

PETRONAS Group Financial Report

FOR FIRST HALF YEAR ENDED 30 JUNE 2025

FINANCIAL REPORT

FOR FIRST HALF YEAR ENDED 30 JUNE 2025

The Board of Directors of Petroliaam Nasional Berhad ("PETRONAS" or the "Company") is pleased to announce the results of PETRONAS Group and its reportable segments for the first half year ended 30 June 2025 which should be read in conjunction with the unaudited condensed consolidated financial statements and the accompanying explanatory notes on page 6 to 25.

GROUP PERFORMANCE REVIEW¹

<i>In RM Mil</i>	30 June 2025	30 June 2024
Revenue		
From continuing operations	132,563	158,741
From discontinued operations	—	14,826
Total revenue	132,563	173,567
EBITDA ²	54,446	64,061
Profit/(Loss) after tax		
From continuing operations	26,192	33,075
From discontinued operations ³	—	(693)
Total profit after tax	26,192	32,382
Cash flows from operating activities	48,092	54,796
Capital investments ⁴	17,737	25,717
	As at 30 June 2025	As at 31 December 2024
Total assets	780,697	766,673
Shareholders' equity	437,123	451,215
Gearing ratio ⁵	21.3%	19.6%
ROACE ⁶	8.7%	9.7%

PETRONAS Group's revenue from continuing operations of RM132.6 billion for the first half of 2025 was lower by RM26.2 billion or 16% as compared to the same period in 2024 mainly due to impact from foreign exchange and lower average realised prices largely from petroleum products and crude oil & condensates in tandem with the declining benchmark prices.

The Group recorded EBITDA of RM54.4 billion, lower by RM9.6 billion or 15% in line with lower revenue. Profit after tax (PAT) from continuing operations of RM26.2 billion was lower by RM6.9 billion in tandem with lower EBITDA partially offset with lower tax expense.

Cash flows from operating activities was RM48.1 billion mainly comprised EBITDA and partially negated by tax paid.

¹ Comprises continuing and discontinued operations.

² 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.

³ Includes inter-company adjustments. Refer to Note A12 for the net effect to Statement of Profit or Loss from discontinued operations.

⁴ 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.

⁵ 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.

⁶ 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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GROUP PERFORMANCE REVIEW¹ (continued)

Capital investments amounted to RM17.7 billion mainly from Upstream's development and production activities.

Total assets of the Group increased to RM780.7 billion as at 30 June 2025 against RM766.7 billion as at 31 December 2024 by RM14.0 billion was mainly due to net proceeds from issuance of notes in the USD bond market as described in Note A6. Shareholders' equity of RM437.1 billion decreased by RM14.1 billion was primarily due to dividends declared to shareholders amounting to RM32.0 billion and impact from foreign exchange partially offset with profit recorded during the period.

Gearing ratio increased to 21.3% as at 30 June 2025 from 19.6% as at 31 December 2024 primarily contributed by lower equity and issuance of notes as mentioned above. ROACE of the Group decreased to 8.7% as at 30 June 2025 from 9.7% as at 31 December 2024 in line with lower profitability during the period.

UPSTREAM PERFORMANCE REVIEW

Financial Indicators

<i>In RM Mil</i>	30 June 2025	30 June 2024
Continuing operations		
Revenue		
Third party	16,519	24,768
Inter-segment	41,091	50,630
	57,610	75,398
PAT	16,549	21,416
Capital investments	8,565	14,776

Operational Indicators

	30 June 2025	30 June 2024
Production ⁷ ('000 boe ⁸ per day)		
Crude oil and condensates	792	830
Natural gas	1,611	1,652
	2,403	2,482
Entitlement ⁹ ('000 boe per day)		
Crude oil and condensates	462	529
Natural gas	1,192	1,174
	1,654	1,703

Revenue from continuing operations of RM57.6 billion for the first half of 2025 was lower by RM17.8 billion or 24% as compared to the same period in 2024 mainly due to lower crude oil & condensates sales volume, coupled with lower average realised prices and impact from foreign exchange.

PAT of RM16.5 billion was lower by RM4.9 billion in line with lower revenue, partially offset by lower product costs, taxation and cash payments.

Capital investments amounted to RM8.6 billion mainly from development and production activities.

Total daily production average for the period ended 30 June 2025 was at 2,403 thousand boe per day, lower by 79 thousand boe per day as compared to the same period last year mainly due to lower crude oil & condensates and natural gas production.

¹ Comprises continuing and discontinued operations.

⁷ Represents Malaysia's production (PETRONAS Group and other operators) and PETRONAS Group's international equity production volume.

⁸ boe: barrels oil equivalent. Volume of gas has been converted using gas heating values, reflecting PETRONAS gas portfolio.

⁹ Represents PETRONAS Group's sales entitlement to Malaysia's production and PETRONAS Group's international sales entitlement volume.

