# Capital Market Story

March 2021

OMV Petrom S.A.

The energy for a better life.

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All figures throughout this presentation refer to OMV Petrom Group (herein after also referred to as “the Group”), unless otherwise stated. The financials represent OMV Petrom Group’s consolidated results prepared according to IFRS (Q4 and FY 2020 financials are preliminary and unaudited). The financials are expressed in RON mn and rounded to closest integer value, so minor differences may result upon reconciliation. All 2020 data are preliminary.
Starting January 2017, OMV Petrom’s consolidated Income Statement has been restructured in line with industry best practice in order to better reflect the operations of the Group and enhance transparency for investors. For more information, please see OMV Petrom’s Investor News published on April 6, 2017, which can be found on the company’s website www.omvpetrom.com, section Investors › Investor News.



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# Investment proposition

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# OMV Petrom's Investment Proposition

Integrated oil and gas company

| | |
|---|---|
| High safety standards | Earnings resilience and capital stewardship |
| Cost efficiency and operational excellence | Strong cash conversion and attractive shareholder return |



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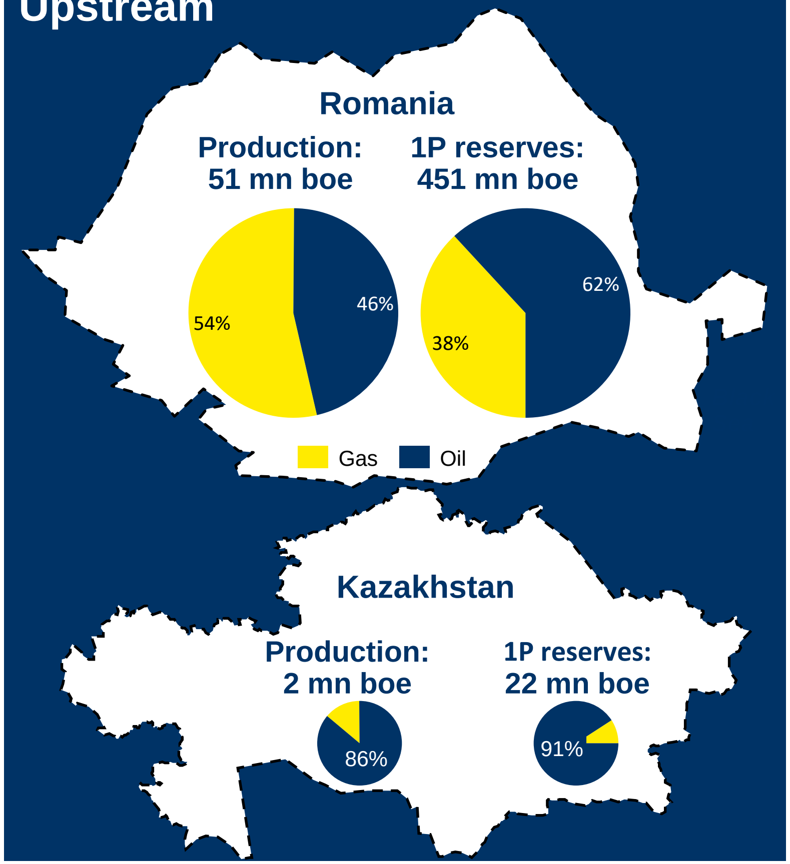
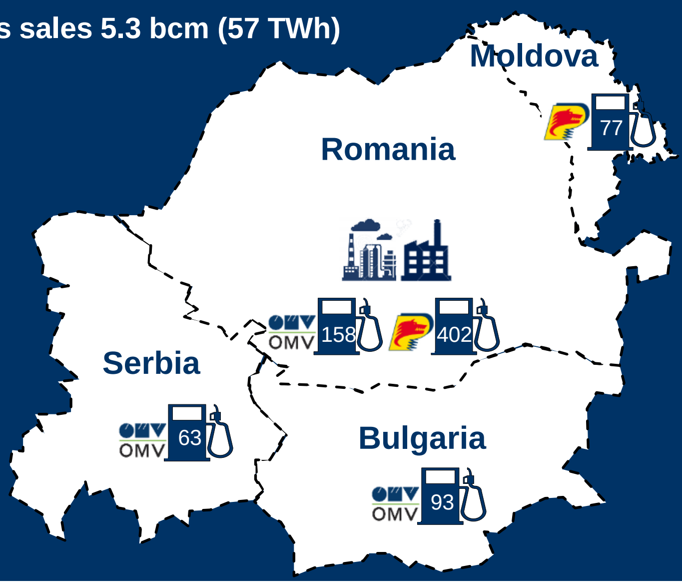
# Operating in the integrated oil and gas sector

## Upstream




## Downstream

- Petrobrazi refinery, 4.5 mn t/yr capacity
- 793 filling stations, operated via 2 brands: Petrom and OMV
- 5.0 mn t total refined product sales (thereof 2.6 mn t retail sales)
- Brazi gas-fired power plant (capacity 860 MW); net electrical output: 4.1 TWh
- Gas sales 5.3 bcm (57 TWh)




All data refers to 2020



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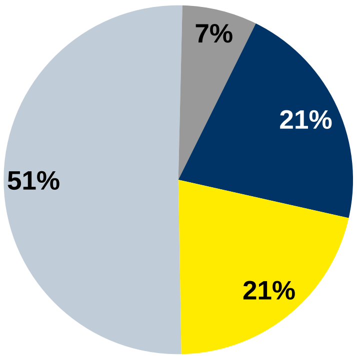
# Shareholder structure and capital market environment

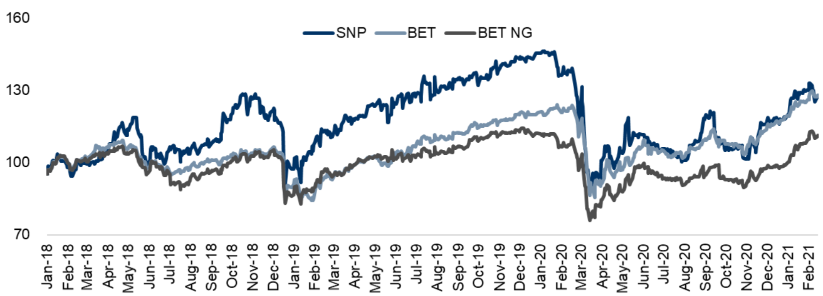
## OMV Petrom S.A. shareholder structure[1] (%)




- **OMV**[2]: Austria's leading integrated international oil and gas company
- **Fondul Proprietatea**[3]: listed fund with ~78% of AUM invested[4] in the energy sector
- **Romanian State**, no special rights attached
- **Free float**[5]: 21.35%

### Share price performance[6]

Index Jan 2018 = 100




### Share information

| | |
|---|---|
| **Bucharest Stock Exchange Symbol** | SNP |
| **Ordinary shares** | 56,644,108,335 |
| **London Stock Exchange Symbol** | PETB (GDR) |
| **GDRs[7] outstanding as at end-Feb 2021** | 175,611 |

*[1] As of December 31, 2020; [2] Shareholder since December 2004; [3] After the ABB from September 17, 2020, Fondul Proprietatea holds 6.9973% of OMV Petrom shares; [4] As of end January 2021; [5] Premium tier on the Bucharest Stock Exchange and main market on the London Stock Exchange; [6] Rebased quotations on the Bucharest Stock Exchange; [7] 1 GDR = 150 ordinary shares*



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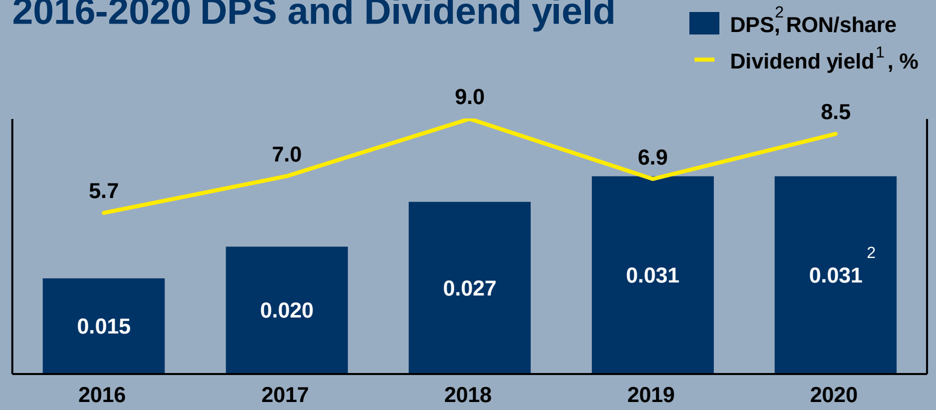
# Attractive shareholders' return

## Dividend Policy

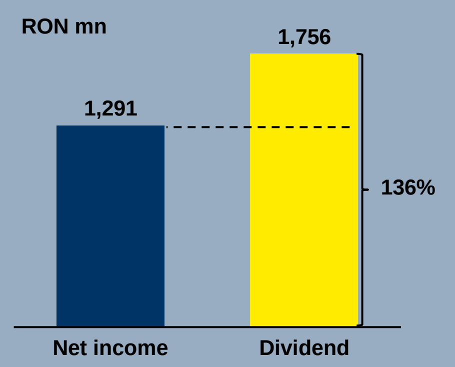
OMV Petrom S.A. is committed to deliver a competitive shareholder return throughout the business cycle, including paying a progressive dividend. We aim to increase our dividend each year or at least maintain it at the previous year's level, in line with the financial performance and investment needs, considering the long-term financial health of the Company.

## Total shareholder return[1] 2020: -12% (2019: 59%)

### 2016-2020 DPS and Dividend yield




### 2020 Payout ratio (%)

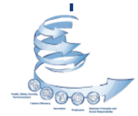



*[1] Calculated based on the closing share price as of the last trading day of the respective year; [2] Subject to approval of the Annual General Meeting of Shareholders on April 27, 2021*

# OMV Petrom – a sustainable choice for our stakeholders

**Sustainability strategy 2019-25**

- 5 pillars: HSSE, Carbon Efficiency, Innovation, Employees, Business Principles and Social Responsibility



**Social**

- Employees' health and safety remain top priority
- Support for ~350 communities; EUR 13.5 mn invested in 2019[1]
- Gender diversity: 23% women at company level and 38 nationalities

**Climate change**

- We are committed to contributing to Romania's transition to a low-carbon economy
- Gas resources from the Black Sea can be part of the solution
- 2020 GHG emissions lower yoy: -8%[2]
- 27% reduction target for the carbon intensity of our operations by 2025 vs. 2010
- EUR 46 mn invested in energy efficiency improvements in 2019[1]

**Governance**

- Sustainability governance is an executive board (EB) level responsibility
- EB – a good mix of experience, expertise, qualification, diversity
- Remuneration[3]: fixed and performance-related assessed against financial and non-financial metrics (including share price, selected ESG[4])

**Climate-related risk and opportunities**

- TCFD[5] supporter
- We are analyzing the risks and opportunities that climate change poses to business and value chains, together with their financial impacts

## OMV Petrom: Attractive investment proposition

- **Strong financial position**
- **Progressive dividend policy and attractive yield**
- **Sustainable choice**

*[1] Sustainability metrics, here and throughout the presentation, are based on 2019 Sustainability Report, latest available, unless otherwise stated ; [2] Preliminary figure; [3]Executive Board members and senior management; [4] ESG: Environmental (incl. emission reduction targets), Social and Governance-related criteria; [5] Task Force on Climate-related Financial Disclosures*



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# Sustainability Strategy 2025


