



PETRONAS Group **Quarterly Report**

For First Quarter Ended 31 March 2024



QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

The Board of Directors of Petroliam Nasional Berhad ("PETRONAS" or the "Company") is pleased to announce the results of PETRONAS Group and its reportable segments for the first quarter ended 31 March 2024 which should be read in conjunction with the unaudited condensed consolidated financial statements and the accompanying explanatory notes on pages 7 to 30.

GROUP PERFORMANCE REVIEW¹

| Individual quarter ended 31 December 2023 | <i>In RM Mil</i> | 31 March 2024 | Individual quarter ended 31 March 2023 ² |
|--|--|------------------|--|
| | Revenue | | |
| 81,397 | From continuing operations | 80,903 | 80,436 |
| 10,317 | From discontinuing operations | 8,798 | 8,906 |
| 91,714 | Total revenue | 89,701 | 89,342 |
| 24,708 | EBITDA ³ | 36,157 | 38,563 |
| | PAT ⁴ /(LAT) ⁵ | | |
| 17,016 | From continuing operations | 20,260 | 23,155 |
| (422) | From discontinuing operations ⁶ | 1,080 | 655 |
| 16,594 | Total PAT | 21,340 | 23,810 |
| 38,186 | Cash flows from operating activities | 23,397 | 25,534 |
| 18,448 | Capital investments ⁷ | 10,722 | 10,490 |
| | | As at | As at |
| | | 31 March | 31 December |
| | <i>In RM Mil</i> | 2024 | 2023 |
| | Total assets | 796,331 | 773,301 |
| | Shareholders' equity | 434,463 | 443,469 |
| | Gearing ratio ⁸ | 20.5% | 19.8% |
| | ROACE ⁹ | 14.2% | 14.4% |

First quarter

Comparison with corresponding quarter

PETRONAS Group's revenue of RM89.7 billion for the first quarter of 2024 is comparable to the first quarter of 2023.

The Group recorded EBITDA of RM36.2 billion, lower by RM2.4 billion or 6% mainly due to higher operating expenditure and cash payments. Correspondingly, PAT of RM21.3 billion was lower by RM2.5 billion.

¹ Comprises continuing and discontinuing operations.

² Certain information has been restated to conform with current period presentation.

³ Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA") consists of profit before taxation and non-controlling interests, with the addition of amounts previously deducted for depreciation, amortisation, net impairment losses on property, plant and equipment and intangible assets, provision for onerous contracts, loss/(gain) on remeasurement of net assets held for sale, loss on remeasurement/derecognition of financial assets measured at amortised cost and the exclusion of financing costs and interest income.

⁴ Profit After Tax.

⁵ Loss After Tax.

⁶ Includes inter-company adjustments. Refer to Note A16 for the net effect to Statement of Profit or Loss from discontinuing operations.

⁷ Capital investments are based on cash, comprising purchase of property, plant and equipment, investment properties, intangible assets and land held for development, as well as acquisition of subsidiaries, investments in associates and joint arrangements.

⁸ Gearing ratio is calculated as adjusted total debt (total debt including financial guarantees) divided by adjusted total equity (total equity plus deferred tax liabilities and minus capitalised interest) and adjusted total debt.

⁹ Return on average capital employed ("ROACE") is calculated as profit before interest expense after tax (calculated on 12-month preceding basis) divided by average total equity and long-term debt.

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FOR FIRST QUARTER ENDED 31 MARCH 2024

GROUP PERFORMANCE REVIEW (continued)

First quarter (continued)

Comparison with corresponding quarter (continued)

The Group's cash flows from operating activities decreased by RM2.1 billion or 8% in line with lower cash generated from operations partially negated by lower taxation paid. Capital investments amounted to RM10.7 billion was marginally higher by RM0.2 billion or 2%, with higher domestic investments by 20%.

Comparison with preceding quarter

PETRONAS Group's revenue for the first quarter of 2024 was lower by RM2.0 billion or 2% as compared to the fourth quarter of 2023 mainly attributable to lower sales volume of petroleum products partially offset by higher sales volume from crude oil and condensates.

The Group's EBITDA was higher by RM11.4 billion or 46% primarily due to lower write-off of assets coupled with lower product costs and operating expenditure. This was partially negated by lower revenue.

PAT was higher by RM4.7 billion in tandem with higher EBITDA partially offset by higher taxation in line with higher profit.

The Group's cash flows from operating activities decreased by RM14.8 billion or 39% in line with lower cash generated from operations. Capital investments was lower by RM7.7 billion or 42%, due to higher acquisition activities in preceding quarter.

At reporting date

Total assets of the Group increased to RM796.3 billion as at 31 March 2024 against RM773.3 billion as at 31 December 2023 mainly contributed by capital investments during the financial period as well as higher receivables. Shareholders' equity of RM434.5 billion decreased by RM9.0 billion mainly attributable to dividends declared to shareholders amounting to RM32.0 billion partially offset by profit recorded and impact from foreign exchange during the financial period.

Gearing ratio increased to 20.5% as at 31 March 2024 from 19.8% as at 31 December 2023 mainly due to higher borrowings following foreign exchange impact. ROACE of the Group decreased to 14.2% as at 31 March 2024 from 14.4% as at 31 December 2023 in line with lower profit partially offset by lower shareholders' equity.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

UPSTREAM PERFORMANCE REVIEW

| Individual quarter ended 31 December 2023 | <i>Financial Indicators</i> | 31 March 2024 | Individual quarter ended 31 March 2023 Restated |
|--|---|------------------|---|
| | <i>In RM Mil</i> | | |
| | Continuing operations | | |
| | Revenue | | |
| 11,130 | Third party | 12,613 | 10,234 |
| 27,100 | Inter-segment | 25,499 | 25,438 |
| <u>38,230</u> | | <u>38,112</u> | <u>35,672</u> |
| 8,756 | PAT | 11,319 | 12,378 |
| 9,173 | Capital investments | 6,750 | 4,326 |
| | | | |
| Individual quarter ended 31 December 2023 | <i>Operational Indicators</i> | 31 March 2024 | Individual quarter ended 31 March 2023 |
| | Production ¹⁰ ('000 boe ¹¹ per day) | | |
| 881 | Crude oil and condensates | 840 | 857 |
| 1,669 | Natural gas | 1,747 | 1,640 |
| <u>2,550</u> | | <u>2,587</u> | <u>2,497</u> |
| | Entitlement ¹² ('000 boe per day) | | |
| 526 | Crude oil and condensates | 530 | 536 |
| 1,198 | Natural gas | 1,191 | 1,237 |
| <u>1,724</u> | | <u>1,721</u> | <u>1,773</u> |

First quarter

Comparison with corresponding quarter

Revenue for the first quarter of 2024 was RM38.1 billion, higher by RM2.4 billion or 7% as compared to the first quarter of 2023 mainly due to impact from foreign exchange.

PAT for the first quarter of 2024 was RM11.3 billion, lower by RM1.1 billion primarily due to higher product costs, operating expenditure and cash payments partially offset by higher revenue. Capital investments amounted to RM6.8 billion was higher by RM2.4 billion, mainly contributed by higher domestic investments.

Total daily production average for the first quarter of 2024 was 2,587 thousand boe per day, higher by 90 thousand boe per day as compared to the corresponding quarter mainly due to higher natural gas production from Malaysia and International.

¹⁰ Represents Malaysia's production (PETRONAS Group and other operators) and PETRONAS Group's international equity production volume.

¹¹ boe: barrels oil equivalent. Volume of gas has been converted using gas heating values, reflecting PETRONAS gas portfolio.

