



### **Christina Verchere**

Chief Executive Officer and President of the Executive Board

### **Alina Popa**

Chief Financial Officer

The spoken word applies. Check against delivery.

## Christina Verchere – OMV Petrom – CEO

### Slide 1 – Intro

Good afternoon, ladies and gentlemen, and a warm welcome from my side. Thank you for joining our call. I hope you and your families are all safe and healthy.

I am pleased to introduce to you today our new EB member for Upstream, Christopher Veit. We, at the management team, are very pleased to have him on board.

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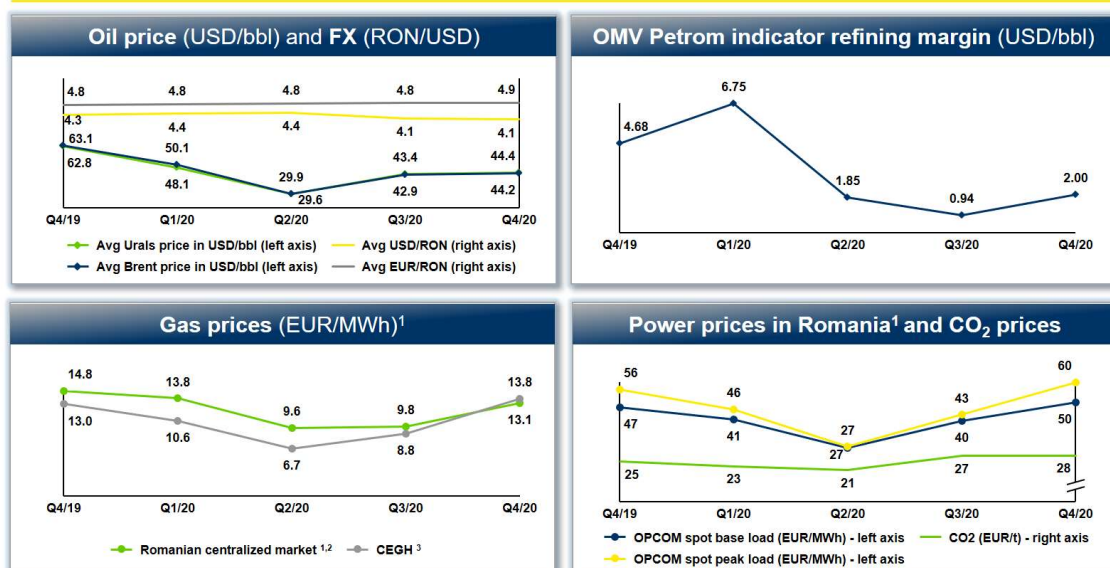
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**Slide 2 – Legal Disclaimer**

Please let me first draw your attention to our Legal Disclaimer, which you can read in detail on slide 2.

## Economic environment



<sup>1</sup> Prices translated at NBR average RON/EUR rate; <sup>2</sup> Day-ahead price, average computed based on daily trades published on BRM platform; <sup>3</sup> Day-ahead market Central European Gas Hub

### Slide 3 – Economic environment

Let me start with some highlights regarding commodity prices and main currencies in the fourth quarter of 2020.

Brent price averaged 44 dollars per barrel, only 3 percent higher quarter-on-quarter and still 30 percent lower year-on-year, despite an impressive recovery trend witnessed in November and December. Consequently, Brent price finished the year at over 50 dollars per barrel, as markets became optimistic that the rollout of COVID-19 vaccines and economic stimulus measures would help accelerate the pace of global economic recovery and boost oil demand.

Urals traded at an average premium to Brent of 23 cents per barrel, as high compliance to the agreed OPEC+ output levels kept sour crude availability tight. The premium started weakening towards the end of the year in anticipation of OPEC+ production increases in 2021 and due to some refiners switching to cheaper crude types.

In the fourth quarter of 2020 and on a year-on year basis, the RON appreciated versus the US dollar by 5 percent and depreciated against the Euro by 2 percent.

OMV Petrom indicator refining margin reached at 2 dollars per barrel, 57 percent lower year-on-year, on lower product spreads.

European gas prices, reflected on our graph by CEGH, increased significantly in the fourth quarter to a level of 13.8 Euros per megawatt-hour, approximately 57 percent higher compared to the previous quarter, and approximately 6 percent higher year-on-year. The substantial increase was driven by solid demand supported by cold weather and reduced LNG supply into Europe due to exceptionally high Asian demand.

On the Romanian centralized gas markets, prices had an opposite trend, declining by 11 percent to 13.1 Euro per megawatt-hour versus the fourth quarter of 2019, converging to CEGH prices. We believe that with the commissioning of BRUA phase one in December 2020, Romanian gas prices are getting more aligned with the European ones on the day-ahead markets. However, on the medium-term, the Gas Release Program is putting downward pressure on the prices through the starting prices mechanism.



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Base load electricity prices in Romania were up around 6 percent year-on-year in Euro terms, and around 23 percent higher quarter-on-quarter. This increase, together with the lower gas prices, supported the spark spreads in the fourth quarter, despite higher CO2 prices.

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## Romanian environment

### Fiscal and regulatory framework

#### Authorities' reaction to COVID:

- ▶ State of alert prolonged until mid-February
- ▶ Vaccination program ongoing
- ▶ Health and social, fiscal and monetary measures
- ▶ National Investment and Economic Relaunch Plan

#### Recent regulatory changes

- ▶ **Full liberalization** of Romanian power market starting with January 1<sup>st</sup>, 2021
- ▶ Draft law re. **vulnerable consumers** under public consultation

### Macroeconomic environment

#### GDP growth:

- ▶ Q3/20<sup>1</sup>: -5.7% yoy; 9m/20: -4.5% yoy
- ▶ 2020e<sup>2</sup>: -5.2% yoy
- ▶ 2021e<sup>2</sup>: +3.8% yoy

#### CPI inflation:

- ▶ Dec 20/Dec 19<sup>1</sup>: 2.1%
- ▶ 2020<sup>1</sup>: 2.6%

#### Demand:

	12m/20 yoy	Q4/20 yoy
Fuels <sup>3</sup>	-6%	-3%
Gas <sup>4</sup>	+5%	+9%
Power <sup>5</sup>	-4%	+1%

<sup>1</sup> Romanian National Institute of Statistics; <sup>2</sup> European Commission, November 2020; <sup>3</sup> Fuels refer only to retail diesel and gasoline; OMV Petrom estimates based on Romanian Petroleum Association data; <sup>4</sup> According to company estimates; <sup>5</sup> According to preliminary data available from the grid operator



### **Slide 4 – Romanian environment**

Now looking at the Romanian environment, the state of alert imposed in Romania in May 2020 was prolonged until mid-February 2021 with the vaccination program starting at the end of December last year.