## HSSE vision: “ZERO Harm – NO Losses”

- Zero work related fatalities
- Stabilize Lost-Time Injury Rate at below 0.3

## Carbon efficiency

- Reduce OMV Petrom’s carbon intensity of operations by 27%[1] until 2025 (vs. 2010)
- Phase out existing routine flaring and venting latest until 2030

## Employees

- Increase share of female employees at management level up to 30% by 2025
- Increase next generation of talents through Fresh Graduate

## Innovation

- Implement Advanced Recovery pilots in OMV Petrom Upstream
- Co-process biogenic materials in Petrobrazi refinery by 2025

## Business Principles and Social Responsibility

- Maintain social license to operate
- Assess Community Grievance Mechanism of all OMV Petrom Business Divisions against UN Effectiveness Criteria

[1] *For details please refer to the OMV Petrom’s Sustainability Report*

# Our HSSE vision: "ZERO Harm – NO Losses"

**2020 LTIR[1] 0.15** (2019: 0.31)

- **Upstream:**
  - Asset Moesia, Asset Oltenia and Kazakhstan recorded ZERO LTI
  - Asset Moesia achieved ~14 mn man-hours without LTI
- **Downstream Oil:**
  - ZERO LTI for own employees
  - 5 mn man-hours without LTI for own employees
- **Downstream Gas:**
  - ZERO LTI
  - 2.8 mn man-hours without LTI

*[1] Lost time injury rate (employees and contractors) for OMV Petrom Group*


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# Investing to reduce the environmental impact

- GHG[1] intensity: reduction by 25% in 2020 vs. 2010
- CDP Climate Change score[2]: A-
- ISS ESG rating improved to C+, 1st decile rank[3]

- **Upstream:**
  - New compressor station 2 at Bustuchin to reduce energy consumption and GHG emissions
  - Rerouting a section of the main oil pipeline from the central offshore platform to the Midia terminal to protect an environmental sensitive area
  - One project finalized from the key infrastructure in Asset Crisana "Drinking Water Treatment Plant Suplac"
  - Works initiated for additional 9 MW capacity Gas to Power (G2P) / Combined Heat and Power (CHP) power plants to prevent routine flaring
  - Energy efficiency pilot-projects initiated to use renewable energy and increase energy efficiency (e.g. Solar to Power - S2P)

- **Downstream Oil:**
  - Increased bio-blending capacity at Petrobrazi by ~150 kt in order to supply fuels with higher quantities of bio-components
  - Bio-oils in the refining process: field test performed for 1kt rapeseed oil
  - Initiatives for better detection and for reduction of emissions

*[1] Greenhouse gases; for details please refer to the OMV Petrom's Sustainability Report; [2] Based on OMV Group's response; [3] Overall rating for Environment, Social and Governance criteria*



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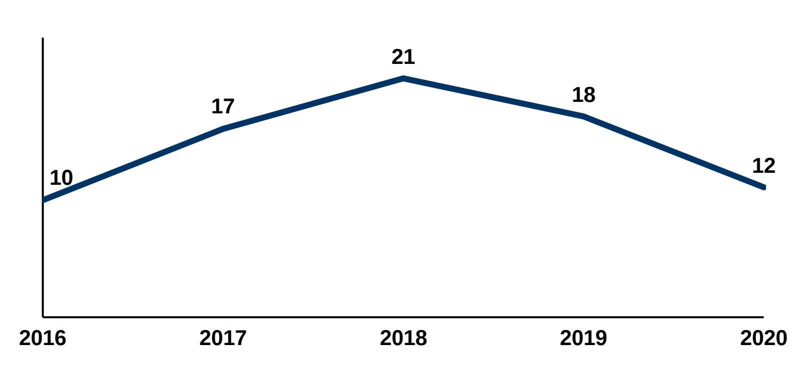
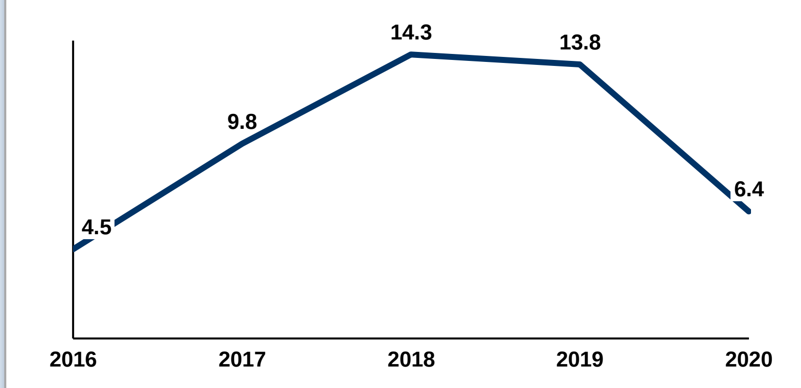
# Turning efficiency savings into cash flow

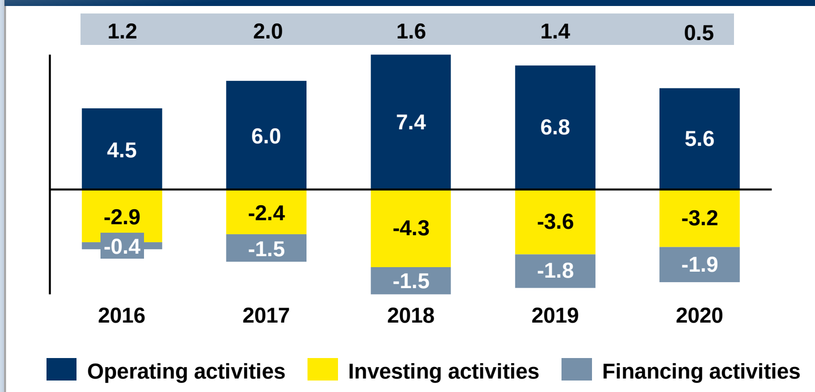
## Clean CCS Operating Result margin[1] (%)



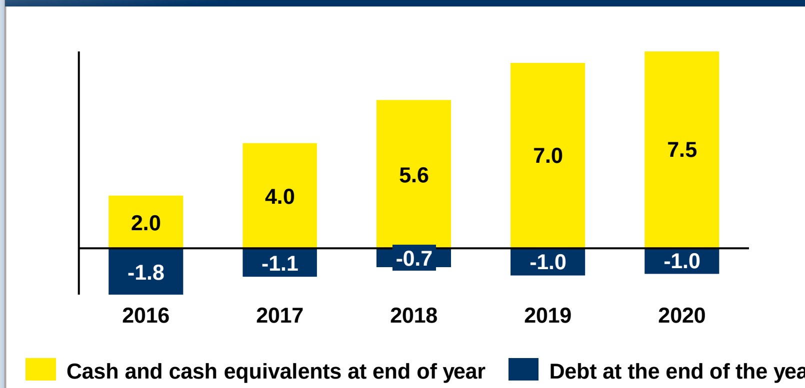

## Clean CCS ROACE (%)




## Cash flow (RON bn)




## Net cash and Debt (RON bn)

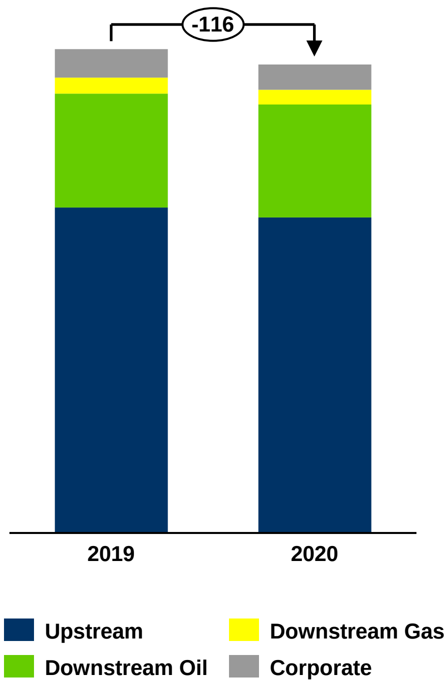



*[1] Clean CCS Operating Result / Sales; Sales were restated to reflect the new Income Statement structure*

# Cost efficiency and operational excellence

## Total operating cost

(RON mn)




### Key drivers 2020 vs. 2019

- **Upstream:** efficiency programs implemented led to cost base reduction by -3%
- **Corporate Costs:** -11%
- **Headcount:** -13% mainly as effect of outsourcing projects

# Strategy 2021+

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# OMV Petrom's strategic directions

| Enhancing competitiveness | Developing growth options | Regional expansion |
|---|---|---|
| ▶ Highest integration value<br>▶ Operational excellence<br>▶ Improved recovery<br>▶ Streamlined producing portfolio<br>▶ Dual brand strategy in retail | ▶ Sustainability of the reserves base<br>▶ Exploration portfolio<br>▶ Enhanced offer and customer experience<br>▶ Petrochemicals and technological opportunities | ▶ Selective investments in Upstream<br>▶ Regional gas player |

## Strategic enablers

**People & Organizational Culture** | **Technology & Innovation** | **Sustainability**

**Commitment to deliver attractive shareholder return**



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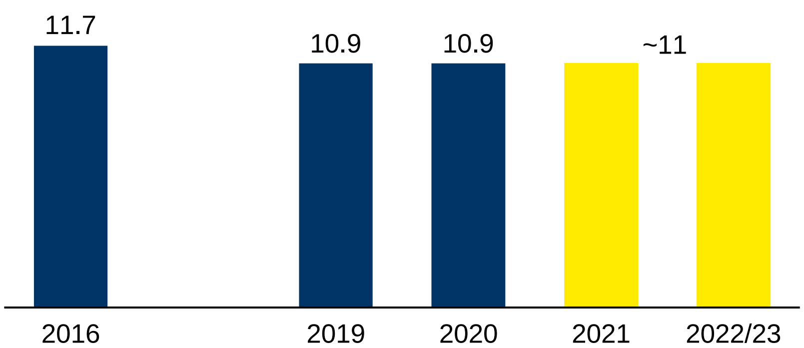
# Upstream strategic achievements 2017 - 2020

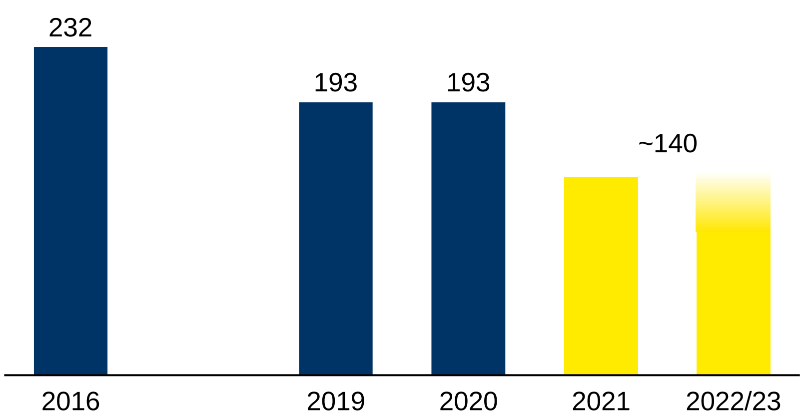
- **~11 USD/boe** stabilized production cost despite production decline
- **Neptun Deep** concept selected and project maturation towards Final Investment Decision
- **28 marginal fields divested, additional 40 to be transferred in H1 2021**
- **Simplified footprint,** 7 producing assets
- **>70%** automated wells and modernized/ automated facilities
- Contract signed to enter exploration block **offshore Bulgaria**
- Winning bidder to enter exploration block **offshore Georgia;** signing of Production Sharing Contract expected in Q1 2021
- **Kazakhstan divestment contract signed,** closing expected in H1 2021