¹² Represents PETRONAS Group's sales entitlement to Malaysia's production and PETRONAS Group's international sales entitlement volume.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

GAS PERFORMANCE REVIEW

| Individual quarter ended 31 December 2023 | <i>Financial Indicators</i> | 31 March 2024 | Individual quarter ended 31 March 2023 ² |
|--|---|------------------|--|
| | <i>In RM Mil</i> | | |
| | Continuing operations | | |
| | Revenue | | |
| 28,801 | Third party | 27,887 | 28,472 |
| 3,265 | Inter-segment | 3,631 | 4,082 |
| 32,066 | | 31,518 | 32,554 |
| 8,906 | PAT | 6,284 | 8,759 |
| 2,699 | Capital investments | 1,776 | 2,323 |
| | | | |
| Individual quarter ended 31 December 2023 | <i>Operational Indicators</i> | 31 March 2024 | Individual quarter ended 31 March 2023 |
| 3,131 | Malaysia average sales gas volume (mmscfd ¹³) | 3,090 | 2,942 |
| 8.95 | Gross LNG sales volume ¹⁴ (million tonnes) | 9.89 | 8.88 |

First quarter

Comparison with corresponding quarter

Revenue for the first quarter of 2024 was RM31.5 billion, decreased by RM1.0 billion or 3% as compared to the same quarter in 2023 mainly due to lower average realised prices of liquefied natural gas ("LNG") and processed gas partially offset by higher sales volume and impact from foreign exchange.

PAT was RM6.3 billion against RM8.8 billion in the same quarter of 2023 primarily driven by lower revenue and higher taxation.

Malaysia average sales gas volume increased by 148 mmscfd mainly due to higher offtake from power sector in Peninsular Malaysia.

Gross LNG sales volume increased by 1.01 million tonnes mainly due to higher plant production and better trading opportunity.

² Certain information has been restated to conform with current period presentation.

¹³ mmscfd: million standard cubic feet per day.

¹⁴ Gross volume refers to all LNG sales inclusive of volume subsequently sold as sales gas.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

DOWNSTREAM PERFORMANCE REVIEW¹

| Individual quarter ended 31 December 2023 | <i>Financial Indicators</i> | 31 March 2024 | Individual quarter ended 31 March 2023 ² |
|--|--|--------------------------|---|
| | <i>In RM Mil</i> | | |
| 36,392 | Revenue from third party | 34,711 | 36,557 |
| 10,317 | From continuing operations | 8,798 | 8,906 |
| 46,709 | From discontinuing operations | 43,509 | 45,463 |
| 1,055 | Revenue from inter-segment | 1,181 | 2,540 |
| 47,764 | From continuing operations | 44,690 | 48,003 |
| (176) | TOTAL revenue | 1,465 | 1,482 |
| (225) | PAT/(LAT) | 453 | 164 |
| (401) | From continuing operations | 1,918 | 1,646 |
| 2,593 | From discontinuing operations ¹⁵ | 846 | 761 |
| | Total PAT/(LAT) | | |
| | Capital investments | | |
| | | | |
| Individual quarter ended 31 December 2023 | <i>Operational Indicators</i> | 31 March 2024 | Individual quarter ended 31 March 2023² |
| 77.9 | Petroleum products sales volume (in million barrels) | 71.0 | 77.2 |
| 26.0 | Crude oil sales volume (in million barrels) | 29.1 | 26.3 |
| 2.4 | Petrochemical products sales volume (in million metric tonnes) | 2.3 | 2.4 |

First quarter

Comparison with corresponding quarter

Revenue for the first quarter of 2024 was RM44.7 billion, lower by RM3.3 billion or 7% as compared to the same quarter in 2023 on the back of lower average realised prices for petroleum products and petrochemical products coupled with lower sales volume mainly from petroleum products partially offset by impact from foreign exchange.

PAT was RM1.9 billion as compared to RM1.6 billion in the first quarter of 2023, higher by RM0.3 billion primarily driven by lower product costs partially offset by lower revenue.

Petroleum products sales volume was 71.0 million barrels, lower by 6.2 million barrels due to decrease in trading activities partially offset by higher marketing volume. Crude oil sales volume was 29.1 million barrels, higher by 2.8 million barrels mainly due to higher marketing volume partially offset by lower trading opportunities. Petrochemical products sales volume was 2.3 million metric tonnes comparable with corresponding quarter.

¹ Comprises continuing and discontinuing operations.

² Certain information has been restated to conform with current period presentation.

¹⁵ Excludes inter-company transactions as per Note A16.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

CORPORATE AND OTHERS PERFORMANCE REVIEW

| Individual quarter ended 31 December 2023 | <i>Financial Indicators</i> | 31 March 2024 | Individual quarter ended 31 March 2023 Restated |
|--|-----------------------------|------------------|---|
| | <i>In RM Mil</i> | | |
| | Continuing operations | | |
| | Revenue | | |
| 5,074 | Third party | 5,692 | 5,173 |
| 1,988 | Inter-segment | 1,861 | 1,642 |
| <u>7,062</u> | | <u>7,553</u> | <u>6,815</u> |
| (811) | PAT/(LAT) | 1,949 | 838 |
| 3,983 | Capital investments | 1,350 | 3,079 |

First quarter

Comparison with corresponding quarter

Revenue for the first quarter of 2024 was RM7.6 billion, higher by RM0.7 billion or 11% as compared to the same quarter in 2023 primarily contributed by higher shipping related income and fund investment income.

PAT was RM1.9 billion against RM0.8 billion in the same quarter last year, mainly attributable to higher revenue and impact from foreign exchange.

Capital investments amounted to RM1.4 billion was lower by RM1.7 billion mainly due to acquisition of subsidiaries in corresponding quarter.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| Individual quarter ended 31 December 2023 | <i>In RM Mil</i> | 31 March 2024 | Individual quarter ended 31 March 2023 ² |
|--|--|------------------|--|
| | Continuing operations | | |
| 81,397 | Revenue | 80,903 | 80,436 |
| (50,916) | Cost of revenue | (46,668) | (45,093) |
| 30,481 | Gross profit | 34,235 | 35,343 |
| (2,983) | Selling and distribution expenses | (2,580) | (2,065) |
| (4,403) | Administration expenses | (4,381) | (3,969) |
| (2,554) | Net impairment losses/write-off ¹⁶ | (217) | (65) |
| (3,967) | Other expenses | (38) | (23) |
| 2,789 | Other income | 1,631 | 1,792 |
| 19,363 | Operating profit | 28,650 | 31,013 |
| (1,181) | Financing costs | (1,272) | (1,430) |
| 372 | Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures | 139 | 209 |
| 18,554 | Profit before taxation from continuing operations | 27,517 | 29,792 |
| (1,538) | Tax expense | (7,257) | (6,637) |
| 17,016 | Profit for the period from continuing operations | 20,260 | 23,155 |
| | Discontinuing operations¹⁷ | | |
| (422) | Profit/(Loss) for the period from discontinuing operations, net of tax | 1,080 | 655 |
| 16,594 | PROFIT FOR THE PERIOD | 21,340 | 23,810 |
| | Profit/(Loss) attributable to: | | |
| | Shareholders of the Company | | |
| 15,407 | From continuing operations | 18,051 | 21,224 |
| (373) | From discontinuing operations | 943 | 600 |
| 15,034 | | 18,994 | 21,824 |
| | Non-controlling interests | | |
| 1,609 | From continuing operations | 2,209 | 1,931 |
| (49) | From discontinuing operations | 137 | 55 |
| 1,560 | | 2,346 | 1,986 |
| 16,594 | PROFIT FOR THE PERIOD | 21,340 | 23,810 |

² Certain information has been restated to conform with current period presentation.

