

Q4

Quarterly Report 2020



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OMV Petrom Group resultsⁱ for January – December and Q4 2020

including preliminary unaudited condensed consolidated financial statements
as of and for the period ended December 31, 2020

Highlights Q4/20ⁱⁱ

Group

- ▶ Swift measures and the integrated business model partly counterbalanced the challenging environment
- ▶ Clean CCS Operating Result at RON 0.5 bn, 58% lower
- ▶ Clean CCS net income attributable to stockholders at RON 0.4 bn, down 59%
- ▶ Cash flow from operating activities at RON 1.2 bn, 30% lower
- ▶ CAPEX at RON 0.8 bn, down 43%
- ▶ Free cash flow after dividends at RON 0.7 bn, 5% lower
- ▶ Clean CCS ROACE at 6.4%, 7 pp lower
- ▶ Dividend proposal 2020ⁱⁱⁱ: RON 0.031/share, flat yoy
- ▶ LTIR: 0.25 (Q4/19: 0.17)^{iv}

Upstream

- ▶ Clean Operating Result at RON 26 mn vs. RON 700 mn in Q4/19, mainly due to lower oil and gas prices
- ▶ Production decreased by 7.6%, mainly due to the steep decline in 4461 Totea South well and planned maintenance activities
- ▶ Production cost increased by 11% to USD 11.4/boe, driven by lower production available for sale and unfavorable FX, partly compensated by ongoing cost optimization

Downstream Oil

- ▶ Clean CCS Operating Result at RON 275 mn, down 24% on declining refining margins and weak demand, partly counterbalanced by gains from middle distillate margin hedges and good operational performance of the sales channels
- ▶ OMV Petrom indicator refining margin at USD 2.00/bbl, down 57%
- ▶ Refinery utilization rate at 96%, compared to 98% in Q4/19, reflecting lower demand
- ▶ Retail volumes 5% lower, impacted by mobility restrictions

Downstream Gas

- ▶ Clean Operating Result at RON 230 mn, almost three times higher than in Q4/19, driven by the excellent power business performance
- ▶ Gas sales volumes down by 33%, due to a high base effect from regulatory-driven sales in Q4/19
- ▶ Net electrical output at 1.18 TWh, 7% lower due to planned shutdown of Brazi power plant

Key events

- ▶ OMV Petrom signed the transaction for the sale of its 100% shareholding in Kom-Munai LLP (KOM) and Tasbulat Oil Corporation LLP (TOC) in Kazakhstan to Magnetic Oil Limited, closing expected in H1/21
- ▶ New development drilling campaign started in the shallow waters of the Istria block, Black Sea
- ▶ OMV Petrom increased the annual bio-blending capacity at Petrobrazi from 200 kilotons to approximately 350 kilotons, following investments of EUR ~21 mn
- ▶ OMV Petrom launched in Romania the first OMV Climate Neutral card for businesses to offset fuel carbon emissions
- ▶ OMV Petrom continued its forestation actions as part of the “Romania plants for tomorrow” campaign: 550,000 trees planted in 2020

ⁱ 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.

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

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

^{iv} Lost-time injury rate (employees and contractors). The number of lost time injuries (fatalities and lost workday injuries) per one million hours worked.

Directors' report (condensed, unaudited)

Financial highlights

Q4/20	Q3/20	Q4/19	Δ% ¹	in RON mn	2020	2019	Δ%
4,595	5,053	7,296	(37)	Sales revenues ²	19,717	25,485	(23)
467	570	1,120	(58)	Clean CCS Operating Result ³	2,287	4,573	(50)
26	(46)	700	(96)	Clean Operating Result Upstream ^{3, 4}	7	2,845	(100)
505	563	447	13	Clean CCS Operating Result Downstream ³	2,171	1,783	22
(30)	(22)	(30)	(0)	Clean Operating Result Co&O ³	(84)	(89)	6
(34)	76	4	n.m.	Consolidation	193	34	471
15	16	15	(2)	Clean CCS Group effective tax rate (%)	16	16	1
382	471	938	(59)	Clean CCS net income ^{3, 7}	1,931	3,864	(50)
382	471	938	(59)	Clean CCS net income attributable to stockholders ^{3, 6, 7}	1,931	3,863	(50)
0.0067	0.0083	0.0166	(59)	Clean CCS EPS (RON) ^{3, 6, 7}	0.0341	0.0682	(50)
467	570	1,120	(58)	Clean CCS Operating Result ³	2,287	4,573	(50)
31	(562)	(89)	n.m.	Special items ⁵	(425)	(370)	(15)
41	(53)	17	137	CCS effects: Inventory holding gains/(losses)	(396)	42	n.m.
539	(44)	1,049	(49)	Operating Result Group	1,467	4,245	(65)
100	(1,097)	496	(80)	Operating Result Upstream ⁴	(985)	2,589	n.m.
507	1,058	605	(16)	Operating Result Downstream	2,317	1,913	21
(32)	(20)	(38)	15	Operating Result Co&O	(105)	(156)	33
(35)	14	(14)	(154)	Consolidation	240	(102)	n.m.
(17)	(8)	(8)	(119)	Net financial result	12	32	(63)
522	(52)	1,041	(50)	Profit/(loss) before tax	1,479	4,277	(65)
11	21	16	(32)	Group effective tax rate (%)	13	15	(15)
465	(41)	875	(47)	Net income/(loss)	1,291	3,635	(64)
465	(41)	875	(47)	Net income/(loss) attributable to stockholders ⁶	1,291	3,635	(64)
0.0082	(0.0007)	0.0154	(47)	EPS (RON) ⁶	0.0228	0.0642	(64)
—	—	—	—	Dividend/share	0.0310 ⁹	0.0310	0
1,249	1,719	1,775	(30)	Cash flow from operating activities	5,556	6,803	(18)
697	1,059	734	(5)	Free cash flow after dividends	652	1,730	(62)
(6,486)	(5,841)	(5,982)	8	Net debt/(cash) including leases	(6,486)	(5,982)	8
(7,167)	(6,540)	(6,683)	7	Net debt/(cash) excluding leases	(7,167)	(6,683)	7
821	816	1,432	(43)	Capital expenditure	3,206	4,225	(24)
6.4	8.4	13.8	(53)	Clean CCS ROACE (%) ^{3, 7}	6.4	13.8	(53)
4.1	5.6	12.9	(68)	ROACE (%)	4.1	12.9	(68)
10,761	11,798	12,347	(13)	OMV Petrom Group employees end of period	10,761	12,347	(13)
0.25	0.19	0.17	47	LTIR ⁸	0.15	0.31	(52)

¹ Q4/20 vs. Q4/19

² Sales revenues 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 hedging effects (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 Lost-time injury rate (employees and contractors); this figure assists in the evaluation of the average injury frequency with more than one day of work lost related to the working time performed.

⁹ Subject to approval by the Supervisory Board and the General Meeting of Shareholders.

Group performance

Fourth quarter 2020 (Q4/20) vs. fourth quarter 2019 (Q4/19)

Consolidated sales decreased by 37% compared to Q4/19, negatively impacted by lower sales volumes and prices for petroleum products and natural gas, as well as lower sales volumes for electricity, partially offset by higher prices for electricity. Downstream Oil represented 72% of total consolidated sales, while Downstream Gas accounted for 27% and Upstream for 2% (sales in Upstream being largely intra-group sales rather than third-party sales).

The **Clean CCS Operating Result** of RON 467 mn in Q4/20 was lower than RON 1,120 mn in Q4/19, mainly due to negative evolution in Upstream, triggered by lower crude oil and gas prices, and lower refining margins in Downstream Oil, partly counterbalanced by better market conditions in the power sector for the Downstream Gas segment. The **Clean CCS Group effective tax rate** was 15% (Q4/19: 15%). **Clean CCS net income attributable to stockholders** was RON 382 mn (Q4/19: RON 938 mn).

Special items comprised net income of RON 31 mn. **Inventory holding gains** amounted to RON 41 mn in Q4/20. In Q4/19, **special items** comprised net special charges of RON (89) mn, while **inventory holding gains** amounted to RON 17 mn.

Reported Operating Result for Q4/20 decreased to RON 539 mn, compared to RON 1,049 mn in Q4/19 driven mainly by the unfavorable market environment, as the lower prices and the COVID-19 crisis had a negative impact on Group's performance.