# Competitiveness and value extraction from Upstream core assets

**OPEX** (USD/ boe)




**Footprint**[1] (no. of fields)




- Maintain strict cost and capital discipline
- Maximize economic recovery by:
  - Applying innovative IOR/ EOR[2] techniques to maximize recovery
  - Workovers and drilling programs
- Mature class 4 reserves by:
  - Targeting underexplored Near Field Opportunities in the proximity of existing infrastructure
  - Selected Field Redevelopment programs and infill drilling
- Simplify footprint and reduce complexity by divesting non-strategic fields and outsourcing of non-core activities

*[1] Romania only; [2] IOR – Improved Oil Recovery; EOR – Enhanced Oil Recovery*



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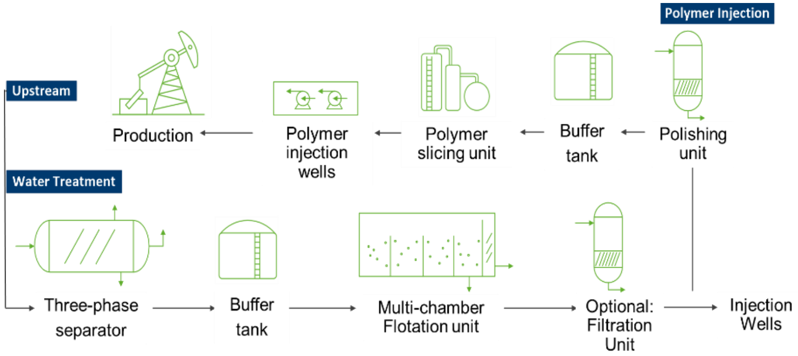
# IOR/ EOR[1] projects to maximize economic recovery

## Polymer Flooding

- After primary and secondary recovery, typically a large amount of oil remains in the reservoir providing a significant potential for EOR methods
- Polymer flooding is applied to enhance the amount of oil that can be extracted from the reservoir and targets to increase the total recovery by up to 15% of the original oil in place

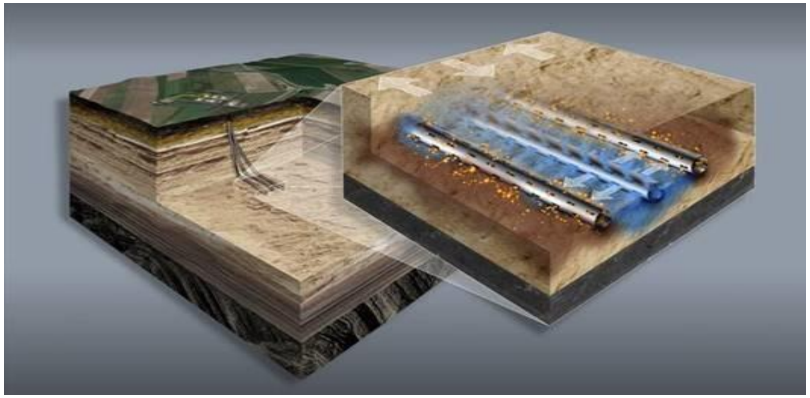
## Surface Concept




## IOR/ EOR[1] Projects & Status

- Independenta Pilot - polymer injection ongoing, very good results registered: >35k bbl cumulative produced, and second injection well in operation
- Vata Pilot Project - engineering ongoing; Roll-out – define phase
- Preajba, Moreni Projects – develop phase
- Slatioarele, Otesti Projects – potential candidates

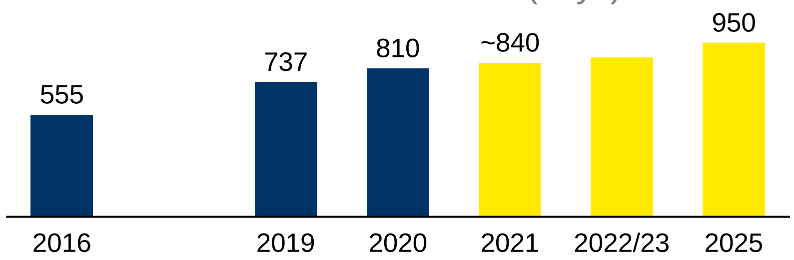
## Polymer Injection Scheme



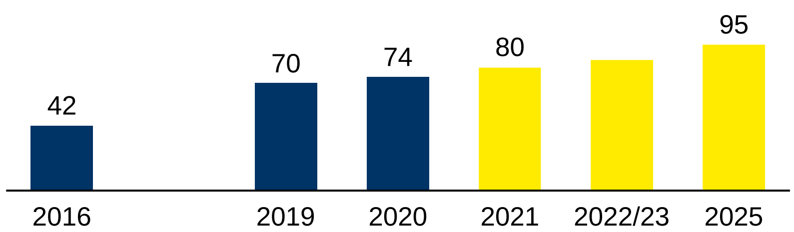
*[1] IOR – Improved Oil Recovery; EOR – Enhanced Oil Recovery*

# Continued commitment to operational excellence in Upstream

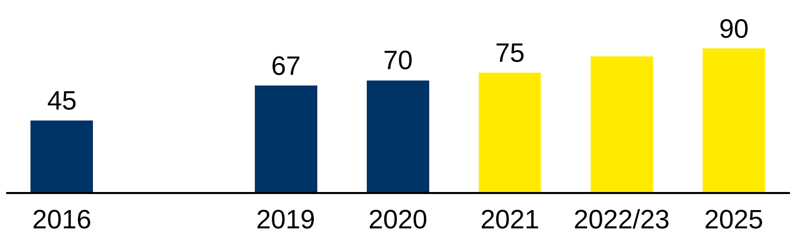
**Increased MTBF**[1] (days)




**Automated wells**[2] (% in total no. of wells)




**Modernized/ automated facilities**
(% in total no. of facilities)




- Increase MTBF[1] by focusing on root cause analysis, predictive maintenance and identification of new technologies
- Increase degree of automation and digitalization
- Modernize and automate wells and facilities leading to:
  - Automated production systems enabling remote control
  - Business digital transformation enabled trough OT & IT[3] systems digitalization, integration and digitally skilled workforce

[1] Mean time between failures; [2] Oil and gas producing wells; [3] Operations Technology and Information Technology



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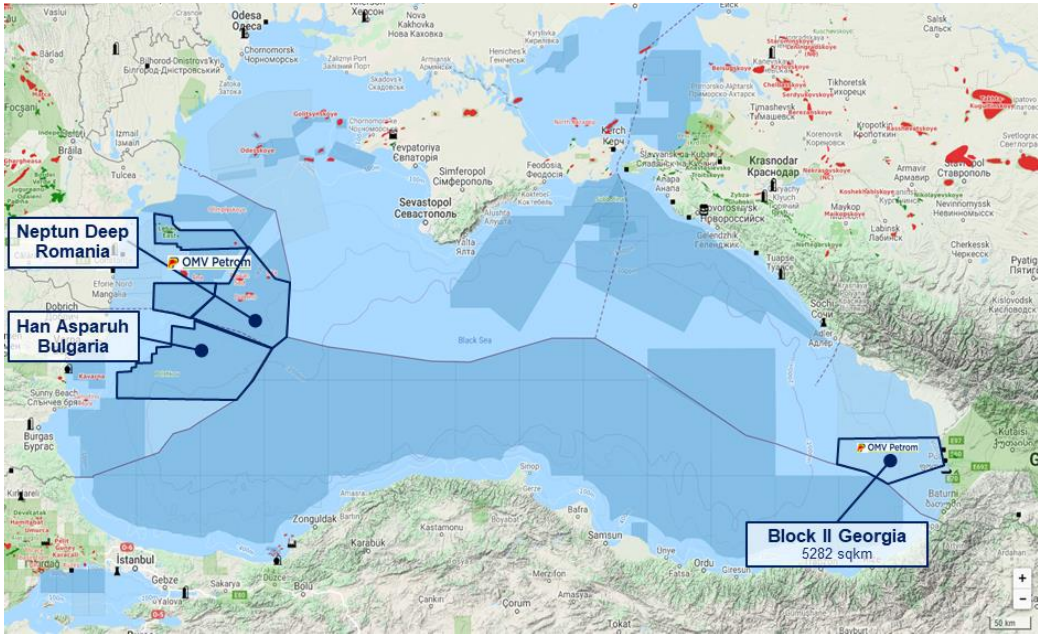
# Expand in Black Sea building on the exclusive offshore knowledge (1/2)




## Romania – Neptun Deep

- OMV Petrom (50%), ExxonMobil (50%, Operator)

## Bulgaria – Han Asparuh

- OMV Petrom (42.86%), Total (57.14% Operator)

## Georgia – Block II

- Signing of Production Sharing Contract with the Georgian Government is expected in Q1 2021



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# Expand in Black Sea building on the exclusive offshore knowledge (2/2)

## Romania – Neptun Deep

- Domino-1 discovery in 2012 (first offshore deep water exploration well)
- Resources Domino-1 discovery of 250-500 mn boe[1]
- JV Expenditures to date (Exploration & Appraisal) over USD 1.5 bn[2]
- Two seismic acquisition campaigns: 2009; 2012 – 2013
- Second exploration drilling campaign successfully finalized in January 2016
  - Drilled 7 wells
  - Successful well test of Domino structure
- Matured through concept selection phase

## Bulgaria – Han Asparuh

- Acquisition of OMV Offshore Bulgaria GmbH, offering access to the Han Asparuh deep offshore exploration license, from OMV E&P completed
- First exploration well, Polshkov-1, drilled in 2016, followed by Rubin-1 in 2017, and Melnik-1 in 2018
- Seismic data processing in progress towards maturing future drilling candidates
- Supports OMV Petrom's regional expansion strategy

## Georgia – Block II

- Winning bidder of the international tender held for Offshore Block II
- Exploration block with total area of 5,282 square km, located on the shelf and within the economic zone of the Georgian offshore Black Sea
- Signing of Production Sharing Contract expected Q1 2021
- Exploration activities to start after signing

*[1] 100 %, initial estimate as communicated for the Domino-1 well in February 2012; [2] Gross Value*



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# Downstream Oil strategic achievements 2017-2020

- **4-5 years** refinery turnaround cycle
- **<8%** Fuel & Loss in 2020
- **~92%** refinery utilization rate in 2020, above European average
- **Polyfuel plant** operational since 2019
- **Coker unit** closed blowdown system commissioned in 2019
- **Bio-blending capacity increased** from 200 kt to ~350 kt

- **Fully modernized fuel storage network**
- **MyAuchan**, first convenience store in a filling station in Romania: contract signed to open ~400 MyAuchan stores in the entire Petrom branded network; **modernization of the entire Petrom branded filling stations** network started
- ~**5 mn l throughput/ filling station** in Romania in 2020
- Partnership with Enel X & Eldrive to **install 40 fast recharging stations for electric cars** by end of 2021



