

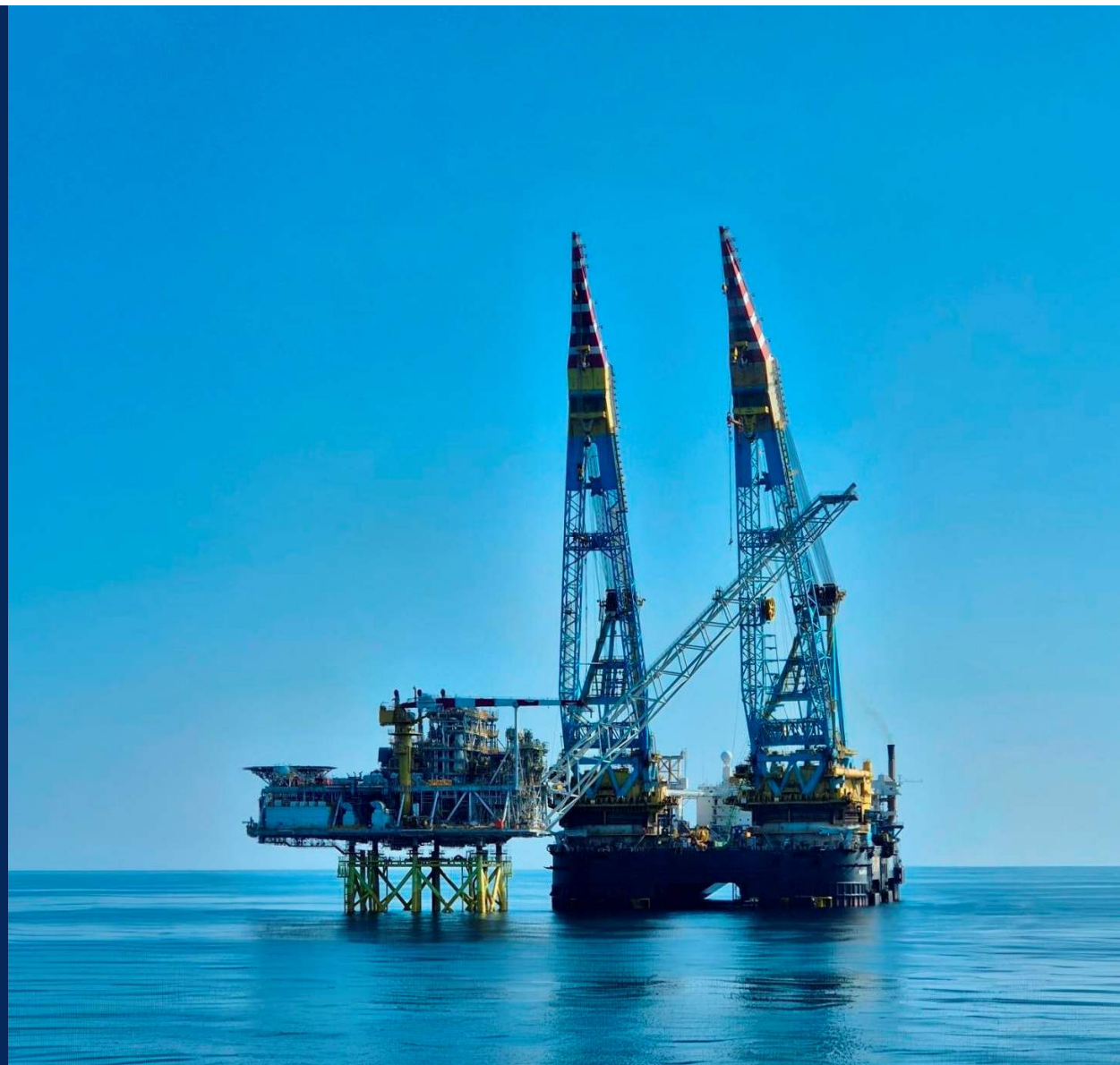
OMV



Regional Market Overview

Key economic and energy trends
shaping Hungary's growth perspectives

08.09.2026, Vlad Epurescu, Budapest



Summary

01. Macroeconomic perspectives

Hungary needs stronger investment and industrial momentum to restore sustainable growth

02. Natural gas

Natural gas diversification will be central to maintaining security of supply and industrial competitiveness. Neptun Deep is the main regional supply option

03. Power

Weather and renewables are reshaping the system, making grids and flexibility increasingly critical

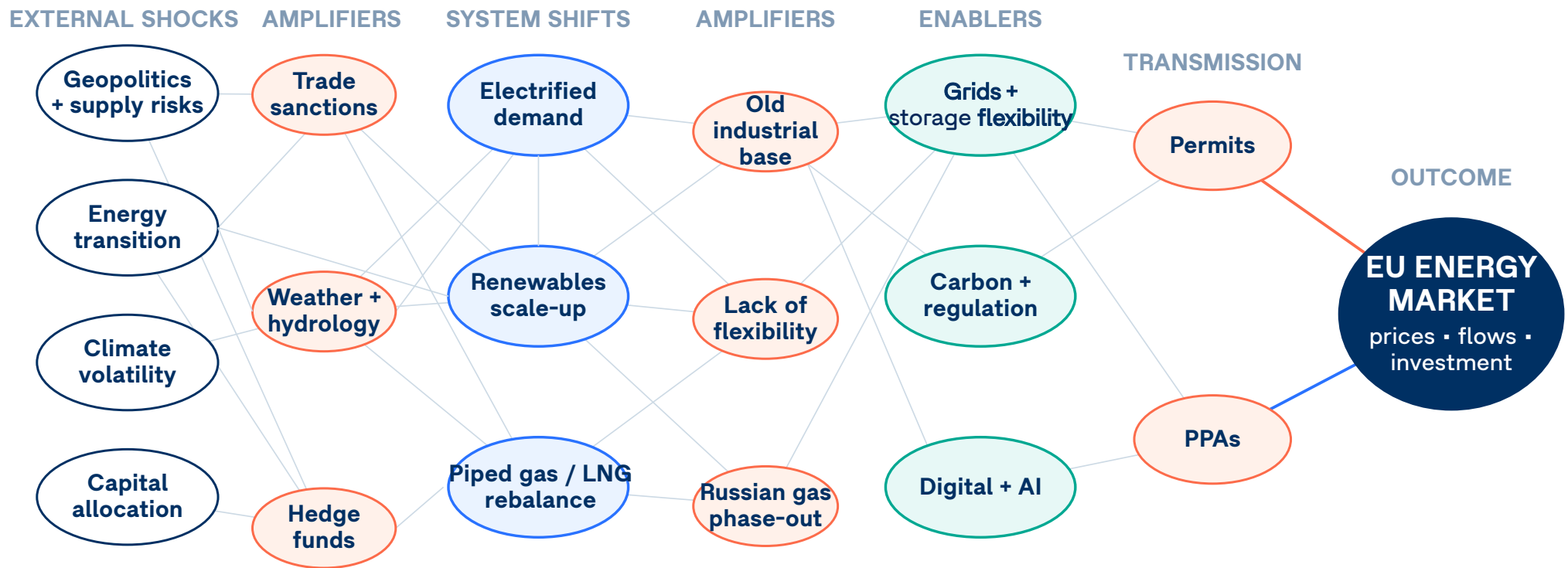
Sources: OMV Petrom G&P Market Research Team

