



Interview

BUILDING ON ITS CHALLENGER LEGACY, OSCAR DOWNSTREAM PURSUES NEW OPPORTUNITIES

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1 • **The global economy is projected to further slow down in 2023. Many companies brace for near-term resilience, amid persistent challenges. What strategies helped OSCAR Downstream outperform in the current business environment?**

Our business model is built on innovation and agility. We pay close attention to industry trends at a global level and what resonates within the Romanian market.

OSCAR Downstream has established itself as an essential player in the Romanian fuel market, an arena largely controlled by international corporations. We are a company with 100% Romanian equity that has steadily grown over the years to reach the top 5 in the fuel distribution market despite not owning a refinery like many other players.

On the other hand, we have invested more than EUR 50 million in recent years to develop the most significant, fully integrated, in-house logistics chain in the Romanian fuel distribution market. From the fuel entrance

in our ecosystem to its delivery to the final client, the distribution flow is entirely controlled by us. This ensures the high quality of products and services that clients have come to expect since the very beginning.

One aspect I am particularly proud of is our team's commitment to the company's values. To us, premium quality service, professional delivery, trust, and respect are more than simple words; they are the pillars of our long-term partnerships with our clients. We share both good and challenging times with our partners, we learn, and we grow together.

My colleagues and I are proud that our performance and dedication have been recognized by Brand Finance in this year's ranking of the most valuable 50 Romanian brands, naming OSCAR Downstream as the Romanian brand with the fastest ascent - from 42nd to 30th place, following an increase in value by 72%.

We are collectively dedicated to enhancing the legacy of our brand and maintaining our status as an industry challenger.

2. Where does OSCAR Downstream stand today in this strategic and dynamic market?

We are the largest independent fuel distribution company in Romania, part of the Romanian Alfa Group, established by the entrepreneur Alin Niculae.

We currently have a focus on B2B, with approximately 95% of our business being generated through B2B channels. More than 5,000 clients from key industries, such as transport, construction, industry and agriculture, have chosen OSCAR as a fuel supplier and business partner.

Additionally, we have a presence in the retail segment through the RO concept OSCAR fuel stations franchise, adding more than 70 units to the OSCAR network across the country. Overall, our network includes over 100 B2B and B2C stations strategically located nationwide.

Separately, we operate more than 2,500 OSCAR DIESEL Point in-house fuelling stations. This product & services concept, introduced as a premiere on the Romanian market by OSCAR in 2004, allows for direct refuelling on clients' premises. We have a dedicated service team, and we provide free maintenance services for these units.

A distinctive competitive advantage for us is owning the largest fleet in the fuel distribution industry, with over 80 tank trucks and a considerable, modern storage capacity for diesel and gasoline, reaching 70.000 cubic meters.

Our seven warehouses are strategically located within 200 km of each other to ensure efficient fuel distribution anywhere in the country - Șercaia (Brașov county), Zădăreni (Arad), Ocna Mureș (Alba), Roman (Neamț), Craiova (Dolj), Fundulea (Călărași), and Constanța. The warehouses in Șercaia, Zădăreni, Ocna Mureș, and Roman are Greenfield constructions developed from ground-up by OSCAR as environmentally-friendly constructions with premium technology. All warehouses are periodically updated with new technologies and extended, following the commitment to develop the most significant, fully integrated modern logistics chain in Romania's fuel industry.

As the business environment becomes more challenging, the only winning strategy is to continue investing and consolidating the

business. For 2024, we are planning to increase our storage capacity and further expand our in-house transportation fleet to reach a total of 100 tank trucks.

3. OSCAR Downstream has grown to become the largest independent fuel distribution company in Romania. In an energy landscape that is rapidly evolving, how is the company adapting to the changes in the market, especially in terms of sustainability and the rise of alternative fuels?

I believe that every company, whether conventional or renewable energy players, should be committed to the collective effort for a sustainable, responsible future. This belief is one that I share with the company's founder and all my colleagues.

Innovation, technological breakthroughs and vision define progress. We are constantly keeping in line with trends and new technologies that are transforming our industry in other countries, with the hope that OSCAR will be the pioneer in bringing these new technologies to Romania once the market conditions are favorable.

Diversifying our product offering to address sustainability needs is a priority for us. We have developed our fuel portfolio with new premium activated fuels such as OSCAR brands, ACTIS & FORTIS, improved & environmentally friendly fuels, also available for retail clients in the RO gas stations network.

We are part of a group of companies that are actively exploring opportunities for investment in renewable energy, starting with the installation of solar panels at our facilities. Additionally, we are considering the installation of recharging stations for electric vehicles across the OSCAR network.

In parallel, we continue to invest in automation and digitalization to streamline our operations and client interactions, thereby reducing our carbon footprint.

4. OSCAR Downstream has accumulated significant expertise in the fuel industry. How does the company stay ahead of industry trends and continue to innovate in its services and offerings?



As pressure rises on global markets, our priority is to deliver on time and prevent disruptions to clients' operations.



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Being the leader among independent fuel distributors comes with significant responsibility and motivation.

From the very beginning, we have positioned ourselves as innovators. Our unique solutions have enabled clients to achieve sustainable growth while setting a new standard for service quality in the B2B market.

A year ago, we initiated the implementation of a digitization strategy at the national level. We started by launching the new OSCAR fleet card management platform through a partnership with PetroSol, a company specializing in software solutions for the Oil & Gas industry, to offer clients a transparent management of their fuel consumption through a system that is faster, easier, and secure.

The OSCAR Fleet Cards system (namely, the prepaid OSCAR Easy card and the OSCAR Energy credit card) is one of our most emblematic services, first introduced in 2010.

The newly implemented system uses upgraded OSCAR cards equipped with the latest contactless technology, unique to the Romanian fuel market. OSCAR was the first to introduce a contactless fuel card in Romania in 2018.

Reflecting our investment in digitization, we are also automating processes at our B2B fuel stations. This initiative is aimed at providing clients with a fully digital experience and significantly reduced refuelling times at the station—a critical factor for the B2B fleets of our clients.

In parallel, we are diversifying the range of products and services available to OSCAR card clients, including the payment of road taxes (tolls) and access to car wash facilities.

5. The B2C segment through the RO franchise is a notable addition to OSCAR Downstream's business. How does the

company approach the retail market, and what opportunities does it see in this segment?

We have been observing the retail market for several years, waiting for the right market conditions to make our entry.

Retail is highly competitive and significantly different from B2B. Over the years, we have improved our knowledge while developing the RO franchise, gas stations strategically located around the country, committed to giving retail clients the fuel quality already available in B2B.

Entering the fuel retail was a natural step for us, and we hope to soon capitalize on this know-how as we are preparing to launch our own OSCAR-branded retail stations.

6. Considering the dynamic nature of the fuel market, what are the challenges you anticipate in the coming years, and how does the company plan to address them?

Predicting outcomes in our market has never been easy, but in such exceptional times, they have become almost impossible. The fuel market, of strategic importance worldwide, is deeply intertwined with geopolitical, economic and social factors.

Over the past 3 to 4 years, unprecedented global events have irreversibly changed the business landscape and our approach to business.

The war in Ukraine has compelled us to redesign our entire supply network while maintaining the premium quality standard that our clients expect.

The emerging conflict in the Middle East is anticipated to significantly affect prices, with some analysts recently forecasting a surge in Brent oil prices to USD 150 should the conflict escalate.

Our commercial team remains vigilant and trained to understand and anticipate market trends to make the best decisions that implicitly benefit our clients.