In terms of the regulatory environment, starting with 1<sup>st</sup> January, 2021, the power market was fully liberalized. This means that at market level, producers, including Brazi power plant, no longer have to supply quantities at regulated prices.

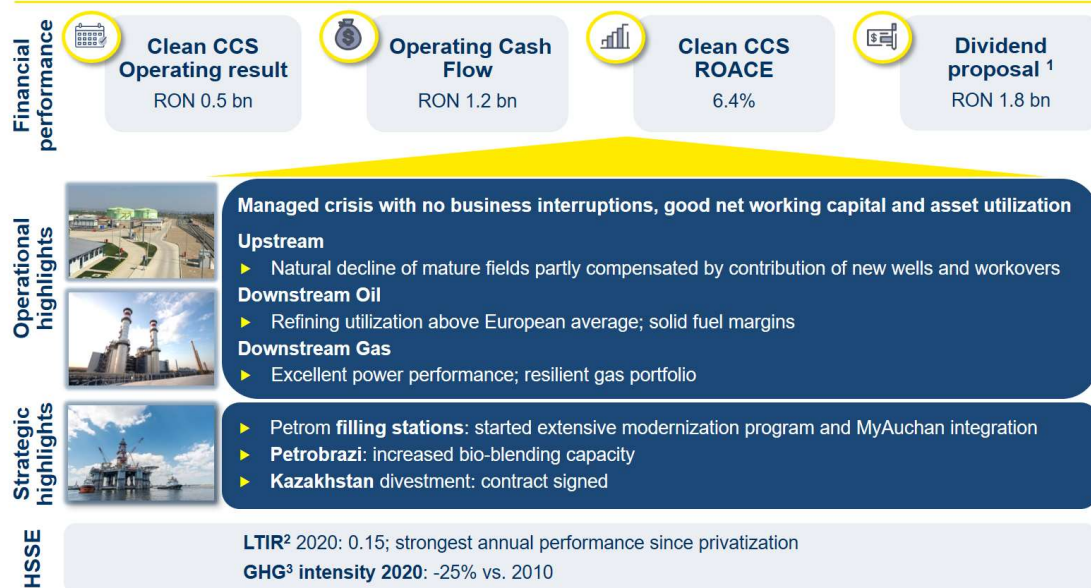
At the end of December 2020, the Labor Ministry issued for public consultation a draft law regarding vulnerable consumers, which is aimed to be approved before the new cold season. Protecting vulnerable consumers ensures access to energy which leads to economic development and an improved standard of living. In addition, this is an important tool in a functioning liberalized market.

From a macroeconomic perspective, the Romanian GDP decreased in the third quarter of 2020 by 5.7 percent. At full year level, the European Commission estimates GDP will drop by 5.2 percent year-on-year, a lower decrease than the EU average. For 2021, the Commission estimates an increase of 3.8 percent year-on-year.

The inflation index in December 2020 versus December 2019 was 2.1 percent.

Looking at the Romanian energy sector in the fourth quarter of 2020, the market demand for our products was mixed. Demand for retail fuels decreased by 3 percent year-on-year, with gasoline decreasing by 6 percent and diesel by 2 percent. Gas demand increased by an estimated 9 percent in the fourth quarter versus the same period of 2019, mainly due to the fertilizer industry, boosted by lower gas prices, as well as colder weather in November. Power demand was slightly up, while domestic power production decreased by 1 percent year-on-year. Romania remained a net importer throughout 2020. Lower contribution from coal was partly compensated by higher hydro generation.

## Key messages Q4/20



<sup>1</sup> Executive Board's proposal subject to approvals of the Supervisory Board and Annual General Meeting of Shareholders on April 27, 2021; <sup>2</sup> Lost time injury rate (employees and contractors) for OMV Petrom Group; <sup>3</sup> Greenhouse gases

### Slide 5 – Key messages Q4/20

On slide 5, we present the key highlights for the quarter.

During this challenging period, we secured our business, proved our agility and maintained our commitment towards our stakeholders. We ensured business continuity, with high safety standards, good asset utilization and strong working capital management, capitalizing on the benefits of our integrated business model.

At the group level, Clean CCS Operating Result was almost 0.5 billion RON, 58 percent lower than in the fourth quarter of 2019.

Helped by our strong net working capital management, our operating cash flow decreased by only 30 percent year-on-year, to 1.2 billion RON, while our free cash flow after dividends declined even less, by 5 percent. Under these challenging circumstances, we are very proud of our cash-generation.

The Clean CCS ROACE decreased on a year-on-year basis by 7.4 percentage points, to 6.4 percent, reflecting the weak economic environment.

Based on the preliminary results for 2020 and in the context of uncertainty generated by the COVID-19 pandemic, the Executive Board proposes total dividends of 1.8 billion RON for the 2020 financial year, flat year-on-year. Alina will provide more details on this.

In Upstream, we continued our drilling and workover program and managed to partially counterbalance the natural decline of our mature fields, performing our works without interruptions and at high safety standards.

In Downstream Oil, the utilization level of 96% was excellent, especially considering the COVID-19 circumstances, being significantly above the average of around 70 percent estimated for European refineries. We capitalized on the flexibility of our supply chain, selling more equity products on all our markets while reducing third-party supply. Solid sales margins complemented the good operational performance of our sales channels.

In Downstream Gas, the power business had an outstanding quarter, and our gas portfolio showed good resilience in a declining year-on-year gas price environment. In 2020, we managed to maximize the monetization of our integrated business model, power business more than compensating the negative impact from the gas market. The Brazi power plant optimization strategy on the forward market has ensured us very strong returns, while it

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also played a key role for the security of the national energy system through ancillary and balancing services.