REGIONAL MARKET OVERVIEW

Macroeconomic perspectives

Hungary's growth momentum at the intersection of
industry, investment and energy competitiveness

European energy markets, the core of EU's resilience, are being reshaped by major forces — and the amplifiers between them



Sources: OMV Petrom G&P Market Research Team

REGIONAL MARKET OVERVIEW

Internal

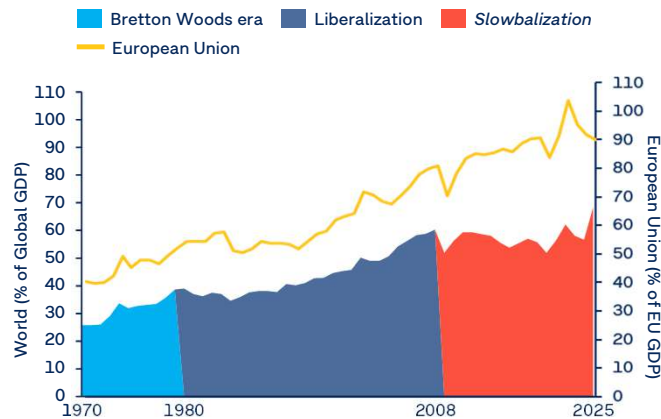
Three pillars that supported EU's economic model are under pressure, influencing the East – West link



①

Globalization, as the main tool for trade integration, in a global governance based on multilateralism

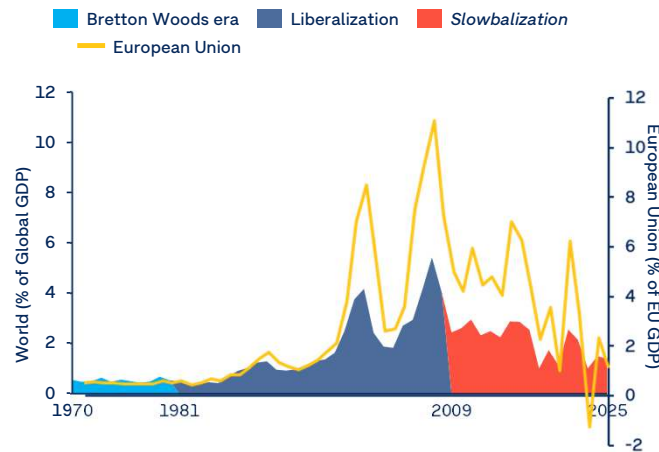
Evolution of world trade as % of global GDP, and EU trade (intra plus extra) as % of EU GDP



②

Liberalization of global trade and FDI, as a solution to reduce production costs

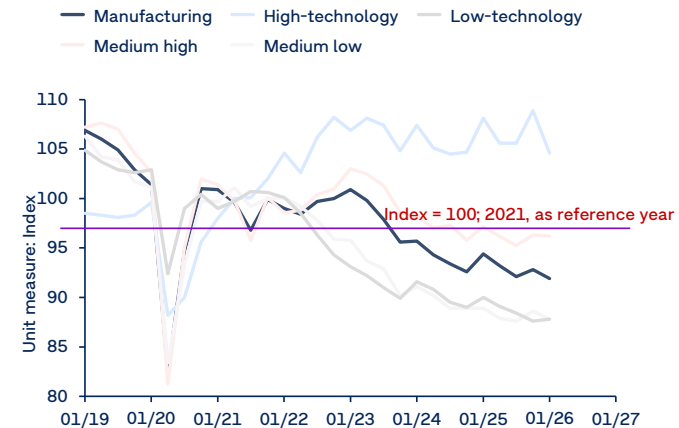
Evolution of foreign direct investments (net outflows) as % of GDP



③

Germany, as Europe's undisputed industrial engine and central pillar of Europe's growth model

Evolution of Germany's index of industrial production in the manufacturing sector and breakdown between industries based on their technological sophistication



Legend | Technological intensity in manufacturing based on Eurostat/OECD definitions: **Low** (Food, Beverages, Tobacco; Textiles, Apparel, Leather; Wood products; Paper & paper products; Printing & reproduction of media; Furniture); **Medium-low** (Coke & refined petroleum products; Rubber & plastic products; Other non-metallic mineral products; Basic metals; Fabricated metal products; Repair & installation of machinery); **Medium-high** (Chemicals; Electrical equipment; Machinery & equipment; Motor vehicles, trailers & semi-trailers; Other transport equipment); **High** (Pharmaceutical products; Computer, electronics, optical products)

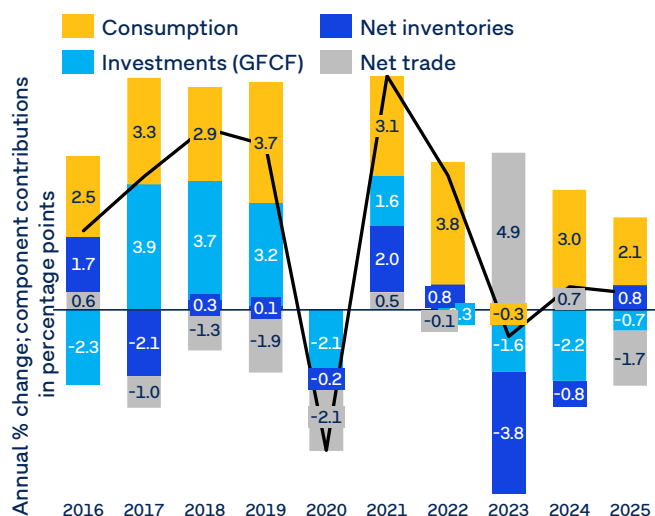
Sources: World Bank, IMF, Eurostat, OMV Petrom G&P Market Research Team

REGIONAL MARKET OVERVIEW

Internal

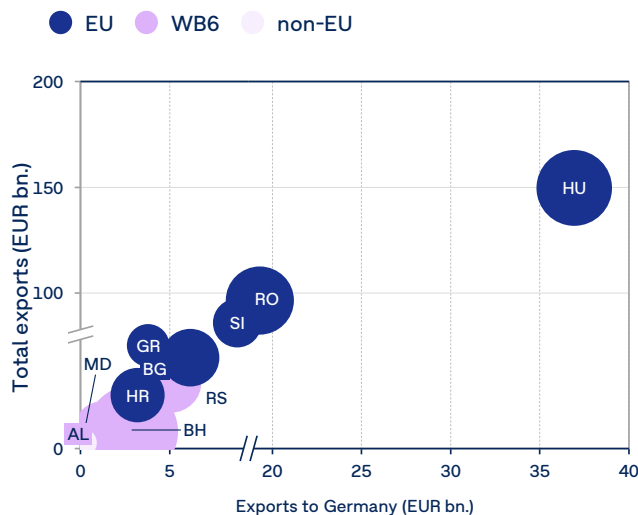
Hungary combines in the Region the highest exports to Germany with the largest stock of German foreign direct investments, underlining its deep integration into German-led industrial value chains