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FOR FIRST HALF YEAR ENDED 30 JUNE 2025

GAS & MARITIME PERFORMANCE REVIEW

Financial Indicators

<i>In RM Mil</i>	30 June 2025	30 June 2024
Continuing operations		
Revenue		
Third party	53,039	58,566
Inter-segment	6,952	8,068
	<u>59,991</u>	<u>66,634</u>
PAT	10,409	9,826
Capital investments	5,357	5,377

Operational Indicators

	30 June 2025	30 June 2024
Malaysia average sales gas volume (mmscfd ¹⁰)	2,769	3,023
Gross LNG sales volume ¹¹ (million tonnes)	17.34	17.82

Revenue from continuing operations of RM60.0 billion for the first half of 2025 was lower by RM6.6 billion or 10% as compared to the same period in 2024 mainly due to impact from foreign exchange coupled with lower processed gas sales volume.

PAT of RM10.4 billion was higher by RM0.6 billion against RM9.8 billion in the same period of 2024 primarily driven by higher net tax expense in previous year. Excluding tax impact, profit before tax is lower by RM0.4 billion mainly due to lower net product margin from liquefied natural gas ("LNG").

Capital investments for the first half of 2025 was RM5.4 billion comparable to the same period in 2024.

Malaysia average sales gas volume decreased by 254 mmscfd mainly due to lower offtake from both power and non-power customers. Gross LNG sales volume decreased by 0.48 million tonnes mainly due to lower production at PETRONAS LNG Complex ("PLC") following planned turnaround and maintenance activities.

¹⁰ mmscfd: million standard cubic feet per day.

¹¹ Gross volume refers to all LNG sales inclusive of volume subsequently sold as sales gas.

FINANCIAL REPORT

FOR FIRST HALF YEAR ENDED 30 JUNE 2025

DOWNSTREAM PERFORMANCE REVIEW¹

Financial Indicators

<i>In RM Mil</i>	30 June 2025	30 June 2024
Revenue from third party		
From continuing operations	57,770	69,612
From discontinued operations	—	14,826
	<u>57,770</u>	<u>84,438</u>
Revenue from inter-segment		
From continuing operations	375	1,832
Total revenue	<u>58,145</u>	<u>86,270</u>
(LAT)/PAT		
From continuing operations	(865)	186
From discontinued operations ¹²	—	646
Total (LAT)/PAT	<u>(865)</u>	<u>832</u>
Capital investments	1,562	1,721

Operational Indicators¹³

	30 June 2025	30 June 2024
Petroleum products sales volume (in million barrels)	99.0	136.3
Chemical products sales volume (in million metric tonnes)	5.1	4.7

Revenue from first half of 2025 was RM58.1 billion, lower by RM28.1 billion or 33% as compared to the same period in 2024 primarily due to discontinued operations impact along with lower average realised prices from major products and impact from foreign exchange.

Loss after tax (LAT) was RM0.9 billion against PAT of RM0.8 billion in the same period of 2024, lower by RM1.7 billion mainly due to lower petroleum and chemical products margins partially offset by prior period impact of de-consolidation of subsidiaries.

Capital investments for the first half 2025 was RM1.6 billion comparable to the same period in 2024.

Petroleum products sales volume was 99.0 million barrels, lower by 37.3 million barrels mainly due to prior period discontinued operations impact. Chemical products sales volume was marginally higher by 0.4 million metric tonnes compared to prior period.

¹ Comprises continuing and discontinued operations.

¹² Excludes inter-company transactions as per Note A12.

¹³ Refers to volume sold by the Group excluding of volume traded and recognised net of cost.

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CORPORATE AND OTHERS PERFORMANCE REVIEW

Financial Indicators

<i>In RM Mil</i>	30 June 2025	30 June 2024
Continuing operations		
Revenue		
Third party	5,235	5,795
Inter-segment	1,302	1,649
	<u>6,537</u>	<u>7,444</u>
(LAT)/PAT	(622)	112
Capital investments	2,253	3,843

Revenue from continuing operations of RM6.5 billion for the first half 2025 was lower by RM0.9 billion or 12% as compared to the same period in 2024 primarily due to lower fund investment income.

LAT was RM0.6 billion as compared to PAT RM0.1 billion in the same period last year in line with lower revenue coupled with impact on foreign exchange.

Capital investments for the first half of 2025 was RM2.3 billion.

FINANCIAL REPORT

FOR FIRST HALF YEAR ENDED 30 JUNE 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS¹

<i>In RM Mil</i>	30 June 2025	30 June 2024
Continuing operations		
Revenue	132,563	158,741
Cost of revenue	(78,768)	(94,342)
Gross profit	53,795	64,399
Selling and distribution expenses	(4,211)	(5,159)
Administration expenses	(8,234)	(8,829)
Net impairment losses/write-off ¹⁴	(468)	(713)
Other expenses	(2,798)	(597)
Other income	2,814	2,374
Operating profit	40,898	51,475
Financing costs	(3,233)	(2,801)
Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures	170	147
Profit before taxation from continuing operations	37,835	48,821
Tax expense	(11,643)	(15,746)
Profit for the period from continuing operations	26,192	33,075
Discontinued operations¹⁵		
Loss for the period from discontinued operations, net of tax	—	(693)
PROFIT FOR THE PERIOD	26,192	32,382
Profit/(Loss) attributable to:		
Shareholders of the Company		
From continuing operations	23,640	29,656
From discontinued operations	—	(892)
	23,640	28,764
Non-controlling interests		
From continuing operations	2,552	3,419
From discontinued operations	—	199
	2,552	3,618
PROFIT FOR THE PERIOD	26,192	32,382

¹ Comprises continuing and discontinued operations.