In the fourth quarter we have further pursued our strategy execution. In December we signed the transaction for the sale of our operations in Kazakhstan, where we hold production licenses for four onshore fields. The cumulated production of these fields in 2020 was 6.8 thousands of barrels of oil equivalent per day.

In Downstream Oil, together with Auchan, we started the integration of MyAuchan proximity shopping stores into the Petrom branded filling stations, as part of an extensive modernization program of the entire network. From 2020 to 2024, approximately 400 Petrom branded filling stations located in rural and urban areas of the country will be refurbished.

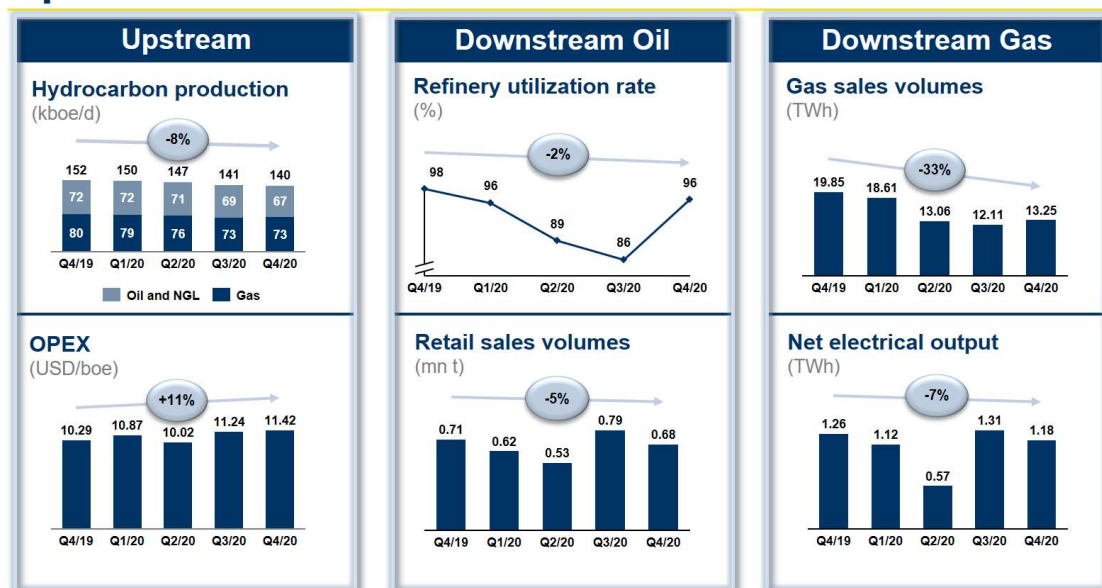
In the fourth quarter we finalized the investments for increasing the annual bio-blending capacity at Petrobrazi from 200 kilotons to approximately 350 kilotons in order to supply fuels with increased quantities of bio-components into finished products. The use of fuels with increased bio-content contributes to achieving the EU targets of reducing greenhouse gas emissions.

On HSSE, the Lost Time Injury Rate for 2020 was 0.15, better than the international benchmark and was our strongest annual performance since privatization in 2004.

Last year, we further pursued our initiatives to reduce carbon emissions and managed to decrease the GHG intensity by an estimated 8 percent versus previous year and by 25 percent versus 2010, advancing towards our 2025 target of 27 percent reduction.

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## Operational KPIs





### Slide 6 – Operational KPIs

On slide 6, I would like to present to you the operational performance, as reflected in our KPIs in the fourth quarter of 2020.

Let me start with **Upstream**.

The hydrocarbon production declined by almost 8 percent year-on-year in the fourth quarter of 2020, mainly due to steep decline of 4461 Totea South, well as well as maintenance activities. This was only partly compensated by the contribution from drilling and workovers. For the whole year the decrease was only 4.5 percent year-on-year, in line with our guidance.

OPEX per barrel of oil equivalent increased by 11 percent year-on-year, to a level of 11 dollars and 42 cents. This was driven mainly by the lower production available for sale and the negative exchange rate impact, partly compensated by ongoing cost optimization. For the whole year, we managed to maintain the OPEX per barrel of oil equivalent at a level of 10 dollars and 88 cents.

In **Downstream Oil**, the refinery utilization rate was 96 percent, slightly below the fourth quarter of 2019, as it was influenced by weaker demand in the domestic market following local mobility restrictions.

The lower demand was also reflected by the year-on-year decrease in total refined product sales volumes and group retail sales volumes, by 10 percent and 5 percent respectively. For the full year 2020, year-on-year declines were of 9 percent and 8 percent respectively, in line with our guidance.

In **Downstream Gas**, total gas volumes decreased by 33 percent year-on-year to 13 terawatt-hour, from the record-high sales in the fourth quarter of 2019, generated by the obligation to sell on the regulated and the centralized markets. Since July 2020, OMV Petrom no longer has an obligation to supply the gas regulated market, following market liberalization. The central market obligation was replaced with the Gas Release Program.

Net electrical output was 1.2 terawatt-hour, 7 percent lower than in the fourth quarter of 2019, reflecting the planned shutdown at Brazi. In addition to its significant forward position, the power plant played an important role on the balancing and ancillary services markets, enabled by its high flexibility. The power plant accounted for approximately 8 percent of Romania's power generation in the fourth quarter. According to allocations in place, 0.13

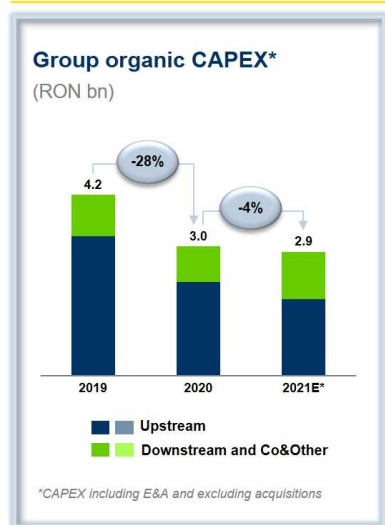
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terawatt-hour were supplied to the regulated power market at a price of around RON 223 per megawatt-hour.

