General Meeting of Shareholders
OMV Petrom

2019 Overview and response to COVID-19
Christina Verchere, CEO and President of the Executive Board
April 27, 2020
Agenda

- Highlights 2019
- Strategy Execution
- Petrom’s response to COVID-19
Romanian environment

2019 Macroeconomic environment

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisional GDP</td>
<td>+4.1%</td>
</tr>
<tr>
<td>CPI annual inflation</td>
<td>+4.0%</td>
</tr>
<tr>
<td>Demand in Romania</td>
<td></td>
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<tr>
<td>Fuels</td>
<td>+5.8%</td>
</tr>
<tr>
<td>Gas</td>
<td>-6%</td>
</tr>
<tr>
<td>Power</td>
<td>-1%</td>
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**Fiscal framework**

- Government Emergency Ordinance no. 1/2020:
  - 2% fee on gas and power turnover eliminated starting Jan 2020
  - Faster return to a liberalized market for gas (July 2020) and power (Jan 2021)

1 Romanian National Institute of Statistics; 2 Fuels refer only to retail diesel and gasoline; OMV Petrom estimates based on Romanian Petroleum Association data; 3 According to company estimates; 4 According to preliminary data available from the grid operator
Group Strategic and Financial performance 2019

Strategic projects

- **Black Sea:**
  - Regional expansion into exploration offshore Bulgaria
  - Changes to the Offshore Law are needed in order to move the Neptun Deep project forward; committed to dialogue with the authorities on the way forward

- **Polyfuel:**
  - Production started in March 2019
  - Innovative technology used to convert liquefied petroleum gas (LPG) into gasoline and diesel

- **Operating Result:** 6.8 bn RON
- **Cash Flow:** 13.8 %
- **ROACE:** 1.8 bn RON
- **Dividend proposal**
  - Subject to approval of the Annual General Meeting of Shareholders on April 27, 2020

- **Clean CCS:** 4.6 bn RON
Key drivers 2019 vs. 2017

- **Upstream**: efficiency programs implemented led to cost base reduction by -7%
- **Corporate Costs**: -6%
- **Headcount**: further downsized, -10%

Total operating cost\(^1\) (RON mn)

\(^1\)On comparable basis with 2017
Focused on safeguarding our employees and the environment

Our HSSE vision: “ZERO Harm – NO Losses”

- LTIR\(^1\): 0.31
- **Upstream**: Assets Moesia, Petromar and Kazakhstan recorded ZERO LTI in 2019; Asset Moesia achieved 10 mn man-hours without LTI
- **Downstream Oil**: 7 mn man-hours without LTI at the end of 2019
- **Downstream Gas**: ZERO LTI in 2019; 2.5 mn man-hours without LTI

Investing to reduce the environmental impact

- CDP Climate Change score\(^2\): A-
- GHG\(^3\) intensity: reduction by 22% in 2019 vs. 2010
- Freshwater Withdrawal Intensity: reduction by 36% in 2019 vs. 2012
- **Upstream**: EUR 50 mn investment for Hurezani gas treatment plant
- **Downstream Oil**:
  - EUR 46 mn investment for Coker closed blowdown system at Petrobrazi refinery
  - EUR 19 mn total investment for modernizing the fuel terminal in Arad

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\(^1\) Lost time injury rate (employees and contractors) for OMV Petrom Group; \(^2\) received in 2019, based on the response of OMV Group – 2018 data; \(^3\) Greenhouse gases
Hydrocarbon production (kboe/d)

Total Upstream production -5%, due to:
- Natural decline
- Surface works
- Marginal fields divestments
- Contribution from new wells

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 figure was re-calculated accordingly. Previous years' figures were not recalculated.

3% lower OPEX, in USD/boe terms:
- Favourable FX
- Lower production available for sale

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 figure was re-calculated accordingly. Previous years' figures were not recalculated.
Refining margin (USD/bbl)

Refining margin -26% yoy, due to lower products spreads

Retail sales volumes (mn t)

Retail sales up 4% yoy, driven by higher demand
Refined product sales +10% following 2018 refinery turnaround
Gas sales volumes (TWh)

Higher gas sales volumes, built on third party acquisitions

Gas sales to regulated market: **12.51** TWh

Net electrical output (TWh)

Lower net electrical output

Power sales to regulated market: **1.14** TWh

Still positive spark spreads, although lower yoy
Progress towards achieving our strategic objectives

**Upstream**
- <8% Fuel & Loss; 97% refinery utilization rate
- Polyfuel plant in operation; Coker unit closed blowdown system implemented
- Fully modernized fuel storage network
- MoU signed for partnership extension with Auchan
- 5.3 mn l throughput/filling station in Romania
- <11 USD/boe stabilized production cost despite production decline
- Neptun Deep assessment of commercial & economic viability continued
- 28 marginal fields divested, 40 are being transferred
- 70% automated wells and modernized/automated facilities
- Contract signed to enter offshore Bulgaria

**Downstream Oil**
- Strengthened leading position on the Romanian gas market; regional operations in neighboring countries
- 55 TWh gas sales volumes in 2019
- 3rd party gas to extend supply portfolio
- 3.4 TWh Brazi power plant net electrical output in 2019

**Downstream Gas**
- 13.8% Clean CCS ROACE
- RON 1.7 bn FCF after dividends
- 15% yoy dividend growth
- 59% total shareholder return

1 Subject to approval of the Annual General Meeting of Shareholders on April 27, 2020
OMV Petrom’s response to COVID-19 and the new market environment

**Prepared to cope with challenges**
- Proven track record in managing economic crises
- Integrated business model expected to support financial results
- Resilience in highly volatile market, supported by business optimization and strict cost discipline

**COVID-19 response**
- Health and safety – our first priority
- Protection and disinfection of work spaces
- Implemented work from home and flexible time, process digitalization in place to a large extent, qualified digital signature in roll-out
- Ensure security of supply: oil products, gas, power
- Filling stations: increased sanitizing measures

**Adjustment to oil price and demand drop**
- Intensify CAPEX prioritization and cost reduction
- Refinery utilization rate adjusted downwards to 82%
- Continue portfolio optimization

**Shareholders**
- 27 April GSM: vote by correspondence highly recommended
- Measures to address COVID-19 impact to be announced on April 29 together with Q1/20 results
- Strong financial position
- Progressive dividend policy

**Partner for Romania**
- Working intensively with authorities to contain impact on operations and critical infrastructure
- Reliable and responsible tax payer