Net financial result decreased to RON (17) mn in Q4/20 from RON (8) mn in Q4/19.

As a result, the **profit before tax** for Q4/20 was RON 522 mn, lower compared to RON 1,041 mn in Q4/19.

Income tax amounted to RON (57) mn, while the **effective tax rate** was 11% in Q4/20 (Q4/19: 16%) mainly due to reversal of non-taxable impairments.

Net income attributable to stockholders of the parent was RON 465 mn (Q4/19: RON 875 mn).

Cash flow from operating activities amounted to RON 1,249 mn, lower than RON 1,775 mn in Q4/19 mainly as a result of lower commodities prices in the current market environment impacted by the COVID-19 pandemic. **Free cash flow after dividends** resulted in a cash inflow of RON 697 mn (Q4/19: RON 734 mn).

Capital expenditure amounted to RON 821 mn in Q4/20, 43% lower than in Q4/19, of which RON 614 mn were directed to Upstream (Q4/19: RON 996 mn). Downstream investments amounted to RON 198 mn (Q4/19: RON 430 mn), thereof RON 193 mn in Downstream Oil (Q4/19: RON 426 mn). Corporate and Other investments were RON 10 mn (Q4/19: RON 6 mn).

January to December 2020 (2020) vs. January to December 2019 (2019)

Consolidated sales of RON 19,717 mn for 2020 decreased by 23% compared to 2019, following negative evolution of the commodity prices and lower sales volumes for petroleum products and electricity. Downstream Oil represented 69% of total consolidated sales, Downstream Gas accounted for 29%, and Upstream for 2% (sales in Upstream being largely intra-group sales rather than third-party sales).

Clean CCS Operating Result amounted to RON 2,287 mn, 50% below RON 4,573 mn in 2019, mainly due to lower commodity prices. The negative evolution in Upstream, triggered by lower crude oil and gas prices, was partly compensated by higher positive contribution from Downstream, mainly deriving from the power business and gains from middle distillate margin hedges. The **Clean CCS Group effective tax rate** was 16% (2019:16%). **Clean CCS net income attributable to stockholders** was RON 1,931 mn (2019: RON 3,863 mn).

Special items comprise net charges of RON (425) mn, mainly related to net impairments booked in Q3/20 in Upstream amounting to RON 918 mn before tax, triggered by the updated price assumptions, mainly for oil, and full reversal of

impairments for Brazi gas-fired power plant amounting to RON 519 mn before tax, following revision of the long-term power and CO2 price assumptions. **Inventory holding losses** amounted to RON (396) mn in 2020, mainly as a result of a steep decline in crude oil prices. In 2019 **special items** comprised 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 2020 decreased to RON 1,467 mn, compared to RON 4,245 mn in 2019 driven mainly by the unfavorable market environment, as the lower prices and the COVID-19 crisis had a negative impact on Group's performance, and by the net impairments triggered by the revision of price assumptions.

Net financial result slightly decreased to RON 12 mn in 2020 (2019: RON 32 mn).

As a result, the **profit before tax** for 2020 was RON 1,479 mn, lower compared to RON 4,277 mn in 2019.

Income tax amounted to RON (188) mn, while the **effective tax rate** was 13% in 2020 mainly due to fiscal credits (2019: 15%).

Net income attributable to stockholders of the parent was RON 1,291 mn (2019: RON 3,635 mn).

Cash flow from operating activities amounted to RON 5,556 mn, lower than RON 6,803 mn in 2019, mainly as a result of lower commodities prices in the current market environment. **Free cash flow after dividends** resulted in a cash inflow of RON 652 mn (2019: RON 1,730 mn).

Capital expenditure amounted to RON 3,206 mn in 2020, 24% lower than in 2019 (RON 4,225 mn), mainly directed to Upstream investments of RON 2,382 mn (2019: RON 3,269 mn). Downstream investments amounted to RON 802 mn (2019: RON 903 mn), thereof RON 793 mn in Downstream Oil (2019: RON 818 mn). Corporate and Other investments were RON 23 mn (2019: RON 53 mn).

OMV Petrom Group reported a **net cash position including leases** of RON 6,486 mn as at December 31, 2020, higher than RON 5,982 mn as at December 31, 2019.

Special items and CCS effect

Q4/20	Q3/20	Q4/19	Δ% ¹	Special items and CCS effect (in RON mn)	2020	2019	Δ%
467	570	1,120	(58)	Clean CCS Operating Result	2,287	4,573	(50)
31	(562)	(89)	n.m.	Special items	(425)	(370)	(15)
29	(128)	(1)	n.m.	thereof personnel and restructuring	(110)	(53)	(108)
104	(407)	—	n.a.	thereof unscheduled depreciation	(331)	—	n.a.
(101)	(27)	(88)	(15)	thereof other	16	(317)	n.m.
41	(53)	17	137	CCS effect: Inventory holding gains/(losses)	(396)	42	n.m.
539	(44)	1,049	(49)	Operating Result Group	1,467	4,245	(65)

¹ Q4/20 vs. Q4/19

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, 2020	December 31, 2019
Assets		
Non-current assets	34,505.37	34,932.64
Current assets (incl. Assets held for sale)	13,115.45	12,562.59
Total assets	47,620.82	47,495.23
Equity and liabilities		
Total equity	33,071.13	33,501.37
Non-current liabilities	8,844.19	8,197.30
Current liabilities (incl. Liabilities associated with assets held for sale)	5,705.50	5,796.56
Total equity and liabilities	47,620.82	47,495.23

Compared to December 31, 2019, **non-current assets** slightly decreased by RON 427 mn, to RON 34,505 mn, mainly due to decrease in intangible assets and property, plant and equipment. The depreciation, the net impairments triggered by revision of price assumptions, and the reclassification of assets to held for sale, exceeded the additions during the period and the increase in decommissioning asset following reassessment. In Upstream, the net impairments reflected in Q3/20, triggered by revision of price assumptions, include both write-offs of exploration intangibles and net impairments for tangible assets, while in Downstream Gas, the previously recorded impairments for Brazi gas-fired power plant were fully reversed. Following the expected sale of the two subsidiaries in Kazakhstan, their assets and liabilities were reclassified in Q4/20 to assets held for sale and liabilities associated with assets held for sale, respectively.

The net increase in **current assets (including assets held for sale)** was mainly due to reclassification of assets to held for sale following the expected sale of subsidiaries in Kazakhstan. In addition, higher financial assets in relation to margin hedges in the refinery and the increase in cash and cash equivalents were offset by lower trade receivables due to lower sales, and lower inventories.

Equity decreased to RON 33,071 mn as of December 31, 2020, compared to RON 33,501 mn as of December 31, 2019, mainly as a result of dividend distribution for the fiscal year 2019, partly offset by the net profit generated in the current period. The Group's equity ratio was 69% as of December 31, 2020, compared with 71% as of December 31, 2019.

As at December 31, 2020, **total liabilities** increased by RON 556 mn compared to December 31, 2019, mainly due to increase in **non-current liabilities** following the reassessment of provisions for decommissioning and restoration obligations. **Current liabilities (including liabilities associated with assets held for sale)** decreased by RON 91 mn, largely from lower trade payables following lower acquisitions, partially compensated by higher financial liabilities in relation to margin hedges in the refinery.

Cash flow

Q4/20	Q3/20	Q4/19	Δ% ¹	Summarized cash-flow statement (in RON mn)	2020	2019	Δ%
1,006	1,353	1,831	(45)	Sources of funds	4,592	7,059	(35)
1,249	1,719	1,775	(30)	Cash flow from operating activities	5,556	6,803	(18)
(552)	(659)	(1,040)	47	Cash flow from investing activities	(3,163)	(3,556)	11
698	1,060	735	(5)	Free cash flow	2,393	3,246	(26)
(23)	(94)	(63)	64	Cash flow from financing activities	(1,921)	(1,844)	(4)
(4)	(3)	(0)	n.m.	Effect of exchange rate changes on cash and cash equivalents	(4)	1	n.m.
671	963	672	(0)	Net increase in cash and cash equivalents	468	1,404	(67)
6,810	5,847	6,342	7	Cash and cash equivalents at beginning of period	7,014	5,609	25
31	—	—	n.a.	Thereof cash disclosed within assets held for sale	31	—	n.a.
7,451	6,810	7,014	6	Cash and cash equivalents at end of period presented in the consolidated statement of financial position	7,451	7,014	6
697	1,059	734	(5)	Free cash flow after dividends	652	1,730	(62)

¹ Q4/20 vs. Q4/19

Fourth quarter 2020 (Q4/20) vs. fourth quarter 2019 (Q4/19)

In Q4/20, 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-cash adjustments, as well as net interest received and income tax paid, was RON 1,006 mn (Q4/19: RON 1,831 mn). Changes in **net working capital** generated a cash inflow of RON 243 mn (Q4/19: outflow of RON 56 mn). **Cash flow from operating activities** decreased by RON 526 mn compared to Q4/19, reaching RON 1,249 mn.