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## CAPEX and E&A



### Organic CAPEX

- ▶ **2020** at RON 3.0 bn:
  - ▶ 63 new wells and sidetracks
  - ▶ 830 workovers
  - ▶ Securing long-term logistic access to Petrobrazi refinery
  - ▶ Bio-compliance blending project
- ▶ **2021E** at RON ~2.9 bn:
  - ▶ Wells and sidetracks: up to 40
  - ▶ Workovers: >700
  - ▶ Coke drums replacement and other development initiatives at Petrobrazi

### E&A

- ▶ **2020** at RON 0.2 bn:
  - ▶ 3D seismic acquisition in Urziceni East block started in Q4/19 and finalized in Q1/20
  - ▶ 1 well drilled (JOA with Hunt; Hunt operator), 2 wells tested, all unsuccessful
- ▶ **2021E** at RON ~0.2 bn:
  - ▶ up to 2 exploration wells
  - ▶ a new large regional 3D seismic campaign in X-Craiova Block
  - ▶ seismic data processing in Bulgaria to firm up potential drilling candidates

**Acquisition:** Han Asparuh RON ~0.2 bn in Q3/20

### Slide 7 – CAPEX and E&A

Slide 7 provides an overview of CAPEX and exploration and appraisal activities for 2020 and the outlook for the year 2021.

In 2020 total organic CAPEX amounted to 3.0 billion RON, 28 percent lower year-on-year. Including the acquisition in Bulgaria, the CAPEX reached RON 3.2 billion, 24 percent lower than in 2019.

The majority was directed to Upstream, where we finalized the drilling of 63 new wells and sidetracks and performed 830 workover jobs.

In Downstream, 2020 investments were mostly directed to increasing bio-blending capacity, to preliminary works related to coke drums replacement, securing long-term logistic access through railway lines and to modernization and automation projects in the tank farm area at Petrobrazi refinery.

At Group level, for 2021, we plan investments, excluding acquisitions of about 2.9 billion RON.

The majority will be spent in Upstream, where we plan to drill up to 40 new wells and sidetracks and perform more than 700 workovers based on the creaming curve.

In Downstream, the investments will be mainly directed to the replacement of coke drums at Petrobrazi Coker unit, to various projects in the tank farm area, while in retail we will focus on selectively developing the filling station network in attractive locations, such as highways or high-traffic areas.

Moving to exploration and appraisal activities, in 2020 we completed the 3D seismic survey in the exploration block VIII-Urziceni East. The interpretation of the data obtained is ongoing. We also drilled one well in the joint operation agreement with Hunt and tested another two, unfortunately they were unsuccessful.

In 2021, we expect exploration expenditures to be around 0.2 billion RON, similar to 2020 level. The planned activities for the year include the drilling of up to two exploration commitment wells, a new large onshore 3D seismic campaign, seismic data processing in Bulgaria and preparations for an offshore seismic data acquisition campaign in Georgia.

## OMV Petrom achievements on strategic objectives

### 2021+ Strategic Objectives



#### Upstream

- ▶ Exploit full potential of Romanian opportunities
- ▶ Improve competitiveness
- ▶ Mature Neptun resources
- ▶ Develop opportunities for regional diversification



#### DS Oil

- ▶ Ensure reliable operations at competitive costs
- ▶ Secure strong retail position via dual brand strategy
- ▶ Focus on customer centric organization, digitalization
- ▶ Explore selective petrochemicals opportunities



#### DS Gas

- ▶ Integrated gas and power business model
- ▶ Develop origination and trading
- ▶ Become regional gas player
- ▶ Provide integrated energy solutions

<sup>1</sup> Production Sharing Contract

### 2020 Achievements



- ✓ Production cost stabilized at **~11 USD/boe**
  - ✓ **40 marginal fields are being divested**, process to be finalized in H1/21
  - ✓ **>70%** automated wells and modernized / automated facilities
  - ✓ **Entered offshore Bulgaria**
  - ✓ **Entering offshore Georgia**; signing of PSC<sup>1</sup> expected in Q1/21
  - ✓ **Kazakhstan divestment contract signed**; closing expected in H1/21
- 
- ✓ **<8% Fuel & Loss**; **~92%** refinery utilization rate, above European average
  - ✓ **Increased bio-blending capacity** from 200 kt to ~350 kt
  - ✓ Contract signed to open **~400 MyAuchan stores in 5 years**, modernization of Petrom branded filling stations began
  - ✓ **~5 mn l** throughput/ filling station in Romania
  - ✓ **Partnership signed with Enel X & Eldrive** to install 40 fast recharging stations for electric cars by end of 2021
- 
- ✓ Record high result of the **integrated gas and power business model**
  - ✓ Strengthened **leading position on the Romanian gas market**
  - ✓ 57 TWh record high **gas sales volumes** in 2020
  - ✓ 4.1 TWh Brazi power plant record high **net electrical output** in 2020
  - ✓ **Extend supply portfolio** with 3<sup>rd</sup> party gas volumes
  - ✓ **Regional operations** in neighboring countries

People & Organizational Culture



Technology & Innovation



Sustainability





### Slide 8 – OMV Petrom achievements on strategic objectives

Ladies and gentlemen, I would now like to present to you a short review of our strategic achievements in 2020.

In the context of a twofold crisis related to COVID-19 and to the decrease of commodity prices, we were able to deliver on our strategic priorities, proving once more the value of our integrated business model, the flexibility in adjusting our plans and our results' resilience.

The plans defined to **improve the competitiveness of our existing portfolio**, our first strategic pillar, have continued in all Business Divisions.

In **Upstream**, we stabilized production cost and continued the divestment of the non-strategic fields, the transfer of the 40 fields to Dacian Petroleum and the divestment of our Kazakhstan assets are expected to be finalized in the first half of 2021.

In order to reduce costs and increase flexibility, in November 2020 we started the outsourcing of general surface services. This involves the transfer of approximately 2,200 employees and is expected to be finalized by the end of the first quarter 2021.

In **Downstream Oil**, even in such difficult times, our refining business has proven its competitiveness in the region. We are proud of our operational results at the end of 2020 with 92 percent utilization rate and a Fuel and Loss ratio below 8 percent. In addition, we made investments to increase our bio-blending capacity, enabling us to supply fuels with higher bio-content, in accordance with EU targets and supporting the reduction of greenhouse gas emissions that arise from transportation.