¹⁶ Excludes well costs and includes loss on remeasurement/derecognition of financial assets measured at amortised cost.

¹⁷ See Note A16.

The unaudited condensed consolidated statement of profit or loss should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

| Individual quarter ended 31 December 2023 | <i>In RM Mil</i> | 31 March 2024 | Individual quarter ended 31 March 2023 |
|--|--|------------------|---|
| 16,594 | Profit for the period | 21,340 | 23,810 |
| | Other comprehensive income/(loss) | | |
| | Continuing operations | | |
| | <i>Items that will not be reclassified subsequently to profit or loss</i> | | |
| (65) | Net changes in fair value of equity investments at fair value through other comprehensive income ("OCI") | (33) | (9) |
| | <i>Items that may be reclassified subsequently to profit or loss</i> | | |
| (4,855) | Net movements from exchange differences | 5,485 | (17) |
| 11 | Cash flow hedge | (1,069) | 747 |
| (116) | Others | 110 | (7) |
| (5,025) | Total other comprehensive income/(loss) for the period from continuing operations | 4,493 | 714 |
| | Discontinuing operations¹⁷ | | |
| (35) | Total other comprehensive income/(loss) for the period from discontinuing operations | 68 | (162) |
| 11,534 | TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 25,901 | 24,362 |
| | Total comprehensive income attributable to: | | |
| | Shareholders of the Company | | |
| 10,986 | From continuing operations | 22,005 | 21,899 |
| (381) | From discontinuing operations | 989 | 469 |
| 10,605 | | 22,994 | 22,368 |
| | Non-controlling interests | | |
| 1,005 | From continuing operations | 2,748 | 1,970 |
| (76) | From discontinuing operations | 159 | 24 |
| 929 | | 2,907 | 1,994 |
| 11,534 | TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 25,901 | 24,362 |

¹⁷ See Note A16.

The unaudited condensed consolidated statement of other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| <i>In RM Mil</i> | As at 31 March 2024 | As at 31 December 2023 |
|---|---------------------------|------------------------------|
| ASSETS | | |
| Property, plant and equipment | 331,797 | 326,398 |
| Investment properties and land held for development | 12,298 | 12,275 |
| Investments in associates and joint ventures | 10,513 | 10,368 |
| Intangible assets | 33,363 | 31,902 |
| Long-term receivables | 50,243 | 47,939 |
| Fund and other investments | 12,171 | 10,778 |
| Deferred tax assets | 27,386 | 27,853 |
| TOTAL NON-CURRENT ASSETS | 477,771 | 467,513 |
| Trade and other inventories | 16,410 | 14,307 |
| Trade and other receivables | 61,872 | 57,028 |
| Fund and other investments | 12,434 | 11,620 |
| Cash and cash equivalents | 213,019 | 208,492 |
| | 303,735 | 291,447 |
| Assets classified as held for sale | 14,825 | 14,341 |
| TOTAL CURRENT ASSETS | 318,560 | 305,788 |
| TOTAL ASSETS | 796,331 | 773,301 |
| EQUITY | | |
| Share capital | 100 | 100 |
| Reserves | 434,363 | 443,369 |
| Total equity attributable to shareholders of the Company | 434,463 | 443,469 |
| Non-controlling interests | 59,869 | 59,396 |
| TOTAL EQUITY | 494,332 | 502,865 |
| LIABILITIES | | |
| Borrowings | 100,838 | 98,754 |
| Deferred tax liabilities | 13,126 | 13,297 |
| Other long-term liabilities and provisions | 65,040 | 64,434 |
| TOTAL NON-CURRENT LIABILITIES | 179,004 | 176,485 |
| Trade and other payables | 64,219 | 68,076 |
| Borrowings | 14,004 | 12,867 |
| Taxation | 6,053 | 3,931 |
| Dividend payable | 29,000 | — |
| | 113,276 | 84,874 |
| Liabilities classified as held for sale | 9,719 | 9,077 |
| TOTAL CURRENT LIABILITIES | 122,995 | 93,951 |
| TOTAL LIABILITIES | 301,999 | 270,436 |
| TOTAL EQUITY AND LIABILITIES | 796,331 | 773,301 |

The unaudited condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | <i>Attributable to shareholders of the Company</i> | | | | |
|---|--|----------------------------|--------------------------------------|--------------------------------|------------------------------|
| | <i>Non-distributable</i> | | | | |
| <i>In RM Mil</i> | Share Capital | Capital and Other Reserves | Foreign Currency Translation Reserve | Fair Value through OCI Reserve | Hedging Reserve |
| Individual quarter ended 31 March 2024 | | | | | |
| Balance at 1 January 2024 | 100 | 16,160 | 47,961 | 17 | 107 |
| Net changes in fair value of equity investments at fair value through OCI | — | — | — | (33) | — |
| Net movements from exchange differences | — | — | 5,060 | — | — |
| Cash flow hedge ¹⁸ | — | — | — | — | (1,120) |
| Others | — | 93 | — | — | — |
| Total other comprehensive income/(loss) for the period, net of tax | — | 93 | 5,060 | (33) | (1,120) |
| Profit for the period | — | — | — | — | — |
| Total comprehensive income/(loss) for the period | — | 93 | 5,060 | (33) | (1,120) |
| Dividends to shareholders of the Company | — | — | — | — | — |
| Dividends to non-controlling interests | — | — | — | — | — |
| Total transactions with shareholders | — | — | — | — | — |
| Balance at 31 March 2024 | 100 | 16,253 | 53,021 | (16) | (1,013) |
| | | | | | <i>continue to next page</i> |
| Individual quarter ended 31 March 2023 | | | | | |
| Balance at 1 January 2023 | 100 | 15,987 | 39,771 | 145 | 863 |
| Net changes in fair value of equity investments at fair value through OCI | — | — | — | (9) | — |
| Net movements from exchange differences | — | — | (205) | — | — |
| Cash flow hedge ¹⁸ | — | — | — | — | 767 |
| Others | — | (9) | — | — | — |
| Total other comprehensive income/(loss) for the period, net of tax | — | (9) | (205) | (9) | 767 |
| Profit for the period | — | — | — | — | — |
| Total comprehensive income/(loss) for the period | — | (9) | (205) | (9) | 767 |
| Changes in ownership interests in a subsidiary | — | — | 120 | — | — |
| Redemption of redeemable preference shares in a subsidiary | — | — | — | — | — |
| Dividends to shareholders of the Company | — | — | — | — | — |
| Dividends to non-controlling interests | — | — | — | — | — |
| Total transactions with shareholders | — | — | 120 | — | — |
| Balance at 31 March 2023 | 100 | 15,978 | 39,686 | 136 | 1,630 |
| | | | | | <i>continue to next page</i> |

¹⁸ Includes addition of RM792 million (31 March 2023: addition of RM195 million) to the cost of hedging reserve during the financial period.