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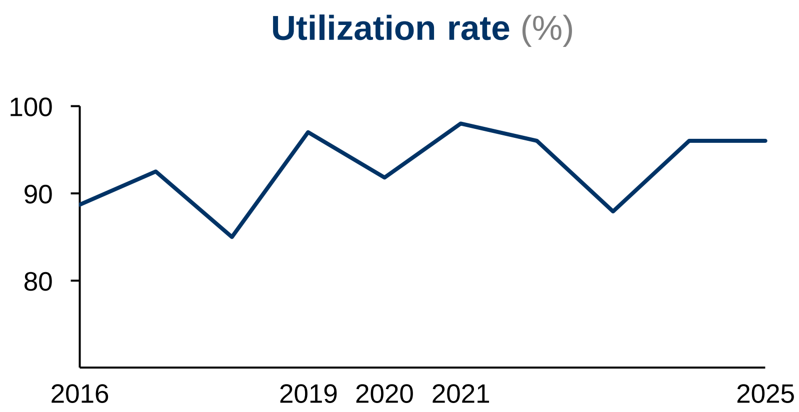
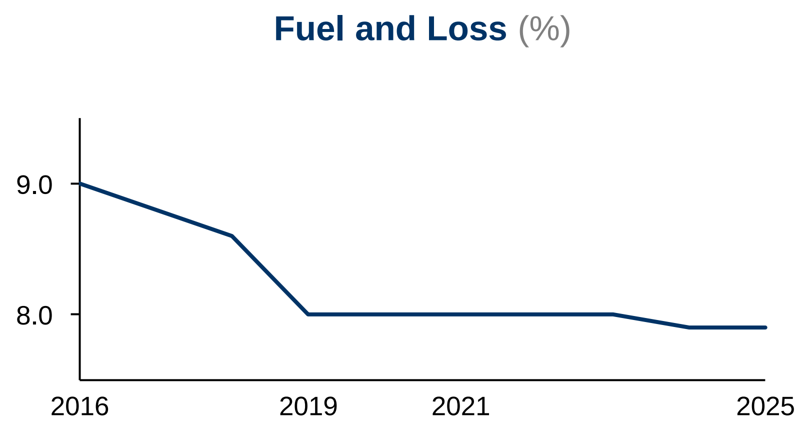
# High level of performance in Petrobrazi refinery




- Focus on operational excellence
- Improve refinery operations to international benchmarks
- Maximize availability and utilization rates
- 4-5 year turnaround cycle, limiting disruption of production and achieving cost savings
- Continue production of 0.5%Sulphur marine fuel oil, optimized to meet demand and maximize value added
- Ensure increased usage of bio-fuels and bio-components
- Implement digital technologies to automate processes for maintenance and operations

# Maximize Petrobrazi profitability and build a sustainable refining business

## High-value products

- Explore selective petrochemicals opportunities
- Sustainable use of hydrocarbons to decrease carbon footprint
- Opportunity to increase profitability by capitalizing on refinery flexibility to adapt to the new environment

## Polyfuel project

- Increased output of high-demand and high-value products by reconversion of liquefied petroleum gas (LPG) and low-grade light gasoline
- Total investment ~EUR 65 mn
- A unique, environmentally-friendly technology

## Coker Unit

- Total investment of ~EUR 46 mn
- A closed blowdown system ensuring complete elimination of volatile organic compounds emissions, thus supporting the reduction of the environmental impact

## Bio-blending capacity

- Total investment of ~EUR 21 mn
- Increased annual bio-blending capacity from 200 kt to ~350 kt to supply fuels with increased quantities of bio-components into finished products
- Support the reduction of GHG emissions[1]

[1] greenhouse gas

# Leadership position in retail via dual brand strategy and partnerships

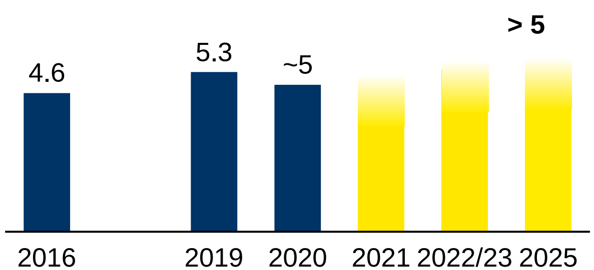
**Secure strong position on the retail market by clearly differentiating our two brands**

PETROM

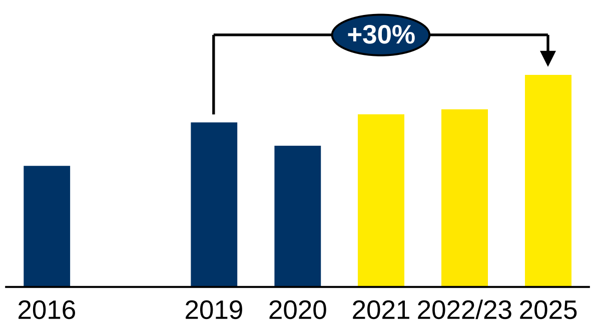
### *Best value for money*

- **National brand**, undisputed leader in fuels retail in Romania
- **Strategic partnerships** and programs increasing customer loyalty (e.g. integration of myAuchan)
- **Refreshed filling stations design** and dedicated communication and activations campaigns to attract younger families


### Increase throughput per filling station in Romania
(mn l)




### Non fuel margin

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### *Top quality leader*

- Continue offering high-performance fuels and reinforce **OMV Maxx Motion's value** proposition - prolonging engine life
- **VIVA as market differentiation,** signing "the energy for a better life" promise **-** superior quality, sustainable and healthy selection




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# MyAuchan in Petrom, first convenience store in a filling station in Romania

**Contract signed to expand the partnership to the entire Petrom branded filling stations. Roll-out to the 400 filling stations started in Q4 2020: shops in ~100 filling stations per year**


- First opening in May 2017
- 17 proximity stores in total by December 2019
- Contract signed in August 2020 with Auchan Retail Romania; roll-out national deployment
- More than EUR 50 million in total to be invested by both companies to refurbish the ~400 Petrom branded filling stations
- By end-2020, 25 MyAuchan stores opened in Petrom branded filling stations
- Over 2,500 products at an advantageous value for money ratio

| | | |
|---|---|---|
| **Save time** through convenient (24/7) **one-stop destination** | **Fair, accessible pricing** at every customer point | **Refreshed, welcoming** on-site look & feel |



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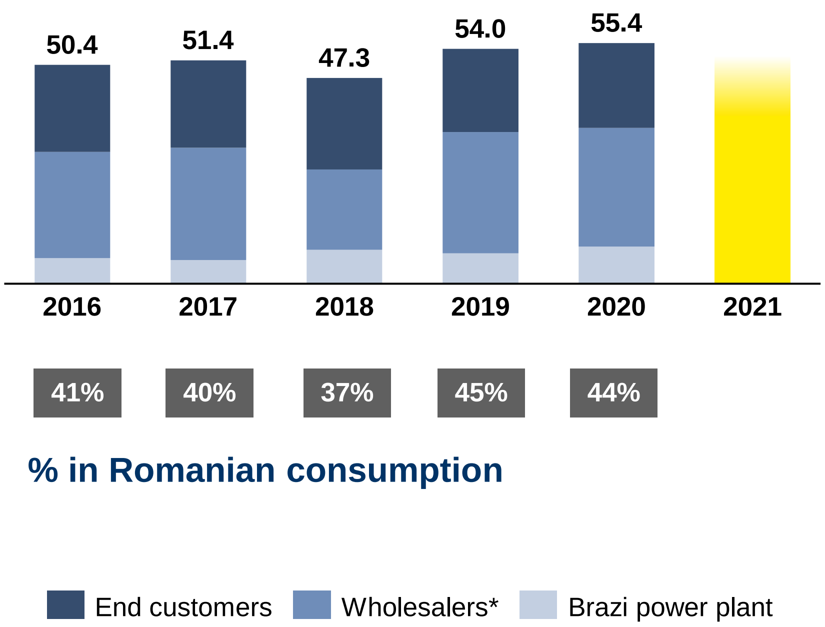
# Downstream Gas strategic achievements 2017 - 2020

- Strengthened **leading** position on the Romanian gas market
- **57 TWh** record high gas sales volumes in 2020
- Enlarged **sourcing** to extend **supply portfolio**
- **4.1 TWh** record high Brazi power plant net electrical output in 2020
- Result of the **gas** and **power integrated operations** successfully maximised
- **Regional operations** in neighbouring countries
- **Digitalization** program in progress

# Consolidated position on the Romanian gas market

| Diversify gas sales channels | Enhanced Origination and Portfolio management |
|---|---|

**Gas sales in Romania** (TWh)




- Sustainably preserve leading gas market position
- Diversify sales channels and portfolio structure
- Grow beyond equity gas and enhance gas and power portfolio management
- Capture the highest integrated gas and power value
- Maximize value added of Brazi power plant
- Enhance offer and customer experience
- Improve agility, automate processes; be a digital pioneer in customer experience

** including sales to regulated market when in effect*

# Gas and power operations in the neighboring markets


- Shift from domestic supplier to regional energy player leveraging market opportunities and existing business footprint
- Grow regionally with Neptun volumes monetization

# IMO 2020[1]: OMV Petrom capitalized on market opportunities despite challenging environment

- New sulfur limit (0.5%) imposed for ships: potential opportunity for refiners[2]
- OMV Petrom's **flexibility and resilience** proved in 2020:
  - **Entered Constanta market with new product**: very low-sulfur MFO[3] blended at Petrobrazi

  - Maintained **stable position on the market,** achieved solid sales volumes despite intense demand pressure in the pandemic context
  - Equity product quality[4] - differentiator on the market
- Over the period **2021-2024**:
  - Recovering maritime sector expected to create market opportunities
  - OMV Petrom remains committed to deliver MFO with 0.5% sulfur, subject to production optimization to meet demand and maximize value added

*[1] IMO 2020: International Maritime Organization regulations imposed starting 2020; [2] Due to expected Very Low Sulfur Fuel Oil (0.5%S) shortage in the first years after 2020; [3] MFO: Marine Fuel Oil; [4] Based on end-consumer feedback*

# Success built on three core strategic enablers

## People & Organizational Culture

- Supporting Business Growth
- Leadership Development
- Employer Attractiveness
- Simplification & Digitalization
- Performance Management
- Diversity

## Technology & Innovation

- Digital Journey: Upstream DigitUp; Downstream DigitalMotion; DigiCore
- Digital Democracy: Tools & skills for the people; Leadership development
- Open Innovation: Big partnerships; Start-ups; Technology scouting & deployment
- Culture & New ways of working: Agile; Design thinking; Rapid prototyping; Hackathons

## Sustainability

- Safety: ZERO Harm - NO losses; Keep leading position in Process Safety
- Climate change: Reducing GHG intensity by 27%[1] until 2025 vs. 2010; No new projects with routine flaring and venting; Improvement of energy efficiency
- Social responsibility: Maintain social license to operate

[1] *For details please refer to the OMV Petrom's Sustainability Report*



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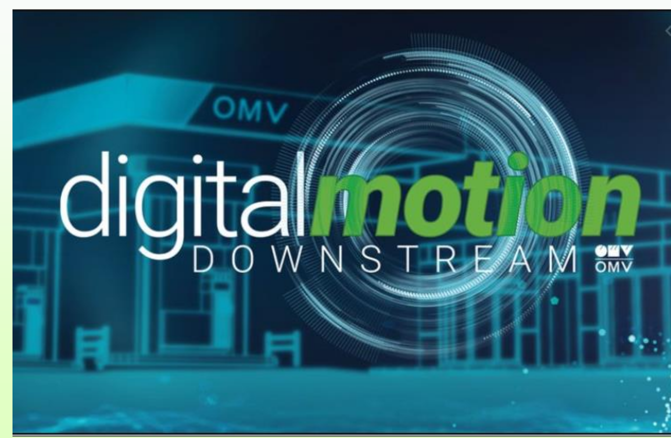
# OMV Petrom Digital Journey: smart opportunities across the entire value chain

## Flagship digitalization program in Upstream


- **Digital Rig of the future:** automation, digital controls, automated workflows
- **GeoWorkspace:** remote access to all critical applications live in Romania
- **Visual Inspection** app: image recognition to collect process parameters for wells and facilities
- **Drone tank inspection:** reduced HSSE risk, ~70% faster inspections, reduced costs
- **Advanced Process Controls** in two plants in Romania – high energy & resource efficiency

## State-of-the-art technologies in Downstream

- Efficiency and flexibility at **Petrobrazi**: operation training simulator, automated inspection system pilot project, optimization dashboard
- Customer-centric innovation in **retail and commercial sales**: outdoor payment terminals, electronic labels, online invoicing, modern CRM system
- **Logistics** excellence: holistic real-time view of transport fleet, innovative anticontamination & E-seal monitoring app






OMV Petrom

# Q4/20 and FY20 results review

OMV Petrom S.A.