For **Downstream Gas**, 2020 was a year of important milestones: we achieved the record-high gas sales volumes of 57 terawatt-hour, the highest ever Brazi net electrical output of 4.1 terawatt-hour, and the best power business performance thus far. In addition, we have diversified our gas supply sources, purchasing the largest volume of additional gas to complement our declining equity production, with the aim to preserve, and further expand our customer portfolio. We therefore continue to work towards our strategic long-term goal of consolidating our leading position in the Romanian gas market, while we continue to be an important player in the Romanian electricity market.

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As part of the second strategic pillar – **developing growth options** – maturing Neptun resources remains one of the most important strategic objectives for the years to come. We believe that 2021 is a crucial year for Neptun. We expect to see the Offshore Law changed in the first part of this year, as recently stated by the Romanian authorities.

In Downstream Oil, we recorded a throughput of nearly 5 million liters per filling station in Romania, even in the context of weaker demand due to the pandemic circumstances, as people still preferred the safety of their personal cars instead of choosing public transportation solutions.

In retail, we also advanced with the plans to complement our offer with cleaner, alternative mobility options. We believe that the answer to our customers' mobility needs is a mix of conventional fuels and alternative solutions. The partnership with Enel X and Eldrive for eMobility paves a new layer on the road to sustainable mobility. Through these partnerships, we contribute to the development of the electric vehicle recharging infrastructure in our region. Thus, securing our presence in the electro-mobility field, extending our portfolio of services for all our customers, regardless the type of vehicles they own.

We have redefined our Upstream priorities under the third strategic pillar – **regional expansion** – focusing on the Black Sea region and continuing to build a strong position in the area.

Beyond Neptun, we have already made important steps for expanding our offshore presence in the Black Sea region, by entering Bulgaria and Georgia.

The acquisition of the Han Asparuh deep offshore exploration license was completed in 2020. Prior to this acquisition, a 5,400 square km 3D seismic survey was completed. In 2021, the E&A activities in this block will focus on the seismic interpretation.

In Georgia, OMV Petrom was the winning bidder of the international tender held for Offshore Block II, an exploration block with total area of 5,282 square km. Negotiations are finalized and the signing of Production Sharing Contract is expected the first quarter of 2021. Exploration activities will start after signing.

In Downstream Gas, steps were taken to develop gas and power activities in the neighboring markets, supporting the ambition to shift from a domestic

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supplier to a regional energy player, leveraging market opportunities and existing business footprint.

The progress of our strategy implementation is also reflected in our financial performance and the distribution of dividends to our shareholders.

We take this opportunity to announce that, in the second half of this year, we will provide a strategy update, including our approach regarding the energy transition.

Please let me now hand over to Alina, who will go into the financials and the outlook in detail.

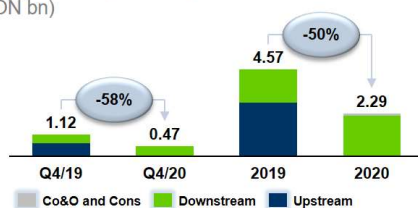
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## Income Statement highlights

### Clean CCS Operating Result

(RON bn)

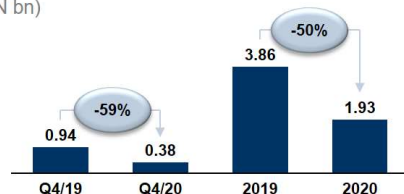


► Q4/20 Clean CCS Operating Result reflects:

- Lower oil and gas prices
- Weak refining margin
- Decreased fuel sales volumes partially offset by solid margins
- Significantly higher contribution from power

### Clean CCS Net Income<sup>1</sup>

(RON bn)



► Q4/20 Clean CCS Net Income reflects:

- Development of operating result

<sup>1</sup> Attributable to stockholders of the parent

### Slide 10 – Income Statement highlights

Thank you, Christina, and good afternoon also from my side.

I will continue the presentation with slide 10, starting with some highlights from the Income Statement, with focus on the developments of the fourth quarter of 2020 versus the similar period of 2019.

Sales decreased by 37 percent year-on-year, negatively impacted by lower sales volumes and prices for petroleum products and natural gas as well as lower electricity sales volumes, partially offset by higher prices for electricity.

In the fourth quarter of 2020, Upstream Clean Operating Result was 26 million RON, lower by 96% year on year, in the context of lower oil and gas prices. Downstream Clean CCS Operating Result increased by 13 percent year-on-year, supported by almost three times higher year-on-year Downstream Gas result.

The clean consolidation line of (34) million RON in the fourth quarter of this year reflects higher margins and quantities of crude oil and petroleum products in stock.

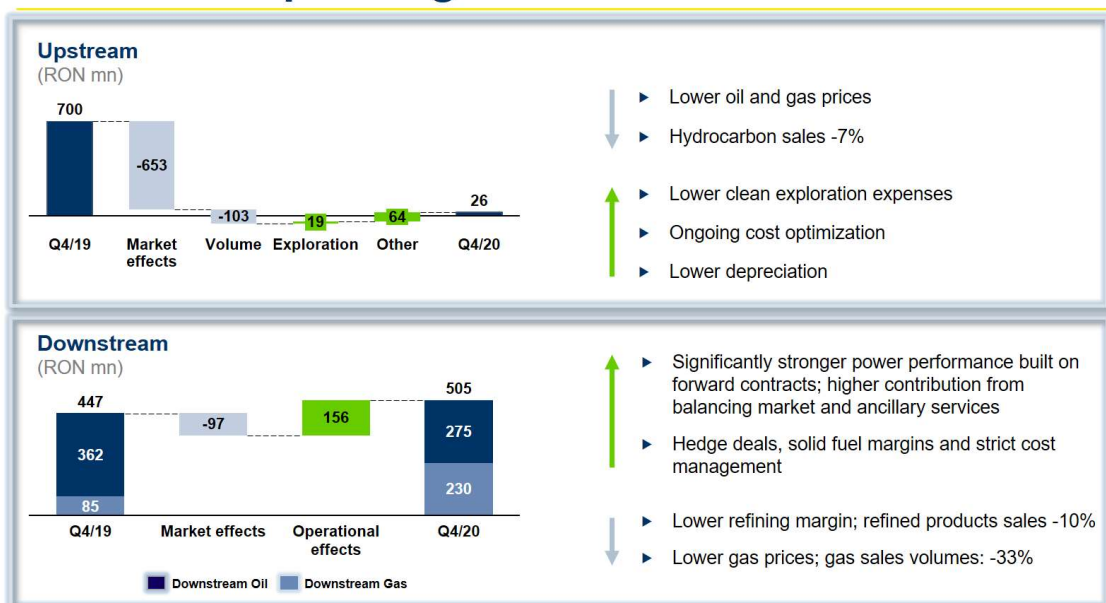
Consequently, the Group Clean CCS Operating Result decreased by 58 percent year-on-year.