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

| | Attributable to shareholders of the Company | | | Non- Controlling Interests | Total Equity |
|--|--|---------------------|----------|----------------------------------|-------------------------------------|
| | Distributable | | Total | | |
| <i>In RM Mil</i> | General Reserve | Retained Profits | Total | | |
| Individual quarter ended 31 March 2024 | | | | | |
| Balance at 1 January 2024 | 12,000 | 367,124 | 443,469 | 59,396 | 502,865 |
| Net changes in fair value of equity investments at fair value through OCI | — | — | (33) | — | (33) |
| Net movements from exchange differences | — | — | 5,060 | 493 | 5,553 |
| Cash flow hedge ¹⁸ | — | — | (1,120) | 51 | (1,069) |
| Others | — | — | 93 | 17 | 110 |
| Total other comprehensive income/(loss) for the period, net of tax | — | — | 4,000 | 561 | 4,561 |
| Profit for the period | — | 18,994 | 18,994 | 2,346 | 21,340 |
| Total comprehensive income/(loss) for the period | — | 18,994 | 22,994 | 2,907 | 25,901 |
| Dividends to shareholders of the Company | — | (32,000) | (32,000) | — | (32,000) |
| Dividends to non-controlling interests | — | — | — | (2,434) | (2,434) |
| Total transactions with shareholders | — | (32,000) | (32,000) | (2,434) | (34,434) |
| Balance at 31 March 2024 | 12,000 | 354,118 | 434,463 | 59,869 | 494,332 |
| | | | | | <i>continued from previous page</i> |
| Individual quarter ended 31 March 2023 | | | | | |
| Balance at 1 January 2023 | 12,000 | 332,743 | 401,609 | 58,822 | 460,431 |
| Net changes in fair value of equity investments at fair value through OCI | — | — | (9) | — | (9) |
| Net movements from exchange differences | — | — | (205) | 24 | (181) |
| Cash flow hedge ¹⁸ | — | — | 767 | (20) | 747 |
| Others | — | — | (9) | 4 | (5) |
| Total other comprehensive income/(loss) for the period, net of tax | — | — | 544 | 8 | 552 |
| Profit for the period | — | 21,824 | 21,824 | 1,986 | 23,810 |
| Total comprehensive income/(loss) for the period | — | 21,824 | 22,368 | 1,994 | 24,362 |
| Changes in ownership interests in a subsidiary | — | (360) | (240) | (588) | (828) |
| Redemption of redeemable preference shares in a subsidiary | — | — | — | (415) | (415) |
| Dividends to shareholders of the Company | — | (35,000) | (35,000) | — | (35,000) |
| Dividends to non-controlling interests | — | — | — | (2,538) | (2,538) |
| Total transactions with shareholders | — | (35,360) | (35,240) | (3,541) | (38,781) |
| Balance at 31 March 2023 | 12,000 | 319,207 | 388,737 | 57,275 | 446,012 |
| | | | | | <i>continued from previous page</i> |

¹⁸ Includes addition of RM792 million (31 March 2023: addition of RM195 million) to the cost of hedging reserve during the financial period.

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| Individual quarter ended 31 December 2023 | <i>In RM Mil</i> | 31 March 2024 | Individual quarter ended 31 March 2023 |
|--|---|------------------|---|
| Cash flows from operating activities | | | |
| Profit/(Loss) before taxation from: | | | |
| 18,554 | - continuing operations | 27,517 | 29,792 |
| (554) | - discontinuing operations | 1,319 | 694 |
| 18,000 | Profit before taxation | 28,836 | 30,486 |
| Adjustments for: | | | |
| (67) | Change in contract liabilities | (33) | (91) |
| (1,075) | Change in provisions | (42) | (5) |
| 10,723 | Depreciation and amortisation | 9,329 | 9,102 |
| 1,285 | Financing costs | 1,358 | 1,505 |
| (3,101) | Interest income | (3,178) | (2,586) |
| 874 | Loss on remeasurement of financial assets measured at amortised cost | — | — |
| 537 | Loss on remeasurement of net assets classified as held for sale | — | — |
| Net impairment losses/(reversals) of: | | | |
| 2 | - intangible assets | (3) | 49 |
| (82) | - loans and advances to a joint venture | 2 | 30 |
| 282 | - property, plant and equipment and investment properties | — | 91 |
| 1,372 | - trade and other receivables | 215 | (103) |
| 1,301 | Net impairment/write-off of well costs | 72 | 71 |
| 162 | Net loss/(gain) on disposals of property, plant and equipment, intangible assets and other investments | (97) | (934) |
| (163) | Net unrealised loss/(gain) on derivatives | 151 | (65) |
| 1,828 | Net unrealised loss/(gain) on foreign exchange | (47) | (907) |
| 200 | Net write-down/(write-back) of inventories to net realisable value/ inventories written off | (34) | (47) |
| Net write-off of: | | | |
| 132 | - bad debts | — | — |
| — | - investment in a joint venture | 24 | — |
| 58 | - property, plant and equipment | 3 | — |
| (372) | Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures | (139) | (209) |
| (2) | Other non-cash items | — | — |
| 31,894 | Operating profit before changes in working capital | 36,417 | 36,387 |
| 11,450 | Net changes in working capital | (10,292) | (4,418) |
| 43,344 | Cash generated from operations | 26,125 | 31,969 |
| 3,101 | Interest income received | 3,178 | 2,586 |
| (1,104) | Interest expenses paid | (1,120) | (915) |
| (7,155) | Taxation paid, net of refund | (4,786) | (8,106) |
| 38,186 | Net cash generated from operating activities | 23,397 | 25,534 |

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FOR FIRST QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

| Individual quarter ended 31 December 2023 | <i>In RM Mil</i> | 31 March 2024 | Individual quarter ended 31 March 2023 |
|--|--|------------------|---|
| Cash flows from investing activities | | | |
| — | Acquisition of subsidiaries, net of cash acquired | — | (1,380) |
| 129 | Dividends received | 81 | 182 |
| | Investments in: | | |
| (2,368) | - associates and joint ventures | (277) | (88) |
| (4,175) | - securities and other investments | (2,871) | (725) |
| (137) | Long-term receivables to joint arrangements | (1,599) | — |
| | Proceeds from disposal/partial disposal of: | | |
| 285 | - property, plant and equipment and intangible assets | 277 | 823 |
| 1,050 | - securities and other investments | 1,383 | 827 |
| — | Proceeds on redemption of preference shares in a joint venture | 2 | — |
| (16,080) | Purchase of property, plant and equipment, investment properties, intangible assets and land held for development | (10,445) | (8,933) |
| (21,296) | Net cash used in investing activities | (13,449) | (9,294) |
| Cash flows from financing activities | | | |
| (12,000) | Dividends paid | (3,000) | (4,000) |
| (1,842) | Dividends paid to non-controlling interests | (2,434) | (2,538) |
| 3,739 | Drawdown of borrowings | 3,350 | 3,828 |
| (1,987) | Payment of lease liabilities | (2,391) | (1,077) |
| (3,520) | Repayment of borrowings | (4,452) | (3,720) |
| (177) | Payment to non-controlling interests on redemption of redeemable preference shares | — | (415) |
| — | Payment to non-controlling interests on additional equity interests | — | (496) |
| (15,787) | Net cash used in financing activities | (8,927) | (8,418) |
| 1,103 | Net increase in cash and cash equivalents | 1,021 | 7,822 |
| (133) | (Increase)/Decrease in cash and cash equivalents restricted | (58) | 51 |
| (1,471) | Net foreign exchange differences | 2,735 | (330) |
| 208,132 | Cash and cash equivalents at beginning of the year | 207,631 | 200,384 |
| 207,631 | Cash and cash equivalents at end of the period | 211,329 | 207,927 |
| Cash and cash equivalents | | | |
| 208,492 | Cash and cash equivalents | 213,019 | 208,087 |
| — | Bank overdrafts | — | (28) |
| | Classified as held for sale: | | |
| 1,167 | - Cash and bank balances | 904 | 989 |
| (515) | - Bank overdrafts | (1,023) | (133) |
| 209,144 | | 212,900 | 208,915 |
| (1,513) | Less: Cash and cash equivalents restricted | (1,571) | (988) |
| 207,631 | | 211,329 | 207,927 |

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QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*. They should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 31 December 2023.