Breakdown of Hungary's GDP growth contributors, %



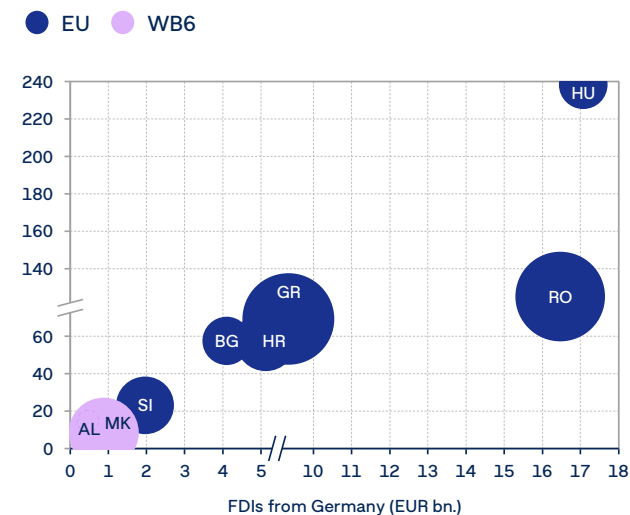
- Hungary's pre-2020 growth model, supported by consumption and investment, has lost momentum;
- Investment has remained a drag since 2023, with only a modest recovery visible by 2025;

Total exports vs. exports to Germany, EUR bn



- Hungary is the clear regional hub for German commercial and investment activity.
- Romania is the only peer approaching Hungary's scale, particularly in exports and total net FDI.

Total inward net FDI vs. net FDI from Germany, EUR bn



- EUR 17 bn of Foreign Direct Investments originating from Germany in Hungary
- Romania ranks second in absolute terms, while Greece, Croatia and Bulgaria form a middle group and Western Balkan economies remain substantially at the periphery of German FDIs.

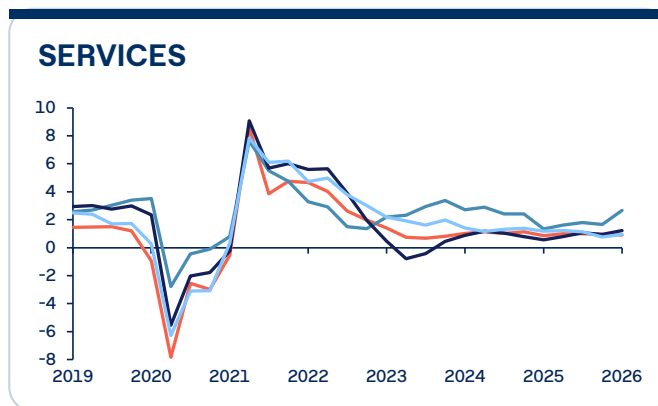
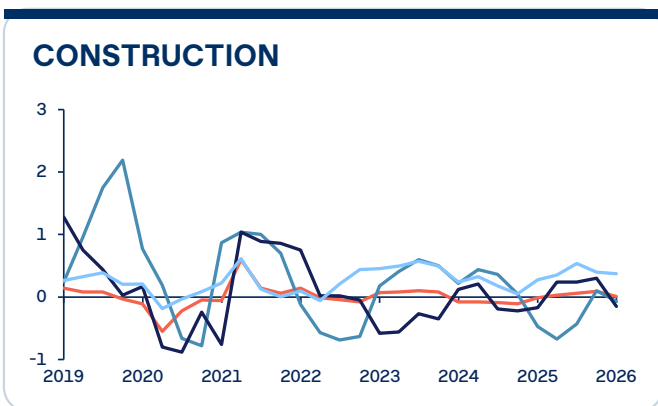
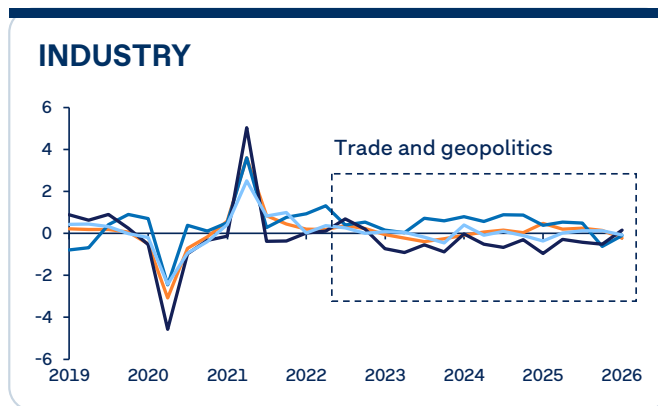
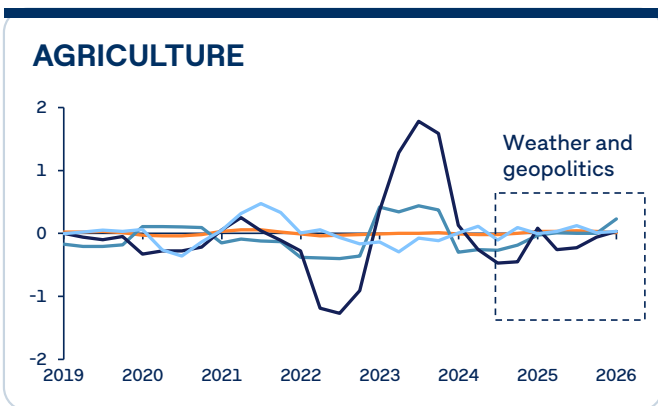
Sources: Eurostat, OMV Petrom G&P Market Research Team
REGIONAL MARKET OVERVIEW

Services provide resilience, but a stronger industry remains essential for sustainable growth



Quarterly contribution to GDP growth of main economic activities in HU and SEE. Unit measure: % growth YoY

— EU27 — Serbia — Hungary — South Eastern EU (Greece, Bulgaria, Romania, Croatia, Slovenia)



1 GEOPOLITICS & INDUSTRY
The energy crisis and the global trade turmoil influenced negatively the impact of industry in GDP growth

2 WEATHER & AGRICULTURE
The severe draught affecting SEE curtailed the potential of agriculture to support the GDP growth in almost all SEE countries.

3 CONSTRUCTION
Limited growth support due to fiscal constraints which delay infrastructure projects, weak business confidence, and housing completions which are still lagging;

4 SERVICES
Supported mostly by an intense activity in scientific and technical activities, accommodation and food services, partly by legal and accounting, IT&C, etc.

Sources: Eurostat, OMV Petrom G&P Market Research Team
REGIONAL MARKET OVERVIEW

Internal

What does this means for Hungary?



1

Hungary's investment & export-led growth model is entering a more challenging phase.

2

Deep integration into German-led value chains remains a key strength, but subdued industry leaves growth increasingly reliant on services.

3

Competitive and secure energy will shape Hungary's ability to capture the next industrial investment cycle.