In Q4/20, **cash flow from investing activities** resulted in an outflow of RON 552 mn (Q4/19: RON 1,040 mn) mainly related to payments for investments in intangible assets and property, plant and equipment, largely in the Upstream segment.

Free cash flow (defined as cash flow from operating activities less cash flow from investing activities) showed an inflow of funds of RON 698 mn (Q4/19: RON 735 mn).

Cash flow from financing activities reflects an outflow of funds amounting to RON 23 mn (Q4/19: RON 63 mn).

Free cash flow after dividends resulted in a cash inflow of RON 697 mn (Q4/19: RON 734 mn).

January to December 2020 (2020) vs. January to December 2019 (2019)

In 2020, 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-cash adjustments, as well as net interest received and income tax paid was RON 4,592 mn (2019: RON 7,059 mn). Changes in **net working capital** generated a cash inflow of RON 964 mn (2019: outflow of RON 256 mn). **Cash flow from operating activities** decreased by RON 1,247 mn compared to 2019, reaching RON 5,556 mn.

In 2020, **cash flow from investing activities** resulted in an outflow of RON 3,163 mn (2019: RON 3,556 mn) mainly related to payments for investments in intangible assets and property, plant and equipment, largely in the Upstream segment, counterbalanced to some extent by the partial collection of a receivable in relation to the government grant for Brazi power plant investment.

Free cash flow (defined as cash flow from operating activities less cash flow from investing activities) showed an inflow of funds of RON 2,393 mn (2019: RON 3,246 mn).

Cash flow from financing activities reflected an outflow of funds amounting to RON 1,921 mn (2019: RON 1,844 mn), mainly arising from the payment of dividends of RON 1,740 mn.

Free cash flow after dividends resulted in a cash inflow of RON 652 mn (2019: RON 1,730 mn).

Risk management

The scope of OMV Petrom's business activity, both existing and planned, and the markets in which the company operates expose the Group to significant commodity price, foreign exchange, operational and strategic risks. A detailed description of risks and risk management activities can be found in the 2019 Annual Report (pages 45-48).

According to the last OMV Petrom Group risk assessment exercise in October 2020, the main uncertainties which could impact the Group'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.

The global outbreak of the COVID-19 pandemic continues to have a major impact on global economic development. While oil prices increased during the fourth quarter following supply reductions in 2020 as well as expectations of increased demand and further positive effects from the start of the vaccinations, they still remain significantly volatile. Recent increases in COVID-19 cases around the world and in particular in Europe could lead to delays in the assumed demand recovery, following the response of governments and citizens. Thus, the consequences of the COVID-19 pandemic and the extent and duration of the economic impact cannot be reliably estimated from today's perspective. However, OMV Petrom is closely monitoring the development and regularly evaluating the impact on the Group's cash flow and liquidity position. OMV Petrom is responding to the situation with targeted measures to safeguard the Group's economic stability and the secure supply of energy. The health and wellbeing of every employee is the top priority. At the same time, OMV Petrom is implementing targeted measures to safeguard the Group's financial strength, namely reduction of investments and cost cutting.

From today's perspective, we assume that based on the measures listed above the Group's ability to continue as a going concern is not impacted.

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 for disclosures on significant transactions with related parties.

Outlook for the full year 2021

All the below is based on the assumption of no significant lockdowns by year end.

Market environment

- ▶ For the full year 2021, OMV Petrom expects the **average Brent oil price** to range between USD 50 /bbl and USD 55/bbl (2020: USD 42/bbl)
- ▶ **Refining margins** are expected to be above 4 USD/bbl (2020: USD 2.9/bbl)
- ▶ **Demand for oil products** and **power** is expected to be above 2020, while **demand for gas** is expected to be broadly similar to 2020.

OMV Petrom Group

- ▶ **CAPEX** excluding acquisitions is anticipated to be around RON 2.9 bn (2020: RON 3 bn)
- ▶ We expect a **positive free cash flow before dividends** (2020: RON 0.7 bn)
- ▶ **Neptun Deep**: we expect the Offshore Law to be amended in the first part of 2021, as recently stated by the Romanian authorities
- ▶ **Partnership with Auchan**: up to 100 MyAuchan stores to be opened in upgraded Petrom-branded filling stations (at year-end 2020: 25 stores)
- ▶ We target to **reduce carbon intensity** by 27% until 2025 vs. 2010 (2020: by 25% until 2025 vs. 2010).

Upstream

- ▶ **Production**: maintain decline at around 5% yoy in Romania, excluding portfolio optimization (2020: below 5%)
- ▶ **Portfolio optimization**: continue to focus on the most profitable barrels:
 - ▶ Transfer of 40 marginal fields to Dacian Petroleum, closing expected in H1/21
 - ▶ Kazakhstan assets divestment to Magnetic Oil Limited, closing expected in H1/21
- ▶ **Investments, excluding acquisitions**: at RON 1.8 bn (2020: RON 2.2 bn):
 - ▶ Drill up to 40 new wells and sidetracks and perform more than 700 workovers (2020: 63 new wells and sidetracks; 830 workovers)
- ▶ **Exploration**: exploration expenditures around RON 0.2 bn (2020: RON 0.2 bn)
- ▶ **Regional expansion**:
 - ▶ Han Asparuh offshore Bulgaria: seismic data processing towards maturing future drilling candidates
 - ▶ Georgia Offshore Exploration Block II: signing of Production Sharing Contract expected in Q1/21

Downstream

- ▶ The **refinery utilization rate** is estimated to be above 95% (2020: 92%)
- ▶ Total **refined product sales** are forecasted to be higher compared to 2020 (2020: 5.0 mn t)
- ▶ Total **gas sales volumes** are estimated to be lower vs. 2020 (2020: 57 TWh), in part due to regulatory-requirements in 2020
- ▶ **Net electrical output** is forecasted to be higher vs. 2020 (2020: 4.2 TWh); Brazi power plant: a planned shutdown to take place in Q2/21 (2020: in Q4).

Business segments

Upstream

Q4/20	Q3/20	Q4/19	Δ% ¹ in RON mn	2020	2019	Δ%	
656	559	1,359	(52)	Clean Operating Result before depreciation and amortization, impairments and write-ups ²	2,448	5,425	(55)
26	(46)	700	(96)	Clean Operating Result ²	7	2,845	(100)
73	(1,051)	(204)	n.m.	Special items	(992)	(255)	(289)
100	(1,097)	496	(80)	Operating Result ²	(985)	2,589	n.m.
614	626	996	(38)	Capital expenditure ³	2,382	3,269	(27)
79	25	105	(25)	Exploration expenditures	195	427	(54)
89	661	49	80	Exploration expenses	814	238	243
11.42	11.24	10.29	11	OPEX (USD/boe)	10.88	10.90	(0)

Q4/20	Q3/20	Q4/19	Δ% ¹ Key performance indicators	2020	2019	Δ%	
140.2	141.3	151.8	(8)	Total hydrocarbon production (kboe/d)	144.8	151.6	(5)
67.2	68.8	72.2	(7)	thereof crude oil and NGL production (kbb/d)	69.7	71.6	(3)
73.0	72.5	79.5	(8)	thereof natural gas production (kboe/d)	75.1	80.1	(6)
12.90	13.00	13.96	(8)	Total hydrocarbon production (mn boe)	52.98	55.35	(4)
6.18	6.33	6.64	(7)	Crude oil and NGL production (mn bbl)	25.51	26.12	(2)
1.03	1.02	1.12	(8)	Natural gas production (bcm)	4.21	4.47	(6)
36.31	36.08	39.55	(8)	Natural gas production (bcf)	148.56	157.98	(6)
12.27	12.26	13.16	(7)	Total hydrocarbon sales volume (mn boe)	50.33	52.09	(3)
133.3	133.3	143.1	(7)	Total hydrocarbon sales volume (kboe/d)	137.5	142.7	(4)
70.4	70.6	75.2	(6)	thereof crude oil and NGL sales volume (kbb/d) ⁴	72.7	74.8	(3)
62.9	62.6	67.9	(7)	thereof natural gas sales volume (kboe/d)	64.8	67.9	(5)
44.39	43.38	62.80	(29)	Average Urals price (USD/bbl)	41.58	64.19	(35)
37.22	36.29	54.45	(32)	Average Group realized crude price (USD/bbl)	34.51	56.09	(38)

¹ Q4/20 vs. Q4/19;

² Excluding intersegmental profit elimination;

³ Including capitalized exploration and appraisal and acquisitions;

⁴ Includes sales of liquids obtained from separation and processing of rich natural gas; rich natural gas production is included under natural gas production above.