For the fourth quarter of 2020, we recorded inventory holding gains of 41 million RON due to the increase of crude prices over the quarter. For comparison, in the fourth quarter of the previous year we recorded inventory holding gains in amount of 17 million RON.

The Clean CCS net income attributable to stockholders decreased by 59 percent year-on-year to 382 million RON, while the reported Net income attributable to stockholders was 465 million RON.



## Clean CCS Operating Result





### Slide 11 – Clean CCS Operating Result

Let me go on to slide 11, which shows the major building blocks for the development of the Clean CCS Operating Result in the fourth quarter of 2020.

I will start with Upstream, where Clean Operating Result turned slightly positive, despite the negative market effect deviation of 653 million RON triggered by the steep decrease in oil and gas prices.

The negative volume deviation is due to the 7 percent lower hydrocarbon sales. Clean exploration expenses were lower by 19 million RON, mainly due to lower seismic acquisition expenses.

Other deviations include mainly lower depreciation and total production costs, due to ongoing cost optimization.

Looking at the lower chart, in the fourth quarter of 2020 the Clean CCS Operating Result of Downstream increased by 13 percent compared to the fourth quarter of 2019, reflecting a significantly improved performance in Downstream Gas and a weaker result in Downstream Oil.

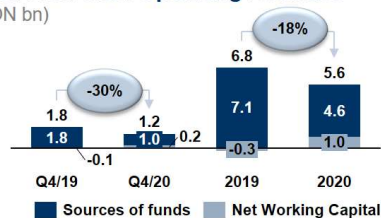
In Downstream, the negative market effect reflects the decreased refining margin as a result of falling product spreads. Operational effects mainly include the impact of declining year-on-year volumes for refined products and natural gas, offset by cost optimization and excellent result in power business.

The outstanding development of Downstream Gas Clean Operating Result shows the benefits of our integration model and is reflected in the operational effects. The performance of the gas business, affected by lower prices and sales volumes, was more than compensated by the power business which recorded an excellent performance, built on forward contracts.

## Cash Flow highlights

### Cash Flow from Operating Activities

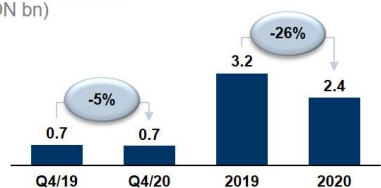
(RON bn)



- Q4/20 CFO: lower decrease than Operating Result due to improved net working capital

### Free Cash Flow <sup>1</sup>

(RON bn)



- Q4/20 CFO<sup>2</sup>: -30% yoy
- Q4/20 CFI<sup>3</sup>: -47% yoy

<sup>1</sup> Before dividends; <sup>2</sup> Cash Flow from Operating Activities; <sup>3</sup> Cash flow from investing activities

### **Slide 12 – Cash Flow highlights**

On slide 12, I would like to continue with the highlights of our cash flow statement.

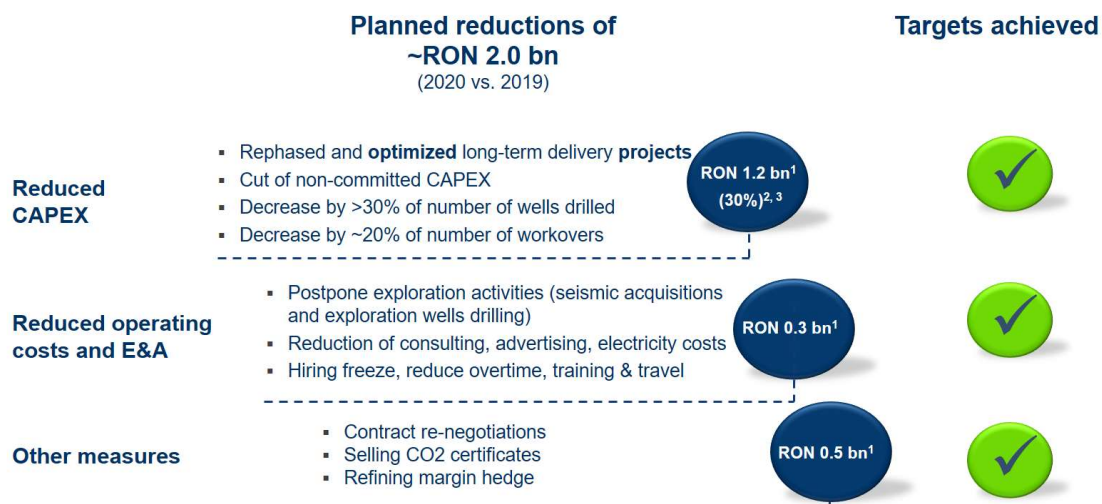
In the fourth quarter of 2020, we achieved an operating cash flow of 1.2 billion RON, 30 percent lower year-on-year. Operating cash flow decreased to a much lower extent than Operating Result mainly due to the strong working capital management. We recorded a cash inflow from net working capital of 243 million RON in the fourth quarter of 2020 mainly driven by lower trade receivables and higher payables on the basis of strict credit risk and supplier management.

For comparison, in the fourth quarter of 2019 we recorded a cash outflow from net working capital of 56 million RON.

Our net payments for investments amounted to 0.6 billion RON in the fourth quarter of 2020 versus 1.0 billion RON in the fourth quarter of 2019.

The net cash position increased to 6.5 billion RON at the end of 2020 versus 5.9 billion RON at the end of 2019.