This brings us to the energy system behind Hungary's industrial competitiveness, starting with natural gas. ►

Natural gas market

A regional gas system moving from supply concentration towards greater optionality

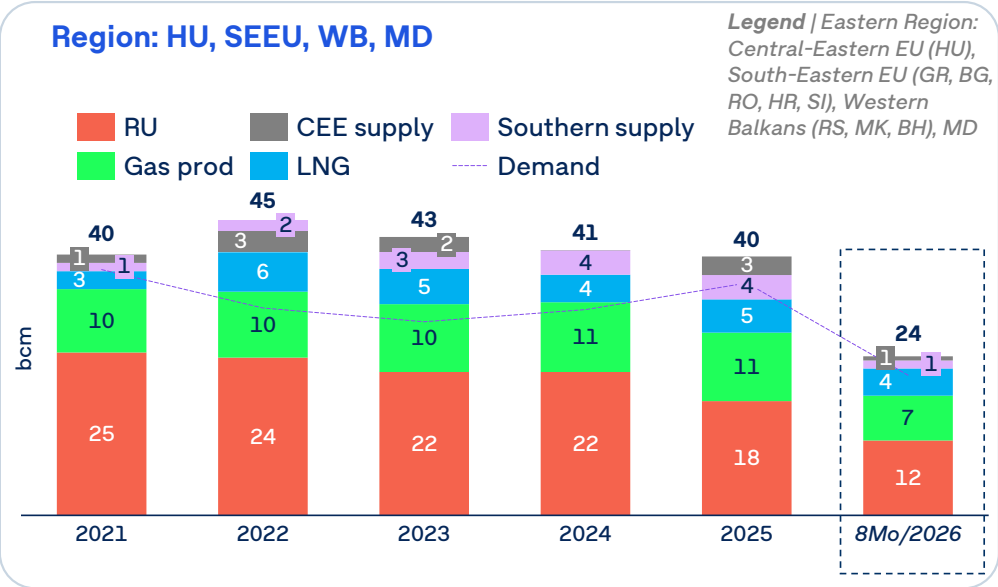
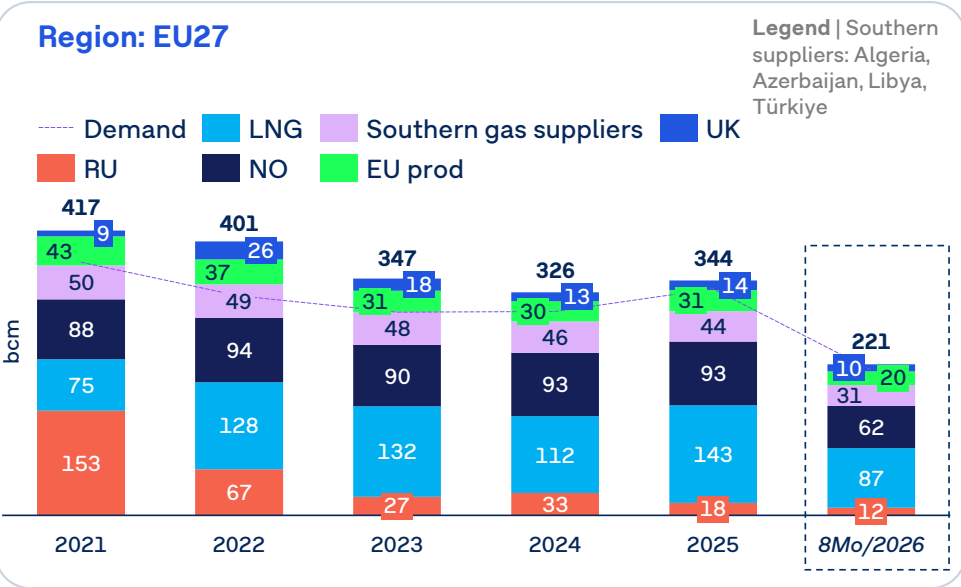
REGIONAL MARKET OVERVIEW

Internal

CEEU/SEEU remain more exposed to Russian pipeline gas and route concentration than the EU overall



Russian pipeline gas decreased ~90 pp in the EU's overall supply mix, being replaced by LNG, while in the Eastern Region*, RU piped gas declined by 30 pp

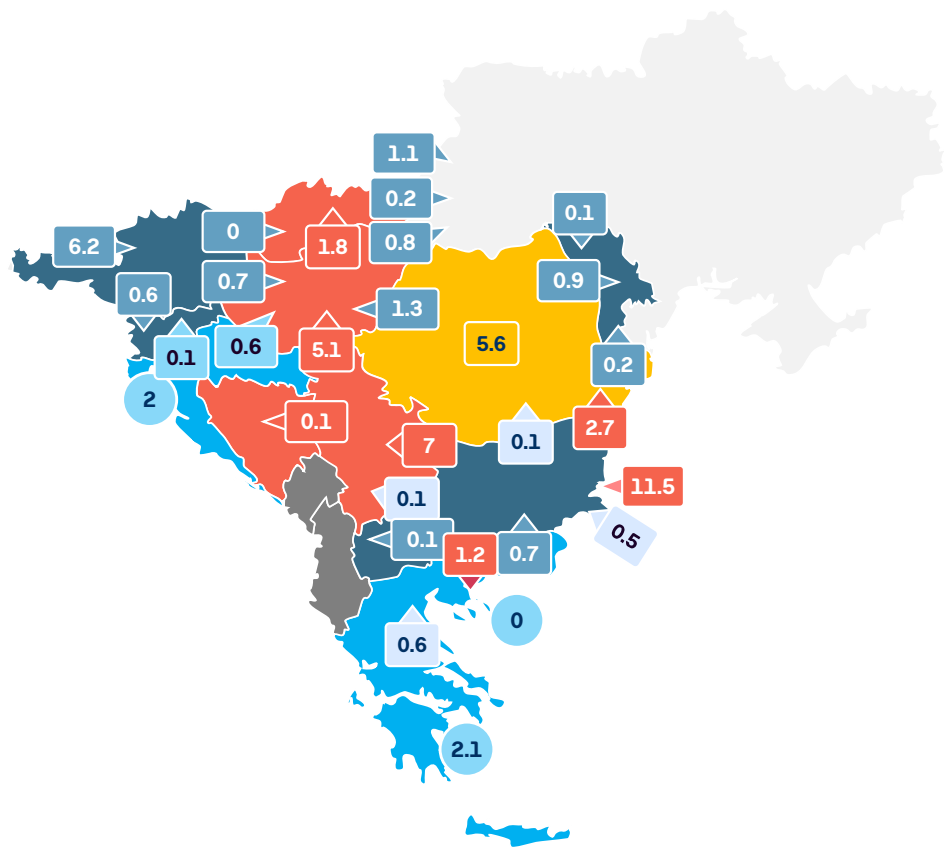


Sources: ENTSOG, OMV Petrom Market Research Team

Russian gas remains the region's largest supply source, while Romania leads indigenous production



Directional view of regional natural gas flows (bcm) during January – August 2026



HOW TO READ THE MAP

1) DIRECTION

4.5 Arrowhead shows the receiving market; the value sits inside the marker. Unit measure: bcm

2) MAIN SOURCE OF SUPPLY (COLOUR CODES)

