

Q4

Quarterly Report 2019



OMV Petrom
The energy for a better life.

Content

Directors' report (condensed, unaudited)	4
Financial highlights	4
Group performance	5
Outlook 2020	9
Business segments	10
Upstream	10
Downstream	12
Group preliminary condensed consolidated financial statements (unaudited)	15
Declaration of the management	26
Further information	27

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OMV Petrom Group results ¹ for January - December and Q4 2019 including preliminary unaudited condensed consolidated financial statements as of and for the period ended December 31, 2019

Highlights Q4/19 ²

Group

- ▶ Clean CCS Operating Result at RON 1.1 bn, 21% lower
- ▶ Clean CCS net income attributable to stockholders at RON 938 mn, down 17%
- ▶ Cash flow from operating activities at RON 1.8 bn, 3% lower
- ▶ CAPEX at RON 1.4 bn, up 20%
- ▶ Clean CCS ROACE at 13.8%, 0.5 pp lower
- ▶ Dividend proposal 2019³: RON 0.031/share, up 15%

Upstream

- ▶ Clean Operating Result at RON 700 mn, down 12%, mainly driven by lower oil prices and higher depreciation
- ▶ Managed production decline at 3%, supported by tie in of the 4461 Totea South exploration well
- ▶ Reduced OPEX to USD 10.3/boe despite production decline, due to favorable exchange rate and further improved operational efficiencies

Downstream Oil

- ▶ Clean CCS Operating Result at RON 362 mn, up 2%, due to strong operational performance offsetting the impact of a deteriorated refining margin environment
- ▶ OMV Petrom indicator refining margin at USD 4.68/bbl, down 11%
- ▶ Strong refinery utilization rate of 98%; retail volumes up 3%

Downstream Gas

- ▶ Clean Operating Result at RON 85 mn, down 47% (Q4/18 included Brazi power plant insurance revenues)
- ▶ Gas sales volumes up 54%, built on third party supply; net electrical output at 1.26 TWh, 15% down in the context of slightly negative spark spreads
- ▶ In Q4/19, OMV Petrom supplied the regulated markets with 5.07 TWh of gas and 0.47 TWh of power, as per the set allocations

Key events

- ▶ In line with our regional expansion strategy, on December 17, OMV Petrom signed a contract to acquire OMV Offshore Bulgaria GmbH, which holds a 30% stake in the Han Asparuh exploration license. Closing of the transaction is subject to certain conditions precedent and is expected by mid-2020.
- ▶ In January 2020, OMV Petrom S.A. reached an agreement for the transfer of 40 marginal onshore oil and gas fields in Romania to Dacian Petroleum S.R.L. The transfer is part of the portfolio optimization program, which aims to streamline operations and focuses on the core and most profitable fields. The 40 fields to be transferred have a cumulated oil and gas production of approximately 1,700 boe/day, representing roughly 1% of OMV Petrom's production.

¹ The financials are unaudited and represent OMV Petrom Group's (herein after also referred to as "the Group") preliminary consolidated results prepared according to IFRS; all the figures refer to OMV Petrom Group, unless otherwise stated; financials are expressed in RON mn and rounded to the closest integer value, so minor differences may result upon reconciliation; OMV Petrom uses the National Bank of Romania exchange rates for its consolidation process. Unless specified differently, amounts related to Downstream represent totals of Downstream Oil and Downstream Gas.

² All comparisons described relate to the same quarter in the previous year except where mentioned otherwise.

³ Subject to approval by the Supervisory Board and the General Meeting of Shareholders.

Directors' report (condensed, unaudited)

Financial highlights

Q4/19	Q3/19	Q4/18	Δ% ¹	in RON mn	2019	2018	Δ%
7,296	6,869	6,413	14	Sales ²	25,485	22,523	13
1,120	1,228	1,426	(21)	Clean CCS Operating Result ³	4,573	4,804	(5)
700	546	794	(12)	Clean Operating Result Upstream ^{3, 4}	2,845	3,224	(12)
447	637	514	(13)	Clean CCS Operating Result Downstream ³	1,783	1,695	5
(30)	(21)	(29)	(3)	Clean Operating Result Co&O ³	(89)	(87)	(3)
4	66	147	(97)	Consolidation	34	(28)	n.m.
15	16	17	(8)	Clean Group effective tax rate (%)	16	17	(8)
938	1,024	1,131	(17)	Clean CCS net income ^{3, 7}	3,864	3,728	4
938	1,024	1,131	(17)	Clean CCS net income attributable to stockholders ^{3, 6, 7}	3,863	3,728	4
0.0166	0.0181	0.0200	(17)	Clean CCS EPS (RON) ^{3, 6, 7}	0.0682	0.0658	4
1,120	1,228	1,426	(21)	Clean CCS Operating Result ³	4,573	4,804	(5)
(89)	(246)	406	n.m.	Special items ⁵	(370)	223	n.m.
17	(44)	(81)	n.m.	CCS effects: Inventory holding gains/(losses)	42	186	(77)
1,049	939	1,751	(40)	Operating Result Group	4,245	5,213	(19)
496	512	1,134	(56)	Operating Result Upstream ⁴	2,589	3,531	(27)
605	383	360	68	Operating Result Downstream	1,913	1,672	14
(38)	(28)	(37)	(2)	Operating Result Co&O	(156)	(106)	(48)
(14)	72	294	n.m.	Consolidation	(102)	116	n.m.
(8)	(13)	(71)	89	Net financial result	32	(299)	n.m.
1,041	926	1,680	(38)	Profit before tax	4,277	4,914	(13)
16	15	16	-	Group effective tax rate (%)	15	17	(12)
875	785	1,411	(38)	Net income	3,635	4,078	(11)
875	785	1,411	(38)	Net income attributable to stockholders ⁶	3,635	4,078	(11)
0.0154	0.0139	0.0249	(38)	EPS (RON) ⁶	0.0642	0.0720	(11)
-	-	-	-	Dividend/share	0.031 ⁸	0.027	15
1,775	2,094	1,824	(3)	Cash flow from operating activities	6,803	7,385	(8)
734	1,383	692	6	Free cash flow after dividends	1,730	2,002	(14)
(5,982)	(5,394)	(4,891)	(22)	Net debt/(cash)	(5,982)	(4,891)	(22)
1,432	1,079	1,189	20	Capital expenditure	4,225	4,289	(2)
13.8	14.7	14.3	(4)	Clean CCS ROACE (%) ^{3, 7}	13.8	14.3	(4)
12.9	15.1	15.6	(17)	ROACE (%)	12.9	15.6	(17)
12,347	12,611	13,201	(6)	OMV Petrom Group employees end of period	12,347	13,201	(6)

¹ Q4/19 vs. Q4/18

² Sales excluding petroleum excise tax;

³ Adjusted for special items; Clean CCS (current cost of supply) figures exclude special items and inventory holding effects (CCS effects) resulting from Downstream Oil; special items include temporary effects from commodity hedging (in order to mitigate Income Statement volatility);

⁴ Excluding intersegmental profit elimination shown in the line "Consolidation";

⁵ Special items, representing exceptional, non-recurring items, are added back or deducted from the Operating Result; for more details please refer to each specific segment;

⁶ After deducting net result attributable to non-controlling interests;

⁷ Excludes additional special income related to field divestments reflected in the financial result.

⁸ Subject to approval by the Supervisory Board and the General Meeting of Shareholders.

Group performance

Fourth quarter 2019 (Q4/19) vs. fourth quarter 2018 (Q4/18)

Consolidated sales increased by 14% compared to Q4/18, supported by higher sales volumes and prices for natural gas, higher sales volumes for petroleum products, partially offset by lower selling prices for petroleum products and lower sales volumes and prices for electricity. Downstream Oil represented 63% of total consolidated sales, while Downstream Gas accounted for 35% and Upstream for 2% (sales in Upstream being largely intra-group sales rather than third-party sales).

Clean CCS Operating Result decreased in Q4/19 by 21% to RON 1,120 mn, reflecting lower results in the Upstream and Downstream Gas segments and a slight increase in the Downstream Oil segment result. The **Clean Group effective tax rate** was 15% (Q4/18:17%). The **Clean CCS net income attributable to stockholders** was RON 938 mn (Q4/18: RON 1,131 mn).

Special items comprise net charges of RON (89) mn, mainly due to an impairment of assets held for sale in Upstream, partly offset by temporary positive effects from forward contracts in Downstream Gas. **Inventory holding gains** amounted to RON 17 mn in Q4/19.

Reported Operating Result for Q4/19 decreased to RON 1,049 mn, compared to RON 1,751 mn in Q4/18, driven mainly by the reversal of an impairment in Upstream in Q4/18.

Net financial result improved from a loss of RON (71) mn in Q4/18 to a loss of RON (8) mn in Q4/19, as Q4/18 was impacted by higher interest expenses in relation to the discounting of receivables.

As a result, the **profit before tax** for Q4/19 of RON 1,041 mn was significantly lower compared to RON 1,680 mn in Q4/18.

Income tax amounted to RON (166) mn, while the **effective tax rate** was 16% in Q4/19 (Q4/18: 16%).

Net income attributable to stockholders was RON 875 mn (Q4/18: RON 1,411 mn).

Cash flow from operating activities amounted to RON 1,775 mn, 3% lower yoy, driven by the evolution of the operating result. **Free cash flow after dividends** resulted in a cash inflow of RON 734 mn (Q4/18: RON 692 mn).

Capital expenditure in Q4/19 amounted to RON 1,432 mn, 20% higher than the Q4/18 figure of RON 1,189 mn. Upstream investments in Q4/19 amounted to RON 996 mn, compared to RON 913 mn in Q4/18. Downstream investments amounted to RON 430 mn (Q4/18: RON 276 mn). Corporate and Other investments were RON 6 mn (Q4/18: RON 1 mn).