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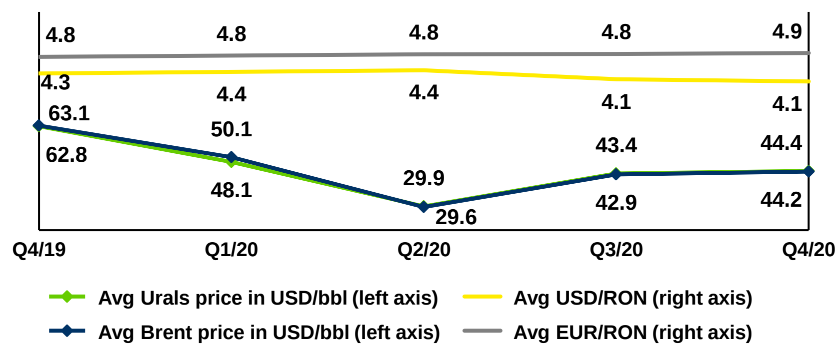
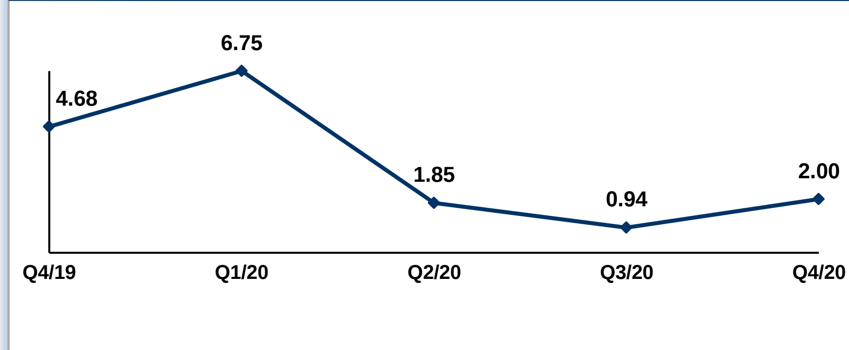
# Economic environment

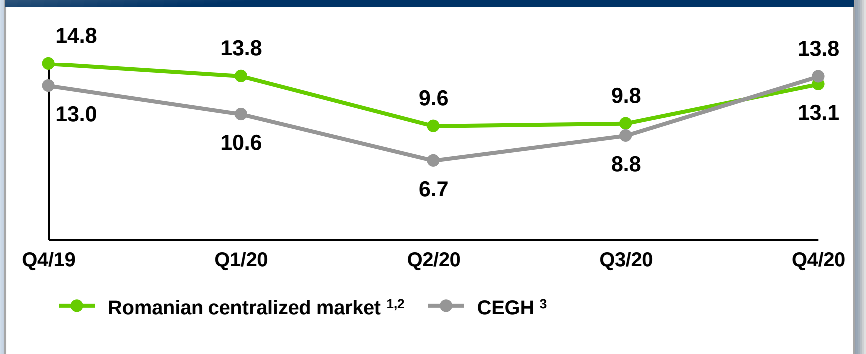
## **Oil price** (USD/bbl) and **FX** (RON/USD)



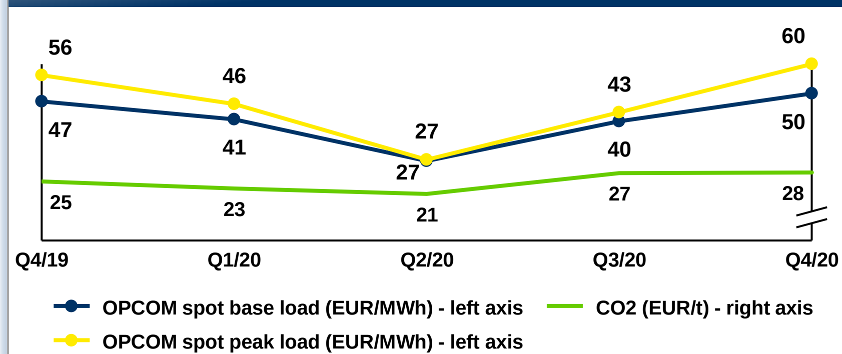

## **OMV Petrom indicator refining margin** (USD/bbl)




## **Gas prices** (EUR/MWh)[1]




## **Power prices in Romania[1] and $CO_2$ prices**




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

# 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 1st, 2021
- Draft law re. **vulnerable consumers** under public consultation

## Macroeconomic environment

### GDP growth:

- Q4/20[1]: -1.7% yoy; 2020[1]: -3.9% yoy
- 2021e[2]: +3.8% yoy

### CPI inflation:

- Dec 20/Dec 19[1]: 2.1%
- 2020[1]: 2.6%

### Demand:

| | 12m/20 yoy | Q4/20 yoy |
|---|---|---|
| **Fuels[3]** | -6% | -3% |
| **Gas[4]** | +5% | +9% |
| **Power[5]** | -4% | +1% |

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



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# Key messages Q4/20

## Financial performance

**Clean CCS Operating result**
RON 0.5 bn

**Operating Cash Flow**
RON 1.2 bn

**Clean CCS ROACE**
6.4%

**Dividend proposal [1]**
RON 1.8 bn

## Operational highlights

**Managed crisis with no business interruptions, good net working capital and asset utilization**

**Upstream**

- Natural decline of mature fields partly compensated by contribution of new wells and workovers

**Downstream Oil**

- Refining utilization above European average; solid fuel margins

**Downstream Gas**

- Excellent power performance; resilient gas portfolio

## Strategic highlights

- Petrom **filling stations**: started extensive modernization program and MyAuchan integration
- **Petrobrazi**: increased bio-blending capacity
- **Kazakhstan** divestment: contract signed

## HSSE

**LTIR[2]** 2020: 0.15; strongest annual performance since privatization

**GHG[3] intensity 2020**: -25% vs. 2010

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



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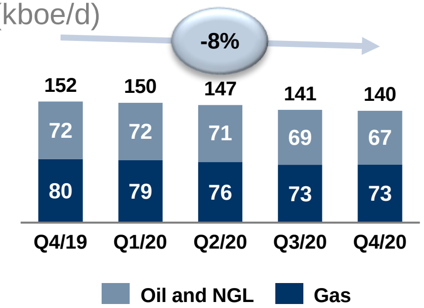
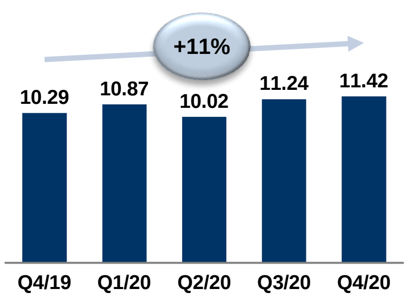
# Operational KPIs

## Upstream

### Hydrocarbon production
(kboe/d)

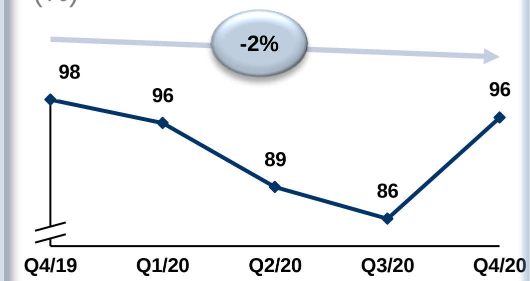



### OPEX
(USD/boe)

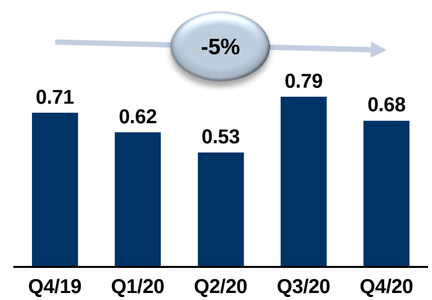



## Downstream Oil

### Refinery utilization rate
(%)

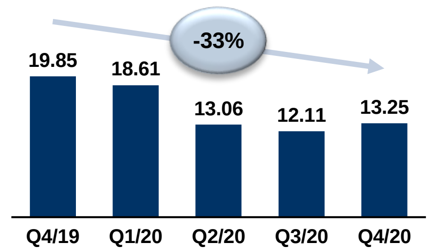



### Retail sales volumes
(mn t)

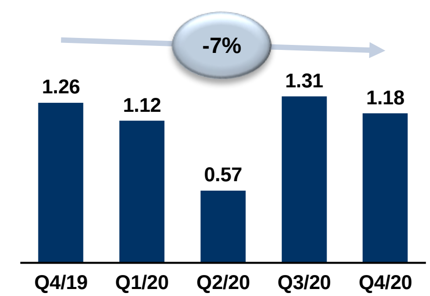



## Downstream Gas

### Gas sales volumes
(TWh)




### Net electrical output
(TWh)



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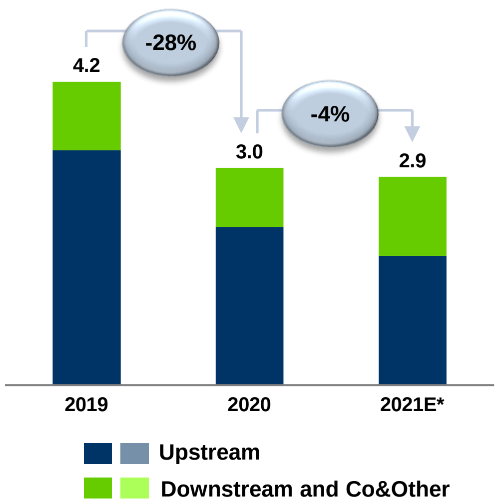
# CAPEX and E&A

## Group organic CAPEX*

(RON bn)




**CAPEX including E&A and excluding acquisitions*

## 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



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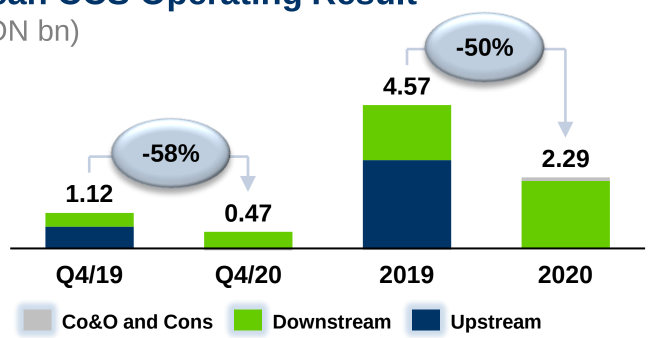
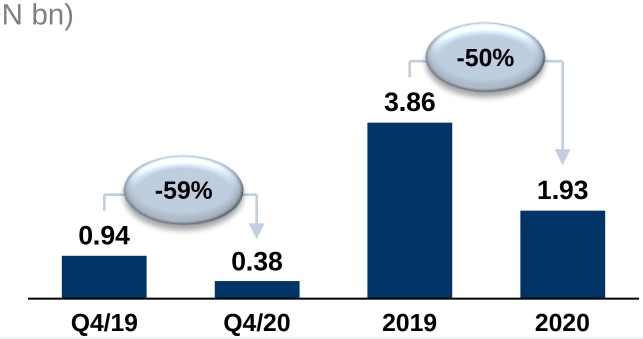
# Income Statement highlights