The explanatory notes attached to these condensed consolidated financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

Within the context of these condensed consolidated financial statements, the Group comprises the Company, its subsidiaries and joint operations, as well as the Group's interests in joint ventures and associates as at and for the financial period ended 31 March 2024.

A2. MATERIAL ACCOUNTING POLICIES

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for the financial year ending 31 December 2024 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for the financial year ended 31 December 2023 except as disclosed below.

During the financial period, the Group has adopted the following Amendments to MFRSs ("pronouncements") that have been issued by the Malaysian Accounting Standards Board ("MASB").

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 *Leases (Lease Liability in a Sale and Leaseback)*

Amendments to MFRS 101 *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)*

Amendments to MFRS 101 *Presentation of Financial Statements (Non-current Liabilities with Covenants)*

Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures (Supplier Finance Arrangements)*

The initial application of the above pronouncements do not have any material impact to the financial statements of the Group.

A3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Group for the financial year ended 31 December 2023 were not subjected to any audit qualification.

A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

The Group's operations, on overall, are not significantly affected by seasonal or cyclical fluctuations of the business/industry.

A5. EXCEPTIONAL ITEMS

There were no exceptional items during the financial period under review.

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of the amounts reported in the most recent annual financial statements of the Group for the financial year ended 31 December 2023 that may have material effect in the results of the financial period under review.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A7. DEBT AND EQUITY SECURITIES

There were no material issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the period under review, other than as disclosed in Note B7.

A8. DIVIDENDS PAID

During the financial period, the Company paid a dividend of RM3 billion, being partial payment of the approved dividend of RM320,000 per ordinary share amounting to RM32 billion declared on 14 March 2024.

The remaining amount of the dividend amounting to RM29 billion will be paid in instalments between April 2024 and December 2024.

A9. SUBSEQUENT EVENTS

- i. On 23 April 2024, PETRONAS via its indirect partially-owned subsidiary, KLCC Property Holdings Berhad ("KLCCP"), had completed the acquisition of remaining 40% issued share capital of Suria KLCC Sdn Bhd ("Suria KLCC") previously held by Ocmador (Malaysia) City Retail Centre Sdn Bhd, Port Moresby Investments Limited and Bold Peak Sdn Bhd, for a cash consideration of RM1.95 billion. Following the completion, Suria KLCC has become a wholly-owned subsidiary of KLCCP.

The net effect arising from this acquisition is not expected to be material in relation to the consolidated financial statements of the Group.

- ii. On 16 May 2024, PETRONAS via its indirect wholly-owned subsidiary, Gentari International Renewables Pte. Ltd. ("GIRPL") had completed the acquisition of 30% equity interest in AM Green Ammonia B.V. ("AM Green Ammonia") with cash consideration of USD322 million to jointly develop green ammonia projects with AM Green Ammonia Holdings B.V., upon fulfilling the required conditions precedent. Following the completion, AM Green Ammonia has become an associate of GIRPL.

The net effect arising from this acquisition is not expected to be material in relation to the consolidated financial statements of the Group.

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Freehold land and projects-in-progress are stated at cost less accumulated impairment losses and are not depreciated. Other property, plant and equipment and investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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FOR FIRST QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A11. COMMITMENTS

Outstanding commitments in respect of capital expenditure at the end of the reporting period not provided for in the financial statements are:

| <i>In RM Mil</i> | As at 31 March 2024 | As at 31 December 2023 |
|---|------------------------------------|---------------------------------------|
| Capital expenditure | | |
| <i>Approved and contracted for</i> | 72,138 | 67,091 |
| <i>Approved but not contracted for</i> | 105,867 | 106,855 |
| | 178,005 | 173,946 |
| | | |
| Share of capital expenditure of joint ventures | | |
| <i>Approved and contracted for</i> | 4,861 | 4,487 |
| <i>Approved but not contracted for</i> | 21,776 | 20,752 |
| | 26,637 | 25,239 |
| | 204,642 | 199,185 |

A12. CONTINGENCIES AND INSURANCE CONTRACTS

Contingencies

There were no material contingent liabilities or contingent assets since the last audited consolidated financial statements for the financial year ended 31 December 2023.

Exposure to insurance contracts

The Group had entered into agreements which may include agreements where the Group accepts insurance risks by agreeing to compensate third party if a specified uncertain future event adversely affect the guaranteed entities in the normal and on-going business requirements, consistent with generally acceptable and recognised industry practices. The exposure of the Group is therefore triggered upon the default by the guaranteed entities' obligation under the contracts. As at 31 March 2024, there were no exposures on the default of the guaranteed entities' obligations under the contracts.

A13. CHANGES IN COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the financial period under review.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A14. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions for the financial period under review are as follows:

| <i>In RM Mil</i> | 31 March 2024 | Individual quarter ended 31 March 2023 |
|---|--------------------------|---|
| Federal and State Governments of Malaysia: | | |
| Cash payments | (3,426) | (3,112) |
| Lease income | 322 | 325 |
| Sale of petroleum products | 107 | 97 |
| Project management income and building maintenance | 85 | 85 |
| Government of Malaysia's related entities: | | |
| Sales of petroleum products, petrochemical products and processed gas | 3,022 | 2,915 |
| Sales of utilities | 52 | 50 |
| Purchase of utilities | (44) | (40) |
| Associate companies: | | |
| Sales of petrochemical products and processed gas | 2,562 | 3,270 |
| Joint arrangements: | | |
| Sales of industrial utilities | 638 | 785 |
| Sales of petrochemical products | 184 | 191 |
| Site service charges | 104 | 113 |
| Purchase of petroleum products and petrochemical products | (2,646) | (3,724) |

A15. FAIR VALUE INFORMATION

The following table analyses financial instruments carried at fair value by valuation method. The different levels in a fair value hierarchy based on the input used in the valuation technique have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable input).

The Group recognises transfers between levels of fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the current financial period and comparative period.

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FOR FIRST QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A15. FAIR VALUE INFORMATION (continued)

31 March 2024

In RM Mil

| | Level 1 | Level 2 | Level 3 | Total |
|--|--------------|---------------|--------------|---------------|
| Financial assets | | | | |
| Quoted shares | 2,465 | — | — | 2,465 |
| Quoted securities | — | 590 | — | 590 |
| Unquoted shares | — | — | 1,860 | 1,860 |
| Malaysian Government Securities | — | 2,113 | — | 2,113 |
| Corporate Bonds and Sukuk | — | 7,403 | — | 7,403 |
| Forward foreign exchange and other contracts | — | 213 | — | 213 |
| Commodity derivatives | 84 | 763 | — | 847 |
| Interest rate swaps | — | 840 | — | 840 |
| | 2,549 | 11,922 | 1,860 | 16,331 |
| Financial liabilities | | | | |
| Forward foreign exchange contracts | — | (132) | — | (132) |
| Commodity derivatives | (218) | (308) | — | (526) |
| Interest rate swaps | — | (7) | — | (7) |
| | (218) | (447) | — | (665) |

31 December 2023

In RM Mil

| | Level 1 | Level 2 | Level 3 | Total |
|--|--------------|---------------|--------------|---------------|
| Financial assets | | | | |
| Quoted shares | 2,181 | — | — | 2,181 |
| Quoted securities | — | 527 | — | 527 |
| Unquoted shares | — | — | 1,783 | 1,783 |
| Malaysian Government Securities | — | 2,085 | — | 2,085 |
| Corporate Bonds and Sukuk | — | 6,899 | — | 6,899 |
| Forward foreign exchange and other contracts | — | 275 | — | 275 |
| Commodity derivatives | 317 | 947 | — | 1,264 |
| Interest rate swaps | — | 717 | — | 717 |
| | 2,498 | 11,450 | 1,783 | 15,731 |
| Financial liabilities | | | | |
| Forward foreign exchange contracts | — | (164) | — | (164) |
| Commodity derivatives | (79) | (115) | — | (194) |
| Interest rate swaps | — | (7) | — | (7) |
| | (79) | (286) | — | (365) |