Fourth quarter 2020 (Q4/20) vs. fourth quarter 2019 (Q4/19)

- ▶ **Clean Operating Result at RON 26 mn vs. RON 700 mn in Q4/19, mainly due to lower oil and gas prices**
- ▶ **Production decreased by 7.6% mainly due to the steep decline in 4461 Totea South well and planned maintenance activities**
- ▶ **Production cost increased by 11% to USD 11.42/boe, driven by lower production available for sale and unfavorable FX, partly compensated by ongoing cost optimization**

Clean Operating Result was a RON 26 mn profit vs. a RON 700 mn profit in Q4/19, driven by lower oil and gas prices, which were partly compensated by lower Upstream taxation, depreciation and exploration expenses.

Special items amounted to RON 73 mn, reflecting mainly the write up of impairments as a result of classification to assets and liabilities held for sale of the Kazakhstan operations planned to be divested, partly offset by impairments and net impact from reassessment of provisions. **Reported Operating Result** was a RON 100 mn profit, vs. a RON 496 mn profit in Q4/19.

Group production costs (OPEX) in USD increased by 11% to USD 11.42/boe, due to lower production available for sale and unfavorable FX (weaker USD against RON), which were partly offset by ongoing cost optimization. In Romania, production costs in USD increased by 5% to USD 11.33/boe, while in RON terms they remained broadly stable at RON 46.19/boe.

Group hydrocarbon production decreased by 7.6% due to lower production both in Romania and Kazakhstan.

In Romania, hydrocarbon production was 12.34 mn boe or 134.2 kboe/d (Q4/19: 13.31 mn boe or 144.7 kboe/d). Crude oil and NGL production in Romania dropped by 5.7% to 5.72 mn bbl mainly due to natural decline. Gas production in Romania decreased by 8.6% to 6.63 mn boe due to natural decline in the main fields (Totea Deep and Lebada East) and well 4461 Totea South, as well as planned maintenance activities.

In Kazakhstan, hydrocarbon production decreased by 15% to 0.55 mn boe mainly due to planned maintenance works.

Group hydrocarbon sales volumes decreased by 7% due to lower sales both in Romania and Kazakhstan.

Exploration expenditures decreased to RON 79 mn, due to less onshore drilling activities and less seismic acquisition.

Exploration expenses increased to RON 89 mn, due to higher decommissioning provisions for exploration wells and write-off of exploration wells, partly offset by lower seismic acquisition expenses.

Capital expenditure declined by 38%, mainly due to lower development drilling and exploration activities, reduced activities for facilities projects following reprioritization, and recognition in Q4/19 of assets under IFRS 16 "Leases" for a long-term contract.

January to December 2020 (2020) vs. January to December 2019 (2019)

Clean Operating Result decreased to RON 7 mn (2019: RON 2,845 mn), mainly driven by lower oil and gas prices, which were partly compensated by lower Upstream taxation, exploration expenses and production costs.

Special items amounted to RON (992) mn, mainly due to net impairments, restructuring charges and reassessment of provisions. **Reported Operating Result** was RON (985) mn.

Group production costs (OPEX) in USD were kept stable at USD 10.88/boe mainly due to ongoing cost optimization, which compensated for the lower production available for sale. In Romania, production costs in USD improved by 1% to USD 10.92/boe, while in RON terms they improved by 1% to RON 46.27/boe.

Group hydrocarbon production declined by 4.3% to 52.98 mn boe.

In Romania, hydrocarbon production was 50.51 mn boe or 138.0 kboe/d (2019: 52.97 mn boe or 145.1 kboe/d). Crude oil and NGL production in Romania decreased by 3% to 23.38 mn bbl. Gas production in Romania decreased by 6.2% to 27.13 mn boe due to natural decline in the main gas fields (Totea Deep and Lebada East), the one-time effect of surface works in the Totea-Hurezani area and maintenance activities, partly counterbalanced by the contribution of well 4461 Totea South.

In Kazakhstan, hydrocarbon production increased by 4.2% to 2.47 mn boe due to higher level of workovers and interventions.

Group hydrocarbon sales volumes decreased by 3% due to lower sales in Romania, partly counterbalanced by lower own consumption and stock optimization.

Exploration expenditures decreased to RON 195 mn, due to less onshore drilling activities and less seismic acquisition.

Exploration expenses increased to RON 814 mn, mainly due to write-off of exploration wells slightly counterbalanced by lower seismic acquisition expenses.

Capital expenditure declined by 27% to RON 2,382 mn and represented 74% of the Group's total CAPEX for 2020. The decline was mainly due to lower development drilling and exploration activities as a response to the current environment and to the recognition in 2019 of assets under IFRS 16 "Leases" for a long-term contract.

In 2020, we finalized the drilling of 63 new wells and sidetracks, including one exploration well (2019: 100 new wells and sidetracks, including two exploration wells).

As of December 31, 2020, the **total proved oil and gas reserves** in OMV Petrom Group's portfolio amounted to 473 mn boe (of which 451 mn boe in Romania), while the **proved and probable oil and gas reserves** amounted to 761 mn boe (of which 720 mn boe in Romania). The Group's three-year average **Reserve Replacement Rate** increased to 44% in 2020 (2019: 42%), and in Romania it increased to 43% (2019: 38%). For the single year 2020, the Group's Reserve Replacement Rate was 41% (2019: 49%), while in Romania it increased to 48% (2019: 39.5%).

Downstream

Q4/20	Q3/20	Q4/19	Δ% ¹ in RON mn	2020	2019	Δ%	
727	779	665	9	Clean CCS Operating Result before depreciation and amortization, impairments and write-ups ²	3,032	2,623	16
505	563	447	13	Clean CCS Operating Result ²	2,171	1,783	22
275	373	362	(24)	thereof Downstream Oil	1,454	1,501	(3)
230	190	85	171	thereof Downstream Gas	718	282	155
(40)	486	123	n.m.	Special items	588	(48)	n.m.
42	9	35	20	CCS effect: Inventory holding gains/(losses) ²	(442)	178	n.m.
507	1,058	605	(16)	Operating Result	2,317	1,913	21
198	184	430	(54)	Capital expenditure	802	903	(11)

Q4/20	Q3/20	Q4/19	Δ% ¹ Key performance indicators Downstream Oil	2020	2019	Δ%	
2.00	0.94	4.68	(57)	Indicator refining margin (USD/bbl) ³	2.89	4.67	(38)
1.18	1.05	1.21	(2)	Refining input (mn t) ⁴	4.50	4.73	(5)
96	86	98	(2)	Refinery utilization rate (%)	92	97	(5)
1.27	1.38	1.41	(10)	Total refined product sales (mn t)	4.99	5.46	(9)
0.68	0.79	0.71	(5)	thereof retail sales volumes (mn t) ⁵	2.62	2.85	(8)
Key performance indicators Downstream Gas							
13.25	12.11	19.85	(33)	Gas sales volumes (TWh)	57.03	54.84	4
10.62	9.28	17.11	(38)	thereof to third parties (TWh)	47.75	47.24	1
—	—	5.10 ⁶	n.m.	thereof to the regulated market (TWh)	6.97	12.51	(44)
1.18	1.31	1.26	(7)	Net electrical output (TWh)	4.17	3.40	23
242	195	224	8	OPCOM spot average electricity base load price (RON/MWh)	191	239	(20)

¹ Q4/20 vs. Q4/19;

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 semi-finished products, 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, Moldova;

⁶ Compared to the figure published in Q4/19, the figure for Q4/19 was updated in order to include the sales through the affiliate company.