## 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[1]
(RON bn)

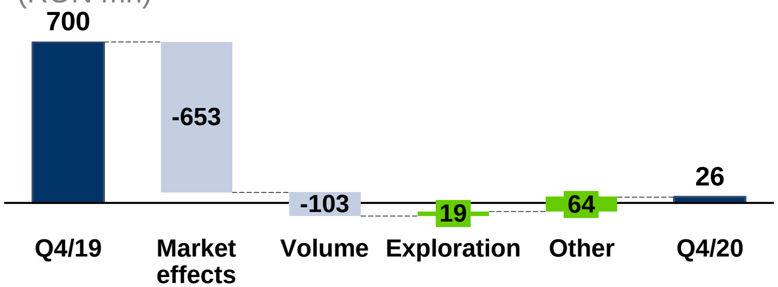



- Q4/20 Clean CCS Net Income reflects:
  - Development of operating result

[1] *Attributable to stockholders of the parent*

# Clean CCS Operating Result

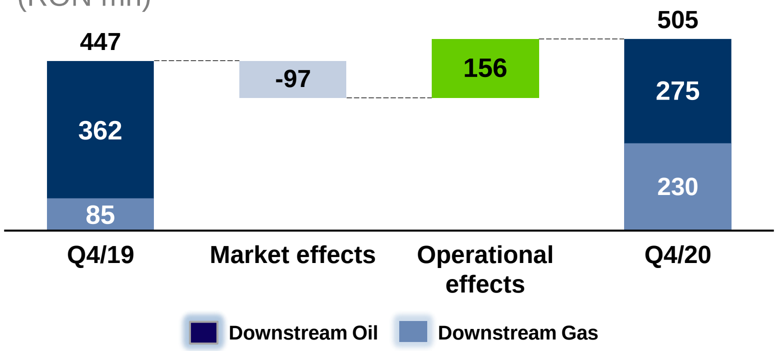
## Upstream
(RON mn)




- Lower oil and gas prices
- Hydrocarbon sales -7%

- Lower clean exploration expenses
- Ongoing cost optimization
- Lower depreciation

## Downstream
(RON mn)

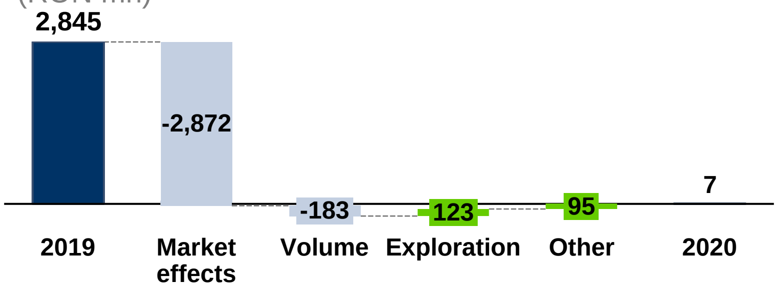



- Significantly stronger power performance built on forward contracts; higher contribution from balancing market and ancillary services
- Hedge deals, solid fuel margins and strict cost management

- Lower refining margin; refined products sales -10%
- Lower gas prices; gas sales volumes: -33%

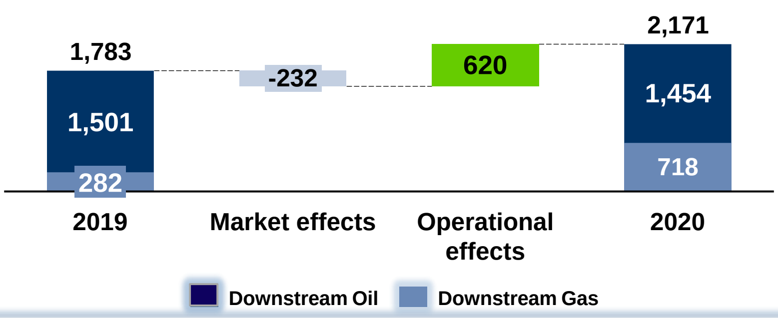
# Clean CCS Operating Result

## Upstream
(RON mn)




- Lower oil and gas prices
- One-off positive effect in Q1/19
- Lower clean exploration expenses
- Ongoing cost optimization

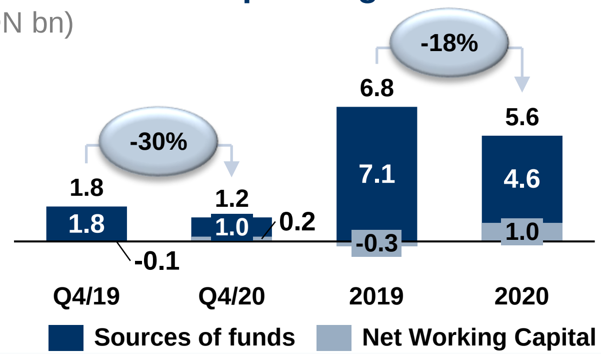
## Downstream
(RON mn)




- Significantly stronger power performance built on forward contracts
- Gas sales volumes: +4%
- Lower refining margin
- Refined products sales -9%
- Lower gas prices

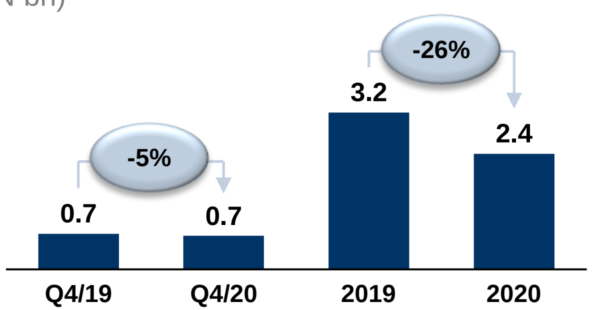
# Cash Flow highlights

## Cash Flow from Operating Activities
(RON bn)




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

## Free Cash Flow [1]
(RON bn)




- **Q4/20 CFO[2]:** -30% yoy
- **Q4/20 CFI[3]:** -47% yoy

*[1] Before dividends; [2] Cash Flow from Operating Activities; [3] Cash flow from investing activities*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# Swift reaction to market environment



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# OMV Petrom continues to promptly manage COVID-19 crisis

## Ability to cope with challenges

- Proven track record in managing economic crises
- Integrated business model supports financial results
- Resilience in highly volatile market, underpinned by business optimization and strict cost discipline
- 2019 DPS proposal maintained and paid as scheduled; 2020 DPS proposal in line with policy

## Response to COVID-19

- Health and safety – our first priority
- Managed the crisis with no business interruptions and keeping net working capital at optimal levels
- Flexibility to run critical facilities in partial/full isolation mode
- Work from home and flexible time, process digitalization, qualified digital signature

## Adjustment to market volatility

- Intensified CAPEX prioritization and cost reduction; other cash measures implemented
- Refinery utilization rate adjusted to demand, supported by flexibility of our supply chain

## Going forward

- No compromise on health and safety
- Ensure security of supply: oil products, gas, power
- Critical facilities: measures put in place for ensuring business continuity
- Extend work from home and flexible time, accelerating digitalization
- Client portfolio, assets integration and diverse sales channels provide resilience and flexibility
- CAPEX prioritization and cost reductions
- Committed to our progressive dividend policy

# Strong response to adjust to the weak market environment

| | **Planned reductions of ~RON 2.0 bn** (2020 vs. 2019) | | **Targets achieved** |
|---|---|---|---|
| **Reduced CAPEX** | ▪ Rephased and **optimized** long-term delivery **projects**<br>▪ Cut of non-committed CAPEX<br>▪ Decrease by >30% of number of wells drilled<br>▪ Decrease by ~20% of number of workovers | RON 1.2 bn[1] (30%)[2, 3] | ✓ |
| **Reduced operating costs and E&A** | ▪ Postpone exploration activities (seismic acquisitions and exploration wells drilling)<br>▪ Reduction of consulting, advertising, electricity costs<br>▪ Hiring freeze, reduce overtime, training & travel | RON 0.3 bn[1] | ✓ |
| **Other measures** | ▪ Contract re-negotiations<br>▪ Selling CO2 certificates<br>▪ Refining margin hedge | RON 0.5 bn[1] | ✓ |

*[1] 2020 revised guidance vs. 2019 absolute amount; [2] Vs. 2019 and initial plan for 2020; [3] Organic CAPEX reductions*



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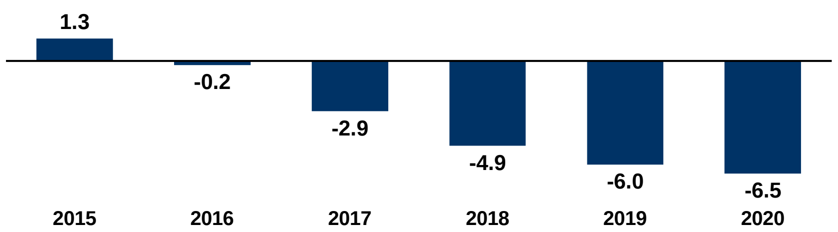
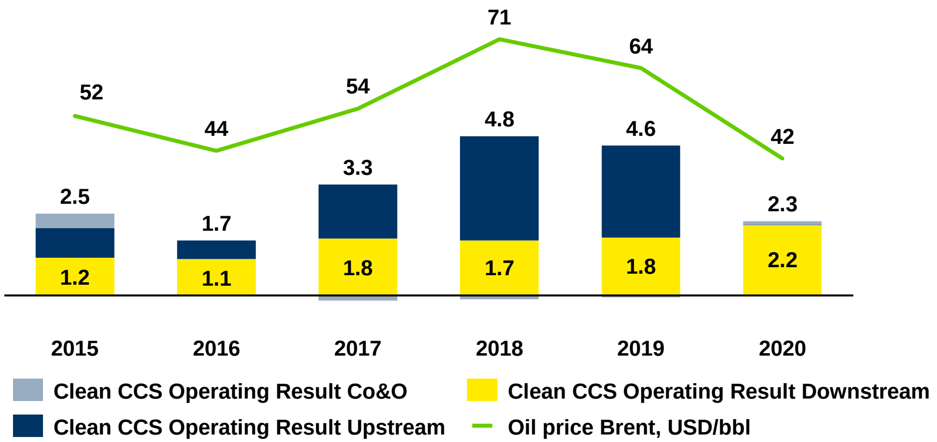
# Prepared to cope with challenges

**Net Debt/(Cash)**
(RON bn)




- Strong balance sheet
- No gearing

**Group's Clean CCS Operating Result breakdown**
(RON bn)




- Integrated business model supports financial results

# Outlook



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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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# Outlook

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

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



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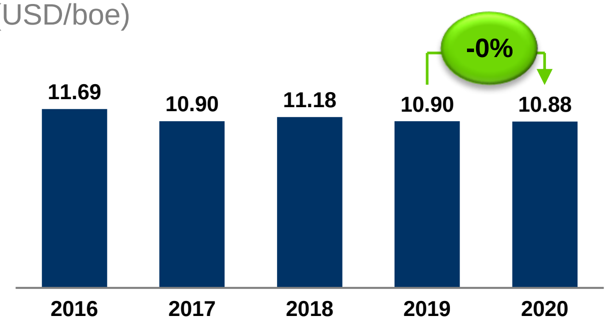
# Upstream KPIs