¹⁴ Excludes well costs and includes loss on remeasurement/derecognition of financial assets measured at amortised cost.

¹⁵ See Note A12.

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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME¹

<i>In RM Mil</i>	30 June 2025	30 June 2024
Profit for the period	26,192	32,382
Other comprehensive (loss)/income		
Continuing operations		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net changes in fair value of equity investments at fair value through other comprehensive income ("OCI")	(40)	(46)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net movements from exchange differences	(9,244)	2,903
Cash flow hedge	582	(1,124)
Others	(194)	(148)
Total other comprehensive (loss)/income for the period from continuing operations	(8,896)	1,585
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	17,296	33,967
Total comprehensive income/(loss) attributable to:		
Shareholders of the Company		
From continuing operations	15,682	30,999
From discontinued operations	—	(892)
	15,682	30,107
Non-controlling interests		
From continuing operations	1,614	3,661
From discontinued operations	—	199
	1,614	3,860
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	17,296	33,967

¹ Comprises continuing and discontinued operations.

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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM Mil</i>	As at 30 June 2025	As at 31 December 2024
ASSETS		
Property, plant and equipment	313,385	327,356
Investment properties and land held for development	16,612	16,716
Investments in associates and joint ventures	11,586	12,219
Intangible assets	31,772	31,175
Long-term receivables	45,159	46,690
Fund and other investments	18,374	16,633
Deferred tax assets	23,806	25,459
TOTAL NON-CURRENT ASSETS	460,694	476,248
Trade and other inventories	13,783	14,096
Trade and other receivables	70,674	71,748
Fund and other investments	17,287	15,698
Cash and cash equivalents	216,540	188,476
	318,284	290,018
Assets classified as held for sale	1,719	407
TOTAL CURRENT ASSETS	320,003	290,425
TOTAL ASSETS	780,697	766,673
EQUITY		
Share capital	100	100
Reserves	437,023	451,115
Total equity attributable to shareholders of the Company	437,123	451,215
Non-controlling interests	54,494	55,395
TOTAL EQUITY	491,617	506,610
LIABILITIES		
Borrowings	110,698	90,837
Deferred tax liabilities	12,854	13,029
Other long-term liabilities and provisions	65,125	64,766
TOTAL NON-CURRENT LIABILITIES	188,677	168,632
Trade and other payables	61,901	67,156
Borrowings	12,536	20,060
Taxation	3,961	4,064
Dividend payable	22,000	—
	100,398	91,280
Liabilities classified as held for sale	5	151
TOTAL CURRENT LIABILITIES	100,403	91,431
TOTAL LIABILITIES	289,080	260,063
TOTAL EQUITY AND LIABILITIES	780,697	766,673

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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Company				
	Non-distributable				
	Share Capital	Capital and Other Reserves	Foreign Currency Translation Reserve	Fair Value through OCI Reserve	Hedging Reserve
<i>In RM Mil</i>					
Period ended 30 June 2025					
Balance at 1 January 2025	100	16,444	41,095	(20)	(965)
Net changes in fair value of equity investments at fair value through OCI	—	—	—	(40)	—
Net movements from exchange differences	—	—	(8,479)	—	—
Cash flow hedge ¹⁶	—	—	—	—	726
Others	—	(165)	—	—	—
Total other comprehensive (loss)/income for the period, net of tax	—	(165)	(8,479)	(40)	726
Profit for the period	—	—	—	—	—
Total comprehensive (loss)/income for the period	—	(165)	(8,479)	(40)	726
Changes in ownership interests in subsidiaries	—	—	(3)	—	—
Disposal of subsidiaries	—	(329)	(292)	—	—
Additional issuance of shares to non-controlling interests	—	—	—	—	—
Dividends to shareholders of the Company	—	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—
Total transactions with shareholders	—	(329)	(295)	—	—
Balance at 30 June 2025	100	15,950	32,321	(60)	(239)
<i>continue to next page</i>					
Period ended 30 June 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	—	—	—	(46)	—
Net movements from exchange differences	—	—	2,652	—	—
Cash flow hedge ¹⁶	—	—	—	—	(1,168)
Others	—	(95)	—	—	—
Total other comprehensive (loss)/income for the period, net of tax	—	(95)	2,652	(46)	(1,168)
Profit for the period	—	—	—	—	—
Total comprehensive (loss)/income for the period	—	(95)	2,652	(46)	(1,168)
Changes in ownership interests in subsidiaries	—	—	—	—	—
Disposal of a subsidiary	—	—	2,278	—	—
Dividends to shareholders of the Company	—	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—
Total transactions with shareholders	—	—	2,278	—	—
Balance at 30 June 2024	100	16,065	52,891	(29)	(1,061)
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¹⁶ Includes reduction of RM20 million (30 June 2024: addition of RM332 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.