Fourth quarter 2020 (Q4/20) vs. fourth quarter 2019 (Q4/19)

- ▶ **Downstream Oil: Clean CCS Operating Result at RON 275 mn, down 24% on declining refining margins and weak demand, partly counterbalanced by gains from middle distillate margin hedges and good operational performance of the sales channels; refinery utilization rate at 96%; retail sales volumes down by 5%**
- ▶ **Downstream Gas: Very strong contribution to the Group results, Clean CCS Operating Result at RON 230 mn, built on excellent power business performance**

Clean CCS Operating Result increased to RON 505 mn in Q4/20 (Q4/19: RON 447 mn), reflecting the significant improvement of the Downstream Gas result, offsetting the weaker result in Downstream Oil. **Reported Operating Result** of RON 507 mn mainly reflected positive CCS effects of RON 42 mn.

In Q4/20, **Downstream Oil Clean CCS Operating Result** decreased to RON 275 mn (Q4/19: RON 362 mn), impacted by lower refining margins and volumes sold, which were still affected by the reduced demand. The negative effects were counterbalanced to some extent by the positive impact related to middle distillate margin hedges, by good operational performance of our sales channels and by strict cost management.

OMV Petrom indicator refining margin decreased by USD 2.68/bbl to USD 2.00/bbl in Q4/20, as a result of falling product spreads, mainly for gasoline, jet and diesel. The **refinery utilization rate** was 96% in Q4/20 (Q4/19: 98%) reflecting the weaker

demand in the domestic market, but supported by placing more equity products on all our markets while reducing third-party supply.

Total refined product sales volumes were down 10% vs. Q4/19, triggered by weaker demand. Group retail sales volumes, which accounted for 53% of total refined product sales, decreased by 5% compared to Q4/19 as an effect of traffic restrictions. Q4/20 non-retail sales volumes decreased by 14% yoy, due to lower demand in most of our markets and the decline in the aviation business.

Downstream Gas Clean Operating Result was almost three times higher than in Q4/19, at RON 230 mn in Q4/20 (Q4/19: RON 85 mn), reflecting the excellent contribution from power forward contracts complemented by balancing market and ancillary services revenues. Gas business also had a positive contribution, despite lower gas prices and also lower wholesales volumes.

As per OMV Petrom's estimates, national **gas** consumption increased by approximately 9% compared to Q4/19.

On the Romanian centralized markets, the weighted average price of natural gas for transactions with medium and long-term standardized products closed in Q4/20 (12.7 TWh) was RON 66/MWh^{v,vi} (Q4/19: RON 101/MWh for standard products traded). Regarding short-term deliveries, on BRM day-ahead market, the average price^{vii} in Q4/20 was RON 64/MWh (Q4/19: RON 71/MWh).

In Q4/20, OMV Petrom's total gas sales volumes decreased by 33% to 13.25 TWh, the regulatory-driven large sales volumes in Q4/19 creating a high base effect. Gas volumes sold to third parties were 38% lower vs. Q4/19, with lower wholesales volumes while maintaining the end-users portfolio.

On the centralized markets, OMV Petrom sold 4.0 TWh in standard products in Q4/20 at an average price in line with the market price^v. At the end of Q4/20, OMV Petrom had 2.0 TWh natural gas in storage, compared to 3.0 TWh at the end of Q4/19.

As per currently available information from the grid operator, national **electricity** consumption was 1% higher compared to the same quarter of 2019, while national production decreased by 1%, thus leading to a net importer position in Q4/20.

The Brazi power plant generated in Q4/20 a net electrical output of 1.17 TWh, below the 1.26 TWh in Q4/19, due to the annual plant's planned shutdown performed in Q4/20.

Total **Downstream investments** amounted to RON 198 mn (Q4/19: RON 430 mn), thereof RON 193 mn in Downstream Oil (Q4/19: RON 426 mn). In Q4/20, most amounts in Downstream Oil were routed to increasing the capacity for bio-blending components, to preliminary works related to coke drums replacement and railway facilities at Petrobrazi refinery. In Q4/19, investments were significantly higher, mainly directed to ongoing projects in the refinery, to retail (mainly Art Petrol network acquisition in Romania) and to a new terminal in Serbia.

January to December 2020 (2020) vs. January to December 2019 (2019)

Clean CCS Operating Result increased to RON 2,171 mn in 2020 (2019: RON 1,783 mn), reflecting higher results in Downstream Gas and slightly lower result in Downstream Oil. **Reported Operating Result** was RON 2,317 mn, reflecting special gains of RON 588 mn (mainly consisting of the reversal of the impairments for Brazi power plant booked in Q3/20) and negative CCS effects of RON 442 mn, due to the steep decline in crude quotations.

Downstream Oil Clean CCS Operating Result decreased to RON 1,454 mn in 2020 (2019: RON 1,501 mn) impacted by weaker refining margins, lower volumes sold in the context of the coronavirus pandemic and the planned shutdown in July.

^v OMV Petrom estimates based on available public information;

^{vi} 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;

^{vii} Average computed based on daily trades published on BRM platform.

The negative effects were offset to a large extent by the positive impact from CO2 certificates sale, middle distillate margin hedges, good operational performance of our sales channels and strict costs management.

OMV Petrom indicator refining margin decreased by USD 1.79/bbl to USD 2.89/bbl in 2020, as a result of falling product spreads mainly for gasoline, jet and diesel. **Refinery utilization rate** decreased to 92% (2019: 97%) reflecting the two-week planned shutdown in July and lower demand following mobility restrictions, but supported by placing more equity products on all our markets while reducing third-party supply.

Total refined product sales decreased by 9% compared to 2019. Group retail sales volumes were down by 8% following reduced traffic during the coronavirus pandemic. Non-retail sales decreased by 9%, as a result of weaker demand in the context of the pandemic and a steep drop in the aviation business.

Downstream Gas Clean Operating Result significantly improved to RON 718 mn in 2020 from RON 282 mn in 2019, reflecting record-high contribution from the power business, built on power forward contracts, complemented by balancing and ancillary services markets revenues. The gas business reflected a very good end-user portfolio resilience. The result also reflects one off revenues booked in Q2/20 representing the compensation for higher costs incurred in 2019 for the power regulated sales.

As per OMV Petrom's estimates, Romania's **gas** consumption increased by approximately 5% yoy.

OMV Petrom's gas sales volumes were record-high at 57 TWh, 4% higher vs. 2019, on higher wholesales volumes in the first half of the year, based on transactions for compliance to the obligations for the regulated gas market and centralized markets. We successfully preserved our sales to end-users even during the challenging 2020 year, proving the robustness of our end-user customer portfolio.

As per currently available information from the grid operator, national **electricity** consumption was 4% lower yoy, while electricity production was down by 6% yoy; Romania was a net importer of electricity throughout 2020.

The Brazi power plant generated a net electrical output of 4.15 TWh vs. 3.38 TWh in 2019, representing 7% in Romania's generation mix, supported by positive spark spreads; the power plant had in addition an important contribution on the balancing and ancillary services markets, enabled by its technical capabilities.

Downstream investments amounted to RON 802 mn in 2020 (2019: RON 903 mn), thereof RON 793 mn in Downstream Oil (2019: RON 818 mn) and RON 9 mn in Downstream Gas (2019: RON 85 mn). In Downstream Oil, investments were performed mostly at Petrobrazi refinery – continuing the investments to increase the bio-blending capacity, securing long-term logistic access through railway lines, modernization and automation projects in the tank farm area and various works performed in the context of the refinery planned shutdown. In 2019, most amounts were routed to retail, to a new terminal in Serbia, as well as to the completion of the closed blowdown system at the Coker unit and for the upgrade of unloading and storage facilities for bio-blending components at Petrobrazi refinery.