- Domestic production
- Multiple supply sources
- LNG
- Russian piped gas
- Southern piped supply
- No gas network

3) AT A GLANCE

11.5 bcm

Russian gas is the largest supply source in the Region

5.6 bcm

Romanian gas is the largest indigenous gas source

~4 bcm

LNG sendouts in Revythoussa and Krk

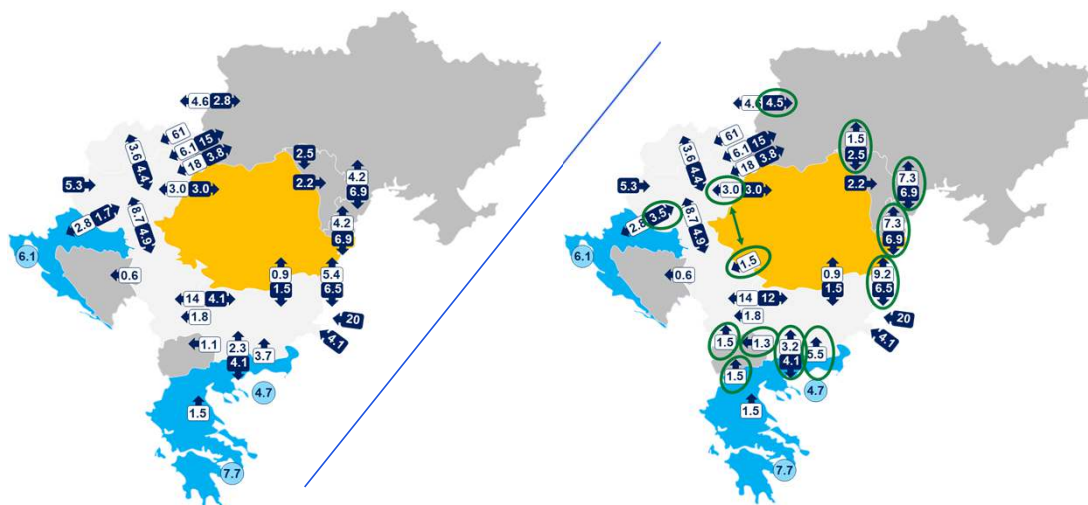
Sources: ENTSOG, OMV Petrom Market Research Team
REGIONAL MARKET OVERVIEW

Internal

The phased-out Russian supply will be counterbalanced by Neptun Deep & increasing the South – North interconnection capacity

2025: Technical capacities of the cross-border interconnection points in SEE + HU + MD

>2026: Expected technical capacities of the cross-border interconnection points in SEE + HU + MD



Sources: WoodMac, Eurostat, ENTSOG, TYNDP of Regional TSOs

REGIONAL MARKET OVERVIEW



10 bcm

Possible volumes from Southern routes towards Romania and the Balkans based on increased capacity with Bulgaria

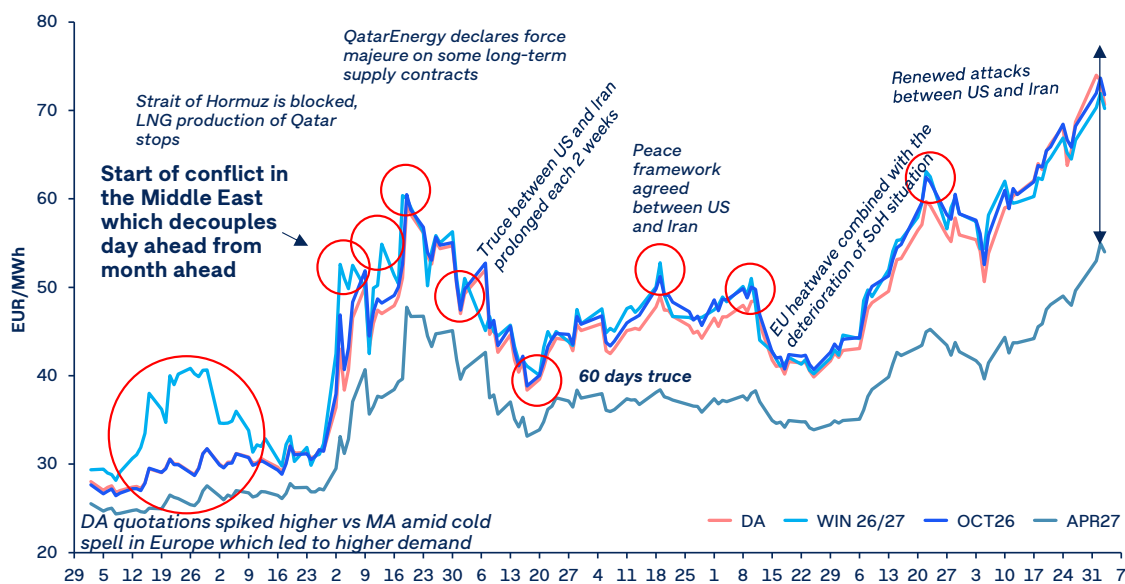
4.5 bcm

A such increase of the technical capacity between Romania and Hungary is possible and could replace 50% of the Russian supply for CEE

Near-term supply risks support WIN26/27, while APR27 reflects expectations of market normalization

TTF DA vs WIN26/27, and APR27 quotations before and after the start of the Middle East conflict

[Insert your desired text here](#)



Source: Zema, OMV Petrom G&P Market Research Team

REGIONAL MARKET OVERVIEW



Prices during refilling months remained stubbornly higher vs WIN26/27 quotations, due to combined short-term volatility triggered by the US-Iran conflict with expectations that Strait of Hormuz crisis will relax by July and vessel traffic will restart;

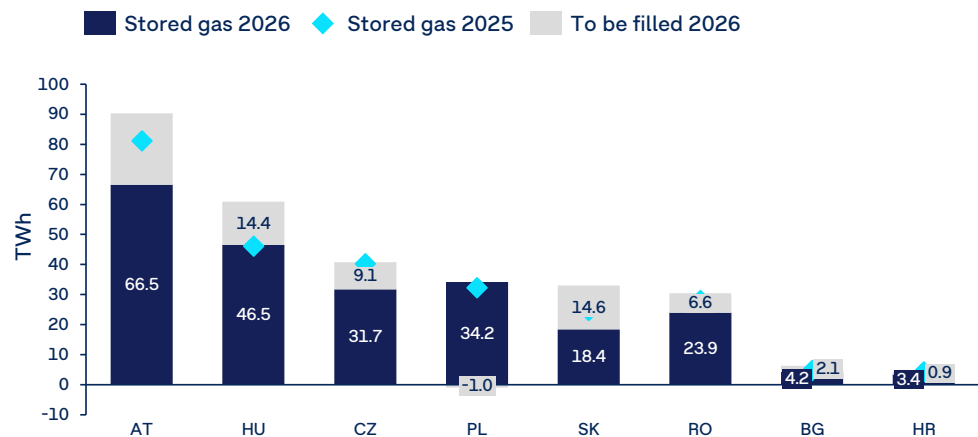
WIN26/27 quotations remain very close to the Month Ahead autumn ones, disincentivizing storage refilling ahead of winter season;