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FOR FIRST HALF YEAR ENDED 30 JUNE 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to shareholders of the Company				
	Distributable				
In RM Mil	General Reserve	Retained Profits	Total	Non- Controlling Interests	Total Equity
Period ended 30 June 2025					
Balance at 1 January 2025	12,000	382,561	451,215	55,395	506,610
Net changes in fair value of equity investments at fair value through OCI	—	—	(40)	—	(40)
Net movements from exchange differences	—	—	(8,479)	(765)	(9,244)
Cash flow hedge ¹⁶	—	—	726	(144)	582
Others	—	—	(165)	(29)	(194)
Total other comprehensive (loss)/income for the period, net of tax	—	—	(7,958)	(938)	(8,896)
Profit for the period	—	23,640	23,640	2,552	26,192
Total comprehensive (loss)/income for the period	—	23,640	15,682	1,614	17,296
Changes in ownership interests in subsidiaries	—	2,850	2,847	71	2,918
Disposal of subsidiaries	—	—	(621)	—	(621)
Additional issuance of shares to non-controlling interests	—	—	—	42	42
Dividends to shareholders of the Company	—	(32,000)	(32,000)	—	(32,000)
Dividends to non-controlling interests	—	—	—	(2,628)	(2,628)
Total transactions with shareholders	—	(29,150)	(29,774)	(2,515)	(32,289)
Balance at 30 June 2025	12,000	377,051	437,123	54,494	491,617
continued from previous page					
Period ended 30 June 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	—	—	(46)	—	(46)
Net movements from exchange differences	—	—	2,652	251	2,903
Cash flow hedge ¹⁶	—	—	(1,168)	44	(1,124)
Others	—	—	(95)	(53)	(148)
Total other comprehensive (loss)/income for the period, net of tax	—	—	1,343	242	1,585
Profit for the period	—	28,764	28,764	3,618	32,382
Total comprehensive (loss)/income for the period	—	28,764	30,107	3,860	33,967
Changes in ownership interests in subsidiaries	—	—	—	(387)	(387)
Disposal of a subsidiary	—	—	2,278	(1,573)	705
Dividends to shareholders of the Company	—	(32,000)	(32,000)	—	(32,000)
Dividends to non-controlling interests	—	—	—	(3,164)	(3,164)
Total transactions with shareholders	—	(32,000)	(29,722)	(5,124)	(34,846)
Balance at 30 June 2024	12,000	363,888	443,854	58,132	501,986
continued from previous page					

¹⁶ Includes reduction of RM20 million (30 June 2024: addition of RM332 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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS¹

<i>In RM Mil</i>	30 June 2025	30 June 2024 ¹⁷
Cash flows from operating activities		
Profit before taxation from continuing operations:	37,835	48,821
Adjustments for:		
Change in contract liabilities and provisions	(39)	(240)
Depreciation and amortisation	18,762	18,723
Financing costs	3,233	2,801
Gain on realisation of foreign currency translation reserve from disposals	(292)	—
Interest income	(5,583)	(6,380)
(Gain)/Loss on remeasurement of financial assets measured at amortised cost	(45)	736
Net impairment losses/(reversals) of assets	239	(250)
Net impairment/write-off of well costs	81	1,368
Net inventories written down/(write back) to net realisable value/written off	57	(94)
Net loss on disposals of investments in subsidiaries, property, plant and equipment	462	118
Net unrealised loss/(gain) on derivatives	279	(154)
Net unrealised (gain)/loss on foreign exchange	(426)	591
Net write-off of assets	160	204
Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures	(170)	(147)
Operating profit before changes in working capital	54,553	66,097
Net changes in working capital	554	(7,511)
Cash generated from operations	55,107	58,586
Interest income received	5,583	6,380
Interest expenses paid	(2,370)	(2,181)
Taxation paid, net of refund	(10,228)	(9,582)
Net cash generated from operating activities from continuing operations	48,092	53,203
Net cash generated from operating activities from discontinued operations	—	1,593
Net cash generated from operating activities	48,092	54,796

continue to next page

¹ Comprises continuing and discontinued operations.

¹⁷ Certain information has been restated to conform with current period presentation.