Preliminary condensed consolidated financial statements as of and for the period ended December 31, 2020 (unaudited)

Preliminary condensed consolidated income statement (unaudited)

Q4/20	Q3/20	Q4/19	in RON mn	2020	2019
4,594.85	5,052.94	7,296.36	Sales revenues	19,716.98	25,485.47
100.50	34.28	36.63	Other operating income	428.95	258.77
0.15	1.47	3.21	Net income from investments in associates	4.47	7.36
4,695.50	5,088.69	7,336.20	Total revenues and other income	20,150.40	25,751.60
(1,699.29)	(2,194.67)	(3,362.91)	Purchases (net of inventory variation)	(8,209.70)	(10,680.68)
(949.25)	(864.29)	(860.82)	Production and operating expenses	(3,488.97)	(3,469.59)
(163.20)	(174.31)	(333.35)	Production and similar taxes	(873.30)	(1,187.33)
(729.60)	(590.29)	(1,059.62)	Depreciation, amortization, impairments and write-ups	(2,996.06)	(3,506.70)
(478.34)	(504.78)	(515.42)	Selling, distribution and administrative expenses	(1,952.35)	(2,140.17)
(89.27)	(661.40)	(49.48)	Exploration expenses	(814.47)	(237.66)
(47.53)	(142.98)	(105.73)	Other operating expenses	(348.46)	(284.41)
539.02	(44.03)	1,048.87	Operating Result	1,467.09	4,245.06
60.67	76.75	69.97	Interest income	337.33	317.63
(62.28)	(73.41)	(67.79)	Interest expenses	(295.44)	(276.98)
(15.79)	(11.14)	(10.13)	Other financial income and expenses	(30.28)	(8.91)
(17.40)	(7.80)	(7.95)	Net financial result	11.61	31.74
521.62	(51.83)	1,040.92	Profit/(loss) before tax	1,478.70	4,276.80
(56.93)	11.11	(166.09)	Taxes on income	(187.69)	(642.12)
464.69	(40.72)	874.83	Net income/(loss) for the period	1,291.01	3,634.68
464.67	(40.74)	874.81	thereof attributable to stockholders of the parent	1,290.96	3,634.59
0.02	0.02	0.02	thereof attributable to non-controlling interests	0.05	0.09
0.0082	(0.0007)	0.0154	Basic and diluted earnings per share (RON)	0.0228	0.0642

Preliminary condensed consolidated statement of comprehensive income (unaudited)

Q4/20	Q3/20	Q4/19	in RON mn	2020	2019
464.69	(40.72)	874.83	Net income/(loss) for the period	1,291.01	3,634.68
(10.23)	(3.66)	1.03	Exchange differences from translation of foreign operations	(2.63)	26.69
(123.51)	(82.13)	32.91	Gains/(losses) on hedges	96.49	27.95
(133.74)	(85.79)	33.94	Total of items that may be reclassified ("recycled") subsequently to the income statement	93.86	54.64
(11.45)	-	(25.61)	Re-measurement gains/(losses) on defined benefit plans	(11.45)	(25.61)
21.67	20.44	-	Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item	(134.60)	-
10.22	20.44	(25.61)	Total of items that will not be reclassified ("recycled") subsequently to the income statement	(146.05)	(25.61)
19.93	13.35	(5.05)	Income tax relating to items that may be reclassified ("recycled") subsequently to the income statement	(15.07)	(5.10)
(1.63)	(3.27)	4.11	Income tax relating to items that will not be reclassified ("recycled") subsequently to the income statement	23.37	4.11
18.30	10.08	(0.94)	Total income taxes relating to components of other comprehensive income	8.30	(0.99)
(105.22)	(55.27)	7.39	Other comprehensive income/(loss) for the period, net of tax	(43.89)	28.04
359.47	(95.99)	882.22	Total comprehensive income/(loss) for the period	1,247.12	3,662.72
359.45	(96.01)	882.20	thereof attributable to stockholders of the parent	1,247.06	3,662.62
0.02	0.02	0.02	thereof attributable to non-controlling interests	0.06	0.10

Preliminary condensed consolidated statement of financial position (unaudited)

in RON mn	December 31, 2020	December 31, 2019
Assets		
Intangible assets	2,811.51	3,132.01
Property, plant and equipment	27,802.20	27,944.72
Investments in associated companies	31.68	26.94
Other financial assets	2,092.96	2,122.57
Other assets	233.28	215.47
Deferred tax assets	1,533.74	1,490.93
Non-current assets	34,505.37	34,932.64
Inventories	2,102.90	2,464.45
Trade receivables	1,258.13	1,891.86
Other financial assets	1,213.11	486.10
Other assets	229.77	489.44
Cash and cash equivalents	7,450.64	7,013.54
Current assets	12,254.55	12,345.39
Assets held for sale	860.90	217.20
Total assets	47,620.82	47,495.23
Equity and liabilities		
Share capital	5,664.41	5,664.41
Reserves	27,406.22	27,836.45
Stockholders' equity	33,070.63	33,500.86
Non-controlling interests	0.50	0.51
Total equity	33,071.13	33,501.37
Provisions for pensions and similar obligations	213.69	240.70
Interest-bearing debts	108.94	197.88
Lease liabilities	543.06	572.15
Provisions for decommissioning and restoration obligations	7,272.42	6,456.08
Other provisions	645.12	588.87
Other financial liabilities	46.87	106.82
Other liabilities	14.09	13.89
Deferred tax liabilities	-	20.91
Non-current liabilities	8,844.19	8,197.30
Trade payables	2,858.64	3,372.35
Interest-bearing debts	175.03	132.25
Lease liabilities	137.33	128.79
Income tax liabilities	43.60	205.21
Other provisions and decommissioning	516.87	623.31
Other financial liabilities	802.61	372.54
Other liabilities	758.74	738.36
Current liabilities	5,292.82	5,572.81
Liabilities associated with assets held for sale	412.68	223.75
Total equity and liabilities	47,620.82	47,495.23

Preliminary 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, 2020	5,664.41	27,736.81	99.66	(0.02)	33,500.86	0.51	33,501.37
Net income for the period	-	1,290.96	-	-	1,290.96	0.05	1,291.01
Other comprehensive income/(loss) for the period	-	(9.62)	(34.28)	-	(43.90)	0.01	(43.89)
Total comprehensive income/(loss) for the period	-	1,281.34	(34.28)	-	1,247.06	0.06	1,247.12
Dividend distribution	-	(1,755.96)	-	-	(1,755.96)	(0.07)	(1,756.03)
Reclassification of cash flow hedges to balance sheet	-	-	78.67	-	78.67	-	78.67
December 31, 2020	5,664.41	27,262.19	144.05	(0.02)	33,070.63	0.50	33,071.13

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)
December 31, 2019	5,664.41	27,736.81	99.66	(0.02)	33,500.86	0.51	33,501.37

¹ Other 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.

Preliminary condensed consolidated statement of cash flows (unaudited)

Q4/20	Q3/20	Q4/19	Summarized statement of cash flows (in RON mn)	2020	2019
521.62	(51.83)	1,040.92	Profit/(loss) before tax	1,478.70	4,276.80
(290.83)	186.99	(65.32)	Net change in provisions	47.84	208.05
(12.89)	(12.70)	(3.32)	Net gains on the disposal of non-current assets	(41.25)	(77.21)
756.19	1,239.61	1,063.12	Depreciation, amortization and impairments including write-ups	3,677.85	3,637.67
49.05	41.80	64.07	Net interest received	166.72	150.96
(90.55)	(9.47)	(174.18)	Tax on profit paid	(401.24)	(720.58)
73.63	(41.39)	(94.44)	Other non-monetary adjustments	(336.77)	(417.03)
1,006.22	1,353.01	1,830.85	Sources of funds ¹	4,591.85	7,058.66
(46.79)	143.53	(86.76)	(Increase)/decrease in inventories	297.09	(326.56)
190.20	115.60	(168.53)	(Increase)/decrease in receivables	798.20	(192.55)
99.61	106.86	199.77	Increase/(decrease) in liabilities	(131.41)	262.97
1,249.24	1,719.00	1,775.33	Cash flow from operating activities	5,555.73	6,802.52
(656.45)	(816.12)	(1,047.80)	Intangible assets and property, plant and equipment	(3,445.27)	(3,935.26)
—	—	—	Investments, loans and other financial assets	—	38.19
33.36	156.69	7.77	Proceeds in relation to non-current assets	210.50	262.24
71.59	—	—	Proceeds from the sale of subsidiaries and businesses, net of cash disposed	71.59	78.58
(551.50)	(659.43)	(1,040.03)	Cash flow from investing activities	(3,163.18)	(3,556.25)
(21.88)	(93.53)	(62.14)	Net decrease in borrowings	(180.56)	(327.65)
(1.19)	(0.54)	(1.11)	Dividends paid	(1,740.38)	(1,515.89)
(23.07)	(94.07)	(63.25)	Cash flow from financing activities	(1,920.94)	(1,843.54)
(3.81)	(2.60)	(0.32)	Effect of exchange rate changes on cash and cash equivalents	(3.93)	1.38
670.86	962.90	671.73	Net increase in cash and cash equivalents	467.68	1,404.11
6,810.36	5,847.46	6,341.81	Cash and cash equivalents at beginning of period	7,013.54	5,609.43
30.58	—	—	Thereof cash disclosed within assets held for sale	30.58	—
7,450.64	6,810.36	7,013.54	Cash and cash equivalents at end of period presented in the consolidated statement of financial position	7,450.64	7,013.54
697.74	1,059.57	735.30	Free cash flow	2,392.55	3,246.27
696.55	1,059.03	734.19	Free cash flow after dividends	652.17	1,730.38

