

## OMV Petrom revises mid and long-term price assumptions

- ▶ **Non-cash net impairments of around RON 350 mn after tax, triggered by revision of price assumptions**
- ▶ **OMV Petrom integrated business model proves its benefits**

**OMV Petrom, the largest energy company in Southeastern Europe, has revised its planning assumptions to reflect changes in the market environment.**

In Upstream, the long-term Brent oil price assumptions are now reduced to USD 60/bbl, compared to USD 75/bbl applied before. The detailed Brent oil price assumptions are as follows:

- For 2021, the company expects a continued macroeconomic impact of the COVID-19 pandemic and confirms its oil price forecast of USD 50/bbl;
- The oil price expectation for 2022 and 2023 are reduced to USD 60/bbl from USD 70/bbl and USD 75/bbl, respectively;
- For the years 2024 to 2029, we assume a Brent oil price of USD 65/bbl (previously USD 75/bbl), which is expected to gradually decline to USD 60/bbl until 2035;
- From 2035 onwards, we use a Brent oil price of USD 60/bbl (previously USD 75/bbl);
- All assumptions for the years 2025 onwards are based on 2025 real terms.

The updated oil price assumptions are expected to result in non-cash net impairments of around RON 800 mn after tax, which include both write-offs of exploration intangibles and net impairments for tangible assets.

In Downstream Gas, 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, amounting to around RON 450 mn after tax.

The above changes in the planned commodity prices are expected to result in net impairment charges amounting to around RON 350 mn after tax in Q3/20.

**Christina Verchere, CEO of OMV Petrom: “Our integrated business model proves once again its benefits, especially in an expected lower oil price environment. We will continue to pursue our strategy execution, with the aim to supply energy in a sustainable and cleaner manner, with natural gas playing a significant role in the energy transition.”**

## **About OMV Petrom**

OMV Petrom is the largest energy company in South-Eastern Europe, with an annual Group hydrocarbon production of 55.4 million boe in 2019. The Group has a refining capacity of 4.5 million tons annually and operates an 860 MW high efficiency power plant. The Group is present on the oil products retail market in Romania and neighboring countries through 802 filling stations, at the end of June 2020, under two brands – OMV and Petrom.

OMV Aktiengesellschaft, one of the largest listed industrial companies in Austria, holds a 51.011% stake in OMV Petrom. The Romanian State, through the Ministry of Economy, Energy and Business Environment, holds 20.639% of OMV Petrom shares, Fondul Proprietatea holds 6.997%, and 21.353% is the free float on the Bucharest Stock Exchange and the London Stock Exchange.

OMV Petrom is the largest contributor to the state budget, with contributions of 30.4 billion euro in taxes and dividends paid between 2005 and 2019.

Since 2007, OMV Petrom has included corporate responsibility principles into its business strategy. Between 2007 and 2019, the company has allocated approximately 66 million euro to develop communities in Romania, focusing on environmental protection, education, health and local development.

On July 29<sup>th</sup>, 2020, OMV Petrom announced its support for the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD) regarding risks and opportunities on climate change.

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