**OPEX**[1]
(USD/boe)

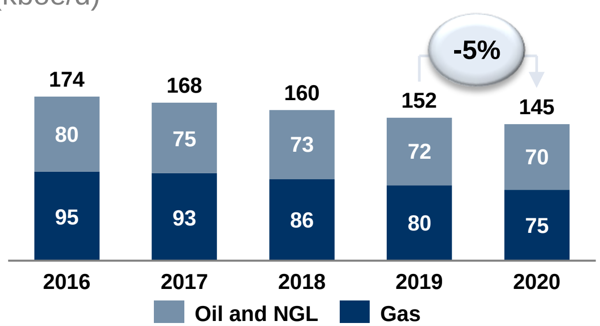



## Key drivers 2020 vs. 2019

OPEX in USD/boe terms stabilized:

- Ongoing cost optimization
- Lower production available for sale

**Hydrocarbon production**
(kboe/d)



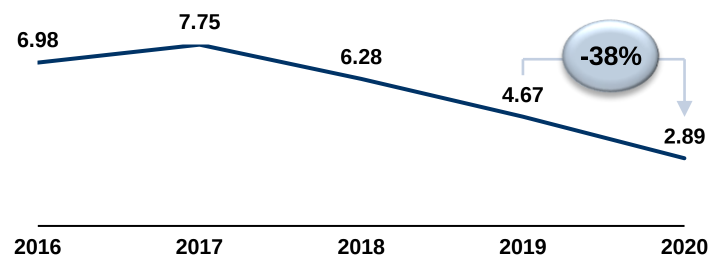

Total Upstream production -5%, due to:

- Natural decline
- Surface works
- Planned maintenance
- Contribution from new wells and workovers

[1] *OMV Petrom aligned the production cost definition with its industry peers. Administrative expenses and selling and distribution costs are excluded from 2017 onwards. 2016 OPEX figures were re-calculated accordingly.*

# Downstream Oil KPIs

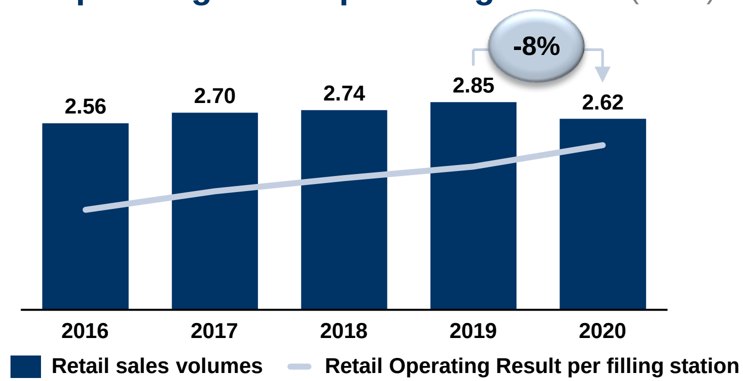
## OMV Petrom Indicator refining margin
(USD/bbl)




## Key drivers 2020 vs. 2019

- Refining margin -38% due to lower products spreads

## Retail sales volumes (mn t) and Retail Operating Result per filling station (trend)

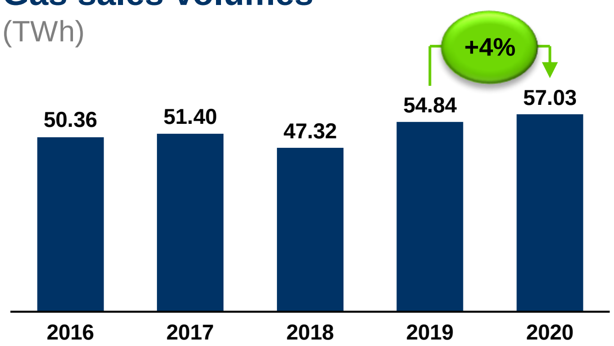



- Refined product sales -9% due to weaker demand
- Retail sales -8% driven by reduced traffic
- Retail operating result per filling station[1] +13% CAGR 2016-2020

[1] Retail including Cards business

# Downstream Gas KPIs

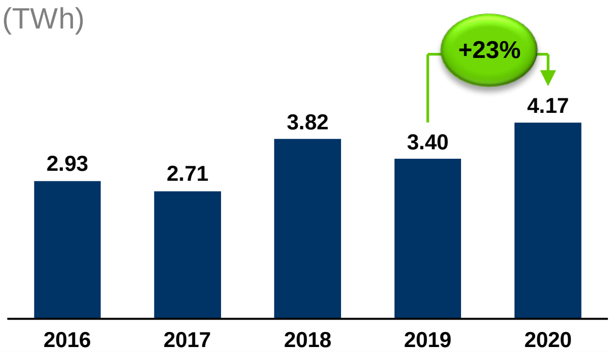
## Gas sales volumes
(TWh)




## Key drivers 2020 vs. 2019

- Record high gas sales volumes, built on third party acquisitions
- Gas sales to regulated market in H1/20: 6.97 TWh

## Net electrical output
(TWh)




- Record high net electrical output
- 7% share in Romania's generation mix
- Very good spark spreads, although lower yoy



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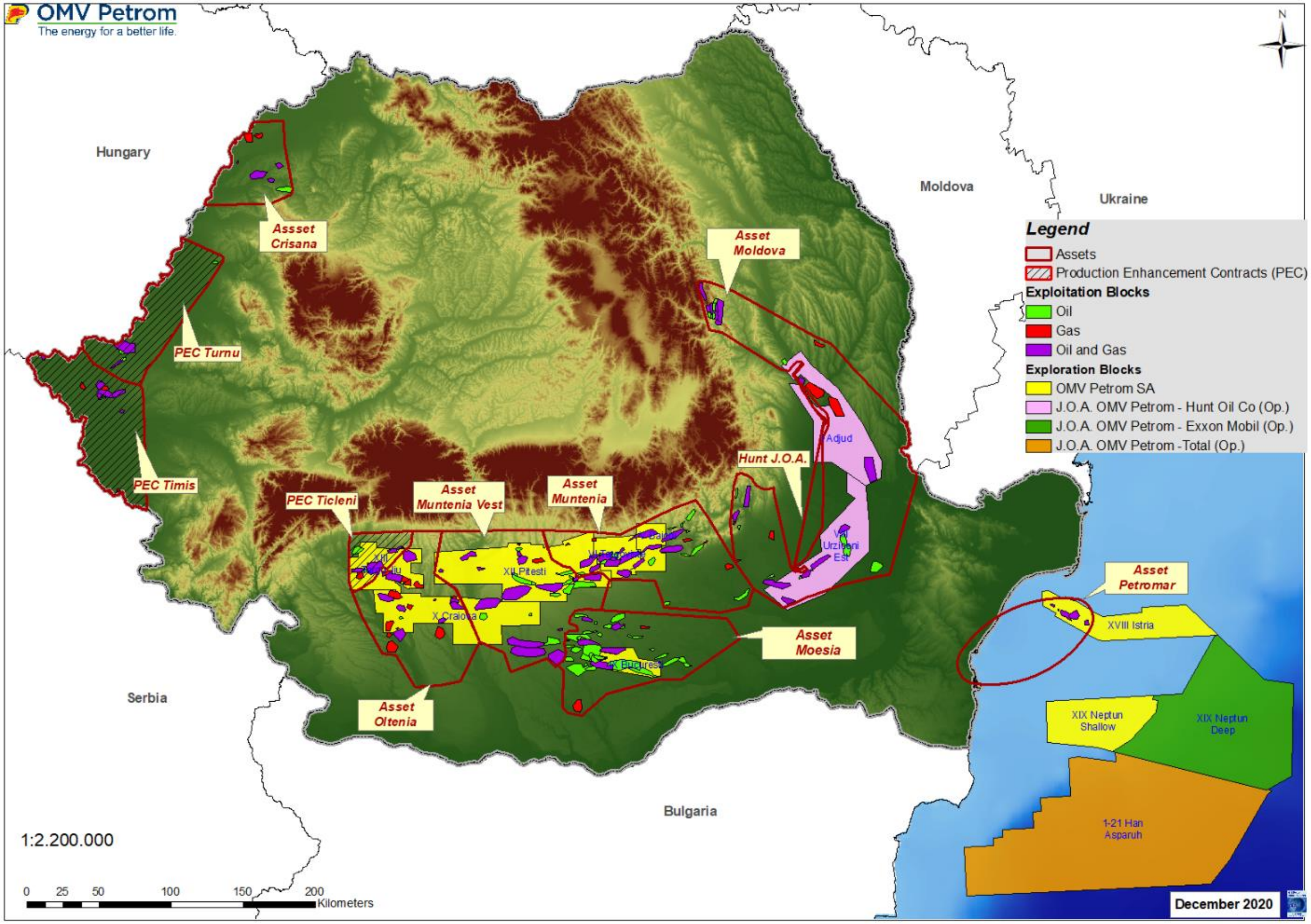
# Appendix

# Upstream Romania map



# Romanian oil market overview in 2020

**Supply**

IMPORTS: various — 67%

33% — PRODUCTION — OMV Petrom (The energy for a better life.)

TRANSPORTATION: Conpet

**Refineries**

**Refineries (combined nameplate capacity ~13 mn tpa) processed crude oil ~10.3[1] mn tpa (of which ~6.8 mn t from import)** — 70%

- OMV Petrom (The energy for a better life.) **Petrobrazi**
- Rompetrol (Petromidia, Vega)
- LukOil (Petrotel)