Derivative financial instruments

As disclosed in the Group's audited consolidated financial statements for the financial year ended 31 December 2023, the Group is exposed to various risks which may affect the value of the Group's assets, liabilities or expected future cash flows. To mitigate these exposures from a business perspective, the Group enters into various hedging activities and applies hedge accounting on the fair value movement of certain commodity derivatives and interest rate swaps to hedge its exposures. Methods and assumptions used to estimate the fair values as at 31 March 2024 are consistent with those used as at 31 December 2023.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A16. DISCONTINUING OPERATIONS

On 7 February 2023, PETRONAS via its wholly-owned subsidiary, PETRONAS Marketing International Sdn. Bhd. (“PMISB”), signed a Sale and Purchase Agreement with Vitol Emerald Bidco (Pty) Ltd and Vitol Africa B.V. for the sale of PMISB’s entire 74% equity interests in its subsidiary, namely Engen Limited and its subsidiaries (“Engen Group”). The divestment was completed on 21 May 2024.

The business of Engen Group represents the major composition of the Group’s geographical segment for Africa and had been classified as disposal group held for sale and discontinuing operations since 31 December 2022.

The results of Engen Group for the period are presented below:

| Individual quarter ended 31 December 2023 | <i>In RM Mil</i> | 31 March 2024 | Individual quarter ended 31 March 2023 |
|--|--|------------------|---|
| | After inter-company adjustments | | |
| 10,317 | Revenue | 8,798 | 8,906 |
| (9,857) | Cost of revenue | (7,207) | (7,814) |
| 460 | Gross profit | 1,591 | 1,092 |
| (233) | Selling and distribution expenses | (191) | (195) |
| (230) | Administration expenses | (211) | (206) |
| (84) | Net impairment losses ¹⁹ | (1) | – |
| (538) | Other expenses | – | (143) |
| 175 | Other income | 217 | 221 |
| (450) | Operating profit/(loss) | 1,405 | 769 |
| (104) | Financing costs | (86) | (75) |
| (554) | Profit/(Loss) before tax from discontinuing operations | 1,319 | 694 |
| 132 | Tax (expense)/credit | (239) | (39) |
| (422) | Profit/(Loss) for the period from discontinuing operations after inter-company adjustments | 1,080 | 655 |
| 197 | Inter-company adjustments ²⁰ | (627) | (491) |
| (225) | Profit/(Loss) for the period from discontinuing operations before inter-company adjustments representing the net effect to Statement of Profit or Loss | 453 | 164 |
| (422) | Profit/(Loss) for the period from discontinuing operations after inter-company adjustments | 1,080 | 655 |
| | Other comprehensive income/(loss) | | |
| 5 | Net changes in fair value of equity investments at fair value through OCI | – | 2 |
| (40) | Net movements from exchange differences | 68 | (164) |
| (457) | Total comprehensive income/(loss) from discontinuing operations after inter-company adjustments | 1,148 | 493 |
| 208 | Inter-company adjustments | (685) | (307) |
| (249) | Total comprehensive income/(loss) from discontinuing operations before inter-company adjustments representing the net effect to Statement of Other Comprehensive Income | 463 | 186 |

¹⁹ Includes certain amount relating to write-off of assets.

²⁰ Mainly relates to elimination of sales and purchase transactions between related companies in continuing and discontinuing operations. The amount will remain in continuing operations profit after the disposal.

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FOR FIRST QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A16. DISCONTINUING OPERATIONS (continued)

The net cash flows of Engen Group are as follows:

| <i>In RM Mil</i> | Individual quarter ended | |
|--|--------------------------|------------------|
| | 31 March 2024 | 31 March 2023 |
| Net cash generated from operating activities | 351 | 846 |
| Net cash used in investing activities | (33) | (35) |
| Net cash used in financing activities | (181) | (20) |
| Net increase in cash and cash equivalents | 137 | 791 |

The estimated net effect from the disposal of Engen Group to the consolidated financial statements of the Group is expected to be mainly from the loss on realisation of the foreign currency translation reserve of approximately RM2.2 billion.

The final effect to the consolidated financial statements of the Group from the disposal of Engen Group shall be subject to finalisation of Engen Group's financial position as of disposal date.

A17. OPERATING SEGMENTS

The Group's reportable segments comprise Upstream, Gas and Downstream. Each reportable segment offers different products and services and are managed separately as described in the Group's audited consolidated financial statements for the financial year ended 31 December 2023. Effective third quarter of 2023, there has been a change in the way certain activities are being managed. Accordingly, the Group has restated the operating segment information for the prior periods.

For each of the reportable segment, the Group chief operating decision maker, which in this case is the PETRONAS Executive Leadership Team ("ELT"), reviews internal management reports at least on a quarterly basis.

Performance is measured based on segment PAT, as included in the internal management reports. Segment PAT is used to measure performance as the PETRONAS ELT believes that such information is the most relevant in evaluating the results of the segments.

A17.1 Segment revenue

| Individual quarter ended 31 December 2023 | <i>In RM Mil</i> | 31 March 2024 | Individual quarter ended 31 March 2023 Restated |
|--|----------------------------|------------------|---|
| Continuing operations | | | |
| | Third-parties | | |
| 11,130 | Upstream | 12,613 | 10,234 |
| 28,801 | Gas | 27,887 | 28,472 |
| 36,392 | Downstream | 34,711 | 36,557 |
| 5,074 | Corporate and Others | 5,692 | 5,173 |
| 81,397 | Total third-parties | 80,903 | 80,436 |

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QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A17. OPERATING SEGMENTS (continued)

A17.1 Segment revenue (continued)

| Individual quarter ended 31 December 2023 | <i>In RM Mil</i> | 31 March 2024 | Individual quarter ended 31 March 2023 Restated |
|--|--|------------------|---|
| Continuing operations (continued) | | | |
| Inter-segment | | | |
| 27,100 | Upstream | 25,499 | 25,438 |
| 3,265 | Gas | 3,631 | 4,082 |
| 1,055 | Downstream | 1,181 | 2,540 |
| 1,988 | Corporate and Others | 1,861 | 1,642 |
| 33,408 | Total inter-segment | 32,172 | 33,702 |
| Gross total revenue | | | |
| 38,230 | Upstream | 38,112 | 35,672 |
| 32,066 | Gas | 31,518 | 32,554 |
| 37,447 | Downstream | 35,892 | 39,097 |
| 7,062 | Corporate and Others | 7,553 | 6,815 |
| 114,805 | Gross total revenue from continuing operations | 113,075 | 114,138 |
| 10,317 | Gross total revenue from discontinuing operations | 8,798 | 8,906 |
| 125,122 | Total revenue | 121,873 | 123,044 |

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A17.2 Segment PAT

| Individual quarter ended 31 December 2023 | <i>In RM Mil</i> | 31 March 2024 | Individual quarter ended 31 March 2023 Restated |
|--|---|------------------|---|
| Continuing operations | | | |
| 8,756 | Upstream | 11,319 | 12,378 |
| 8,906 | Gas | 6,284 | 8,759 |
| 21 | Downstream | 838 | 991 |
| (811) | Corporate and Others | 1,949 | 838 |
| 16,872 | Total PAT for reportable segments | 20,390 | 22,966 |
| 144 | Elimination of inter-segment transactions | (130) | 189 |
| 17,016 | Consolidated PAT from continuing operations | 20,260 | 23,155 |
| (422) | Consolidated PAT from discontinuing operations⁶ | 1,080 | 655 |
| 16,594 | Total consolidated PAT | 21,340 | 23,810 |