Due to the significant cash balance at December 31, 2019, OMV Petrom Group maintained a **net cash** position of RON 5,982 mn (December 31, 2018: RON 4,891 mn).

January – December 2019 vs. January – December 2018

Consolidated sales for 2019 amounted to RON 25,485 mn, an increase of 13% compared to 2018, driven by higher sales volumes and prices for natural gas, higher sales volumes for petroleum products and higher prices for electricity, partially compensated by lower selling prices for petroleum products. Downstream Oil represented 72% of total consolidated sales, Downstream Gas accounted for 26% and Upstream for approximately 2%.

Clean CCS Operating result decreased by 5% to RON 4,573 mn, reflecting the unfavorable oil price environment and the decrease in refining margin. The **Clean Group effective tax rate** was 16% (2018:17%). **Clean CCS net income attributable to stockholders** was RON 3,863 mn, 4% higher compared to 2018.

Special items comprise net charges of RON (370) mn, mainly related to future estimated soil remediation costs in relation to Arpechim refinery booked in Q3/19 and an impairment of assets held for sale in Upstream booked in Q4/19, partly offset by temporary positive effects from forward contracts in Downstream Gas. **Inventory holding gains** amounted to RON 42 mn in 2019.

Reported Operating result for the year 2019 decreased by 19% to RON 4,245 mn (2018: RON 5,213 mn), influenced mainly by unfavorable market environment as well as net special charges in 2019.

Net financial result improved to RON 32 mn from a loss of RON (299) mn in 2018, reflecting mainly the positive impact from the discounting of receivables, higher interest income on bank deposits and interest income in relation to clarification of a tax-related topic recognized in Q1/19.

As a result, the **profit before tax** for 2019 of RON 4,277 mn decreased compared to RON 4,914 mn in 2018.

Income tax amounted to RON (642) mn, while the **effective tax rate** was 15% for 2019 (2018: 17%).

Net income attributable to stockholders was RON 3,635 mn in 2019, compared to RON 4,078 mn in 2018.

Cash flow from operating activities amounted to RON 6,803 mn, 8% lower compared to 2018 level, driven by the decrease of the operating result. **Free cash flow after dividends** amounted to RON 1,730 mn (2018: RON 2,002 mn).

Capital expenditure was RON 4,225 mn in 2019, 2% lower than RON 4,289 mn in 2018. Upstream investments in 2019 were RON 3,269 mn, compared to RON 3,150 mn in 2018. Downstream investments amounted to RON 903 mn (2018: RON 1,138 mn), thereof RON 818 mn in Downstream Oil (2018: RON 1,112 mn). Corporate and Other investments increased to RON 53 mn mainly following the adoption of IFRS 16 Leases (2018: RON 1 mn).

Special items and CCS effect

Q4/19	Q3/19	Q4/18	Δ% ¹	Special items and CCS effect (in RON mn)	2019	2018	Δ%
1,120	1,228	1,426	(21)	Clean CCS Operating Result	4,573	4,804	(5)
(89)	(246)	406	n.m.	Special items	(370)	223	n.m.
(1)	(40)	(24)	96	thereof personnel and restructuring	(53)	(71)	25
-	-	423	(100)	thereof unscheduled depreciation	-	423	(100)
(88)	(206)	6	n.m.	thereof other	(317)	(130)	(144)
17	(44)	(81)	n.m.	CCS effect: Inventory holding gains/(losses)	42	186	(77)
1,049	939	1,751	(40)	Operating Result Group	4,245	5,213	(19)

¹ Q4/19 vs. Q4/18

The disclosure of **Special items** is considered appropriate in order to facilitate the analysis of the ordinary business performance. To reflect comparable figures, certain items affecting the result are added back or deducted. They are being disclosed separately. These items can be divided into three categories: personnel and restructuring, unscheduled depreciation and other.

Furthermore, to enable effective performance management in an environment of volatile prices and comparability with peers, the **Current Cost of Supply (CCS)** effect is eliminated from the accounting result. The CCS effect, also called inventory holding gains or losses, represents the difference between the cost of sales calculated using the current cost of supply and the cost of sales calculated using the weighted average method after adjusting for any changes in valuation allowances, in case the net realizable value of the inventory is lower than its cost. In volatile energy markets, measurement of the costs of petroleum products sold based on historical values (e.g. weighted average cost) can have a distorting effect on the reported results. This performance measurement enhances the transparency of the results and is commonly used in the oil industry. OMV Petrom, therefore, published this measurement in addition to the Operating Result determined according to IFRS.

Summarized preliminary consolidated statement of financial position (unaudited)

in RON mn	December 31, 2019	December 31, 2018
Assets		
Non-current assets	34,932.64	33,548.66
Current assets (incl. Assets held for sale)	12,562.59	10,235.48
Total assets	47,495.23	43,784.14
Equity and liabilities		
Total equity	33,501.37	31,368.10
Non-current liabilities	8,197.30	6,867.43
Current liabilities (incl. Liab assoc with assets held for sale)	5,796.56	5,548.61
Total equity and liabilities	47,495.23	43,784.14

Compared to December 31, 2018, **non-current assets** increased by RON 1,384 mn, to RON 34,933 mn, mainly driven by the increase in intangible assets and property, plant and equipment, as the additions during the period,

including the impacts from the reassessment of decommissioning asset and the adoption of IFRS 16 Leases, exceeded depreciation and impairments.

The net increase in **current assets (including assets held for sale)** was mainly due to higher cash and cash equivalents, higher inventories, higher financial assets from margin hedges in the refinery, and an increase in trade receivables mainly following higher sales of natural gas.

Equity increased to RON 33,501 mn as of December 31, 2019, compared to RON 31,368 mn as of December 31, 2018, mainly as a result of the net profit generated in the current period that was partially offset by the dividend distribution for the financial year 2018. The Group's equity ratio was 71% as of December 31, 2019, slightly lower than the level of 72% as of December 31, 2018.

As at December 31, 2019, **total liabilities** increased by RON 1,578 mn compared to the December 31, 2018 value, mainly due to an increase in **non-current liabilities** by RON 1,330 mn as a consequence of the reassessment of provisions for decommissioning and restoration obligations and the set-up of a provision for soil remediation in relation to the Arpechim refinery site.

Lease liabilities increased by RON 532 mn mainly following the implementation of IFRS 16 Leases, while total interest-bearing debts decreased to RON 330 mn as of December 31, 2019, from RON 549 mn as of December 31, 2018, mainly due to repayment of loans.

The net increase in **assets held for sale** and **liabilities associated with assets held for sale** is due to reaching an agreement to transfer 40 marginal onshore oil and gas fields and reclassification of the related assets and liabilities as held for sale, partially compensated by the closing in 2019 of the transfer for 9 marginal fields.

Cash flow

Q4/19	Q3/19	Q4/18	Δ% ¹	Summarized cash-flow statement (in RON mn)	2019	2018	Δ%
1,831	1,856	1,871	(2)	Sources of funds	7,059	7,353	(4)
1,775	2,094	1,824	(3)	Cash flow from operating activities	6,803	7,385	(8)
(1,040)	(710)	(1,131)	8	Cash flow from investing activities	(3,556)	(4,261)	17
735	1,383	693	6	Free cash flow	3,246	3,125	4
(63)	(34)	(35)	(83)	Cash flow from financing activities	(1,844)	(1,495)	(23)
(0)	1	0	n.m.	Effect of exchange rates on cash and cash equivalents	1	1	30
672	1,350	659	2	Net increase in cash and cash equivalents	1,404	1,630	(14)
6,342	4,992	4,951	28	Cash and cash equivalents beginning of period	5,609	3,979	41
7,014	6,342	5,609	25	Cash and cash equivalents end of period	7,014	5,609	25
734	1,383	692	6	Free cash flow after dividends	1,730	2,002	(14)

¹ Q4/19 vs. Q4/18

Fourth quarter 2019 (Q4/19) vs. fourth quarter 2018 (Q4/18)

In Q4/19, the inflow of funds from profit before tax, adjusted for non-cash items such as depreciation and impairments, net change of provisions and other non-monetary adjustments, as well as net interest received and income tax paid, was RON 1,831 mn (Q4/18: RON 1,871 mn). Changes in **net working capital** generated a cash outflow of RON 56 mn (Q4/18: RON 47 mn). **Cash flow from operating activities** slightly decreased compared to Q4/18, reaching RON 1,775 mn.

In Q4/19, **cash flow from investing activities** resulted in an outflow of RON 1,040 mn (Q4/18: RON 1,131 mn) mainly related to investments in intangible assets and property, plant and equipment, in the Upstream and Downstream Oil segments.

Cash flow from financing activities implied an outflow of funds amounting to RON 63 mn (Q4/18: RON 35 mn), mainly in relation to payments for loans and leases.

Free cash flow (defined as cash flow from operating activities less cash flow from investing activities) showed an inflow of funds of RON 735 mn (Q4/18: RON 693 mn). **Free cash flow less dividend payments** resulted in a cash inflow of RON 734 mn (Q4/18: RON 692 mn).

January to December 2019 vs. January to December 2018

In 2019, the inflow of funds from profit before tax, adjusted for non-cash items such as depreciation and impairments, net change of provisions and other non-monetary adjustments, as well as net interest received and income tax paid was RON 7,059 mn (2018: RON 7,353 mn). Changes in **net working capital** generated a cash outflow of RON 256 mn (2018: inflow of RON 32 mn). **Cash flow from operating activities** decreased by RON 583 mn compared to 2018, to RON 6,803 mn, reflecting the lower operating result and the increase of the net working capital.