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, 2020 (unaudited)

Legal principles

The unaudited preliminary condensed consolidated financial statements for 2020 have been prepared in line with the accounting policies that will be used in preparing the 2020 annual consolidated financial statements, which are consistent with those used in preparation of the 2019 annual consolidated financial statements, except as described herein. The final audited annual consolidated financial statements will be published in March 2021 as part of the 2020 Annual Report.

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, 2019.

The preliminary condensed consolidated financial statements for 2020 included in this report are unaudited and an external review by an auditor was not performed.

The preliminary condensed consolidated financial statements for 2020 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, 2020 is given as part of the description of Group performance and Business Segments in the Directors' Report.

General accounting policies

OMV Petrom adopted the amendments to IFRS which became effective on January 1, 2020. They do not have a material effect on the Group's financial statements.

Starting with Q4/20, reversals of impairments on tangible and intangible assets are reported within the line "Depreciation, amortization, impairments and write-ups" in order to improve the international comparability of the income statement presentation. The prior periods figures have been adjusted accordingly. The change in presentation has no effect on the operating result.

Adjustments to income statements items

In RON mn	2019 (old)	Reclassification	2019 (new)
Other operating income	263.95	(5.18)	258.77
Total revenues and other income	25,756.78	(5.18)	25,751.60
Depreciation, amortization, impairments and write-ups	(3,511.88)	5.18	(3,506.70)

Changes in the consolidated Group

Compared with the annual consolidated financial statements as of December 31, 2019, the consolidated Group changed as follows:

On August 31, 2020, OMV Petrom S.A. completed the acquisition of 100% shares in OMV Offshore Bulgaria GmbH from OMV Exploration & Production GmbH, which holds an interest in Han Asparuh offshore block in Bulgaria; the new subsidiary is consolidated starting with the acquisition date.

Starting with October 31, 2020, the subsidiary Petrom Exploration & Production Ltd was deconsolidated due to immateriality.

The detailed structure of the consolidated companies in OMV Petrom Group at December 31, 2020 is presented in Appendix 1 to the current report.

Other significant transactions

Upstream

In December 2020 OMV Petrom signed a transaction for the sale of its 100% shareholding in Kom-Munai LLP and Tasbulat Oil Corporation LLP in Kazakhstan to Magnetic Oil Limited, which led to the reclassification of their assets and liabilities to held for sale as of December 31, 2020.

Seasonality and cyclicity

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.

For details, please refer to the section “Business Segments”.

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.

Q4/20	Q3/20	Q4/19	Δ% ¹	NBR FX rates	2020	2019	Δ%
4.871	4.845	4.766	2	Average EUR/RON	4.838	4.745	2
4.087	4.146	4.305	(5)	Average USD/RON	4.241	4.239	0
4.869	4.870	4.779	2	Closing EUR/RON	4.869	4.779	2
3.966	4.162	4.261	(7)	Closing USD/RON	3.966	4.261	(7)

¹ Q4/20 vs. Q4/19

Notes to the income statement

Impairment charges and write-ups

Upstream

In Q1/20, OMV Petrom changed the short-term price assumptions. The Brent oil price assumptions were USD 40/bbl for 2020 (reduced from USD 60/bbl) and USD 50/bbl for 2021 (reduced from USD 70/bbl). The change in the short-term assumptions led to an impairment of RON 28 mn before tax to property, plant and equipment.

During Q3/20, OMV Petrom updated its mid-term plan and revised its long-term planning assumptions. The long-term Brent oil price assumptions were reduced to USD 60/bbl real, from USD 75/bbl applied before. The detailed Brent oil price assumptions are as follows:

- For 2021, OMV Petrom confirmed its oil price forecast of USD 50/bbl;
- The oil price expectations for 2022 and 2023 were reduced to USD 60/bbl from USD 70/bbl and USD 75/bbl, respectively;
- For the years 2024 to 2029, OMV Petrom assumed a Brent oil price of USD 65/bbl (before USD 75/bbl), which is expected to gradually decline to USD 60/bbl until 2035;
- From 2035 onwards, OMV Petrom used a Brent oil price of USD 60/bbl (before USD 75/bbl);
- All assumptions for the years 2025 onwards are based on 2025 real terms.

This led to impairments (net of write-ups) of RON 918 mn before tax in Q3/20 in Upstream, which include both write-offs of exploration intangibles and net impairments for tangible assets.

The COVID-19 pandemic continues to have a major impact on global economic development. While oil prices increased during the fourth quarter following supply reductions in 2020 as well as expectations of increased demand and further positive effects from the start of vaccinations, they still remain significantly volatile. Recent increases in COVID-19 cases around the world and in particular in Europe could lead to delays in the assumed demand recovery, following the response of governments and citizens.

Following the continued positive development of the Brent oil price (Q3/20: 42.94 USD/bbl vs. Q4/20: 44.16 USD/bbl) in the fourth quarter of 2020, OMV Petrom did not identify any impairment triggers in Q4/20.

Downstream Gas

During Q3/20, the long-term power and CO2 price assumptions were revised taking into account the improved power generation market. This led to the full reversal of impairments for Brazi gas-fired power plant, in amount of RON 519 mn before tax.

Other notes to the income statement

Sales revenues

in RON mn	2020	2019
Revenues from contracts with customers	18,120.39	24,326.96
Revenues from other sources	1,596.59	1,158.51
Total sales revenues	19,716.98	25,485.47

Revenues from other sources mainly include revenues from commodity transactions that are within the scope of IFRS 9 “Financial Instruments”, the hedging result, as well as rental and lease revenues.

Revenues from contracts with customers

in RON mn						2020
	Upstream	Downstream	thereof Downstream Oil	thereof Downstream Gas	Corporate and Other	Total
Crude oil and NGL	259.50	47.63	47.63	-	-	307.13
Natural gas, LNG and power	5.33	4,671.28	9.30	4,661.98	-	4,676.61
Fuels and heating oil	-	9,821.33	9,821.33	-	-	9,821.33
Other goods and services	39.06	3,261.73	3,197.25	64.48	14.53	3,315.32
Total	303.89	17,801.97	13,075.51	4,726.46	14.53	18,120.39

in RON mn						2019
	Upstream	Downstream	thereof Downstream Oil	thereof Downstream Gas	Corporate and Other	Total
Crude oil and NGL	420.63	60.81	60.81	-	-	481.44
Natural gas, LNG and power	5.84	5,532.69	13.24	5,519.45	-	5,538.53
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	23,838.03	18,212.73	5,625.30	13.76	24,326.96

Income tax

Q4/20	Q3/20	Q4/19	In RON mn	2020	2019
56.93	(11.11)	166.09	Taxes on income - expense/(revenue)	187.69	642.12
58.67	53.26	197.04	Current taxes	238.07	699.81
(1.74)	(64.37)	(30.95)	Deferred taxes	(50.38)	(57.69)
11%	21%	16%	Group effective tax rate	13%	15%

Notes to the statement of financial position

Commitments

As at December 31, 2020 OMV Petrom Group's commitments for the acquisition of intangible assets and property, plant and equipment amounted to RON 841 mn (December 31, 2019: RON 972 mn), mainly relating to exploration and production activities in Upstream.