⁶ Includes inter-company adjustments. Refer to Note A16 for the net effect to Statement of Profit or Loss from discontinuing operations.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A18. REVENUE

The following table includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

| Individual quarter ended 31 December 2023 | <i>In RM Mil</i> | 31 March 2024 | Individual quarter ended 31 March 2023 Restated |
|--|--|------------------|---|
| | Continuing operations | | |
| | Revenue from contract customers | | |
| 10,295 | Upstream | 11,739 | 9,578 |
| 27,616 | Gas | 27,371 | 28,569 |
| 36,065 | Downstream | 34,393 | 36,332 |
| 2,176 | Corporate and Others | 1,883 | 1,677 |
| <u>76,152</u> | Total revenue from contract customers | <u>75,386</u> | <u>76,156</u> |
| | Other revenue | | |
| 835 | Upstream | 874 | 656 |
| 1,185 | Gas ²¹ | 516 | (97) |
| 327 | Downstream ²¹ | 318 | 225 |
| 2,898 | Corporate and Others | 3,809 | 3,496 |
| <u>5,245</u> | Total other revenue | <u>5,517</u> | <u>4,280</u> |
| | Total revenue | | |
| 11,130 | Upstream | 12,613 | 10,234 |
| 28,801 | Gas | 27,887 | 28,472 |
| 36,392 | Downstream | 34,711 | 36,557 |
| 5,074 | Corporate and Others | 5,692 | 5,173 |
| <u>81,397</u> | Total revenue from continuing operations | <u>80,903</u> | <u>80,436</u> |
| <u>10,317</u> | Total revenue from discontinuing operations | <u>8,798</u> | <u>8,906</u> |
| <u>91,714</u> | Total revenue | <u>89,701</u> | <u>89,342</u> |

²¹ Inclusive of net trading gain/(losses).

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FOR FIRST QUARTER ENDED 31 MARCH 2024

PART B – OTHER EXPLANATORY NOTES

B1. COMMENTARY ON PROSPECTS

For the first quarter of 2024, the oil and gas market continued to be affected by the instability of the macroeconomics and geopolitical dynamics amid the energy transition that leads to a prolonged volatile pricing landscape.

PETRONAS strives towards preserving its value and remains committed to ensuring energy security for its customers within and outside Malaysia through strategic cost management, a sustained robust portfolio and prudent liquidity management. The Group will continue to execute all efforts to address the increasing market volatilities, while contending with stakeholders' expectations.

In line with its Energy Transition Strategy, PETRONAS is progressing at pace to strengthen its Core Business²² by continuing towards completion of the Kasawari Gas Field Development in Malaysia and LNG plant in Canada by the end of the year. In addition, PETRONAS is scaling up its New Business²³ with the commissioning of the inaugural interstate transmission system-connected solar project in India.

B2. PROFIT FORECAST OR PROFIT GUARANTEE

The Group does not publish any profit forecast or profit guarantee.

B3. STATUS OF CORPORATE PROPOSALS

There were no material corporate proposals announced but not completed since the last audited consolidated financial statements for the financial year ended 31 December 2023.

B4. TAXATION

| Individual quarter ended 31 December 2023 | <i>In RM Mil</i> | 31 March 2024 | Individual quarter ended 31 March 2023 |
|--|--|------------------|--|
| 1,538 | Tax expense from continuing operations | 7,257 | 6,637 |
| (132) | Tax expense/(credit) from discontinuing operations | 239 | 39 |
| <u>1,406</u> | Total tax expenses | <u>7,496</u> | <u>6,676</u> |
| <i>Components of tax expenses include:</i> | | | |
| Current tax expenses | | | |
| 3,574 | Malaysia | 6,309 | 5,176 |
| 740 | Overseas | 664 | 305 |
| <u>4,314</u> | | <u>6,973</u> | <u>5,481</u> |
| Deferred tax expenses/(income) | | | |
| (2,908) | Origination and reversal of temporary differences | 523 | 1,195 |
| <u>1,406</u> | | <u>7,496</u> | <u>6,676</u> |

The Group's effective tax rate for the current quarter was 26%, which is reflective of the various tax legislations within which the Group operates, including among others Petroleum (Income Tax) Act 1967 ("PITA"), Malaysia Income Tax Act 1967, Global Incentive for Trading ("GIFT") under Labuan Financial Services and Securities Act 2010, Labuan Business Activity Tax 1990 ("LBATA") and international tax legislations.

²² Core Business is divided into four main focus areas - Upstream Malaysia, Upstream International, LNG and Downstream.

²³ New Business encompasses Specialty Chemicals, Carbon Capture & Storage, Bio-Based Value Chain, Renewable Energy, Hydrogen, Green Mobility, Non-Fuel Retail, Advanced Materials and Circular Economy.

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FOR FIRST QUARTER ENDED 31 MARCH 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B5. CASH, FUND AND OTHER INVESTMENTS

| <i>In %</i> | As at 31 March 2024 | As at 31 December 2023 |
|---------------------------------|---------------------------|------------------------------|
| By Currency | | |
| RM | 59.0 | 55.6 |
| USD | 39.7 | 42.8 |
| Others | 1.3 | 1.6 |
| | 100.0 | 100.0 |
| By Maturity²⁴ | | |
| < 1 year | 91.9 | 91.8 |
| 1 to 5 years | 1.8 | 1.9 |
| 5 to 10 years | 6.3 | 6.3 |
| | 100.0 | 100.0 |
| By Type | | |
| Money market | 89.7 | 90.3 |
| Corporate bonds | 4.9 | 4.6 |
| Malaysian Government Securities | 3.6 | 3.4 |
| Equities | 1.8 | 1.7 |
| | 100.0 | 100.0 |

There were no material purchase and sale of quoted securities during the period under review, other than as disclosed in Note A15.

²⁴ Refers to instrument maturity dates; excludes equities.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B6. TRADE AND OTHER RECEIVABLES

The breakdown of trade and other receivables as at 31 March 2024 are as follows:

| <i>In RM Mil</i> | As at 31 March 2024 | As at 31 December 2023 |
|---|------------------------------------|---------------------------------------|
| Trade receivables | | |
| Third party | 33,091 | 30,802 |
| Amount due from associates and joint arrangements | 13,870 | 12,150 |
| Contract assets | 9,665 | 9,166 |
| Derivative financial assets | 877 | 1,294 |
| | <u>57,503</u> | <u>53,412</u> |
| Less: Impairment losses | (1,876) | (2,007) |
| | <u>55,627</u> | <u>51,405</u> |
| Other receivables | 50,659 | 48,243 |
| Less: Impairment losses | (3,246) | (3,114) |
| | <u>47,413</u> | <u>45,129</u> |
| Trade and other receivables | <u>103,040</u> | <u>96,534</u> |

The ageing of trade receivables net of impairment amount as at the reporting date are as follows:

| <i>In RM Mil</i> | As at 31 March 2024 | As at 31 December 2023 |
|----------------------------|------------------------------------|---------------------------------------|
| At net | | |
| Not past due | 50,015 | 46,973 |
| Past due 1 to 30 days | 1,162 | 507 |
| Past due 31 to 60 days | 204 | 263 |
| Past due 61 to 90 days | 323 | 251 |
| Past due more than 90 days | 3,923 | 3,411 |
| | <u>55,627</u> | <u>51,405</u> |