Cash flow from investing activities resulted in an outflow of RON 3,556 mn (2018: RON 4,261 mn) mainly related to investments in intangible assets and property, plant and equipment, largely in the Upstream segment, offset to some extent by the partial collection of the receivable in relation to the government grant for Brazi power plant investment.

Cash flow from financing activities reflected an outflow of funds amounting to RON 1,844 mn (2018: RON 1,495 mn), mainly arising from the payment of dividends of RON 1,516 mn and the repayment of loans.

Free cash flow (defined as cash flow from operating activities less cash flow from investing activities) showed an inflow of funds of RON 3,246 mn (2018: RON 3,125 mn). **Free cash flow less dividend payments** resulted in a cash inflow of RON 1,730 mn (2018: RON 2,002 mn).

Risk management

The scope of OMV Petrom's business activity, both existing and planned, and the markets in which the company operates in naturally expose the company to significant commodity price, foreign exchange, operational and other risks. A detailed description of risks and risk management activities can be found in the 2018 Annual Report (pages 42-44).

According to the last OMV Petrom Group risk assessment exercise in October 2019, the main uncertainties which could impact the company's performance remain the commodity price risk, operational risks as well as political and regulatory risk.

Through the nature of its business of extracting, processing, transporting and selling hydrocarbons, OMV Petrom is inherently exposed to safety and environmental risks. Through its HSSE and risk management programs, OMV Petrom remains committed to be in line with industry standards.

In terms of regulatory risk, the company is in dialogue with the Romanian authorities on topics of relevance for the industry. In the last few years, we have seen a number of fiscal and regulatory initiatives put in discussion and/or implemented. This increases legislative volatility with influence on the overall business environment.

Also refer to the Outlook section of the Directors' report for more information on current risks.

Transactions with related parties

Please refer to the selected explanatory notes of the preliminary condensed consolidated financial statements on page 30 for disclosures on significant transactions with related parties.

Outlook for the full year 2020

Market environment

- ▶ For the full year 2020, OMV Petrom expects the **average Brent oil price** to be at USD 60/bbl (2019: USD 64/bbl);
- ▶ **Refining margins** are expected to be above USD 5/bbl;
- ▶ **Demand for oil products** is expected to be above the 2019 level; **demand for gas and power** is expected to be broadly similar to 2019.

Taxation and regulatory environment

- ▶ A stable, predictable, and investment-friendly fiscal and regulatory framework is a key requirement for our future investments, both onshore and offshore;
- ▶ Amendments of GEO 114/2018 and GEO 19/2019, providing for a faster return to a liberalized market, have already been implemented via GEO 1/2020; the changes refer to the timing of the price liberalization: as of July 1, 2020 for gas and January 1, 2021 for electricity; in addition, the 2% financial contribution to ANRE was repealed starting January 1, 2020;
- ▶ According to public statements, the Romanian authorities are working on changing the Offshore Law through a parliamentary process.

OMV Petrom Group

- ▶ We expect to generate a **positive free cash flow after dividends**;
- ▶ **CAPEX** (including capitalized exploration and appraisal) is currently anticipated to be around RON 4.2 bn, excluding acquisitions;
- ▶ **Neptun Deep**: we remain keen to see the Neptun Deep strategic project being developed and we welcome the acceleration of the return to a liberalized market brought by the GEO 1/2020. However, changes to the Offshore Law are needed in order to move the project forward;
- ▶ **Partnership with Auchan**: contractual negotiations ongoing;
- ▶ A **sustainable cost base**, supported by ongoing efficiency programs, is important in the context of the current market volatility and challenging regulatory environment;
- ▶ In order to protect our cash flows and margins from commodity price risk, we use various **hedging products**, especially in Downstream;
- ▶ We are focused on energy efficiency and decreasing the emissions from our operations; we target to reduce carbon intensity by 27% until 2025 vs. 2010 (2019 reduction estimated at 22%).

Upstream

- ▶ **Production**: maintain decline below 5% yoy, excluding portfolio optimization;
- ▶ **Portfolio optimization**: continue to focus on the most profitable barrels:
 - ▶ transfer 40 marginal fields to Dacian Petroleum, closing expected in H2/20;
 - ▶ simplify footprint and focus on our strategic assets.
- ▶ **Investments**: around RON 3.0 bn to be spent for:
 - ▶ drilling around 100 new wells and sidetracks and maintain a constant level of workovers yoy;
 - ▶ near field and EOR opportunities to improve ultimate recovery factors;
- ▶ **Exploration**: exploration expenditures are estimated to be around RON 0.3 bn:
 - ▶ complete 1,400 km² of 3D seismic survey in the exploration block VIII-Urziceni East together with Hunt Oil Company of Romania S.R.L. as operator;
 - ▶ evaluate potential of drilled exploration wells;
- ▶ **Regional expansion**: closing of the **acquisition of Han Asparuh** offshore Bulgaria interest expected by mid-2020.

Downstream

- ▶ **The refinery utilization** rate is expected to be above 90%, including a two-week planned shutdown in Q2 for maintenance works;
- ▶ OMV Petrom Group has an allocation to supply the regulated **gas** market with 5.5 TWh for the period January - March 2020 at the maximum price of RON 68/MWh; the regulated gas volumes for Q2/20 are still to be announced; we estimate total gas sales volumes to be slightly lower vs. 2019;
- ▶ The Brazi power plant is no longer required to supply the regulated **power** market in 2020, as per current allocation; we estimate total net electrical output to be slightly lower vs. 2019;
- ▶ Brazi power plant planned shutdown in Q2: two weeks for the entire capacity.

Business segments

Upstream

Q4/19	Q3/19	Q4/18	Δ% ¹	in RON mn	2019	2018	Δ%
1,359	1,235	1,464	(7)	Clean Operating Result before depreciation and amortization, impairments and write-ups ²	5,425	5,730	(5)
700	546	794	(12)	Clean Operating Result ²	2,845	3,224	(12)
(204)	(34)	340	n.m.	Special items	(255)	306	n.m.
496	512	1,134	(56)	Operating Result ²	2,589	3,531	(27)
996	940	913	9	Capital expenditure ³	3,269	3,150	4
105	91	153	(31)	Exploration expenditures	427	466	(8)
49	94	81	(39)	Exploration expenses	238	174	36
10.29	10.45	10.73	(4)	OPEX (USD/boe)	10.90	11.18	(3)

Q4/19	Q3/19	Q4/18	Δ% ¹	Key performance indicators	2019	2018	Δ%
13.96	13.83	14.39	(3)	Total hydrocarbon production (mn boe)	55.35	58.30	(5)
152	150	156	(3)	Total hydrocarbon production (kboe/d)	152	160	(5)
6.64	6.52	6.66	(0)	Crude oil and NGL production (mn bbl)	26.12	26.78	(2)
1.12	1.12	1.18	(5)	Natural gas production (bcm)	4.47	4.83	(7)
39.55	39.48	41.81	(5)	Natural gas production (bcf)	157.98	170.39	(7)
13.2	13.1	13.3	(1)	Total hydrocarbon sales volume (mn boe)	52.1	54.3	(4)
62.80	61.95	68.33	(8)	Average Urals price (USD/bbl)	64.19	70.12	(8)
54.45	53.99	59.71	(9)	Average Group realized crude price (USD/bbl)	56.09	62.06	(10)

¹ Q4/19 vs. Q4/18

² Excluding intersegmental profit elimination;

³ Including capitalized exploration and appraisal.

Fourth quarter 2019 (Q4/19) vs. fourth quarter 2018 (Q4/18)

- **Clean Operating Result** at RON 700 mn, down 12%, mainly driven by lower oil prices and higher depreciation
- **Managed production** decline at 3%, supported by tie in of the exploration well 4461 Totea South; reduced decline of sales volumes to 1%
- **Reduced OPEX** to USD 10.29/boe despite production decline, due to favorable exchange rate and further improved operational efficiencies

The **Clean Operating Result** decreased by 12% to RON 700 mn mainly driven by lower oil prices and higher depreciation. These were partly compensated by favorable FX effects (USD 5% stronger against RON) and higher gas prices.

In Q4/19, **special items** amounted to RON (204) mn, mainly due to an impairment of assets held for sale. The **Reported Operating Result** declined by 56% to RON 496 mn.

Group **production costs** (OPEX) in USD/boe improved by 4% to USD 10.29/boe, mainly due to favorable FX effect that compensated the impact from lower production available for sale. In Romania, production costs in USD improved by 4% to USD 10.78/boe, while in RON terms they were RON 46.39/boe, relatively stable vs. Q4/18.

Group hydrocarbon production decreased by 3.0% due to lower production in Romania.

In **Romania**, hydrocarbon production was 13.31 mn boe or 144.7 kboe/d (Q4/18: 13.82 mn boe or 150.2 kboe/d). Crude oil and NGL production in Romania declined by 1.7% to 6.06 mn bbl mainly due to natural decline and the transfer of nine marginal fields to Mazarine Energy Romania in March 2019. Gas production in Romania decreased by 5.3% to 7.25 mn boe due to natural decline in the main fields (Totea Deep and Lebada East) and the impact of maintenance activities, partly compensated by the contribution of the exploration well 4461 Totea South, which started production in October 2019.

In **Kazakhstan**, hydrocarbon production increased by 14.4% to 0.65 mn boe mainly due to restart of well interventions and workover activities in 2019, after the pause in 2018.

Group hydrocarbon sales volumes decreased by 1% due to the production decrease, partly compensated by lower own consumption.

Exploration expenditures decreased to RON 105 mn due to lower exploration drilling activity, partially counterbalanced by seismic acquisition in VIII - Urziceni East block.

Exploration expenses decreased to RON 49 mn due to lower write-off of exploration wells, partially counterbalanced by seismic acquisition in VIII - Urziceni East block.