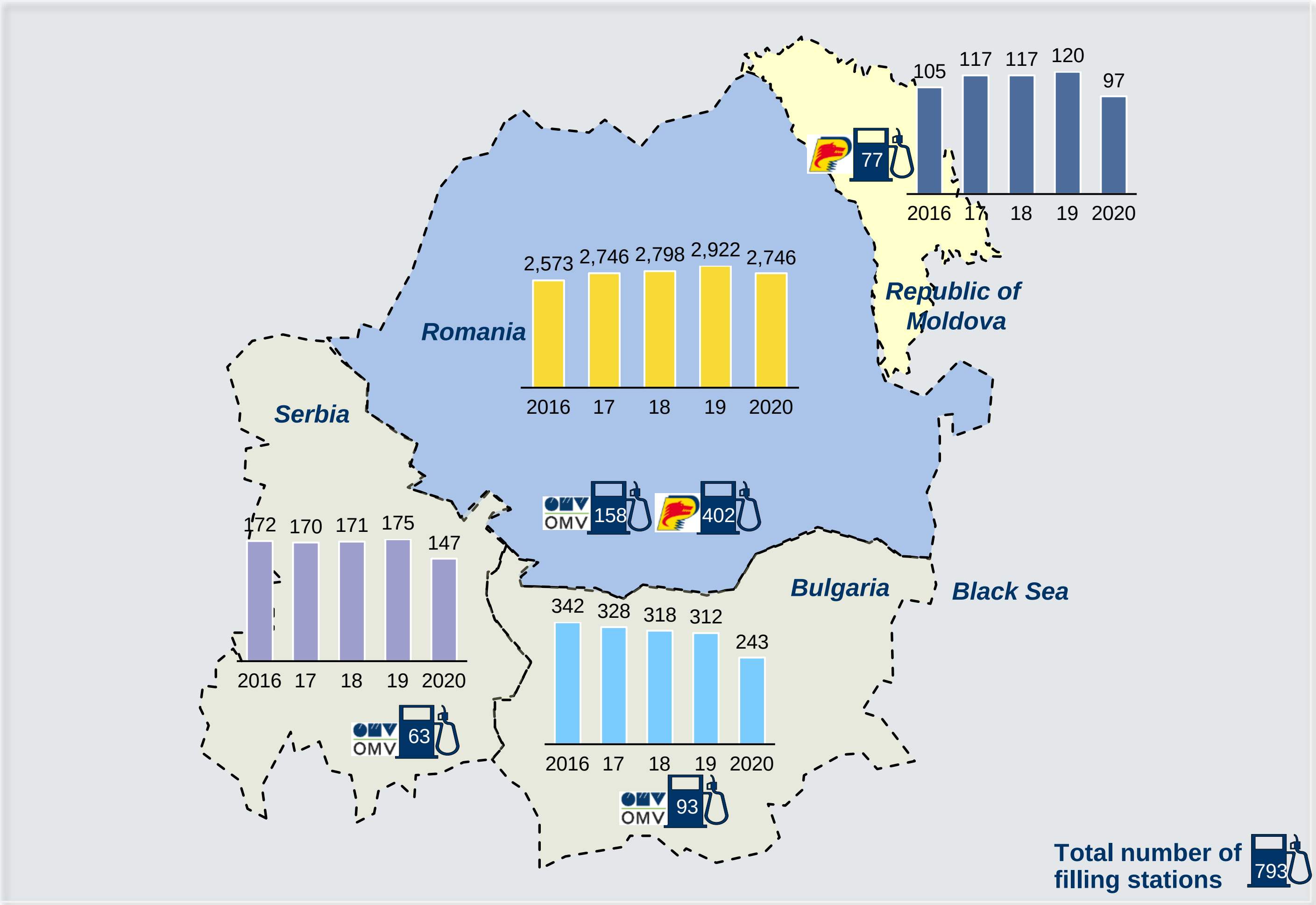
30% — Petroleum Products Imports

**Distri-bution**

Petrom, OMV, Rompetrol, Lukoil, Mol, others (GAZPROM NIS, SOCAR, independent retailers)

[1] *Only crude oil processed (other feedstock not included). Data source: National Institute of Statistics (INS) and OMV Petrom calculations*

# OMV Petrom Group fuel retail sales (mn l)



# Romanian gas market overview in 2020

**Regula-tory**

Regulatory Body
Romanian Energy Regulatory Authority (ANRE)

**Supply**

IMPORTS: various **18%**

**82%** PRODUCTION: OMV Petrom, Romgaz, …

TRANSPORTATION: Transgaz

STORAGE:
Romgaz, Depomures, Amgaz

SUPPLY: OMV Petrom, Romgaz, Engie Romania, E.ON Energie Romania, ...

**Distribu-tion**

DISTRIBUTION: Engie Romania, E.ON Energie Romania, ...

**De-mand**

| Heat & Power incl. OMV Petrom | Industry/ Commercial | Residential Sector | Technological consumption |
|---|---|---|---|

*Data source: ANRE monthly monitoring reports until September 2020; company estimates afterwards*

# Romanian power market overview in 2020

**Regulatory**

Regulatory Body
Romanian Energy Regulatory Authority (ANRE)

**Supply**

Production

| Coal | Gas | Nuclear | Hydro | Renewables |
|---|---|---|---|---|
| 17% | 18% | 21% | 28% | 16% |

Imports

Transport & Distribution System Operator (TSO&DSO)

**Market(s)**

Mid/long term fwd market(s) (OPCOM)

Day ahead market (OPCOM)

Ancillary services & Balancing market (TSO&DSO)

Cross border market

Distribution Operators (DOs)

**Demand**

Internal market consumption

Export

*Data source: Transelectrica real-time system data, may be subject to change*

# Cash flow Statement

| RON mn | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Cash flow from operating activities (CFO) | 4,454 | 5,954 | 7,385 | 6,803 | 5,556 |
| Thereof, Change in net working capital (NWC) | -27 | -199 | 32 | -256 | 964 |
| Cash flow from investing activities (CFI) | -2,896 | -2,446 | -4,261 | -3,556 | -3,163 |
| Cash flow from financing activities (CFF), of which | -376 | -1,524 | -1,495 | -1,844 | -1,921 |
| Dividends paid | -1 | -842 | -1,123 | -1,516 | -1,740 |
| Cash and equivalents at end of period | 1,996 | 3,979 | 5,609 | 7,014 | 7,451 |
| Free cash flow (FCF) | 1,559 | 3,508 | 3,125 | 3,246 | 2,393 |
| Free cash flow after dividends | 1,558 | 2,666 | 2,002 | 1,730 | 652 |

# Income Statement

| RON mn | | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| Sales[1] | | 16,647 | 19,435 | 22,523 | 25,485 | 19,717 |
| Clean CCS Operating Result | | 1,700 | 3,273 | 4,804 | 4,573 | 2,287 |
| Thereof | Upstream | 575 | 1,674 | 3,224 | 2,845 | 7 |
| | Downstream Oil | 1,112 | 1,533 | 1,335 | 1,501 | 1,454 |
| | Downstream Gas | 11 | 220 | 360 | 282 | 718 |
| | Corporate and Other | -62 | -74 | -87 | -89 | -84 |
| | Consolidation | 65 | -80 | -28 | 34 | 193 |
| Operating Result | | 1,476 | 3,270 | 5,213 | 4,245 | 1,467 |
| Financial result[1] | | -211 | -366 | -299 | 32 | 12 |
| Taxes | | -227 | -415 | -836 | -642 | -188 |
| Net income[2] | | 1,043 | 2,491 | 4,078 | 3,635 | 1,291 |
| Clean CCS net income[2] | | 1,162 | 2,488 | 3,728 | 3,863 | 1,931 |

*[1] Restated to reflect the new Income Statement structure; [2] Attributable to stockholders of the parent*

# Operating Result

| RON mn | | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| **Clean CCS Operating Result** | | **1,700** | **3,273** | **4,804** | **4,573** | **2,287** |
| Thereof | Upstream | 575 | 1,674 | 3,224 | 2,845 | 7 |
| | Downstream Oil | 1,112 | 1,533 | 1,335 | 1,501 | 1,454 |
| | Downstream Gas | 11 | 220 | 360 | 282 | 718 |
| | Corporate and Other | -62 | -74 | -87 | -89 | -84 |
| | Consolidation | 65 | -80 | -28 | 34 | 193 |
| **Operating Result** | | **1,476** | **3,270** | **5,213** | **4,245** | **1,467** |
| Thereof | Upstream | 401 | 1,661 | 3,531 | 2,589 | -985 |
| | Downstream Oil | 1,289 | 1,681 | 1,385 | 1,475 | 1,060 |
| | Downstream Gas | 3 | 86 | 286 | 438 | 1,257 |
| | Corporate and Other | -65 | -76 | -106 | -156 | -105 |
| | Consolidation | -153 | -82 | 116 | -102 | 240 |

# Key financial indicators (consolidated) – restated[1]

| in RON mn | 2016 | 2017 | 2018 | 2019 | 2020 | Q1/20 | Q2/20 | Q3/20 | Q4/20 |
|---|---|---|---|---|---|---|---|---|---|
| Sales | 16,647 | 19,435 | 22,523 | 25,485 | 19,717 | 6,086 | 3,984 | 5,053 | 4,595 |
| Clean CCS Operating Result | 1,700 | 3,273 | 4,804 | 4,573 | 2,287 | 975 | 276 | 570 | 467 |
| Operating Result [2] | 1,476 | 3,270 | 5,213 | 4,245 | 1,467 | 830 | 143 | -44 | 539 |
| Operating result before depreciation | 4,940 | 6,854 | 8,085 | 7,879 | 5,145 | 1,696 | 955 | 1,195 | 1,298 |
| Clean CCS net income attributable to stockholders | 1,162 | 2,488 | 3,728 | 3,863 | 1,931 | 760 | 317 | 471 | 382 |
| Net income attributable to stockholders | 1,043 | 2,491 | 4,078 | 3,635 | 1,291 | 653 | 214 | -41 | 465 |
| Cash flow from operating activities | 4,454 | 5,954 | 7,385 | 6,803 | 5,556 | 1,358 | 1,230 | 1,719 | 1,249 |
| Free cash flow after dividends | 1,558 | 2,666 | 2,002 | 1,730 | 652 | 136 | -1,239 | 1,059 | 697 |
| Non-current assets | 35,129 | 33,727 | 33,549 | 34,933 | 34,505 | 34,728 | 35,068 | 34,677 | 34,505 |
| Total equity | 26,706 | 28,421 | 31,368 | 33,501 | 33,071 | 34,408 | 32,804 | 32,711 | 33,071 |
| Net debt / (cash) | -237 | -2,897 | -4,891 | -5,982 | -6,486 | -6,095 | -4,841 | -5,841 | -6,486 |
| CAPEX | 2,575 | 2,969 | 4,289 | 4,225 | 3,206 | 958 | 611 | 816 | 821 |
| Gearing ratio | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| Clean CCS EPS (RON) | 0.0205 | 0.0439 | 0.0658 | 0.0682 | 0.0341 | 0.0134 | 0.0056 | 0.0083 | 0.0067 |
| EPS (RON) | 0.0184 | 0.0440 | 0.0720 | 0.0642 | 0.0228 | 0.0115 | 0.0038 | - 0.0007 | 0.0082 |
| Clean CCS ROACE | 5% | 10% | 14% | 14% | 6% | 13% | 10% | 8% | 6% |
| Payout ratio | 81% | 45% | 38% | 48% | 136% | | | | |
| Dividend per share (gross, RON) | 0.0150 | 0.0200 | 0.0270 | 0.031 | 0.031 | | | | |
| Employees at the end of the period | 14,769 | 13,790 | 13,201 | 12,347 | 10,761 | 12,135 | 11,938 | 11,798 | 10,761 |
| **NBR rates** | **2016** | **2017** | **2018** | **2019** | **2020** | **Q1/20** | **Q2/20** | **Q3/20** | **Q4/20** |
| EUR/RON average | 4.49 | 4.57 | 4.65 | 4.75 | 4.84 | 4.80 | 4.84 | 4.85 | 4.87 |
| USD/RON average | 4.06 | 4.05 | 3.94 | 4.24 | 4.24 | 4.35 | 4.39 | 4.15 | 4.09 |

*[1] Restated to reflect the new Income Statement structure; [2] Specific Upstream taxes in Romania for 2018 amounted to RON 1,206 mn, representing 13.1% of total Upstream hydrocarbon revenues, and include royalties (RON 831 mn) and supplementary oil and gas taxation (RON 375 mn). Specific Upstream taxes in Romania for 2019 amounted to RON 1,227 mn, representing 13.5% of total Upstream hydrocarbon revenues, and include royalties (RON 707 mn), supplementary oil and gas taxation (RON 473 mn) and 2% ANRE contribution for gas production activities (RON 47 mn). For 2019, the 2% ANRE contribution for gas supply and electricity production and supply activities was in amount of RON 45 mn. Specific Upstream taxes in Romania for 2020 amounted to RON 860 mn, representing 14.8% of total Upstream hydrocarbon revenues, and include royalties (RON 530 mn) and supplementary oil and gas taxation (RON 330 mn).*


OMV Petrom

# Contact Investor Relations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**2021 Financial Calendar**

**April 27:** Annual General Meeting of Shareholders
**April 29:** Q1 2021 results
**July 28:** Q2 2021 results
**October 29:** Q3 2021 results



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