## Strong response to adjust to the weak market environment



<sup>1</sup> 2020 revised guidance vs. 2019 absolute amount; <sup>2</sup> Vs. 2019 and initial plan for 2020; <sup>3</sup> Organic CAPEX reductions

### **Slide 13 – Strong response to adjust to the weak market environment**

Triggered by the challenging environment, we took swift financial measures to maintain the strength of our balance sheet.

In line with the plans announced with our second quarter results, we managed to reduce our capital expenditure, exploration expenditure and operating costs for the full year 2020 to a total level of 6.7 billion RON, down from the initially planned amount of 8.2 billion RON.

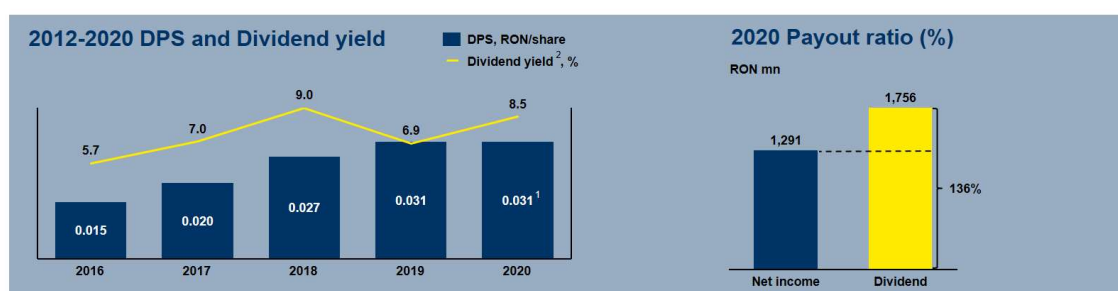
On the CAPEX side, we reduced drilling, re-phased and optimized long-term delivery projects and postponed the non-committed investments. Total organic CAPEX in 2020 decreased by 1.2 billion RON compared to the previous year.

Regarding operational costs and exploration and appraisal expenditures for 2020, we reached our reduction target of 0.3 billion RON compared to 2019.

Other measures include the sale of CO2 certificates, middle distillates margin hedges and contract re-negotiations of around 0.5 billion RON.

### 2020 Dividend proposal: RON 1,756 mn

- ▶ DPS<sup>1</sup> 2020: RON 0.031, flat yoy
- ▶ Dividend yield<sup>2</sup> 2020: 8.5%, higher than 6.9% in 2019



<sup>1</sup> Executive Board's proposal subject to approvals of the Supervisory Board and Annual General Meeting of Shareholders on April 27, 2021; <sup>2</sup> Calculated based on the closing share price as of the last trading day of the respective year



### Slide 14 – 2020 Dividend proposal: RON 1,756 mn

On slide 14, let me highlight once more that we, the Executive Board of OMV Petrom, are committed to delivering a competitive shareholder return, also by paying an attractive dividend.

Based on the 2020 preliminary results and in the context of economic uncertainty generated by the COVID-19 pandemic, the Executive Board proposes a dividend of RON 0.031 per share for the 2020 financial year, in line with our dividend policy.

We believe that this proposal is competitive among regional peers from the perspective of dividend yield, 8.5%, calculated using the end-year share price and payout ratio, 136%, based on the 2020 preliminary consolidated net profit. This proposal is subject to the approval of the Supervisory Board and General Meeting of Shareholders, which will take place in April.

Going forward, we maintain our policy that provides for a progressive dividend and expect positive free cash flow after dividends for the next 3 years, excluding capex for major strategic projects.

## Outlook

Indicators	Actual 2020	Assumptions/Targets 2021	Assumptions/Targets 2022-2023 averages
<b>Brent oil price</b>	USD 41.84/bbl	USD 50-55/bbl	USD 60/bbl
<b>Production</b>	145 kboe/d	Decline ~5% yoy <sup>1</sup>	Decline ~5% yoy <sup>1</sup>
<b>Refining margin</b>	USD 2.9/bbl	>USD 4/bbl	USD ~5/bbl
<b>CAPEX<sup>2</sup></b>	RON 3.0 bn	RON ~2.9 bn	RON ~3.8 bn
<b>FCF after dividends<sup>3</sup></b>	RON 0.7 bn	Positive	Positive

<sup>1</sup> Romania only, and excluding portfolio optimization; <sup>2</sup> CAPEX excluding acquisitions for 2021-2023, and also development CAPEX for major strategic projects in 2022-2023; <sup>3</sup> Organic FCF after dividends

### Slide 15 – Outlook

Let me conclude our presentation with the Outlook, on slide 16.

Here I would like to highlight our main market assumptions and targets for 2021, as well as our guidance for 2022-23.

We anticipate oil price in 2021 to be on average between 50 and 55 dollars per barrel, increasing to 60 dollars per barrel in 2022-2023, while the differential of our realized oil price to Brent is expected to be at around 8 dollars per barrels during this period.

In Romania, we aim to contain the year-on-year hydrocarbon production decline, excluding portfolio optimization, at around 5 percent per year between 2021 – 2023 and we expect a lower decline for oil than for gas. We continue to look for further portfolio optimization opportunities, up to 5 kboe/d in 2021.

With focus on cost optimization initiatives, we aim to maintain our OPEX at around 11 US Dollars per barrels of oil equivalent for this period, a challenging target in the context of declining production.

In Downstream Oil, we estimate the 2021 refining margins to be above 4 US Dollars per barrel, and around 5 US dollars per barrels on average for 2022-2023.

We expect the refinery utilization rate to be higher than 95 percent in 2021 and 2022, and slightly below 90 percent in 2023, when we have scheduled a major turnaround, similar with the one we had in 2018.

As Christina mentioned earlier, CAPEX excluding acquisitions is expected to be around 2.9 billion RON in 2021, of which 1.8 billion RON in Upstream, and 1 billion RON in Downstream Oil.

On average for 2022-2023, CAPEX excluding acquisitions and development of strategic major projects is expected to increase to around 3.8 billion RON per year, with higher investments in both Upstream and Downstream compared to 2021.

In Upstream we plan to invest around 2.5 billion RON annually to increase the number of new wells and sidetracks, including Near Field Opportunity wells, start the execution of the field redevelopment project Petromar and of selected enhanced oil recovery projects.