Capital expenditure including capitalized E&A increased by 9% mainly due to recognition of assets under IFRS 16 Leases for a long-term contract.

January – December 2019 vs. January – December 2018

The **Clean Operating Result** decreased by 12% to RON 2,845 mn, mainly driven by lower oil price, lower hydrocarbon volumes, higher depreciation and exploration expenses, partly offset by higher gas price.

In 2019, **special items** amounted to RON (255) mn, mainly due to an impairment of assets held for sale, while 2018 special items reflected mainly an impairment reversal; both periods included personnel restructuring costs. The **Reported Operating Result** declined by 27% to RON 2,589 mn in 2019.

Group **production costs** (OPEX) in USD/boe improved by 3% to USD 10.90/boe, mainly due to favorable FX effects, which compensated the impact from lower production available for sale. In Romania, production costs in USD improved by 3% to USD 11.03/boe, while in RON terms they increased by 4% to RON 46.77/boe.

Group hydrocarbon production decreased by 5.1% due to lower production in both Romania and Kazakhstan. Production decline excluding portfolio optimization stood at 4.6%.

In **Romania**, hydrocarbon production was 52.97 mn boe or 145.1 kboe/d (2018: 55.82 mn boe or 152.9 kboe/d). Crude oil and NGL production in Romania declined by 2.1% to 24.06 mn bbl mainly due to natural decline and the transfer of nine marginal fields to Mazarine Energy Romania in March 2019, partly compensated by the contribution from new wells. Gas production in Romania decreased by 7.4% to 28.92 mn boe due to natural decline in main fields as well as planned and unplanned surface works, partly compensated by the contribution of the exploration well 4461 Totea South, which started production in October 2019.

In **Kazakhstan**, hydrocarbon production decreased by 4.6% to 2.37 mn boe, as the increased well intervention and workover activities could not fully compensate the lower production from key wells at the beginning of the year.

Group hydrocarbon sales volumes decreased by 4% due to the production decrease.

Exploration expenditures decreased to RON 427 mn due to lower exploration drilling activities partially counterbalanced by seismic acquisition in VIII - Urziceni East block.

Exploration expenses increased to RON 238 mn due to seismic acquisition in VIII - Urziceni East block and increased G&G activities.

Capital expenditure including capitalized E&A of RON 3,269 mn represented 77% of total Group CAPEX for 2019, being 4% higher than in 2018 mainly due to recognition of assets under IFRS 16 Leases for a long term contract, partially offset by lower exploration drilling.

In 2019, we finalized the drilling of 100 new wells and sidetracks, thereof two exploration wells. We completed another successful shallow offshore drilling campaign, including the well with the longest step out in OMV Petrom's portfolio.

As of December 31, 2019, the **total proved oil and gas reserves** in OMV Petrom Group's portfolio amounted to 504 mn boe (of which 477 mn boe in Romania), while the **proved and probable oil and gas reserves** amounted to 786 mn boe (of which 743 mn boe in Romania). The Group's three-year average **Reserve Replacement Rate** increased to 42% in 2019 (2018: 38%), and in Romania it increased to 38% (2018: 34%). For the single year 2019, the Group's Reserve Replacement Rate increased to 49% (2018: 42%) and in Romania it was 39.5% (2018: 40%).

Downstream

Q4/19	Q3/19	Q4/18	Δ% ¹	in RON mn	2019	2018	Δ%
665	858	715	(7)	Clean CCS Operating Result before depreciation and amortization, impairments and write-ups ²	2,623	2,462	7
447	637	514	(13)	Clean CCS Operating Result ²	1,783	1,695	5
362	580	354	2	thereof Downstream Oil	1,501	1,335	12
85	57	160	(47)	thereof Downstream Gas	282	360	(22)
123	(205)	73	68	Special items	(48)	(65)	26
35	(49)	(227)	n.m.	CCS effect: Inventory holding gains/(losses) ²	178	42	326
605	383	360	68	Operating Result	1,913	1,672	14
430	117	276	56	Capital expenditure	903	1,138	(21)

Q4/19	Q3/19	Q4/18	Δ% ¹	Key performance indicators Downstream Oil	2019	2018	Δ%
4.68	6.46	5.27	(11)	Indicator refining margin (USD/bbl) ³	4.67	6.28	(26)
1.21	1.23	1.19	1	Refining input (mn t) ⁴	4.73	4.08	16
98	99	99	(0)	Refinery utilization rate (%)	97	85	14
1.41	1.49	1.35	4	Total refined product sales (mn t)	5.46	4.99	10
0.71	0.81	0.70	3	thereof retail sales volumes (mn t) ⁵	2.85	2.74	4
Key performance indicators Downstream Gas							
19.85	13.37	12.88	54	Gas sales volumes (TWh)	54.84	47.32	16
17.11	11.22	9.74	76	thereof to third parties (TWh)	47.24	38.92	21
5.07	4.47	-	n.m.	thereof to the regulated market (TWh)	12.51	-	n.m.
1.26	1.00	1.48	(15)	Net electrical output (TWh)	3.40	3.82	(11)
224	278	290	(23)	OPCOM spot average electricity base load price (RON/MWh)	239	216	10

¹ Q4/19 vs. Q4/18;

² Current cost of supply (CCS): the Clean CCS Operating Result eliminates special items and inventory holding gains/losses (CCS effects) resulting from Downstream Oil;

³ The actual refining margins realized by OMV Petrom may vary from the indicator refining margin due to different crude slate, product yield and operating conditions;

⁴ Figures include crude and other raw materials, in line with the OMV Group reporting standard;

⁵ Retail sales volumes refer to sales via the OMV Petrom Group's filling stations in Romania, Bulgaria, Serbia and Moldova.

Fourth quarter 2019 (Q4/19) vs. fourth quarter 2018 (Q4/18)

- **Downstream Oil: Clean CCS Operating Result at RON 362 mn, up 2%, due to strong operational performance offsetting the impact of a deteriorated refining margin environment; retail sales volumes up by 3%**
- **Downstream Gas: Very strong gas sales performance, successfully covering all customer channels**

The **Clean CCS Operating Result** declined to RON 447 mn in Q4/19 (Q4/18: RON 514 mn), reflecting a weaker Downstream Gas result and a slight increase of the Downstream Oil result. The **Reported Operating Result** of RON 605 mn reflected a **special gain** of RON 123 mn (mainly consisting of temporary positive effects from forward contracts in Downstream Gas) and positive **CCS effects** of RON 35 mn (mainly due to increasing crude quotations during the quarter).

In Q4/19, the **Downstream Oil Clean CCS Operating Result** increased slightly, to RON 362 mn (Q4/18: RON 354 mn), supported by strong operational performance and increased demand for refined products, despite a deteriorating refining margin environment.

The **OMV Petrom indicator refining margin** decreased by USD 0.59/bbl, to USD 4.68/bbl in Q4/19, as a result of lower product spreads, partially compensated by the lower cost of crude consumed. The **refinery utilization rate** was 98% in Q4/19 (Q4/18: 99%).

Total **refined product sales** volumes were higher by 4% vs. Q4/18, reflecting the increased demand in retail and higher exports. Group retail sales volumes, which accounted for 51% of total refined product sales, increased by 3% compared to Q4/18 as a result of higher demand, particularly in Romania. Higher exports led to a 6% yoy increase in non-retail sales.

The Downstream Gas Clean Operating Result was RON 85 mn in Q4/19, reflecting a weaker power performance, partially compensated by a better gas performance driven by higher gas sales volumes; for comparison, the Q4/18 result was RON 160 mn, including the booking of RON 34 mn insurance revenues related to the Brazi power plant.

As per OMV Petrom's estimates, national **gas** consumption decreased by almost 14% compared to the same quarter of last year. On the Romanian centralized markets, the weighted average price of natural gas for transactions closed in Q4/19 (15.5 TWh) for various standard products was RON 101/MWh^{4,5}.

In Q4/19, OMV Petrom's total gas sales volumes increased by 54% yoy to 19.85 TWh and the gas sales volumes sold to third parties were 76% higher vs. Q4/18; enabled by third-party supply, OMV Petrom successfully maintained its customer portfolio in the context of the regulated market allocation and centralized market obligation. At the end of Q4/19, OMV Petrom had 3.0 TWh in underground storage, compared to 1.9 TWh at the end of Q4/18.

OMV Petrom supplied the gas regulated market, delivering 5.07 TWh to the households and district heating for households suppliers in Q4/19, as per the set allocation. In addition, on the centralized markets, OMV Petrom sold 3.0 TWh in standard products in Q4/19 at an average price in line with the market price⁴.

As per currently available information from the grid operator, national **electricity** consumption decreased by 3% compared to the same quarter of 2018, while national production decreased by 9%, mainly driven by the lower contribution from coal and gas-fired plants, thus Romania was a net power importer in Q4/19.

The Brazi power plant generated a lower net electrical output than in Q4/18 of 1.26 TWh (Q4/18: 1.48 TWh), of which 0.47 TWh were supplied to the regulated power market at the price of RON 259.58/MWh.

Total **Downstream investments** amounted to RON 430 mn (Q4/18: RON 276 mn), almost all amounts spent in the Downstream Oil segment in both Q4/19 and Q4/18. The Q4/19 investments were directed mostly to Retail (mainly Art Petrol network acquisition in Romania) and to a new terminal in Serbia, while Q4/18 investments were routed primarily in the retail network and for ongoing projects in Petrobrazi refinery.

January – December 2019 vs. January – December 2018

The **Clean CCS Operating Result** increased to RON 1,783 mn in 2019 (2018: RON 1,695 mn), due to a higher result of the Downstream Oil segment, offsetting the lower result in Downstream Gas. The **Reported Operating Result** of RON 1,913 mn reflected **special charges** of RON (48) mn (mainly consisting of future estimated soil remediation costs in relation to Arpechim refinery, partly offset by temporary positive effects from forward contracts in Downstream Gas), counterbalanced by positive **CCS effects** of RON 178 mn.