The gap between WIN26/27 and APR27 contracts reflect the expectation that the Strait of Hormuz crisis will get a resolution, and the global market will return to an oversupply context;

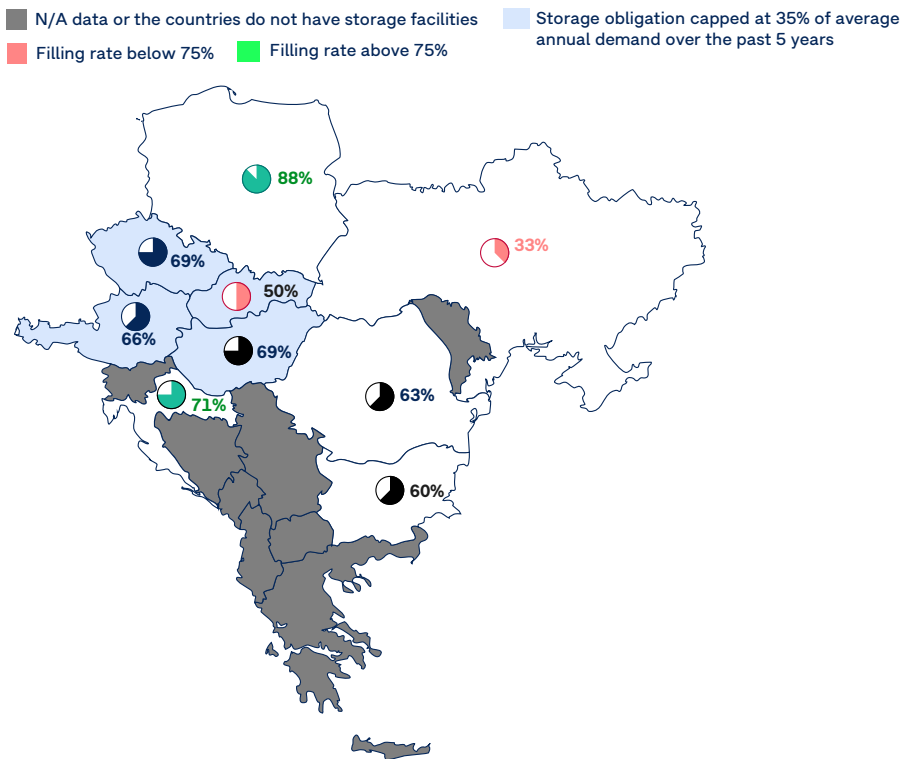
Regional resilience has improved, but further injections are needed before winter—especially in the eastern and southeastern markets



Natural gas volumes in storage in South and Central Europe
2026 vs 2021 – 2025 average on August 30, 2026



Filling rate of underground gas storage facilities in South and Central Europe, August 30, 2026



Source: Gas Infrastructure Europe, OMV Petrom Market Research

REGIONAL MARKET OVERVIEW

Internal

What this means for Hungary?



1

Regional gas resilience is improving, but diversification and infrastructure remain critical

2

Neptun Deep and stronger South–North interconnections can materially expand regional supply optionality.

3

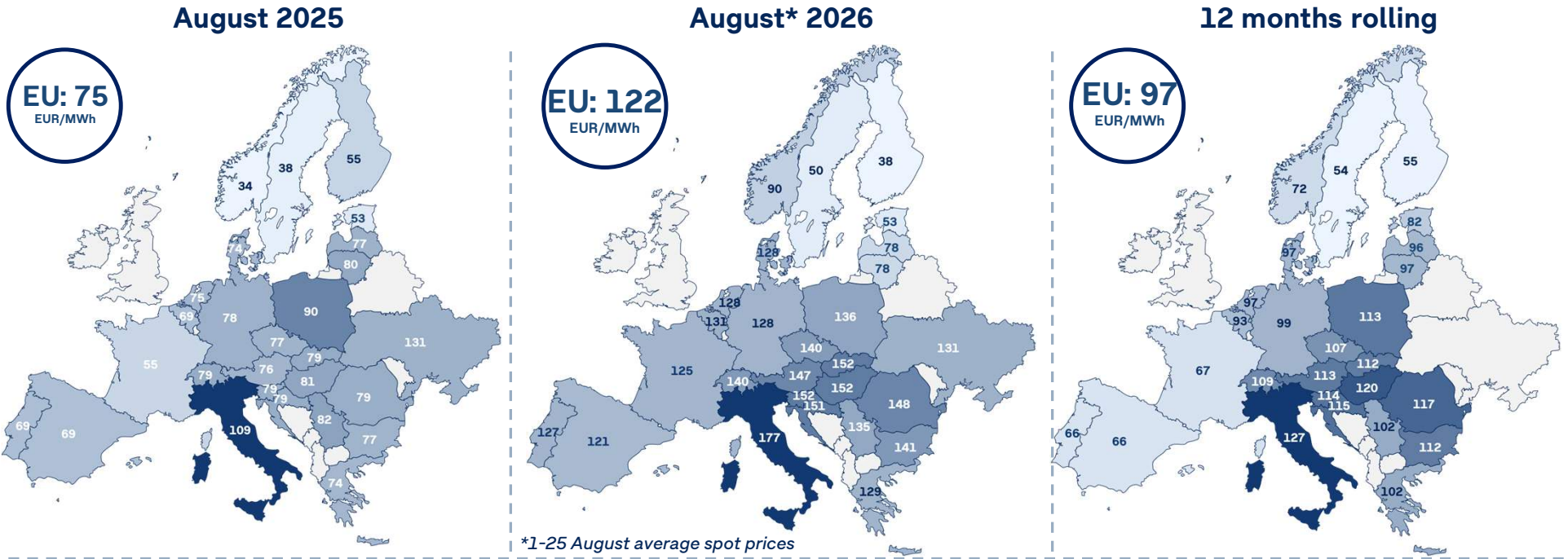
Storage and flexible cross-border flows remain essential as global LNG and geopolitical risks continue to influence prices

Gas resilience is only one side of the regional energy picture. In power markets, the challenges are broader ►

Power market

A more weather-sensitive power system where flexibility increasingly sets the value

Heatwave and drought-driven supply constraints push European power prices sharply higher, with Eastern Europe and Italy facing the strongest pressure