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

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FOR FIRST HALF YEAR ENDED 30 JUNE 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS¹ (continued)

<i>In RM Mil</i>	30 June 2025	30 June 2024¹⁷
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(823)	(323)
Dividends received	264	213
Investments in:		
- associates and joint ventures	(123)	(1,805)
- securities and other investments	(6,601)	(6,206)
Long-term receivables received from/(paid to) joint arrangements	1,151	(1,611)
Proceeds from disposal/partial disposal of:		
- investments in subsidiaries and a business, net of cash disposed	3,532	3,372
- property, plant and equipment and intangible assets	1,003	468
- securities and other investments	2,158	2,169
Proceeds on redemption of preference shares in a joint venture	—	2
Purchase of property, plant and equipment, investment properties, intangible assets and land held for development	(16,791)	(23,485)
Net cash used in investing activities from continuing operations	(16,230)	(27,206)
Net cash used in investing activities from discontinued operations	—	(78)
Net cash used in investing activities	(16,230)	(27,284)
Cash flows from financing activities		
Dividends paid	(10,000)	(12,000)
Dividends paid to non-controlling interests	(2,628)	(2,966)
Drawdown of borrowings	34,849	7,502
Payment of lease liabilities	(3,395)	(4,051)
Payment to non-controlling interests on additional equity interests	(165)	(1,956)
Proceeds from partial disposal of equity interest to non-controlling interests	2,856	—
Repayment of borrowings	(19,339)	(8,216)
Net cash generated from/(used in) financing activities from continuing operations	2,178	(21,687)
Net cash used in financing activities from discontinued operations	—	(244)
Net cash generated from/(used in) financing activities	2,178	(21,931)
Net increase in cash and cash equivalents	34,040	5,581
Increase in cash and cash equivalents restricted	35	288
Net foreign exchange differences	(6,011)	2,712
Cash and cash equivalents at beginning of the period	186,197	207,009
Cash and cash equivalents at end of the period	214,261	215,590
Cash and cash equivalents		
Cash and cash equivalents	216,540	217,438
Bank overdrafts	—	(1)
	216,540	217,437
Less: Cash and cash equivalents restricted	(2,279)	(1,847)
	214,261	215,590

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¹ Comprises continuing and discontinued operations.

¹⁷ Certain information has been restated to conform with current period presentation.

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

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FOR FIRST HALF YEAR ENDED 30 JUNE 2025

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*.

These financial statements should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 31 December 2024.

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 2024.

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 30 June 2025.

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 2024 except as disclosed below.

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

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates (*Lack of Exchangeability*)

The initial application of the above pronouncement does 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 2024 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. DIVIDENDS PAID

During the financial period, the Company paid a dividend of RM10 billion, being partial payment of the approved dividend of RM320,000 per ordinary share amounting to RM32 billion declared on 24 February 2025.

FINANCIAL REPORT

FOR FIRST HALF YEAR ENDED 30 JUNE 2025

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

A6. SIGNIFICANT EVENTS

- i. On 24 September 2024, PETRONAS and Diamond Gas Holdings Sdn. Bhd. ("DG") signed a Sale and Purchase Agreement ("SPA") for the share buyback of DG's 10% shareholdings in MLNG Dua Sdn. Bhd. ("MLNG Dua"). On the same date, PETRONAS and DG had entered into SPA for DG's reinvestment of 10% shareholdings in MLNG Dua. The share buyback and reinvestment of 10% shareholdings in MLNG Dua were completed on 21 May 2025 and 18 June 2025 respectively. PETRONAS retains control over MLNG Dua following the completion of both transactions.
- ii. On 15 April 2025, PETRONAS via its wholly-owned subsidiaries, PETRONAS Carigali Canada B.V. ("PCCBV") and PETRONAS Carigali International E&P B.V. ("PCIEPBV") signed a SPA and completed the sale of their 70% and 30% equity interests in PETRONAS E&P Argentina S.A. ("PEPASA") respectively to Vista Energy Argentina S.A.U ("Vista Argentina"), a subsidiary of Vista Energy, S.A.B. de C.V. ("Vista"). The sales consideration comprises cash, deferred cash payments and American Depositary Shares of Vista.
- iii. On 26 March 2025, PETRONAS via its wholly-owned subsidiary, PETRONAS Capital Limited ("PCL"), successfully priced and fully issued a USD5.0 billion senior multi-tranche offering, comprising USD1.6 billion 5.75-year, USD1.8 billion 10-year and USD1.6 billion 30-year senior notes. The proceeds will be used for general corporate purposes.

FINANCIAL REPORT

FOR FIRST HALF YEAR ENDED 30 JUNE 2025

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

A7. 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 30 June 2025	As at 31 December 2024
Capital expenditure		
<i>Approved and contracted for</i>	67,005	77,098
<i>Approved but not contracted for</i>	113,743	101,241
	180,748	178,339
Share of capital expenditure of associates and joint ventures		
<i>Approved and contracted for</i>	10,701	5,196
<i>Approved but not contracted for</i>	5,872	8,105
	16,573	13,301
	197,321	191,640

A8. INSURANCE CONTRACTS

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 30 June 2025, there were no exposures on the default of the guaranteed entities' obligations under the contracts.

A9. CHANGES IN COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the financial period under review other than as disclosed in Note A12.

