & Trade (TS&T) Awards 2022.

- MISC, through its wholly-owned entities entered into a USD527 million 11-year sustainable-linked non-recourse term loan for the financing of 6 Very Large Ethane Carriers on 9 December 2022.

- Recognised as a constituent of the Dow Jones Sustainability Emerging Markets Index for the second consecutive year.

- MISC is the only Malaysian transportation sector company and one of the three Malaysian companies listed in the Index globally.
PETRONAS
Passionate about Progress