Source: ENTSO-E, OMV Petrom G&P Market Research

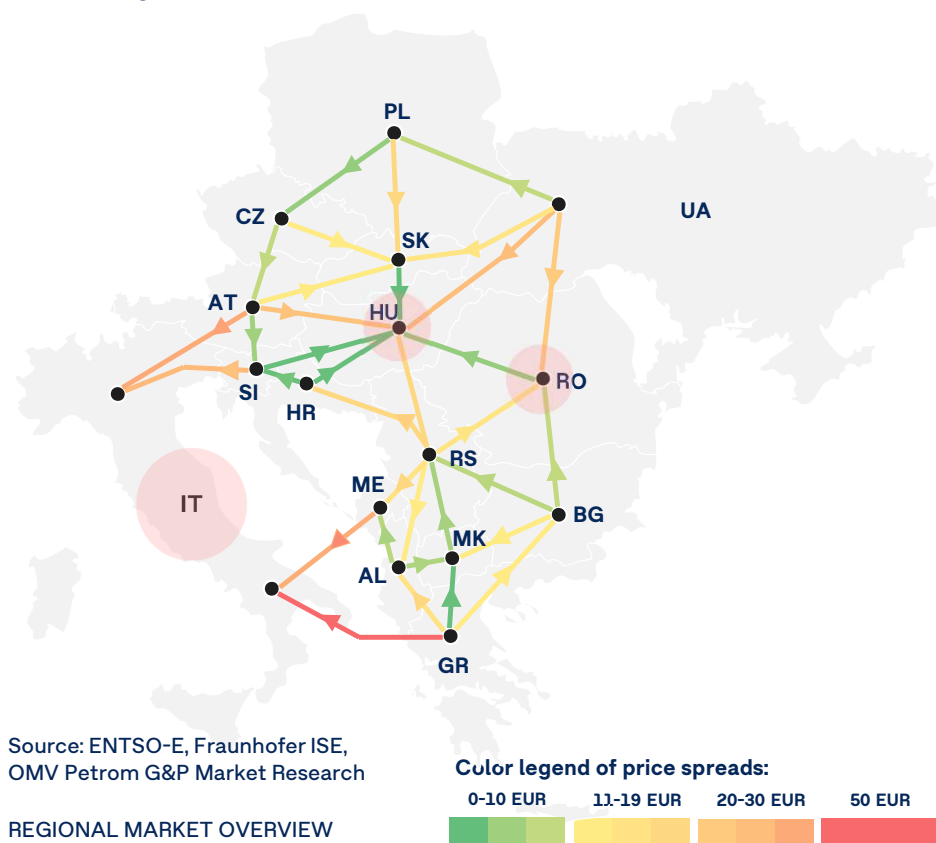
PRESENTATION TITLE

Internal

Hungary has the highest number of connections in Central Europe with coupled markets and only Ukraine and Serbia are not connected yet



Heatmap of price spreads within and between CEE, SEE and South European power markets,
1-25 August 2026



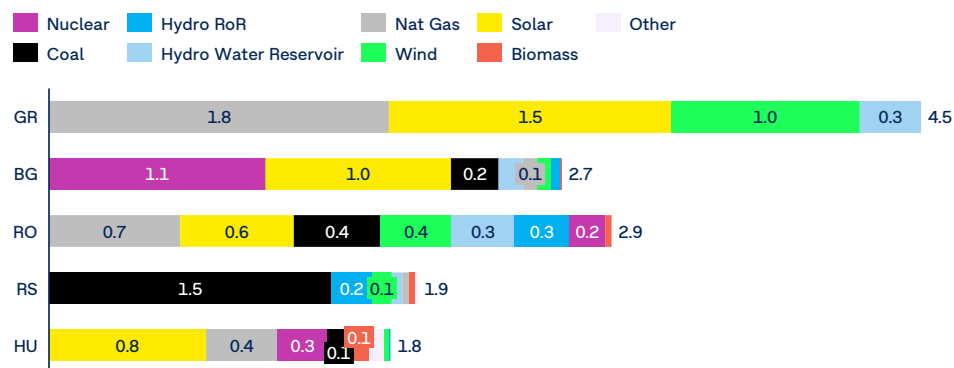
- Market coupling gives Hungary the most diversified access to neighboring price zones in Central Europe.
- At the same time, connectivity alone does not fully eliminate regional price fragmentation;
- Most coupled borders show relatively contained price spreads, especially across the tightly integrated Central European markets, indicating effective regional price convergence.
- Larger spreads persist toward the southern and south-eastern edges of the region, with the strongest visible separation around Greece and Italy, highlighting remaining transmission constraints and weaker market integration.

Internal

Solar and gas cushion nuclear and hydro losses, but generation growth, supported mostly by Greece & Bulgaria, trails the overall Region's demand



Electricity generation in CEE, 1-25 August 2026, TWh

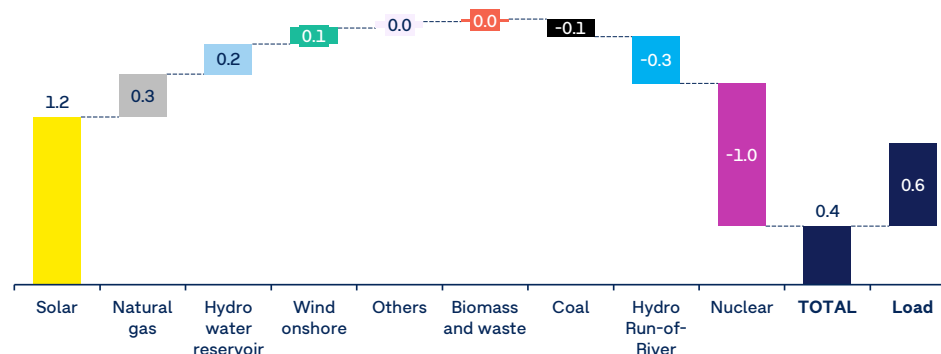


- **Romanian gas generation** replaced lost nuclear output, proving essential not only for flexibility but also for system adequacy;
- **Hungary's generation mix** was dominated by solar, which became its largest individual power source, ahead of hydro and nuclear;