A10. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

<i>In RM Mil</i>	30 June 2025	30 June 2024
Federal and State Governments of Malaysia:		
Cash payments	(5,132)	(6,551)
Lease income	574	645
Sale of petroleum products	157	208
Sale of utilities	96	92
Project management income and building maintenance	169	169
Government of Malaysia's related entities:		
Sales of petroleum products, petrochemical products and processed gas	5,645	5,802
Purchase of utilities	(51)	(87)

FINANCIAL REPORT

FOR FIRST HALF YEAR ENDED 30 JUNE 2025

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

A10. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

<i>In RM Mil</i>	30 June 2025	30 June 2024
Associate companies:		
Sales of petrochemical products and processed gas	4,314	4,456
Joint arrangements:		
Sale of industrial utilities	1,338	1,242
Sales of petrochemical products and processed gas	1,307	1,128
Site service charges	353	198
Purchases of petroleum products and petrochemical products	(5,804)	(6,449)

A11. 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.

30 June 2025

<i>In RM Mil</i>	Level 1	Level 2	Level 3	Total
Financial assets				
Quoted shares	5,753	—	—	5,753
Quoted securities	—	590	—	590
Unquoted shares	—	—	1,783	1,783
Malaysian Government Securities	—	2,237	—	2,237
Corporate Bonds and Sukuk	—	9,297	—	9,297
Forward foreign exchange and other contracts	—	101	—	101
Commodity derivatives	63	1,469	—	1,532
Interest rate swaps	—	308	—	308
	5,816	14,002	1,783	21,601
Financial liabilities				
Forward foreign exchange contracts	—	(103)	—	(103)
Commodity derivatives	(313)	(591)	—	(904)
Interest rate swaps	—	(7)	—	(7)
	(313)	(701)	—	(1,014)

FINANCIAL REPORT

FOR FIRST HALF YEAR ENDED 30 JUNE 2025

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

A11. FAIR VALUE INFORMATION (continued)

31 December 2024

In RM Mil

	Level 1	Level 2	Level 3	Total
Financial assets				
Quoted shares	3,981	—	—	3,981
Quoted securities	—	601	—	601
Unquoted shares	—	—	1,808	1,808
Malaysian Government Securities	—	2,033	—	2,033
Corporate Bonds and Sukuk	—	8,612	—	8,612
Forward foreign exchange and other contracts	—	572	—	572
Commodity derivatives	48	962	—	1,010
Interest rate swaps	—	594	—	594
	<u>4,029</u>	<u>13,374</u>	<u>1,808</u>	<u>19,211</u>
Financial liabilities				
Forward foreign exchange contracts	—	(152)	—	(152)
Commodity derivatives	(186)	(935)	—	(1,121)
	<u>(186)</u>	<u>(1,087)</u>	<u>—</u>	<u>(1,273)</u>

Derivative financial instruments

As disclosed in the Group's audited consolidated financial statements for the financial year ended 31 December 2024, 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 30 June 2025 are consistent with those used as at 31 December 2024.

FINANCIAL REPORT

FOR FIRST HALF YEAR ENDED 30 JUNE 2025

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

A12. DISCONTINUED 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 ("disposal date").

The results of Engen Group for the prior period up to disposal date are presented below:

<i>In RM Mil</i>	Up to the disposal date
After inter-company adjustments	
Revenue	14,826
Cost of revenue	(12,445)
Gross profit	2,381
Selling and distribution expenses	(308)
Administration expenses	(339)
Net impairment losses ¹⁸	(6)
Other expenses	(2,297)
Other income	345
Operating loss	(224)
Financing costs	(143)
Loss before tax from discontinued operations	(367)
Tax expense	(326)
Loss for the period from discontinued operations after inter-company adjustments	(693)
Inter-company adjustments ¹⁹	1,339
Profit for the period from discontinued operations before inter-company adjustments representing the net effect to Statement of Profit or Loss	646
Other comprehensive income/(loss)	
Loss from discontinued operations after inter-company adjustments	(693)
Inter-company adjustments ¹⁹	1,276
Total comprehensive income from discontinued operations before inter-company adjustments representing the net effect to Statement of Other Comprehensive Income	583
<i>In RM Mil</i>	Up to the disposal date
Net cash generated from operating activities	1,593
Net cash used in investing activities	(78)
Net cash used in financing activities	(244)
Net increase in cash and cash equivalents	1,271

The net effect of the disposal of Engen Group on the consolidated financial statements of the Group comprises de-consolidation losses amounting to RM2.4 billion primarily arising from the realisation of foreign currency translation reserves at the disposal date.

¹⁸ Includes certain amount relating to write-off of assets.

¹⁹ Mainly relates to elimination of sales and purchase transactions between related companies in continuing and discontinued operations. The amount will remain in continuing operations profit after the disposal.

FINANCIAL REPORT

FOR FIRST HALF YEAR ENDED 30 JUNE 2025

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

A13. OPERATING SEGMENTS

The Group's reportable segments comprise Upstream, Gas & Maritime 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 2024.

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 half yearly 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.