Clean CCS Operating Result in Downstream Oil increased to RON 1,501 mn, compared to RON 1,335 mn in 2018. This reflects the low base effect from the prior year's Petrobrazi refinery turnaround, the improved operational performance in refining and the higher sales volumes, in the context of a weaker refining margin environment.

In 2019, the **OMV Petrom indicator refining margin** decreased vs. 2018 by USD 1.61/bbl to USD 4.67/bbl, due to lower spreads for products, mainly gasoline. The **refinery utilization rate** reached 97%, compared to 85% in 2018, which was impacted by the six-week planned turnaround.

Group **total refined product sales** amounted to 5.46 mn t in 2019, 10% higher compared to 2018, reflecting the improved demand in all sales channels in 2019 and lower product availability in the prior year due to the refinery turnaround. Group retail sales were 4% higher yoy, reaching 2.85 mn t, driven by increased demand. The retail result was also supported by the higher non-fuel contribution, following customer incentive promotions and product diversification. Group non-retail sales increased by 17% yoy, as a cumulated effect of lower product availability in 2018 and seized regional opportunities in 2019.

Downstream Gas Clean Operating Result was RON 282 mn in 2019 reflecting the optimization of products and clients portfolios, which compensated the weaker power business performance triggered by deteriorated market conditions. The 2018 result stood at RON 360 mn, also reflecting insurance revenues related to the Brazi power plant amounting to RON 82 mn.

As per OMV Petrom's estimates, national **gas** consumption was approximately 6% lower compared to 2018, mainly weather driven, and was covered by lower domestic production and significantly higher imports. On the

⁴ OMV Petrom estimates based on available public information

⁵ Standard products refers to all products offered on the BRM and OPCOM trading platforms i.e. weekly products, monthly products, quarterly products, gas-year products etc. and the price could include storage related tariffs in connection with the gas volumes sold/extracted from storage

Romanian centralized markets, the weighted average price of natural gas for transactions closed in 2019 (60.6 TWh⁶), with delivery until end-2020, was RON 109/MWh^{6,7}.

In 2019, OMV Petrom's gas sales volume increased by 16% yoy, supported by higher acquisitions from third parties. OMV Petrom supplied the gas regulated market, delivering 12.51 TWh to the households and district heating for households suppliers in 2019, as per the set allocation. On the centralized markets, OMV Petrom sold 18.7 TWh in 2019, with delivery until end-2020, at an average price in line with the market price⁶.

As per currently available information from the grid operator, national **electricity** consumption decreased by 1%, while national production decreased by 8% vs. 2018, leading to a net importer position for Romania.

The net electrical output decreased to 3.40 TWh in 2019 (2018: 3.82 TWh), with the Brazi power plant covering approximately 6% of Romania's electricity production (same percentage as in 2018), while also being an important player on the power balancing market. Out of the 2019 output, 1.14 TWh were supplied to the regulated power market at the price of RON 259.58/MWh.

Total **Downstream investments** amounted to RON 903 mn (2018: RON 1,138 mn), thereof RON 818 mn in Downstream Oil (2018: RON 1,112 mn) and RON 85 mn in Downstream Gas (2018: RON 26 mn). In Downstream Oil, in 2019, most amounts were routed to Retail, as well as to the completion of a modern, closed blowdown system at the Coker unit and for the upgrade of unloading and storage facilities for bio-blending components at Petrobrazi refinery. The yoy decrease was mainly due to high base effect, 2018 investments being directed to the Petrobrazi refinery turnaround, tie-in projects, and the Polyfuel growth project. In Downstream Gas, the 2019 CAPEX was mainly routed to works related to Brazi power plant planned shutdown in Q2/19.

⁶ OMV Petrom estimates based on available public information

⁷ Standard products refers to all products offered on the BRM and OPCOM trading platforms i.e. weekly products, monthly products, quarterly products, gas-year products etc. and the price could include storage related tariffs in connection with the gas volumes sold/extracted from storage

Group preliminary condensed consolidated financial statements as of and for the period ended December 31, 2019 (unaudited)

Consolidated income statement (unaudited)

Q4/19	Q3/19	Q4/18	in RON mn	2019	2018
7,296.36	6,869.37	6,412.63	Sales revenues	25,485.47	22,523.24
36.67	33.80	515.60	Other operating income	263.95	672.10
3.21	2.58	0.38	Net income from equity-accounted investments	7.36	9.51
7,336.24	6,905.75	6,928.61	Total revenues and other income	25,756.78	23,204.85
(3,362.91)	(3,107.52)	(2,516.89)	Purchases (net of inventory variation)	(10,680.68)	(8,040.24)
(860.82)	(1,017.37)	(769.18)	Production and operating expenses	(3,469.59)	(3,139.79)
(333.35)	(262.72)	(358.98)	Production and similar taxes	(1,187.33)	(1,240.55)
(1,059.66)	(846.04)	(824.71)	Depreciation, amortization and impairment charges	(3,511.88)	(3,180.13)
(515.42)	(555.03)	(526.50)	Selling, distribution and administrative expenses	(2,140.17)	(1,977.47)
(49.48)	(94.50)	(80.64)	Exploration expenses	(237.66)	(174.27)
(105.73)	(83.88)	(100.77)	Other operating expenses	(284.41)	(239.41)
1,048.87	938.69	1,750.94	Operating Result	4,245.06	5,212.99
69.97	46.25	44.60	Interest income	317.63	162.24
(67.79)	(69.00)	(99.21)	Interest expenses	(276.98)	(435.60)
(10.13)	9.86	(16.52)	Other financial income and expenses	(8.91)	(26.06)
(7.95)	(12.89)	(71.13)	Net financial result	31.74	(299.42)
1,040.92	925.80	1,679.81	Profit before tax	4,276.80	4,913.57
(166.09)	(140.49)	(269.17)	Taxes on income	(642.12)	(835.78)
874.83	785.31	1,410.64	Net income for the period	3,634.68	4,077.79
874.81	785.27	1,410.63	thereof attributable to stockholders of the parent	3,634.59	4,078.10
0.02	0.04	0.01	thereof attributable to non-controlling interests	0.09	(0.31)
0.0154	0.0139	0.0249	Basic earnings per share (RON)	0.0642	0.0720

Consolidated statement of comprehensive income (unaudited)

Q4/19	Q3/19	Q4/18	in RON mn	2019	2018
874.83	785.31	1,410.64	Net income for the period	3,634.68	4,077.79
1.03	12.69	13.69	Exchange differences from translation of foreign operations	26.69	15.84
32.91	(1.11)	5.02	Gains/(losses) on hedges	27.95	5.02
33.94	11.58	18.71	Total of items that may be reclassified ("recycled") subsequently to the income statement	54.64	20.86
(25.61)	-	9.03	Re-measurement gains/(losses) on defined benefit plans	(25.61)	9.03
(25.61)	-	9.03	Total of items that will not be reclassified ("recycled") subsequently to the income statement	(25.61)	9.03
(5.05)	(0.29)	(5.55)	Income tax relating to items that may be reclassified ("recycled") subsequently to the income statement	(5.10)	(12.50)
4.11	-	(1.46)	Income tax relating to items that will not be reclassified ("recycled") subsequently to the income statement	4.11	(1.46)
(0.94)	(0.29)	(7.01)	Total income taxes relating to components of other comprehensive income	(0.99)	(13.96)
7.39	11.29	20.73	Other comprehensive income for the period, net of tax	28.04	15.93
882.22	796.60	1,431.37	Total comprehensive income for the period	3,662.72	4,093.72
882.20	796.56	1,431.36	thereof attributable to stockholders of the parent	3,662.62	4,095.75
0.02	0.04	0.01	thereof attributable to non-controlling interests	0.10	(2.03)

Consolidated statement of financial position (unaudited)

in RON mn	December 31, 2019	December 31, 2018
Assets		
Intangible assets	3,132.01	3,058.95
Property, plant and equipment	27,944.72	26,749.09
Investments in associated companies	26.94	58.29
Other financial assets	2,122.57	2,165.22
Other assets	215.47	84.11
Deferred tax assets	1,490.93	1,433.00
Non-current assets	34,932.64	33,548.66
Inventories	2,464.45	2,151.54
Trade receivables	1,891.86	1,674.23
Other financial assets	486.10	195.19
Other assets	489.44	476.14
Cash and cash equivalents	7,013.54	5,609.43
Current assets	12,345.39	10,106.53
Assets held for sale	217.20	128.95
Total assets	47,495.23	43,784.14
Equity and liabilities		
Share capital	5,664.41	5,664.41
Reserves	27,836.45	25,703.21
Stockholders' equity	33,500.86	31,367.62
Non-controlling interests	0.51	0.48
Total equity	33,501.37	31,368.10
Provisions for pensions and similar obligations	240.70	211.38
Interest-bearing debts	197.88	281.87
Lease liabilities	572.15	-
Provisions for decommissioning and restoration obligations	6,456.08	5,992.95
Other provisions	588.87	190.27
Other financial liabilities	106.82	155.63
Other liabilities	13.89	14.84
Deferred tax liabilities	20.91	20.49
Non-current liabilities	8,197.30	6,867.43
Trade payables	3,372.35	3,049.66
Interest-bearing debts	132.25	267.43
Lease liabilities	128.79	-
Income tax liabilities	205.21	228.47
Other provisions and decommissioning	623.31	690.29
Other financial liabilities	372.54	388.34
Other liabilities	738.36	821.36
Current liabilities	5,572.81	5,445.55
Liabilities associated with assets held for sale	223.75	103.06
Total equity and liabilities	47,495.23	43,784.14