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is equal to the carrying amount.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B7. BORROWINGS

The details of the Group borrowings as at 31 March 2024 are as follows:

| <i>In RM Mil</i> | As at 31 March 2024 | As at 31 December 2023 |
|-------------------------------------|---------------------------|------------------------------|
| Non-Current | | |
| Term loans | 18,164 | 17,935 |
| Lease liabilities | 13,491 | 13,596 |
| Notes and Bonds | 66,650 | 64,539 |
| Islamic financing facilities | 2,533 | 2,684 |
| Total non-current borrowings | 100,838 | 98,754 |
| Current | | |
| Term loans | 5,007 | 4,239 |
| Lease liabilities | 4,581 | 3,445 |
| Islamic financing facilities | 2,026 | 3,025 |
| Revolving credits | 2,017 | 1,882 |
| Bankers' acceptances | 373 | 276 |
| Total current borrowings | 14,004 | 12,867 |
| Total borrowings | 114,842 | 111,621 |

| <i>In RM Mil</i> | As at 31 March 2024 | % | As at 31 December 2023 | % |
|--------------------|---------------------------|--------------|------------------------------|--------------|
| By Currency | | | | |
| USD | 94,499 | 82.3 | 90,468 | 81.0 |
| RM | 11,289 | 9.8 | 12,836 | 11.5 |
| EUR | 2,329 | 2.0 | 2,256 | 2.0 |
| AUD | 956 | 0.8 | 980 | 0.9 |
| CAD | 1,798 | 1.6 | 1,564 | 1.4 |
| INR | 3,686 | 3.2 | 3,289 | 2.9 |
| GBP | 89 | 0.1 | 10 | – |
| Others | 196 | 0.2 | 218 | 0.3 |
| | 114,842 | 100.0 | 111,621 | 100.0 |

| By Repayment Schedule | As at 31 March 2024 | % | As at 31 December 2023 | % |
|------------------------------|---------------------------|--------------|------------------------------|--------------|
| < 1 year | 14,004 | 12.2 | 12,867 | 11.5 |
| 1 to 5 years | 37,072 | 32.3 | 35,986 | 32.2 |
| 5 to 10 years | 24,744 | 21.5 | 24,390 | 21.9 |
| > 10 years | 39,022 | 34.0 | 38,378 | 34.4 |
| | 114,842 | 100.0 | 111,621 | 100.0 |

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B7. BORROWINGS (continued)

Term loans

Included in the Group's term loans is 50% share of a secured project financing of a joint operation entity amounting to USD373 million (2023: USD372 million), which is undertaken with a joint venture entity, under an integrated borrowing structure for contractual obligations for project completion and delivery and for the repayment of bridge loan facilities and other expenditures.

As per the integrated borrowing structure, PETRONAS had provided a project completion guarantee to the lenders, via a Debt Service Undertaking ("DSU") for a Guaranteed Project Completion Date ("Guarantee PCD") on 31 December 2023. The DSU further defines that the lenders have the right to request for full repayment of outstanding amount if the project completion delay beyond the Guaranteed PCD.

In the previous financial year, the Guaranteed PCD was extended from 31 December 2023 to 31 March 2024. During the quarter, the Guaranteed PCD has been extended to 30 June 2024. Subject to lenders agreement, the Guaranteed PCD is expected to be further extended up to 31 December 2025.

B8. MATERIAL LITIGATION

There were no material litigation since the last audited consolidated financial statements for the financial year ended 31 December 2023.

B9. DERIVATIVE FINANCIAL INSTRUMENTS

There were no material changes to the Group's derivative financial instruments since the last audited consolidated financial statements for the financial year ended 31 December 2023, other than as disclosed in Note A15.

B10. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

The Group does not have any financial liabilities that are measured at fair value (other than derivative financial instruments) for the financial period under review.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B11. PROFIT FOR THE PERIOD

| Individual quarter ended 31 December 2023 | <i>In RM Mil</i> | 31 March 2024 | Individual quarter ended 31 March 2023 |
|---|---|------------------|---|
| Included in profit for the period are the following charges: | | | |
| 10,723 | Depreciation and amortisation | 9,329 | 9,102 |
| 874 | Loss on remeasurement/derecognition of financial assets measured at amortised cost | — | — |
| 537 | Loss on remeasurement of net assets classified as held for sale | — | — |
| | Net impairment losses of: | | |
| 2 | - intangible assets | — | 49 |
| 87 | - investment properties | — | — |
| — | - loan and advances to joint ventures | 2 | 30 |
| 195 | - property, plant and equipment | — | 91 |
| 1,372 | - trade and other receivables | 215 | — |
| 1,301 | Net impairment/write-off of well costs | 72 | 71 |
| 200 | Net write-down of inventories to net realisable value/inventories written off | — | — |
| | Net loss on: | | |
| 1,022 | - derivatives | 799 | 422 |
| 873 | - foreign exchange | — | — |
| | Net loss on disposals of: | | |
| 92 | - property, plant and equipment | — | — |
| 76 | - other investments | — | — |
| | Net write-off of: | | |
| 132 | - bad debts | — | — |
| — | - investment in a joint venture | 24 | — |
| 58 | - property, plant and equipment | 3 | — |

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B11. PROFIT FOR THE PERIOD (continued)

| Individual quarter ended 31 December 2023 | <i>In RM Mil</i> | 31 March 2024 | Individual quarter ended 31 March 2023 |
|--|---|------------------|---|
| | and credits: | | |
| | – Bad debts recovered | 23 | 2 |
| | 9 Dividend income | 27 | 42 |
| 3,101 | Interest income | 3,178 | 2,586 |
| 67 | Net change in contract liabilities | 33 | 91 |
| | – Net gain on foreign exchange | 607 | 14 |
| | Net gain on disposals/partial disposals of: | | |
| 6 | – intangible assets | – | – |
| | – property, plant and equipment | 97 | 934 |
| | Net impairment reversals of: | | |
| | – intangible assets | 3 | – |
| 82 | – loan and advances to joint ventures | – | – |
| | – trade and other receivables | – | 103 |
| | – Net write-back of inventories to net realisable value | 34 | 47 |

Foreign exchange exposure/hedging policy

The Group is exposed to varying levels of foreign exchange risks when it enters into transactions that are not denominated in the respective companies' functional currencies and when foreign currency monetary assets and liabilities are translated at the reporting date. The main underlying economic currencies of the Group's cash flows are Ringgit Malaysia and US Dollars.

The Group's foreign exchange management policy is to minimise economic and significant transactional exposures arising from currency movements. The Group coordinates the handling of foreign exchange risks centrally, typically by matching receipts and payments for the same currency. For major capital projects, the Group performs assessment of potential foreign exchange risk exposures at the investment decision phase to determine the appropriate foreign exchange risks management strategy. Residual net positions are actively managed and monitored against prescribed policies and control procedures. When deemed necessary and appropriate, the Group will enter into derivative financial instruments to hedge and minimise its exposures to the foreign currency movements.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B12. EXCHANGE RATES

| Individual quarter ended 31 December 2023 | | 31 March 2024 | Individual quarter ended 31 March 2023 |
|--|---------------|------------------|---|
| | US Dollar/MYR | | |
| 4.6976 | Average rate | 4.7233 | 4.3906 |
| 4.5995 | Closing rate | 4.7375 | 4.4150 |

By order of the Board

Azizi Md Ali (LS0008803)
 Company Secretary
 Kuala Lumpur
 30 May 2024