A13.1 Segment revenue

<i>In RM Mil</i>	30 June 2025	30 June 2024
Continuing operations		
Third-parties		
Upstream	16,519	24,768
Gas & Maritime	53,039	58,566
Downstream	57,770	69,612
Corporate and Others	5,235	5,795
Total third-parties	132,563	158,741
Inter-segment		
Upstream	41,091	50,630
Gas & Maritime	6,952	8,068
Downstream	375	1,832
Corporate and Others	1,302	1,649
Total inter-segment	49,720	62,179
Gross total revenue		
Upstream	57,610	75,398
Gas & Maritime	59,991	66,634
Downstream	58,145	71,444
Corporate and Others	6,537	7,444
Gross total revenue from continuing operations	182,283	220,920
Gross total revenue from discontinued operations	—	14,826
Total revenue	182,283	235,746

FINANCIAL REPORT

FOR FIRST HALF YEAR ENDED 30 JUNE 2025

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

A13. OPERATING SEGMENTS (continued)

A13.2 Segment PAT

<i>In RM Mil</i>	30 June 2025	30 June 2024
Continuing operations		
Upstream	16,549	21,416
Gas & Maritime	10,409	9,826
Downstream	(865)	1,525
Corporate and Others	(622)	112
Total PAT for reportable segments	25,471	32,879
Elimination of inter-segment transactions	721	196
Consolidated PAT from continuing operations	26,192	33,075
Consolidated LAT from discontinued operations¹⁵	—	(693)
Total consolidated PAT	26,192	32,382

A14. REVENUE

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

<i>In RM Mil</i>	30 June 2025	30 June 2024
Continuing operations		
Revenue from contract customers		
Upstream	15,416	22,903
Gas & Maritime	49,636	54,963
Downstream	56,966	68,771
Corporate and Others	1,407	1,216
Total revenue from contract customers	123,425	147,853
Other revenue		
Upstream	1,103	1,865
Gas & Maritime	3,403	3,603
Downstream ²⁰	804	841
Corporate and Others	3,828	4,579
Total other revenue	9,138	10,888
Total revenue		
Upstream	16,519	24,768
Gas & Maritime	53,039	58,566
Downstream	57,770	69,612
Corporate and Others	5,235	5,795
Total revenue from continuing operations	132,563	158,741
Total revenue from discontinued operations	—	14,826
Total revenue	132,563	173,567

¹⁵ See Note A12.

²⁰ Inclusive of net trading gain/losses.

FINANCIAL REPORT

FOR FIRST HALF YEAR ENDED 30 JUNE 2025

PART B – OTHER EXPLANATORY NOTES

B1. COMMENTARY ON PROSPECTS

PETRONAS expects oil prices to remain subdued due to persistent geopolitical tensions, macroeconomic uncertainties, evolving regulatory landscapes and accelerated unwinding of OPEC+'s production cuts which will continue to reshape global energy dynamics and trade flows.

In navigating the complex global market and operational challenges, the Group is undergoing a strategic transformation with sharpened focus on portfolio high-grading and strategic partnerships, as well as enhanced productivity and cost efficiency. These efforts are advancing PETRONAS' position as an integrated energy company committed to delivering safe, reliable, and sustainable solutions while preserving financial strength and long-term resilience.

For energy security, PETRONAS is progressing towards delivering advantaged hydrocarbons with lower cost and emissions. This is underpinned by various upstream discoveries and developments particularly in Malaysia, Suriname, Indonesia and Angola. The successful shipment of its first LNG cargo from the newly commissioned LNG Canada facility reinforces PETRONAS' position as a trusted global LNG supplier and marks a strategic expansion of its supply footprint. In parallel, the Group continues to strengthen its integrated low-carbon value chain through targeted investments in solar energy and energy solutions hubs.

B2. TAXATION

<i>In RM Mil</i>	30 June 2025	30 June 2024
Tax expense from continuing operations	11,643	15,746
Tax expense from discontinued operations ¹⁵	—	326
Total tax expenses	11,643	16,072
<i>Components of tax expenses include:</i>		
Current tax expenses		
Continuing operations		
Malaysia	9,704	13,261
Overseas	1,170	1,185
	10,874	14,446
Discontinued operations		
	—	235
	10,874	14,681
Deferred tax expenses		
Continuing operations		
Origination and reversal of temporary differences	769	1,300
	769	1,300
Discontinued operations		
	—	91
	769	1,391
	11,643	16,072

The Group's effective tax rate for the current period to date was 31% 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.

¹⁵ See Note A12.