Condensed consolidated statement of changes in equity (unaudited)

in RON mn	Share capital	Revenue reserves	Other reserves ¹	Treasury shares	Stockholders' equity	Non-controlling interests	Total equity
January 1, 2019	5,664.41	25,653.10	50.13	(0.02)	31,367.62	0.48	31,368.10
Net income for the period	-	3,634.59	-	-	3,634.59	0.09	3,634.68
Other comprehensive income/(loss) for the period	-	(21.50)	49.53	-	28.03	0.01	28.04
Total comprehensive income for the period	-	3,613.09	49.53	-	3,662.62	0.10	3,662.72
Dividend distribution	-	(1,529.38)	-	-	(1,529.38)	(0.07)	(1,529.45)
Change in non-controlling interests and other	-	-	-	-	-	-	-
December 31, 2019	5,664.41	27,736.81	99.66	(0.02)	33,500.86	0.51	33,501.37

in RON mn	Share capital	Revenue reserves	Other reserves ¹	Treasury shares	Stockholders' equity	Non-controlling interests	Total Equity
January 1, 2018	5,664.41	22,765.94	49.34	(0.02)	28,479.67	(58.64)	28,421.03
Net income/(loss) for the period	-	4,078.10	-	-	4,078.10	(0.31)	4,077.79
Other comprehensive income/(loss) for the period	-	7.58	10.07	-	17.65	(1.72)	15.93
Total comprehensive income/(loss) for the period	-	4,085.68	10.07	-	4,095.75	(2.03)	4,093.72
Dividend distribution	-	(1,132.88)	-	-	(1,132.88)	(0.08)	(1,132.96)
Change in non-controlling interests and other	-	(65.64)	(9.28)	-	(74.92)	61.23	(13.69)
December 31, 2018	5,664.41	25,653.10	50.13	(0.02)	31,367.62	0.48	31,368.10

¹Other reserves contain mainly exchange rate differences from the translation of foreign operations, reserves from business combinations in stages, unrealized gains and losses from hedges, exchange differences on loans considered net investment in a foreign operation and land for which ownership was obtained but was not included in share capital.

Condensed consolidated statement of cash flows (unaudited)

Q4/19	Q3/19	Q4/18	Summarized statement of cash flows (in RON mn)	2019	2018
1,040.92	925.80	1,679.81	Profit before tax	4,276.80	4,913.57
(65.32)	229.28	2.17	Net change in provisions	208.05	(1.69)
(3.32)	(14.08)	5.36	Net (gains)/losses on the disposal of non-current assets	(77.21)	(6.82)
1,063.12	922.36	453.08	Depreciation, amortization and impairments including write-ups	3,637.67	2,872.32
64.07	28.79	31.96	Net interest received	150.96	16.40
(174.18)	(153.47)	(233.29)	Tax on profit paid	(720.58)	(535.78)
(94.44)	(82.89)	(68.59)	Other non-monetary adjustments	(417.03)	94.63
1,830.85	1,855.79	1,870.50	Sources of funds ¹	7,058.66	7,352.63
(86.76)	94.93	27.30	(Increase)/decrease in inventories	(326.56)	(88.00)
(168.53)	77.66	(60.16)	(Increase)/decrease in receivables	(192.55)	(217.78)
199.77	65.20	(13.76)	Increase/(decrease) in liabilities	262.97	338.23
1,775.33	2,093.58	1,823.88	Cash flow from operating activities	6,802.52	7,385.08
(1,047.80)	(917.17)	(1,148.14)	Intangible assets and property, plant and equipment	(3,935.26)	(4,327.44)
-	-	-	Investments and other financial assets	38.19	-
7.77	206.91	17.08	Proceeds in relation to non-current assets	262.24	53.73
-	-	-	Proceeds from the sale of subsidiaries and businesses, net of cash disposed	78.58	13.21
(1,040.03)	(710.26)	(1,131.06)	Cash flow from investing activities	(3,556.25)	(4,260.50)
(62.14)	(33.48)	(33.79)	Decrease in borrowings	(327.65)	(371.45)
(1.11)	(0.58)	(0.74)	Dividends paid	(1,515.89)	(1,122.80)
-	-	-	Decrease in non-controlling interest	-	(1.01)
(63.25)	(34.06)	(34.53)	Cash flow from financing activities	(1,843.54)	(1,495.26)
(0.32)	1.00	0.37	Effect of exchange rate changes on cash and cash equivalents	1.38	1.06
671.73	1,350.26	658.66	Net increase in cash and cash equivalents	1,404.11	1,630.38
6,341.81	4,991.55	4,950.77	Cash and cash equivalents beginning of period	5,609.43	3,979.05
7,013.54	6,341.81	5,609.43	Cash and cash equivalents end of period	7,013.54	5,609.43
735.30	1,383.32	692.82	Free cash flow	3,246.27	3,124.58
734.19	1,382.74	692.08	Free cash flow after dividends	1,730.38	2,001.78

¹ Representing cash generated from operating activities before working capital movements

Selected notes to the preliminary condensed consolidated financial statements as of and for the period ended December 31, 2019 (unaudited)

Legal principles

The preliminary condensed unaudited consolidated financial statements for 2019 have been prepared in line with the accounting policies that will be used in preparing the 2019 annual consolidated financial statements, which are consistent with those used in preparation of the 2018 annual consolidated financial statements, except as described herein. The final, audited, annual consolidated financial statements will be published in March 2020.

The preliminary condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as of December 31, 2018.

The preliminary condensed consolidated financial statements for 2019 included in this report are unaudited and an external limited review by an auditor was not performed.

The preliminary condensed consolidated financial statements for 2019 have been prepared in million RON (RON mn, RON 1,000,000). Accordingly there may be rounding differences.

In addition to the preliminary condensed consolidated financial statements, further information on main items affecting the preliminary condensed consolidated financial statements as of December 31, 2019 is given as part of the description of Group performance and Business segments in the Directors' Report.

General accounting policies

The accounting policies and valuation methods adopted in the preparation of the preliminary condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2018, except for the adoption of new standards effective as of January 1, 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has initially adopted IFRS 16 Leases from January 1, 2019.

A number of other amendments and interpretations have been effective since January 1, 2019, but they do not have a material effect on the Group's preliminary condensed consolidated financial statements.

IFRS 16 Leases

This standard replaces IAS 17 and sets out new rules for lease accounting. For the lessee's accounting, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as was required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognize right-of-use assets and liabilities for leases in the scope of IFRS 16 and depreciation of the right-of-use assets separately from interest on lease liabilities in the income statement. The right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Interest expense is charged to profit or loss over the lease period on the remaining balance of the lease liability for each period. For lessors, there are minor changes compared to IAS 17.

On transition to IFRS 16, OMV Petrom applied the practical expedient to grandfather the assessment of which transactions are leases. This means it applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under the previous standard were not reassessed for whether they are leases. Additionally, OMV Petrom did not recognize any right-of-use assets and lease liabilities for contracts which expire in 2019 because they are treated as short-term leases.

Leases to explore for and use oil and natural gas, which comprise mainly land leases used for such activities, are not in the scope of IAS 17 and IFRS 16. In addition, some commitments are covered by the exceptions for short-term and low-value leases. Consequently, right-of-use assets and lease liabilities were not recognized for these contracts. Moreover, non-lease components are separated from the lease components for measurement of right-of-use assets and lease liabilities.

OMV Petrom initially applied IFRS 16 on January 1, 2019 using the modified retrospective approach for transition, thus not restating comparative amounts for the comparative period presented. The right-of-use assets for previous operating leases were measured at the date of initial application at the amount of the lease liability, adjusted by

prepaid or accrued lease payments. The lease liabilities were measured at the present value of the lease payments over the remaining lease term, discounted using the incremental borrowing rate as of January 1, 2019. The weighted average lessee's incremental borrowing rate applied to these lease liabilities on January 1, 2019 was 1.34%. The first-time application of IFRS 16 resulted in recognizing RON 300 mn as right-of-use assets and RON 285 mn as lease liabilities for previous operating leases. For leases previously classified as finance leases the Group recognized the carrying amount of the lease asset and lease liability before transition as the carrying amount of the right-of-use asset and lease liability at the date of initial application. In the statement of financial position, the right-of-use assets are presented within the property, plant and equipment line and lease liabilities are shown in separate new lines, within current liabilities and non-current liabilities.

Reconciliation of future operating lease commitments as at December 31, 2018 to lease liability as at January 1, 2019

In RON mn	January 1, 2019
Future minimum lease payments under non-cancellable operating leases as at December 31, 2018	197
less minimum lease payments for short-term leases	(27)
less minimum lease payments for low value leases	0
plus minimum lease payments under reasonably certain prolongation or termination options	156
Gross lease liability for previously unrecognized operating lease commitments as at January 1, 2019	326
less discounting effect as at January 1, 2019	(41)
Lease liability for previously unrecognized operating lease commitments as at January 1, 2019	285
Finance lease liability recognized as at 31 December, 2018	169
Lease liability recognized as at January 1, 2019	454

Leasing overview

In RON mn	December 31, 2019
Right of use assets	
Right of use assets - land and buildings	232
Right of use assets - plant and machinery	104
Right of use assets - other fixtures, fittings and equipment	336
Total right of use assets – carrying amount	672
In RON mn	2019
Depreciation of right-of-use assets	109

Changes in the consolidated Group

Compared with the annual consolidated financial statements as of December 31, 2018, there were no changes in the consolidated Group.

The detailed structure of the consolidated companies in OMV Petrom Group at December 31, 2019 is presented in Appendix 1 to the current report.

Seasonality and cyclicalities

Seasonality is of particular significance in Downstream.