## **OMV Petrom Q4/20 Results Conference Call, February 4, 2021**

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In Downstream Oil, in 2022-2023 we plan projects aiming at improving the profitability, such as revamping of some units in order to include bio-oils in the refining process as well as investments in our retail network. On average for the period, we plan to invest around 1.2 billion RON. In 2023, we plan to perform several tie-in projects during the general revision of the Petrobrazil refinery.

For the next three years we expect a positive organic free cash flow after dividends, excluding investments for large development projects.

In terms of demand, oil products and power are expected to be above 2020, while gas to be broadly similar to 2020. Overall, for 2022-2023, we expect the demand for most of our products to recover to pre-COVID pandemic levels.

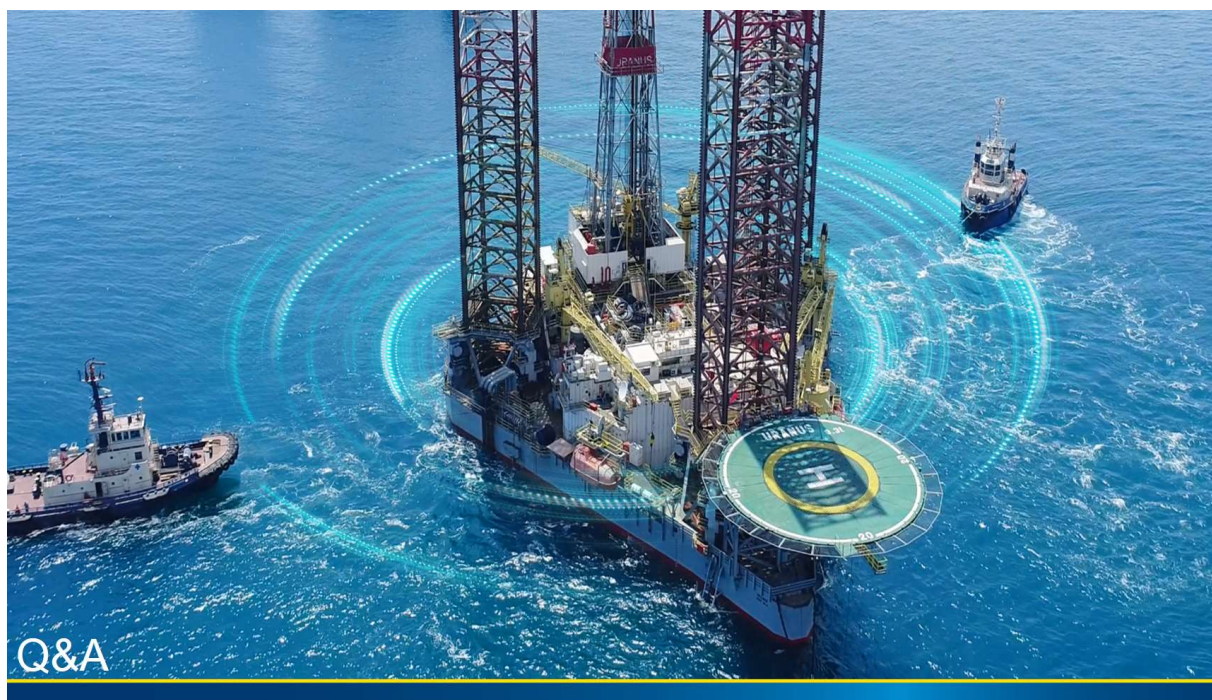
Compared to 2020, our total refined product sales are forecasted to be higher while total gas sales volumes are estimated to be lower, due to regulatory-requirements in 2020.

With this, I close our presentation and thank you for your attention.

We are now available for your questions.



## OMV Petrom Q4/20 Results Conference Call, February 4, 2021



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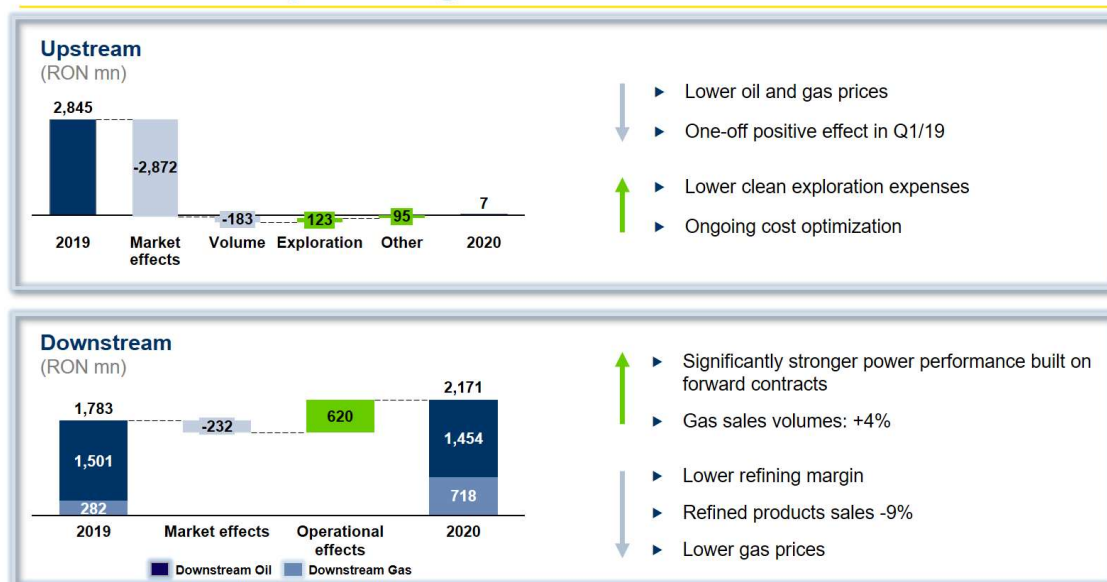
## Sensitivities in 2021

OMV Petrom Group main sensitivities		Operating Result impact
Brent oil price	USD +1/bbl	~EUR +20 mn
Equity gas price	EUR +1/MWh	~EUR +20 mn
OMV Petrom indicator refining margin	USD +1/bbl	~EUR +25 mn
Exchange rates (EUR/USD)	USD appreciation by 5 USD cents	~EUR +35 mn

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## Clean CCS Operating Result



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