Source: ENTSO-E, OMV Petrom G&P Market Research

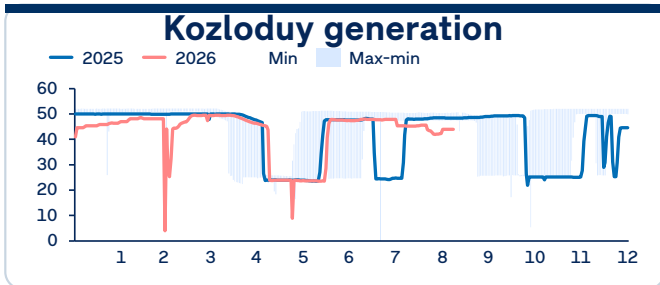
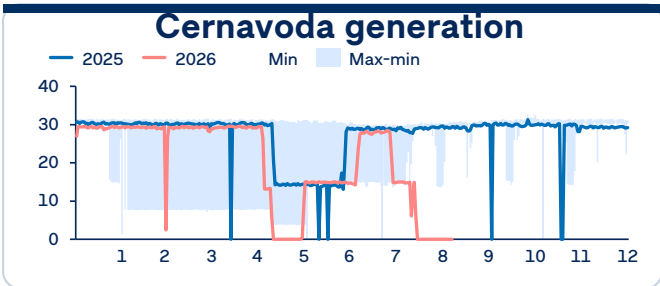
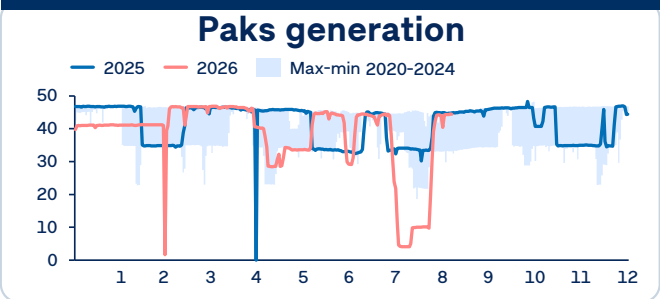
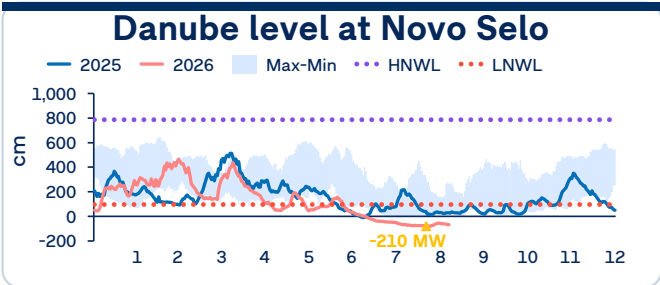
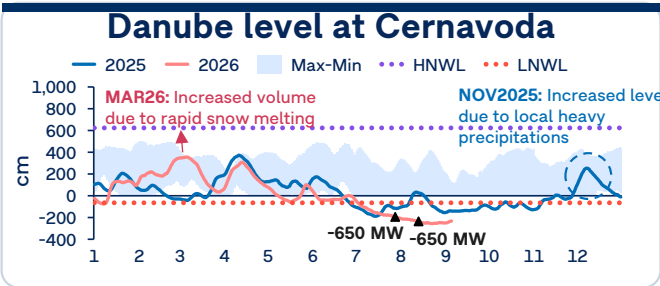
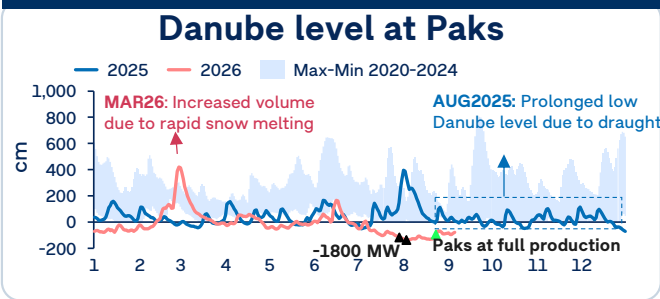
Year-on-year change for main electricity generation technologies in Eastern Europe

1-25 August 2026 vs 1-25 August 2025, TWh



- **Solar:** the main growth engine, up 1.2 TWh YoY, followed by natural gas and reservoir hydro;
- **Nuclear:** 1.0 TWh decline erased most of these gains: total generation rose by only 0.4 TWh, below the 0.6 TWh increase in load.

Nuclear generation remains exposed to Danube hydrology along the lower river basin



- 1 Snow-melting at the beginning of the year supported a quick increase of Danube levels at the start of the year, followed by a persistent draught along la Danube
- 2 By July 2026, water levels at Paks, Cernavoda and Novo Selo had fallen to the bottom of, or below, their historical ranges, materially increasing operational constraints;
- 3 Record-low Danube levels in August forced nuclear shutdowns at Paks and Cernavoda and a reduction at Kozloduy, tightening regional supply
- 4 Sustained drought conditions remain a key downside risk for nuclear generation and regional power market balances during peak demand period

Sources: LSEG, ENTSOE, OMV Petrom G&P Market Research Team. Last update: September 5th

What this means for Hungary?



1

Regional power prices remain elevated and structurally divergent

2

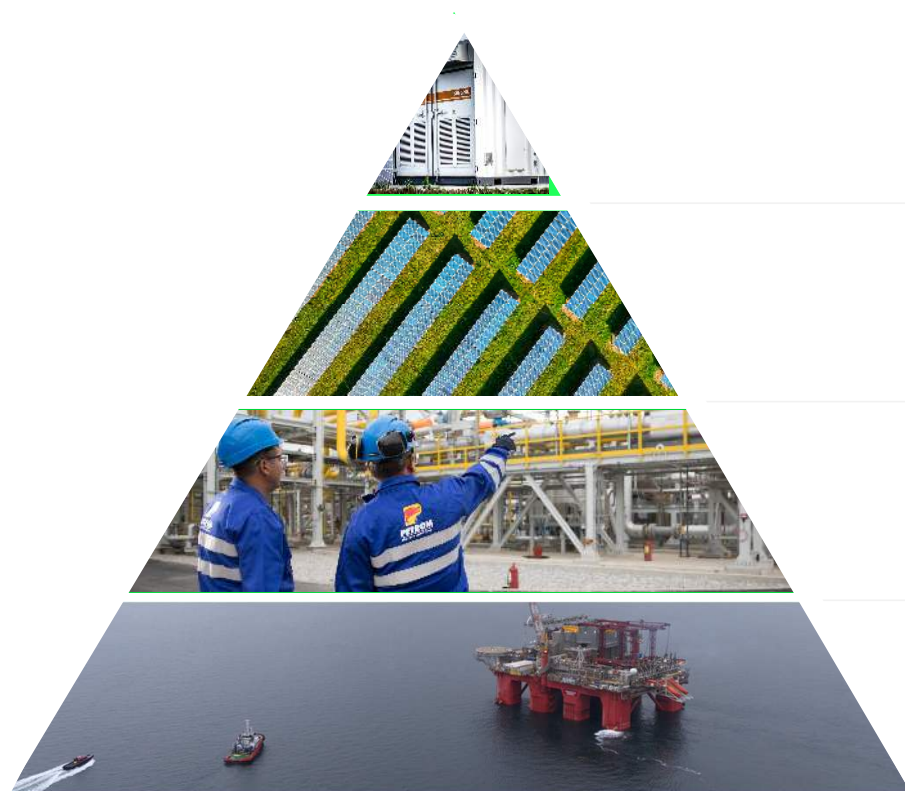
Weather-sensitive renewables and hydrology are increasing the value of gas-fired generation.

3

Storage, flexibility and stronger interconnections are becoming essential for balancing supply and limiting price divergence.

Hungary enters this transformation with important strengths: a significant industrial base, deep European value-chain integration and a central position in the regional energy system ►

Hungary's industrial strength remains a key advantage, while energy competitiveness will shape its next growth cycle



More investments in supply, flexibility, storage, interconnections

- Build an integrated system capable of absorbing shocks and balancing intermittent supply

Higher energy production in EU

- Scale up domestic gas, renewable and low-carbon energy production
- Reduce structural import dependence while preserving industrial competitiveness

Greater need for reliable energy supply

- Security of supply is becoming as critical as affordability and decarbonisation;
- Firm and dispatchable energy remains essential for households, industry and system stability;

Strategic diversification

- Diversify supply routes, sources and technologies to limit exposure to disruption;
- Combine domestic resources with multiple import options to avoid new dependencies;

Source: OMV Petrom G&P Market Research Team

PRESENTATION TITLE

Internal

Sources: OMV Petrom Market Research