Consumption of natural gas, electricity, heat and certain oil products is seasonal and is significantly affected by climatic conditions. Natural gas consumption is higher during the cold winter months. Electricity consumption is also generally higher during winter as a supplementary measure to produce heat and due to fewer daylight hours and the need for more artificial lighting. In addition, during very hot summer periods, the increased usage of air cooling systems can also significantly increase electricity consumption. Natural gas sales and electricity generation may also be significantly affected by climatic conditions, such as unusually hot or cold temperatures. Consequently, the results reflect the seasonal character of the demand for natural gas and electricity, and may be influenced by variations in climatic conditions.

Accordingly, the results of operations of the Downstream Gas business segment and, to a lesser extent, the Downstream Oil business segment, as well as the comparability of results over different periods, may be affected by changes in weather conditions.

In addition to the preliminary condensed consolidated financial statements and notes, further information on main factors affecting the preliminary condensed consolidated financial statements as of and for the year ended December 31, 2019 is given as part of the description of OMV Petrom Group's Business Segments in the Directors' Report.

Exchange rates

OMV Petrom uses the National Bank of Romania (NBR) exchange rates in its consolidation process. Income statements of foreign subsidiaries are translated to RON using the average of daily exchange rates published by the National Bank of Romania, detailed below.

Statements of the financial position of foreign subsidiaries are translated to RON using the closing rate method based on exchange rates published by the National Bank of Romania, and are detailed below.

Q4/19	Q3/19	Q4/18	Δ% ¹	NBR FX rates	2019	2018	Δ%
4.766	4.732	4.660	2	Average EUR/RON FX rate	4.745	4.654	2
4.305	4.255	4.083	5	Average USD/RON FX rate	4.239	3.943	8
4.779	4.751	4.664	2	Closing EUR/RON FX rate	4.779	4.664	2
4.261	4.349	4.074	5	Closing USD/RON FX rate	4.261	4.074	5

¹ Q4/19 vs. Q4/18

Notes to the income statement

Sales revenues

in RON mn	2019	2018
Revenues from contracts with customers	25,351.30	22,547.15
Revenues from other sources	134.17	(23.91)
Total sales revenues	25,485.47	22,523.24

Revenues from other sources include mainly the impact from commodity sales/purchases transactions that are within the scope of IFRS 9 Financial Instruments, as well as rental and lease revenues.

Revenues from contracts with customers

in RON mn						2019
	Upstream	Downstream	thereof Downstream Oil	thereof Downstream Gas	Corporate & Other	Total
Crude oil and NGL	420.63	60.81	60.81	-	-	481.44
Natural gas, LNG and power	5.84	6,557.03	13.24	6,543.79	-	6,562.87
Fuels and heating oil	-	14,157.52	14,157.52	-	-	14,157.52
Other goods and services	48.70	4,087.01	3,981.16	105.85	13.76	4,149.47
Total	475.17	24,862.37	18,212.73	6,649.64	13.76	25,351.30

in RON mn						2018
	Upstream	Downstream	thereof Downstream Oil	thereof Downstream Gas	Corporate & Other	Total
Crude oil and NGL	453.03	75.97	75.97	-	-	529.00
Natural gas, LNG and power	5.29	4,981.06	10.20	4,970.86	-	4,986.35
Fuels and heating oil	-	13,277.20	13,277.20	-	-	13,277.20
Other goods and services	62.81	3,670.09	3,668.04	2.05	21.69	3,754.60
Total	521.13	22,004.32	17,031.41	4,972.91	21.69	22,547.15

Income tax

Q4/19	Q3/19	Q4/18	In RON mn	2019	2018
166.09	140.49	269.17	Taxes on income	642.12	835.78
197.04	164.91	193.75	Current taxes	699.81	705.37
(30.95)	(24.42)	75.42	Deferred taxes – expense / (revenue)	(57.69)	130.41
16%	15%	16%	Group effective tax rate	15%	17%

Notes to the statement of financial position

Commitments

As at December 31, 2019 OMV Petrom Group's commitments for the acquisition of intangible assets and property, plant and equipment amounted to RON 972 mn (December 31, 2018: RON 1,001 mn), mainly relating to exploration and production activities in Upstream.

Contingent liabilities

With reference to the Arpechim refinery site, a provision for soil remediation was set up during 2019. Consequently, the related contingency, described in detail in Note 34 – Contingent liabilities in the OMV Petrom Consolidated Financial Statements 2018, is no longer applicable.

Inventories

During the year ended December 31, 2019, there were no material write-downs of inventories.

Equity

At the Annual General Meeting of Shareholders held on April 19, 2019, the shareholders of OMV Petrom S.A. approved the distribution of dividends for the financial year 2018 for the gross amount of RON 1,529 mn (gross dividend per share of RON 0.027). Payment of the dividends started on June 13, 2019 and was largely completed in Q2/19.

The total number of own shares held by the Company as of December 31, 2019 amounted to 204,776 (December 31, 2018: 204,776).

Financial liabilities

As of December 31, 2019, short and long-term interest-bearing debts and lease liabilities amounted to RON 1,031 mn, thereof RON 701 mn lease liabilities. Due to implementation of IFRS 16 Leases, a new line "Lease liabilities" was added in the preliminary consolidated statement of financial position as of December 31, 2019, both under current liabilities and non-current liabilities.

As of December 31, 2018, short and long-term interest-bearing debts and finance leases amounted to RON 719 mn, thereof RON 169 mn liabilities for finance leases presented in line "Other financial liabilities".

Fair value measurement

Financial instruments recognized at fair value are disclosed according to the following fair value measurement hierarchy:

Level 1: Using quoted prices in active markets for identical assets or liabilities.

Level 2: Using inputs for the asset or liability, other than quoted prices, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Using inputs for the asset or liability that are not based on observable market data such as prices, but on internal models or other valuation methods.

Financial instruments on asset side (in RON mn)	December 31, 2019				December 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivatives designated and effective as hedging instruments	-	227.01	-	227.01	-	5.78	-	5.78
Other derivatives	-	54.63	-	54.63	-	45.01	-	45.01
Total	-	281.64	-	281.64	-	50.79	-	50.79

Financial instruments on liability side (in RON mn)	December 31, 2019				December 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Liabilities on derivatives designated and effective as hedging instruments	-	(194.03)	-	(194.03)	-	(0.75)	-	(0.75)
Liabilities on other derivatives	-	(19.69)	-	(19.69)	-	(162.78)	-	(162.78)
Net amount of assets and liabilities associated with assets held for sale	-	(6.55)	-	(6.55)	-	-	-	-
Other financial liabilities	-	-	(14.31)	(14.31)	-	-	(11.41)	(11.41)
Total	-	(220.27)	(14.31)	(234.58)	-	(163.53)	(11.41)	(174.94)

There were no transfers between levels of the fair value hierarchy. There were no changes in the fair value measurement techniques for assets and liabilities that are measured at fair value.

Interest-bearing debts amount to RON 330 mn (December 31, 2018: RON 549 mn). The estimated fair value of these liabilities was RON 336 mn (December 31, 2018: RON 554 mn). The carrying amount of other financial assets and financial liabilities approximates their fair value.

Segment reporting

Intersegmental sales

Q4/19	Q3/19	Q4/18	Δ% ¹	in RON mn	2019	2018	Δ%
2,312.77	2,144.43	2,334.00	(1)	Upstream	9,059.89	9,214.71	(2)
54.61	58.17	62.50	(13)	Downstream ²	234.00	234.86	(0)
26.94	26.04	34.83	(23)	thereof Downstream Oil	109.00	132.44	(18)
61.13	47.45	55.24	11	thereof Downstream Gas	241.52	195.67	23
(33.46)	(15.32)	(27.57)	(21)	thereof intersegmental elimination Downstream	(116.52)	(93.25)	(25)
49.52	50.23	52.33	(5)	Corporate and Other	199.70	185.00	8
2,416.90	2,252.83	2,448.83	(1)	Total	9,493.59	9,634.57	(1)

¹ Q4/19 vs. Q4/18;

² Sales Downstream = Sales Downstream Oil + Sales Downstream Gas – intersegmental elimination Downstream Oil and Downstream Gas

Sales to external customers

Q4/19	Q3/19	Q4/18	Δ% ¹	in RON mn	2019	2018	Δ%
130.49	116.55	141.90	(8)	Upstream	481.49	527.74	(9)
7,159.62	6,744.96	6,261.64	14	Downstream	24,973.93	21,958.85	14
4,598.38	5,098.76	4,587.73	0	thereof Downstream Oil	18,236.98	17,075.07	7
2,561.24	1,646.20	1,673.91	53	thereof Downstream Gas	6,736.95	4,883.78	38
6.25	7.86	9.09	(31)	Corporate and Other	30.05	36.65	(18)
7,296.36	6,869.37	6,412.63	14	Total	25,485.47	22,523.24	13

¹ Q4/19 vs. Q4/18

Total sales (not consolidated)

Q4/19	Q3/19	Q4/18	Δ% ¹	in RON mn	2019	2018	Δ%
2,443.26	2,260.98	2,475.90	(1)	Upstream	9,541.38	9,742.45	(2)
7,214.23	6,803.13	6,324.14	14	Downstream ²	25,207.93	22,193.71	14
4,625.32	5,124.80	4,622.56	0	thereof Downstream Oil	18,345.98	17,207.51	7
2,622.37	1,693.65	1,729.15	52	thereof Downstream Gas	6,978.47	5,079.45	37
(33.46)	(15.32)	(27.57)	(21)	thereof intersegmental elimination Downstream	(116.52)	(93.25)	(25)
55.77	58.09	61.42	(9)	Corporate and Other	229.75	221.65	4
9,713.26	9,122.20	8,861.46	10	Total	34,979.06	32,157.81	9