FINANCIAL REPORT

FOR FIRST HALF YEAR ENDED 30 JUNE 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B3. TRADE AND OTHER RECEIVABLES

The breakdown of trade and other receivables as at 30 June 2025 are as follows:

<i>In RM Mil</i>	As at 30 June 2025	As at 31 December 2024
Trade receivables		
Third party	26,145	31,496
Amount due from associates and joint arrangements	21,369	16,306
Contract assets	502	204
Derivative financial assets	1,556	1,033
	49,572	49,039
Less: Impairment losses	(1,594)	(1,665)
	47,978	47,374
Other receivables	60,167	63,299
Less: Impairment losses	(1,700)	(1,901)
	58,467	61,398
Trade and other receivables	106,445	108,772

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

B4. BORROWINGS

The details of the Group borrowings as at 30 June 2025 are as follows:

<i>In RM Mil</i>	As at 30 June 2025	As at 31 December 2024
Non-Current		
Term loans	19,648	18,665
Lease liabilities	16,568	15,267
Notes and Bonds	72,415	54,143
Islamic financing facilities	2,067	2,479
Revolving credits	—	283
Total non-current borrowings	110,698	90,837
Current		
Term loans	4,772	4,797
Lease liabilities	3,301	3,973
Notes and Bonds	154	8,623
Islamic financing facilities	1,441	1,318
Revolving credits	2,577	984
Bankers' acceptances	291	355
Bank overdrafts	—	10
Total current borrowings	12,536	20,060
Total borrowings	123,234	110,897

FINANCIAL REPORT

FOR FIRST HALF YEAR ENDED 30 JUNE 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B4. BORROWINGS (continued)

<i>In RM Mil</i>	As at 1 January 2025	Net changes from financing cash flows	Non-cash changes ²¹	As at 30 June 2025
Term loans	23,462	573	385	24,420
Lease liabilities	19,240	1,221	(592)	19,869
Notes and Bonds	62,766	13,495	(3,692)	72,569
Islamic financing facilities	3,797	(285)	(4)	3,508
Revolving credits	1,267	1,788	(478)	2,577
Bankers' acceptances	355	(60)	(4)	291
Bank overdrafts	10	—	(10)	—
Total borrowings	110,897	16,732	(4,395)	123,234

<i>In RM Mil</i>	As at 30 June 2025	%	As at 31 December 2024	%
By Currency				
USD	105,040	85.1	93,607	84.4
RM	8,260	6.7	9,522	8.6
INR	5,519	4.5	3,860	3.5
EUR	1,778	1.4	1,811	1.6
SEK	1,204	1.0	609	0.5
CAD	436	0.4	469	0.4
AUD	805	0.7	831	0.7
CNY	192	0.2	187	0.2
Others	—	—	1	0.1
	123,234	100.0	110,897	100.0

By Repayment Schedule

< 1 year	12,536	10.2	20,060	18.1
1 to 5 years	30,633	24.8	30,373	27.4
5 to 10 years	29,080	23.6	22,911	20.7
> 10 years	50,985	41.4	37,553	33.8
	123,234	100.0	110,897	100.0

Term loans

Included in the Group's term loans is 50% share of a secured project financing of a joint operation entity amounting to USD329 million (2024: USD343 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 ("Guaranteed 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 delays beyond the Guaranteed PCD.

The Guaranteed PCD has been extended from 31 December 2023 to 31 March 2024 and subsequently further extended to 31 December 2025.

²¹ Non-cash changes consists of foreign exchange translation, other amortisation and bank overdrafts.

FINANCIAL REPORT

FOR FIRST HALF YEAR ENDED 30 JUNE 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B5. PROFIT FOR THE PERIOD

<i>In RM Mil</i>	30 June 2025	30 June 2024 ¹⁷
Included in profit for the period from continuing operations are the following charges:		
Depreciation and amortisation	18,762	18,723
Loss on remeasurement of financial assets measured at amortised cost	—	736
Net impairment losses of:		
- intangible assets	16	21
- investment in a joint venture	42	—
- property, plant and equipment	148	27
- trade and other receivables	38	—
Net impairment/write-off of well costs	81	1,368
Net write-down of inventories to net realisable value/inventories written off	57	—
Net loss on:		
- derivatives	460	1,247
- foreign exchange	1,433	—
Net loss on disposals of:		
- investments in subsidiaries	905	66
- other investments	—	59
Net write-off of:		
- intangible assets	89	—
- investment in a joint venture	—	24
- property, plant and equipment	71	14
- receivables	—	166

¹⁷ Certain information has been restated to conform with current period presentation.

FINANCIAL REPORT

FOR FIRST HALF YEAR ENDED 30 JUNE 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B5. PROFIT FOR THE PERIOD (continued)

<i>In RM Mil</i>	30 June 2025	30 June 2024¹⁷
and credits:		
Bad debts recovered	—	23
Dividend income	71	55
Gain on realisation of foreign currency translation reserve from disposals	292	—
Gain on remeasurement of financial assets measured at amortised cost	45	—
Interest income	5,583	6,380
Net change in contract liabilities	38	54
Net impairment reversals of:		
- loan and advances to joint ventures	—	139
- trade and other receivables	—	157
- other investments	5	2
Net write-back of inventories to net realisable value	—	94
Net gain on foreign exchange	—	128
Net gain on disposals/partial disposals of property, plant and equipment	443	7

¹⁷ Certain information has been restated to conform with current period presentation.

By order of the Board

Azizi Md Ali (LS0008803)
Company Secretary
Kuala Lumpur
28 August 2025