Inventories

During the year ended December 31, 2020, there were no material write-downs of inventories.

Equity

At the Annual General Meeting of Shareholders held on April 27, 2020, the shareholders of OMV Petrom S.A. approved the distribution of dividends for the financial year 2019 for the gross amount of RON 1,756 mn (gross dividend per share of RON 0.031). Total dividends paid during 2020 amounted to RON 1,740 mn.

The total number of own shares held by the Company as of December 31, 2020 amounted to 204,776 (December 31, 2019: 204,776).

Financial liabilities

As of December 31, 2020, short and long-term interest-bearing debts and lease liabilities amounted to RON 964 mn (December 31, 2019: RON 1,031 mn), thereof RON 680 mn lease liabilities (December 31, 2019: RON 701 mn).

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.

	December 31, 2020				December 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets and assets and liabilities held for sale (in RON mn)								
Derivatives designated and effective as hedging instruments	-	16.33	-	16.33	-	227.01	-	227.01
Other derivatives	-	631.19	-	631.19	-	54.63	-	54.63
Net amount of assets and liabilities associated with assets held for sale	-	448.22	-	448.22	-	-	-	-
Total	-	1,095.74	-	1,095.74	-	281.64	-	281.64

	December 31, 2020				December 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities and assets and liabilities held for sale (in RON mn)								
Derivatives designated and effective as hedging instruments	-	(19.58)	-	(19.58)	-	(194.03)	-	(194.03)
Other derivatives	-	(453.06)	-	(453.06)	-	(19.69)	-	(19.69)
Net amount of assets and liabilities associated with assets held for sale	-	-	-	-	-	(6.55)	-	(6.55)
Other financial liabilities	-	-	(15.88)	(15.88)	-	-	(14.31)	(14.31)
Total	-	(472.64)	(15.88)	(488.52)	-	(220.27)	(14.31)	(234.58)

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 284 mn (December 31, 2019: RON 330 mn). The estimated fair value of these liabilities was RON 287 mn (December 31, 2019: RON 336 mn). The carrying amount of other financial assets and financial liabilities approximates their fair value.

Segment reporting

Intersegmental sales

Q4/20	Q3/20	Q4/19	Δ% ¹ in RON mn	2020	2019	Δ%
1,445.68	1,314.63	2,312.77	(37) Upstream	5,852.05	9,059.89	(35)
54.10	49.77	54.61	(1) Downstream ²	214.89	234.00	(8)
22.79	22.03	26.94	(15) thereof Downstream Oil	92.10	109.00	(16)
67.67	58.22	61.13	11 thereof Downstream Gas	256.74	241.52	6
(36.36)	(30.48)	(33.46)	(9) thereof intersegmental elimination Downstream	(133.95)	(116.52)	(15)
50.73	47.14	49.52	2 Corporate and Other	197.52	199.70	(1)
1,550.51	1,411.54	2,416.90	(36) Total	6,264.46	9,493.59	(34)

¹ Q4/20 vs. Q4/19;

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

Sales to external customers

Q4/20	Q3/20	Q4/19	Δ% ¹ in RON mn	2020	2019	Δ%
69.39	90.57	130.49	(47) Upstream	309.87	481.49	(36)
4,518.43	4,954.03	7,159.62	(37) Downstream ²	19,376.70	24,973.93	(22)
3,295.64	3,717.72	4,598.38	(28) thereof Downstream Oil	13,564.84	18,236.98	(26)
1,222.79	1,236.31	2,561.24	(52) thereof Downstream Gas	5,811.86	6,736.95	(14)
7.03	8.34	6.25	12 Corporate and Other	30.41	30.05	1
4,594.85	5,052.94	7,296.36	(37) Total	19,716.98	25,485.47	(23)

¹ Q4/20 vs. Q4/19

Total sales (not consolidated)

Q4/20	Q3/20	Q4/19	Δ% ¹ in RON mn	2020	2019	Δ%
1,515.07	1,405.20	2,443.26	(38) Upstream	6,161.92	9,541.38	(35)
4,572.53	5,003.80	7,214.23	(37) Downstream ²	19,591.59	25,207.93	(22)
3,318.43	3,739.75	4,625.32	(28) thereof Downstream Oil	13,656.94	18,345.98	(26)
1,290.46	1,294.53	2,622.37	(51) thereof Downstream Gas	6,068.60	6,978.47	(13)
(36.36)	(30.48)	(33.46)	(9) thereof intersegmental elimination Downstream	(133.95)	(116.52)	(15)
57.76	55.48	55.77	4 Corporate and Other	227.93	229.75	(1)
6,145.36	6,464.48	9,713.26	(37) Total	25,981.44	34,979.06	(26)

¹ Q4/20 vs. Q4/19;

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

Segment and Group profit

Q4/20	Q3/20	Q4/19	Δ% ¹	in RON mn	2020	2019	Δ%
99.71	(1,096.98)	495.99	(80)	Operating Result Upstream	(985.10)	2,589.46	n.m.
506.52	1,058.10	604.55	(16)	Operating Result Downstream	2,317.41	1,913.18	21
337.94	384.68	390.10	(13)	thereof Operating Result Downstream Oil	1,060.30	1,475.38	(28)
168.58	673.42	214.45	(21)	thereof Operating Result Downstream Gas	1,257.11	437.80	187
(32.10)	(19.53)	(37.83)	15	Operating Result Corporate and Other	(104.88)	(156.00)	33
574.13	(58.41)	1,062.71	(46)	Operating Result segment total	1,227.43	4,346.64	(72)
(35.11)	14.38	(13.84)	(154)	Consolidation	239.66	(101.58)	n.m.
539.02	(44.03)	1,048.87	(49)	OMV Petrom Group Operating Result	1,467.09	4,245.06	(65)
(17.40)	(7.80)	(7.95)	(119)	Net financial result	11.61	31.74	(63)
521.62	(51.83)	1,040.92	(50)	OMV Petrom Group profit/(loss) before tax	1,478.70	4,276.80	(65)

¹ Q4/20 vs. Q4/19.

Assets¹

in RON mn	December 31, 2020	December 31, 2019
Upstream	22,906.69	23,802.46
Downstream	7,272.13	6,808.65
thereof Downstream Oil	5,785.32	5,738.25
thereof Downstream Gas	1,486.81	1,070.40
Corporate and Other	434.89	465.62
Total	30,613.71	31,076.73

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

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, 2020 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 financial year 2020 and their impact on the preliminary condensed consolidated financial statements, as well as a description of the principal risks and uncertainties.

Bucharest, February 4, 2021

The Executive Board

Christina Verchere
Chief Executive Officer
President of the Executive Board

Alina Popa
Chief Financial Officer
Member of the Executive Board

Christopher Veit
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

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 (%)
EUR	euro
E&A	Exploration and appraisal
FX	Foreign Exchange
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) including leases	Interest-bearing debts plus lease liabilities less cash and cash equivalents
Net debt/(cash) excluding leases	Interest-bearing debts 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	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

amortization, impairments and write-ups	
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, 2020

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%
OMV Offshore Bulgaria GmbH (Austria)	100.00%	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 2020, OMV Petrom Group had the following significant transactions with related parties and balances as of December 31, 2020:

Related party (in RON mn)	Purchases	Balances payable
	2020	December 31, 2020
OMV Supply & Trading Limited	1,130.86	238.76
OMV Petrom Global Solutions S.R.L.	541.01	121.58
OMV Gas Marketing & Trading GmbH	424.98	115.20
OMV Refining & Marketing GmbH	158.60	55.33

Related party (in RON mn)	Revenues	Balances receivable
	2020	December 31, 2020
OMV Gas Marketing & Trading GmbH	333.96	0.45
OMV Deutschland Marketing & Trading GmbH & Co. KG	119.32	31.78
OMV Deutschland GmbH	111.37	—
OMV Refining & Marketing GmbH	91.99	4.73
OMV - International Services Ges.m.b.H.	—	12.59

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	Balances payable
	2019	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 Ges.m.b.H.	7.66	81.39

Related party (in RON mn)	Revenues	Balances receivable
	2019	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 Ges.m.b.H.	—	12.75

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

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