¹ Q4/19 vs. Q4/18;

² Sales Downstream = Sales Downstream Oil + Sales Downstream Gas – intersegmental elimination Downstream Oil and Downstream Gas

Segment and Group profit

Q4/19	Q3/19	Q4/18	Δ% ¹	in RON mn	2019	2018	Δ%
495.99	511.78	1,134.21	(56)	Operating Result Upstream	2,589.46	3,530.52	(27)
604.55	383.16	359.68	68	Operating Result Downstream	1,913.18	1,671.74	14
390.10	316.88	139.46	180	thereof Operating Result Downstream Oil	1,475.38	1,385.40	6
214.45	66.28	220.22	(3)	thereof Operating Result Downstream Gas	437.80	286.34	53
(37.83)	(28.04)	(36.97)	(2)	Operating Result Corporate and Other	(156.00)	(105.63)	(48)
1,062.71	866.90	1,456.92	(27)	Operating Result segment total	4,346.64	5,096.63	(15)
(13.84)	71.79	294.02	n.m.	Consolidation: Elimination of intersegmental profits	(101.58)	116.36	n.m.
1,048.87	938.69	1,750.94	(40)	OMV Petrom Group Operating Result	4,245.06	5,212.99	(19)
(7.95)	(12.89)	(71.13)	89	Net financial result	31.74	(299.42)	n.m.
1,040.92	925.80	1,679.81	(38)	OMV Petrom Group profit before tax	4,276.80	4,913.57	(13)

¹ Q4/19 vs. Q4/18

Assets¹

in RON mn	December 31, 2019	December 31, 2018
Upstream	23,802.46	22,866.45
Downstream	6,808.65	6,521.73
thereof Downstream Oil	5,738.25	5,440.16
thereof Downstream Gas	1,070.40	1,081.57
Corporate and Other	465.62	419.86
Total	31,076.73	29,808.04

¹ Segment assets consist of intangible assets and property, plant and equipment. Assets reclassified to held for sale are not included. Starting January 1, 2019 the right-of-use assets based on the IFRS 16 implementation is also included.

Other notes

Significant transactions with related parties

Significant transactions in form of supplies of goods and services take place on a constant and regular basis with companies from OMV Group. The most significant are disclosed in the Appendix 2.

Subsequent events

On 8th of January 2020, OMV Petrom S.A. signed the agreement for the transfer of 40 marginal onshore oil and gas fields in Romania to Dacian Petroleum SRL. As at December 31, 2019 the related assets and liabilities were classified as held for sale and valued at fair value less costs of disposal. The negative impact related to the transfer amounting to RON 220 mn is already reflected in 2019 Operating result.

Declaration of the management

We confirm to the best of our knowledge that the preliminary unaudited condensed consolidated financial statements for the year ended December 31, 2019 give a true and fair view of OMV Petrom Group's assets, liabilities, financial position and profit or loss, as required by the applicable accounting standards, and that the Group Directors' Report gives a true and fair view of important events that have occurred during the 2019 financial year and their impact on the preliminary condensed consolidated financial statements, as well as a description of the principal risks and uncertainties.

Bucharest, February 6, 2020

The Executive Board

Christina Verchere
Chief Executive Officer
President of the Executive Board



Alina Popa
Chief Financial Officer
Member of the Executive Board



Peter Zeilinger
Member of the Executive Board
Upstream



Franck Neel
Member of the Executive Board
Downstream Gas



Radu Caprau
Member of the Executive Board
Downstream Oil



Further information

Abbreviation and definitions

ANRE	Romanian Energy Regulatory Authority
bbl	barrel(s), i.e. 159 liters
bcf	billion cubic feet; 1 bcm = 35.3147 bcf for Romania or 34.7793 bcf for Kazakhstan
boe; kboe; kboe/d	barrels of oil equivalent; thousand barrels of oil equivalent; kboe per day
bn	billion
bcm	billion cubic meters
Capital employed	equity including minorities plus net debt/(cash)
CEO	Chief Executive Officer
Co&O	Corporate and Other
CAPEX	Capital expenditure
Clean CCS Operating Result	Operating Result adjusted for special items and CCS effects. Group Clean CCS Operating Result is calculated by adding the clean CCS Operating Result of Downstream Oil, the clean Operating Result of the other segments and the reported consolidation effect adjusted for changes in valuation allowances, in case the net realizable value of the inventory is lower than its cost.
Clean CCS net income attributable to stockholders	Net income attributable to stockholders, adjusted for the after tax effect of special items and CCS
Clean CCS EPS	Clean CCS Earnings per share = Clean CCS net income attributable to stockholders divided by weighted number of shares
Clean CCS ROACE	Clean CCS Return On Average Capital Employed = NOPAT (as a sum of current and last three quarters) adjusted for the after tax effect of special items and CCS, divided by average Capital Employed (on a rolling basis, as an average of last four quarters) (%)
Clean effective tax rate	Taxes on income adjusted for the tax effect of special items and CCS, divided by Clean CCS Profit before tax (%)
EPS	Earnings per share = Net income attributable to stockholders divided by weighted number of shares
Effective tax rate	Taxes on income divided by Profit before tax (%)
EOR	Enhanced Oil Recovery
EUR	euro
E&A	Exploration and appraisal
FX	Foreign Exchange
GEO	Government Emergency Ordinance
G&G	geological and geophysical
HSSE	Health, Safety, Security and Environment
IFRSs; IASs	International Financial Reporting Standards; International Accounting Standards
LNG	Liquefied natural gas
mn	million
MWh	megawatt hour
NBR	National Bank of Romania
Net debt/(cash)	Interest-bearing debts plus lease liabilities less cash and cash equivalents
NGL	Natural Gas Liquids
n.a.	not applicable/not available (as the case may be)
n.m.	not meaningful i.e. deviation exceeds (+/-) 500% or comparison is made between positive and negative values

NOPAT	Net Operating Profit After Tax = Net income attributable to stockholders of the parent, adjusted for net interest on net borrowings, +/- result from discontinued operations, +/- tax effect of adjustments
OPCOM	The administrator of the Romanian electricity market
Operating Result	The "Operating result" includes the former indicator EBIT ("Earnings Before Interest and Taxes") and the net result from equity-accounted investments.
Clean Operating Result before depreciation and amortization, impairments and write-ups	Former EBITD adjusted for special items and CCS effects = Operating Result Before Interest, Taxes, Depreciation and amortization, impairments and write-ups of fixed assets, including reversals adjusted for special items and CCS effects
OPEX	Operating Expenses
Q	quarter
ROACE	Return On Average Capital Employed = NOPAT (as a sum of current and last three quarters) divided by average Capital Employed (on a rolling basis, as an average of last four quarters) (%)
RON	Romanian leu
S.A.; S.R.L.	Societate pe Actiuni (Joint-stock company); Societate cu Raspundere Limitata (Limited liability company)
t	metric tonne(s)
TWh	terawatt hour
USD	United States dollar
yoy	year-on-year

Appendix 1

Consolidated companies in OMV Petrom Group at December 31, 2019

Parent company

OMV Petrom S.A.

Subsidiaries

Upstream		Downstream Oil	
Tasbulat Oil Corporation LLP (Kazakhstan)	100.00%	OMV Petrom Marketing S.R.L.	100.00%
Kom Munai LLP (Kazakhstan)	100.00%	OMV Petrom Aviation S.R.L. ¹	100.00%
Petrom Exploration & Production Ltd.	99.99%	Petrom Moldova S.R.L. (Moldova)	100.00%
		OMV Bulgaria OOD (Bulgaria)	99.90%
		OMV Srbija DOO (Serbia)	99.96%
Downstream Gas		Corporate & Other	
OMV Petrom Gas S.R.L.	99.99%	Petromed Solutions S.R.L.	99.99%

¹ (one) equity interest owned through OMV Petrom Marketing S.R.L.

Associated company, accounted for at equity

OMV Petrom Global Solutions S.R.L. 25.00%

Appendices 1 and 2 form part of the preliminary unaudited condensed consolidated financial statements

Appendix 2

Significant transactions with related parties

During the financial year 2019, OMV Petrom Group had the following significant transactions with related parties and balances as of December 31, 2019:

Related party (in RON mn)	Purchases 2019	Balances payable December 31, 2019
OMV Supply & Trading Limited	2,111.41	204.02
OMV Petrom Global Solutions S.R.L.	528.42	116.65
OMV Gas Marketing & Trading GmbH	516.09	51.55
OMV Refining & Marketing GmbH	188.60	49.24
OMV International Services GmbH	7.66	81.39

Related party (in RON mn)	Revenues 2019	Balances receivable December 31, 2019
OMV Gas Marketing & Trading GmbH	324.24	36.37
OMV Deutschland GmbH	298.76	44.57
OMV Refining & Marketing GmbH	79.42	14.68
OMV International Services GmbH	-	12.75

During the financial year 2018, OMV Petrom Group had the following significant transactions with related parties and balances as of December 31, 2018:

Related party (in RON mn)	Purchases 2018	Balances payable December 31, 2018
OMV Supply & Trading Limited	1,008.74	141.37
OMV Petrom Global Solutions S.R.L.	489.89	116.05
OMV Refining & Marketing GmbH	245.77	50.57
OMV Exploration & Production GmbH	83.41	26.48

Related party (in RON mn)	Revenues 2018	Balances receivable December 31, 2018
OMV Deutschland GmbH	366.73	63.95
OMV Refining & Marketing GmbH	132.56	1.94
OMV Gas Marketing & Trading GmbH	93.65	6.37
OMV International Services GmbH	-	12.53

Appendices 1 and 2 form part of the preliminary unaudited condensed consolidated financial statements

Contact

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